CITY OF TIFTON, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

Prepared by:
Tifton Finance Department

CITY OF TIFTON, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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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 Audit of the Financial Statements

Opinions

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, 2022 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and American Rescue Plan Act ("ARPA") fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 19) and the Schedule of Changes in Net Pension Liability and Related Ratios (on pages 72 and 73), and the Schedule of Contributions (on pages 74 and 75) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for the purposes of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, as listed in the table of contents, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedules, the schedule 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 3, 2023, 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 City of Tifton, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
January 3, 2023

CITY OF TIFTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022. 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 outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2022 by $115.4 million (reported as net position). Of this amount, $33.5 million (reported as unrestricted net position) is reported as an increase of $3.6 million.

- As of June 30, 2022, the City's governmental funds reported combined ending fund balance of $33.3 million. Approximately 34.5% 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 $61.5 million and includes property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items).

  - Net position of $20.3 million is restricted by constraints imposed from outside the City such as laws and regulations or debt covenants.

  - Unrestricted net position increased from $29.9 million in fiscal year 2021 to $33.5 million in fiscal year 2022.

- In the governmental activities, total assets in fiscal year 2022 increased by $6.5 million. Long-term liabilities decreased from $9.8 million in 2021 to $5.5 million in 2022 (Refer to Note 5).

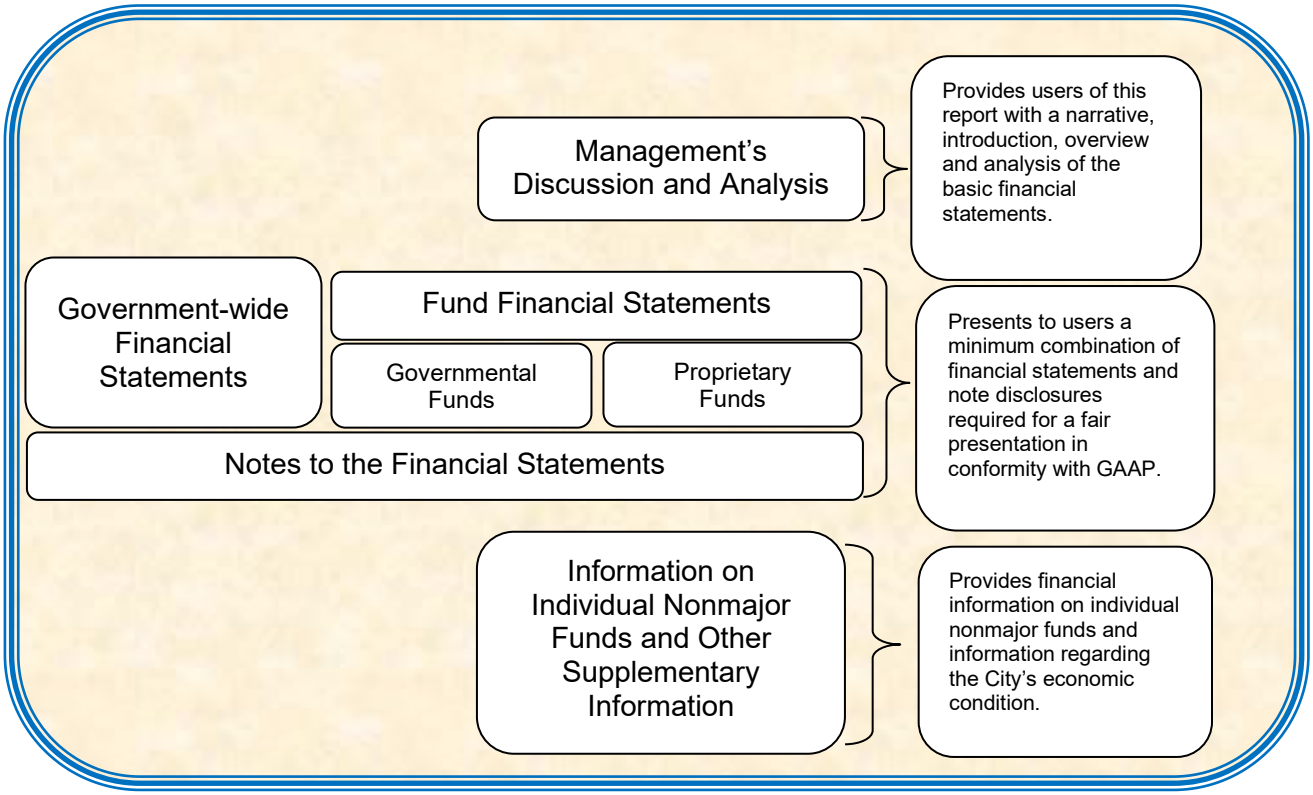
- Total revenues for governmental activities increased from $21.7 million in 2021 to $23.8 million in 2022. Total revenues for business-type activities increased from $16.7 million in 2021 to $17.9 million in 2022.

- Total expenses for governmental activities increased from $15.1 million in 2021 to $17.9 million in 2022, and total expenses for business-type activities increased from $14.0 million in 2021 to $17.2 million in 2022.

- The total cost of all City programs increased by $6 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 of Tifton'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 nonfinancial 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 position of the City for fiscal years 2022 and 2021:

City of Tifton's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	**2022**	2021	**2022**	2021
Current and other assets	**$ 37,600,198**	$ 30,013,568	**$ 37,168,049**	$ 34,421,996	**$ 74,768,247**	$ 64,435,564
Capital assets	**35,579,955**	36,122,548	**31,590,302**	32,443,742	**67,170,257**	68,566,290
Total assets	**73,180,153**	66,136,116	**68,758,351**	66,865,738	**141,938,504**	133,001,854
Deferred outflows of resources	**1,406,379**	1,911,029	**484,212**	674,175	**1,890,591**	2,585,204
Other liabilities	**3,545,447**	516,169	**2,624,471**	2,204,724	**6,169,918**	2,720,893
Long-term liabilities outstanding	**5,454,169**	9,772,701	**11,253,988**	11,724,455	**16,708,157**	21,497,156
Total liabilities	**8,999,616**	10,288,870	**13,878,459**	13,929,179	**22,878,075**	24,218,049
Deferred inflows of resources	**4,232,767**	2,203,235	**1,288,217**	390,959	**5,520,984**	2,594,194
Net position:						
Net investment in capital assets	**30,965,638**	31,665,227	**30,509,383**	31,224,289	**61,475,021**	62,889,516
Restricted	**20,437,651**	15,976,116	**-**	-	**20,437,651**	15,976,116
Unrestricted	**9,950,860**	7,913,697	**23,566,504**	21,995,486	**33,517,364**	29,909,183
Total net position	**$ 61,354,149**	$ 55,555,040	**$ 54,075,887**	$ 53,219,775	**$ 115,430,036**	$ 108,774,815

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 53.3% and 57.8% for fiscal year 2022 and 2021, 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 $3.6 million and restricted net position increased $4.6 million for fiscal year 2022. 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 position for fiscal years 2022 and 2021:

City of Tifton's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	**2022**	2021	**2022**	2021
Revenues						
Program revenues:						
Charges for services	**$ 3,685,117**	$ 3,816,870	**$ 17,927,129**	$ 16,506,518	**$ 21,612,246**	$ 20,323,388
Operating grants and contributions	**120,446**	174,748	**-**	-	**120,446**	174,748
Capital grants and contributions	**5,837,788**	5,087,703	**-**	-	**5,837,788**	5,087,703
General revenues:						
Property taxes	**3,979,538**	3,655,037	**-**	-	**3,979,538**	3,655,037
Sales taxes	**3,813,092**	3,744,039	**-**	-	**3,813,092**	3,744,039
Insurance premium tax	**1,362,471**	1,317,992	**-**	-	**1,362,471**	1,317,992
Alcoholic beverage taxes	**530,550**	688,984	**-**	-	**530,550**	688,984
Hotel/motel taxes	**1,985,547**	1,120,609	**-**	-	**1,985,547**	1,120,609
Franchise taxes	**1,167,362**	1,189,387	**-**	-	**1,167,362**	1,189,387
Other taxes	**1,036,951**	846,068	**-**	-	**1,036,951**	846,068
Unrestricted investment earnings	**98,277**	81,090	**20,620**	112,441	**118,897**	193,531
Gain on sale of capital assets	**165,993**	-	**45,357**	36,550	**211,350**	36,550
Total revenues	**23,783,132**	21,722,527	**17,993,106**	16,655,509	**41,776,238**	38,378,036
Expenses						
General government	**4,080,411**	3,439,236	**-**	-	**4,080,411**	3,439,236
Judicial	**219,415**	175,314	**-**	-	**219,415**	175,314
Public safety	**7,174,830**	6,606,078	**-**	-	**7,174,830**	6,606,078
Public works	**3,659,269**	3,143,558	**-**	-	**3,659,269**	3,143,558
Health and welfare	**331,719**	219,764	**-**	-	**331,719**	219,764
Culture and recreation	**1,523,774**	551,481	**-**	-	**1,523,774**	551,481
Housing and development	**852,424**	955,076	**-**	-	**852,424**	955,076
Interest on long-term debt	**36,601**	23,146	**-**	-	**36,601**	23,146
Water	**-**	-	**3,073,106**	2,851,324	**3,073,106**	2,851,324
Sewer	**-**	-	**4,065,931**	3,929,545	**4,065,931**	3,929,545
Gas	**-**	-	**5,543,586**	3,698,191	**5,543,586**	3,698,191
Solid waste	**-**	-	**4,432,369**	3,444,159	**4,432,369**	3,444,159
Tift Theatre	**-**	-	**127,582**	122,327	**127,582**	122,327
Total expenses	**17,878,443**	15,113,653	**17,242,574**	14,045,546	**35,121,017**	29,159,199
Change in net position before transfers	**5,904,689**	6,608,874	**750,532**	2,609,963	**6,655,221**	9,218,837
Transfers	**(105,580)**	(689,922)	**105,580**	689,922	**-**	-
Change in net position	**5,799,109**	5,918,952	**856,112**	3,299,885	**6,655,221**	9,218,837
Net position, beginning	**55,555,040**	49,636,088	**53,219,775**	49,919,890	**108,774,815**	99,555,978
Net position, ending	**$ 61,354,149**	$ 55,555,040	**$ 54,075,887**	$ 53,219,775	**$ 115,430,036**	$ 108,774,815

The City's total revenues increased by $2.1 million in fiscal year 2022. Key elements of this increase are as follows:

- Capital grants and contributions revenue increased $750 thousand, hotel/motel taxes increased by $865 thousand, property taxes increased $325 thousand, sales tax increased $70 thousand and other taxes increased $191 thousand.

The total cost of all programs and services for fiscal year 2022 was $35.1 million compared to $29.2 million for fiscal year 2021. This change is primarily due to the operations. City-wide expenses and revenues cover a range of services with public safety comprising 20.4% of total expenses.

