CITY OF TIFTON, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

Prepared by:
Tifton Finance Department

CITY OF TIFTON, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the City Council
City of Tifton, Georgia
Tifton, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Tifton, Georgia** (the "City") as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 18), the Schedule of Changes in Net Pension Liability and Related Ratios (on page 70), and the Schedule of Contributions (on page 71) 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and the schedules of expenditures of special purpose local option sales tax proceeds, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 05, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Tifton, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
January 5, 2022

CITY OF TIFTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

As management of the City of Tifton, Georgia (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. 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.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at June 30, 2021, by $108.8 million (reported as net position). Of this amount, $29.9 million (reported as unrestricted net position) is reported as an increase of $7.2 million.

- As of June 30, 2021, the City's governmental funds reported combined ending fund balance of $27.9 million. Approximately 41% of this total amount, $11.5 million, is unassigned fund balance in the General Fund and may be used to meet the City's ongoing obligations to citizens and creditors.

  Total net position is comprised of the following:

  - Investment in capital assets, net of related debt, is $62.9 million and includes property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items).

  - Net position of $15.9 million is restricted by constraints imposed from outside the City such as laws and regulations or debt covenants.

  - Unrestricted net position increased from $22.7 million in fiscal year 2020 to $29.9 million in fiscal year 2021.

- In the governmental activities, total assets in fiscal year 2021 increased by $1.1 million. Long-term liabilities decreased from $11.2 million in 2020 to $9.8 million in 2021 (Refer to Note 5).

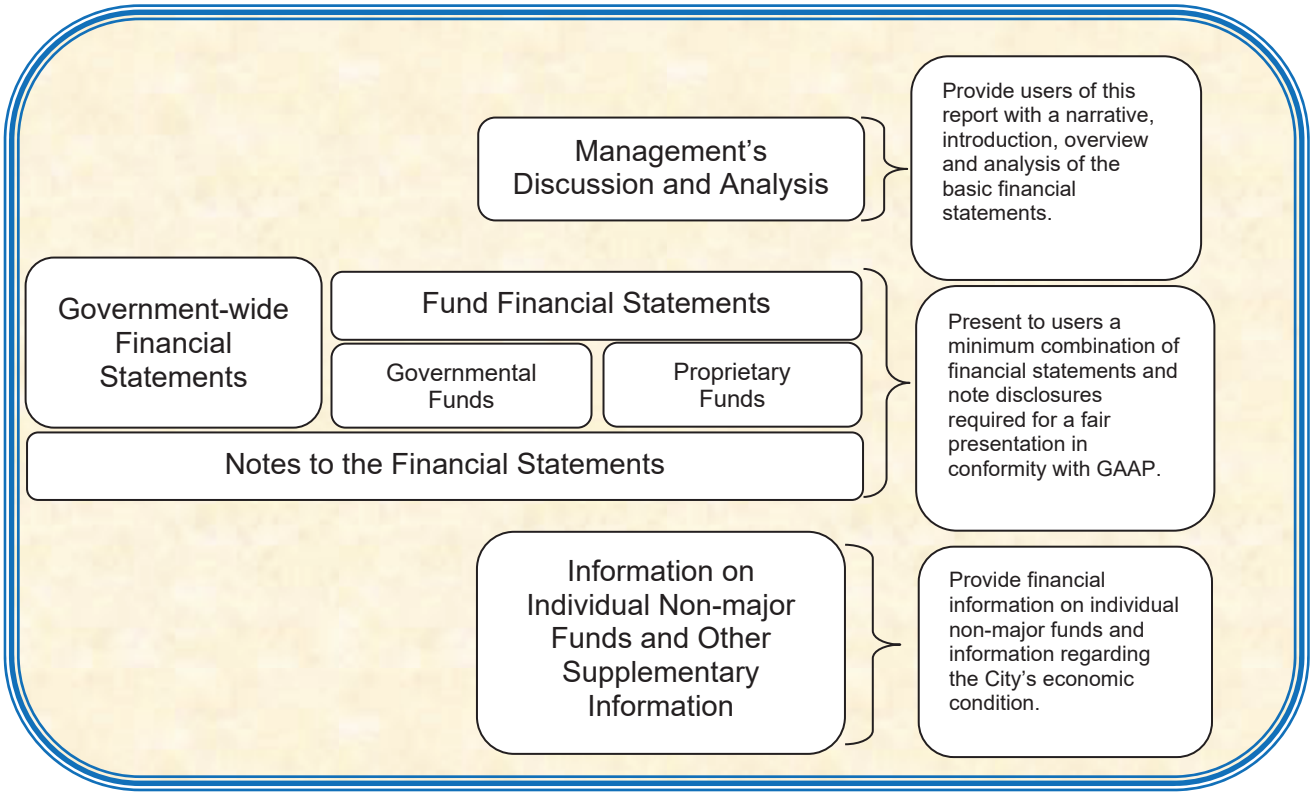
- Total revenues for governmental activities increased from $19.8 million in 2020 to $21.7 million in 2021. Total revenues for business-type activities increased from $15 million in 2020 to $16.7 million in 2021.

- Total expenses for governmental activities decreased from $16.5 million in 2020 to $15.1 million in 2021, and total expenses for business-type activities decreased from $14.5 million in 2020 to $14.1 million in 2021.

- The total cost of all City programs decreased by $1.9 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Annual Financial Report has been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") and under the guiding principles 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's Discussion and Analysis ("MD&A") document is intended to serve as an introduction to the City's basic financial statements. The basic financial statements consist of three components: 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes to the financial statements*. This report also contains required supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The City's basic financial statements include two government-wide financial statements: the statement of net position and the statement of activities. These statements provide both long-term and short-term information about the City's overall financial status and use accounting methods similar to those used by private-sector companies. All governmental and business-type activities are combined to arrive at a total for the primary government. The statement of net position presents information on all assets and liabilities of the City, with the difference between assets and liabilities reported as net position. This is the government-wide statement of net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City, as a whole, is improving or declining. Evaluation of the overall health of the City will extend to other non-financial factors, such as diversification of the taxpayer base or the condition of City infrastructure. This is, in addition to the financial information, provided in this report.

The statement of activities presents information on all revenues and expenses of the City and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions of the City. To assist in understanding the City's operations, expenses have been reported as governmental activities or business-type activities.

In the statement of net position and the statement of activities, the City is divided into three types 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, environmental management, community development, and general administration. Property taxes, sales taxes, franchise fees, insurance premium taxes, excise and occupation taxes finance the majority of these activities.

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

Component unit
The City includes the Downtown Development Authority ("DDA"), a separate legal entity, in its report. The DDA has one program: Main Street. 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 other City employees. The City is funding a portion of their budget from Hotel/Motel Tax revenues.

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 sections of the government, reporting the City's operations in more detail than the government-wide financial statements. Major funds are reported separately, while all others are combined into a single, aggregated presentation. The fund statements provide detailed information about the most significant funds and not the City as a whole. Some funds are required to be established by the City's charter. However, the 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's funds are divided into three categories: governmental, proprietary and fiduciary.

Governmental funds

Most of the City's basic services are reported in governmental funds, which focus on how money flows in 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 balance sheet and the statement of revenues, expenditures, and changes in fund balances) and governmental funds are described in the reconciliation at the bottom of the fund financial statements.

Proprietary funds

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 maintains two types of proprietary funds:

Enterprise fund

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 has five enterprise funds: Water, Sewer, Gas, Solid Waste Collection and Disposal, and Tift Theatre.

Internal service fund

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 departments or funds of the City. The estimated cost of operating the internal service fund is charged to separate departments during the fiscal year and allocated at year-end based on the actual expenses of the different departments therein and is accounted for in the governmental activities of the government-wide financial statements.

Notes to the Financial Statements

Notes to the financial statements provide additional detail concerning the financial activities and financial balances of the City. Additional information about the accounting practices of the City, investments of the City, capital assets, and long-term debt are some of the items included in the notes to the financial statements. The notes are essential to a full understanding of the government-wide and fund financial statements.

Required Supplementary Information

In addition to this MD&A, which is required supplementary information, the basic financial statements are followed by a section of other required supplementary information that further explains and supports the information in the financial statements. This section of the report includes the City's funding progress for other post-employment benefits.

Supplementary Information

Supplementary information includes combining financial statements for the City's nonmajor governmental funds, and a schedule of expenditures of Special Purpose Local Option Sales Tax ("SPLOST") proceeds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following schedule provides a summary of assets, liabilities, and net assets of the City for fiscal years 2021 and 2020:

City of Tifton's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	**2021**	2020	**2021**	2020
Current and other assets	**$ 30,013,568**	$ 25,968,034	**$ 34,421,996**	$ 31,348,661	**$ 64,435,564**	$ 57,316,695
Capital assets	**36,122,548**	36,184,987	**32,443,742**	32,940,685	**68,566,290**	69,125,672
Total assets	**66,136,116**	62,153,021	**66,865,738**	64,289,346	**133,001,854**	126,442,367
Deferred outflows of resources	**1,911,029**	3,450,614	**674,175**	1,157,760	**2,585,204**	4,608,374
Other liabilities	**516,169**	686,021	**2,204,724**	3,143,874	**2,720,893**	3,829,895
Long-term liabilities outstanding	**9,772,701**	11,229,613	**11,724,455**	11,499,889	**21,497,156**	22,729,502
Total liabilities	**10,288,870**	11,915,634	**13,929,179**	14,643,763	**24,218,049**	26,559,397
Deferred inflows of resources	**2,203,235**	4,051,913	**390,959**	883,453	**2,594,194**	4,935,366
Net position:						
Net investment in capital assets	**31,665,227**	31,716,125	**31,224,289**	31,199,532	**62,889,516**	62,915,657
Restricted	**15,976,116**	13,907,016	**-**	-	**15,976,116**	13,907,016
Unrestricted	**7,913,697**	4,012,947	**21,995,486**	18,720,358	**29,909,183**	22,733,305
Total net position	**$ 55,555,040**	$ 49,636,088	**$ 53,219,775**	$ 49,919,890	**$ 108,774,815**	$ 99,555,978

The City's investments in capital assets, net of related debt, such as land, buildings, machinery, infrastructures, and equipment as a percentage of net position represents 58% and 63% for fiscal year 2021 and 2020, respectively. These asset values are presented less any outstanding debt related to the acquisition and including accumulated depreciation of those assets. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the capital assets themselves cannot be used to liquidate that liability and, therefore, other resources will be needed to repay any associated debt.

The City's unrestricted net position increased $7.2 million and restricted net position increased $2.1 million for fiscal year 2021. Unrestricted net position represents City resources that may be used to meet the City's ongoing obligations to citizens and creditors while restricted net position represents resources subject to external restrictions.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the government, as a whole, as well as its separate governmental and business-type activities.

The schedule below provides a summary of the changes in net assets for fiscal years 2021 and 2020:

City of Tifton's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	**2021**	2020	**2021**	2020
Revenues						
Program revenues:						
Charges for services	**$ 3,816,870**	$ 3,436,212	**$ 16,506,518**	$ 15,316,204	**$ 20,323,388**	$ 18,752,416
Operating grants and contributions	**174,748**	142,376	**-**	-	**174,748**	142,376
Capital grants and contributions	**5,087,703**	3,850,896	**-**	-	**5,087,703**	3,850,896
General revenues:						
Property taxes	**3,655,037**	4,093,717	**-**	-	**3,655,037**	4,093,717
Sales taxes	**3,744,039**	3,135,874	**-**	-	**3,744,039**	3,135,874
Insurance premium tax	**1,317,992**	1,249,067	**-**	-	**1,317,992**	1,249,067
Alcoholic beverage taxes	**688,984**	517,489	**-**	-	**688,984**	517,489
Hotel/motel taxes	**1,120,609**	971,420	**-**	-	**1,120,609**	971,420
Franchise taxes	**1,189,387**	1,377,141	**-**	-	**1,189,387**	1,377,141
Other taxes	**846,068**	879,753	**-**	-	**846,068**	879,753
Unrestricted investment earnings	**81,090**	220,388	**112,441**	567,813	**193,531**	788,201
Gain on sale of capital assets	**-**	-	**36,550**	-	**36,550**	-
Total revenues	**21,722,527**	19,874,333	**16,655,509**	15,884,017	**38,378,036**	35,758,350
Expenses						
General government	**3,439,236**	4,095,856	**-**	-	**3,439,236**	4,095,856
Judicial	**175,314**	218,131	**-**	-	**175,314**	218,131
Public safety	**6,606,078**	6,760,171	**-**	-	**6,606,078**	6,760,171
Public works	**3,143,558**	3,668,645	**-**	-	**3,143,558**	3,668,645
Health and welfare	**219,764**	255,122	**-**	-	**219,764**	255,122
Culture and recreation	**551,481**	215,076	**-**	-	**551,481**	215,076
Housing and development	**955,076**	865,384	**-**	-	**955,076**	865,384
Interest on long-term debt	**23,146**	449,033	**-**	-	**23,146**	449,033
Water	**-**	-	**2,851,324**	2,817,314	**2,851,324**	2,817,314
Sewer	**-**	-	**3,929,545**	4,341,006	**3,929,545**	4,341,006
Gas	**-**	-	**3,698,191**	3,384,660	**3,698,191**	3,384,660
Solid waste	**-**	-	**3,444,159**	3,765,652	**3,444,159**	3,765,652
Tift Theatre	**-**	-	**122,327**	220,892	**122,327**	220,892
Total expenses	**15,113,653**	16,527,418	**14,045,546**	14,529,524	**29,159,199**	31,056,942
Change in net position before transfers	**6,608,874**	3,346,915	**2,609,963**	1,354,493	**9,218,837**	4,701,408
Transfers	**(689,922)**	(999,557)	**689,922**	999,557	**-**	-
Change in net position	**5,918,952**	2,347,358	**3,299,885**	2,354,050	**9,218,837**	4,701,408
Net position, beginning	**49,636,088**	47,288,730	**49,919,890**	47,565,840	**99,555,978**	94,854,570
Net position, ending	**$ 55,555,040**	$ 49,636,088	**$ 53,219,775**	$ 49,919,890	**$ 108,774,815**	$ 99,555,978

The City's total revenues increased by $2.6 million in fiscal year 2021. Key elements of this increase are as follows:

- Capital Grants and Contributions revenue increased $1.2 million and sales tax increased $608 thousand.

The total cost of all programs and services for fiscal year 2021 was $29.2 million compared to $31.9 million for fiscal year 2020. This change is primarily due to the operations. City-wide expenses and revenues cover a range of services with public safety comprising 5.9% of total expenses.

