

CITY OF THOMASTON, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FOR THE YEAR ENDED
DECEMBER 31, 2018**

**PREPARED BY:
FINANCE OFFICE**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017
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INTRODUCTORY SECTION

**CITY OF THOMASTON
FINANCE DEPARTMENT**

**706-647-6633
Telephone**

106 East Lee Street
P.O. Box 672
Thomaston, Georgia 30286

**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, 2018.

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 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.

The City's financial statements have been audited by Driver & Adams, 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, 2018, 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, 2018, 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.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Thomaston, Georgia, incorporated in 1825, is 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

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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 to 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 members are elected, and each serves a four-year term.

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 to have revenues sufficient to cover service costs and contribute to capital projects.

During 2018, 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 ensure 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 2018, the balance in the Reserve Account was \$589,079, and the Capital Purchases Account balance was \$618,978.

Following the Special Purpose Local Option Sales Tax (SPLOST) funds that began in 2011 and ended for the City in 2016, another SPLOST began in 2016 with receipts beginning June 2016. The City will continue to 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

CERTIFICATE OF ACHIEVEMENT

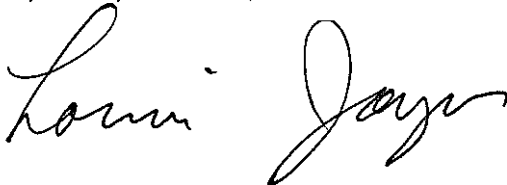
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Thomaston for its Comprehensive Annual Financial Report for the year ended December 31, 2017, our 31st consecutive year.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual 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 the GFOA.

I want to thank the Mayor and members of 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 thank the City manager and our city auditors, Driver & Adams, for their contributions in the preparation of the 2018 CAFR

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lorne Jaye". The signature is fluid and cursive, with the first name "Lorne" and the last name "Jaye" clearly distinguishable.



Government Finance Officers Association

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

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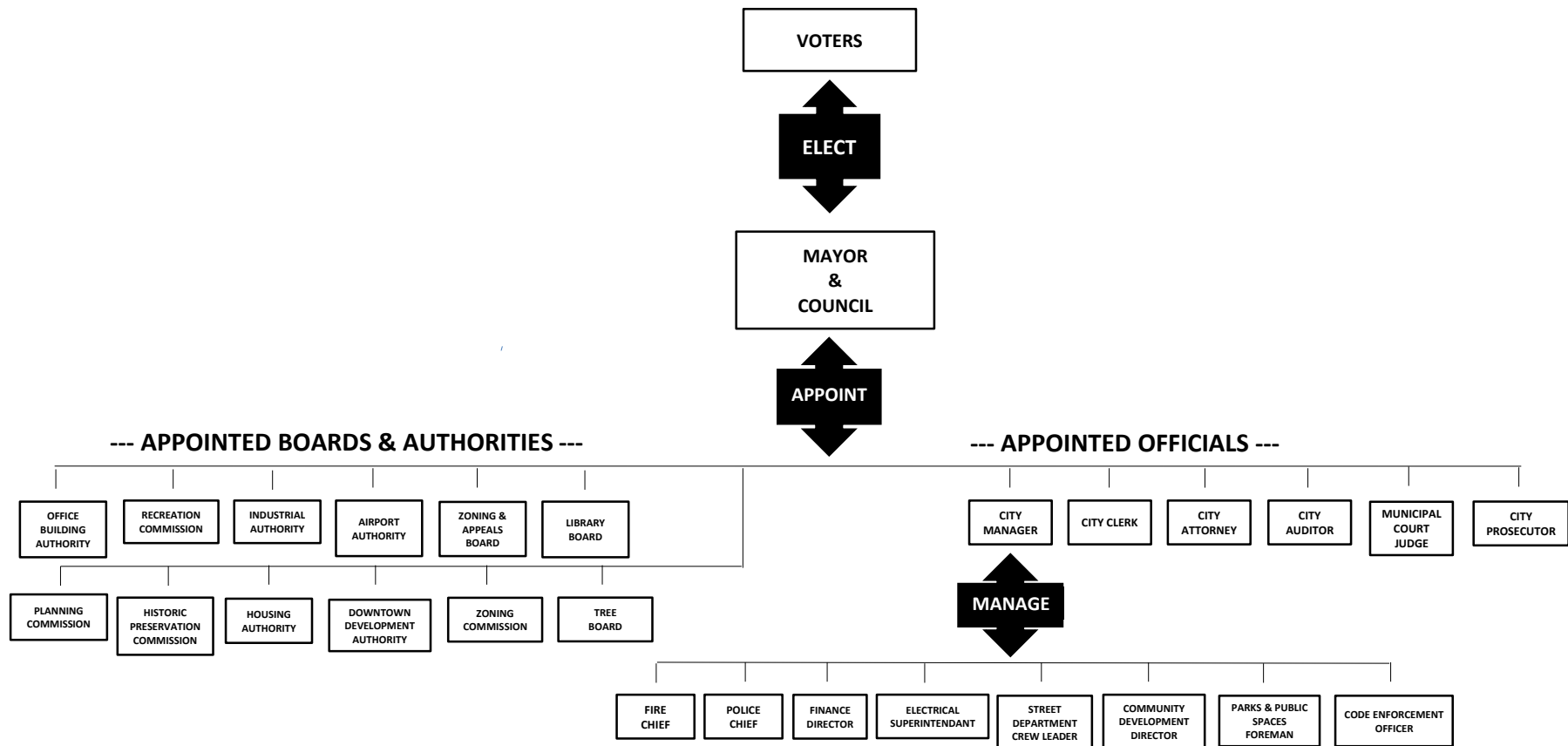
**City of Thomaston
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO



CITY OF THOMASTON, GEORGIA

2018 LIST OF ELECTED AND APPOINTED OFFICIALS

MAYOR

John David “J.D.” Stallings

CITY COUNCIL

Lakeitha Reeves

Jeff Middlebrooks

Ryan Tucker

Donald M. Greathouse

Doug Head

CITY MANAGER

Russell Thompson

FINANCE DIRECTOR

Lonnie Joyce, CPA

INDEPENDENT AUDITORS

Driver & Adams
Certified Public Accountants

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members
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, 2018, 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 Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows, and the respective budgetary comparison information for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis information on pages 10 through 19, the Schedule of Changes in the City's Net Pension Liability and Related Ratios on page 56, the Schedule of City Contributions on page 57, and the notes to the required supplementary information on pages 58 through 59 be presented to supplement the basic financial statement. 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 Funded Through Special Purpose Local Option Sales Tax, and the other information, such as the introductory section and statistical tables are presented for the 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, and the Schedule of Projects Funded Through Special Purpose Local Option Sales Tax 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 Funded Through Special Purpose Local Option Sales Tax 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 June 5, 2019, 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.

Driver & Adams

Thomaston, Georgia
June 5, 2019

MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

Management's Discussion and Analysis

As the management of the City of Thomaston, we offer the readers of the City of Thomaston's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2018. The primary purpose of the discussion and analysis is to provide our City Council, our customers, our taxpayers, and other various users of the Comprehensive Annual Financial Report (CAFR) with additional insight into the financial performance of the City and to help place the operational information contained in the basic financial statements in its proper context.

FINANCIAL HIGHLIGHTS

- The Mayor and City Council have carried out more than \$44 million in capital purchases and infrastructure work since January 2005. The Mayor and City Council carried out \$1.6 million of said purchases and work in 2018.
- The city government's total cash and cash equivalents at the end of 2018 was \$10,991,672. In addition to the \$10.9 million, the city held \$3,639,737 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 \$618,718 as of December 31, 2018.
- 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 2018 employee health, dental, disability, and life insurance premium costs totaled \$627,017.
- The City's net position increased by \$1,246,198 in 2018. Net Position for Governmental Activities increased by \$9,048 in 2018. The City's net position for the Business-type Activities increased by \$1,237,150.
- Approximately 4/5^{ths} of the city's commercial electric accounts are either non-demand or small demand customers. 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. Effective January 2017, the City of Thomaston no longer utilizes separate summer and winter rates. Electric rates remain constant throughout the year.

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

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 and present a longer-term view of the city's finances. For governmental activities, these statements tell how the 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 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 the 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 and fire departments, public works, parks and public spaces, city court, finance, and general administration. Property taxes, sales tax, 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 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, 2018

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 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.

- **Governmental 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 government fund balance sheet 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 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. 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.

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

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 exceeded liabilities 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 2018 totaled \$49,853,350. The City of Thomaston's total net position at the close of 2018 grew by \$1,246,198 or 2.6% in 2018.

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 are 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 resources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Assets</u>						
Current and Other Assets	\$ 7,515,466	\$ 6,425,861	\$ 9,827,827	\$ 8,193,401	\$ 17,343,293	\$ 14,619,262
Capital and Noncurrent Assets	<u>17,225,098</u>	<u>16,334,227</u>	<u>35,175,889</u>	<u>35,673,645</u>	<u>52,400,987</u>	<u>\$52,007,872</u>
Total Assets	<u>\$24,740,564</u>	<u>\$22,760,088</u>	<u>\$45,003,716</u>	<u>\$43,867,046</u>	<u>\$69,744,280</u>	<u>\$66,627,134</u>
Deferred Outflows of Resources	<u>\$ 442,648</u>	<u>\$ 384,683</u>	<u>\$ 85,761</u>	<u>\$ 73,273</u>	<u>\$ 528,409</u>	<u>\$ 457,956</u>
<u>Liabilities</u>						
Current Liabilities	\$ 108,896	\$ 69,477	\$ 995,151	\$ 984,226	\$ 1,104,047	\$ 1,053,703
Long-Term Liabilities	<u>6,326,053</u>	<u>4,496,576</u>	<u>12,472,757</u>	<u>12,603,659</u>	<u>18,798,810</u>	<u>\$17,100,235</u>
Total Liabilities	<u>\$ 6,434,949</u>	<u>\$ 4,566,053</u>	<u>\$13,467,908</u>	<u>\$13,587,885</u>	<u>\$19,902,857</u>	<u>\$18,153,938</u>
Deferred Inflows in Capital Assets	<u>\$ 432,506</u>	<u>\$ 272,009</u>	<u>\$ 83,766</u>	<u>\$ 51,811</u>	<u>\$ 516,272</u>	<u>\$ 323,820</u>
<u>Net Position</u>						
Net Investment in Capital Assets	\$16,244,681	\$16,334,227	\$24,164,879	\$24,528,573	\$40,409,560	\$40,862,800
Restricted	2,488,297	1,762,492	293,104	290,506	2,781,401	2,052,998
Unrestricted (deficit)	<u>(417,221)</u>	<u>209,989</u>	<u>7,079,790</u>	<u>5,481,544</u>	<u>6,662,569</u>	<u>5,691,533</u>
Total Net Position	<u><u>\$18,315,757</u></u>	<u><u>\$18,306,708</u></u>	<u><u>\$31,537,773</u></u>	<u><u>\$30,300,623</u></u>	<u><u>\$49,853,530</u></u>	<u><u>\$48,607,331</u></u>

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Revenues</u>						
Program Revenues:						
Charges for services	\$ 1,005,834	\$ 888,048	\$ 20,405,757	\$ 19,737,897	\$ 21,411,591	\$ 20,625,945
Operating grants and contributions	150,072	390,609	-	-	150,072	390,609
Capital grants	757,295	821,191	50,147	880,801	807,442	1,701,992
General Revenues:						
Taxes	4,795,557	4,840,178	-	-	4,795,557	4,840,178
Investment Earnings	22,687	16,490	760,715	1,232,864	783,402	1,249,354
Other	<u>177,868</u>	<u>308,786</u>	<u>24,312</u>	<u>157,173</u>	<u>202,180</u>	<u>465,959</u>
Total Revenue	<u>\$ 6,909,313</u>	<u>\$ 7,265,302</u>	<u>\$ 21,240,931</u>	<u>\$ 22,008,735</u>	<u>28,150,244</u>	<u>29,274,037</u>
<u>Expenses</u>						
General government	\$ 2,688,727	\$ 2,350,429	\$ -	\$ -	\$ 2,688,727	\$ 2,350,429
Judicial	352,883	298,331	-	-	352,883	298,331
Public safety	4,009,343	3,467,504	-	-	4,009,343	3,467,504
Public works	922,898	526,865	-	-	922,898	526,865
Economic development	198,302	212,937	-	-	198,302	212,937
Culture and recreation	1,199,316	1,129,060	-	-	1,199,316	1,129,060
Water and sewer	-	-	4,934,375	4,725,548	4,934,375	4,725,548
Electric	-	-	11,570,769	11,277,395	11,570,769	11,277,395
Sanitation	<u>-</u>	<u>-</u>	<u>1,027,433</u>	<u>1,092,660</u>	<u>1,027,433</u>	<u>1,092,660</u>
Total Expenses	<u>\$ 9,371,469</u>	<u>\$ 7,985,126</u>	<u>\$ 17,532,577</u>	<u>\$ 17,095,603</u>	<u>\$ 26,904,046</u>	<u>\$ 25,080,729</u>
Excess (deficiency) before contributions and transfers	(2,462,156)	(719,824)	3,708,354	4,913,132	1,246,198	4,193,308
Transfers	<u>2,471,204</u>	<u>2,020,000</u>	<u>(2,471,204)</u>	<u>(2,020,000)</u>	<u>-</u>	<u>-</u>
Change in Net Position	9,048	1,300,176	1,237,150	2,893,132	1,246,198	4,193,308
Net Position - Beginning of Year	<u>18,306,719</u>	<u>17,006,543</u>	<u>30,300,623</u>	<u>27,407,498</u>	<u>44,414,031</u>	<u>42,638,759</u>
Net Position - End of Year	<u>\$ 18,315,767</u>	<u>\$ 18,306,719</u>	<u>\$ 31,537,773</u>	<u>\$ 30,300,630</u>	<u>\$ 45,660,229</u>	<u>\$ 46,832,067</u>

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

Governmental Activities

The City of Thomaston's total net position increased during 2018. The governmental activities net position increased by \$9,048 or .05% from 2017. The city's Governmental Activities net investment in capital assets decreased by \$89,546 or .55%. The city will be shifting all SPLOST funds from current to capital assets over the year.

The city's liabilities increased by \$1,868,896 in 2018 from 2017. The net pension liability per GASB 68 (Accounting and Financial Reporting for Pensions) was booked at \$2,883,969.

Business-type Activities

The city's water and sewer fund's net position increased by \$230,943 in 2018. The net investment in capital assets increased in 2017 by \$777,846.

The city's electric fund had a net position increase of \$970,730 in 2018.

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 \$415,459 in contributions to the pension fund in 2018. The city contributed 100% of the recommended contribution as determined by the plan's actuary.

General Fund

General fund expenditures exceeded revenues and transfers from other financing sources in 2018 by \$146,795. Total revenues decreased by \$150,862 or 3.01%.

The city's total gross wages paid to all general fund, electric fund, and community development fund workers (citywide) increased in 2018. The city payroll was \$3,976,175 in 2018. The city pays 100% of the employee's premium for health and other insurances. The city's total annual employee health, dental, disability, and life insurance premium costs were \$627,017 in 2018.

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

Total governmental funds net change in fund balances increased by \$579,009 in 2018. The Special Purpose Local Options Sales Tax revenues exceeded expenditures by \$560,666 in 2018.

Water and Sewer Fund

The water and sewer fund operating revenues for services and miscellaneous revenue increased in 2018 by \$43,851.

The city decreased water and sewer long-term liabilities by \$298,058 in 2018. The city had \$10,223,160 in water and sewer long-term liabilities at the close of 2018. The city expended \$913,107 on water and sewer debt principal and interest in 2018. This amount represents, as a figure, 16.87% of total operating revenue.

Electric Fund

The City's electrical total operating revenues increased in 2018 by \$488,103 or 3.65%.

Approximately 4/5^{ths} of the city's commercial electric accounts are either non-demand or small demand customers. 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.

