CITY OF TIFTON, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

Prepared by:
Tifton Finance Department

CITY OF TIFTON, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Tifton, Georgia** (the "City"), as of and for the fiscal year ended June 30, 2025 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 accompanying 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, 2025, 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 fiscal 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States (*"Government Auditing Standards")*. 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1.J, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 101, Compensated Absences, as of July 1, 2024. This standard significantly changed the reporting of the City's compensated absences liability. Our opinions are not modified with respect to this matter.

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 GAAS 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 GAAS 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 ("MD&A"), the Schedule of Changes in Net Pension Liability and Related Ratios, and the Schedule of Contributions, as listed in the table of contents, 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 GAAS, 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 and the Rural Downtown Redevelopment Grant Program- Project Cost Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules 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, 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds and the Rural Downtown Redevelopment Grant Program- Project Cost Schedule 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 December 12, 2025, 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
December 12, 2025

CITY OF TIFTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, 2025. 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, 2025 by $141.9 million (reported as net position). Of this amount, $54.4 million (reported as unrestricted net position) is reported as an increase of 17.4 million.

	Net Position	
	2025	Change from Prior Year
Net investment in capital assets	**$ 67,971,311**	$ (4,297,415)
Restricted for tourism	**3,518,465**	(348,079)
Restricted for capital outlay	**15,768,155**	(6,268,274)
Restricted for public safety	**251,474**	30,550
Unrestricted	**54,395,806**	17,364,991
	$ 141,905,211	$ 7,697,273

- As of June 30, 2025, the City's governmental funds reported combined ending fund balance of $37.4 million. Approximately $15.1 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 $68 million and includes property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items).

  - Net position of $19.5 million is restricted by constraints imposed from outside the City such as laws and regulations or debt covenants.

  - Unrestricted net position increased from $37 million in fiscal year 2024 to $54 million in fiscal year 2025.

FINANCIAL HIGHLIGHTS (Continued)

- In the governmental activities, total assets in fiscal year 2025 increased by $4.6 million. Long-term liabilities decreased from $6.9 million in 2024 to $5.3 million in 2025 (refer to Note 5).

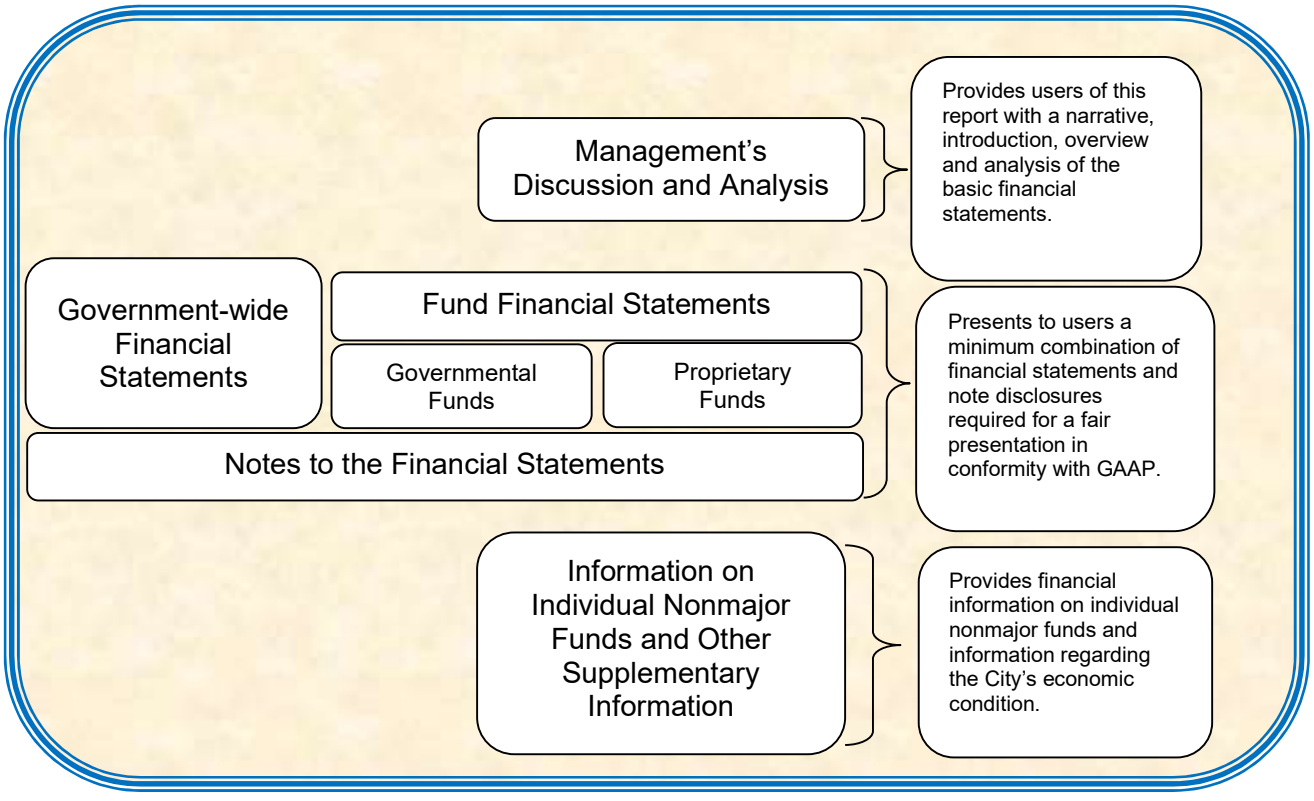
- Total revenues for governmental activities decreased from $32.4 million in 2024 to $30.7 million in 2025. Total revenues for business-type activities increased from $21.2 million in 2024 to $21.5 million in 2025.

- Total expenses for governmental activities increased from $24.4 million in 2024 to $28.2 million in 2025, and total expenses for business-type activities increased from $16.8 million in 2024 to $17.2 million in 2025.

- The total cost of all City programs increased by $4.2 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:



OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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. 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.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (Continued)

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 the pension plan.

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 2025 and 2024:

City of Tifton's Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	**2025**	2024	**2025**	2024
Current and other assets	**$ 44,636,096**	$ 45,738,026	**$ 53,249,016**	$ 46,561,537	**$ 97,885,112**	$ 92,299,563
Capital assets	**41,055,490**	35,361,922	**32,558,865**	33,563,677	**73,614,355**	68,925,599
Total assets	**85,691,586**	81,099,948	**85,807,881**	80,125,214	**171,499,467**	161,225,162
Deferred outflows of resources	**901,821**	2,295,014	**342,674**	511,966	**1,244,495**	2,806,980
Other liabilities	**4,499,082**	2,708,988	**1,917,290**	2,191,099	**6,416,372**	4,900,087
Long-term liabilities outstanding	**5,176,563**	6,883,068	**16,367,580**	15,915,403	**21,544,143**	22,798,471
Total liabilities	**9,675,645**	9,592,056	**18,284,870**	18,106,502	**27,960,515**	27,698,558
Deferred inflows of resources	**2,151,893**	784,932	**726,343**	125,214	**2,878,236**	910,146
Net position:						
Net investment in capital assets	**37,290,487**	40,674,702	**30,680,824**	31,594,024	**67,971,311**	72,268,726
Restricted	**19,538,094**	26,123,897	**-**	-	**19,538,094**	26,123,897
Unrestricted	**17,937,288**	6,219,375	**36,458,518**	30,811,440	**54,395,806**	37,030,815
Total net position	**$ 74,765,869**	$ 73,017,974	**$ 67,139,342**	$ 62,405,464	**$ 141,905,211**	$ 135,423,438

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 47.9% and 53.4% for fiscal year 2025 and 2024, 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 $17.4 million and restricted net position decreased $6.6 million for fiscal year 2025. 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The schedule below provides a summary of the changes in net position for fiscal years 2025 and 2024:

City of Tifton's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	**2025**	2024	**2025**	2024
Revenues						
Program revenues:						
Charges for services	**$ 3,630,555**	$ 3,258,804	**$ 19,455,123**	$ 18,964,571	**$ 23,085,678**	$ 22,223,375
Operating grants and contributions	**422,479**	196,295	**-**	-	**422,479**	196,295
Capital grants and contributions	**10,283,093**	12,044,129	**-**	275,530	**10,283,093**	12,319,659
General revenues:						
Property taxes	**4,383,372**	4,250,047	**-**	-	**4,383,372**	4,250,047
Sales taxes	**4,313,932**	4,247,682	**-**	-	**4,313,932**	4,247,682
Insurance premium tax	**1,627,753**	1,512,902	**-**	-	**1,627,753**	1,512,902
Alcoholic beverage taxes	**573,889**	596,415	**-**	-	**573,889**	596,415
Hotel/motel taxes	**2,091,417**	2,094,288	**-**	-	**2,091,417**	2,094,288
Franchise taxes	**1,510,364**	1,305,646	**-**	-	**1,510,364**	1,305,646
Other taxes	**942,995**	996,260	**-**	-	**942,995**	996,260
Unrestricted investment earnings	**941,738**	1,838,363	**2,006,181**	1,843,447	**2,947,919**	3,681,810
Gain on sale of capital assets	**-**	-	**-**	78,391	**-**	78,391
Total revenues	**30,721,587**	32,340,831	**21,461,304**	21,161,939	**52,182,891**	53,502,770
Expenses						
General government	**5,257,831**	7,667,534	**-**	-	**5,257,831**	7,667,534
Judicial	**203,937**	219,952	**-**	-	**203,937**	219,952
Public safety	**11,618,401**	8,379,137	**-**	-	**11,618,401**	8,379,137
Public works	**7,310,256**	5,330,625	**-**	-	**7,310,256**	5,330,625
Health and welfare	**475,302**	497,424	**-**	-	**475,302**	497,424
Culture and recreation	**1,833,631**	1,222,581	**-**	-	**1,833,631**	1,222,581
Housing and development	**1,270,072**	954,672	**-**	-	**1,270,072**	954,672
Interest on long-term debt	**221,831**	159,975	**-**	-	**221,831**	159,975
Water	**-**	-	**3,403,930**	3,513,127	**3,403,930**	3,513,127
Sewer	**-**	-	**4,554,292**	4,531,390	**4,554,292**	4,531,390
Gas	**-**	-	**4,186,757**	3,565,298	**4,186,757**	3,565,298
Solid waste	**-**	-	**4,659,721**	4,813,386	**4,659,721**	4,813,386
Tift Theatre	**-**	-	**372,941**	351,540	**372,941**	351,540
Total expenses	**28,191,261**	24,431,900	**17,177,641**	16,774,741	**45,368,902**	41,206,641
Change in net position before transfers	**2,530,326**	7,908,931	**4,283,663**	4,387,198	**6,813,989**	12,296,129
Transfers	**(450,215)**	(445,547)	**450,215**	445,547	**-**	-
Change in net position	**2,080,111**	7,463,384	**4,733,878**	4,832,745	**6,813,989**	12,296,129
Net position, beginning	**72,685,758**	65,554,590	**62,405,464**	57,572,719	**135,091,222**	123,127,309
Net position, ending	**$ 74,765,869**	$ 73,017,974	**$ 67,139,342**	$ 62,405,464	**$ 141,905,211**	$ 135,423,438

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The City's total revenues decreased by $1.3 million in fiscal year 2025. Key elements of this decrease are as follows:

- Capital grants decreased $2.4 million and investment earnings decreased $734 thousand.

The total cost of all programs and services for fiscal year 2025 was $45.4 million compared to $41.3 million for fiscal year 2024. This change is primarily due to capital outlay in public safety and public works. City-wide expenses and revenues cover a range of services with public safety comprising 25.6% of total expenses.

Governmental Activities

Total governmental activities revenues decreased by $1.6 million. This decrease is mainly attributable to a decrease in capital grants and contributions.