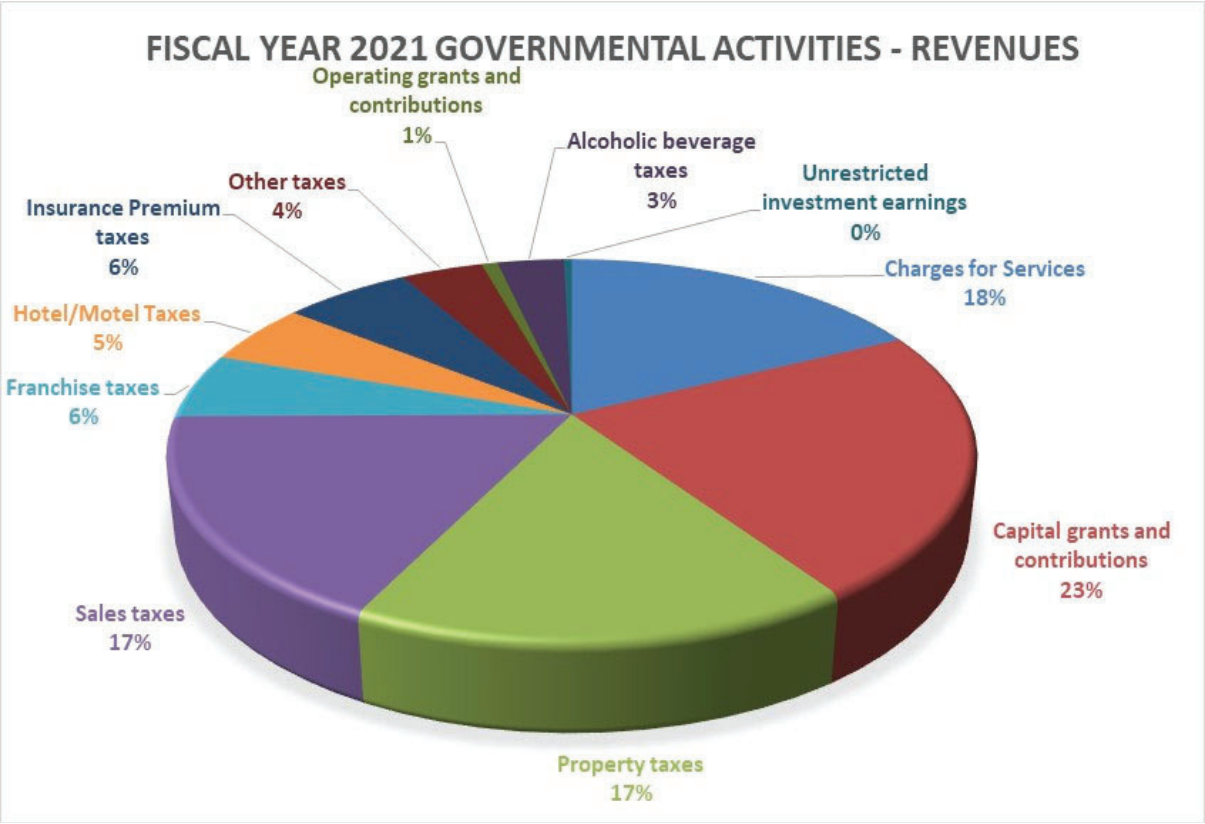
Governmental Activities

Total governmental activities revenues increased by $1.9 million. This increase is mainly attributable to increase in capital grants and contributions. There was an increase in sales tax collections and other taxes.

Charges for services and sales tax and insurance premium tax account for 41% of total governmental activities revenues. Property taxes and capital grants and contributions for another 17% and 23%, respectively.

The following charts depict revenues of the governmental activities for fiscal years 2021 and 2020, excluding transfers:

	2021	2020	Change
Revenues			
Charges for services	**$ 3,816,870**	$ 3,436,212	$ 380,658
Capital grants and contributions	**5,087,703**	3,850,896	1,236,807
Property taxes	**3,655,037**	4,093,717	(438,680)
Sales taxes	**3,744,039**	3,135,874	608,165
Franchise taxes	**1,189,387**	1,377,141	(187,754)
Hotel/motel taxes	**1,120,609**	971,420	149,189
Insurance premium taxes	**1,317,992**	1,249,067	68,925
Other taxes	**846,068**	879,753	(33,685)
Operating grants and contributions	**174,748**	142,376	32,372
Alcoholic beverage taxes	**688,984**	517,489	171,495
Unrestricted investment earnings	**81,090**	220,388	(139,298)
Total governmental revenues	**$ 21,722,527**	$ 19,874,333	$ 1,848,194

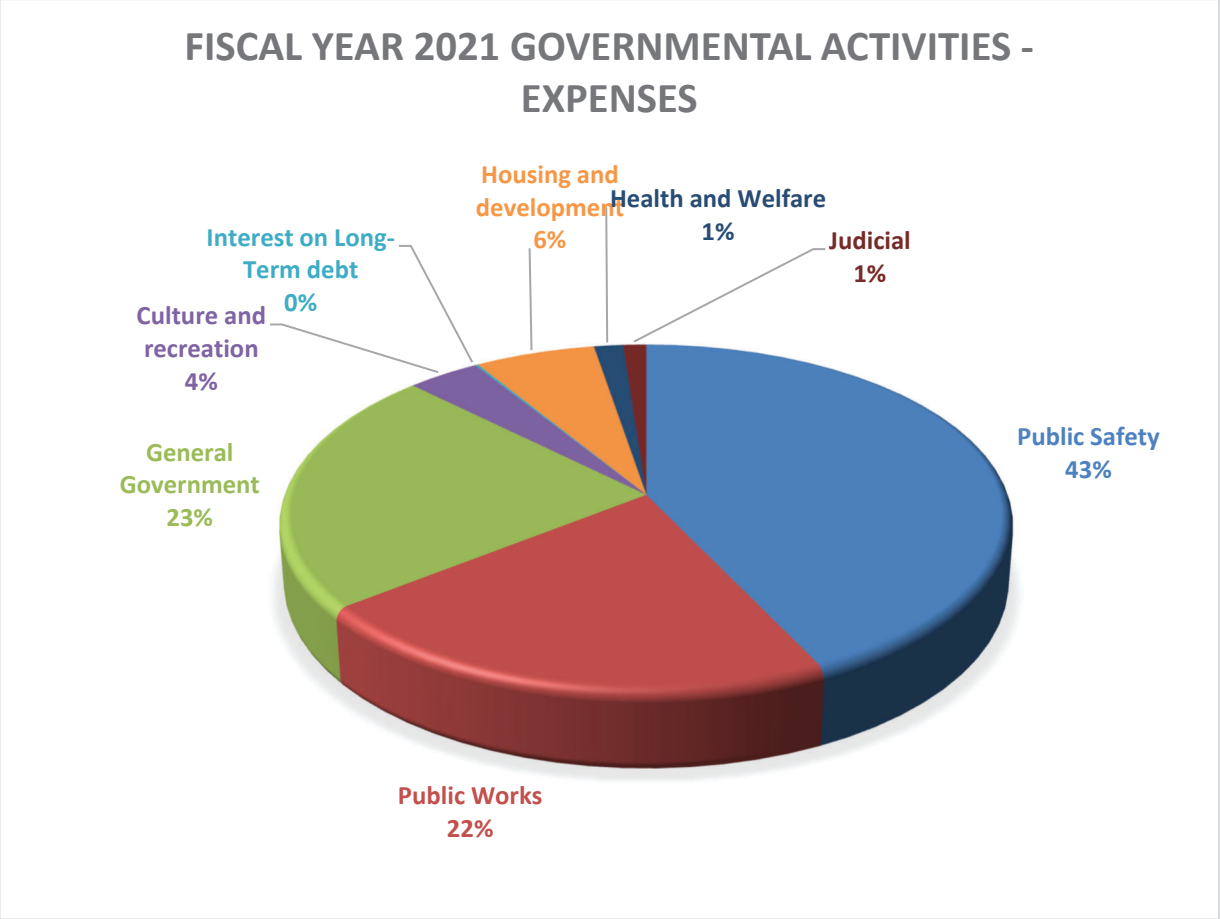


Total governmental activities expenditures decreased by $1.4 million. This decrease is mainly attributable to public safety and general government.

The most significant governmental expense for the City is providing public safety services such as fire, police and public works. This comprises 65% of the total governmental expenses. Revenues collected from a variety of sources, such as fines and forfeitures, offset a portion of the public safety expenses. The next largest City cost is general government, which is 23% of total governmental expenses.

The following charts depict expenses of the governmental activities for fiscal years 2021 and 2020:

	2021	2020	Change
Expenses			
Public safety	**$ 6,606,078**	$ 6,760,171	$ (154,093)
Public works	**3,143,558**	3,668,645	(525,087)
General government	**3,439,236**	4,095,856	(656,620)
Culture and recreation	**551,481**	215,076	336,405
Interest on long-term debt	**23,146**	449,033	(425,887)
Housing and development	**955,076**	865,384	89,692
Health and welfare	**219,764**	255,122	(35,358)
Judicial	**175,314**	218,131	(42,817)
Total governmental expenses	**$ 15,113,653**	$ 16,527,418	$ (1,413,765)

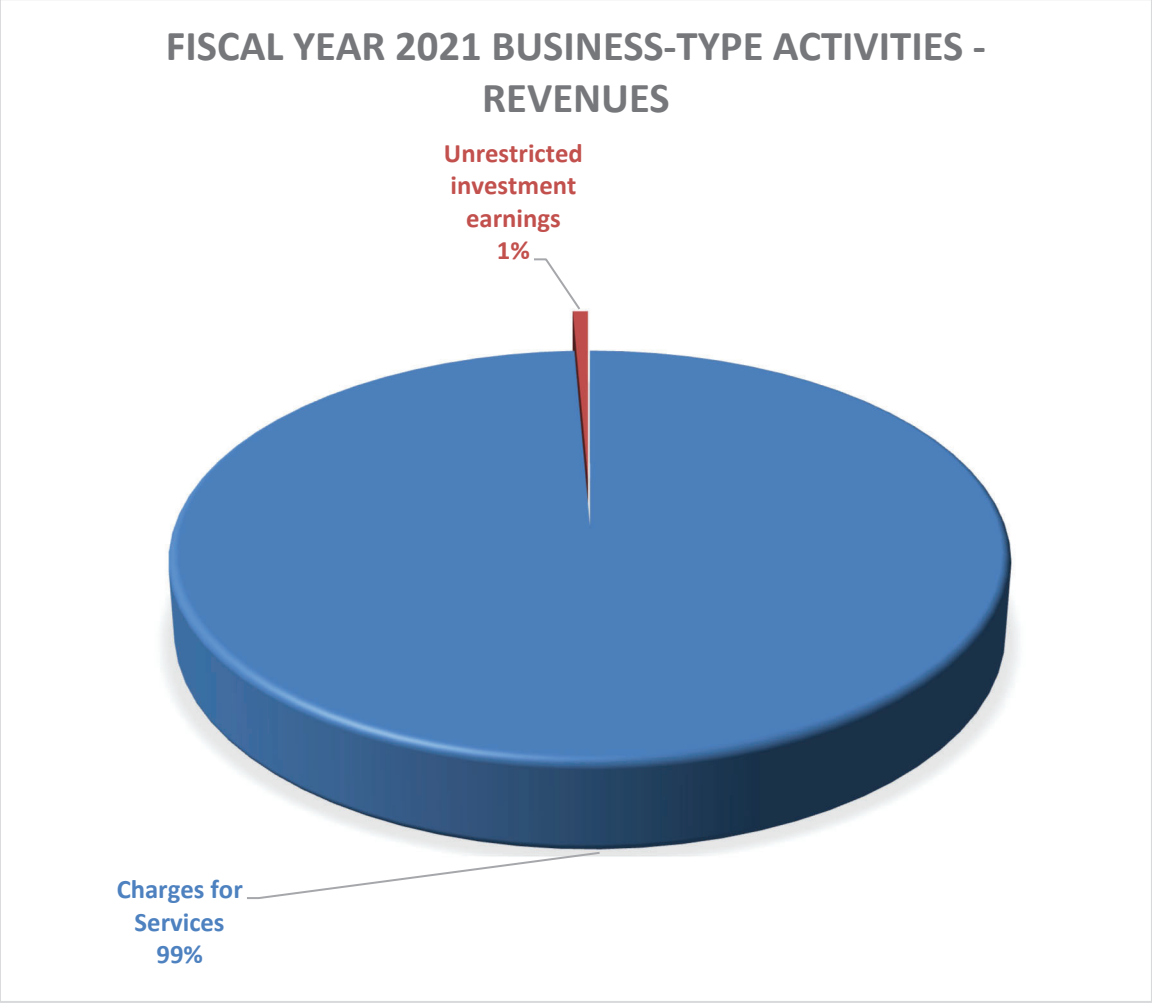


Business-Type Activities

Operating revenues of the business-type activities decreased by $771 thousand in 2021. Charges for services, which account for 99% of total business-type revenues, slightly increased; however, that increase was partially offset by an increase in unrestricted investment earnings.

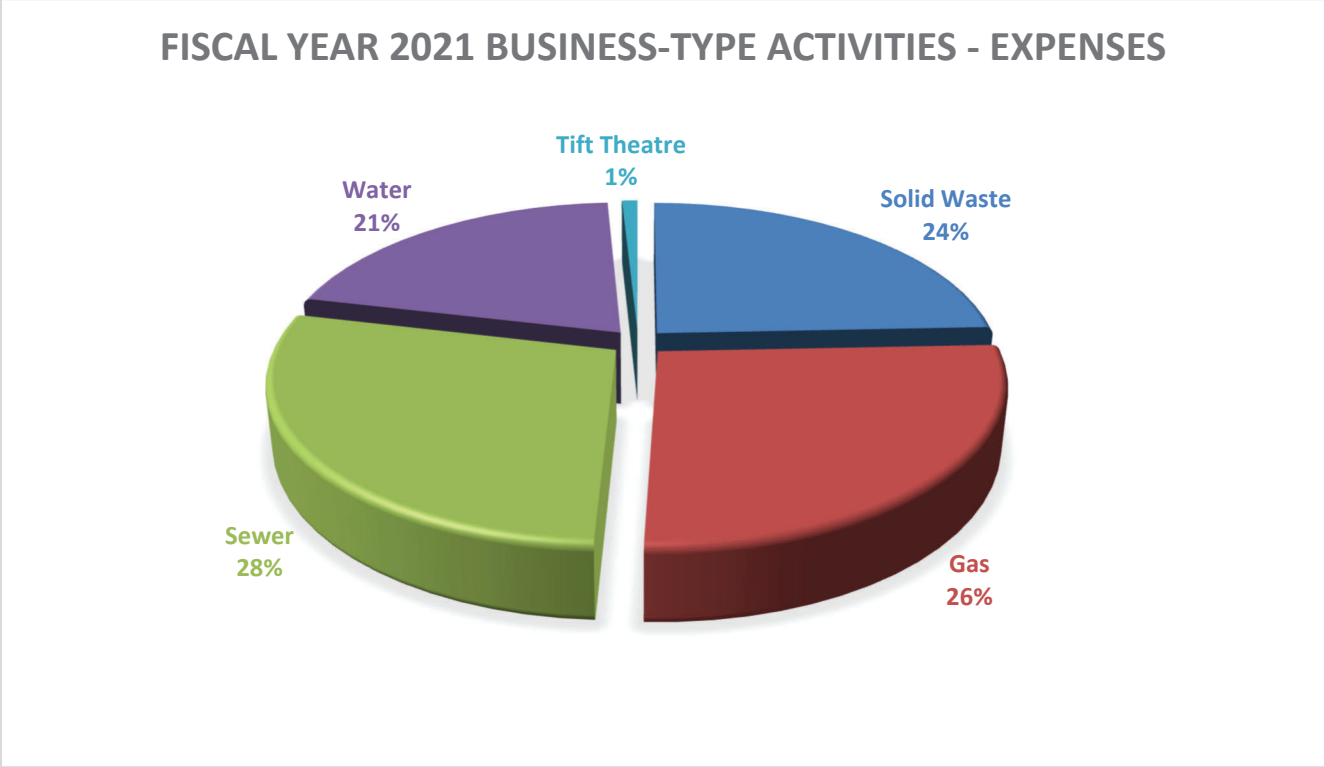
The following charts depict revenues of the business-type activities for fiscal years 2021 and 2020:

	2021	2020	Change
Revenues			
Charges for services	**$ 16,506,518**	$ 15,316,204	$ 1,190,314
Gain on sale of capital assets	**36,550**	-	36,550
Unrestricted investment earnings	**112,441**	567,813	(455,372)
Total business-type revenues	**$ 16,655,509**	$ 15,884,017	$ 771,492



The cost of all business-type activities this fiscal year was $14.1 million compared to $14.4 million in the prior year. The $14.1 million in expenses was mostly covered by $16.5 million in amounts paid by the users of the systems. The following charts depict expenses of the business-type activities for fiscal years 2021 and 2020:

	2021	2020	Change
Expenses			
Solid Waste	**$ 3,444,159**	$ 3,599,062	$ (154,903)
Gas	**3,698,191**	3,384,660	313,531
Sewer	**3,929,545**	4,341,006	(411,461)
Water	**2,851,324**	2,817,314	34,010
Tift Theatre	**122,327**	220,892	(98,565)
Total business-type expenses	**$ 14,045,546**	$ 14,362,934	$ (317,388)



FINANCIAL ANALYSIS OF THE FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. In assessing the City's financing requirements, unassigned fund balance is a particularly useful measure of net resources available for spending at the end of the year.

