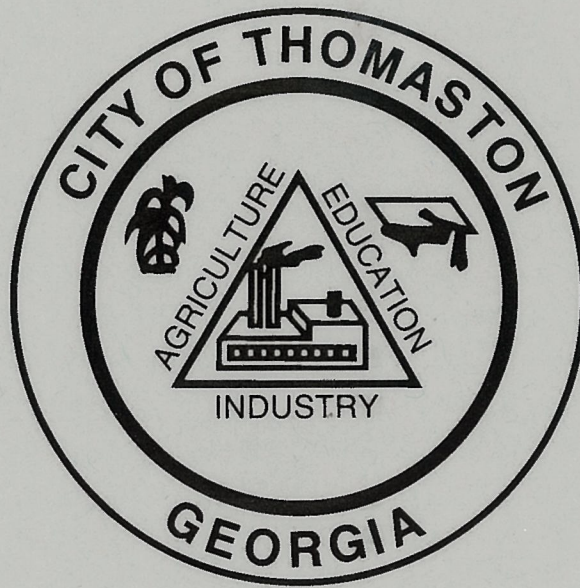


City of Thomaston, Georgia



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2015**

CITY OF THOMASTON, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2015

PREPARED BY:
FINANCE OFFICE

CITY OF THOMASTON, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

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CITY OF THOMASTON, GEORGIA

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INTRODUCTORY SECTION

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CITY OF THOMASTON

FINANCE DEPARTMENT

106 East Lee Street

P. O. Box 672

Thomaston, Georgia 30286-0009

706-647-6633

Telephone

December 20, 2016

706-647-6583

Fax

Honorable Mayor and City Council Members
Citizens of the
City of Thomaston, Georgia

Ladies and Gentlemen:

State law requires that all general-purpose local governments publish within six months of the close of the fiscal year a complete set of financial statements based on accounting principles generally accepted in the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Thomaston, Georgia for the fiscal year ended December 31, 2015.

This report consists of management's representations concerning the finances of the City of Thomaston, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Thomaston has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Clifton, Lipford, Hardison & Parker, L.L.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Thomaston, Georgia for the fiscal year ended December 31, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

TAKING THE TIME TO SERVICE

Profile of the Government

The City of Thomaston, Georgia, incorporated in 1825, is located in the west central part of the state, approximately 68 miles south of Atlanta, 45 miles west of Macon and 57 miles northeast of Columbus, and serves a population of approximately 9,000. The increasing industrial, commercial and residential growth from south of Atlanta together with a four-lane highway connector from Atlanta to this area, places the City in a very favorable geographic location conducive for future growth. The City of Thomaston is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs when deemed appropriate by the governing council.

The governing body of the City of Thomaston is responsible, among other things, for passing ordinances and resolutions, adopting the budget, making appointments to agencies and authorities of the City, and hiring the city attorney, city auditor and the city manager. The city manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected and each serves four-year terms.

The annual budget serves as the foundation for the City's financial planning and control. All departments and agencies funded by the City are required to submit a request for appropriations to the city manager each year. The mayor and council are required to hold public hearings on the proposed budget. The appropriated budget is prepared by fund (e.g., general), function (e.g., Police Department) and account (e.g., salaries and wages).

ECONOMICS

The city charges user fees for customers who use city services. The user fees for electricity, water, sewer, curbside trash and household garbage services are established by ordinance and watched closely by the city manager in order to have revenues sufficient to cover service costs and contribute to capital projects.

During 2015, the City of Thomaston maintained strong financial stability and as such, reinforced the City's long term financial planning. In an effort by the city council and the city manager to insure that funds will be available for future capital expenditures, there were two significant resolutions adopted by the council during 2006. One resolution established a capital extension, maintenance, or replacement account, Capital Purchases Account, for the General Fund, Water/Sewer Fund and the Electric Fund. Another resolution established a reserve account for the same three funds. At the end of 2015, the balance in the Reserve Account was \$580,000, and the Capital Purchases Account balance was \$743,000.

Following the Special Purpose Local Option Sales Tax (SPLOST) funds that began in 2005 and ended for the City in 2010, another SPLOST began in 2011 with receipts beginning in June 2011. The City will receive a portion of the SPLOST funds which will be used for water and sewer infrastructure replacement projects.

Transportation continues to be a focus for the Thomaston-Upson Area Transportation Committee, and the city council is supportive of efforts to improve and widen regional highways to connect the City to Interstate 75 to the east and Interstate 85 to the west.

Please refer to the complimentary information in Management's Discussion and Analysis.

CERTIFICATE OF ACHIEVEMENT AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Thomaston for its Comprehensive Annual Financial Report for the year ended December 31, 2014, our twenty-ninth consecutive year.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

I want to thank the Mayor and members of the City Council, and the City Manager for their interest and support in planning and conducting the operations of the City in a responsible and progressive manner, and also to thank the City Manager and our city auditors, Clifton, Lipford, Hardison & Parker, L.L.C. for their contributions in the preparation of the 2015 CAFR.

Respectfully submitted,



Finance Director

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Thomaston
Georgia**

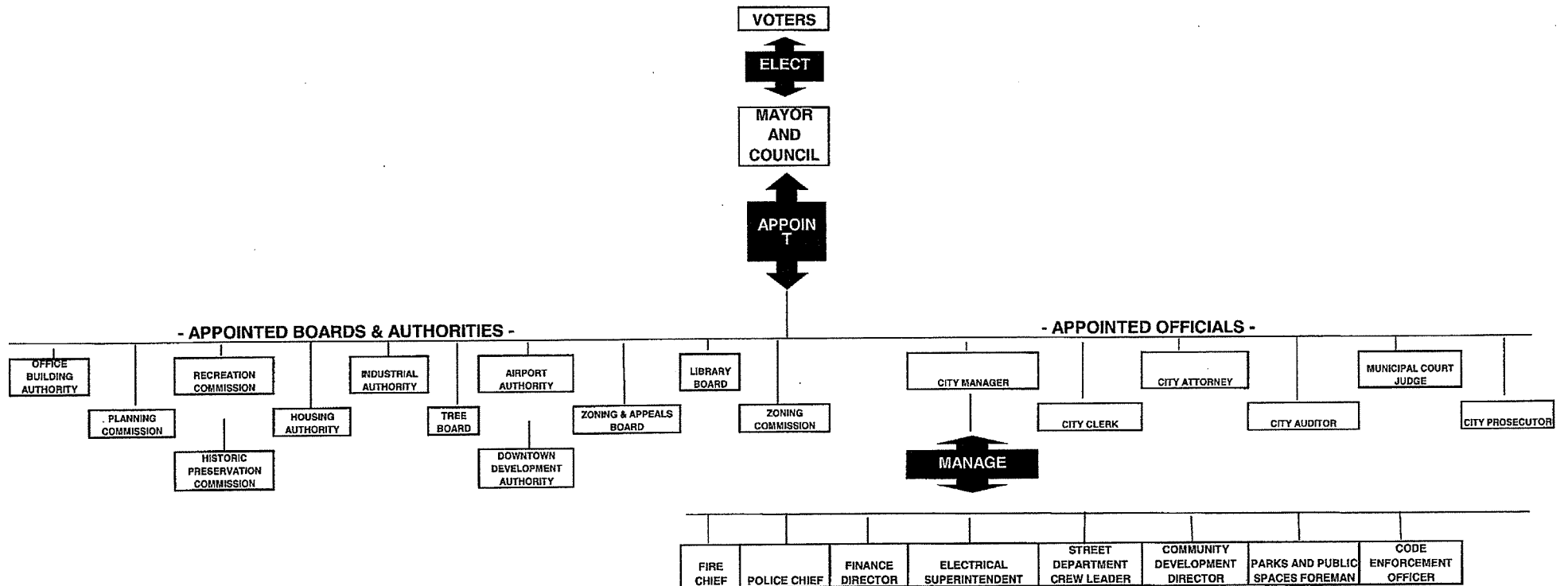
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

CITY OF THOMASTON, GEORGIA

ORGANIZATIONAL CHART



LIST OF ELECTED AND APPOINTED OFFICIALS

**CITY OF THOMASTON, GEORGIA
2015**

MAYOR

Hays Arnold, Jr.

CITY COUNCIL

Gary Atwater
Donald M. Greathouse
Doug Head
Patsy Perdue
Ryan Tucker

CITY MANAGER

Patrick Comiskey

CITY CLERK/TREASURER

FINANCE DIRECTOR

Clint Chastain

CITY ATTORNEY

A. Joel Bentley, Jr.
Attorney at Law

INDEPENDENT AUDITORS

Clifton, Lipford, Hardison & Parker, L.L.C.
Certified Public Accountants

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council
The City of Thomaston, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Thomaston, Georgia as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Thomaston, Georgia, as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows, and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matter of Emphasis

As discussed in Note 16 to the financial statements, in 2015, the City implemented new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as *Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of January 1, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 10 through 20, the schedule of changes in the City's net pension liability and related ratios on page 62, the schedule of City contributions on page 63, and the notes to the required supplementary information on pages 64 and 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Thomaston, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, the schedule of projects constructed with special sales tax proceeds, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal

Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the other information, such as the introductory section and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2016, on our consideration of the City of Thomaston, Georgia'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Thomaston, Georgia's internal control over financial reporting and compliance.

Macon, Georgia
December 20, 2016

A handwritten signature in black ink, appearing to read "Chet. L. L. + P. M. C.", is written over the date and location text.

MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF THOMASTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2015

Management Discussion and Analysis

The discussion and analysis of the City of Thomaston's financial performance provides an overview of the City's financial activities for the year ended December 31, 2015.

FINANCIAL HIGHLIGHTS

- The Mayor and City Council completed \$5.36 million in infrastructure work in 2015. The city undertook water line, sewer line, storm line, sidewalk, and milling and paving replacement work.
- The Mayor and City Council have carried out more than \$31 million in capital purchases and infrastructure work since January 2005. The mayor and city council carried out \$6.6 million of said purchases and work in 2015.
- The city government's total cash and cash equivalents at the end of 2015 was \$9,590,782. In addition to the \$9.6 million, the city held \$1,170,644 in investments.
- The City established capital project accounts in 2007 for each of the selected funds - General, Water and Sewer, and Electric Funds. The capital project accounts for these funds had a combined total of \$743,696 as of December 31, 2015.
- The Mayor and City Council reduced the size of city government over the past decade. The city had 1/3rd fewer employees in 2015 than 2002. The city paid just over \$3.0 million in total gross wages in 2015. The city paid less in total gross wages in 2015 than the city paid out in 2002.
- The city pays 100% of the health and other insurance premiums for city workers. City officials have tried to maintain premium costs. The city's 2015 employee health, dental, disability, and life insurance premium costs totaled \$554,345. That figure is \$14,295 less than what was paid in 2011.
- The City's net position increased by \$2,554,981 in 2015. Net position for the Governmental Activities increased by \$2,361,027 in 2015. The City's net position for the Business type Activities increased by \$193,954.
- The City decreased the property tax rate in 2015 to 3.80 mils from 3.84 mils in 2014.
- Approximately 4/5ths of the city's commercial electric accounts are either non-demand or small demand customers. The city's non-demand commercial electric customers pay less than Georgia Power Company rates. The City of Thomaston electric utility consistently ranks in the lowest rate quarter of utilities reporting charges to the Georgia Public Service Commission for a household utilizing 1,000 kWh.
- The city did not increase electric rates for 2015.

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015
(CONTINUED)

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statements of Net Position and the Statements of Activities provide information about the activities of the city as a whole, and present a longer-term view of the city's finances. For governmental activities, these statements tell how these financial statements also report the city's operations in more detail than the government-wide statements by providing information about the city's most significant funds. The remaining statements provide financial information about activities for which the city acts solely as a trustee or agent for the benefit of those outside of the government.

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the city's finances is, "Is the city as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the city as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting which is similar to the accounting used in by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the city's net position and liabilities – as one way to measure the city's financial health, or financial position. Over time, increases or decreases in the city's net positions are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the city's property tax base and the condition of the city's roads, to assess overall health of the city.

In the Statement of Net Position and the Statement of Activities we divide the city into two kinds of activities:

-Governmental Activities: Most of the city's basic services are reported here, including the police, fire, public works, parks and public spaces, city court, finance, and general administration. Property taxes, sales taxes, franchise fees, sanitation taxes, and transfers from the electric department finance most of these activities.

-Business-type Activities: The city charges a fee to customers to help it cover all or most of the cost of certain services it provides. The city's water and sewer system, electric distribution services, and the sanitation service are discussed here.

CITY OF THOMASTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015
(CONTINUED)

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the city as a whole. Some accounts are required to be established by State law and by bond covenants. However, the city council establishes many other accounts to help control and manage money for particular purposes such as the bond sinking account to show that it is meeting legal responsibilities for certain taxes, user fees, or other money (like money received from the 2002 bond issue). The city's two kinds of funds – governmental and proprietary – use different accounting approaches.

-Government Funds: Most of the city's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year – end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, 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 basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the city's programs. We describe the relationship (or differences) between governmental activities reported in the Statement of Net Position and the Statement of Activities and governmental funds in reconciliation between the government wide financial statements and the governmental fund financial statements.

The City of Thomaston maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the three major governmental funds.

-Proprietary Funds: When the city charges customers for the services it provides – whether to outside customers or to other units of the city – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the city's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

Net position serves over time as a useful indicator of a government's financial position. In the case of the City of Thomaston, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year. The City of Thomaston's total net position at the close of 2015 totaled \$42,638,759. The City of Thomaston's total net position grew by \$2,554,981 or 6.4% in 2015.

CITY OF THOMASTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015
(CONTINUED)

A large portion of the city's net position reflects its investment in capital assets (e.g. infrastructure, land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the city of Thomaston's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-type Activities		Total	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
<u>Assets</u>						
Current and Other Assets	\$ 9,187,552	\$ 7,781,795	\$ 4,752,503	\$ 7,857,841	\$13,940,055	\$15,639,636
Capital and Noncurrent Assets	16,020,543	13,671,438	30,901,288	28,100,931	46,921,831	41,772,369
Total Assets	25,208,095	21,453,233	35,653,791	35,958,772	60,861,886	57,412,005
Deferred Outflows of Resources	266,350	360,671	108,791	126,722	375,141	487,393
<u>Liabilities</u>						
Current Liabilities	906,342	371,990	1,053,058	2,163,387	1,959,400	2,535,377
Long-term Liabilities	4,416,007	3,605,596	12,084,830	11,481,065	16,500,837	15,086,661
Total Liabilities	5,322,349	3,977,586	13,137,888	13,644,452	18,460,237	17,622,038
Deferred Inflows of Resources	98,002	143,251	40,029	50,331	138,031	193,582
<u>Net Position</u>						
Net Investment in Capital Assets	16,020,543	13,671,438	20,252,256	17,418,300	36,272,799	31,089,738
Restricted	4,190,523	3,464,602	290,134	287,978	4,480,657	3,752,580
Unrestricted (deficit)	(156,972)	557,027	2,042,275	4,684,433	1,885,303	5,241,460
Total Net Position	\$20,054,094	\$17,693,067	\$22,584,665	\$22,390,711	\$42,638,759	\$40,083,778

CITY OF THOMASTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015
(CONTINUED)

	Governmental Activities		Business-type Activities		Total	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
Revenues						
Program Revenues						
Charges for services	\$ 995,389	\$ 772,592	\$ 18,959,490	\$ 19,029,017	\$ 19,954,879	\$ 19,801,609
Operating grants and contributions	620,317	322,856	-	-	620,317	322,856
Capital grants	1,449,990	1,166,516	1,820,908	1,114,049	3,270,898	2,280,565
General Revenues						
Taxes	4,589,349	4,317,994	-	-	4,589,349	4,317,994
Investment earnings	10,949	13,166	41,351	65,200	52,300	78,366
Other	174,759	197,653	270,052	-	444,811	197,653
Total Revenue	<u>7,840,753</u>	<u>6,790,777</u>	<u>21,091,801</u>	<u>20,208,266</u>	<u>28,932,554</u>	<u>26,999,043</u>
Expenses						
General government	3,639,830	3,779,616	-	-	3,639,830	3,779,616
Judicial	267,744	-	-	-	267,744	-
Public safety	2,727,279	3,093,608	-	-	2,727,279	3,093,608
Public works	502,207	909,316	-	-	502,207	909,316
Economic development	332,633	324,151	-	-	332,633	324,151
Culture & recreation	1,276,803	993,897	-	-	1,276,803	993,897
Water & Sewer	-	-	4,747,369	4,630,728	4,747,369	4,630,728
Electric	-	-	11,752,201	13,091,984	11,752,201	13,091,984
Sanitation	-	-	1,131,507	1,127,486	1,131,507	1,127,486
Total Expenses	<u>8,746,496</u>	<u>9,100,588</u>	<u>17,631,077</u>	<u>18,850,198</u>	<u>26,377,573</u>	<u>27,950,786</u>
Excess (deficiency) before contributions and transfers	<u>(905,743)</u>	<u>(2,309,811)</u>	<u>3,460,724</u>	<u>1,358,068</u>	<u>2,554,981</u>	<u>(951,743)</u>
Transfers	<u>3,266,770</u>	<u>1,000,000</u>	<u>(3,266,770)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>2,361,027</u>	<u>(1,309,811)</u>	<u>193,954</u>	<u>358,068</u>	<u>2,554,981</u>	<u>(951,743)</u>
Net Position - Beginning of year, restated	<u>17,693,067</u>	<u>19,002,878</u>	<u>22,390,711</u>	<u>22,032,643</u>	<u>40,083,778</u>	<u>41,035,521</u>
Net Position - End of year	<u>\$ 20,054,094</u>	<u>\$ 17,693,067</u>	<u>\$ 22,584,665</u>	<u>\$ 22,390,711</u>	<u>\$ 42,638,759</u>	<u>\$ 40,083,778</u>

Governmental Activities

The City of Thomaston's total net position increased during 2015. The governmental activities net position increased by \$2,361,027 or 13.3% from 2015. The city's governmental activities net investment in capital assets increased by \$2,349,105 or 17.2%. The city will be shifting all SPLOST funds from current to capital assets over the year.

The city reclaimed and paved approximately 4.26 miles of city streets, replaced out several blocks of city sidewalks, and expended \$435,002 on sewer line replacement projects in 2015. The sewer line replacement projects are expected to reduce ground water infiltrating the city sewer lines.

CITY OF THOMASTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2015

(CONTINUED)

The city's liabilities increased by \$3,495,387 in 2015 from 2014. This is attributable to the retainage payable and accounts payable increasing by \$483,148. The estimated landfill post closure cost was increased in 2015 by \$891,592 from the 2014 estimate and the net pension liability per the newly implemented GASB 68 (Accounting and Financial Reporting for Pensions) was booked at \$2,098,124.

Business-Type Activities

The city's water and sewer fund net position increased by \$193,954 in 2015. The net investment in capital assets increased in 2015 by \$2,844,589. The reason is an increase in system upgrades of \$1,951,063 and equipment purchases of \$750,604.

The city's electric fund had a net position decrease of \$2,411,114 in 2015. This result is primarily due to a decrease in investments of \$3,116,037. The remaining difference is attributable to the net pension liability per the newly implemented GASB 68 (Accounting and Financial Reporting for Pensions) was booked at \$659,875.

THE CITY AS TRUSTEE

Reporting the City's Fiduciary Responsibilities

The City of Thomaston participates in the Georgia Municipal Association sponsored retirement program. The City contributes a percentage of the city's payroll each year at a rate based on the most recent actuary report. These funds are not available for the city's use so they are excluded from the city's other financial statements. The city is responsible for ensuring that these funds are used for their intended purposes. The city made \$339,178 in contributions to the pension fund in 2015. This was an increase of \$11,352 or 3.5% from 2014 contributions. The city contributed 100% of the recommended contribution as determined by the plan's actuary.

General Fund

General fund revenues and transfers from other financing sources exceeded expenditures in 2015 by \$37,867. Total revenues increased by \$212,424 or 4.8% even though the mayor and city council reduced the property tax rate from 2014 to 2015.

The city's total gross wages paid to all general fund, electric fund, and community development fund workers (city wide) increased slightly in 2015. The city payroll was \$3,011,969 in 2015. The city pays 100% of the employee's premium for health and other insurances. The city paid \$554,345 for health insurance for employees. This was less than the premium cost in 2013. The city's total annual employee health, dental, disability, and life insurance premium costs were \$36,577 or 6.2% less in 2015 than what the city paid in 2013.

Total governmental funds net change in fund balances increased by \$807,880 in 2015. The 2011 Special Purpose Local Option Sales Tax revenues exceeded expenditures by \$611,976 in 2015.

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015
(CONTINUED)

Water and Sewer Fund

The water and sewer fund operating revenues for services and miscellaneous revenue increased in 2015 by \$166,809.

The city increased water and sewer long-term liabilities by \$126,123 in 2015. The city had \$10,325,148 in water and sewer long-term liabilities at the close of 2015. The city hired a new water and sewer operations contractor effective January 1, 2012. The city renewed its service agreement for two additional years at the close of 2013. The operations contract cost, as a figure, is 30.5% of the total operating revenues. The city expended \$850,939 on water and sewer debt principal and interest in 2015. This represents, as a figure, 18.1% of total operating revenue.

Electric Fund

The City's electric total operating revenues increased in 2015 by \$17,241 or .13%.

