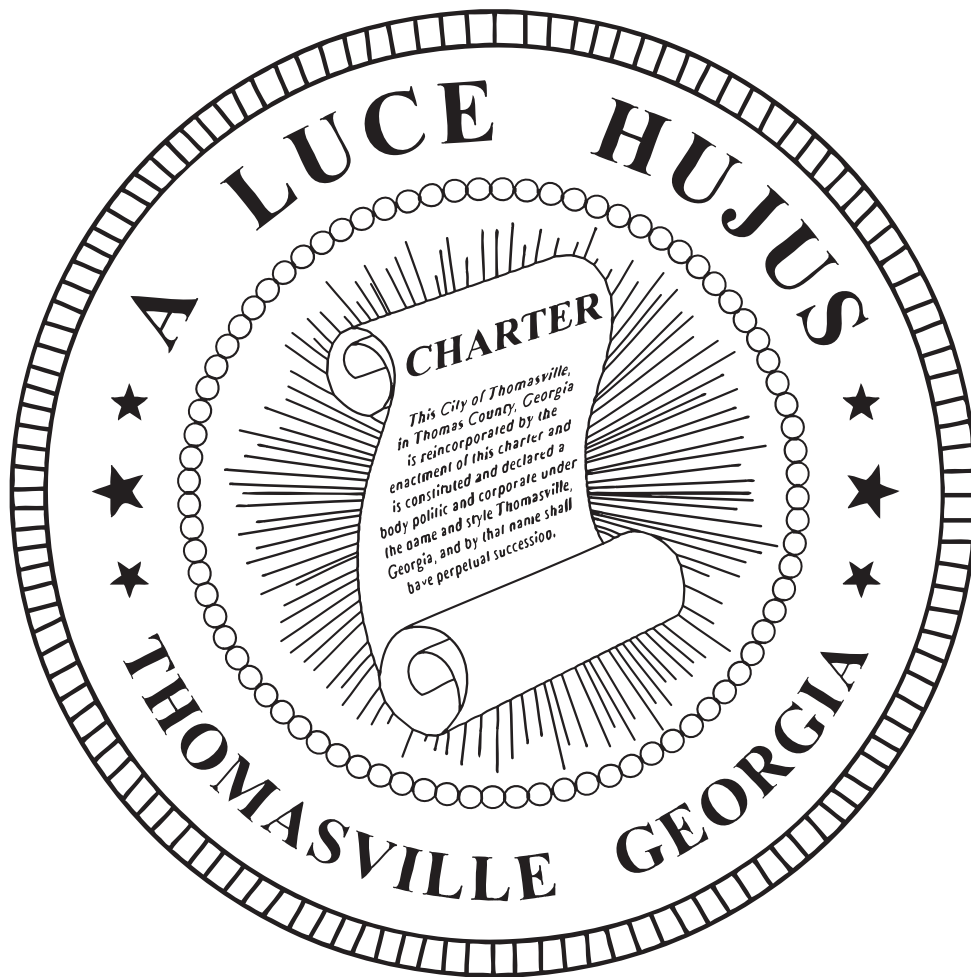
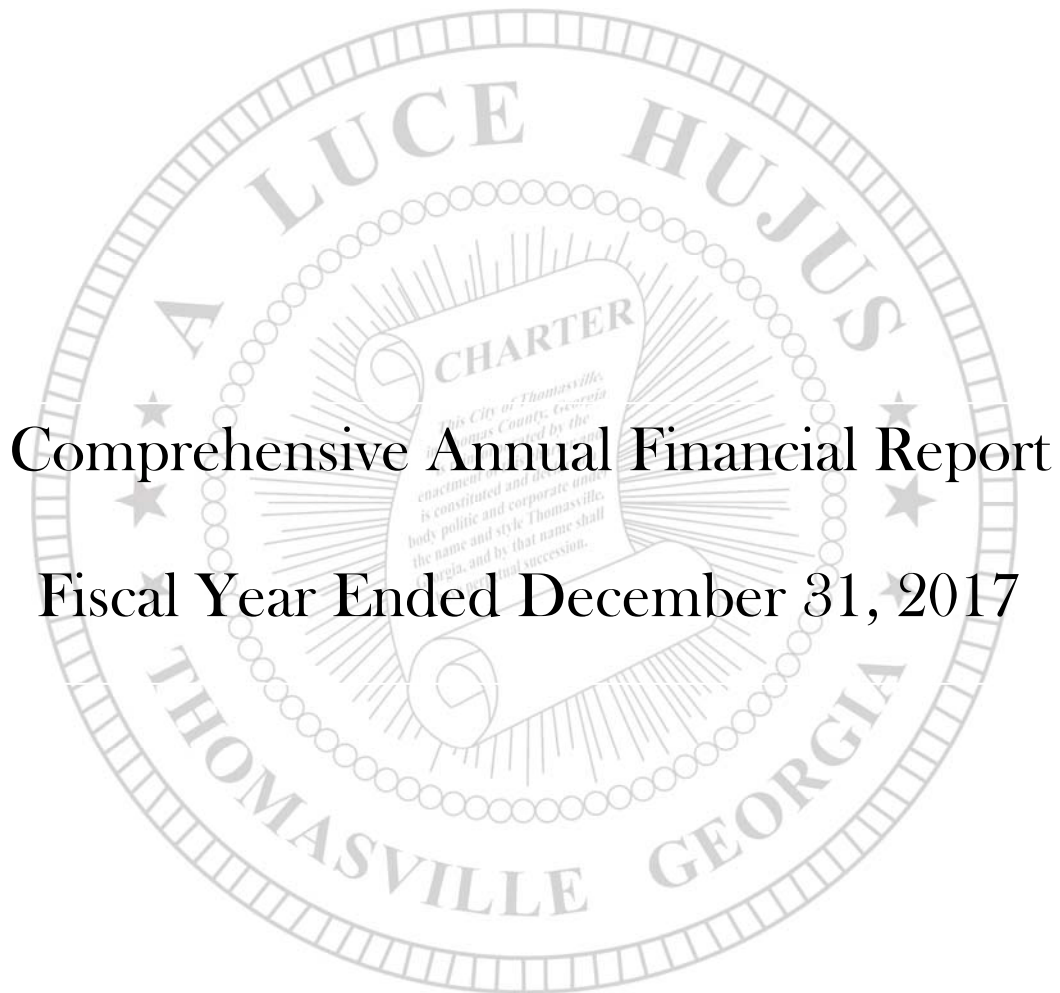


# City of *Thomasville* State of Georgia



Comprehensive Annual Financial Report  
Fiscal Year Ended December 31, 2017

# City of Thomasville State of Georgia



## Comprehensive Annual Financial Report Fiscal Year Ended December 31, 2017

Prepared by Financial Services  
City of Thomasville

**CITY OF THOMASVILLE, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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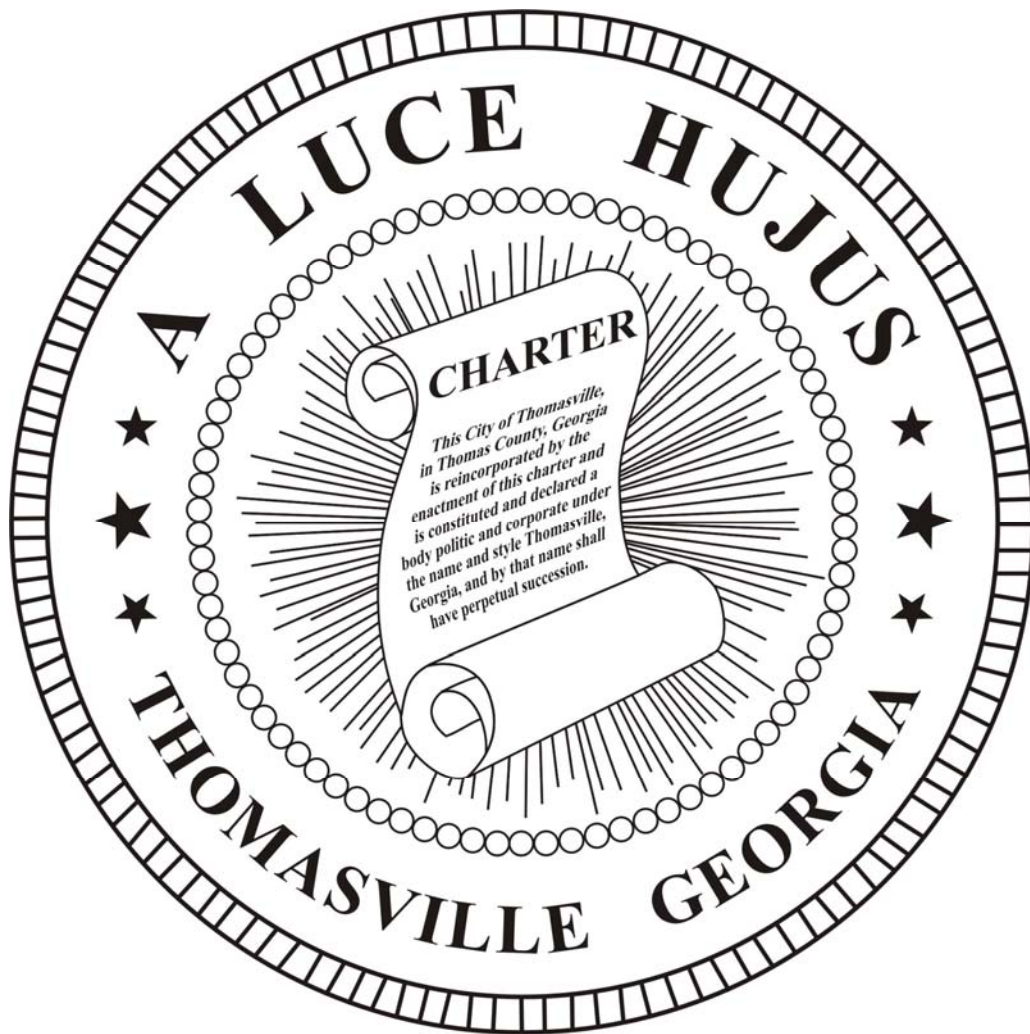
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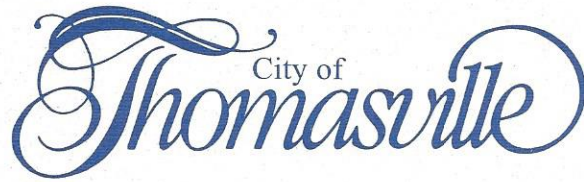
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# Introductory Section





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P.O. Box 1540 • Thomasville, GA 31799 • 229-227-7001 • [www.thomasville.org](http://www.thomasville.org)

June 30, 2018

Honorable Mayor  
Members of the City Council  
Citizens of the City of Thomasville, Georgia

Ladies and Gentlemen:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Thomasville, Georgia, for the fiscal year ended December 31, 2017.

Management assumes full responsibility for the completeness and reliability of the information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements.

Lanigan & Associates, P.C., a firm of licensed certified public accountants, have audited the City's financial statements. The independent audit included 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. Lanigan & Associates, P.C. have issued an unmodified opinion on the City of Thomasville's financial statements for the fiscal year ended December 31, 2017. The independent auditors' report is presented as the first component of the financial section of this report.

As a recipient of substantial Federal financial awards, the City is often required to undergo a "Single Audit" specifically designed to meet the needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to obtain reasonable assurance that the City was in compliance, in all material respects, with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs. Given the aggregate amount of expenditures under such programs exceeded \$500,000 for the fiscal year ended December 31, 2017. Lanigan & Associates, P.C. has included their findings in their report.

Management has provided a narrative introduction, overview, and analysis of the basic financial statements in the form of Management's Discussion and Analysis (MD&A). MD&A complements this letter of transmittal and should be read in conjunction with it. The City's MD&A immediately follows the independent auditors' report.

### **Profile of the Government**

The City of Thomasville was originally incorporated by an act of the General Assembly of Georgia in 1826. The City's first charter was approved in 1831, and new charters were approved in 1889, 1943, and 1990. The latest charter became effective July 1, 1990. The City operates under a Council-Manager form of government. The City Council is made up of five Council members, two elected from each of the City's two Districts and one elected at large. Council members serve four-year terms, and the Mayor, appointed by the Council, serves a two-year term.

The City provides a range of both traditional governmental services and utilities services to over 30,000 residents, with approximately 20,000 citizens in Thomasville and 10,000 in unincorporated Thomas County. Traditional governmental services include general administration, police and fire protection, recreation, and economic development, as well as the construction and maintenance of highways and streets. The City's utilities services include electricity, water, sewer, sanitation, natural gas, telecommunications, telephony, cable television and internet access. The City also operates the community's golf course, municipal auditorium, regional airport and Subtitle D landfill. The City provides support to these various operations through its building and fleet maintenance, customer and marketing services, financial and engineering services and information systems operations. In addition to administering its employee pension program, the City reserves funds for its health, dental, workers' compensation claims and policy deductibles, managing these risks internally.

As a part of its overall community and economic development initiatives, the City works through the Downtown Development Authority (DDA), the Destination Thomasville Tourism Authority (DTTA), the Land Bank Authority (LBA), and the Thomasville Payroll Development Authority (PDA). The financial statements of these component units are included in the government-wide statements of this report. The criteria for selecting these component units for inclusion in this report were control for board appointment, financial accountability, legally separate entities, and imposition of will by modifying/approving budget or rates.

The annual budget serves as the foundation for the City of Thomasville's financial planning and control. During the fall, all departments of the City are required to submit requests for appropriation to the Financial Services department. Under the oversight of the City Manager, Financial Services uses the aforementioned requests as the starting point for developing a proposed budget. The City Manager and the Chief Financial Officer then present the proposed budget to the City Council for review. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 31st, the close of the City's fiscal year.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the General fund, this comparison is presented in the governmental fund subsection of this report.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Thomasville operates.

**Local economy.** From a rich history of agricultural diversity and tourism that begun in the "Grand Hotel" era, to the solid presence of viable and contemporary industries, Thomasville has long enjoyed a tradition of cultural and economic diversity. The varied economic and industrial base in Thomasville flourishes due to the availability of labor, land and low cost utilities. While the maximum labor force in any one private industry totals slightly more than three hundred employees, a number of organizations employ thousands of workers from a six county area. John D. Archbold Memorial Hospital, a not-for-profit hospital located in the city, serves as the flagship facility of Archbold Medical Center, a regional healthcare delivery system in Southwest Georgia. The hospital, Thomas County School System, and the Flowers Foods lead the community as top employers.

Thomasville's diverse economy has been built through a history of local and regional partnerships. Existing industry also experienced growth during 2017, with 450 new jobs created. Among those expanding their operation were Hurst Boiler, Ag Pro, Southlife, FPL Foods, Flowers Corporate and Senior Life. On the retail side, 200 plus jobs were created with the opening of TJ Maxx, Harbor Freight, Locos, Ellianos Coffee and Diablos.

The City of Thomasville was designated a PlanFirst Community, which recognizes excellence in community planning and also allows the City to take advantage of various incentives that include public visibility, eligibility for funding, and reduced interest rates on certain DCA and Georgia Environmental Finance Authority (GEFA) programs. Blueprint: Thomasville 2028, the City of Thomasville's comprehensive planning initiative, was also launched in 2018. Blueprint: Thomasville 2028 is a nine-month comprehensive planning process to develop a vision and decision making framework to move Thomasville into the future. Several elements that will be addressed in the comprehensive planning process relate to Thomasville's economic vitality, including the future development of the Roses property.

Downtown Thomasville remained a thriving center of retail shops, restaurants, professional offices, and downtown living in 2017 with \$8.3 million in public/private investment in the downtown area. There were 12 new or expanded businesses and 40 jobs created in downtown and 9 building rehabilitation projects totaling more than \$112,000 in 2017. The new downtown amphitheater and park, which was completed in 2017, became a thriving area for downtown entertainment through community events such as First Friday concerts,

the Rose Show and Festival and Victorian Christmas. The facilities for the Community Trailhead were completed at the amphitheater. These improvements include restrooms, bike racks and a bike fix-it station.

In addition to economic and downtown development, the City continues to focus on community development as a means of promoting affordable housing and neighborhood improvement. During 2017, the City continued a park improvement initiative in Weston Park, MacIntyre Park and Cherokee Lake Park. The City also completed two homes as part of the Community Home Investment Program Housing Grant from the Georgia Department of Community Affairs, which allows for the construction of four to five new houses per year for five years. City-led efforts also removed 56 homes from the dilapidated housing list. The goal of this initiative is to improve the aesthetics of neighborhoods, reduce crime, and encourage new construction for future homeowners.

**Long-term financial planning.** During the late 1990's, the deregulation of the electric industry appeared imminent and the City began to take steps towards diversifying its revenue sources and developing ones to replace electric revenues that could potentially be lost in the deregulated environment. The City invested in telecommunications infrastructure, built partnerships with sister cities to provide contractual services and began the development of its proprietary billing software for use by other utilities. During 2017 the four cities, Cairo, Camilla, Moultrie and Thomasville, consolidated their cable, internet and telecommunications operations under the South Georgia Governmental Services Association. (SGGSA). As communities across the nation are competing for stability and economic growth, the City continues to evaluate the efficiencies of its operations in order to deliver high quality municipal services at the lowest possible cost while encouraging innovation to further develop its revenue sources through the expansion of its business units.

During 2017, the City continued its delivery of municipal billing and financial software services, in addition to its information technology services, to a number of Georgia cities within the region. A total of five cities now contract with the City of Thomasville for various components of its utility billing, payroll, and financial software and support services. Efforts to enhance the utility billing software are continuing and a user group has been established to provide software users opportunities for networking, best practice adoption and input into product enhancement.

During 2017, the City made enhancements to the water infrastructure by completing the installation of Automated Meters for commercial customers. The Water Treatment Plant and the Wastewater Treatment Plan were also recognized for their commitment to excellence through the 2017 Gold Standard Award from the Georgia Association of Water Professionals. A \$750,000 Community Development Block Grant was received for infrastructure improvements in the Fletcherville district. These improvements will include sewer rehab, water main replacement, drainage improvements, resurfacing, and sidewalk construction on various streets within the target area.

The City recognizes the need and accepts the challenge of changing the way it operates and delivers its services. It is the City's belief that traditional governmental services do not

have to be delivered in a traditional manner. It is the goal of the City Council and of management to remain fiscally viable while delivering services in a manner unparalleled in local government.

### **Awards and Acknowledgements**

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 Thomasville for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the sixteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

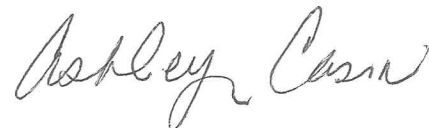
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated service of the entire staff of Financial Services, Administration and various support departments. Credit must also be given to the Mayor and to the City Council for their unfailing support and commitment to maintaining the highest standards of professionalism in the progressive management of the financial operations of the City of Thomasville.

Respectfully submitted,



Kha McDonald  
Interim City Manager



Ashley Cason  
Chief Financial Officer

**City of Thomasville, Georgia  
Listing of Principal City Officials  
As of December 31, 2017**

**ELECTED OFFICIALS**

<b>Mayor – Council Member</b>	<b>Greg Hobbs</b>
<b>Mayor Pro-Tem – Council Member</b>	<b>Don Sims</b>
<b>Council Member</b>	<b>Terry Scott</b>
<b>Council Member</b>	<b>Jay Flowers</b>
<b>Council Member</b>	<b>Max Beverly</b>

**APPOINTED OFFICIALS**

<b>City Manager/Utilities Superintendent</b>	<b>Steve Sykes</b>
<b>City Attorney</b>	<b>Tim Sanders</b>
<b>Municipal Court Judge</b>	<b>Mark Mitchell</b>

**DEPARTMENT HEADS**

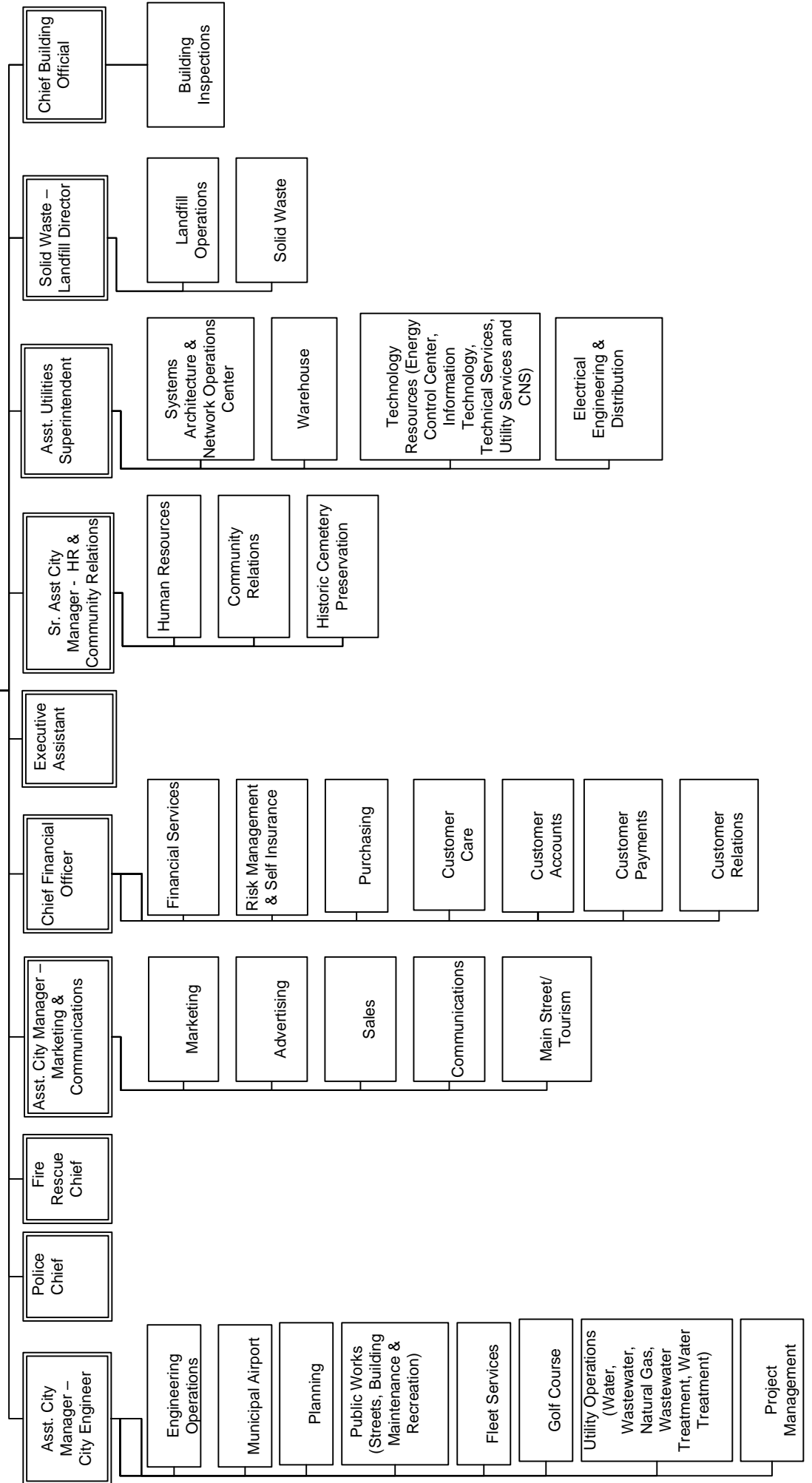
<b>Sr. Assistant City Manager/HR &amp; Community Relations</b>	<b>Kha McDonald</b>
<b>Assistant City Manager/Marketing &amp; Communications</b>	<b>Lynn Williams</b>
<b>Assistant City Manager/City Engineer</b>	<b>Jerry Pionessa</b>
<b>Assistant Utilities Superintendent</b>	<b>Chris White</b>
<b>Chief Financial Officer</b>	<b>Michelle Juarez</b>
<b>Fire Rescue Chief</b>	<b>Chris Bowman</b>
<b>Police Chief</b>	<b>Troy Rich</b>
<b>Public Works Director</b>	<b>Mike Atkinson</b>
<b>Director of Solid Waste/Landfill</b>	<b>Nate Tyler</b>
<b>Chief Building Official</b>	<b>Mark Harmon</b>
<b>City Planner</b>	<b>Brian Herrmann</b>
<b>Director of Utility Operations</b>	<b>Bill Gerber</b>
<b>Marketing, Communications &amp; Events Director</b>	<b>Sheryl Sealy</b>
<b>Tourism Director</b>	<b>Bonnie Hayes</b>
<b>Main Street/Auditorium Director</b>	<b>April Norton</b>
<b>Technical Services Director</b>	<b>Patrick Little</b>
<b>Broadband Operations Director</b>	<b>Randy Eubanks</b>
<b>Director of Electric and Engineering Operations</b>	<b>Bruce Whittington</b>
<b>Municipal Airport Manager</b>	<b>Robert Petty</b>
<b>Network Operations Manager</b>	<b>Marvin Golden</b>
<b>Golf Course Director</b>	<b>Mike Owens</b>
<b>Director of Customer Services</b>	<b>Karis Mills</b>
<b>Info Technology Director</b>	<b>Clint Wilkerson</b>