The City's combined fund balance for governmental funds was $27.9 million in 2021 as compared to $22.6 million in 2020. Approximately $11.5 million of the fund balance is unassigned, which is available for spending at the City's discretion. Around $462,751 is classified as non-spendable and is reserved for prepaid expenses and advances to other funds. The remainder of the fund balance is restricted and is not available for spending because restrictions have been placed on the amounts by external sources, such as creditors, grantors, and laws or regulations.

General Fund

The General Fund is the City's primary operating fund. It is used to account for financial resources that are not restricted by state or Federal laws or other externally imposed requirements. As of June 30, 2021, total assets were $14.4 million and total liabilities were $2.6 million. This net increase, when combined with deferred inflows of resources of $108 thousand, resulted in an increase in fund balance to $11.7 million as of June 30, 2021 from $9.3 million as of June 30, 2020.

Operating revenues increased by $1.3 million due to an increase in sales tax, property taxes and other taxes.

SPLOST IV

The SPLOST IV (Special Purpose Local Option Sales Tax) Fund accounts for financial resources provided from the 1% local option sales tax. These resources must be used for various building projects and sewer, water, storm drainage and road improvements throughout the City. At the end of fiscal year 2021, the SPLOST IV Fund had a restricted fund balance of $1.15 million, same as fiscal year 2020.

SPLOST V

The SPLOST V (Special Purpose Local Option Sales Tax) Fund accounts for financial resources provided from the 1% local option sales tax. These resources must be used for various building projects. At the end of fiscal year 2021, the SPLOST V Fund had a restricted fund balance of $3.2 million, a decrease of $376 thousand from the prior year.

SPLOST VI

The SPLOST VI (Special Purpose Local Option Sales Tax) Fund accounts for financial resources provided from the 1% local option sales tax. These resources must be used for various building projects and sewer, water, storm drainage, property acquisition and demolition and road improvements throughout the City. At the end of fiscal year 2021, the SPLOST VI Fund had a restricted fund balance of $5.6 million. Collections for this SPLOST VI Fund started in January 2019.

Capital Projects Fund

The Capital Projects Fund accounts for the leasing of certain equipment through the lease pool agreement with the Georgia Municipal Association ("GMA"). As of June 30, 2021, the Capital Projects Fund had a restricted fund balance of $2.7 million, same as last year.

Proprietary fund statements provide the same information as in the business-type column of the government-wide statements, but in greater detail.

As of June 30, 2021, the total net position was $53.2 million, an increase of $3.3 million from the prior year. Of the total net position, $31.2 million was invested in capital assets net of related debt and $22 million was unrestricted. Operating revenues increased $1.1 million in fiscal year 2021, and operating expenses decreased $209 thousand.

Operating income is the result of operating revenues less operating expenses.

Water Revenue Fund

For fiscal year 2021, the water revenue fund reflects operating income of $995 thousand compared to 2020 operating income of $981 thousand. Operating expenses increased $75 thousand.

Sewer Revenue Fund

The sewer revenue fund reflects an operating gain of $313 thousand, compared to an operating loss of $318 thousand in 2020. Operating expenses decreased $405 thousand, which was due to Utilities and Maintenance and Repairs for equipment.

Gas Revenue Fund

The gas revenue fund experienced an operating gain of $811 thousand in 2021, compared to an operating gain of $582 thousand in 2020. This inconsistency in operating income is a result of varying climate conditions. Operating expenses increased $316 thousand, which was due to the gallons of gas purchased and system repairs and maintenance.

Solid Waste Collection and Disposal Fund

The solid waste collection and disposal fund had an operating gain of $454 thousand in fiscal year 2021, compared to an operating loss of $19 thousand in 2020. Operating expenses decreased by $155 thousand due to contract services and miscellaneous expenditures.

Internal Service Fund

In fiscal year 2021, the internal service fund had an operating loss of $290 thousand compared to operating loss of $165 thousand in fiscal year 2020. The 2020 decrease is due to personnel services and charges for services.

Tift Theatre Fund

In fiscal year 2021, the Tift Theatre fund had an operating loss of $101 thousand compared to a loss of $200 thousand in fiscal year 2020 due to lower expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget to actual statement is presented in the basic financial statements. The original and final approved revenue budgets for fiscal year 2021 were $14 million. General Fund revenues were $317 thousand more than the final budget amounts. There was an increase in property tax collections as well other revenues.

The original and final approved expenditure budgets for fiscal year 2021 were $14.2 million and $14.5 million, respectively. Actual expenditures were $22 thousand less than the final budget amounts.

Generally, amendments are done to: 1) appropriate fund balance for encumbrance from prior years; 2) adjust the estimates that are used to prepare the original budget resolution once the exact information is available; 3) recognize new funding sources from external resources, such as Federal, state and local grants; 4) appropriate increases that become necessary to maintain services; and 5) provide appropriations between departments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At year-end, the City had $68.6 million, net of accumulated depreciation, invested in a variety of capital assets, as reflected in the following schedule. The net decrease (additions, deletions, and depreciation/amortization) of $559 thousand from the end of 2020 is primarily due to the fiscal year 2021 additions to accumulated depreciation offset by additions to construction in progress, buildings and improvements.

Additional information regarding the capital assets of the City can be found in Note 4 of the basic financial statements.

City of Tifton's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	**2021**	2020	**2021**	2020
Land	**$ 3,160,597**	$ 3,160,597	**$ 582,835**	$ 582,835	**$ 3,743,432**	$ 3,743,432
Construction in progress	**-**	-	**245,719**	605,151	**245,719**	605,151
Buildings and improvements	**6,316,836**	6,577,205	**238,879**	264,783	**6,555,715**	6,841,988
Distribution system	**-**	-	**27,691,163**	28,203,649	**27,691,163**	28,203,649
Landfill	**-**	-	**801,757**	855,711	**801,757**	855,711
Machinery and equipment	**3,440,660**	2,328,409	**2,883,389**	2,428,556	**6,324,049**	4,756,965
Infrastructure	**23,204,455**	24,118,776	**-**	-	**23,204,455**	24,118,776
Total	**$ 36,122,548**	$ 36,184,987	**$ 32,443,742**	$ 32,940,685	**$ 68,566,290**	$ 69,125,672

Long-Term Debt

The State of Georgia limits the amount of general obligation that a unit of government can issue to 10% of the total assessed value of the taxable property within the City's boundaries. The legal debt margin for the City is $37.4 million based on the City's 2021 gross digest. However, the City has no general obligation bond.

- The City's long-term debt consists of notes payable, certificates of participation, pension obligations, accrued vacation pay, and closure/post-closure costs. At June 30, 2021 and 2020, the City had $22.4 million and $24.2 million in debt outstanding, respectively. The decrease is primarily due to the net pension liability and landfill post-closure.

More detailed information about the City's long-term debt is presented in Note 5 in the notes to the financial statements.

Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2021	2020	**2021**	2020	**2021**	2020
Notes payable	**$ -**	$ -	**$ 250,735**	$ 396,153	**$ 250,735**	$ 396,153
Bonds payable	**-**	-	**690,000**	1,345,000	**690,000**	1,345,000
Certificates of participation	**4,444,000**	4,444,000	**-**	-	**4,444,000**	4,444,000
Compensated absences	**298,860**	293,643	**17,236**	17,742	**316,096**	311,385
Net pension liability	**5,044,784**	6,506,140	**1,779,717**	2,182,963	**6,824,501**	8,689,103
Landfill post-closure	**-**	-	**9,548,901**	9,049,773	**9,548,901**	9,049,773
Total	**$ 9,787,644**	$ 11,243,783	**$ 12,286,589**	$ 12,991,631	**$ 22,074,233**	$ 24,235,414

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's unemployment rate in 2021 was 2.6% compared to 3.7% in 2020. In contrast, both the statewide and national annual averages were 2.8% and 3.4%, respectively.

- The tax digest for 2021 slightly increased due to new commercial development and renovations.

- The fiscal year 2021 budget totals $42.5 million for all funds, a $800 thousand decrease from the fiscal year 2020 final budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional information, contact the City of Tifton Finance Department, P.O. Box 229, Tifton, Georgia 31793-0229 or visit our website at www.tifton.net.

BASIC FINANCIAL STATEMENTS

CITY OF TIFTON, GEORGIA

STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Primary Government			Component Unit
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Downtown Development Authority**
Cash and cash equivalents	$ 18,153,277	$ 22,101,938	$ 40,255,215	$ 1,502,110
Investments	10,403,420	8,212,779	18,616,199	370,195
Taxes receivable	258,756	-	258,756	-
Accounts receivable, net of allowances	309,732	1,643,882	1,953,614	47,499
Interest receivable	-	-	-	1,518
Notes receivable	-	112,573	112,573	229,875
Due from other governments	981,111	-	981,111	-
Due from component units	179,344	-	179,344	-
Internal balances	(2,350,824)	2,350,824	-	-
Inventories	522,071	-	522,071	-
Prepaid expenses	462,751	-	462,751	-
Fair value of interest rate swap agreement	1,093,930	-	1,093,930	-
Capital assets:				
Non-depreciable	3,160,597	828,554	3,989,151	326,257
Depreciable, net	32,961,951	31,615,188	64,577,139	1,705,952
Total assets	66,136,116	66,865,738	133,001,854	4,183,406
DEFERRED OUTFLOWS OF RESOURCES				
Pension experience differences	286,758	101,165	387,923	-
Pension assumption changes	852,684	300,807	1,153,491	-
Pension contributions	771,587	272,203	1,043,790	-
Total deferred outflows of resources	1,911,029	674,175	2,585,204	-
LIABILITIES				
Accounts payable	328,133	199,423	527,556	38,203
Retainage payable	13,321	-	13,321	-
Accrued liabilities	159,772	9,634	169,406	402
Accrued interest	-	9,395	9,395	-
Due to primary government	-	-	-	179,344
Customer deposits payable	-	1,145,420	1,145,420	-
Net pension liability	5,044,784	1,779,717	6,824,501	-
Notes payable due within one year	-	150,044	150,044	58,580
Notes payable due in more than one year	-	379,409	379,409	136,247
Revenue bonds payable due in more than one year	-	690,000	690,000	-
Certificates of participation due in more than one year	4,444,000	-	4,444,000	-
Compensated absences due within one year	14,943	808	15,751	-
Compensated absences due in more than one year	283,917	16,428	300,345	-
Landfill closure/post-closure care costs due in more than one year	-	9,548,901	9,548,901	-
Total liabilities	10,288,870	13,929,179	24,218,049	412,776
DEFERRED INFLOWS OF RESOURCES				
Accumulated increase in fair value of hedging derivatives	1,093,930	-	1,093,930	-
Pension experience differences	584,173	205,701	789,874	-
Pension investment return	525,132	185,258	710,390	-
Total deferred inflows of resources	2,203,235	390,959	2,594,194	-
NET POSITION				
Net investment in capital assets	31,665,227	31,224,289	62,889,516	1,837,382
Restricted for tourism	2,293,651	-	2,293,651	-
Restricted for capital outlay	13,365,819	-	13,365,819	-
Restricted for public safety	137,302	-	137,302	-
Restricted for housing and development	179,344	-	179,344	-
Unrestricted	7,913,697	21,995,486	29,909,183	1,933,248
Total net position	$ 55,555,040	$ 53,219,775	$ 108,774,815	$ 3,770,630

The accompanying notes are an integral part of these financial statements.

CITY OF TIFTON, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Total	Net (Expenses) Revenues and Changes in Net Position: Downtown Development Authority
Primary government								
Governmental activities:								
General government	$ 3,439,236	$ 2,777,640	$ 174,748	$ -	$ (486,848)	$ -	$ (486,848)	$ -
Judicial	175,314	-	-	-	(175,314)	-	(175,314)	-
Public safety	6,606,078	679,419	-	2,721,111	(3,205,548)	-	(3,205,548)	-
Public works	3,143,558	-	-	2,361,592	(781,966)	-	(781,966)	-
Health and welfare	219,764	154,197	-	5,000	(60,567)	-	(60,567)	-
Culture and recreation	551,481	-	-	-	(551,481)	-	(551,481)	-
Housing and development	955,076	205,614	-	-	(749,462)	-	(749,462)	-
Interest on long-term debt	23,146	-	-	-	(23,146)	-	(23,146)	-
Total governmental activities	15,113,653	3,816,870	174,748	5,087,703	(6,034,332)	-	(6,034,332)	-
Business-type activities:								
Water	2,851,324	3,847,262	-	-	-	995,938	995,938	-
Sewer	3,929,545	4,241,627	-	-	-	312,082	312,082	-
Gas	3,698,191	4,498,164	-	-	-	799,973	799,973	-
Solid waste collection and disposal	3,444,159	3,897,810	-	-	-	453,651	453,651	-
Tift Theatre	122,327	21,655	-	-	-	(100,672)	(100,672)	-
Total business-type activities	14,045,546	16,506,518	-	-	-	2,460,972	2,460,972	-
Total primary government	$ 29,159,199	$ 20,323,388	$ 174,748	$ 5,087,703	(6,034,332)	2,460,972	(3,573,360)	-
Component unit:								
Tifton Downtown Development Authority	$ 341,678	$ 7,800	$ 10,000	$ 226,768	-	-	-	(97,110)
Total component unit	$ 341,678	$ 7,800	$ 10,000	$ 226,768	-	-	-	(97,110)
General revenues:								
Property taxes					3,655,037	-	3,655,037	-
Sales taxes					3,744,039	-	3,744,039	-
Insurance premium tax					1,317,992	-	1,317,992	-
Alcoholic beverage taxes					688,984	-	688,984	-
Hotel/motel taxes					1,120,609	-	1,120,609	-
Franchise taxes					1,189,387	-	1,189,387	-
Other taxes					846,068	-	846,068	-
Unrestricted investment earnings					81,090	112,441	193,531	20,906
Gain on sale of capital assets					-	36,550	36,550	-
Transfers					(689,922)	689,922	-	-
Total general revenues and transfers					11,953,284	838,913	12,792,197	20,906
Change in net position					5,918,952	3,299,885	9,218,837	(76,204)
Net position, beginning of year					49,636,088	49,919,890	99,555,978	3,846,834
Net position, end of year					$ 55,555,040	$ 53,219,775	$ 108,774,815	$ 3,770,630

The accompanying notes are an integral part of these financial statements.