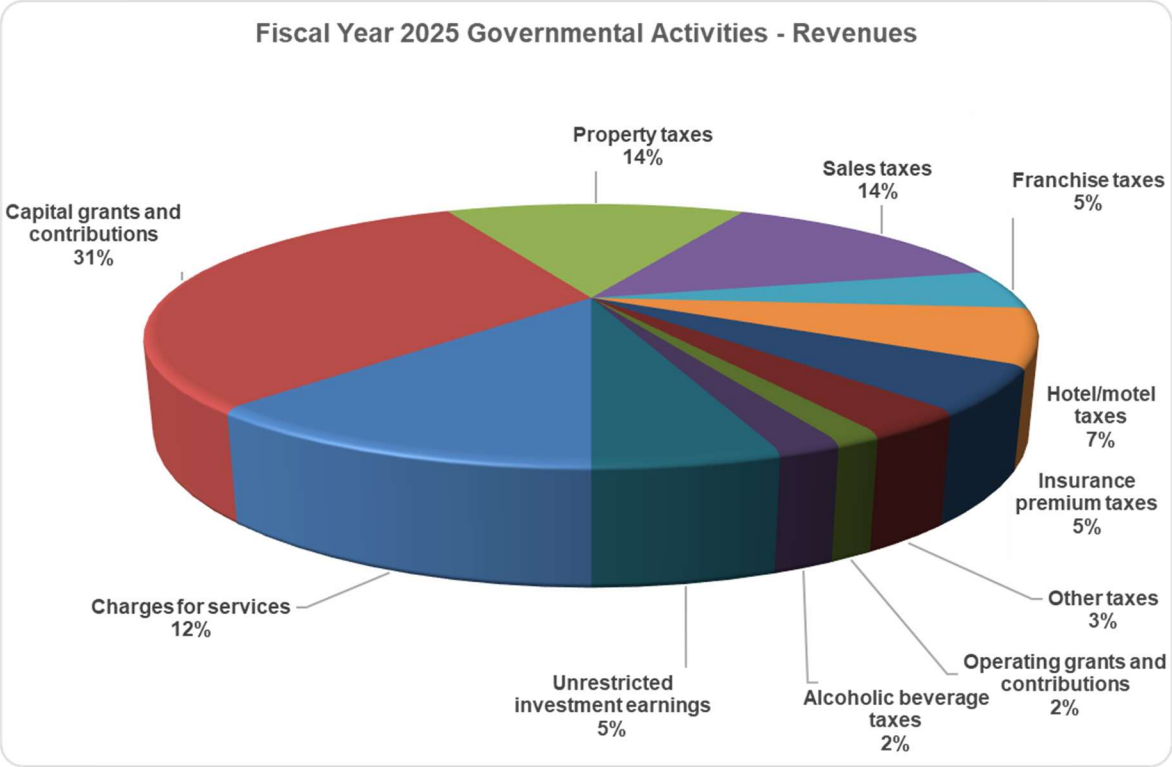
Property taxes and capital grants account for 46% of total governmental activities revenues. Charges for services and ales taxes account for another 12% and 14% respectively.

The following charts depict revenues of the governmental activities for fiscal years 2025 and 2024, excluding transfers:

	2025	2024	Change
Revenues			
Charges for services	**$ 3,630,555**	$ 3,258,804	$ 371,751
Capital grants and contributions	**10,283,093**	12,044,129	(1,761,036)
Property taxes	**4,383,372**	4,250,047	133,325
Sales taxes	**4,313,932**	4,247,682	66,250
Franchise taxes	**1,510,364**	1,305,646	204,718
Hotel/motel taxes	**2,091,417**	2,094,288	(2,871)
Insurance premium taxes	**1,627,753**	1,512,902	114,851
Other taxes	**942,995**	996,260	(53,265)
Operating grants and contributions	**422,479**	196,295	226,184
Alcoholic beverage taxes	**573,889**	596,415	(22,526)
Unrestricted investment earnings	**941,738**	1,838,363	(896,625)
Total governmental revenues	**$ 30,721,587**	$ 32,340,831	$ (1,619,244)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities (Continued)



Total governmental activities expenditures increased by $3.8 million. This increase is mainly attributable to capital improvements in culture and recreation, public safety and general government.

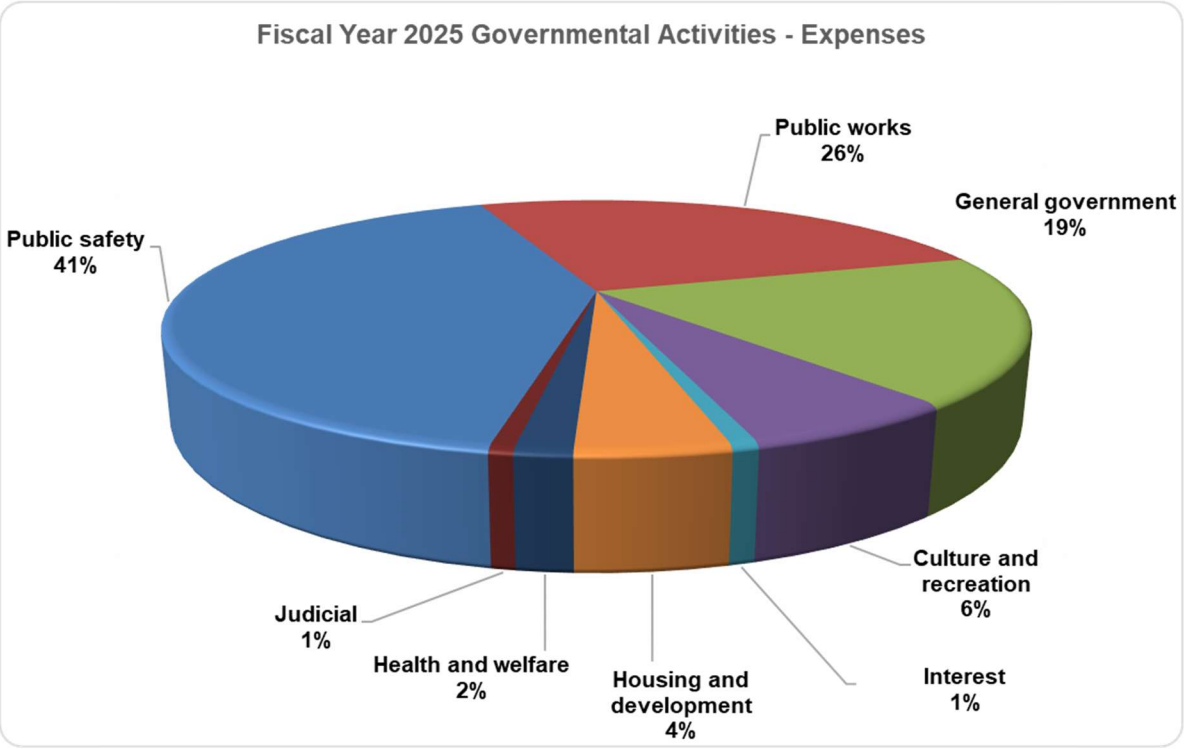
The most significant governmental expense for the City is providing public safety services such as fire, police and public works. This comprises 67.1% of the total governmental expenses. Revenues collected from a variety of sources, such as fines and forfeitures, offset a portion of the public safety expenses. The next largest City cost is general government, which is 18.7% of total governmental expenses.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities (Continued)

The following charts depict expenses of the governmental activities for fiscal years 2025 and 2024:

	2025	2024	Change
Expenses			
Public safety	**$ 11,618,401**	$ 8,379,137	$ 3,239,264
Public works	**7,310,256**	5,330,625	1,979,631
General government	**5,257,831**	7,667,534	(2,409,703)
Culture and recreation	**1,833,631**	1,222,581	611,050
Interest on long-term debt	**221,831**	159,975	61,856
Housing and development	**1,270,072**	954,672	315,400
Health and welfare	**475,302**	497,424	(22,122)
Judicial	**203,937**	219,952	(16,015)
Total governmental expenses	**$ 28,191,261**	$ 24,431,900	$ 3,759,361



GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

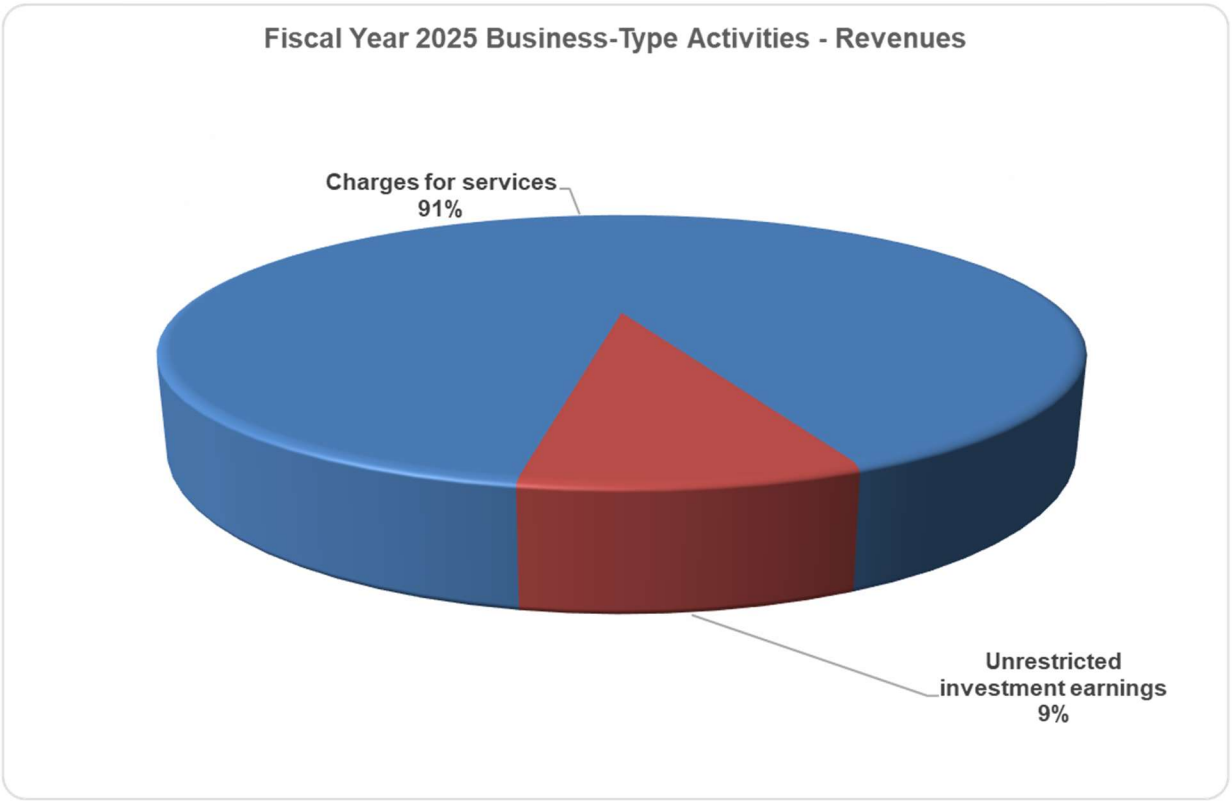
Business-Type Activities

Operating revenues of the business-type activities increased by $300 thousand in 2025. Charges for services, which account for 91% of total business-type revenues, slightly increased from rate increases on Water and Sewer investment earnings increased $163 thousand.