SPLOST

The city has two special purpose local option sales tax (SPLOST) funds. The first account, set up in 2011, had a year-end balance of \$84,645. The second, set up in 2016, had a year-end balance of \$1,439,048. The revenues of the two funds exceeded expenditures by \$560,666. The city posted \$80,777 of SPLOST funds on capital outlay projects in 2018. The city had \$1,052,031 in SPLOST funds as of the close of 2018. These funds will be expended on sewer line replacement and refurbishing over the next year. The city plans to utilize all its incoming SPLOST dollars for sewer line work.

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

Reserve and Capital Spending Accounts

The reserve is intended to serve as a buffer in the event of a drop in revenues caused by 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.

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 \$618,718 as of December 31, 2018.

Comparison of the Final 2017 Budget with the Actual Expenditures

The major variance in the General Fund expenditures is in the public safety category. The variation is \$873,486 and is due to an unexpected expenditure towards acquiring a fire truck.

Comparison of the original 2017 Budget with the Final Amended Budget

The city undertook a budget revision in May of 2018 to account for a reduction of budgeted tax revenue.

Capital Asset Administration

The City of Thomaston's investment in capital assets for its governmental and business-type activities as of December 31, 2018 amounts to \$52,400,987 net of accumulated depreciation. The investment in capital assets consists primarily of the Water and Sewer system and infrastructure owned by the City.

The largest general governmental activities purchase in 2018 was \$900,962 for the purchase of a new fire truck. The net investment in general government capital assets increases in 2018 by \$89,546.

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.

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 2,736,182	\$ 2,736,182	\$ 2,439,469	\$ 2,439,469	\$ 5,175,651	\$ 5,175,651
Construction in Progress	935,418	457,224	196,410	237,186	1,131,828	694,410
Buildings	2,432,232	2,275,920	1,202,046	1,170,997	3,634,278	3,446,917
Systems	-	-	30,041,393	30,384,873	30,041,393	30,384,873
Equipment	1,109,760	1,060,110	1,201,010	1,387,910	2,310,770	2,448,020
Vehicles	944,267	867,692	95,561	53,210	1,039,828	920,902
Infrastructure	<u>9,067,239</u>	<u>8,937,099</u>	<u>-</u>	<u>-</u>	<u>9,067,239</u>	<u>8,937,099</u>
Total Capital Assets	<u>\$17,225,098</u>	<u>\$16,334,227</u>	<u>\$35,175,889</u>	<u>\$35,673,645</u>	<u>\$52,400,987</u>	<u>\$52,007,872</u>

Long-term Debt Administration

As of December 31, 2018, the City of Thomaston reported the following long-term debt:

	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenue Bonds	\$ -	\$ -	\$ 5,280,000	\$ 5,780,000	\$ 5,280,000	\$ 5,780,000
Notes Payable	980,417	-	5,731,010	5,365,072	6,711,427	5,365,072
Landfill Post-closure Liabilities	1,767,939	1,800,549	-	-	1,767,939	1,800,549
Compensated Absences	192,328	237,262	52,386	50,402	244,714	287,664
Net Pension Liability	<u>2,883,969</u>	<u>2,458,765</u>	<u>858,754</u>	<u>863,891</u>	<u>3,742,723</u>	<u>3,322,656</u>
Total Long-term Debt	<u>\$ 5,824,653</u>	<u>\$ 4,496,576</u>	<u>\$11,922,150</u>	<u>\$12,059,365</u>	<u>\$17,746,803</u>	<u>\$16,555,941</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 of Pensions) was booked at \$3,742,723.

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

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.

Despite the downturn in the local economy, the City maintains a healthy cash position. The City balances the general fund with transfers from the utility funds. The City continues to work to lower the transfer each year with projections to discontinue the transfer in 2022. Based on cash position and reserve amounts, the City continues to be in a positive fiscal position.

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.

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FINANCIAL STATEMENTS

City of Thomaston, Georgia
Statement of Net Position
December 31, 2018

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current Assets:			
Cash and cash equivalents	\$ 7,001,220	\$ 3,990,452	\$ 10,991,672
Investments	-	3,639,737	3,639,737
Receivables, net of allowance:			
Taxes	171,448	-	171,448
Accounts	19,127	1,520,001	1,539,128
Intergovernmental	326,466	381,738	708,204
Internal Balances	(2,795)	2,795	-
Prepays	-	-	-
Restricted cash and cash equivalents:			
Revenue bond covenant accounts	-	293,104	293,104
Capital assets:			
Non-depreciable	3,671,600	2,635,879	6,307,479
Depreciable, net	13,553,498	32,540,010	46,093,508
 TOTAL ASSETS	 \$ 24,740,564	 \$ 45,003,716	 \$ 69,744,280
 <u>Deferred outflows of resources</u>			
Deferred outflows of resources related to pensions	442,648	85,761	528,409
 Total Deferred Outflows of Resources	 \$ 442,648	 \$ 85,761	 \$ 528,409

City of Thomaston, Georgia
Statement of Net Position
December 31, 2018

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	Total
<u>LIABILITIES</u>			
Accounts payable	\$ 73,261	\$ 995,151	\$ 1,068,412
Accrued liabilities	29,948	-	29,948
Retainage payable	5,687	-	5,687
Noncurrent liabilities:			
Due within one year:			
Accrued vacation	140,300	29,000	169,300
Notes payable	-	280,975	280,975
Capital leases payable	115,380	65,095	180,475
Performance bonds payable	501,400	-	501,400
Revenue bonds payable	-	500,000	500,000
Landfill closure/postclosure	135,000	-	135,000
Due in more than one year:			
Customer deposits	-	550,607	550,607
Accrued vacation	52,028	23,386	75,414
Notes payable	-	5,288,992	5,288,992
Capital leases payable	865,037	95,948	960,985
Revenue bonds payable	-	4,780,000	4,780,000
Landfill closure/postclosure	1,632,939	-	1,632,939
Net pension liability	2,883,969	858,754	3,742,723
TOTAL LIABILITIES	\$ 6,434,949	\$ 13,467,908	\$ 19,902,857
 <u>Deferred Inflows of Resources</u>			
Deferred inflows of resources related to pensions	432,506	83,796	516,302
 Total Deferred Inflows of Resources	 \$ 432,506	 \$ 83,796	 \$ 516,302
 <u>NET POSITION</u>			
Net investment in capital assets	\$ 16,244,681	\$ 24,164,879	\$ 40,409,560
Restricted for:			
Capital outlay	1,957,896	-	1,957,896
Law enforcement	132,868	-	132,868
Joint projects	397,533	-	397,533
Revenue bond indenture	-	293,104	293,104
Unrestricted (deficit)	(417,221)	7,079,790	6,662,569
 TOTAL NET POSITION	 \$ 18,315,757	 \$ 31,537,773	 \$ 49,853,530

City of Thomaston, Georgia
Statement of Activities
For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities:							
General government	\$ 2,688,727	\$ 821,474	\$ 146,080	\$ 115,852	\$ (1,605,321)	\$ -	\$ (1,605,321)
Judicial	352,883	-	-	-	(352,883)	-	(352,883)
Public safety	3,993,351	184,360	3,992	-	(3,804,999)	-	(3,804,999)
Public works	922,898	-	-	641,443	(281,455)	-	(281,455)
Culture and Recreation	1,199,316						
Economic development	198,302	-	-	-	(198,302)	-	(198,302)
Interest on short and long-term debt	15,992	-	-	-	(15,992)	-	(15,992)
Total governmental activities	<u>\$ 9,371,469</u>	<u>\$ 1,005,834</u>	<u>\$ 150,072</u>	<u>\$ 757,295</u>	<u>\$ (7,458,268)</u>	<u>\$ -</u>	<u>\$ (7,458,268)</u>
Business Type Activities:							
Water and Sewer	\$ 4,934,375	\$ 5,403,697	\$ -	\$ 50,147	\$ -	\$ 519,469	\$ 519,469
Electric	11,570,769	13,838,650	-	-	-	2,267,881	2,267,881
Sanitation	1,027,433	1,163,410	-	-	-	135,977	135,977
Total business-type activities	<u>\$ 17,532,577</u>	<u>\$ 20,405,757</u>	<u>\$ -</u>	<u>\$ 50,147</u>	<u>\$ -</u>	<u>\$ 2,923,327</u>	<u>\$ 2,923,327</u>
Total Primary Government	<u>\$ 26,904,046</u>	<u>\$ 21,411,591</u>	<u>\$ 150,072</u>	<u>\$ 807,442</u>	<u>\$ (7,458,268)</u>	<u>\$ 2,923,327</u>	<u>\$ (4,534,941)</u>
General Revenues							
Property tax					1,816,082	-	1,816,082
Sales tax					1,375,573	-	1,375,573
Other tax					1,603,902	-	1,603,902
Investment earnings					22,687	760,715	783,402
Miscellaneous					177,868	24,312	202,180
Total General Revenues and Transfers					<u>4,996,112</u>	<u>785,027</u>	<u>5,781,139</u>
Transfers					<u>2,471,204</u>	<u>(2,471,204)</u>	<u>-</u>
Total General Revenues and Transfers					<u>7,467,316</u>	<u>(1,686,177)</u>	<u>5,781,139</u>
Change in Net Position					\$ 9,048	\$ 1,237,150	\$ 1,246,198
Net Position - Beginning of Year					18,306,709	30,300,623	48,607,332
Net Position - End of Year					<u>\$ 18,315,757</u>	<u>\$ 31,537,773</u>	<u>\$ 49,853,530</u>

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

City of Thomaston, Georgia

Balance Sheet

Governmental Funds

December 31, 2018

	General Fund	2011 Special Local Option Sales Tax	2016 Special Local Option Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalent	\$ 3,433,025	\$ 84,645	\$ 1,439,058	\$ 2,044,492	\$ 7,001,220
Receivables, net of allowance:					
Taxes	105,352	-	-	66,096	171,448
Accounts	14,209	-	-	4,918	19,127
Intergovernmental	326,466	-	-	-	326,466
Prepaid insurance	-	-	-	-	-
Due from other funds	502,638	-	-	-	502,638
Advance to other funds	621,091	-	-	-	621,091
Total Assets	<u>\$ 5,002,781</u>	<u>\$ 84,645</u>	<u>\$ 1,439,058</u>	<u>\$ 2,115,506</u>	<u>\$ 8,641,990</u>
<u>Liabilities</u>					
Accounts payable	\$ 69,981	\$ -	\$ -	\$ 3,280	\$ 73,261
Accrued liabilities	29,948	-	-	-	29,948
Retainage payable	-	-	-	5,687	5,687
Performance bonds payable	501,400	-	-	-	501,400
Deposits payable	-	-	-	-	-
Due to other funds	2,795	-	-	502,638	505,433
Advance from other funds	-	-	-	621,091	621,091
Total Liabilities	<u>604,124</u>	<u>-</u>	<u>-</u>	<u>1,132,696</u>	<u>1,736,820</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue - property taxes	49,196	-	-	18,216	67,412
Total Deferred inflows of Resources	<u>49,196</u>	<u>-</u>	<u>-</u>	<u>18,216</u>	<u>67,412</u>
Fund Balances					
Nonspendable	621,091	-	-	-	621,091
Restricted for:					-
Capital projects	-	84,645	1,439,058	434,193	1,957,896
Law enforcement	-	-	-	132,868	132,868
Joint projects	-	-	-	397,533	397,533
Assigned	345,588	-	-	-	345,588
Unassigned (Deficit)	3,382,782	-	-	-	3,382,782
Total Fund Balances	<u>4,349,461</u>	<u>84,645</u>	<u>1,439,058</u>	<u>964,594</u>	<u>6,837,758</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,002,781</u>	<u>\$ 84,645</u>	<u>\$ 1,439,058</u>	<u>\$ 2,115,506</u>	<u>\$ 8,641,990</u>

City of Thomaston, Georgia
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
December 31, 2018

Amounts reported for governmental activities in the Statement of Net Position differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:

Total fund balances - governmental funds	\$ 6,837,758
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the assets	28,311,389
Accumulated depreciation	(11,086,291)
Other long-term assets are not available to pay current period expenditures and, therefore, are not reported as unavailable revenue in the funds.	67,412
Deferred outflows of resources	
Related to pensions	442,648
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	(1,767,939)
Compensated absences	(192,328)
Net pension liability	(2,883,969)
Capital leases payable	(980,417)
Deferred inflows of resources	
Related to pensions	(432,506)
Net position of governmental activities	<u>\$ 18,315,757</u>

City of Thomaston, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds

For the Year Ended December 31, 2018

	General Fund	2011 Special Local Option Sales Tax	2016 Special Local Option Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
<u>Revenues</u>					
Taxes					
Property taxes	\$ 779,816	\$ -	\$ -	\$ 1,066,489	\$ 1,846,305
Sales tax	1,375,573	-	-	-	1,375,573
Other taxes	1,537,877	-	-	66,025	1,603,902
License and permits	155,145	-	-	-	155,145
Intergovernmental	150,072	-	638,256	118,539	906,867
Fines and forfeitures	433,628	-	-	184,360	617,988
Charges for services	24,212	-	-	-	24,212
Interest earnings	19,307	932	2,255	3,380	25,874
Rent	205,802	-	-	-	205,802
Other revenues	165,868	-	-	12,000	177,868
Total revenues	<u>4,847,300</u>	<u>932</u>	<u>640,511</u>	<u>1,450,793</u>	<u>6,939,536</u>
<u>Expenditures</u>					
Current:					
General government	1,910,120	-	-	138,528	2,048,648
Judicial	352,883	-	-	-	352,883
Public safety	4,842,841	-	-	170,317	5,013,158
Public works	665,080	-	-	-	665,080
Economic development	-	-	-	198,302	198,302
Culture and recreation	736,155	-	-	510,463	1,246,618
Debt Service	72,757	-	-	-	72,757
Capital outlay	-	80,777	-	190,690	271,467
Total Expenditures	<u>8,579,836</u>	<u>80,777</u>	<u>-</u>	<u>1,208,300</u>	<u>9,868,913</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(3,732,536)</u>	<u>(79,845)</u>	<u>640,511</u>	<u>242,493</u>	<u>(2,929,377)</u>
<u>Other Financing Sources (Uses)</u>					
Capital Leases	\$ 1,037,182	\$ -	\$ -	\$ -	1,037,182
Transfers from other funds	2,548,559	-	-	-	2,548,559
Transfers to other funds	-	-	-	(77,355)	(77,355)
Total Other Financing Sources (Uses)	<u>3,585,741</u>	<u>-</u>	<u>-</u>	<u>(77,355)</u>	<u>3,508,386</u>
Net change in fund balances	(146,795)	(79,845)	640,511	165,138	579,009
Fund Balances, beginning of year	4,496,256	164,490	798,547	799,456	6,258,749
Fund Balances, end of year	<u>\$ 4,349,461</u>	<u>\$ 84,645</u>	<u>\$ 1,439,058</u>	<u>\$ 964,594</u>	<u>\$ 6,837,758</u>

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 31,2018

Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures, and Changed in Fund Balance due to the following:

Net Change in Fund Balances - total governmental funds	\$ 579,009
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are depreciated over their estimated useful lives and reported as depreciation expense.	
Total capital outlays	1,684,307
Total depreciation	(792,462)
In the statement of activities, the loss on disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources.	
Cost of assets disposed	(19,484)
Related accumulated depreciation	18,510
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	57,965
Long-Term Debt	
Under the modified accrual basis of accounting used in governmental funds, expenditures are 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 adjustment for these items are as follows:	
Landfill closure/postclosure	32,610
Compensated absences	44,934
Net pension liability	(425,204)
Debt issued or incurred	(1,037,182)
Principle repayments	56,765
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	(160,497)
Revenues	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(30,223)
Change in net position of governmental activities	\$ <u>9,048</u>

