

CITY OF THOMASTON, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FOR THE YEAR
ENDED
DECEMBER 31,2020**

**PREPARED BY:
FINANCE OFFICE**

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**CITY OF THOMASTON, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020
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Introductory Section

CITY OF THOMASTON

FINANCE DEPARTMENT

706-647-6633

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106 East Lee Street

P.O. Box 672

Thomaston, Georgia 30286

706-647-6583

Fax

July 19, 2021

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, 2020.

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 + Sharpe, 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, 2020, 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, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Thomaston, Georgia, incorporated in 1825, is in the west-central part of the state, approximately 68 miles south of Atlanta, 45 miles west of Macon, and 57 miles northeast of Columbus and serves a population of approximately 9,000. The increasing industrial, commercial, and residential growth

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from south of Atlanta, together with a four-lane highway connector from Atlanta to this area, places the City in a very favorable geographic location conducive to future growth. The City of Thomaston is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs when deemed appropriate by the governing council.

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

The annual budget serves as the foundation for the City's financial planning and control. All departments and agencies funded by the city 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 2020, 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 2020, the balance in the Reserve Account was \$602,717, and the Capital Purchases Account balance was \$602,723.

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. A TSPLOST started in 2019 with receipts beginning in 2020. The City will use the TSPLOST funds to improve its roads as part of its continued focus on transportation.

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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

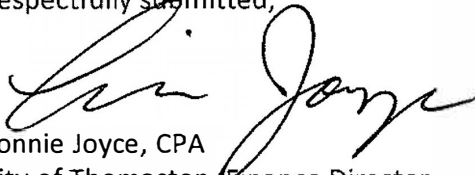
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Thomaston for its Comprehensive Annual Financial Report for the year ended December 31, 2019, our 32nd consecutive year.

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 + Sharpe 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

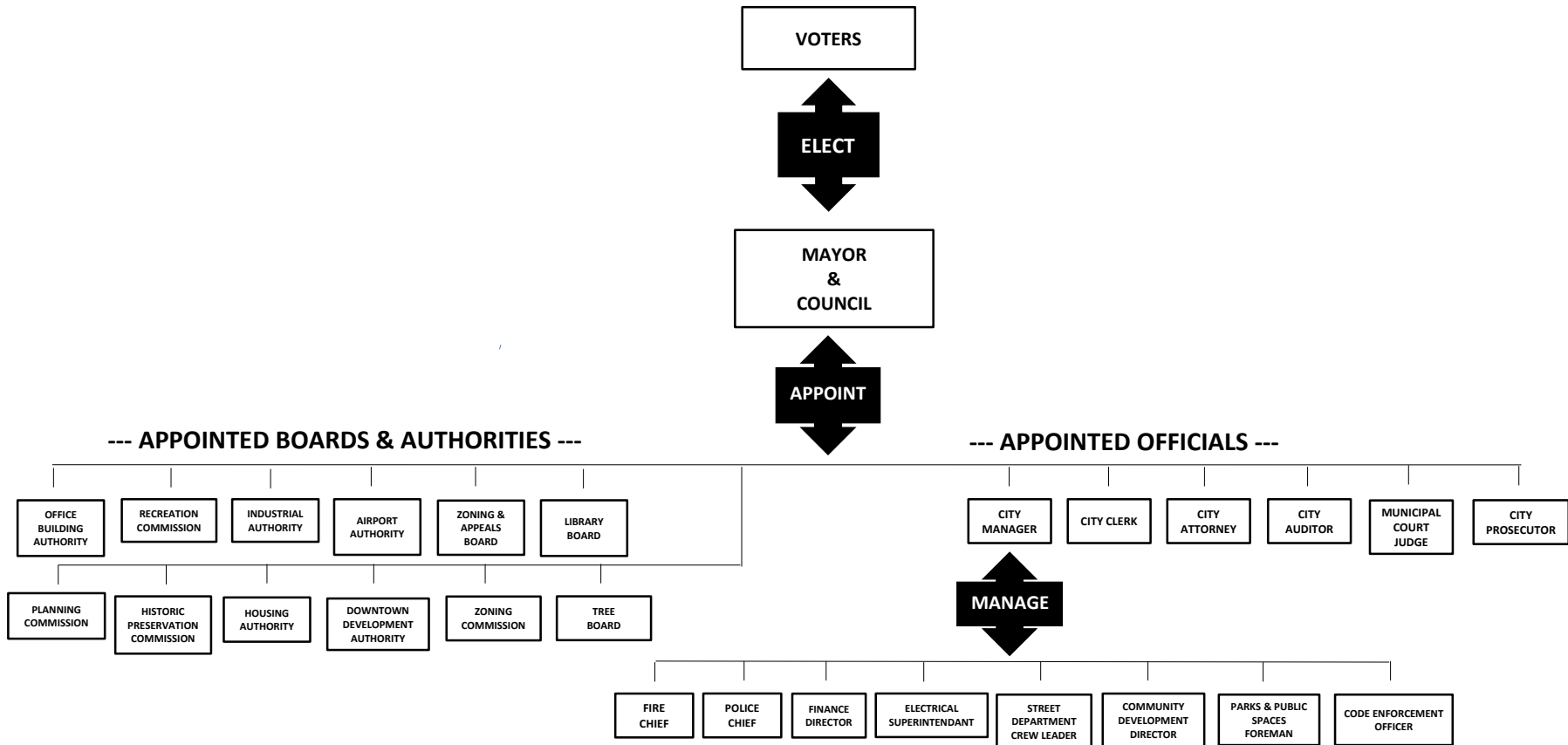
**City of Thomaston
Georgia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO



CITY OF THOMASTON, GEORGIA

2020 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 + Sharpe
Certified Public Accountants & Consultants

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, 2020, 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 principles 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Thomaston, Georgia, as of December 31, 2020, 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 11 through 19, the Schedule of Changes in the City's Net Pension Liability and Related Ratios on page 56, the Schedule of City Contributions on page 57, and the notes to the required supplementary information on pages 58 through 59 be presented to supplement the basic financial statement. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Thomaston, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, 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 accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 U.S. *Code of Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), and is also not a required part of the basic financial statements of the City.

The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, the schedule of expenditures of transportation special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our⁹ opinion, the combining and individual nonmajor fund

financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, the schedule of expenditures of transportation special purpose local option sales tax proceeds, the schedule of expenditures of federal awards are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021, 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 + Sharpe
Thomaston, Georgia
June 28, 2021

MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Management's Discussion and Analysis

This discussion and analysis of the financial performance of the City of Thomaston (the 'City') provides an overview of the City's financial activities for the calendar year ended December 31, 2020. The intent of this management discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the financial statements and notes to the financial statements to enhance their understanding of the City's financial performance.

This report presents highlights for last year and other supplementary information.

FINANCIAL HIGHLIGHTS

Government-wide Statements

- The City's assets exceeded its liabilities at December 31, 2020, by \$54,669,633 (net position). Of this amount, \$7,872,745 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. This is an increase of \$852,902 from 2019.
- The City's total net position increased \$3,041,404 from the previous year with a \$2,072,708 increase resulting from governmental activities and a \$968,696 increase from business-type activities.
- Key factors resulting in the increase in net position include:
 - The total net position of governmental activities increased primarily due to collections of the special purpose local option sales tax and the transportation special purpose local option sales tax, and the issuance of bond proceeds.
 - The total net position of business-type activities increases primarily due to increased cash from the temporary suspension of required GEFA loan payments due to COVID.
- Total long-term liabilities of the City were \$22,063,705 at year-end, an increase of \$3,534,535 from the previous calendar year. The increase was due to the \$2,700,000 in bond proceeds and a significant increase in the net pension liability.

Fund Financial Statements

- On December 31, 2020, the City's governmental funds balance sheet reports combined ending fund balances of \$11,641,960, increasing \$4,503,472 from the previous calendar year.
- The General Fund reported an unassigned fund balance of \$4,585,501, an increase from 2019 of \$1,018,157. The City's General Fund continues to have a solid financial position.

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

- The Special Purpose Local Option Sales Tax ("SPLOST") capital projects fund had a fund balance of \$2,082,875, an increase of \$256,830 from a year ago. The increase is due to SPLOST collections exceeding expenditures.
- The Transportation Special Local Option Sales Tax ("TSPLOST") capital projects fund had a fund balance of \$673,139. This is the initial year for the TSPLOST, and the fund balance is a result of collections exceeding expenditures.
- The 2020 Fire Station capital projects fund had a fund balance of \$ 2,475,731. This is a result of receiving the bond proceeds for the construction of a new fire station. The fire station will be completed in 2021.
- The Non-Major Governmental Funds ended the year with a fund balance of \$851,573. These funds include the Hotel/Motel Tax Fund, the Law Enforcement Confiscation Fund, the Joint Projects Fund, the CARES Grant Fund, the Greatest Generation Park Fund, the DOT LMIG Fund, and the 2018 CDBG Fund. The positive fund balances are reported as restricted due to the nature of the funds and the restrictions on expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide Financial Statements:

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business. The statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole, presenting both an aggregate and long-term view of the finances. These statements include all assets and liabilities using the accrual basis of accounting. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position and liabilities may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent calendar year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in future calendar periods (e.g., uncollected taxes and earned but unused compensated absences).

Both statements attempt to distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

Governmental activities reported in the statements include general government judiciary, public safety, public works, culture and recreation, and economic development. Business-type activities in the City include water and sewer services in the Water and Sewer Enterprise Fund, electricity services in the Electrical Enterprise Fund, and sanitation services in the Sanitation Enterprise Fund.

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

The government-wide financial statements can be found on pages 20 - 22 of this report.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds- Governmental funds, presented on pages 20 and 21, essentially account for the same functions as those reported under the Government-wide Statement of Net Position and Statement of Activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the calendar year. It is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating the City's near-term financing requirements and available resources.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 24 and 26, respectively.

The City's fund financial statements provide detailed information about the most significant funds – not the City as a whole. The majority of the City's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported as using the modified accrual accounting approach, 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 operations and the services it provides.

Proprietary funds – Enterprise funds report, in greater detail, the same information presented as business-type activities in the government-wide financial statements. The water and sewer and electric utility enterprise funds are the City's major proprietary funds. These enterprise funds are found on pages 28 – 32 of this report.

Notes to the Financial Statements – The notes provide additional information essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages 33 – 55 of the report.

Other information – In addition to the basic financial statements and accompanying notes, this report also represents certain required supplementary information concerning the City's pension. The City adopts an annual budget for its general and special revenue funds. A budgetary comparison statement has been provided for the General Fund on page 24. Individual schedules, which present a more detailed view of non-major funds used in governmental funds, begin on page 63. This section also includes budget to actual schedules for non-major special revenue funds.

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Government-Wide Financial Analysis

The government-wide financial statements presented are for the calendar year ended December 31, 2020. The "total" approach to governmental accounting was mandated by the Government Accounting Standards Board ("GASB"). Governmental accounting falls under their auspices to ensure the uniform presentation of governmental financial statements that are accurate and complete in their presentation.

Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>						
Current and Other Assets	\$ 12,630,226	\$ 7,600,687	\$ 10,113,959	\$ 9,803,605	\$ 22,744,185	\$ 17,404,292
Capital and Noncurrent Assets	<u>17,748,291</u>	<u>17,090,629</u>	<u>37,627,139</u>	<u>37,321,507</u>	<u>55,375,430</u>	<u>\$54,412,136</u>
Total Assets	<u>\$30,378,517</u>	<u>\$24,691,316</u>	<u>\$47,741,098</u>	<u>\$47,125,112</u>	<u>\$78,119,615</u>	<u>\$71,816,428</u>
Deferred Outflows of Resources	<u>\$ 1,229,058</u>	<u>\$ 418,086</u>	<u>\$ 230,458</u>	<u>\$ 78,630</u>	<u>\$ 1,459,516</u>	<u>\$ 496,716</u>
<u>Liabilities</u>						
Current Liabilities	\$ 1,245,719	\$ 151,331	\$ 1,861,801	\$ 810,792	\$ 3,107,520	\$ 962,123
Long-Term Liabilities	<u>9,337,667</u>	<u>5,966,484</u>	<u>12,159,298</u>	<u>13,406,504</u>	<u>21,496,965</u>	<u>\$19,372,988</u>
Total Liabilities	<u>\$10,583,386</u>	<u>\$ 6,117,815</u>	<u>\$14,021,099</u>	<u>\$14,217,296</u>	<u>\$24,604,485</u>	<u>\$20,335,111</u>
Deferred Inflows of Resources	<u>\$ 254,324</u>	<u>\$ 24,430</u>	<u>\$ 47,688</u>	<u>\$ 55,374</u>	<u>\$ 302,012</u>	<u>\$ 79,804</u>
<u>Net Position</u>						
Net Investment in Capital Assets	\$ 14,309,311	\$ 16,225,601	\$ 26,009,065	\$ 25,484,665	\$ 40,318,376	\$ 41,710,266
Restricted	6,174,487	2,598,059	304,025	300,061	6,478,512	2,898,120
Unrestricted (deficit)	<u>286,067</u>	<u>(126,503)</u>	<u>7,586,678</u>	<u>7,146,346</u>	<u>7,872,745</u>	<u>7,019,843</u>
Total Net Position	<u>\$20,769,865</u>	<u>\$18,697,157</u>	<u>\$33,899,768</u>	<u>\$32,931,072</u>	<u>\$54,669,633</u>	<u>\$51,628,229</u>

The largest portion of the City's net position reflect its investment in capital assets such as land, buildings, infrastructure, and equipment, less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to citizens so these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used to meet the City's ongoing obligations to citizens and creditors. Internally imposed restrictions designations of resources are not presented as restricted net position.