Approximately 4/5ths of the city's commercial electric accounts are either non-demand or small demand customers. The city's non-demand commercial electric customers pay less than Georgia Power Company rates. The City of Thomaston electric utility consistently ranks in the lowest rate quarter of utilities reporting charges to the Georgia Public Service Commission for a household utilizing 1,000 kWh.

The city initiated a comprehensive review and mapping of the city's electric distribution system in 2006 at an initial phase cost of \$25,000. The city completed the comprehensive review in 2007 spending \$68,737. The study identified more than ½ million dollars in system improvements. The city performed \$228,587 in distribution system improvements in 2008. The city performed another \$35,618 of the improvements in 2009. The city expended \$111,561 of the improvements in 2010 and \$254,391 in system improvements in 2011.

SPLOST

The city has two special purpose local option sales tax (SPLOST) funds. The first account set up in 2004 had a year-end balance of \$1,443,638. The second, set up in 2011, had a year-end balance of \$2,222,961. The revenues of the two funds exceeded expenditures by \$359,451. The city posted \$458,070 of SPLOST funds on capital outlay projects in 2015. The city had \$3,666,599 in SPLOST funds as of the close of 2015. These funds will be expended on sewer line replacement and refurbishing over the next year. The city plans to utilize all of its incoming SPLOST dollars on sewer line work.

Reserve and Capital Spending Accounts

The reserve is intended to serve as a buffer in the event of a drop in revenues caused from a natural disaster or fiscal crisis.

1. The city's reserve protects the city from sudden changes in the local economy and gives leaders time to make changes if a long term change such as a major plant closing or loss of an ongoing revenue source occurs.
2. The city completed the construction of a new dam and reservoir expansion project in 2010. The new Lake Thomaston dam and reservoir project added more than 160 days to the city's water supply reserve.

CITY OF THOMASTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2015

(CONTINUED)

The capital project accounts will allow the city to keep up with major capital replacement projects. In recent years, city leaders have utilized capital project funds as leverage in obtaining federal grants for infrastructure replacement projects. The city's capital project accounts totaled \$743,696 as of December 31, 2015.

1. The city hired a firm to undertake an analysis of the city's electric distribution system. The study began in 2006 and was completed in the fall of 2007. The firm presented a list of upgrade and replacement recommendations total more than ½ million dollars. The city completed \$228,587 of electric line upgrades and replacements in 2008. The city undertook \$35,618 worth of improvement work in 2009. The city expended \$111,561 on improvement work in 2010. The city expended \$254,391 on system improvements in 2011.
2. City contract personnel spotted a cavity in the ground underneath South Green Street (a state route) in the fall of 2011. The cavity was caused, in part, by a broken sewer line. The city had to make the unbudgeted line replacement and repair immediately. The unplanned project cost was \$57,436. This project serves as an example for why a capital replacement account is necessary.
3. The state widened sections of Route 74 in Thomaston. The project required the city to move utilities along the expansion route. This project required the city to commitment funds to move the utilities. Fortunately, the city had funds in the bank to undertake the project.
4. The city set aside a capital project account for undertaking future general fund projects. The city has replaced out more than 1/4th of the city's water lines since 2006. The city plans to continue on this march of replacement throughout the entire town. The mayor and city council have also been replacing out sewer lines throughout the town and plan to replace many more over the next decade.
5. The mayor and city council have initiated a major park development and expansion program since 2005. The mayor and city council created the Greatest Generation Memorial Park which opened in 2009. The mayor and city council deconsolidated the parks during service delivery negotiations in 2013 resulting in the city taking back two of the city parks from the county government's oversight. The mayor and city council have already expended more than \$360,000 on the Park Street and Weaver Park parks in recent years.

Comparison of the Final 2015 Budget with the Actual Expenditures

The major variance in the General Fund expenditures is in the general administration category. The variation is \$1,294,559. The city did not complete until 2016 several milling and paving and sidewalk replacement work projected for completion in 2015. The city anticipated spending an additional \$197,168 on police administrative expenditures. The city amended the budget to hire additional police officers that were not hired until 2016. The police chief did not expend \$46,083 budgeted for equipment purchases such as car radios and license plate recorders. The city did not expend \$29,766 in budgeted funds for the fire firefighting personnel insurance premiums that came in lower than expected. The city parks and public spaces department expended \$558,873 less than what was budgeted. The city did not move forward with plans for the Lake Thomaston Park and the Park Street work was subsequently shifted to 2016.

CITY OF THOMASTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015
(CONTINUED)

Comparison of the Original 2015 Budget with the Final Amended Budget

The city undertook a budget revision in March of 2015 to account for additional work on the Town Branch sewer line project and also the Davis Lake water tower restoration. A second budget revision was undertaken to setup the expenditures for capital road work and needed water and sewer equipment. The city adopted a third revision to allocate \$518,724 of FEMA grant money toward emergency generators. This amendment also allocated \$226,000 in additional law enforcement confiscation funds toward additional police cars and equipment. The city also needed to account for \$1,300,000 of additional GEFA loan revenue related to the 2013 Uptown/Downtown waterline project. The final revision related to the new landfill fund budget for 2015 and 2014 CDBG funds received toward the South East Silvertown Village water line project.

Capital Asset Administration

The City of Thomaston's investment in capital assets for its governmental and business-type activities as of December 31, 2015 amounts to \$46,921,831 net of accumulated depreciation. The investment in capital assets consists primarily of the Water and Sewer system and infrastructure owned by the City. For the current year, the investment in capital assets net depreciation increased \$5,149,462. In 2014, the investment in capital assets net depreciation increased \$3,264,966. In 2013, the investment in capital assets net depreciation increased \$551,365. In 2012, the investment in capital assets net depreciation increased \$3,937,779. The city's water, sewer, and electric systems ending balance in 2015 increased \$2,800,357 with water line improvements or construction in progress on water and sewer systems or equipment.

The largest general government activities purchase in 2015 was \$2,554,257 mostly on road reclamation and paving. The general government activities resulted in an increase in accumulated depreciation of \$553,792. The net investment in general government capital assets increased in 2015 by \$2,349,105.

Additional information on the City's capital asset administration can be found in Note 8 in the notes to the financial statements of this report.

The following is a summary of capital assets, net of depreciation:

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 2,747,932	\$ 2,735,147	\$ 2,439,469	\$ 2,353,716	\$ 5,187,401	\$ 5,088,863
Construction in progress	-	122,678	1,302,318	3,104,992	1,302,318	3,227,670
Buildings	2,165,395	2,013,303	1,492,809	1,653,717	3,658,204	3,667,020
Systems	-	-	24,150,075	19,994,632	24,150,075	19,994,632
Equipment	1,046,094	1,046,129	1,423,853	866,410	2,469,947	1,912,539
Vehicles	401,298	503,334	92,764	127,464	494,062	630,798
Infrastructure	9,659,824	7,250,847	-	-	9,659,824	7,250,847
Total capital assets	<u>\$16,020,543</u>	<u>\$13,671,438</u>	<u>\$30,901,288</u>	<u>\$28,100,931</u>	<u>\$46,921,831</u>	<u>\$41,772,369</u>

CITY OF THOMASTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015
(CONTINUED)

Long-term Debt Administration

As of December 31, 2015, the City of Thomaston reported the following long-term debt:

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
Revenue bonds	\$ -	\$ -	\$ 6,775,000	\$ 7,255,000	\$ 6,775,000	\$ 7,255,000
GEFA loan	-	-	3,874,032	3,427,631	3,874,032	3,427,631
Landfill postclosure liabilities	2,187,792	1,296,200	-	-	2,187,792	1,296,200
Compensated absences	130,091	158,772	48,255	42,809	178,346	201,581
Net pension liability	<u>\$2,098,124</u>	<u>\$2,150,624</u>	<u>\$ 856,981</u>	<u>\$ 755,624</u>	<u>\$ 2,955,105</u>	<u>\$ 2,906,248</u>

Additional information on the City's long-term debt can be found in Note 9 in the notes to the financial statements of this report. Note the net pension liability per the newly implemented GASB 68 (Accounting and Financial Reporting for Pensions) was booked at \$2,955,105.

Fiscal Condition of the City

The local economy continues to contract in the wake of the closing of the two largest employers in the past two decades, the Thomaston Mills Company and Martha Mill operation. The town has shifted from a regional manufacturer to a regional retailer. The city's largest employer is now the regional hospital and medical community.

The city leadership undertook several strategies to place the organization on stronger footing. The most effective step has been the reduction of personnel in every city department. The city began eliminating positions in 2002 and has continued to eliminate positions primarily through attrition. The city employee workforce is 1/3rd smaller than a decade ago.

The city completed a multi-million dollar reservoir expansion project in 2010, adding ¼ million gallons of added water storage. The acquisition and expansion of the former Thomaston Mills reservoir has added a ½ billion gallons of water to the city's water reserve. The combined measure has added approximately 190 days to the city's water reserve. The city hopes to utilize the new water supply to attract industry to town.

The city began replacing water lines one street at a time until stimulus funds became available in 2009. The city took advantage of partial loan forgiveness programs offered through the state's environmental facilities authority (GEFA) to begin replacing out water lines in entire sections of town. The city has also utilized CDBG funds to replace water lines. The city has replaced more than 25 miles of water lines in town over the past decade. This represents more than ¼ of the entire water distribution system. The city has another water line replacement project on line for 2017.

In 2004, the mayor and city council set aside over half of the available SPLOST funds for sewer line replacement work. In 2011, they set aside 100% of the available SPLOST funds for sewer line enhancement or replacement work. The mayor and city council plan to set aside 100% of the next SPLOST on sewer and storm line enhancement or replacement.

CITY OF THOMASTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2015

(CONTINUED)

In 2006, the mayor and city council hired an engineering firm to conduct a system inventory and improvement recommendation plan for the city's electric distribution system. The firm completed the study in 2007 and provided \$½ million in recommendations. The city undertook approximately \$450,000 in system improvement projects over the next four years. The city also replaced out two bucket trucks, one aerial, and one Derrick Truck over the past decade.

The mayor and city council have invested heavily in parks to enhance the quality of life of Thomaston citizens. The city council took back Park Street and Weaver Parks in the middle of 2014 with the deconsolidation of the county park system that took place as a result of the service delivery negotiations between the city and county governments in 2012. These measures taken by the mayor and city council combined with the significant strides in infrastructure and equipment replacement have reduced the chance for unforeseen capital or infrastructure issues to arise.

Requests for Information

This financial report is designed to provide a general overview of the City of Thomaston, Georgia's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Thomaston, P.O. Box 672, Thomaston, Georgia 30286.

FINANCIAL STATEMENTS

CITY OF THOMASTON, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents	\$ 7,611,488	\$ 1,979,294	\$ 9,590,782
Investments	-	1,170,644	1,170,644
Receivables, net of allowance			
Taxes	190,485	-	190,485
Accounts	68,502	1,395,461	1,463,963
Intergovernmental	739,194	449,392	1,188,586
Internal balances	532,422	(532,422)	-
Prepays	45,461	-	45,461
Restricted cash and cash equivalents:			
Revenue bond covenant accounts	-	290,134	290,134
Capital assets			
Non depreciable	2,747,932	3,741,786	6,489,718
Depreciable, net	13,272,611	27,159,502	40,432,113
Total Assets	25,208,095	35,653,791	60,861,886
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows of resources related to pensions	266,350	108,791	375,141
Total Deferred Outflows of Resources	266,350	108,791	375,141

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF THOMASTON, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2015
(CONTINUED)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>LIABILITIES</u>			
Accounts payable	779,072	1,030,571	1,809,643
Accrued liabilities	50,959	3,589	54,548
Retainage payable	65,679	-	65,679
Deposits payable	10,632	-	10,632
Accrued interest payable	-	18,898	18,898
Noncurrent liabilities			
Due within one year			
Accrued vacation	100,000	28,000	128,000
Notes payable	-	154,448	154,448
Revenue bonds payable	-	495,000	495,000
Landfill closure/postclosure	243,088	-	243,088
Due in more than one year			
Customer deposits	-	530,562	530,562
Accrued vacation	30,091	20,255	50,346
Notes payable	-	3,719,584	3,719,584
Revenue bonds payable	-	6,280,000	6,280,000
Landfill closure / postclosure	1,944,704	-	1,944,704
Net pension liability	2,098,124	856,981	2,955,105
Total Liabilities	5,322,349	13,137,888	18,460,237
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources related to pensions	98,002	40,029	138,031
Total Deferred Inflows of Resources	98,002	40,029	138,031
<u>NET POSITION</u>			
Net investment in capital assets	16,020,543	20,252,256	36,272,799
Restricted for			
Capital outlay	3,881,933	-	3,881,933
Law enforcement	121,515	-	121,515
Joint projects	187,075	-	187,075
Revenue bond indenture	-	290,134	290,134
Unrestricted (deficit)	(156,972)	2,042,275	1,885,303
Total Net Position	\$ 20,054,094	\$ 22,584,665	\$ 42,638,759

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF THOMASTON, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 3,639,830	\$ 865,563	\$ 263,377	\$ -
Judicial	267,744	-	-	-
Public safety	2,727,279	129,826	38,681	-
Public works	502,207	-	318,259	1,449,990
Economic development	332,633	-	-	-
Culture and recreation	1,276,803	-	-	-
Total governmental activities	<u>8,746,496</u>	<u>995,389</u>	<u>620,317</u>	<u>1,449,990</u>
Business-Type Activities				
Water & Sewer	4,747,369	4,624,733	-	1,820,908
Electric	11,752,201	13,176,252	-	-
Sanitation	1,131,507	1,158,505	-	-
Total business-type activities	<u>17,631,077</u>	<u>18,959,490</u>	<u>-</u>	<u>1,820,908</u>
Total Primary Government	<u>\$ 26,377,573</u>	<u>\$ 19,954,879</u>	<u>\$ 620,317</u>	<u>\$ 3,270,898</u>

General Revenues

Property tax

Sales tax

Other tax

Investment earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of year, restated

Net Position - End of year

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF THOMASTON, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,510,890)	\$ -	\$ (2,510,890)
(267,744)	-	(267,744)
(2,558,772)	-	(2,558,772)
1,266,042	-	1,266,042
(332,633)	-	(332,633)
(1,276,803)	-	(1,276,803)
(5,680,800)	-	(5,680,800)
-	1,698,272	1,698,272
-	1,424,051	1,424,051
-	26,998	26,998
-	3,149,321	3,149,321
(5,680,800)	3,149,321	(2,531,479)
1,972,285	-	1,972,285
1,316,453	-	1,316,453
1,300,611	-	1,300,611
10,949	41,351	52,300
174,759	270,052	444,811
4,775,057	311,403	5,086,460
3,266,770	(3,266,770)	-
8,041,827	(2,955,367)	5,086,460
2,361,027	193,954	2,554,981
17,693,067	22,390,711	40,083,778
\$ 20,054,094	\$ 22,584,665	\$ 42,638,759

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF THOMASTON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	General Fund	2004 Special Local Option Sales Tax	2011 Special Local Option Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalent	\$ 2,765,229	\$ 1,443,638	\$ 2,222,961	\$ 1,179,660	\$ 7,611,488
Receivables, net of allowance					
Taxes	105,735	-	-	84,750	190,485
Accounts	62,963	-	-	5,539	68,502
Intergovernmental	174,339	-	64,855	500,000	739,194
Prepaid insurance	45,461	-	-	-	45,461
Due from other funds	1,071,314	-	-	-	1,071,314
Advance from other funds	621,091	-	-	-	621,091
Total Assets	\$ 4,846,132	\$ 1,443,638	\$ 2,287,816	\$ 1,769,949	\$ 10,347,535
<u>LIABILITIES</u>					
Accounts payable	\$ 639,316	\$ 116,006	\$ 1,069	\$ 22,681	\$ 779,072
Accrued liabilities	50,959	-	-	-	50,959
Retainage payable	-	14,974	-	50,705	65,679
Deposit payable	10,632	-	-	-	10,632
Due to other funds	85,274	-	-	453,618	538,892
Advance to other funds	-	-	-	621,091	621,091
Total Liabilities	786,181	130,980	1,069	1,148,095	2,066,325
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue - property taxes	73,051	-	-	30,736	103,787
Unavailable revenue - grant revenues	-	-	-	45,018	45,018
Total Deferred Inflows of Resources	73,051	-	-	75,754	148,805
<u>FUND BALANCES</u>					
Nonspendable	666,552	-	-	-	666,552
Restricted for					
Capital projects	-	1,312,658	2,286,747	282,528	3,881,933
Law enforcement	-	-	-	121,515	121,515
Joint Projects	-	-	-	187,075	187,075
Assigned	1,088,523	-	-	-	1,088,523
Unassigned (Deficit)	2,231,825	-	-	(45,018)	2,186,807
Total Fund Balances	3,986,900	1,312,658	2,286,747	546,100	8,132,405
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,846,132	\$ 1,443,638	\$ 2,287,816	\$ 1,769,949	\$ 10,347,535

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF THOMASTON, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2015

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

Total fund balances - governmental funds	\$ 8,132,405
Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the assets	25,101,240
Accumulated depreciation	(9,080,697)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	148,805
Deferred outflows of resources	
Related to pensions	266,350
Long-term Liabilities	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position.	
Long-term liabilities at year-end consist of the following:	
Landfill closure / postclosure	(2,187,792)
Compensated absences	(130,091)
Net pension liability	(2,098,124)
Deferred inflows of resources	
Related to pensions	<u>(98,002)</u>
Net position of governmental activities	<u>\$ 20,054,094</u>

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF THOMASTON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Fund	2004 Special Local Option Sales Tax	2011 Special Local Option Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
<u>Revenues</u>					
Taxes					
Property tax	\$ 701,445	\$ -	\$ -	\$ 1,207,315	\$ 1,908,760
Sales tax	1,316,453	-	-	-	1,316,453
Other taxes	1,233,453	-	-	67,158	1,300,611
License and permits	192,360	-	-	-	192,360
Intergovernmental	398,131	-	802,146	854,656	2,054,933
Fines and forfeitures	436,833	-	-	129,826	566,659
Charges for services	15,950	-	-	4,130	20,080
Interest earnings	9,993	7,673	7,702	956	26,324
Rent	216,290	-	-	-	216,290
Other revenues	113,115	-	-	61,643	174,758
Total Revenues	4,634,023	7,673	809,848	2,325,684	7,777,228
<u>Expenditures</u>					
Current					
General government	3,314,610	-	-	192,298	3,506,908
Judicial	267,744	-	-	-	267,744
Public safety	2,809,698	-	-	162,901	2,972,599
Public works	712,954	-	-	-	712,954
Economic development	-	-	-	183,219	183,219
Culture and recreation	892,802	-	-	384,001	1,276,803
Capital Outlay	-	260,198	197,872	857,821	1,315,891
Total Expenditures	7,997,808	260,198	197,872	1,780,240	10,236,118
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,363,785)	(252,525)	611,976	545,444	(2,458,890)
<u>Other Financing Sources (Uses)</u>					
Transfers from other funds	3,401,652	-	-	-	3,401,652
Transfers to other funds	-	-	-	(134,882)	(134,882)
Total other financing sources (uses)	3,401,652	-	-	(134,882)	3,266,770
Net change in fund balances	37,867	(252,525)	611,976	410,562	807,880
Fund Balances, beginning of year	3,949,033	1,565,183	1,674,771	135,538	7,324,525
Fund Balances, end of year	\$ 3,986,900	\$ 1,312,658	\$ 2,286,747	\$ 546,100	\$ 8,132,405

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF THOMASTON, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

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

Net changes in fund balances - total governmental funds	\$ 807,880
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Capital Assets

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.

Total capital outlays	2,952,179
Total depreciation	(595,238)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations annexing, transfers) is to increase/(decrease) net position.	(7,836)
--	---------

Deferred outflows of resources related to pensions is not available during the current period and therefore is not reported in the funds.

Change in deferred outflows of resources related to pensions	(94,320)
--	----------

Long-term Debt

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:

Landfill closure / postclosure	(891,592)
Compensated absences	28,681
Net pension liability	52,500

Deferred inflows of resources related to pensions is not available during the current period and therefore is not reported in the funds.

Change in deferred inflows of resources related to pensions	45,248
---	--------

Revenues

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

63,525

Change in net position of governmental activities	<u>\$ 2,361,027</u>
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The notes to the financial statements are an integral part of the basic financial statements.

CITY OF THOMASTON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<u>Revenues</u>				
Taxes	\$ 3,359,100	\$ 3,359,100	\$ 3,251,351	\$ (107,749)
Licenses and permits	150,100	150,100	192,360	42,260
Intergovernmental	78,100	78,100	398,131	320,031
Fines and forfeitures	451,500	451,500	436,833	(14,667)
Charges for services	18,500	18,500	15,950	(2,550)
Rent	219,275	219,275	216,290	(2,985)
Miscellaneous	69,800	69,800	123,108	53,308
Total Revenue	4,346,375	4,346,375	4,634,023	287,648
<u>Expenditures</u>				
Current				
General government	3,352,221	4,709,552	3,314,610	1,394,942
Judicial	255,325	275,325	267,744	7,581
Public safety	3,100,609	3,098,609	2,809,698	288,911
Public works	483,152	778,958	712,954	66,004
Culture and recreation	1,528,618	1,488,618	892,802	595,816
Total Expenditures	8,719,925	10,351,062	7,997,808	2,353,254
Excess of Revenue Over (Under) Expenditure	(4,373,550)	(6,004,687)	(3,363,785)	2,640,902
<u>Other Financing Sources (Uses)</u>				
Transfer from Hotel Motel Fund	38,000	38,000	40,295	2,295
Transfer from Electric Fund	2,750,000	3,250,000	3,266,770	16,770
Transfer from Joint Project Fund	-	-	94,587	94,587
Proceeds from sale of property	12,000	12,000	-	(12,000)
Total Other Financing Sources (Uses)	2,800,000	3,300,000	3,401,652	101,652
Net change in fund balance	(1,573,550)	(2,704,687)	37,867	2,742,554
Fund balance, beginning of year	3,949,033	3,949,033	3,949,033	-
Fund balance, end of year	\$ 2,375,483	\$ 1,244,346	\$ 3,986,900	\$ 2,742,554

The notes to the financial statements are an integral part of the basic financial statements.