City of Thomaston, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<u>Revenues</u>				
Taxes	\$ 3,514,800	\$ 3,462,000	\$ 3,693,266	\$ 231,266
License and permits	179,600	179,600	155,145	(24,455)
Intergovernmental	125,885	325,885	150,072	(175,813)
Fines and forfeitures	454,000	499,000	433,628	(65,372)
Charges for services	21,375	21,375	24,212	2,837
Rent	220,650	220,650	205,802	(14,848)
Miscellaneous	79,500	108,500	185,175	76,675
Total Revenues	<u>\$ 4,595,810</u>	<u>\$ 4,817,010</u>	<u>\$ 4,847,300</u>	<u>\$ 30,290</u>
<u>Expenditures</u>				
Current:				
General government	2,099,316	2,148,475	1,910,120	238,355
Judicial	349,675	374,675	352,883	21,792
Public safety	3,883,355	3,969,355	4,842,841	(873,486)
Public works	748,363	748,363	665,080	83,283
Culture and recreation	772,423	822,423	736,155	86,268
Debt Service	-	-	72,757	(72,757)
Total expenditures	<u>7,853,132</u>	<u>8,063,291</u>	<u>8,579,836</u>	<u>(516,545)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,257,322)</u>	<u>(3,246,281)</u>	<u>(3,732,536)</u>	<u>(486,255)</u>
<u>Other Financing Sources (Uses)</u>				
Capital Leases	-	-	1,037,182.00	1,037,182
Transfer from Hotel Motel Fund	40,000	40,000	39,615	(385)
Transfer from Electric Fund	2,003,704	2,070,704	2,070,704	-
Transfer from Water/Sewer Fund	378,709	388,269	300,000	(88,269)
Transfer from Sanitation Fund	100,500	100,500	100,500	-
Transfer from Joint Project Fund	37,740	37,740	37,740	-
Total Other Financing Sources (Uses)	<u>2,560,653</u>	<u>2,637,213</u>	<u>3,585,741</u>	<u>948,528</u>
Net change in fund balance	(696,669)	(609,068)	(146,795)	462,273
Fund balance - beginning of year	<u>4,496,256</u>	<u>4,496,256</u>	<u>4,496,256</u>	-
Fund balance - end of year	<u><u>3,799,587</u></u>	<u><u>3,887,188</u></u>	<u><u>4,349,461</u></u>	<u><u>462,273</u></u>

City of Thomaston, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2018

	Business-Type Activities - Enterprise Funds			
	Water & Sewer Original	Electric Fund	Non-Major Sanitation Fund	Total
<u>Assets</u>				
Current assets				
Cash and cash equivalents	\$ 1,670,661	\$ 1,867,979	\$ 451,812	\$ 3,990,452
Restricted cash and cash equivalents:				
Revenue bond covenant accounts	293,104	-	-	293,104
Investments	-	3,639,737	-	3,639,737
Accounts receivable (net of allowance for uncollectible)	358,058	1,064,694	97,249	1,520,001
Intergovernmental receivable	381,738	-	-	381,738
Due from other funds	98,364	-	-	98,364
Total current assets	<u>\$ 2,801,925</u>	<u>\$ 6,572,410</u>	<u>\$ 549,061</u>	<u>\$ 9,923,396</u>
Noncurrent assets				
Capital Assets:				
Land	2,377,309	-	62,160	2,439,469
Construction in progress	196,410	-	-	196,410
Buildings	7,177,657	103,498	-	7,281,155
Systems - water, sewer, and electrical	35,388,949	1,713,324	-	37,102,273
Vehicles	592,916	744,319	-	1,337,235
Equipment	2,182,915	323,978	-	2,506,893
Less accumulated depreciation	<u>(14,083,695)</u>	<u>(1,603,851)</u>	<u>-</u>	<u>(15,687,546)</u>
Total capital assets, net	<u>33,832,461</u>	<u>1,281,268</u>	<u>62,160</u>	<u>35,175,889</u>
Total noncurrent assets	<u>33,832,461</u>	<u>1,281,268</u>	<u>62,160</u>	<u>35,175,889</u>
Total Assets	<u>36,634,386</u>	<u>7,853,678</u>	<u>611,221</u>	<u>45,099,285</u>
<u>Deferred outflows of resources</u>				
Deferred outflows of resources related to pensions	<u>-</u>	<u>85,761</u>	<u>-</u>	<u>85,761</u>
Total deferred outflows of resources	<u>-</u>	<u>85,761</u>	<u>-</u>	<u>85,761</u>

City of Thomaston, Georgia
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2018

	Business-Type Activities - Enterprise Funds			
	Water & Sewer Original	Electric Fund	Non-Major Sanitation Fund	Total
<u>Liabilities</u>				
Current liabilities				
Accounts payable	\$ 87,157	\$ 816,279	\$ 91,715	\$ 995,151
Accrued interest payable	-	-	-	-
Accrued liabilities	-	-	-	-
Accrued vacation	-	29,000	-	29,000
Due to other funds	-	-	95,569	95,569
Notes payable - current	280,975	-	-	280,975
Capital leases payable - current	-	65,095	-	65,095
Payable from restricted assets:				
Revenue bonds payable - current	500,000	-	-	500,000
Total current liabilities	<u>\$ 868,132</u>	<u>\$ 910,374</u>	<u>\$ 187,284</u>	<u>\$ 1,965,790</u>
Noncurrent liabilities				
Customer deposits	154,168	396,439	-	550,607
Accrued vacation	-	23,386	-	23,386
Capital leases payable	-	95,948	-	95,948
Notes payable	5,288,992	-	-	5,288,992
Revenue bonds payable	4,780,000	-	-	4,780,000
Net pension liability	-	858,754	-	858,754
Total noncurrent liabilities	<u>10,223,160</u>	<u>1,374,527</u>	<u>-</u>	<u>11,597,687</u>
Total Liabilities	<u>11,091,292</u>	<u>2,284,901</u>	<u>187,284</u>	<u>13,563,477</u>
<u>Deferred inflows of resources</u>				
Deferred inflows of resources related				
to pensions	-	83,796	-	83,796
Total deferred inflows of resources	<u>-</u>	<u>83,796</u>	<u>-</u>	<u>83,796</u>
<u>Net Position</u>				
Net investment in capital assets	22,982,494	1,120,255	62,160	24,164,909
Restricted per revenue bond indenture	293,104	-	-	293,104
Unrestricted	<u>2,267,496</u>	<u>4,450,517</u>	<u>361,777</u>	<u>7,079,790</u>
Total Net Position	<u>\$ 25,543,094</u>	<u>\$ 5,570,772</u>	<u>\$ 423,937</u>	<u>\$ 31,537,803</u>

City of Thomaston, Georgia
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds

For the Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds			
	Water & Sewer Original	Electric Fund	Non-Major Sanitation Fund	Total
<u>Operating Revenues</u>				
Charges and fees	\$ 5,403,697	\$ 13,838,650	\$ 1,163,410	\$ 20,405,757
Miscellaneous income	8,718	15,594	-	24,312
Total operating revenues	<u>\$ 5,412,415</u>	<u>\$ 13,854,244</u>	<u>\$ 1,163,410</u>	<u>\$ 20,430,069</u>
<u>Operating Expenses</u>				
Salaries and benefits	-	893,646	-	893,646
Contract management	2,506,129	-	1,005,584	3,511,713
Cost of sales	-	10,129,717	-	10,129,717
Legal, engineering, and professional	330,869	4,920	-	335,789
Operating materials	94,365	170,289	-	264,654
Other operating expenses	194,269	113,983	21,849	330,101
Repairs and maintenance	18,040	124,275	-	142,315
Small equipment	-	8,079	-	8,079
Utilities	584,557	47,964	-	632,521
Depreciation	962,833	74,398	-	1,037,231
Total operating expenses	<u>4,691,062</u>	<u>11,567,271</u>	<u>1,027,433</u>	<u>17,285,766</u>
Operating income (loss)	<u>721,353</u>	<u>2,286,973</u>	<u>135,977</u>	<u>3,144,303</u>
<u>Nonoperating Revenues (Expenses)</u>				
Interest income	2,756	10,862	-	13,618
Dividend income	-	164,770	-	164,770
Interest expense	(243,313)	(3,498)	-	(246,811)
Unrealized gain/loss	-	(14,928)	-	(14,928)
Municipal Competitive Trust	-	597,255	-	597,255
Total Nonoperating Revenues (Expenses)	<u>(240,557)</u>	<u>754,461</u>	<u>-</u>	<u>513,904</u>
Income (Loss) Before Transfers	<u>480,796</u>	<u>3,041,434</u>	<u>135,977</u>	<u>3,658,207</u>
Capital contributions	50,147	-	-	50,147
Transfers in	-	-	-	-
Transfers out	<u>(300,000)</u>	<u>(2,070,704)</u>	<u>(100,500)</u>	<u>(2,471,204)</u>
Change in Net Position	230,943	970,730	35,477	1,237,150
Net Position, Beginning of Year	<u>25,312,151</u>	<u>4,600,012</u>	<u>388,460</u>	<u>30,300,623</u>
Net Position, End of Year	<u>\$ 25,543,094</u>	<u>\$ 5,570,742</u>	<u>\$ 423,937</u>	<u>\$ 31,537,773</u>

City of Thomaston, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds			
	Water & Sewer Original	Electric Fund	Non-Major Sanitation Fund	Total
<u>Cash Flows From Operating Activities</u>				
Cash received from customers	\$ 5,003,669	\$ 13,947,510	\$ 1,171,859	\$ 20,123,038
Cash paid to suppliers for goods and services	(3,778,019)	(10,553,627)	(939,591)	(15,271,237)
Cash paid to employees	-	(896,800)	-	(896,800)
Net Cash Flows Provided by (Used for) Operating Activities	<u>1,225,650</u>	<u>2,497,083</u>	<u>232,268</u>	<u>3,955,001</u>
<u>Cash Flows From Noncapital Financing Activities</u>				
Transfers	<u>(300,000)</u>	<u>(2,070,704)</u>	<u>(100,500)</u>	<u>(2,471,204)</u>
Net Cash Flows Provided by (Used for) Noncapital Financing Activities	<u>(300,000)</u>	<u>(2,070,704)</u>	<u>(100,500)</u>	<u>(2,471,204)</u>
<u>Cash Flows From Capital and Related Financing Activities</u>				
Capital Grants	22,500	-	-	22,500
Principal payment on revenue bonds and notes	(771,765)	(36,996)	-	(808,761)
Interest and fiscal charges on revenue bonds and notes	(257,428)	(3,498)	-	(260,926)
Proceeds from debt issuance	476,660	198,039	-	674,699
Purchase of capital assets	<u>(452,258)</u>	<u>(59,570)</u>	<u>-</u>	<u>(511,828)</u>
Net Cash Flows Provided by (Used for) Capital and Related Financing Activities	<u>(982,291)</u>	<u>97,975</u>	<u>-</u>	<u>(884,316)</u>
<u>Cash Flows From Investing Activities</u>				
Interest income	2,756	10,862	-	13,618
Dividend income	-	164,770	-	164,770
Municipal Competitive Trust Credits	-	597,255	-	597,255
Purchase of investments	<u>-</u>	<u>(762,025)</u>	<u>-</u>	<u>(762,025)</u>
Net Cash flows Provided by (Used for) Investing Activities	<u>2,756</u>	<u>10,862</u>	<u>-</u>	<u>13,618</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(53,885)</u>	<u>535,216</u>	<u>131,768</u>	<u>613,099</u>
Cash and Cash Equivalents - Beginning of Year	<u>2,017,650</u>	<u>1,332,763</u>	<u>320,044</u>	<u>3,670,457</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,963,765</u>	<u>\$ 1,867,979</u>	<u>\$ 451,812</u>	<u>\$ 4,283,556</u>

City of Thomaston, Georgia
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2018

	Business-Type Activities -			
	Enterprise Funds			
	Water & Sewer Original	Electric Fund	Non-Major Sanitation Fund	Total
Classified as				
Current assets	\$ 1,670,661	\$ 1,867,979	\$ 451,812	\$ 3,990,452
Restricted assets	293,104	-	-	293,104
Total Cash and Cash Equivalents, End of Year	\$ 1,963,765	\$ 1,867,979	\$ 451,812	\$ 4,283,556
<u>Reconciliation of Net Operating Income (Loss) to</u>				
<u>Net Cash Provided by (Used for) Operating Activities</u>				
Net Operating Income (Loss)	\$ 721,353	\$ 2,286,973	\$ 135,977	\$ 3,144,303
<u>Adjustments to Reconcile Net Operating Income (Loss)</u>				
<u>to Net Cash Provided by (Used for) Operating Activities</u>				
Depreciation	962,833	74,398	-	1,037,231
Changes in Assets and Liabilities				
(Increase) decrease in accounts receivable	61,512	30,499	8,449	100,460
(Increase) decrease in grants receivable	(374,689)	-	-	(374,689)
(Increase) decrease in accrued interest receivable	-	-	-	-
(Increase) decrease in due from other funds	(95,569)	75,255	-	(20,314)
(Increase) decrease in deferred outflows of resources	-	(12,488)	-	(12,488)
Increase (decrease) in accounts payable	16,345	9,287	1,393	27,025
Increase (decrease) in retainage payable	-	-	-	-
Increase (decrease) in customer deposits	-	6,313	-	6,313
Increase (decrease) in due to other funds	(66,135)	-	86,449	20,314
Increase (decrease) in net pension liability	-	(5,139)	-	(5,139)
Increase (decrease) in deferred inflows of resources	-	31,985	-	31,985
Total Adjustments	(458,536)	135,712	96,291	(226,533)
Net Cash flows Provided by (Used for)				
Operating Activities	\$ 1,225,650	\$ 2,497,083	\$ 232,268	\$ 3,955,001
<u>Noncash investing, capital, and financing activities</u>				
Contributions of capital assets from government	\$ 27,647	\$ -	\$ -	27,647
Increase (decrease) in fair value of investments	-	(14,928)	-	(14,928)
Total noncash investing, capital, and financing activities	\$ 27,647	\$ (14,928)	\$ -	\$ 12,719

NOTES TO THE FINANCIAL STATEMENTS

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

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 act by 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 relationship 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 Commissions, (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. The City's Governmental Board is responsible for board appointments; however, the City has no further accountability for any of the organizations.

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

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 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 Commissions
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 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 segments 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 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.

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

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 measuring 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 principle 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 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.
- 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.

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

- 2016 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.

E. Receivables

Receivables and Due from Other Governments represents 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 government 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.

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018, 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.

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 should be reported at acquisition value rather than fair value.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset 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 \$281,440. 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

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

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 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 assumptions. This amount is deferred and will be recognized as a reduction of the net pension liability in the 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 and 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 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 that 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 became 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 position. 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.

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

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.

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 require to be maintained intact
- Restricted- amounts are restricted when required constraints have been placed on the use or 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. The General Fund is the only fund that reports a positive unassigned fund balance.

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
For the Year Ended December 31, 2018

The following is a summary of the fund balance classification as of December 31, 2018:

	General Fund	2011 SPLOST	2016 SPLOST	Nonmajor Governmental	Total
<u>Fund Balances</u>					
Nonspendable:					
Advances to other funds	\$ 621,091	\$ -	\$ -	\$ -	\$ 621,091
Restricted for:					
Law enforcement	-	-	-	132,868	132,868
Capital Projects	-	84,465	1,439,058	434,193	1,957,716
Joint Projects with County	-	-	-	397,533	397,533
Assigned					
Fund balance appropriation	-	-	-	-	-
Law enforcement	4,045	-	-	-	4,045
Community development	11,287	-	-	-	11,287
Capital outlay	330,256	-	-	-	330,256
Unassigned (deficit)	<u>3,382,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,382,782</u>
Total Fund Balances	<u>\$ 4,349,461</u>	<u>\$ 84,465</u>	<u>\$ 1,439,058</u>	<u>\$ 964,594</u>	<u>\$ 6,837,578</u>

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 omission. The City purchases commercial insurance for most types of risk. For these risks, settlements have not exceeded coverages for each of the past three years. The City has no significant reduction in insurance coverage from coverage in the prior year.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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 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
For the Year Ended December 31, 2018

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.

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 deposit 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.

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.

Investment Type	Fair Value	SPLOST
Mutual Funds (MEAG)	3,639,737	N/A

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

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 each year and must be returned for tax purposes by March 1. Except for 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 determining 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 the following year. Judicial property sales are commenced during June and July of the following year.