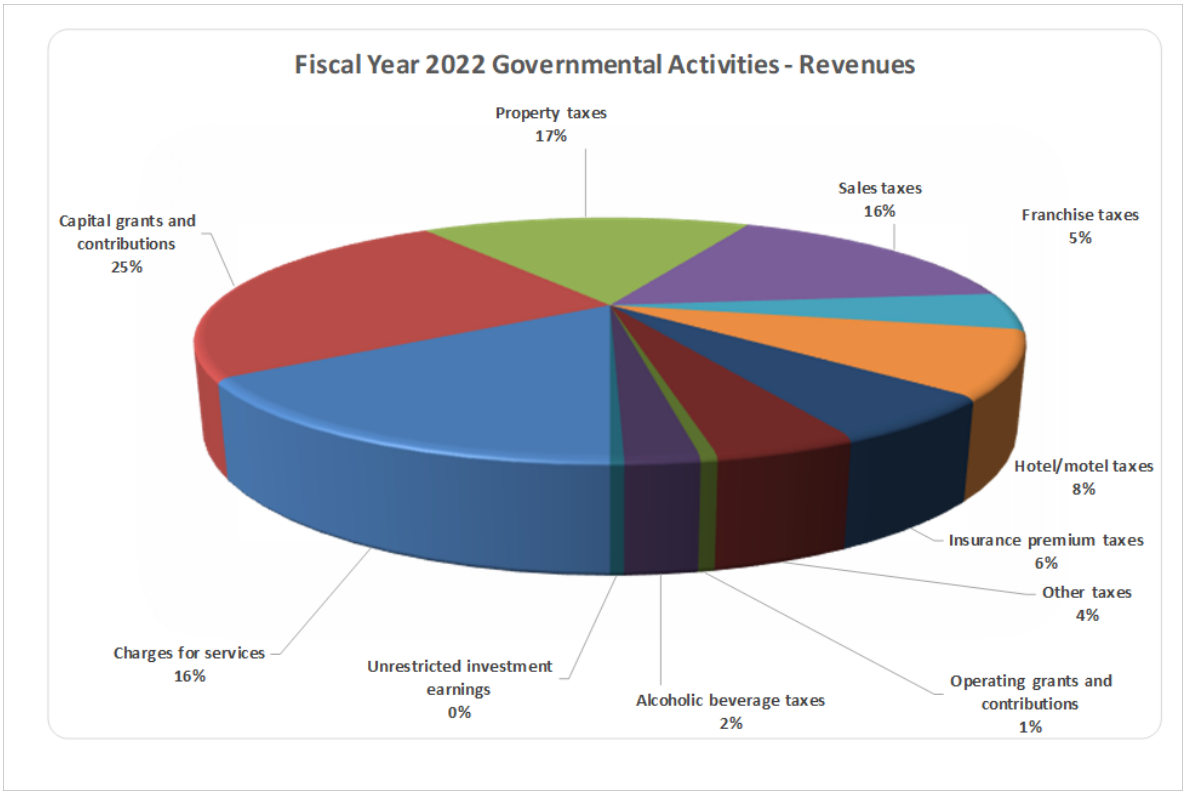
Governmental Activities

Total governmental activities revenues slightly 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, sales tax and insurance premium tax account for 38% of total governmental activities revenues. Property taxes and capital grants and contributions for another 17% and 25%, respectively.

The following charts depict revenues of the governmental activities for fiscal years 2022 and 2021, excluding transfers:

	2022	2021	Change
Revenues			
Charges for services	**$ 3,685,117**	$ 3,816,870	$ (131,753)
Capital grants and contributions	**5,837,788**	5,087,703	750,085
Property taxes	**3,979,538**	3,655,037	324,501
Sales taxes	**3,813,092**	3,744,039	69,053
Franchise taxes	**1,167,362**	1,189,387	(22,025)
Hotel/motel taxes	**1,985,547**	1,120,609	864,938
Insurance premium taxes	**1,362,471**	1,317,992	44,479
Other taxes	**1,036,951**	846,068	190,883
Operating grants and contributions	**120,446**	174,748	(54,302)
Alcoholic beverage taxes	**530,550**	688,984	(158,434)
Unrestricted investment earnings	**98,277**	81,090	17,187
Total governmental revenues	**$ 23,617,139**	$ 21,722,527	$ 1,894,612

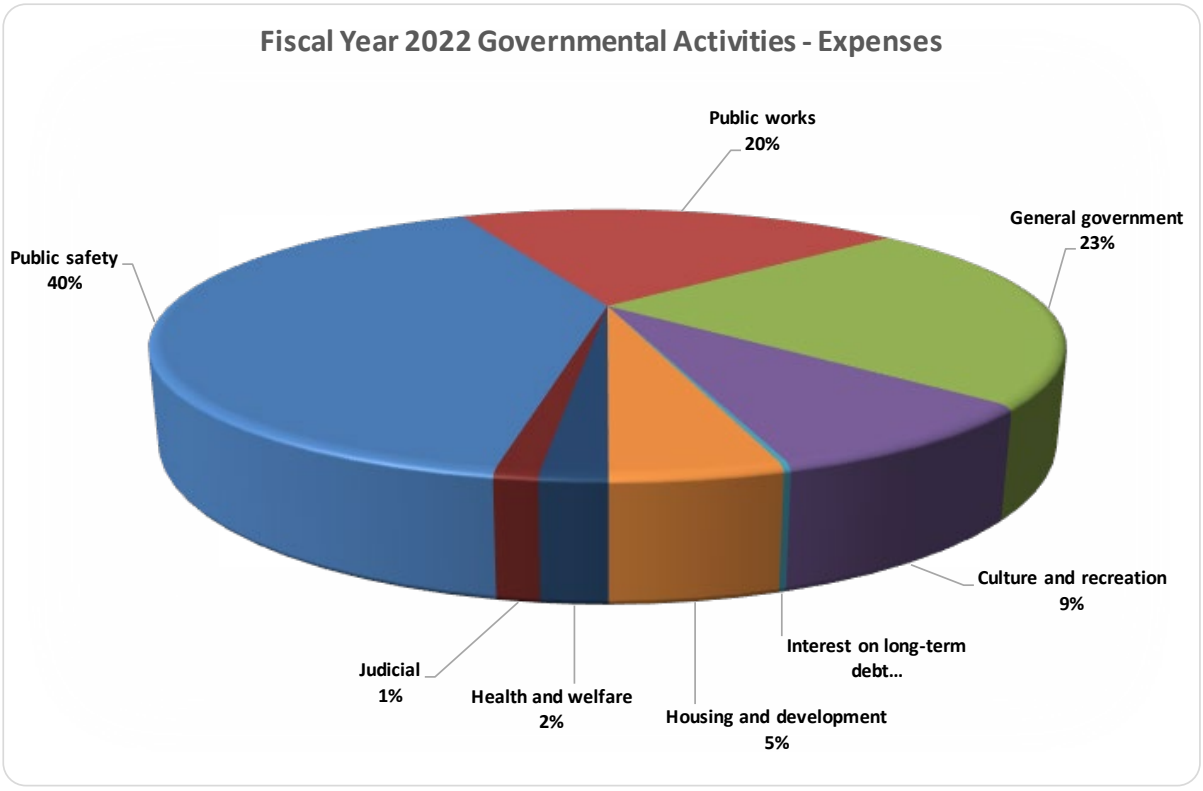


Total governmental activities expenditures increased by $2.8 million. This increase is mainly attributable to capital improvements in culture and recreation, public safety and general government.

The most significant governmental expense for the City is providing public safety services such as fire, police and public works. This comprises 60.6% 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 22.8% of total governmental expenses.

The following charts depict expenses of the governmental activities for fiscal years 2022 and 2021:

	2022	2021	Change
Expenses			
Public safety	**$ 7,174,830**	$ 6,606,078	$ 568,752
Public works	**3,659,269**	3,143,558	515,711
General government	**4,080,411**	3,439,236	641,175
Culture and recreation	**1,523,774**	551,481	972,293
Interest on long-term debt	**36,601**	23,146	13,455
Housing and development	**852,424**	955,076	(102,652)
Health and welfare	**331,719**	219,764	111,955
Judicial	**219,415**	175,314	44,101
Total governmental expenses	**$ 17,878,443**	$ 15,113,653	$ 2,764,790



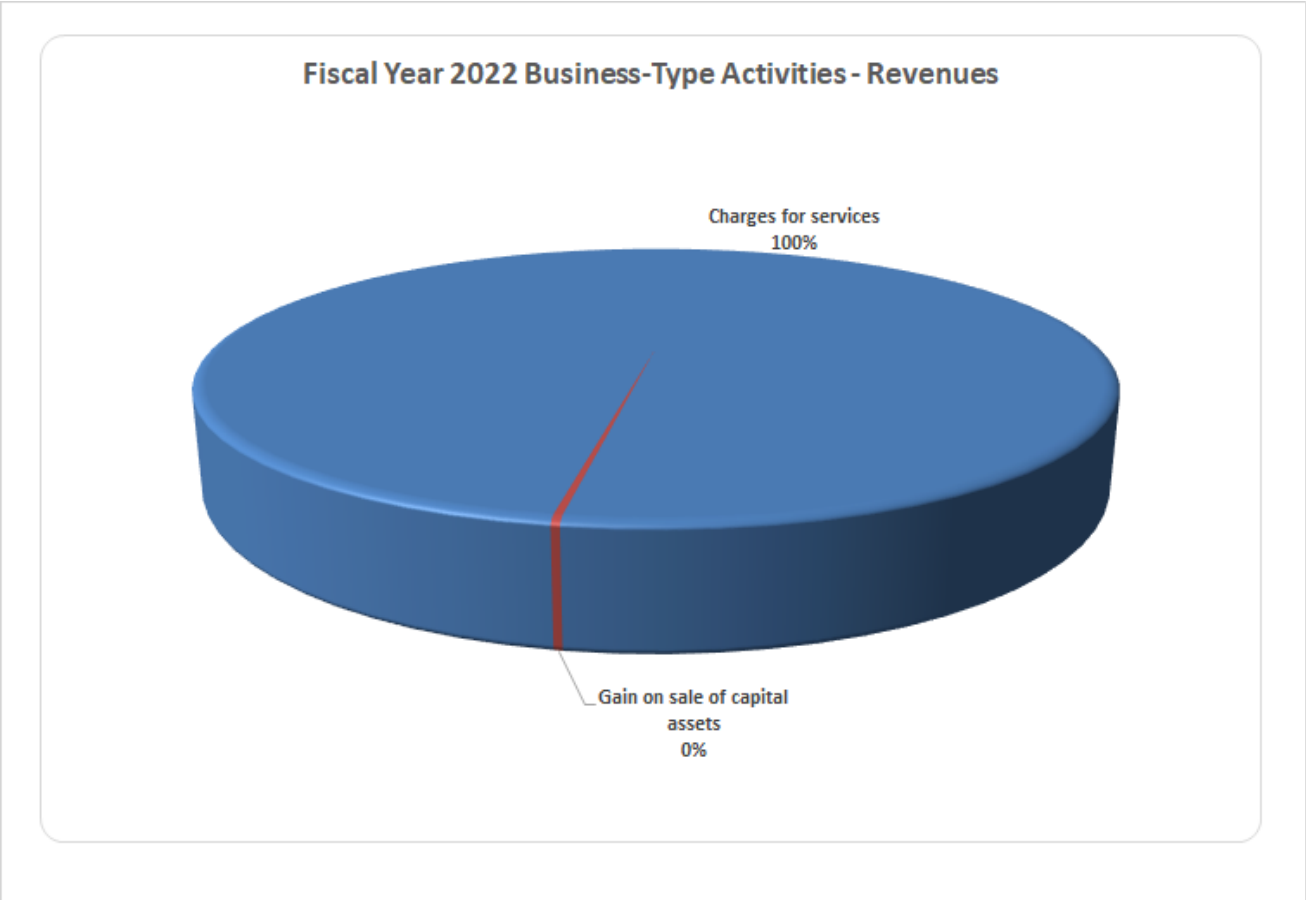
Business-Type Activities

Operating revenues of the business-type activities increased by $1.4 million in 2022. Charges for services, which account for 99% of total business-type revenues, slightly increased; however, that increase was partially offset by a decrease in unrestricted investment earnings.