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CITY OF THOMASTON, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015

	Business-type Activities- Enterprise Funds			
	Water & Sewer Fund	Electric Fund	Non-major Sanitation Fund	Total
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	\$ 432,610	\$ 1,482,357	\$ 64,327	\$ 1,979,294
Restricted cash and cash equivalents				
Revenue bond covenant accounts	290,134	-	-	290,134
Investments	-	1,170,644	-	1,170,644
Accounts receivable (net of allowance for uncollectible)	337,702	963,275	94,484	1,395,461
Intergovernmental receivable	449,392	-	-	449,392
Due from other funds	43,736	12,947	85,274	141,957
Total current assets	1,553,574	3,629,223	244,085	5,426,882
Long-term assets				
Capital assets				
Land	2,377,309	-	62,160	2,439,469
Construction in progress	1,302,317	-	-	1,302,317
Buildings	7,177,657	72,008	-	7,249,665
Systems - water, sewer and electrical	27,560,959	1,713,324	-	29,274,283
Vehicles	593,210	728,690	-	1,321,900
Equipment	2,024,268	136,374	-	2,160,642
Less accumulated depreciation	(11,436,412)	(1,410,576)	-	(12,846,988)
Total capital assets, net	29,599,308	1,239,820	62,160	30,901,288
Total long-term assets	29,599,308	1,239,820	62,160	30,901,288
Total Assets	31,152,882	4,869,043	306,245	36,328,170
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred outflows of resources related to pensions	21,758	83,769	3,264	108,791
Total Deferred Outflows of Resources	21,758	83,769	3,264	108,791

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF THOMASTON, GEORGIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2015
 (CONTINUED)

	Business-type Activities- Enterprise Funds			Total
	Water & Sewer Fund	Electric Fund	Non-major Sanitation Fund	
<u>LIABILITIES</u>				
Current Liabilities				
Accounts payable	89,411	851,302	89,858	1,030,571
Accrued interest payable	18,898	-	-	18,898
Accrued liabilities	661	2,792	136	3,589
Accrued vacation	-	28,000	-	28,000
Due to other funds	421,904	239,528	12,947	674,379
Payable from restricted assets				
Notes payable - current	154,448	-	-	154,448
Revenue bonds payable - current	495,000	-	-	495,000
Total Current Liabilities	1,180,322	1,121,622	102,941	2,404,885
Long-Term Liabilities				
Customer deposits	154,168	376,394	-	530,562
Accrued vacation	-	20,255	-	20,255
Notes payable	3,719,584	-	-	3,719,584
Revenue bonds payable	6,280,000	-	-	6,280,000
Net pension liability	171,396	659,875	25,710	856,981
Total Long-Term Liabilities	10,325,148	1,056,524	25,710	11,407,382
Total Liabilities	11,505,470	2,178,146	128,651	13,812,267
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows of resources related to pensions	8,006	30,822	1,201	40,029
Total Deferred Inflows of Resources	8,006	30,822	1,201	40,029
<u>NET POSITION</u>				
Net investment in capital assets	18,950,276	1,239,820	62,160	20,252,256
Restricted per revenue bond indenture	290,134	-	-	290,134
Unrestricted	420,754	1,504,024	117,497	2,042,275
Total Net Position	\$ 19,661,164	\$ 2,743,844	\$ 179,657	\$ 22,584,665

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF THOMASTON, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Business-type Activities- Enterprise Funds			
	Water & Sewer Fund	Electric Fund	Non-major Sanitation Fund	Total
<u>Operating Revenues</u>				
Charges and fees	\$ 4,624,733	\$ 13,176,252	\$ 1,158,505	\$ 18,959,490
Miscellaneous income	76,997	193,055	-	270,052
Total operating revenues	4,701,730	13,369,307	1,158,505	19,229,542
<u>Operating Expenses</u>				
Salaries and benefits	256,463	1,033,379	44,301	1,334,143
Contract management	1,431,808	-	1,062,323	2,494,131
Cost of sales	-	10,185,694	-	10,185,694
Legal and professional	88,002	16,957	-	104,959
Operating materials	298,907	164,849	-	463,756
Other operating expenses	294,737	104,472	24,883	424,092
Repairs and maintenance	587,750	87,410	-	675,160
Small equipment	229,917	19,946	-	249,863
Utilities	509,375	66,700	-	576,075
Depreciation	774,919	72,794	-	847,713
Total operating expenses	4,471,878	11,752,201	1,131,507	17,355,586
Operating income (loss)	229,852	1,617,106	26,998	1,873,956
<u>Nonoperating Revenues (Expenses)</u>				
Interest income	2,801	2,473	-	5,274
Dividend income	-	29,939	-	29,939
Unrealized gain/(loss)	-	6,138	-	6,138
Interest expense	(275,491)	-	-	(275,491)
Total Nonoperating Revenues (Expenses)	(272,690)	38,550	-	(234,140)
Income (loss) before transfers	(42,838)	1,655,656	26,998	1,639,816

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF THOMASTON, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015
 (CONTINUED)

	Business-type Activities- Enterprise Funds			Total
	Water & Sewer Fund	Electric Fund	Non-major Sanitation Fund	
Capital contributions	1,820,908	-	-	1,820,908
Transfers in	800,000	-	-	800,000
Transfers out	-	(4,066,770)	-	(4,066,770)
Change in net position	2,578,070	(2,411,114)	26,998	193,954
Total Net Position - Beginning of Year, restated	17,083,094	5,154,958	152,659	22,390,711
Total Net Position - End of Year	\$ 19,661,164	\$ 2,743,844	\$ 179,657	\$ 22,584,665

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF THOMASTON, GEORGIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Business-type Activities- Enterprise Funds			
	Water & Sewer Fund	Electric Fund	Non-major Sanitation Fund	Total
<u>Cash Flows from Operating Activities</u>				
Cash received from customers	\$4,693,320	\$13,407,495	\$1,159,608	\$19,260,423
Cash paid to suppliers for goods and services	(3,624,044)	(10,781,969)	(1,084,428)	(15,490,441)
Cash paid to employees	(255,802)	(1,025,141)	(44,165)	(1,325,108)
Net Cash Flows Provided by (Used for) Operating Activities	813,474	1,600,385	31,015	2,444,874
<u>Cash Flows from Noncapital Financing Activities</u>				
Intergovernmental	-	-	-	-
Transfers	800,000	(4,066,770)	-	(3,266,770)
Net Cash Flows Provided by (Used for) Noncapital Financing Activities	800,000	(4,066,770)	-	(3,266,770)
<u>Cash Flows from Capital and Related Financing Activities</u>				
Capital grants	686,075	-	-	686,075
Principal payments on revenue bonds and notes	(573,942)	-	-	(573,942)
Interest and fiscal charges on revenue bonds and notes	(276,997)	-	-	(276,997)
Proceeds from debt issuance	540,343	-	-	540,343
Purchases of capital assets	(2,451,075)	-	(62,160)	(2,513,235)
Net Cash Flows Provided by (Used for) Capital and Related Financing Activities	(2,075,596)	-	(62,160)	(2,137,756)
<u>Cash Flows from Investing Activities</u>				
Interest income	2,801	2,473	-	5,274
Dividend income	-	29,939	-	29,939
Purchase of investments	-	3,122,175	-	3,122,175
Net Cash Flows Provided by (Used for) Investing Activities	2,801	3,154,587	-	3,157,388
Net Increase (Decrease) in Cash and Cash Equivalents	(459,321)	688,202	(31,145)	197,736
Cash and Cash Equivalents, Beginning of Year	1,182,065	794,155	95,472	2,071,692
Cash and Cash Equivalents, End of Year	\$ 722,744	\$ 1,482,357	\$ 64,327	\$ 2,269,428

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF THOMASTON, GEORGIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015
 (CONTINUED)

	Business-type Activities- Enterprise Funds			Total
	Water & Sewer Fund	Electric Fund	Non-major Sanitation Fund	
Classified as				
Current assets	\$ 432,610	\$ 1,482,357	\$ 64,327	\$ 1,979,294
Restricted assets	290,134	-	-	290,134
Total Cash and Cash Equivalents, End of Year	\$ 722,744	\$ 1,482,357	\$ 64,327	\$ 2,269,428
<u>Reconciliation of Net Operating Income (Loss) to Net Cash</u>				
<u>Provided by (Used for) Operating Activities</u>				
Net Operating Income (Loss)	\$ 229,852	\$ 1,617,106	\$ 26,998	\$ 1,873,956
<u>Adjustments to Reconcile Net Operating Income (Loss)</u>				
<u>to Net Cash Provided by (Used for) Operating Activities</u>				
Depreciation	774,919	72,794	-	847,713
Changes in Assets and Liabilities				
(Increase) decrease in accounts receivable	(6,011)	34,224	1,112	29,325
(Increase) decrease in grants receivable	(202,262)	-	-	(202,262)
(Increase) decrease in accrued interest receivable	-	-	-	-
(Increase) decrease in due from other funds	176,934	2,129	(9)	179,054
(Increase) decrease in deferred outflows of resources	3,586	13,807	538	17,931
Increase (decrease) in accounts payable	(404,675)	(72,611)	1,637	(475,649)
Increase (decrease) in retainage payable	(130,967)	-	-	(130,967)
Increase (decrease) in customer deposits	22,929	1,835	-	24,764
Increase (decrease) in due to other funds	330,297	(147,248)	(2,129)	180,920
Increase (decrease) in net pension liability	20,271	78,044	3,041	101,356
Increase (decrease) in deferred inflows of resources	(2,060)	(7,933)	(309)	(10,302)
Total Adjustments	583,622	(16,721)	4,017	570,918
Net Cash Provided by (Used for) Operating Activities	\$ 813,474	\$ 1,600,385	\$ 31,015	\$ 2,444,874
<u>Noncash investing, capital, and financing activities</u>				
Contributions of capital assets from government	\$ 1,134,833	\$ -	\$ -	\$ 1,134,833
Increase (decrease) in fair value of investments	-	6,138	-	6,138
Total noncash investing, capital, and financing activities	\$ 1,134,833	\$ 6,138	\$ -	\$ 1,140,971

The notes to the financial statements are an integral part of the basic financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The City of Thomaston was incorporated as a City by an Act of the General Assembly of Georgia on December 2, 1897. Prior to that date the City of Thomaston was a town having first been incorporated as such by an Act of the General Assembly of Georgia on December 22, 1857. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: Public works, which includes sanitation and streets, police and fire protection (public safety), and general and administrative services.

The accounting policies of the City of Thomaston, Georgia conform to generally accepted accounting principles as applicable to governments. The following is a summary of the City's more significant policies applied in the preparation of the accompanying financial statements.

A. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Thomaston (the primary government) and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards Board (GASB) No. 61 "The Financial Reporting Entity: Omnibus, an amendment of GASB Statement No. 14 and 34," the City's relationships with other governments and agencies have been examined. As a result, no component units were identified which should be included in the reporting entity.

The Housing Authority of the City of Thomaston, Georgia is considered a related organization based upon the criteria of GASB Statement 14. The Housing Authority is a legally separate entity having a board composed of members appointed originally by the City of Thomaston, Georgia. The City of Thomaston, Georgia is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City of Thomaston, Georgia is a related organization.

The Housing Authority's financial statements have been presented separately and can be obtained by writing to the Housing Authority of the City of Thomaston, City Clerk's Office, P.O. Box 672, Thomaston, Georgia 30286.

The following entities, although not meeting the criteria as a component unit, are considered related organizations of the City of Thomaston: (1) Recreation Commission, (2) Industrial Authority, (3) Airport Authority, and (4) Office Building Authority. The separate financial statements of these related organizations can be obtained from each respective organization.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

The City's governing board is responsible for board appointments; however, the City has no further accountability for any of the organizations.

Under Georgia law, the City, in conjunction with other cities and counties in the ten county RC membership, is a member of the Three Rivers Regional Commission (RC) and is required to pay annual dues thereto. Membership in a RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each city and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Three Rivers Regional Commission
P.O. Box 818
Griffin, Georgia 30224

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all of the primary government activities and its component units if any. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the flow of 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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's public utilities and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under 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 services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, local option sales taxes, other taxes, intergovernmental revenues, interest, and charges for services associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise 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 nonoperating revenues and expenses.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental funds:

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

2004 Special Local Option Sales Tax – The Special Local Option Sales Tax Fund is used to account for the City’s public utility and beautification projects based on the 1 cent special local option sales tax approved by the voters of the City of Thomaston.

2011 Special Local Option Sales Tax – The Special Local Option Sales Tax Fund is used to account for the City’s sewer line and park projects based on the 1 cent special local option sales tax approved by the voters of the City of Thomaston.

The government reports the following major proprietary funds:

Enterprise Funds – The Water & Sewer Fund accounts for the activities of the water and sewer distribution system. The Electric Fund accounts for the activities of the government’s electric distribution operations.

Additionally, the government reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

D. Deposits and Investments

The government’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. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

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E. Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “due to/from other funds” or “advances to/from other funds.” All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables, have been reduced to their estimated net realizable value, and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

F. Inventories

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items using the consumption method by reporting an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved, as this amount is not available for general appropriation.

H. Restricted Assets

Certain proceeds of the government’s enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

- Revenue bond renewal and extension account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.
- Revenue bond current debt service account is used to segregate resources accumulated for debt service payments over the next twelve months.
- Revenue bond construction account is used to account for construction projects anticipated and outlined in the bond indenture. Resources utilized are bond proceeds and accumulated investment income.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, curbs, streets, sidewalks and similar items acquired subsequent to January 1, 2004) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the City during the current year was \$275,491. Of this amount, none was applicable to construction of capital assets.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Building	25-40 years
Equipment	5-10 years
Infrastructure	40 years
Furniture	5 years
Vehicles	5 years

J. Compensated Absences

It is the City's policy to permit employees to accumulate unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense / expenditures) until then. The City has one item that qualifies for reporting in this category. The deferred outflow of resources relative to the pension plans change in

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

assumptions. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of deferred inflows, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City has one type of deferred inflow, which arises under the accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, deferred inflows of resources related to pensions, is reported only in the governmental activities and proprietary funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

N. Fund Equity

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council through adoption of a resolution. The City Council also may modify or rescind the commitment.
- Assigned – amounts that are constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed. By resolution, the City Council has authorized the Mayor or City Clerk or designee to assign fund balances.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

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:

- Committed
- Assigned
- Unassigned

The City does not have a formal minimum fund balance policy.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

The following is a summary of the fund balance classifications as of December 31, 2015:

	General Fund	2004 SPLOST	2011 SPLOST	Nonmajor Governmental	Total
Fund Balances					
Nonspendable					
Advances to other funds	\$ 621,091	\$ -	\$ -	\$ -	\$ 621,091
Prepays	45,461	-	-	-	45,461
Restricted for:					
Law enforcement	-	-	-	121,515	121,515
Capital projects	-	1,312,658	2,286,747	282,528	3,881,933
Joint projects with County	-	-	-	187,075	187,075
Assigned					
Fund balance appropriations	500,000	-	-	-	500,000
Law enforcement	5,271	-	-	-	5,271
Community development	127,123	-	-	-	127,123
Capital outlay	456,129	-	-	-	456,129
Unassigned (Deficit)	2,231,825	-	-	(45,018)	2,186,807
Total fund balances	\$3,986,900	\$1,312,658	\$2,286,747	\$ 546,100	\$8,132,405

O. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. The City purchases commercial insurance for most types of risk. For these risks, settlements have not exceeded coverage's for each of the past three years. The City had no significant reduction in insurance coverage from coverage in the prior year.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budget Process

The annual budget document is the financial plan for the operation of the City of Thomaston. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the City.

An annual operating budget is prepared for the General Fund and Special Revenue Funds. The City Manager is authorized to transfer budget amounts between expenditure character with individual departments. Budget revisions which increase total expenditures of a Fund must be approved by Mayor and Council.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

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

- On or about December 1, the City Manager submits to the City Council a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at City Hall to obtain taxpayer comments.
- After revisions, if any, by the Council, the budget is legally enacted through passage of an ordinance.
- Budgetary information is compared to actual revenue and expenditures on a monthly basis and reported to the Mayor and Council.

Formal budgetary integration is employed as a management control device during the year. The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The General Fund is subject to budgetary control on a departmental basis, while the Special Revenue funds are subject to budgetary control on an individual fund basis. Budgets are prepared for the Capital Projects Funds on a project basis, which usually covers two or more years. Budgeted amounts are as originally adopted, or as amended by City Council. Individual amendments are not material in relation to the original appropriations.

B. Deficit Fund Balance

The 2014 Community Development Block Grant / Water Line Fund, had a deficit fund balance of \$45,018 at December 31, 2015. The deficit will be eliminated in 2016 upon receipt of the final grant drawdown.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

Investments

Investments are stated at fair value.

State statutes authorize the City to invest in obligations of the U.S. Treasury, other U.S. Government Agencies, State of Georgia, Other States, Prime Banker's Acceptances, repurchase agreements and other political subdivisions of Georgia.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Quality</u>
Mutual Funds (MEAG)	\$1,170,644	N/A

Interest Rate Risk – The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptance; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The City has no investment policy that would further limit its investment choices.

NOTE 4 – PROPERTY TAXES

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) is valued as of January 1 of each year and must be returned for tax purposes by March 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Upson County Board of Tax Assessors.

Upon completion of all assessments and tax returns, the information is compiled to form the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

Property taxes are levied each year based on assessed values determined the previous January 1. The Mayor and Council officially set the mill rates each year. Property taxes attach an enforceable lien on property as of June 30th of the following year. Judicial property sales are commenced during June and July of the following year.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

The property tax calendar is as follows:

	Real/Personal Property (Excluding Vehicles)	Motor Vehicles
Assessment date	January 1	January 1
Levy date	September 10	January 1
Due date and collection date	November 24	Staggered

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

NOTE 5 – HOTEL/MOTEL EXCISE TAX

A summary of the hotel/motel excise tax expenditures and receipts for the year ended December 31, 2015, is as follows:

Expenditures by Purpose	Amount	Tax Receipts	Percentage
Promote Tourism	\$ 26,863	\$ 67,158	40%
General Fund	40,295	-	60%
Total	<u>\$ 67,158</u>	<u>\$ 67,158</u>	<u>100%</u>

NOTE 6 – RECEIVABLES

Receivables as of year-end for the government's individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	2011 SPLOST	Water & Sewer	Electric	Non-Major Proprietary Fund	Non-Major Governmental	Total
<u>Receivables</u>							
Taxes	\$ 120,143	\$ -	\$ -	\$ -	\$ -	\$ 89,211	\$ 209,354
Accounts	73,970	-	362,701	1,035,686	101,567	5,539	1,579,463
Intergovernmental	174,338	64,855	449,392	-	-	500,000	1,188,585
Gross Receivables	<u>368,451</u>	<u>64,855</u>	<u>812,093</u>	<u>1,035,686</u>	<u>101,567</u>	<u>594,750</u>	<u>2,977,402</u>
Less: allowance for uncollectibles	<u>(25,414)</u>	<u>-</u>	<u>(24,999)</u>	<u>(72,411)</u>	<u>(7,083)</u>	<u>(4,461)</u>	<u>(134,368)</u>
Total net receivables	<u>\$ 343,037</u>	<u>\$ 64,855</u>	<u>\$ 787,094</u>	<u>\$ 963,275</u>	<u>\$ 94,484</u>	<u>\$ 590,289</u>	<u>\$ 2,843,034</u>

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2015, is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Water & Sewer Fund	\$ 421,904
	Electric Fund	196,792
	Non-Major Governmental Fund	452,618
Water & Sewer Fund	Electric Fund	42,736
	Non-Major Governmental Fund	1,000
Electric Fund	Non-Major Proprietary Fund	12,947
Non-Major Proprietary Fund	General Fund	85,274
		<u>\$ 1,213,271</u>

The outstanding balances between funds result mainly 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.

Advances to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Joint Projects Fund	\$ 621,091
		<u>\$ 621,091</u>

The Joint Projects Fund received an advance from the General Fund during the year ended December 31, 2015 to help cash flow the start-up of the joint project fund.

Interfund transfers:

	Transfer In:		
	General Fund	Water & Sewer Fund	Total
Transfer Out:			
Electric Fund	\$ 3,266,770	\$ 800,000	\$ 4,066,770
Non-major Governmental	134,882	-	134,882
Total	<u>\$ 3,401,652</u>	<u>\$ 800,000</u>	<u>\$ 4,201,652</u>

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

Due to the difference in measurement focus and basis of accounting between governmental funds and proprietary funds, reclassification of capital assets between the fund financial statements will cause the transfer accounts to be out of balance at the fund level.