# City of Thomasville

Organization Chart as of 12/31/2017

CITY COUNCIL

CITY MANAGER/UTILITIES SUPERINTENDENT





Government Finance Officers Association

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

Presented to

**City of Thomasville  
Georgia**

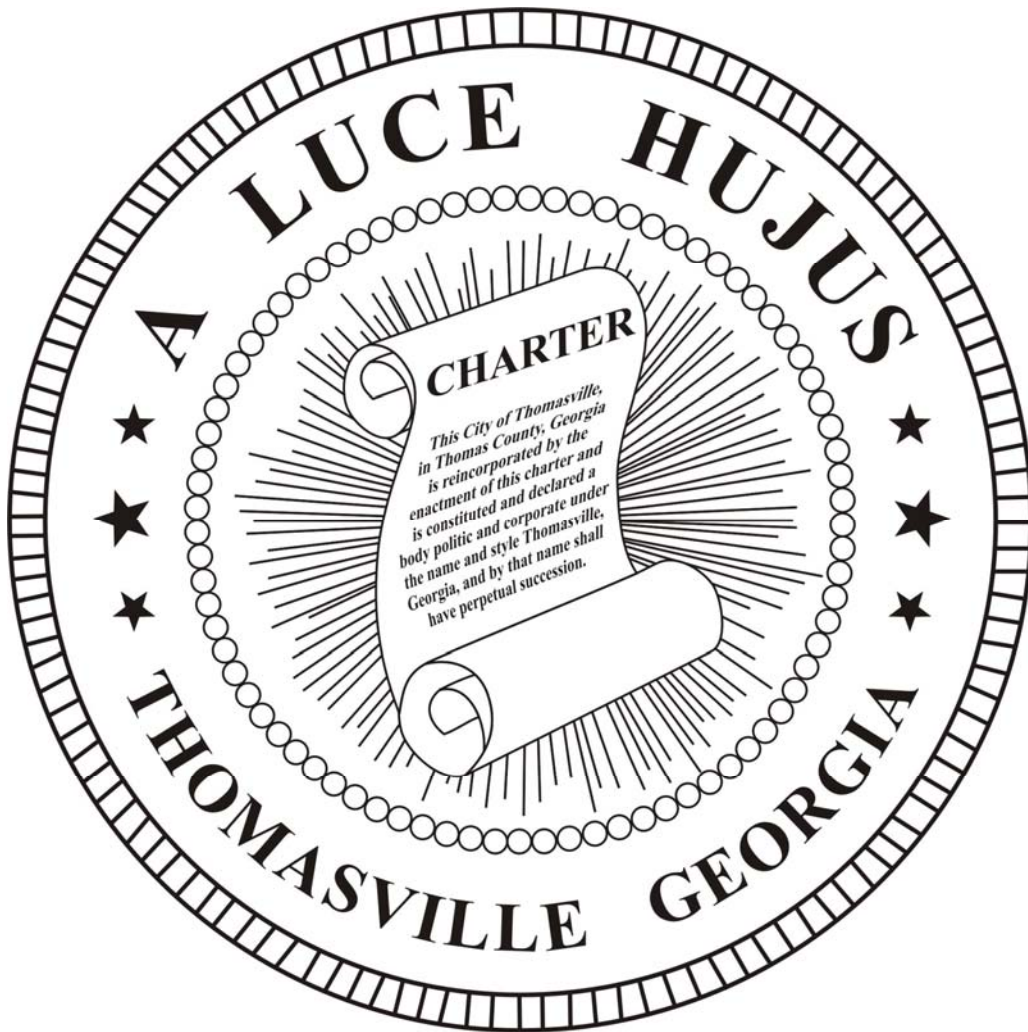
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morill*

Executive Director/CEO

# Financial Section



**LANIGAN & ASSOCIATES, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS ADVISORS  
www.lanigancpa.com

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members of the City Council  
Thomasville, Georgia

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison statement of the general fund of the City of Thomasville, Georgia (the "City"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison statement of the general fund of the City of Thomasville, Georgia, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Thomasville, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and budgetary schedules, community development block grant cost schedule and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121 and are also not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

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

The introductory and statistical sections 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 12, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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's internal control over financial reporting and compliance.

*Lanigan & Associates, PC*

Thomasville, Georgia  
June 12, 2018

## **Management's Discussion and Analysis**

As management of the City of Thomasville, Georgia (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages A1-A5 of this report.

### **Financial Highlights**

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2017 by \$193.2 million. Of this amount, \$118.8 million represents net investment in capital assets; \$43.1 million is restricted for specific purposes (restricted net position); and the remaining portion represents unrestricted net position of \$31.4 million.
- In anticipation of implementing GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, the City established an OPEB trust fund with a non-recurring \$5.0 million contribution made by the Electric Fund in FY 2017.
- Comparing FY 2017 with FY 2016, the results of governmental activities produced a decrease in net position of \$4,772, while in FY 2016 net position increased by \$2.3 million. We discuss key changes in net position later in this report.
- Comparing FY 2017 with FY 2016, the results of business-type activities produced an increase in net position of \$2.7 million, while in FY 2016 net position increased by \$9.4 million. We discuss key changes in net position later in this report.
- As of December 31, 2017 and 2016, the City's governmental funds reported combined ending fund balances of \$2.0 million and \$4.0 million, respectively. Most of this decrease in net position is related to the \$3.4 million transfer from the Economic Development fund to the Payroll Development Authority for the purchase of the Caterpillar building.
- The City's general fund (primary operating fund) reported a total fund balance of \$111,861, a decrease of \$13,710 from the prior year (fund balance).
- The City's loans (debt) decreased \$4.5 million in FY 2017. This was comprised of \$2.2 million in new debt less \$6.7 million in reductions (payments). The City's percentage of loans compared to net position decreased from 13.3% to 10.8%. The other components of long-term debt are discussed in further detail later in this report.

- In April 2017, the City of Thomasville, along with the Cities of Camilla, Cairo and Moultrie, sold their assets related to the cable, internet, telecommunications and telephony to the South Georgia Governmental Services Authority (SGGSA). Community Network Services (CNS) will continue to be the brand these services are provided under. The SGGSA issued \$30 million in bonds and the net bond proceeds were distributed to the four cities. Each City will continue to provide customer service and billing for the cable, internet, telecommunications, and telephony business to their customers. The SGGSA has contracted with the City of Thomasville to provide the day to day management of the systems. As presented below, the net cash proceeds received by the City of Thomasville was \$7,592,790.

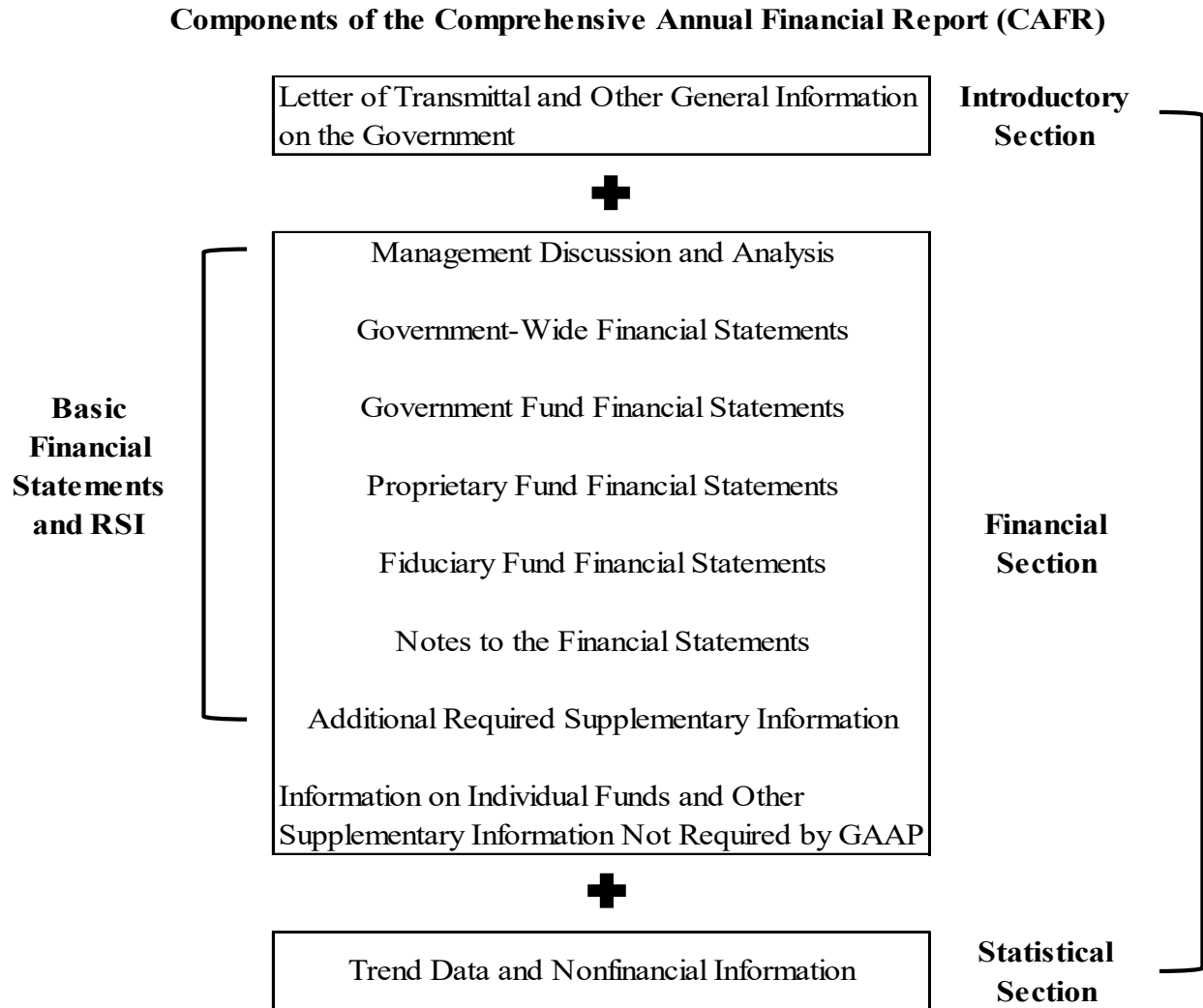
Total proceeds from sale	\$ 14,092,790
SGGSA series 2017B bonds receivable (see note 6)	<u>6,500,000</u>
Net cash received from sale in 2017	\$ 7,592,790

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which include government-wide financial statements, fund financial statements, as well as notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The government-wide financial statements present an overall picture of the City's financial position and results of operations. The fund financial statements present financial information for each of the City's major funds and non-major funds in the aggregate. The notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

The chart below illustrates the components of the CAFR:



### 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. They include a statement of net position and a statement of activities. These statements appear on pages D-1 through D-3 of this report.

The statement of net position presents information on all the City's assets and deferred outflows of resources less its liabilities and deferred inflows of resources at December 31, 2017. The difference between those assets and deferred outflows of resources, and the liabilities and deferred inflows of resources, is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes). The government-wide financial statements distinguish functions of the City that are principally supported by services, 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). The governmental activities of the City include general administration, public safety, highways and streets, economic development and culture and recreation. The business-type activities of the City include the auditorium, airport, cable television system, compressed natural gas, electric system, events center, golf course, landfill, natural gas system, internet services, sanitation operations, telecommunication services, telephony services, and water and sewer system.

The government-wide financial statements include not only the City of Thomasville itself (known as the primary government), but also a Downtown Development Authority (DDA), a Destination Thomasville Tourism Authority (DTTA), a Payroll Development Authority (PDA), and the Thomasville-Thomas County Land Bank Authority (LBA) for which the City is financially accountable, though each entity is legally separate. Financial information for these component units is reported separately from the financial information presented for the primary government.

## **Fund financial statements**

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

- Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 government'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.

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the SPLOST funds, both of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general and SPLOST funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages E1-E3 of this report.

- Proprietary funds. Proprietary funds are those funds where the City charges a fee in order to recover costs. The City maintains two different types of proprietary funds.
  - Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its auditorium, airport, cable television system, compressed natural gas, electric system, events center, golf course, landfill, natural gas system, internet services, sanitation operations, telecommunication services, telephony services and water and sewer system.
  - Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its building and fleet maintenance, customer and marketing services, purchasing services, engineering services, financial services, human resources, self-insurance, and information systems. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for cable television, electric, landfill and water and sewer operations which are considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor business-type and internal service funds are provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages E5-E14 of this report.

- Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages E15-E16 of this report.

## **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages F1-F45 of this report.

## **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages G1-G3 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor proprietary funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages H1-H24 of this report. This section also includes the budget to actual schedules, and statements for major capital project, and internal service funds.

## **Government-wide Financial Analysis**

The City adopted the government-wide financial statement presentation. This reporting structure and measurement focus using accrual accounting for all of the government's activities was mandated by the Government Accounting Standards Board (GASB) in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Comparative data for fiscal years ending December 31, 2017 and 2016 is presented.

The City has over funded its pension which has resulted in a Net Pension Asset as of December 31, 2017. The recording of the deferred inflows, deferred outflows and net pension asset for the City's pension plan positively impacted the City's unrestricted net position. The governmental fund-level statements are not affected by this pronouncement.

## City of Thomasville Net Position (in thousands)

The following is a condensed summary of Net Position compared to the prior year:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 304	\$ 4,543	\$ 90,723	\$ 74,175	\$ 91,027	\$ 78,718
Capital Assets	39,305	38,392	100,478	113,035	139,783	151,427
Total Assets	39,609	42,935	191,201	187,210	230,810	230,145
Deferred Outflows	-	-	1,960	4,052	1,960	4,052
Current Liabilities	2,665	3,843	8,263	9,349	10,928	13,192
Long-Term Liabilities	224	2,368	26,173	27,803	26,397	30,171
Total Liabilities	2,889	6,211	34,436	37,152	37,325	43,363
Deferred Inflows	-	-	2,194	318	2,194	318
Net Position:						
Net Investment in Capital						
Assets	39,239	36,957	79,587	89,024	118,826	125,981
Restricted	4,627	5,466	38,442	35,662	43,069	41,128
Unrestricted	(7,147)	(5,699)	38,501	29,107	31,354	23,408
Total Net Position	\$ 36,719	\$ 36,724	\$ 156,530	\$ 153,793	\$ 193,249	\$ 190,517

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Thomasville, the net position was \$193.2 million at the close of the most recent fiscal year.

By far the largest portion of the City's net position (61%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position (23%) represents resources that are subject to external restrictions on how they may be used. The remaining balance or (16%) represents the net position which may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Thomasville is able to report positive balances in all three categories of net position for the government as a whole, as well as for its separate governmental and business-type activities, with the exception of the unrestricted net position category of its governmental activities. The net position of governmental activities, inclusive of the aforementioned deficit balance, totaled \$36.7 million, at December 31, 2017.

The City of Thomasville experienced an increase of \$1.9 million in restricted net position primarily due to an increase in the restricted for capital expansion for the City's business related activities.

### **Comparison of Current Assets and Liabilities (in thousands)**

A comparison of current assets to current liabilities for both governmental and business-type activities can be a good indication of the City's ability to meet its current and existing operational responsibilities. The ratios for the current and prior fiscal years are as follows:

	Government-Wide	
	2017	2016
Current Assets	\$ 91,027	\$ 78,718
Current Liabilities	\$ 10,928	\$ 13,192
Ratio of Current Assets to Current Liabilities	8.33	5.97

The schedule above reflects an increase in the current ratio. This also demonstrates that the City has more than adequate cash flows.

## City of Thomasville Net Position (in thousands)

The City of Thomasville's net position increased \$2.7 million during the current fiscal year. The governmental activities remained approximately the same and the City's business-type activities increased by \$2.7 million.

The table below summarizes the changes in net position for the current and previous year.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Charges for Services	\$ 859	\$ 625	\$ 98,397	\$ 109,356	\$ 99,256	\$ 109,981
Operating Grants and Contributions	147	181	-	-	147	181
Capital Grants and Contributions	4,093	3,932	-	-	4,093	3,932
<b>General Revenues:</b>						
Taxes - General	869	896			869	896
Other Taxes	5,941	5,896			5,941	5,896
Other	334	252	1,281	3,829	1,615	4,081
Total Revenues	12,243	11,782	99,678	113,185	111,921	124,967
<b>Expenses:</b>						
General Government	2,804	2,514			2,804	2,514
Public Safety	10,731	10,638			10,731	10,638
Highways and Streets	4,183	3,700			4,183	3,700
Economic Environment	5,166	1,584			5,166	1,584
Culture and Recreation	1,156	1,192			1,156	1,192
Interest on Long Term Debt	19	9			19	9
Auditorium			373	352	373	352
Airport			2,006	1,846	2,006	1,846
Community Network Services			5,724	9,788	5,724	9,788
Compressed Natural Gas			305	241	305	241
Electric			50,378	52,179	50,378	52,179
Events Center			102	82	102	82
Golf Course			982	980	982	980
Landfill			3,019	2,940	3,019	2,940
Natural Gas			3,596	3,400	3,596	3,400
Rose.net			2,071	3,790	2,071	3,790
Sanitation			4,984	5,123	4,984	5,123
Telecommunications			559	945	559	945
Telephony			1,251	2,278	1,251	2,278
Water and Sewer			9,780	9,695	9,780	9,695
Total Expenses	24,059	19,637	85,130	93,639	109,189	113,276
Change in Net Position before transfers	(11,816)	(7,855)	14,548	19,546	2,732	11,691
Transfers	11,811	10,193	(11,811)	(10,193)	-	-
Change in Net Position	(5)	2,338	2,737	9,353	2,732	11,691
Net Position - Beginning of Year	36,724	34,386	153,793	144,440	190,517	178,826
Net Position - End of Year	\$ 36,719	\$ 36,724	\$ 156,530	\$ 153,793	\$ 193,249	\$ 190,517

**Governmental activities.** For FY 2017 net position of the governmental activities remained approximately the same, compared to an increase of \$2.3 million in FY 2016. The highlights for governmental activity revenue and expenses are as follows:

#### Revenues

- Taxes (general, sales and other) remained stable.
- Transfers from the business-type funds to the governmental funds was \$11.8 million in FY 2017, an increase of \$1.6 million or 15.9% when compared to FY 2016.

#### Expenses

- Operational expenses for governmental activities (excluding depreciation expense) increased by \$4.1 million or 24.7%. The detailed increase by function was as follows:

	2017	2016	Difference
General administration	\$ 2,653,140	\$ 2,273,629	379,511
Public safety	9,473,115	9,533,367	(60,252)
Highways and streets	2,909,023	2,580,584	328,439
Economic development	4,664,773	1,143,470	3,521,303
Culture and recreation	1,156,402	1,191,831	(35,429)

- In FY2017, the City transferred \$3.4 million to the Payroll Development Authority to purchase the Caterpillar building, which accounts for 82% of the increase.
- The remaining increase was the net result of various other items.

The graph below represents a comparison of program revenues to program expenses for governmental activities for fiscal year 2017. It is apparent from this graph that general revenues (taxes and transfers from utilities) were required to cover expenses for most functions.

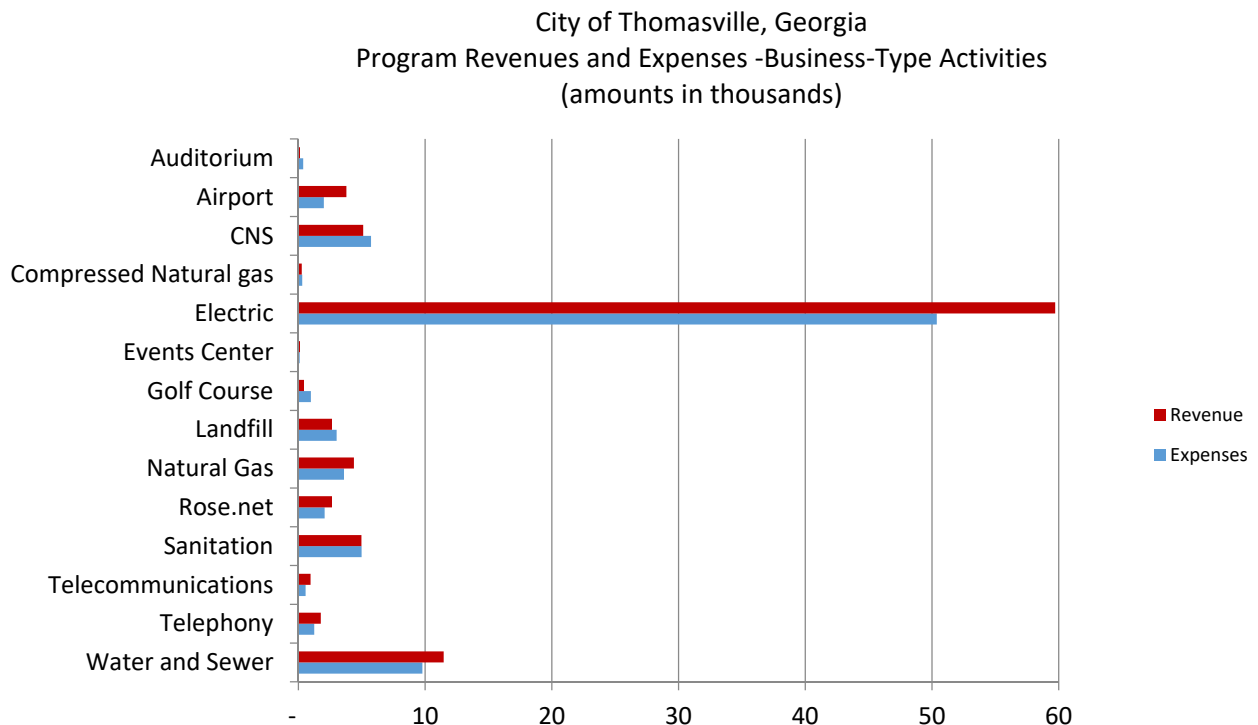


The largest revenue sources for governmental activities in FY 2017 are transfers from utilities which totaled \$11.8 million or 49% of total governmental activity resources. The second largest revenue source is taxes (general taxes, sales taxes, etc.) which totaled \$6.8 million or 28% of total governmental activity revenues. The third largest revenue source was capital grants and SPLOST proceeds in the amount of \$4.1 million, representing 17% of the governmental activity revenues.