The property tax calendar is as follows:

	Real/Personal	
	Property	
	<u>(Excluding Vehicles)</u>	<u>Motor Vehicles</u>
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 experiences rates and results 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, 2018, is as follows:

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

Expenditures by Purpose	Amount	Tax Receipts	Percentage
Promote Tourism	\$ 26,410	\$ 66,025	40%
General Fund	<u>39,615</u>	<u>-</u>	<u>60%</u>
Total	<u>\$ 66,025</u>	<u>\$ 66,025</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	Water and Sewer	Electric	Nonmajor Proprietary Fund	Nonmajor Governmental	Total
<u>Receivables</u>						
Taxes	\$ 119,718	\$ -	\$ -	\$ -	\$ 69,575	\$ 189,293
Accounts	15,619	385,014	1,145,536	104,535	4,918	1,655,622
Intergovernmental	<u>326,466</u>	<u>381,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>708,204</u>
Gross Receivables	\$ 461,803	\$ 766,752	\$ 1,145,536	\$ 104,535	\$ 74,493	\$ 2,553,119
Less: Allowance for uncollectibles	<u>(15,776)</u>	<u>(26,956)</u>	<u>(80,842)</u>	<u>(7,286)</u>	<u>(3,479)</u>	<u>(134,339)</u>
Total Net Receivables	<u>\$ 446,027</u>	<u>\$ 739,796</u>	<u>\$ 1,064,694</u>	<u>\$ 97,249</u>	<u>\$ 71,014</u>	<u>\$ 2,418,780</u>

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2018, is as follows:

DUE TO/FROM OTHER FUNDS		
Receivable Fund	Payable Fund	Amount
General Fund	Hotel/Motel Tax Fund	\$ 1,638
General Fund	LMIG fund	501,000
Water and Sewer Fund	General Fund	2,795
Water and Sewer Fund	Nonmajor Proprietary Fund	<u>95,569</u>
Total		<u>\$ 601,002</u>

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

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 Project Fund	\$ 621,091
Total	Total	<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	Total
Transfer Out:		
Electric Fund	\$2,070,704	\$2,070,704
Water & Sewer Fund	300,000	300,000
Nonmajor Proprietary Fund	100,500	100,500
Nonmajor Governmental Fund	<u>77,355</u>	<u>77,355</u>
Total	<u>\$2,548,559</u>	<u>\$2,548,559</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.

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.

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 8 – CAPITAL ASSETS

	Beginning Balances	Increase	Decrease	Ending Balance
<u>Governmental Activities</u>				
Capital assets, not being depreciated:				
Land	\$ 2,736,182	\$ -	\$ -	\$ 2,736,182
Construction in progress	457,224	915,423	(437,229)	935,418
Total capital assets, not being depreciated:	3,193,406	915,423	(437,229)	3,671,600
Capital assets, being depreciated:				
Buildings	4,422,882	239,985	-	4,662,867
Vehicles	1,892,157	221,866	(19,484)	2,094,539
Equipment	2,336,614	153,626	-	2,490,240
Infrastructure	14,801,507	590,636	-	15,392,143
Total capital assets, being depreciated:	23,453,160	1,206,113	(19,484)	24,639,789
Less accumulated depreciation for:				
Buildings	(2,146,962)	(83,673)		(2,230,635)
Vehicles	(1,024,465)	(144,317)	18,510	(1,150,272)
Equipment	(1,276,504)	(103,976)	-	(1,380,480)
Infrastructure	(5,864,408)	(460,496)	-	(6,324,904)
Total accumulated depreciation	(10,312,339)	(792,462)	18,510	(11,086,291)
Total capital assets, being depreciated, net	13,140,821	413,651	(974)	13,553,498
Governmental activities capital assets, net	<u>\$ 16,334,227</u>	<u>\$ 1,329,074</u>	<u>\$ (438,203)</u>	<u>\$ 17,225,098</u>
<u>Business-Type Activities</u>				
Capital assets, not being depreciated:				
Land	\$ 2,439,469	\$ -	\$ -	\$ 2,439,469
Construction in progress	237,186	-	(40,776)	196,410
Total capital assets, not being depreciated:	2,676,655	-	(40,776)	2,635,879
Capital assets, being depreciated:				
Buildings	7,249,665	31,490	-	7,281,155
Systems - water, sewer, and electric	36,625,046	477,227	-	37,102,273
Equipment	2,482,893	24,000	-	2,506,893
Vehicles	1,289,701	47,534	-	1,337,235
Total capital assets, being depreciated	47,647,305	580,251	-	48,227,556
Less accumulated depreciation for:				
Buildings	(6,078,668)	(441)	-	(6,079,109)
Systems - water, sewer, and electric	(6,240,173)	(820,707)	-	(7,060,880)
Equipment	(1,094,983)	(210,900)	-	(1,305,883)
Vehicles	(1,236,491)	(5,183)	-	(1,241,674)
Total accumulated depreciation	(14,650,315)	(1,037,231)	-	(15,687,546)
Total capital assets, being depreciated, net	32,996,990	(456,980)	-	32,540,010
Business - type activities capital assets, net	<u>\$ 35,673,645</u>	<u>\$ (456,980)</u>	<u>\$ (40,776)</u>	<u>\$ 35,175,889</u>
Less related long-term debt outstanding				(11,011,010)
Net investment in capital assets				<u>\$ 24,164,879</u>

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

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

Governmental Activities

General government	\$ 92,689
Public safety	197,971
Parks and public safety	207,070
Public works	294,732
Total depreciation expense - governmental activities	<u>\$ 792,462</u>

Business-Type Activities

Water and sewer	\$ 962,138
Electric	75,093
Total depreciation expense – business-type activities	<u>\$ 1,037,231</u>

NOTE 9 - LONG-TERM DEBIT

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2018, was as follows:

	Beginning Balances	Addition	Reduction	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Landfill closure/postclosure	\$ 1,800,549	\$ -	\$ (32,610)	\$ 1,767,939	\$ 135,000
Compensated absences	237,262	160,206	(205,140)	192,328	140,300
Net pension liability	2,458,765	425,204	-	2,883,969	-
Capital leases payable	-	1,037,182	(56,765)	980,417	115,380
Governmental activity long-term liabilities	<u>\$ 4,496,576</u>	<u>\$ 1,622,592</u>	<u>\$ (294,515)</u>	<u>\$ 5,824,653</u>	<u>\$ 390,680</u>
<u>Business-Type Activities</u>					
Compensated absences	\$ 50,402	\$ 38,209	\$ (36,225)	\$ 52,386	\$ 29,000
GEFA Loan DW09002PF70	775,240	-	(45,244)	729,996	46,620
GEFA Loan DW10012	1,044,459	-	(52,985)	991,474	59,587
GEFA Loan DW13011	2,051,004	-	(105,585)	1,945,418	106,114
GEFA Loan DW14002	1,494,369	-	(67,950)	1,426,419	68,654
GEFA Loan CWSRF201522	-	13,636	-	13,636	-
GEFA Loan CW201644	-	358,804	-	358,804	-
GEFA Loan CW2017006	-	104,220	-	104,220	-
Capital leases payable	-	198,039	(36,996)	161,043	65,095
Revenue bonds payable	5,780,000	-	(500,000)	5,280,000	500,000
Net pension liability	863,891	-	(5,137)	858,754	-
Business-type activity long-term liabilities	<u>\$ 12,059,365</u>	<u>\$ 712,908</u>	<u>\$ (850,123)</u>	<u>\$ 11,922,150</u>	<u>\$ 875,070</u>

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

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.

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.

Sinking Fund			
Year (December 1)	Principal	Interest	
2019	\$ 525,000	\$	131,625
2020	545,000		118,500
2021	565,000		105,300
2022	585,000		90,750
2023	605,000		76,500
2024-2027	2,455,000		157,325
Total	\$ 5,280,000	\$	680,000

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 was 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, 2017, the outstanding balance was \$729,996.

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, 2017, the outstanding balance was \$991,474.

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 \$2,199,681, is to be paid over a twenty-nine-year period starting August 1, 2017, on a monthly basis. Interest is accrued monthly at .5%. As December 31, 2017, the outstanding balance was \$1,945,418.

In 2015, the City entered into a contract with GEFA 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 \$2,000,000 of which 25% or \$500,000 is forgivable. The project was completed in 2017 and the \$1,500,000 is to be paid over a twenty-year period starting December 2017, on a monthly basis. Interest is accrued monthly at 1.03%. As of December 31, 2017, the outstanding balance was \$1,426,419.

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

In 2017, the City entered into a contract with the Georgia Environmental Facilities Authority for a Clean Water State Revolving Loan Fund grant/loan to provide financing for storm water infrastructure improvements. The total proceeds for the loan are \$2,250,000, of which 500,000 is forgivable. The project started in 2018 with \$13,626 in drawdowns as of December 31, 2018.

In 2017 the City entered into a contract with the Georgia Environmental Facilities Authority for a Clean Water State Revolving Loan Fund grant/loan to provide financing for the replacement of existing water mains. The total proceeds for the loan are \$2,000,000, of which \$500,000 is forgivable. The project started in 2018 with \$358,804 in drawdowns as of December 31, 2018.

In 2017, the City entered into a contract with the Georgia Environmental Facilities Authority for a Clean Water State Revolving Loan Fund grant/loan to provide financing for storm water infrastructure improvements. The total proceeds for the loan are \$2,000,000, of which \$500,000 is forgivable. The project started in 2018 with \$104,220 in drawdowns as of December 31, 2018.

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

	GEFA DW09002PJ70		GEFA DW10012		GEFA DW13011		GEFA DW14002	
Years Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31,								
2019	\$ 46,620	\$ 21,262	\$ 59,587	\$ 28,927	\$ 106,114	\$ 9,484	\$ 68,654	\$ 14,369
2020	48,038	19,844	61,400	27,114	106,645	8,952	69,364	13,658
2021	49,500	18,383	63,267	25,247	107,180	8,418	70,082	12,940
2022	51,005	16,878	65,191	23,322	107,717	7,881	70,807	12,215
2023	52,557	15,326	67,174	21,340	108,257	7,341	71,540	11,482
2024-2028	287,757	51,657	367,790	74,778	549,477	28,511	368,959	46,152
2029-2033	194,519	9,127	307,065	17,576	563,384	14,606	388,450	26,661
2034-2038	-	-	-	-	296,645	1,982	318,563	6,606
Total	<u>\$ 729,996</u>	<u>\$ 152,477</u>	<u>\$ 991,474</u>	<u>\$ 218,304</u>	<u>\$ 1,945,419</u>	<u>\$ 87,175</u>	<u>\$ 1,426,419</u>	<u>\$ 144,083</u>

Capital Leases

The City has obtained two leases through a financial institution to finance the acquisition of various equipment. The leasing arrangement is structured in a way that requires the City to first expend the money for purchase of the assets. The lease proceeds are then remitted to the City by the financial institution and the lease agreement begins.

The following is a schedule of future minimum lease payments for the financial institution leases together with the present value of net minimum lease payments as of December 31, 2018 (governmental activities; Electric Fund – Proprietary Funds):

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

	Governmental Activities
2019	\$ 155,517
2020	155,517
2021	127,667
2022	107,774
2023	<u>610,719</u>
Total minimum lease payments	\$ 1,157,194
Less amount representing interest	<u>(176,777)</u>
Present value of future minimum lease payments	<u><u>\$ 980,417</u></u>

	Business-Type Activities
2019	\$ 69,418
2020	69,418
2021	<u>28,924</u>
Total minimum lease payments	\$ 167,760
Less amount representing interest	<u>(6,717)</u>
Present value of future minimum lease payments	<u><u>\$ 161,043</u></u>

The following is an analysis of leased assets under capital lease purchased with lease proceeds as of December 31, 2018, and amortization of these assets is included in the depreciation expense recorded in the respective governmental and business-type activities:

	Governmental Activities	Business-Type Activities
Fire truck	\$ 900,962	\$ -
Machinery and equipment	<u>136,220</u>	<u>198,039</u>
Total	<u><u>\$ 1,037,182</u></u>	<u><u>\$ 198,039</u></u>

Restricted Assets

The balance of the restricted asset account in the Water and Sewer Enterprise Fund is as follows:

Revenue bond covenant account	<u>\$ 293,104</u>
	<u><u>\$ 293,104</u></u>

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

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 \$1,800,549. 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 2018. These costs are subject to change due to inflation or deflation, technology or applicable laws or regulations. The City is not required to commit financial resources to guarantee future maintenance and monitoring activities.

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 multi-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, 2018, the date of the most recent actuarial valuation, there were 258 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	125
Terminated vested participants	42
Active vested employees	55
Active nonvested employees	36
Total	<u>258</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 11.80% 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
For the Year Ended December 31, 2018

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

At December 31, 2018, the City reported a net pension liability. The net pension liability was measured as of March 31, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of July 1, 2018.

For the year ended December 31, 2018, the City recognized pension expense relative to GMEBS in the amount of \$628,458. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 204,504	\$ -
Changes of assumptions	110,906	-
Net difference between projected and actual earnings on pension plan investments	0	516,302
Employer contribution subsequent to measurement date	<u>212,999</u>	<u>-</u>
	<u>\$ 528,409</u>	<u>\$ 516,302</u>

City contributions subsequent to the measurement date of March 31, 2018 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in the pension expense as follows:

Years Ending December 31,	
2019	\$ 252,199
2020	(29,292)
2021	(139,004)
2022 and thereafter	(71,796)

Actuarial Assumptions: The total pension liability as of December 31, 2018 was determined by an actuarial valuation as of July 1, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	2.75%, plus service-based merit increases
Investment rate of return	7.50%, On-going basis, based on long-term expected rate of return of pension plan investments.

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

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 July 1, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to June 30, 2014.

Net Pension Liability:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2017	\$ 10,979,351	\$ 7,656,695	\$ 3,322,656
Charges for the year:			
Service cost	101,086	-	101,086
Interest	822,157	-	822,157
Difference between expected and actual experience	280,188	-	280,188
Contributions - employer	-	386,362	(386,362)
Contributions - employee	-	-	-
Net investment income	-	637,386	(637,386)
Benefit payments	(741,737)	(741,737)	-
Administrative expense	-	(31,423)	31,423
Other	208,961	-	208,961
Net Changes	670,655	250,588	420,067
Balance at December 31, 2018	<u>\$ 11,650,006</u>	<u>\$ 7,907,283</u>	<u>\$ 3,742,723</u>

The City's net pension liability is recorded in the Government-Wide Statement of Net Position in the amounts of \$2,883,969 and \$858,754, 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 included in the pension plan's target asset allocation as of March 31, 2018 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	45.00%	6.71%	9.20%
International Equity	20.00%	7.71%	9.70%
Fixed Income	25.00%	2.79%	4.80%
Real Estate	10.00%	5.21%	7.00%
Cash	<u>0.00%</u>	0.00%	0.00%
Total	<u>100.00%</u>		

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. 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 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 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease <u>(6.50%)</u>	Current discount rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	\$ 4,620,814	\$ 3,442,723	\$ 2,436,537

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 publicly available at www.gmanet.com.

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 Officer's 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 contributions to this plan. Contributions are collected by the City as the agent for this fund through its court systems. This plan is administrated 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.

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

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 non-performance by any party of any agreement for any cause whatsoever. Each Power Sales Contract will continue in full force at 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 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 trust's beneficiaries a means to mitigate the expected differential between market rates for power and the cost 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 the funds from this account at any time. As of December 31, 2018, the balance of the account was \$3,639,737 (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, 2018 was \$4,500,669. Due to the Trust restrictions on access to the funds, this account balance is not reflected in the accompanying statement of net position.

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2018

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, 2018 was \$19,899. 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 the 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.