CITY OF TIFTON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

ASSETS	General Fund	SPLOST V Fund	SPLOST VI Fund
Cash and cash equivalents	$ 3,682,573	$ 3,377,587	$ 6,001,207
Investments	7,115,111	-	-
Taxes receivable, net	97,764	-	-
Accounts receivable, net	308,880	-	-
Due from other governments, net	324,620	-	630,147
Due from other funds	2,373,334	-	11,542
Due from component unit	-	-	-
Advances from other funds	1,080,000	-	-
Prepaid expenditures	462,751	-	-
Total assets	$ 15,445,033	$ 3,377,587	$ 6,642,896
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 147,512	$ -	$ -
Retainage payable	-	13,321	-
Accrued liabilities	150,186	-	-
Due to other funds	3,381,206	127,999	7,057
Advance to other funds	-	-	1,080,000
Total liabilities	3,678,904	141,320	1,087,057
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	107,777	-	-
Unavailable revenue - grants	-	-	-
Total deferred inflows of resources	107,777	-	-
FUND BALANCES			
Non-spendable:			
Prepaid expenditures	462,751	-	-
Restricted for:			
Capital outlay	-	3,236,267	5,555,839
Public safety	-	-	-
Tourism	-	-	-
Housing and development	-	-	-
Unassigned	10,115,601	-	-
Total fund balances	11,658,352	3,236,267	5,555,839
Total liabilities, deferred inflows of resources and fund balances	$ 15,445,033	$ 3,377,587	$ 6,642,896

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.
These deferred outflows of resources consist of pension related experience differences, assumption changes, and differences between projected and actual earnings on plan investments.

Internal service funds are used by management to charge the costs of certain administrative functions to individual funds.
Assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.
Certificates of participation
Compensated absences
Net pension liability

Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension related experience differences, and assumption changes.

Net position of governmental activities

The accompanying notes are an integral part of these financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ 4,559,235	$ 17,620,602
3,288,309	10,403,420
160,992	258,756
-	308,880
26,344	981,111
164,839	2,549,715
179,344	179,344
-	1,080,000
-	462,751
$ 8,379,063	$ 33,844,579
$ 163,908	$ 311,420
-	13,321
-	150,186
750,425	4,266,687
-	1,080,000
914,333	5,821,614
-	107,777
16,865	16,865
16,865	124,642
-	462,751
4,573,713	13,365,819
137,302	137,302
2,293,651	2,293,651
179,344	179,344
263,855	10,379,456
7,447,865	27,898,323
$ 8,379,063	
	36,122,548
	124,642
	1,869,679
	298,284
	(4,444,000)
	(293,504)
	(4,935,623)
	(1,085,309)
	$ 55,555,040

CITY OF TIFTON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	SPLOST V Fund	SPLOST VI Fund
REVENUES			
Taxes	$ 8,171,709	$ -	$ -
Sales taxes	3,744,039	-	-
Charges for services	428,571	-	-
Licenses and permits	348,357	-	-
Intergovernmental	154,748	-	3,679,361
Fines and forfeitures	523,179	-	-
Interest revenue	4,856	959	2,473
Contributions	-	21,000	-
Other revenues	2,373,018	-	-
Total revenues	15,748,477	21,959	3,681,834
EXPENDITURES			
Current:			
General government	2,909,555	-	-
Judicial	237,147	-	-
Public safety	6,655,239	-	-
Public works	2,029,027	-	-
Health and welfare	216,329	-	-
Culture and recreation	-	-	-
Housing and development	954,688	-	-
Capital outlay	-	398,082	1,863,692
Debt service:			
Interest	-	-	-
Total expenditures	13,001,985	398,082	1,863,692
Excess (deficiency) of revenues over (under) expenditures	2,746,492	(376,123)	1,818,142
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(366,881)	-	-
Total other financing sources (uses)	(366,881)	-	-
Net change in fund balances	2,379,611	(376,123)	1,818,142
Fund balances, beginning of year	9,278,741	3,612,390	3,737,697
Fund balances, end of year	$ 11,658,352	$ 3,236,267	$ 5,555,839

The accompanying notes are an integral part of these financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ 1,120,609	$ 9,292,318
-	3,744,039
-	428,571
-	348,357
1,426,806	5,260,915
122,745	645,924
74,124	82,412
-	21,000
-	2,373,018
2,744,284	22,196,554
32,727	2,942,282
-	237,147
258,180	6,913,419
-	2,029,027
-	216,329
578,040	578,040
-	954,688
529,651	2,791,425
23,146	23,146
1,421,744	16,685,503
1,322,540	5,511,051
451,109	451,109
(253,807)	(620,688)
197,302	(169,579)
1,519,842	5,341,472
5,928,023	22,556,851
$ 7,447,865	$ 27,898,323

CITY OF TIFTON, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	5,341,472
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Total capital outlay		2,465,693
Total depreciation		(2,007,789)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations, transfers to enterprise funds) is to decrease net position.		(520,343)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(474,241)
Internal service funds are used by management to charge the costs of certain functions to individual funds. The net loss of certain activities in the internal service funds is reported with governmental activities.		(290,097)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The adjustments for these items are as follows:		
Compensated absences		(7,457)
Net pension liability and related deferred inflows and outflows of resources		1,411,714
Change in net position - governmental activities	$	5,918,952

The accompanying notes are an integral part of these financial statements.

CITY OF TIFTON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Property taxes	$ 3,652,583	$ 3,652,583	$ 4,129,278	$ 476,695
Sales taxes	2,950,000	3,172,650	3,744,039	571,389
Franchise taxes	1,295,000	1,295,000	1,189,387	(105,613)
Other taxes	2,638,000	2,718,000	2,821,021	103,021
Penalties and interest - delinquent taxes	20,000	20,000	32,023	12,023
Licenses and permits	380,000	380,000	348,357	(31,643)
Intergovernmental	108,000	108,000	154,748	46,748
Charges for services	413,900	413,900	428,571	14,671
Fines and forfeitures	721,500	721,500	523,179	(198,321)
Interest revenue	20,000	20,000	4,856	(15,144)
Other revenues	2,057,314	2,057,314	2,373,018	315,704
Total revenues	14,256,297	14,558,947	15,748,477	1,189,530
EXPENDITURES				
Current				
General government:				
City Council	99,017	101,517	114,580	(13,063)
General administration	2,800,081	2,978,731	2,794,975	183,756
Total general government	2,899,098	3,080,248	2,909,555	170,693
Municipal court	262,022	262,022	237,147	24,875
Public safety:				
Police	4,697,280	4,697,280	4,035,597	661,683
Fire	2,608,630	2,652,130	2,619,642	32,488
Total public safety	7,305,910	7,349,410	6,655,239	694,171
Public works:				
Highways and streets	1,917,459	1,917,459	1,814,991	102,468
Cemetery	227,560	227,560	214,036	13,524
Total public works	2,145,019	2,145,019	2,029,027	115,992
Health and welfare:				
Senior citizens center	290,744	290,744	216,329	74,415
Total health and welfare	290,744	290,744	216,329	74,415
Housing and development:				
Code enforcement	535,546	554,546	592,980	(38,434)
Economic development	329,903	407,903	361,708	46,195
Total housing and development	865,449	962,449	954,688	7,761
Total expenditures	13,768,242	14,089,892	13,001,985	1,087,907
Excess of revenues over expenditures	488,055	469,055	2,746,492	2,277,437

(Continued)

CITY OF TIFTON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
OTHER FINANCING (USES)				
Transfers out	$ (495,055)	$ (476,055)	$ (366,881)	$ 109,174
Total other financing (uses)	(495,055)	(476,055)	(366,881)	109,174
Net change in fund balances	(7,000)	(7,000)	2,379,611	2,386,611
Fund balances, beginning of year	9,278,741	9,278,741	9,278,741	-
Fund balances, end of year	$ 9,271,741	$ 9,271,741	$ 11,658,352	$ 2,386,611

The accompanying notes are an integral part of these financial statements.

CITY OF TIFTON, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Major Proprietary Funds			
	Water Revenue Fund	Sewer Revenue Fund	Gas Revenue Fund	Solid Waste Collection and Disposal Fund
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 7,391,239	$ 2,251,541	$ 5,695,941	$ 6,532,144
Investments	-	-	-	8,212,779
Accounts receivable, net of allowances	439,952	428,490	315,721	459,419
Current portion - notes receivable	-	-	105,835	-
Due from other funds	2,765,720	52,958	26,300	488,382
Inventories	-	-	-	-
Total current assets	10,596,911	2,732,989	6,143,797	15,692,724
NON-CURRENT ASSETS				
Notes receivable, net of current portion	-	-	6,738	-
Capital assets:				
Non-depreciable	121,741	394,985	102,302	184,526
Depreciable, net of accumulated depreciation	11,765,235	14,049,809	3,447,191	1,955,420
Total non-current assets	11,886,976	14,444,794	3,556,231	2,139,946
Total assets	22,483,887	17,177,783	9,700,028	17,832,670
DEFERRED OUTFLOWS OF RESOURCES				
Pension experience differences	22,809	22,984	21,605	33,627
Pension assumption changes	67,819	68,343	64,240	99,989
Pension contributions	61,370	61,844	58,132	90,481
Total deferred outflows of resources	151,998	153,171	143,977	224,097

(Continued)

Nonmajor Proprietary Fund		Governmental Activities
Tift Theatre Fund	Totals	Internal Service Fund
$ 231,073	$ 22,101,938	$ 532,675
-	8,212,779	-
300	1,643,882	852
-	105,835	-
931	3,334,291	83,354
-	-	522,071
232,304	35,398,725	1,138,952
-	6,738	-
25,000	828,554	-
397,533	31,615,188	-
422,533	32,450,480	-
654,837	67,849,205	1,138,952
140	101,165	6,204
416	300,807	18,450
376	272,203	16,696
932	674,175	41,350

CITY OF TIFTON, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Major Proprietary Funds			
	Water Revenue Fund	Sewer Revenue Fund	Gas Revenue Fund	Solid Waste Collection and Disposal Fund
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	$ 50,747	$ -	$ 148,676	$ -
Accrued liabilities	-	-	-	8,878
Accrued interest	-	-	9,395	-
Current portion - compensated absences	-	-	-	808
Current portion - notes payable	-	-	150,044	-
Customer deposits payable	468,755	370,675	229,900	76,090
Due to other funds	58,542	58,839	694,050	172,036
Total current liabilities	578,044	429,514	1,232,065	257,812
NON-CURRENT LIABILITIES				
Compensated absences, net of current portion	-	-	-	15,348
Notes payable, net of current portion	-	278,718	100,691	-
Revenue bonds payable, net of current portion	-	690,000	-	-
Landfill closure/post-closure care costs	-	-	-	9,548,901
Net pension liability	401,254	404,346	380,078	591,581
Total non-current liabilities	401,254	1,373,064	480,769	10,155,830
Total liabilities	979,298	1,802,578	1,712,834	10,413,642
DEFERRED INFLOWS OF RESOURCES				
Pension experience differences	46,442	46,799	43,990	68,470
Pension investment return	41,768	42,090	39,564	61,580
Total deferred inflows of resources	88,210	88,889	83,554	130,050
NET POSITION				
Net investment in capital assets	11,886,976	13,476,076	3,298,758	2,139,946
Unrestricted	9,681,401	1,963,411	4,748,859	5,373,129
Total net position	$ 21,568,377	$ 15,439,487	$ 8,047,617	$ 7,513,075

The accompanying notes are an integral part of these financial statements.

Nonmajor Proprietary Fund		Governmental Activities
Tift Theatre Fund	Totals	Internal Service Fund
$ -	$ 199,423	$ 16,713
756	9,634	9,586
-	9,395	-
-	808	268
-	150,044	-
-	1,145,420	-
-	983,467	717,206
756	2,498,191	743,773
1,080	16,428	5,088
-	379,409	-
-	690,000	-
-	9,548,901	-
2,458	1,779,717	109,161
3,538	12,414,455	114,249
4,294	14,912,646	858,022
-	205,701	12,633
256	185,258	11,363
256	390,959	23,996
422,533	31,224,289	-
228,686	21,995,486	298,284
$ 651,219	$ 53,219,775	$ 298,284

CITY OF TIFTON, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Major Proprietary Funds			
	Water Revenue Fund	Sewer Revenue Fund	Gas Revenue Fund	Solid Waste Collection and Disposal Fund
OPERATING REVENUES				
Charges for services	$ 3,504,971	$ 4,091,185	$ 4,063,082	$ 3,816,963
Penalties and fines	206,695	88,422	45,591	57,628
Miscellaneous	135,596	62,020	389,491	23,219
Total operating revenues	3,847,262	4,241,627	4,498,164	3,897,810
OPERATING EXPENSES				
Personnel services	-	9,977	-	323,419
Cost of gas sold	-	-	2,316,175	-
Contract services	1,138,164	2,255,365	551,691	1,295,001
Utilities	339,459	238,951	20,908	11,228
Equipment repairs and maintenance	-	-	33,516	362,040
System repairs and maintenance	547	143,361	5,000	-
Landfill expenses	-	-	-	611,747
Supplies	-	-	-	145,916
Insurance	7,842	2,707	3,968	8,003
Gas, oil and grease	(283)	15,880	4,251	67,173
Professional services	6,765	53,972	2,441	65,358
Depreciation	725,420	603,193	153,686	277,209
Marketing	-	-	27,845	-
Administrative and clerical	550,919	549,557	567,798	275,837
Miscellaneous	82,491	32,848	-	1,228
Total operating expenses	2,851,324	3,905,811	3,687,279	3,444,159
Operating income (loss)	995,938	335,816	810,885	453,651
NON-OPERATING INCOME (EXPENSES)				
Investment earnings	2,903	1,283	5,251	102,880
Interest expense	-	(23,734)	(10,912)	-
Gain (loss) on sale of capital assets	-	-	-	36,550
Total non-operating income (expenses)	2,903	(22,451)	(5,661)	139,430
Income (loss) before contributions and transfers	998,841	313,365	805,224	593,081
CAPITAL CONTRIBUTIONS	520,343	-	-	-
TRANSFERS				
Transfers in	-	-	-	-
Transfers out	-	(8,333)	-	(75,895)
Total transfers	-	(8,333)	-	(75,895)
Change in net position	1,519,184	305,032	805,224	517,186
NET POSITION, beginning of year	20,049,193	15,134,455	7,242,393	6,995,889
NET POSITION, end of year	$ 21,568,377	$ 15,439,487	$ 8,047,617	$ 7,513,075

The accompanying notes are an integral part of these financial statements.