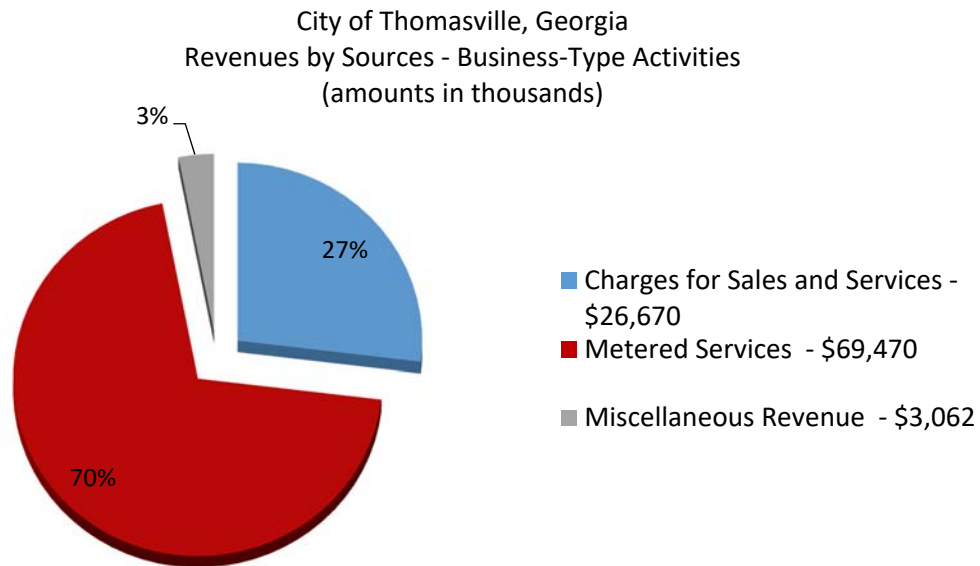
**Business-type activities.** The purpose of proprietary funds is to recover the majority of costs incurred in providing a service through user fees and charges for that service. For FY 2017 net position of the business type activities increased by \$2.7 million, compared to an increase of \$9.4 million in FY 2016. Net income from the business-type activities is used to fund the general government activities.

The following business-type activities had a net income from operations (including internal service fund allocations) as shown in the program revenues and expenses chart below:

- Electric had a net income before transfers of \$9.4 million
- Water and Sewer had a net income before transfers of \$1.7 million
- Community Network Services (CNS) had a net loss before transfers of \$617,953
- Landfill had a net loss before transfers of \$364,961
- Rose.net had a net income before transfers of \$580,867
- Telephony had a net income before transfers of \$510,937
- Natural Gas had a net income before transfers of \$787,701
- Telecommunications had a net income before transfers of \$392,494
- Sanitation had a net loss before transfers of \$15,624
- Compressed Natural Gas has a net loss before transfers of \$37,553



The majority of the revenues from business-type activities are from metered sales as shown in the chart below.



### Financial Analysis of the Government's Funds

As noted earlier, the City of Thomasville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2.0 million, a decrease of \$2.0 million in comparison with the prior year. The restricted fund balance is \$4.5 million, which is not available for new spending because it has already been committed for a variety of restricted purposes.

The General Fund is the chief operating fund of the City. At December 31, 2017, the total fund balance in the General Fund was \$111,861. The unassigned portion of the General Fund balance was \$18,558 or 16.6% of the total fund balance. General fund revenues increased by \$462,011. General fund expenditures increased by \$1,398,225 mainly due to early repayments of debt.

The SPLOST fund balance increased by \$912,297 during 2017. This fund balance fluctuates based on the level current SPLOST funded projects.

The consolidated fund balances of the other non-major governmental funds decreased by \$2.9 million during the current year mainly due to the transfer of funds from the Economic Development fund.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the enterprise funds at the end of the year amounted to \$35.2 million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

### Budgetary Highlights

A schedule comparing the original to the final budget and the variance from the final budget to the actual results is included on page E-4 for the General Fund. Any budget amendments are approved by the City Council.

### Capital Asset and Debt Administration

**Capital assets.** The City's financial statements present capital assets in two categories: those assets subject to depreciation, such as buildings, infrastructure, and equipment and those not subject to depreciation such as land and construction in progress. At December 31, 2017, the City had \$139.7 million invested in a variety of capital assets, as reflected in the following schedule, which represents a net decrease (additions less retirements and depreciation) of \$11.6 million or 7.6% from the end of last year.

#### City of Thomasville, Georgia's Capital Assets (net of depreciation, in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 1,512	\$ 1,512	\$ 1,649	\$ 1,649	\$ 3,161	\$ 3,161
Construction In Prog.	-	567	2,829	2,401	2,829	2,968
Buildings	4,935	4,036	14,928	13,310	19,863	17,346
Equipment	3,840	4,968	13,319	18,095	17,159	23,063
Infrastructure	29,018	27,309	67,752	77,580	96,770	104,889
<b>Total</b>	<b>\$ 39,305</b>	<b>\$ 38,392</b>	<b>\$ 100,477</b>	<b>\$ 113,035</b>	<b>\$ 139,782</b>	<b>\$ 151,427</b>

Major capital asset events during the current fiscal year included the following:

Additions

- Completed construction of new amphitheater and auditorium improvements \$3.0 million
- Remodeled engineering building \$871,064
- New airport corporate hanger \$1.2 million
- New police vehicles and related equipment \$426,025
- SPLOST funds were used for the following capital projects:
  - Street paving, resurfacing, and sidewalks at a cost of \$1.6 million
  - Infrastructure at Red Hills Business Park at a cost of \$589,705
  - Upgrade the digital radio system at a cost of \$270,826
  - Multi-use trail and recreation projects at a cost of \$188,561
- GEFA revolving loan proceeds were used to fund water and sewer infrastructure projects at a total cost of \$1.9 million
- Dumpsters were purchased in the sanitation fund at a total cost of \$377,677

Reductions

- Sale of capital assets (\$13 million, net of depreciation) related to the cable, internet, telecommunications and telephony to the South Georgia Governmental Services Authority (SGGSA)
- Demolished Rose building \$1.9 million

Additional information on the City's capital assets can be found in Note 7 on page F-16 of this report.

**Long-term obligations**

At December 31, 2017, the City had long-term obligations in the amount of \$26.4 million. This amount is mainly comprised of Georgia Environmental Finance Authority (GEFA) loans secured by pledged of revenues. The City has no general obligation bonds.

Additions to long-term debt consisted of the following:

- GEFA Loans 2017 - \$1.9 million
- Increases to accrued compensated absences - \$136,427
- Increases in the City's landfill closure and post closure liability - \$144,255

Retirements of long-term debt amounted to \$6.7 million. This includes additional principal payments made on GEFA loans and GMA notes. See Note 11 for additional detail.

## **Economic Factors and Next Year's Budgets and Rates**

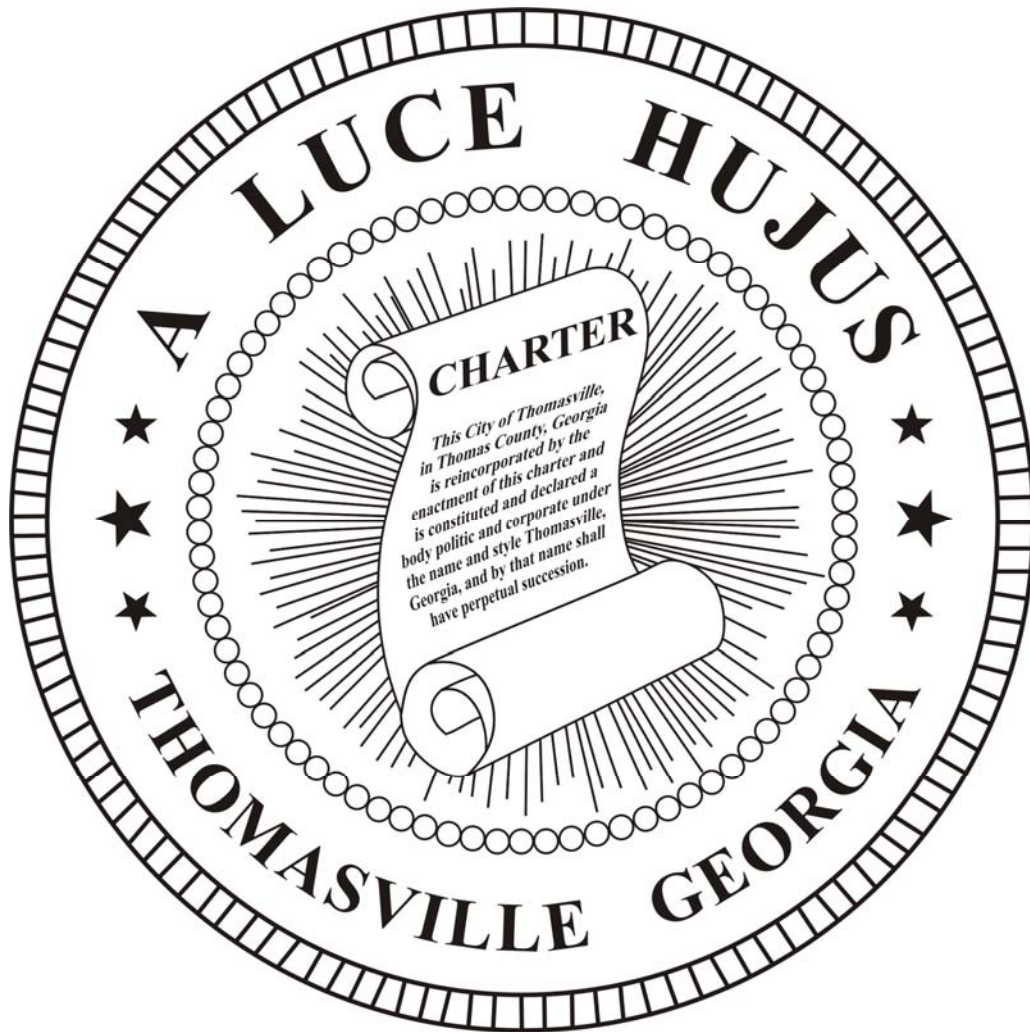
The unemployment rate for the City of Thomasville was 4.9% compared to the 5.9% figure reported during the previous year. The City's unemployment rate is slightly higher than the state's average of 4.5% and the national average of 4.1% as of December 2017.

The City is continuing its efforts to ensure the rate structures for its business-type activities are sufficient to cover the cost of providing those services to customers. This ongoing analysis and the resulting actions of the City will ensure these enterprise funds can continue to transfer resources to the general fund as needed.

## **Requests for Information**

This financial report is designed to provide a general overview of the City of Thomasville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Thomasville, Chief Financial Officer, P.O. Box 1540, Thomasville, GA 31799.

# Basic Financial Statements



**CITY OF THOMASVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
<b>ASSETS</b>				
Cash	\$ 570,927	\$ 35,992,164	\$ 36,563,091	\$ 708,153
Investments	-	11,852,197	11,852,197	-
Receivables, net of allowance for uncollectibles	2,131,921	13,946,379	16,078,300	-
Interest receivable	19,787	129,675	149,462	-
Intergovernmental receivable	509,161	1,269,045	1,778,206	155,789
Internal balances	(7,700,707)	7,700,707	-	-
Inventories	96,411	3,102,890	3,199,301	-
Prepaid items	304,320	160,534	464,854	5,151
Investment in SGGSA	-	1,308,868	1,308,868	-
SGGSA Bonds receivable	-	6,500,000	6,500,000	-
Restricted assets:				
Cash	4,371,870	-	4,371,870	-
Investments	-	988,367	988,367	-
Net pension asset	-	3,909,609	3,909,609	-
Net OPEB asset	-	3,862,435	3,862,435	-
Capital assets, net of accumulated depreciation:				
Non-depreciable/amortizable	1,512,093	4,478,321	5,990,414	5,305,369
Depreciable/amortizable, net	37,793,268	95,999,212	133,792,480	12,527,978
Total assets	<u>\$ 39,609,051</u>	<u>\$ 191,200,403</u>	<u>\$ 230,809,454</u>	<u>\$ 18,702,440</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to pensions	<u>\$ -</u>	<u>\$ 1,959,915</u>	<u>\$ 1,959,915</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	\$ 997,863	\$ 6,183,529	\$ 7,181,392	\$ 344,856
Intergovernmental	624,625	-	624,625	1,689,177
Customer deposits	-	1,583,793	1,583,793	-
Accrued and other liabilities	706,171	495,436	1,201,607	-
Claims payable	336,791	-	336,791	-
Noncurrent liabilities:				
Due within one year	62,521	1,240,118	1,302,639	2,256,630
Due in more than one year	161,889	24,933,089	25,094,978	7,025,000
Total liabilities	<u>2,889,860</u>	<u>34,435,965</u>	<u>37,325,825</u>	<u>11,315,663</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to pensions	<u>-</u>	<u>2,194,021</u>	<u>2,194,021</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	39,239,253	79,586,938	118,826,191	8,458,809
Restricted for:				
Utility projects	-	1,260,101	1,260,101	-
Highways and streets	4,527,128	-	4,527,128	-
Capital expansion	-	37,182,353	37,182,353	-
Other purposes	100,243	-	100,243	-
Unrestricted	(7,147,433)	38,500,940	31,353,507	(1,072,032)
Total net position	<u>\$ 36,719,191</u>	<u>\$ 156,530,332</u>	<u>\$ 193,249,523</u>	<u>\$ 7,386,777</u>

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

**CITY OF THOMASVILLE, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General administration	\$ 2,803,548	\$ 48,753	\$ 146,405	\$ -
Public safety	10,730,909	491,819	-	-
Highways and streets	4,183,184	312,600	-	4,092,898
Economic development	5,166,208	6,215	-	-
Culture and recreation	1,156,190	-	-	-
Interest on long-term debt	18,875	-	-	-
Total governmental activities	24,058,914	859,387	146,405	4,092,898
Business-type activities:				
Auditorium	373,237	117,177	-	-
Airport	2,006,339	3,778,731	-	-
Community Network Services	5,723,770	5,105,817	-	-
Compressed Natural Gas	304,939	267,386	-	-
Electric	50,378,135	59,731,022	-	-
Events Center	101,672	125,960	-	-
Golf course	981,845	442,930	-	-
Landfill	3,018,444	2,653,483	-	-
Natural gas	3,595,833	4,383,534	-	-
Rose.net	2,070,926	2,651,793	-	-
Sanitation	4,984,027	4,968,403	-	-
Telecommunications	559,363	951,857	-	-
Telephony	1,250,641	1,761,578	-	-
Water and sewer	9,780,041	11,457,544	-	-
Total business-type activities	85,129,212	98,397,215	-	-
Total primary government	\$ 109,188,126	\$ 99,256,602	\$ 146,405	\$ 4,092,898
Component units:				
Downtown Development Authority	\$ 896,586	\$ 1,049,918	\$ -	\$ -
Destination Thomasville Tourism Authority	428,023	-	468,454	-
Payroll Development Authority	445,493	524,920	186,777	3,400,000
Thomasville-Thomas County Land Bank Authority	17,076	-	415	19,743
Total component units	\$ 1,787,178	\$ 1,574,838	\$ 655,646	\$ 3,419,743

General revenues:

  Taxes:

    Taxes, general

    Sales taxes, general

    Sales taxes, selective

    Business taxes

    Penalties and interest on delinquent taxes

  Unrestricted investment earnings

  Municipal Competitive Trust Contributions

  Loss on sale of capital assets

  Miscellaneous revenue

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

*The notes to the financial statements are an integral part of this statement.*

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
Governmental Activities	Business-Type Activities	Total	Component Units	
\$ (2,608,390)	\$ -	\$ (2,608,390)	\$ -	-
(10,239,090)	-	(10,239,090)	-	-
222,314	-	222,314	-	-
(5,159,993)	-	(5,159,993)	-	-
(1,156,190)	-	(1,156,190)	-	-
(18,875)	-	(18,875)	-	-
(18,960,224)	-	(18,960,224)	-	-
-	(256,060)	(256,060)	-	-
-	1,772,392	1,772,392	-	-
-	(617,953)	(617,953)	-	-
-	(37,553)	(37,553)	-	-
-	9,352,887	9,352,887	-	-
-	24,288	24,288	-	-
-	(538,915)	(538,915)	-	-
-	(364,961)	(364,961)	-	-
-	787,701	787,701	-	-
-	580,867	580,867	-	-
-	(15,624)	(15,624)	-	-
-	392,494	392,494	-	-
-	510,937	510,937	-	-
-	1,677,503	1,677,503	-	-
-	13,268,003	13,268,003	-	-
(18,960,224)	13,268,003	(5,692,221)	-	-
			153,332	
			40,431	
			3,666,204	
			3,082	
			3,863,049	
869,359	-	869,359	-	-
2,856,014	-	2,856,014	-	-
862,730	-	862,730	-	-
1,990,075	-	1,990,075	-	-
232,258	-	232,258	-	-
2,759	443,026	445,785	1,236	-
-	2,148,159	2,148,159	-	-
(178,970)	(2,056,036)	(2,235,006)	-	-
510,048	745,392	1,255,440	-	-
11,811,179	(11,811,179)	-	-	-
18,955,452	(10,530,638)	8,424,814	1,236	-
(4,772)	2,737,365	2,732,593	3,864,285	-
36,723,963	153,792,967	190,516,930	3,522,492	-
\$ 36,719,191	\$ 156,530,332	\$ 193,249,523	\$ 7,386,777	-

**CITY OF THOMASVILLE, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2017**

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 569,477	\$ 4,371,870	\$ 200	\$ 4,941,547
Accounts receivable	127,365	281,987	-	409,352
Taxes receivable	49,594	103,801	-	153,395
Notes receivable	16,527	-	30,070	46,597
Interest receivable	9,938	-	9,849	19,787
Intergovernmental receivable	509,161	-	-	509,161
Due from other funds	20,080,067	-	56,105	20,136,172
Prepaid items	93,303	-	6,940	100,243
Total assets	<u>\$ 21,455,432</u>	<u>\$ 4,757,658</u>	<u>\$ 103,164</u>	<u>\$ 26,316,254</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 344,394	\$ 309,972	\$ 10,298	\$ 664,664
Intergovernmental payable	624,625	-	-	624,625
Due to other funds	19,949,671	-	2,669,779	22,619,450
Accrued and other liabilities	424,881	-	3,259	428,140
Total liabilities	<u>21,343,571</u>	<u>309,972</u>	<u>2,683,336</u>	<u>24,336,879</u>
<b>FUND BALANCES</b>				
Nonspendable	93,303	-	6,940	100,243
Restricted	-	4,447,686	79,442	4,527,128
Unassigned	18,558	-	(2,666,554)	(2,647,996)
Total fund balances	<u>111,861</u>	<u>4,447,686</u>	<u>(2,580,172)</u>	<u>1,979,375</u>
Total liabilities and fund balances	<u>\$ 21,455,432</u>	<u>\$ 4,757,658</u>	<u>\$ 103,164</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	35,632,236
Internal service funds are used by management to charge the internal costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(759,678)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(132,742)
Net position of governmental activities	<u>\$ 36,719,191</u>

**CITY OF THOMASVILLE, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes, general	\$ 869,359	\$ -	\$ -	\$ 869,359
Sales taxes, general	1,406,548	-	1,449,466	2,856,014
Sales taxes, selective	467,343	-	395,387	862,730
Business taxes	1,990,075	-	-	1,990,075
Licenses, permits and fees	238,887	-	-	238,887
Penalties and interest on delinquent taxes	232,258	-	-	232,258
Intergovernmental	101,502	3,783,792	354,009	4,239,303
Charges for services	333,287	-	-	333,287
Fines and forfeitures	287,213	-	-	287,213
Investment earnings	1,422	800	537	2,759
Miscellaneous revenue	372,394	137,654	-	510,048
Total revenues	6,300,288	3,922,246	2,199,399	12,421,933
EXPENDITURES				
Current:				
General administration	2,653,140	-	-	2,653,140
Public safety	9,442,548	-	30,567	9,473,115
Highways and streets	2,640,523	268,500	-	2,909,023
Economic development	869,386	-	3,795,387	4,664,773
Culture and recreation	-	-	1,156,190	1,156,190
Debt service:				
Principal	1,337,999	-	12,218	1,350,217
Interest	18,118	-	757	18,875
Capital outlay:				
General administration	59,810	-	-	59,810
Public safety	536,756	270,826	-	807,582
Highways and streets	105,632	1,687,143	208,220	2,000,995
Economic development	46,500	589,705	100,886	737,091
Culture and recreation	-	407,921	7,084	415,005
Total expenditures	17,710,412	3,224,095	5,311,309	26,245,816
Excess (deficiency) of revenues over expenditures	(11,410,124)	698,151	(3,111,910)	(13,823,883)
OTHER FINANCING SOURCES (USES)				
Debt issuance	10,197	-	-	10,197
Transfers in	11,698,373	214,146	578,040	12,490,559
Transfers out	(312,156)	-	(367,224)	(679,380)
Total other financing sources	11,396,414	214,146	210,816	11,821,376
Net change in fund balances	(13,710)	912,297	(2,901,094)	(2,002,507)
Fund balances, beginning	125,571	3,535,389	320,922	3,981,882
Fund balances, ending	\$ 111,861	\$ 4,447,686	\$ (2,580,172)	\$ 1,979,375

**CITY OF THOMASVILLE, 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, 2017**

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

Net change in fund balances--total governmental funds	\$ (2,002,507)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	4,020,483	
Depreciation expense	(3,260,308)	
Loss on Disposal of Fixed Assets	(178,970)	581,205

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds of long-term debt	(10,197)	
Repayment of long-term debt	1,350,217	1,340,020

Compensated absences are reported in the government-wide statement of activities, but do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	6,738
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The net revenue of certain activities of internal service funds is reported within governmental activities.	69,772
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Change in net position of governmental activities	\$ (4,772)
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**CITY OF THOMASVILLE, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes, general	\$ 866,550	\$ 866,550	\$ 869,359	\$ 2,809
Sales taxes, general	1,600,000	1,600,000	1,406,548	(193,452)
Sales taxes, selective	435,000	435,000	467,343	32,343
Business taxes	1,800,000	1,800,000	1,990,075	190,075
Licenses, permits and fees	237,575	237,575	238,887	1,312
Penalties and interest on delinquent taxes	172,000	172,000	232,258	60,258
Intergovernmental	155,500	155,500	101,502	(53,998)
Charges for services	360,700	360,700	333,287	(27,413)
Fines and forfeitures	350,000	350,000	287,213	(62,787)
Investment earnings	450	450	1,422	972
Miscellaneous revenue	140,500	196,291	372,394	176,103
Total revenues	6,118,275	6,174,066	6,300,288	126,222
EXPENDITURES				
Current:				
General administration:				
Council	365,225	389,404	389,404	-
Manager/ Assistant Manager	402,280	569,117	569,117	-
Clerk	110,624	143,291	143,291	-
Risk management	94,801	94,801	93,198	1,603
Planning and zoning	1,482,787	1,517,940	1,517,940	-
Total general administration	2,455,717	2,714,553	2,712,950	1,603
Public safety:				
Police	6,599,101	6,322,000	6,322,000	-
Fire	3,601,513	3,657,304	3,657,304	-
Total public safety	10,200,614	9,979,304	9,979,304	-
Highways and streets:				
Maintenance	2,876,392	2,746,155	2,746,155	-
Economic development:				
Main Street	877,607	932,511	915,886	16,625
Debt service:				
Principal	314,300	1,338,018	1,337,999	19
Interest	9,694	18,118	18,118	-
Total debt service	323,994	1,356,136	1,356,117	19
Total expenditures	16,734,324	17,728,659	17,710,412	18,247
Excess (deficiency) of revenues over expenditures	(10,616,049)	(11,554,593)	(11,410,124)	144,469
OTHER FINANCING SOURCES (USES)				
Debt issuance	654,676	654,676	10,197	(644,479)
Transfers in	10,281,944	11,511,944	11,698,373	186,429
Transfers out	(315,000)	(315,000)	(312,156)	2,844
Total other financing sources (uses)	10,621,620	11,851,620	11,396,414	(455,206)
Net change in fund balances	5,571	297,027	(13,710)	(310,737)
Fund balances, beginning	125,571	125,571	125,571	-
Fund balances, ending	\$ 131,142	\$ 422,598	\$ 111,861	\$ (310,737)

