

# **CITY OF THOMASTON, GEORGIA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**FOR THE YEAR ENDED  
DECEMBER 31, 2019**

**PREPARED BY:  
FINANCE OFFICE**

**This page was left blank intentionally.**

**CITY OF THOMASTON, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2019  
TABLE OF CONTENTS**

	<u>Page</u>
<b><u>INTRODUCTORY SECTION</u></b>	
Letter of Transmittal .....	1-3
Certificate of Achievement for Excellence in Financial Reporting .....	4
Organizational Chart .....	5
List of Elected and Appointed Officials .....	6
<b><u>FINANCIAL SECTION</u></b>	
Independent Auditor's Report .....	7-9
Management's Discussion and Analysis .....	10-19
<b>FINANCIAL STATEMENTS</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position .....	20-21
Statement of Activities .....	22
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds .....	23
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities .....	26
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund .....	27
Statement of Net Position – Proprietary Funds .....	28-29
Statement of Revenues, Expenditures, and Changes in Net Position – Proprietary Funds .....	30
Statement of Cash Flows – Proprietary Funds .....	31-32
Notes to the Financial Statements .....	33-55
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Changes in the City's Net Pension Liability and Related Ratios .....	56
Schedule of City Contributions .....	57
Notes to the Required Supplementary Information .....	58-59
<b>SUPPLEMENTARY INFORMATION</b>	
<b>Governmental Funds:</b>	
<b>Nonmajor Governmental Funds:</b>	
Combining Balance Sheet – Nonmajor Governmental Funds .....	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	61

**CITY OF THOMASTON, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2019  
TABLE OF CONTENTS**

	<u>Page</u>
<b>General Fund:</b>	
Comparative Balance Sheet .....	62
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances .....	63
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	64-67
<b>Special Revenue Funds:</b>	
Hotel/Motel Tax Fund	
Comparative Balance Sheet .....	68
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	69
Law Enforcement Confiscation Fund	
Comparative Balance Sheet .....	70
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	71
Joint Projects Fund	
Balance Sheet .....	72
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	73
<b>Capital Projects Funds:</b>	
2011 Special Local Option Sales Tax	
Comparative Balance Sheet .....	74
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	75
2016 Special Local Option Sales Tax	
Comparative Balance Sheet .....	76
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	77
Greatest Generation Park	
Comparative Balance Sheet .....	78
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	79

**CITY OF THOMASTON, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2019  
TABLE OF CONTENTS**

	<u>Page</u>
2014 Community Development Block Grant/Water Line Fund	
Comparative Balance Sheet .....	80
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances .....	81
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	82
DOT LMIG Fund	
Comparative Balance Sheet .....	83
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances .....	84
2018 Community Development Block Grant/Water Line Fund	
Comparative Balance Sheet .....	85
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances .....	86
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	87

**STATISTICAL SECTION**

*Financial Trends*

Net Position by Component .....	88
Changes in Net Position .....	89-90
Fund Balances, Governmental Funds.....	91
Changes in Fund Balances, Governmental Funds .....	92

*Revenue Capacity*

Tax Revenues by Source, Governmental Funds .....	93
Assessed Value and Estimated Actual Value of Taxable Property .....	94
Direct and Overlapping Property Tax Rates .....	95
Principal Property Taxpayers .....	96
Property Tax Levies and Collections.....	97

*Debt Capacity*

Outstanding Debt by Type .....	98
Direct and Overlapping Governmental Activities Debt.....	99
Legal Debt Margin Information .....	100
Pledged – Revenue Coverage .....	101

**CITY OF THOMASTON, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2019  
TABLE OF CONTENTS**

*Demographic and Economic Information*

Demographic and Economic Statistics .....	102
Principal Employers.....	103
Full-time Equivalent City Government Employees by Function/Program .....	104

*Operating Information*

Operating Indicators by Function/Program .....	105
Capital Asset Statistics by Function/Program .....	106

**COMPLIANCE SECTION**

Schedule of Projects Constructed with Special Sales Tax Proceeds .....	107
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i> .....	108-109

**Single Audit Report:**

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	110-111
Schedule of Expenditures of Federal Awards .....	112
Note to Schedule of Expenditures of Federal Awards .....	113
Schedule of Findings and Questioned Costs .....	114-115

# 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**

July 15, 2020

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, 2019.

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, 2019, 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, 2019, 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 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 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



**CITY OF THOMASTON  
FINANCE DEPARTMENT**

**706-647-6633  
Telephone**

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

**706-647-6583  
Fax**

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 must 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 AND LONG-TERM FINANCIAL PLANNING**

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 2019, 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 2019, the balance in the Reserve Account was \$591,144, and the Capital Purchases Account balance was \$606,372.

Following the Special Purpose Local Option Sales Tax (SPLOST) funds that began in 2011 and ended for the City in 2016, another SPLOST started 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. The City of Thomaston continues to enhance its water and sewer infrastructure and has a five-year plan for continuing the improvements. 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.

**RELEVANT FINANCIAL POLICIES**

Budgets have been adopted and appropriated at the fund level for each City governmental fund. Budgetary control is maintained by continued review of the budget-to-actual reports by the Finance department and each department head and full fund reports to the Mayor and Council quarterly. It is the goal of the City Council and management fiscally viable while continuing to provide services to the citizens of the City of Thomaston.

### CERTIFICATE OF ACHIEVEMENT

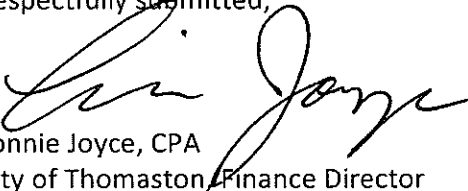
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Thomaston for its Comprehensive Annual Financial Report for the year ended December 31, 2019, our 32nd consecutive year.

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 2019 CAFR

Respectfully submitted,



Lonnie Joyce, CPA  
City of Thomaston, Finance Director



Government Finance Officers Association

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

Presented to

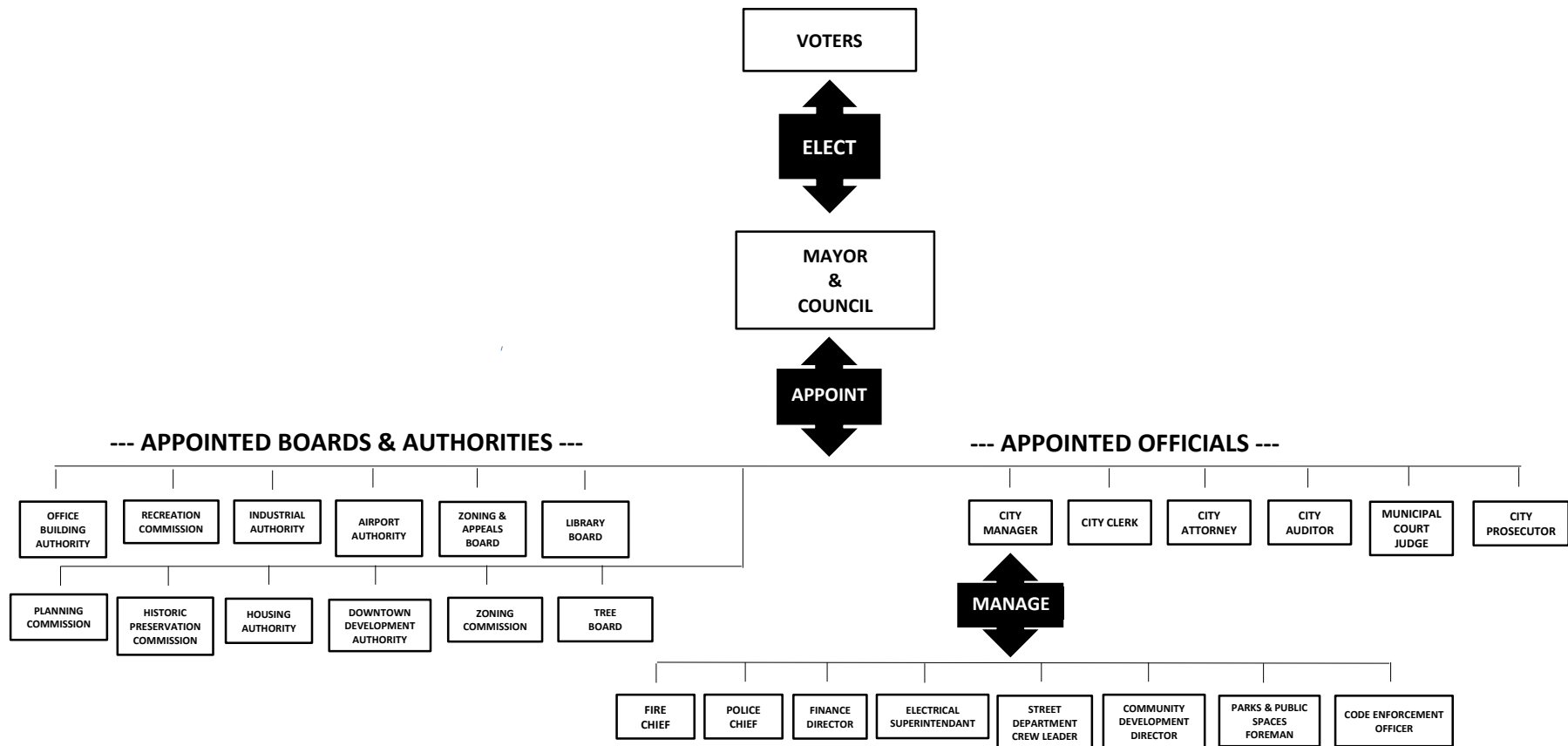
**City of Thomaston  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morrill*

Executive Director/CEO



# **CITY OF THOMASTON, GEORGIA**

---

## **2019 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

**This page was left blank intentionally.**

## **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, 2019, 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, 2019, 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 55, the Schedule of City Contributions on page 56, and the notes to the required supplementary information on pages 57 through 58 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 10, 2020, 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 10, 2020

## **MANAGEMENT'S DISCUSSION & ANALYSIS**

**CITY OF THOMASTON, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
DECEMBER 31, 2019

**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, 2019. 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 \$47 million in capital purchases and infrastructure work since January 2005. The Mayor and City Council carried out \$3.9 million of said purchases and work in 2019.
- The city government's total cash and cash equivalents at the end of 2019 was \$10,190,555. In addition to the \$10.1 million, the City held \$4,084,192 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 \$601,372 as of December 31, 2019.
- 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 2019 employee health, dental, disability, and life insurance premium costs totaled \$688,376.
- The City's net position increased by \$1,774,699 in 2019. Net Position for Governmental Activities increased by \$381,400 in 2019. The City's net position for the Business-type Activities increased by \$1,393,299.
- Approximately 4/5<sup>th</sup> 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 uses separate summer and winter rates. Electric rates remain constant throughout the year.

**CITY OF THOMASTON, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
DECEMBER 31, 2019

**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, 2019

**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, 2019

**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 2019 totaled \$51,628,229. The City of Thomaston's total net position at the close of 2019 grew by \$1,774,699 or 3.55% in 2019.

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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>	<u>2017</u>
<u>Assets</u>						
Current and Other Assets	\$ 7,600,687	\$ 7,515,466	\$ 9,803,605	\$ 9,827,827	\$ 17,404,292	\$ 17,343,293
Capital and Noncurrent Assets	<u>17,090,629</u>	<u>17,225,098</u>	<u>37,321,507</u>	<u>35,175,889</u>	<u>54,412,136</u>	<u>\$ 52,400,987</u>
Total Assets	<u>\$ 24,691,316</u>	<u>\$ 24,740,564</u>	<u>\$ 47,125,112</u>	<u>\$ 45,003,716</u>	<u>\$ 71,816,428</u>	<u>\$ 69,744,280</u>
Deferred Outflows of Resources	<u>\$ 418,086</u>	<u>\$ 442,648</u>	<u>\$ 78,630</u>	<u>\$ 85,761</u>	<u>\$ 496,716</u>	<u>\$ 528,409</u>
<u>Liabilities</u>						
Current Liabilities	\$ 151,331	\$ 108,896	\$ 810,792	\$ 995,151	\$ 962,123	\$ 1,104,047
Long-Term Liabilities	<u>5,966,484</u>	<u>6,326,053</u>	<u>13,406,504</u>	<u>12,472,757</u>	<u>19,372,988</u>	<u>\$ 18,798,810</u>
Total Liabilities	<u>\$ 6,117,815</u>	<u>\$ 6,434,949</u>	<u>\$ 14,217,296</u>	<u>\$ 13,467,908</u>	<u>\$ 20,335,111</u>	<u>\$ 19,902,857</u>
Deferred Inflows of Resources	<u>\$ 24,430</u>	<u>\$ 432,506</u>	<u>\$ 55,374</u>	<u>\$ 83,766</u>	<u>\$ 79,804</u>	<u>\$ 516,272</u>
<u>Net Position</u>						
Net Investment in Capital Assets	\$ 16,225,601	\$ 16,244,681	\$ 25,484,665	\$ 24,164,879	\$ 41,710,266	\$ 40,409,560
Restricted	2,598,059	2,488,297	300,061	293,104	2,898,120	2,781,401
Unrestricted (deficit)	<u>(126,503)</u>	<u>(417,221)</u>	<u>7,146,346</u>	<u>7,079,790</u>	<u>7,019,843</u>	<u>6,662,569</u>
Total Net Position	<u>\$ 18,697,157</u>	<u>\$ 18,315,757</u>	<u>\$ 32,931,072</u>	<u>\$ 31,537,773</u>	<u>\$ 51,628,229</u>	<u>\$ 49,853,530</u>

**CITY OF THOMASTON, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2019**

	Governmental Activities		Business-Type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Revenues</u>						
Program Revenues:						
Charges for services	\$ 913,434	\$ 1,005,834	\$ 20,705,641	\$ 20,405,757	\$ 21,619,075	\$ 21,411,591
Operating grants and contributions	58,798	150,072	-	-	58,798	150,072
Capital grants	1,020,759	757,295	359,272	50,147	1,380,031	807,442
General Revenues:						
Taxes	4,810,325	4,795,557	-	-	4,810,325	4,795,557
Investment Earnings	20,132	22,687	457,179	760,715	477,311	783,402
Other	<u>96,104</u>	<u>177,868</u>	<u>83,168</u>	<u>24,312</u>	<u>179,272</u>	<u>202,180</u>
Total Revenue	<u>\$ 6,919,552</u>	<u>\$ 6,909,313</u>	<u>\$ 21,605,260</u>	<u>\$ 21,240,931</u>	<u>28,524,812</u>	<u>28,150,244</u>
<u>Expenses</u>						
General government	\$ 2,225,513	\$ 2,688,727	\$ -	\$ -	\$ 2,225,513	\$ 2,688,727
Judicial	283,383	352,883	-	-	283,383	352,883
Public safety	4,269,171	4,009,343	-	-	4,269,171	4,009,343
Public works	1,836,122	922,898	-	-	1,836,122	922,898
Economic development	190,618	198,302	-	-	190,618	198,302
Culture and recreation	548,689	1,199,316	-	-	548,689	1,199,316
Water and sewer	-	-	4,634,130	4,934,375	4,634,130	4,934,375
Electric	-	-	11,637,284	11,570,769	11,637,284	11,570,769
Sanitation	<u>-</u>	<u>-</u>	<u>1,125,203</u>	<u>1,027,433</u>	<u>1,125,203</u>	<u>1,027,433</u>
Total Expenses	<u>\$ 9,353,496</u>	<u>\$ 9,371,469</u>	<u>\$ 17,396,617</u>	<u>\$ 17,532,577</u>	<u>\$ 26,750,113</u>	<u>\$ 26,904,046</u>
Excess (deficiency) before contributions and transfers	(2,433,944)	(2,462,156)	4,208,643	3,708,354	1,774,699	1,246,198
Transfers	<u>2,815,344</u>	<u>2,471,204</u>	<u>(2,815,344)</u>	<u>(2,471,204)</u>	<u>-</u>	<u>-</u>
Change in Net Position	381,400	9,048	1,393,299	1,237,150	1,774,699	1,246,198
Net Position - Beginning of Year	<u>18,315,767</u>	<u>18,306,719</u>	<u>31,537,773</u>	<u>30,300,623</u>	<u>44,414,031</u>	<u>42,638,759</u>
			<u>-</u>			
Net Position - End of Year	<u>\$ 18,697,167</u>	<u>\$ 18,315,767</u>	<u>\$ 32,931,072</u>	<u>\$ 31,537,773</u>	<u>\$ 46,188,730</u>	<u>\$ 43,884,957</u>



**CITY OF THOMASTON, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
DECEMBER 31, 2019

**Governmental Activities**

The City of Thomaston's total net position increased during 2019. The governmental activities net position increased by \$381,400 or .02% from 2018 primarily due to an increase in capital grants received. The City's Governmental Activities net investment in capital assets increased by \$19,080 or .12%. The City will be shifting all SPLOST funds from current to capital assets over the year.