Nonmajor Proprietary Fund		Governmental Activities
Tift Theatre Fund	Totals	Internal Service Fund
$ 21,090	$ 15,497,291	$ 404,239
-	398,336	-
565	610,891	-
21,655	16,506,518	404,239
37,671	371,067	300,805
-	2,316,175	-
-	5,240,221	-
14,047	624,593	1,583
5,421	400,977	15,400
-	148,908	-
-	611,747	-
24,845	170,761	67,412
1,425	23,945	279,567
-	87,021	-
13,668	142,204	-
21,251	1,780,759	-
3,999	31,844	-
-	1,944,111	-
-	116,567	29,783
122,327	14,010,900	694,550
(100,672)	2,495,618	(290,311)
124	112,441	214
-	(34,646)	-
-	36,550	-
124	114,345	214
(100,548)	2,609,963	(290,097)
-	520,343	-
253,807	253,807	-
-	(84,228)	-
253,807	169,579	-
153,259	3,299,885	(290,097)
497,960	49,919,890	588,381
$ 651,219	$ 53,219,775	$ 298,284

CITY OF TIFTON, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Major Proprietary Funds			
	Water Revenue Fund	Sewer Revenue Fund	Gas Revenue Fund	Solid Waste Collection and Disposal Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 3,756,907	$ 3,920,640	$ 3,379,398	$ 3,758,024
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(2,195,367)	(3,332,369)	(3,502,858)	(2,562,681)
Payments to employees	(72,781)	(82,239)	(103,107)	(487,497)
Net cash provided by (used in) operating activities	1,488,759	506,032	(226,567)	707,846
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in/out	-	(8,333)	-	(75,895)
Net cash provided by (used in) non-capital financing activities	-	(8,333)	-	(75,895)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(102,388)	(560,236)	(45,701)	(55,148)
Proceeds from the sale of capital assets	-	-	-	36,550
Proceeds from the issuance of notes payable	-	278,718	-	-
Principal paid on notes payable	-	-	(145,418)	-
Principal paid on revenue bonds payable	-	(655,000)	-	-
Interest paid	-	(38,933)	(10,912)	-
Net cash used in capital and related financing activities	(102,388)	(975,451)	(202,031)	(18,598)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	-	-	(239,374)
Principal received on notes receivable	-	-	83,498	-
Interest received	2,903	1,283	5,251	102,880
Net cash provided by (used in) investing activities	2,903	1,283	88,749	(136,494)
Increase (decrease) in cash and cash equivalents	1,389,274	(476,469)	(339,849)	476,859
Cash and cash equivalents:				
Beginning of year	6,001,965	2,728,010	6,035,790	6,055,285
End of year	$ 7,391,239	$ 2,251,541	$ 5,695,941	$ 6,532,144

(Continued)

Nonmajor Proprietary Fund		Governmental Activities
Tift Theatre Fund	Totals	Internal Service Fund
$ 21,926	$ 14,836,895	$ -
-	-	549,212
(195,748)	(11,789,023)	(212,668)
(38,407)	(784,031)	(331,548)
(212,229)	2,263,841	4,996
253,807	169,579	-
253,807	169,579	-
-	(763,473)	-
-	36,550	-
-	278,718	-
-	(145,418)	-
-	(655,000)	-
-	(49,845)	-
-	(1,298,468)	-
-	(239,374)	-
-	83,498	-
124	112,441	214
124	(43,435)	214
41,702	1,091,517	5,210
189,371	21,010,421	527,465
$ 231,073	$ 22,101,938	$ 532,675

CITY OF TIFTON, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Major Proprietary Funds			
	Water Revenue Fund	Sewer Revenue Fund	Gas Revenue Fund	Solid Waste Collection and Disposal Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 995,938	$ 335,816	$ 810,885	$ 453,651
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	725,420	603,193	153,686	277,209
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	(81,477)	(19,973)	(74,751)	(142,596)
Increase in inventories	-	-	-	-
Decrease in prepaid items	-	-	-	-
(Increase) decrease in due from other funds	(42,614)	(52,958)	(26,300)	(17,719)
Increase in deferred outflows of resources	96,850	96,940	112,464	176,627
Increase (decrease) in accounts payable	(69,463)	(39,728)	30,735	(215,427)
Increase (decrease) in accrued liabilities	-	-	-	(3,837)
Increase (decrease) in customer deposits	16,863	13,560	(4,766)	5,435
Increase in landfill closure/post-closure care costs	-	-	-	499,128
Increase (decrease) in due to other funds	16,873	(261,616)	(1,012,949)	15,094
Decrease in net pension liability	(67,951)	(67,239)	(103,443)	(163,988)
Decrease in deferred inflows of resources	(101,680)	(101,963)	(112,128)	(175,731)
Net cash provided by (used in) operating activities	$ 1,488,759	$ 506,032	$ (226,567)	$ 707,846
Noncash capital and related financing activities:				
Contributions of capital assets from SPLOST Fund	$ 520,343	$ -	$ -	$ -
Unrealized gain on investments	-	-	-	224,225
Net noncash capital and related financing activities	$ 520,343	$ -	$ -	$ 224,225

The accompanying notes are an integral part of these financial statements.

Nonmajor Proprietary Fund		Governmental Activities
Tift Theatre Fund	Totals	Internal Service Fund
$ (100,672)	$ 2,495,618	$ (290,311)
21,251	1,780,759	-
(300)	(319,097)	840
-	-	(87,990)
-	-	272,420
571	(139,020)	151,915
704	483,585	34,842
(7,116)	(300,999)	(3,353)
177	(3,660)	3,061
-	31,092	-
-	499,128	-
(125,227)	(1,367,825)	(7,782)
(625)	(403,246)	(34,502)
(992)	(492,494)	(34,144)
$ (212,229)	$ 2,263,841	$ 4,996
$ -	$ 520,343	$ -
-	224,225	-
$ -	$ 744,568	$ -

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

The City of Tifton is the county seat of Tift County and was incorporated on August 14, 1920, under the provisions of an act of the General Assembly of Georgia and is governed by an elected Mayor and four-member Council. The City Manager is the head of the administrative branch of government. As such, the City Manager is responsible for the day-to-day operations of City government. The City provides the following services and operations as authorized by its charter: public safety (police and fire); public works; health and welfare; housing and development; and public utilities (water, sewer, gas, and solid waste). As required by GAAP, these financial statements include the accounts of all City operations and all activities of the City.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational and financial relationship with the City.

In conformity with accounting principles generally accepted in the United States of America, as set forth in the Statement of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and 61, the component unit's financial statements are discretely presented in the government-wide financial statements.

Discretely Presented Component Unit

The City of Tifton Downtown Development Authority – The City of Tifton Downtown Development Authority (the "Downtown Development Authority") operates the Mainstreet programs. The governing board of the Downtown Development Authority is appointed by the Mayor and City Council and the City has assumed financial responsibility for its operations. The Downtown Development Authority is audited along with the primary government financial statements in accordance with GASB Statements No. 14 and 39. However, separate financial statements are not prepared.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. *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.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements, although the agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Special Purpose Local Option Sales Tax ("SPLOST") V Fund*** is a capital projects fund used to account for projects supported by the special purpose local option sales tax, including general obligation debt, senior center improvements, roads, sidewalks, water and sewer system improvements, technology equipment and upgrades, firefighting equipment and facility upgrades.

The ***Special Purpose Local Option Sales Tax ("SPLOST") VI Fund*** accounts for projects supported by the special purpose local option sales tax, including renovation and improvement to City buildings, the purchase of vehicles, the purchase of machinery equipment, construction of roads, sidewalks, water and sewer system improvements, property acquisition and property demolition.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The City reports the following major proprietary funds:

The ***Water Revenue Fund*** accounts for the provision of water services to the residents of the City and Tift County. All activities necessary to provide such services are accounted for in this fund.

The ***Sewer Revenue Fund*** accounts for the provision of sewer services to the residents of the City and Tift County. All activities necessary to provide such services are accounted for in this fund.

The ***Gas Revenue Fund*** accounts for the provisions of natural gas services to the residents of the City and Tift County. All activities necessary to provide such services are accounted for in this fund.

The ***Solid Waste Collection and Disposal Fund*** accounts for the provision of garbage and trash pickup and disposal for the residents of the City and Tift County. All activities necessary to provide such services are accounted for in this fund.

Additionally, the City reports the following fund types:

The ***Special Revenue Funds*** account for revenue sources that are legally restricted to expenditures for specific purposes.

The ***Capital Projects Funds*** account for revenue sources that are to be used for the acquisition and construction of major capital facilities.

The ***Internal Service Fund*** is used to account for the rental of motor vehicles and equipment to other departments and related costs of the City, on a cost reimbursement basis.

The ***Enterprise Fund*** is used to account for the activity of the Tift Theatre.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water, sewer, gas and solid waste functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services provided. The City also recognizes as operating revenue, the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgets and Budgetary Accounting

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

1. In February, the department heads are furnished with a worksheet to submit their proposed budget for the upcoming fiscal year to the Finance Director.

2. The budgets are reviewed and compiled by the Finance Director and submitted to the Mayor and City Council.

3. Budget hearings are held with the Mayor and City Council, the City Manager, and the Finance Director for final review and revisions.

4. A public hearing is then held for the proposed budget with adoption of the budget around the first of June.

5. Formal budgetary integration is the management tool used as a control device during the year for governmental and proprietary funds.

During the year, as the need arises, the Finance Director 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

All annual appropriations lapse at fiscal year-end.

The City adopts annual budgets for its General Fund and special revenue funds, and adopts budgets for its capital project funds on a project basis, with the term of the project being longer than the City's fiscal year. All budgets are prepared on a basis consistent with GAAP.

E. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The local government investment pool ("Georgia Fund 1"), created by the Official Code of Georgia Annotated ("O.C.G.A.") §36-83-8, is a stable asset value investment pool, which follows Standard & Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the Securities and Exchange Commission ("SEC") as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The 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 per share. The pool also adjusts the value of its investments to fair value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as investments for financial statement presentation.

The City's non-participating interest earning investment contracts are recorded at cost. The remaining investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of investment income.

F. Inventory and Prepaid Items

Inventories are valued at average cost, which approximates market, using the first-in/first-out ("FIFO") method. The City accounts for inventory on the purchase basis. Prepaid expenditures/expenses are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure is made for goods or services that were purchased for consumption, but not consumed as of June 30.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” in the fund financial statements. Short-term interfund loans are classified as “interfund receivables/payables.” Long-term interfund loans are classified as advances. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as follows: equipment with an initial cost of more than $10,000; public utility extensions of $20,000 or more; land and buildings of $100,000 or more; and roads, bridges and drainage systems of $250,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, as of the time of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include only those items acquired after June 30, 1980. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following useful lives:

Asset	Years
Buildings and improvements	20 – 50
Machinery and equipment	5 – 20
Infrastructure	20 – 50
Distribution systems	10 – 50
Landfill	20

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Liabilities

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 position. Bond issuance costs are reported as expenses in the year the debt is issued.

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 debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Compensated Absences

In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits because these benefits are paid upon the illness of an employee and the amount of such payments cannot be reasonably estimated. Accumulated unpaid vacation costs are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Deferred Outflows/Inflows of Resources

GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, have established accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City did not have any items that qualified for reporting in this category for the year ended June 30, 2021, with the exception of the pension items discussed below.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and the balance sheet for governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In addition to the pension related items discussed below, the City has two types of items that qualify for reporting in this category. One type arises only under a modified accrual basis of accounting. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grant revenue not received within 60 days after year-end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. An e*ffective hedge* is reported in the government-wide statement of net position. The effective hedge results from the change in market value of a swap agreement related to the certificates of participation. The amount is deferred and will mature on June 1, 2028, at the same time as the certificates of participation.

The City also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Contributions made by the City to the pension plan before year-end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Non-spendable*** – Fund balances are reported as non-spendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City Council has not formally designated an individual to assign fund balances.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance, described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

M. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. DEPOSITS AND INVESTMENTS

Total deposits and investments of the primary government as of June 30, 2021, are summarized as follows:

Amounts as presented on the entity-wide statement of net position:	
Cash and cash equivalents	$ 40,255,215
Investments	18,616,199
Total	$ 58,871,414
Cash deposited with financial institutions	$ 40,255,215
Cash deposited with Georgia Fund 1	7,115,111
Certificate of deposit	1,580,113
Investment in guaranteed investment contract	3,288,306
Investments in U.S. government securities	1,890,735
Investments in municipal bonds	3,583,261
Investments in asset backed securities	1,158,673
Total	$ 58,871,414

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Total deposits and investments of the Downtown Development Authority (component unit) as of June 30, 2021, are summarized as follows:

Amounts as presented on the entity-wide statement of net position:	
Cash and cash equivalents	$ 1,502,110
Investments	370,195
Total	$ 1,872,305
Cash deposited with financial institutions	$ 1,502,110
Certificates of deposit (maturity less than one year)	370,195
Total	$ 1,872,305

Credit risk. State statutes authorize the City to invest in U.S. government obligations; U.S. government agency (or other corporation of the U.S. government) obligations; obligations fully insured or guaranteed by the U.S. government or a U.S. government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

At June 30, 2021, the City had the following investments:

			Investment Maturities (in Years)					
Investment	Rating	Fair Value	Less than 1	1 - 5	6 - 10	11 - 15	16 - 20	> 20
Georgia Fund 1	AAAf	$ 7,115,111	$ -	$ 7,115,111	$ -	$ -	$ -	$ -
Certificates of deposit	NR	1,580,113	511,293	1,068,820	-	-	-	-
U.S. Government securities	NR	482,145	-	-	482,145	-	-	-
U.S. Government securities	AAA	1,408,590	-	887,830	520,760	-	-	-
Municipal bonds	AA-	828,913	-	270,743	303,760	254,410	-	-
Municipal bonds	AA	1,073,450	-	858,355	215,095	-	-	-
Municipal bonds	AA+	529,870	-	529,870	-	-	-	-
Municipal bonds	AAA	1,151,028	-	-	1,151,028	-	-	-
Mortgage backed securities	NR	1,158,673	25,462	42,391	-	344,921	154,186	591,713
Guaranteed investment contract	AA-	3,288,306	-	-	3,288,306	-	-	-
Total		$ 18,616,199	$ 536,755	$ 10,773,120	$ 5,961,094	$ 599,331	$ 154,186	$ 591,713

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting its investments to those with maturity of no more than one year, unless matched to a specific requirement.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2021:

Investment	Level 2	Fair Value
Government securities	$ 1,890,735	$ 1,890,735
Municipal bonds	3,583,261	3,583,261
Certificates of deposit	1,580,113	1,580,113
Mortgage backed securities	1,158,673	1,158,673
Total investments measured at fair value	$ 8,212,782	8,212,782
Investments not subject to level disclosure:		
Georgia Fund 1		7,115,111
Investments recorded at cost:		
Guaranteed investment contract		3,288,306
		$ 18,616,199
Fair market hedging derivative:		
Interest rate swap agreement	$ 1,093,930	$ 1,093,930

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy. The Guaranteed Investment Contract is a non-participating interest-earning investment contract and, accordingly, is recorded at cost.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized 110% by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2021, the City did not have any deposits which were uninsured and under collateralized as defined by GASB pronouncements and the State of Georgia.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2021, the City was not exposed to custodial credit risk for its investments.