**CITY OF THOMASVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2017**

	Business-Type Activities - Enterprise Funds		
	Community Network Services	Electric	Landfill
<b>ASSETS</b>			
Current:			
Cash	\$ 7,053,551	\$ 23,778,085	\$ 5,160,015
Investments	-	9,728,557	2,121,203
Accounts receivable	559,009	8,987,307	431,210
Intergovernmental receivable	236,610	1,032,435	-
Interest receivable	129,675	-	-
Due from other funds	-	46,602,243	106,980
Inventories	3,700	1,346,522	-
Prepaid items	4,968	100,270	6,480
Total current assets	<u>7,987,513</u>	<u>91,575,419</u>	<u>7,825,888</u>
Noncurrent:			
Net pension asset	-	3,909,609	-
Net OPEB asset	-	3,862,435	-
Investment in SGGSA	1,308,868	-	-
SGGSA bonds receivable	6,500,000	-	-
Restricted assets:			
Investments	-	988,367	-
Total restricted assets	<u>7,808,868</u>	<u>8,760,411</u>	<u>-</u>
Capital assets:			
Land and land improvements	-	156,156	-
Buildings	10,807	3,917,859	692,190
Machinery and equipment	-	2,096,790	5,401,635
Infrastructure	-	22,869,727	10,840,426
Construction in progress	-	-	41,916
Less accumulated depreciation	<u>(2,810)</u>	<u>(13,228,184)</u>	<u>(8,086,938)</u>
Total capital assets (net of accumulated depreciation)	<u>7,997</u>	<u>15,812,348</u>	<u>8,889,229</u>
Total noncurrent assets	<u>7,816,865</u>	<u>24,572,759</u>	<u>8,889,229</u>
Total assets	<u>\$ 15,804,378</u>	<u>\$ 116,148,178</u>	<u>\$ 16,715,117</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	<u>\$ -</u>	<u>\$ 1,959,915</u>	<u>\$ -</u>

*The notes to the financial statements are an integral part of this statement.*

Water and Sewer	Nonmajor Business-Type Activities	Total	Governmental Activities-Internal Service Funds
\$ -	\$ 513	\$ 35,992,164	\$ 1,250
2,437	-	11,852,197	-
1,495,741	2,473,112	13,946,379	1,522,577
-	-	1,269,045	-
-	-	129,675	-
33,852	6,048,376	52,791,451	1,743,619
322,364	1,430,304	3,102,890	96,411
19,586	29,230	160,534	204,077
1,873,980	9,981,535	119,244,335	3,567,934
-	-	3,909,609	-
-	-	3,862,435	-
-	-	1,308,868	-
-	-	6,500,000	-
-	-	988,367	-
-	-	16,569,279	-
135,690	1,357,053	1,648,899	-
2,624,289	13,473,848	20,718,993	3,141,627
16,582,390	9,830,040	33,910,855	7,731,234
54,825,454	14,956,367	103,491,974	-
-	2,787,506	2,829,422	-
(22,427,455)	(18,377,223)	(62,122,610)	(7,199,736)
51,740,368	24,027,591	100,477,533	3,673,125
51,740,368	24,027,591	117,046,812	3,673,125
\$ 53,614,348	\$ 34,009,126	\$ 236,291,147	\$ 7,241,059
\$ -	\$ -	\$ 1,959,915	\$ -

(Continued)

**CITY OF THOMASVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2017**

	Business-Type Activities - Enterprise Funds		
	Community Network Services	Electric	Landfill
<b>LIABILITIES</b>			
Current:			
Accounts payable	\$ 797,397	\$ 3,041,223	\$ 382,678
Sales tax payable	2,205	242,476	-
Customer deposits	-	1,567,186	-
Due to other funds	10,334,708	7,319,140	223,919
Accrued liabilities	87,518	78,335	9,947
Claims payable	-	-	-
Current portion of accrued landfill closure costs	-	-	80,807
Accrued compensated absences	-	2,475	1,644
Current portion of long-term debt	5,099	228,020	-
Total current liabilities	<u>11,226,927</u>	<u>12,478,855</u>	<u>698,995</u>
Noncurrent:			
Accrued compensated absences	-	9,900	6,575
Accrued landfill closure costs	-	-	5,105,503
Net OPEB obligation	-	-	-
Notes payable, less current portion	-	398,363	-
Total noncurrent liabilities	<u>-</u>	<u>408,263</u>	<u>5,112,078</u>
Total liabilities	<u>11,226,927</u>	<u>12,887,118</u>	<u>5,811,073</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	<u>-</u>	<u>2,194,021</u>	<u>-</u>
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	2,898	15,185,965	8,889,229
Restricted for gas renewal	-	-	-
Restricted for capital expansion	-	37,182,353	-
Unrestricted	4,574,553	50,658,636	2,014,815
Total net position (deficit)	<u>\$ 4,577,451</u>	<u>\$ 103,026,954</u>	<u>\$ 10,904,044</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds  
Net position of business-type activities

*The notes to the financial statements are an integral part of this statement.*

Water and Sewer	Nonmajor Business-Type Activities	Total	Governmental Activities-Internal Service Funds
\$ 175,573	\$ 1,520,325	\$ 5,917,196	\$ 333,199
-	21,652	266,333	-
-	16,607	1,583,793	-
8,901,885	21,615,727	48,395,379	3,656,413
91,523	228,113	495,436	278,031
-	-	-	336,791
-	-	80,807	-
9,645	5,497	19,261	11,706
828,377	78,554	1,140,050	18,642
<u>10,007,003</u>	<u>23,486,475</u>	<u>57,898,255</u>	<u>4,634,782</u>
38,580	21,986	77,041	46,820
-	-	5,105,503	-
-	-	-	-
19,352,182	-	19,750,545	14,500
<u>19,390,762</u>	<u>21,986</u>	<u>24,933,089</u>	<u>61,320</u>
<u>29,397,765</u>	<u>23,508,461</u>	<u>82,831,344</u>	<u>4,696,102</u>
-	-	2,194,021	-
31,559,809	23,949,037	79,586,938	3,639,983
-	1,260,101	1,260,101	-
-	-	37,182,353	-
(7,343,226)	(14,708,473)	35,196,305	(1,095,026)
<u>\$ 24,216,583</u>	<u>\$ 10,500,665</u>	<u>153,225,697</u>	<u>\$ 2,544,957</u>

3,304,635  
\$ 156,530,332

**CITY OF THOMASVILLE, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Business-Type Activities - Enterprise Funds		
	Community Network Services	Electric	Landfill
Operating revenues:			
Charges for sales and services	\$ 5,105,817	\$ 4,901,698	\$ 2,653,483
Intergovernmental	-	-	-
Metered sales	-	54,829,324	-
Miscellaneous revenue	53,851	357,252	-
Total operating revenues	5,159,668	60,088,274	2,653,483
Operating expenses:			
Personal services	1,507,492	4,054,825	371,171
Contracted services	267,365	1,476,807	905,279
Cost of sales	2,064,730	40,421,851	-
Supplies	45,933	368,320	128,962
Interfund charges	1,262,658	2,237,194	790,096
Depreciation/amortization	385,837	1,477,154	744,752
Other costs	208,499	375,062	93,423
Total operating expenses	5,742,514	50,411,213	3,033,683
Operating income (loss)	(582,846)	9,677,061	(380,200)
Non-operating revenues (expenses):			
Gain (loss) on sale of capital assets	(149,244)	3,325	61,750
Investment earnings	230,053	189,430	22,632
Municipal Competitive Trust contributions	-	2,148,159	-
Interest expense	(185)	(461)	-
Total non-operating revenues (expenses)	80,624	2,340,453	84,382
Income (loss) before transfers	(502,222)	12,017,514	(295,818)
Transfers in	6,511,000	-	-
Transfers out	(145,000)	(9,544,366)	(206,429)
Change in net position	5,863,778	2,473,148	(502,247)
Net position, beginning	(1,286,327)	100,553,806	11,406,291
Net position, ending	\$ 4,577,451	\$ 103,026,954	\$ 10,904,044
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			
Change in net position of business-type activities			

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

Water and Sewer	Nonmajor Business-Type Activities	Total	Governmental Activities - Internal Service Funds
\$ 431,469	\$ 13,577,347	\$ 26,669,814	\$ 20,378,837
280,896	1,976,657	2,257,553	-
10,745,179	3,895,345	69,469,848	-
84,549	249,740	745,392	26,142
11,542,093	19,699,089	99,142,607	20,404,979
1,595,455	2,638,337	10,167,280	7,152,484
1,154,029	1,837,080	5,640,560	1,086,882
-	3,978,478	46,465,059	1,293,739
1,481,002	729,335	2,753,552	420,185
2,401,287	3,381,343	10,072,578	2,231,718
2,149,813	1,886,312	6,643,868	430,573
565,364	1,815,884	3,058,232	7,558,961
9,346,950	16,266,769	84,801,129	20,174,542
2,195,143	3,432,320	14,341,478	230,437
238	(1,972,105)	(2,056,036)	(11,882)
614	297	443,026	147
-	-	2,148,159	-
(469,090)	(6,308)	(476,044)	(969)
(468,238)	(1,978,116)	59,105	(12,704)
1,726,905	1,454,204	14,400,583	217,733
216,457	257,400	6,984,857	1,385,105
(1,055,620)	(9,223,957)	(20,175,372)	(5,769)
887,742	(7,512,353)	1,210,068	1,597,069
23,328,841	18,013,018		947,888
\$ 24,216,583	\$ 10,500,665		\$ 2,544,957
		1,527,297	
		\$ 2,737,365	

**CITY OF THOMASVILLE, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Business-Type Activities - Enterprise Funds		
	Community Network Services	Electric	Landfill
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 5,790,442	\$ 61,412,214	\$ 2,655,665
Receipts from interfund services provided	-	7,319,140	64,235
Payments to suppliers	(2,284,921)	(43,093,416)	(731,389)
Payments to employees	(1,455,557)	(4,921,029)	(369,298)
Payments for interfund services used	(5,887,559)	(16,156,799)	(718,196)
Net cash provided by (used in) operating activities	(3,837,595)	4,560,110	901,017
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer to other funds	(145,000)	(9,544,366)	(206,429)
Advances from other funds	6,511,000	-	-
Net cash provided by (used in) noncapital financing activities	6,366,000	(9,544,366)	(206,429)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from capital debt	-	242,728	-
Purchases of capital assets	(29,213)	(1,383,874)	(309,145)
Proceeds from sale of capital assets	11,007,087	2,794	61,747
Principal paid on capital debt	(5,098)	(266,360)	-
Interest paid on capital debt	(185)	(461)	-
Net cash provided by (used in) capital and related financing activities	10,972,591	(1,405,173)	(247,398)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sales and maturities of investments	-	2,729,125	-
Municipal Competitive Trust contributions	-	2,148,159	-
Purchase of investments	(6,547,823)	-	(8,084)
Interest and dividends received	100,378	189,430	22,632
Net cash provided by (used in) investing activities	(6,447,445)	5,066,714	14,548
Net increase (decrease) in cash and cash equivalents	7,053,551	(1,322,715)	461,738
Cash and cash equivalents, January 1 (including \$10 and \$0 for the electric and water and sewer funds, respectively, reported in restricted accounts)	-	25,100,800	4,698,277
Cash and cash equivalents, December 31	\$ 7,053,551	\$ 23,778,085	\$ 5,160,015

*The notes to the financial statements are an integral part of this statement.*

Water and Sewer	Nonmajor Business-Type Activities	Total	Governmental Activities - Internal Service Funds
\$ 11,266,547	\$ 18,093,003	\$ 99,217,871	\$ -
2,649,903	8,229,808	18,263,086	20,922,359
(3,490,431)	(7,174,123)	(56,774,280)	(10,226,775)
(1,596,911)	(2,642,717)	(10,985,512)	(8,516,267)
(2,426,287)	(4,044,945)	(29,233,786)	(2,754,485)
6,402,821	12,461,026	20,487,379	(575,168)
(1,055,620)	(9,223,957)	(20,175,372)	(5,769)
216,457	257,400	6,984,857	1,385,105
(839,163)	(8,966,557)	(13,190,515)	1,379,336
1,936,268	-	2,178,996	-
(2,184,376)	(5,247,480)	(9,154,088)	(915,975)
50,607	1,889,707	13,011,942	141,468
(4,897,681)	(130,436)	(5,299,575)	(28,839)
(469,090)	(6,307)	(476,043)	(969)
(5,564,272)	(3,494,516)	261,232	(804,315)
-	-	2,729,125	-
-	-	2,148,159	-
-	-	(6,555,907)	-
614	297	313,351	147
614	297	(1,365,272)	147
-	250	6,192,824	-
-	263	29,799,340	1,250
\$ -	\$ 513	\$ 35,992,164	\$ 1,250

(Continued)

**CITY OF THOMASVILLE, GEORGIA**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Business-Type Activities - Enterprise Funds		
	Community Network Services	Electric	Landfill
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (582,846)	\$ 9,677,061	\$ (380,200)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation/Amortization expense	385,837	1,477,154	744,752
(Increase) decrease in accounts receivable	500,805	849,407	2,182
(Increase) decrease in intergovernmental receivables	129,969	287,060	-
(Increase) decrease in due from other funds	1,608,763	(13,919,605)	71,900
(Increase) decrease in inventories	170,333	(102,654)	-
(Increase) decrease in prepaid items	1,598	(72)	1,753
(Increase) decrease in deferred outflow related to pension	-	2,092,416	-
Increase (decrease) in customer deposits	-	187,473	-
Increase (decrease) in net OPEB obligation	-	-	-
Increase (decrease) in accounts payable	129,675	(348,650)	250,268
Increase (decrease) in due to other funds	(6,233,664)	7,319,140	64,235
Increase (decrease) in accrued liabilities	51,935	44,740	443
Increase (decrease) in accrued landfill closure costs	-	-	144,254
Increase (decrease) in deferred inflow related to pension	-	1,875,938	-
Increase (decrease) in net pension liability	-	(1,009,208)	-
Increase (decrease) in net OPEB liability	-	(3,862,435)	-
Increase (decrease) in claims payable	-	-	-
Increase (decrease) in accrued compensated absences	-	(7,655)	1,430
Total adjustments	(3,254,749)	(5,116,951)	1,281,217
Net cash provided by operating activities	\$ (3,837,595)	\$ 4,560,110	\$ 901,017
Noncash investing, capital, and financing activities:			
Change in Investment in Authority	\$ 47,823	\$ -	\$ -

*The notes to the financial statements are an integral part of this statement.*

Water and Sewer	Nonmajor Business-Type Activities	Total	Governmental Activities - Internal Service Funds
\$ 2,195,143	\$ 3,432,320	\$ 14,341,478	\$ 230,437
2,149,813	1,886,312	6,643,868	430,573
5,350	335,710	1,693,454	(51,099)
-	-	417,029	-
(25,000)	3,156,080	(9,107,862)	33,900
3,740	970,016	1,041,435	32,041
(570)	1,220	3,929	27,510
-	-	2,092,416	-
-	-	187,473	-
-	-	-	(1,379,336)
(293,206)	215,418	(46,495)	73,441
2,369,007	2,433,469	5,952,187	134,235
(493)	29,781	126,406	14,077
-	-	144,254	-
-	-	1,875,938	-
-	-	(1,009,208)	-
-	-	(3,862,435)	-
-	-	-	(122,423)
(963)	700	(6,488)	1,476
4,207,678	9,028,706	6,145,901	(805,605)
\$ 6,402,821	\$ 12,461,026	\$ 20,487,379	\$ (575,168)
\$ -	\$ -	\$ 47,823	\$ -

**CITY OF THOMASVILLE, GEORGIA**  
**STATEMENT OF PLAN NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2017**

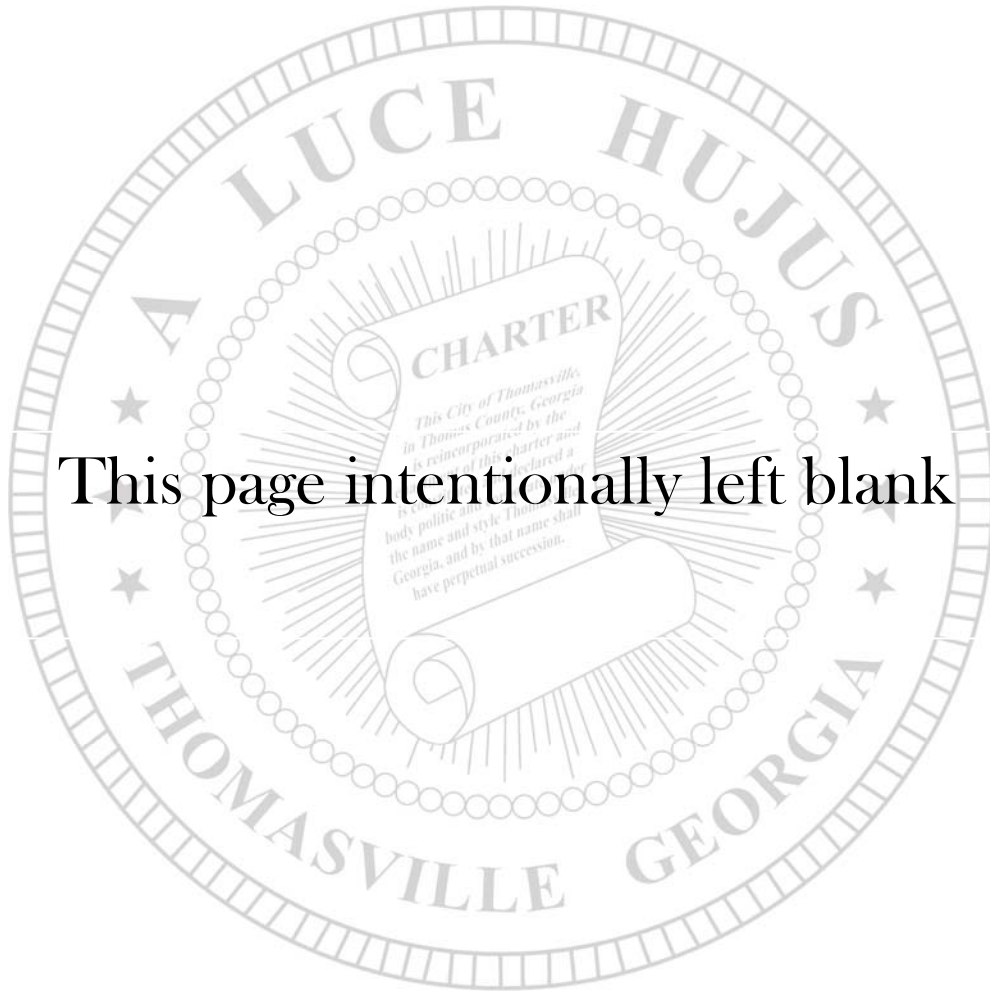
	Public Employees' Retirement System Pension Trust Fund	Public Employees' Other Post Employment Benefits Trust Fund
ASSETS		
Cash	\$ 1,356,038	\$ 2,449,933
Other receivable	17,285	-
Investments, at fair value:		
Common stocks	15,424,200	148,863
Corporate bonds	10,540,660	1,400,000
Alternatives	3,232,245	-
Mutual funds	13,531,147	997,519
Total assets	<u>44,101,575</u>	<u>4,996,315</u>
LIABILITIES		
Accounts payable	<u>6,507</u>	<u>-</u>
Total liabilities	<u>6,507</u>	<u>-</u>
NET POSITION		
Net position restricted for pension	<u>\$ 44,095,068</u>	<u>\$ 4,996,315</u>

**CITY OF THOMASVILLE, GEORGIA**  
**STATEMENT OF CHANGES IN PLAN NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Public Employees' Retirement System Pension Trust Fund	Public Employees' Other Post Employment Benefits Trust Fund
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 285,446	\$ 5,000,000
Plan member	200,781	-
Other revenue	19	-
Total contributions	<u>486,246</u>	<u>5,000,000</u>
Investment earnings:		
Interest/dividends	1,020,385	133
Net increase (decrease) in the fair value of investment	<u>4,011,966</u>	<u>(3,818)</u>
Total investment earnings	5,032,351	(3,685)
Less investment expense	<u>177,036</u>	<u>-</u>
Net investment earnings	4,855,315	(3,685)
Total additions	<u>5,341,561</u>	<u>4,996,315</u>
<b>DEDUCTIONS</b>		
Benefits	2,059,351	-
Refunds of contributions	159,098	-
Administrative expenses	<u>190,768</u>	<u>-</u>
Total deductions	<u>2,409,217</u>	<u>-</u>
Change in net position	<u>2,932,344</u>	<u>4,996,315</u>
Net position, beginning	<u>41,162,724</u>	<u>-</u>
Net position, ending	<u><u>\$ 44,095,068</u></u>	<u><u>\$ 4,996,315</u></u>

**CITY OF THOMASVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**DECEMBER 31, 2017**

	Downtown Development Authority	Destination Thomasville Tourism Authority	Payroll Development Authority	Thomasville- Thomas County Land Bank Authority	Total Component Units
<b>ASSETS</b>					
Cash	\$ 565,199	\$ 132,099	\$ -	\$ 10,855	\$ 708,153
Receivables, net of allowance for uncollectibles	-	-	-	-	-
Prepaid items	3,471	1,615	-	65	5,151
Intergovernmental receivable	2,000	-	153,789	-	155,789
Capital assets, net of accumulated depreciation:					
Land	145,357	-	4,703,463	456,549	5,305,369
Buildings	8,860,063	-	3,407,917	-	12,267,980
Machinery and equipment	-	-	92,908	-	92,908
Infrastructure	167,090	-	-	-	167,090
Total assets	<u>\$ 9,743,180</u>	<u>\$ 133,714</u>	<u>\$ 8,358,077</u>	<u>\$ 467,469</u>	<u>\$ 18,702,440</u>
<b>LIABILITIES</b>					
Accounts payable and other current liabilities	\$ 19,071	\$ 58,958	\$ 266,805	\$ 22	\$ 344,856
Intergovernmental payable	251,719	487,263	950,000	195	1,689,177
Noncurrent liabilities:					
Due within one year	2,256,630	-	-	-	2,256,630
Due in more than one year	7,025,000	-	-	-	7,025,000
Total liabilities	<u>9,552,420</u>	<u>546,221</u>	<u>1,216,805</u>	<u>217</u>	<u>11,315,663</u>
<b>NET POSITION</b>					
Net investment in capital assets	(109,120)	-	8,204,288	456,549	8,458,809
Unrestricted	299,880	(412,507)	(1,063,016)	10,703	(1,072,032)
Total net position	<u>\$ 190,760</u>	<u>\$ (412,507)</u>	<u>\$ 7,141,272</u>	<u>\$ 467,252</u>	<u>\$ 7,386,777</u>