The City's liabilities decrease by \$317,134 in 2019 from 2018. The net pension liability per GASB 68 (Accounting and Financial Reporting for Pensions) was booked at \$3,149,036.

**Business-type Activities**

The City's water and sewer fund's net position increased by \$1,393,299 in 2019 primarily due to a rate increase in the water and sewer fund. The net investment in capital assets increased in 2019 by \$1,319,786.

The City's electric fund had a net position increase of \$369,802 in 2019.

**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 \$441,642 in contributions to the pension fund in 2019. The City contributed 100% of the recommended contribution as determined by the plan's actuary.

**General Fund**

General fund revenues exceeded expenditures and transfers from other financing sources in 2019 by \$191,024. Total revenues increased by \$119,364 or 2.46%.

The City's total gross wages paid to all general fund, electric fund, and community development fund workers (citywide) increased in 2019. The city payroll was \$3,989,130 in 2019. 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 \$688,376 in 2019.

**CITY OF THOMASTON, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
DECEMBER 31, 2019

Total governmental funds net change in fund balances increased by \$300,730 in 2019. The Special Purpose Local Options Sales Tax revenues exceeded expenditures by \$378,052 in 2019.

**Water and Sewer Fund**

The water and sewer fund operating revenues for services and miscellaneous revenue increased in 2019 by \$358,740.

The City increased water and sewer long-term liabilities by \$861,445 in 2019. The City had \$11,084,605 in water and sewer long-term liabilities at the close of 2019. The City expended \$841,326 on water and sewer debt principal and interest in 2019. This amount represents, as a figure, 15.06% of total operating revenue.

**Electric Fund**

The City's electrical total operating revenues increased in 2019 by \$171,396 or 2.24%.

Approximately 4/5<sup>ths</sup> 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 \$0. The second, set up in 2016, had a year-end balance of \$1,826,045. The revenues of the two funds exceeded expenditures by \$378,052. The City posted \$308,405 of SPLOST funds on capital outlay projects in 2019. The City had \$1,826,045 in SPLOST funds as of the close of 2019. 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, 2019

**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 \$601,372 as of December 31, 2019.

**Comparison of the Final 2019 Budget with the Actual Expenditures**

The major variance in the General Fund expenditures is in the public safety category. The variation is \$30,294 and is due to an unexpected expenditure towards salaries to hire fire fighters

**Comparison of the original 2019 Budget with the Final Amended Budget**

The City did not have any budget amendments in 2019.

**Capital Asset Administration**

The City of Thomaston's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$54,412,136 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 2019 was \$422,904 for sidewalk and street paving and repair.

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, 2019

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 2,736,182	\$ 2,736,182	\$ 2,439,469	\$ 2,439,469	\$ 5,175,651	\$ 5,175,651
Construction in Progress	166,976	935,418	507,908	196,410	674,884	1,131,828
Buildings	2,427,755	2,432,232	1,766,655	1,202,046	4,194,410	3,634,278
Systems	-	-	31,104,702	30,041,393	31,104,702	30,041,393
Equipment	1,825,572	1,109,760	1,411,023	1,201,010	3,236,595	2,310,770
Vehicles	907,638	944,267	91,750	95,561	999,388	1,039,828
Infrastructure	<u>9,026,506</u>	<u>9,067,239</u>	<u>-</u>	<u>-</u>	<u>9,026,506</u>	<u>9,067,239</u>
Total Capital Assets	<u>\$ 17,090,629</u>	<u>\$ 17,225,098</u>	<u>\$ 37,321,507</u>	<u>\$ 35,175,889</u>	<u>\$ 54,412,136</u>	<u>\$ 52,400,987</u>

### Long-term Debt Administration

As of December 31, 2019, the City of Thomaston reported the following long-term debt:

	Governmental Activities		Business-Type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenue Bonds	\$ -	\$ -	\$ 4,740,000	\$ 5,280,000	\$ 4,740,000	\$ 5,280,000
Notes Payable	865,029	980,417	7,096,841	5,731,010	7,961,870	6,711,427
Landfill Post-closure Liabilities	1,632,939	1,767,939	-	-	1,632,939	1,767,939
Compensated Absences	169,230	192,328	46,237	52,386	215,467	244,714
Net Pension Liability	<u>3,149,036</u>	<u>2,883,969</u>	<u>829,858</u>	<u>858,754</u>	<u>3,978,894</u>	<u>3,742,723</u>
Total Long-term Debt	<u>\$ 5,816,234</u>	<u>\$ 5,824,653</u>	<u>\$ 12,712,936</u>	<u>\$ 11,922,150</u>	<u>\$ 18,529,170</u>	<u>\$ 17,746,803</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 \$3,978,894.

**CITY OF THOMASTON, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
DECEMBER 31, 2019

**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.

**This page was left blank intentionally.**

## **FINANCIAL STATEMENTS**

**City of Thomaston, Georgia**  
**Statement of Net Position**  
December 31, 2019

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	Total
<b><u>ASSETS</u></b>			
Current Assets:			
Cash and cash equivalents	\$ 7,126,015	\$ 3,064,540	\$ 10,190,555
Investments	-	4,084,192	4,084,192
Receivables, net of allowance:			
Taxes	205,325	-	205,325
Accounts	20,304	1,654,424	1,674,728
Intergovernmental	302,705	646,726	949,431
Internal Balances	(53,662)	53,662	-
Prepays	-	-	-
Restricted cash and cash equivalents:			
Revenue bond covenant accounts	-	300,061	300,061
Capital assets:			
Non-depreciable	2,903,158	2,947,377	5,850,535
Depreciable, net	14,187,471	34,374,130	48,561,601
 TOTAL ASSETS	 \$ 24,691,316	 \$ 47,125,112	 \$ 71,816,428
 <u>Deferred outflows of resources</u>			
Deferred outflows of resources related to pensions	418,086	78,630	496,716
 Total Deferred Outflows of Resources	 \$ 418,086	 \$ 78,630	 \$ 496,716



**City of Thomaston, Georgia**  
**Statement of Net Position**  
December 31, 2019

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	Total
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 145,644	\$ 810,792	\$ 956,436
Accrued liabilities	-	-	-
Retainage payable	5,687	-	5,687
Noncurrent liabilities:			
Due within one year:			
Accrued vacation	118,460	26,355	144,815
Notes payable	-	354,865	354,865
Capital leases payable	126,049	26,539	152,588
Performance bonds payable	150,250	-	150,250
Revenue bonds payable	-	525,000	525,000
Landfill closure/postclosure	135,000	-	135,000
Due in more than one year:			
Customer deposits	-	693,568	693,568
Accrued vacation	50,770	19,882	70,652
Notes payable	-	6,715,437	6,715,437
Capital leases payable	738,980	-	738,980
Revenue bonds payable	-	4,215,000	4,215,000
Landfill closure/postclosure	1,497,939	-	1,497,939
Net pension liability	3,149,036	829,858	3,978,894
<b>TOTAL LIABILITIES</b>	<b>\$ 6,117,815</b>	<b>\$ 14,217,296</b>	<b>\$ 20,335,111</b>
 <b><u>Deferred Inflows of Resources</u></b>			
Deferred inflows of resources related to pensions	294,430	55,374	349,804
 Total Deferred Inflows of Resources	 \$ 294,430	 \$ 55,374	 \$ 349,804
 <b><u>NET POSITION</u></b>			
Net investment in capital assets	\$ 16,225,601	\$ 25,484,665	\$ 41,710,266
Restricted for:			
Capital outlay	2,050,821	-	2,050,821
Law enforcement	117,471	-	117,471
Joint projects	429,767	-	429,767
Revenue bond indenture	-	300,061	300,061
Unrestricted (deficit)	(126,503)	7,146,346	7,019,843
 <b>TOTAL NET POSITION</b>	 <b>\$ 18,697,157</b>	 <b>\$ 32,931,072</b>	 <b>\$ 51,628,229</b>

**City of Thomaston, Georgia**  
**Statement of Activities**  
For the Year Ended December 31, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	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	\$ 2,225,513	\$ 838,743	\$ 50,365	\$ -	\$ (1,336,405)	\$ -	\$ (1,336,405)
Judicial	283,383	-	9,406	-	(273,977)	-	(273,977)
Public safety	4,229,042	10,246	-	-	(4,218,796)	-	(4,218,796)
Public works	1,836,122	-	-	749,929	(1,086,193)	-	(1,086,193)
Culture and Recreation	548,689						
Economic development	190,618	-	-	-	(190,618)	-	(190,618)
Interest on short and long-term debt	40,129	-	-	-	(40,129)	-	(40,129)
Total governmental activities	<u>\$ 9,353,496</u>	<u>\$ 848,989</u>	<u>\$ 59,771</u>	<u>\$ 749,929</u>	<u>\$ (7,694,807)</u>	<u>\$ -</u>	<u>\$ (7,694,807)</u>
Business Type Activities:							
Water and Sewer	\$ 4,634,130	\$ 5,547,057	\$ -	\$ 359,272	\$ -	\$ 1,272,199	\$ 1,272,199
Electric	11,637,284	13,981,112	-	-	-	2,343,828	2,343,828
Sanitation	1,125,203	1,177,472	-	-	-	52,269	52,269
Total business-type activities	<u>\$ 17,396,617</u>	<u>\$ 20,705,641</u>	<u>\$ -</u>	<u>\$ 359,272</u>	<u>\$ -</u>	<u>\$ 3,668,296</u>	<u>\$ 3,668,296</u>
Total Primary Government	<u>\$ 26,750,113</u>	<u>\$ 21,554,630</u>	<u>\$ 59,771</u>	<u>\$ 1,109,201</u>	<u>\$ (7,694,807)</u>	<u>\$ 3,668,296</u>	<u>\$ (4,026,511)</u>
General Revenues							
Property tax					1,806,746	-	1,806,746
Sales tax					1,496,108	-	1,496,108
Franchise and insurance premium tax					1,026,553	-	1,026,553
Other tax					480,918	-	480,918
Investment earnings					20,132	457,179	477,311
Miscellaneous and Other Proceeds					430,406	83,168	513,574
Total General Revenues					<u>5,260,863</u>	<u>540,347</u>	<u>5,801,210</u>
Transfers					<u>2,815,344</u>	<u>(2,815,344)</u>	<u>-</u>
Total General Revenues and Transfers					<u>8,076,207</u>	<u>(2,274,997)</u>	<u>5,801,210</u>
Change in Net Position					\$ 381,400	\$ 1,393,299	\$ 1,774,699
Net Position - Beginning of Year					18,315,757	31,537,773	49,853,530
Net Position - End of Year					<u>\$ 18,697,157</u>	<u>\$ 32,931,072</u>	<u>\$ 51,628,229</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, 2019

	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	\$ 3,786,666	\$ -	\$ 1,826,045	\$ 1,513,304	\$ 7,126,015
Receivables, net of allowance:					
Taxes	126,296	-	-	79,029	205,325
Accounts	15,742	-	-	4,562	20,304
Intergovernmental	299,345	-	-	3,360	302,705
Prepaid insurance	-	-	-	-	-
Due from other funds	152,850	-	-	-	152,850
Advance to other funds	621,091	-	-	-	621,091
Total Assets	<u>\$ 5,001,990</u>	<u>\$ -</u>	<u>\$ 1,826,045</u>	<u>\$ 1,600,255</u>	<u>\$ 8,428,290</u>
<u>Liabilities</u>					
Accounts payable	\$ 138,731	\$ -	\$ -	\$ 6,913	\$ 145,644
Accrued liabilities	-	-	-	-	-
Retainage payable	-	-	-	5,687	5,687
Performance bonds payable	150,250	-	-	-	150,250
Deposits payable	-	-	-	-	-
Due to other funds	53,662	-	-	152,850	206,512
Advance from other funds	-	-	-	621,091	621,091
Total Liabilities	<u>342,643</u>	<u>-</u>	<u>-</u>	<u>786,541</u>	<u>1,129,184</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue - property taxes	118,862	-	-	41,756	160,618
Total Deferred inflows of Resources	<u>118,862</u>	<u>-</u>	<u>-</u>	<u>41,756</u>	<u>160,618</u>
<b>Fund Balances</b>					
Nonspendable	621,091	-	-	-	621,091
Restricted for:					-
Capital projects	-	-	1,826,045	224,776	2,050,821
Law enforcement	-	-	-	117,471	117,471
Joint projects	-	-	-	429,767	429,767
Assigned	350,637	-	-	-	350,637
Unassigned (Deficit)	3,568,757	-	-	(56)	3,568,701
Total Fund Balances	<u>4,540,485</u>	<u>-</u>	<u>1,826,045</u>	<u>771,958</u>	<u>7,138,488</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,001,990</u>	<u>\$ -</u>	<u>\$ 1,826,045</u>	<u>\$ 1,600,255</u>	<u>\$ 8,428,290</u>

**City of Thomaston, Georgia**  
**Reconciliation of the Balance Sheet of**  
**Governmental Funds to the Statement of Net Position**  
December 31, 2019

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	\$ 7,138,488
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the assets	29,059,868
Accumulated depreciation	(11,969,239)
Other long-term assets are not available to pay current period expenditures and, therefore, are not reported as unavailable revenue in the funds.	160,618
Deferred outflows of resources	
Related to pensions	418,086
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	(1,632,939)
Compensated absences	(169,230)
Net pension liability	(3,149,036)
Capital leases payable	(865,029)
Deferred inflows of resources	
Related to pensions	<u>(294,430)</u>
Net position of governmental activities	<u>\$ 18,697,157</u>