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Changes in Net Position

Investment Earnings	11,184	20,132	449,650	457,179	460,834	477,311
Other	<u>233,844</u>	<u>96,104</u>	<u>30,642</u>	<u>83,168</u>	<u>264,486</u>	<u>179,272</u>
Total Revenue	<u>\$ 9,517,807</u>	<u>\$ 6,919,552</u>	<u>\$ 20,856,873</u>	<u>\$ 21,605,260</u>	<u>30,374,680</u>	<u>28,524,812</u>
<u>Expenses</u>						
General government	\$ 2,555,368	\$ 2,225,513	\$ -	\$ -	\$ 2,555,368	\$ 2,225,513
Judicial	280,650	283,383	-	-	280,650	283,383
Public safety	4,667,836	4,269,171	-	-	4,667,836	4,269,171
Public works	2,164,103	1,836,122	-	-	2,164,103	1,836,122
Economic development	181,406	190,618	-	-	181,406	190,618
Culture and recreation	540,790	548,689	-	-	540,790	548,689
Water and sewer	-	-	4,764,872	4,634,130	4,764,872	4,634,130
Electric	-	-	11,038,088	11,637,284	11,038,088	11,637,284
Sanitation	<u>-</u>	<u>-</u>	<u>1,140,163</u>	<u>1,125,203</u>	<u>1,140,163</u>	<u>1,125,203</u>
Total Expenses	<u>\$ 10,390,153</u>	<u>\$ 9,353,496</u>	<u>\$ 16,943,123</u>	<u>\$ 17,396,617</u>	<u>\$ 27,333,276</u>	<u>\$ 26,750,113</u>
Excess (deficiency) before contributions and transfers	(872,346)	(2,433,944)	3,913,750	4,208,643	3,041,404	1,774,699
Transfers	<u>2,945,054</u>	<u>2,815,344</u>	<u>(2,945,054)</u>	<u>(2,815,344)</u>	<u>-</u>	<u>-</u>
Change in Net Position	2,072,708	381,400	968,696	1,393,299	3,041,404	1,774,699
Net Position - Beginning of Year	<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>
Net Position - End of Year	<u>\$ 20,769,865</u>	<u>\$ 18,697,157</u>	<u>\$ 33,899,768</u>	<u>\$ 32,931,072</u>	<u>\$ 54,669,633</u>	<u>\$ 51,628,229</u>

Governmental Activities:

The City's governmental activities revenues increased \$2.07 million from 2019 to 2020 and consist of:

- Property taxes reflected a \$344 thousand increase.
- Sales tax increased by \$233 thousand from the prior year, which is an indicator for our local economy.
- Other taxes registered an increase of \$93 thousand from the prior year. All taxes in this category increased despite the limitation imposed by the COVID-19 pandemic.
- Miscellaneous revenues increased by \$138 thousand. The City had a significant amount of insurance reimbursements in 2020.

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

- Operating grants and contributions increase significantly due to the Cares Act funding for \$458 thousand. The federal funds were used to assist local governments with COVID-19 related costs.
- One of the most significant areas of increase was in capital grants and contributions. SPLOST from the County accounted for \$794 thousand of the increase, and the TSPLOST accounted for another \$1.28 million.

The City's expenses cover a broad range of services. The largest expenses were for public safety and public works. The overall increase in the governmental activities expenses for the year totaled \$1.04 million. This increase is due to the following:

- Public safety reflects an increase of \$341 thousand. The increase is primarily in the police department's salary and benefit-cost.
- General government also had an increase of \$330 thousand due to salary and benefit costs.

Business-Type Activities:

The City's business-type activities revenues decreased \$748 thousand from 2019 to 2020 and consist of:

- Charges for services had a decrease of \$1.8 million from the prior year. Fluctuations in water consumption which is dependent on rainfall, are expected. The overall decrease in water and sewer charges was \$94 thousand. Fluctuations for electricity are dependent on the severity of the heat or cold during the summer and winter seasons. The reduction in electricity was \$898 thousand. Convenience fees for making payments with credit cards also dropped. The City adopted a policy to waive convenience fees to encourage customers to pay online instead of coming to City offices to make payments during the stay-at-home order due to COVID-19.

The overall decrease in the business-type activities expenses for the year totaled \$453 thousand. The decrease is due to the following:

- The electricity demand was reduced, resulting in a decrease in electricity purchases of \$460 thousand.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds:

Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year 2020. The governmental fund types include the general fund, special revenues, and capital projects. The General, SPLOST, TSPLOST, and Fire Station Project funds are the City's major funds.

All non-major funds of each governmental fund type with legally adopted annual budgets are included in the Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual, which can be found in the Combining Individual Fund Statements and Schedules section. The General Fund and Major Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual are included in the financial statements.

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

The General Fund is the chief operating fund of the City. At December 31, 2020, the unassigned fund balance in the General Fund was \$4,585,501, an increase of \$1,016,744 from 2019. The General Fund's total fund balance was \$5,558,642. As of December 31, 2020, the City's governmental funds reported combined fund balances of \$11,641,960. The restricted fund balance totals \$6,526,537 and represents funds set aside primarily for capital projects.

Key factors affecting changes in major funds and fund balance in the fiscal year 2020 operations are as follows:

General Fund:

- General Fund revenues increased \$547 thousand. Property tax accounted for 16.29% of revenues and increased by \$155 thousand. Local option sales tax accounts for 33.4% of revenues and increased by \$233 thousand.

General Fund expenditures decreased **by** \$557 thousand from the prior year. The decreases are attributable to the City's departments making efforts to reduce spending due to the uncertainty of how the pandemic **would** affect the City's revenue streams. The significant function that showed the majority of the decrease was Public Works.

SPLOST Fund:

- SPLOST is funded by a special purpose local option sales tax assessed by the County. Through an intergovernmental agreement, these funds are distributed to the various municipalities within the County. The revenues increased by \$110 thousand over the prior year.
- Expenditures in this fund are expected to fluctuate year to year based on the planned projects for the current year. Expenditures increased in 2020 by \$530 thousand. The increase is associated with the ongoing improvements to the City's water and sewer systems.

TSPLOST Fund:

- TSPLOST is funded by a transportation special purpose location option sales tax that is assessed by the County. Through an intergovernmental agreement, these funds are distributed to the various municipalities within the County. 2020 was the first year for receiving these funds.
- Expenditures in this fund are expected to fluctuate year to year based on the planned projects for the current year. 2020 is the first year for using any of these funds.

Proprietary Funds:

Proprietary fund statements provide the same information as the business activities column of the government-wide statements, only in greater detail. The City currently utilizes a water and sewer enterprise fund, an electric utility enterprise fund, and a sanitation enterprise fund in the proprietary fund financial statements. The water and sewer fund and the electric fund are the major enterprise funds reported. An enterprise fund is required to be used to account for the operations for which a fee is charged to external users for goods and services.

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

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 \$557,814 in contributions to the pension fund in 2020. The City contributed 100% of the recommended contribution as determined by the plan's actuary.

Comparison of the Final 2019 Budget with the Actual Expenditures

The budgetary comparison statement for the General Fund can be found on pages ----- Additional budgetary comparison schedules for the non-major special revenue funds can be found within other supplementary information on pages _____. Budget columns are provided for both the original budget adopted for the calendar year 2020 and the final budget.

CAPITAL ASSETS

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 2,736,182	\$ 2,736,182	\$ 2,439,469	\$ 2,439,469	\$ 5,175,651	\$ 5,175,651
Construction in Progress	1,525,929	166,976	1,080,330	507,908	2,606,259	674,884
Buildings	2,342,845	2,427,755	2,061,905	1,766,655	4,404,750	4,194,410
Systems	-	-	30,480,797	31,104,702	30,480,797	31,104,702
Equipment	1,750,424	1,825,572	1,447,195	1,411,023	3,197,619	3,236,595
Vehicles	826,978	907,638	114,443	91,750	941,421	999,388
Infrastructure	8,565,933	9,026,506	-	-	8,565,933	9,026,506
Total Capital Assets	<u>\$17,748,291</u>	<u>\$17,090,629</u>	<u>\$37,624,139</u>	<u>\$37,321,507</u>	<u>\$55,372,430</u>	<u>\$54,412,136</u>

CITY OF THOMASTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

DEBT ADMINISTRATION

As of December 31, 2020, the City of Thomaston reported the following long-term debt:

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue Bonds	\$ 2,700,000	\$ -	\$ 4,195,000	\$ 4,740,000	\$ 6,895,000	\$ 4,740,000
Notes Payable	738,980	865,029	7,265,904	7,096,841	8,004,884	7,961,870
Landfill Post-closure Liabilities	1,497,939	1,632,939	-	-	1,497,939	1,632,939
Compensated Absences	168,028	169,230	47,720	46,237	215,748	215,467
Net Pension Liability	<u>4,589,558</u>	<u>3,149,036</u>	<u>860,576</u>	<u>829,858</u>	<u>5,450,134</u>	<u>3,978,894</u>
Total Long-term Debt	<u>\$ 9,694,505</u>	<u>\$ 5,816,234</u>	<u>\$ 12,369,200</u>	<u>\$ 12,712,936</u>	<u>\$ 22,063,705</u>	<u>\$ 18,529,170</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. The net pension liability per the newly implemented GASB 68 (Accounting and Financial Reporting of Pensions) was booked at \$5,450,134.

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. 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 information provided in this report or requests for additional information should be addressed to the City of Thomaston, P.O. Box 672, Thomaston, Georgia, 30286.

FINANCIAL STATEMENTS

City of Thomaston, Georgia
Statement of Net Position
December 31, 2020

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current Assets:			
Cash and cash equivalents	\$ 12,095,636	\$ 2,923,328	\$ 15,018,964
Investments	-	4,522,486	4,522,486
Receivables, net of allowance:			
Taxes	293,794	-	293,794
Accounts	23,333	1,910,755	1,934,088
Intergovernmental	348,631	322,197	670,828
Internal Balances	(131,168)	131,168	-
Restricted cash and cash equivalents:			
Revenue bond covenant accounts	-	304,025	304,025
Capital assets:			
Non-depreciable	4,262,111	3,519,799	7,781,910
Depreciable, net	13,486,180	34,104,340	47,590,520
 TOTAL ASSETS	 \$ 30,378,517	 \$ 47,738,098	 \$ 78,116,615
 <u>Deferred outflows of resources</u>			
Deferred outflows of resources related to pensions	1,229,058	230,458	1,459,516
 Total Deferred Outflows of Resources	 \$ 1,229,058	 \$ 230,458	 \$ 1,459,516

City of Thomaston, Georgia
Statement of Net Position
December 31, 2020

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	Total
<u>LIABILITIES</u>			
Accounts payable	\$ 673,905	\$ 947,800	\$ 1,621,705
Accrued liabilities	61,266	-	61,266
Retainage payable	3,360	-	3,360
Noncurrent liabilities:			
Due within one year:			
Accrued vacation	119,348	32,590	151,938
Notes payable	-	287,723	287,723
Capital leases payable	102,490	28,688	131,178
Performance bonds payable	150,350	-	150,350
Revenue bonds payable	-	565,000	565,000
Landfill closure/postclosure	135,000	-	135,000
Due in more than one year:			
Customer deposits	-	704,099	704,099
Accrued vacation	48,680	15,130	63,810
Notes payable	-	6,949,493	6,949,493
Capital leases payable	636,490	-	636,490
Revenue bonds payable	2,700,000	3,630,000	6,330,000
Landfill closure/postclosure	1,362,939	-	1,362,939
Net pension liability	4,589,558	860,576	5,450,134
TOTAL LIABILITIES	\$ 10,583,386	\$ 14,021,099	\$ 24,604,485
 <u>Deferred Inflows of Resources</u>			
Deferred inflows of resources related to pensions	254,324	47,688	302,012
 Total Deferred Inflows of Resources	 \$ 254,324	 \$ 47,688	 \$ 302,012
 <u>NET POSITION</u>			
Net investment in capital assets	\$ 14,309,311	\$ 26,009,065	\$ 40,318,376
Restricted for:			
Capital outlay	5,410,610	-	5,410,610
Law enforcement	110,495	-	110,495
Joint projects	653,382	-	653,382
Revenue bond indenture	-	304,025	304,025
Unrestricted (deficit)	286,067	7,586,678	7,872,745
 TOTAL NET POSITION	 \$ 20,769,865	 \$ 33,899,768	 \$ 54,669,633

City of Thomaston, Georgia
Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities:							
General government	\$ 2,555,368	\$ 778,449	\$ 55,183	\$ 208,301	\$ (1,513,435)	\$ -	\$ (1,513,435)
Judicial	280,650	-	-	-	(280,650)	-	(280,650)
Public safety	4,639,845	2,330	458,147	-	(4,179,368)	-	(4,179,368)
Public works	2,162,626	-	-	2,437,650	275,024	-	275,024
Culture and Recreation	540,790	-	-	-	-	-	-
Economic development	181,406	-	-	-	(181,406)	-	(181,406)
Interest on short and long-term debt	29,468	-	-	-	(29,468)	-	(29,468)
Total governmental activities	<u>\$ 10,390,153</u>	<u>\$ 780,779</u>	<u>\$ 513,330</u>	<u>\$ 2,645,951</u>	<u>\$ (6,450,093)</u>	<u>\$ -</u>	<u>\$ (6,450,093)</u>
Business Type Activities:							
Water and Sewer	\$ 4,764,872	\$ 5,453,538	\$ -	\$ 632,343	\$ -	\$ 1,321,009	\$ 1,321,009
Electric	11,038,088	13,090,297	-	-	-	2,052,209	2,052,209
Sanitation	1,140,163	1,200,403	-	-	-	60,240	60,240
Total business-type activities	<u>\$ 16,943,123</u>	<u>\$ 19,744,238</u>	<u>\$ -</u>	<u>\$ 632,343</u>	<u>\$ -</u>	<u>\$ 3,433,458</u>	<u>\$ 3,433,458</u>
Total Primary Government	<u>\$ 27,333,276</u>	<u>\$ 20,525,017</u>	<u>\$ 513,330</u>	<u>\$ 3,278,294</u>	<u>\$ (6,450,093)</u>	<u>\$ 3,433,458</u>	<u>\$ (3,016,635)</u>
General Revenues							
Property tax					1,995,993	-	1,995,993
Sales tax					1,729,081	-	1,729,081
Franchise and insurance premium tax					1,079,153	-	1,079,153
Other tax					528,492	-	528,492
Investment earnings					11,184	449,650	460,834
Miscellaneous and Other Proceeds					233,844	30,642	264,486
Total General Revenues					<u>5,577,747</u>	<u>480,292</u>	<u>6,058,039</u>
Transfers					<u>2,945,054</u>	<u>(2,945,054)</u>	<u>-</u>
Total General Revenues and Transfers					<u>8,522,801</u>	<u>(2,464,762)</u>	<u>6,058,039</u>
Change in Net Position					\$ 2,072,708	\$ 968,696	\$ 3,041,404
Net Position - Beginning of Year					18,697,157	32,931,072	51,628,229
Net Position - End of Year					<u>\$ 20,769,865</u>	<u>\$ 33,899,768</u>	<u>\$ 54,669,633</u>