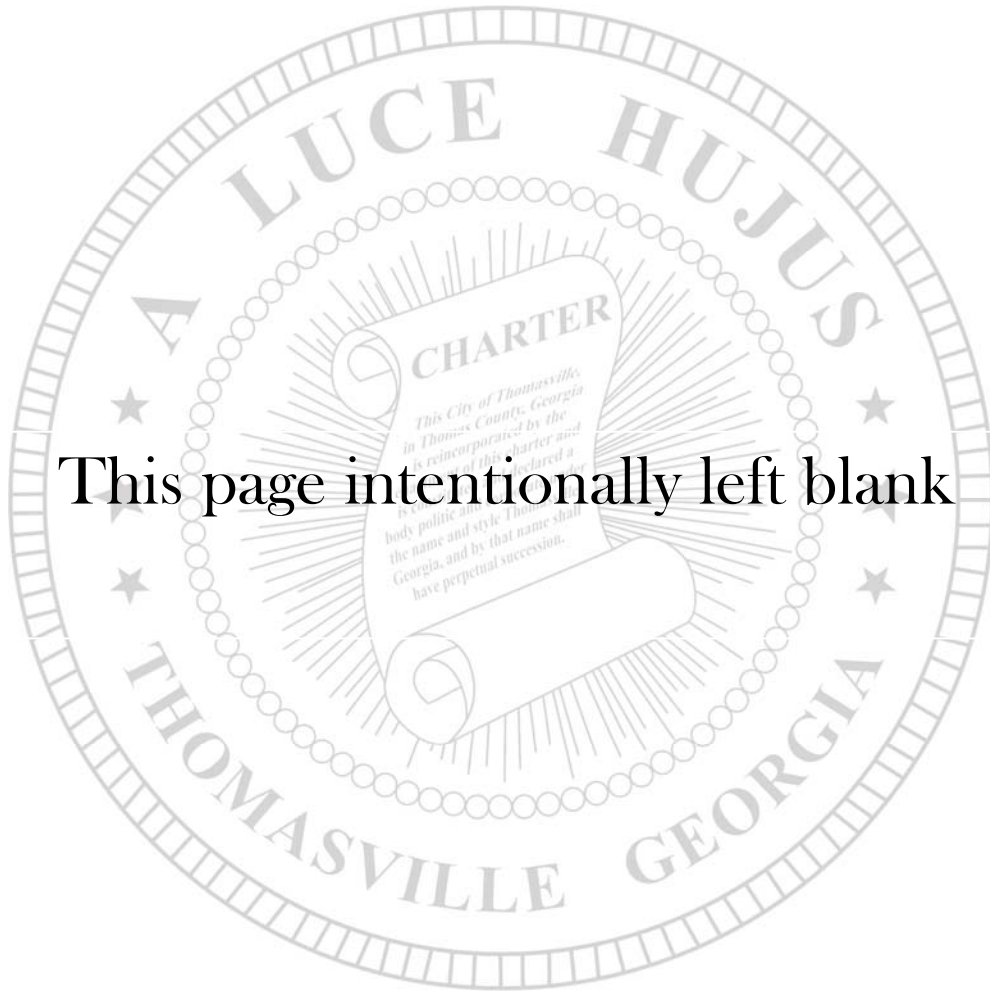
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**CITY OF THOMASVILLE, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Component units:				
Downtown Development Authority	\$ 896,586	\$ 1,049,918	\$ -	\$ -
Destination Thomasville Tourism Authority	428,023	-	468,454	-
Payroll Development Authority	445,493	524,920	186,777	3,400,000
Thomasville-Thomas County Land Bank Authority	17,076	-	415	19,743
Total component units	<u>\$ 1,787,178</u>	<u>\$ 1,574,838</u>	<u>\$ 655,646</u>	<u>\$ 3,419,743</u>
General revenues:				
Unrestricted investment earnings				
Total general revenues and transfers				
Change in net position				
Net position - beginning of year				
Net position - end of year				

*The notes to the financial statements are an integral part of this statement.*

Net (Expense) Revenue and Changes in Net Position				
Downtown Development Authority	Destination Thomasville Tourism Authority	Payroll Development Authority	Thomasville- Thomas County Land Bank Authority	Total Component Units
\$ 153,332	\$ -	\$ -	\$ -	\$ 153,332
-	40,431	-	-	40,431
-	-	3,666,204	-	3,666,204
-	-	-	3,082	3,082
153,332	40,431	3,666,204	3,082	3,863,049
1,002	-	234	-	1,236
1,002	-	234	-	1,236
154,334	40,431	3,666,438	3,082	3,864,285
36,426	(452,938)	3,474,834	464,170	3,522,492
\$ 190,760	\$ (412,507)	\$ 7,141,272	\$ 467,252	\$ 7,386,777



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## **CITY OF THOMASVILLE, GEORGIA**

### **Notes to the Financial Statements**

**December 31, 2017**

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Thomasville (City) was incorporated in 1826 as a political subdivision of the State of Georgia. The City operates under a Council-Manager form of government and provides various services authorized by its charter, including public safety (police and fire), highways and streets, landfill, sanitation, culture and recreation, electric, water and sewer and gas distribution, telecommunications, cable television system and internet services, economic development, airport, golf course, and general administrative services. The accounting policies of the City conform to generally accepted accounting principles as applicable to governments. The more significant accounting policies of the City are described below.

#### **REPORTING ENTITY**

The City is a municipal corporation governed by a five-member council with an appointed Mayor. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt. The aggregate of the discretely presented component units is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize legal separation from the government.

A brief description of the Component Units follows:

The *Thomasville Downtown Development Authority (DDA)* consists of seven members who are appointed by resolution of the City Council. The DDA is responsible for promoting the economic development in the Thomasville downtown business district. The DDA has the right to control all management and fiscal matters; however, the City has the ability to modify or approve rate or fee changes, which would affect the DDA's revenues.

The *Destination Thomasville Tourism Authority (DTTA)* consists of seven members who are appointed by resolution of the City Council. The purpose of DTTA is to increase area tourism and tourist dollars while providing a quality tourist experience. The DTTA has the right to control all management and fiscal matters; however, the budget of the DTTA must be approved by the City Council. The City collects a special eight percent (8%) hotel/motel tax that primarily funds the DTTA and the Events Center.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The *Thomasville Payroll Development Authority (PDA)* consists of five members: the Mayor of the City of Thomasville, Chairman of the Board of Commissioners of Thomas County, President of the Chamber of Commerce, and two members appointed by the City Council. The PDA is charged with expanding and developing industry in the City and County. The PDA has the right to control all management and fiscal matters related to its purpose of expanding and developing industry; however, the City has the ability to modify or approve rate or fee changes which would affect the PDA's revenues.

The *Thomasville-Thomas County Land Bank Authority (LBA)* consists of five members: Two members appointed by the City of Thomasville, two members appointed by Thomas County, and one member at-large jointly appointed by the City of Thomasville and Thomas County. The LBA shall endeavor to carry out the powers, duties, functions and responsibilities of a land bank under the Land Bank Act including, but not limited to, the power, privilege and authority to acquire, manage and dispose of interests in real property, and to do all other things necessary or convenient to implement the purposes, objectives and provisions of the Land Bank Act and the purposes, objectives and powers delegated to a land bank under other laws or executive orders. The LBA is fiscally dependent on the City of Thomasville to provide certain administrative and operational services.

Complete financial statements for DDA, PDA, DTTA, and LBA may be obtained at the City's financial services department, 111 Victoria Place, Thomasville, Georgia or by contacting 229-227-7010.

### **BASIS OF PRESENTATION**

Government-wide Financial Statements—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

The statement of activities demonstrates the degree to which the expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City allocates indirect expenses to functions in the statement of activities. 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.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements—Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Governmental fund types include the General Fund, Special Revenue Funds, and Capital Projects Funds. Governmental Fund Financial Statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all governmental major funds and nonmajor funds aggregated. The governmental funds employ the current financial resources measurement focus. The funds are maintained on the modified accrual basis of accounting (explained further under Basis of Accounting).

The City reports the following major governmental funds:

*General Fund*—The General Fund is the City’s primary operating fund. It accounts for all financial resources not otherwise accounted for by a specific fund.

*Special Purpose Local Option Sales Tax (SPLOST) Fund*—The Special Purpose Local Option Sales Tax (SPLOST) Fund accounts for funds received and accumulated for certain capital projects as outlined and approved by referendum.

Proprietary Funds include Enterprise Funds and Internal Service Funds. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. The generally accepted accounting principles in these funds are those applicable to similar businesses in the private sector and thus these funds are maintained on the accrual basis of accounting (explained further under Basis of Accounting).

The City reports the following major proprietary funds:

*Community Network Services (CNS) Fund*—The Community Network Services (CNS) Fund accounts for the cost of providing community network services, including CNS television, to the citizens of the City and surrounding areas. All activities necessary to provide such services are accounted for in this fund.

*Electric Fund*—The Electric Fund accounts for the cost of providing electric services to the citizens of the City and surrounding areas. All activities necessary to provide such services are accounted for in this fund.

*Landfill Fund*—The Landfill Fund accounts for the disposal of garbage and trash. All activities necessary to provide such services are accounted for in this fund.

*Water and Sewer System Fund*—The Water and Sewer System Fund accounts for the cost of providing water and sewer services to the citizens of the City and surrounding areas. All activities necessary to provide such services are accounted for in this fund. Water and sewer activities must be shown together due to the provisions of the Utility System Revenue Bond Resolution.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Additionally, the City reports the following fund types:

*Internal Service Funds*—The Internal service funds are used to account for maintenance of buildings and vehicles, customer service, personnel services, engineering services, data processing, marketing, financial services, self-insurance, and procurement provided to other departments or agencies of the City and to other government units, on a cost reimbursement basis.

*Fiduciary Funds*—The Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for others. The Pension Trust fund accounts for the activities of the Public Employees' Retirement System, which accumulates resources for pension benefit payments to qualified employees. The Other Postemployment Benefits trust fund accumulates resources for postemployment healthcare benefits to qualified employees.

The City has other funds that are not considered major. They are described in the supplementary information.

### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both "measurable" and "available". Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the City receives cash.

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

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

### **ASSETS, LIABILITIES, AND NET POSITION OR EQUITY**

Deposits and Investments—The City's cash and cash equivalents, for purposes of the statement of cash flows, are considered to be cash on hand and short-term investments with original maturities of three months or less from the date of acquisition.

Idle funds are invested primarily in obligations of the U. S. Treasury and other U. S. Government instruments, bonds of the state and its instrumentality, municipal competitive trusts, certificates of deposit with commercial banks, and repurchase agreements collateralized by U. S. obligations.

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the City's investments. Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the receiving funds and interfund payables of the deficit funds.

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 a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value, and the carrying amount of cash deposits reasonably estimates fair value. The composition of cash and investment information is presented in Note 3.

The investment philosophy has been to keep funds needed for the day-to-day operations of the City in short-term, liquid instruments and to invest other funds in any of the above instruments yielding the highest rate of return, considering current and anticipated future market conditions and the need for liquidity in those funds.

Georgia law authorizes the City to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the government or governmental agency
- Obligations of any corporation of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables and Payables—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables, including those for enterprise funds, are shown net of an allowance for uncollectibles. A percentage of trade accounts receivable in excess of 90 days comprise the trade accounts receivable allowance for collectibles, including those for enterprise funds.

The Thomas County, Georgia tax assessor’s office is responsible for assessing property values. Property taxes are levied as of November 1 on property values assessed as of the same date. The billings are considered past due 60 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

The City bills and collects property taxes levied by the City of Thomasville Board of Education (BOE). Collections of the BOE’s property taxes and remittance of them to the BOE are accounted for in the School Fund (agency fund). On September 20, 2017, the City Council adopted a millage rate of 0% for its property taxes within the City limits. The property tax levy, due and lien dates for 2017 are as follows:

Levy date	September 20, 2017
Due date	December 20, 2017
Lien date	January 21, 2018

Accounts receivable represent service charges for electric, water, sewer, gas, telecommunications, rose.net, community network services, landfill and sanitation services, and are recognized when earned. An estimated amount has been recorded for services rendered but not yet billed as of December 31, 2017. Using the cycle billings sent to customers in January and prorating the amount of days applicable to the current year, the City computed the unbilled receivable. The allowance for uncollectible charges at December 31, 2017 for these receivables is \$311,482. These receivables are reported net of the allowance.

Inventories and Prepaid Items—Inventories are valued at cost using the weighted average method of valuation for proprietary funds. Governmental fund type inventories, which consist of expendable supplies held for consumption, are recorded as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded using the consumption method as prepaid items in both government-wide and fund financial statements.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Assets—On January 1, 1999, the Municipal Electric Authority of Georgia (MEAG) created the Municipal Competitive Trust. The purpose of the Trust is to provide a means for MEAG and its wholesale customers to deposit funds to be invested at the best prudent rates of return, to accumulate and be applied to mitigate the costs associated with pending legislative changes in the power industry. At December 31, 2017, a total of \$0 was available to the City in the Credit Support Operating Account of the Trust. Funds in the account are restricted and can only be used to reduce the cost of power purchased from MEAG under certain circumstances. Additionally, a total of \$10,719,361 was available to the City in the Flexible Operating Account of the Trust. These funds are not restricted and can be used at the City's discretion. Earnings on the accounts are considered revenue to the City because the City can withdraw such earnings at its discretion.

Capital Assets—Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost, or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The City evaluates the potential impairment of long-lived assets and adjusts the carrying value to fair value. Management recognized no impairments in 2017. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During 2017, no interest was capitalized in either the proprietary funds or the governmental funds.

Property, plant, and equipment of the City, related to both governmental and business-type activities as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25-50
Utility system	33-50
Improvements	10-20
Equipment and vehicles	3-15
Infrastructure	33-50

Compensated Absences—Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. Sick leave accrues to full-time, permanent employees, participating in the defined benefit plan, limited to specified maximums payable upon retirement. Accrued vacation time earned does not vest with the employee.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The estimated current portion of the liability for sick leave benefits attributable to the City's governmental funds is recorded as an expenditure and liability in the respective funds only when there is reimbursable unused sick leave payable to employees who had terminated their employment at the end of the year. The amounts attributable to proprietary funds are charged to expense and a corresponding liability in the applicable fund or component unit. The estimated liabilities include required salary-related payments.

Accrued Liabilities—All payables and accrued liabilities are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds.

Deferred Inflows of Resources—Deferred inflows of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources until that time. The enterprise funds and business-type activities report deferred inflows for pension related items as actuarially determined.

Deferred Outflows of Resources—Deferred outflows of resources represents a consumption of net position that applies to a future period and therefore will not be recognized as an outflow of resources until that time. The enterprise funds and business-type activities report deferred outflows for pension related items as actuarially determined.

Pensions—For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Thomasville Public Employees' Retirement System (PERS) and additions to/deductions from the PERS's fiduciary net position have been determined on the same basis as they are reported by the PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-Term Obligations, Bond Premiums, Discounts, and Issuance Costs—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 statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance—The focus of fund balance reporting is to clearly communicate the constraints imposed upon resources in governmental funds. The fund balance classifications indicate the level of constraints placed upon how resources can be spent and identify the sources of those constraints. The following five classifications: nonspendable, restricted, committed, assigned, and unassigned, serve to inform readers of the financial statements of the extent to which the City is bound to honor constraints on the specific purposes for which resources in a fund can be spent.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*Nonspendable*—This component of fund balance consists of amounts that cannot be spent because (a) they are not expected to be converted to cash or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

*Restricted*—This component of fund balance consists of amounts that are constrained either (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.

*Committed*—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolution of the City Council. These committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action employed to constrain those amounts.

*Assigned*—This component of fund balance consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council has by resolution authorized the Chief Financial Officer to assign fund balance.

*Unassigned*—This classification is used for (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed or assigned.

*Flow Assumption*—When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use in any governmental fund, it is the Board's policy to use committed resources first, then assigned, and then unassigned as needed.

Net Position—Net position represents all assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Net position is displayed in the Statement of Net Position in the following categories:

*Net Investment in Capital Assets*—Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

*Restricted*—Net position subject to externally imposed stipulations on their use.

*Unrestricted*—All remaining net position that do not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for the same purpose, restricted net position are considered to be used first over unrestricted net position.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Reclassifications—Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

## **NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **BUDGETARY INFORMATION**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The City is required to adopt a budget for all governmental fund types that may not be exceeded at the fund level without approval by the City Council. For 2017, the City Council, by resolution, adopted a budget for all governmental funds, all enterprise funds, and all internal service funds.

During the fall, the Chief Financial Officer submits to the City Council proposed operating budgets for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and means of financing them. A public hearing is conducted to obtain citizen comments. During the December meeting, the budget is approved by the City Council.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not exceed appropriations) is the department level.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general, special revenue, and capital projects funds. For budgetary purposes, appropriations lapse at year-end except for that portion related to encumbered amounts.

The City provides departmental detail for the General Fund in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.

### **DEFICIT FUND EQUITY**

At December 31, 2017, the following internal service funds have deficit balances in net position. These funds are supported by other departments or agencies of the City and other government units on a cost reimbursement basis. The City continues to use a full cost allocation plan.

Technical services	\$	2,964
Marketing		198

## NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

At December 31, 2017, the following proprietary funds have deficit balances in net position. The City recognizes that the current fee structure does not adequately fund expenses. The City budgets to subsidize these accounts by transfers net of depreciation expenses and previous deficits; therefore, a deficit balance may remain.

Golf course	\$ 3,781,071
Auditorium	675,676
Events center	1,921,465

At December 31, 2017, the following governmental funds have deficit balances in fund balances. The City recognizes that the current fee structure does not adequately fund expenses. The City budgets to subsidize these accounts by transfers net of depreciation expenses and previous deficits; therefore, a deficit balance may remain.

Parks and recreation	\$ 1,514,256
Economic development	1,145,358

## NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposits—The City has the following deposit balances as of December 31, 2017:

- At year-end, the City of Thomasville's carrying amount of deposits (including Fiduciary funds) was \$44,740,932 and the bank balance was \$41,655,935.
- At year-end, the Downtown Development Authority's carrying amount of deposits was \$565,199 and the bank balance was \$565,199.
- At year-end, the Payroll Development Authority's carrying amount of deposits was \$0 and the bank balance was \$23,431.
- At year-end, the Destination Thomasville Tourism Authority's carrying amount of deposits was \$132,099 and the bank balance was \$139,565.
- At year-end, the Thomasville-Thomas County Land Bank Authority's carrying amount of deposits was \$10,855 and the bank balance was \$10,855.

Credit Risk—The City does not have a formal credit risk policy. 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 acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

The Pension and OPEB Trust Funds are authorized to invest in securities approved by the Board of Trustees.

### NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

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.

Custodial Credit Risk – Deposits—Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. The City does not have a formal Custodial Credit Risk Policy. As of December 31, 2017, the City did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

Investments—The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1*: Quoted prices for identical investments in active markets;
- *Level 2*: Observable inputs other than quoted market prices; and
- *Level 3*: Unobservable inputs

As of December 31, 2017 the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Rating	Valuation Measurement Method
Certificate of deposit	\$ 2,121,203	0.50	N/A	N/A
Municipal Competitive Trust	<u>10,719,361</u>	N/A	N/A	Level 2
Total investments	<u>\$ 12,840,564</u>			

**NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)**

As of December 31, 2017 the City had the following investments in the Pension Trust Fund:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Rating	Valuation Measurement Method
Corporate bonds	\$ 1,363,851	0.98	AA	Level 2
Corporate bonds	3,784,789	2.20	AAA	Level 2
Corporate bonds	4,022,762	3.20	AA	Level 2
Corporate bonds	<u>1,369,258</u>	1.00	AAA	Level 2
Total corporate bonds	10,540,660			
Common stocks	15,424,200	N/A	N/A	Level 1
Alternatives	3,232,245	N/A	N/A	Level 2
Mutual funds	<u>13,531,147</u>	N/A	N/A	Level 2
Total investments	<u><u>\$ 42,728,252</u></u>			

As of December 31, 2017 the City had the following investments in the OPEB Trust Fund:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Rating	Valuation Measurement Method
Corporate bonds	\$ 350,000	0.98	AA	Level 2
Corporate bonds	700,000	3.20	AA	Level 2
Corporate bonds	<u>350,000</u>	1.00	AAA	Level 2
Total corporate bonds	1,400,000			
Common stocks	148,863	N/A	N/A	Level 1
Alternatives	-	N/A	N/A	Level 2
Mutual funds	<u>997,519</u>	N/A	N/A	Level 2
Total investments	<u><u>\$ 2,546,382</u></u>			

## NOTE 4 – RECEIVABLES

Receivables as of year-end for the City’s individual major funds, nonmajor funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	SPLOST	Community Network Services	Electric	Landfill	Water and Sewer	Nonmajor and Other Funds	Total
Receivables:								
Interest	\$ 9,938	\$ -	\$ 129,675	\$ -	\$ -	\$ -	\$ 9,849	\$ 149,462
Taxes	49,594	103,801	-	-	-	-	-	153,395
Accounts	127,365	281,987	593,004	9,130,023	451,453	1,525,778	4,080,180	16,189,790
Notes	16,527	-	-	-	-	-	30,070	46,597
Intergovernmental	509,161	-	236,610	1,032,435	-	-	-	1,778,206
Gross receivables	712,585	385,788	959,289	10,162,458	451,453	1,525,778	4,120,099	18,317,450
Less: allowance for uncollectibles	-	-	(33,995)	(142,716)	(20,243)	(30,037)	(84,491)	(311,482)
Net total receivables	<u>\$ 712,585</u>	<u>\$ 385,788</u>	<u>\$ 925,294</u>	<u>\$ 10,019,742</u>	<u>\$ 431,210</u>	<u>\$ 1,495,741</u>	<u>\$ 4,035,608</u>	<u>\$ 18,005,968</u>

During 2011, the City entered into a Participant Service Contract with Electric Cities of Georgia, Inc. (ECG). This agreement provides funds up to \$5,000 per residential utility customer for the purchase and installation of energy efficient equipment and home energy efficiency improvements. These funds are required to be paid back over a 36 to 60 month period with 0% interest. As of December 31, 2017, the City had outstanding loans to residents in the amount of \$587,989, which is included in Electric’s accounts receivable balance in the table above.