The following charts depict revenues of the business-type activities for fiscal years 2025 and 2024:

Business-Type Activities - Revenues

	2025	2024	Change
Revenues			
Charges for services	**$ 19,455,123**	$ 18,964,571	$ 490,552
Capital grants and contributions	**-**	275,530	(275,530)
Gain on sale of capital assets	**-**	78,391	(78,391)
Unrestricted investment earnings	**2,006,181**	1,843,447	162,734
Total business-type revenues	**$ 21,461,304**	$ 21,161,939	$ 299,365



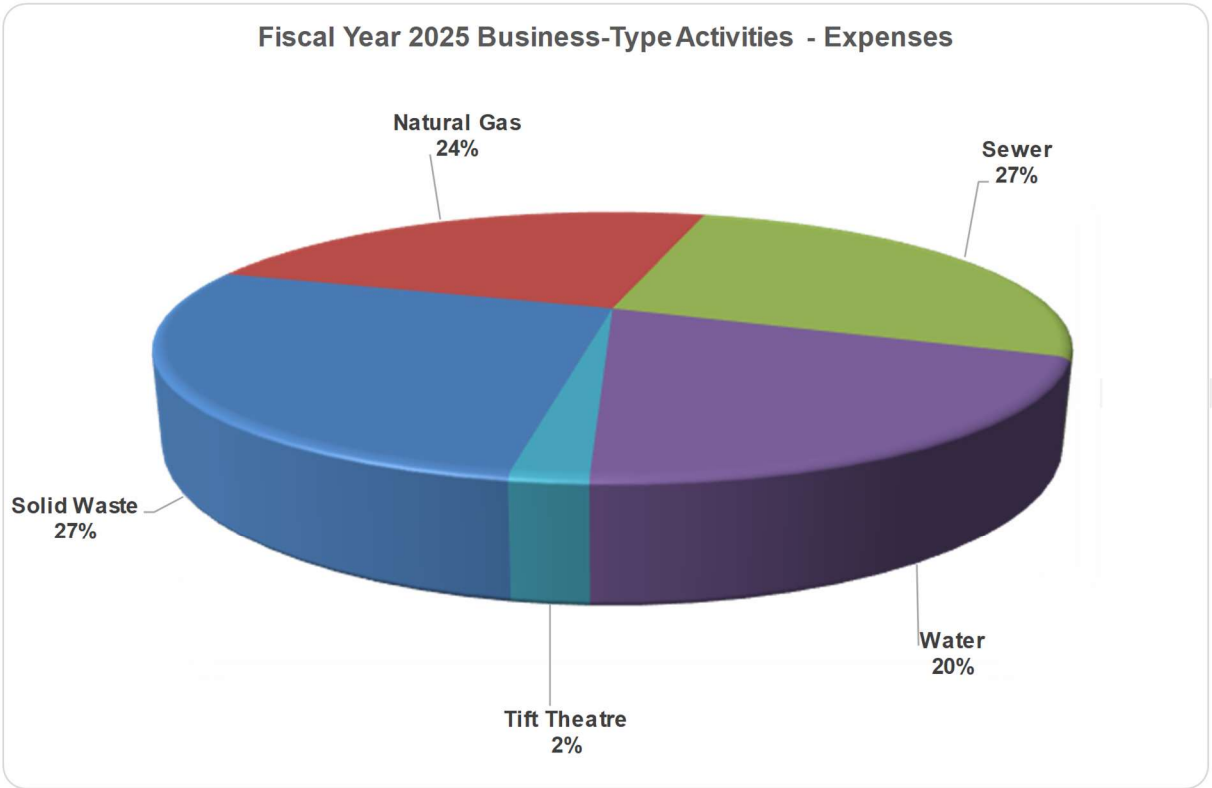
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities (Continued)

The cost of all business-type activities this fiscal year was $17.2 million compared to $17 million in the prior year. The $17.2 million in expenses was funded by $19.5 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 2025 and 2024:

Business-Type Activities - Expenses

	2025	2024	Change
Expenses			
Solid Waste	**$ 4,659,721**	$ 4,813,386	$ (153,665)
Gas	**4,186,757**	3,565,298	621,459
Sewer	**4,554,292**	4,531,390	22,902
Water	**3,403,930**	3,513,127	(109,197)
Tift Theatre	**372,941**	351,540	21,401
Total business-type expenses	**$ 17,177,641**	$ 16,774,741	$ 402,900



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 $37.4 million in 2025 as compared to $42.7 million in 2024. Approximately $13.1 million of the fund balance is unassigned, which is available for spending at the City's discretion. Approximately $848 thousand is classified as nonspendable and is reserved for prepaid expenses. 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, 2025, total assets were $17 million and total liabilities were $856 thousand. This net decrease when combined with deferred inflows of resources of $184 thousand, resulted in fund balance to $15.9 million as of June 30, 2025 from $16.5 million as of June 30, 2024.

Revenues increased by $820 thousand due to increases in property taxes, sales taxes and fines and forfeitures.

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 2025, the SPLOST VI Fund had a restricted fund balance of $12 million, a decrease of $1.8 million. Collections for this SPLOST VI Fund started in January 2019 and ceased to be collected in 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 2025, the ARPA Fund had a restricted fund balance of $79.7 thousand, attributable to interest earned.

FINANCIAL ANALYSIS OF THE FUNDS (CONTINUED)

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, 2025, the total net position was $67.1 million, an increase of $4.7 million from the prior year. Of the total net position, $30.7 million was invested in capital assets net of related debt and $36.5 million was unrestricted. Operating revenues increased by $491 thousand in fiscal year 2025, primarily due to increased investment earnings. Operating expenses increased by $419 thousand which was attributable to increased capital outlay in the proprietary funds.

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

Water Revenue Fund

For fiscal year 2025, the Water Revenue Fund reflects operating income of $695 thousand compared to 2024 operating income of $661 thousand. Operating expenses increased $330 thousand due to needed system repairs.

Sewer Revenue Fund

The Sewer Revenue Fund reflects an operating income of $1.1 million, compared to operating income of $1.2 million in 2024. Operating expenses increased by 21 thousand, which was due to general operation of the fund.

Gas Revenue Fund

The Gas Revenue Fund experienced operating income of $1.2 million in 2025, compared to an operating income of $1.3 million in 2024. Operating expenses increased $622 thousand, which was due to the changes in market conditions which affect the cost of natural gas purchased for resale.

Solid Waste Collection and Disposal Fund

The Solid Waste Collection and Disposal Fund reported operating loss of $582 thousand in 2025, compared to an operating loss of $723 thousand in 2024. Operating expenses decreased by $154 thousand, primarily due to decreases in capital outlay.

Internal Service Fund

In fiscal year 2025, the Internal Service Fund had operating loss of 10 thousand compared to operating income of $5 thousand in fiscal year 2024.

Tift Theatre Fund

In fiscal year 2025, the Tift Theatre Fund had an operating loss of $168 thousand compared to a loss of $160 thousand in fiscal year 2024 due to building repairs. An increase of $13 thousand in income was offset by an increase in operating expenses of $21 thousand.

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 2025 were $19.7 million and $20 million, respectively. General Fund revenues were $2.1 million less than the final budget amounts. There was a decrease in interest revenues as well other revenues.

The original and final approved expenditure budgets for fiscal year 2025 were $19.9 million and $20.2 million, respectively. Actual expenditures were $1.8 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 $73.6 million, net of accumulated depreciation, invested in a variety of capital assets, as reflected in the following schedule. The net increase (additions, deletions, and depreciation/amortization) of $4.7 million from the end of 2024 is primarily due to the fiscal year 2025 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	
	2025	2024	**2025**	2024	**2025**	2024
Land	**$ 5,906,590**	$ 2,906,590	**$ 582,835**	$ 582,835	**$ 6,489,425**	$ 3,489,425
Construction in progress	**1,411,815**	46,900	**5,112**	31,232	**1,416,927**	78,132
Buildings and improvements	**7,326,046**	6,817,757	**296,697**	264,782	**7,622,743**	7,082,539
Distribution system	**-**	-	**25,315,251**	26,267,944	**25,315,251**	26,267,944
Landfill	**-**	-	**1,439,087**	1,757,044	**1,439,087**	1,757,044
Machinery and equipment	**6,764,511**	4,972,084	**4,919,883**	4,659,840	**11,684,394**	9,631,924
Infrastructure	**19,646,528**	20,618,591	**-**	-	**19,646,528**	20,618,591
Total	**$ 41,055,490**	$ 35,361,922	**$ 32,558,865**	$ 33,563,677	**$ 73,614,355**	$ 68,925,599

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

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 $63.9 million based on the City's 2024 gross digest. However, the City has no general obligation bond debt.

- 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, 2025 and 2024, the City had $18.6 million and $22.9 million in debt outstanding, respectively. The decrease is primarily due to the net pension liability and debt service payments.

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	
	2025	2024	**2025**	2024	**2025**	2024
Notes payable	**$ -**	$ -	**$ 1,878,041**	$ 1,969,653	**$ 1,878,041**	$ 1,969,653
Bonds payable	**-**	-	**-**	-	**-**	-
Certificates of participation	**4,444,000**	4,444,000	**-**	-	**4,444,000**	4,444,000
Compensated absences	**771,119**	380,168	**36,703**	21,692	**807,822**	401,860
Net pension liability (asset)	**(2,219,302)**	2,077,908	**(843,296)**	463,537	**(3,062,598)**	2,541,445
Landfill post-closure	**-**	-	**14,547,147**	13,553,219	**14,547,147**	13,553,219
Total	**$ 2,995,817**	$ 6,902,076	**$ 15,618,595**	$ 16,008,101	**$ 18,614,412**	$ 22,910,177

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The City's unemployment rate in 2025 was 3.5% compared to 3.3% in 2024. In contrast, the national annual average unemployment rates were 4.1% and 4.1%, respectively.

- The City adopted a rollback millage rate based on the final rollback calculation, with the intent to keep property levels relatively equal to the 2025 collections.

- The General Fund fiscal year budget for 2026 of $20,708,720 increased 1.2% compared to an inflation rate of 2.7% over the past year. The City is using fund balance to fund increased capital outlay.

- The 2026 fiscal year budget for all funds is $74 million, a $9.4 million decrease over last fiscal year, due to reduced capital expenditures in the General Fund, Multiple Grants, ARPA, SPLOST VI, and proprietary funds.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF TIFTON, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			Component Unit
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Downtown Development Authority**
Cash and cash equivalents	$ 10,996,601	$ 22,679,419	$ 33,676,020	$ 1,386,699
Investments	27,050,179	27,746,856	54,797,035	-
Taxes receivable	523,567	-	523,567	-
Accounts receivable, net	424,931	1,945,463	2,370,394	31,515
Due from other governments	1,777,750	-	1,777,750	-
Internal balances	(33,982)	33,982	-	-
Inventories	589,758	-	589,758	-
Prepaid expenses	847,618	-	847,618	18,000
Fair value of interest rate swap agreement	240,372	-	240,372	-
Net pension asset	2,219,302	843,296	3,062,598	-
Capital assets:				
Non-depreciable	7,318,405	587,947	7,906,352	396,583
Depreciable, net	33,737,085	31,970,918	65,708,003	1,199,269
Total assets	85,691,586	85,807,881	171,499,467	3,032,066
DEFERRED OUTFLOWS OF RESOURCES				
Pension experience differences	287,528	109,253	396,781	-
Pension contributions	614,293	233,421	847,714	-
Total deferred outflows of resources	901,821	342,674	1,244,495	-
LIABILITIES				
Accounts payable	1,279,452	578,375	1,857,827	11,247
Retainage payable	551,514	-	551,514	-
Accrued liabilities	329,560	12,239	341,799	-
Unearned revenues	-	-	-	60,000
Customer deposits payable	-	1,232,365	1,232,365	-
Notes payable due within one year	2,300,000	92,478	2,392,478	-
Notes payable due in more than one year	-	1,785,563	1,785,563	-
Certificates of participation due in more than one year	4,444,000	-	4,444,000	-
Compensated absences due within one year	38,556	1,833	40,389	-
Compensated absences due in more than one year	732,563	34,870	767,433	-
Landfill closure/post-closure care costs due in more than one year	-	14,547,147	14,547,147	-
Total liabilities	9,675,645	18,284,870	27,960,515	71,247
DEFERRED INFLOWS OF RESOURCES				
Accumulated increase in fair value of hedging derivatives	240,372	-	240,372	-
Pension investment return	1,911,521	726,343	2,637,864	-
Total deferred inflows of resources	2,151,893	726,343	2,878,236	-
NET POSITION				
Net investment in capital assets	37,290,487	30,680,824	67,971,311	1,595,852
Restricted for tourism	3,518,465	-	3,518,465	-
Restricted for capital outlay	15,768,155	-	15,768,155	-
Restricted for public safety	251,474	-	251,474	-
Unrestricted	17,937,288	36,458,518	54,395,806	1,364,967
Total net position	$ 74,765,869	$ 67,139,342	$ 141,905,211	$ 2,960,819