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

For the Year Ended December 31, 2019

	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	\$ 688,663	\$ -	\$ -	\$ 1,024,877	\$ 1,713,540
Sales tax	1,496,108	-	-	-	1,496,108
Other taxes	1,436,336	-	-	71,135	1,507,471
License and permits	174,355	-	-	-	174,355
Intergovernmental	59,771	-	683,212	63,472	806,455
Fines and forfeitures	402,284	-	-	10,246	412,530
Charges for services	30,388	-	-	-	30,388
Interest earnings	16,637	20	3,225	3,495	23,377
Rent	231,716	-	-	-	231,716
Other revenues	96,104	-	-	-	96,104
Total revenues	<u>4,632,362</u>	<u>20</u>	<u>686,437</u>	<u>1,173,225</u>	<u>6,492,044</u>
<u>Expenditures</u>					
Current:					
General government	2,110,768	-	-	159,934	2,270,702
Judicial	283,383	-	-	-	283,383
Public safety	3,752,714	-	-	163,853	3,916,567
Public works	1,407,418	-	-	-	1,407,418
Economic development	-	-	-	190,618	190,618
Culture and recreation	-	-	-	533,515	533,515
Debt Service	155,517	-	-	-	155,517
Capital outlay	-	8,955	299,450	274,835	583,240
Total Expenditures	<u>7,709,800</u>	<u>8,955</u>	<u>299,450</u>	<u>1,322,755</u>	<u>9,340,960</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(3,077,438)</u>	<u>(8,935)</u>	<u>386,987</u>	<u>(149,530)</u>	<u>(2,848,916)</u>
<u>Other Financing Sources (Uses)</u>					
Capital Leases and Other Proceeds	\$ 334,302	\$ -	\$ -	\$ -	334,302
Transfers from other funds	2,934,160	-	-	-	2,934,160
Transfers to other funds	-	(75,710)	-	(43,106)	(118,816)
Total Other Financing Sources (Uses)	<u>3,268,462</u>	<u>(75,710)</u>	<u>-</u>	<u>(43,106)</u>	<u>3,149,646</u>
Net change in fund balances	191,024	(84,645)	386,987	(192,636)	300,730
Fund Balances, beginning of year	4,349,461	84,645	1,439,058	964,594	6,837,758
Fund Balances, end of year	<u>\$ 4,540,485</u>	<u>\$ -</u>	<u>\$ 1,826,045</u>	<u>\$ 771,958</u>	<u>\$ 7,138,488</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 31,2019

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	\$	300,730
--	----	---------

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		748,479
Total depreciation		(882,948)

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		-
Related accumulated depreciation		-

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		(24,562)
--	--	----------

**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		135,000
Compensated absences		23,098
Net pension liability		(265,067)
Debt issued or incurred		-
Principle repayments		115,388

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		138,076
---	--	---------

**Revenues**

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

		93,206
--	--	--------

Change in net position of governmental activities	\$	<u>381,400</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, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<u>Revenues</u>				
Taxes	\$ 3,785,863	\$ 3,785,863	\$ 3,621,107	\$ (164,756)
License and permits	181,600	181,600	174,355	(7,245)
Intergovernmental	52,000	52,000	59,771	7,771
Fines and forfeitures	480,500	480,500	402,284	(78,216)
Charges for services	21,375	21,375	30,388	9,013
Rent	221,650	221,650	231,716	10,066
Miscellaneous	96,900	96,900	112,741	15,841
Total Revenues	\$ 4,839,888	\$ 4,839,888	\$ 4,632,362	\$ (207,526)
<u>Expenditures</u>				
Current:				
General government	2,161,597	2,161,597	2,110,768	50,829
Judicial	376,150	376,150	283,383	92,767
Public safety	3,926,136	3,926,136	3,752,714	173,422
Public works	1,848,184	1,848,184	1,407,418	440,766
Culture and recreation	-	-	-	-
Debt Service	156,000	156,000	155,517	483
Total expenditures	8,468,067	8,468,067	7,709,800	758,267
Excess (deficiency) of revenues over expenditures	(3,628,179)	(3,628,179)	(3,077,438)	550,741
<u>Other Financing Sources (Uses)</u>				
Capital Leases and Other Proceeds	-	-	334,302.00	334,302
Transfer from Hotel Motel Fund	40,000	40,000	43,106	3,106
Transfer from Electric Fund	2,472,022	2,472,022	2,472,022	-
Transfer from Water/Sewer Fund	419,032	419,032	419,032	-
Transfer from Sanitation Fund	55,000	55,000	-	-
Transfer from Joint Project Fund	-	-	-	-
Total Other Financing Sources (Uses)	2,986,054	2,986,054	3,268,462	337,408
Net change in fund balance	(642,125)	(642,125)	191,024	888,149
Fund balance - beginning of year	4,349,461	4,349,461	4,349,461	-
Fund balance - end of year	3,707,336	3,707,336	4,540,485	833,149

**City of Thomaston, Georgia**  
**Statement of Net Position**  
**Proprietary Funds**  
December 31, 2019

	Business-Type Activities - Enterprise Funds			
	Water & Sewer Original	Electric Fund	Non-Major Sanitation Fund	Total
<u>Assets</u>				
Current assets				
Cash and cash equivalents	\$ 1,724,962	\$ 929,762	\$ 409,816	\$ 3,064,540
Restricted cash and cash equivalents:				
Revenue bond covenant accounts	300,061	-	-	300,061
Investments	-	4,084,192	-	4,084,192
Accounts receivable (net of allowance for uncollectible)	416,134	1,138,491	99,799	1,654,424
Intergovernmental receivable	646,726	-	-	646,726
Due from other funds	149,231	-	-	149,231
Total current assets	<u>\$ 3,237,114</u>	<u>\$ 6,152,445</u>	<u>\$ 509,615</u>	<u>\$ 9,899,174</u>
Noncurrent assets				
Capital Assets:				
Land	2,377,309	-	62,160	2,439,469
Construction in progress	507,908	-	-	507,908
Buildings	7,177,657	675,074	-	7,852,731
Systems - water, sewer, and electrical	37,270,528	1,713,324	-	38,983,852
Vehicles	592,916	744,319	-	1,337,235
Equipment	2,291,071	683,505	-	2,974,576
Less accumulated depreciation	(15,045,129)	(1,729,135)	-	(16,774,264)
Total capital assets, net	<u>35,172,260</u>	<u>2,087,087</u>	<u>62,160</u>	<u>37,321,507</u>
Total noncurrent assets	<u>35,172,260</u>	<u>2,087,087</u>	<u>62,160</u>	<u>37,321,507</u>
Total Assets	<u>38,409,374</u>	<u>8,239,532</u>	<u>571,775</u>	<u>47,220,681</u>
<u>Deferred outflows of resources</u>				
Deferred outflows of resources related to pensions	-	78,630	-	78,630
Total deferred outflows of resources	<u>-</u>	<u>78,630</u>	<u>-</u>	<u>78,630</u>



**City of Thomaston, Georgia**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
December 31, 2019

	Business-Type Activities - Enterprise Funds			
	Water & Sewer Original	Electric Fund	Non-Major Sanitation Fund	Total
<u>Liabilities</u>				
Current liabilities				
Accounts payable	\$ -	\$ 810,792	\$ -	\$ 810,792
Accrued interest payable	-	-	-	-
Accrued liabilities	-	-	-	-
Accrued vacation	-	26,355	-	26,355
Due to other funds	-	-	95,569	95,569
Notes payable - current	285,447	-	-	285,447
Capital leases payable - current	-	69,418	-	69,418
Payable from restricted assets:				
Revenue bonds payable - current	525,000	-	-	525,000
Total current liabilities	<u>\$ 810,447</u>	<u>\$ 906,565</u>	<u>\$ 95,569</u>	<u>\$ 1,812,581</u>
Noncurrent liabilities				
Customer deposits	154,168	539,400	-	693,568
Accrued vacation	-	19,882	-	19,882
Capital leases payable	-	26,539	-	26,539
Notes payable	6,715,437	-	-	6,715,437
Revenue bonds payable	4,215,000	-	-	4,215,000
Net pension liability	-	829,858	-	829,858
Total noncurrent liabilities	<u>11,084,605</u>	<u>1,415,679</u>	<u>-</u>	<u>12,500,284</u>
Total Liabilities	<u>11,895,052</u>	<u>2,322,244</u>	<u>95,569</u>	<u>14,312,865</u>
<u>Deferred inflows of resources</u>				
Deferred inflows of resources related				
to pensions	-	55,374	-	55,374
Total deferred inflows of resources	<u>-</u>	<u>55,374</u>	<u>-</u>	<u>55,374</u>
<u>Net Position</u>				
Net investment in capital assets	23,431,375	1,991,130	62,160	25,484,665
Restricted per revenue bond indenture	300,061	-	-	300,061
Unrestricted	<u>2,782,886</u>	<u>3,949,414</u>	<u>414,046</u>	<u>7,146,346</u>
Total Net Position	<u>\$ 26,514,322</u>	<u>\$ 5,940,544</u>	<u>\$ 476,206</u>	<u>\$ 32,931,072</u>

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

For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds			
	Water & Sewer Original	Electric Fund	Non-Major Sanitation Fund	Total
<u>Operating Revenues</u>				
Charges and fees	\$ 5,547,057	\$ 13,981,112	\$ 1,177,472	\$ 20,705,641
Miscellaneous income	38,640	44,528	-	83,168
Total operating revenues	<u>\$ 5,585,697</u>	<u>\$ 14,025,640</u>	<u>\$ 1,177,472</u>	<u>\$ 20,788,809</u>
<u>Operating Expenses</u>				
Salaries and benefits	-	854,221	-	854,221
Contract management	2,506,129	-	1,098,559	3,604,688
Cost of sales	-	10,101,479	-	10,101,479
Legal, engineering, and professional	125,994	10,164	-	136,158
Operating materials	38,024	229,273	-	267,297
Other operating expenses	67,731	68,404	26,644	162,779
Repairs and maintenance	100,391	170,203	-	270,594
Small equipment	-	5,860	-	5,860
Utilities	619,788	68,064	-	687,852
Depreciation	961,434	125,284	-	1,086,718
Total operating expenses	<u>4,419,491</u>	<u>11,632,952</u>	<u>1,125,203</u>	<u>17,177,646</u>
Operating income (loss)	<u>1,166,206</u>	<u>2,392,688</u>	<u>52,269</u>	<u>3,611,163</u>
<u>Nonoperating Revenues (Expenses)</u>				
Interest income	3,711	9,013	-	12,724
Dividend income	-	170,664	-	170,664
Interest expense	(214,639)	(4,332)	-	(218,971)
Unrealized gain/loss	-	66,584	-	66,584
Municipal Competitive Trust	-	207,207	-	207,207
Total Nonoperating Revenues (Expenses)	<u>(210,928)</u>	<u>449,136</u>	<u>-</u>	<u>238,208</u>
Income (Loss) Before Transfers	<u>955,278</u>	<u>2,841,824</u>	<u>52,269</u>	<u>3,849,371</u>
Capital contributions	359,272	-	-	359,272
Transfers in	75,710	-	-	75,710
Transfers out	<u>(419,032)</u>	<u>(2,472,022)</u>	<u>-</u>	<u>(2,891,054)</u>
Change in Net Position	971,228	369,802	52,269	1,393,299
Net Position, Beginning of Year	<u>25,543,094</u>	<u>5,570,742</u>	<u>423,937</u>	<u>31,537,773</u>
Net Position, End of Year	<u>\$ 26,514,322</u>	<u>\$ 5,940,544</u>	<u>\$ 476,206</u>	<u>\$ 32,931,072</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	\$ 5,211,766	\$ 13,951,843	\$ 1,174,922	\$ 20,338,531
Cash paid to suppliers for goods and services	(3,545,214)	(10,515,973)	(1,216,918)	(15,278,105)
Cash paid to employees	-	(910,557)	-	(910,557)
Net Cash Flows Provided by (Used for) Operating Activities	<u>1,666,552</u>	<u>2,525,313</u>	<u>(41,996)</u>	<u>4,149,869</u>
<u>Cash Flows From Noncapital Financing Activities</u>				
Transfers	<u>(343,322)</u>	<u>(2,472,022)</u>	<u>-</u>	<u>(2,815,344)</u>
Net Cash Flows Provided by (Used for) Noncapital Financing Activities	<u>(343,322)</u>	<u>(2,472,022)</u>	<u>-</u>	<u>(2,815,344)</u>
<u>Cash Flows From Capital and Related Financing Activities</u>				
Capital Grants	-	-	-	-
Principal payment on revenue bonds and notes	(626,687)	(65,086)	-	(691,773)
Interest and fiscal charges on revenue bonds and notes	(214,639)	(4,332)	-	(218,971)
Proceeds from debt issuance	1,517,604	-	-	1,517,604
Purchase of capital assets	<u>(1,941,961)</u>	<u>(931,103)</u>	<u>-</u>	<u>(2,873,064)</u>
Net Cash Flows Provided by (Used for) Capital and Related Financing Activities	<u>(1,265,683)</u>	<u>(1,000,521)</u>	<u>-</u>	<u>(2,266,204)</u>
<u>Cash Flows From Investing Activities</u>				
Interest income	3,711	9,013	-	12,724
Dividend income	-	170,664	-	170,664
Municipal Competitive Trust Credits	-	207,207	-	207,207
Purchase of investments	<u>-</u>	<u>(377,871)</u>	<u>-</u>	<u>(377,871)</u>
Net Cash flows Provided by (Used for) Investing Activities	<u>3,711</u>	<u>9,013</u>	<u>-</u>	<u>12,724</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>61,258</u>	<u>(938,217)</u>	<u>(41,996)</u>	<u>(918,955)</u>
Cash and Cash Equivalents - Beginning of Year	<u>1,963,765</u>	<u>1,867,979</u>	<u>451,812</u>	<u>4,283,556</u>
Cash and Cash Equivalents - End of Year	<u>\$ 2,025,023</u>	<u>\$ 929,762</u>	<u>\$ 409,816</u>	<u>\$ 3,364,601</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	\$ 1,724,962	\$ 929,762	\$ 409,816	\$ 3,064,540
Restricted assets	300,061	-	-	300,061
Total Cash and Cash Equivalents, End of Year	\$ 2,025,023	\$ 929,762	\$ 409,816	\$ 3,364,601
<u>Reconciliation of Net Operating Income (Loss) to</u> <u>Net Cash Provided by (Used for) Operating Activities</u>				
Net Operating Income (Loss)	\$ 1,166,206	\$ 2,392,688	\$ 52,269	\$ 3,611,163
<u>Adjustments to Reconcile Net Operating Income (Loss)</u> <u>to Net Cash Provided by (Used for) Operating Activities</u>				
Depreciation	961,434	125,284	-	1,086,718
Changes in Assets and Liabilities				
(Increase) decrease in accounts receivable	(58,076)	(73,797)	(2,550)	(134,423)
(Increase) decrease in grants receivable	(264,988)	-	-	(264,988)
(Increase) decrease in accrued interest receivable	-	-	-	-
(Increase) decrease in due from other funds	(50,867)	-	-	(50,867)
(Increase) decrease in deferred outflows of resources	-	7,131	-	7,131
Increase (decrease) in accounts payable	(87,157)	(11,636)	(91,715)	(190,508)
Increase (decrease) in retainage payable	-	-	-	-
Increase (decrease) in customer deposits	-	142,961	-	142,961
Increase (decrease) in due to other funds	-	-	-	-
Increase (decrease) in net pension liability	-	(28,896)	-	(28,896)
Increase (decrease) in deferred inflows of resources	-	(28,422)	-	(28,422)
Total Adjustments	(461,088)	7,341	(94,265)	(548,012)
Net Cash flows Provided by (Used for)				
Operating Activities	\$ 1,666,552	\$ 2,525,313	\$ (41,996)	\$ 4,149,869
<u>Noncash investing, capital, and financing activities</u>				
Contributions of capital assets from government	\$ 359,272	\$ -	\$ -	359,272
Increase (decrease) in fair value of investments	-	66,584	-	66,584
Total noncash investing, capital, and financing activities	\$ 359,272	\$ 66,584	\$ -	\$ 425,856

## **NOTES TO THE FINANCIAL STATEMENTS**

**City of Thomaston, Georgia**  
**Notes to the Financial Statements**  
For the Year Ended December 31, 2019

**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. Before that date, the City of Thomaston was a town having first been incorporated as such by the General Assembly of Georgia on December 22, 1857. The City operates under a Council-Manager form of government. It provides the following services as authorized by its charter: Public works, which include 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. Also, a component unit can be another organization for which the nature and significance of its relationship with a primary government are 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 the 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 that 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 initially 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, 2019

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 an 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 program revenues offset the direct expenses of a given function or segments. 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, 2019

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 principal ongoing operations. The principal operating revenue of the City's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or 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, 2019

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

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year is 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, 2019

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2019, 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 applicable bond covenants limit their use.