City of Thomaston, Georgia

Balance Sheet

Governmental Funds

December 31, 2020

	General Fund	2016 Special Local Option Sales Tax	2019 T Special Local Option Sales Tax	2020 Fire Station Project	Non-Major Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash and cash equivalent	\$ 4,187,441	\$ 2,082,875	\$ 1,275,366	\$ 2,610,239	\$ 1,939,714	\$ 12,095,635
Receivables, net of allowance:						
Taxes	106,154	-	-	-	187,640	293,794
Accounts	17,293	-	-	-	6,040	23,333
Intergovernmental	275,145	-	-	-	73,486	348,631
Due from other funds	980,560	-	-	-	206,563	1,187,123
Advance to other funds	621,091	-	-	-	-	621,091
Total Assets	<u>\$ 6,187,684</u>	<u>\$ 2,082,875</u>	<u>\$ 1,275,366</u>	<u>\$ 2,610,239</u>	<u>\$ 2,413,443</u>	<u>\$ 14,569,607</u>
<u>Liabilities</u>						
Accounts payable	\$ 131,218	\$ -	\$ 540,271	\$ -	\$ 2,416	\$ 673,905
Accrued liabilities	61,266	-	-	-	-	61,266
Retainage payable	-	-	-	-	3,360	3,360
Performance bonds payable	150,350	-	-	-	-	150,350
Deposits payable	-	-	-	-	-	-
Due to other funds	260,225	-	61,956	134,508	861,601	1,318,290
Advance from other funds	-	-	-	-	621,091	621,091
Total Liabilities	<u>603,059</u>	<u>-</u>	<u>602,227</u>	<u>134,508</u>	<u>1,488,468</u>	<u>2,828,262</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue - property taxes	25,983	-	-	-	73,402	99,385
Total Deferred inflows of Resources	<u>25,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,402</u>	<u>99,385</u>
<u>Fund Balances</u>						
Nonspendable	621,091	-	-	-	-	621,091
Restricted for:						-
Capital projects	-	2,082,875	673,139	2,475,731	178,865	5,410,610
Law enforcement	-	-	-	-	110,495	110,495
Joint projects	-	-	-	-	653,382	653,382
Assigned	352,050	-	-	-	-	352,050
Unassigned (Deficit)	4,585,501	-	-	-	(91,169)	4,494,332
Total Fund Balances	<u>5,558,642</u>	<u>2,082,875</u>	<u>673,139</u>	<u>2,475,731</u>	<u>851,573</u>	<u>11,641,960</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,187,684</u>	<u>\$ 2,082,875</u>	<u>\$ 1,275,366</u>	<u>\$ 2,610,239</u>	<u>\$ 2,413,443</u>	<u>\$ 14,569,607</u>

City of Thomaston, Georgia
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
December 31, 2020

Total governmental fund balances - governmental funds	\$	11,641,960
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Amounts reported for governmental activities in the Statement of Net Position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of the assets		30,573,137
Accumulated depreciation		(12,824,846)

Other long-term assets are not available to pay current period expenditures and, therefore, are unavailable in the funds.		99,385
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Deferred outflows of resources related to the recording of the net pension liability are recognized as expense over time and, therefore, are not reported in the funds		1,229,058
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Deferred inflows of resources related to the recording of the net pension liability do not consume current financial resources and are therefore, not reported in the funds.		(254,324)
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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 recognized as an expenditure when due.

Landfill closure/postclosure		(1,497,939)
Compensated absences		(168,028)
Net pension liability		(4,589,558)
Capital leases payable		(738,980)
Bonds payable		<u>(2,700,000)</u>

Net position of governmental activities	\$	<u>20,769,865</u>
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City of Thomaston, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2020

	General Fund	2016 Special Local Option Sales Tax	2019 T Special Local Option Sales Tax	2020 Fire Station Project	Non-Major Governmental Funds	Total Governmental Funds
<u>Revenues</u>						
Taxes						
Property taxes	\$ 844,104	\$ -	\$ -	\$ -	\$ 1,213,122	\$ 2,057,226
Sales tax	1,729,081	-	-	-	-	1,729,081
Other taxes	1,528,921	-	-	-	78,724	1,607,645
License and permits	215,287	-	-	-	-	215,287
Intergovernmental	55,183	793,975	1,281,872	-	1,027,142	3,158,172
Fines and forfeitures	314,039	-	-	-	2,330	316,369
Charges for services	41,736	-	-	-	-	41,736
Interest earnings	9,820	987	122	91	1,273	12,293
Rent	207,387	-	-	-	-	207,387
Other revenues	233,844	-	-	-	-	233,844
Total revenues	<u>5,179,402</u>	<u>794,962</u>	<u>1,281,994</u>	<u>91</u>	<u>2,322,591</u>	<u>9,579,040</u>
<u>Expenditures</u>						
Current:						
General government	2,262,168	-	-	-	151,596	2,413,764
Judicial	280,650	-	-	-	-	280,650
Public safety	3,425,703	-	-	-	614,708	4,040,411
Public works	1,029,070	-	-	-	-	1,029,070
Economic development	-	-	-	-	181,406	181,406
Culture and recreation	-	-	-	-	540,790	540,790
Debt Service	155,517	-	-	89,852	-	245,369
Capital outlay	-	538,132	608,855	134,508	707,667	1,989,162
Total Expenditures	<u>7,153,108</u>	<u>538,132</u>	<u>608,855</u>	<u>224,360</u>	<u>2,196,167</u>	<u>10,720,622</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>(1,973,706)</u>	<u>256,830</u>	<u>673,139</u>	<u>(224,269)</u>	<u>126,424</u>	<u>(1,141,582)</u>
<u>Other Financing Sources (Uses)</u>						
Bond Proceeds	\$ -	\$ -	\$ -	\$ 2,700,000	\$ -	2,700,000
Transfers from other funds	2,991,863	-	-	-	-	2,991,863
Transfers to other funds	-	-	-	-	(46,809)	(46,809)
Total Other Financing Sources (Uses)	<u>2,991,863</u>	<u>-</u>	<u>-</u>	<u>2,700,000</u>	<u>(46,809)</u>	<u>5,645,054</u>
Net change in fund balances	1,018,157	256,830	673,139	2,475,731	79,615	4,503,472
Fund Balances, beginning of year	<u>4,540,485</u>	<u>1,826,045</u>	<u>-</u>	<u>-</u>	<u>771,958</u>	<u>7,138,488</u>
Fund Balances, end of year	<u>\$ 5,558,642</u>	<u>\$ 2,082,875</u>	<u>\$ 673,139</u>	<u>\$ 2,475,731</u>	<u>\$ 851,573</u>	<u>\$ 11,641,960</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, 2020

Net Change in Fund Balances - total governmental funds	\$ 4,503,472
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.	
Capital outlay	1,560,133
Depreciation expense	(882,677)
The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, donations) is to decrease net position	(19,794)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(61,233)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the the current financial resources of the governmental funds. Neither transaction, however, has any effect on the statement on net position. This amount is the net effect of differences in the treatment of long-term debt and related	
Debt issued or incurred	(2,700,000)
Principal payments	126,049
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	1,202
Landfill closure/post-closure	135,000
Net pension liability, net of pension related deferred outflows and inflows of resources	<u>(589,444)</u>
Change in net position of governmental activities	<u>\$ 2,072,708</u>

City of Thomaston, Georgia
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual - GAAP Basis
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<u>Revenues</u>				
Taxes	\$ 4,047,000	\$ 4,047,000	\$ 4,102,106	\$ 55,106
License and permits	190,100	190,100	215,287	25,187
Intergovernmental	55,000	55,000	55,183	183
Fines and forfeitures	42,500	42,500	314,039	271,539
Charges for services	21,375	21,375	41,736	20,361
Rent	221,650	221,650	207,387	(14,263)
Miscellaneous	97,340	97,340	243,664	146,324
 Total Revenues	 \$ 4,674,965	 \$ 4,674,965	 \$ 5,179,402	 \$ 504,437
 <u>Expenditures</u>				
Current:				
General government	2,531,188	2,531,188	2,262,168	269,020
Judicial	336,000	336,000	280,650	55,350
Public safety	3,617,121	3,617,121	3,425,703	191,418
Public works	1,332,045	1,332,045	1,029,070	302,975
Debt Service	167,800	167,800	155,517	12,283
 Total expenditures	 7,984,154	 7,984,154	 7,153,108	 831,046
 Excess (deficiency) of revenues over expenditures	 (3,309,189)	 (3,309,189)	 (1,973,706)	 1,335,483
 <u>Other Financing Sources (Uses)</u>				
Capital Leases and Other Proceeds	-	-	-	-
Transfer from Hotel Motel Fund	40,000	40,000	46,809	6,809
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	54,000	54,000	54,000	-
 Total Other Financing Sources (Uses)	 2,985,054	 2,985,054	 2,991,863	 6,809
 Net change in fund balance	 (324,135)	 (324,135)	 1,018,157	 1,342,292
 Fund balance - beginning of year	 4,540,485	 4,540,485	 4,540,485	 -
 Fund balance - end of year	 4,216,350	 4,216,350	 5,558,642	 1,342,292

City of Thomaston, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-Type Activities - Enterprise Funds			
	Water & Sewer Original	Electric Fund	Non-Major Sanitation Fund	Total
<u>Assets</u>				
Current assets				
Cash and cash equivalents	\$ 2,259,625	\$ 253,950	\$ 409,753	\$ 2,923,328
Restricted cash and cash equivalents:				
Revenue bond covenant accounts	304,025	-	-	304,025
Investments	-	4,522,486	-	4,522,486
Accounts receivable (net of allowance for uncollectible)	474,978	1,329,675	106,102	1,910,755
Intergovernmental receivable	322,197	-	-	322,197
Due from other funds	226,737	-	-	226,737
Total current assets	<u>\$ 3,587,562</u>	<u>\$ 6,106,111</u>	<u>\$ 515,855</u>	<u>\$ 10,209,528</u>
Noncurrent assets				
Capital Assets:				
Land	2,377,309	-	62,160	2,439,469
Construction in progress	1,080,330	-	-	1,080,330
Buildings	7,486,918	675,074	-	8,161,992
Systems - water, sewer, and electrical	37,424,043	1,713,324	-	39,137,367
Vehicles	592,916	766,002	-	1,358,918
Equipment	2,528,419	746,175	-	3,274,594
Less accumulated depreciation	(15,971,885)	(1,856,646)	-	(17,828,531)
Total capital assets, net	<u>35,518,050</u>	<u>2,043,929</u>	<u>62,160</u>	<u>37,624,139</u>
Total noncurrent assets	<u>35,518,050</u>	<u>2,043,929</u>	<u>62,160</u>	<u>37,624,139</u>
Total Assets	<u>39,105,612</u>	<u>8,150,040</u>	<u>578,015</u>	<u>47,833,667</u>
<u>Deferred outflows of resources</u>				
Deferred outflows of resources related to pensions	-	230,458	-	230,458
Total deferred outflows of resources	<u>-</u>	<u>230,458</u>	<u>-</u>	<u>230,458</u>

City of Thomaston, Georgia
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2020

	Business-Type Activities - Enterprise Funds			
	Water & Sewer Original	Electric Fund	Non-Major Sanitation Fund	Total
<u>Liabilities</u>				
Current liabilities				
Accounts payable	\$ 83,153	\$ 864,647	\$ -	\$ 947,800
Accrued vacation	-	32,590	-	32,590
Due to other funds	-	-	95,569	95,569
Notes payable - current	287,723	-	-	287,723
Capital leases payable - current	-	28,688	-	28,688
Payable from restricted assets:				
Revenue bonds payable - current	565,000	-	-	565,000
Total current liabilities	<u>\$ 935,876</u>	<u>\$ 925,925</u>	<u>\$ 95,569</u>	<u>\$ 1,957,370</u>
Noncurrent liabilities				
Customer deposits	154,168	549,931	-	704,099
Accrued vacation	-	15,130	-	15,130
Capital leases payable	-	-	-	-
Notes payable	6,949,494	-	-	6,949,494
Revenue bonds payable	3,630,000	-	-	3,630,000
Net pension liability	-	860,576	-	860,576
Total noncurrent liabilities	<u>10,733,662</u>	<u>1,425,637</u>	<u>-</u>	<u>12,159,299</u>
Total Liabilities	<u>11,669,538</u>	<u>2,351,562</u>	<u>95,569</u>	<u>14,116,669</u>
<u>Deferred inflows of resources</u>				
Deferred inflows of resources related to pensions	-	47,688	-	47,688
Total deferred inflows of resources	<u>-</u>	<u>47,688</u>	<u>-</u>	<u>47,688</u>
<u>Net Position</u>				
Net investment in capital assets	23,931,664	2,015,241	62,160	26,009,065
Restricted per revenue bond indenture	304,025	-	-	304,025
Unrestricted	<u>3,200,385</u>	<u>3,966,007</u>	<u>420,286</u>	<u>7,586,678</u>
Total Net Position	<u>\$ 27,436,074</u>	<u>\$ 5,981,248</u>	<u>\$ 482,446</u>	<u>\$ 33,899,768</u>