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, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 5,257,831	$ 2,414,265	$ 137,881	$ 2,169,351
Judicial	203,937	-	-	-
Public safety	11,618,401	976,055	-	2,444,313
Public works	7,310,256	7,500	284,598	4,869,718
Health and welfare	475,302	92,990	-	221,111
Culture and recreation	1,833,631	-	-	78,600
Housing and development	1,270,072	139,745	-	500,000
Interest on long-term debt	221,831	-	-	-
Total governmental activities	28,191,261	3,630,555	422,479	10,283,093
Business-type activities:				
Water	3,403,930	4,098,668	-	-
Sewer	4,554,292	5,638,155	-	-
Gas	4,186,757	5,436,585	-	-
Solid waste collection and disposal	4,659,721	4,077,026	-	-
Tift Theatre	372,941	204,689	-	-
Total business-type activities	17,177,641	19,455,123	-	-
Total primary government	$ 45,368,902	$ 23,085,678	$ 422,479	$ 10,283,093
Component unit:				
Tifton Downtown Development Authority	$ 958,472	$ -	$ -	$ 240,766
Total component unit	$ 958,472	$ -	$ -	$ 240,766
General revenues:				
Property taxes				
Sales taxes				
Insurance premium tax				
Alcoholic beverage taxes				
Hotel/motel taxes				
Franchise taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year, as previously reported				
Restatement - change in accounting principle				
Net position, beginning of year, as restated				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Downtown Development Authority
$ (536,334)	$ -	$ (536,334)	$ -
(203,937)	-	(203,937)	-
(8,198,033)	-	(8,198,033)	-
(2,148,440)	-	(2,148,440)	-
(161,201)	-	(161,201)	-
(1,755,031)	-	(1,755,031)	-
(630,327)	-	(630,327)	-
(221,831)	-	(221,831)	-
(13,855,134)	-	(13,855,134)	-
-	694,738	694,738	-
-	1,083,863	1,083,863	-
-	1,249,828	1,249,828	-
-	(582,695)	(582,695)	-
-	(168,252)	(168,252)	-
-	2,277,482	2,277,482	-
(13,855,134)	2,277,482	(11,577,652)	-
-	-	-	(717,706)
-	-	-	(717,706)
4,383,372	-	4,383,372	-
4,313,932	-	4,313,932	-
1,627,753	-	1,627,753	-
573,889	-	573,889	-
2,091,417	-	2,091,417	-
1,510,364	-	1,510,364	-
942,995	-	942,995	-
941,738	2,006,181	2,947,919	22,113
-	-	-	16,546
(450,215)	450,215	-	-
15,935,245	2,456,396	18,391,641	38,659
2,080,111	4,733,878	6,813,989	(679,047)
73,017,974	62,405,464	135,423,438	3,639,866
(332,216)	-	(332,216)	-
72,685,758	62,405,464	135,091,222	3,639,866
$ 74,765,869	$ 67,139,342	$ 141,905,211	$ 2,960,819

CITY OF TIFTON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

ASSETS	General Fund	SPLOST VI Fund	ARPA Fund
Cash and cash equivalents	$ 817,413	$ 2,023,394	$ 491,155
Investments	13,078,299	10,441,369	-
Taxes receivable, net	343,518	-	-
Accounts receivable, net	373,655	-	-
Due from other governments, net	379,953	-	-
Due from other funds	1,137,757	-	-
Advances to other funds	-	-	-
Prepaid expenditures	847,618	-	-
Total assets	$ 16,978,213	$ 12,464,763	491,155
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 457,299	$ 13,771	$ -
Retainage payable	-	363,169	68,171
Accrued liabilities	319,731	-	-
Due to other funds	78,942	61,803	343,260
Advance from other funds	-	-	-
Short-term notes payable	-	-	-
Total liabilities	855,972	438,743	411,431
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	184,270	-	-
Total deferred inflows of resources	184,270	-	-
FUND BALANCES			
Non-spendable:			
Prepaid expenditures	847,618	-	-
Long-term interfund advances	-	-	-
Restricted for:			
Capital outlay	-	12,026,020	79,724
Public safety	-	-	-
Tourism	-	-	-
Unassigned	15,090,353	-	-
Total fund balances	15,937,971	12,026,020	79,724
Total liabilities, deferred inflows of resources and fund balances	$ 16,978,213	$ 12,464,763	$ 491,155

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 and contributions subsequent to measurement date.

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

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

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 differences between projected and actual earnings on plan investments.

Net position of governmental activities

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

Urban Redevelopment Agency Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 702,693	$ 6,828,979	$ 10,863,634
-	3,530,511	27,050,179
-	180,049	523,567
31,515	16,700	421,870
-	1,397,797	1,777,750
-	244,379	1,382,136
-	439,284	439,284
-	-	847,618
734,208	$ 12,637,699	$ 43,306,038
$ -	$ 804,229	$ 1,275,299
-	120,174	551,514
-	-	319,731
-	311,151	795,156
439,284	-	439,284
2,300,000	-	2,300,000
2,739,284	1,235,554	5,680,984
-	-	184,270
-	-	184,270
-	-	847,618
-	439,284	439,284
-	7,192,922	19,298,666
-	251,474	251,474
-	3,518,465	3,518,465
(2,005,076)	-	13,085,277
(2,005,076)	11,402,145	37,440,784
$ 734,208	$ 12,637,699	
		41,055,490
		184,270
		871,206
		122,954
		(4,444,000)
		(762,167)
		2,143,961
		(1,846,629)
		$ 74,765,869

CITY OF TIFTON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	SPLOST VI Fund	ARPA Fund
REVENUES			
Taxes	$ 8,948,656	$ -	$ -
Sales taxes	4,313,932	-	-
Charges for services	341,762	-	-
Licenses and permits	328,424	-	-
Intergovernmental	422,479	2,656,998	2,013,323
Fines and forfeitures	868,999	-	-
Interest revenue	592,907	635,712	15,608
Other revenues	1,988,814	-	-
Total revenues	17,805,973	3,292,710	2,028,931
EXPENDITURES			
Current:			
General government	3,500,883	-	2,061,406
Judicial	224,357	-	-
Public safety	9,990,549	-	-
Public works	3,279,063	-	-
Health and welfare	287,367	-	-
Culture and recreation	-	-	-
Housing and development	929,787	-	-
Capital outlay	-	4,613,893	-
Debt service:			
Interest	-	-	-
Total expenditures	18,212,006	4,613,893	2,061,406
Deficiency of revenues under expenditures	(406,033)	(1,321,183)	(32,475)
OTHER FINANCING SOURCES (USES)			
Transfers in	263,069	-	1,000
Transfers out	(379,850)	(500,000)	-
Total other financing sources (uses)	(116,781)	(500,000)	1,000
Net change in fund balances	(522,814)	(1,821,183)	(31,475)
Fund balances, beginning of year	16,460,785	13,847,203	111,199
Fund balances (deficit), end of year	$ 15,937,971	$ 12,026,020	$ 79,724

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

Urban Redevelopment Agency Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 2,091,417	$ 11,040,073
-	-	4,313,932
-	-	341,762
-	-	328,424
500,000	4,397,597	9,990,397
-	95,056	964,055
7,947	401,204	1,653,378
-	7,500	1,996,314
507,947	6,992,774	30,628,335
26,644	275,413	5,864,346
-	-	224,357
-	2,056,292	12,046,841
-	-	3,279,063
-	-	287,367
-	1,932,072	1,932,072
-	246,357	1,176,144
3,000,000	2,746,657	10,360,550
78,610	143,221	221,831
3,105,254	7,400,012	35,392,571
(2,597,307)	(407,238)	(4,764,236)
592,231	482,160	1,338,460
-	(838,272)	(1,718,122)
592,231	(356,112)	(379,662)
(2,005,076)	(763,350)	(5,143,898)
-	12,165,495	42,584,682
$ (2,005,076)	$ 11,402,145	$ 37,440,784

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, 2025

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances - total governmental funds	$	(5,143,898)
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		8,391,715
Total depreciation		(2,627,594)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations, transfers to enterprise funds) is to decrease net position.		(70,553)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		89,717
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.		(6,534)
therefore, are not reported as expenditures in governmental funds. The adjustments for these items are as follows:		
Compensated absences		(54,234)
Net pension asset and related deferred inflows and outflows of resources		1,501,492
Change in net position - governmental activities	$	2,080,111

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, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Property taxes	$ 4,598,420	$ 4,598,420	$ 4,256,417	$ (342,003)
Sales taxes	4,080,000	4,080,000	4,313,932	233,932
Franchise taxes	1,343,000	1,343,000	1,510,364	167,364
Other taxes	3,055,000	3,055,000	3,144,637	89,637
Penalties and interest - delinquent taxes	36,000	36,000	37,238	1,238
Licenses and permits	492,977	492,977	328,424	(164,553)
Intergovernmental	157,235	403,298	422,479	19,181
Charges for services	491,215	491,215	341,762	(149,453)
Fines and forfeitures	523,052	523,052	868,999	345,947
Interest revenue	576,599	576,599	592,907	16,308
Other revenues	4,376,192	4,376,192	1,988,814	(2,387,378)
Total revenues	19,729,690	19,975,753	17,805,973	(2,169,780)
EXPENDITURES				
Current:				
General government:				
City Council	142,040	150,040	142,680	7,360
General administration	3,874,781	3,538,344	3,358,203	180,141
Total general government	4,016,821	3,688,384	3,500,883	187,501
Judicial:				
Municipal court	252,900	252,900	224,357	28,543
Public safety:				
Police	6,308,628	6,308,628	5,891,714	416,914
Fire	3,540,992	4,102,592	4,098,835	3,757
Total public safety	9,849,620	10,411,220	9,990,549	420,671
Public works:				
Highways and streets	4,014,350	4,027,150	3,074,725	952,425
Cemetery	208,294	208,394	204,338	4,056
Total public works	4,222,644	4,235,544	3,279,063	956,481
Health and welfare:				
Senior citizens center	340,332	340,332	287,367	52,965
Housing and development:				
Code enforcement	785,437	785,437	540,516	244,921
Economic development	397,919	437,269	389,271	47,998
Total housing and development	1,183,356	1,222,706	929,787	292,919
Total expenditures	19,865,673	20,151,086	18,212,006	1,939,080
Deficiency of revenues under expenditures	(135,983)	(175,333)	(406,033)	(230,700)

(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, 2025

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 693,617	$ 732,967	$ 263,069	$ (469,898)
Transfers out	(379,850)	(379,850)	(379,850)	-
Total other financing sources (uses)	313,767	353,117	(116,781)	(469,898)
Net change in fund balances	177,784	177,784	(522,814)	(700,598)
Fund balances, beginning of year	16,460,785	16,460,785	16,460,785	-
Fund balances, end of year	$ 16,638,569	$ 16,638,569	$ 15,937,971	$ (700,598)

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, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	$ 3,920,751	$ 3,920,751	$ 2,013,323	$ (1,907,428)
Interest	155,000	155,000	15,608	(139,392)
Total revenues	4,075,751	4,075,751	2,028,931	(2,046,820)
EXPENDITURES				
Current:				
General government	3,663,651	3,663,651	2,061,406	1,602,245
Total expenditures	3,663,651	3,663,651	2,061,406	1,602,245
Net change in fund balances	412,100	412,100	(32,475)	(444,575)
FUND BALANCES, beginning of year	111,199	111,199	111,199	-
FUND BALANCES, end of year	$ 523,299	$ 523,299	$ 78,724	$ (444,575)

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

CITY OF TIFTON, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	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	$ 1,948,826	$ 6,625,804	$ 8,951,989	$ 4,221,080
Investments	14,773,445	-	-	12,973,411
Accounts receivable, net of allowances	551,143	657,286	387,674	349,360
Due from other funds	351,005	22,505	10,943	-
Inventories	-	-	-	-
Total current assets	17,624,419	7,305,595	9,350,606	17,543,851
NON-CURRENT ASSETS				
Net pension asset	236,471	210,036	224,172	163,787
Capital assets:				
Non-depreciable	65,660	394,985	102,302	-
Depreciable, net of accumulated depreciation	10,650,333	14,489,557	3,098,355	3,275,580
Total non-current assets	10,952,464	15,094,578	3,424,829	3,439,367
Total assets	28,576,883	22,400,173	12,775,435	20,983,218
DEFERRED OUTFLOWS OF RESOURCES				
Pension experience differences	30,634	27,212	29,043	21,220
Pension contributions	65,454	58,137	62,050	45,336
Total deferred outflows of resources	96,088	85,349	91,093	66,556
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	$ 146,788	$ 29,620	$ 194,035	$ 133,657
Accrued liabilities	-	-	-	10,358
Current portion - compensated absences	-	-	-	1,792
Current portion - notes payable	-	92,478	-	-
Customer deposits payable	510,635	403,535	235,732	82,463
Due to other funds	229,616	48,463	3,261	67,302
Total current liabilities	887,039	574,096	433,028	295,572
NON-CURRENT LIABILITIES				
Compensated absences, net of current portion	-	-	-	34,074
Notes payable, net of current portion	-	1,785,563	-	-
Landfill closure/post-closure care costs	-	-	-	14,547,147
Total non-current liabilities	-	1,785,563	-	14,581,221
Total liabilities	887,039	2,359,659	433,028	14,876,793
DEFERRED INFLOWS OF RESOURCES				
Pension investment return	203,676	180,907	193,082	141,073
Total deferred inflows of resources	203,676	180,907	193,082	141,073
NET POSITION				
Net investment in capital assets	10,715,993	13,006,501	3,200,657	3,275,580
Unrestricted	16,866,263	6,938,455	9,039,761	2,756,328
Total net position	$ 27,582,256	$ 19,944,956	$ 12,240,418	$ 6,031,908