NOTE 14 – CONTINGENT LIABILITIES

A. Litigation

During the course of normal opportunities 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 June 5, 2019, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

City of Thomaston, Georgia
Required Supplementary Information
For the years Ended December 31, 2018, 2017, 2016, 2015

Schedule of Changes in the City's Net Pension Liability and Related Ratios

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability				
Service cost	\$ 101,086	\$ 78,267	\$ 92,484	\$ 100,665
Interest on total pension liability	822,157	796,305	783,446	753,703
Differences between expected and actual experiences	280,188	193,229	(11,213)	241,530
Changes of assumptions	-	-	-	(56,111)
Other	208,961	-	-	-
Changes of benefit terms	-	-	-	-
Benefit payments, including refunds of employee contributions	<u>(741,737)</u>	<u>(726,744)</u>	<u>(670,815)</u>	<u>(641,192)</u>
Net Change in Total Pension Liability	\$ 670,655	\$ 341,057	\$ 193,902	\$ 398,595
 Total pension liability - beginning, January 1	 <u>10,979,351</u>	 <u>10,638,294</u>	 <u>10,444,392</u>	 <u>10,045,797</u>
Total pension liability - ending, December 31 (a)	<u>\$ 11,650,006</u>	<u>\$ 10,979,351</u>	<u>\$ 10,638,294</u>	<u>\$ 10,444,392</u>
 Plan Fiduciary Net Position				
Contributions - employer	\$ 386,362	\$ 376,154	\$ 347,962	\$ 330,659
Contributions - employee	-	-	-	-
Net Investment Income	637,386	876,422	18,576	678,062
Benefit payments, including refunds of employee contributions	(741,737)	(726,744)	(670,815)	(641,192)
Administrative Expense	<u>(31,423)</u>	<u>(34,219)</u>	<u>(19,928)</u>	<u>(17,791)</u>
Net Change in Plan Fiduciary Net Position	\$ 250,588	\$ 491,613	\$ (324,205)	\$ 349,738
 Plan fiduciary net position - beginning, January 1	 <u>\$ 7,656,695</u>	 <u>7,165,082</u>	 <u>7,489,287</u>	 <u>7,139,549</u>
Plan fiduciary net position - ending, December 31 (b)	<u>\$ 7,907,283</u>	<u>\$ 7,656,695</u>	<u>\$ 7,165,082</u>	<u>\$ 7,489,287</u>
 City's net pension liability (asset) - ending (a) - (b)	 <u>\$ 3,742,723</u>	 <u>\$ 3,322,656</u>	 <u>\$ 3,473,212</u>	 <u>\$ 2,955,105</u>
 Plan fiduciary net position as a percentage of the total				
pension liability	67.87%	69.74%	67.35%	71.71%
 Covered payroll	 \$ 3,976,175	 \$ 3,183,118	 \$ 2,788,467	 \$ 2,787,146
 Net pension liability as a percentage of covered payroll	 94.13%	 104.38%	 124.56%	 106.03%

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

City of Thomaston, Georgia
Required Supplementary Information
For the Years Ended December 31, 2018, 2017, 2016, 2015

Schedule of City Contributions

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	*	\$ 373,632	\$ 374,328	\$ 339,168
Contributions in relation to the actuarially determined contributions	<u>*</u>	<u>375,632</u>	<u>402,592</u>	<u>310,909</u>
Contribution deficiency (excess	<u>*</u>	<u>\$ (2,000)</u>	<u>\$ (28,264)</u>	<u>\$ 28,259</u>
City's covered-employee payroll	*	\$ 3,183,118	\$ 2,788,467	\$ 2,787,146
Contributions as a percentage of covered-employee payroll	*	11.80%	14.44%	11.16%

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

* 2018 information is determined after fiscal year-end and is included in 2019 report. That information was not available at the time of the audit.

City of Thomaston, Georgia
Required Supplementary Information
For the Year Ended December 31, 2018

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 difference 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 the 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 morality 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 services 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 where 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 age 65-69 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 rate 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, 2018, 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, 2019.

City of Thomaston, Georgia
Required Supplementary Information
For the Year Ended December 31, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
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 of the year. The actuarial value is adjusted, if necessary, to the within 20% of the market value.
Net Investment Rate of Return	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost 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 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, 2018

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor
	Hotel	Law Enforcement	Joint Projects	Greatest	CDBG/2014	DOT	Total Nonmajor
	Motel Tax	Confiscation	Fund	Generation Park	Water Line Fund	LMIG Fund	Governmental Funds
Assets							
Cash and cash equivalents	\$ -	\$ 132,868	\$ 970,744	\$ 325,913	\$ 5,687	\$ 609,280	\$ 2,044,492
Receivables, net of allowance:							
Taxes	-	-	66,096	-	-	-	66,096
Accounts	4,918	-	-	-	-	-	4,918
Due from other funds	-	-	-	-	-	-	-
Total Assets	<u>4,918</u>	<u>132,868</u>	<u>1,036,840</u>	<u>325,913</u>	<u>5,687</u>	<u>609,280</u>	<u>2,115,506</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable	3,280	-	-	-	-	-	3,280
Retainage payable	-	-	-	-	5,687	-	5,687
Due to other funds	1,638	-	-	-	-	501,000	502,638
Advance to other funds	-	-	621,091	-	-	-	621,091
Total Liabilities	<u>4,918</u>	<u>-</u>	<u>621,091</u>	<u>-</u>	<u>5,687</u>	<u>501,000</u>	<u>1,132,696</u>
Deferred inflows of resources:							
Unavailable revenue - property taxes	-	-	18,216	-	-	-	18,216
Unavailable revenue - grant revenues	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>18,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,216</u>
Fund balances:							
Restricted	-	132,868	397,533	325,913	-	108,280	964,594
Unassigned (deficit)	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>132,868</u>	<u>397,533</u>	<u>325,913</u>	<u>-</u>	<u>108,280</u>	<u>964,594</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,918</u>	<u>\$ 132,868</u>	<u>\$ 1,036,840</u>	<u>\$ 325,913</u>	<u>\$ 5,687</u>	<u>\$ 609,280</u>	<u>\$ 2,115,506</u>

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

City of Thomaston, Georgia
Combining Statement of Revenues, Expenditures, and Changes In Fund Balance
Nonmajor Governmental Funds
For the Year Ending December 31, 2018

	Special Revenue Funds			Capital Projects Funds			
	Hotel	Law Enforcement	Joint Projects	Greatest	CDBG/2014	DOT	Total Nonmajor
	Motel Tax	Confiscation	Fund	Generation Park	Water Line Fund	LMIG Fund	Governmental Funds
Revenues							
Taxes:							
Property taxes	\$ -	\$ -	\$ 1,066,489	\$ -	\$ -	\$ -	\$ 1,066,489
Other taxes	66,025	-	-	-	-	-	66,025
Intergovernmental	-	-	-	2,687	-	115,852	118,539
Fines and forfeitures	-	184,360	-	-	-	-	184,360
Charges for services	-	-	-	-	-	-	-
Interest earnings	-	777	-	2,122	-	481	3,380
Donation	-	-	-	12,000	-	-	12,000
Total Revenues	<u>66,025</u>	<u>185,137</u>	<u>1,066,489</u>	<u>16,809</u>	<u>-</u>	<u>116,333</u>	<u>1,450,793</u>
Expenditures							
Current:							
General government	26,410	-	112,118	-	-	-	138,528
Public safety	-	19,136	151,181	-	-	-	170,317
Economic development			198,302				198,302
Culture and recreation			510,463				510,463
Capital outlay	-	109,483	-	68,639	-	12,568	190,690
Total Expenditures	<u>26,410</u>	<u>128,619</u>	<u>972,064</u>	<u>68,639</u>	<u>-</u>	<u>12,568</u>	<u>1,208,300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>39,615</u>	<u>56,518</u>	<u>94,425</u>	<u>(51,830)</u>	<u>-</u>	<u>103,765</u>	<u>242,493</u>
Other Financing Sources (Uses)							
Transfers to other funds	(39,615)	-	(37,740)	-	-	-	(77,355)
Total Other Financing Sources (Uses)	<u>(39,615)</u>	<u>-</u>	<u>(37,740)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,355)</u>
Net change in fund balances	-	56,518	56,685	(51,830)	-	103,765	165,138
Fund balances, beginning of year (deficit)	-	76,350	340,848	377,743	-	4,515	799,456
Fund balances, end of year (deficit)	<u>\$ -</u>	<u>\$ 132,868</u>	<u>\$ 397,533</u>	<u>\$ 325,913</u>	<u>\$ -</u>	<u>\$ 108,280</u>	<u>\$ 964,594</u>

City of Thomaston, Georgia
General Fund
Comparative Balance Sheet
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 3,433,025	\$ 3,421,678
Receivables, net of allowance:		
Taxes	105,352	125,466
Accounts	14,209	160,170
Intergovernmental	326,466	284,471
Prepaid insurance	-	320
Due from other funds	502,638	4,282
Advance from other funds	621,091	621,091
Total Assets	<u>\$ 5,002,781</u>	<u>\$ 4,617,478</u>
Liabilities		
Accounts payable	\$ 69,981	\$ 22,609
Accrued liabilities	29,948	25,706
Performance Bonds Payable	501,400	5,070
Due to other funds	2,795	8,482
Total Liabilities	<u>\$ 604,124</u>	<u>\$ 61,867</u>
Deferred Inflows of Resources		
Unavailable revenue - property taxes	\$ 49,196	\$ 59,355
Total Deferred Inflows of Resources	<u>\$ 49,196</u>	<u>\$ 59,355</u>
Fund Balances		
Nonspendable	\$ 621,091	\$ 621,411
Assigned	345,588	476,310
Unassigned	3,382,782	3,398,535
Total Fund Balances	<u>\$ 4,349,461</u>	<u>\$ 4,496,256</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,002,781</u>	<u>\$ 4,617,478</u>

City of Thomaston, Georgia
General Fund
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
December 31, 2018 and 2017

	2018	2017
Revenues		
Taxes	\$ 3,693,266	\$ 3,468,887
Licenses and permits	155,145	194,122
Intergovernmental revenue	150,072	390,609
Fines and forfeitures	433,628	427,498
Charges for services	24,212	19,550
Rent	205,802	225,802
Miscellaneous	185,175	271,694
Total revenues	4,847,300	4,998,162
Expenditures		
Current:		
General government	1,910,120	1,856,752
Judicial	352,883	298,331
Public safety	4,842,841	3,218,466
Public works	665,080	398,288
Culture and recreation	736,155	572,929
Debt Service:		
Principle	56,765	-
Interest	15,992	-
Total expenditures	8,579,836	6,344,766
Excess (deficiency) of revenues over (under) expenditures	(3,732,536)	(1,346,604)
Other financing sources (uses)		
Capital Leases	1,037,182	-
Transfer In:		
Transfer from Hotel Motel Fund	39,615	43,858
Transfer from Joint Projects Fund	37,740	130,566
Transfer from Electric Fund	2,070,704	1,800,000
Transfer from Water/Sewer Fund	300,000	220,000
Transfer from Sanitation Fund	100,500	-
Total other financing sources (uses)	3,585,741	2,194,424
Net Change in Fund Balance	(146,795)	847,820
Fund balance, Beginning of year	4,496,256	3,648,436
Fund balance, End of year	\$ 4,349,461	\$ 4,496,256

City of Thomaston, Georgia
General Fund
Comparative Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2018

<u>Description</u>	<u>Final Budget</u>	<u>2018 Actual</u>	<u>Variance With Final Budget</u>	<u>2017 Actual</u>
<u>Revenues</u>				
<u>Taxes</u>				
General property tax	\$ 750,000	\$ 779,816	\$ 29,816	\$ 735,237
Local options sales tax	1,355,000	1,375,573	20,573	1,299,989
Other:				
Motor vehicle taxes	15,000	40,574	25,574	13,415
Title Ad Valorem tax	125,000	178,098	53,098	126,969
Mobile home taxes	13,000	13,628	628	83
Intangible taxes	12,000	28,750	16,750	12,038
Franchise taxes	400,000	427,898	27,898	485,320
Insurance premium tax	609,000	656,973	47,973	609,181
Real estate transfer tax	3,000	278	(2,722)	1,392
Beer and wine tax	180,000	191,678	11,678	185,263
Total Taxes	<u>3,462,000</u>	<u>3,693,266</u>	<u>231,266</u>	<u>3,468,887</u>
<u>Licenses and Permits</u>				
Business and occupation	125,000	127,337	2,337	143,932
Special sales permits	54,600	27,808	(26,792)	50,190
Total Licenses and Permits	<u>179,600</u>	<u>155,145</u>	<u>(24,455)</u>	<u>194,122</u>
<u>Intergovernmental Revenues</u>				
Housing Authority	50,000	46,045	(3,955)	-
Upson County	265,885	100,035	(165,850)	220,601
State of Georgia - Hazardous Trust Fund	-	-	-	161,126
State grants:				
Drug Task Force	10,000	3,992	(6,008)	8,882
Total Intergovernmental Revenues	<u>325,885</u>	<u>150,072</u>	<u>(175,813)</u>	<u>390,609</u>
<u>Fines and Forfeitures</u>				
Recorder's Court	499,000	433,628	(65,372)	427,498
Total Fines and Forfeitures	<u>499,000</u>	<u>433,628</u>	<u>(65,372)</u>	<u>427,498</u>

City of Thomaston, Georgia
General Fund
Comparative Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
For the Year Ended December 31, 2018

<u>Description</u>	<u>Final Budget</u>	<u>2018 Actual</u>	<u>Variance With Final Budget</u>	<u>2017 Actual</u>
<u>Charges for Services</u>				
Cemetery fees	20,000	22,700	2,700	18,100
Weaver Park Pavilion fees	1,375	1,512	137	1,450
Rent revenue	<u>220,650</u>	<u>205,802</u>	<u>(14,848)</u>	<u>225,802</u>
 Total Charges for Services	 <u>242,025</u>	 <u>230,014</u>	 <u>(12,011)</u>	 <u>245,352</u>
 <u>Miscellaneous</u>				
Interest earnings	14,150	19,307	5,157	14,908
Insurance reimbursement	-	66,528	66,528	75,274
Miscellaneous	<u>94,350</u>	<u>99,340</u>	<u>4,990</u>	<u>181,512</u>
 Total Miscellaneous	 <u>108,500</u>	 <u>185,175</u>	 <u>76,675</u>	 <u>271,694</u>
 Total Revenues	 <u>4,817,010</u>	 <u>4,847,300</u>	 <u>30,290</u>	 <u>4,998,162</u>

City of Thomaston, Georgia
General Fund
Comparative Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
For the Year Ended December 31, 2018

Description	Final Budget	2018 Actual	Variance With Final Budget	2017 Actual
<u>Expenditures</u>				
<u>General Government</u>				
Governing body	\$ 36,756	\$ 30,626	\$ 6,130	\$ 34,605
City clerk	6,393	6,405	(12)	51,918
City manager	197,540	199,012	(1,472)	179,290
General administration	845,892	596,971	248,921	724,694
Finance	630,613	634,632	(4,019)	459,423
Human resources	153,211	142,018	11,193	121,096
Tax administration	6,620	6,500	120	6,607
Legal services	95,000	101,558	(6,558)	65,339
Community development	176,450	192,398	(15,948)	213,780
Total General Government	2,148,475	1,910,120	238,355	1,856,752
 <u>Judicial</u>				
Municipal Court	374,675	352,883	21,792	298,331
Total Judicial	374,675	352,883	21,792	298,331
 <u>Public Safety</u>				
Police Department:				
Police administration	1,006,238	972,991	33,247	721,029
Patrol	1,598,672	1,669,994	(71,322)	1,422,805
Fire Department:				
Fire administration	312,615	1,135,174	(822,559)	190,818
Fire fighting	1,051,830	1,064,682	(12,852)	883,814
Total Public Safety	3,969,355	4,842,841	(873,486)	3,218,466
 <u>Public Works</u>				
Public works administration	502,650	483,911	18,739	232,382
Public works crew	142,088	148,559	(6,471)	110,484
Landfill post closure	103,625	32,610	71,015	55,422
Total Public Works	748,363	665,080	83,283	398,288

City of Thomaston, Georgia
General Fund
Comparative Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
For the Year Ended December 31, 2018

<u>Description</u>	<u>Final Budget</u>	<u>2018 Actual</u>	<u>Variance With Final Budget</u>	<u>2017 Actual</u>
<u>Culture and Recreation</u>				
Parks public space admin	546,800	487,449	59,351	346,814
Parks public space crew	275,623	248,706	26,917	226,115
Total Culture and Recreation	822,423	736,155	86,268	572,929
 Debt Service				
Principle	-	56,765	(56,765)	-
Interest	-	15,992	(15,992)	-
Total Debt Service	-	72,757	(72,757)	-
 Total Expenditures	8,063,291	8,579,836	(516,545)	6,344,766
 Excess of Revenue Over (Under)				
Expenditures	(3,246,281)	(3,732,536)	(486,255)	(1,346,604)
 <u>Other Financing Sources (Uses)</u>				
Capital Leases	-	1,037,182	1,037,182	-
Transfer in:				
Transfer from Hotel Motel Fund	40,000	39,615	(385)	43,858
Transfer from Electric Fund	2,070,704	2,070,704	-	1,800,000
Transfer from Water/Sewer Fund	388,269	300,000	(88,269)	220,000
Transfer from Sanitation Fund	100,500	100,500	-	-
Transfer from Joint Projects Fund	37,740	37,740	-	130,566
 Total Other Financing Sources (Uses)	2,637,213	3,585,741	948,528	2,194,424
 Net Change in Fund Balance	(609,068)	(146,795)	462,273	847,820
 Fund Balance, Beginning of Year	4,496,256	4,496,256	-	3,648,436
 Fund Balance, End of Year	\$ 3,887,188	\$ 4,349,461	\$ 462,273	\$ 4,496,256

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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 payments of services.