NOTE 3. RECEIVABLES

Receivables as of June 30, 2021, including the applicable allowances for uncollectible accounts, are as follows:

	General	SPLOST VI	Nonmajor Governmental	Internal Service
Receivables:				
Taxes	$ 97,764	$ -	$ 160,992	$ -
Accounts	308,880	-	-	852
Intergovernmental	1,063,023	630,147	26,344	-
Gross receivables	1,469,667	630,147	187,336	852
Less: allowance for uncollectibles	(738,403)	-	-	-
Net total receivables	$ 731,264	630,147	$ 187,336	$ 852

	Solid Waste Coll. and Disp.	Water Revenue	Sewer Revenue	Gas Revenue
Receivables:				
Accounts	535,541	$ 468,910	$ 431,974	$ 336,969
Notes	-	-	-	112,573
Gross receivables	535,541	468,910	431,974	449,542
Less: allowance for uncollectibles	(76,122)	(28,958)	(3,484)	(21,248)
Net total receivables	$ 459,419	$ 439,952	$ 428,490	$ 428,294

Property taxes were levied on behalf of the City by Tift County on January 1, 2020, (levy date) based upon property values assessed as of January 1. The billings were mailed August 16, 2020, and were payable on or before November 15, 2020, for the calendar year 2020 tax. If unpaid by November 15, 2020, the bill becomes delinquent and penalties and interest may be assessed by the City. Property taxes levied for 2020 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the fiscal year ended June 30, 2021, and expected to be collected by August 31, 2021, are recognized as revenues for the year ended June 30, 2021. Net receivables estimated to be collectible subsequent to August 31, 2021, are recorded as revenue when received.

NOTE 3. RECEIVABLES (CONTINUED)

Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually. The tax rate levied during calendar year 2020 for the City's operations was 9.726 mills (mill equals $1 per thousand dollars of assessed value).

At June 30, 2021, the Downtown Development Authority (component unit) has notes receivable totaling $229,875 from a number of entities associated with certain conduit debt financing arrangements of the Downtown Development Authority. These amounts are offset by notes payable of $194,827 with the difference in the two amounts caused by the timing of payments received. Terms of the notes receivable are similar to the terms of the respective and offsetting notes payable.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 3,160,597	$ -	$ -	$ -	$ 3,160,597
Total capital assets, not being depreciated	3,160,597	-	-	-	3,160,597
Capital assets, being depreciated:					
Buildings and improvements	10,742,472	-	-	-	10,742,472
Machinery and equipment	13,026,008	2,223,620	(1,148,029)	(385,165)	13,716,434
Infrastructure	38,626,652	242,073	-	(135,178)	38,733,547
Total capital assets, being depreciated	62,395,132	2,465,693	(1,148,029)	(520,343)	63,192,453
Less accumulated depreciation for:					
Buildings and improvements	(4,165,267)	(260,369)	-	-	(4,425,636)
Machinery and equipment	(10,697,599)	(726,204)	1,148,029	-	(10,275,774)
Infrastructure	(14,507,876)	(1,021,216)	-	-	(15,529,092)
Total accumulated depreciation	(29,370,742)	(2,007,789)	1,148,029	-	(30,230,502)
Total capital assets, being depreciated, net	33,024,390	457,904	-	(520,343)	32,961,951
Governmental activities capital assets, net	$ 36,184,987	$ 457,904	$ -	$ (520,343)	$ 36,122,548

NOTE 4. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of governmental activities as follows:

Governmental activities:	
General government	$ 379,192
Public safety	467,463
Public works	1,154,734
Health and welfare	6,400
Total depreciation expense - governmental activities	$ 2,007,789

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 582,835	$ -	$ -	$ -	$ 582,835
Construction in progress	605,151	7,067	-	(366,499)	245,719
Total capital assets, not being depreciated	1,187,986	7,067	-	(366,499)	828,554
Capital assets, being depreciated:					
Landfill	6,942,194	30,000	-	-	6,972,194
Buildings and improvements	958,269	-	-	-	958,269
Distribution system	68,209,183	678,406	-	167,042	69,054,631
Machinery and equipment	11,391,058	48,000	(310,067)	719,800	11,848,791
Total capital assets, being depreciated	87,500,704	756,406	(310,067)	886,842	88,833,885
Less accumulated depreciation for:					
Landfill	(6,086,483)	(83,954)	-	-	(6,170,437)
Buildings and improvements	(693,486)	(25,904)	-	-	(719,390)
Distribution system	(40,005,534)	(1,357,934)	-	-	(41,363,468)
Machinery and equipment	(8,962,502)	(312,967)	310,067	-	(8,965,402)
Total accumulated depreciation	(55,748,005)	(1,780,759)	310,067	-	(57,218,697)
Total capital assets, being depreciated, net	31,752,699	(1,024,353)	-	886,842	31,615,188
Business-type activities capital assets, net	$ 32,940,685	$ (1,017,286)	$ -	$ 520,343	$ 32,443,742

NOTE 4. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of business-type activities as follows:

Business-type activities:	
Water	$ 725,420
Sewer	603,193
Gas	153,686
Solid waste collection and disposal	277,209
Tift Theatre	21,251
Total depreciation expense - business-type activities	$ 1,780,759

Capital asset activity for the Downtown Development Authority for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Downtown Development Authority					
Capital assets, not being depreciated:					
Land	$ 294,333	$ -	$ (12,000)	$ -	$ 282,333
Construction in progress	-	43,924	-	-	43,924
Total capital assets, not being depreciated	294,333	43,924	(12,000)	-	326,257
Capital assets, being depreciated:					
Buildings and improvements	2,439,704	14,226	(48,416)	(8,069)	2,397,445
Furniture and equipment	42,893	-	-	8,069	50,962
Total capital assets, being depreciated	2,482,597	14,226	(48,416)	-	2,448,407
Less accumulated depreciation for:					
Buildings and improvements	(623,517)	(96,727)	-	-	(720,244)
Furniture and equipment	(17,070)	(5,141)	-	-	(22,211)
Total accumulated depreciation	(640,587)	(101,868)	-	-	(742,455)
Total capital assets, being depreciated, net	1,842,010	(87,642)	(48,416)	-	1,705,952
Downtown Development Authority capital assets, net	$ 2,136,343	$ (43,718)	$ (60,416)	$ -	$ 2,032,209

NOTE 5. LONG-TERM DEBT

Notes Payable

The following is a listing of the notes payable of the City of Tifton, Georgia at June 30, 2021:

Business-type Activities

Note payable with a local financial institution dated September 12, 2012, in the original amount of $893,785 to be used for gas line extensions. The loan is to be repaid in annual installments of $100,867 including interest at 2.16% beginning December 12, 2013. The outstanding balance at June 30, 2021, is $197,339.

Note payable with a local financial institution dated September 14, 2012, in the original amount of $431,520 to be used for gas line extensions. The loan is to be repaid in annual installments of $53,554 including interest at 2.16% beginning December 14, 2013. The outstanding balance at June 30, 2021, is $53,396.

Note payable with the Georgia Environmental Finance Authority ("GEFA") to be used for various sewer projects. The note is as follows at June 30, 2021:

Original Amount	Interest Rate	Term	Balance at June 30, 2021
$ 2,000,000	0.94%	20 years	$ 278,718

The loan is to be paid on a monthly basis on the earlier of: 1) the completion date, 2) January 1, 2022, or 3) the date that the loan evidence by this note is fully disbursed. This loan is still in the drawdown phase, so no maturity schedule will be presented.

Annual debt service requirements to maturity for notes payable of business-type activities are as follows:

Fiscal Year Payable	Total	Principal	Interest
2022	$ 155,397	$ 150,044	$ 5,353
2023	102,824	100,691	2,133
	$ 258,221	$ 250,735	$ 7,486

NOTE 5. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued)

Discretely Presented Component Unit: Downtown Development Authority

From time to time, the Downtown Development Authority (component unit) incurs notes payable to provide financial assistance to private sector entities or other third parties for the acquisition and construction of commercial facilities. The notes are secured by the property financed and are payable solely from payment received on the notes receivable and lease agreements. Upon repayment of the notes payable, ownership of the acquired facilities transfers to the private sector entity served by the notes payable. The outstanding balance of these notes payable totaled $194,827 at June 30, 2021.

Debt service requirements to maturity on the notes payable of the Downtown Development Authority are as follows:

Fiscal Year Payable	Total	Principal	Interest
2022	$ 66,734	$ 58,581	$ 8,153
2023	66,733	61,547	5,186
2024	66,734	64,664	2,070
2025	10,066	10,035	31
	$ 210,267	$ 194,827	$ 15,440

Business-type Activities

On December 29, 2014, the City issued $2,735,000 in Series 2014 Sewer Refunding Revenue Bonds for refinancing two outstanding loans payable to the GEFA. The Series 2014 Sewer Refunding Revenue Bonds mature on July 1, 2024, and pay interest at 2.26% on January 1 and July 1 each year. Interest and principal payments began July 1, 2015. The principal amount outstanding at June 30, 2021, was $690,000. Total interest costs incurred during the fiscal year ended June 30, 2021, were $23,052.

Annual debt service requirements to maturity for revenue bonds of business-type activities are as follows:

Fiscal Year Payable	Total	Principal	Interest
2023	$ 351,807	$ 340,000	$ 11,807
2024	274,882	270,000	4,882
2025	80,908	80,000	908
	$ 707,597	$ 690,000	$ 17,597

NOTE 5. LONG-TERM DEBT (CONTINUED)

Certificates of Participation

Governmental Activities

The City leases certain equipment through a lease pool agreement with the Georgia Municipal Association ("GMA"). The funding of the lease pool was provided by the issuance of $150,126,000 Certificates of Participation by GMA. GMA passed the net proceeds through to the participating municipalities with the City's participation totaling $4,444,000. The lease pool agreement with GMA provides that the City owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation.

The principal of $4,444,000 is due in a lump-sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City draws from the investment to lease equipment from GMA. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation. The GMA lease program expires June 2028.

As part of the issuance of the certificates of participation, the City entered into an interest rate Swap Agreement. Under the Swap Agreement, the City is required to pay: (i) a semi-annual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association ("SIFMA") Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the City, a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such contract, less the amount originally deposited in the Reserve Fund relating to the contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semi-annual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Certificates of Participation (Continued)

Governmental Activities (Continued)

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa1 by Moody's. At June 30, 2021, the floating rate being paid by the City is .4%, and the market value of this agreement is $1,093,930, a decrease of $324,931 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2021 based on the derivative contract. This market value is reported as an asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year-end) is deferred and reported as a deferred inflow in the statement of net position.

Annual debt service requirements for the certificates of participation are as follows:

Fiscal Year Payable	Total	Principal	Interest
2022	$ 211,090	$ -	$ 211,090
2023	211,090	-	211,090
2024	211,090	-	211,090
2025	211,090	-	211,090
2026	211,090	-	211,090
2027 and 2028	4,866,180	4,444,000	422,180
	$ 5,921,630	$ 4,444,000	$ 1,477,630

Closure/Post-closure Care Costs

State and federal laws and regulations require the City to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs*, requires the City to report a liability for the estimated costs of closing and maintaining each landfill site.

Omega/Eldorado Road MSW Landfill Phase 1

The City stopped accepting waste at this landfill site in April 1997, upon reaching full capacity. The City estimated the costs of closing and maintaining this site based on landfill capacity used to date. The estimated post-closure care costs, recorded in the Solid Waste Collection and Disposal Fund statement of net position, is $831,781.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Closure/Post-closure Care Costs (Continued)

Omega/Eldorado Road MSW Landfill Phase 3

The City began operations at this site in July 2008. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, which is expected to occur in 2030, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The landfill closure and post-closure care liability at June 30, 2021 of $8,717,120, is reported in the Solid Waste Collection and Disposal Fund and represents the cumulative amount reported to date based on the use of approximately 72% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of $2,575,608 as the remaining estimated capacity is filled.

These amounts are based on what it would cost to perform all closure and post-closure care in 2021. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Should any problems occur during the closure and post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Certificates of participation	$ 4,444,000	$ -	$ -	$ 4,444,000	$ -
Net pension liability	6,506,140	2,314,123	(3,775,479)	5,044,784	-
Compensated absences	293,643	238,736	(233,519)	298,860	14,943
Governmental activity Long-term liabilities	$ 11,243,783	$ 2,552,859	$ (4,008,998)	$ 9,787,644	$ 14,943
Business-type activities					
Notes payable	$ 396,153	$ 278,718	$ (145,418)	$ 529,453	$ 150,044
Bonds payable	1,345,000	-	(655,000)	690,000	-
Net pension liability	2,182,963	732,512	(1,135,758)	1,779,717	-
Compensated absences	17,742	11,382	(11,888)	17,236	808
Landfill closure/post-closure	9,049,773	499,128	-	9,548,901	-
Business-type activity Long-term liabilities	$ 12,991,631	$ 1,521,740	$ (1,948,064)	$ 12,565,307	$ 150,852
Downtown Development Authority					
Notes payable	$ 250,261	$ -	$ (55,434)	$ 194,827	$ 58,580
Component unit Long-term liabilities	$ 250,261	$ -	$ (55,434)	$ 194,827	$ 58,580

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, $5,356 of the Service Fund's compensated absences and $109,161 of the Service Fund's net pension liability are included in the above amounts. Also, for the governmental activities, compensated absences and the net pension obligation are substantially liquidated by the General Fund.

NOTE 6. PENSION PLAN

Plan description. The City, as authorized by the City Council, established a non-contributory defined benefit pension plan, The City of Tifton Retirement Plan, (the "Plan"), covering substantially all of the City's employees. The City's pension plan is administered through the Georgia Municipal Employee Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the GMA. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive between 1% and 1.75% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The GMA issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Plan membership. As of January 1, 2021, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	186
Inactive plan members entitled to but not receiving benefits	79
Active plan members	128
Total	393

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of Plan members, as determined by the City Council. City contributions to the Plan were $1,391,720 for the year ended June 30, 2021.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020, with updated procedures performed by the actuary to roll forward to the total pension liability as of September 30, 2020.