- 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. The government defines capital assets 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 routine 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 \$259,100. Of this amount, none was applicable to the 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, 2019

**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 changes 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 an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of deferred, 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, 2019

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, 2019

The following is a summary of the fund balance classification as of December 31, 2019:

	General Fund	2011 SPLOST	2016 SPLOST	Nonmajor Governmental	Total
<b><u>Fund Balances</u></b>					
Nonspendable:					
Advances to other funds	\$ 621,091	\$ -	\$ -	\$ -	\$ 621,091
Restricted for:					
Law enforcement	-	-	-	117,471	117,471
Capital Projects	-	-	1,826,045	224,776	2,050,821
Joint Projects with County	-	-	-	429,767	429,767
Assigned					
Fund balance appropriation	-	-	-	-	-
Law enforcement	4,045	-	-	-	4,045
Community development	11,315	-	-	-	11,315
Capital outlay	335,277	-	-	-	335,277
Unassigned (deficit)	<u>3,568,757</u>	<u>-</u>	<u>-</u>	<u>(56)</u>	<u>3,568,701</u>
Total Fund Balances	<u>\$ 4,540,485</u>	<u>\$ -</u>	<u>\$ 1,826,045</u>	<u>\$ 771,958</u>	<u>\$ 7,138,488</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 to provide 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. Mayor and Council must approve budget revisions which increase total expenditures of a fund.

**City of Thomaston, Georgia**  
**Notes to the Financial Statements**  
For the Year Ended December 31, 2019

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)	4,084,192	N/A

**City of Thomaston, Georgia**  
**Notes to the Financial Statements**  
For the Year Ended December 31, 2019

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 30<sup>th</sup> 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 experience 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, 2019, is as follows:

**City of Thomaston, Georgia**  
**Notes to the Financial Statements**  
For the Year Ended December 31, 2019

Expenditures by Purpose	Amount	Tax Receipts	Percentage
Promote Tourism	\$ 28,814	\$ 71,135	40%
General Fund	<u>43,106</u>	<u>-</u>	<u>60%</u>
Total	<u>\$ 71,920</u>	<u>\$ 71,135</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	\$ 143,518	\$ -	\$ -	\$ -	\$ 79,029	\$ 222,547
Accounts	15,742	447,456	1,224,183	107,311	4,562	1,799,254
Intergovernmental	<u>299,345</u>	<u>646,726</u>	<u>-</u>	<u>-</u>	<u>3,360</u>	<u>949,431</u>
Gross Receivables	\$ 458,605	\$ 1,094,182	\$ 1,224,183	\$ 107,311	\$ 86,951	\$ 2,971,232
Less: Allowance for uncollectibles	<u>(17,222)</u>	<u>(31,322)</u>	<u>(85,692)</u>	<u>(7,512)</u>	<u>-</u>	<u>(141,748)</u>
Total Net Receivables	<u>\$ 441,383</u>	<u>\$ 1,062,860</u>	<u>\$ 1,138,491</u>	<u>\$ 99,799</u>	<u>\$ 86,951</u>	<u>\$ 2,829,484</u>

**NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of December 31, 2019, is as follows:

DUE TO/FROM OTHER FUNDS		
Receivable Fund	Payable Fund	Amount
General Fund	Hotel/Motel Tax Fund	\$ 1,850
General Fund	LMIG fund	151,000
Water and Sewer Fund	General Fund	53,662
Water and Sewer Fund	Nonmajor Proprietary Fund	<u>95,569</u>
Total		<u>\$ 302,081</u>



**City of Thomaston, Georgia**  
**Notes to the Financial Statements**  
For the Year Ended December 31, 2019

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	\$2,472,022	\$2,472,022
Water & Sewer Fund	419,032	419,032
Nonmajor Enterprise Fund	0	0
Nonmajor Governmental Fund	<u>118,816</u>	<u>118,816</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, 2019

**NOTE 8 – CAPITAL ASSETS**

Total capital assets, not being depreciated:	3,671,600	54,143	(822,585)	2,903,158
Capital assets, being depreciated:				
Buildings	4,662,867	80,200	-	4,743,067
Vehicles	2,094,539	125,803	-	2,220,342
Equipment	2,490,240	888,014	-	3,378,254
Infrastructure	15,392,143	422,904	-	15,815,047
Total capital assets, being depreciated:	24,639,789	1,516,921	-	26,156,710
Less accumulated depreciation for:				
Buildings	(2,230,635)	(84,677)		(2,315,312)
Vehicles	(1,150,272)	(162,432)	-	(1,312,704)
Equipment	(1,380,480)	(172,202)	-	(1,552,682)
Infrastructure	(6,324,904)	(463,637)	-	(6,788,541)
Total accumulated depreciation	(11,086,291)	(882,948)	-	(11,969,239)
Total capital assets, being depreciated, net	13,553,498	633,973	-	14,187,471
Governmental activities capital assets, net	<u>\$ 17,225,098</u>	<u>\$ 688,116</u>	<u>\$ (822,585)</u>	<u>\$ 17,090,629</u>

**Business-Type Activities**

Capital assets, not being depreciated:				
Land	\$ 2,439,469	\$ -	\$ -	\$ 2,439,469
Construction in progress	196,410	311,498	-	507,908
Total capital assets, not being depreciated:	2,635,879	311,498	-	2,947,377
Capital assets, being depreciated:				
Buildings	7,281,155	571,576	-	7,852,731
Systems - water, sewer, and electric	37,102,273	1,881,579	-	38,983,852
Equipment	2,506,893	467,683	-	2,974,576
Vehicles	1,337,235	-	-	1,337,235
Total capital assts, being depreciated	48,227,556	2,920,838	-	51,148,394
Less accumulated depreciation for:				
Buildings	(6,079,109)	(6,967)	-	(6,086,076)
Systems - water, sewer, and electric	(7,060,880)	(818,270)	-	(7,879,150)
Equipment	(1,305,883)	(257,670)	-	(1,563,553)
Vehicles	(1,241,674)	(3,811)	-	(1,245,485)
Total accumulated depreciation	(15,687,546)	(1,086,718)	-	(16,774,264)
Total capital assets, being depreciated, net	32,540,010	1,834,120	-	34,374,130
Business - type activities capital assets, net	<u>\$ 35,175,889</u>	<u>\$ 2,145,618</u>	<u>\$ -</u>	<u>\$ 37,321,507</u>
Less related long-term debt outstanding				(11,836,842)
Net investment in capital assets				<u>\$ 25,484,665</u>

**City of Thomaston, Georgia**  
**Notes to the Financial Statements**  
For the Year Ended December 31, 2019

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

Governmental Activities

General government	\$ 236,322
Public safety	360,206
Public works	286,420
Total depreciation expense - governmental activities	<u>\$ 882,948</u>

Business-Type Activities

Water and sewer	\$ 961,434
Electric	125,284
Total depreciation expense – business-type activities	<u>\$ 1,086,718</u>

**NOTE 9 - LONG-TERM DEBIT**

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2019, was as follows:

	Beginning Balances	Addition	Reduction	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Landfill closure/postclosure	\$ 1,767,939	\$ -	\$ (135,000)	\$ 1,632,939	\$ 135,000
Compensated absences	192,328	163,402	(186,500)	169,230	118,460
Net pension liability	2,883,969	265,067	-	3,149,036	-
Capital leases payable	980,417	-	(115,388)	865,029	126,049
Governmental activity long-term liabilities	<u>\$ 5,824,653</u>	<u>\$ 428,469</u>	<u>\$ (436,888)</u>	<u>\$ 5,816,234</u>	<u>\$ 379,509</u>
<u>Business-Type Activities</u>					
Compensated absences	\$ 52,386	\$ 40,862	\$ (47,011)	\$ 46,237	\$ 26,355
GEFA Loan DW09002PF70	729,996	-	(46,621)	683,375	48,038
GEFA Loan DW10012	991,474	-	(59,677)	931,797	61,400
GEFA Loan DW13011	1,945,418	-	(106,113)	1,839,305	106,645
GEFA Loan DW14002	1,426,419	-	(68,654)	1,357,765	69,364
GEFA Loan CWSRF201522	13,636	-	(13,636)	-	-
GEFA Loan CW201644	358,804	-	-	358,804	-
GEFA Loan CW2017006	104,220	1,725,618	-	1,829,838	-
Capital leases payable	161,043	-	(65,086)	95,957	26,539
Revenue bonds payable	5,280,000	-	(540,000)	4,740,000	545,000
Net pension liability	858,754	-	(28,896)	829,858	-
Business-type activity long-term liabilities	<u>\$ 11,922,150</u>	<u>\$ 1,766,480</u>	<u>\$ (850,123)</u>	<u>\$ 12,712,936</u>	<u>\$ 883,341</u>

**City of Thomaston, Georgia**  
**Notes to the Financial Statements**  
For the Year Ended December 31, 2019

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
2020	\$ 545,000	\$ 118,500
2021	565,000	105,300
2022	585,000	90,750
2023	605,000	76,500
2024	625,000	61,250
2025 - 2027	1,815,000	92,700
Total	<u>\$ 4,740,000</u>	<u>\$ 545,000</u>

**Notes Payable**

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

In 2009, the City entered into a contract with the Georgia Environmental Facilities Authority for a Drinking Water State Revolving Loan Fund grant/loan 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, monthly. Interest is at 3.0%. As of December 31, 2019, the outstanding balance was \$683,375.

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, monthly. Interest is accrued monthly at 3.0%. As of December 31, 2019, the outstanding balance was \$931,797.

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, monthly. Interest is accrued monthly at .5%. As of December 31, 2019, the outstanding balance was \$1,839,305.

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, monthly. Interest is accrued monthly at 1.03%. As of December 31, 2019, the outstanding balance was \$1,357,765.

**City of Thomaston, Georgia**  
**Notes to the Financial Statements**  
For the Year Ended December 31, 2019

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 stormwater 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 drawdown. During 2019, the project was canceled and the \$13,636 was repaid.

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. There was no activity on this project in 2019.

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 stormwater infrastructure improvements. The total proceeds for the loan are \$2,000,000, of which \$500,000 is forgivable. As of December 31, 2019, the City has taken \$1,829,838 in drawdowns for this project.

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,								
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	54,155	13,728	69,217	19,296	108,799	6,798	72,280	10,742
2025-2029	296,508	42,904	378,978	63,592	552,231	25,758	372,776	42,334
2030-2034	131,612	4,152	226,570	9,466	566,207	11,782	392,470	22,641
2035-2038	-	-	-	-	182,269	761	238,446	3,702
Total	<u>\$ 683,375</u>	<u>\$ 131,215</u>	<u>\$ 931,797</u>	<u>\$ 189,377</u>	<u>\$1,839,305</u>	<u>\$ 77,691</u>	<u>\$1,357,765</u>	<u>\$ 129,714</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 first to expend the money for the 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, 2019 (governmental activities; Electric Fund – Proprietary Funds):

**City of Thomaston, Georgia**  
**Notes to the Financial Statements**  
For the Year Ended December 31, 2019

2024	107,774
2025 - 2029	395,171
Total minimum lease payments	\$ 1,001,677
Less amount representing interest	<u>(136,648)</u>
Present value of future minimum lease payments	<u><u>\$ 865,029</u></u>

	<b>Business-Type Activities</b>
2020	\$ 69,418
2021	<u>28,924</u>
Total minimum lease payments	\$ 98,342
Less amount representing interest	<u>(2,385)</u>
Present value of future minimum lease payments	<u><u>\$ 95,957</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>\$ 300,061</u>
	<u><u>\$ 300,061</u></u>

**City of Thomaston, Georgia**  
**Notes to the Financial Statements**  
For the Year Ended December 31, 2019

**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 \$1,632,939. 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 2019. 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, 2019, the date of the most recent actuarial valuation, there were 262 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	125
Terminated vested participants	44
Active vested employees	54
Active nonvested employees	39
Total	<u>262</u>

***Benefits Provided***

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

***Contributions***

The plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 12.07% 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, 2019

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

On December 31, 2019, the City reported a net pension liability. The net pension liability was measured as of March 31, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of July 1, 2019.