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

## NOTE 5 – PREPAID ITEMS

Prepaid items as of year-end for the City’s individual major funds, nonmajor funds, and internal service funds in the aggregate are as follows:

	General	Community Network Services	Electric	Landfill	Water and Sewer	Nonmajor and Other Funds	Total
Prepaid items							
Insurance	\$ 88,849	\$ 4,968	\$ 9,737	\$ 6,480	\$ 19,586	\$ 60,029	\$ 189,649
Taxes	-	-	76,583	-	-	3,297	79,880
Other	4,454	-	13,950	-	-	176,921	195,325
Total prepaid items	<u>\$ 93,303</u>	<u>\$ 4,968</u>	<u>\$ 100,270</u>	<u>\$ 6,480</u>	<u>\$ 19,586</u>	<u>\$ 240,247</u>	<u>\$ 464,854</u>

## NOTE 6 – BONDS RECEIVABLE - SGGSA

On April 26, 2017, as part of the SGGSA consolidation discussed in Note 22, the City purchased \$6.5 million in SGGSA series 2017B bonds. The bonds have an average coupon rate of 3.99% and mature on 1/1/2027. The maturity schedule is as follows:

	Principal	Interest
2017	\$ -	\$ 46,827
2018	100,000	257,355
2019	100,000	253,365
2020	100,000	249,375
2021	100,000	245,385
2022	100,000	241,395
2023	1,015,000	219,151
2024	1,095,000	177,056
2025	1,200,000	131,271
2026	1,310,000	81,197
2027	1,380,000	27,531
	<u>6,500,000</u>	<u>\$ 1,929,908</u>

## NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

Primary Government (Governmental Activities):

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,512,093	\$ -	\$ -	\$ 1,512,093
Construction in progress	566,470	-	(566,470)	-
Total capital assets, not being depreciated	2,078,563	-	(566,470)	1,512,093
Capital assets, being depreciated				
Buildings	7,727,834	1,137,099	-	8,864,933
Machinery and equipment	22,624,713	1,049,617	(480,641)	23,193,689
Infrastructure	80,877,075	3,125,988	-	84,003,063
Total capital assets, being depreciated	111,229,622	5,312,704	(480,641)	116,061,685
Less accumulated depreciation				
Buildings	(3,691,771)	(238,505)	-	(3,930,276)
Machinery and equipment	(17,656,517)	(2,035,229)	338,544	(19,353,202)
Infrastructure	(53,567,792)	(1,417,147)	-	(54,984,939)
Total accumulated depreciation	(74,916,080)	(3,690,881)	338,544	(78,268,417)
Total capital assets, being depreciated, net	36,313,542	1,621,823	(142,097)	37,793,268
Governmental activities capital assets, net	<u>\$ 38,392,105</u>	<u>\$ 1,621,823</u>	<u>\$ (708,567)</u>	<u>\$ 39,305,361</u>

**NOTE 7 – CAPITAL ASSETS (continued)**

## Primary Government (Business-type Activities):

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,648,899	\$ -	\$ -	\$ 1,648,899
Construction in progress	2,400,753	1,149,264	(720,595)	2,829,422
Total capital assets, not being depreciated	4,049,652	1,149,264	(720,595)	4,478,321
Capital assets, being depreciated				
Buildings	18,748,622	4,106,087	(2,135,716)	20,718,993
Machinery and equipment	39,428,931	1,443,598	(6,961,674)	33,910,855
Infrastructure	123,214,597	3,175,734	(22,898,357)	103,491,974
Total capital assets, being depreciated	181,392,150	8,725,419	(31,995,747)	158,121,822
Less accumulated depreciation				
Buildings	(5,438,100)	(512,846)	159,860	(5,791,086)
Machinery and equipment	(21,333,421)	(2,867,596)	3,609,013	(20,592,004)
Infrastructure	(45,634,989)	(3,263,426)	13,158,895	(35,739,520)
Total accumulated depreciation	(72,406,510)	(6,643,868)	16,927,768	(62,122,610)
Total capital assets, being depreciated, net	108,985,640	2,081,551	(15,067,979)	95,999,212
Business-type activities capital assets, net	<u>\$113,035,292</u>	<u>\$ 3,230,815</u>	<u>\$ (15,788,574)</u>	<u>\$100,477,533</u>

As described in Note 22, member cities sold their Community Network Service systems to South Georgia Governmental Services Authority. The City received consideration in the form of cash and series 2017B bonds receivable totaling \$14,092,790. This accounts for the majority of the difference in disposals of capital assets and the associated accumulated depreciation.

The City also demolished the Events Center (old Rose building) resulting in an additional capital asset loss of \$1.9 million.

**NOTE 7 - CAPITAL ASSETS (continued)**

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

Governmental activities:	
General administration	\$ 226,918
Public safety	1,257,794
Highways and streets	1,274,161
Economic development	501,435
Capital assets held by the government's internal service funds charged to the various functions based on their usage of the assets	<u>430,573</u>
Total depreciation expense – governmental activities	<u><u>\$ 3,690,881</u></u>
Business-type activities:	
Community network services	\$ 385,837
Electric	1,477,154
Landfill	744,752
Water and sewer	2,149,813
Nonmajor business-type activities	<u>1,886,312</u>
Total depreciation expense – business-type activities	<u><u>\$ 6,643,868</u></u>

**NOTE 8 – CONSTRUCTION COMMITMENTS**

The City has the following active construction projects as of December 31, 2017:

	<u>Project Authorization</u>	<u>Expended To Date</u>	<u>Total Commitment</u>	<u>GEFA Funding</u>	<u>Grant Funding</u>	<u>Total Funding</u>
Water and sewer projects (GEFA)	\$ 3,110,000	\$ 128,461	\$ 2,981,539	\$ 2,610,000	\$ 500,000	\$ 3,110,000

**NOTE 9 – DISCRETELY PRESENTED COMPONENT UNITS**

Activity for the Downtown Development Authority (DDA) for the year ended December 31, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 145,357	\$ -	\$ -	\$ 145,357
Total capital assets, not being depreciated	<u>145,357</u>	<u>-</u>	<u>-</u>	<u>145,357</u>
Capital assets, being depreciated:				
Buildings	12,529,283	-	-	12,529,283
Infrastructure	136,921	126,579	-	263,500
Total capital assets, being depreciated	<u>12,666,204</u>	<u>126,579</u>	<u>-</u>	<u>12,792,783</u>
Less accumulated depreciation for:				
Buildings	(3,355,988)	(313,232)	-	(3,669,220)
Infrastructure	(81,481)	(14,929)	-	(96,410)
Total accumulated depreciation	<u>(3,437,469)</u>	<u>(328,161)</u>	<u>-</u>	<u>(3,765,630)</u>
Total capital assets, being depreciated, net	<u>9,228,735</u>	<u>(201,582)</u>	<u>-</u>	<u>9,027,153</u>
DDA capital assets, net	<u>\$ 9,374,092</u>	<u>\$ (201,582)</u>	<u>\$ -</u>	<u>\$ 9,172,510</u>

**NOTE 9 – DISCRETELY PRESENTED COMPONENT UNITS (continued)**

Activity for the Payroll Development Authority (PDA) for the year ended December 31, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land and improvements	\$ 4,579,818	\$ 250,223	\$ (126,578)	\$ 4,703,463
Total capital assets, not being depreciated	4,579,818	250,223	(126,578)	4,703,463
Capital assets, being depreciated:				
Buildings, machinery and equipment	296,333	3,407,917	-	3,704,250
Less: accumulated depreciation	(158,048)	(45,377)	-	(203,425)
Total capital assets, being depreciated, net	138,285	3,362,540	-	3,500,825
PDA capital assets, net	<u>\$ 4,718,103</u>	<u>\$ 3,612,763</u>	<u>\$ (126,578)</u>	<u>\$ 8,204,288</u>

Activity for the Land Bank Authority (LBA) for the year ended December 31, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land and improvements	\$ 456,549	\$ -	\$ -	\$ 456,549
LBA capital assets, not being depreciated	<u>\$ 456,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 456,549</u>

## NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund balances consist of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time between the dates that interfund goods or services are provided or reimbursable expenditures occur, transactions are recorded in the accounting period, and payments between funds are made. The City expects to repay all interfund balances within one year.

The composition of interfund balances as of December 31, 2017, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Electric	1,230,000
	Internal service	2,087,233
	Nonmajor governmental	1,524,421
	Nonmajor business-type	15,238,413
Electric	General	18,049,879
	Nonmajor business-type	6,377,314
	Nonmajor governmental	1,145,358
	Internal service	1,569,180
	CNS	10,334,708
	Landfill	223,919
	Water and sewer	8,901,885
Landfill	General	106,980
Water and sewer	Electric	33,852
Nonmajor business-type	Electric	6,048,376
Nonmajor governmental	General	56,105
Internal service funds	Electric	6,912
	General	1,736,707
Total		<u>\$ 74,671,242</u>

**NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)**

Transfers are used to report revenues and expenditures between funds that statute or budget requires to be collected and expended. In addition, transfers are used to report unrestricted revenues collected in the general fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations and to return money to the fund from which it was originally provided once a project is completed. All transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer. Transfers between funds during the year were as follows:

<u>Transfers In</u>	<u>Amount</u>	<u>Transfers Out</u>	<u>Amount</u>
General	\$ 11,698,373	Electric	\$ 7,685,000
		Community network services	145,000
		Nonmajor governmental funds	109,824
		Landfill	206,429
		Nonmajor business-type	2,496,500
		Water and sewer	1,055,620
SPLOST	214,146	General	214,146
Nonmajor governmental funds	578,040	Electric	480,030
		General	98,010
Community network services	6,511,000	Nonmajor business-type	6,511,000
Water and sewer	216,457	Nonmajor business-type	216,457
Internal service funds	1,385,105	Electric	1,379,336
		Internal service funds	5,769
Nonmajor business-type	<u>257,400</u>	Nonmajor governmental funds	<u>257,400</u>
Total transfers in	<u>\$ 20,860,521</u>	Total transfers out	<u>\$ 20,860,521</u>

## NOTE 11 – LONG-TERM DEBT

Notes Payable—Notes payable at December 31, 2017, are as follows:

	Original Principal Amount	Current Balance	
		Governmental Activities	Business-Type Activities
Note Payable due in monthly installments of \$19,740, including interest at 0.00%	611,317	\$ -	\$ 611,317
		<u>\$ -</u>	<u>\$ 611,317</u>

This is a revolving loan with Electric Cities of Georgia, Inc. (ECG) used to make energy efficient loans to Thomasville utility customers. See note 4.

Notes payable annual debt service requirements are as follows:

	Business-Type Activities		
	Principal	Interest	Total
Fiscal year ending December 31,			
2018	\$ 217,698	\$ -	\$ 217,698
2019	177,647	-	177,647
2020	121,356	-	121,356
2021	70,612	-	70,612
2022	24,004	-	24,004
	<u>\$ 611,317</u>	<u>\$ -</u>	<u>\$ 611,317</u>

The primary government has incurred debt to the Georgia Environmental Facilities Authority (GEFA) for various water and sewer system projects. These notes are as follows at December 31, 2017:

	Original Principal Amount	Current Balance	
		Governmental Activities	Business-Type Activities
Note Payable due in monthly installments of \$5,466, including interest at 1.38%	\$ 676,380	\$ -	\$ 1,137,547
Note Payable due in monthly installments of \$47,622, including interest at 2.13%	9,472,106	-	7,407,867
Note Payable due in monthly installments of \$8,992 including interest at 2.13%	2,079,175	-	2,077,747
Note Payable due in monthly installments of \$55,059, including interest at 2.13%	10,393,736	-	8,833,090
Note Payable due in monthly installments of \$2,426, including interest at 1.03%	509,972	-	599,921
Note Payable due in monthly installments of \$0 until closed, including interest at 0.89%	74,646	-	71,646
Note Payable due in monthly installments of \$0 until closed, including interest at 0.89%	47,440	-	47,440
		<u>\$ -</u>	<u>\$ 20,175,258</u>

## NOTE 11 – LONG-TERM DEBT (continued)

GEFA notes payable annual debt service requirements are as follows:

	Business-Type Activities		
	Principal	Interest	Total
Fiscal year ending December 31,			
2018	\$ 823,075	\$ 481,836	\$ 1,304,911
2019	840,239	462,260	1,302,499
2020	857,766	447,521	1,305,287
2021	875,663	426,865	1,302,528
2022	893,936	405,771	1,299,707
2023-2027	4,757,570	1,696,488	6,454,058
2028-2032	5,275,839	1,097,969	6,373,808
2033-2037	5,851,170	433,310	6,284,480
	<u>\$ 20,175,258</u>	<u>\$ 5,452,021</u>	<u>\$ 25,627,279</u>

The City has financed the purchase of equipment and vehicles through Georgia Municipal Association Lease Pool. These notes are as follows at December 31, 2017:

	Original Principal Amount	Current Balance	
		Governmental Activities	Business-Type Activities
Note Payable due in annual installments of \$7,120, including interest at variable rates	35,600	\$ 14,240	\$ -
Note Payable due in annual installments of \$7,380, including interest at variable rates	36,900	14,760	-
Note Payable due in annual installments of \$4,739, including interest at variable rates	23,699	-	9,480
Note Payable due in annual installments of \$5,302, including interest at variable rates	26,512	5,302	-
Note Payable due in annual installments of \$4,142, including interest at variable rates	20,709	4,142	-
Note Payable due in annual installments of \$5,496, including interest at variable rates	27,479	-	5,495
Note Payable due in annual installments of \$5,302, including interest at variable rates	26,512	-	5,302
Note Payable due in annual installments of \$5,586, including interest at variable rates	27,929	-	5,586
Note Payable due in annual installments of \$67,756, including interest at variable rates	338,778	-	67,756
Note Payable due in annual installments of \$5,099, including interest at variable rates	25,493	-	5,099
Note Payable due in annual installments of \$5,302, including interest at variable rates	26,512	-	5,302
Note Payable due in annual installments of \$6,916, including interest at variable rates	34,580	27,665	-
		<u>\$ 66,109</u>	<u>\$ 104,020</u>

**NOTE 11 – LONG-TERM DEBT (continued)**

The variable interest on the GMA notes is based on the bond market association's index rate, which is calculated weekly. The interest rate varies depending on the City's pro-rata share of the cost pool. Service fees are also included based on forty basis points. GMA notes payable annual debt service requirements are as follows:

Governmental Activities			Business-Type Activities		
Principal	Interest	Total	Principal	Interest	Total
Fiscal year ending December 31,					
2018	\$ 30,859	\$ 44	\$ 30,903	\$ 99,277	\$ 140
2019	21,416	30	21,446	4,743	7
2020	6,916	10	6,926	-	-
2021	6,918	10	6,928	-	-
\$ 66,109	\$ 94	\$ 66,203	\$ 104,020	\$ 147	\$ 104,167

## NOTE 11 – LONG-TERM DEBT (continued)

Changes in Long-Term Liabilities—Long-term liability activity for the year ended December 31, 2017, was as follows:

	Balance January 1, 2017	Additions	Reductions	Balance December 31, 2017	Due Within One Year
<u>Governmental Activities:</u>					
Notes payable - GMA	\$ 1,434,968	\$ 10,197	\$ 1,379,056	\$ 66,109	\$ 30,859
Compensated absences	163,564	76,748	82,011	158,301	31,662
Net OPEB liability	1,379,336	-	(1,379,336)	-	-
Governmental activity long-term liabilities	<u>\$ 2,977,868</u>	<u>\$ 86,945</u>	<u>\$ 81,731</u>	<u>\$ 224,410</u>	<u>\$ 62,521</u>
	Balance January 1, 2017	Additions	Reductions	Balance December 31, 2017	Due Within One Year
<u>Business-Type Activities</u>					
Notes payable - ECG	\$ 624,623	\$ 242,728	\$ 256,034	\$ 611,317	\$ 217,698
Notes payable - GMA	255,182	-	151,162	104,020	99,277
Notes payable - GEFA	23,131,369	1,936,268	4,892,379	20,175,258	823,075
Accrued landfill closures and post-closure costs	5,042,056	144,254	-	5,186,310	80,807
Compensated absences	102,790	59,679	66,167	96,302	19,261
Net pension (asset) liability*	(2,900,401)	1,525,171	2,534,379	(3,909,609)	-
Net OPEB (asset) liability*	-	1,712,518	5,574,953	(3,862,435)	-
Business-type activity long-term liabilities	<u>\$ 26,255,619</u>	<u>\$ 5,620,618</u>	<u>\$ 13,475,074</u>	<u>\$ 18,401,163</u>	<u>\$ 1,240,118</u>

\* The City had a Net Pension Asset and a Net OPEB Asset as of December 31, 2017. The Net OPEB Liability as of January 1, 2017 was transferred to the Business-type activities.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. For governmental activities, compensated absences are generally liquidated by the general fund.

**NOTE 11 – LONG-TERM DEBT (continued)**

Long-Term Debt Downtown Development Authority—Long-term debt for the Downtown Development Authority (Discretely Presented Component Unit) consists of notes and bonds to finance capital assets for economic development. Notes and bonds currently outstanding are as follows:

	<u>2017</u>
Note payable to bank, secured by the City. Interest rate at 4.05%. The note matures in December 2018.	\$ 1,971,630
Variable rate taxable bonds (Flowers Food, Inc. project). Secured by revenues of the project and letter of credit. Variable interest rate payable monthly. The bonds will mature on 4/1/2027.	<u>7,310,000</u>
Total	9,281,630
Less: current portion	<u>(2,256,630)</u>
Long-term debt, net of current portion	<u><u>\$ 7,025,000</u></u>

Maturities of long-term debt will expire as follows:

Years ending December 31,	Notes	Bond
2018	\$ 1,971,630	\$ 285,000
2019	-	308,750
2020	-	330,000
2021	-	353,750
2022	-	375,000
2023-2027	-	<u>5,657,500</u>
Total	<u><u>\$ 1,971,630</u></u>	<u><u>\$ 7,310,000</u></u>

Conduit Debt—The Thomasville Payroll Development Authority and the Thomasville Downtown Development Authority have issued taxable certificates to finance various projects to improve the economic development of the City of Thomasville. The taxable certificates are limited obligations of the Authorities and are payable only from lease rental income from these projects. The bonds do not constitute an indebtedness or pledge of the faith and credit of the Authorities or of the City of Thomasville, and accordingly have not been recorded in the Authorities' financial statements. The total amount outstanding on these certificates from these Authorities as of December 31, 2017, was \$1,090,495.

## NOTE 11 – LONG-TERM DEBT (continued)

Series 2012 Bonds—On November 8, 2011, the City approved the issuance of \$11,400,000 in City of Thomasville general obligation school bonds, series 2012. Although the bonds are general obligations of the City and will constitute a pledge of the full faith and credit of the City, the liability for the bonds will be recorded as a liability on the Statement of Net Position for the City of Thomasville Board of Education. The outstanding bond debt as of December 31, 2017 was \$2,445,000. The bonds will be payable first from the School District's share of the receipts of a special (1%) sales and use tax for educational purposes and then, to the extent necessary, from ad valorem taxes which may be levied, without limitation as to the rate or amount. As an additional security for the bonds, the School District will participate in the State of Georgia Intercept Program.

Series 2016 Bonds—During 2016, the City approved the issuance of \$10,000,000 in City of Thomasville general obligation school bonds, series 2016. Although the bonds are general obligations of the City and will constitute a pledge of the full faith and credit of the City, the liability for the bonds will be recorded as a liability on the Statement of Net Position for the City of Thomasville Board of Education. The outstanding bond debt as of December 31, 2017 was \$10,000,000. The bonds will be payable first from the School District's share of the receipts of a special (1%) sales and use tax for educational purposes and then, to the extent necessary, from ad valorem taxes which may be levied, without limitation as to the rate or amount. As an additional security for the bonds, the School District will participate in the State of Georgia Intercept Program.

Thomasville Downtown Development Authority Debt—In the normal course of business, the City guarantees loans for the Thomasville Downtown Development Authority (a component unit). As of December 31, 2017, the loans totaled \$1,971,630. The liability for the debt is included in the Statement of Net Position for the Downtown Development Authority, but the loans are backed by the full faith and credit of the City. Further, the City will cover the debt service in the unlikely event that the project proceeds in the Authority are not sufficient to cover the debt service.

## NOTE 12 – NET POSITION: NET INVESTMENT IN CAPITAL ASSETS

A significant portion of the City's total net position is invested in capital assets. This balance is reported as a separate category on the Statement of Net Position. The balances reported as of December 31, 2017 are calculated as follows:

	General Government	Internal Service	Total Governmental	Total Business-Type
Total capital assets, net of accumulated depreciation	\$ 35,632,236	\$ 3,673,125	\$ 39,305,361	\$ 100,477,533
Less: total long-term debt on government-wide statements				
Short-term portion	(12,218)	(18,642)	(30,860)	(1,140,050)
Long-term portion	(20,748)	(14,500)	(35,248)	(19,750,545)
Net investment in capital assets	<u>\$ 35,599,270</u>	<u>\$ 3,639,983</u>	<u>\$ 39,239,253</u>	<u>\$ 79,586,938</u>

### NOTE 13 – GOVERNMENTAL FUND BALANCE CLASSIFICATION

Fund balances for all major and nonmajor governmental funds as of December 31, 2017 were as follows:

	General	SPLOST	Nonmajor	Total Governmental Funds
Fund balances				
Nonspendable:				
Prepaid expenses	\$ 93,303	\$ -	\$ 6,940	\$ 100,243
Restricted for:				
Capital projects	-	4,447,686	24,738	4,472,424
Asset forfeiture	-	-	54,704	54,704
Unassigned to:	18,558	-	(2,666,554)	(2,647,996)
Total	<u>\$ 111,861</u>	<u>\$4,447,686</u>	<u>\$(2,580,172)</u>	<u>\$1,979,375</u>

The City did not have any significant encumbrances at year end.

### NOTE 14 – RESTRICTED ASSETS

The City has restricted cash for the following purposes:

SPLOST	\$ 4,371,870
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The City has restricted investments for the following purposes:

Meter deposits	\$ 988,367
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### NOTE 15 – LANDFILL

In 1973, the City of Thomasville and Thomas County entered into an agreement to operate a landfill. Under this agreement, Thomas County provided for (but retains title to) the land for the landfill. The City performs all aspects of operations including, but not limited to, budgeting, accounting, purchasing, billing, staffing and engineering, and records its activities in the Landfill Enterprise Fund.

The original agreement has been modified several times over the years. In March 2002, a new agreement was entered into between the City and Thomas County to clarify certain issues. The operation of the landfill is the responsibility of the City and shall be treated as an enterprise fund separate from all other activities of the City with its own books and records.

The new agreement also requires the annual determination of funds available for distribution to the respective General Funds of the City and Thomas County, along with the manner of distribution. Unless otherwise agreed upon within the time restrictions provided, the funds available for distribution will be payable in equal shares. Funds available for distribution are based on end of year cash balances net of certain reserves for operations, capital, and closure/post-closure care.

## NOTE 15 – LANDFILL (continued)

Landfill Closure and Post-Closure Care Costs—State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The liability for landfill closure and post-closure care at December 31, 2017, of \$5,186,310 represents the cumulative amount reported to date. This liability includes \$918,691 of post-closure care costs on the Phase II landfill, which was closed in 1998, as well as \$4,267,619 of closure and post closure care costs on the Phase IV landfill, which was opened in 1998, and Phase III landfill, which was opened in 2001. As of December 31, 2017, approximately 24.23% of the total estimated capacity of the Phase IV and Phase III landfills has been used. The estimated remaining life of Phase IV and Phase III is 61 and 31 years, respectively. The government will recognize the remaining estimated cost of closure and post-closure care of \$17,615,503 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2017. Actual cost may be higher because of inflation, changes in technology, or changes in regulations.

## NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The cost of postemployment healthcare benefits, similar to the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future years when it will be paid. The City recognizes the cost of postemployment benefits in the year employee services are received, reports a Net OPEB Obligation, and provides information useful in assessing potential demands on the City's future cash flows. The OPEB plan is part of the financial statements of the City. A separate financial report is not required.