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

Nonmajor Proprietary Fund		Governmental Activities
Tift Theatre Fund	Totals	Internal Service Fund
$ 931,720	$ 22,679,419	$ 132,967
-	27,746,856	-
-	1,945,463	3,061
-	384,453	34,161
-	-	589,758
931,720	52,756,191	759,947
8,830	843,296	75,341
25,000	587,947	-
457,093	31,970,918	-
490,923	33,402,161	75,341
1,422,643	86,158,352	835,288
1,144	109,253	9,761
2,444	233,421	20,854
3,588	342,674	30,615
$ 74,275	$ 578,375	$ 4,153
1,881	12,239	9,829
41	1,833	748
-	92,478	-
-	1,232,365	-
1,829	350,471	655,123
78,026	2,267,761	669,853
796	34,870	8,204
-	1,785,563	-
-	14,547,147	-
796	16,367,580	8,204
78,822	18,635,341	678,057
7,605	726,343	64,892
7,605	726,343	64,892
482,093	30,680,824	-
857,711	36,458,518	122,954
$ 1,339,804	$ 67,139,342	$ 122,954

CITY OF TIFTON, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Major Proprietary Funds			
	Water Revenue Fund	Sewer Revenue Fund	Gas Revenue Fund	Solid Waste Collection and Disposal Fund
OPERATING REVENUES				
Charges for services	$ 3,868,800	$ 5,481,201	$ 5,111,494	$ 3,856,601
Penalties and fines	198,649	107,342	38,926	24,676
Miscellaneous	31,219	49,612	286,165	195,749
Total operating revenues	4,098,668	5,638,155	5,436,585	4,077,026
OPERATING EXPENSES				
Personnel services	-	-	-	311,378
Cost of gas sold	-	-	2,696,713	-
Contract services	1,288,923	2,629,115	668,927	1,233,212
Utilities	423,002	270,911	16,591	9,977
Equipment repairs and maintenance	116,884	-	25,271	230,080
System repairs and maintenance	191,246	145,047	76,199	-
Landfill expenses	-	-	-	1,046,493
Supplies	-	-	-	200,579
Insurance	55,358	19,273	28,188	54,618
Gas, oil and grease	11,546	15,185	-	121,487
Professional services	74	25,917	130	175,075
Depreciation	885,333	850,927	144,509	657,687
Marketing	-	-	1,430	1,010
Administrative and clerical	416,924	562,173	518,137	616,864
Miscellaneous	14,640	17,623	10,662	1,261
Total operating expenses	3,403,930	4,536,171	4,186,757	4,659,721
Operating income (loss)	694,738	1,101,984	1,249,828	(582,695)
NON-OPERATING INCOME (EXPENSES)				
Investment earnings	710,567	213,208	286,556	766,406
Interest expense	-	(18,121)	-	-
Total non-operating income, net	710,567	195,087	286,556	766,406
Income before contributions and transfers	1,405,305	1,297,071	1,536,384	183,711
CAPITAL CONTRIBUTIONS	-	70,553	-	-
TRANSFERS				
Transfers in	-	-	-	-
Transfers out	(54,905)	(32,215)	(14,190)	(2,500)
Total transfers	(54,905)	(32,215)	(14,190)	(2,500)
Change in net position	1,350,400	1,335,409	1,522,194	181,211
NET POSITION, beginning of year	26,231,856	18,609,547	10,718,224	5,850,697
NET POSITION, end of year	$ 27,582,256	$ 19,944,956	$ 12,240,418	$ 6,031,908

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

Nonmajor Proprietary Fund		Governmental Activities
Tift Theatre Fund	Totals	Internal Service Fund
$ 49,433	$ 18,367,529	$ 482,090
-	369,593	-
155,256	718,001	-
204,689	19,455,123	482,090
33,314	344,692	335,687
-	2,696,713	-
-	5,820,177	-
24,707	745,188	1,597
172,047	544,282	6,155
-	412,492	-
-	1,046,493	-
44,670	245,249	88,871
3,699	161,136	12,533
-	148,218	-
31,738	232,934	-
46,877	2,585,333	-
15,889	18,329	-
-	2,114,098	-
-	44,186	47,316
372,941	17,159,520	492,159
(168,252)	2,295,603	(10,069)
29,444	2,006,181	3,535
-	(18,121)	-
29,444	1,988,060	3,535
(138,808)	4,283,663	(6,534)
-	70,553	-
483,472	483,472	-
-	(103,810)	-
483,472	379,662	-
344,664	4,733,878	(6,534)
995,140	62,405,464	129,488
$ 1,339,804	$ 67,139,342	$ 122,954

CITY OF TIFTON, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	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	$ 4,247,021	$ 5,592,432	$ 5,525,086	$ 4,086,801
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(2,721,294)	(3,806,209)	(4,045,069)	(2,710,214)
Payments to employees	(148,914)	(132,268)	(141,171)	(406,484)
Net cash provided by (used in) operating activities	1,376,813	1,653,955	1,338,846	970,103
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	-
Transfers out	-	-	-	(2,500)
Net cash provided by (used in) non-capital financing activities	-	-	-	(2,500)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(562,380)	(642,404)	-	(241,793)
Principal paid on notes payable	-	(91,612)	-	-
Transfer out	(54,905)	(32,215)	(14,190)	
Interest paid	-	(18,121)	-	-
Net cash used in capital and related financing activities	(617,285)	(784,352)	(14,190)	(241,793)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(2,603,175)	-	-	(3,362,194)
Interest received	710,567	213,208	286,556	766,406
Net cash provided by (used in) investing activities	(1,892,608)	213,208	286,556	(2,595,788)
Increase (decrease) in cash and cash equivalents	(1,133,080)	1,082,811	1,611,212	(1,869,978)
Cash and cash equivalents:				
Beginning of year	3,081,906	5,542,993	7,340,777	6,091,058
End of year	$ 1,948,826	$ 6,625,804	$ 8,951,989	$ 4,221,080

(Continued)

Nonmajor Proprietary Fund		Governmental Activities
Tift Theatre Fund	Totals	Internal Service Fund
$ 204,689	$ 19,656,029	$ -
-	-	654,982
(242,761)	(13,525,547)	(156,370)
(40,541)	(869,378)	(384,791)
(78,613)	5,261,104	113,821
483,472	483,472	-
-	(2,500)	-
483,472	480,972	-
(63,391)	(1,509,968)	-
-	(91,612)	-
	(101,310)	
-	(18,121)	-
(63,391)	(1,721,011)	-
-	(5,965,369)	-
29,444	2,006,181	3,535
29,444	(3,959,188)	3,535
370,912	61,877	117,356
560,808	22,617,542	15,611
$ 931,720	$ 22,679,419	$ 132,967

CITY OF TIFTON, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	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)	$ 694,738	$ 1,101,984	$ 1,249,828	$ (582,695)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	885,333	850,927	144,509	657,687
Changes in assets and deferred outflows and liabilities and deferred inflows:				
(Increase) in accounts receivable	(2,728)	(23,765)	(8,432)	(8,448)
Decrease in inventories	-	-	-	-
(Increase) decrease in due from other funds	(83,074)	(22,505)	93,870	-
Decrease in deferred outflows of resources	37,457	33,269	35,508	58,647
Increase (decrease) in accounts payable	(202,697)	(120,965)	(2,821)	(13,486)
Increase (decrease) in accrued liabilities	-	-	-	12,941
Increase in customer deposits	8,485	7,402	1,340	2,445
Increase in landfill closure/post-closure care costs	-	-	-	993,928
Increase (decrease) in due to other funds	225,670	(6,855)	1,723	15,778
(Increase) in net pension asset	(357,385)	(317,433)	(338,797)	(277,146)
Decrease in deferred inflows of resources	171,014	151,896	162,118	110,452
Net cash provided by (used in) operating activities	$ 1,376,813	$ 1,653,955	$ 1,338,846	$ 970,103
Noncash capital and related financing activities:				
Contributions of capital assets from governmental funds	$ -	$ 70,553	$ -	$ -
Unrealized loss on investments	-	-	-	(256,166)
Net noncash capital and related financing activities	$ -	$ 70,553	$ -	$ (256,166)

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

Nonmajor Proprietary Fund		Governmental Activities
Tift Theatre Fund	Totals	Internal Service Fund
$ (168,252)	$ 2,295,603	$ (10,069)
46,877	2,585,333	-
-	(43,373)	(684)
-	-	43,781
-	(11,709)	31,284
4,411	169,292	44,283
48,160	(291,809)	(43,679)
(1,215)	11,726	3,193
-	19,672	-
-	993,928	-
1,829	238,145	142,292
(16,072)	(1,306,833)	(143,154)
5,649	601,129	46,574
$ (78,613)	$ 5,261,104	$ 113,821
$ -	$ 70,553	$ -
-	(256,166)	-
$ -	$ (185,613)	$ -

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

As required by GAAP, the financial statements of the reporting entity include those of the City (the "primary government") and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationship with the City.

Discretely Presented Component Unit – A discretely presented component unit is reported in a separate column in the combined financial statements to emphasize they are legally separate from the City. Following is a brief review of the discretely presented component unit.

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.

Blended Component Unit – A blended component unit, although a legally separate entity, is, in substance, part of the City's operations. Following is a brief review of the blended component unit.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Financial Reporting Entity (Continued)

Blended Component Unit

The City of Tifton Urban Redevelopment Agency – The City of Urban Redevelopment Agency (the "Urban Redevelopment Agency") focuses on improving the blighted areas of the City. The governing board of the Urban Redevelopment Agency is appointed by the Mayor and City Council and the City has assumed financial responsibility for its operations. The Urban Redevelopment Agency 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.

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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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*** is a capital projects fund that 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*** is a special revenue fund that accounts for the receipts of Federal ARPA funds in response to the COVID-19 pandemic, and subsequent economic conditions.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **Urban Redevelopment Agency Fund** accounts for the revenues and expenditures dedicated to revitalizing and eliminating blight in the City.

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

D. Budgets and Budgetary Accounting

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

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.

E. Deposits and Investments

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

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

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

F. Inventory and Prepaid Items

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” in the fund financial statements. Short-term interfund loans are classified as “interfund receivables/payables.” Advances between funds, as reported in the fund financial statements, are offset by a fund balance non-spendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

H. Capital Assets

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

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

Major outlays for capital assets and major improvements are capitalized as projects are constructed.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

Property, plant and equipment of the primary government, as well as the component units, 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.

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 City's policy, employees are entitled to annual vacation and sick leave. Sick pay is accumulated and in accordance with GASB Statement No. 101, an estimate for the time to be used during employment has been accrued. A liability for the estimated sick leave earned has been accrued in the government-wide and proprietary fund financial statements. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 reports a separate section for deferred outflows of resources. This separate financial statement represents a consumption of net assets 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, 2025, with the exception of the pension items discussed below.