For the year ended December 31, 2019, the City recognized pension expense relative to GMEBS in the amount \$842,990. On December 31, 2019, 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	\$ 136,284	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	360,432	349,804
Employer contribution subsequent to measurement date	<u>-</u>	<u>-</u>
	<u>\$ 496,716</u>	<u>\$ 349,804</u>

City contributions subsequent to the measurement date of March 31, 2019, 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, 2020. 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,	
2020	\$ 169,672
2021	(76,324)
2022	(9,116)
2023 and thereafter	62,680

**Actuarial Assumptions:** The total pension liability as of December 31, 2019, was determined by an actuarial valuation as of July 1, 2019, 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, 2019

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, 2019 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, 2018	\$ 11,650,006	\$ 8,207,823	\$ 3,442,723
Charges for the year:			
Service cost	104,838	-	104,838
Interest	853,385	-	853,385
Difference between expected and actual experience	272,567	-	272,567
Contributions - employer	-	441,624	(441,624)
Contributions - employee	-	-	-
Net investment income	-	289,277	(289,277)
Benefit payments	(752,745)	(752,745)	-
Administrative expense	-	(32,077)	32,077
Other	4,205	-	4,205
Net Changes	482,250	(53,921)	536,171
Balance at December 31, 2019	\$ 12,132,256	\$ 8,153,902	\$ 3,978,894

The City's net pension liability is recorded in the Government-Wide Statement of Net Position in the amounts of \$3,149,036 and \$829,858, 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 real arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2019, 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%	6.40%	9.20%
International Equity	20.00%	7.40%	9.70%
Fixed Income	25.00%	2.39%	4.80%
Real Estate	10.00%	5.10%	7.00%
Cash	0.00%	0.00%	0.00%
Total	100.00%		

**City of Thomaston, Georgia**  
**Notes to the Financial Statements**  
For the Year Ended December 31, 2019

**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	\$ 5,186,747	\$ 3,978,894	\$ 2,942,542

**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](http://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. The City collects contributions 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, 2019

**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 the 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, 2019, the balance of the account was \$4,084,192 (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, 2019, was \$4,719,271. 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, 2019

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 the 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, 2019. 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, 2019, was \$0. Due to the Trust restrictions on access to the funds, these account balances are not reflected in the accompanying statement of net position. The City will record trust distributions from these accounts in the future years 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 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. However, 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 10, 2020, 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

	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>					
Service cost	\$ 104,838	\$ 101,086	\$ 78,267	\$ 92,484	\$ 100,665
Interest on total pension liability	853,385	822,157	796,305	783,446	753,703
Differences between expected and actual experiences	272,567	280,188	193,229	(11,213)	241,530
Changes of assumptions	-	-	-	-	(56,111)
Other	4,205	208,961	-	-	-
Changes of benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	<u>(752,745)</u>	<u>(741,737)</u>	<u>(726,744)</u>	<u>(670,815)</u>	<u>(641,192)</u>
<b>Net Change in Total Pension Liability</b>	\$ 482,250	\$ 670,655	\$ 341,057	\$ 193,902	\$ 398,595
<b>Total pension liability - beginning, January 1</b>	<u>11,650,006</u>	<u>10,979,351</u>	<u>10,638,294</u>	<u>10,444,392</u>	<u>10,045,797</u>
<b>Total pension liability - ending, December 31 (a)</b>	<u>\$ 12,132,256</u>	<u>\$ 11,650,006</u>	<u>\$ 10,979,351</u>	<u>\$ 10,638,294</u>	<u>\$ 10,444,392</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 441,624	\$ 386,362	\$ 376,154	\$ 347,962	\$ 330,659
Contributions - employee	-	-	-	-	-
Net Investment Income	289,277	937,386	876,422	18,576	678,062
Benefit payments, including refunds of employee contributions	(752,745)	(741,737)	(726,744)	(670,815)	(641,192)
Administrative Expense	<u>(32,077)</u>	<u>(31,423)</u>	<u>(34,219)</u>	<u>(19,928)</u>	<u>(17,791)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	\$ (53,921)	\$ 550,588	\$ 491,613	\$ (324,205)	\$ 349,738
<b>Plan fiduciary net position - beginning, January 1</b>	<u>\$ 8,207,283</u>	<u>\$ 7,656,695</u>	<u>7,165,082</u>	<u>7,489,287</u>	<u>7,139,549</u>
<b>Plan fiduciary net position - ending, December 31 (b)</b>	<u>\$ 8,153,362</u>	<u>\$ 8,207,283</u>	<u>\$ 7,656,695</u>	<u>\$ 7,165,082</u>	<u>\$ 7,489,287</u>
<b>City's net pension liability (asset) - ending (a) - (b)</b>	<u>\$ 3,978,894</u>	<u>\$ 3,442,723</u>	<u>\$ 3,322,656</u>	<u>\$ 3,473,212</u>	<u>\$ 2,955,105</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>67.20%</b>	<b>70.45%</b>	<b>69.74%</b>	<b>67.35%</b>	<b>71.71%</b>
<b>Covered payroll</b>	<b>\$ 3,926,012</b>	<b>\$ 3,516,751</b>	<b>\$ 3,183,118</b>	<b>\$ 2,788,467</b>	<b>\$ 2,787,146</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>101.35%</b>	<b>97.89%</b>	<b>104.38%</b>	<b>124.56%</b>	<b>106.03%</b>

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

	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 442,652	\$ 424,552	\$ 373,632	\$ 374,328	\$ 339,168
Contributions in relation to the actuarially determined contributions	\$ 442,652	\$ 424,552	<u>375,632</u>	<u>402,592</u>	<u>310,909</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,000)</u>	<u>\$ (28,264)</u>	<u>\$ 28,259</u>
City's covered-employee payroll	*	\$ 3,516,751	\$ 3,183,118	\$ 2,788,467	\$ 2,787,146
Contributions as a percentage of covered payroll	*	11.80%	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.

\* 2019 information is determined after fiscal year-end and is included in 2020 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, 2019**

**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, 2019, 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, 2020.



**City of Thomaston, Georgia**  
**Required Supplementary Information**  
For the Year Ended December 31, 2019

**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.

**This page was left blank intentionally.**

## **SUPPLEMENTARY INFORMATION**

**City of Thomaston, Georgia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
December 31, 2019

	Special Revenue Funds			Capital Projects Funds				Total Nonmajor
	Hotel Motel Tax	Law Enforcement Confiscation	Joint Projects Fund	Greatest Generation Park	CDBG/2014 Water Line Fund	CDBG/2018 Sewer Project	DOT LMIG Fund	Governmental Funds
<b>Assets</b>								
Cash and cash equivalents	\$ -	\$ 117,471	\$ 1,013,585	\$ 316,014	\$ 5,687	\$ -	\$ 60,547	\$ 1,513,304
Receivables, net of allowance:								
Taxes	-	-	79,029	-	-	-	-	79,029
Accounts	4,562	-	-	-	-	-	-	4,562
Intergovernmental Receivable	-	-	-	-	-	3,360	-	3,360
<b>Total Assets</b>	<u>4,562</u>	<u>117,471</u>	<u>1,092,614</u>	<u>316,014</u>	<u>5,687</u>	<u>3,360</u>	<u>60,547</u>	<u>1,600,255</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>								
Liabilities:								
Accounts payable	3,497	-	-	-	-	3,416	-	6,913
Retainage payable	-	-	-	-	5,687	-	-	5,687
Due to other funds	1,850	-	-	-	-	-	151,000	152,850
Advance to other funds	-	-	621,091	-	-	-	-	621,091
<b>Total Liabilities</b>	<u>5,347</u>	<u>-</u>	<u>621,091</u>	<u>-</u>	<u>5,687</u>	<u>3,416</u>	<u>151,000</u>	<u>786,541</u>
Deferred inflows of resources:								
Unavailable revenue - property taxes	-	-	41,756	-	-	-	-	41,756
Unavailable revenue - grant revenues	-	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>41,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,756</u>
Fund balances:								
Restricted	(785)	117,471	429,767	316,014	-	-	(90,453)	772,014
Unassigned (deficit)	-	-	-	-	-	(56)	-	(56)
<b>Total fund balances</b>	<u>(785)</u>	<u>117,471</u>	<u>429,767</u>	<u>316,014</u>	<u>-</u>	<u>(56)</u>	<u>(90,453)</u>	<u>771,958</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 4,562</u>	<u>\$ 117,471</u>	<u>\$ 1,092,614</u>	<u>\$ 316,014</u>	<u>\$ 5,687</u>	<u>\$ 3,360</u>	<u>\$ 60,547</u>	<u>\$ 1,600,255</u>

**City of Thomaston, Georgia**  
**Combining Statement of Revenues, Expenditures, and Changes In Fund Balance**  
**Nonmajor Governmental Funds**  
For the Year Ending December 31, 2019

	Special Revenue Funds			Capital Projects Funds				Total Nonmajor
	Hotel	Law Enforcement	Joint Projects	Greatest	CDBG/2014	CDBG/2018	DOT	Total Nonmajor
	Motel Tax	Confiscation	Fund	Generation Park	Water Line Fund	Sewer Project	LMIG Fund	Governmental Funds
<b>Revenues</b>								
Taxes:								
Property taxes	\$ -	\$ -	\$ 1,024,877	\$ -	\$ -	\$ -	\$ -	\$ 1,024,877
Other taxes	71,135	-	-	-	-	-	-	71,135
Intergovernmental	-	-	-	3,137	-	60,335	-	63,472
Fines and forfeitures	-	10,246	-	-	-	-	-	10,246
Charges for services	-	-	-	-	-	-	-	-
Interest earnings	-	820	-	2,138	-	-	537	3,495
Donation	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>71,135</b>	<b>11,066</b>	<b>1,024,877</b>	<b>5,275</b>	<b>-</b>	<b>60,335</b>	<b>537</b>	<b>1,173,225</b>
<b>Expenditures</b>								
Current:								
General government	28,814	-	131,120	-	-	-	-	159,934
Public safety	-	26,463	137,390	-	-	-	-	163,853
Economic development			190,618			-		190,618
Culture and recreation			533,515			-		533,515
Capital outlay	-	-	-	15,174	-	60,391	199,270	274,835
<b>Total Expenditures</b>	<b>28,814</b>	<b>26,463</b>	<b>992,643</b>	<b>15,174</b>	<b>-</b>	<b>60,391</b>	<b>199,270</b>	<b>1,322,755</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>42,321</b>	<b>(15,397)</b>	<b>32,234</b>	<b>(9,899)</b>	<b>-</b>	<b>(56)</b>	<b>(198,733)</b>	<b>(149,530)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers to other funds	(43,106)	-	-	-	-	-	-	(43,106)
<b>Total Other Financing Sources (Uses)</b>	<b>(43,106)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43,106)</b>
Net change in fund balances	(785)	(15,397)	32,234	(9,899)	-	(56)	(198,733)	(192,636)
Fund balances, beginning of year (deficit)	-	132,868	397,533	325,913	-	-	108,280	964,594
<b>Fund balances, end of year (deficit)</b>	<b>\$ (785)</b>	<b>\$ 117,471</b>	<b>\$ 429,767</b>	<b>\$ 316,014</b>	<b>\$ -</b>	<b>\$ (56)</b>	<b>\$ (90,453)</b>	<b>\$ 771,958</b>

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

**City of Thomaston, Georgia**  
**General Fund**  
**Comparative Balance Sheet**  
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,786,666	\$ 3,433,025
Receivables, net of allowance:		
Taxes	126,296	105,352
Accounts	15,742	14,209
Intergovernmental	299,345	326,466
Prepaid insurance	-	-
Due from other funds	152,850	502,638
Advance from other funds	<u>621,091</u>	<u>621,091</u>
<b>Total Assets</b>	<u><u>\$ 5,001,990</u></u>	<u><u>\$ 5,002,781</u></u>
<b>Liabilities</b>		
Accounts payable	\$ 138,731	\$ 69,981
Accrued liabilities	-	29,948
Performance Bonds Payable	150,250	501,400
Due to other funds	<u>53,662</u>	<u>2,795</u>
<b>Total Liabilities</b>	<u><u>\$ 342,643</u></u>	<u><u>\$ 604,124</u></u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue - property taxes	\$ 118,862	\$ 49,196
<b>Total Deferred Inflows of Resources</b>	<u><u>\$ 118,862</u></u>	<u><u>\$ 49,196</u></u>
<b>Fund Balances</b>		
Nonspendable	\$ 621,091	\$ 621,091
Assigned	350,637	345,588
Unassigned	<u>3,568,757</u>	<u>3,382,782</u>
<b>Total Fund Balances</b>	<u><u>\$ 4,540,485</u></u>	<u><u>\$ 4,349,461</u></u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u><u>\$ 5,001,990</u></u>	<u><u>\$ 5,002,781</u></u>

**City of Thomaston, Georgia**  
**General Fund**  
**Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance**  
December 31, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Taxes	\$ 3,621,107	\$ 3,693,266
Licenses and permits	174,355	155,145
Intergovernmental revenue	59,771	150,072
Fines and forfeitures	402,284	433,628
Charges for services	30,388	24,212
Rent	231,716	205,802
Miscellaneous	112,741	185,175
<b>Total revenues</b>	<u>4,632,362</u>	<u>4,847,300</u>
<b>Expenditures</b>		
Current:		
General government	2,110,768	1,910,120
Judicial	283,383	352,883
Public safety	3,752,714	4,842,841
Public works	1,407,418	665,080
Culture and recreation	-	736,155
Debt Service:		
Principle	121,683	56,765
Interest	33,834	15,992
<b>Total expenditures</b>	<u>7,709,800</u>	<u>8,579,836</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(3,077,438)</u>	<u>(3,732,536)</u>
<b>Other financing sources (uses)</b>		
Capital Leases and other Proceeds	334,302	1,037,182
Transfer In:		
Transfer from Hotel Motel Fund	43,106	39,615
Transfer from Joint Projects Fund	-	37,740
Transfer from Electric Fund	2,472,022	2,070,704
Transfer from Water/Sewer Fund	419,032	300,000
Transfer from Sanitation Fund	-	100,500
<b>Total other financing sources (uses)</b>	<u>3,268,462</u>	<u>3,585,741</u>
Net Change in Fund Balance	191,024	(146,795)
Fund balance, Beginning of year	4,349,461	4,496,256
<b>Fund balance, End of year</b>	<u><u>\$ 4,540,485</u></u>	<u><u>\$ 4,349,461</u></u>

**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, 2019

<u>Description</u>	<u>Final Budget</u>	<u>2019 Actual</u>	<u>Variance With Final Budget</u>	<u>2018 Actual</u>
<b><u>Revenues</u></b>				
<b><u>Taxes</u></b>				
General property tax	\$ 967,863	\$ 688,663	\$ (279,200)	\$ 779,816
Local options sales tax	1,360,000	1,496,108	136,108	1,375,573
Other:				
Motor vehicle taxes	57,000	-	(57,000)	40,574
Title Ad Valorem tax	200,000	195,639	(4,361)	178,098
Mobile home taxes	-	15	15	13,628
Intangible taxes	23,000	15,244	(7,756)	28,750
Franchise taxes	375,000	328,798	(46,202)	427,898
Insurance premium tax	609,000	697,755	88,755	656,973
Real estate transfer tax	3,000	2,953	(47)	278
Beer and wine tax	<u>191,000</u>	<u>195,932</u>	<u>4,932</u>	<u>191,678</u>
 Total Taxes	 <u>3,785,863</u>	 <u>3,621,107</u>	 <u>(164,756)</u>	 <u>3,693,266</u>
 <b><u>Licenses and Permits</u></b>				
Business and occupation	150,000	129,631	(20,369)	127,337
Building and demolition	30,100	42,999	12,899	-
Special sales permits	<u>1,500</u>	<u>1,725</u>	<u>225</u>	<u>27,808</u>
 Total Licenses and Permits	 <u>181,600</u>	 <u>174,355</u>	 <u>(7,245)</u>	 <u>155,145</u>
 <b><u>Intergovernmental Revenues</u></b>				
Housing Authority	46,000	49,392	3,392	46,045
Upson County	-	-	-	100,035
State of Georgia - Hazardous Trust Fund	-	973	973	-
State grants:				
Drug Task Force	<u>6,000</u>	<u>9,406</u>	<u>3,406</u>	<u>3,992</u>
 Total Intergovernmental Revenues	 <u>52,000</u>	 <u>59,771</u>	 <u>7,771</u>	 <u>150,072</u>
 <b><u>Fines and Forfeitures</u></b>				
Recorder's Court	<u>480,500</u>	<u>402,284</u>	<u>(78,216)</u>	<u>433,628</u>
 Total Fines and Forfeitures	 <u>480,500</u>	 <u>402,284</u>	 <u>(78,216)</u>	 <u>433,628</u>