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

For the Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds			
	Water & Sewer Original	Electric Fund	Non-Major Sanitation Fund	Total
<u>Operating Revenues</u>				
Charges and fees	\$ 5,453,538	\$ 13,090,297	\$ 1,200,403	\$ 19,744,238
Miscellaneous income	17,018	13,624	-	30,642
Total operating revenues	<u>\$ 5,470,556</u>	<u>\$ 13,103,921</u>	<u>\$ 1,200,403</u>	<u>\$ 19,774,880</u>
<u>Operating Expenses</u>				
Salaries and benefits	-	757,545	-	757,545
Contract management	2,648,365	-	1,108,470	3,756,835
Cost of sales	-	9,640,995	-	9,640,995
Legal, engineering, and professional	115,631	50,556	-	166,187
Operating materials	67,046	188,689	-	255,735
Other operating expenses	58,515	108,624	31,693	198,832
Repairs and maintenance	68,555	89,960	-	158,515
Utilities	634,988	60,514	-	695,502
Depreciation	1,006,801	139,056	-	1,145,857
Total operating expenses	<u>4,599,901</u>	<u>11,035,939</u>	<u>1,140,163</u>	<u>16,776,003</u>
Operating income (loss)	<u>870,655</u>	<u>2,067,982</u>	<u>60,240</u>	<u>2,998,877</u>
<u>Nonoperating Revenues (Expenses)</u>				
Interest income	2,757	8,599	-	11,356
Dividend income	-	93,647	-	93,647
Interest expense	(164,971)	(2,149)	-	(167,120)
Unrealized gain/loss	-	44,042	-	44,042
Municipal Competitive Trust	-	300,605	-	300,605
Total Nonoperating Revenues (Expenses)	<u>(162,214)</u>	<u>444,744</u>	<u>-</u>	<u>282,530</u>
Income (Loss) Before Transfers	<u>708,441</u>	<u>2,512,726</u>	<u>60,240</u>	<u>3,281,407</u>
Capital contributions	614,326	-	-	614,326
Transfers in	18,017	-	-	18,017
Transfers out	<u>(419,032)</u>	<u>(2,472,022)</u>	<u>(54,000)</u>	<u>(2,945,054)</u>
Change in Net Position	921,752	40,704	6,240	968,696
Net Position, Beginning of Year	<u>26,514,322</u>	<u>5,940,544</u>	<u>476,206</u>	<u>32,931,072</u>
Net Position, End of Year	<u>\$ 27,436,074</u>	<u>\$ 5,981,248</u>	<u>\$ 482,446</u>	<u>\$ 33,899,768</u>

City of Thomaston, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds			
	Water & Sewer Original	Electric Fund	Non-Major Sanitation Fund	Total
<u>Cash Flows From Operating Activities</u>				
Receipts from customers and users	\$ 5,658,735	\$ 12,912,737	\$ 1,194,100	\$ 19,765,572
Cash paid to suppliers for goods and services	(3,509,947)	(10,074,952)	(1,140,163)	(14,725,062)
Cash paid to employees	-	(886,341)	-	(886,341)
Net cash provided by operating activities	2,148,788	1,951,444	53,937	4,154,169
<u>Cash Flows From Noncapital Financing Activities</u>				
Transfers In	18,017	-	-	18,017
Transfers Out	(419,032)	(2,472,022)	(54,000)	(2,945,054)
Net Cash Flows Provided by (Used for) Noncapital Financing Activities	(401,015)	(2,472,022)	(54,000)	(2,927,037)
<u>Cash Flows From Capital and Related Financing Activities</u>				
Capital Grants	614,326	-	-	614,326
Principal payment on revenue bonds and notes	(687,158)	(65,786)	-	(752,944)
Interest and fiscal charges on revenue bonds and notes	(164,971)	(2,149)	-	(167,120)
Proceeds from debt issuance	378,490	-	-	378,490
Purchase of capital assets	(1,352,590)	(95,898)	-	(1,448,488)
Net Cash Flows Provided by (Used for) Capital and Related Financing Activities	(1,211,903)	(163,833)	-	(1,375,736)
<u>Cash Flows From Investing Activities</u>				
Interest income	2,757	8,599	-	11,356
Dividend income	-	93,647	-	93,647
Municipal Competitive Trust Credits	-	300,605	-	300,605
Purchase of investments	-	(394,252)	-	(394,252)
Net Cash flows Provided by (Used for) Investing Activities	2,757	8,599	-	11,356
Net Increase (Decrease) in Cash and Cash Equivalents	538,627	(675,812)	(63)	(137,248)
Cash and Cash Equivalents - Beginning of Year	2,025,023	929,762	409,816	3,364,601
Cash and Cash Equivalents - End of Year	\$ 2,563,650	\$ 253,950	\$ 409,753	\$ 3,227,353

City of Thomaston, Georgia
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2020

	Business-Type Activities -			
	Enterprise Funds			
	Water & Sewer Original	Electric Fund	Non-Major Sanitation Fund	Total
Classified as				
Current assets	\$ 2,259,625	\$ 253,950	\$ 409,753	\$ 2,923,328
Restricted assets	304,025	-	-	304,025
Total Cash and Cash Equivalents, End of Year	\$ 2,563,650	\$ 253,950	\$ 409,753	\$ 3,227,353
<u>Reconciliation of Net Operating Income (Loss) to</u>				
<u>Net Cash Provided by (Used for) Operating Activities</u>				
Net Operating Income (Loss)	\$ 870,655	\$ 2,067,982	\$ 60,240	\$ 2,998,877
<u>Adjustments to Reconcile Net Operating Income (Loss)</u>				
<u>to Net Cash Provided by (Used for) Operating Activities</u>				
Depreciation	1,006,801	139,056	-	1,145,857
Changes in Assets and Liabilities				
(Increase) decrease in accounts receivable	(58,844)	(191,184)	(6,303)	(256,331)
(Increase) decrease in grants receivable	324,529	-	-	324,529
(Increase) decrease in accrued interest receivable	-	-	-	-
(Increase) decrease in due from other funds	(77,506)	-	-	(77,506)
(Increase) decrease in deferred outflows of resources	-	(151,828)	-	(151,828)
Increase (decrease) in accounts payable	83,153	53,855	-	137,008
Increase (decrease) in retainage payable	-	-	-	-
Increase (decrease) in customer deposits	-	10,531	-	10,531
Increase (decrease) in due to other funds	-	-	-	-
Increase (decrease) in net pension liability	-	30,718	-	30,718
Increase (decrease) in deferred inflows of resources	-	(7,686)	-	(7,686)
Total Adjustments	271,332	(255,594)	(6,303)	9,435
Net Cash flows Provided by (Used for)				
Operating Activities	\$ 2,148,788	\$ 1,951,444	\$ 53,937	\$ 4,154,169
<u>Noncash investing, capital, and financing activities</u>				
Contributions of capital assets from government	\$ 597,046	\$ -	\$ -	597,046
Increase (decrease) in fair value of investments	-	44,042	-	44,042
Total noncash investing, capital, and financing activities	\$ 597,046	\$ 44,042	\$ -	\$ 641,088

NOTES TO THE FINANCIAL STATEMENTS

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City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 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, including 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 preparing the accompanying financial statements.

A. Reporting Entity

As required by generally accepted accounting principles, the reporting entity's financial statements 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, cannot 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. They 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, 2020

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 must 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 their component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly 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, when applicable.

The Statement of Activities demonstrates the degree to which program revenues offset the direct expenses of a given function or segment. 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 government functions. 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, 2020

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 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 and 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 the government receives cash.

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.
- 2016 Special Local Option Sales Tax – The Special Local Option Sales Tax Fund is used to account for replacing the City's sewer line infrastructure 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, 2020

- 2019 Transportation Special Local Option Sales Tax – The Transportation Special Local Option Sales Tax Fund is used to account for the City’s construction, renovation, and resurfacing of roads, streets, and sidewalks based on the 1 cent transportation special local option sales tax approved by the voters of the City of Thomaston.
- Fire Station Project – the Fire Station Project Fund is used to account for the expenditures of building the new fire station using the Series 2020 Bond Proceeds.

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 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 amounts, which reasonably estimate 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 representing 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, 2020

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, 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. An equal amount of fund balance is reserved at the fund reporting level, as this amount is not available for general appropriation.

H. Restricted Assets

Certain proceeds of the government's enterprise fund revenue bonds and 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, including 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 asset's value 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

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City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 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 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, 2020

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 Position and Fund Balance

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as net position.

Fund Balance – Generally, fund balance represents the difference between assets and deferred outflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- 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 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 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, 2020

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 establishing 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 that increase the total expenditures of a fund.

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 the 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 General Fund and Special Revenue Funds budgets 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, usually covering 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.

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City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2020

Investments

Investments are stated at fair value.

State statutes authorize the City to invest in U.S. Treasury obligations, 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

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 the State Revenue Department values, all assessments are made by the Upson County Board of Tax Assessors.

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

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

The property tax calendar is as follows:

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

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

NOTE 5 – 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	\$ 120,629	\$ -	\$ -	\$ -	\$ 187,640	\$ 308,269
Accounts	19,215	510,729	1,414,548	114,088	6,040	2,064,620
Intergovernmental	<u>275,145</u>	<u>322,197</u>	<u>-</u>	<u>-</u>	<u>73,486</u>	<u>670,828</u>
Gross Receivables	\$ 414,989	\$ 832,926	\$ 1,414,548	\$ 114,088	\$ 267,166	\$ 3,043,717
Less: Allowance for uncollectibles	<u>(16,397)</u>	<u>(35,751)</u>	<u>(84,873)</u>	<u>(7,986)</u>	<u>-</u>	<u>(145,007)</u>
Total Net Receivables	<u>\$ 398,592</u>	<u>\$ 797,175</u>	<u>\$ 1,329,675</u>	<u>\$ 106,102</u>	<u>\$ 267,166</u>	<u>\$ 2,898,710</u>

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2020, is as follows:

DUE TO/FROM OTHER FUNDS		
Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental	\$ 918,603
General Fund	TSPLOST Fund	61,956
Nonmajor governmental	General Fund	206,563
Water and Sewer Fund	Nonmajor governmental	77,506
Water and Sewer Fund	General Fund	53,662
Water and Sewer Fund	Nonmajor Proprietary Fund	<u>95,569</u>
Total		<u>\$ 1,413,859</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2020

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	54,000	54,000
Nonmajor Governmental Fund	<u>46,809</u>	<u>46,809</u>
Total	<u>\$2,945,054</u>	<u>\$2,945,054</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.

NOTE 7 – HOTEL/MOTEL TAX

For the year ended December 31, 2020, \$78,724 of hotel/motel tax was collected. Of this amount, 100% was used to promote tourism within the City (\$46,809 to the General Fund and \$31,130 to the Chamber of Commerce.)

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City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 8 – CAPITAL ASSETS

	Beginning Balances	Increase	Decrease	Ending Balance
<u>Governmental Activities</u>				
Capital assets, not being depreciated:				
Land	\$ 2,736,182	\$ -	\$ -	\$ 2,736,182
Construction in progress	166,975	1,358,954	-	1,525,929
Total capital assets, not being depreciated:	2,903,157	1,358,954	-	4,262,111
Capital assets, being depreciated:				
Buildings	4,743,067	-	-	4,743,067
Vehicles	2,220,342	108,449	(46,863)	2,281,928
Equipment	3,378,254	92,730	-	3,470,984
Infrastructure	15,815,047	-	-	15,815,047
Total capital assets, being depreciated:	26,156,710	201,179	(46,863)	26,311,026
Less accumulated depreciation for:				
Buildings	(2,315,312)	(84,910)		(2,400,222)
Vehicles	(1,312,704)	(169,316)	27,070	(1,454,950)
Equipment	(1,552,682)	(167,878)	-	(1,720,560)
Infrastructure	(6,788,541)	(460,573)	-	(7,249,114)
Total accumulated depreciation	(11,969,239)	(882,677)	27,070	(12,824,846)
Total capital assets, being depreciated, net	14,187,471	(681,498)	(19,793)	13,486,180
Governmental activities capital assets, net	\$ 17,090,628	\$ 677,456	\$ (19,793)	\$ 17,748,291
<u>Business-Type Activities</u>				
Capital assets, not being depreciated:				
Land	\$ 2,439,469	\$ -	\$ -	\$ 2,439,469
Construction in progress	507,908	572,422	-	1,080,330
Total capital assets, not being depreciated:	2,947,377	572,422	-	3,519,799
Capital assets, being depreciated:				
Buildings	7,852,731	309,261	-	8,161,992
Systems - water, sewer, and electric	38,983,852	243,465	(89,950)	39,137,367
Equipment	2,974,576	300,018	-	3,274,594
Vehicles	1,337,235	35,861	(14,178)	1,358,918
Total capital assets, being depreciated	51,148,394	888,605	(104,128)	51,932,871
Less accumulated depreciation for:				
Buildings	(6,086,076)	(14,011)	-	(6,100,087)
Systems - water, sewer, and electric	(7,879,150)	(857,465)	80,045	(8,656,570)
Equipment	(1,563,553)	(263,846)	-	(1,827,399)
Vehicles	(1,245,485)	(10,535)	11,545	(1,244,475)
Total accumulated depreciation	(16,774,264)	(1,145,857)	91,590	(17,828,531)
Total capital assets, being depreciated, net	34,374,130	(257,252)	(12,538)	34,104,340
Business - type activities capital assets, net	\$ 37,321,507	\$ 315,170	\$ (12,538)	\$ 37,624,139
Less related long-term debt outstanding				(11,615,074)
Net investment in capital assets				\$ 26,009,065