In addition to liabilities, the Statement of Net Position and the Balance Sheet for governmental funds reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets 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 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 asset. Certain changes in the net pension asset 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 asset 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 asset 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 asset 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, 2025, are summarized as follows:

Amounts as presented on the entity-wide Statement of Net Position:		
Cash and cash equivalents	$	33,676,020
Investments		54,797,035
Total	$	88,473,055
Cash deposited with financial institutions	$	33,676,020
Cash deposited with Georgia Fund 1		34,751,942
Certificate of deposit		1,010,788
Treasury bills		3,541,170
Investment in guaranteed investment contract		3,530,511
Investments in U.S. government securities		5,177,708
Investments in municipal bonds		2,850,624
Investments in mortgage backed securities		3,934,292
Total	$	88,473,055

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Total deposits and investments of the Downtown Development Authority (component unit) as of June 30, 2025, are summarized as follows:

Amounts as presented on the entity-wide Statement of Net Position:	
Cash and cash equivalents	$ 1,386,699
Total	$ 1,386,699
Cash deposited with financial institutions	$ 1,386,699
Total	$ 1,386,699

Credit Risk. State statutes authorize the City and the Downtown Development Authority 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, 2025, 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	$ 34,751,942	$ 34,751,942	$ -	$ -	$ -	$ -	$ -
Treasury bills	NR	3,541,170	3,541,170	-	-	-	-	-
Certificates of deposit	NR	1,010,788	249,928	760,860	-	-	-	-
U.S. Government securities	NR	995,033	749,213	-	245,820	-	-	-
U.S. Government securities	AAA	4,182,675	1,002,125	2,722,633	457,917	-	-	-
Municipal bonds	AA-	460,465	-	255,278	205,187	-	-	-
Municipal bonds	AA	684,654	-	510,505	174,149	-	-	-
Municipal bonds	AA+	454,842	240,197	-	214,645	-	-	-
Municipal bonds	AAA	1,250,663	-	1,000,613	250,050	-	-	-
Mortgage backed securities	NR	3,934,292	852	469,281	695,183	21,492	96,986	2,650,498
Guaranteed investment contract	AA-	3,530,511	-	-	3,530,511	-	-	-
Total		$ 54,797,035	$ 40,535,427	$ 5,719,170	$ 5,773,462	$ 21,492	$ 96,986	$ 2,650,498

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk. In accordance with its investment policy, the City and the Downtown Development Authority manage their 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 and Downtown Development Authority categorize their 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, 2025:

Investment	Level 1	Level 2	Fair Value
U.S. Government securities	$ 5,177,708	$ -	$ 5,177,708
Treasury bills	3,541,170	-	3,541,170
Municipal bonds	502,685	2,347,939	2,850,624
Certificates of deposit	-	1,010,788	1,010,788
Mortgage backed securities	-	3,934,292	3,934,292
Total investments measured at fair value	$ 9,221,563	$ 7,293,019	16,514,582
Investments not subject to level disclosure:			
Georgia Fund 1			34,751,942
Investments recorded at cost:			
Guaranteed investment contract			3,530,511
			$ 54,797,035
Fair market hedging derivative:			
Interest rate swap agreement	$ -	$ 240,372	$ 240,372

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.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2025, the City and the Downtown Development Authority did not have any deposits which were uninsured and under collateralized as defined by GASB pronouncements and the State of Georgia.

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City and Downtown Development Authority 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, 2025, the City and Downtown Development Authority were not exposed to custodial credit risk for its investments.

NOTE 3. RECEIVABLES

Receivables as of June 30, 2025, including the applicable allowances for uncollectible accounts, are as follows:

	General	Nonmajor Governmental	Internal Service	Solid Waste Coll. and Disp.
Receivables:				
Taxes	$ 343,518	$ 180,049	$ -	$ -
Accounts	373,655	16,700	3,061	410,821
Due from other governments	379,953	1,397,797	-	-
Gross receivables	1,097,126	1,594,546	3,061	410,821
Less: allowance for uncollectibles	-	-	-	(61,461)
Net total receivables	$ 1,097,126	$ 1,594,546	$ 3,061	$ 349,360

	Water Revenue	Sewer Revenue	Gas Revenue	Urban Redevelopment
Receivables:				
Accounts	$ 661,670	$ 828,317	$ 465,585	$ 31,515
Gross receivables	661,670	828,317	465,585	31,515
Less: allowance for uncollectibles	(110,527)	(171,031)	(77,911)	-
Net total receivables	$ 551,143	$ 657,286	$ 387,674	$ 31,515

NOTE 3. RECEIVABLES (CONTINUED)

Property taxes were levied on behalf of the City by Tift County on January 6, 2024, (levy date) based upon property values assessed as of January 1. The billings were mailed January 17, 2025, and were payable on or before March 25, 2025, for the calendar year 2024 tax. If unpaid by March 25, 2025, the bill becomes delinquent and penalties and interest may be assessed by the City. Property taxes levied for 2024 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the fiscal year ended June 30, 2025, and expected to be collected by August 31, 2025, are recognized as revenues for the year ended June 30, 2025. Net receivables estimated to be collectible subsequent to August 31, 2025, are recorded as revenue when received.

Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually. The tax rate levied during calendar year 2024 for the City's operations was 6.2360 mills (mill equals $1 per thousand dollars of assessed value).

Receivables as of June 30, 2025 for the Downtown Development Authority, including the applicable allowances for uncollectible accounts, are as follows:

	Downtown Development Authority
Receivables:	
Accounts	$ 31,515
Notes	-
Gross receivables	31,515
Less: allowance for uncollectibles	-
Net total receivables	$ 31,515

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 2,906,590	$ 3,000,000	$ -	$ -	$ 5,906,590
Construction in progress	46,900	1,364,915	-	-	1,411,815
Total capital assets, not being depreciated	2,953,490	4,364,915	-	-	7,318,405
Capital assets, being depreciated:					
Buildings and improvements	12,059,964	833,833	-	-	12,893,797
Machinery and equipment	14,816,051	3,192,967	-	(70,553)	17,938,465
Infrastructure	38,980,593	-	-	-	38,980,593
Total capital assets, being depreciated	65,856,608	4,026,800	-	(70,553)	69,812,855
Less accumulated depreciation for:					
Buildings and improvements	(5,242,207)	(325,544)	-	-	(5,567,751)
Machinery and equipment	(9,843,967)	(1,329,987)	-	-	(11,173,954)
Infrastructure	(18,362,002)	(972,063)	-	-	(19,334,065)
Total accumulated depreciation	(33,448,176)	(2,627,594)	-	-	(36,075,770)
Total capital assets, being depreciated, net	32,408,432	1,399,206	-	(70,553)	33,737,085
Governmental activities capital assets, net	$ 35,361,922	$ 5,764,121	$ -	$ (70,553)	$ 41,055,490

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

Governmental activities:	
General government	$ 119,587
Public safety	740,686
Public works	1,463,073
Health and welfare	208,506
Housing and development	95,742
Total depreciation expense - governmental activities	$ 2,627,594

NOTE 4. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 582,835	$ -	$ -	$ -	$ 582,835
Construction in progress	31,232	-	-	(26,120)	5,112
Total capital assets, not being depreciated	614,067	-	-	(26,120)	587,947
Capital assets, being depreciated:					
Landfill	8,396,130	-	-	26,120	8,422,250
Buildings and improvements	1,064,926	-	-	70,553	1,135,479
Distribution system	71,778,583	457,550	-	-	72,236,133
Machinery and equipment	13,253,956	1,052,418	-	-	14,306,374
Total capital assets, being depreciated	94,493,595	1,509,968	-	96,673	96,100,236
Less accumulated depreciation for:					
Landfill	(6,639,086)	(344,077)	-	-	(6,983,163)
Buildings and improvements	(800,144)	(38,638)	-	-	(838,782)
Distribution system	(45,510,639)	(1,410,243)	-	-	(46,920,882)
Machinery and equipment	(8,594,116)	(792,375)	-	-	(9,386,491)
Total accumulated depreciation	(61,543,985)	(2,585,333)	-	-	(64,129,318)
Total capital assets, being depreciated, net	32,949,610	(1,075,365)	-	96,673	31,970,918
Business-type activities capital assets, net	$ 33,563,677	$ (1,075,365)	$ -	$ 70,553	$ 32,558,865

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

Business-type activities:	
Water	$ 885,334
Sewer	850,926
Gas	144,509
Solid waste collection and disposal	657,687
Tift Theatre	46,877
Total depreciation expense - business-type activities	$ 2,585,333

NOTE 4. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Downtown Development Authority for the fiscal year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Downtown Development Authority					
Capital assets, not being depreciated:					
Land	$ 432,167	$ -	$ (89,143)	$ -	$ 343,024
Construction in progress	71,379	83,853	-	(101,673)	53,559
Total capital assets, not being depreciated	503,546	83,853	(89,143)	(101,673)	396,583
Capital assets, being depreciated:					
Buildings and improvements	2,151,997	-	(227,821)	34,513	1,958,689
Furniture and equipment	66,061	-	-	67,160	133,221
Total capital assets, being depreciated	2,218,058	-	(227,821)	101,673	2,091,910
Less accumulated depreciation for:					
Buildings and improvements	(777,648)	(92,716)	18,510	-	(851,854)
Furniture and equipment	(32,710)	(8,077)	-	-	(40,787)
Total accumulated depreciation	(810,358)	(100,793)	18,510	-	(892,641)
Total capital assets, being depreciated, net	1,407,700	(100,793)	(209,311)	101,673	1,199,269
Downtown Development Authority capital assets, net	$ 1,911,246	$ (16,940)	$ (298,454)	$ -	$ 1,595,852

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, 2025:

Business-type Activities

On October 2, 2023, the City entered into a contract with the Georgia Environmental Finance Authority ("GEFA") for a Clean Water State Revolving Loan Fund grant/loan to provide financing for rehabilitating the water pollution control plant, pump stations, and related appurtenances. The loan is to be paid in monthly installments of $9,145 including interest at 0.94% through 2044. The note is as follows at June 30, 2025:

Fiscal Year Payable	Total	Principal	Interest
2026	$ 109,734	$ 92,478	$ 17,256
2027	109,734	93,351	16,383
2028	109,734	94,232	15,502
2029	109,734	95,122	14,612
2030	109,734	96,020	13,714
2031 – 2035	548,667	493,867	54,800
2036 – 2040	548,667	517,623	31,044
2041 – 2044	402,355	395,348	7,007
	$ 2,048,359	$ 1,878,041	$ 170,318

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.

NOTE 5. LONG-TERM DEBT (CONTINUED)

B. Certificates of Participation

Governmental Activities (Continued)

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.

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, 2025, the floating rate being paid by the City is 2.23%, and the market value of this agreement is $240,372, an increase of $16,732 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, 2025 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.

NOTE 5. LONG-TERM DEBT (CONTINUED)

B. Certificates of Participation (Continued)

Governmental Activities (Continued)

Annual debt service requirements for the Certificates of Participation are as follows:

Fiscal Year Payable	Total	Principal	Interest
2026	$ 211,090	$ -	$ 211,090
2027	211,090	-	211,090
2028	4,655,090	4,444,000	211,090
	$ 5,077,270	$ 4,444,000	$ 633,270

A. 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 $982,886.

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, 2025 of $13,564,261 is reported in the Solid Waste Collection and Disposal Fund and represents the cumulative amount reported to date based on the use of approximately 95% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of $762,842 as the remaining estimated capacity is filled.

NOTE 5. LONG-TERM DEBT (CONTINUED)

C. Closure/Post-closure Care Costs (Continued)

Omega/Eldorado Road MSW Landfill Phase 3 (Continued)

These amounts are based on what it would cost to perform all closure and post-closure care in 2025. 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, 2025 was as follows:

	(As restated) Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Certificates of participation	$ 4,444,000	$ -	$ -	$ 4,444,000	$ -
Net pension liability (asset)	2,077,908	2,171,655	(6,468,865)	(2,219,302)	-
Compensated absences	712,384	58,735	-	771,119	38,556
Governmental activity Long-term liabilities	$ 7,234,292	$ 2,230,390	$ (6,468,865)	$ 2,995,817	$ 38,556
Business-type activities					
Notes payable	$ 1,969,653	$ -	$ (91,612)	$ 1,878,041	$ 92,478
Net pension liability (asset)	463,537	825,189	(2,132,022)	(843,296)	-
Compensated absences	21,692	15,011	-	36,703	1,833
Landfill closure/post-closure	13,553,219	993,928	-	14,547,147	-
Business-type activity Long-term liabilities	$ 16,008,101	$ 1,834,128	$ (2,223,634)	$ 15,618,595	$ 94,311
Downtown Development Authority					
Notes payable	$ 10,855	$ -	$ (10,855)	$ -	$ -
Component unit Long-term liabilities	$ 10,855	$ -	$ (10,855)	$ -	$ -

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, $8,952 of the Internal Service Fund's compensated absences and $75,341 of the Internal Service Fund's net pension asset 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. SHORT-TERM DEBT

Short-term liability for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Notes payable	$ -	$ 2,300,000	$ -	$ 2,300,000
Governmental activities Long-term liabilities	$ -	$ 2,300,000	$ -	$ 2,300,000

Governmental Activities

On December 20, 2024, the Urban Redevelopment Agency ("URA"), a blended component unit of the City, entered into a short-term notes payable agreement with a financial institution to borrow $2,300,000 to purchase land. The interest rate on this note is 5.25% which is to be repaid principal and interest by June 19, 2026.