NOTE 8 – CAPITAL ASSETS

	Beginning Balance	Increase	Decrease	Transfers/ Reclassifications	Ending Balance
<u>Governmental Activities</u>					
Capital assets, not being depreciated					
Land	\$ 2,735,147	\$ 12,785	\$ -	\$ -	\$ 2,747,932
Construction in progress	122,678	-	-	(122,678)	-
Total capital assets, not being depreciated	2,857,825	12,785	-	(122,678)	2,747,932
Capital assets, being depreciated					
Buildings	3,700,494	299,090	-	-	3,999,584
Vehicles	1,402,289	16,236	(28,527)	-	1,389,998
Equipment	2,198,820	69,812	-	-	2,268,632
Infrastructure	12,038,915	2,554,257	(20,756)	122,678	14,695,094
Total capital assets, being depreciated	19,340,518	2,939,395	(49,283)	122,678	22,353,308
Less accumulated depreciation for:					
Buildings	(1,687,191)	(146,998)	-	-	(1,834,189)
Vehicles	(898,955)	(89,745)	-	-	(988,700)
Equipment	(1,152,691)	(95,916)	26,069	-	(1,222,538)
Infrastructure	(4,788,068)	(262,580)	15,378	-	(5,035,270)
Total accumulated depreciation	(8,526,905)	(595,239)	41,447	-	(9,080,697)
Total capital assets, being depreciated, net	10,813,613	2,344,156	(7,836)	122,678	13,272,611
Net investment in capital assets	\$13,671,438	\$2,356,941	\$ (7,836)	\$ -	\$16,020,543

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

	Beginning Balance	Increase	Decrease	Transfers/ Reclassifications	Ending Balance
<u>Business-Type Activities</u>					
Capital assets, not being depreciated					
Land	\$ 2,353,716	\$ 85,753	\$ -	\$ -	\$ 2,439,469
Construction in progress	3,104,992	860,650	-	(2,663,324)	1,302,318
Total capital assets, not being depreciated	5,458,708	946,403	-	(2,663,324)	3,741,787
Capital assets, being depreciated					
Buildings	7,249,665	-	-	-	7,249,665
Systems—water, sewer, and electric	24,659,896	1,951,063	-	2,663,324	29,274,283
Equipment	1,410,038	750,604	-	-	2,160,642
Vehicles	1,321,900	-	-	-	1,321,900
Total capital assets being depreciated	34,641,499	2,701,667	-	2,663,324	40,006,490
Less accumulated depreciation for:					
Buildings	(5,595,948)	(160,908)	-	-	(5,756,856)
Systems—water, sewer, and electric	(4,665,264)	(458,944)	-	-	(5,124,208)
Equipment	(543,628)	(193,161)	-	-	(736,789)
Vehicles	(1,194,436)	(34,700)	-	-	(1,229,136)
Total accumulated depreciation	(11,999,276)	(847,713)	-	-	(12,846,989)
Total capital assets, being depreciated, net	22,642,223	1,853,954	-	2,663,324	27,159,501
Business-type activities capital assets, net	\$ 28,100,931	\$ 2,800,357	\$ -	\$ -	30,901,288
Less related long-term debt outstanding					(10,649,032)
Net investment in capital assets					\$ 20,252,256

Depreciation expense was charged to functions / programs of the primary government as follows:

Governmental Activities

General government	\$ 65,962
Public safety	95,170
Public works	284,693
Economic development	149,414
Total depreciation expense - governmental activities	\$ 595,239

Business-Type Activities

Water and sewer	\$ 774,919
Electric	72,794
Total depreciation expense - business-type activities	\$ 847,713

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

NOTE 9 – LONG-TERM DEBT

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2015, was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Landfill closure / postclosure	\$ 1,296,200	\$ 1,090,150	\$ (198,558)	\$ 2,187,792	\$ 243,088
Compensated absences	158,772	113,460	(142,141)	130,091	100,000
Net pension liability	2,150,624	-	(52,500)	2,098,124	-
Governmental activity long-term liabilities	<u>\$ 3,605,596</u>	<u>\$ 1,203,610</u>	<u>\$ (393,199)</u>	<u>\$ 4,416,007</u>	<u>\$ 343,088</u>
<u>Business-Type Activities</u>					
Compensated absences	\$ 42,809	\$ 33,593	\$ (28,147)	\$ 48,255	\$ 28,000
GEFA loan DW09002PF70	903,117	-	(41,355)	861,762	42,613
GEFA loan DW10012	1,212,655	-	(52,587)	1,160,068	54,465
GEFA loan DW13011	1,311,859	540,343	-	1,852,202	57,370
Revenue bonds payable	7,255,000	-	(480,000)	6,775,000	495,000
Net pension liability	755,624	101,357	-	856,981	-
Business-type activity long-term liabilities	<u>\$ 11,481,064</u>	<u>\$ 675,293</u>	<u>\$ (602,089)</u>	<u>\$ 11,554,268</u>	<u>\$ 677,448</u>

For the governmental activities, compensated absences, landfill closure / postclosure, and net pension liability are generally liquidated by the general fund. For business-type activities, compensated absences and net pension liability are liquidated by the proprietary funds.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

Revenue Bonds

Purpose of Debt: To construct and improve the Public Utilities System of the City of Thomaston.

\$8,200,000 City of Thomaston Combined Public Utilities Revenue Bonds, Series 2013, due in annual installments of principal and bi-annual installments of interest. The interest rate is 2.5%. The maturity date of the bonds is December 1, 2027.

Annual debt service requirements to maturity for this contractual obligation are as follows:

<u>Sinking Fund</u> <u>Year (December 1)</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 495,000	\$ 169,375
2017	500,000	157,000
2018	515,000	144,500
2019	525,000	131,625
2020	545,000	118,500
2021-2025	2,920,000	381,875
2026-2027	1,275,000	48,000
Total	<u>\$ 6,775,000</u>	<u>\$ 1,150,875</u>

Notes Payable

Purpose of Debt: To construct and improve the Public Utilities System of the City of Thomaston.

In 2009, the City entered into a contract with the Georgia Environmental Facilities Authority for a Drinking Water State Revolving Loan Fund grant/loan to provide financing for water line replacements. The total proceeds for the loan were \$3,400,000, of which 70% or \$2,380,000 was forgivable. The project was completed in 2011 and the remaining balance of \$1,020,000 is to be paid over a twenty-year period starting January 1, 2012, on a monthly basis. Interest is at 3.0%. As of December 31, 2015, the outstanding balance was \$861,762.

In 2010, the City entered into a contract with the Georgia Environmental Facilities Authority for a Drinking Water State Revolving Loan Fund grant/loan to provide financing for the replacement of existing water mains. The total proceeds for the loan were \$1,900,000, of which 30% or \$570,000 is forgivable. The project was completed in 2012 and the remaining balance of \$1,330,000 is to be paid over a twenty-year period starting September 1, 2012, on a monthly basis. Interest is accrued monthly at 3.0%. As of December 31, 2015, the outstanding balance was \$1,160,068.

In 2014, the City entered into a contract with the Georgia Environmental Facilities Authority for a Drinking Water State Revolving Loan Fund grant/loan to provide financing for the replacement of existing water mains. The total proceeds for the loan were \$2,700,000, of which 18.5185% or \$500,000 is forgivable. The project was completed in 2015 and the remaining balance of \$1,852,202 is to be paid over a twenty-nine year period starting during 2016, on a monthly basis. Interest is accrued monthly at .5%. As of December 31, 2015, the outstanding balance was \$1,852,202.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

Annual debt service requirements to maturity for these notes payable are as follows:

Years Ending December 31	GEFA DW09002PF70		GEFA DW10012		GEFA DW13011	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 42,613	\$ 25,270	\$ 54,465	\$ 34,049	\$ 57,370	\$ 9,130
2017	43,909	23,974	56,121	32,392	57,657	8,842
2018	45,244	22,639	57,828	30,686	57,946	8,553
2019	46,620	21,262	59,587	28,927	58,236	8,263
2020	48,038	19,844	61,400	27,114	58,528	7,971
2021-2025	263,018	76,395	336,172	106,396	297,070	35,427
2026-2030	305,528	33,886	390,505	52,065	304,589	27,908
2031-2035	66,792	4,153	143,990	3,802	312,299	20,196
2036-2040	-	-	-	-	320,203	12,293
2041-2044	-	-	-	-	328,304	4,189
Total	<u>\$ 861,762</u>	<u>\$ 227,423</u>	<u>\$ 1,160,068</u>	<u>\$ 315,431</u>	<u>\$ 1,852,202</u>	<u>\$ 142,772</u>

Restricted Assets

The balance of the restricted asset account in the Water & Sewer enterprise fund is as follows:

Revenue bond covenant account	<u>\$ 290,134</u>
	<u><u>\$ 290,134</u></u>

NOTE 10 – LANDFILL CLOSURE COSTS

In 1992, the City closed its Zorn Street landfill site. State regulations require the City to perform certain maintenance and monitoring functions for thirty years after closure. Under GASB 18, the City is required to disclose the estimated maintenance and monitoring cost of \$1,166,580. The required plan for closure of the Zorn Street landfill was adopted by the City and approved by the State of Georgia. Estimates were outlined in the plan and updated in 2015. These costs are subject to change due to inflation or deflation, technology or applicable laws or regulations. The City is not required to commit current financial resources to guarantee future maintenance and monitoring activities.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

NOTE 11 – EMPLOYEE RETIREMENT PLANS

Georgia Municipal Employees Benefit System

Plan Description

The City contributes to the Georgia Municipal Employees Benefit System (the system), an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association. The City of Thomaston Retirement Plan is a defined benefit plan that provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Public Retirement Systems Standard Law (Georgia Code Section 47-20-10) assigned the authority to establish and amend the plan to the City of Thomaston. The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Georgia Municipal Employees Benefit System, 201 Pryor Street S.W., Atlanta, Georgia 30303.

Plan Membership

At July 1, 2015, the date of the most recent actuarial valuation, there were 231 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	118
Terminated vested participants	37
Active vested employees	57
Active nonvested employees	<u>19</u>
Total	<u><u>231</u></u>

Benefits Provided

The GMEBS Plan provides retirement, disability and death benefits to plan members and beneficiaries. Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. This change has no impact on service credited under the Plan and has no impact on benefits. As a result of this change, all employees are now included in the valuation.

Contributions

The plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 12.20% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

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

At December 31, 2015, the City reported a net pension liability. The net pension liability was measured as of March 31, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of July 1, 2015. An expected total pension liability as of December 31, 2014 was determined using standard roll-forward techniques.

For the year ended December 31, 2015, the City recognized pension expense relative to GMEBS in the amount of \$396,782. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 120,765	\$ -
Changes of assumptions	-	28,055
Net difference between projected and actual earnings on pension plan investments	-	109,976
Employer contributions subsequent to the measurement date	254,376	-
	<u>\$ 375,141</u>	<u>\$ 138,031</u>

City contributions subsequent to the measurement date of March 31, 2015 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

<u>Year ended December 31:</u>	
2016	\$ (65,216)
2017	27,494
2018	27,494
2019	27,494
2020	-
2021 and thereafter	-

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

Actuarial Assumptions: The total pension liability as of December 31, 2015 was determined by an actuarial valuation as of July 1, 2015 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increase	3.25%, plus service based merit increases
Investment rate of return	7.75%, On-going basis, based on long-term expected rate of return of pension plan investments

Mortality rates were based on the RP-2000 Combined Mortality Table with sex-distinct rates, set forward two years for males and one year for females, and the RP-2000 Disabled Mortality Table with sex-distinct rates.

The mortality and economic actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to June 30, 2014.

Net Pension Liability:

Changes in the Net Pension Liability:	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2014	\$ 10,045,797	\$ 7,139,549	\$ 2,906,248
Changes for the year:			
Service cost	100,665	-	100,665
Interest	753,703	-	753,703
Difference between expected and actual experience	241,530	-	241,530
Contributions - employer	-	330,659	(330,659)
Contributions - employee	-	-	-
Net investment income	-	678,062	(678,062)
Benefit payments	(641,192)	(641,192)	-
Administrative expense	-	(17,791)	17,791
Other	(56,111)	-	(56,111)
Net changes	398,595	349,738	48,857
Balance at December 31, 2015	\$ 10,444,392	\$ 7,489,287	\$ 2,955,105

The City's net pension liability is recorded in the Government-Wide Statement of Net Position in the amounts of \$2,098,124 and \$856,981 respectively.

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 weighing 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

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

included in the pension plan's target asset allocation as of March 31, 2015 is summarized in the following table:

Asset class	Target allocation	Long-term Expected real rate of return	Long-Term Nominal real rate of return
Domestic Equity	50%	5.95%	9.20%
International Equity	15%	6.45%	9.70%
Fixed Income	25%	1.55%	4.80%
Real estate	10%	3.75%	7.00%
Cash	0%		
Total	100%		

Discount Rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. 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 periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount rate: The following presents the City's net pension liability calculated using the discount rate of 7.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current discount rate (7.75%)	1% Increase (8.75%)
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	\$ 4,045,139	\$ 2,955,105	\$ 2,025,204

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report which is publically available at www.gmanet.com.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

NOTE 12 – SPECIAL FUNDING DEFINED BENEFIT PENSION PLAN

A. Georgia Firefighters' Pension Fund

The City's Volunteer Firemen are eligible to participate in the Georgia Firefighters' Pension Fund, a voluntary pension system. The City makes no contributions to this plan. Contributions are made through monthly dues by eligible firefighters electing to participate in the plan and non-employer contributions which consist of insurance premium taxes collected and remitted by insurers directly to the pension fund in accordance with the law. The plan is administered by the Georgia Firefighters' Pension Fund located at 2171 Eastview Parkway NE in Conyers, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City of Thomaston's financial statements.

B. Peace Officers' Annuity and Benefit Fund of Georgia

The City's Deputies are covered by the State of Georgia Peace Officers' Annuity and Benefit Fund. The City makes no contribution to this plan. Contributions are collected by the City as the agent for this fund through its court systems. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia located at 1210 Greenbelt Parkway in Griffin, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City of Thomaston's financial statements.

NOTE 13 – LEGAL CONTRACTS AND AGREEMENTS

The City of Thomaston, Georgia is one of approximately 50 participants who have entered into Power and Sales Contract with the Municipal Electrical Authority of Georgia (MEAG). Under these contracts, the Authority has agreed to provide to the participant, and the participants have agreed to take from the Authority, such output and services from the various projects of the Authority as may be available for the useful life thereof. The participants are required to make payments therefore according to the rates and charges established by the Authority to produce revenues sufficient to pay the Authority's cost attributable to such projects. In general, the Power Sales Contract provide that if, at any time, (i) a project is terminated prior to completion, or (ii) a project declared by the Authority to be totally and permanently retired from service, or (iii) a project is totally, but not permanently, out of service and the Authority is unable to provide service from alternative sources, then each participant will remain liable to pay a fixed percentage default by a participant under its contracts relating to any of the various projects, such participant would remain liable to the greater of its obligation share of the Authority's costs attributable to such project or the amount determined to be due under the rates and charges established by the Authority.

Payments under the Power Sales Contracts are not subject to reduction whether by offset or otherwise, and will not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever. Each Power Sales Contract will continue in full force and effect at least until such time, not to exceed 50 years, as all bonds issued for the purpose of financing the costs of acquisition and construction of the applicable project, and notes issued for

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

such purpose in anticipation of the bonds, have been paid or provision has been made for their payment.

In 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (the "Trust"), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust provides MEAG and the trust's beneficiaries a means to mitigate the expected differential between market rates for power and the costs of power generated by MEAG facilities, if deregulation of the electric industry were to occur. The Trust created an account for the City and within the account created the following sub-accounts in which the City participates:

Flexible Operating Trust Account

This type of subaccount may be funded from contributions from the City's available funds. According to the Trust provisions, the City has the right to withdraw part or all of the funds from this account at any time. As of December 31, 2015, the balance of the account was \$1,170,644 (included in investments in the accompanying statement of net position).

Generation Trust Account

This type of subaccount is used to offset the City's share of future MEAG generation projects. The balance in the account for the benefit of the City as of December 31, 2015 was \$4,127,236. Due to the Trust restrictions on access to the funds, this account balance is not reflected in the accompanying statement of net position.

Reserve Funded Debt Account and Credit Support Operating Account

On November 22, 2006, the City (along with all other MEAG cities participating in the Trust) approved a resolution to amend the original Trust agreement allowing for distribution of funds from the Reserve Funded Debt Account and Credit Support Operating Account. The distributions will occur from January 1, 2010 to December 31, 2018. These funds have been held in the Trust in the anticipation that deregulation of retail electric power might occur by 2009, and the funds accumulated in these Trust accounts could be used for competitive margins for retail electric power supply. The balance in these accounts for the benefit of the City as of December 31, 2015 was \$1,570,732. Due to the Trust restrictions on access to the funds, these account balances are not reflected in the accompanying statement of net position. Trust distributions from these accounts in future years will be recorded by the City as a reduction to the MEAG generation power supply cost. Future releases from the Trust vary each year.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

NOTE 14 – CONTINGENT LIABILITIES

A. Litigation

During the course of normal operations of the City, various claims and lawsuits arise. The City attorney has advised that there are no potential liabilities that will impair the position as of the date of this audit report.

B. Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

The amounts, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

C. Commitments

The City has entered into power sales contracts together with 45 other cities and one county in the State of Georgia with the Municipal Electric Authority of Georgia (MEAG). Under terms of these contracts, the City purchases power and energy for resale to its electric system customers.

NOTE 15 – EVALUATION OF SUBSEQUENT EVENTS

The City has evaluated subsequent events through December 20, 2016, the date which the financial statements were available to be issued.

NOTE 16 – RESTATEMENT OF EQUITY BALANCES

A. Implementation of New Accounting Standards

During 2015, the City implemented new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as *Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of January 1, 2015.

B. Prior Period Adjustment

An adjustment was needed in the Electric Fund for \$797,630 for the correction of a prior year expense that was not accrued properly.

CITY OF THOMASTON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(CONTINUED)

The effects of these adjustments are as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
Net position December 31, 2014, as previously reported	\$ 19,626,271	\$ 23,867,575	\$ 43,493,846
Implementation of GASB 68 / 71 for pensions:			
Record net pension liability	(1,933,204)	(679,234)	(2,612,438)
Correction of expense	-	(797,630)	(797,630)
Net position December 31, 2014, restated	<u>\$ 17,693,067</u>	<u>\$ 22,390,711</u>	<u>\$ 40,083,778</u>

	Proprietary Funds Water & Sewer Fund	Electric Fund	Non-major Proprietary Fund	Total Proprietary Funds
Net position December 31, 2014, as previously reported	\$ 17,218,941	\$ 6,475,598	\$ 173,036	\$ 23,867,575
Implementation of GASB 68 / 71 for pensions:				
Record net pension liability	(135,847)	(523,010)	(20,377)	(679,234)
Correction of expense	-	(797,630)	-	(797,630)
Net position December 31, 2014, restated	<u>\$ 17,083,094</u>	<u>\$ 5,154,958</u>	<u>\$ 152,659</u>	<u>\$ 22,390,711</u>

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF THOMASTON, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS

Total pension liability	
Service cost	\$ 100,665
Interest on total pension liability	753,703
Difference between expected and actual experience	241,530
Changes of assumptions	(56,111)
Change of benefit terms	-
Benefit payments, including refunds of employee contributions	(641,192)
Net change in total pension liability	<u>398,595</u>
Total pension liability - beginning, January 1, 2015	<u>10,045,797</u>
Total pension liability - ending, December 31, 2015 (a)	<u><u>\$10,444,392</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 330,659
Contributions - employee	-
Net investment income	678,062
Benefit payments, including refunds of member contributions	(641,192)
Administrative expenses	(17,791)
Net change in plan fiduciary net position	<u>349,738</u>
Plan fiduciary net position - beginning, January 1, 2015	<u>7,139,549</u>
Plan fiduciary net position - ending, December 31, 2015 (b)	<u><u>\$ 7,489,287</u></u>
City's net pension liability (asset) - ending (a) - (b)	<u><u>\$ 2,955,105</u></u>
Plan fiduciary net position as a percentage of the total pension liability	71.71%
Covered-employee payroll	2,787,146
Net pension liability as a percentage of covered-employee payroll	106.03%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

The accompanying notes to the required supplementary information are an integral part of this schedule.

CITY OF THOMASTON, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015

SCHEDULE OF CITY CONTRIBUTIONS

	<u>2015</u>
Actuarially determined contributions	\$ 339,168
Contributions in relation to the actuarially determined contribution	<u>339,168</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
City's covered-employee payroll	\$ 2,787,146
Contributions as a percentage of covered-employee payroll	12.17%

Note: Schedule is intended to show information for the last 10 fiscal years.
Additional years will be displayed as they become available.

The accompanying notes to the required supplementary information are an integral part of this schedule.

CITY OF THOMASTON, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015

Changes of assumptions:

As a result of the plan change to provide immediate participation for employees, for the fiscal year ending 2016, the eligibility assumption has been changed from one year to immediate. The increase in the Plan's NPL is minimal and has been included in the differences between expected and actuarial experience.

As a result of the new administrative fee structure approved by the Board, the administrative expense assumption was updated for fiscal years beginning in 2016.

Amounts reported for the fiscal year ending in 2016, and later reflect the following assumption changes approved by the Board in December, 2014 based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014:

- The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set forward for females.
- The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.
- The retirement rates were normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at age 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.
- The inflation assumption was decreased from 3.50% to 3.25%.
- The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

Benefit Changes

Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. This change has no impact on service credited under the Plan and has no impact on benefits.