NOTE 6. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Actuarial assumptions. The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25%, plus service based merit increases
Investment rate of return	7.375%

Mortality rates were based on the gender-district Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumption used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic equity	45%	6.40%
International equity	20%	7.05%
Domestic fixed income	20%	1.15%
Real estate	10%	4.50%
Global fixed income	5%	1.25%
Cash	—%	
Total	100%	

* Rates shown are net of the 2.25% assumed rate of inflation.

NOTE 6. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the net pension liability of the City. The changes in the components of the net pension liability of the City for the year ended June 30, 2021, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2019	$ 33,227,314	$ 24,538,211	$ 8,689,103
Changes for the year:			
Service cost	224,698	-	224,698
Interest	2,364,424	-	2,364,424
Differences between expected and actual experience	483,928	-	483,928
Contributions - employer	-	2,536,001	(2,536,001)
Contributions - employee	-	103,384	(103,384)
Net investment income	-	2,355,705	(2,355,705)
Benefit payments, including refunds of employee contributions	(2,784,039)	(2,784,039)	-
Administrative expense	-	(57,438)	57,438
Net changes	289,011	2,153,613	(1,864,602)
Balances at September 30, 2020	$ 33,516,325	$ 26,691,824	$ 6,824,501

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to financial statements presents multi-year trend information about whether the value of Plan assets is increasing or decreasing over time relative to the total pension liability.

NOTE 6. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate.

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 10,249,540	$ 6,824,501	$ 3,938,476

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2020, and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the City recognized pension expense of $(462,333). At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 387,923	$ 789,874
Changes in assumptions	1,153,491	-
Net difference between projected and actual earnings on pension plan investments	-	710,390
City contributions subsequent to the measurement date	1,043,790	-
Total	$ 2,585,204	$ 1,500,264

NOTE 6. PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

Government contributions subsequent to the measurement date of $1,043,790 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2022	$ 645,349
2023	107,547
2024	(405,476)
2025	(306,270)
Total	$ 41,150

NOTE 7. INTERFUND BALANCES AND TRANSFERS

The City's interfund receivables and payables at June 30, 2021 (at the fund level) are shown below. These amounts represent short-term receivables and payables. The balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

NOTE 7. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

The composition of interfund balances as of June 30, 2021, is as follows:

	Payable				
Receivable	General	SPLOST V	SPLOST VI	Sewer Revenue	Gas Revenue
General fund	$ -	$ -	$ -	$ 58,839	$ 694,050
Nonmajor governmental fund	41,325	116,457	7,057	-	-
SPLOST VI fund	-	11,542	-	-	-
Water revenue	2,765,720	-	-	-	-
Sewer revenue	52,958	-	-	-	-
Gas revenue	26,300	-	-	-	-
Internal service fund	5,590	-	-	-	-
Nonmajor proprietary fund	931	-	-	-	-
Solid waste collection and disposal	488,382	-	-	-	-
	$ 3,381,206	$ 127,999	$ 7,057	$ 58,839	$ 694,050

	Payable				
Receivable	Solid Waste Coll. and Disp.	Water Revenue	Internal Service Fund	Nonmajor Governmental	Total
General fund	$ 94,272	$ 58,542	$ 717,206	$ 750,425	$ 2,373,334
Nonmajor governmental fund	-	-	-	-	164,839
SPLOST VI fund	-	-	-	-	11,542
Water revenue	-	-	-	-	2,765,720
Sewer revenue	-	-	-	-	52,958
Gas revenue	-	-	-	-	26,300
Internal service fund	77,764	-	-	-	83,354
Nonmajor proprietary fund	-	-	-	-	931
Solid waste collection and disposal	-	-	-	-	488,382
	$ 172,036	$ 58,542	$ 717,206	$ 750,425	$ 5,967,360

NOTE 7. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Advances to/from other funds:

Receivable Fund	Payable Fund	Total
General Fund	SPLOST VI Fund	$ 1,080,000

Interfund transfers for the fiscal year ended June 30, 2021, consisted of the following:

	Transfer To		
Transfer From	Nonmajor Governmental	Nonmajor Proprietary fund	Total
General Fund	$ 366,881	$ -	$ 366,881
Solid waste collection and disposal	75,895	-	75,895
Sewer fund	8,333	-	8,333
Nonmajor governmental	-	253,807	253,807
Total	$ 451,109	$ 253,807	$ 704,916

Transfers are used to: 1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following General Fund departments had an excess of actual expenditures over appropriations for the fiscal year ended June 30, 2021:

General Fund:	
Public Safety	$ (694,171)

The excess of actual expenditures over appropriations in the General Fund were funded through under-expenditures in other departments and available fund balance.

NOTE 9. HOTEL/MOTEL TAX

The City imposes a 7% hotel/motel tax on lodging facilities within the City. For the fiscal year ended June 30, 2021, $971,420 of hotel/motel tax was collected. During the year, $515,123 was paid to the Tifton-Tift County Tourism Association. The remainder of the funds totaling $663,293 was spent by the City in accordance with O.C.G.A. §48-13-51 or remains available for future tourism expenditures in future years.

NOTE 10. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the 10-county south Georgia area, is a member of the Southern Georgia Regional Commission and is required to pay annual dues thereto. During its fiscal year ended June 30, 2021, the City paid $24,403 in such dues. Membership in a Regional Commission is required by O.C.G.A. §50-8-34, which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from the Southern Georgia Regional Commission, P.O. Box 1223, Valdosta, Georgia 31603.

The City of Tifton and Tift County 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 between the City and the County. The financial statements for this operation are included as an enterprise fund in this financial report.

The City of Tifton and Tift County have also entered into an agreement combining the water and sewer operations of both entities. The City manages and operates 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. However, because the City agreed to repay Tift County's outstanding debt on the water operations as part of the agreement, the note payable is included as a liability in the Water Revenue Fund.

NOTE 11. RELATED ORGANIZATION

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

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation

The City is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grants from Governments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Agreements with the Municipal Gas Authority of Georgia

The City has entered into a contract for the purchase of wholesale natural gas supplies and related services with the Municipal Gas Authority of Georgia ("MGAG") that requires the City to purchase all of its natural gas from MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the City. In the event that revenues are insufficient to cover all costs and retire bonds issued by MGAG, the City is obligated to pay its obligation share of the costs of the gas supply and related services MGAG provides to the City; costs include amounts equal to principal and interest on MGAG's bonds. These obligations, which extend through the year 2050, are general obligations of the City to which the City's full faith,

credit and taxing powers are pledged. The City's obligation to MGAG for gas supply costs are based on MGAG's costs to provide such supply, including bonds issued to purchase long-term rights to bulk supply. Payments to MGAG are made monthly based on actual usage. The total payments under these contracts amounted to $2,086,521.

At June 30, 2021, the outstanding debt of MGAG was approximately $145,900,000. The City's guarantee varies by individual projects undertaken by MGAG and totals approximately $1,954,626 at June 30, 2021.

NOTE 13. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft 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 the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TIFTON, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,

	Fiscal Year							
	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	**$ 224,698**	$ 208,171	$ -	$ 439,603	$ 443,294	$ 454,712	$ 628,470	$ -
Interest on total pension liability	**2,364,424**	2,320,820	-	2,408,111	2,493,963	2,577,951	2,535,128	2,129,173
Changes of benefit terms			-	3,280	(37,153)	-	-	5,538,967
Differences between expected and actual experience	**483,928**	(4,932)	-	1,801,367	(1,516,773)	(1,973,536)	17,857	335,746
Changes of assumptions	**-**	1,182,454	(6,289,478)	(762,524)	(244,220)	-	-	4,230,628
Benefit payments, including refunds of employee contributions	**(2,784,039)**	(2,430,590)	-	(2,492,093)	(2,354,581)	(2,257,531)	(2,342,637)	(2,237,177)
Net change in total pension liability	**289,011**	1,275,923	(6,289,478)	1,397,744	(1,215,470)	(1,198,404)	838,818	9,997,337
Total pension liability - beginning	**33,227,314**	31,951,391	38,240,869	36,843,125	38,058,595	39,256,999	38,418,181	28,420,844
Total pension liability - ending	**33,516,325**	33,227,314	31,951,391	38,240,869	36,843,125	38,058,595	39,256,999	38,418,181
Plan fiduciary net position								
Contributions - employer	**2,536,001**	904,393	-	2,543,429	2,774,416	2,770,560	3,651,868	1,889,252
Contributions - employee	**103,384**	81,124	-	324,123	104,324	80,121	37,730	-
Net investment income (loss)	**2,355,705**	2,257,110	-	1,408,766	1,184,694	(24,420)	(154,293)	2,179,770
Benefit payments, including refunds of employee contributions	**(2,784,039)**	(2,430,590)	-	(2,492,092)	(2,354,581)	(2,257,531)	(2,201,840)	(2,117,590)
Administrative expenses	**(57,438)**	(52,495)	-	(9,687)	(19,882)	(166,118)	(177,347)	-
Other	**-**	(982,021)	-	-	-	-	-	-
Net change in plan fiduciary net position	**2,153,613**	(222,479)	-	1,774,539	1,688,971	402,612	1,156,118	1,951,432
Plan fiduciary net position - beginning	**24,538,211**	24,760,690	24,760,690	22,986,151	21,297,180	20,894,568	19,738,450	17,787,018
Plan fiduciary net position - ending	**26,691,824**	24,538,211	24,760,690	24,760,690	22,986,151	21,297,180	20,894,568	19,738,450
City's net pension liability - ending	**$ 6,824,501**	$ 8,689,103	$ 7,190,701	$ 13,480,179	$ 13,856,974	$ 16,761,415	$ 18,362,431	$ 18,679,731
Plan fiduciary net position as a percentage of the total pension liability	**79.6%**	73.8%	77.5%	64.7%	62.4%	56.0%	53.2%	51.4%
Covered payroll	**$ 4,743,140**	$ 4,625,960	$ 4,748,058	$ 4,027,933	$ 3,944,091	$ 3,989,842	$ 5,315,072	$ 5,315,072
City's net pension liability as a percentage of covered payroll	**143.9%**	187.8%	151.4%	334.7%	351.3%	420.1%	345.5%	351.4%

Note to the Schedule:

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

CITY OF TIFTON, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30,

	Fiscal Year							
	2021	**2020**	2019	2018	2017	2016	2015	2014
Actuarially determined contributions	**$ 763,884**	**$ 814,130**	$ 743,241	$ 2,349,696	$ 2,269,040	$ 2,768,028	$ 1,764,217	$ 1,766,335
Contributions in relation to the actuarially determined contribution	**1,043,790**	**2,184,451**	889,094	2,543,429	2,774,416	2,770,560	3,651,868	1,889,251
Contribution deficiency (excess)	**$ (279,906)**	**$ (1,370,321)**	$ (145,853)	$ (193,733)	$ (505,376)	$ (2,532)	$ (1,887,651)	$ (122,916)
Covered payroll	**$ 4,684,550**	**$ 4,687,009**	$ 4,387,996	$ 4,027,933	$ 3,944,091	$ 3,989,842	$ 5,315,072	$ 5,315,072
Contributions as a percentage of covered payroll	**22.3%**	**46.6%**	20.3%	63.1%	70.3%	69.4%	68.7%	35.5%

Notes to the Schedule:

Valuation date	January 1, 2021
Cost method	Projected Unit Credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed rate of return on investments	7.38%
Projected salary increases	2.25%, plus service based merit increases
Cost-of-living adjustment	1.00% for EMP 06; 3.00% for EMP 07; 0.00% for all others
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Varies for the bases, with a net effective amortization period of 30 years

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

COMBINING STATEMENTS AND SCHEDULES

CITY OF TIFTON, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The **Community Development Revolving Loan Fund** accounts for grant revenues and expenditures relating to various short-lived projects.

The **Hotel/Motel Tax Fund** accounts for the Hotel/Motel accommodation excise tax receipts and distributions to organizations promoting tourism, as required by agreements with these organizations.

The **Grant Fund** accounts for grant revenues and expenditures relating to various short-lived projects.

The **Confiscated Assets Fund** accounts for monies deemed as forfeited property by courts to the City from cases related to illegal drug activity.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The **Community Development Block Grant ("CDBG") Fund** is used to account for financing and construction of low income housing authorized by Community Development Block Grants provided through the federal government.

The **Capital Projects Fund** accounts for the leasing of certain equipment through a lease pool agreement with the Georgia Municipal Association ("GMA").

The **Special Purpose Local Option Sales Tax ("SPLOST") Fund** accounts for projects supported by the special purpose local option sales tax, including construction of roads, sidewalks, water and sewer system improvements, landfill development, firefighting equipment, and construction of City buildings.

The **Transportation Special Purpose Local Option Sales Tax ("T-SPLOST") Fund** accounts for projects supported by the transportation special purpose local option sales tax.

CITY OF TIFTON, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
ASSETS	Community Development Revolving Loan Fund	Hotel/Motel Tax Fund	Grant Fund	Confiscated Assets Fund
Cash and cash equivalents	$ -	$ 2,296,567	$ 115,881	$ 137,302
Investments	-	-	-	-
Taxes receivable	-	160,992	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	164,839	-
Due from component unit	179,344	-	-	-
Total assets	$ 179,344	$ 2,457,559	$ 280,720	$ 137,302
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	$ -	$ 163,908	$ -	$ -
Due to other funds	-	-	-	-
Total liabilities	-	163,908	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - grants	-	-	16,865	-
Total deferred inflows of resources	-	-	16,865	-
FUND BALANCES				
Restricted for:				
Capital outlay	-	-	-	-
Housing and development	179,344	-	-	-
Tourism	-	2,293,651	-	-
Public safety	-	-	-	137,302
Unassigned	-	-	263,855	-
Total fund balances	179,344	2,293,651	263,855	137,302
Total liabilities, deferred inflows of resources and fund balances	$ 179,344	$ 2,457,559	$ 280,720	$ 137,302

	Capital Projects Funds			
CDBG Fund	Capital Projects Fund	SPLOST Fund	T-SPLOST Fund	Total
$ -	$ 137,630	$ 1,153,249	$ 718,606	$ 4,559,235
-	3,288,309	-	-	3,288,309
-	-	-	-	160,992
-	-	-	26,344	26,344
-	-	-	-	164,839
-	-	-	-	179,344
$ -	$ 3,425,939	$ 1,153,249	$ 744,950	$ 8,379,063
$ -	$ -	$ -	$ -	$ 163,908
-	750,425	-	-	750,425
-	$ 750,425	-	-	914,333
-	-	-	-	16,865
-		-	-	16,865
-	2,675,514	1,153,249	744,950	4,573,713
-		-	-	179,344
-		-	-	2,293,651
-		-	-	137,302
-		-	-	263,855
-	2,675,514	1,153,249	744,950	7,447,865
$ -	$ 3,425,939	$ 1,153,249	$ 744,950	$ 8,379,063