The following charts depict revenues of the business-type activities for fiscal years 2022 and 2021:

Business-Type Activities - Revenues

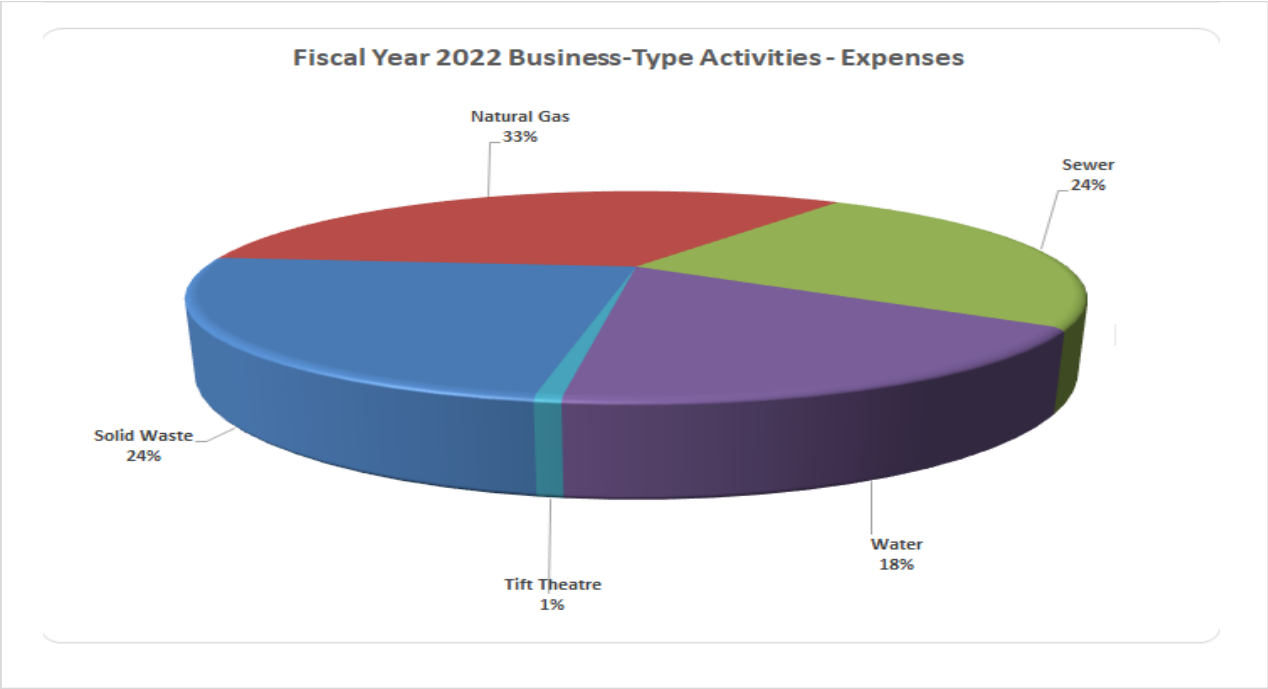
	2022	2021	Change
Revenues			
Charges for services	**$ 17,927,129**	$ 16,506,518	$ 1,420,611
Gain on sale of capital assets	**45,357**	36,550	8,807
Unrestricted investment earnings	**20,620**	112,441	(91,821)
Total business-type revenues	**$ 17,993,106**	$ 16,655,509	$ 1,337,597



The cost of all business-type activities this fiscal year was $16.8 million compared to $14.1 million in the prior year. The $16.8 million in expenses was funded by $18 million in charges for services paid by the users of the systems. The following charts depict expenses of the business-type activities for fiscal years 2022 and 2021:

Business-Type Activities - Expenses

	2022	2021	Change
Expenses			
Solid Waste	**$ 3,956,534**	$ 3,444,159	$ 512,375
Gas	**5,543,586**	3,698,191	1,845,395
Sewer	**4,065,931**	3,929,545	136,386
Water	**3,073,106**	2,851,324	221,782
Tift Theatre	**127,582**	122,627	4,955
Total business-type expenses	**$ 16,766,739**	$ 14,045,846	$ 2,720,893



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 $33.3 million in 2022 as compared to $27.9 million in 2021. Approximately $11.5 million of the fund balance is unassigned, which is available for spending at the City's discretion. Around $456 thousand is classified as nonspendable 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, 2022, total assets were $14.8 million and total liabilities were $1.9 million. This net increase, when combined with deferred inflows of resources of $69 thousand, resulted in an increase in fund balance to $12.9 million as of June 30, 2022 from $11.7 million as of June 30, 2021.

Operating revenues decreased by $55 thousand due to small decreases in property taxes and intergovernmental revenues.

Special Purpose Local Option Sales Tax ("SPLOST") VI

The SPLOST VI 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 2022, the SPLOST VI Fund had a restricted fund balance of $8.7 million, an increase of $3.2 million. Collections for this SPLOST VI Fund started in January 2019 and will continue to be collected until December 31, 2024.

American Rescue Plan Act ("ARPA")

The ARPA Fund accounts for financial resources provided by the American Rescue Plan Act of 2021, a federal relief program passed in 2021 to provide funding to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals and businesses. The City received the first tranche of funding in July 2021 and recognizes revenues as funds are expended. At the end of fiscal year 2022, the ARPA Fund had a restricted fund balance of $1,901, attributable to interest earned.

Proprietary Funds

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, 2022, the total net position was $54.1 million, an increase of $856 thousand from the prior year. Of the total net position, $30.5 million was invested in capital assets net of related debt and $23.6 million was unrestricted. Operating revenues increased $1.4 million in fiscal year 2022, and operating expenses increased $2.7 million.

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

Water Revenue Fund

For fiscal year 2022, the Water Revenue Fund reflects operating income of $644 thousand compared to 2021 operating income of $995 thousand. Operating expenses increased $222 thousand.

Sewer Revenue Fund

The Sewer Revenue Fund reflects an operating income of $222 thousand, compared to operating income of $336 thousand in 2021. Operating expenses increased $141 thousand, which was due to utilities and maintenance and repairs for equipment.

Gas Revenue Fund

The Gas Revenue Fund experienced operating income of $433 thousand in 2022, compared to an operating income of $811 thousand in 2021, a decrease of $378 thousand. This inconsistency in operating income is a result of varying climate conditions. Operating expenses increased $1.9 million, which was due to the cost of natural gas purchased for resale, system repairs and maintenance.

Solid Waste Collection and Disposal Fund

The Solid Waste Collection and Disposal Fund had operating loss of $15 thousand in 2022, compared to an operating income of $454 thousand in 2021. Operating expenses increased by $512 thousand due to increases in landfill closure/post-closure care costs.

Internal Service Fund

In fiscal year 2022, the Internal Service Fund had operating loss of $133 thousand compared to operating loss of $290 thousand in fiscal year 2021. The 2022 loss was mitigated due to the reallocation of insurance costs to other cost centers.

Tift Theatre Fund

In fiscal year 2022, the Tift Theatre Fund had an operating loss of $100 thousand compared to a loss of $101 thousand in fiscal year 2021 due to lower expenditures. An increase of $6,398 in income was offset by an increase in operating expenses of $5,255.

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 2022 were $14.4 million and 14.8 million, respectively. General Fund revenues were $912 thousand more than the final budget amounts. There was an increase in sales tax collections as well other revenues.

The original and final approved expenditure budgets for fiscal year 2022 were $15 million and $15.4 million, respectively. Actual expenditures were $1.2 million 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 $67.2 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 $1 million from the end of 2021 is primarily due to the fiscal year 2022 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	
	2022	2021	**2022**	2021	**2022**	2021
Land	**$ 2,906,590**	$ 3,160,597	**$ 582,835**	$ 582,835	**$ 3,489,425**	$ 3,743,432
Construction in progress	**1,246,325**	-	**682,994**	245,719	**1,929,319**	245,719
Buildings and improvements	**6,057,117**	6,316,836	**212,975**	238,879	**6,270,092**	6,555,715
Distribution system	**-**	-	**26,312,307**	27,691,163	**26,312,307**	27,691,163
Landfill	**-**	-	**743,049**	801,757	**743,049**	801,757
Machinery and equipment	**3,122,952**	3,440,660	**3,056,142**	2,883,389	**6,179,094**	6,324,049
Infrastructure	**22,246,971**	23,204,455	**-**	-	**22,246,971**	23,204,455
Total	**$ 35,579,955**	$ 36,122,548	**$ 31,590,302**	$ 32,443,742	**$ 67,170,257**	$ 68,566,290

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 $37.5 million based on the City's 2022 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, 2022 and 2021, the City had $16.4 million and $22.1 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	
	2022	2021	**2022**	2021	**2022**	2021
Notes payable	**$ -**	$ -	**$ 730,919**	$ 250,735	**$ 730,919**	$ 250,735
Bonds payable	**-**	-	**350,000**	690,000	**350,000**	690,000
Certificates of participation	**4,444,000**	4,444,000	**-**	-	**4,444,000**	4,444,000
Compensated absences	**302,885**	298,860	**17,973**	17,236	**320,858**	316,096
Net pension liability	**722,428**	5,044,784	**248,732**	1,779,717	**971,160**	6,824,501
Landfill post-closure	**-**	-	**10,356,845**	9,548,901	**10,356,845**	9,548,901
Total	**$ 5,469,313**	$ 9,787,644	**$ 11,704,469**	$ 12,286,589	**$ 17,173,782**	$ 22,074,233

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The City's unemployment rate in 2022 was 2.3% compared to 2.6% in 2021. In contrast, both the state-wide and national annual average unemployment rates were 2.9% and 3.7%, respectively.

- The Tax Digest for 2022 increased 3.5% over the past year. This enabled the City to decrease the millage rate by 1% and still realize a 2.5% net Property Tax increase.

- The General Fund fiscal year budget for 2023 of $16,193,884 increased 5.3% compared to an inflation rate of 8.5% over the past year. The City was still able to implement a needed pay increase for Police and Fire Safety personnel to keep those salaries in line with surrounding counties.

- The 2023 fiscal year budget for all funds is $54.0 million, a $3.6 million increase over last fiscal year, due to additional capital expenditures in Capital Projects Fund and SPLOST VI Fund.

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.