Valuation date

The actuarially determined contribution rate was determined as of July 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the year ending December 31, 2016.

CITY OF THOMASTON, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Closed level dollar for the remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.
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 amount 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.
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	Ages 55-59 rate of 10%, age 60 rate of 20%, age 61 rate of 25%, age 62 rate of 35%, age 63 rate of 40%, age 64 rate of 45%, ages 65-69 rate of 50% and age 70 and over rate of 100%
Mortality	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

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SUPPLEMENTARY INFORMATION

CITY OF THOMASTON, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	Special Revenue Funds			Capital Project Funds				Total
	Hotel Motel Tax	Law Enforcement Confiscation	Joint Projects Fund	Greatest Generational Park	CDBG \ 2014 Water Line Fund	CDBG \ 2012 Water Line Fund	DOT LMIG Fund	Nonmajor Governmental Funds
<u>Assets</u>								
Cash and cash equivalent	\$ -	\$ 121,515	\$ 774,617	\$ 282,521	\$ 1,000	\$ -	\$ 7	\$ 1,179,660
Receivables, net of allowance								
Taxes	-	-	84,750	-	-	-	-	84,750
Accounts	5,539	-	-	-	-	-	-	5,539
Intergovernmental	-	-	-	-	500,000	-	-	500,000
Total Assets	<u>\$ 5,539</u>	<u>\$ 121,515</u>	<u>\$ 859,367</u>	<u>\$ 282,521</u>	<u>\$ 501,000</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 1,769,949</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>								
Liabilities:								
Accounts payable	\$ 2,216	\$ -	\$ 20,465	\$ -	\$ -	\$ -	\$ -	\$ 22,681
Retainage payable	-	-	-	-	50,705	-	-	50,705
Due to other funds	3,323	-	-	-	450,295	-	-	453,618
Advance to other funds	-	-	621,091	-	-	-	-	621,091
Total Liabilities	<u>5,539</u>	<u>-</u>	<u>641,556</u>	<u>-</u>	<u>501,000</u>	<u>-</u>	<u>-</u>	<u>1,148,095</u>
Deferred inflows of resources:								
Unavailable revenue - property taxes	-	-	30,736	-	-	-	-	30,736
Unavailable revenue - grant revenues	-	-	-	-	45,018	-	-	45,018
Total Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>30,736</u>	<u>-</u>	<u>45,018</u>	<u>-</u>	<u>-</u>	<u>75,754</u>
Fund Balances:								
Restricted	-	121,515	187,075	282,521	-	-	7	591,118
Unassigned (Deficit)	-	-	-	-	(45,018)	-	-	(45,018)
Total Fund Balances	<u>-</u>	<u>121,515</u>	<u>187,075</u>	<u>282,521</u>	<u>(45,018)</u>	<u>-</u>	<u>7</u>	<u>546,100</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,539</u>	<u>\$ 121,515</u>	<u>\$ 859,367</u>	<u>\$ 282,521</u>	<u>\$ 501,000</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 1,769,949</u>

CITY OF THOMASTON, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Special Revenue Funds			Capital Project Funds				Total Nonmajor Governmental Funds
	Hotel Motel Tax	Law Enforcement Confiscation	Joint Projects Fund	Greatest Generational Park	CDBG \ 2014 Water Line Fund	CDBG \ 2012 Water Line Fund	DOT LMIG Fund	
<u>Revenues</u>								
Taxes								
Property taxes	\$ -	\$ -	\$ 1,207,315	\$ -	\$ -	\$ -	\$ -	\$ 1,207,315
Other taxes	67,158	-	-	-	-	-	-	67,158
Intergovernmental	-	-	58,130	-	454,982	177,487	164,057	854,656
Fines and forfeitures	-	129,826	-	-	-	-	-	129,826
Charges for services	-	-	-	4,130	-	-	-	4,130
Interest earnings	-	155	-	764	-	-	37	956
Donation	-	-	-	61,643	-	-	-	61,643
Total Revenues	67,158	129,981	1,265,445	66,537	454,982	177,487	164,094	2,325,684
<u>Expenditures</u>								
Current								
General government	26,863	-	165,435	-	-	-	-	192,298
Public safety	-	488	162,413	-	-	-	-	162,901
Economic development	-	-	183,219	-	-	-	-	183,219
Culture and recreation	-	-	383,606	395	-	-	-	384,001
Capital outlay	-	16,236	-	-	500,000	177,487	164,098	857,821
Total Expenditures	26,863	16,724	894,673	395	500,000	177,487	164,098	1,780,240
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,295	113,257	370,772	66,142	(45,018)	-	(4)	545,444
<u>Other Financing Sources (Uses)</u>								
Transfers to other funds	(40,295)	-	(94,587)	-	-	-	-	(134,882)
Total other financing sources (uses)	(40,295)	-	(94,587)	-	-	-	-	(134,882)
Net change in fund balances	-	113,257	276,185	66,142	(45,018)	-	(4)	410,562
Fund Balances, beginning of year (Deficit)	-	8,258	(89,110)	216,379	-	-	11	135,538
Fund Balances, end of year (Deficit)	\$ -	\$ 121,515	\$ 187,075	\$ 282,521	\$ (45,018)	\$ -	\$ 7	\$ 546,100

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GENERAL FUND - to account for the general operations of the City, including all financial transactions not required to be accounted for in another fund.

CITY OF THOMASTON, GEORGIA

GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	2015	2014
Cash and cash equivalent	\$ 2,765,229	\$ 3,240,590
Receivables, net of allowance		
Taxes	105,735	106,758
Accounts	62,963	64,401
Intergovernmental	174,339	119,064
Prepaid insurance	45,461	-
Due from other funds	1,071,314	263,244
Advance from other funds	621,091	504,559
Total Assets	\$ 4,846,132	\$ 4,298,616
<u>LIABILITIES</u>		
Accounts payable	\$ 639,316	\$ 155,594
Accrued liabilities	50,959	-
Deposit payable	10,632	10,387
Due to other funds	85,274	98,322
Total Liabilities	786,181	264,303
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenue - property taxes	73,051	85,280
Total Deferred Inflows of Resources	73,051	85,280
Fund Balances		
Nonspendable	666,552	504,559
Assigned	1,088,523	581,368
Unassigned	2,231,825	2,863,106
Total Fund Balances	3,986,900	3,949,033
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,846,132	\$ 4,298,616

CITY OF THOMASTON, GEORGIA

GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
<u>Revenues</u>		
Taxes	\$ 3,251,351	\$ 3,378,029
Licenses and permits	192,360	146,732
Intergovernmental	398,131	160,795
Fines and forfeitures	436,833	374,287
Charges for services	15,950	17,900
Rent	216,290	219,746
Miscellaneous	123,108	124,110
Total Revenue	4,634,023	4,421,599
<u>Expenditures</u>		
Current		
General government	3,314,610	1,474,077
Judicial	267,744	234,102
Public safety	2,809,698	2,925,737
Public works	712,954	379,776
Culture and recreation	892,802	603,766
Total Expenditures	7,997,808	5,617,458
Excess (Deficiency) of Revenue Over (Under) Expenditures	(3,363,785)	(1,195,859)
<u>Other Financing Sources (Uses)</u>		
Transfer from Hotel Motel Fund	40,295	39,968
Transfer from Joint Projects Fund	94,587	-
Transfer from Electric Fund	3,266,770	1,000,000
Proceeds from sale of property	-	19,320
Total Other Financing Sources (Uses)	3,401,652	1,059,288
Net change in fund balance	37,867	(136,571)
Fund balance - beginning of year	3,949,033	4,085,604
Fund balance - end of year	\$ 3,986,900	\$ 3,949,033

CITY OF THOMASTON, GEORGIA

GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

Description:	Final Budget	2015 Actual	Variance with Final Budget	2014 Actual
<u>Taxes</u>				
General property tax	\$ 800,000	\$ 701,445	\$ (98,555)	\$ 766,757
Local option sales tax	1,350,000	1,316,453	(33,547)	1,371,890
Other:				
Motor vehicle taxes	190,000	179,822	(10,178)	220,727
Mobile home taxes	100	55	(45)	138
Intangible taxes	3,000	9,414	6,414	2,592
Franchise taxes	325,000	331,887	6,887	336,097
Insurance premium tax	500,000	528,379	28,379	494,582
Real estate transfer tax	1,000	4,293	3,293	1,770
Beer and wine tax	190,000	179,603	(10,397)	183,476
Total Taxes	3,359,100	3,251,351	(107,749)	3,378,029
<u>Licenses and Permits</u>				
Business and occupation	130,000	118,801	(11,199)	135,313
Special sales permits	20,100	73,559	53,459	11,419
Total Licenses and Permits	150,100	192,360	42,260	146,732
<u>Intergovernmental Revenues</u>				
Housing authority	44,000	44,052	52	43,860
Upson County	-	219,325	219,325	-
State grants				
Department of transportation	-	63,017	63,017	100,299
Drug task force	29,100	38,682	9,582	12,483
Georgia underground tank	5,000	33,055	28,055	4,153
Total Intergovernmental Revenue	78,100	398,131	320,031	160,795
<u>Fines and Forfeitures</u>				
Recorder's Court	451,500	436,833	(14,667)	374,287
Total Fines and Forfeitures	451,500	436,833	(14,667)	374,287

CITY OF THOMASTON, GEORGIA

GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

Description:	Final Budget	2015 Actual	Variance with Final Budget	2014 Actual
<u>Charges for Services</u>				
Cemetery fees	\$ 18,500	\$ 15,950	\$ (2,550)	\$ 17,900
Rent revenue	219,275	216,290	(2,985)	219,746
Total Charges for Services	237,775	232,240	(5,535)	237,646
<u>Miscellaneous</u>				
Interest earnings	12,150	9,993	(2,157)	12,453
Insurance reimbursement	-	29,094	29,094	-
Miscellaneous	57,650	84,021	26,371	111,657
Total Miscellaneous	69,800	123,108	53,308	124,110
Total Revenues	4,346,375	4,634,023	287,648	4,421,599

CITY OF THOMASTON, GEORGIA

GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

Description:	Final Budget	2015 Actual	Variance with Final Budget	2014 Actual
<u>General Government</u>				
Governing body	\$ 19,552	\$ 19,062	\$ 490	\$ 18,925
City clerk	46,368	41,364	5,004	36,960
City manager	88,568	74,992	13,576	69,555
General administration	4,085,110	2,790,551	1,294,559	986,878
Finance	116,703	103,248	13,455	85,577
Tax administration	6,620	6,500	120	6,620
Legal service	96,631	96,631	-	62,872
Community Development	250,000	182,262	67,738	206,690
Total General Government	4,709,552	3,314,610	1,394,942	1,474,077
<u>Judicial</u>				
Municipal Court	275,325	267,744	7,581	234,102
Total Judicial	275,325	267,744	7,581	234,102
<u>Public Safety</u>				
Police Department				
Police administration	826,556	629,388	197,168	724,379
Patrol	1,171,661	1,121,274	50,387	1,225,084
Fire Department				
Fire administration	209,090	197,500	11,590	157,012
Fire fighting	891,302	861,536	29,766	819,262
Total Public Safety	3,098,609	2,809,698	288,911	2,925,737
<u>Public Works</u>				
Public works administration	283,400	250,607	32,793	219,252
Public works crew	171,052	137,841	33,211	160,524
Landfill postclosure cost	324,506	324,506	-	-
Total Public Works	778,958	712,954	66,004	379,776

CITY OF THOMASTON, GEORGIA

GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

Description:	Final Budget	2015 Actual	Variance with Final Budget	2014 Actual
<u>Culture and Recreation</u>				
Parks	\$ 1,271,250	\$ 712,377	\$ 558,873	\$ 427,459
Parks and public spaces crew	217,368	180,425	36,943	176,307
Total Culture and Recreation	1,488,618	892,802	595,816	603,766
Total Expenditures	10,351,062	7,997,808	2,353,254	5,617,458
Excess of Revenue Over (Under) Expenditures	(6,004,687)	(3,363,785)	2,640,902	(1,195,859)
<u>Other financing sources (uses)</u>				
Transfer In:				
Transfer from Hotel Motel Fund	38,000	40,295	2,295	39,968
Transfer from Electric Fund	3,250,000	3,266,770	16,770	1,000,000
Transfer from Joint Project Fund	-	94,587	94,587	-
Proceeds from sale of property	12,000	-	(12,000)	19,320
Total Other Financing Sources (Uses)	3,300,000	3,401,652	101,652	1,059,288
Net change in fund balance	(2,704,687)	37,867	2,742,554	(136,571)
Fund balance, beginning of year	3,949,033	3,949,033	-	4,085,604
Fund balance, end of year	\$ 1,244,346	\$ 3,986,900	\$ 2,742,554	\$ 3,949,033

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SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

HOTEL/MOTEL TAX FUND - to account for funds collected from the hotel/motel tax and disbursed to other agencies.

LAW ENFORCEMENT CONFISCATION FUND - to account for condemned funds received and disbursed for Law Enforcement expenditures.

JOINT PROJECTS FUND - to account for property taxes collected and payment of services.

CITY OF THOMASTON, GEORGIA

HOTEL/MOTEL TAX FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2015 AND 2014

ASSETS

	2015	2014
Cash and cash equivalent	\$ -	\$ 100
Accounts receivable	5,539	5,784
Total Assets	<u>\$ 5,539</u>	<u>\$ 5,884</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 2,216	\$ 2,353
Due to other funds	3,323	3,531
Total Liabilities	<u>5,539</u>	<u>5,884</u>

Fund Balances:

Restricted	-	-
Total Fund Balances	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 5,539</u>	<u>\$ 5,884</u>

CITY OF THOMASTON, GEORGIA

HOTEL/MOTEL TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>			
Hotel motel tax	\$ 70,000	\$ 67,158	\$ (2,842)
Total Revenues	70,000	67,158	(2,842)
<u>Expenditures:</u>			
General government:			
Chamber of Commerce	28,000	26,863	1,137
Total Expenditures	28,000	26,863	1,137
Excess (Deficiency) of Revenues Over (Under) Expenditures	42,000	40,295	(1,705)
<u>Other Financing Uses:</u>			
Transfers to general fund	(42,000)	(40,295)	1,705
Total Other Financing Sources (Uses)	(42,000)	(40,295)	1,705
Net change in fund balance	-	-	-
Fund balance - beginning of year	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -

CITY OF THOMASTON, GEORGIA

LAW ENFORCEMENT CONFISCATION FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2015 AND 2014

ASSETS

	2015	2014
Cash and cash equivalent	\$ 121,515	\$ 8,258
Total Assets	\$ 121,515	\$ 8,258

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ -	\$ -
Total Liabilities	-	-

Fund Balances:

Restricted for law enforcement	121,515	8,258
Total Fund Balances	121,515	8,258
Total Liabilities and Fund Balances	\$ 121,515	\$ 8,258

CITY OF THOMASTON, GEORGIA

LAW ENFORCEMENT CONFISCATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>			
Fines and forfeitures	\$ 227,975	\$ 129,826	\$ (98,149)
Interest income	25	155	130
Total Revenues	228,000	129,981	(98,019)
<u>Expenditures:</u>			
Current:			
Public safety	20,000	488	19,512
Capital outlay	226,000	16,236	209,764
Total Expenditures	246,000	16,724	229,276
Net change in fund balance	(18,000)	113,257	131,257
Fund balance - beginning of year	8,258	8,258	-
Fund balance - end of year	\$ (9,742)	\$ 121,515	\$ 131,257

CITY OF THOMASTON, GEORGIA

JOINT PROJECTS TAX ALLOCATION DISTRICT FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2015 AND 2014

ASSETS

	2015	2014
Cash and cash equivalent	\$ 774,617	\$ 531,981
Property tax receivable, net	84,750	-
Total Assets	<u>\$ 859,367</u>	<u>\$ 531,981</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
AND FUND BALANCES

Liabilities:

Accounts payable	\$ 20,465	\$ 116,532
Advance to other funds	621,091	504,559
Total Liabilities	<u>641,556</u>	<u>621,091</u>

Deferred inflows of resources:

Unavailable revenue - property taxes	30,736	-
Total Deferred Inflows of Resources	<u>30,736</u>	<u>-</u>

Fund Balances:

Restricted	187,075	-
Unassigned	-	(89,110)
Total Fund Balances (Deficit)	<u>187,075</u>	<u>(89,110)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 859,367</u>	<u>\$ 531,981</u>

CITY OF THOMASTON, GEORGIA

JOINT PROJECTS TAX ALLOCATION DISTRICT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>			
Property taxes	\$ 2,943,466	\$ 1,207,315	\$ (1,736,151)
Intergovernmental	-	58,130	58,130
Total Revenues	2,943,466	1,265,445	(1,678,021)
<u>Expenditures:</u>			
Current:			
General government	900,005	165,435	734,570
Public safety	435,068	162,413	272,655
Economic development	354,033	183,219	170,814
Culture and recreation	988,518	383,606	604,912
Total Expenditures	2,677,624	894,673	1,782,951
Excess (Deficiency) of Revenues Over (Under) Expenditures	265,842	370,772	104,930
<u>Other Financing Sources (Uses):</u>			
Transfers to General Fund	(265,842)	(94,587)	171,255
Total Other Financing Sources (Uses)	(265,842)	(94,587)	171,255
Net change in fund balance	-	276,185	276,185
Fund balance - beginning of year (Deficit)	(89,110)	(89,110)	-
Fund balance - end of year	\$ (89,110)	\$ 187,075	\$ 276,185

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CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUNDS are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

2004 SPECIAL LOCAL OPTION SALES TAX FUND - to account for the City of Thomaston public utility and beautification projects based on the 1 cent special local option sales tax approved by the voters of the City of Thomaston.

2011 SPECIAL LOCAL OPTION SALES TAX FUND - to account for the City of Thomaston sewer lines and park projects based on the 1 cent special local option sales tax approved by the voters of the City of Thomaston.

GREATEST GENERATIONAL PARK FUND - to account for expenditures for the development of the Greatest Generational Park.

2014 COMMUNITY DEVELOPMENT BLOCK GRANT \ WATER LINE FUND - to account for the cost of water line construction.

2012 COMMUNITY DEVELOPMENT BLOCK GRANT \ WATER LINE FUND - to account for the cost of water line construction.

DOT LMIG FUND - to account for the cost of DOT paving projects.