City of Thomaston, Georgia
Hotel/Motel Tax Fund
Comparative Balance Sheet
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ -	\$ -
Accounts receivable	<u>4,918</u>	<u>5,470</u>
Total Assets	<u>\$ 4,918</u>	<u>\$ 5,470</u>
Liabilities and Fund Balances		
<u>Liabilities</u>		
Accounts payable	\$ 3,280	\$ 2,188
Due to other funds	<u>1,638</u>	<u>3,282</u>
Total Liabilities	<u>4,918</u>	<u>5,470</u>
<u>Fund Balances</u>		
Restricted	<u>-</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 4,918</u>	<u>\$ 5,470</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, 2018

	<u>Final Budget</u>	<u>2018 Actual</u>	<u>Variance With Final Budget</u>
<u>Revenues</u>			
Hotel motel tax	\$ 70,000	\$ 66,025	\$ (3,975)
Total revenues	<u>70,000</u>	<u>66,025</u>	<u>(3,975)</u>
<u>Expenditures</u>			
General government:			
Chamber of Commerce	<u>28,000</u>	<u>26,410</u>	<u>1,590</u>
Total expenditures	<u>28,000</u>	<u>26,410</u>	<u>1,590</u>
Excess (deficiency) of revenues over (under) expenditures	<u>42,000</u>	<u>39,615</u>	<u>(5,565)</u>
<u>Other financing sources (uses)</u>			
Transfers to general fund	<u>42,000</u>	<u>39,615</u>	<u>(2,385)</u>
Total other financing sources (uses)	<u>42,000</u>	<u>39,615</u>	<u>(2,385)</u>
Net Change in Fund Balance	84,000	79,230	(4,770)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Thomaston, Georgia
Law Enforcement Confiscation Fund
Comparative Balance Sheet
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 132,868	\$ 76,350
Total Assets	<u>\$ 132,868</u>	<u>\$ 76,350</u>
Liabilities and Fund Balances		
<u>Liabilities</u>		
Accounts payable	\$ -	\$ -
Due to other funds	-	-
Total Liabilities	-	-
<u>Fund Balances</u>		
Restricted for law enforcement	132,868	76,350
Total Fund Balances	132,868	76,350
Total Liabilities and Fund Balances	<u>\$ 132,868</u>	<u>\$ 76,350</u>

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, 2018

	<u>Final Budget</u>	<u>2018 Actual</u>	<u>Variance With Final Budget</u>
<u>Revenues</u>			
Fines and forfeitures	\$ -	\$ 184,360	\$ 184,360
Interest income	<u>-</u>	<u>777</u>	<u>(777)</u>
Total revenues	<u>-</u>	<u>185,137</u>	<u>183,583</u>
<u>Expenditures</u>			
Current:			
Public safety	-	19,136	(19,136)
Capital outlay	<u>54,100</u>	<u>109,483</u>	<u>(55,383)</u>
Total expenditures	<u>54,100</u>	<u>128,619</u>	<u>(74,519)</u>
 Net Change in Fund Balance	 (54,100)	 56,518	 110,618
 Fund balance - beginning of year	 <u>76,350</u>	 <u>76,350</u>	 <u>-</u>
 Fund balance - end of year	 <u>\$ 22,250</u>	 <u>\$ 132,868</u>	 <u>\$ 110,618</u>

City of Thomaston, Georgia
Joint Projects Tax Allocation District Fund
Comparative Balance Sheet
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 970,744	\$ 956,568
Property taxes receivable, net	<u>66,096</u>	<u>43,651</u>
Total Assets	<u>\$ 1,036,840</u>	<u>\$ 1,000,219</u>
 Liabilities, Deferred Inflows of Resources, and Fund Balances		
<u>Liabilities</u>		
Accounts payable	\$ -	\$ -
Advance to other funds	<u>621,091</u>	<u>621,091</u>
Total Liabilities	<u>621,091</u>	<u>621,091</u>
 <u>Deferred Inflows of Resources</u>		
Unavailable revenue - property taxes	<u>18,216</u>	<u>38,280</u>
Total Deferred Inflows of Resources	<u>18,216</u>	<u>38,280</u>
 <u>Fund Balances</u>		
Restricted	397,533	340,848
Unassigned	<u>-</u>	<u>-</u>
Total Fund Balances	<u>397,533</u>	<u>340,848</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances:	<u>\$ 1,036,840</u>	<u>\$ 1,000,219</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, 2018

	<u>Final Budget</u>	<u>2018 Actual</u>	<u>Variance With Final Budget</u>
<u>Revenues</u>			
Property taxes	\$ 1,009,804	\$ 1,066,489	\$ 56,685
Total revenues	<u>1,009,804</u>	<u>1,066,489</u>	<u>56,685</u>
<u>Expenditures</u>			
Current:			
General government	112,118	112,118	-
Public safety	151,181	151,181	-
Economic development	198,302	198,302	-
Culture and recreation	<u>510,463</u>	<u>510,463</u>	<u>-</u>
Total expenditures	<u>972,064</u>	<u>972,064</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,740</u>	<u>94,425</u>	<u>56,685</u>
<u>Other financing sources (uses)</u>			
Transfers to general fund	<u>(37,740)</u>	<u>(37,740)</u>	<u>-</u>
Total other financing sources (uses)	<u>(37,740)</u>	<u>(37,740)</u>	<u>-</u>
Net Change in Fund Balance	-	56,685	56,685
Fund balance - beginning of year	<u>340,848</u>	<u>340,848</u>	<u>-</u>
Fund balance - end of year	<u>\$ 340,848</u>	<u>\$ 397,533</u>	<u>\$ -</u>

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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.

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 voters of the City of Thomaston.

2016 Special Local Option Sales Tax Fund - to account for the City of Thomaston sewer line project based on the 1 cent special local option sales tax approved by voters of the City of Thomaston.

Greatest Generation Park Fund - to account for expenditures for the development of the Greatest Generation Park.

2014 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
2011 Special Local Option Sales Tax
Comparative Balance Sheet
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 84,645	\$ 172,707
Total Assets	<u>\$ 84,645</u>	<u>\$ 172,707</u>
Liabilities and Fund Balances		
<u>Liabilities</u>		
Accounts payable	\$ -	\$ 8,217
Due to other funds	-	-
Total Liabilities	<u>-</u>	<u>8,217</u>
<u>Fund Balances</u>		
Restricted for capital projects	84,645	164,490
Total Fund Balances	<u>84,645</u>	<u>164,490</u>
Total Liabilities and Fund Balances	<u>\$ 84,645</u>	<u>\$ 172,707</u>

City of Thomaston, Georgia
2011 Special Local Option Sales Tax
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues		
Intergovernmental	\$ -	\$ 1,286
Interest earnings	<u>932</u>	<u>-</u>
Total revenues	<u>932</u>	<u>1,286</u>
 Expenditures		
Capital outlay	<u>80,777</u>	<u>380,801</u>
Total expenditures	<u>80,777</u>	<u>380,801</u>
 Net Change in Fund Balance	 (79,845)	 (379,515)
 Fund balance - beginning of year	 <u>164,490</u>	 <u>544,005</u>
 Fund balance - end of year	 <u><u>\$ 84,645</u></u>	 <u><u>\$ 164,490</u></u>

City of Thomaston, Georgia
2016 Special Local Option Sales Tax
Comparative Balance Sheet
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 1,439,058	\$ 798,547
Total Assets	<u>\$ 1,439,058</u>	<u>\$ 798,547</u>
Liabilities and Fund Balances		
Total Liabilities	-	-
<u>Fund Balances</u>		
Restricted for capital projects	1,439,058	798,547
Total Fund Balances	1,439,058	798,547
Total Liabilities and Fund Balances	<u>\$ 1,439,058</u>	<u>\$ 798,547</u>

City of Thomaston, Georgia
2016 Special Local Option Sales Tax
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues		
Intergovernmental	\$ 638,256	\$ 598,796
Interest earnings	<u>2,255</u>	<u>461</u>
Total revenues	<u>640,511</u>	<u>599,257</u>
 Expenditures		
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>
 Net Change in Fund Balance	640,511	599,257
 Fund balance - beginning of year	<u>798,547</u>	<u>199,290</u>
 Fund balance - end of year	<u><u>\$ 1,439,058</u></u>	<u><u>\$ 798,547</u></u>

City of Thomaston, Georgia
Greatest Generation Park Fund
Comparative Balance Sheet
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 325,913	\$ 377,743
Total Assets	<u>\$ 325,913</u>	<u>\$ 377,743</u>
Liabilities and Fund Balances		
<u>Liabilities</u>		
Accounts payable	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>
<u>Fund Balances</u>		
Restricted for capital projects	<u>325,913</u>	<u>377,743</u>
Total Fund Balances	<u>325,913</u>	<u>377,743</u>
Total Liabilities and Fund Balances	<u>\$ 325,913</u>	<u>\$ 377,743</u>

City of Thomaston, Georgia
Greatest Generation Park Fund
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances
December 31, 2018 and 2017

	2018	2017
Revenues		
Intergovernmental	\$ 2,687	\$ 4,029
Interest earnings	2,122	1,259
Donation	12,000	52,000
Total revenues	<u>16,809</u>	<u>57,288</u>
Expenditures		
Current:		
Culture and recreation	-	2,097
Capital outlay	68,639	-
Total expenditures	<u>68,639</u>	<u>2,097</u>
Net Change in Fund Balance	(51,830)	55,191
Fund balance - beginning of year	<u>377,743</u>	<u>322,552</u>
Fund balance - end of year	<u><u>\$ 325,913</u></u>	<u><u>\$ 377,743</u></u>

City of Thomaston, Georgia
2014 Community Development Block Grant/Water Line Fund
Comparative Balance Sheet
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 5,687	\$ -
Due from other funds	-	5,687
Intergovernmental receivable	-	-
Total Assets	<u>\$ 5,687</u>	<u>\$ 5,687</u>
 Liabilities, Deferred Inflows of Resources, and Fund Balances		
<u>Liabilities</u>		
Retainage payable	\$ 5,687	\$ 5,687
Due to other funds	-	-
Total Liabilities	<u>5,687</u>	<u>5,687</u>
 <u>Deferred Inflows of Resources</u>		
Unavailable revenue - grant revenues	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>
 <u>Fund Balances</u>		
Unassigned	-	-
Total Fund Balances	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,687</u>	<u>\$ 5,687</u>

City of Thomaston, Georgia
2014 Community Development Block Grant/Water Line Fund
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues		
Intergovernmental	\$ -	\$ 45,018
Total revenues	<u>-</u>	<u>45,018</u>
 Expenditures		
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>
 Net Change in Fund Balance	-	45,018
 Fund balance - beginning of year	<u>-</u>	<u>(45,018)</u>
 Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Thomaston, Georgia
2014 Community Development Block Grant/Water Line Fund
14p-X-145-2-5701
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
From Inception and for the Year Ended December 31, 2018

<u>Description</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Department of Community Affairs	\$ 500,000	\$ -	\$ 500,000	\$ 500,000
Total Revenues	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>
Expenditures				
Contingencies - Unprogrammed Funds	50,000	-	50,000	50,000
Water Facilities	<u>450,000</u>	<u>-</u>	<u>450,000</u>	<u>450,000</u>
Total Expenditures	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>
Net Change in Fund Balance	-	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Thomaston, Georgia
DOT LMIG Fund
Comparative Balance Sheet
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 609,280	\$ 5,515
Total Assets	<u>\$ 609,280</u>	<u>\$ 5,515</u>
Liabilities and Fund Balances		
<u>Liabilities</u>		
Due to other funds	\$ 501,000	\$ 1,000
Total Liabilities	<u>501,000</u>	<u>1,000</u>
<u>Fund Balances</u>		
Restricted for capital projects	<u>108,280</u>	<u>4,515</u>
Total Fund Balances	<u>108,280</u>	<u>4,515</u>
Total Liabilities and Fund Balances	<u>\$ 609,280</u>	<u>\$ 5,515</u>

City of Thomaston, Georgia
DOT LMIG Fund
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues		
Intergovernmental	\$ 115,852	\$ 220,648
Interest earnings	<u>481</u>	<u>54</u>
Total revenues	<u>116,333</u>	<u>220,702</u>
 Expenditures		
Capital outlay	<u>12,568</u>	<u>216,195</u>
Total expenditures	<u>12,568</u>	<u>216,195</u>
 Net Change in Fund Balance	103,765	4,507
 Fund balance - beginning of year	<u>4,515</u>	<u>8</u>
 Fund balance - end of year	<u><u>\$ 108,280</u></u>	<u><u>\$ 4,515</u></u>

STATISTICAL SECTION

This part of City's comprehensive annual financial report presents detailed information as context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government'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>	85-89
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>	90-94
Debt Capacity <i>These schedules contain 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>	95-98
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place and to help make comparisons over time and with other governments.</i>	99-101
Operating Information <i>These schedules contain information about the City's operations and resources to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	102-103

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

Schedule 1
City of Thomaston
Net Position by Component
Last 10 Years
(accrual basis accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Governmental Activities</u>										
Net Investment in capital assets	\$ 11,367,708	\$ 12,433,446	\$ 12,132,055	\$ 13,618,213	\$ 13,232,483	\$ 13,671,438	\$ 16,020,543	\$ 16,262,913	\$ 16,334,227	\$ 16,244,681
Restricted	4,111,689	3,254,258	3,517,736	3,248,886	3,039,003	3,464,602	4,190,523	1,080,664	1,762,493	2,488,297
Unrestricted	<u>3,038,370</u>	<u>2,927,503</u>	<u>2,668,561</u>	<u>2,199,363</u>	<u>2,731,392</u>	<u>2,490,231</u>	<u>(156,972)</u>	<u>(337,044)</u>	<u>209,989</u>	<u>(417,221)</u>
Total Governmental Activities Net Position	<u>\$ 18,517,767</u>	<u>\$ 18,615,207</u>	<u>\$ 18,318,352</u>	<u>\$ 19,066,462</u>	<u>\$ 19,002,878</u>	<u>\$ 19,626,271</u>	<u>\$ 20,054,094</u>	<u>\$ 17,006,533</u>	<u>\$ 18,306,709</u>	<u>\$ 18,315,757</u>
<u>Business-Type Activities</u>										
Net Investment in capital assets	\$ 5,039,575	\$ 10,181,069	\$ 11,194,897	\$ 13,683,729	\$ 15,342,717	\$ 17,418,300	\$ 20,252,256	\$ 23,630,401	\$ 24,528,573	\$ 24,419,718
Restricted	590,717	293,632	294,976	294,266	287,528	287,978	290,134	288,824	290,506	293,104
Unrestricted	<u>8,412,409</u>	<u>7,479,800</u>	<u>7,180,839</u>	<u>6,396,029</u>	<u>6,402,398</u>	<u>6,161,297</u>	<u>2,042,275</u>	<u>3,488,263</u>	<u>5,481,544</u>	<u>6,824,951</u>
Total Business-Type Activities Net Position	<u>\$ 14,042,701</u>	<u>\$ 17,954,501</u>	<u>\$ 18,670,712</u>	<u>\$ 20,374,024</u>	<u>\$ 22,032,643</u>	<u>\$ 23,867,575</u>	<u>\$ 22,584,665</u>	<u>\$ 27,407,488</u>	<u>\$ 30,300,623</u>	<u>\$ 31,537,773</u>
<u>Primary Government</u>										
Net investment capital assets	\$ 16,407,283	\$ 22,614,515	\$ 23,326,952	\$ 27,301,942	\$ 28,575,200	\$ 31,089,738	\$ 36,272,799	\$ 39,893,314	\$ 40,862,800	\$ 40,664,399
Restricted	4,702,406	3,547,890	3,812,712	3,543,152	3,326,531	3,752,580	4,480,657	1,369,488	2,052,999	2,781,401
Unrestricted	<u>11,450,779</u>	<u>10,407,303</u>	<u>9,849,400</u>	<u>8,595,392</u>	<u>9,133,790</u>	<u>8,651,528</u>	<u>1,885,303</u>	<u>3,151,219</u>	<u>5,691,533</u>	<u>6,407,730</u>
Total Primary Government Net Position	<u>\$ 32,560,468</u>	<u>\$ 36,569,708</u>	<u>\$ 36,989,064</u>	<u>\$ 39,440,486</u>	<u>\$ 41,035,521</u>	<u>\$ 43,493,846</u>	<u>\$ 42,638,759</u>	<u>\$ 44,414,021</u>	<u>\$ 48,607,332</u>	<u>\$ 49,853,530</u>