CITY OF TIFTON, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Community Development Revolving Loan Fund	Hotel/Motel Tax Fund	Grant Fund	Confiscated Assets Fund
Revenues				
Taxes	$ -	$ 1,120,609	$ -	$ -
Intergovernmental	-	-	1,127,287	-
Interest revenue	-	576	-	50
Fines and forfeitures	-	-	-	122,745
Total revenues	-	1,121,185	1,127,287	122,795
Expenditures				
Current:				
General government	10,543	-	22,184	-
Public safety	-	-	212,342	45,838
Culture and recreation	-	566,540	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
Total expenditures	10,543	566,540	234,526	45,838
Excess (deficiency) of revenues over (under) expenditures	(10,543)	554,645	892,761	76,957
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	(253,807)	-	-
Total other financing sources (uses)	-	(253,807)	-	-
Net change in fund balances	(10,543)	300,838	892,761	76,957
Fund balances (deficits), beginning of year	189,887	1,992,813	(628,906)	60,345
Fund balances , end of year	$ 179,344	$ 2,293,651	$ 263,855	$ 137,302

Capital Projects Funds				
CDBG Fund	Capital Projects Fund	SPLOST Fund	T-SPLOST Fund	Total
$ -	$ -	$ -	$ -	$ 1,120,609
11,500	-	-	288,019	1,426,806
-	72,641	577	280	74,124
-	-	-	-	122,745
11,500	72,641	577	288,299	2,744,284
-	-	-	-	32,727
-	-	-	-	258,180
11,500	-	-	-	578,040
-	529,651	-	-	529,651
-	23,146	-	-	23,146
11,500	552,797	-	-	1,421,744
-	(480,156)	577	288,299	1,322,540
-	451,109	-	-	451,109
-	-	-	-	(253,807)
-	451,109	-	-	197,302
-	(29,047)	577	288,299	1,519,842
-	2,704,561	1,152,672	456,651	5,928,023
$ -	$ 2,675,514	$ 1,153,249	$ 744,950	$ 7,447,865

CITY OF TIFTON, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
2006 Referendum					
Street and sidewalk improvements	$ 2,670,000	$ 2,670,000	$ 2,614,630	$ -	$ 2,614,630
New fire station and equipment	2,660,000	2,660,000	2,166,748	-	2,166,748
Police equipment	414,000	414,000	308,229	-	308,229
Sewer system improvements	6,831,000	6,831,000	5,747,081	-	5,747,081
Water system improvements	5,200,000	5,200,000	4,105,889	-	4,105,889
Drainage improvements	2,500,000	2,500,000	2,186,723	-	2,186,723
Senior center improvements	750,000	750,000	770,344	-	770,344
City Hall renovations	1,000,000	1,000,000	836,733	-	836,733
Recycling facility improvements	450,000	450,000	263,230	-	263,230
Landfill/sanitation equipment	650,000	650,000	665,275	-	665,275
Park and cemetery improvements	200,000	200,000	6,650	-	6,650
Maintenance warehouse improvements	650,000	650,000	312,333	-	312,333
M.I.S. improvements	1,850,000	1,850,000	1,486,359	-	1,486,359
	$ 25,825,000	$ 25,825,000	$ 21,470,224	$ -	$ 21,470,224

CITY OF TIFTON, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
2013 Referendum					
General obligation debt for telecom services	$ 4,500,000	$ 4,500,000	$ 4,500,000	$ -	$ 4,500,000
Senior citizen center renovation and improvements	500,000	500,000	419,348	-	419,348
Road, street, bridge projects, drainage and parking	8,800,000	8,800,000	4,873,700	72,399	4,946,099
Technology equipment and upgrades	1,500,000	1,500,000	708,077	158,210	866,287
Water and sewer system capital outlay and improvements	7,600,000	7,600,000	3,334,332	7,425	3,341,757
Fire Department capital outlay and facilities upgrades	1,600,000	1,600,000	513,782	98,291	612,073
	$ 24,500,000	$ 24,500,000	$ 14,349,239	$ 336,325	$ 14,685,564

CITY OF TIFTON, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
2019 Referendum					
Renovation and improvements to City buildings	$ 1,200,000	$ 1,200,000	$ -	$ 7,353	$ 7,353
Vehicle, machinery, equipment and technology capital outlay	3,500,000	3,500,000	-	161,415	161,415
Road, street, bridge, drainage and parking projects	9,450,000	9,450,000	57,532	524,935	582,467
Water and sewer system capital outlay and improvements	5,000,000	5,000,000	-	89,989	89,989
Property acquisition and demolition	750,000	750,000	274,007	-	274,007
	$ 19,900,000	$ 19,900,000	$ 331,539	$ 783,692	$ 1,115,231

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Honorable Mayor and Members
of the City Council
City of Tifton, Georgia
Tifton, Georgia

We have audited, 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, 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 (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 5, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 through 2021-004 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

City of Tifton, Georgia's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
January 5, 2022

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Honorable Mayor and Members
of the City Council
City of Tifton, Georgia
Tifton, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Tifton, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the City's major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Mauldin & Jenkins, LLC

Macon, Georgia
January 5, 2022

CITY OF TIFTON, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures
U.S. Department of Housing and Urban Development			
(Passed through Georgia Department of Community Affairs)			
Community Development Block Grant	14.218	16RD-X-137-2-5913	$ 12,451
Total U.S. Department of Housing and Urban Development			12,451
U.S. Department of Justice			
Justice Assistance Grant	16.738	2020-DJ-BX-0853	25,301
Justice Assistance Grant	16.738	2020-DJ-BX-0953	9,360
Total JAG Program			34,661
Total U.S. Department of Justice			34,661
U.S. Department of Treasury			
Coronavirus Relief Fund	21.019		881,430
Total U.S. Department of Treasury			881,430
U.S Environmental Protection Agency			
(Passed through Georgia Department of Natural Resources)			
Capitalization Grants for Clean Water State Revolving Funds	66.458	GEFA-CW2019020	278,718
Total U.S. Environmental Protection Agency			
Total Expenditures of Federal Awards			$ 1,207,260

CITY OF TIFTON, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Tifton, Georgia (the "City") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 2 CFR part 200, OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. NON-CASH ASSISTANCE AND LOANS

There were no federal awards expended in the form of non-cash assistance during the year. There were also no loans or loan guarantees outstanding at year-end.

NOTE 3. DE MINIMIS INDIRECT COST RATE

The City did not use the 10% de minimis indirect cost rate.

NOTE 4. SUBRECIPIENTS

The City did not pass through any funds to subrecipients during the year ended June 30, 2021.

CITY OF TIFTON, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	__X__ Yes ____ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR part 200?	____ Yes __X__ No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
21.019	**U.S. Department of Treasury** COVID-19 – Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ Yes __X__ No

CITY OF TIFTON, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2021–001. Revenue/Receivables Cycle

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they are realized, or realizable and earned, to finance expenditures of the current period.

Condition: The City did not appropriately record all transactions involving certain receivable and revenue accounts during the fiscal year ended June 30, 2021.

Context/Cause: During our testing of revenues and receivables, audit adjustments were required to correct various account balances. These adjustments were due to the inclusion of receivables that should not have been recorded at year-end and additional receivables that should have been recorded.

Effect: Adjustment to be recorded as follows:

- Hotel/Motel Fund – an adjustment to decrease accounts receivable and revenue by $57,907.
- Water Fund – an adjustment to decrease allowance for doubtful accounts and expense by $114,409.
- Sewer Fund – an adjustment to decrease allowance for doubtful accounts and expense by $126,764.
- Gas Fund – an adjustment to increase allowance for doubtful accounts and expense by $4,813.
- Solid Waste Collection and Disposal Fund – an adjustment to increase allowance for doubtful accounts and expense by $17,687.

Recommendation: We recommend the City record the necessary adjustments to reflect the accounts receivable balances at the conclusion of each financial reporting cycle.

Views of Responsible Officials and Planned Corrective Action: We concur. We will take appropriate measures to ensure all receivables are appropriately recorded at year-end.

2021-002. Proper Recognition of Deferred Revenue

Criteria: Internal controls should be in place to ensure amounts reported for deferred revenue are appropriate and properly valued and recorded in accordance with generally accepted accounting principles.

Condition: The City did not properly record transactions related to deferred revenue during the fiscal year ended June 30, 2021.

Context: We addressed the matter with the City to determine the appropriate amounts to record as of and for the fiscal year ended June 30, 2021.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-002. Proper Recognition of Deferred Revenue (Continued)

Effects: Adjustments to be recorded as follows:

- General Fund – an adjustment to increase deferred revenue by $118,825.
- SPLOST VI Fund – an adjustment to decrease deferred revenue by $232,699.

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to ensure deferred revenues were properly reconciled and recorded.

Recommendation: We recommend the City carefully review all deferred revenues to ensure transactions are reported in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Action: We concur. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

2021-003. Proper Recognition of Capital Assets

Criteria: Internal controls should be in place to ensure amounts reported for capital assets and related items are appropriate and properly valued and recorded in accordance with generally accepted accounting principles.

Condition: The City did not properly recognize capital assets for governmental activities and business-type activities, which did not agree to the City's capital assets listing.

Context: We addressed the matter with the City to determine the appropriate amounts to record as of and for the fiscal year ended June 30, 2021.

Effects: Adjustments to be recorded as follows:

- General Fund – an adjustment in the amount of $247,700 to remove capital assets recorded in the governmental fund.
- Water Fund – an adjustment to decrease capital assets by $2,149,395.
- Water Fund – an adjustment to decrease accumulated depreciation by $973,756.
- Sewer Fund – an adjustment to decrease capital assets by $45,201.
- Solid Waste Collection and Disposal Fund – an adjustment to decrease fixed assets by $23,883 and increase accumulated depreciation by $189,309.
- Tift Theatre Fund – an adjustment to increase accumulated depreciation by $3,175.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-003. Proper Recognition of Capital Assets (Continued)

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to ensure capital assets were properly reconciled and recorded.

Recommendation: We recommend the City carefully review all capital assets to ensure transactions are reported in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Action: We concur. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

2021-004. Proper Recognition of Fund Balance

Criteria: Internal controls should be in place to ensure that prior year audit entries are appropriately made to ensure that beginning fund balances agree to the prior year's issued financial statements.

Condition: The City did not properly record prior year audit entries.

Context: We addressed the matter with the City to determine the appropriate amounts to record as of and for the fiscal year ended June 30, 2021.

Effects: Adjustments to be recorded as follows:

- General Fund – an adjustment to increase fund balance by $30,641.
- CDBG Revolving Loan Fund – an adjustment to increase fund balance by $10,543.
- SPLOST V Fund – an adjustment to decrease fund balance by $50,905.
- Water Fund – an adjustment to decrease fund balance by $1,179,685.
- Sewer Fund – an adjustment to increase fund balance by $68,444.
- Gas Fund – an adjustment to increase fund balance by $2,442.
- Solid Waste Collection and Disposal Fund – an adjustment to decrease fund balance by $195,872.
- Tift Theatre Fund – an adjustment to decrease fund balance by $3,175.
- Service Fund – an adjustment to decrease fund balance by $16,663.

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to ensure the prior year audit entries were appropriately recorded.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-004. Proper Recognition of Fund Balance (Continued)

Recommendation: We recommend the City carefully review prior year audit entries and post the proper adjustments to the respective funds.

Views of Responsible Officials and Planned Corrective Action: We concur. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION III
FEDERAL AWARDS FINDINGS AND RESPONSES

Not applicable.

CITY OF TIFTON, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

STATUS OF PRIOR YEAR AUDIT FINDINGS

2020-001. Proper Recognition of Cash

Criteria: Internal controls should be in place to ensure that all bank accounts are appropriately reconciled on a timely basis. Additionally, internal controls should be in place to ensure that all reconciliations agree to the general ledger.

Condition: During the year, the City did not properly reconcile the cash disbursement account to the general ledger.

Status: Resolved.

2020-002. Revenue/Receivables Cycle

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they are realized, or realizable and earned, to finance expenditures of the current period.

Condition: The City did not appropriately record all transactions involving certain receivable and revenue accounts during the fiscal year ended June 30, 2020.

Status: Unresolved. See Finding 2021-001.

2020-003. Proper Recognition of Capital Assets

Criteria: Internal controls should be in place to ensure amounts reported for capital assets and related items are appropriate and properly valued and recorded in accordance with generally accepted accounting principles.

Condition: The City did not properly recognize capital assets for governmental activities and business-type activities, which did not agree to the City's capital assets listing. During the fiscal year ended June 30, 2020, the City converted to a new fixed asset software. This conversion duplicated some assets and improperly converted other assets.

Status: Unresolved. See Finding 2021-003.

2020-004. Proper Recognition of Prepaid Expenses

Criteria: Internal controls should be in place to ensure amounts reported for prepaid expenses and related items are appropriate and properly valued and recorded in accordance with generally accepted accounting principles.

Condition: The City did not properly record prepaid expenses.

Status: Resolved.

CITY OF TIFTON, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

STATUS OF PRIOR YEAR AUDIT FINDINGS (CONTINUED)

2020-005. Proper Recognition of Payables

Criteria: Generally accepted accounting principles require timely reporting of all current liabilities when goods have been received or services have been performed, regardless of the timing of the related cash flows.

Condition: The City did not properly record payables.

Status: Resolved.

2020-006. Management of Interfund Transactions

Criteria: Generally accepted accounting principles require consideration of the collectability of receivables of all kinds, whether external or internal to the City. In addition, internal controls should be in place to provide reasonable assurance that interfund transactions are properly recorded.

Condition: We noted the City did not account for and use due to/from accounts and transfers properly within the operations of the City.

Status: Resolved.

2020-007. Proper Recognition of Investments

Criteria: Internal controls should be in place to ensure that all investment accounts are appropriately reconciled on a timely basis. Additionally, internal controls should be in place to ensure that all reconciliations agree to the general ledger.

Condition: During the year, the City did not properly reconcile investment accounts to the general ledger.

Status: Resolved.

CITY OF TIFTON, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

STATUS OF PRIOR YEAR AUDIT FINDINGS (CONTINUED)

2020-008 – General Accounting Matters/Close-Out Procedures

Criteria: Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operations objectives. Generally accepted accounting principles require assets, liabilities, revenues and expenditures to be recognized in the accounting period in which they become both measurable (and available). Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition: During our audit, we noted an inordinate amount of accounting, reporting and reconciling was not properly performed and reviewed during the fiscal year which required a significant effort to close the City's 2020 fiscal year.

Significant adjustments were determined and required to be recorded in the months that followed June 30, 2020. Further, and throughout the course of the audit process, we noted there was an overall lack of proper and adequate accounting on a timely basis. We noted deficiencies in timeliness, completeness, and accuracy. Specifically, we noted a lack of timely and accurate financial and non-financial information needed:

- to prepare their bank reconciliations in a timely manner for all accounts;
- to properly maintain the accounts payable on a periodic basis throughout the year;
- to accurately maintain and record the City's capital assets; and
- to properly maintain general ledgers, subsidiary ledgers, and related reconciliations.

We believe it important to note that we observed a genuine interest by the City's accounting personnel in their desire to learn and assume greater responsibilities for the City's accounting and financial reporting and noticed great improvement subsequent to the current year's audit.

Status: Resolved.