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



**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, 2019**

<u>Description</u>	<u>Final Budget</u>	<u>2019 Actual</u>	<u>Variance With Final Budget</u>	<u>2018 Actual</u>
<u>Charges for Services</u>				
Cemetery fees	20,000	28,800	8,800	22,700
Weaver Park Pavilion fees	1,375	1,588	213	1,512
Rent revenue	221,650	231,716	10,066	205,802
 Total Charges for Services	 243,025	 262,104	 19,079	 230,014
 <u>Miscellaneous</u>				
Interest earnings	18,000	16,637	(1,363)	19,307
Insurance reimbursement	-	2,738	2,738	66,528
Miscellaneous	78,900	93,366	14,466	99,340
 Total Miscellaneous	 96,900	 112,741	 15,841	 185,175
 <b>Total Revenues</b>	 4,839,888	 4,632,362	 (207,526)	 4,847,300

**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, 2019**

<u>Description</u>	<u>Final Budget</u>	<u>2019 Actual</u>	<u>Variance With Final Budget</u>	<u>2018 Actual</u>
<b><u>Expenditures</u></b>				
<b><u>General Government</u></b>				
Governing body	\$ 43,877	\$ 41,262	\$ 2,615	\$ 30,626
City clerk	13,218	9,401	3,817	6,405
City manager	205,777	205,362	415	199,012
General administration	774,760	773,117	1,643	596,971
Finance	652,039	654,621	(2,582)	634,632
Human resources	174,251	171,566	2,685	142,018
Tax administration	12,125	12,000	125	6,500
Legal services	95,000	75,310	19,690	101,558
Community development	190,550	168,129	22,421	192,398
Total General Government	<u>2,161,597</u>	<u>2,110,768</u>	<u>50,829</u>	<u>1,910,120</u>
 <b><u>Judicial</u></b>				
Municipal Court	<u>376,150</u>	<u>283,383</u>	<u>92,767</u>	<u>352,883</u>
Total Judicial	<u>376,150</u>	<u>283,383</u>	<u>92,767</u>	<u>352,883</u>
 <b><u>Public Safety</u></b>				
Police Department:				
Police administration	839,055	693,619	145,436	972,991
Patrol	1,696,726	1,704,711	(7,985)	1,669,994
Fire Department:				
Fire administration	322,192	255,927	66,265	1,135,174
Fire fighting	<u>1,068,163</u>	<u>1,098,457</u>	<u>(30,294)</u>	<u>1,064,682</u>
Total Public Safety	<u>3,926,136</u>	<u>3,752,714</u>	<u>173,422</u>	<u>4,842,841</u>
 <b><u>Public Works</u></b>				
Public works administration	1,311,105	940,068	371,037	483,911
Public works crew	433,454	399,780	33,674	148,559
Landfill post closure	<u>103,625</u>	<u>67,570</u>	<u>36,055</u>	<u>32,610</u>
Total Public Works	<u>1,848,184</u>	<u>1,407,418</u>	<u>440,766</u>	<u>665,080</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, 2019**

<u>Description</u>	<u>Final Budget</u>	<u>2019 Actual</u>	<u>Variance With Final Budget</u>	<u>2018 Actual</u>
<u>Culture and Recreation</u>				
Parks public space admin	-	-	-	487,449
Parks public space crew	-	-	-	248,706
Total Culture and Recreation	-	-	-	736,155
 Debt Service				
Principle	121,700	121,683	17	56,765
Interest	34,300	33,834	466	15,992
Total Debt Service	156,000	155,517	483	72,757
 <b>Total Expenditures</b>	<u>8,468,067</u>	<u>7,709,800</u>	<u>758,267</u>	<u>8,579,836</u>
 <b>Excess of Revenue Over (Under)</b>				
<b>Expenditures</b>	<u>(3,628,179)</u>	<u>(3,077,438)</u>	<u>550,741</u>	<u>(3,732,536)</u>
 <u>Other Financing Sources (Uses)</u>				
Capital Leases and Other Proceeds	-	334,302	334,302	1,037,182
Transfer in:				
Transfer from Hotel Motel Fund	40,000	43,106	3,106	39,615
Transfer from Electric Fund	2,472,022	2,472,022	-	2,070,704
Transfer from Water/Sewer Fund	419,032	419,032	-	300,000
Transfer from Sanitation Fund	55,000	-	(55,000)	100,500
Transfer from Joint Projects Fund	-	-	-	37,740
 <b>Total Other Financing Sources (Uses)</b>	<u>2,986,054</u>	<u>3,268,462</u>	<u>282,408</u>	<u>3,585,741</u>
 <b>Net Change in Fund Balance</b>	<u>(642,125)</u>	<u>191,024</u>	<u>833,149</u>	<u>(146,795)</u>
 <b>Fund Balance, Beginning of Year</b>	<u>4,349,461</u>	<u>4,349,461</u>	<u>-</u>	<u>4,496,256</u>
 <b>Fund Balance, End of Year</b>	<u><b>\$ 3,707,336</b></u>	<u><b>\$ 4,540,485</b></u>	<u><b>\$ 833,149</b></u>	<u><b>\$ 4,349,461</b></u>

**This page was left blank intentionally.**

## **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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ -
Accounts receivable	<u>4,562</u>	<u>4,918</u>
<b>Total Assets</b>	<b><u>\$ 4,562</u></b>	<b><u>\$ 4,918</u></b>
<b>Liabilities and Fund Balances</b>		
<u>Liabilities</u>		
Accounts payable	\$ 3,497	\$ 3,280
Due to other funds	<u>1,850</u>	<u>1,638</u>
Total Liabilities	<u>5,347</u>	<u>4,918</u>
<u>Fund Balances</u>		
Restricted	<u>(785)</u>	<u>-</u>
Total Fund Balances	<u>(785)</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 4,562</u></b>	<b><u>\$ 4,918</u></b>

**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, 2019

	<u>Final Budget</u>	<u>2019 Actual</u>	<u>Variance With Final Budget</u>
<u>Revenues</u>			
Hotel motel tax	\$ 67,000	\$ 71,135	\$ 4,135
Total revenues	<u>67,000</u>	<u>71,135</u>	<u>4,135</u>
<u>Expenditures</u>			
General government:			
Chamber of Commerce	<u>27,000</u>	<u>28,814</u>	<u>(1,814)</u>
Total expenditures	<u>27,000</u>	<u>28,814</u>	<u>(1,814)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>40,000</u>	<u>42,321</u>	<u>2,321</u>
<u>Other financing sources (uses)</u>			
Transfers to general fund	<u>40,000</u>	<u>43,106</u>	<u>3,106</u>
Total other financing sources (uses)	<u>40,000</u>	<u>43,106</u>	<u>3,106</u>
Net Change in Fund Balance	-	(785)	(785)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u><b>\$ -</b></u>	<u><b>\$ (785)</b></u>	<u><b>\$ (785)</b></u>

**City of Thomaston, Georgia**  
**Law Enforcement Confiscation Fund**  
**Comparative Balance Sheet**  
December 31, 2019 and 2018

---

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 117,471	\$ 132,868
<b>Total Assets</b>	<b><u>\$ 117,471</u></b>	<b><u>\$ 132,868</u></b>
<b>Liabilities and Fund Balances</b>		
<u>Liabilities</u>		
Accounts payable	\$ -	\$ -
Due to other funds	-	-
Total Liabilities	-	-
<u>Fund Balances</u>		
Restricted for law enforcement	117,471	132,868
Total Fund Balances	117,471	132,868
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 117,471</u></b>	<b><u>\$ 132,868</u></b>



**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, 2019

	<u>Final Budget</u>	<u>2019 Actual</u>	<u>Variance With Final Budget</u>
<b><u>Revenues</u></b>			
Fines and forfeitures	\$ -	\$ 10,246	\$ 10,246
Interest income	<u>-</u>	<u>820</u>	<u>(820)</u>
Total revenues	<u>-</u>	<u>11,066</u>	<u>9,426</u>
<b><u>Expenditures</u></b>			
Current:			
Public safety	-	26,463	(26,463)
Capital outlay	<u>110,000</u>	<u>-</u>	<u>110,000</u>
Total expenditures	<u>110,000</u>	<u>26,463</u>	<u>83,537</u>
Net Change in Fund Balance	(110,000)	(15,397)	94,603
Fund balance - beginning of year	<u>132,868</u>	<u>132,868</u>	<u>-</u>
<b>Fund balance - end of year</b>	<b><u>\$ 22,868</u></b>	<b><u>\$ 117,471</u></b>	<b><u>\$ 94,603</u></b>

**City of Thomaston, Georgia**  
**Joint Projects Tax Allocation District Fund**  
**Comparative Balance Sheet**  
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,013,585	\$ 970,744
Property taxes receivable, net	<u>79,029</u>	<u>66,096</u>
<b>Total Assets</b>	<b><u>\$ 1,092,614</u></b>	<b><u>\$ 1,036,840</u></b>
 <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>		
<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>41,756</u>	<u>18,216</u>
Total Deferred Inflows of Resources	<u>41,756</u>	<u>18,216</u>
 <u>Fund Balances</u>		
Restricted	429,767	397,533
Unassigned	<u>-</u>	<u>-</u>
Total Fund Balances	<u>429,767</u>	<u>397,533</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>	<b><u>\$ 1,092,614</u></b>	<b><u>\$ 1,036,840</u></b>

**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, 2019

	<u>Final Budget</u>	<u>2019 Actual</u>	<u>Variance With Final Budget</u>
<b><u>Revenues</u></b>			
Property taxes	\$ 1,010,115	\$ 1,024,877	\$ 14,762
Total revenues	<u>1,010,115</u>	<u>1,024,877</u>	<u>14,762</u>
<b><u>Expenditures</u></b>			
Current:			
General government	131,120	131,120	-
Public safety	137,390	137,390	-
Economic development	190,618	190,618	-
Culture and recreation	<u>550,987</u>	<u>533,515</u>	<u>17,472</u>
Total expenditures	<u>1,010,115</u>	<u>992,643</u>	<u>17,472</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>32,234</u>	<u>(2,710)</u>
<b><u>Other financing sources (uses)</u></b>			
Transfers to general fund	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	32,234	32,234
Fund balance - beginning of year	<u>397,533</u>	<u>397,533</u>	<u>-</u>
<b>Fund balance - end of year</b>	<b><u><u>\$ 397,533</u></u></b>	<b><u><u>\$ 429,767</u></u></b>	<b><u><u>\$ -</u></u></b>

## **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.

**2018 Community Development Block Grant/Water Line Fund** - to account for the cost of water line construction.

**City of Thomaston, Georgia**  
**2011 Special Local Option Sales Tax**  
**Comparative Balance Sheet**  
December 31, 2019 and 2018

---

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 84,645
<b>Total Assets</b>	<u><u>\$ -</u></u>	<u><u>\$ 84,645</u></u>
<b>Liabilities and Fund Balances</b>		
<u>Liabilities</u>		
Accounts payable	\$ -	\$ -
Due to other funds	-	-
Total Liabilities	-	-
<u>Fund Balances</u>		
Restricted for capital projects	-	84,645
Total Fund Balances	-	84,645
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ -</u></u>	<u><u>\$ 84,645</u></u>

**City of Thomaston, Georgia**  
**2011 Special Local Option Sales Tax**  
**Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances**  
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Revenues</b>		
Intergovernmental	\$ -	\$ -
Interest earnings	<u>20</u>	<u>932</u>
<b>Total revenues</b>	<u>20</u>	<u>932</u>
 <b>Expenditures</b>		
Capital outlay	<u>8,955</u>	<u>80,777</u>
<b>Total expenditures</b>	<u>8,955</u>	<u>80,777</u>
 Excess (deficiency) of revenue over expenses	(8,935)	(79,845)
 <b>Other financing sources (uses)</b>		
Transfers out	<u>(75,710)</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>(75,710)</u>	<u>-</u>
 <b>Net Change in Fund Balance</b>	(84,645)	(79,845)
 <b>Fund balance - beginning of year</b>	<u>84,645</u>	<u>164,490</u>
 <b>Fund balance - end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 84,645</u></u>

**City of Thomaston, Georgia**  
**2016 Special Local Option Sales Tax**  
**Comparative Balance Sheet**  
December 31, 2019 and 2018

---

	<u>0</u>	<u>2018</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,826,045	\$ 1,439,058
<b>Total Assets</b>	<b><u>\$ 1,826,045</u></b>	<b><u>\$ 1,439,058</u></b>
<b>Liabilities and Fund Balances</b>		
Total Liabilities	-	-
<u>Fund Balances</u>		
Restricted for capital projects	1,826,045	1,439,058
Total Fund Balances	1,826,045	1,439,058
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 1,826,045</u></b>	<b><u>\$ 1,439,058</u></b>

**City of Thomaston, Georgia**  
**2016 Special Local Option Sales Tax**  
**Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances**  
December 31, 2019 and 2018

---

	<u>2019</u>	<u>2018</u>
<b>Revenues</b>		
Intergovernmental	\$ 683,212	\$ 638,256
Interest earnings	<u>3,225</u>	<u>2,255</u>
<b>Total revenues</b>	<u>686,437</u>	<u>640,511</u>
 <b>Expenditures</b>		
Capital outlay	<u>299,450</u>	<u>-</u>
<b>Total expenditures</b>	<u>299,450</u>	<u>-</u>
 <b>Net Change in Fund Balance</b>	 386,987	 640,511
 <b>Fund balance - beginning of year</b>	 <u>1,439,058</u>	 <u>798,547</u>
 <b>Fund balance - end of year</b>	 <u><u>\$ 1,826,045</u></u>	 <u><u>\$ 1,439,058</u></u>



**City of Thomaston, Georgia**  
**Greatest Generation Park Fund**  
**Comparative Balance Sheet**  
December 31, 2019 and 2018

---

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 316,014	\$ 325,913
<b>Total Assets</b>	<b><u>\$ 316,014</u></b>	<b><u>\$ 325,913</u></b>
<b>Liabilities and Fund Balances</b>		
<u>Liabilities</u>		
Accounts payable	\$ -	\$ -
Total Liabilities	-	-
<u>Fund Balances</u>		
Restricted for capital projects	316,014	325,913
Total Fund Balances	316,014	325,913
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 316,014</u></b>	<b><u>\$ 325,913</u></b>

**City of Thomaston, Georgia**  
**Greatest Generation Park Fund**  
**Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances**  
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Revenues</b>		
Intergovernmental	\$ 3,137	\$ 2,687
Interest earnings	2,138	2,122
Donation	-	12,000
<b>Total revenues</b>	<u>5,275</u>	<u>16,809</u>
<b>Expenditures</b>		
Current:		
Culture and recreation	-	-
Capital outlay	15,174	68,639
<b>Total expenditures</b>	<u>15,174</u>	<u>68,639</u>
<b>Net Change in Fund Balance</b>	(9,899)	(51,830)
<b>Fund balance - beginning of year</b>	<u>325,913</u>	<u>377,743</u>
<b>Fund balance - end of year</b>	<u><u>\$ 316,014</u></u>	<u><u>\$ 325,913</u></u>