Plan Description—The City provides postretirement health benefits, as required by a local ordinance, for certain employees (and dependents) who retire under the City's Defined Benefit Plan. The City's OPEB plan is a single employer plan that covers all full-time regular employees hired before June 1, 2000. The plan continues until the retiree reaches 65 years of age. As of December 31, 2017, the membership consisted of:

	<u>Number</u>	<u>Average Age</u>
Retirees (including those who are disabled, spouses, and dependent children) currently covered	42	61.2
Active employees under age 65	40	55.8

The City reimburses 75% of the amount of validated claims for medical and hospitalization costs incurred by qualified retirees and their dependents until the employee's out of pocket expenses reach \$3,750, at which time the City pays 100% of the costs.

Funding Policy—The City currently funds postemployment benefits on a pay-as-you-go basis.

## NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Annual Other Postemployment Benefit Cost and Net OPEB Obligation—The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The Net OPEB Obligation had an asset balance of \$3,862,435 as of December 31, 2017.

Annual required contribution (ARC)	\$ 354,708
Interest on net OPEB obligation	55,173
Adjustment to ARC	(76,699)
Annual OPEB cost	333,182
Contributions made during the year	(5,574,953)
Decrease in net OPEB obligation	(5,241,771)
Net OPEB obligation – beginning of year	1,379,336
Net OPEB obligation – end of year	<u>\$ (3,862,435)</u>

### Additional Actuarial Information, Plan Year Ended December 31, 2017

- *Actuarial valuation date* – December 31, 2017
- *Cost method* – Individual Entry Age Normal
- *Discount rate* – 6.00%
- *Mortality* – Pre and Post retirement – RP-2014 Mortality, Male and Female, adjusted to 2006 and projected generationally using the MP-2017 projection scale.
- *Marriage assumption* – 50% of active participants are assumed to be married at retirement. Males are assumed to be 3 years older than females.
- *Per capita claims costs* – Per capita claims costs are based on the 2018 COBRA rate of \$702.12 per month.
- *Medical trend* – 10% for 2018 decreasing by 1.0% per year to an ultimate rate of 5.0%.
- *Election percentage* – It is assumed that 100% of eligible retirees will elect to receive coverage upon retirement.

**NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**Trend Information

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2009	\$ 1,222,624	23.71%	\$ 932,714
12/31/2010	1,259,933	44.72%	1,629,248
12/31/2011	1,287,794	36.25%	2,450,234
12/31/2012	1,086,703	57.17%	2,915,625
12/31/2013	1,060,996	24.24%	1,253,819
12/31/2014	392,410	51.21%	1,445,281
12/31/2015	389,422	104.25%	1,428,716
12/31/2016	332,412	114.86%	1,379,336
12/31/2017	333,182	1673.25%	(3,862,435)

All actuarial present values are funded over the working lifetime of current employees since the plan was closed to new hires after June 1, 2000. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions (ARC) of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Schedule of Funding Progress

The Schedule of Funding Progress presented as required supplemental information following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. See schedule of funding progress on page G-1.

## NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

### A. Defined Contribution Plan

Effective June 1, 2000, in accordance with the City Charter, the City created the City of Thomasville Retirement Savings Plan, a money purchase defined contribution plan. The plan is available to all full-time employees. An independent party, MassMutual, who maintains an account for each Participant, has been selected to administer the plan. The City will contribute 1.75% of each plan participant's base salary. In addition, the City will make a matching contribution based on the amount that each participant defers under the City's 457 plan, limited to an employer contribution of 6%. Benefits depend solely on amounts contributed to the plan and investment earnings, reduced by expenses and investment losses. Participants are vested in and entitled to all balances in their accounts after five years of service. The City has the right to amend the plan by resolution. For the year ended December 31, 2017, the City contributed \$762,377 to the defined contribution plan.

### B. Defined Benefit Plan

Plan Description—The City of Thomasville Public Employee Retirement System (PERS) covered full-time employees of the City of Thomasville and its related agencies until it closed in 2002. The PERS is the administrator of a single-employer defined benefit pension plan that was established by the City in accordance with the City Charter and Georgia State Statutes. Assets are held separately and may be used only for the payment of benefits to the members of the PERS. The defined benefit plan is part of the GAAP financial information of the City. A separate financial report is not required.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These valuations are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Further, actuarial calculations reflect a long-term perspective. For additional information relating to the basis of accounting and reported investment values, see Notes 1 and 3.

Benefits Provided—Accrued Benefits, Retirement Provisions and Benefit Payment Provisions are as follows:

#### 1. Accrued Benefit

The sum of (1), (2), and (3) multiplied by (4)

- (1) 1.0% of Average Monthly Salary
- (2) 0.6% of Average Monthly Salary in excess of Breakpoint One
- (3) 0.6% of Average Monthly Salary in excess of Breakpoint Two
- (4) Years of Pension Service

Breakpoints One and Two are increased or decreased every January 1 and July 1, based on the Consumer Price Index (CPI-U) for the preceding periods of May 1 through October 31, and November 1 through April 30, respectively. For December 31, 2017, breakpoints one and two are \$2,215 and \$5,111, respectively.

## **NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

### **2. Normal Retirement**

#### Eligibility

- Employees hired before January 1, 1997 (Class B): The earlier of the attainment of age 60 and 10 years of pension service, or the completion of 30 years of City Service.
- Employees hired after December 31, 1996 and prior to June 1, 2000 (Class C): The attainment of age 65 and 10 years of pension service.

#### Benefit

- Accrued benefit to the date of retirement.

### **3. Early Retirement**

#### Eligibility

- Employees hired before January 1, 1997 (Class B): The later of attainment of age 55 and the completion of 20 years of pension service.
- Employees hired after December 31, 1996 and prior to June 1, 2000 (Class C): The later of attainment of age 60 and the completion of 10 years of pension service.

#### Benefit

- Accrued benefit is the accrued benefit to the date of retirement reduced by 0.5% for each month that early retirement precedes normal retirement. For employees hired before January 1, 1997, normal retirement for early retirement reduction purposes will be the earlier of age 60 or the completion of 30 years of City Service.

### **4. Late Retirement**

#### Eligibility

- Retirement after attaining Normal Retirement age.

#### Benefit

- Accrued benefit to the date of retirement.

### **5. Disability Retirement**

#### Eligibility

- Totally and permanently disabled as determined by the Social Security Administration on or after the completion of five years of Pension Service while actively employed by the City.

#### Benefit

- Accrued benefit based on the member's Average Monthly Salary at the time of disablement and the maximum of the service years in (a), (b) or (c):
  - (a) Years of Pension Service at the time of disablement,
  - (b) Anticipated Years of Pension Service at age 60; or
  - (c) Anticipated Years of Pension Service to age 65 (not to exceed 20)

## **NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

### **6. Death Benefits Prior to Retirement**

#### Eligibility

- Death prior to receiving retirement benefits.

#### Benefit

- For a married member with 10 years of pension service, the surviving spouse may elect either of the following:
  - (a) An immediate monthly benefit payable for life equal to 100% of the member's accrued benefit at the time of death,
  - (b) A refund of the member's accumulated employee contributions
- For all other members, the member's beneficiary will receive a refund of the member's accumulated employee contribution.

### **7. Death Benefits After Retirement**

- If a member and/or the member's surviving spouse has not received in monthly installments a total benefit which exceeds the value of the member's accumulated employee contributions at the time of retirement, the difference will be paid to the designated beneficiary.
- Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

### **8. Vested Benefit Upon Termination of Employment**

- With less than 10 years of Pension Service, the member will receive a refund of accumulated employee contributions.
- With 10 or more years of pension service:
  - (a) The member may elect a refund of his accumulated employee contributions; or
  - (b) At normal retirement the member will receive a benefit equal to his/her accrued benefit, based on his/her average monthly salary and years of pension service at termination and the plan formula in effect at the time of retirement.
  - (c) Should a member elect to leave his/her contributions in the pension fund and at a later date, decide to withdraw them, interest will be credited only to the date of termination

### **9. Normal Form of Payment**

- Life annuity: a monthly benefit payable for life.

## NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

### 10. Optional Forms of Payment

- Joint and Survivor Annuity: a reduced monthly benefit payable to the member for life, with 50%, 66.67%, 75% or 100% payable to the surviving spouse for his/her remaining lifetime.
- Level Income Option: a monthly benefit larger than the life annuity amount payable until age 62, decreasing to a benefit smaller than the life Annuity amount after age 62. At age 62, the member would elect to start receiving Social Security benefits. The sum of the reduced pension benefit and the Social Security benefit after age 62 will approximately equal the increased pension benefit payable prior to age 62.

### 11. Cost of Living Adjustments

- Pension benefits receive semi-annual increases or decreases every January 1 and July 1, based on the Consumer Price Index (CPI-U) for the preceding periods May 1 through October 31, and November 1 through April 30, respectively. These adjustments are limited to 1.5% per six-month period.
- Members hired after December 31, 1996, will not receive these post-retirement adjustments.

### 12. Changes Since Last Valuation

- The interest rate for accumulating employee contributions was increased from 2.67% to 2.75% effective January 1, 2017 and decreased to 2.59% effective January 1, 2018.

Employees Covered by Benefit Terms—As of December 31, 2017, employee membership data related to the pension plan was as follows:

Number of participants:	
Active	40
Terminated vested	2
Retirees, disabilities and beneficiaries	<u>124</u>
Total	<u><u>166</u></u>

The Plan was adopted in 1949 and amended through January 1, 2002. Commencing January 1, 1997, all full-time employees are eligible for Plan membership. Previously, six months of continuous service was required. Any employee whose employment with the City is terminated, and who later becomes re-employed by the City after December 31, 1996, will be treated as a new employee, and his/her prior service with the City will not be recognized for pension benefits. Employee means any person performing regular services in the employ of the City, in each and all departments thereof, except the mayor and members of the City Council, who are performing services in elective positions, as well as the following part-time employees: the City attorney, the City auditor, the City physician, and all employees of the public school system. In June 2000, the Plan was closed to new members and employees were allowed to transfer to a defined contribution plan. Pension service up to 5 years may be repurchased at 8.5% annual interest subject to certain requirements.

**NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

Contributions—The City and Employees are required by City ordinance to make contributions to the Pension Plan as follows:

<u>Date</u>	<u>Employee</u>	<u>City</u>
January 1, 1999	3.00%	3.00%
January 24, 2000	3.75%	4.25%
January 8, 2001	4.00%	4.50%
January 7, 2002	5.00%	6.00%
September 1, 2003	6.50%	7.50%
January 1, 2005	7.50%	10.50%
February 1, 2006 through current	7.50%	11.25%

Accumulated employee contributions are employee contributions accumulated with interest, compounded annually as follows:

Effective prior to January 1, 1971 – 2.50%;  
from January 1, 1971 through December 31, 1976 – 4.00%;  
from January 1, 1977 through June 30, 2004 – 5.00%;  
from July 1, 2004 through December 31, 2005 – 3.00%;  
from January 1, 2006 through December 31, 2006 - 4.73%;  
from January 1, 2007 through December 31, 2008 - 4.46%;  
from January 1, 2009 through December 31, 2009 – 3.75%;  
from January 1, 2010 through December 31, 2011 – 4.11%;  
from January 1, 2012 through December 31, 2012 – 2.63%;  
from January 1, 2013 through December 31, 2013 – 2.31%;  
from January 1, 2014 through December 31, 2014 – 3.49%;  
from January 1, 2015 through December 31, 2015 – 2.67%;  
from January 1, 2016 through December 31, 2016 – 2.65%;  
from January 1, 2017 through December 31, 2017 – 2.75%; and  
from January 1, 2018 through December 31, 2018 – 2.59%

The contribution requirements of Plan members and the City, as established, may be amended by the City Council. Administrative costs are funded with investment earnings.

Net Pension Liability—The City's net pension liability was measured as of January 1, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

## NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

Actuarial Valuation Information, Plan Year Ended December 31, 2017—The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- *Inflation* – 2.5% compounded annually for all pensioners hired before January 1, 1997; 3.5% compounded annually for indexing benefit formula.
- *Salary Increases* – 5.0% compounded annually, applied to pay to allow for future increases reflecting inflation, general productivity and seniority.
- *Investment Rate of Return* – 6.0% compounded annually, net of investment expenses.
- *Valuation Date* – January 1, 2018
- *Actuarial Cost Method* – Individual Entry Age
- *Asset Valuation Method* – Market Value

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for Males or Females, adjusted to 2006 and projected generationally using the MP-2017 projection scale.

Changes since last valuation – The interest rate for accumulating employee contributions was increased from 2.65% to 2.75% effective January 1, 2017 and decreased to 2.59% effective January 1, 2018.

Long-Term Expected Rate of Return—The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	60%	6%
Alternatives	10%	4%
Fixed income	29%	3%
Cash	1%	0%
Total	100%	

## NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

Discount rate—The discount rate used to measure the total pension liability was 6.0 percent (same as the prior measurement period). The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

Changes in the Net Pension Liability—The City is presenting net pension liability for the year ended December 31, 2017 based on the January 1, 2018 measurement date as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 12/31/16	\$ 38,267,687	\$ 41,168,088	\$ (2,900,401)
Changes for the year:			
Service cost	212,546	-	212,546
Interest	2,223,820	-	2,223,820
Differences between expected and actual experience	443,037	-	443,037
Changes in assumptions	1,446,400	-	1,446,400
Contributions-employer	-	285,446	(285,446)
Contributions-employee	-	200,782	(200,782)
Net investment income	-	4,856,523	(4,856,523)
Benefit payments, including refunds of employee contributions	(2,408,031)	(2,408,031)	-
Administrative expense	-	(7,740)	7,740
Net changes	1,917,772	2,926,980	(1,009,208)
Balances at 12/31/17	\$ 40,185,459	\$ 44,095,068	\$ (3,909,609)

Sensitivity of the net pension liability to changes in the discount rate—The following presents the net pension liability of the City, calculated using the discount rate of 6.0 percent, 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 (5.0 percent) or 1 percentage point higher (7.0 percent) than the current rate:

	Current Discount		
	1% Decrease	Rate	1% Increase
	5.0%	6.0%	7.0%
Net pension liability	\$ 1,331,445	\$ (3,909,609)	\$ (8,198,243)

## NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—For the year ended December 31, 2017, the City recognized pension expense of \$3,244,592. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 108,417	\$ -
Changes of assumptions	353,953	-
Net difference between projected and actual earnings on pension plan investments	1,497,545	(2,194,021)
Total	<u>\$ 1,959,915</u>	<u>\$ (2,194,021)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2018	\$ 1,211,142	\$ (568,386)
2019	748,773	(568,386)
2020	-	(568,385)
2021	-	(488,864)
2022	-	-
Thereafter	-	-
Total	<u>\$ 1,959,915</u>	<u>\$ (2,194,021)</u>

Pension plan fiduciary net position—Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial report.

Investments and Related Party Information—There are no investments in, loans to, or leases with parties related to the Plan. There are no assets legally reserved for purposes other than the payment of Plan member benefits. There are no long-term contracts for contributions.

Contributions Required and Made—Periodic employer contributions to the Plan are determined on a nonactuarial basis based on City ordinance as set by the City Council. Currently, the City ordinance requires the City to make contributions equivalent to 11.25% of the City’s covered payroll. The City has hired an actuary as a consultant. The actuary has indicated to the City that the City’s current policy of funding the plan based on 11.25% of covered payroll is adequate to meet the future obligations of the Plan. Actuarial assumptions and other information used to determine the annual required contributions are located in the Required Supplementary Information section of this report.

## **NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

Total required contributions to the pension plan in 2017 amounted to \$486,228, of which \$285,446 and \$200,782 were made by the City and its employees, respectively. Contributions made by the City and its employees represent approximately 11.25% and 7.5%, respectively, of covered payroll for the year. Covered payroll refers to standard yearly earnings excluding overtime earnings of all active employees. The City's covered payroll for the year was \$2,382,748.

Fund Allocation of Net Pension Liability—Each of the City's funds incurs an expense for their share of the actuarially determined minimum required contribution to the pension fund. The electric fund has historically made "excess" contributions beyond what is actuarially required. The City's intent has been to completely fund the Total Pension Liability. Management considers any asset or liability to be immaterial to the financial statements as a whole. From a practical standpoint, the City has elected to allocate 100% of the net pension asset or liability to the electric fund as this is the fund that ultimately makes the additional contributions.

## **NOTE 18 – HOTEL/MOTEL LODGING TAX**

The City Council approved giving the majority of the hotel/motel tax received by the City of Thomasville to the Destination Thomasville Tourism Authority (DTTA) (a component unit of the City of Thomasville) for use in the operating expenses for the promotion of tourism. During the year ended December 31, 2017, 100% of tax receipts were expended. The City collected and transferred revenues of \$321,252 to the DTTA and other local governments transferred \$122,991 to the DTTA. The DTTA expended monies of \$428,023.

## **NOTE 19 – RISK MANAGEMENT**

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the State for its comprehensive general liability coverage as part of the Georgia Interlocal Risk Management Agency (GIRMA), which is a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Georgia Municipal Association (GMA) administers the risk pool.

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

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government's contracts. The fund is to pay all costs levied against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

## NOTE 19 – RISK MANAGEMENT (continued)

Comprehensive general liability coverage through the Georgia Interlocal Risk Management Agency is subject to a \$5,000 deductible per occurrence with a comprehensive general and law enforcement liability up to \$1,000,000, automobile liability of \$1,000,000, and public officials and employment practices liability of \$1,000,000 (aggregate limit \$5,000,000).

The City is self-insured for workers' compensation and unemployment compensation. The City has a stop loss insurance policy from a private insurance company for claims in excess of \$500,000 for workers' compensation.

As of December 31, 2017, the City has estimated a liability related to reported and unreported claims for workers' compensation and unemployment compensation and their related administrative expenses, which was incurred on or before December 31, 2017, but was not paid by the City as of that date. The estimate is based on the ultimate cost of settling the claims, which includes the effect of inflation and other social and economic factors, which could be reasonably estimated as of December 31, 2017.

The City is also self-insured for medical and dental claims by its employees and its employees' dependents who are covered under the employee health insurance plan. The City has a stop loss policy from a private insurance company for medical claims in excess of \$135,000 per employee and \$105,000 in aggregate.

At December 31, 2017, the City has reported a liability for medical and dental claims of \$336,791, which represents reported and incurred, but not reported (IBNR) claims and the related administrative expenses which were incurred on or before December 31, 2017, but were not paid by the City as of that date. The amounts for medical and dental claims not reported to the City were estimated using historical cost data and analysis of subsequent payments. Settlements under commercial policies have not exceeded insurance coverage for each of the past three fiscal years.

Changes in the balances of claims liabilities for medical, dental, and workers' compensation during the past two years are as follows:

	Year ended December 31, 2017	Year ended December 31, 2016
Unpaid claims, beginning of fiscal year	\$ 459,214	\$ 323,322
Incurred claims (including IBNRs)	6,430,265	6,961,341
Claim payments	(6,552,688)	(6,825,449)
Unpaid claims, end of fiscal year	<u>\$ 336,791</u>	<u>\$ 459,214</u>

## NOTE 20 – RELATED ORGANIZATIONS

The City's officials are also responsible for appointing the members of the boards of other organizations; however, the City's accountability for the organizations does not extend beyond making the appointments. The City Council appoints board members to the Hospital Authority and Library Board.

Housing Authority of Thomasville—The Housing Authority of Thomasville is a legally separate entity and is not accountable, financially or otherwise, to the City of Thomasville. Additionally, the City has no equity interest in the Authority, nor is it liable for any debts incurred by the Authority. To obtain more information about the Authority, including its separate financial statements, write to College Terrace Community Building, 216 South College Street, Thomasville, Georgia or call (229) 228-1460.

## NOTE 21 - JOINTLY GOVERNED ORGANIZATION

South Georgia Governmental Services Authority (SGGSA)—The South Georgia Governmental Services Authority was created by the South Georgia Governmental Services Authority Act (State of Georgia, House Bill 879), signed into law March 2001, for the purpose of providing governmental, proprietary, and administrative services and facilities to the City of Cairo, the City of Camilla, the City of Moultrie, and the City of Thomasville (member cities). Two members of the Board of Directors of the Authority represent each member city. The Board of Directors has the power to levy and collect annual dues from the members. Originally, each member city reported its investment in the cable/broadband system and report its assets, liabilities, expenditures/expenses and revenues under an implied right of use in the regional components. For more information, including financial statements of the Authority, write to Post Office Box 1675, Thomasville, Georgia or call (229) 225-9000.

The City of Thomasville provides management and administrative services to the Authority. As of December 31, 2017, the City has recorded a receivable from the Authority of \$236,610 for these services.

## NOTE 22 – SGGSA ACQUISITION OF COMMUNITY NETWORK SERVICES (CNS) SYSTEM

In April 2017, the City of Thomasville, along with the Cities of Camilla, Cairo and Moultrie, sold their assets related to the cable, internet, telecommunications and telephony to the South Georgia Governmental Services Authority (SGGSA). Community Network Services (CNS) will continue to be the brand for these services. The SGGSA issued \$30 million in bonds and the net bond proceeds were distributed to the four cities. Each City will continue to provide customer service and billing for the cable, internet, telecommunications, and telephony business to their customers. The SGGSA has contracted with the City of Thomasville to provide the day to day management of the systems. As presented below, the net cash proceeds received by the City of Thomasville was \$7,592,790.

Total proceeds from sale	\$ 14,092,790
SGGSA series 2017B bonds receivable (see note 6)	<u>6,500,000</u>
Net cash received from sale in 2017	\$ 7,592,790

## **NOTE 23 – JOINT VENTURES**

Southwest Georgia Regional Commission—The City of Thomasville, in conjunction with cities and counties in the fourteen (14) county Southwest Georgia area, is a member of the Southwest Georgia Regional Commission (SGRC). Membership in a regional commission is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the SGRC. Each county and municipality in the state is required by law to pay minimum annual dues to the regional commission. The SGRC board membership includes the chief elected official of each county and the chief elected official of each municipality. The county board members and municipal board members from the same county elect one member of the board who is a resident (but not an elected or appointed official or employee of the county or municipality) to serve as the non-public board member from a county.

The SGRC is not accumulating significant financial resources and is not experiencing financial stress that may cause an additional financial benefit or burden to the City of Thomasville.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines regional commissions as “public agencies and instrumentalities of their members.” Georgia laws also provide that the member governments are liable for any debts or obligations of the SGRC beyond its resources (O.C.G.A. 50-8-39.1). For more information, including financial statements of the SGRC, write to Post Office Box 346, Camilla, Georgia.

## **NOTE 24 – POWER SALES CONTRACTS**

Municipal Electric Authority of Georgia. The City has entered into Power Sales Contracts with the Municipal Electric Authority of Georgia (MEAG). Under terms of these contracts, the City purchases power and energy for resale to its electric system customers. MEAG is authorized to establish rates and charges so as to produce revenues sufficient to cover its costs.

The City purchases all of its power and energy requirements from MEAG over and above its allotment from federally-owned projects administrated by Southeastern Power Administration (SEPA). The City purchased bulk power totaling \$38,239,141 from MEAG during the year ended December 31, 2017. The City’s future minimum payment obligations to MEAG will be based on MEAG’s costs and the City’s yearly demand for bulk power supply.

MEAG has set aside funds to be used by member cities for rate stabilization necessary when new plants are placed in service or unforeseen events occur. Prior to the commencement of retail competition in Georgia, these funds were controlled by the MEAG board, and were available to the City only for certain limited purposes. In September 1999, MEAG transferred \$12,933,360 to the Municipal Competitive Trust for which the City is beneficiary. These funds were deposited in the Reserve Funded Debt Account of the Trust; the City has no right to withdraw funds from this account without the written consent of MEAG. The value of this account at December 31, 2017, is \$1,350,419. These funds are not recorded in the City’s financial statements because they are not under the control of the City.