City of Thomaston, Georgia
Notes to the Financial Statements
 For the Year Ended December 31, 2020

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

<u>Governmental Activities</u>	
General government	\$ 139,951
Public safety	273,825
Public works	468,901
Total depreciation expense - governmental activities	<u>\$ 882,677</u>
<u>Business-Type Activities</u>	
Water and sewer	\$ 1,006,801
Electric	139,056
Total depreciation expense – business-type activities	<u>\$ 1,145,857</u>

NOTE 9 - LONG-TERM DEBIT

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2020, is as follows:

	Beginning Balances	Addition	Reduction	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Landfill closure/postclosure	\$ 1,632,939	\$ -	\$ (135,000)	\$ 1,497,939	\$ 135,000
Compensated absences	169,230	168,018	(169,220)	168,028	119,348
Net pension liability	3,149,036	1,440,522	-	4,589,558	-
Bonds payable	-	2,700,000	-	2,700,000	-
Capital leases payable	865,029	-	(126,049)	738,980	102,490
Governmental activity long-term liabilities	<u>\$ 5,816,234</u>	<u>\$ 4,308,540</u>	<u>\$ (430,269)</u>	<u>\$ 9,694,505</u>	<u>\$ 356,838</u>
<u>Business-Type Activities</u>					
Compensated absences	\$ 46,237	\$ 44,620	\$ (43,137)	\$ 47,720	\$ 32,590
GEFA Loan DW09002PF70	683,375	-	(23,839)	659,536	48,763
GEFA Loan DW10012	931,797	-	(30,470)	901,327	62,326
GEFA Loan DW13011	1,839,305	-	(53,256)	1,786,049	106,912
GEFA Loan DW14002	1,357,765	-	(34,593)	1,323,172	69,722
GEFA Loan CW201644	358,804	104,467	-	463,271	-
GEFA Loan CW2017006	1,829,838	54,978	-	1,884,816	-
USDA Loan	-	219,045	-	219,045	-
Capital leases payable	95,957	-	(67,269)	28,688	28,688
Revenue bonds payable	4,740,000	-	(545,000)	4,195,000	565,000
Net pension liability	829,858	-	30,718	860,576	-
Business-type activity long-term liabilities	<u>\$ 12,712,936</u>	<u>\$ 423,110</u>	<u>\$ (850,123)</u>	<u>\$ 12,369,200</u>	<u>\$ 914,001</u>

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2020

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
2021	\$ 565,000	\$ 105,300
2022	585,000	90,750
2023	605,000	76,500
2024	625,000	61,250
2025	645,000	45,375
2026-2027	1,170,000	47,325
Total	<u>\$ 4,195,000</u>	<u>\$ 426,500</u>

Purpose of debt: To construct a new fire station.

\$2,700,000 City of Thomaston Revenue Bonds, Series 2020, due in annual installments of principal and interest. The interest rate is 2.0%. The Maturity date of the bonds is August 1, 2035

2021	\$ -	\$ 50,250
2022	-	54,000
2023	185,000	54,000
2024	185,000	50,300
2025	190,000	46,600
2026-2030	1,015,000	174,100
2031-2035	1,125,000	68,500
Total	<u>\$ 2,700,000</u>	<u>\$ 497,750</u>

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2020

Notes Payable

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

In 2009, the City entered into a contract with the Georgia Environmental Facilities Authority for a Drinking Water State Revolving Loan Fund grant/loan to provide financing for water line replacements. The total proceeds for the loan were \$3,400,000, of which 70% or \$2,380,000 was forgivable. The project was completed in 2011, and the remaining balance of \$1,020,000 is to be paid over a twenty-year period starting January 1, 2012, monthly. Interest is at 3.0%. As of December 31, 2020, the outstanding balance was \$659,536.

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 replacing 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, 2020, the outstanding balance was \$901,327.

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 replacing 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, 2020, the outstanding balance was \$1,786,049.

In 2015, the City entered into a contract with GEFA for a Drinking Water State Revolving Loan Fund grant/loan to provide financing for replacing 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, 2020, the outstanding balance was \$1,323,172.

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 replacing existing water mains. The total proceeds for the loan are \$2,000,000, of which \$500,000 is forgivable. As of December 31, 2020, the City has taken \$463,271 in drawdowns for this project.

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, 2020, the City has taken \$1,884,816 in drawdowns for this project.

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

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2020

	GEFA DW09002PJ70		GEFA DW10012		GEFA DW13011		GEFA DW14002	
Years Ending								
December 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 48,673	\$ 19,210	\$ 62,326	\$ 26,188	\$ 106,912	\$ 8,686	\$ 69,722	\$ 13,300
2022	50,337	17,546	64,222	24,292	107,448	8,150	70,443	12,579
2023	51,775	16,108	66,176	22,338	107,987	7,611	71,173	11,849
2024	53,350	14,533	68,188	20,326	108,528	7,070	71,909	11,113
2025	54,973	12,910	70,262	18,252	109,071	6,527	72,653	10,639
2026-2030	300,984	38,431	384,698	57,972	553,613	24,376	374,701	40,409
2031-2036	99,444	2,380	185,455	6,325	553,901	24,088	394,495	20,615
2037-2038	-	-	-	-	138,589	10,858	198,076	2,560
Total	<u>\$ 659,536</u>	<u>\$ 121,118</u>	<u>\$ 901,327</u>	<u>\$ 175,693</u>	<u>\$1,786,049</u>	<u>\$ 97,366</u>	<u>\$1,323,172</u>	<u>\$ 123,064</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 to require the City first to expend the money to purchase 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, 2020 (governmental activities; Electric Fund – Proprietary Funds):

2021	\$	127,501
2022		107,774
2023		107,774
2024		107,774
2025		107,774
2026 - 2028		287,397
Total minimum lease payments	\$	845,994
Less amount representing interest		(107,014)
Present value of future minimum lease payments	<u>\$</u>	<u>738,980</u>

	Business-Type	
	Activities	
2020	\$	28,924
Total minimum lease payments	\$	28,924
Less amount representing interest		(236)
Present value of future minimum lease payments	<u>\$</u>	<u>28,688</u>

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2020

Restricted Assets

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

Revenue bond covenant account	<u>\$ 304,025</u>
	<u>\$ 304,025</u>

NOTE 10 – LANDFILL CLOSURE COSTS

In 1992, the City closed its Zorn Street landfill site. State regulations require the City to perform certain maintenance and monitoring functions for thirty years after closure. Under GASB 18, the City must disclose the estimated maintenance and monitoring cost of \$1,497,939. The City's required plan for closure was adopted by the City and approved by the State of Georgia. Estimates were outlined in the plan and updated in 2020. 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. The report may be obtained by writing to the Georgia Municipal Employees Benefit System, 201 Pryor Street S.W., Atlanta, Georgia 30303.

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 must contribute at an actuarially determined rate; the current rate is 17.58% of the 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, 2020

Plan Membership

On July 1, 2020, the date of the most recent actuarial valuation, there were 255 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	119
Vested terminated participants	47
Active participants	89
Total	255

Net Pension Liability of the City

Net Pension Liability	Deferred Outflows	Deferred Inflows
<u>\$ 5,450,134</u>	<u>\$ 1,459,516</u>	<u>\$ 302,012</u>

The City's net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2020, with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2020.

Actuarial Assumptions: The total pension liability as of December 31, 2020, was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25%, plus service-based merit increases
Investment rate of return	7.375%, On-going basis, based on long-term expected rate of return of pension plan investments.

Mortality rates were based on the Sex-distinct Pri-2012 headcount weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 and the Sex-distinct Pri-2012 Disabled Mortality Table with rates multiplied by 1.25.

The mortality and economic actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period January 1, 2015 to June 30, 2019.

City of Thomaston, Georgia
Notes to the Financial Statements
 For the Year Ended December 31, 2020

Net Pension Liability:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 12,132,256	\$ 8,153,902	\$ 3,978,894
Charges for the year:			
Service cost	116,507	-	116,507
Interest	891,091	-	891,091
Difference between expected and actual experience	(136,819)	-	(136,819)
Contributions - employer	-	511,077	(511,077)
Contributions - employee	-	-	-
Net investment income	-	(548,899)	548,899
Benefit payments	(735,088)	(735,088)	-
Administrative expense	-	(36,198)	36,198
Other	526,441	-	526,441
Net Changes	662,132	(809,108)	1,471,240
Balance at December 31, 2020	<u>\$ 12,794,388</u>	<u>\$ 7,344,794</u>	<u>\$ 5,450,134</u>

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, 2020, is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45.00%	6.41%
International Equity	20.00%	6.96%
Fixed Income	20.00%	1.96%
Real Estate	10.00%	4.76%
Global Fixed Income	5.00%	3.06%
Total	<u>100.00%</u>	

Discount Rate:

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was 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.

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease <u>(6.375%)</u>	Current discount rate <u>(7.375%)</u>	1% Increase <u>(8.375%)</u>
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	\$ 6,779,243	\$ 5,450,134	\$ 4,316,775

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2020, and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

For the year ended December 31, 2020, the City recognized pension expense of \$557,814. At December 31, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (91,212)
Changes in assumption	304,223	-
Net difference between projected and actual earnings on pension plan investments	1,108,556	(210,800)
City contributions subsequent to the measurement date	46,737	-
Total	<u>\$ 1,459,516.00</u>	<u>\$ (302,012.00)</u>

City of Thomaston, Georgia
Notes to the Financial Statements

For the Year Ended December 31, 2020

City contributions subsequent to the measurement date 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, 2021. 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,	
2021	\$	283,679
2022		350,887
2023		292,809
2024		230,129
Total	\$	<u>1,157,504</u>

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

NOTE 12 – SPECIAL FUNDING DEFINED BENEFIT PENSION PLAN

A. Georgia Firefighters' Pension Fund

The city's Volunteer Firemen can 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 administered through the Peace Officers' Annuity and Benefit Fund of Georgia, located at 1210 Greenbelt Parkway in Griffin, Georgia, where separate financial statements may be obtained. This plan is considered immaterial to the City of Thomaston's financial statements.

NOTE 13 – LEGAL CONTRACTS AND AGREEMENTS

The City of Thomaston, Georgia, is one of approximately 50 participants who have entered into a 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. Therefore, the participants are required to make payments 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

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 MEAG created 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, 2020, the account's balance was \$4,522,486 (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, 2020, was \$4,834,124. Due to the Trust restrictions on access to the funds, this account balance is not reflected in the accompanying statement of net position.

Reserve Funded Debt Account and Credit Support Operating Account

On November 22, 2006, the City (along with all other MEAG cities participating in the Trust) approved a resolution to amend the original Trust agreement, allowing for distributing funds from the Reserve Funded Debt Account and Credit Support Operating Account. The distributions will occur from January 1, 2010, to December 31, 2020. These funds have been held in the Trust in the anticipation that deregulation of retail electric power might occur by 2009. 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, 2020, 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 to reduce the MEAG generation power supply cost. Future releases from the Trust vary each year.

NOTE 14 – CONTINGENT LIABILITIES

A. Litigation

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

City of Thomaston, Georgia
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 the grantor may disallow 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 with 45 other cities and one county in Georgia with the Municipal Electric Authority of Georgia (MEAG). Under 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 August 3, 2021, when the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

City of Thomaston, Georgia
Required Supplementary Information
For the years Ended December 31, 2020, 2019, 2018, 2017, 2016, 2015

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

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 116,507	\$ 104,838	\$ 101,086	\$ 78,267	\$ 92,484	\$ 100,665
Interest on total pension liability	891,091	853,385	822,157	796,305	783,446	753,703
Differences between expected and actual experiences	(136,819)	272,567	280,188	193,229	(11,213)	241,530
Changes of assumptions	-	-	-	-	-	(56,111)
Other	526,441	4,205	208,961	-	-	-
Changes of benefit terms	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(735,088)	(752,745)	(741,737)	(726,744)	(670,815)	(641,192)
Net Change in Total Pension Liability	\$ 662,132	\$ 482,250	\$ 670,655	\$ 341,057	\$ 193,902	\$ 398,595
Total pension liability - beginning, January 1	12,132,256	11,650,006	10,979,351	10,638,294	10,444,392	10,045,797
Total pension liability - ending, December 31 (a)	\$ 12,794,388	\$ 12,132,256	\$ 11,650,006	\$ 10,979,351	\$ 10,638,294	\$ 10,444,392
Plan Fiduciary Net Position						
Contributions - employer	\$ 511,077	\$ 441,624	\$ 386,362	\$ 376,154	\$ 347,962	\$ 330,659
Contributions - employee	-	-	-	-	-	-
Net Investment Income	(548,899)	289,277	937,386	876,422	18,576	678,062
Benefit payments, including refunds of employee contributions	(735,088)	(752,745)	(741,737)	(726,744)	(670,815)	(641,192)
Administrative Expense	(36,198)	(32,077)	(31,423)	(34,219)	(19,928)	(17,791)
Net Change in Plan Fiduciary Net Position	\$ (809,108)	\$ (53,921)	\$ 550,588	\$ 491,613	\$ (324,205)	\$ 349,738
Plan fiduciary net position - beginning, January 1	\$ 8,153,362	\$ 8,207,283	\$ 7,656,695	7,165,082	7,489,287	7,139,549
Plan fiduciary net position - ending, December 31 (b)	\$ 7,344,254	\$ 8,153,362	\$ 8,207,283	\$ 7,656,695	\$ 7,165,082	\$ 7,489,287
City's net pension liability (asset) - ending (a) - (b)	\$ 5,450,134	\$ 3,978,894	\$ 3,442,723	\$ 3,322,656	\$ 3,473,212	\$ 2,955,105
Plan fiduciary net position as a percentage of the total pension liability	57.40%	67.20%	70.45%	69.74%	67.35%	71.71%
Covered payroll	\$ 3,774,567	\$ 3,926,012	\$ 3,516,751	\$ 3,183,118	\$ 2,788,467	\$ 2,787,146
Net pension liability as a percentage of covered payroll	144.39%	101.35%	97.89%	104.38%	124.56%	106.03%

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

City of Thomaston, Georgia
Required Supplementary Information
For the Years Ended December 31, 2020, 2019, 2018, 2017, 2016, 2015

Schedule of City Contributions

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$ 511,077	\$ 492,839	\$ 424,552	\$ 373,632	\$ 374,328	\$ 339,168
Contributions in relation to the actuarially determined contributions	\$ 511,077	<u>\$ 494,839</u>	<u>\$ 424,552</u>	<u>375,632</u>	<u>402,592</u>	<u>310,909</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (2,000)</u>	<u>\$ -</u>	<u>\$ (2,000)</u>	<u>\$ (28,264)</u>	<u>\$ 28,259</u>
City's covered payroll	\$ 4,044,642	\$ 3,989,464	\$ 3,741,029	\$ 3,446,549	\$ 3,110,524	\$ 2,787,146
Contributions as a percentage of covered payroll	12.64%	12.40%	11.35%	10.90%	12.94%	11.16%

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 Year Ended December 31, 2020

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, 2020, 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, 2021.