**City of Thomaston, Georgia**  
**2014 Community Development Block Grant/Water Line Fund**  
**Comparative Balance Sheet**  
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 5,687	\$ 5,687
Due from other funds	-	-
Intergovernmental receivable	-	-
<b>Total Assets</b>	<b><u>\$ 5,687</u></b>	<b><u>\$ 5,687</u></b>
 <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>		
<u>Liabilities</u>		
Retainage payable	\$ 5,687	\$ 5,687
Due to other funds	-	-
<b>Total Liabilities</b>	<b><u>5,687</u></b>	<b><u>5,687</u></b>
 <u>Fund Balances</u>		
Unassigned	-	-
<b>Total Fund Balances</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 5,687</u></b>	<b><u>\$ 5,687</u></b>

**2014 Community Development Block Grant/Water Line Fund**  
**City of Thomaston, Georgia**  
**Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances**  
December 31, 2019 and 2018

---

	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Intergovernmental	\$ -	\$ -
<b>Total revenues</b>	-	-
<b>Expenditures</b>		
Capital outlay	-	-
<b>Total expenditures</b>	-	-
<b>Net Change in Fund Balance</b>	-	-
<b>Fund balance - beginning of year</b>	-	-
<b>Fund balance - end of year</b>	<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, 2019

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

**City of Thomaston, Georgia**  
**DOT LMIG Fund**  
**Comparative Balance Sheet**  
December 31, 2019 and 2018

---

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 60,547	\$ 609,280
<b>Total Assets</b>	<b><u>\$ 60,547</u></b>	<b><u>\$ 609,280</u></b>
<b>Liabilities and Fund Balances</b>		
<u>Liabilities</u>		
Due to other funds	\$ 151,000	\$ 501,000
Total Liabilities	<u>151,000</u>	<u>501,000</u>
<u>Fund Balances</u>		
Restricted for capital projects	<u>(90,453)</u>	<u>108,280</u>
Total Fund Balances	<u>(90,453)</u>	<u>108,280</u>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 60,547</u></b>	<b><u>\$ 609,280</u></b>

**City of Thomaston, Georgia**  
**DOT LMIG Fund**  
**Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances**  
December 31, 2019 and 2018

---

	<u>2019</u>	<u>2018</u>
<b>Revenues</b>		
Intergovernmental	\$ -	\$ 115,852
Interest earnings	<u>537</u>	<u>481</u>
<b>Total revenues</b>	<u>537</u>	<u>116,333</u>
 <b>Expenditures</b>		
Capital outlay	<u>199,270</u>	<u>12,568</u>
<b>Total expenditures</b>	<u>199,270</u>	<u>12,568</u>
 <b>Net Change in Fund Balance</b>	(198,733)	103,765
 <b>Fund balance - beginning of year</b>	<u>108,280</u>	<u>4,515</u>
 <b>Fund balance - end of year</b>	<u><u>\$ (90,453)</u></u>	<u><u>\$ 108,280</u></u>

**City of Thomaston, Georgia**  
**2018 Community Development Block Grant/Water Line Fund**  
**Comparative Balance Sheet**  
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ -
Due from other funds	-	-
Intergovernmental receivable	<u>3,360</u>	<u>-</u>
<b>Total Assets</b>	<b><u>\$ 3,360</u></b>	<b><u>\$ -</u></b>
 <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>		
<u>Liabilities</u>		
Accounts payable	\$ 3,416	\$ -
Due to other funds	<u>-</u>	<u>-</u>
Total Liabilities	<u>3,416</u>	<u>-</u>
 <u>Fund Balances</u>		
Unassigned	<u>(56)</u>	<u>-</u>
Total Fund Balances	<u>(56)</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 3,360</u></b>	<b><u>\$ -</u></b>



**2018 Community Development Block Grant/Water Line Fund**  
**City of Thomaston, Georgia**  
**Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances**  
December 31, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Intergovernmental	\$ 60,335	\$ -
<b>Total revenues</b>	<u>60,335</u>	<u>-</u>
<b>Expenditures</b>		
Capital outlay	<u>60,391</u>	<u>-</u>
<b>Total expenditures</b>	<u>60,391</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(56)	-
<b>Fund balance - beginning of year</b>	<u>-</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u><u>\$ (56)</u></u>	<u><u>\$ -</u></u>

**City of Thomaston, Georgia**  
**2018 Community Development Block Grant/Water Line Fund**  
**17p-X-145-2-6031**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
From Inception and for the Year Ended December 31, 2019

<u>Description</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
<b>Revenues</b>				
Department of Community Affairs	\$ -	\$ 60,335	\$ 60,335	\$ 750,000
<b>Total Revenues</b>	-	60,335	60,335	750,000
<b>Expenditures</b>				
Contingencies - Unprogrammed Funds	-	-	-	27,771
Sewer System Construction	-	60,391	60,391	722,229
<b>Total Expenditures</b>	-	60,391	60,391	750,000
<b>Net Change in Fund Balance</b>	-	(56)	(56)	-
<b>Fund balance - beginning of year</b>	-	-	-	-
<b>Fund balance - end of year</b>	<u>\$ -</u>	<u>\$ (56)</u>	<u>\$ (56)</u>	<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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> <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>	88-92
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	93-97
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	98-101
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place.</i>	102-104
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	105-106

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>Governmental Activities</u></b>										
Net Investment in capital assets	\$ 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	\$ 16,225,601
Restricted	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	2,598,059
Unrestricted	<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>	<u>(126,503)</u>
Total Governmental Activities Net Position	<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>\$ 18,697,157</u>
<b><u>Business-Type Activities</u></b>										
Net Investment in capital assets	\$ 10,181,069	\$ 11,194,897	\$ 13,683,729	\$ 15,342,717	\$ 17,418,300	\$ 20,252,256	\$ 23,630,401	\$ 24,528,573	\$ 24,164,879	\$ 25,484,655
Restricted	293,632	294,976	294,266	287,528	287,978	290,134	288,824	290,506	293,104	300,061
Unrestricted	<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>7,079,790</u>	<u>7,146,346</u>
Total Business-Type Activities Net Position	<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>\$ 32,931,062</u>
<b><u>Primary Government</u></b>										
Net investment capital assets	\$ 22,614,515	\$ 23,326,952	\$ 27,301,942	\$ 28,575,200	\$ 31,089,738	\$ 36,272,799	\$ 39,893,314	\$ 40,862,800	\$ 40,409,560	\$ 41,710,256
Restricted	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	2,898,120
Unrestricted	<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>6,662,569</u>	<u>7,019,843</u>
Total Primary Government Net Position	<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>	<u>\$ 51,628,219</u>

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General government (Note 1)	\$ 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	\$ 2,225,513
Judicial	177,475	163,609	202,989	239,417	234,102	267,744	212,879	298,331	352,883	283,383
Public safety	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	4,229,042
Public works	1,634,486	794,525	1,431,991	1,335,976	909,316	502,207	656,702	526,865	922,898	1,836,122
Economic development	217,922	144,262	149,363	144,347	324,151	332,633	358,257	212,937	198,302	190,618
Culture and recreation	-	21,697	366,231	530,294	993,897	1,276,803	1,526,021	1,129,060	1,199,316	548,689
Interest on short and long-term debt	-	-	-	-	-	-	-	-	15,992	40,129
<b>Total Governmental Activities Expenses</b>	<b>\$ 7,820,212</b>	<b>\$ 5,790,194</b>	<b>\$ 7,059,074</b>	<b>\$ 6,241,547</b>	<b>\$ 7,167,384</b>	<b>\$ 8,746,496</b>	<b>\$ 11,174,016</b>	<b>\$ 7,985,126</b>	<b>\$ 9,371,469</b>	<b>\$ 9,353,496</b>
<b>Business-Type Activities</b>										
Water and sewer	\$ 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	\$ 4,634,130
Electric	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	11,637,284
Sanitation	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	1,125,203
<b>Total Business-Type Activities Expenses</b>	<b>\$ 13,667,645</b>	<b>\$ 16,071,688</b>	<b>\$ 16,900,214</b>	<b>\$ 15,912,186</b>	<b>\$ 17,373,334</b>	<b>\$ 17,631,077</b>	<b>\$ 16,715,763</b>	<b>\$ 17,095,603</b>	<b>\$ 17,532,577</b>	<b>\$ 17,396,617</b>
<b>Total Primary Government Expenses</b>	<b>\$ 21,487,857</b>	<b>\$ 21,861,882</b>	<b>\$ 23,959,288</b>	<b>\$ 22,153,733</b>	<b>\$ 24,540,718</b>	<b>\$ 26,377,573</b>	<b>\$ 27,889,779</b>	<b>\$ 25,080,729</b>	<b>\$ 26,904,046</b>	<b>\$ 26,750,113</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for services:										
Refuse collection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Cemetery fees	13,000	18,550	15,000	14,500	17,900	15,950	21,600	18,100	22,700	28,800
Fines and forfeitures	388,554	276,797	385,320	416,557	374,287	436,833	291,590	427,498	433,628	402,284
Licenses and permits	132,852	129,296	134,176	131,055	146,732	192,360	170,697	194,122	155,145	174,355
Public Safety	10,598	5,145	724	6,742	9,782	129,826	80,624	17,047	184,360	10,246
Rent	161,646	162,472	166,129	209,629	219,746	216,290	221,775	225,802	205,802	231,716
Other	-	2,530	3,270	3,520	4,145	4,130	4,116	5,479	4,199	1,588
Operating grants and contributions	801,356	220,301	283,760	316,429	322,856	620,317	443,083	390,609	150,072	59,771
Capital grants and contributions	1,481,609	438,426	1,908,281	756,809	1,166,516	1,449,990	704,577	821,191	757,295	749,929
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 2,989,615</b>	<b>\$ 1,253,517</b>	<b>\$ 2,896,660</b>	<b>\$ 1,855,241</b>	<b>\$ 2,261,964</b>	<b>\$ 3,065,696</b>	<b>\$ 1,938,062</b>	<b>\$ 2,099,848</b>	<b>\$ 1,913,201</b>	<b>\$ 1,658,689</b>
<b>Business-Type Activities:</b>										
Charges for services:										
Water and sewer	\$ 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	\$ 5,547,057
Electric	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	13,981,112
Sanitation	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	1,177,472
Capital grants and contributions	3,013,367	485,621	2,496,166	953,164	1,114,049	1,820,908	3,594,640	880,801	50,147	359,272
<b>Total Business-Type Activities Program Revenues</b>	<b>\$ 18,841,787</b>	<b>\$ 16,810,444</b>	<b>\$ 19,704,340</b>	<b>\$ 18,562,674</b>	<b>\$ 20,143,066</b>	<b>\$ 20,780,398</b>	<b>\$ 22,893,923</b>	<b>\$ 20,618,698</b>	<b>\$ 20,455,904</b>	<b>\$ 21,064,913</b>
<b>Total Primary Government Revenues</b>	<b>\$ 21,831,402</b>	<b>\$ 18,063,961</b>	<b>\$ 22,601,000</b>	<b>\$ 20,417,915</b>	<b>\$ 22,405,030</b>	<b>\$ 23,846,094</b>	<b>\$ 24,831,985</b>	<b>\$ 22,718,546</b>	<b>\$ 22,369,105</b>	<b>\$ 22,723,602</b>

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Net (Expenses)/Revenue</b>										
Governmental Activities	\$ (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)	\$ (7,694,807)
Business-Type Activities	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	3,668,296
<b>Total Primary Government Net Expense/Revenues</b>	<b>\$ 343,545</b>	<b>\$ (3,797,921)</b>	<b>\$ (1,358,288)</b>	<b>\$ (1,735,818)</b>	<b>\$ (2,135,688)</b>	<b>\$ (2,531,479)</b>	<b>\$ (3,057,794)</b>	<b>\$ (2,362,183)</b>	<b>\$ (4,534,941)</b>	<b>\$ (4,026,511)</b>
<b><u>General Revenue &amp; Other Changes in Net Position</u></b>										
<b>Governmental Activities:</b>										
Taxes:										
Property taxes	\$ 827,426	\$ 797,423	\$ 812,885	\$ 799,954	\$ 1,640,108	\$ 1,972,285	\$ 2,007,532	\$ 2,033,473	\$ 1,816,082	\$ 1,806,746
Sales taxes	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	1,496,108
Franchise taxes	307,630	358,274	335,574	367,435	336,097	331,887	320,539	485,320	427,898	328,798
Insurance premiums taxes	506,611	430,147	456,850	473,025	494,582	528,379	572,088	609,181	656,973	697,755
Other taxes	320,293	315,496	308,835	410,201	475,317	440,345	363,499	412,215	519,031	480,918
Interest revenue	58,012	30,354	17,188	13,346	13,166	10,949	13,362	16,490	22,687	20,132
Gain on sale of capital assets	8,157	20,565	2,111	5,291	535	-	-	-	-	-
Miscellaneous and other proceeds	86,416	112,765	106,287	45,438	197,118	174,759	137,999	308,786	177,868	430,406
Transfers	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	2,815,344
<b>Total Governmental Activities</b>	<b>\$ 4,928,037</b>	<b>\$ 4,239,822</b>	<b>\$ 4,910,524</b>	<b>\$ 4,322,722</b>	<b>\$ 5,528,813</b>	<b>\$ 8,041,827</b>	<b>\$ 6,188,403</b>	<b>\$ 7,185,454</b>	<b>\$ 7,467,316</b>	<b>\$ 8,076,207</b>
<b>Business-Type Activities:</b>										
Interest revenue	\$ 383,769	\$ 802,455	\$ 397,686	\$ 14,128	\$ 65,200	\$ 41,351	\$ 46,598	\$ 127,013	\$ 13,618	\$ 12,724
Miscellaneous	-	-	-	-	-	270,052	98,065	157,173	174,154	83,168
Municipal Competitive Trust	-	-	-	-	-	-	-	1,105,851	597,255	444,455
Transfers	(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)	(2,815,344)
<b>Total Business-Type Activities Program Revenues</b>	<b>\$ (1,062,342)</b>	<b>\$ (22,545)</b>	<b>\$ (1,100,814)</b>	<b>\$ (991,869)</b>	<b>\$ (934,800)</b>	<b>\$ (2,955,367)</b>	<b>\$ (1,355,337)</b>	<b>\$ (629,963)</b>	<b>\$ (1,686,177)</b>	<b>\$ (2,274,997)</b>
<b>Total Primary Government</b>	<b>\$ 3,865,695</b>	<b>\$ 4,217,277</b>	<b>\$ 3,809,710</b>	<b>\$ 3,330,853</b>	<b>\$ 4,594,013</b>	<b>\$ 5,086,460</b>	<b>\$ 4,833,066</b>	<b>\$ 6,555,491</b>	<b>\$ 5,781,139</b>	<b>\$ 5,801,210</b>
<b><u>Change in Net Position</u></b>										
Governmental Activities	\$ 97,440	\$ (296,855)	\$ 748,110	\$ (63,584)	\$ 623,393	\$ 2,361,027	\$ (3,047,551)	\$ 1,300,176	\$ 9,048	\$ 381,400
Business-Type Activities	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	1,393,299
<b>Total Primary Government</b>	<b>\$ 4,209,240</b>	<b>\$ 419,356</b>	<b>\$ 2,451,422</b>	<b>\$ 1,595,035</b>	<b>\$ 2,458,325</b>	<b>\$ 2,554,981</b>	<b>\$ 1,775,272</b>	<b>\$ 4,193,308</b>	<b>\$ 1,246,198</b>	<b>\$ 1,774,699</b>