NOTE 7. 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.

NOTE 7. PENSION PLAN (CONTINUED)

Plan membership. As of January 1, 2025, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	165
Inactive plan members entitled to but not receiving benefits	80
Active plan members	133
Total	378

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 $847,714 for the year ended June 30, 2025.

A. Net Pension Asset of the City

The City's net pension asset was measured as of September 30, 2024. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2025, with updated procedures performed by the actuary to roll forward to the total pension asset as of September 30, 2024.

Actuarial assumptions. The total pension asset in the January 1, 2025 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-distinct Pri-2012 headcount weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumption used in the January 1, 2025 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2019.

NOTE 7. PENSION PLAN (CONTINUED)

A. Net Pension Asset of the City (Continued)

Actuarial assumptions (Continued). 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, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic equity	45%	6.60%
International equity	20%	7.03%
Domestic fixed income	20%	2.70%
Real estate	10%	3.40%
Global fixed income	5%	3.70%
Cash	—%	
Total	100%	

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

Discount rate. The discount rate used to measure the total pension asset 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 asset.

NOTE 7. PENSION PLAN (CONTINUED)

A. Net Pension Asset of the City (Continued)

Changes in the net pension asset of the City. The changes in the components of the net pension asset of the City for the fiscal year ended June 30, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Beginning balance	$ 31,377,475	$ 28,836,030	$ 2,541,445
Changes for the year:			
Service cost	227,786	-	227,786
Interest	2,235,854	-	2,235,854
Differences between expected and actual experience	479,668	-	479,668
Contributions - employer	-	1,624,920	(1,624,920)
Contributions - employee	-	166,897	(166,897)
Net investment income	-	6,809,070	(6,809,070)
Benefit payments, including refunds of employee contributions	(2,577,189)	(2,577,189)	-
Administrative expense	-	(53,536)	53,536
Net changes	366,119	5,970,162	(5,604,043)
Ending balance	$ 31,743,594	$ 34,806,192	$ (3,062,598)

The required Schedule of Changes in the City's Net Pension Asset 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 (asset) liability.

NOTE 7. PENSION PLAN (CONTINUED)

A. Net Pension Asset of the City (Continued)

Sensitivity of the net pension asset to changes in the discount rate. The following presents the net pension asset of the City, calculated using the discount rate of 7.375%, as well as what the City's net pension asset 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 asset	$ 206,121	$ (3,062,598)	$ (5,815,404)

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, 2024, and the current sharing pattern of costs between employer and employee.

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

For the fiscal year ended June 30, 2025, the City recognized pension expense of ($968,517). At June 30, 2025, 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	$ 396,781	$ -
Net difference between projected and actual earnings on pension plan investments	-	2,637,864
City contributions subsequent to the measurement date	847,714	-
Total	$ 1,244,495	$ 2,637,864

NOTE 7. PENSION PLAN (CONTINUED)

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

Government contributions subsequent to the measurement date of $847,714 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension asset in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2026	$ (425,877)
2027	388,163
2028	(1,260,699)
2029	(942,670)
Total	$ (2,241,083)

NOTE 8. INTERFUND BALANCES AND TRANSFERS

The City's interfund receivables and payables at June 30, 2025 (at the fund level) are shown on the next page. 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 8. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

The composition of interfund balances as of June 30, 2025 is as follows:

	Payable					
Receivable	General	SPLOST VI	Sewer Revenue	Gas Revenue	Solid Waste Coll. and Disp.	Nonmajor Proprietary
General	$ -	$ 51,400	$ 33,380	$ 2,492	$ 48,993	1,829
Nonmajor governmental	-	10,403	-	-	-	-
Water revenue	78,546	-	-	-	-	-
Sewer revenue	-	-	-	-	-	-
Gas revenue	396	-	-	-	-	-
Internal service	-	-	15,083	769	18,309	-
	$ 78,942	$ 61,803	$ 48,463	$ 3,261	$ 67,302	$ 1,829

	Payable				
Receivable	Water Revenue	Internal Service Fund	Nonmajor Governmental	ARPA	Total
General	$ 229,616	$ 458,896	$ 311,151	$ -	$ 1,137,757
Nonmajor governmental	-	-	-	233,976	244,379
Water revenue	-	163,175	-	109,284	351,005
Sewer revenue	-	22,505	-	-	22,505
Gas revenue	-	10,547	-	-	10,943
Internal service	-	-	-	-	34,161
	$ 229,616	$ 655,123	$ 311,151	$ 343,260	$ 1,800,750

Interfund transfers for the fiscal year ended June 30, 2025 consisted of the following:

	Transfer To					
Transfer From	Nonmajor Governmental	General	ARPA	Urban Redevelopment	Nonmajor Proprietary	Total
General	$ 379,850	$ -	$ -	$ -	$ -	$ 379,850
SPLOST VI	-	-	-	500,000	-	500,000
Water revenue	54,905	-	-	-	-	54,905
Solid waste collection and disposal	-	2,500	-	-	-	2,500
Sewer revenue	32,215	-	-	-	-	32,215
Gas revenue	14,190	-	-	-	-	14,190
Nonmajor governmental	1,000	260,569	1,000	92,231	483,472	838,272
Total	$ 482,160	$ 263,069	$ 1,000	$ 592,231	$ 483,472	$ 1,821,932

NOTE 8. INTERFUND BALANCES AND TRANSFERS (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.

A portion of the Urban Redevelopment Agency's approved Special Purpose Local Option Sales Tax ("SPLOST") VII allocation was provided as an interfund advance to acquire property as allocated for economic development in the SPLOST VII referendum. The advance of $439,284 will be repaid to the SPLOST VII Fund upon the sale of that property.

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, 2025, $2,091,417 of hotel/motel tax was collected. During the fiscal year, $1,199,472 was paid to the Tifton-Tift County Tourism Association. The remainder of the funds totaling $891,945 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, 2025, the City paid $25,971 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 County. The financial statements for this operation are included as an enterprise fund in this financial report.

NOTE 10. JOINT VENTURES (CONTINUED)

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.

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.

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.

NOTE 12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 $2,677,626.

At June 30, 2025, the outstanding debt of MGAG was approximately $40,201,031. The City's guarantee varies by individual projects undertaken by MGAG and totals approximately $503,126 at June 30, 2025.

In addition to the liabilities enumerated in the balance sheet at June 30, 2025, the City has contractual commitments on uncompleted construction contracts of approximately $551,513.

NOTE 13. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds and to report as promptly as possible and in accordance with any coverage descriptions issued, all incidents which could result in the risk pools being required to pay any claim of loss. The City is also to allow the pools' agents and attorneys to represent the City in investigations, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the risk pools.

NOTE 14. ACCOUNTING CHANGES

Change in Accounting Principle

In conjunction with the implementation of GASB Statement No. 101, Compensated Absences, the City is required to reevaluate the accounting treatment of compensated absences. The new standard requires the City to reevaluate the calculation and treatment of accumulated sick time in compensated absences under the new definitions of GASB Statement No. 101. Therefore, in conjunction with the Implementation of GASB Statement No. 101, the following restatement was required to the beginning net position of Governmental Activities to properly report compensated absences.

	Governmental Activities
Beginning net position, as previously reported	$ 73,017,974
Adjustment to compensated absences	(332,216)
Beginning net position, as restated	$ 72,685,758

NOTE 15. DEFICIT FUND EQUITY

The following funds had deficit balances/net position as June 30, 2025:

Urban Redevelopment Agency Fund	$ (2,005,076)

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TIFTON, GEORGIA

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

	Fiscal Year		
	2025	2024	2023
Total pension liability			
Service cost	**$ 227,786**	219,784	$ 190,687
Interest on total pension liability	**2,235,854**	2,228,309	2,342,837
Changes of benefit terms			
Differences between expected and actual experience	**479,668**	231,008	(1,472,789)
Changes of assumptions			-
Benefit payments, including refunds of employee contributions	**(2,577,189)**	(2,592,397)	(2,693,125)
Net change in total pension liability	**366,119**	86,704	(1,632,390)
Total pension liability - beginning	**31,377,475**	31,290,771	32,923,161
Total pension liability - ending	**31,743,594**	31,377,475	31,290,771
Plan fiduciary net position			
Contributions - employer	**1,624,920**	1,823,232	1,829,326
Contributions - employee	**166,897**	135,970	137,212
Net investment income (loss)	**6,809,070**	3,485,374	(5,117,502)
Benefit payments, including refunds of employee contributions	**(2,577,189)**	(2,592,397)	(2,693,125)
Administrative expenses	**(53,536)**	(61,537)	(62,524)
Other	**-**	-	-
Net change in plan fiduciary net position	**5,970,162**	2,790,642	(5,906,613)
Plan fiduciary net position - beginning	**28,836,030**	26,045,388	31,952,001
Plan fiduciary net position - ending	**34,806,192**	28,836,030	26,045,388
City's net pension (asset) liability - ending	**$ (3,062,598)**	2,541,445	$ 5,245,383
Plan fiduciary net position as a percentage of the total pension liability	**109.6%**	91.9%	83.2%
Covered payroll	**$ 6,037,418**	$ 5,320,080	$ 5,062,540
City's net pension (asset) liability as a percentage of covered payroll	**-50.7%**	47.8%	103.6%

Fiscal Year							
2022	2021	2020	2019	2018	2017	2016
$ 213,279	$ 224,698	$ 208,171	$ -	$ 439,603	$ 443,294	$ 454,712
2,388,849	2,364,424	2,320,820	-	2,408,111	2,493,963	2,577,951
			-	3,280	(37,153)	-
(518,424)	483,928	(4,932)	-	1,801,367	(1,516,773)	(1,973,536)
-	-	1,182,454	(6,289,478)	(762,524)	(244,220)	-
(2,676,868)	(2,784,039)	(2,430,590)	-	(2,492,093)	(2,354,581)	(2,257,531)
(593,164)	289,011	1,275,923	(6,289,478)	1,397,744	(1,215,470)	(1,198,404)
33,516,325	33,227,314	31,951,391	38,240,869	36,843,125	38,058,595	39,256,999
32,923,161	33,516,325	33,227,314	31,951,391	38,240,869	36,843,125	38,058,595
1,497,735	2,536,001	904,393	-	2,543,429	2,774,416	2,770,560
117,324	103,384	81,124	-	324,123	104,324	80,121
6,382,355	2,355,705	2,257,110	-	1,408,766	1,184,694	(24,420)
(2,676,868)	(2,784,039)	(2,430,590)	-	(2,492,092)	(2,354,581)	(2,257,531)
(60,369)	(57,438)	(52,495)	-	(9,687)	(19,882)	(166,118)
-	-	(982,021)	-	-	-	-
5,260,177	2,153,613	(222,479)	-	1,774,539	1,688,971	402,612
26,691,824	24,538,211	24,760,690	24,760,690	22,986,151	21,297,180	20,894,568
31,952,001	26,691,824	24,538,211	24,760,690	24,760,690	22,986,151	21,297,180
$ 971,160	$ 6,824,501	$ 8,689,103	$ 7,190,701	$ 13,480,179	$ 13,856,974	$ 16,761,415
97.1%	79.6%	73.8%	77.5%	64.7%	62.4%	56.0%
$ 4,442,158	$ 4,743,140	$ 4,625,960	$ 4,748,058	$ 4,027,933	$ 3,944,091	$ 3,989,842
21.9%	143.9%	187.8%	151.4%	334.7%	351.3%	420.1%

CITY OF TIFTON, GEORGIA

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

	Fiscal Year		
	2025	2024	2023
Actuarially determined contributions	**$ 312,189**	$ 419,734	$ 636,868
Contributions in relation to the actuarially determined contribution	**1,624,920**	1,823,232	1,756,320
Contribution deficiency (excess)	**$ (1,312,731)**	$ (1,403,498)	$ (1,119,452)
Covered payroll	$ 5,678,749	$ 5,191,310	$ 4,752,349
Contributions as a percentage of covered payroll	28.6%	35.1%	37.0%

Notes to the Schedule:

Valuation date	January 1, 2025
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

	Fiscal Year						
	2022	2021	2020	2019	2018	2017	2016
	$ 791,551	$ 763,884	$ 814,130	$ 743,241	$ 2,349,696	$ 2,269,040	$ 2,768,028
	1,831,873	1,043,790	2,184,451	889,094	2,543,429	2,774,416	2,770,560
	$ (1,040,322)	$ (279,906)	$ (1,370,321)	$ (145,853)	$ (193,733)	$ (505,376)	$ (2,532)
	$ 4,592,649	$ 4,684,550	$ 4,687,009	$ 4,387,996	$ 4,027,933	$ 3,944,091	$ 3,989,842
	39.9%	22.3%	46.6%	20.3%	63.1%	70.3%	69.4%

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 **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.