CITY OF TIFTON, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS	Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Downtown Development Authority
Cash and cash equivalents	$ 24,850,846	$ 25,899,210	$ 50,750,056	$ 1,251,596
Investments	10,729,972	8,035,941	18,765,913	371,292
Taxes receivable	246,399	-	246,399	-
Accounts receivable, net of allowances	294,569	2,021,041	2,315,610	50,149
Interest receivable	-	-	-	369
Notes receivable	-	84,350	84,350	148,967
Due from other governments	1,038,223	-	1,038,223	-
Due from component units	171,745	-	171,745	-
Internal balances	(1,127,507)	1,127,507	-	-
Inventories	448,420	-	448,420	-
Prepaid expenses	456,311	-	456,311	-
Fair value of interest rate swap agreement	491,220	-	491,220	-
Capital assets:				
Non-depreciable	4,152,915	1,265,829	5,418,744	426,647
Depreciable, net	31,427,040	30,324,473	61,751,513	1,916,861
Total assets	73,180,153	68,758,351	141,938,504	4,165,881
DEFERRED OUTFLOWS OF RESOURCES				
Pension experience differences	141,595	48,753	190,348	-
Pension assumption changes	242,086	83,343	325,429	-
Pension contributions	1,022,698	352,116	1,374,814	-
Total deferred outflows of resources	1,406,379	484,212	1,890,591	-
LIABILITIES				
Accounts payable	799,681	952,282	1,751,963	19,066
Retainage payable	170,317	40,742	211,059	-
Accrued liabilities	204,896	12,213	217,109	282
Due to primary government	-	-	-	171,745
Unearned revenues	2,355,409	-	2,355,409	150,000
Customer deposits payable	-	1,168,753	1,168,753	-
Net pension liability	722,428	248,732	971,160	-
Notes payable due within one year	-	99,582	99,582	61,547
Notes payable due in more than one year	-	631,337	631,337	74,999
Revenue bonds payable due in more than one year	-	350,000	350,000	-
Certificates of participation due in more than one year	4,444,000	-	4,444,000	-
Compensated absences due within one year	15,144	899	16,043	-
Compensated absences due in more than one year	287,741	17,074	304,815	-
Landfill closure/post-closure care costs due in more than one year	-	10,356,845	10,356,845	-
Total liabilities	8,999,616	13,878,459	22,878,075	477,639
DEFERRED INFLOWS OF RESOURCES				
Accumulated increase in fair value of hedging derivatives	491,220	-	491,220	-
Pension experience differences	696,492	239,803	936,295	-
Pension investment return	3,045,055	1,048,414	4,093,469	-
Total deferred inflows of resources	4,232,767	1,288,217	5,520,984	-
NET POSITION				
Net investment in capital assets	30,965,638	30,509,383	61,475,021	2,206,962
Restricted for tourism	3,059,503	-	3,059,503	-
Restricted for capital outlay	17,196,624	-	17,196,624	-
Restricted for public safety	181,524	-	181,524	-
Unrestricted	9,950,860	23,566,504	33,517,364	1,481,280
Total net position	$ 61,354,149	$ 54,075,887	$ 115,430,036	$ 3,688,242

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, 2022

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	$ 4,080,411	$ 2,539,510	$ 120,446	$ 502,604	$ (917,851)	$ -	$ (917,851)	$ -
Judicial	219,415	-	-	-	(219,415)	-	(219,415)	-
Public safety	7,174,830	701,002	-	2,067,472	(4,406,356)	-	(4,406,356)	-
Public works	3,659,269	7,500	-	3,171,324	(480,445)	-	(480,445)	-
Health and welfare	331,719	89,184	-	7,000	(235,535)	-	(235,535)	-
Culture and recreation	1,523,774	-	-	89,388	(1,434,386)	-	(1,434,386)	-
Housing and development	852,424	347,921	-	-	(504,503)	-	(504,503)	-
Interest on long-term debt	36,601	-	-	-	(36,601)	-	(36,601)	-
Total governmental activities	17,878,443	3,685,117	120,446	5,837,788	(8,235,092)	-	(8,235,092)	-
Business-type activities:								
Water	3,073,106	3,717,255	-	-	-	644,149	644,149	-
Sewer	4,065,931	4,268,578	-	-	-	202,647	202,647	-
Gas	5,543,586	5,971,303	-	-	-	427,717	427,717	-
Solid waste collection and disposal	4,432,369	3,941,940	-	-	-	(490,429)	(490,429)	-
Tift Theatre	127,582	28,053	-	-	-	(99,529)	(99,529)	-
Total business-type activities	17,242,574	17,927,129	-	-	-	684,555	684,555	-
Total primary government	$ 35,121,017	$ 21,612,246	$ 120,446	$ 5,837,788	(8,235,092)	684,555	(7,550,537)	-
Component unit:								
Tifton Downtown Development Authority	$ 574,319	$ 11,698	$ 185,844	$ 282,047	-	-	-	(94,730)
Total component unit	$ 574,319	$ 11,698	$ 185,844	$ 282,047	-	-	-	(94,730)
General revenues:								
Property taxes					3,979,538	-	3,979,538	-
Sales taxes					3,813,092	-	3,813,092	-
Insurance premium tax					1,362,471	-	1,362,471	-
Alcoholic beverage taxes					530,550	-	530,550	-
Hotel/motel taxes					1,985,547	-	1,985,547	-
Franchise taxes					1,167,362	-	1,167,362	-
Other taxes					1,036,951	-	1,036,951	-
Unrestricted investment earnings					98,277	20,620	118,897	12,342
Gain on sale of capital assets					165,993	45,357	211,350	-
Transfers					(105,580)	105,580	-	-
Total general revenues and transfers					14,034,201	171,557	14,205,758	12,342
Change in net position					5,799,109	856,112	6,655,221	(82,388)
Net position, beginning of year					55,555,040	53,219,775	108,774,815	3,770,630
Net position, end of year					$ 61,354,149	$ 54,075,887	$ 115,430,036	$ 3,688,242

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

CITY OF TIFTON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

ASSETS	General Fund	SPLOST VI Fund	ARPA Fund
Cash and cash equivalents	$ 3,779,046	$ 9,073,968	$ 2,359,973
Investments	7,446,441	-	-
Taxes receivable, net	71,080	-	-
Accounts receivable, net	293,393		-
Due from other governments, net	344,187	665,311	-
Due from other funds	1,578,586	-	-
Due from component unit	-	171,745	-
Advances from other funds	864,000	-	-
Prepaid expenditures	456,311	-	-
Total assets	$ 14,833,044	$ 9,911,024	2,359,973
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 394,818	$ 254,342	$ -
Retainage payable	-	84,731	-
Accrued liabilities	197,969	-	-
Unearned revenue	-	-	2,355,409
Due to other funds	1,276,351	-	2,663
Advance to other funds	-	864,000	-
Total liabilities	1,869,138	1,203,073	2,358,072
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	69,196	-	-
Total deferred inflows of resources	69,196	-	-
FUND BALANCES			
Non-spendable:			
Prepaid expenditures	456,311	-	-
Advances to other funds	864,000	-	
Restricted for:			
Capital outlay	-	8,707,951	1,901
Public safety	-	-	-
Tourism	-	-	-
Unassigned	11,574,399	-	-
Total fund balances	12,894,710	8,707,951	1,901
Total liabilities, deferred inflows of resources and fund balances	$ 14,833,044	$ 9,911,024	$ 2,359,973

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
Accrued interest
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
$ 9,267,084	$ 24,480,071
3,283,531	10,729,972
175,319	246,399
-	293,393
28,725	1,038,223
-	1,578,586
-	171,745
-	864,000
-	456,311
$ 12,754,659	$ 39,858,700
$ 146,173	$ 795,333
85,586	170,317
-	197,969
-	2,355,409
865,425	2,144,439
-	864,000
1,097,184	6,527,467
-	69,196
-	69,196
-	456,311
-	864,000
8,486,772	17,196,624
181,524	181,524
3,059,503	3,059,503
(70,324)	11,504,075
11,657,475	33,262,037
$ 12,754,659	
	35,579,955
	69,196
	1,371,219
	165,242
	(4,444,000)
	(297,128)
	-
	(704,367)
	(3,648,005)
	$ 61,354,149

CITY OF TIFTON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	SPLOST VI Fund	ARPA Fund
REVENUES			
Taxes	$ 8,141,716	$ -	$ -
Sales taxes	3,813,092	-	-
Charges for services	467,816	-	-
Licenses and permits	506,203	-	-
Intergovernmental	120,446	3,741,824	788,552
Fines and forfeitures	600,428	-	-
Interest revenue	19,075	5,541	1,901
Other revenues	2,025,009	-	-
Total revenues	15,693,785	3,747,365	790,453
EXPENDITURES			
Current:			
General government	3,405,711	-	788,552
Judicial	270,665	-	-
Public safety	7,079,305	-	-
Public works	2,284,452	-	-
Health and welfare	269,224	-	-
Culture and recreation	-	-	-
Housing and development	848,414	-	-
Capital outlay	-	1,015,253	-
Debt service:			
Interest	-	-	-
Total expenditures	14,157,771	1,015,253	788,552
Excess (deficiency) of revenues over (under) expenditures	1,536,014	2,732,112	1,901
OTHER FINANCING SOURCES (USES)			
Transfers in	117,500	-	-
Transfers out	(417,156)	-	-
Sale of capital assets	-	420,000	-
Total other financing sources (uses)	(299,656)	420,000	-
Net change in fund balances	1,236,358	3,152,112	1,901
Fund balances, beginning of year	11,658,352	5,555,839	-
Fund balances, end of year	$ 12,894,710	$ 8,707,951	$ 1,901

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

Nonmajor Governmental Funds	Total Governmental Funds
$ 1,976,149	$ 10,117,865
-	3,813,092
-	467,816
-	506,203
1,306,618	5,957,440
78,161	678,589
72,249	98,766
7,500	2,032,509
3,440,677	23,672,280
196,498	4,390,761
-	270,665
354,556	7,433,861
-	2,284,452
-	269,224
1,523,501	1,523,501
-	848,414
643,169	1,658,422
36,601	36,601
2,754,325	18,715,901
686,352	4,956,379
676,898	794,398
(389,907)	(807,063)
-	420,000
286,991	407,335
973,343	5,363,714
10,684,132	27,898,323
$ 11,657,475	$ 33,262,037

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, 2022

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	5,363,714
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		1,716,904
Total depreciation		(1,912,575)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations, transfers to enterprise funds) is to decrease net position.		(346,922)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(55,446)
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.		(133,042)
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		(3,624)
Net pension liability and related deferred inflows and outflows of resources		1,170,100
Change in net position - governmental activities	$	5,799,109

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, 2022

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Property taxes	$ 3,783,100	$ 3,965,100	$ 4,044,382	$ 79,282
Sales taxes	3,245,000	3,245,000	3,813,092	568,092
Franchise taxes	1,275,000	1,275,000	1,167,362	(107,638)
Other taxes	2,734,000	2,734,000	2,892,071	158,071
Penalties and interest - delinquent taxes	25,000	25,000	37,901	12,901
Licenses and permits	257,250	465,250	506,203	40,953
Intergovernmental	108,000	108,000	120,446	12,446
Charges for services	385,900	385,900	467,816	81,916
Fines and forfeitures	565,000	565,000	600,428	35,428
Interest revenue	20,000	20,000	19,075	(925)
Other revenues	1,994,011	1,994,011	2,025,009	30,998
Total revenues	14,392,261	14,782,261	15,693,785	911,524
EXPENDITURES				
Current				
General government:				
City Council	99,528	117,228	121,066	(3,838)
General administration	3,046,226	3,347,826	3,284,645	63,181
Total general government	3,145,754	3,465,054	3,405,711	59,343
Municipal court	271,320	271,320	270,665	655
Public safety:				
Police	5,138,197	5,104,997	4,263,299	841,698
Fire	2,909,259	2,909,259	2,816,006	93,253
Total public safety	8,047,456	8,014,256	7,079,305	934,951
Public works:				
Highways and streets	1,961,410	2,060,111	2,046,582	13,529
Cemetery	240,657	240,657	237,870	2,787
Total public works	2,202,067	2,300,768	2,284,452	16,316
Health and welfare:				
Senior citizens center	292,876	292,876	269,224	23,652
Total health and welfare	292,876	292,876	269,224	23,652
Housing and development:				
Code enforcement	639,920	639,920	603,198	36,722
Economic development	377,095	382,295	245,216	137,079
Total housing and development	1,017,015	1,022,215	848,414	173,801
Total expenditures	14,976,488	15,366,489	14,157,771	1,208,718
Excess of revenues over expenditures	(584,227)	(584,228)	1,536,014	2,120,242