Schedule 2
City of Thomaston
Changes in net Position
Last 10 Years
(accrual basis accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General government (Note 1)	\$ 2,244,192	\$ 2,827,252	\$ 1,914,999	\$ 2,038,116	\$ 1,245,804	\$ 1,612,310	\$ 3,639,830	\$ 5,236,015	\$ 2,350,429	\$ 2,688,727
Judicial	215,894	177,475	163,609	202,989	239,417	234,102	267,744	212,879	298,331	352,883
Public safety	2,831,390	2,963,077	2,751,102	2,870,384	2,745,709	3,093,608	2,727,279	3,184,142	3,467,504	3,993,351
Public works	924,573	1,634,486	794,525	1,431,991	1,335,976	909,316	502,207	656,702	526,865	922,898
Economic development	3,239	217,922	144,262	149,363	144,347	324,151	332,633	358,257	212,937	198,302
Culture and recreation	-	-	21,697	366,231	530,294	993,897	1,276,803	1,526,021	1,129,060	1,199,316
Interest on short and long-term debt	-	-	-	-	-	-	-	-	-	15,992
Total Governmental Activities Expenses	\$ 6,219,288	\$ 7,820,212	\$ 5,790,194	\$ 7,059,074	\$ 6,241,547	\$ 7,167,384	\$ 8,746,496	\$ 11,174,016	\$ 7,985,126	\$ 9,371,469
Business-Type Activities										
Water and sewer	\$ 3,806,922	\$ 3,452,263	\$ 3,978,918	\$ 4,361,621	\$ 4,093,022	\$ 4,335,355	\$ 4,747,369	\$ 4,704,846	\$ 4,725,548	\$ 4,934,375
Electric	8,546,908	9,220,580	11,008,854	11,465,199	10,672,120	11,954,799	11,752,201	10,967,949	11,277,395	11,570,769
Sanitation	988,594	994,802	1,083,916	1,073,394	1,147,044	1,083,180	1,131,507	1,042,968	1,092,660	1,027,433
Total Business-Type Activities Expenses	\$ 13,342,424	\$ 13,667,645	\$ 16,071,688	\$ 16,900,214	\$ 15,912,186	\$ 17,373,334	\$ 17,631,077	\$ 16,715,763	\$ 17,095,603	\$ 17,532,577
Total Primary Government Expenses	\$ 19,561,712	\$ 21,487,857	\$ 21,861,882	\$ 23,959,288	\$ 22,153,733	\$ 24,540,718	\$ 26,377,573	\$ 27,889,779	\$ 25,080,729	\$ 26,904,046
Program Revenues										
Governmental Activities:										
Charges for services:										
Refuse collection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cemetery fees	18,500	13,000	18,550	15,000	14,500	17,900	15,950	21,600	18,100	22,700
Fines and forfeitures	541,228	388,554	276,797	385,320	416,557	374,287	436,833	291,590	427,498	433,628
Licenses and permits	124,856	132,852	129,296	134,176	131,055	146,732	192,360	170,697	194,122	155,145
Public Safety	5,537	10,598	5,145	724	6,742	9,782	129,826	80,624	17,047	184,360
Rent	161,820	161,646	162,472	166,129	209,629	219,746	216,290	221,775	225,802	205,802
Other	-	-	2,530	3,270	3,520	4,145	4,130	4,116	5,479	4,199
Operating grants and contributions	823,238	801,356	220,301	283,760	316,429	322,856	620,317	443,083	390,609	150,072
Capital grants and contributions	898,288	1,481,609	438,426	1,908,281	756,809	1,166,516	1,449,990	704,577	821,191	757,295
Total Governmental Activities Program Revenues	\$ 2,573,467	\$ 2,989,615	\$ 1,253,517	\$ 2,896,660	\$ 1,855,241	\$ 2,261,964	\$ 3,065,696	\$ 1,938,062	\$ 2,099,848	\$ 1,913,201
Business-Type Activities:										
Charges for services:										
Water and sewer	\$ 3,598,022	\$ 3,548,910	\$ 3,667,827	\$ 4,042,795	\$ 4,140,579	\$ 4,534,921	\$ 4,624,733	\$ 4,772,823	\$ 5,343,896	\$ 5,403,697
Electric	10,537,058	11,261,852	11,646,993	12,074,428	12,370,325	13,352,066	13,176,252	13,368,693	13,233,636	13,838,650
Sanitation	1,018,375	1,017,658	1,010,003	1,090,951	1,098,606	1,142,030	1,158,505	1,157,767	1,160,365	1,163,410
Capital grants and contributions	1,339,092	3,013,367	485,621	2,496,166	953,164	1,114,049	1,820,908	3,594,640	880,801	50,147
Total Business-Type Activities Program Revenues	\$ 16,492,547	\$ 18,841,787	\$ 16,810,444	\$ 19,704,340	\$ 18,562,674	\$ 20,143,066	\$ 20,780,398	\$ 22,893,923	\$ 20,618,698	\$ 20,455,904
Total Primary Government Revenues	\$ 19,066,014	\$ 21,831,402	\$ 18,063,961	\$ 22,601,000	\$ 20,417,915	\$ 22,405,030	\$ 23,846,094	\$ 24,831,985	\$ 22,718,546	\$ 22,369,105

Schedule 2
City of Thomaston
Changes in net Position
Last 10 Years
(accrual basis accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expenses)/Revenue										
Governmental Activities	\$ (3,645,821)	\$ (4,830,597)	\$ (4,536,677)	\$ (4,162,414)	\$ (4,386,306)	\$ (4,905,420)	\$ (5,680,800)	\$ (9,235,954)	\$ (5,885,278)	\$ (7,458,268)
Business-Type Activities	3,150,123	5,174,142	738,756	2,804,126	2,650,488	2,769,732	3,149,321	6,178,160	3,523,095	2,923,327
Total Primary Government Net Expense/Revenues	\$ (495,698)	\$ 343,545	\$ (3,797,921)	\$ (1,358,288)	\$ (1,735,818)	\$ (2,135,688)	\$ (2,531,479)	\$ (3,057,794)	\$ (2,362,183)	\$ (4,534,941)
<u>General Revenue & Other Changes in Net Position</u>										
Governmental Activities:										
Taxes:										
Property taxes	\$ 806,282	\$ 827,426	\$ 797,423	\$ 812,885	\$ 799,954	\$ 1,640,108	\$ 1,972,285	\$ 2,007,532	\$ 2,033,473	\$ 1,816,082
Sales taxes	1,222,074	1,367,381	1,349,798	1,372,294	1,202,035	1,371,890	1,316,453	1,273,384	1,299,989	1,375,573
Franchise taxes	398,461	307,630	358,274	335,574	367,435	336,097	331,887	320,539	485,320	427,898
Insurance premiums taxes	521,775	506,611	430,147	456,850	473,025	494,582	528,379	572,088	609,181	656,973
Other taxes	319,443	320,293	315,496	308,835	410,201	475,317	440,345	363,499	412,215	519,031
Interest revenue	123,181	58,012	30,354	17,188	13,346	13,166	10,949	13,362	16,490	22,687
Gain on sale of capital assets	14,391	8,157	20,565	2,111	5,291	535	-	-	-	-
Miscellaneous	299,702	86,416	112,765	106,287	45,438	197,118	174,759	137,999	308,786	177,868
Transfers	1,000,000	1,446,111	825,000	1,498,500	1,005,997	1,000,000	3,266,770	1,500,000	2,020,000	2,471,204
Total Governmental Activities	\$ 4,705,309	\$ 4,928,037	\$ 4,239,822	\$ 4,910,524	\$ 4,322,722	\$ 5,528,813	\$ 8,041,827	\$ 6,188,403	\$ 7,185,454	\$ 7,467,316
Business-Type Activities:										
Interest revenue	\$ 338,631	\$ 383,769	\$ 802,455	\$ 397,686	\$ 14,128	\$ 65,200	\$ 41,351	\$ 46,598	\$ 127,013	\$ 13,618
Miscellaneous	-	-	-	-	-	-	270,052	98,065	157,173	174,154
Municipal Competitive Trust	-	-	-	-	-	-	-	-	1,105,851	597,255
Transfers	(1,000,000)	(1,446,111)	(825,000)	(1,498,500)	(1,005,997)	(1,000,000)	(3,266,770)	(1,500,000)	(2,020,000)	(2,471,204)
Total Business-Type Activities Program Revenues	\$ (661,369)	\$ (1,062,342)	\$ (22,545)	\$ (1,100,814)	\$ (991,869)	\$ (934,800)	\$ (2,955,367)	\$ (1,355,337)	\$ (629,963)	\$ (1,686,177)
Total Primary Government	\$ 4,043,940	\$ 3,865,695	\$ 4,217,277	\$ 3,809,710	\$ 3,330,853	\$ 4,594,013	\$ 5,086,460	\$ 4,833,066	\$ 6,555,491	\$ 5,781,139
<u>Change in Net Position</u>										
Governmental Activities	\$ 1,059,488	\$ 97,440	\$ (296,855)	\$ 748,110	\$ (63,584)	\$ 623,393	\$ 2,361,027	\$ (3,047,551)	\$ 1,300,176	\$ 9,048
Business-Type Activities	2,488,754	4,111,800	716,211	1,703,312	1,658,619	1,834,932	193,954	4,822,823	2,893,132	1,237,150
Total Primary Government	\$ 3,548,242	\$ 4,209,240	\$ 419,356	\$ 2,451,422	\$ 1,595,035	\$ 2,458,325	\$ 2,554,981	\$ 1,775,272	\$ 4,193,308	\$ 1,246,198

Schedule 4
City of Thomaston
Fund Balances, Governmental Funds
Last 10 Years
(modified accrual basis of accounting)

	2009	Restated 2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ -	\$ 70,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Unreserved	3,613,786	3,932,640	-	-	-	-	-	-	-	
Nonspendable	-	-	-	-	45,461	504,559	666,552	621,091	621,411	621,091
Assigned	-	-	1,228,319	1,567,152	584,882	1,881,368	1,088,523	588,126	476,310	345,588
Unassigned	-	-	2,886,174	2,152,349	3,455,261	1,563,106	2,231,825	2,439,219	3,398,535	3,382,782
Total General Fund	\$ 3,613,786	\$ 4,003,344	\$ 4,114,493	\$ 3,719,501	\$ 4,085,604	\$ 3,949,033	\$ 3,986,900	\$ 3,648,436	\$ 4,496,256	\$ 4,349,461
All Other Governmental Funds										
Reserved:										
Program purposes	\$ 192,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	3,911,866	3,236,371	-	-	-	-	-	-	-	-
Public safety	6,989	17,887	-	-	-	-	-	-	-	-
Unrestricted:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	8,430	-	-	-	-	-	-	-	-
Restricted:										
Capital Projects Funds	-	-	3,508,598	3,242,009	3,025,456	3,456,344	3,881,933	1,065,855	1,345,295	1,957,896
Public safety	-	-	9,138	6,787	13,547	8,258	121,515	116,346	76,350	132,868
Joint projects	-	-	-	-	-	-	187,075	221,023	340,848	397,533
Unassigned	-	-	-	-	-	(89,110)	(45,018)	-	-	-
Total All Other Governmental Funds	4,111,689	3,262,688	3,517,736	3,248,796	3,039,003	3,375,492	4,145,505	1,403,224	1,762,493	2,488,297

* Prior year amounts have been restated for the implementation of Statement 54.

Schedule 5
City of Thomaston
Changes in Fund Balances, Governmental Funds
Last 10 Years
(modified accrual basis accounting)

	2009	2010	2011	2012	2013	2014	2015	Restated 2016	2017	2018
Revenues										
Property taxes	\$ 893,218	\$ 849,227	\$ 781,027	\$ 839,576	\$ 790,859	\$ 766,757	\$ 701,445	\$ 796,135	\$ 735,237	\$ 779,816
Sales taxes	1,222,074	1,367,381	1,349,798	1,372,294	1,202,035	1,371,890	1,316,453	1,273,384	1,299,989	1,375,573
Other taxes	1,239,679	1,134,534	1,103,917	1,101,261	1,250,661	2,176,436	2,507,926	2,517,493	2,806,152	2,670,391
Licenses and permits	124,856	132,852	129,296	134,176	131,055	146,732	192,360	170,697	194,122	155,145
Intergovernmental	1,721,526	2,243,471	626,371	2,174,227	1,058,315	1,475,125	2,054,933	1,138,104	1,211,339	906,867
Fines and forfeitures	546,765	399,152	281,942	386,044	423,299	384,069	566,659	372,214	444,545	617,988
Charges for services	18,500	13,000	21,080	18,270	18,020	22,045	20,080	25,715	23,579	24,212
Interest earnings	123,181	97,507	62,710	35,002	28,269	27,413	26,324	22,919	16,951	25,874
Rent	161,820	161,646	162,472	166,129	209,629	219,746	216,290	221,775	225,802	205,802
Donations	200,295	255	50,461	17,752	4,350	85,461	-	-	-	12,000
Other	99,407	86,160	62,304	88,533	41,088	111,657	174,758	137,999	308,786	165,868
Total Revenue	<u>\$ 6,351,321</u>	<u>\$ 6,485,185</u>	<u>\$ 4,631,378</u>	<u>\$ 6,333,264</u>	<u>\$ 5,157,580</u>	<u>\$ 6,787,331</u>	<u>\$ 7,777,228</u>	<u>\$ 6,676,435</u>	<u>\$ 7,266,502</u>	<u>\$ 6,939,536</u>
Expenditures										
General government (Note 1)	\$ 2,455,040	\$ 2,593,089	\$ 1,610,689	\$ 2,573,930	\$ 1,235,802	\$ 1,653,501	\$ 3,506,908	\$ 1,833,177	\$ 2,029,822	\$ 2,048,648
Judicial	215,894	177,475	163,609	202,989	239,417	234,102	267,744	212,879	298,331	352,883
Public safety	2,727,019	2,756,897	2,741,548	2,756,576	2,757,773	3,101,427	2,972,599	3,197,878	3,361,383	5,013,158
Public works	472,807	496,559	344,961	273,226	273,062	462,523	712,954	670,456	398,288	665,080
Economic development	47,609	50,092	440	-	-	183,246	183,219	212,056	212,937	198,302
Culture and recreation	-	-	21,697	366,231	530,294	983,947	1,276,803	1,526,021	1,129,060	1,246,618
Debt Service	-	-	-	-	-	-	-	-	-	72,757
Capital outlay	1,032,302	2,198,369	227,802	2,324,765	981,929	987,987	1,315,891	3,604,703	649,593	271,467
Total Expenditures	<u>\$ 6,950,671</u>	<u>\$ 8,272,481</u>	<u>\$ 5,110,746</u>	<u>\$ 8,497,717</u>	<u>\$ 6,018,277</u>	<u>\$ 7,606,733</u>	<u>\$ 10,236,118</u>	<u>\$ 11,257,170</u>	<u>\$ 8,079,414</u>	<u>\$ 9,868,913</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (599,350)</u>	<u>\$ (1,787,296)</u>	<u>\$ (479,368)</u>	<u>\$ (2,164,453)</u>	<u>\$ (860,697)</u>	<u>\$ (819,402)</u>	<u>\$ (2,458,890)</u>	<u>\$ (4,580,735)</u>	<u>\$ (812,912)</u>	<u>\$ (2,929,377)</u>
Other Financing Sources (Uses)										
Capital leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,037,182
Transfers from other funds	1,052,562	1,381,207	941,422	1,558,988	1,052,103	1,039,968	3,401,652	1,670,371	2,194,424	2,548,559
Transfers to other funds	(52,562)	(61,511)	(116,422)	(60,488)	(46,106)	(39,968)	(134,882)	(170,371)	(174,424)	(77,355)
Other proceeds	14,391	8,157	20,565	2,111	10,920	19,320	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 1,014,391</u>	<u>\$ 1,327,853</u>	<u>\$ 845,565</u>	<u>\$ 1,500,611</u>	<u>\$ 1,016,917</u>	<u>\$ 1,019,320</u>	<u>\$ 3,266,770</u>	<u>\$ 1,500,000</u>	<u>\$ 2,020,000</u>	<u>\$ 3,508,386</u>
Net change in Fund Balances	<u>\$ 415,041</u>	<u>\$ (459,443)</u>	<u>\$ 366,197</u>	<u>\$ (663,842)</u>	<u>\$ 156,220</u>	<u>\$ 199,918</u>	<u>\$ 807,880</u>	<u>\$ (3,080,735)</u>	<u>\$ 1,207,088</u>	<u>\$ 579,009</u>