CITY OF THOMASTON, GEORGIA

2004 SPECIAL LOCAL OPTION SALES TAX FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	2015	2014
Cash and cash equivalent	\$ 1,443,638	\$ 1,565,183
Total Assets	<u>\$ 1,443,638</u>	<u>\$ 1,565,183</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ 116,006	\$ -
Retainage payable	14,974	-
Total Liabilities	<u>130,980</u>	<u>-</u>
Fund Balances:		
Restricted for capital projects	<u>1,312,658</u>	<u>1,565,183</u>
Total Fund Balances	<u>1,312,658</u>	<u>1,565,183</u>
Total Liabilities and Fund Balances	<u>\$ 1,443,638</u>	<u>\$ 1,565,183</u>

CITY OF THOMASTON, GEORGIA

2004 SPECIAL LOCAL OPTION SALES TAX FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
<u>Revenues:</u>		
Interest earnings	\$ 7,673	\$ 7,814
Total Revenues	7,673	7,814
<u>Expenditures:</u>		
Capital outlay	260,198	4,307
Total Expenditures	260,198	4,307
Net change in fund balance	(252,525)	3,507
Fund balance - beginning of year	1,565,183	1,561,676
Fund balance - end of year	\$ 1,312,658	\$ 1,565,183

CITY OF THOMASTON, GEORGIA

2011 SPECIAL LOCAL OPTION SALES TAX FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2015 AND 2014

ASSETS

	2015	2014
Cash and cash equivalent	\$ 2,222,961	\$ 1,630,451
Due from other funds	-	13,057
Due from other governments	64,855	69,880
Total Assets	<u>\$ 2,287,816</u>	<u>\$ 1,713,388</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 1,069	\$ 38,617
Total Liabilities	<u>1,069</u>	<u>38,617</u>

Fund Balances:

Restricted for capital projects	<u>2,286,747</u>	<u>1,674,771</u>
Total Fund Balances	<u>2,286,747</u>	<u>1,674,771</u>
Total Liabilities and Fund Balances	<u>\$ 2,287,816</u>	<u>\$ 1,713,388</u>

CITY OF THOMASTON, GEORGIA

2011 SPECIAL LOCAL OPTION SALES TAX FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
<u>Revenues:</u>		
Intergovernmental	\$ 802,146	\$ 829,756
Interest earnings	7,702	6,433
Total Revenues	809,848	836,189
<u>Expenditures:</u>		
Capital outlay	197,872	489,079
Total Expenditures	197,872	489,079
Net change in fund balance	611,976	347,110
Fund balance - beginning of year	1,674,771	1,327,661
Fund balance - end of year	\$ 2,286,747	\$ 1,674,771

CITY OF THOMASTON, GEORGIA

GREATEST GENERATIONAL PARK FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2015 AND 2014

ASSETS

	2015	2014
Cash and cash equivalent	\$ 282,521	\$ 216,379
Total Assets	\$ 282,521	\$ 216,379

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ -	\$ -
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Total Liabilities	-	-
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Fund Balances:

Restricted for capital projects	282,521	216,379
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Total Fund Balances	282,521	216,379
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Total Liabilities and Fund Balances	\$ 282,521	\$ 216,379
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CITY OF THOMASTON, GEORGIA

GREATEST GENERATIONAL PARK FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
<u>Revenues:</u>		
Charges for services	\$ 4,130	\$ 4,145
Interest earnings	764	604
Donation	61,643	85,461
Total Revenues	66,537	90,210
<u>Expenditures:</u>		
Current:		
Culture and recreation	395	-
Capital outlay	-	9,950
Total Expenditures	395	9,950
Net change in fund balance	66,142	80,260
Fund balance - beginning of year	216,379	136,119
Fund balance - end of year	\$ 282,521	\$ 216,379

CITY OF THOMASTON, GEORGIA

2014 COMMUNITY DEVELOPMENT BLOCK GRANT \ WATER LINE FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	2015	2014
Cash and cash equivalent	\$ 1,000	\$ 1,000
Intergovernmental receivable	500,000	-
Total Assets	<u>\$ 501,000</u>	<u>\$ 1,000</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
Liabilities		
Retainage payable	\$ 50,705	\$ -
Due to other funds	450,295	1,000
Total Liabilities	<u>501,000</u>	<u>1,000</u>
Deferred inflows of resources:		
Unavailable revenue - grant revenues	<u>45,018</u>	<u>-</u>
Total Deferred inflows of resources	<u>45,018</u>	<u>-</u>
Fund Balances		
Unassigned	<u>(45,018)</u>	<u>-</u>
Total Fund Balances	<u>(45,018)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 501,000</u>	<u>\$ 1,000</u>

CITY OF THOMASTON, GEORGIA

2014 COMMUNITY DEVELOPMENT BLOCK GRANT \ WATER LINE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
<u>Revenues:</u>		
Intergovernmental	\$ 454,982	\$ -
Total Revenues	454,982	-
<u>Expenditures:</u>		
Capital outlay	500,000	-
Total Expenditures	500,000	-
Net change in fund balance	(45,018)	-
Fund balance - beginning of year	-	-
Fund balance - end of year (Deficit)	\$ (45,018)	\$ -

CITY OF THOMASTON, GEORGIA

2014 COMMUNITY DEVELOPMENT BLOCK GRANT \ WATER LINE FUND

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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED DECEMBER 31, 2015

	Prior Years	Current Year	Total to Date	Project Authorization
<u>Revenues:</u>				
Department of Community Affairs	\$ -	\$ 454,982	\$ 454,982	\$ 500,000
Total Revenues	-	454,982	454,982	500,000
<u>Expenditures:</u>				
Contingencies - Unprogramed Funds	-	-	-	50,000
Water Facilities	-	500,000	500,000	450,000
Total Expenditures	-	500,000	500,000	500,000
Net change in fund balance	-	(45,018)	(45,018)	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year (Deficit)	\$ -	\$ (45,018)	\$ (45,018)	\$ -

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CITY OF THOMASTON, GEORGIA

2012 COMMUNITY DEVELOPMENT BLOCK GRANT \ WATER LINE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	2015	2014
Cash and cash equivalent	\$ -	\$ 1,000
Due from other governments	-	48,507
Total Assets	<u>\$ -</u>	<u>\$ 49,507</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Due to other funds	\$ -	\$ 1,000
Accounts payable	-	48,507
Total Liabilities	<u>-</u>	<u>49,507</u>
Fund Balances:		
Restricted for capital projects (Deficit)	<u>-</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 49,507</u>

CITY OF THOMASTON, GEORGIA

2012 COMMUNITY DEVELOPMENT BLOCK GRANT \ WATER LINE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
<u>Revenues:</u>		
Intergovernmental	\$ 177,487	\$ 322,513
Total Revenues	177,487	322,513
<u>Expenditures:</u>		
Capital outlay	177,487	322,513
Total Expenditures	177,487	322,513
Net change in fund balance	-	-
Fund balance - beginning of year	-	-
Fund balance - end of year	\$ -	\$ -

CITY OF THOMASTON, GEORGIA

2012 COMMUNITY DEVELOPMENT BLOCK GRANT \ WATER LINE FUND

12p-x-145-2-5470

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE-BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED DECEMBER 31, 2015

	Prior Years	Current Year	Total to Date	Project Authorization
<u>Revenues:</u>				
Department of Community Affairs	\$ 322,513	\$ 177,487	\$ 500,000	\$ 500,000
Total Revenues	322,513	177,487	500,000	500,000
<u>Expenditures:</u>				
Contingencies - Unprogramed Funds	-	-	-	50,000
Water Facilities	322,513	177,487	500,000	450,000
Total Expenditures	322,513	177,487	500,000	500,000
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

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CITY OF THOMASTON, GEORGIA

DOT LMIG FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2015 AND 2014

ASSETS

	2015	2014
Cash and cash equivalent	\$ 7	\$ 11
Total Assets	\$ 7	\$ 11

LIABILITIES AND FUND BALANCES

Liabilities:

Unearned revenue	\$ -	\$ -
Total Liabilities	-	-

Fund Balances:

Restricted for capital projects	7	11
Total Fund Balances	7	11
Total Liabilities and Fund Balance	\$ 7	\$ 11

CITY OF THOMASTON, GEORGIA

DOT LMIG FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
<u>Revenues:</u>		
Intergovernmental	\$ 164,057	\$ 162,061
Interest earnings	37	88
Total Revenues	<u>164,094</u>	<u>162,149</u>
<u>Expenditures:</u>		
Capital outlay	<u>164,098</u>	<u>162,138</u>
Total Expenditures	<u>164,098</u>	<u>162,138</u>
Net change in fund balance	(4)	11
Fund balance - beginning of year	<u>11</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 7</u></u>	<u><u>\$ 11</u></u>

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STATISTICAL SECTION

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Statistical Section

This part of the City's Statistical comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, not disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.</i>	94-99
Revenue Capacity <i>These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.</i>	100-106
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.</i>	107-110
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.</i>	111-113
Operating Information <i>These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.</i>	114-115

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

Schedule 1
City of Thomaston
Net Position by Component
Last Ten Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 8,984,026	\$ 10,703,996	\$ 11,086,621	\$ 11,367,708	\$ 12,433,446	\$ 12,132,055	\$ 13,618,213	\$ 13,232,483	\$ 13,671,438	\$ 16,020,543
Restricted	1,531,831	2,166,140	2,915,510	4,111,689	3,254,258	3,517,736	3,248,886	3,039,003	3,464,602	4,190,523
Unrestricted (deficit)	3,646,809	3,626,015	3,871,842	3,038,370	2,927,503	2,668,561	2,199,363	2,731,392	2,490,231	(156,972)
Total governmental activities net position	14,162,666	16,496,151	17,873,973	18,517,767	18,615,207	18,318,352	19,066,462	19,002,878	19,626,271	20,054,094
Business-type activities										
Net investment in capital assets	(2,587,917)	(1,706,248)	2,376,544	5,039,575	10,181,069	11,194,897	13,683,729	15,342,717	17,418,300	20,252,256
Restricted	3,784,861	3,553,683	496,900	290,717	293,632	294,976	294,266	287,528	287,978	290,134
Unrestricted	8,247,081	8,908,778	8,064,809	8,512,409	7,479,800	7,180,839	6,396,029	6,402,398	6,161,297	2,042,275
Total business-type activities net position	9,444,025	10,756,213	10,938,253	13,842,701	17,954,501	18,670,712	20,374,024	22,032,643	23,867,575	22,584,665
Primary government										
Net investment in capital assets	6,396,109	8,997,748	13,463,165	16,407,283	22,614,515	23,326,952	27,301,942	28,575,200	31,089,738	36,272,799
Restricted	5,316,692	5,719,823	3,412,410	4,402,406	3,547,890	3,812,712	3,543,152	3,326,531	3,752,580	4,480,657
Unrestricted	11,893,890	12,534,793	11,936,651	11,550,779	10,407,303	9,849,400	8,595,392	9,133,790	8,651,528	1,885,303
Total primary government net position	\$23,606,691	\$27,252,364	\$28,812,226	\$32,360,468	\$36,569,708	\$36,989,064	\$39,440,486	\$41,035,521	\$43,493,846	\$42,638,759

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Schedule 2
City of Thomaston
Changes in Net Position, Last Ten Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government (<i>Note 1</i>)	\$ 3,303,233	\$ 3,751,117	\$ 3,539,659	\$ 2,244,192	\$ 2,827,252	\$ 1,914,999	\$ 2,038,116	\$ 1,245,804	\$ 1,612,310	\$ 3,639,830
Judicial	173,200	208,664	208,500	215,894	177,475	163,609	202,989	239,417	234,102	267,744
Public safety	2,464,814	2,571,097	2,524,923	2,831,390	2,963,077	2,751,102	2,870,384	2,745,709	3,093,608	2,727,279
Public works	964,826	162,254	647,224	924,573	1,634,486	794,525	1,431,991	1,335,976	909,316	502,207
Economic development	-	471,662	74,651	3,239	217,922	144,262	149,363	144,347	324,151	332,633
Culture and recreation	-	-	-	-	-	21,697	366,231	530,294	993,897	1,276,803
Miscellaneous general government	97,832	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	7,003,905	7,164,794	6,994,957	6,219,288	7,820,212	5,790,194	7,059,074	6,241,547	7,167,384	8,746,496
Business-type activities:										
Water & Sewer	2,806,160	3,068,279	3,326,701	3,806,922	3,452,263	3,978,918	4,361,621	4,093,022	4,335,355	4,747,369
Electric	8,384,457	9,124,833	9,767,618	8,546,908	9,220,580	11,008,854	11,465,199	10,672,120	11,954,799	11,752,201
Sanitation	-	-	-	988,594	994,802	1,083,916	1,073,394	1,147,044	1,083,180	1,131,507
Total business-type activities expenses	11,190,617	12,193,112	13,094,319	13,342,424	13,667,645	16,071,688	16,900,214	15,912,186	17,373,334	17,631,077
Total primary government expenses	18,194,522	19,357,906	20,089,276	19,561,712	21,487,857	21,861,882	23,959,288	22,153,733	24,540,718	26,377,573
Program Revenues										
Governmental activities:										
Charges for services:										
Refuse collection	1,021,529	1,018,178	1,030,657	-	-	-	-	-	-	-
Cemetery fees	8,500	7,600	21,900	18,500	13,000	18,550	15,000	14,500	17,900	15,950
Fines and forfeitures	401,093	566,318	529,899	541,228	388,554	276,797	385,320	416,557	374,287	436,833
Licenses and permits	121,030	126,336	127,572	124,856	132,852	129,296	134,176	131,055	146,732	192,360
Public safety	8,699	1,624	8,454	5,537	10,598	5,145	724	6,742	9,782	129,826
Rent	128,813	144,272	146,463	161,820	161,646	162,472	166,129	209,629	219,746	216,290
Other	-	-	-	-	-	2,530	3,270	3,520	4,145	4,130
Operating grants and contributions	249,367	527,095	248,199	823,238	801,356	220,301	283,760	316,429	322,856	620,317
Capital grants and contributions	-	409,015	223,375	898,288	1,481,609	438,426	1,908,281	756,809	1,166,516	1,449,990
Total governmental activities program revenues	1,939,031	2,800,438	2,336,519	2,573,467	2,989,615	1,253,517	2,896,660	1,855,241	2,261,964	3,065,696
Business-type activities:										
Charges for services:										
Water & Sewer	3,639,706	3,796,102	3,751,551	3,598,022	3,548,910	3,667,827	4,042,795	4,140,579	4,534,921	4,624,733
Electric	10,046,160	10,267,643	10,269,743	10,537,058	11,261,852	11,646,993	12,074,428	12,370,325	13,352,066	13,176,252
Sanitation	-	-	-	1,018,375	1,017,658	1,010,003	1,090,951	1,098,606	1,142,030	1,158,505
Capital grants and contributions	-	-	-	1,339,092	3,013,367	485,621	2,496,166	953,164	1,114,049	1,820,908
Total business-type activities program revenues	13,685,866	14,063,745	14,021,294	16,492,547	18,841,787	16,810,444	19,704,340	18,562,674	20,143,066	20,780,398
Total primary government program revenues	15,624,897	16,864,183	16,357,813	19,066,014	21,831,402	18,063,961	22,601,000	20,417,915	22,405,030	23,846,094

*Note 1: Prior year balances have been restated to break out the Judicial expenses into a separate line item.

Schedule 2
City of Thomaston
Changes in Net Position, Last Ten Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expenses)/Revenue										
Governmental activities	\$ (5,064,874)	\$ (4,364,356)	\$ (4,658,438)	\$ (3,645,821)	\$ (4,830,597)	\$ (4,536,677)	\$ (4,162,414)	\$ (4,386,306)	\$ (4,905,420)	\$ (5,680,800)
Business-type activities	2,495,249	1,870,633	926,975	3,150,123	5,174,142	738,756	2,804,126	2,650,488	2,769,732	3,149,321
Total primary government net expense	(2,569,625)	(2,493,723)	(3,731,463)	(495,698)	343,545	(3,797,921)	(1,358,288)	(1,735,818)	(2,135,688)	(2,531,479)
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	847,104	857,612	797,439	806,282	827,426	797,423	812,885	799,954	1,640,108	1,972,285
Sales taxes	2,426,271	2,469,820	2,261,187	1,222,074	1,367,381	1,349,798	1,372,294	1,202,035	1,371,890	1,316,453
Franchise taxes	425,578	373,555	367,655	398,461	307,630	358,274	335,574	367,435	336,097	331,887
Insurance premiums taxes	493,135	514,395	526,717	521,775	506,611	430,147	456,850	473,025	494,582	528,379
Other taxes	338,259	327,877	335,031	319,443	320,293	315,496	308,835	410,201	475,317	440,345
Unrestricted grants and contributions	228,295	-	-	-	-	-	-	-	-	-
Interest revenue	161,332	204,273	176,526	123,181	58,012	30,354	17,188	13,346	13,166	10,949
Gain on sale of capital assets	-	-	-	14,391	8,157	20,565	2,111	5,291	535	-
Miscellaneous	121,860	234,779	275,166	299,702	86,416	112,765	106,287	45,438	197,118	174,759
Transfers	1,234,256	1,260,067	1,296,539	1,000,000	1,446,111	825,000	1,498,500	1,005,997	1,000,000	3,266,770
Total government activities	6,276,090	6,242,378	6,036,260	4,705,309	4,928,037	4,239,822	4,910,524	4,322,722	5,528,813	8,041,827
Business-type activities:										
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Interest revenue	416,988	701,622	537,813	338,631	383,769	802,455	397,686	14,128	65,200	41,351
Miscellaneous	38,558	-	13,791	-	-	-	-	-	-	270,052
Transfers	(1,234,256)	(1,260,067)	(1,296,539)	(1,000,000)	(1,446,111)	(825,000)	(1,498,500)	(1,005,997)	(1,000,000)	(3,266,770)
Total business-type activities	(778,710)	(558,445)	(744,935)	(661,369)	(1,062,342)	(22,545)	(1,100,814)	(991,869)	(934,800)	(2,955,367)
Total primary government	5,497,380	5,683,933	5,291,325	4,043,940	3,865,695	4,217,277	3,809,710	3,330,853	4,594,013	5,086,460
Change in Net Position										
Governmental activities	1,211,216	1,878,022	1,377,822	1,059,488	97,440	(296,855)	748,110	(63,584)	623,393	2,361,027
Business-type activities	1,716,539	1,312,188	182,040	2,488,754	4,111,800	716,211	1,703,312	1,658,619	1,834,932	193,954
Total primary government	\$ 2,927,755	\$ 3,190,210	\$ 1,559,862	\$ 3,548,242	\$ 4,209,240	\$ 419,356	\$ 2,451,422	\$ 1,595,035	\$ 2,458,325	\$ 2,554,981

Schedule 3
City of Thomaston
Program Revenues by Function / Program
Last Ten Years
(accrual basis of accounting)

	Program Revenues									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function/Program										
Governmental activities:										
General Government	\$ 1,898,229	\$ 2,338,542	\$ 1,940,926	\$ 1,183,840	\$ 964,061	\$ 634,031	\$ 851,422	\$ 824,497	\$ 806,670	\$ 1,128,940
Public Safety	40,802	41,646	30,175	36,253	185,961	40,020	45,454	39,540	22,265	168,507
Public Works	-	11,235	142,043	1,353,374	1,839,593	579,466	1,999,784	991,204	1,433,029	1,768,249
Economic Development	-	409,015	223,375	-	-	-	-	-	-	-
Subtotal government activities	1,939,031	2,800,438	2,336,519	2,573,467	2,989,615	1,253,517	2,896,660	1,855,241	2,261,964	3,065,696
Business-type activities										
Electricity	10,046,160	10,267,643	10,269,743	10,537,058	11,267,401	11,654,531	12,074,428	12,370,325	13,352,066	13,176,252
Water & Sewer	3,639,706	3,796,102	3,751,551	4,937,114	6,556,728	4,145,910	6,538,961	5,093,743	5,648,970	6,445,641
Sanitation	-	-	-	1,018,375	1,017,658	1,010,003	1,090,951	1,098,606	1,142,030	1,158,505
Subtotal business-type activities	13,685,866	14,063,745	14,021,294	16,492,547	18,841,787	16,810,444	19,704,340	18,562,674	20,143,066	20,780,398
Total primary government	\$15,624,897	\$16,864,183	\$16,357,813	\$19,066,014	\$21,831,402	\$18,063,961	\$22,601,000	\$20,417,915	\$22,405,030	\$23,846,094

Schedule 4
City of Thomaston
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	Restated 2010	2011 *	2012	2013	2014	2015
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 70,704	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,166,496	3,468,554	3,523,676	3,613,786	3,932,640	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	45,461	504,559	666,552
Assigned	-	-	-	-	-	1,228,319	1,567,152	584,882	1,881,368	1,088,523
Unassigned	-	-	-	-	-	2,886,174	2,152,349	3,455,261	1,563,106	2,231,825
Total General Fund	<u>\$ 3,166,496</u>	<u>\$ 3,468,554</u>	<u>\$ 3,523,676</u>	<u>\$ 3,613,786</u>	<u>\$ 4,003,344</u>	<u>\$ 4,114,493</u>	<u>\$ 3,719,501</u>	<u>\$ 4,085,604</u>	<u>\$ 3,949,033</u>	<u>\$ 3,986,900</u>
All Other Governmental Funds										
Reserved										
Program purposes	\$ -	\$ -	\$ -	\$ 192,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	1,531,831	2,166,140	2,915,510	3,911,866	3,236,371	-	-	-	-	-
Public safety	-	-	-	6,989	17,887	-	-	-	-	-
Unreserved										
Special Revenue Funds	253,179	230,339	241,426	-	-	-	-	-	-	-
Capital projects funds	367,668	567,768	718,442	-	8,430	-	-	-	-	-
Restricted										
Capital projects	-	-	-	-	-	3,508,598	3,242,099	3,025,456	3,456,344	3,881,933
Public safety	-	-	-	-	-	9,138	6,787	13,547	8,258	121,515
Joint projects	-	-	-	-	-	-	-	-	-	187,075
Unassigned	-	-	-	-	-	-	-	-	(89,110)	(45,018)
Total all other government funds	<u>\$ 2,152,678</u>	<u>\$ 2,964,247</u>	<u>\$ 3,875,378</u>	<u>\$ 4,111,689</u>	<u>\$ 3,262,688</u>	<u>\$ 3,517,736</u>	<u>\$ 3,248,886</u>	<u>\$ 3,039,003</u>	<u>\$ 3,375,492</u>	<u>\$ 4,145,505</u>

* Prior year amounts have not been restated for the implementation of Statement 54.