(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, 2022

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
OTHER FINANCING (USES)				
Transfers in	$ 541,000	$ 541,000	$ 117,500	$ (423,500)
Transfers out	(402,768)	(402,768)	(417,156)	(14,388)
Total other financing (uses)	138,232	138,232	(299,656)	(437,888)
Net change in fund balances	(445,995)	(445,996)	1,236,358	1,682,354
Fund balances, beginning of year	11,658,352	11,658,352	11,658,352	-
Fund balances, end of year	$ 11,212,357	$ 11,212,356	$ 12,894,710	$ 1,682,354

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 AND ACTUAL
ARPA FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original and Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 3,144,000	$ 788,552	$ (2,355,448)
Interest	2,000	1,901	(99)
Total revenues	3,146,000	790,453	(2,355,547)
EXPENDITURES			
Current:			
General government	3,146,000	788,552	2,357,448
Total expenditures	3,146,000	788,552	2,357,448
Net change in fund balances	-	1,901	1,901
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES, end of year	$ -	$ 1,901	$ 1,901

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

CITY OF TIFTON, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	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	$ 10,185,214	$ 2,447,633	$ 5,321,874	$ 7,520,987
Investments	-	-	-	8,035,941
Accounts receivable, net of allowances	512,415	567,241	600,556	335,979
Current portion - notes receivable	-	-	84,350	-
Due from other funds	1,161,733	277	-	290
Inventories	-	-	-	-
Total current assets	11,859,362	3,015,151	6,006,780	15,893,197
NON-CURRENT ASSETS				
Capital assets:				
Non-depreciable	133,247	820,754	102,302	184,526
Depreciable, net of accumulated depreciation	10,995,644	13,541,496	3,302,869	2,105,003
Total non-current assets	11,128,891	14,362,250	3,405,171	2,289,529
Total assets	22,988,253	17,377,401	9,411,951	18,182,726
DEFERRED OUTFLOWS OF RESOURCES				
Pension experience differences	10,974	11,056	10,402	16,255
Pension assumption changes	18,758	18,902	17,781	27,789
Pension contributions	79,252	79,856	75,126	117,405
Total deferred outflows of resources	108,984	109,814	103,309	161,449

(Continued)

Nonmajor Proprietary Fund		Governmental Activities
Tift Theatre Fund	Totals	Internal Service Fund
$ 423,502	$ 25,899,210	$ 370,775
-	8,035,941	-
4,850	2,021,041	1,176
-	84,350	-
-	1,162,300	139,544
-	-	448,420
428,352	37,202,842	959,915
25,000	1,265,829	-
379,461	30,324,473	-
404,461	31,590,302	-
832,813	68,793,144	959,915
66	48,753	3,539
113	83,343	6,052
477	352,116	25,569
656	484,212	35,160

CITY OF TIFTON, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Major Proprietary Funds			
	Water Revenue Fund	Sewer Revenue Fund	Gas Revenue Fund	Solid Waste Collection and Disposal Fund
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	$ 78,262	$ 3,732	$ 368,408	$ 499,598
Retainage payable	-	40,742	-	-
Accrued liabilities	-	-	-	11,027
Current portion - compensated absences	-	-	-	858
Current portion - notes payable	-	-	99,582	-
Customer deposits payable	483,291	380,808	228,312	76,342
Due to other funds	23,824	3,537	2,608	4,559
Total current liabilities	585,377	428,819	698,910	592,384
NON-CURRENT LIABILITIES				
Compensated absences, net of current portion	-	-	-	16,303
Notes payable, net of current portion	-	631,337	-	-
Revenue bonds payable, net of current portion	-	350,000	-	-
Landfill closure/post-closure care costs	-	-	-	10,356,845
Net pension liability	55,984	56,409	53,069	82,934
Total non-current liabilities	55,984	1,037,746	53,069	10,456,082
Total liabilities	641,361	1,466,565	751,979	11,048,466
DEFERRED INFLOWS OF RESOURCES				
Pension experience differences	53,974	54,384	51,163	79,957
Pension investment return	235,973	237,767	223,685	349,570
Total deferred inflows of resources	289,947	292,151	274,848	429,527
NET POSITION				
Net investment in capital assets	11,128,891	13,380,913	3,305,589	2,289,529
Unrestricted	11,037,038	2,347,586	5,182,844	4,576,653
Total net position	$ 22,165,929	$ 15,728,499	$ 8,488,433	$ 6,866,182

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

Nonmajor Proprietary Fund		Governmental Activities
Tift Theatre Fund	Totals	Internal Service Fund
$ 2,282	$ 952,282	$ 4,348
-	40,742	-
1,186	12,213	6,927
41	899	288
-	99,582	-
-	1,168,753	-
265	34,793	701,198
3,774	2,309,264	712,761
771	17,074	5,469
-	631,337	-
-	350,000	-
-	10,356,845	-
336	248,732	18,061
1,107	11,603,988	23,530
4,881	13,913,252	736,291
325	239,803	17,412
1,419	1,048,414	76,130
1,744	1,288,217	93,542
404,461	30,509,383	-
422,383	23,566,504	165,242
$ 826,844	$ 54,075,887	$ 165,242

CITY OF TIFTON, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Major Proprietary Funds			
	Water Revenue Fund	Sewer Revenue Fund	Gas Revenue Fund	Solid Waste Collection and Disposal Fund
OPERATING REVENUES				
Charges for services	$ 3,485,110	$ 4,176,880	$ 5,769,280	$ 3,810,232
Penalties and fines	223,653	86,893	45,591	115,531
Miscellaneous	8,492	4,805	156,432	16,177
Total operating revenues	3,717,255	4,268,578	5,971,303	3,941,940
OPERATING EXPENSES				
Personnel services	-	5,254	5,213	345,247
Cost of gas sold	-	-	4,093,934	-
Contract services	1,285,179	2,386,438	573,139	1,232,918
Utilities	368,278	274,353	21,360	10,271
Equipment repairs and maintenance	-	-	20,039	309,909
System repairs and maintenance	(22,309)	141,876	200	-
Landfill expenses	-	-	-	828,906
Supplies	-	-	-	177,171
Insurance	49,896	17,023	25,326	49,877
Gas, oil and grease	14,799	20,733	582	146,828
Professional services	1,346	27,803	-	45,253
Depreciation	791,899	618,635	154,722	268,454
Marketing	-	-	4,085	-
Administrative and clerical	553,498	554,585	569,824	540,273
Miscellaneous	30,520	-	69,989	1,427
Total operating expenses	3,073,106	4,046,700	5,538,413	3,956,534
Operating income (loss)	644,149	221,878	432,890	(14,594)
NON-OPERATING INCOME (EXPENSES)				
Investment earnings (losses)	5,491	1,783	13,099	(475,835)
Interest expense	-	(19,231)	(5,173)	-
Gain on disposal of capital assets	-	-	-	45,357
Total non-operating income (expenses)	5,491	(17,448)	7,926	(430,478)
Income (loss) before contributions and transfers	649,640	204,430	440,816	(445,072)
CAPITAL CONTRIBUTIONS	-	92,915	-	-
TRANSFERS				
Transfers in	-	-	-	-
Transfers out	(52,088)	(8,333)	-	(201,821)
Total transfers	(52,088)	(8,333)	-	(201,821)
Change in net position	597,552	289,012	440,816	(646,893)
NET POSITION, beginning of year	21,568,377	15,439,487	8,047,617	7,513,075
NET POSITION, end of year	$ 22,165,929	$ 15,728,499	$ 8,488,433	$ 6,866,182

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

Nonmajor Proprietary Fund		Governmental Activities
Tift Theatre Fund	Totals	Internal Service Fund
$ 26,053	$ 17,267,555	$ 385,671
-	471,668	-
2,000	187,906	-
28,053	17,927,129	385,671
41,568	397,282	395,631
-	4,093,934	-
-	5,477,674	-
14,766	689,028	1,558
28,304	358,252	7,463
-	119,767	-
-	828,906	-
10,709	187,880	76,435
4,418	146,540	17,633
-	182,942	-
4,893	79,295	-
18,072	1,851,782	-
4,852	8,937	-
-	2,218,180	-
-	101,936	20,298
127,582	16,742,335	519,018
(99,529)	1,184,794	(133,347)
247	(455,215)	305
-	(24,404)	-
-	45,357	-
247	(434,262)	305
(99,282)	750,532	(133,042)
-	92,915	-
274,907	274,907	-
-	(262,242)	-
274,907	12,665	-
175,625	856,112	(133,042)
651,219	53,219,775	298,284
$ 826,844	$ 54,075,887	$ 165,242

CITY OF TIFTON, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	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	$ 5,228,597	$ 4,137,339	$ 5,019,738	$ 4,386,247
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(2,253,692)	(3,378,337)	(5,158,746)	(2,035,291)
Payments to employees	(100,519)	(106,572)	(100,260)	(488,615)
Net cash provided by (used in) operating activities	2,874,386	652,430	(239,268)	1,862,341
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	-
Transfers out	(52,088)	(8,333)	-	(201,821)
Net cash provided by (used in) non-capital financing activities	(52,088)	(8,333)	-	(201,821)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(36,087)	(473,672)	(10,400)	(450,654)
Proceeds from the sale of capital assets	-	30,496	-	77,974
Proceeds from the issuance of notes payable	-	352,619	-	-
Principal paid on notes payable	-	-	(151,153)	-
Principal paid on revenue bonds payable	-	(340,000)	-	-
Interest paid	-	(19,231)	(14,568)	-
Net cash provided by (used in) capital and related financing activities	(33,814)	(449,788)	(176,121)	(372,680)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	-	-	176,838
Principal received on notes receivable	-	-	28,223	-
Interest received	5,491	1,783	13,099	(475,835)
Net cash provided by (used in) investing activities	5,491	1,783	41,322	(298,997)
Increase (decrease) in cash and cash equivalents	2,793,975	196,092	(374,067)	988,843
Cash and cash equivalents:				
Beginning of year	7,391,239	2,251,541	5,695,941	6,532,144
End of year	$ 10,185,214	$ 2,447,633	$ 5,321,874	$ 7,520,987

(Continued)

Nonmajor Proprietary Fund		Governmental Activities
Tift Theatre Fund	Totals	Internal Service Fund
$ 24,434	$ 18,796,355	$ -
-	-	313,149
(65,395)	(12,891,461)	(62,101)
(41,764)	(837,730)	(413,253)
(82,725)	5,067,164	(162,205)
274,907	274,907	-
-	(262,242)	-
274,907	12,665	-
-	(970,813)	-
-	108,470	-
-	352,619	-
-	(151,153)	-
-	(340,000)	-
-	(33,799)	-
-	(1,032,403)	-
-	176,838	-
-	28,223	-
247	(455,215)	305
247	(250,154)	305
192,429	3,797,272	(161,900)
231,073	22,101,938	532,675
$ 423,502	$ 25,899,210	$ 370,775