City of Thomaston, Georgia
Required Supplementary Information
For the Year Ended December 31, 2020

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 11 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	7.375%
Projected Salary Increases	2.25% 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%, age 65 rate of 50%, ages 66-71 rate of 25%, and age 72 and over 100%.
Mortality	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

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SUPPLEMENTARY INFORMATION

City of Thomaston, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	Special Revenue Funds						Capital Projects Fund	
	Hotel	Law Enforcement	Joint Projects	CAREs Grant	Greatest	DOT LMIG	CDBG/2018	Total Nonmajor
	Motel Tax	Confiscation	Fund	Fund	Generation Park	Fund	Sewer Project	Governmental Funds
Assets								
Cash and cash equivalents	\$ -	\$ 110,495	\$ 1,160,235	\$ -	\$ 335,759	\$ 186,003	\$ 147,222	\$ 1,939,714
Receivables, net of allowance:								
Taxes	-	-	187,640	-	-	-	-	187,640
Accounts	6,040	-	-	-	-	-	-	6,040
Due from other funds	-	-	-	-	206,563	-	-	206,563
Intergovernmental Receivable	-	-	-	-	-	-	73,486	73,486
Total Assets	<u>6,040</u>	<u>110,495</u>	<u>1,347,875</u>	<u>-</u>	<u>542,322</u>	<u>186,003</u>	<u>220,708</u>	<u>2,413,443</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities:								
Accounts payable	2,416	-	-	-	-	-	-	2,416
Retainage payable	-	-	-	-	-	-	3,360	3,360
Due to other funds	3,624	-	-	-	633,491	151,000	73,486	861,601
Advance to other funds	-	-	621,091	-	-	-	-	621,091
Total Liabilities	<u>6,040</u>	<u>-</u>	<u>621,091</u>	<u>-</u>	<u>633,491</u>	<u>151,000</u>	<u>76,846</u>	<u>1,488,468</u>
Deferred inflows of resources:								
Unavailable revenue - property taxes	-	-	73,402	-	-	-	-	73,402
Unavailable revenue - grant revenues	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>73,402</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,402</u>
Fund balances:								
Restricted	-	110,495	653,382	-	-	35,003	143,862	942,742
Unassigned (deficit)	-	-	-	-	(91,169)	-	-	(91,169)
Total fund balances	<u>-</u>	<u>110,495</u>	<u>653,382</u>	<u>-</u>	<u>(91,169)</u>	<u>35,003</u>	<u>143,862</u>	<u>851,573</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,040</u>	<u>\$ 110,495</u>	<u>\$ 1,347,875</u>	<u>\$ -</u>	<u>\$ 542,322</u>	<u>\$ 186,003</u>	<u>\$ 220,708</u>	<u>\$ 2,413,443</u>

City of Thomaston, Georgia
Combining Statement of Revenues, Expenditures, and Changes In Fund Balance
Nonmajor Governmental Funds
For the Year Ending December 31, 2020

	Special Revenue Funds						Capital Projects Fund	
	Hotel	Law Enforcement	Joint Projects	CARES Grant		DOT	CDBG/2018	Total Nonmajor
	Motel Tax	Confiscation	Fund	Fund	Generation Park	LMIG Fund	Sewer Project	Governmental Funds
Revenues								
Taxes:								
Property taxes	\$ -	\$ -	\$ 1,213,122	\$ -	\$ -	\$ -	\$ -	\$ 1,213,122
Other taxes	78,724	-	-	-	-	-	-	78,724
Intergovernmental	-	-	-	458,147	208,301	125,219	235,475	1,027,142
Fines and forfeitures	-	2,330	-	-	-	-	-	2,330
Charges for services	-	-	-	-	-	-	-	-
Interest earnings	-	410	-	-	626	237	-	1,273
Donation	-	-	-	-	-	-	-	-
Total Revenues	<u>78,724</u>	<u>2,740</u>	<u>1,213,122</u>	<u>458,147</u>	<u>208,927</u>	<u>125,456</u>	<u>235,475</u>	<u>2,322,591</u>
Expenditures								
Current:								
General government	31,130	-	120,466	-	-	-	-	151,596
Public safety	-	9,716	146,845	458,147	-	-	-	614,708
Economic development	-	-	181,406	-	-	-	-	181,406
Culture and recreation	-	-	540,790	-	-	-	-	540,790
Capital outlay	-	-	-	-	616,110	-	91,557	707,667
Total Expenditures	<u>31,130</u>	<u>9,716</u>	<u>989,507</u>	<u>458,147</u>	<u>616,110</u>	<u>-</u>	<u>91,557</u>	<u>2,196,167</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>47,594</u>	<u>(6,976)</u>	<u>223,615</u>	<u>-</u>	<u>(407,183)</u>	<u>125,456</u>	<u>143,918</u>	<u>126,424</u>
Other Financing Sources (Uses)								
Transfers to other funds	(46,809)	-	-	-	-	-	-	(46,809)
Total Other Financing Sources (Uses)	<u>(46,809)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,809)</u>
Net change in fund balances	785	(6,976)	223,615	-	(407,183)	125,456	143,918	79,615
Fund balances, beginning of year (deficit)	(785)	117,471	429,767	-	316,014	(90,453)	(56)	771,958
Fund balances, end of year (deficit)	<u>\$ -</u>	<u>\$ 110,495</u>	<u>\$ 653,382</u>	<u>\$ -</u>	<u>\$ (91,169)</u>	<u>\$ 35,003</u>	<u>\$ 143,862</u>	<u>\$ 851,573</u>

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SPECIAL REVENUE FUNDS

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

Hotel/Motel Tax Fund - to account for funds collected from the hotel/motel tax and disbursed to other agencies.

Law Enforcement Confiscation Fund - to account for condemned funds received and disbursed for Law Enforcement expenditures.

Joint Projects Fund - to account for property taxes collected and payments of services.

CARES Grant Fund - to account for CARES grant funds received and expenditures

Greatest Generation Park Fund - to account for grant funds and donations received for the upkeep and development of the Greatest Generation Park.

DOT LMIG Fund - to account for the revenue received from DOT to be used for paving.

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, 2020

	<u>Final Budget</u>	<u>2020 Actual</u>	<u>Variance With Final Budget</u>
<u>Revenues</u>			
Hotel motel tax	\$ 80,000	\$ 78,724	\$ (1,276)
Total revenues	<u>80,000</u>	<u>78,724</u>	<u>(1,276)</u>
<u>Expenditures</u>			
General government:			
Chamber of Commerce	<u>32,000</u>	<u>31,130</u>	<u>870</u>
Total expenditures	<u>32,000</u>	<u>31,130</u>	<u>870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>48,000</u>	<u>47,594</u>	<u>(406)</u>
<u>Other financing sources (uses)</u>			
Transfers to general fund	<u>48,000</u>	<u>46,809</u>	<u>1,191</u>
Total other financing sources (uses)	<u>48,000</u>	<u>46,809</u>	<u>1,191</u>
Net Change in Fund Balance	-	785	785
Fund balance - beginning of year	<u>(785)</u>	<u>(785)</u>	<u>-</u>
Fund balance - end of year	<u>\$ (785)</u>	<u>\$ -</u>	<u>\$ 785</u>

City of Thomaston, Georgia
Law Enforcement Confiscation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 20120

	<u>Final Budget</u>	<u>2020 Actual</u>	<u>Variance With Final Budget</u>
<u>Revenues</u>			
Fines and forfeitures	\$ 2,000	\$ 2,330	\$ 330
Interest income	<u>500</u>	<u>410</u>	<u>90</u>
Total revenues	<u>2,500</u>	<u>2,740</u>	<u>420</u>
<u>Expenditures</u>			
Current:			
Public safety	10,500	9,716	784
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>10,500</u>	<u>9,716</u>	<u>784</u>
Net Change in Fund Balance	(8,000)	(6,976)	1,024
Fund balance - beginning of year	<u>117,471</u>	<u>117,471</u>	<u>-</u>
Fund balance - end of year	<u>\$ 109,471</u>	<u>\$ 110,495</u>	<u>\$ 1,024</u>

City of Thomaston, Georgia
Joint Projects Tax Allocation District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2020

	<u>Final Budget</u>	<u>2020 Actual</u>	<u>Variance With Final Budget</u>
<u>Revenues</u>			
Property taxes	\$ 989,507	\$ 1,213,122	\$ 223,615
Total revenues	<u>989,507</u>	<u>1,213,122</u>	<u>223,615</u>
<u>Expenditures</u>			
Current:			
General government	120,466	120,466	-
Public safety	146,845	146,845	-
Economic development	181,406	181,406	-
Culture and recreation	540,790	540,790	-
Total expenditures	<u>989,507</u>	<u>989,507</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>223,615</u>	<u>223,615</u>
<u>Other financing sources (uses)</u>			
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	-	223,615	223,615
Fund balance - beginning of year	<u>429,767</u>	<u>429,767</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 429,767</u></u>	<u><u>\$ 653,382</u></u>	<u><u>\$ 223,615</u></u>

City of Thomaston, Georgia
CARES Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2020

	<u>Final Budget</u>	<u>2020 Actual</u>	<u>Variance With Final Budget</u>
<u>Revenues</u>			
Intergovernmental	\$ 458,147	\$ 458,147	\$ -
Total revenues	<u>458,147</u>	<u>458,147</u>	<u>-</u>
<u>Expenditures</u>			
Current:			
Public safety	<u>458,147</u>	<u>458,147</u>	<u>-</u>
Total expenditures	<u>458,147</u>	<u>458,147</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Thomaston, Georgia
Greatest Generation Park Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2020

	<u>Final Budget</u>	<u>2020 Actual</u>	<u>Variance With Final Budget</u>
<u>Revenues</u>			
Intergovernmental	\$ 300,000	\$ 208,301	\$ (91,699)
Interest earnings	\$ 700	626	(74)
Total revenues	<u>300,700</u>	<u>208,927</u>	<u>(91,773)</u>
<u>Expenditures</u>			
Current:			
Culture and Recreation	<u>616,714</u>	<u>616,110</u>	<u>604</u>
Total expenditures	<u>616,714</u>	<u>616,110</u>	<u>604</u>
 Net Change in Fund Balance	 (316,014)	 (407,183)	 (91,169)
 Fund balance - beginning of year	 <u>316,014</u>	 <u>316,014</u>	 <u>-</u>
 Fund balance - end of year	 <u><u>\$ -</u></u>	 <u><u>\$ (91,169)</u></u>	 <u><u>\$ (91,169)</u></u>

City of Thomaston, Georgia
DOT LMIG Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2020

	<u>Final Budget</u>	<u>2020 Actual</u>	<u>Variance With Final Budget</u>
<u>Revenues</u>			
Intergovernmental	\$ 125,000	\$ 125,219	\$ 219
Interest earnings	\$ -	237	237
Total revenues	<u>125,000</u>	<u>125,456</u>	<u>456</u>
<u>Expenditures</u>			
Current:			
Public Works	<u>125,000</u>	-	<u>125,000</u>
Total expenditures	<u>125,000</u>	-	<u>125,000</u>
 Net Change in Fund Balance	 -	 125,456	 125,456
 Fund balance - beginning of year	 <u>(90,453)</u>	 <u>(90,453)</u>	 <u>-</u>
 Fund balance - end of year	 <u><u>\$ (90,453)</u></u>	 <u><u>\$ 35,003</u></u>	 <u><u>\$ 125,456</u></u>

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CAPITAL PROJECTS FUNDS

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

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

Fire Station Project - to account for the cost of the fire station and use of the Series 2020 Bond Proceeds.