Schedule 6
City of Thomaston
Tax Revenues by Source, Governmental Funds
Last 10 Years

TAX REVENUES												
Fiscal Year	General Property	Title Ad Valorem Motor Vehicle & Mobile Home	Local Option (LOST) Sales	Special Purpose Local Option (SPLOST) Sales	Joint Projects Special Taxing District	Intangible	Franchise	Insurance Premium	Real Estate Transfer	Alcoholic Beverage	Hotel/Motel	Total
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	754,649	220,865	1,365,984	829,756	870,440 (1)	2,592	333,881	494,582	1,770	183,476	66,355	5,124,350
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
2016	796,135	98,527	1,273,384	650,002	1,261,367	8,324	320,539	572,088	3,474	183,421	69,754	5,237,015
2017	735,237	140,467	1,299,989	600,082	1,299,436	12,038	485,320	609,181	1,392	185,263	73,055	5,441,460
2018	779,816	232,300	1,375,573	638,256	1,066,489	28,750	427,898	656,973	278	191,678	66,025	5,464,036

(1) the Joint Projects Special Taxing District began in year 2014.

Schedule 7
City of Thomaston
Assessed and Estimated Actual Value of Real and Personal Property
Last 10 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	
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	231,412,680	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	8.75
2015	122,795,489	306,988,722	81,863,659	204,659,148	204,659,148	511,647,870	10.08
2016	119,855,282	299,638,205	79,903,521	199,758,803	199,758,803	499,397,008	10.36
2017	119,811,961	299,529,903	79,874,640	199,686,600	199,686,601	499,216,503	10.32
2018	128,617,094	321,542,735	85,744,730	214,361,825	214,361,824	535,904,560	10.89

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 Upson County Tax Commissioner

Schedule 8
City of Thomaston
Direct and Overlapping Property Tax Rates
Last 10 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	
2009	3.62		0.00	3.62	0.25	12.72	14.30	30.89
2010	3.62		0.00	3.62	0.25	12.72	14.30	30.89
2011	3.62		0.00	3.62	0.25	12.72	14.30	30.89
2012	3.84		0.00	3.84	0.20	7.77	15.30	27.11
2013	3.84		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
2016	3.81	6.55	0.00	10.36	0.00	9.77	15.42	35.55
2017	3.77	6.55	0.00	10.32	0.00	9.52	15.11	34.95
2018	3.56	7.33	0.00	10.89	0.00	9.00	14.33	34.22

The City's basic property tax rate (millage rate) is established by the City Council each year in August or September.

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

Schedule 9
City of Thomaston
Principal Property Taxpayers
Current Year and 10 Years Ago

2008					2018				
Taxpayer	Taxable	City	Rank	Percentage	Taxpayer	Taxable	City	Rank	Percentage
	Assessed	Tax		of Total		Assessed	Tax		of Total
	Value	Levy		City Tax		Value	Levy		City Tax
				Levy					Levy
West Georgia Generating Company	\$ 37,215,000	\$ 142,533	1	16.16%	West Georgia Generating Company	\$ 26,905,807	\$ 227,354	1	12.34%
Wal-Mart Stores, Inc	6,932,652	26,522	2	3.01%	Wal-Mart Stores	6,040,665	51,043	2	2.77%
Yamaha Music Mfg. Inc	8,301,368	23,485	3	2.66%	Standard Textile	6,161,818	41,578	3	2.26%
Atlantic Paper & Foil	5,763,600	19,164	4	2.17%	Home Depot	3,657,740	30,908	4	1.68%
Home Depot	5,001,976	19,160	5	2.17%	Pacific Management	2,467,187	20,848	5	1.13%
One Four Five Associates	2,751,635	10,539	6	1.20%	Ingles	2,238,083	18,912	6	1.03%
Georgia Windstream	2,632,478	10,082	7	1.14%	Southcrest Bank	2,571,213	14,812	7	0.80%
1888 Mills	8,777,745	7,895	8	0.90%	Blackstock Properties	1,735,945	14,597	8	0.79%
Oracle Packaging	3,736,823	7,144	9	0.81%	Georgia Power	1,588,661	14,272	9	0.78%
Royal Cord, Inc	3,460,898	5,380	10	0.61%	Thomaston South Association	1,393,862	11,778	10	0.01%
Total	<u>84,574,175</u>	<u>271,904</u>		<u>30.83%</u>	Total	<u>\$ 54,760,981</u>	<u>\$ 446,102</u>		<u>23.59%</u>

Source: Provided by Upson County Tax Commissioner's Office

Schedule 10
City of Thomaston
Property Tax Levies and Collections
Last 10 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
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%	92,252	948,281	99.81%
2014	988,859	887,224	89.72%	97,998	985,222	99.63%
2015	948,510	815,883	86.02%	121,104	936,987	98.79%
2016	877,627	758,185	86.39%	107,012	865,197	98.58%
2017	900,042	778,804	86.53%	104,583	883,387	98.15%
2018	946,471	827,904	87.47%	-	827,904	87.47%

SOURCE: Final Accounting Reports of Upson County Tax Commissioner

Schedule 11
City of Thomaston
Outstanding Debt by Type
Last 10 Years

Fiscal Year	Governmental Activities		Business-type Activities			Total Primary Government	Per Capita	Total Debt as a Percent of Personal Income
	General Obligation Bonds	Capital Leases	Water/Sewer Revenue Bonds	Water/Sewer Georgia Revolving Loan	Electric Fund Capital Leases			
2009	...	0	9,070,000	1,213,870	-	10,283,870	1119	0.2392%
2010	...	0	8,720,000	941,966	-	9,661,966	1054	0.2577%
2011	...	0	8,360,000	2,331,307	- (3)	10,691,307	1166	0.2801%
2012	...	0	7,985,000	2,669,096	- (4)	10,654,096	1169	0.2444%
2013	...	0	7,725,000	2,207,203	-	9,932,203	1095	0.2631%
2014	...	0	7,255,000	3,478,651	- (5)	10,733,651	1182	0.3042%
2015	...	0	6,775,000	4,294,717	- (6)	11,069,717	1226	0.2957%
2016	...	0	6,280,000	5,703,039	-	11,983,039	1337	0.2784%
2017	...	0	5,780,000	5,365,072	-	11,145,072	1215	0.2198%
2018	...	980,417	5,280,000	5,093,308	161,043	11,514,768	1317	0.2401%

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 2017 ending balance was \$729,996.

(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 2017 ending balance was \$991,474

(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 2017 ending balance was \$1,945,418.

(6) The city of Thomaston entered into a promissory note agreement with the Georgia Environmental Finance Authority (GEFA) in 2014. the first draw on the loan was made in 2016. The remainder of the loan was drawn in 2017. The 2017 ending balance was \$1,426,419

Total debt per capita is based on the city population on schedule 15.

Total debt as a percent of personal income is based on county per capita income on Schedule 15.

Schedule 12
City of Thomaston
Direct and Overlapping Governmental Activities Debt
As of December 31, 2018

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 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 of accuracy, as there is no central reporting entity which has the 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)	5,093,308
- Capital Leases (4)	980,417
Total Overlapping Debt	\$ 6,073,725
Total Direct and Overlapping Debt	<u>\$ 6,073,725</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 government's 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 13
City of Thomaston
Legal Debt Margin Information
Last 10 Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Assessed Value	\$ 232,655,825	\$ 231,412,680	\$ 226,500,330	\$ 215,419,451	\$ 209,931,260	\$ 202,837,486	\$ 204,659,148	\$ 199,758,803	\$ 199,686,601	\$ 214,361,824
Debt Limit - 10% of Assessed Value	\$ 23,265,583	\$ 23,141,268	\$ 22,650,033	\$ 21,541,945	\$ 20,993,126	\$ 20,283,749	\$ 20,465,915	\$ 19,975,880	\$ 19,968,660	\$ 21,436,182
Debt Applicable to Limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 23,265,583	\$ 23,141,268	\$ 22,650,033	\$ 21,541,945	\$ 20,993,126	\$ 20,283,749	\$ 20,465,915	\$ 19,975,880	\$ 19,968,660	\$ 21,436,182
Legal Debt Margin as a Percentage										
of Debt Limit	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

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 14
City of Thomaston
Pledged-Revenue Coverage
Last 10 Years

Public Utilities System Revenue Bonds							
Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
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
2016	19,431,464	15,558,762	3,872,702	495,000	169,375	664,375	5.83
2017	19,895,070	16,814,163	3,080,907	500,000	157,000	657,000	4.69
2018	20,430,069	17,285,766	3,144,303	500,000	145,405	645,405	4.87

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 15
City of Thomaston
Demographic and Economic Statistics
Last 10 Years

Year	Population	Per Capita Income	Median Age	Unemployment Rate
2009	9,191	26,498	N/A	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
2016	8,962	26,335	38.2	8.3
2017	9,170	27,466	38.2	6.2
2018	8,740	27,643	38.5	8

Notes: The population number for 2011 was obtained from 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, 2010, and 2016 was obtained from the Georgia Department of Labor.

N/A = Not Available

Schedule 16
City of Thomaston
Principal Employers
Current Year and Nine Years Ago

2018		
Employer	Number of Employees	Rank
Thomaston-Upson County Schools	687	1
Quad/Graphic of Georgia	620	2
Upson Regional Medical Center	464	3
Standard Textiles	225	4
Yamaha Music Manufacturing	240	5
Department of Transportation	210	6
1888 Mills Inc	185	7
Royal Cord Inc	172	8
Duni Corp	170	9
City of Thomaston	129	10

2009		
Employer	Number of Employees	Rank
Upson Regional Medical Center	715	1
Thomaston-Upson County Schools	714	2
Walmart Inc	272	3
Standard Textiles	252	4
Upson County	225	5
Harborview Thomaston LLC	134	6
Riverside Nursing Home	109	7
City of Thomaston	98	8
Providence Nursing Home	86	9
Southern Crescent Technical College	85	10

Schedule 17
City of Thomaston
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Full Time Equivalents as of December 31,

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government:										
Administration	10	10	10	5	4	4	4	6	6	6
Finance	5	5	5	5	5	5	5	5	5	7
Community Development	1	1	1	1	1	1	1	1	1	0
Parks & Public Spaces (1)				6	5	5	5	5	5	5
Meter Readers (2)				2	2	3	3	3	3	3
Electric Department	13	13	13	13	11	11	12	12	12	13
Fire Department	21	21	20	20	19	15	17	17	17	18
Police Department										
Officers	23	22	23	21	20	22	22	22	24	31
Civilians	3	3	3	3	3	2	2	2	2	3
Street Department	10	8	5	4	4	4	2	2	2	3
Water/Wastewater Department (3)	24	21	19	21	19	20	20	20	19	22

Source: Payroll records

(1) The Parks & Public Spaces Department began in 2012.

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

(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 18
City of Thomaston
Operating Indicators by Function/Program
Last 10 Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government:										
Building permits issued										
New Residential	5	3	0	0	1	0	1	0	0	0
New Commercial	6	4	5	6	1	5	3	1	1	0
Additions & Improvements - Residential	98	64	67	83	126	121	142	156	180	156
Additions & Improvements - Commercial	22	18	16	22	12	18	57	38	43	40
Police Department										
Physical arrests	587	794	620	425	729	691	783	744	1047	930
Citations	2916	1853	1751	2602	3091	2650	2906	1344	2997	3309
Fire Department										
Emergency (EMS) responses	149	193	228	156	191	206	201	433	530	981
Fire responses	89	75	79	71	53	52	51	70	78	437
Street Department										
Streets resurfaced (miles)	0.34	0.92	0.00	5.21	0.00	0.90	4.26	0.00	1.88	0.64
Sidewalks replaced (miles)	0.07	0.06	0.01	0.00	0.38	0.66	2.08	0.36	0.03	0.31
Electric Department										
Lines replaced (miles)	0.00	2.62	0.17	4.87	0.00	0.00	0.00	0.00	0.00	0.00
Water Department										
New connections	10	6	8	4	0	8	3	5	3	4
Water line breaks	240	184	343	60	346	348	316	300	99	129
Average daily consumption (million gallons)	1.45	1.30	1.18	1.18	1.07	1.11	1.05	1.21	1.51	1.61
Based on water billed to customers										

Sources: Various City departments

Schedule 19
City of Thomaston
Capital Asset Statistics by Functions/Program
Last 10 Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police Department										
Stations	1	1	1	1	1	1	1	1	1	1
Marked Patrol cars	10	11	11	11	11	13	12	21	22	23
Fire Department		1	1	1	1	1	1	1	1	1
Stations	1	1	1	1	1	1	1	1	1	1
Ladder Trucks	1	1	1	1	1	1	1	1	1	2
Pumper Trucks	3	3	3	3	3	3	3	3	3	3
Fire hydrants	600	600	610	610	610	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)	99.54	99.54	99.54	99.54	99.54	99.54	99.77	99.77	100.00	100.00
Street Department										
Streets (miles)	52.61	52.61	52.61	52.61	52.61	52.77	52.77	52.77	52.77	52.77
Sidewalks (miles)	30.60	30.60	30.63	30.75	30.75	30.75	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)	4.3	4.3	4.0	4.0	4.0	4.0	4.0	6.0	6.0	6.0
Water line (miles)	83.28	83.66	83.66	83.66	83.66	83.66	83.66	83.66	114	114
Water tanks (above & underground)	10	10	7	8	8	8	8	4	4	4
Storage capacity (millions of gallons)	4.01	4.01	2.05	2.12	2.12	2.12	2.12	1.75	1.75	1.75
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)	67.11	67.11	67.11	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).

COMPLIANCE SECTION

City of Thomaston, Georgia
Schedule of Projects Constructed
With Special Sales Tax Proceeds
For the Year Ended December 31, 2018

2011 Special Local Options Sales Tax Projects:	Original Estimated Cost	Expenditures		
		Prior Year(s)	Current Year	Total
Sewer Line Replacement	\$ 4,183,276	\$ 3,853,600	\$ 80,777	\$ 3,934,377
Total	<u>\$ 4,183,276</u>	<u>\$ 3,853,600</u>	<u>\$ 80,777</u>	<u>\$ 3,934,377</u>

2016 Special Local Options Sales Tax Projects:	Original Estimated Cost	Expenditures		
		Prior Year(s)	Current Year	Total
Sewer Line Replacement	\$ 4,500,000	\$ -	\$ -	\$ -
Total	<u>\$ 4,500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Independent Auditors' 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 City Council Members
The 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, 2018, 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 June 05, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we consider the 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.

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 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. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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 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.

Driver & Adams

Thomaston, Georgia
June 05, 2019