The **Opioid Settlement Fund** accounts for revenues and expenditures related to the settlement of the opioid litigation brought by states against three large pharmaceutical distributors.

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** accounts for CDBG grant revenues and expenditures relating to public works projects.

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 **Special Purpose Local Option Sales Tax ("SPLOST") VII 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.

CITY OF TIFTON, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS (CONTINUED)

The **Transportation Special Purpose Local Option Sales Tax ("TSPLOST") 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, 2025

	Special Revenue Funds			
ASSETS	**Hotel/Motel Tax Fund**	**Grant Fund**	**Confiscated Assets Fund**	**Opioid Settlement Fund**
Cash and cash equivalents	$ 3,471,480	$ 711,644	$ 176,429	$ 84,138
Investments	-	-	-	-
Taxes receivable, net	180,049	-	-	-
Accounts receivable, net	-	-	-	-
Due from other governments, net	-	734,146	-	-
Due from other funds	-	10,403	-	-
Advance to other funds	-	-	-	-
Total assets	$ 3,651,529	$ 1,456,193	$ 176,429	$ 84,138
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 114,903	$ 663,533	$ 9,093	$ -
Retainage payable	8,010	99,850	-	-
Due to other funds	10,151	1,000	-	-
Advances from other funds	-	-	-	-
Short-term notes payable	-	-	-	-
Total liabilities	133,064	764,383	9,093	-
FUND BALANCES				
Nonspendable:				
Long-term interfund advances	-	-	-	-
Restricted for:				
Capital outlay	-	691,810	-	-
Tourism	3,518,465	-	-	-
Public safety	-	-	167,336	84,138
Unassigned	-	-	-	-
Total fund balances	3,518,465	691,810	167,336	84,138
Total liabilities and fund balances	$ 3,651,529	$ 1,456,193	$ 176,429	$ 84,138

Capital Projects Funds						
CDBG Fund	Capital Projects Fund	SPLOST Fund	SPLOST V Fund	SPLOST VII Fund	TSPLOST Fund	Total
$ 1,000	$ 95,233	$ -	$ 502,936	$ 778,065	$ 1,008,054	$ 6,828,979
-	3,530,511	-	-	-	-	3,530,511
-	-	-	-	-	-	180,049
16,700	-	-	-	-	-	16,700
-	-	-	-	630,303	33,348	1,397,797
-	-	-	233,976	-	-	244,379
-	-	-	-	439,284	-	439,284
$ 17,700	$ 3,625,744	$ -	$ 736,912	$ 1,847,652	$ 1,041,402	$ 12,637,699
$ 16,700	$ -	$ -	$ -	$ -	$ -	$ 804,229
-	-	-	12,314	-	-	120,174
-	300,000	-	-	-	-	311,151
-	-	-	-	-	-	-
-	-	-	-	-	-	-
16,700	300,000	-	12,314	-	-	1,235,554
-	-	-	-	439,284	-	439,284
1,000	3,325,744	-	724,598	1,408,368	1,041,402	7,192,922
-	-	-	-	-	-	3,518,465
-	-	-	-	-	-	251,474
-	-	-	-	-	-	-
1,000	3,325,744	-	724,598	1,847,652	1,041,402	11,402,145
$ 17,700	$ 3,625,744	$ -	$ 736,912	$ 1,847,652	$ 1,041,402	$ 12,637,699

CITY OF TIFTON, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Funds			
	Hotel/Motel Tax Fund	Grant Fund	Confiscated Assets Fund	Opioid Settlement Fund
Revenues				
Taxes	$ 2,091,417	$ -	$ -	$ -
Intergovernmental	-	1,985,259	-	-
Interest revenue	142,091	-	-	-
Fines and forfeitures	-	-	68,306	26,750
Other revenues	7,500	-	-	-
Total revenues	2,241,008	1,985,259	68,306	26,750
Expenditures				
Current:				
General government	-	250,585	-	24,828
Public safety	-	2,016,614	39,678	-
Culture and recreation	1,845,046	-	-	-
Housing and development	-	246,357	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
Total expenditures	1,845,046	2,513,556	39,678	24,828
Excess (deficiency) of revenues over (under) expenditures	395,962	(528,297)	28,628	1,922
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(744,041)	(2,000)	-	-
Total other financing sources (uses)	(744,041)	(2,000)	-	-
Net change in fund balances	(348,079)	(530,297)	28,628	1,922
Fund balances, beginning of year	3,866,544	1,222,107	138,708	82,216
Fund balances (deficit), end of year	$ 3,518,465	$ 691,810	$ 167,336	$ 84,138

Capital Projects Funds						
CDBG Fund	Capital Projects Fund	SPLOST Fund	SPLOST V Fund	SPLOST VII Fund	TSPLOST Fund	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ 2,091,417
87,026	-	-	-	1,936,851	388,461	4,397,597
-	135,355	29,639	46,792	3,032	44,295	401,204
-	-	-	-	-	-	95,056
-	-	-	-	-	-	7,500
87,026	135,355	29,639	46,792	1,939,883	432,756	6,992,774
-	-	-	-	-	-	275,413
-	-	-	-	-	-	2,056,292
87,026	-	-	-	-	-	1,932,072
-	-	-	-	-	-	246,357
-	-	1,144,419	889,035	-	713,203	2,746,657
-	143,221	-	-	-	-	143,221
87,026	143,221	1,144,419	889,035	-	713,203	7,400,012
-	(7,866)	(1,114,780)	(842,243)	1,939,883	(280,447)	(407,238)
1,000	481,160	-	-	-	-	482,160
-	-	-	-	(92,231)	-	(838,272)
1,000	481,160	-	-	(92,231)	-	(356,112)
1,000	473,294	(1,114,780)	(842,243)	1,847,652	(280,447)	(763,350)
-	2,852,450	1,114,780	1,566,841	-	1,321,849	12,165,495
$ 1,000	$ 3,325,744	$ -	$ 724,598	$ 1,847,652	$ 1,041,402	$ 11,402,145

CITY OF TIFTON, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
2006 Referendum					
Street and sidewalk improvements	$ 2,670,000	$ 2,670,000	$ 2,646,698	$ 340,211	$ 2,986,909
New fire station and equipment	2,660,000	2,660,000	2,166,748	749,103	2,915,851
Police equipment	414,000	414,000	308,229	32,750	340,979
Sewer system improvements	6,831,000	6,831,000	5,760,681	-	5,760,681
Water system improvements	5,200,000	5,200,000	4,116,271	22,355	4,138,626
Drainage improvements	2,500,000	2,500,000	2,186,723	-	2,186,723
Senior center improvements	750,000	750,000	770,344	-	770,344
City Hall renovations	1,000,000	1,000,000	894,793	-	894,793
Recycling facility improvements	450,000	450,000	263,230	-	263,230
Landfill/sanitation equipment	650,000	650,000	665,275	-	665,275
Park and cemetery improvements	200,000	200,000	6,650	-	6,650
Maintenance warehouse improvements	650,000	650,000	312,333	-	312,333
M.I.S. improvements	1,850,000	1,850,000	1,486,359	-	1,486,359
	$ 25,825,000	$ 25,825,000	$ 21,584,334	$ 1,144,419	$ 22,728,753

CITY OF TIFTON, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	19,778	439,126
Road, street, bridge projects, drainage and parking	8,800,000	8,800,000	7,030,368	697,981	7,728,349
Technology equipment and upgrades	1,500,000	1,500,000	1,377,564	92,500	1,470,064
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	1,028,660	78,776	1,107,436
	$ 24,500,000	$ 24,500,000	$ 18,636,986	$ 889,035	$ 19,526,021

CITY OF TIFTON, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	$ 1,200,650	$ 649,295	$ 245,333	$ 894,628
Vehicle, machinery, equipment and technology capital outlay	3,500,000	5,224,665	1,698,149	1,239,054	2,937,203
Road, street, bridge, drainage and parking projects	9,450,000	10,606,556	2,581,221	3,085,491	5,666,712
Water and sewer system capital outlay and improvements	5,000,000	6,400,000	2,308,526	44,015	2,352,541
Property acquisition and demolition	750,000	1,631,777	581,277	500,000	1,081,277
	$ 19,900,000	$ 25,063,648	$ 7,818,468	$ 5,113,893	$ 12,932,361

Reconciliation to the Combining Statement of Revenues, Expenditures and Changes in Fund Balances:

Transfers out	$ (500,000)
	$ 4,613,893

CITY OF TIFTON, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
2023 Referendum					
Renovation and improvements to City buildings	$ 1,200,000	$ 1,200,000	$ -	$ -	$ -
Vehicle, machinery, equipment and technology capital outlay	3,500,000	3,500,000	-	-	-
Road, street, bridge, drainage and parking projects	9,050,000	9,050,000	-	-	-
Water and sewer system capital outlay and improvements	5,000,000	5,000,000	-	-	-
Property acquisition and demolition	750,000	750,000	-	-	-
Technology capital outlay	500,000	500,000	-	-	-
acquisition- Urban Redevelopment Agency	1,000,000	1,000,000	-	-	-
	$ 21,000,000	$ 21,000,000	$ -	$ -	$ -

CITY OF TIFTON, GEORGIA

PROJECT COST SCHEDULE
RURAL DOWNTOWN REDEVELOPMENT GRANT PROGRAM -
GRANT 24h-x-137-2-6376
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Program Activity	Activity Number	Latest Approved Budget	Accumulated CDBG Expenditures to Date	Accumulated CDBG Expenditures to Date (Other Funds)	Grand Total of Expenditures to Date	Grand Questioned Costs (if applicable)
Acquisition of property (house)	H-001-01	$ 1,500	$ -	$ -	$ -	$ -
Rehabilitation of private properties	H14A-01	734,079	82,026	-	82,026	-
Administration	A-21A-00	55,366	5,000	-	5,000	-
		$ 790,945	$ 87,026	$ -	$ 87,026	$ -

CITY OF TIFTON, GEORGIA

STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT - DDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$	248,020
Payments to suppliers		(843,572)
Payments to employees		(78,592)
Net cash used in operating activities		(674,144)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets		(83,853)
Payments on notes payable - principal		(10,855)
Proceeds from the sale of capital assets		315,000
Interest paid		(106)
Net cash provided by capital and related financing activities		220,186
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received		22,113
Net cash provided by investing activities		22,113
Change in cash and cash equivalents		(431,845)
Cash and cash equivalents:		
Beginning of year		1,818,544
End of year	$	1,386,699
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$	(717,600)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		100,793
(Increase) decrease in:		
Accounts receivable		(1,112)
Notes receivable		8,366
Increase (decrease) in:		
Accounts payable		(34,591)
Unearned revenue		(30,000)
Net cash used in operating activities	$	(674,144)