CITY OF TIFTON, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	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)	$ 644,149	$ 221,878	$ 432,890	$ (14,594)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	791,899	618,635	154,722	268,454
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(72,463)	(138,751)	(284,835)	123,440
Decrease in inventories	-	-	-	-
(Increase) decrease in due from other funds	1,603,987	52,681	26,300	488,092
Increase in deferred outflows of resources	43,014	43,357	40,668	62,648
Increase in accounts payable	27,515	3,732	219,732	499,598
Increase in retainage payable	-	40,742	-	-
Increase (decrease) in accrued liabilities	-	-	-	3,154
Increase (decrease) in customer deposits	14,536	10,133	(1,588)	252
Increase in landfill closure/post-closure care costs	-	-	-	807,944
Increase (decrease) in due to other funds	(34,718)	(55,302)	(691,442)	(167,477)
Decrease in net pension liability	(345,270)	(347,937)	(327,009)	(508,647)
Increase in deferred inflows of resources	201,737	203,262	191,294	299,477
Net cash provided by (used in) operating activities	$ 2,874,386	$ 652,430	$ (239,268)	$ 1,862,341
Noncash capital and related financing activities:				
Contributions of capital assets from SPLOST Fund	$ -	$ 92,915	$ -	$ -
Unrealized loss on investments	-	-	-	(725,405)
Net noncash capital and related financing activities	$ -	$ 92,915	$ -	$ (725,405)

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

Nonmajor Proprietary Fund		Governmental Activities
Tift Theatre Fund	Totals	Internal Service Fund
$ (99,529)	$ 1,184,794	$ (133,347)
18,072	1,851,782	-
(4,550)	(377,159)	(324)
-	-	73,651
931	2,171,991	(56,190)
276	189,963	6,190
2,282	752,859	(12,365)
-	40,742	
162	3,316	(2,258)
-	23,333	-
-	807,944	-
265	(948,674)	(16,008)
(2,122)	(1,530,985)	(91,100)
1,488	897,258	69,546
$ (82,725)	$ 5,067,164	$ (162,205)
$ -	$ 92,915	$ -
-	(725,405)	-
$ -	$ (632,490)	$ -

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 City seat of Tift City 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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") 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.

The ***American Rescue Plan Act ("ARPA") Fund*** accounts for the receipts of Federal ARPA funds in response to the COVID-19 pandemic, and subsequent economic conditions.

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 City. 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 City. All activities necessary to provide such services are accounted for in this fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***Gas Revenue Fund*** accounts for the provisions of natural gas services to the residents of the City and Tift City. 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 City. 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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".

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Liabilities (Continued)

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, 2022, 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 Balances – Generally, fund balances represent 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, 2022, are summarized as follows:

Amounts as presented on the entity-wide statement of net position:	
Cash and cash equivalents	$ 50,750,056
Investments	18,765,913
Total	$ 69,515,969
Cash deposited with financial institutions	$ 50,750,056
Cash deposited with Georgia Fund 1	7,446,441
Certificate of deposit	1,739,398
Investment in guaranteed investment contract	3,283,531
Investments in U.S. government securities	2,212,833
Investments in municipal bonds	3,444,671
Investments in asset backed securities	639,039
Total	$ 69,515,969

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Total deposits and investments of the Downtown Development Authority (component unit) as of June 30, 2022, are summarized as follows:

Amounts as presented on the entity-wide statement of net position:	
Cash and cash equivalents	$ 1,251,596
Investments	371,292
Total	$ 1,622,888
Cash deposited with financial institutions	$ 1,251,596
Certificates of deposit (maturity less than one year)	371,292
Total	$ 1,622,888

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, 2022, 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	$ 7,446,441	$ 7,446,441	$ -	$ -	$ -	$ -	$ -
Certificates of deposit	NR	1,739,398	250,630	1,488,768	-	-	-	-
U.S. Government securities	NR	438,805	-	-	438,805	-	-	-
U.S. Government securities	AAA	1,774,028	347,298	962,680	464,050	-	-	-
Municipal bonds	AA-	728,368	-	525,053	-	203,315	-	-
Municipal bonds	AA	959,648	-	772,275	-	187,373	-	-
Municipal bonds	AA+	469,385	-	469,385	-	-	-	-
Municipal bonds	AAA	1,287,270	-	785,323	501,947	-	-	-
Mortgage backed securities	NR	639,039	-	26,148	38,216	205,333	152,428	216,914
Guaranteed investment contract	AA-	3,283,531	-	-	3,283,531	-	-	-
Total		$ 18,765,913	$ 8,044,369	$ 5,029,632	$ 4,726,549	$ 596,021	$ 152,428	$ 216,914

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, 2022:

Investment	Level 1	Level 2	Fair Value
Government securities	$ 2,212,833	$ -	$ 2,212,833
Municipal bonds	-	3,444,671	3,444,671
Certificates of deposit	-	1,739,398	1,739,398
Mortgage backed securities	-	639,039	639,039
Total investments measured at fair value	$ 2,212,833	$ 5,823,108	8,035,941
Investments not subject to level disclosure:			
Georgia Fund 1			7,446,441
Investments recorded at cost:			
Guaranteed investment contract			3,283,531
			$ 18,765,913
Fair market hedging derivative:			
Interest rate swap agreement	$ -	$ 491,220	$ 491,220

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, 2022, 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, 2022, the City was not exposed to custodial credit risk for its investments.

NOTE 3. RECEIVABLES

Receivables as of June 30, 2022, including the applicable allowances for uncollectible accounts, are as follows:

	General	SPLOST VI	Nonmajor Governmental	Internal Service
Receivables:				
Taxes	$ 71,080	$ 171,745	$ 175,319	$ -
Accounts	293,393	-	-	1,176
Intergovernmental	1,082,590	665,311	28,725	-
Gross receivables	1,447,063	837,056	204,044	1,176
Less: allowance for uncollectibles	(738,403)	-	-	-
Net total receivables	$ 708,660	837,056	$ 204,044	$ 1,176

	Solid Waste Coll. and Disp.	Water Revenue	Sewer Revenue	Gas Revenue
Receivables:				
Accounts	390,954	$ 571,890	$ 606,219	$ 660,052
Notes	-	-	-	84,350
Gross receivables	390,954	571,890	606,219	744,402
Less: allowance for uncollectibles	(54,975)	(59,475)	(38,978)	(59,496)
Net total receivables	$ 335,979	$ 512,415	$ 567,241	$ 684,906

Property taxes were levied on behalf of the City by Tift City on January 1, 2021, (levy date) based upon property values assessed as of January 1. The billings were mailed August 16, 2021, and were payable on or before November 15, 2021, for the calendar year 2021 tax. If unpaid by November 17, 2021, the bill becomes delinquent and penalties and interest may be assessed by the City. Property taxes levied for 2021 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the fiscal year ended June 30, 2022, and expected to be collected by August 31, 2022, are recognized as revenues for the year ended June 30, 2022. Net receivables estimated to be collectible subsequent to August 31, 2022, 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 2021 for the City's operations was 9.37 mills (mill equals $1 per thousand dollars of assessed value).

At June 30, 2022, the Downtown Development Authority (component unit) has notes receivable totaling $148,967 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 $136,546 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, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 3,160,597	$ -	$ (254,007)	$ -	$ 2,906,590
Construction in progress	-	1,246,325	-	-	1,246,325
Total capital assets, not being depreciated	3,160,597	1,246,325	(254,007)	-	4,152,915
Capital assets, being depreciated:					
Buildings and improvements	10,742,472	-	(11,933)	-	10,730,539
Machinery and equipment	13,716,434	470,579	(957,982)	(92,915)	13,136,116
Infrastructure	38,733,547	-	-	-	38,733,547
Total capital assets, being depreciated	63,192,453	470,579	(969,915)	(92,915)	62,600,202
Less accumulated depreciation for:					
Buildings and improvements	(4,425,636)	(259,719)	11,933	-	(4,673,422)
Machinery and equipment	(10,275,774)	(695,372)	957,982	-	(10,013,164)
Infrastructure	(15,529,092)	(957,484)	-	-	(16,486,576)
Total accumulated depreciation	(30,230,502)	(1,912,575)	969,915	-	(31,173,162)
Total capital assets, being depreciated, net	32,961,951	(1,441,996)	-	(92,915)	31,427,040
Governmental activities capital assets, net	$ 36,122,548	$ (195,671)	$ (254,007)	$ (92,915)	$ 35,579,955

NOTE 4. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 283,881
Public safety	472,460
Public works	1,091,282
Health and welfare	64,952
Total depreciation expense - governmental activities	$ 1,912,575

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 582,835	$ -	$ -	$ -	$ 582,835
Construction in progress	245,719	437,275	-	-	682,994
Total capital assets, not being depreciated	828,554	437,275	-	-	1,265,829
Capital assets, being depreciated:					
Landfill	6,972,194	30,000	-	-	7,002,194
Buildings and improvements	958,269	-	-	-	958,269
Distribution system	69,054,631	45,737	(1,000)	-	69,099,368
Machinery and equipment	11,848,791	457,801	(221,363)	92,915	12,178,144
Total capital assets, being depreciated	88,833,885	533,538	(222,363)	92,915	89,237,975
Less accumulated depreciation for:					
Landfill	(6,170,437)	(88,708)	-	-	(6,259,145)
Buildings and improvements	(719,390)	(25,904)	-	-	(745,294)
Distribution system	(41,363,468)	(1,424,593)	1,000	-	(42,787,061)
Machinery and equipment	(8,965,402)	(312,577)	155,977	-	(9,122,002)
Total accumulated depreciation	(57,218,697)	(1,851,782)	156,977	-	(58,913,502)
Total capital assets, being depreciated, net	31,615,188	(1,318,244)	(65,386)	92,915	30,324,473
Business-type activities capital assets, net	$ 32,443,742	$ (880,969)	$ (65,386)	$ 92,915	$ 31,590,302

NOTE 4. CAPITAL ASSETS (CONTINUED)

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

Business-type activities:	
Water	$ 791,899
Sewer	618,635
Gas	154,722
Solid waste collection and disposal	268,454
Tift Theatre	18,072
Total depreciation expense - business-type activities	$ 1,851,782

Capital asset activity for the Downtown Development Authority for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Downtown Development Authority					
Capital assets, not being depreciated:					
Land	$ 282,333	$ 109,801	$ -	$ -	$ 392,134
Construction in progress	43,924	19,664	-	(29,075)	34,513
Total capital assets, not being depreciated	326,257	129,465	-	(29,075)	426,647
Capital assets, being depreciated:					
Buildings and improvements	2,397,445	293,238	-	-	2,690,683
Furniture and equipment	50,962	-	-	29,075	80,037
Total capital assets, being depreciated	2,448,407	293,238	-	29,075	2,770,720
Less accumulated depreciation for:					
Buildings and improvements	(720,244)	(108,208)	-	-	(828,452)
Furniture and equipment	(22,211)	(3,196)	-	-	(25,407)
Total accumulated depreciation	(742,455)	(111,404)	-	-	(853,859)
Total capital assets, being depreciated, net	1,705,952	181,834	-	29,075	1,916,861
Downtown Development Authority capital assets, net	$ 2,032,209	$ 311,299	$ -	$ -	$ 2,343,508

NOTE 5. LONG-TERM DEBT

A. Notes Payable

The following is a listing of the notes payable of the City of Tifton, Georgia at June 30, 2022:

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, 2022, is $99,582.