Schedule 5
City of Thomaston
Changes in Fund Balance, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property taxes	\$ 955,826	\$ 792,745	\$ 760,324	\$ 893,218	\$ 849,227	\$ 781,027	\$ 839,576	\$ 790,859	\$ 766,757	\$ 701,445
Sales taxes	2,426,271	2,469,820	2,261,187	1,222,074	1,367,381	1,349,798	1,372,294	1,202,035	1,371,890	1,316,453
Other taxes	1,256,972	1,215,827	1,229,403	1,239,679	1,134,534	1,103,917	1,101,261	1,250,661	2,176,436	2,507,926
Licenses and permits	121,030	126,336	127,572	124,856	132,852	129,296	134,176	131,055	146,732	192,360
Intergovernmental	255,054	936,110	471,574	1,721,526	2,243,471	626,371	2,174,227	1,058,315	1,475,125	2,054,933
Fines and forfeitures	409,792	567,942	538,353	546,765	399,152	281,942	386,044	423,299	384,069	566,659
Charges for services	1,030,029	1,025,778	1,052,557	18,500	13,000	21,080	18,270	18,020	22,045	20,080
Interest earnings	161,332	204,273	176,526	123,181	97,507	62,710	35,002	28,269	27,413	26,324
Rent	128,813	144,272	146,463	161,820	161,646	162,472	166,129	209,629	219,746	216,290
Donations	-	-	200,000	200,295	255	50,461	17,752	4,350	85,461	-
Other revenues	116,173	234,779	75,166	99,407	86,160	62,304	88,533	41,088	111,657	174,758
Total revenue	6,861,292	7,717,882	7,039,125	6,351,321	6,485,185	4,631,378	6,333,264	5,157,580	6,787,331	7,777,228
Expenditures										
General Government (<i>Note 1</i>)	2,878,408	3,237,612	3,611,428	2,455,040	2,593,089	1,610,689	2,573,930	1,235,802	1,653,501	3,506,908
Judicial	173,200	208,664	208,500	215,894	177,475	163,609	202,989	239,417	234,102	267,744
Public Safety	2,447,639	2,603,913	2,698,239	2,727,019	2,756,897	2,741,548	2,756,576	2,757,773	3,101,427	2,972,599
Public Works	880,566	571,184	588,849	472,807	496,559	344,961	273,226	273,062	462,523	712,954
Economic Development	97,832	441,423	68,852	47,609	50,092	440	-	-	183,246	183,219
Culture and Recreation	-	-	-	-	-	21,697	366,231	530,294	983,947	1,276,803
Capital outlay	28,671	816,427	210,246	1,032,302	2,198,369	227,802	2,324,765	981,929	987,987	1,315,891
Total expenditures	6,506,316	7,879,223	7,386,114	6,950,671	8,272,481	5,110,746	8,497,717	6,018,277	7,606,733	10,236,118
Excess of revenues over (under) expenditures	354,976	(161,341)	(346,989)	(599,350)	(1,787,296)	(479,368)	(2,164,453)	(860,697)	(819,402)	(2,458,890)
Other Financing Sources (Uses)										
Transfers from other funds	1,282,059	1,362,050	1,351,188	1,052,562	1,381,207	941,422	1,558,988	1,052,103	1,039,968	3,401,652
Transfers to other funds	(47,803)	(101,983)	(57,159)	(52,562)	(61,511)	(116,422)	(60,488)	(46,106)	(39,968)	(134,882)
Sale of property	48,908	14,901	19,213	14,391	8,157	20,565	2,111	10,920	19,320	-
Total other financing sources (uses)	1,283,164	1,274,968	1,313,242	1,014,391	1,327,853	845,565	1,500,611	1,016,917	1,019,320	3,266,770
Net change in fund balances	\$1,638,140	\$1,113,627	\$ 966,253	\$ 415,041	\$ (459,443)	\$ 366,197	\$ (663,842)	\$ 156,220	\$ 199,918	\$ 807,880

Note 1: Prior year balances have been restated to break out Judicial expenditures.

Schedule 6
City of Thomaston
Tax Revenues by Source, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

Fiscal Year	Tax Revenues											
	Special Local											Total
	General Property	Motor Vehicle and Mobile Home	Local Option (LOST) Sales	Option (SPLOST) Sales	Joint Projects Special Taxing District	Intangible	Franchise	Insurance Premium	Real Estate Transfer	Alcoholic Beverage	Hotel/Motel	
2006	\$ 963,772	\$ 51,683	\$ 1,482,836	\$ 914,051	\$ -	\$ 16,785	\$ 425,578	\$ 493,135	\$ 3,461	\$ 198,373	\$67,773	\$4,617,447
2007	803,148	46,329	1,514,026	952,334	-	11,478	373,555	514,395	2,187	187,125	71,107	4,475,684
2008	767,404	52,750	1,392,274	866,988	-	5,883	353,646	526,717	2,909	209,161	73,795	4,251,527
2009	897,871	44,112	1,344,385	837,816	-	4,289	399,409	521,775	1,174	201,277	68,536	4,320,644
2010	835,962	43,898	1,359,520	751,867	-	3,717	306,320	506,611	1,148	199,690	71,840	4,080,573
2011	807,151	45,173	1,350,981	330,313	-	5,374	332,327	430,147	991	194,922	64,548	3,561,927
2012	837,267	48,152	1,369,499	830,489	-	2,614	336,485	456,850	619	192,901	63,745	4,138,621
2013	797,391	151,002	1,216,347	741,886	-	3,213	354,601	473,025	1,024	186,121	66,611	3,991,221
2014	766,757	220,865	1,371,890	829,756	870,440	2,592	336,097	494,582	1,770	183,476	66,614	5,144,839
2015	751,285	179,877	1,319,486	802,146	1,221,786	9,414	333,289	528,379	4,293	179,603	67,404	5,396,962

Note 1: The Joint Projects Special Taxing District began in year 2014.

Schedule 7**City of Thomaston****Assessed Value and Estimated Actual Value of Real and Personal Property****Last Ten Years**

Fiscal Year	Real Property		Personal Property		Total Property		Total Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	
2006	\$ 138,842,814	\$ 347,107,035	\$ 92,561,876	\$ 231,404,690	\$ 231,404,690	\$ 578,511,725	3.68
2007	140,356,723	350,891,807	93,571,148	233,927,871	233,927,871	584,819,678	3.66
2008	142,986,732	357,466,829	95,324,487	238,311,219	238,311,219	595,778,048	3.62
2009	139,593,495	348,983,738	93,062,330	232,655,825	232,655,825	581,639,563	3.62
2010	138,847,608	347,119,020	92,565,072	23,142,680	231,412,680	578,531,700	3.62
2011	135,900,198	339,750,495	90,600,132	226,500,330	226,500,330	566,250,825	3.62
2012	129,251,671	323,129,177	86,167,780	215,419,451	215,419,451	538,548,628	3.84
2013	125,958,756	314,896,890	83,972,504	209,931,260	209,931,260	524,828,150	3.84
2014	121,702,492	304,256,229	81,134,994	202,837,486	202,837,486	507,093,715	3.84
2015	122,795,489	306,988,722	81,863,659	204,659,148	204,659,148	511,647,870	3.80

Note: (1) Assessed values are established by the Upson County Assessment Board on January 1 of each year at 40% of estimated market value.

Source: Final Accounting Reports of the Upson County Tax Commissioner.

Schedule 8
City of Thomaston
Direct & Overlapping Property Tax Rates
Last Ten Years
(rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rates				Overlapping Rates			Total
	Basic Rate	Joint Projects Rate	General Obligation Debt Service	Total Direct Rate	State of Georgia	Upson County	City-County School System	
2006	3.68	0.00	0.00	3.68	0.25	12.80	14.34	31.07
2007	3.66	0.00	0.00	3.66	0.25	12.72	15.03	31.66
2008	3.62	0.00	0.00	3.62	0.25	12.72	14.30	30.89
2009	3.62	0.00	0.00	3.62	0.25	12.72	14.30	30.89
2010	3.62	0.00	0.00	3.62	0.25	12.72	14.30	30.89
2011	3.62	0.00	0.00	3.62	0.25	12.72	14.30	30.89
2012	3.84	0.00	0.00	3.84	0.20	7.77	15.30	27.11
2013	3.84	0.00	0.00	3.84	0.15	16.50	15.34	35.83
2014	3.84	4.91	0.00	8.75	0.10	11.13	15.38	35.36
2015	3.80	6.28	0.00	10.08	0.05	9.76	15.38	35.27

The overlapping rates are those of state and county governments that apply to property owners within the City of Thomaston

In 2014 the City of Thomaston adopted a joint projects rate for services being paid for by both city and county residents. The rate made the City portion of taxes increase, but reduced the overlapping County portion of taxes. Projects such as the Recreation Department, Airport, Archives, Industrial Development Authority, E-911, etc. are being funded by the Joint Projects Tax Rate.

Schedule 9
City of Thomaston
Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	2015				Taxpayer	2005			
	Total Assessed Value	City Tax Levy	Rank	Percentage of Total City Tax Levy		Total Assessed Value	City Tax Levy	Rank	Percentage of Total City Tax Levy
West Georgia Generating	\$31,443,124	\$316,947	1	14.78%	West Georgia Generating	\$37,215,000	\$142,533	1	16.16%
Wal-Mart Stores, Inc.	6,732,838	67,868	2	3.16%	Wal-Mart Stores, Inc.	6,932,652	26,552	2	3.01%
Home Depot	3,852,585	38,833	3	1.81%	Yamaha Music Mfg., Inc.	8,301,368	23,485	3	2.66%
Standard Textiles	9,247,362	27,345	4	1.28%	Atlantic Paper & Foil	5,763,600	19,164	4	2.17%
SouthCrest Bank	3,790,157	26,611	5	1.24%	Home Depot	5,001,976	19,160	5	2.17%
North Creek Shopping Center	2,363,299	23,822	6	1.11%	One Four Five Associates	2,751,635	10,539	6	1.20%
Ingles Market	2,102,718	21,195	7	0.99%	Georgia Alltel Telecom	2,632,478	10,082	7	1.14%
Avapco, LLC	1,988,397	20,043	8	0.93%	1888 Mills, LLC	8,777,745	7,895	8	0.90%
Blackstock Properties	1,646,201	16,553	9	0.77%	Oracle packaging Co. of Georgia	3,736,823	7,144	9	0.81%
Charter Communication	2,577,318	15,957	10	0.74%	Royal Cord, Inc.	3,460,898	5,380	10	0.61%
	<u>\$65,743,999</u>	<u>\$575,174</u>		<u>26.81%</u>		<u>\$84,574,175</u>	<u>\$271,934</u>		<u>30.83%</u>

Source: Upson County Tax Commissioner's Office

Note: The city began tracking principle property tax data when it implemented GASB Statement 44.

Schedule 10
City of Thomaston
Property Tax Levies and Collections
Last Ten Years

Year	Total Tax Levy		Collected within the Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percent of Levy		Amount	Percent of Levy
2006	\$	874,757	\$ 760,294	86.91%	\$ 114,405	\$ 874,575	99.98%
2007		917,470	734,117	80.02%	183,304	917,421	99.99%
2008		868,711	729,936	84.03%	138,647	868,583	99.99%
2009		879,011	768,774	87.46%	109,843	878,617	99.96%
2010		875,559	769,592	87.90%	105,445	875,037	99.94%
2011		851,015	734,588	86.32%	115,652	850,240	99.91%
2012		875,547	640,085	73.11%	234,084	874,169	99.84%
2013		950,132	856,029	90.10%	85,801	941,830	99.13%
2014		988,859	887,224	89.72%	83,640	970,864	98.18%
2015		948,510	815,883	86.02%	-	815,883	86.02%

Source: Final Accounting Reports of the Upson County Tax Commissioner

Schedule 11
City of Thomaston
Sales Tax Revenue by Category
Last Three Years

	Sales Tax			Sales Tax			Sales Tax	
	Distributions	Percentage		Distributions	Percentage		Distributions	Percentage
	2013	of Total		2014	of Total		2015	of Total
Accommodations	\$ 15,064	0.53%		\$ 15,732	0.50%		\$ 14,802	0.48%
Automotive	122,147	4.32%		61,186	1.93%		64,036	2.09%
Construction	6,326	0.22%		6,457	0.20%		7,085	0.23%
Food	474,079	16.75%		500,737	15.76%		531,623	17.33%
General	572,901	20.25%		705,332	22.20%		735,377	23.97%
Home	87,096	3.08%		73,792	2.32%		70,615	2.30%
Manufacturers	122,722	4.34%		323,088	10.17%		234,770	7.65%
Misc. Service	300,192	10.61%		310,128	9.76%		320,032	10.43%
Other Retail	267,560	9.45%		299,195	9.42%		285,450	9.30%
Other Services	96,849	3.42%		70,941	2.23%		71,480	2.33%
Utilities	326,948	11.55%		333,714	10.50%		291,981	9.52%
Wholesale	437,955	15.48%		477,192	15.02%		440,889	14.37%
Total	<u>\$ 2,829,839</u>	<u>100.00%</u>		<u>\$ 3,177,494</u>	<u>100.00%</u>		<u>\$ 3,068,140</u>	<u>100.00%</u>

Note: Since the City of Thomaston does not have a city sales tax, all sales tax reported to the Georgia Department of Revenue is accumulated by commodity as Upson County. The above numbers are taken from commodity reports issued by the Georgia Department of Revenue for Upson County and represent the county as a whole.

The local option sales tax revenue for Upson County is shared by the City of Thomaston, the City of Yatesville, and Upson County. The distribution percent, as agreed on by the three governments, is 43% to the City of Thomaston, 2% to the City of Yatesville, and 55% to Upson County.

Schedule 12
City of Thomaston
Direct and Overlapping Sales Tax Rates
Last Ten Years

Fiscal Year	City Direct Rate	Upson County
2006	2.00% LOST (1) & SPLOST (2)	3.00% LOST & SPLOST (2) & ELOST (3)
2007	2.00% LOST & SPLOST	3.00% LOST & SPLOST & ELOST
2008	2.00% LOST & SPLOST	3.00% LOST & SPLOST & ELOST
2009	2.00% LOST & SPLOST	3.00% LOST & SPLOST & ELOST
2010	2.00% LOST & SPLOST	3.00% LOST & SPLOST & ELOST (4)
2011	2.00% LOST & SPLOST (5)	3.00% LOST & SPLOST (5) & ELOST
2012	2.00% LOST & SPLOST	3.00% LOST & SPLOST & ELOST
2013	2.00% LOST & SPLOST	3.00% LOST & SPLOST & ELOST
2014	2.00% LOST & SPLOST	3.00% LOST & SPLOST & ELOST
2015	2.00% LOST & SPLOST	3.00% LOST & SPLOST & ELOST (6)

LOST - Local Option Sales Tax

ELOST - Education Local Option Sales Tax

SPLOST - Special Purpose Local Option Sales Tax

Note: Although the City's direct sales tax rate is included in the County rate, the City receives the sales tax revenue for sales made within the City. The rate listed under the County is the rate that is added to the state sales tax rate to determine the total rate for the entire County.

- (1) The LOST for the City of Thomaston and Upson County began on 7/1/1981 with no ending date.
- (2) The 1% SPLOST began on 4/1/2005 and ended 3/31/2011. The City of Thomaston, City of Yatesville and Upson County share the SPLOST funds.
- (3) The 1% ELOST began 7/1/2006 and ended 6/30/2010.
- (4) The 1% ELOST began 7/1/2010 and will end 6/30/2015.
- (5) The 1% SPLOST began on 7/1/2011 and ends 6/30/2016. The City of Thomaston, City of Yatesville and Upson County share the SPLOST funds.
- (6) The 1% ELOST began 7/1/2015 and will end 6/30/2020.

Schedule 13
City of Thomaston
Outstanding Debt by Type
Last Ten Years

Year	Governmental	Business-type				Total Debt as a Percent of Personal Income	
	Activities	Activities			Total Debt Per Capita		
	General Obligation Bonds	Water/Sewer Revenue Bonds	Water/Sewer Georgia Revolving Loan	Total Primary Government			
2006	\$	-	\$ 10,060,000 (1)	\$ 1,982,478 (2)	\$ 12,042,478	\$ 1,318	0.1957%
2007		-	9,740,000	1,733,893	11,473,893	1,252	0.2162%
2008		-	9,410,000	1,477,767	10,887,767	1,185	0.2392%
2009		-	9,070,000	1,213,870	10,283,870	1,119	0.2577%
2010		-	8,720,000	941,966	9,661,966	1,054	0.2801%
2011		-	8,360,000	2,331,307 (3)	10,691,307	1,173	0.2444%
2012		-	7,985,000	2,669,096 (4)	10,654,096	1,169	0.2631%
2013		-	7,725,000	2,207,203	9,932,203	1,095	0.3042%
2014		-	7,255,000	3,478,651 (5)	10,733,651	1,183	0.2957%
2015		-	6,775,000	4,294,717 (6)	11,069,717	1,226	0.2784%

Notes: (1) The City of Thomaston issued \$11,200,000 in revenue bonds in November 2002. The 2002 bonds were refunded in August 2013 in the amount of \$8,200,000.

(2) The City of Thomaston entered into a promissory note agreement with the Georgia Environmental Finance Authority (GEFA) for a revolving loan in August 2001, for payments to begin in January 2002. This loan balance was all paid in August 2013.

(3) The City of Thomaston entered into a promissory note agreement with the Georgia Environmental Finance Authority (GEFA) in 2009 for a 30% loan / 70% grant. All of the 30% portion was drawn in 2011. The 2015 ending balance was \$861,762.

(4) The City of Thomaston entered into a promissory note agreement with the Georgia Environmental Finance Authority (GEFA) in 2010 for a 70% loan / 30% grant. The first draw on the loan was made in 2011. The remainder of the loan was drawn in 2012. The 2015 ending balance was \$1,159,798.

(5) The City of Thomaston entered into a promissory note agreement with the Georgia Environmental Finance Authority (GEFA) in 2013. The first draw on the loan was made in 2014. The 2015 ending balance was \$2,273,157.

(6) The City of Thomaston entered into a promissory note agreement with the Georgia Environmental Finance Authority (GEFA) in 2014. There were no draws made on the loan in 2015. The 2015 ending balance was \$0.

Total debt per capita is based on the city population on schedule 17.

Total debt as a percent of personal income is based on county per capita income on schedule 17.

Schedule 14**City of Thomaston****Direct and Overlapping Governmental Activities Debt****As of December 31, 2015****SUMMARY OF CITY DEBT BY CATEGORY AND OVERLAPPING DEBT**

Set forth below is information concerning long-term tax supported debt of the City and the overlapping property tax supported debt of certain governmental entities that is attributable to property owners in the City based on the proportion to which the jurisdiction of the City overlaps such entities. Although the City has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant its completeness or accuracy, as there is no central reporting entity which has this information available, and the amounts are based on information supplied by others.

<u>Category of Debt</u>	<u>Amount of Outstanding Debt</u>
Direct:	
City's - General Obligation Debt (1)	\$ -
Total Direct Debt	-
Overlapping (3)	
Upton County - General Obligation Debt (1)	-
- GEFA Loans (2)	4,536,497
- Capital Leases (4)	109,447
Total Overlapping Debt	4,645,944
Total Direct and Overlapping	<u>\$ 4,645,944</u>

Notes:

- (1) Represents general obligations of the issuer to which its full faith and credit are pledged.
- (2) GEFA loans are general obligations of the issuer to which its full faith and credit and taxing power are pledged, but do not constitute debt for purposes of the constitutional debt limit. These loans are expected to be paid with moneys derived from the operation of the water and sewer system.
- (3)

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Thomaston, Georgia. This process recognizes that, when considering the governments ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. The percentage applicable to the City of Thomaston is 36%.
- (4) The financial obligations under capital leases do not constitute general obligations to which the taxing power is pledged, but are subject to and dependent upon lawful appropriations of general revenues being made to pay the capital lease payments due in each year. Obligations under capital leases are from year to year only and do not constitute mandatory payment obligations in any year in which funds are not appropriated to pay the capital lease payments due in such year. Obligations under capital leases do not constitute debt for purposes of the constitutional debt limit.

Schedule 15
City of Thomaston
Legal Debt Margin Information
Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Assessed Value	\$231,404,690	\$233,927,871	\$238,311,219	\$232,655,825	\$231,412,680	\$226,500,330	\$215,419,451	\$209,931,260	\$202,837,486	\$204,659,148
Debt Limit - 10% of Assessed Value	23,140,469	23,392,787	23,831,122	23,265,583	23,141,268	22,650,033	21,541,945	20,993,126	20,283,749	20,465,915
Debt Applicable to Limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	23,140,469	23,392,787	23,831,122	23,265,583	23,141,268	22,650,033	21,541,945	20,993,126	20,283,749	20,465,915
Legal debt margin as a percentage of the debt limit	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Note: Under state finance law, the city's outstanding general obligation debt should not exceed 15 percent of total assessed property value. However, the city has established a more conservative internal limit of no more than 10 percent. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Schedule 16
City of Thomaston
Pledged-Revenue Coverage
Last Ten Years

Public Utilities System Revenue Bonds								
Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage	
				Principal	Interest	Total		
2006	\$ 14,144,962	\$ 10,410,788	\$ 3,734,174	\$ 310,000	\$ 439,111	\$ 749,111	4.98	
2007	14,761,500	11,414,549	3,346,951	320,000	431,361	751,361	4.45	
2008	14,572,898	12,302,513	2,270,385	330,000	421,761	751,761	3.02	
2009	15,620,473	12,003,246	3,617,227	340,000	411,861	751,861	4.81	
2010	16,212,189	12,738,846	3,473,343	350,000	400,981	750,981	4.63	
2011	17,127,278	15,019,376	2,107,902	360,000	389,081	749,081	2.81	
2012	17,605,860	15,784,973	1,820,887	375,000	376,481	751,481	2.42	
2013	17,652,821	14,690,098	2,962,723	475,000	246,796	721,796	4.10	
2014	19,071,949	16,366,704	2,705,245	470,000	192,146	662,146	4.09	
2015	19,264,755	16,507,873	2,756,882	480,000	181,375	661,375	4.17	

Notes:

Gross revenue equals operating and non-operating revenues of the Public Utilities Revenue Funds.

Operating expenses do not include bond interest, depreciation or amortization expenses.

The City of Thomaston issued \$11,200,000 in revenue bonds in November 2002. The 2002 bonds were refunded in August 2013 in the amount of \$8,200,000.

Schedule 17
City of Thomaston
Demographic and Economic Statistics
Last Ten Years

Year	Population	Per Capita Personal Income	Median Age	Unemployment Rate
2006	9,140	\$ 23,569	N/A	N/A
2007	9,165	24,811	N/A	N/A
2008	9,191	26,041	N/A	N/A
2009	9,191	26,498	37.4	12.6
2010	9,170	27,067	N/A	12.3
2011	9,112	26,133	39.4	11.5
2012	9,112	28,033	38.2	11.1
2013	9,070	30,211	38.2	10.2
2014	9,081	31,739	38.2	9.2
2015	9,032	30,815	38.2	7.1

Notes: The population number for 2011 was obtained from the Three Rivers Regional Commission, based on the 2010 Census for the City of Thomaston.