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

	Restated 2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Reserved	\$ 70,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Unreserved	3,932,640	-	-	-	-	-	-	-		
Nonspendable	-	-	-	45,461	504,559	666,552	621,091	621,411	621,091	621,091
Assigned	-	1,228,319	1,567,152	584,882	1,881,368	1,088,523	588,126	476,310	345,588	350,537
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	3,568,757
<b>Total General Fund</b>	<b>\$ 4,003,344</b>	<b>\$ 4,114,493</b>	<b>\$ 3,719,501</b>	<b>\$ 4,085,604</b>	<b>\$ 3,949,033</b>	<b>\$ 3,986,900</b>	<b>\$ 3,648,436</b>	<b>\$ 4,496,256</b>	<b>\$ 4,349,461</b>	<b>\$ 4,540,385</b>
<b>All Other Governmental Funds</b>										
Reserved:										
Program purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	3,236,371	-	-	-	-	-	-	-	-	-
Public safety	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	2,050,821
Public safety	-	9,138	6,787	13,547	8,258	121,515	116,346	76,350	132,868	117,471
Joint projects	-	-	-	-	-	187,075	221,023	340,848	397,533	429,767
Unassigned	-	-	-	-	(89,110)	(45,018)	-	-	-	(56)
<b>Total All Other Governmental Funds</b>	<b>3,262,688</b>	<b>3,517,736</b>	<b>3,248,796</b>	<b>3,039,003</b>	<b>3,375,492</b>	<b>4,145,505</b>	<b>1,403,224</b>	<b>1,762,493</b>	<b>2,488,297</b>	<b>2,598,003</b>

\* 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)

	2010	2011	2012	2013	2014	2015	Restated 2016	2017	2018	2019
<b>Revenues</b>										
Property taxes	\$ 849,227	\$ 781,027	\$ 839,576	\$ 790,859	\$ 766,757	\$ 701,445	\$ 796,135	\$ 735,237	\$ 779,816	\$ 688,663
Sales taxes	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	1,496,108
Other taxes	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	2,532,348
Licenses and permits	132,852	129,296	134,176	131,055	146,732	192,360	170,697	194,122	155,145	174,355
Intergovernmental	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	806,455
Fines and forfeitures	399,152	281,942	386,044	423,299	384,069	566,659	372,214	444,545	617,988	412,530
Charges for services	13,000	21,080	18,270	18,020	22,045	20,080	25,715	23,579	24,212	30,388
Interest earnings	97,507	62,710	35,002	28,269	27,413	26,324	22,919	16,951	25,874	23,377
Rent	161,646	162,472	166,129	209,629	219,746	216,290	221,775	225,802	205,802	231,716
Donations	255	50,461	17,752	4,350	85,461	-	-	-	12,000	-
Other	86,160	62,304	88,533	41,088	111,657	174,758	137,999	308,786	165,868	96,104
<b>Total Revenue</b>	<b>\$ 6,485,185</b>	<b>\$ 4,631,378</b>	<b>\$ 6,333,264</b>	<b>\$ 5,157,580</b>	<b>\$ 6,787,331</b>	<b>\$ 7,777,228</b>	<b>\$ 6,676,435</b>	<b>\$ 7,266,502</b>	<b>\$ 6,939,536</b>	<b>\$ 6,492,044</b>
<b>Expenditures</b>										
General government (Note 1)	\$ 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	\$ 2,270,702
Judicial	177,475	163,609	202,989	239,417	234,102	267,744	212,879	298,331	352,883	283,383
Public safety	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	3,916,567
Public works	496,559	344,961	273,226	273,062	462,523	712,954	670,456	398,288	665,080	1,407,418
Economic development	50,092	440	-	-	183,246	183,219	212,056	212,937	198,302	190,618
Culture and recreation	-	21,697	366,231	530,294	983,947	1,276,803	1,526,021	1,129,060	1,246,618	533,515
Debt Service:										
Principal	-	-	-	-	-	-	-	-	56,765	121,683
Interest									15,992	33,834
Capital outlay	2,198,369	227,802	2,324,765	981,929	987,987	1,315,891	3,604,703	649,593	271,467	583,240
<b>Total Expenditures</b>	<b>\$ 8,272,481</b>	<b>\$ 5,110,746</b>	<b>\$ 8,497,717</b>	<b>\$ 6,018,277</b>	<b>\$ 7,606,733</b>	<b>\$ 10,236,118</b>	<b>\$ 11,257,170</b>	<b>\$ 8,079,414</b>	<b>\$ 9,868,913</b>	<b>\$ 9,340,960</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (1,787,296)</b>	<b>\$ (479,368)</b>	<b>\$ (2,164,453)</b>	<b>\$ (860,697)</b>	<b>\$ (819,402)</b>	<b>\$ (2,458,890)</b>	<b>\$ (4,580,735)</b>	<b>\$ (812,912)</b>	<b>\$ (2,929,377)</b>	<b>\$ (2,848,916)</b>
<b>Other Financing Sources (Uses)</b>										
Capital leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,037,182	\$ -
Transfers from other funds	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	2,934,160
Transfers to other funds	(61,511)	(116,422)	(60,488)	(46,106)	(39,968)	(134,882)	(170,371)	(174,424)	(77,355)	(118,816)
Other proceeds	8,157	20,565	2,111	10,920	19,320	-	-	-	-	334,302
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 1,327,853</b>	<b>\$ 845,565</b>	<b>\$ 1,500,611</b>	<b>\$ 1,016,917</b>	<b>\$ 1,019,320</b>	<b>\$ 3,266,770</b>	<b>\$ 1,500,000</b>	<b>\$ 2,020,000</b>	<b>\$ 3,508,386</b>	<b>\$ 3,149,646</b>
<b>Net change in Fund Balances</b>	<b>\$ (459,443)</b>	<b>\$ 366,197</b>	<b>\$ (663,842)</b>	<b>\$ 156,220</b>	<b>\$ 199,918</b>	<b>\$ 807,880</b>	<b>\$ (3,080,735)</b>	<b>\$ 1,207,088</b>	<b>\$ 579,009</b>	<b>\$ 300,730</b>
Debt Service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.76%	1.81%



**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
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
2019	688,663	195,654	1,496,108	683,212	1,024,877	15,244	328,798	697,755	2,953	195,932	71,135	5,400,331

(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	
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
2019	132,055,455	330,138,637	88,036,970	220,092,425	220,092,425	550,231,062	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	
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
2018	3.56	7.33	0.00	10.89	0.00	8.99	14.32	34.20

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**

2009					2019				
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%
<b>Total</b>	<u>84,574,175</u>	<u>271,904</u>		<u>30.83%</u>	<b>Total</b>	<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
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%	98,652	926,556	97.90%
2019	960,631	829,892	86.39%	-	829,892	86.39%

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			
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	5,731,010	161,043	12,152,470	1317	0.2401%
2019	...	865,029	4,740,000	7,000,884	95,957	12,701,870	1451	0.2308%

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 2019 ending balance was \$683,375

(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 2019 ending balance was \$931,797

(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 2019 ending balance was \$1,839,305.

(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 2019 ending balance was \$1,357,765

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, 2019**

**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)	7,000,884
- Capital Leases (4)	960,986
Total Overlapping Debt	\$ 7,961,870
Total Direct and Overlapping Debt	<u>\$ 7,961,870</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**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Assessed Value	\$ 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	\$ 220,092,425
Debt Limit - 10% of Assessed Value	\$ 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	\$ 22,009,243
Debt Applicable to Limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 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	\$ 22,009,243
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	
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
2018	20,788,809	17,177,646	3,611,163	540,000	131,625	671,625	5.38

**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**

<b>Year</b>	<b>Population</b>	<b>Per Capita Income</b>	<b>Median Age</b>	<b>Unemployment Rate</b>
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	8.0
2019	8,752	29,316	36.0	4.4

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**

2019				2010			
Employer	Number of Employees	Rank	Percentage of Total Employment	Employer	Number of Employees	Rank	Percentage of Total Employment
Thomaston-Upson County Schools	687	1	13.25%	Upson Regional Medical Center	715	1	12.61%
Quad/Graphic of Georgia	620	2	11.96%	Thomaston-Upson County Schools	714	2	12.59%
Upson Regional Medical Center	464	3	8.95%	Walmart Inc	272	3	4.80%
Standard Textiles	225	4	4.34%	Standard Textiles	252	4	4.45%
Yamaha Music Manufacturing	240	5	4.71%	Upson County	225	5	3.97%
Department of Transportation	210	6	4.12%	Harborview Thomaston LLC	134	6	2.36%
1888 Mills Inc	185	7	3.63%	Riverside Nursing Home	109	7	1.92%
Royal Cord Inc	172	8	3.37%	City of Thomaston	98	8	1.73%
Duni Corp	170	9	3.33%	Providence Nursing Home	86	9	1.52%
City of Thomaston	129	10	2.53%	Southern Crescent Technical College	85	10	1.50%
	3102		60.17%		2690		47.45%

**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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government:										
Administration	10	10	5	4	4	4	6	6	6	6
Finance	5	5	5	5	5	5	5	5	7	7
Community Development	1	1	1	1	1	1	1	1	0	0
Parks & Public Spaces (1)			6	5	5	5	5	5	5	4
Meter Readers (2)			2	2	3	3	3	3	3	3
Electric Department	13	13	13	11	11	12	12	12	13	12
Fire Department	21	20	20	19	15	17	17	17	18	18
Police Department										
Officers	22	23	21	20	22	22	22	24	31	29
Civilians	3	3	3	3	2	2	2	2	3	3
Street Department	8	5	4	4	4	2	2	2	3	3
Water/Wastewater Department (3)	21	19	21	19	20	20	20	19	22	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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government:										
Building permits issued										
New Residential	3	0	0	1	0	1	0	0	0	0
New Commercial	4	5	6	1	5	3	1	1	0	1
Additions & Improvements - Residential	64	67	83	126	121	142	156	180	156	174
Additions & Improvements - Commercial	18	16	22	12	18	57	38	43	40	31
Police Department										
Physical arrests	794	620	425	729	691	783	744	1047	930	1073
Citations	1853	1751	2602	3091	2650	2906	1344	2997	3309	2848
Fire Department										
Emergency (EMS) responses	193	228	156	191	206	201	433	530	981	868
Fire responses	75	79	71	53	52	51	70	78	437	507
Street Department										
Streets resurfaced (miles)	0.92	0.00	5.21	0.00	0.90	4.26	0.00	1.88	0.64	1.20
Sidewalks replaced (miles)	0.06	0.01	0.00	0.38	0.66	2.08	0.36	0.03	0.31	0.40
Electric Department										
Lines replaced (miles)	2.62	0.17	4.87	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Water Department										
New connections	6	8	4	0	8	3	5	3	4	6
Water line breaks	184	343	60	346	348	316	300	99	129	85
Average daily consumption (million gallons)	1.30	1.18	1.18	1.07	1.11	1.05	1.21	1.51	1.61	1.72
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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police Department										
Stations	1	1	1	1	1	1	1	1	1	1
Marked Patrol cars	11	11	11	11	13	12	21	22	23	19
Fire Department	1	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	2	2
Pumper Trucks	3	3	3	3	3	3	3	3	3	3
Fire hydrants	600	610	610	610	610	610	610	610	610	648
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	99.77	99.77	100.00	100.00	100.00
Street Department										
Streets (miles)	52.61	52.61	52.61	52.61	52.77	52.77	52.77	52.77	52.77	52.77
Sidewalks (miles)	30.60	30.63	30.75	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	4.0	4.0	4.0	4.0	4.0	6.0	6.0	6.0	6.0
Water line (miles)	83.66	83.66	83.66	83.66	83.66	83.66	83.66	114	114	114
Water tanks (above & underground)	10	7	8	8	8	8	4	4	4	4
Storage capacity (millions of gallons)	4.01	2.05	2.12	2.12	2.12	2.12	1.75	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

**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, 2019, 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 10, 2020.

**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 10, 2019

**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	\$ 3,934,377	\$ 8,934	\$ 3,943,311
Total	<u>\$ 4,183,276</u>	<u>\$ 3,934,377</u>	<u>\$ 8,934</u>	<u>\$ 3,943,311</u>

2016 Special Local Options Sales Tax Projects:	Original Estimated Cost	Expenditures		
		Prior Year(s)	Current Year	Total
Sewer Line Replacement	\$ 4,500,000	\$ -	\$ 299,450	\$ 299,450
Total	<u>\$ 4,500,000</u>	<u>\$ -</u>	<u>\$ 299,450</u>	<u>\$ 299,450</u>

# Single Audit Section



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

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Thomaston, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* Uniform that could have a direct and material effect on each of the City of Thomaston, Georgia's major federal programs for the year ended December 31, 2019. The City of Thomaston, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the City of Thomaston, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

## Report on Internal Control Over Compliance

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

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

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

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

*Driver & Adams*

Thomaston, Georgia  
June 10, 2020

**City of Thomaston, Georgia**  
**Schedule of Federal Awards**  
**For the Year Ended December 31, 2019**

<b>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</b>	<b>Federal CFDA Number</b>	<b>Grant Identification Number</b>	<b>Total Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Agriculture</b>				
Sewer System Improvements	10-760	T3000.115	\$ 23,540	\$ -
 <b><u>U.S. Department of Housing and Urban Development</u></b>				
Community Development Block Grant	14.218	17p-x-145-2-6063	\$ 60,335	\$ -
 <b>U.S. Environmental Protection Agency</b> <b><u>(Passed through the Georgia Environmental Finance Authority)</u></b>				
State Revolving Funds (Clean Water) Program	66.458	GEFA CWSRF 2017006	\$ 1,725,618	\$ -
 <b>Total Expenditures of Federal Awards</b>			<b>\$ 1,809,493</b>	<b>\$ -</b>

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
FOR THE YEAR ENDED DECEMBER 31, 2019

**Note 1.           Basis of Presentation**

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Thomaston, Georgia and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200. *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2.           De Minimis Indirect Cost Rate**

The City chose not to use the ten percent de minimis cost rate for the year ended December 31, 2019.

**Note 3.           Non-cash Awards**

The City did not receive non-cash federal awards during the year ended December 31, 2019.

**Schedule of Findings and Questioned Costs  
For the Year ended December 31, 2019**

---

**Section I  
Summary of Audit Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:  
Material weakness identified? \_\_\_ Yes x No

Significant deficiencies identified not considered  
to be material weakness? \_\_\_ Yes x None reported

Noncompliance material to financial statements noted? \_\_\_ Yes x No

**Federal Awards**

Internal Control over major programs:  
Material weakness identified? \_\_\_ Yes x No

Significant deficiencies identified not considered  
to be material weakness? \_\_\_ Yes x None reported

Type of auditor's report issued on compliance for  
major programs Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with the Uniform Guidance? \_\_\_ Yes x No

Identification of major programs:

CFDA Number  
66-458

Name of Federal Program or Cluster  
**U.S. Environmental Protection Agency**  
Capitalization Grant for Clean Water  
State Revolving Funds

Dollar threshold used to distinguish between  
Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? x Yes \_\_\_ No



**Schedule of Findings and Questioned Costs  
For the Year ended December 31, 2019**

---

**Section II  
Financial Statement Findings and Responses**

None reported.

**Section III  
Federal Awards Findings and Questioned Costs**

None reported.

**This page was left blank intentionally.**