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, 2020

<u>Description</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Department of Community Affairs	\$ 60,335	\$ 235,475	\$ 295,810	\$ 750,000
Total Revenues	<u>60,335</u>	<u>235,475</u>	<u>295,810</u>	<u>750,000</u>
Expenditures				
Contingencies - Unprogrammed Funds	56	54	110	27,771
Sewer System Construction	<u>60,335</u>	<u>91,503</u>	<u>151,838</u>	<u>722,229</u>
Total Expenditures	<u>60,391</u>	<u>91,557</u>	<u>151,948</u>	<u>750,000</u>
Net Change in Fund Balance	<u>\$ (56)</u>	143,918	<u>\$ 143,862</u>	<u>\$ -</u>
Fund balance - beginning of year		<u>(56)</u>		
Fund balance - end of year		<u>\$ 143,862</u>		

City of Thomaston, Georgia
2016 Special Local Option Sales Tax
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
From Inception and for the Year Ended December 31, 2020

<u>Description</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Intergovernmental	\$ 2,119,538	\$ 793,975	2,913,513	\$ 4,500,000
Investment Earnings	<u>5,957</u>	<u>987</u>	<u>6,944</u>	<u>-</u>
Total Revenues	<u>2,125,495</u>	<u>794,962</u>	<u>2,920,457</u>	<u>4,500,000</u>
Expenditures				
Capital Outlay			-	
Sewer Infrastructure	<u>299,450</u>	<u>538,132</u>	<u>837,582</u>	<u>4,500,000</u>
Total Expenditures	<u>299,450</u>	<u>538,132</u>	<u>837,582</u>	<u>4,500,000</u>
Net change in fund balance	1,826,045	256,830	2,082,875	-
Fund balance - beginning of year		<u>1,826,045</u>		
Fund balance - end of year		<u><u>\$ 2,082,875</u></u>		

City of Thomaston, Georgia
2019 Transportation Special Local Option Sales Tax Project
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
From Inception and for the Year Ended December 31, 2020

<u>Description</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Intergovernmental	\$ -	\$ 1,281,872	1,281,872	\$ 7,301,000
Investment Earnings	-	122	122	-
Total Revenues	-	1,281,994	1,281,994	7,301,000
Expenditures				
Capital Outlay			-	
Road and Street Improvements	-	608,855	608,855	7,301,000
Total Expenditures	-	608,855	608,855	7,301,000
Net change in fund balance	-	673,139	673,139	-
Fund balance - beginning of year		-		
Fund balance - end of year		<u>\$ 673,139</u>		

City of Thomaston, Georgia
Fire Station Project
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
From Inception and for the Year Ended December 31, 2020

<u>Description</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Revenues				
Investment Earnings	\$ -	\$ 91	\$ 91	\$ -
Total Revenues	-	91	91	-
Expenditures				
Debt Service:				
Issuance Costs	-	89,852	89,852	89,852
Capitalized Interest	-	-	-	104,250
Capital Outlay			-	
Fire Station	-	134,508	134,508	2,505,898
Total Expenditures	-	224,360	224,360	2,700,000
Deficiency of revenues (under) expenditures	-	(224,269.00)	(224,269.00)	(2,700,000.00)
Other Financing Sources (Uses)				
Bonds Issued	-	2,700,000	2,700,000	2,700,000
Total other financing sources (uses)	-	2,700,000	2,700,000	2,700,000
Net change in fund balance	\$ -	\$ 2,475,731	\$ 2,475,731	\$ -
Fund balance - beginning of year		-		
Fund balance - end of year		\$ 2,475,731		

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STATISTICAL SECTION

This part of City's comprehensive annual financial report presents detailed information as context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	100-104
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	105-108
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	109-112
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place.</i>	113-114
Operating Information <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>	115-117

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Governmental Activities</u>										
Net Investment in capital assets	\$ 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	\$ 14,309,311
Restricted	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	6,174,487
Unrestricted	<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>	<u>286,067</u>
Total Governmental Activities Net Position	<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>	<u>\$ 20,769,865</u>
<u>Business-Type Activities</u>										
Net Investment in capital assets	\$ 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	\$ 26,009,065
Restricted	294,976	294,266	287,528	287,978	290,134	288,824	290,506	293,104	300,061	304,025
Unrestricted	<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>	<u>7,586,678</u>
Total Business-Type Activities Net Position	<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>	<u>\$ 33,899,768</u>
<u>Primary Government</u>										
Net investment capital assets	\$ 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	\$ 40,318,376
Restricted	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	6,478,512
Unrestricted	<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>	<u>7,872,745</u>
Total Primary Government Net Position	<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>	<u>\$ 54,669,633</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General government (Note 1)	\$ 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	\$ 2,555,368
Judicial	163,609	202,989	239,417	234,102	267,744	212,879	298,331	352,883	283,383	280,650
Public safety	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	4,639,845
Public works	794,525	1,431,991	1,335,976	909,316	502,207	656,702	526,865	922,898	1,836,122	2,162,626
Economic development	144,262	149,363	144,347	324,151	332,633	358,257	212,937	198,302	190,618	181,406
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	540,790
Interest on short and long-term debt	-	-	-	-	-	-	-	15,992	40,129	29,468
Total Governmental Activities Expenses	\$ 5,790,194	\$ 7,059,074	\$ 6,241,547	\$ 7,167,384	\$ 8,746,496	\$ 11,174,016	\$ 7,985,126	\$ 9,371,469	\$ 9,353,496	\$ 10,390,153
Business-Type Activities										
Water and sewer	\$ 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	\$ 4,764,872
Electric	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	11,038,088
Sanitation	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	1,140,163
Total Business-Type Activities Expenses	\$ 16,071,688	\$ 16,900,214	\$ 15,912,186	\$ 17,373,334	\$ 17,631,077	\$ 16,715,763	\$ 17,095,603	\$ 17,532,577	\$ 17,396,617	\$ 16,943,123
Total Primary Government Expenses	\$ 21,861,882	\$ 23,959,288	\$ 22,153,733	\$ 24,540,718	\$ 26,377,573	\$ 27,889,779	\$ 25,080,729	\$ 26,904,046	\$ 26,750,113	\$ 27,333,276
Program Revenues										
Governmental Activities:										
Charges for services:										
Cemetery fees	18,550	15,000	14,500	17,900	15,950	21,600	18,100	22,700	28,800	41,050
Fines and forfeitures	276,797	385,320	416,557	374,287	436,833	291,590	427,498	433,628	402,284	314,039
Licenses and permits	129,296	134,176	131,055	146,732	192,360	170,697	194,122	155,145	174,355	215,287
Public Safety	5,145	724	6,742	9,782	129,826	80,624	17,047	184,360	10,246	2,330
Rent	162,472	166,129	209,629	219,746	216,290	221,775	225,802	205,802	231,716	207,387
Other	2,530	3,270	3,520	4,145	4,130	4,116	5,479	4,199	1,588	686
Operating grants and contributions	220,301	283,760	316,429	322,856	620,317	443,083	390,609	150,072	59,771	55,183
Capital grants and contributions	438,426	1,908,281	756,809	1,166,516	1,449,990	704,577	821,191	757,295	749,929	3,104,098
Total Governmental Activities Program Revenues	\$ 1,253,517	\$ 2,896,660	\$ 1,855,241	\$ 2,261,964	\$ 3,065,696	\$ 1,938,062	\$ 2,099,848	\$ 1,913,201	\$ 1,658,689	\$ 3,940,060
Business-Type Activities:										
Charges for services:										
Water and sewer	\$ 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	\$ 5,453,538
Electric	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	13,090,297
Sanitation	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	1,200,403
Capital grants and contributions	485,621	2,496,166	953,164	1,114,049	1,820,908	3,594,640	880,801	50,147	359,272	632,343
Total Business-Type Activities Program Revenues	\$ 16,810,444	\$ 19,704,340	\$ 18,562,674	\$ 20,143,066	\$ 20,780,398	\$ 22,893,923	\$ 20,618,698	\$ 20,455,904	\$ 21,064,913	\$ 20,376,581
Total Primary Government Revenues	\$ 18,063,961	\$ 22,601,000	\$ 20,417,915	\$ 22,405,030	\$ 23,846,094	\$ 24,831,985	\$ 22,718,546	\$ 22,369,105	\$ 22,723,602	\$ 24,316,641

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expenses)/Revenue										
Governmental Activities	\$ (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)	\$ (6,450,093)
Business-Type Activities	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	3,433,458
Total Primary Government Net Expense/Revenues	\$ (3,797,921)	\$ (1,358,288)	\$ (1,735,818)	\$ (2,135,688)	\$ (2,531,479)	\$ (3,057,794)	\$ (2,362,183)	\$ (4,534,941)	\$ (4,026,511)	\$ (3,016,635)
<u>General Revenue & Other Changes in Net Position</u>										
Governmental Activities:										
Taxes:										
Property taxes	\$ 797,423	\$ 812,885	\$ 799,954	\$ 1,640,108	\$ 1,972,285	\$ 2,007,532	\$ 2,033,473	\$ 1,816,082	\$ 1,806,746	\$ 1,995,993
Sales taxes	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	1,729,081
Franchise taxes	358,274	335,574	367,435	336,097	331,887	320,539	485,320	427,898	328,798	343,179
Insurance premiums taxes	430,147	456,850	473,025	494,582	528,379	572,088	609,181	656,973	697,755	735,974
Other taxes	315,496	308,835	410,201	475,317	440,345	363,499	412,215	519,031	480,918	528,492
Interest revenue	30,354	17,188	13,346	13,166	10,949	13,362	16,490	22,687	20,132	11,184
Gain on sale of capital assets	20,565	2,111	5,291	535	-	-	-	-	-	-
Miscellaneous and other proceeds	112,765	106,287	45,438	197,118	174,759	137,999	308,786	177,868	430,406	233,844
Transfers	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	2,945,054
Total Governmental Activities	\$ 4,239,822	\$ 4,910,524	\$ 4,322,722	\$ 5,528,813	\$ 8,041,827	\$ 6,188,403	\$ 7,185,454	\$ 7,467,316	\$ 8,076,207	\$ 8,522,801
Business-Type Activities:										
Interest revenue	\$ 802,455	\$ 397,686	\$ 14,128	\$ 65,200	\$ 41,351	\$ 46,598	\$ 127,013	\$ 13,618	\$ 12,724	\$ 11,356
Miscellaneous	-	-	-	-	270,052	98,065	157,173	174,154	83,168	30,642
Municipal Competitive Trust	-	-	-	-	-	-	1,105,851	597,255	444,455	438,294
Transfers	(825,000)	(1,498,500)	(1,005,997)	(1,000,000)	(3,266,770)	(1,500,000)	(2,020,000)	(2,471,204)	(2,945,054)	(2,945,054)
Total Business-Type Activities Program Revenues	\$ (22,545)	\$ (1,100,814)	\$ (991,869)	\$ (934,800)	\$ (2,955,367)	\$ (1,355,337)	\$ (629,963)	\$ (1,686,177)	\$ (2,404,707)	\$ (2,464,762)
Total Primary Government	\$ 4,217,277	\$ 3,809,710	\$ 3,330,853	\$ 4,594,013	\$ 5,086,460	\$ 4,833,066	\$ 6,555,491	\$ 5,781,139	\$ 5,671,500	\$ 6,058,039
<u>Change in Net Position</u>										
Governmental Activities	\$ (296,855)	\$ 748,110	\$ (63,584)	\$ 623,393	\$ 2,361,027	\$ (3,047,551)	\$ 1,300,176	\$ 9,048	\$ 381,400	\$ 2,072,708
Business-Type Activities	716,211	1,703,312	1,658,619	1,834,932	193,954	4,822,823	2,893,132	1,237,150	1,263,589	968,696
Total Primary Government	\$ 419,356	\$ 2,451,422	\$ 1,595,035	\$ 2,458,325	\$ 2,554,981	\$ 1,775,272	\$ 4,193,308	\$ 1,246,198	\$ 1,644,989	\$ 3,041,404

Schedule 3
City of Thomaston
Fund Balances, Governmental Funds
Last 10 Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Unreserved	-	-	-	-	-	-	-			
Nonspendable	-	-	45,461	504,559	666,552	621,091	621,411	621,091	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	352,050
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	4,585,501
Total General Fund	\$ 4,114,493	\$ 3,719,501	\$ 4,085,604	\$ 3,949,033	\$ 3,986,900	\$ 3,648,436	\$ 4,496,256	\$ 4,349,461	\$ 4,540,385	\$ 5,558,642
All Other Governmental Funds										
Reserved:										
Program purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Unrestricted:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
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	5,410,610
Public safety	9,138	6,787	13,547	8,258	121,515	116,346	76,350	132,868	117,471	110,495
Joint projects	-	-	-	-	187,075	221,023	340,848	397,533	429,767	653,382
Unassigned	-	-	-	(89,110)	(45,018)	-	-	-	(56)	(91,169)
Total All Other Governmental Funds	\$ 3,517,736	\$ 3,248,796	\$ 3,039,003	\$ 3,375,492	\$ 4,145,505	\$ 1,403,224	\$ 1,762,493	\$ 2,488,297	\$ 2,598,003	\$ 6,083,318

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

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

	2011	2012	2013	2014	2015	Restated 2016	2017	2018	2019	2020
Revenues										
Property taxes	\$ 781,027	\$ 839,576	\$ 790,859	\$ 766,757	\$ 701,445	\$ 796,135	\$ 735,237	\$ 779,816	\$ 688,663	\$ 844,104
Sales taxes	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	1,729,081
Other taxes	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	2,820,767
Licenses and permits	129,296	134,176	131,055	146,732	192,360	170,697	194,122	155,145	174,355	215,287
Intergovernmental	626,371	2,174,227	1,058,315	1,475,125	2,054,933	1,138,104	1,211,339	906,867	806,455	3,158,172
Fines and forfeitures	281,942	386,044	423,299	384,069	566,659	372,214	444,545	617,988	412,530	316,369
Charges for services	21,080	18,270	18,020	22,045	20,080	25,715	23,579	24,212	30,388	41,736
Interest earnings	62,710	35,002	28,269	27,413	26,324	22,919	16,951	25,874	23,377	12,293
Rent	162,472	166,129	209,629	219,746	216,290	221,775	225,802	205,802	231,716	207,387
Donations	50,461	17,752	4,350	85,461	-	-	-	12,000	-	-
Other	62,304	88,533	41,088	111,657	174,758	137,999	308,786	165,868	96,104	233,844
Total Revenue	\$ 4,631,378	\$ 6,333,264	\$ 5,157,580	\$ 6,787,331	\$ 7,777,228	\$ 6,676,435	\$ 7,266,502	\$ 6,939,536	\$ 6,492,044	\$ 9,579,040
Expenditures										
General government (Note 1)	\$ 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	\$ 2,413,764
Judicial	163,609	202,989	239,417	234,102	267,744	212,879	298,331	352,883	283,383	280,650
Public safety	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	4,040,411
Public works	344,961	273,226	273,062	462,523	712,954	670,456	398,288	665,080	1,407,418	1,029,070
Economic development	440	-	-	183,246	183,219	212,056	212,937	198,302	190,618	181,406
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	540,790
Debt Service:										
Principal	-	-	-	-	-	-	-	56,765	121,683	126,049
Interest								15,992	33,834	119,320
Capital outlay	227,802	2,324,765	981,929	987,987	1,315,891	3,604,703	649,593	271,467	583,240	1,989,162
Total Expenditures	\$ 5,110,746	\$ 8,497,717	\$ 6,018,277	\$ 7,606,733	\$ 10,236,118	\$ 11,257,170	\$ 8,079,414	\$ 9,868,913	\$ 9,340,960	\$ 10,720,622
Excess of Revenues Over (Under) Expenditures	\$ (479,368)	\$ (2,164,453)	\$ (860,697)	\$ (819,402)	\$ (2,458,890)	\$ (4,580,735)	\$ (812,912)	\$ (2,929,377)	\$ (2,848,916)	\$ (1,141,582)
Other Financing Sources (Uses)										
Capital leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,037,182	\$ -	\$ -
Transfers from other funds	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	2,991,863
Transfers to other funds	(116,422)	(60,488)	(46,106)	(39,968)	(134,882)	(170,371)	(174,424)	(77,355)	(118,816)	(46,809)
Other proceeds	20,565	2,111	10,920	19,320	-	-	-	-	334,302	2,700,000
Total Other Financing Sources (Uses)	\$ 845,565	\$ 1,500,611	\$ 1,016,917	\$ 1,019,320	\$ 3,266,770	\$ 1,500,000	\$ 2,020,000	\$ 3,508,386	\$ 3,149,646	\$ 5,645,054
Net change in Fund Balances	\$ 366,197	\$ (663,842)	\$ 156,220	\$ 199,918	\$ 807,880	\$ (3,080,735)	\$ 1,207,088	\$ 579,009	\$ 300,730	\$ 4,503,472
Debt Service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.76%	1.81%	1.81%