Note payable with the Georgia Environmental Finance Authority ("GEFA") to be used for various sewer projects. The note is as follows at June 30, 2022:

Original Amount	Interest Rate	Term	Balance at June 30, 2022
$ 2,000,000	0.94%	20 years	$ 631,337

The loan is to be paid on a monthly basis on the earlier of: 1) the completion date, 2) April 1, 2023, 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
2023	$ 101,715	$ 99,582	$ 2,133
	$ 101,715	$ 99,582	$ 2,133

NOTE 5. LONG-TERM DEBT (CONTINUED)

A. 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 $136,546 at June 30, 2022.

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

Fiscal Year Payable	Total	Principal	Interest
2023	$ 66,733	$ 61,547	$ 5,186
2024	66,734	64,664	2,070
2025	10,366	10,335	31
	$ 143,833	$ 136,546	$ 7,287

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, 2022, was $350,000. Total interest costs incurred during the fiscal year ended June 30, 2022, were $15,540.

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

Fiscal Year Payable	Total	Principal	Interest
2024	$ 274,882	$ 270,000	$ 4,882
2025	80,908	80,000	908
	$ 355,790	$ 350,000	$ 5,790

NOTE 5. LONG-TERM DEBT (CONTINUED)

B. 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)

B. Certificates of Participation (Continued)

Governmental Activities

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 Aa3 by Moody's. At June 30, 2022, the floating rate being paid by the City is .4%, and the market value of this agreement is $491,220, a decrease of $602,710 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, 2022 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
2023	$ 211,090	$ -	$ 211,090
2024	211,090	-	211,090
2025	211,090	-	211,090
2026	211,090	-	211,090
2027	211,090	-	211,090
2028	4,655,090	4,444,000	211,090
	$ 5,710,540	$ 4,444,000	$ 1,266,540

C. 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 $865,884.

NOTE 5. LONG-TERM DEBT (CONTINUED)

C. 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, 2022 of $9,490,961, is reported in the Solid Waste Collection and Disposal Fund and represents the cumulative amount reported to date based on the use of approximately 75% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of $3,130,653 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 2022. 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.

Long-term liability activity for the year ended June 30, 2022, 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	5,044,784	1,980,581	(6,302,937)	722,428	-
Compensated absences	298,860	238,975	(234,950)	302,885	15,144
Governmental activity Long-term liabilities	$ 9,787,644	$ 2,219,556	$ (6,537,887)	$ 5,469,313	$ 15,144
Business-type activities					
Notes payable	$ 529,453	$ 352,619	$ (151,153)	$ 730,919	$ 99,582
Bonds payable	690,000	-	(340,000)	350,000	-
Net pension liability	1,779,717	731,433	(2,262,418)	248,732	-
Compensated absences	17,236	12,604	(11,867)	17,973	899
Landfill closure/post-closure	9,548,901	807,944	-	10,356,845	-
Business-type activity Long-term liabilities	$ 12,565,307	$ 1,904,600	$ (2,765,438)	$ 11,704,469	$ 100,481
Downtown Development Authority					
Notes payable	$ 194,827	$ -	$ (58,281)	$ 136,546	$ 61,547
Component unit Long-term liabilities	$ 194,827	$ -	$ (58,281)	$ 136,546	$ 61,547

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, $5,759 of the Service Fund's compensated absences and $18,062 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, 2022, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	182
Inactive plan members entitled to but not receiving benefits	79
Active plan members	118
Total	379

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 $1,830,370 for the year ended June 30, 2022.

A. Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021, with updated procedures performed by the actuary to roll forward to the total pension liability as of September 30, 2021.

NOTE 6. PENSION PLAN (CONTINUED)

A. Net Pension Liability of the City (Continued)

Actuarial assumptions. The total pension liability in the January 1, 2022 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, 2022 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, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic equity	45%	6.55%
International equity	20%	7.30%
Domestic fixed income	20%	0.40%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
Cash	—%	
Total	100%	

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

NOTE 6. PENSION PLAN (CONTINUED)

A. 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, 2022, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balance	$ 33,516,325	$ 26,691,824	$ 6,824,501
Changes for the year:			
Service cost	213,279	-	213,279
Interest	2,388,849	-	2,388,849
Differences between expected and actual experience	(518,424)	-	(518,424)
Contributions - employer	-	1,497,735	(1,497,735)
Contributions - employee	-	117,324	(117,324)
Net investment income	-	6,382,355	(6,382,355)
Benefit payments, including refunds of employee contributions	(2,676,868)	(2,676,868)	-
Administrative expense	-	(60,369)	60,369
Net changes	(593,164)	5,260,177	(5,853,341)
Ending balance	$ 32,923,161	$ 31,952,001	$ 971,160

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)

A. 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	$ 4,290,717	$ 971,160	$ (1,830,085)

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, 2021, and the current sharing pattern of costs between employer and employee.

B. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City recognized pension expense of $199,531. At June 30, 2022, 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	$ 190,348	$ 936,295
Changes in assumptions	325,429	-
Net difference between projected and actual earnings on pension plan investments	-	4,093,469
City contributions subsequent to the measurement date	1,374,814	-
Total	$ 1,890,591	$ 5,029,764

NOTE 6. PENSION PLAN (CONTINUED)

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

Government contributions subsequent to the measurement date of $1,374,814 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, 2023. 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,	
2023	$ (956,304)
2024	(1,469,327)
2025	(1,197,313)
2026	(891,043)
Total	$ (4,513,987)

NOTE 7. INTERFUND BALANCES AND TRANSFERS

The City's interfund receivables and payables at June 30, 2022 (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, 2022, is as follows:

	Payable				
Receivable	General	ARPA	Sewer Revenue	Gas Revenue	Solid Waste Coll. and Disp.
General	$ 2,500	$ 1,724	$ 1,354	$ 2,026	$ 4,371
Water revenue	1,161,733	-	-	-	-
Internal service	112,118	649	2,183	582	188
Solid waste collection and disposal	-	290	-	-	-
	$ 1,276,351	$ 2,663	$ 3,537	$ 2,608	$ 4,559

	Payable				
Receivable	Water Revenue	Internal Service Fund	Nonmajor Governmental	Nonmajor Enterprise	Total
General	$ -	$ 700,921	$ 865,425	$ 265	$ 1,578,586
Water revenue	-	-	-	-	1,161,733
Sewer revenue	-	277	-	-	277
Internal service	23,824	-	-	-	139,544
Solid waste collection and disposal	-	-	-	-	290
	$ 23,824	$ 701,198	$ 865,425	$ 265	$ 2,880,430

Advances to/from other funds:

Receivable Fund	Payable Fund	Total
General Fund	SPLOST VI Fund	$ 864,000

Interfund transfers for the fiscal year ended June 30, 2022, consisted of the following:

	Transfer To			
Transfer From	Nonmajor Governmental	General Fund	Nonmajor Proprietary fund	Total
General Fund	$ 414,656	$ 2,500	$ -	$ 417,156
Water Fund	52,088	-	-	52,088
Solid waste collection and disposal	201,821	-	-	201,821
Sewer fund	8,333	-	-	8,333
Nonmajor governmental	-	115,000	274,907	389,907
Total	$ 676,898	$ 117,500	$ 274,907	$ 1,069,305

NOTE 7. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Advances to/from other funds (Continued):

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. LEGAL COMPLIANCE – BUDGETS

A. Excess of Expenditures of Appropriations

The following General Fund departments had an excess of actual expenditures over appropriations for the fiscal year ended June 30, 2022:

General Fund:	
General government	
City Council	$ 3,838

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

B. Deficit Fund Balance

The CDBG Grant Fund had a deficit fund balance of $70,324 for the fiscal year ended June 30, 2022. The deficit is intended to be eliminated through additional future revenues and transfers.

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, 2022, $1,985,547 of hotel/motel tax was collected. During the year, $756,396 was paid to the Tifton-Tift City Tourism Association. The remainder of the funds totaling $1,229,151 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-City 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, 2022, the City paid $25,403 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 City 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 City. 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

A. 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.

NOTE 12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

B. 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.

C. 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 $3,611,935.

At June 30, 2022, the outstanding debt of MGAG was approximately $115,400,000. The City's guarantee varies by individual projects undertaken by MGAG and totals approximately $1,529,483 at June 30, 2022.

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.

NOTE 13. RISK MANAGEMENT (CONTINUED)

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the 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			
	2022	2021	2020	2019
Total pension liability				
Service cost	**$ 213,279**	$ 224,698	$ 208,171	$ -
Interest on total pension liability	**2,388,849**	2,364,424	2,320,820	-
Changes of benefit terms				-
Differences between expected and actual experience	**(518,424)**	483,928	(4,932)	-
Changes of assumptions	**-**	-	1,182,454	(6,289,478)
Benefit payments, including refunds of employee contributions	**(2,676,868)**	(2,784,039)	(2,430,590)	-
Net change in total pension liability	**(593,164)**	289,011	1,275,923	(6,289,478)
Total pension liability - beginning	**33,516,325**	33,227,314	31,951,391	38,240,869
Total pension liability - ending	**32,923,161**	33,516,325	33,227,314	31,951,391
Plan fiduciary net position				
Contributions - employer	**1,497,735**	2,536,001	904,393	-
Contributions - employee	**117,324**	103,384	81,124	-
Net investment income (loss)	**6,382,355**	2,355,705	2,257,110	-
Benefit payments, including refunds of employee contributions	**(2,676,868)**	(2,784,039)	(2,430,590)	-
Administrative expenses	**(60,369)**	(57,438)	(52,495)	-
Other	**-**	-	(982,021)	-
Net change in plan fiduciary net position	**5,260,177**	2,153,613	(222,479)	-
Plan fiduciary net position - beginning	**26,691,824**	24,538,211	24,760,690	24,760,690
Plan fiduciary net position - ending	**31,952,001**	26,691,824	24,538,211	24,760,690
City's net pension liability - ending	**$ 971,160**	$ 6,824,501	$ 8,689,103	$ 7,190,701
Plan fiduciary net position as a percentage of the total pension liability	**97.1%**	79.6%	73.8%	77.5%
Covered payroll	**$ 4,442,158**	$ 4,743,140	$ 4,625,960	$ 4,748,058
City's net pension liability as a percentage of covered payroll	**21.9%**	143.9%	187.8%	151.4%

Note to the Schedule:

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

Fiscal Year				
2018	2017	2016	2015	2014
$ 439,603	$ 443,294	$ 454,712	$ 628,470	$ -
2,408,111	2,493,963	2,577,951	2,535,128	2,129,173
3,280	(37,153)	-	-	5,538,967
1,801,367	(1,516,773)	(1,973,536)	17,857	335,746
(762,524)	(244,220)	-	-	4,230,628
(2,492,093)	(2,354,581)	(2,257,531)	(2,342,637)	(2,237,177)
1,397,744	(1,215,470)	(1,198,404)	838,818	9,997,337
36,843,125	38,058,595	39,256,999	38,418,181	28,420,844
38,240,869	36,843,125	38,058,595	39,256,999	38,418,181
2,543,429	2,774,416	2,770,560	3,651,868	1,889,252
324,123	104,324	80,121	37,730	-
1,408,766	1,184,694	(24,420)	(154,293)	2,179,770
(2,492,092)	(2,354,581)	(2,257,531)	(2,201,840)	(2,117,590)
(9,687)	(19,882)	(166,118)	(177,347)	-
-	-	-	-	-
1,774,539	1,688,971	402,612	1,156,118	1,951,432
22,986,151	21,297,180	20,894,568	19,738,450	17,787,018
24,760,690	22,986,151	21,297,180	20,894,568	19,738,450
$ 13,480,179	$ 13,856,974	$ 16,761,415	$ 18,362,431	$ 18,679,731
64.7%	62.4%	56.0%	53.2%	51.4%
$ 4,027,933	$ 3,944,091	$ 3,989,842	$ 5,315,072	$ 5,315,072
334.7%	351.3%	420.1%	345.5%	351.4%

CITY OF TIFTON, GEORGIA

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

	Fiscal Year			
	2022	2021	2020	2019
Actuarially determined contributions	**$ 843,617**	$ 763,884	$ 814,130	$ 743,241
Contributions in relation to the actuarially determined contribution	**1,374,814**	1,043,790	2,184,451	889,094
Contribution deficiency (excess)	**$ (531,197)**	$ (279,906)	$ (1,370,321)	$ (145,853)
Covered payroll	**$ 4,592,649**	$ 4,684,550	$ 4,687,009	$ 4,387,996
Contributions as a percentage of covered payroll	**29.9%**	22.3%	46.6%	20.3%

Notes to the Schedule:

Valuation date	January 1, 2022
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	7.375%
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.

	Fiscal Year				
	2018	2017	2016	2015	2014
	$ 2,349,696	$ 2,269,040	$ 2,768,028	$ 1,764,217	$ 1,766,335
	2,543,429	2,774,416	2,770,560	3,651,868	1,889,251
	$ (193,733)	$ (505,376)	$ (2,532)	$ (1,887,651)	$ (122,916)
	$ 4,027,933	$ 3,944,091	$ 3,989,842	$ 5,315,072	$ 5,315,072
	63.1%	70.3%	69.4%	68.7%	35.5%

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 **Special Purpose Local Option Sales Tax ("SPLOST") V 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, 2022

	Special Revenue Funds			
ASSETS	Community Development Revolving Loan Fund	Hotel/Motel Tax Fund	Grant Fund	Confiscated Assets Fund
Cash and cash equivalents	$ -	$ 3,139,951	$ 333,468	$ 181,524
Investments	-	-	-	-
Taxes receivable	-	175,319	-	-
Due from other governments	-	-	-	-
Total assets	$ -	$ 3,315,270	$ 333,468	$ 181,524
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	$ -	$ 140,767	$ 406	$ -
Retainage payable	-	-	20,262	-
Due to other funds	-	115,000	-	-
Total liabilities	-	255,767	20,668	-
FUND BALANCES				
Restricted for:				
Capital outlay	-	-	312,800	-
Tourism	-	3,059,503	-	-
Public safety	-	-	-	181,524
Unassigned	-	-	-	-
Total fund balances	-	3,059,503	312,800	181,524
Total liabilities, deferred inflows of resources and fund balances	$ -	$ 3,315,270	$ 333,468	$ 181,524

Capital Projects Funds						
CDBG Fund	Capital Projects Fund	SPLOST Fund	SPLOST V Fund	T-SPLOST Fund	Total
$ -	$ 529,492	$ 1,154,043	$ 2,894,917	$ 1,033,689	$ 9,267,084
-	3,283,531	-	-	-	3,283,531
-	-	-	-	-	175,319
-	-	-	-	28,725	28,725
$ -	$ 3,813,023	$ 1,154,043	$ 2,894,917	$ 1,062,414	$ 12,754,659
$ 5,000	$ -	$ -	$ -	$ -	$ 146,173
65,324	-	-	-	-	85,586
-	750,425	-	-	-	865,425
70,324	$ 750,425	-	-	-	1,097,184
-	3,062,598	1,154,043	2,894,917	1,062,414	8,486,772
-	-	-	-	-	3,059,503
-	-	-	-	-	181,524
(70,324)	-	-	-	-	(70,324)
(70,324)	3,062,598	1,154,043	2,894,917	1,062,414	11,657,475
$ -	$ 3,813,023	$ 1,154,043	$ 2,894,917	$ 1,062,414	$ 12,754,659

CITY OF TIFTON, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Community Development Revolving Loan Fund	Hotel/Motel Tax Fund	Grant Fund	Confiscated Assets Fund
Revenues				
Taxes	$ -	$ 1,976,149	$ -	$ -
Intergovernmental	-	-	366,378	-
Interest revenue	-	1,899	-	117
Fines and forfeitures	-	-	-	78,161
Other revenues	-	7,500	-	-
Total revenues	-	1,985,548	366,378	78,278
Expenditures				
Current:				
General government	179,344	-	17,154	-
Public safety	-	-	320,500	34,056
Culture and recreation	-	829,789	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
Total expenditures	179,344	829,789	337,654	34,056
Excess (deficiency) of revenues over (under) expenditures	(179,344)	1,155,759	28,724	44,222
Other financing sources (uses)				
Transfers in	-	-	20,221	-
Transfers out	-	(389,907)	-	-
Total other financing sources (uses)	-	(389,907)	20,221	-
Net change in fund balances	(179,344)	765,852	48,945	44,222
Fund balances, beginning of year	179,344	2,293,651	263,855	137,302
Fund balances (deficit), end of year	$ -	$ 3,059,503	$ 312,800	$ 181,524

Capital Projects Funds					
CDBG Fund	Capital Projects Fund	SPLOST Fund	SPLOST V Fund	T-SPLOST Fund	Total
$ -	$ -	$ -	$ -	$ -	$ 1,976,149
623,388	-	-	-	316,852	1,306,618
-	66,697	794	2,130	612	72,249
-	-	-	-	-	78,161
-	-	-	-	-	7,500
623,388	66,697	794	2,130	317,464	3,440,677
-	-	-	-	-	196,498
-	-	-	-	-	354,556
693,712	-	-	-	-	1,523,501
-	299,689	-	343,480	-	643,169
-	36,601	-	-	-	36,601
693,712	336,290	-	343,480	-	2,754,325
(70,324)	(269,593)	794	(341,350)	317,464	686,352
-	656,677	-	-	-	676,898
-	-	-	-	-	(389,907)
-	656,677	-	-	-	286,991
(70,324)	387,084	794	(341,350)	317,464	973,343
-	2,675,514	1,153,249	3,236,267	744,950	10,684,132
$ (70,324)	$ 3,062,598	$ 1,154,043	$ 2,894,917	$ 1,062,414	$ 11,657,475

CITY OF TIFTON, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	5,771,169	89,787	5,860,956
Technology equipment and upgrades	1,500,000	1,500,000	1,085,476	168,027	1,253,503
Water and sewer system capital outlay and improvements	7,600,000	7,600,000	4,281,046	-	4,281,046
Fire Department capital outlay and facilities upgrades	1,600,000	1,600,000	728,635	85,666	814,301
	$ 24,500,000	$ 24,500,000	$ 16,785,674	$ 343,480	$ 17,129,154

Reconciliation of prior year expenditures

*	June 30, 2020	(1)	June 30, 2021
General obligation debt for telecom services	$ 4,500,000	$ -	$ 4,500,000
Senior citizen center renovation and improvements	419,348	-	419,348
Road, street, bridge projects, drainage and parking	5,637,013	134,156	5,771,169
Technology equipment and upgrades	927,266	158,210	1,085,476
Water and sewer system capital outlay and improvements	4,273,621	7,425	4,281,046
Fire Department capital outlay and facilities upgrades	630,344	98,291	728,635
	$ 16,387,592	$ 398,082	$ 16,785,674

(1) Agrees to June 30, 2021 Fund Financial Statements.

CITY OF TIFTON, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	$ 250,252	$ 257,605
Vehicle, machinery, equipment and technology capital outlay	3,500,000	3,500,000	1,241,415	9,749	1,251,164
Road, street, bridge, drainage and parking projects	9,450,000	9,450,000	1,000,529	571,862	1,572,391
Water and sewer system capital outlay and improvements	5,000,000	5,000,000	133,989	183,390	317,379
Property acquisition and demolition	750,000	750,000	581,277	-	581,277
	$ 19,900,000	$ 19,900,000	$ 2,964,563	$ 1,015,253	$ 3,979,816

Reconciliation of prior year expenditures

*	June 30, 2020	(1)	June 30, 2021
Renovation and improvements to City buildings	$ -	$ 7,353	$ 7,353
Vehicle, machinery, equipment and technology capital outlay	-	1,241,415	1,241,415
Road, street, bridge, drainage and parking projects	475,594	524,935	1,000,529
Water and sewer system capital outlay and improvements	44,000	89,989	133,989
Property acquisition and demolition	581,277	-	581,277
	$ 1,100,871	$ 1,863,692	$ 2,964,563

(1) Agrees to June 30, 2021 Fund Financial Statements.

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, 2022, 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 3, 2023.

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 2022-001 that we consider to be a material weakness.

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

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 City of Tifton, Georgia's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
January 3, 2023

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

Opinion on Each Major Federal Program

We have audited the City of Tifton, Georgia's (the "City") compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 3, 2023

CITY OF TIFTON, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Grant Identification Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
(Passed through Georgia Department of Community Affairs)			
Community Development Block Grant	14.218	19P-X-137-2-6165	$ 693,712
Total CDBG Entitlement Grants Cluster			693,712
Total U.S. Department of Housing and Urban Development			693,712
U.S. Department of Justice			
(Direct Awards)			
Justice Assistance Grant	16.738	2020-DJ-BX-0853	20,243
Total JAG Program			20,243
Total U.S. Department of Justice			20,243
U.S. Department of Treasury			
(Direct Awards)			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	GA-0011432	788,552
(Passed through Georgia Department of Planning and Budget)			
COVID-19 - Public Safety Official and First Responder's Grant	21.027	GA-0009506	73,502
Total U.S. Department of Treasury			862,054
Total Expenditures of Federal Awards			$ 1,576,009

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF TIFTON, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022.

CITY OF TIFTON, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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
21.027	**U.S. Department of Treasury** COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

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

CITY OF TIFTON, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2022-001. 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, 2022.

Effects: Adjustments to be recorded as follows:

- Water Fund – an adjustment to increase capital assets by $11,506.
- Water Fund – an adjustment to decrease accumulated depreciation by $91,714.
- Sewer Fund – an adjustment to decrease capital assets by $66,593.
- Sewer Fund – an adjustment to decrease accumulated depreciation by $8,779.
- Gas Fund – an adjustment to increase capital assets by $10,400.
- Solid Waste Collection and Disposal Fund – an adjustment to increase fixed assets by $420,653.
- Solid Waste Collection and Disposal Fund – an adjustment to increase accumulated depreciation by $7,011.

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.

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, 2022

STATUS OF PRIOR YEAR AUDIT FINDINGS

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.

Status: Resolved.

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.

Status: Resolved.

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.

Status: Unresolved. See Finding 2022-001.

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.

Status: Resolved.