The per capita income is given for Upson County rather than the City of Thomaston, due to the lack of availability of information for the City.

The median age was obtained from the Three Rivers Regional Commission for the City of Thomaston.

The unemployment rate for 2011 was obtained from the Three Rivers Regional Commission for the City of Thomaston.

The unemployment rate for 2009 and 2010 was obtained from the Georgia Department of Labor.

N/A = Not Available

Schedule 18
City of Thomaston
Principal Employers
Current Year and Nine Years Ago

Employer	Number of Employees	2015 Rank	Employer	Number of Employees	2006 Rank
Thomaston/Upson County Schools	715	1	Thomaston/Upson County Schools	724	1
Upson Regional Medical Center	650	2	Upson Regional Medical Center	517	2
Upson County Government	230	3	Georgia Dept. of Transportation (Note 1)	263	3
Standard Textile Company	193	4	Standard Textile Company	210	4
Wal-Mart	161	5	Yamaha Music Mfg. (Note 2)	187	5
Southern Crescent Technical College	122	6	City of Thomaston	128	6
Home Depot	100	7	1888 Mills, LLC.	125	7
Golden Living	98	8	Oracle Packaging of Georgia (Note 3)	118	8
Riverside Nursing Home	89	9	Atlantic Paper & Foil (Note 3)	106	9
City of Thomaston	82	10	Thomaston Mfg. / ATD American	60	10

Source: Thomaston-Upson County Chamber of Commerce

Note: The city began tracking principle employer data when it implemented GASB Statement 44.

Note 1: The Georgia Department of Transportation offices moved to the county during 2007.

Note 2: Yamaha Music Mfg. ceased operations in 2007.

Note 3: Ceased operations prior to 2015.

Schedule 19
City of Thomaston
Full Time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	Full Time Equivalent Employees as of December 31,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Administration	9	11	10	10	10	10	5	4	4	4
Finance	5	5	5	5	5	5	5	5	5	5
Community Development	1	1	1	1	1	1	1	1	1	1
Parks & Public Spaces (Note 1)							6	5	5	5
Meter Readers (Note 2)							2	2	3	3
Electric Department	18	15	14	13	13	13	13	11	11	12
Fire Department	18	19	19	21	21	20	20	19	15	17
Police Department										
Officers	27	27	27	23	22	23	21	20	22	22
Civilians	3	2	3	3	3	3	3	3	2	2
Street Department	19	12	11	10	8	5	4	4	4	2
Water/Wastewater Department (Note 3)	25	25	25	24	21	19	21	19	20	21

Source: Payroll records

Note 1: The Parks & Public Spaces Department began in 2012.

Note 2: The Meter Readers were reclassified from Administration to their own line item beginning in 2012.

Note 3: The city's water and wastewater activities were contracted to Severn Trent Services for 2013.
The water/wastewater personnel are employees of Severn Trent rather than the City of Thomaston.

Schedule 20
City of Thomaston
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Building permits issued										
New Residential	22	23	7	5	3	0	0	1	0	1
New Commercial	5	7	6	6	4	5	6	1	5	3
Additional & Improvements - Residential	129	110	97	98	64	67	83	126	121	142
Additional & Improvements - Commercial	10	10	18	22	18	16	22	12	18	57
Police Department										
Physical arrests	3122	2741	1120	587	794	620	425	729	691	783
Citations	2758	2184	3648	2916	1853	1751	2602	3091	2650	2906
Fire Department										
Emergency (EMS) responses	132	132	134	149	193	228	156	191	206	201
Fires extinguished	71	82	28	89	75	79	71	53	52	51
Street Department										
Streets resurfaced (miles)	0	1.38	0.43	0.34	0.92	0	5.21	0	0.9	4.26
Sidewalks replaced (miles)	0.29	1.96	0.54	0.07	0.06	0.1	0	0.38	0.66	2.08
Electric Department										
Lines replaced (miles)	2.38	2.16	5.45	0	2.62	0.17	4.87	0	0	0
Water Department										
New connections	30	31	23	10	6	8	4	0	8	3
Water main breaks	427	159	319	240	184	343	60	346	348	316
Average daily consumption (million gallons)	1.66	1.73	1.56	1.45	1.3	1.18	1.18	1.07	1.11	1.05
Based on water billed to customers										

Sources: Various city departments

Schedule 21
City of Thomaston
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police Department										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol cars	10	10	10	10	11	11	11	11	13	12
Fire Department										
Stations	1	1	1	1	1	1	1	1	1	1
Ladder Trucks	1	1	1	1	1	1	1	1	1	1
Pumper Trucks	2	2	3	3	3	3	3	3	3	3
Fire hydrants	608	608	600	600	600	610	610	610	610	610
City insurance rating	4	4	4	4	4	4	4	4	4	4
Electric Department (Note 1)										
Substations	4	4	4	4	4	4	4	4	4	4
Lines (miles)	81	98.73	98.73	99.54	99.54	99.54	99.54	99.54	99.54	99.77
Street Department										
Streets (miles)	51.63	52.24	52.24	52.61	52.61	52.61	52.61	52.61	52.77	52.77
Sidewalks (miles)	30.6	30.6	30.6	30.6	30.6	30.63	30.75	30.75	30.75	30.75
Water Department										
Water filter plants	1	1	1	1	1	1	1	1	1	1
Filtering capacity (MGD)	6	4.3	4.3	4.3	4.3	4	4	4	4	4
Water lines (miles)	81.49	82.16	82.74	83.28	83.66	83.66	83.66	83.66	83.66	83.66
Water tanks (above & underground)	12	10	10	10	10	7	8	8	8	8
Storage capacity (millions of gallons)	4.41	4.01	4.01	4.01	4.01	2.05	2.12	2.12	2.12	2.12
Wastewater										
Treatment plants	2	2	2	2	2	2	2	2	2	2
Total treatment capacity (MGD)	4	4	4	4	4	4	4	4	4	4
Sewer lines (miles)	66.29	66.67	66.67	67.11	67.11	67.11	67.11	67.11	67.11	67.11

Sources: Various city departments

Note 1: The city purchases all of the electricity for use and for resale from the Municipal Electric Authority of Georgia (MEAG) and Southeastern Power Administration (SEPA).

CITY OF THOMASTON, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2015

2004 Special Local Option Sales Tax Projects:	Original Estimated Cost	Expenditures		
		Prior Year(s)	Current Year	Total
Sewer Projects	\$ 2,282,760	\$ 1,296,762	\$ 260,198	\$ 1,556,960
Bell Creek Project	1,175,040	971,068	-	971,068
Water & Wastewater Projects	1,175,040	898,689	-	898,689
Beautification Projects	195,840	375,094	-	375,094
Totals	\$ 4,828,680	\$ 3,541,613	\$ 260,198	\$ 3,801,811

2011 Special Local Option Sales Tax Projects:	Original Estimated Cost	Expenditures		
		Prior Year(s)	Current Year	Total
Sewer Line Replacement	\$ 4,183,276	\$ 1,073,564	\$ 197,872	\$ 1,271,436
Totals	\$ 4,183,276	\$ 1,073,564	\$ 197,872	\$ 1,271,436

Note: Upson County and the City of Thomaston could not come to an agreement on the 2011 SPLOST. The estimated cost reported above is the amount reported by Upson County in their annual newspaper advertisement.

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SINGLE AUDIT SECTION

CITY OF THOMASTON, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal/Grantor/Pass-Through Grantor/Program Title or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>Environmental Protection Agency</u>				
Passed through Georgia Environmental Finance Agency:				
Drinking Water State Revolving Fund	66.468	DWSRF 13-011	\$ -	\$ 514,139
Total Environmental Protection Agency			-	514,139
<u>U.S. Department of Homeland Security</u>				
Passed through Georgia Emergency Management Agency:				
FEMA Grant	97.039	HMGP 4165-0007	-	556,221
Total U.S. Department of Homeland Security			-	556,221
<u>U.S. Department of Housing and Urban Development</u>				
Passed through Georgia Department of Community Affairs:				
2012 Community Development Block Grant	14.218	12p-x-145-2-5470	-	177,487
2014 Community Development Block Grant	14.218	14p-x-145-2-5701	-	500,000
Subtotal CFDA 14.218			-	677,487
Total U.S. Department of Housing and Urban Development			-	677,487
Total Expenditures of Federal Awards			\$ -	\$ 1,747,847

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

CITY OF THOMASTON, GEORGIA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Thomaston, Georgia under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Thomaston, Georgia, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Thomaston, Georgia.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

The City of Thomaston, Georgia has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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CITY OF THOMASTON

FINANCE DEPARTMENT

106 East Lee Street

P. O. Box 672

Thomaston, Georgia 30286-0009

706-647-6633

Telephone

706-647-6583

Fax

CITY OF THOMASTON, GEORGIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2015

FINDINGS – FINANCIAL STATEMENT AUDIT

2014-001 Direct Adjustments to Fund Balance

Status: Resolved during 2015.

2014-002 Accounts Receivable / Revenue

Status: Unresolved during 2015. See current year finding 2015-001.

2014-003 Accounts Payable / Expenditures or Expenses

Status: Unresolved during 2015. See current year finding 2015-002.

2014-004 Capital Assets

Status: Unresolved during 2015. See current year finding 2015-003.

2014-005 Customer Deposits

Status: Resolved during 2015.

FINDINGS – FINANCIAL STATEMENT AUDIT

2014-006 Preparation of Schedule of Expenditures of Federal Awards

Status: Resolved during 2015.

2014-007 Control Procedures over the Preparation of the Schedule of Expenditures of Federal Awards

Status: Unresolved during 2015. See current year finding 2015-005.

TAKING THE TIME TO SERVICE

CITY OF THOMASTON

FINANCE DEPARTMENT

106 East Lee Street
P. O. Box 672
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December 20, 2016

CORRECTIVE ACTION PLAN

The City of Thomaston, Georgia respectfully submits the following corrective action plan for the year ended December 31, 2015.

FINDINGS-FINANCIAL STATEMENT AUDIT

2015-001 Accounts Receivable / Revenue

Name of Contact Person: Clint Chastain, City Clerk

Recommendation: We recommend that the City develop procedures to insure the recording of revenues when they become both measurable and available to finance expenditures of the fiscal period.

Corrective Action: An emphasis will be placed on recording revenue items in the proper fiscal period and fund.

Anticipated Completion Date: December 20, 2016

2015-002 Accounts Payable / Expenditures or Expenses

Name of Contact Person: Clint Chastain, City Clerk

Recommendation: The City should establish procedures to insure the proper accrual and classification of all liabilities incurred during the fiscal period.

Corrective Action: The City will focus on properly recording accounts payable invoices as of the year end date.

Anticipated Completion Date: December 20, 2016

CITY OF THOMASTON, GEORGIA

CORRECTIVE ACTION PLAN
(CONTINUED)

2015-003 Capital Assets – Water and Sewer Fund

Name of Contact Person: Clint Chastain, City Clerk

Recommendation: The City should establish additional internal control procedures to insure that the proper reconciling procedures are being performed monthly and at year-end to balance and reconcile capital asset records.

Corrective Action: The City will give attention to properly recording capital asset activity to the subsidiary ledgers and in the correct fiscal period.

Anticipated Completion Date: December 20, 2016

2015-004 Restatement – Electric Fund

Name of Contact Person: Clint Chastain, City Clerk

Recommendation: We recommend that the City establish procedures for monitoring expenses and recording the proper accruals and classification of all liabilities incurred in the appropriate fiscal period. These procedures will need to include the assessment of manual checks and draft payments for the City.

Corrective Action: The City will establish procedures to monitor expenses and record the proper accruals and classification of all liabilities incurred in the appropriate fiscal period.

Anticipated Completion Date: December 20, 2016

FINDINGS – FEDERAL AWARDS PROGRAM AUDIT

2015-005 Control Procedures over the Preparation of the Schedule of Expenditures of Federal Awards

Name of Contact Person: Clint Chastain, City Clerk

Recommendation: The City should review the controls in place over grant administration. Additionally, individuals responsible for grant administration should have adequate training to oversee and insure compliance with grant provisions.

Corrective Action: The City will establish procedures to appropriately accumulate expenditures of federal awards. The City will ensure proper training of individuals responsible for grant administration in order to comply with grant provisions.

Anticipated Completion Date: December 20, 2016

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

Honorable Mayor and Members of City Council
City of Thomaston, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Thomaston, Georgia as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise City of Thomaston, Georgia's basic financial statements, and have issued our report thereon dated December 20, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses. 2015-001, 2015-002, 2015-003, and 2015-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Thomaston, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Thomaston, Georgia's Response to Findings

City of Thomaston, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Thomaston, Georgia's response was not subjected to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Macon, Georgia
December 20, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE**

Honorable Mayor and Members of City Council
The City of Thomaston, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Thomaston, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Thomaston, Georgia's major federal programs for the year ended December 31, 2015. The City of Thomaston, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Thomaston, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-005 that we consider to be material weaknesses.

The City of Thomaston, Georgia's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Thomaston, Georgia's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the City of Thomaston, Georgia as of and for the year ended December 31, 2015, and have issued our report thereon dated December 20, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Chell H. H. P. R. R.

Macon, Georgia
December 20, 2016

CITY OF THOMASTON, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)	Yes

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grant
97.039	FEMA
66.468	Drinking Water State Revolving Fund

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

CITY OF THOMASTON, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

Section II – Financial Statement Findings

Findings noted on the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*:

2015-001 Accounts Receivable / Revenue

CRITERIA

Accounting procedures should be designed to insure that revenues are accrued and recognized when they become both measurable and available to finance expenditures of the fiscal period.

CONDITION

Various revenue items were not recorded in the proper fiscal period and in the proper fund.

CONTEXT

Audit procedures identified that adjustments were necessary to correct year end balances as follows:

General Fund

- Net audit adjustment of \$62,069 was required to correct property tax revenues and to correct the receivables, related deferred inflows, and the allowance for uncollectible accounts.
- Audit adjustment of \$15,510 was required to record December 2015 rental revenue for the Community Development activity.

Joint Projects Fund

- Audit adjustments of \$35,197 were required to correct property tax revenues, receivables, deferred inflows, and the allowance for uncollectible accounts. Joint Projects property tax receivable balances were calculated estimates based off of reports provided to the City from the Upson County Tax Commissioner's Office. The Upson County Tax Commissioner's Office was unable to provide the City a report that only included the City's portion of the joint projects outstanding balances.

2014 Community Development Bock Grant Fund

- Audit adjustment of \$45,018 was required to record the final receivable for the grant. In addition, a corresponding audit adjustment was required to record the \$45,018 as unavailable grant revenue since the reimbursement request submittal was delayed.

Proprietary Funds

- Audit adjustments of \$40,660 were required in the Water and Sewer Fund and Electric Fund to record revenues for penalties in the appropriate fund.
- Audit adjustment of \$247,130 was required to reverse a prior year grant receivable from GEFA in the Water and Sewer Fund.
- Audit adjustment of \$540,343 was required to record GEFA loan activity in the Water and Sewer Fund.

CITY OF THOMASTON, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

EFFECT

Material audit adjustments were necessary to fairly report revenues and the related receivables for the year ended December 31, 2015.

CAUSE

The City does not have adequate accounting procedures in place to insure the accrual of revenues in the proper fiscal year.

RECOMMENDATION

We recommend that the City develop procedures to insure the recording of revenues when they become both measurable and available to finance expenditures of the fiscal period.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management concurs with the finding. An emphasis will be placed on recording revenue items in the proper fiscal period and fund.

CITY OF THOMASTON, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

2015-002 Accounts Payable / Expenditure or Expenses

CRITERIA

In accordance with generally accepted accounting principles, expenditure / expenses are recognized as soon as a liability is incurred. Year-end procedures are necessary to ensure that expenses or expenditures and accounts payable are recorded in the appropriate period.

CONDITION

In performing year end audit procedures, we noted that the City did not have adequate accounting review procedures in place to insure that expenditure / expenses are recorded and properly classified in the appropriate year.

CONTEXT

Audit procedures identified that adjustments were necessary to correct year end balances as follows:

- In the General Fund, an audit adjustment of \$35,865 was needed to reverse prior year accrued salaries and \$8,770 to record current year accrued salaries.
- In the Water and Sewer Fund, multiple audit adjustments were needed to record additional accounts payable of \$22,825, in addition an audit adjustment of \$109,063 was needed to reverse prior year accounts payable.
- In the Electric Fund, audit adjustments of \$58,099 and \$725,205 were needed to record additional accounts payable.
- In the Electric Fund, an audit adjustment of \$10,602 was needed to reverse prior year accrued salaries and \$2,792 to record current year accrued salaries.
- In the 2004 SPLOST Fund, an audit adjustment of \$14,974 was needed to record additional accounts payable.
- In the 2011 SPLOST Fund, an audit adjustment of \$21,527 was needed to reverse prior year retainage payable.
- In the 2012 CDBG Fund, an audit adjustment of \$48,507 was needed to reverse prior year accounts payable.
- In the 2014 CDBG Fund, an audit adjustment of \$45,018 was needed to record grant activity.

EFFECT

Material audit adjustments were needed to fairly state and classify expenditure / expenses for the year ended December 31, 2015.

CAUSE

The City did not have adequate internal control procedures to insure the recording and proper classification of incurred expenditure/expenses in the appropriate year.

RECOMMENDATION

The City should establish procedures to insure the proper accrual and classification of all liabilities incurred during the fiscal period.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management concurs with the finding. The City will focus on properly recording accounts payable invoices as of the year end date.

CITY OF THOMASTON, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

2015-003 Capital Assets – Water and Sewer Fund

CRITERIA

Accounting and control procedures should be designed to insure that capital asset activity is recorded and reported in the business-type activities financial statements. Capital asset records must be supported by detailed records that include location, department, cost, estimated useful life, depreciation and other detail supporting documentation.

CONDITION

In performing year end audit procedures, we noted that the City did not have adequate review procedures in place to verify that Water and Sewer Fund capital asset records had been properly recorded for 2015.

CONTEXT

Audit procedures identified that adjustments were required to correct the recording of capital assets in the Water and Sewer Fund as follows:

- Net audit adjustments of \$65,679 were needed to correct the contributed capital and related construction/capital asset accounts paid with SPLOST Funds.
- Audit adjustments of \$835,860 were needed to record 2015 capital asset additions for 2015.

EFFECT

Material audit adjustments were needed to fairly report capital asset information for the year ended December 31, 2015.

CAUSE

The City did not have adequate internal control procedures in place. In addition, accounting personnel may have lacked adequate training in capital asset accounting.

RECOMMENDATION

The City should establish additional internal control procedures to insure that the proper reconciling procedures are being performed monthly and at year-end to balance and reconcile capital asset records.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management concurs with the finding. The City will give attention to properly recording capital asset activity to the subsidiary ledgers and in the correct fiscal period.

CITY OF THOMASTON, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

2015-004 – Restatement – Electric Fund

CRITERIA

In accordance with generally accepted accounting principles, expenses are recognized as soon as a liability is incurred. Year-end procedures are necessary to ensure that expenses and accounts payable are recorded in the appropriate period.

CONDITION

In performing year-end audit procedures, we determined that the City was not posting the MEAG expenses on the appropriate cycle. Our testing determined that the City was reporting one month of 2014 activity and eleven months of 2015 activity. A prior period adjustment was required to correct the beginning equity account balances for the Electric Fund.

CONTEXT

We discussed the accounts payable/expense cycle with the City to determine the appropriate action for the year ended December 31, 2015.

EFFECT

The City recorded a prior period adjustment of \$797,630 to correct the beginning net position for the year ended December 31, 2015.

CAUSE

The City had not been recording accounts payable for this vendor.

RECOMMENDATION

We recommend that the City establish procedures for monitoring expenses and recording the proper accruals and classification of all liabilities incurred in the appropriate fiscal period. These procedures will need to include the assessment of manual checks and draft payments for the City.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management concurs with the finding. The City will establish procedures to monitor expenses and record the proper accruals and classification of all liabilities incurred in the appropriate fiscal period.

CITY OF THOMASTON, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

Section III – Federal Award Findings and Questioned Costs

2015-005 Control Procedures over the Preparation of the Schedule of Expenditures of Federal Awards

INFORMATION ON THE FEDERAL PROGRAM

CFDA: 66.468 Drinking Water State Revolving Fund
Grants: DWSRF 13-011
Federal Agency: Environmental Protection Agency

CRITERIA

Control procedures over grants should include procedures designed to support the accumulation and reporting of information related to compliance in a form and time frame that allows the responsible official to carry out their responsibilities.

CONDITION

Breakdowns occurred in the process to accumulate the appropriate information needed for compliance. Additionally, individuals responsible for compliance did not have adequate training in grant administration to effectively carry out responsibilities.

CONTEXT

The City failed to accumulate accurate information to correctly monitor and report the expenditure of federal funds for the program indicated above.

EFFECT

Reports detailing federal expenditures contained errors. These reports were relied upon by management and others.

CAUSE

The City failed to have adequate control procedures over grant administration.

QUESTIONED COSTS

None

RECOMMENDATION

The City should review the controls in place over grant administration. Additionally, individuals responsible for grant administration should have adequate training to oversee and insure compliance with grant provisions.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management concurs with the finding. The City will establish procedures to appropriately accumulate expenditures of federal awards. The City will ensure proper training of individuals responsible for grant administration in order to comply with grant provisions.

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