Schedule 5
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	Special Purpose Local Option (TSPLOST) Sales	Joint Projects Special Taxing District	Intangible	Franchise	Insurance Premium	Real Estate Transfer	Alcoholic Beverage	Hotel/Motel	Total
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
2020	844,104	213,018	1,729,081	793,975	1,281,872	1,213,122	24,513	343,179	735,974	6,839	205,398	78,724	7,469,799

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

Schedule 6
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	
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
2020	139,773,821	349,434,553	93,182,548	232,956,370	232,956,369	582,390,923	9.29

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 7
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	
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
2019	3.56	7.33	0.00	10.89	0.00	8.99	14.32	34.20
2020	3.41	5.88	0.00	9.29	0.00	8.60	13.73	31.62

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 8
City of Thomaston
Principal Property Taxpayers
Current Year and 10 Years Ago

Taxpayer	2010				Taxpayer	2020			
	Taxable Assessed Value	City Tax Levy	Rank	Percentage of Total City Tax Levy		Taxable Assessed Value	City Tax Levy	Rank	Percentage of Total City Tax Levy
West Georgia Generating Company	\$ 37,215,000	\$ 142,533	1	16.16%	West Georgia Generating Company	\$ 25,512,209	\$ 207,465	1	10.80%
Wal-Mart Stores, Inc	6,932,652	26,522	2	3.01%	Wal-Mart Stores	5,582,317	46,821	2	2.45%
Yamaha Music Mfg. Inc	8,301,368	23,485	3	2.66%	Standard Textiles	5,172,007	39,311	3	2.05%
Atlantic Paper & Foil	5,763,600	19,164	4	2.17%	Georgia Power	14,429,756	38,146	4	1.99%
Home Depot	5,001,976	19,160	5	2.17%	Home Depot	4,046,545	32,907	5	1.72%
One Four Five Associates	2,751,635	10,539	6	1.20%	Ingles	2,245,516	18,138	6	0.94%
Georgia Windstream	2,632,478	10,082	7	1.14%	Pacific Management	2,080,000	16,915	7	0.88%
1888 Mills	8,777,745	7,895	8	0.90%	Thomaston Property Holdings	1,991,662	16,197	8	0.85%
Oracle Packaging	3,736,823	7,144	9	0.81%	Harborview	1,963,377	15,966	9	0.86%
Royal Cord, Inc	<u>3,460,898</u>	<u>5,380</u>	10	<u>0.61%</u>	Advantage Relocation	<u>1,812,374</u>	<u>14,738</u>	10	<u>0.77%</u>
Total	<u><u>84,574,175</u></u>	<u><u>271,904</u></u>		<u><u>30.83%</u></u>	Total	<u><u>\$ 64,835,763</u></u>	<u><u>\$ 446,604</u></u>		<u><u>23.31%</u></u>

Source: Provided by Upson County Tax Commissioner's Office

Schedule 9
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
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%	130,739	960,631	100.00%
2020	963,391	844,338	87.64%	-	844,338	87.64%

SOURCE: Final Accounting Reports of Upson County Tax Commissioner

Schedule 10
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
	Revenue Bonds	Capital Leases	Water/Sewer Revenue Bonds	Water/Sewer USDA/GEFA Loans	Electric Fund Capital Leases				
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%
2020	2,700,000	738,980	4,195,000	7,237,216	28,688		12,199,884	1390	0.2369%

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

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 11
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:	\$ -
Total Direct Debt	\$ -
Overlapping (3):	
Upson County - General Obligation Debt	\$ -
- GEFA Loans	7,237,216
Contractual Obligations	
-Revenue Bonds Water & Sewer	4,195,000
- Revenue Bonds Fire Station Project	2,700,000
- Capital Leases (4)	767,668
Total Overlapping Debt	\$ 14,899,884

Notes:

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%.

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 12
City of Thomaston
Legal Debt Margin Information
Last 10 Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Assessed Value	\$ 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	\$ 232,956,369
Debt Limit - 10% of Assessed Value	\$ 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	\$ 23,295,637
Debt Applicable to Limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 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	\$ 23,295,637
Legal Debt Margin as a Percentage										
of Debt Limit	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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

Schedule 13
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	
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
2019	20,788,809	17,177,646	3,611,163	540,000	131,625	671,625	5.38
2020	19,774,880	16,776,003	2,998,877	545,000	118,500	663,500	4.52

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 14
City of Thomaston
Demographic and Economic Statistics
Last 10 Years

Year	Population	Per Capita Income	Median Age	Unemployment Rate
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
2020	8,774	28,906	34.6	4.3

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 1
City of Thomaston
Principal Employers
Current Year and Nine Years Ago

2020				2011			
Employer	Number of Employees	Rank	Percentage of Total Employment	Employer	Number of Employees	Rank	Percentage of Total Employment
Thomaston-Upson County Schools	686	1	13.23%	Upson Regional Medical Center	715	1	12.61%
Quad/Graphic of Georgia	550	2	10.61%	Thomaston-Upson County Schools	714	2	12.59%
Upson Regional Medical Center	455	3	8.77%	Walmart Inc	272	3	4.80%
Standard Textiles	215	4	4.15%	Standard Textiles	252	4	4.45%
Department of Transportation	215	5	4.22%	Upson County	225	5	3.97%
1888 Mills Inc	190	6	3.73%	Harborview Thomaston LLC	134	6	2.36%
Royal Cord Inc	170	7	3.33%	Riverside Nursing Home	109	7	1.92%
Duni Corp	165	8	3.24%	City of Thomaston	98	8	1.73%
City of Thomaston	122	9	2.39%	Providence Nursing Home	86	9	1.52%
Southern Crescent	95	10	1.86%	Southern Crescent Technical College	85	10	1.50%
	2863		55.52%		2690		47.45%

Schedule 16
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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Administration	10	5	4	4	4	6	6	6	6	6
Finance	5	5	5	5	5	5	5	7	7	7
Community Development	1	1	1	1	1	1	1	0	0	0
Parks & Public Spaces (1)		6	5	5	5	5	5	5	4	4
Meter Readers (2)		2	2	3	3	3	3	3	3	3
Electric Department	13	13	11	11	12	12	12	13	12	11
Fire Department	20	20	19	15	17	17	17	18	18	18
Police Department										
Officers	23	21	20	22	22	22	24	31	29	27
Civilians	3	3	3	2	2	2	2	3	3	3
Street Department	5	4	4	4	2	2	2	3	3	3
Water/Wastewater Department (3)	19	21	19	20	20	20	19	22	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 17
City of Thomaston
Operating Indicators by Function/Program
Last 10 Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Building permits issued										
New Residential	0	0	1	0	1	0	0	0	0	0
New Commercial	5	6	1	5	3	1	1	0	1	1
Additions & Improvements - Residential	67	83	126	121	142	156	180	156	174	185
Additions & Improvements - Commercial	16	22	12	18	57	38	43	40	31	36
Police Department										
Physical arrests	620	425	729	691	783	744	1047	930	1073	925
Citations	1751	2602	3091	2650	2906	1344	2997	3309	2848	2855
Fire Department										
Emergency (EMS) responses	228	156	191	206	201	433	530	981	868	932
Fire responses	79	71	53	52	51	70	78	437	507	415
Street Department										
Streets resurfaced (miles)	0.00	5.21	0.00	0.90	4.26	0.00	1.88	0.64	1.20	2.50
Sidewalks replaced (miles)	0.01	0.00	0.38	0.66	2.08	0.36	0.03	0.31	0.40	0.20
Electric Department										
Lines replaced (miles)	0.17	4.87	0.00	0.00	0.00	0.00	0.00	0.00	2.00	0.00
Water Department										
New connections	8	4	0	8	3	5	3	4	6	5
Water line breaks	343	60	346	348	316	300	99	129	85	90
Average daily consumption (million gallons)	1.18	1.18	1.07	1.11	1.05	1.21	1.51	1.61	1.72	1.71
Based on water billed to customers										

Sources: Various City departments

Schedule 18
City of Thomaston
Capital Asset Statistics by Functions/Program
Last 10 Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police Department										
Stations	1	1	1	1	1	1	1	1	1	1
Marked Patrol cars	11	11	11	13	12	21	22	23	19	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	2	2	2
Pumper Trucks	3	3	3	3	3	3	3	3	3	3
Fire hydrants	610	610	610	610	610	610	610	610	648	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	99.77	99.77	100.00	100.00	100.00	100.00
Street Department										
Streets (miles)	52.61	52.61	52.61	52.77	52.77	52.77	52.77	52.77	52.77	52.77
Sidewalks (miles)	30.63	30.75	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)	4.0	4.0	4.0	4.0	4.0	6.0	6.0	6.0	6.0	6.0
Water line (miles)	83.66	83.66	83.66	83.66	83.66	83.66	114	114	114	114
Water tanks (above & underground)	7	8	8	8	8	4	4	4	4	4
Storage capacity (millions of gallons)	2.05	2.12	2.12	2.12	2.12	1.75	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

City of Thomaston, Georgia
Schedule of Projects Constructed
With Special Sales Tax Proceeds
For the Year Ended December 31, 2020

2016 Special Local Options Sales Tax Projects:	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Year(s)	Current Year	Total
Sewer Line Replacement	\$ 4,500,000	\$ 4,500,000	\$ 299,450	\$ 538,132	\$ 837,582
Total	<u>\$ 4,500,000</u>	<u>\$ 4,500,000</u>	<u>\$ 299,450</u>	<u>\$ 538,132</u>	<u>\$ 837,582</u>

2019 Transportation Special Local Options Sales Tax Projects:	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Year(s)	Current Year	Total
Construction,renovation, and resurfacing of roads, streets, and sidewalks	\$ 7,301,000	\$ 7,301,000	\$ -	\$ 608,855	\$ 608,855
Total	<u>\$ 7,301,000</u>	<u>\$ 7,301,000</u>	<u>\$ -</u>	<u>\$ 608,855</u>	<u>\$ 608,855</u>

**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits, contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Thomaston, Georgia as of and for the year ended December 31, 2020, 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 27, 2021.

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 + Sharpe

Thomaston, Georgia

June 28, 2021

**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, 2020. 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, 2020.

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 + Sharpe

Thomaston, Georgia

June 28, 2021

City of Thomaston, Georgia
Schedule of Federal Awards
For the Year Ended December 31, 2020

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Grant Identification Number	Total Expenditures
U.S. Department of Agriculture			
Sewer System Improvements	10-760	T3000.115	<u>\$ 180,055</u>
 U.S. Department of Housing and Urban Development			
Community Development Block Grant	14.218	17p-x-145-2-6063	<u>\$ 235,475</u>
 U.S. Environmental Protection Agency			
Passed through the Georgia Environmental Finance Authority			
State Revolving Funds (Clean Water) Program	66.458	GEFA CWSRF 201644	\$ 18,394
State Revolving Funds (Clean Water) Program	66.458	GEFA CWSRF 2017006	<u>47,178</u>
 Total U.S. Environmental Protection Agency			<u>\$ 65,572</u>
 U.S. Department of the Treasury			
Passed through the Georgia Governors Office of Planning and Budget			
CARES Act - Coronavirus Relief Fund	21.019	N/A	<u>\$ 458,147</u>
 Total Expenditures of Federal Awards			<u><u>\$ 939,249</u></u>

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 did not use the 10% de minimis indirect cost rate.

Note 3. Non-cash Assistance and Loans

There were no federal awards expended in the form of non-cash assistance during the year.

Note 4. Subrecipients

The City did not pass any funds through to sub recipients during the fiscal year ended December 31, 2020.

**Schedule of Findings and Questioned Costs
For the Year ended December 31, 2020**

**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 No

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

21.019

Name of Federal Program or Cluster

U.S. Department of the Treasury

CARES Act - Coronavirus Relief Fund

Dollar threshold used to distinguish between
Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

___ Yes x No

**Schedule of Findings and Questioned Costs
For the Year ended December 31, 2020**

**Section II
Financial Statement Findings and Responses**

None reported.

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

None reported.

**Section IV
Status of Prior Year Findings**

None reported.