## **NOTE 25 – CURRENT IMPLEMENTATION OF GASB PRONOUNCEMENTS**

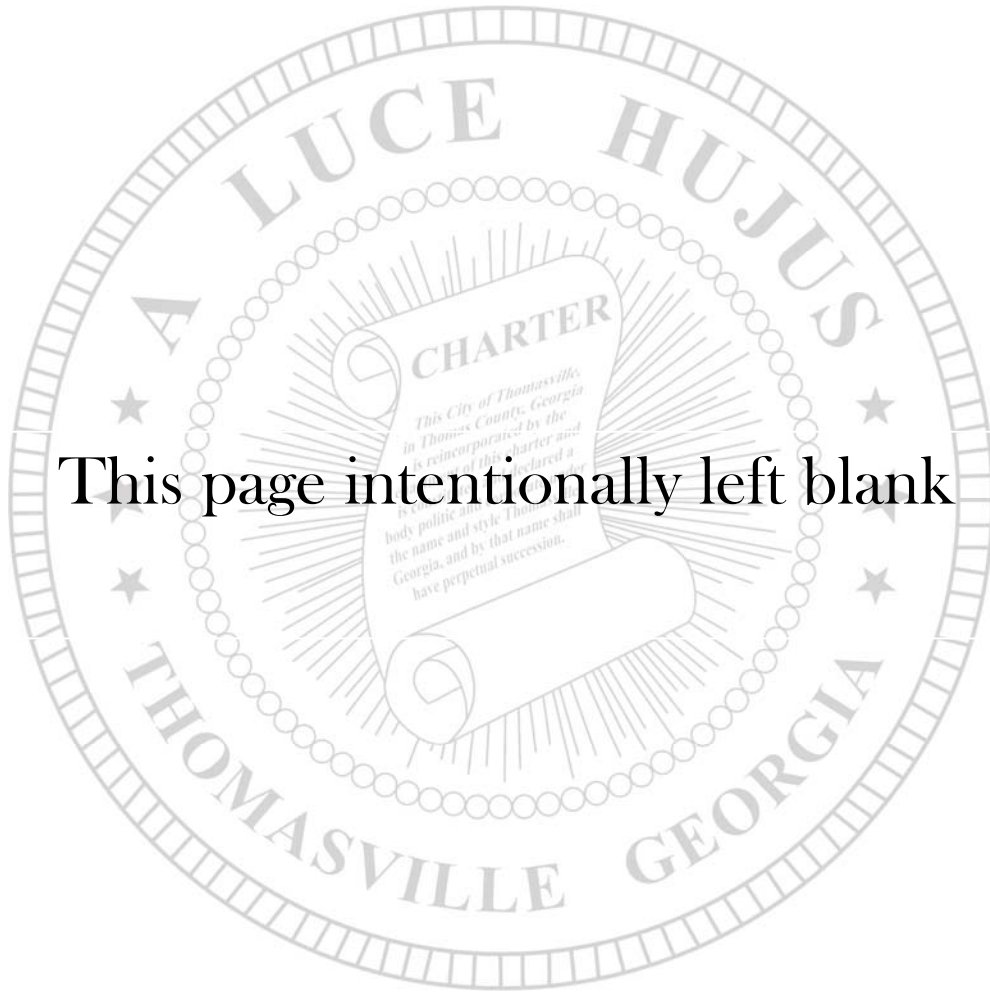
The GASB has issued the following statements that apply to the current year financial statements.

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions*—effective for periods beginning after June 15, 2016. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (OPEB) included in the general purpose financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal years beginning after June 15, 2017. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

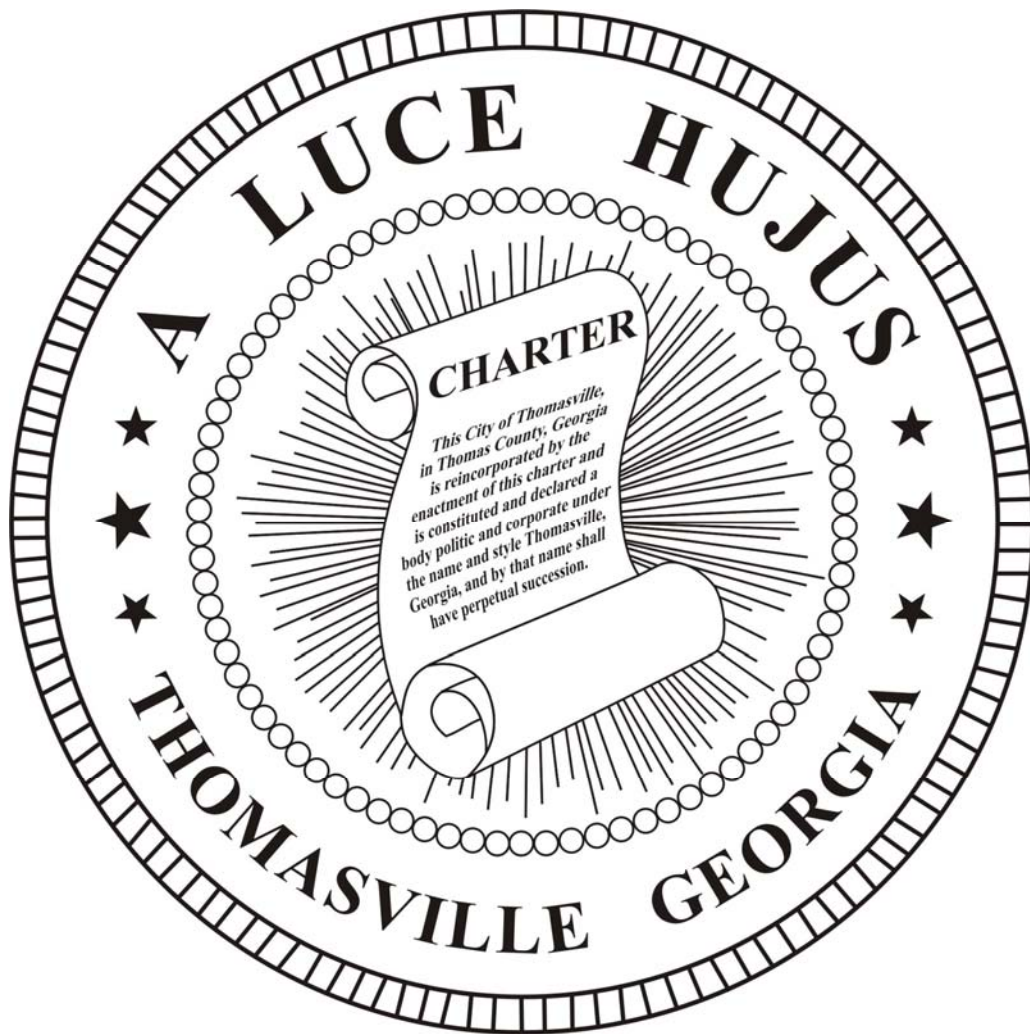
## **NOTE 26 – SUBSEQUENT EVENTS**

Subsequent events were reviewed through June 12, 2018, which is the date the financial statements were available to be issued. As of this date, there were no subsequent events requiring disclosure.



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## Required Supplementary Information



**CITY OF THOMASVILLE, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF OPEB FUNDING PROGRESS**

Plan Year Ending	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
January 1, 2010	\$ -	\$ 8,636,061	\$ 8,636,061	0.00%	\$ 3,916,070	220.53%
January 1, 2012	-	6,723,000	6,723,000	0.00%	3,652,125	184.08%
January 1, 2014	-	5,712,986	5,712,986	0.00%	2,940,729	194.27%
January 1, 2016	-	4,995,247	4,995,247	0.00%	2,682,079	186.25%

**CITY OF THOMASVILLE, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST 10 FISCAL YEARS<sup>1</sup>**

	2017	2016	2015
Total pension liability			
Service cost	\$ 212,546	\$ 166,081	\$ 188,402
Interest	2,223,820	2,301,733	2,393,051
Differences between expected and actual experience	443,037	-	(1,248,617)
Changes of assumptions	1,446,400	3,981,934	1,761,752
Benefit payments	(2,408,031)	(2,127,918)	(2,153,252)
Net change in total pension liability	1,917,772	4,321,830	941,336
Total pension liability-beginning	38,267,687	33,945,857	33,004,521
Total pension liability-ending (a)	<u>\$ 40,185,459</u>	<u>\$ 38,267,687</u>	<u>\$ 33,945,857</u>
Plan fiduciary net position			
Contributions - employer	\$ 285,446	\$ 7,316,186	\$ 321,841
Contributions - member	200,782	220,654	214,561
Net investment income	4,856,523	2,888,344	(1,294,485)
Benefit payments	(2,248,933)	(2,127,918)	(2,153,252)
Administrative expense	(7,740)	(13,455)	(7,808)
Refunds of contributions	(159,098)	-	-
Net change in plan fiduciary net position	2,926,980	8,283,811	(2,919,143)
Plan fiduciary net position-beginning	41,168,088	32,884,277	35,803,420
Plan fiduciary net position-ending (b)	<u>\$ 44,095,068</u>	<u>\$ 41,168,088</u>	<u>\$ 32,884,277</u>
City's net pension liability-ending (a) - (b)	<u>\$ (3,909,609)</u>	<u>\$ (2,900,401)</u>	<u>\$ 1,061,580</u>
Plan fiduciary net position as a percentage of the total pension liability	109.73%	107.58%	96.87%
Covered-employee payroll	\$ 2,382,748	\$ 2,682,079	\$ 2,865,769
City's net position liability as a percentage of covered-employee payroll	-164.08%	-108.14%	37.04%

Notes to Schedule:

(1) Pursuant to GASB 67/68, a 10-year history of the above information is required. However, until a full 10-year history is compiled, information for those years which are available may be presented.

**2015**

(2) Difference between actual and expected experience during the 2015 fiscal year was primarily due to deaths of retirees without beneficiaries.

(3) 2015 Assumption changes - The discount rate was decreased from 7.50% to 7.00%.

(4) Investment losses - During 2015 the actual return on assets was -3.70% vs. an expected return of 7.5%.

**2016**

(5) Since a valuation is not required for the 2016 fiscal year, actual and expected experience are equal.

(6) Assumption changes - The discount rate was decreased from 7.00% to 6.00%.

(7) Investment gain - During 2016 the actual return on assets was 8.13% versus an expected return of 7.0%.

**2017**

(8) The difference between actual and expected experience during the 2017 fiscal year was primarily attributable to losses on retirements which were offset by gains on participant deaths.

(9) Assumption changes - The mortality table was updated to the RP-2014 Mortality Table with rates adjusted to 2006 and projected generationally using the MP-2017 projection scale.

(10) Investment gain - During 2017 the actual return on assets was 12.08% vs. an expected return of 6.0%.

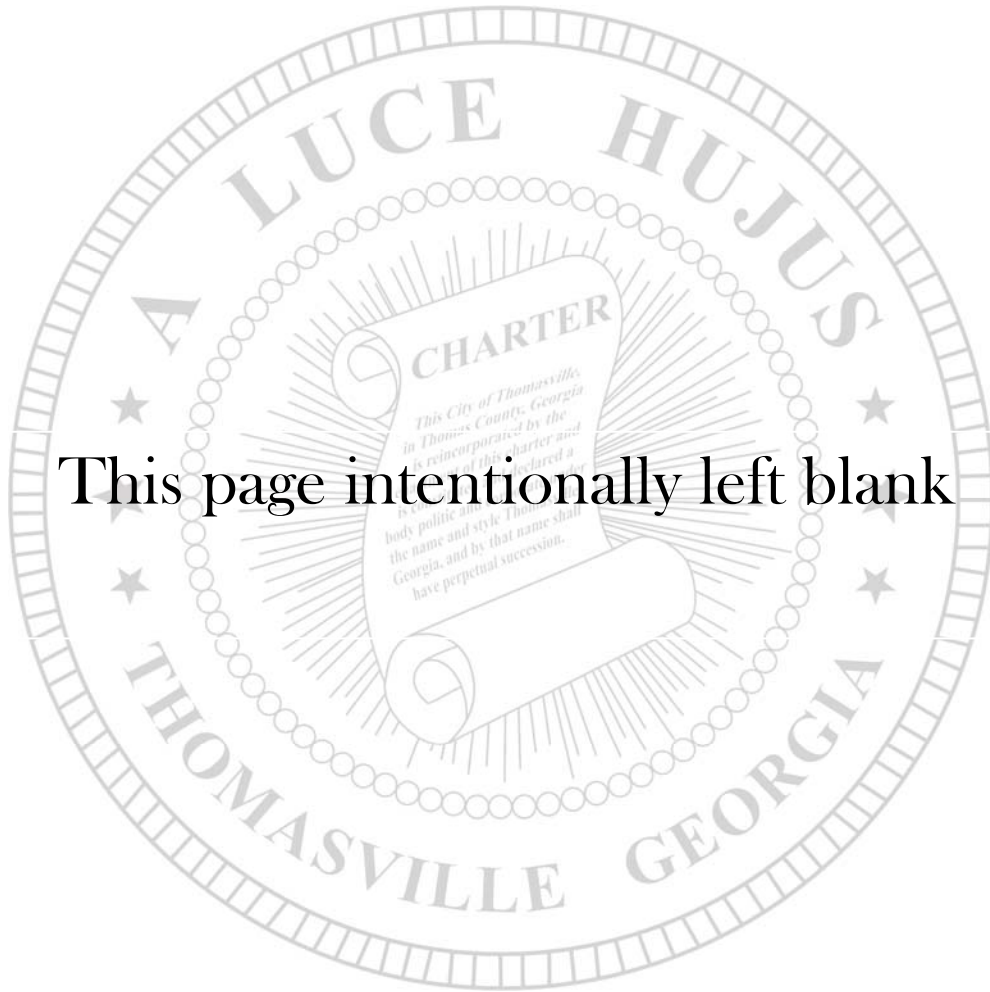
**CITY OF THOMASVILLE, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**LAST 10 FISCAL YEARS<sup>1</sup>**

	2017	2016	2015	2014
Actuarially determined contribution	\$ 322,399	\$ 322,399	\$ 433,933	\$ 433,933
Actual contributions:				
Employer	285,446	7,316,186	321,841	3,345,375
Total	<u>\$ 285,446</u>	<u>\$ 7,316,186</u>	<u>\$ 321,841</u>	<u>\$ 3,345,375</u>
Annual contribution deficiency (excess)	36,953	(6,993,787)	112,092	(2,911,442)
Covered employee payroll	\$ 2,382,748	\$ 2,682,079	\$ 2,865,769	\$ 2,846,450
Employer contributions as a percentage of covered employee payroll	11.98%	272.78%	11.23%	117.53%

Notes to Schedule:

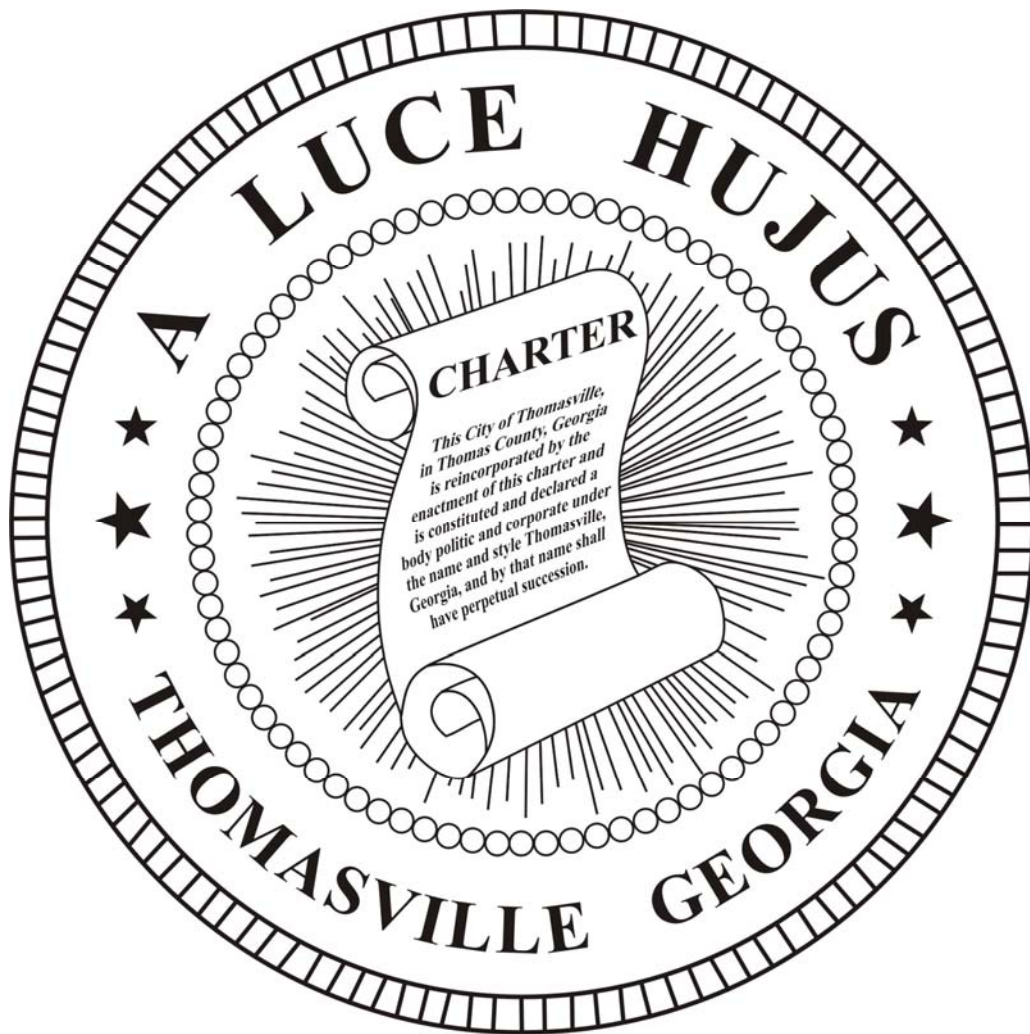
(1) Pursuant to GASB 68, a 10-year history of the above information is required. However, until a full 10-year history is compiled, information for those years which are available may be presented.

(2) The actuarially determined employer contribution is the greater of: (a) the amount determined pursuant to the Official Code of Georgia Annotated (O.C.G.A) section 47-20-10 and (b) 11.25% of member payroll pursuant to the Thomasville Municipal Code. For 2016, the calculation of the actuarially determined contribution is presented in the January 1, 2016 Actuarial Valuation Report for Funding Purposes, along with the actuarial assumptions and methods used for the calculation.



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# Combining and Individual Fund Statements and Schedules



## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Asset Forfeiture Fund** – This fund is used to account for defaulted property.

**Economic Development Fund** – This fund is used to account for funds received and accumulated for economic development purposes.

**Parks and Recreation Fund** – This fund is used to account for the operations and maintenance of all City owned parks and recreation facilities. These operations are funded by a portion of the Thomas County Local Option Sales Tax.

**Special Hotel/Motel Tax Fund** – This fund is used to account for the receipt and disbursement of the City assessed Hotel/Motel tax.

### **Capital Project Funds**

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

**CDBG Fund** – This fund is used to account for the community development block grants awarded for capital improvements or other approved projects.

**Street Paving Fund** – This fund is used to account for the receipt and disbursement of street assessment levies and the Thomas County Local Option Sales Tax.

**Multiple Grants Fund** – This fund is used to account for other grants, excluding CDBG.

**CITY OF THOMASVILLE, GEORGIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2017**

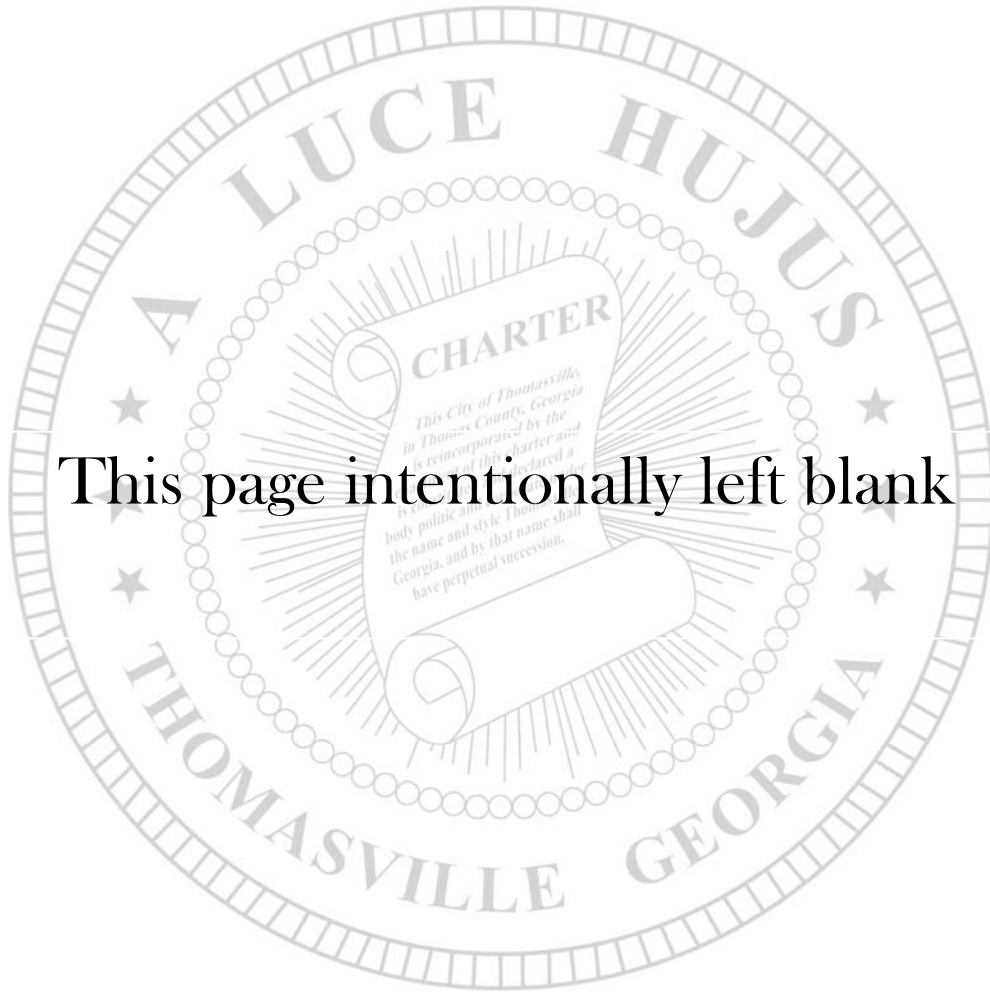
	Special Revenue				
	Asset Forfeiture	Economic Development	Parks and Recreation	Special Hotel/Motel Tax	Total Special Revenue
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-
Interest receivable	-	-	-	-	-
Due from other funds	56,105	-	-	-	56,105
Prepaid items	-	-	6,940	-	6,940
Total assets	<u>\$ 56,105</u>	<u>\$ -</u>	<u>\$ 6,940</u>	<u>\$ -</u>	<u>\$ 63,045</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,401	\$ -	\$ 8,887	\$ -	\$ 10,288
Due to other funds	-	1,145,358	1,509,050	-	2,654,408
Accrued liabilities	-	-	3,259	-	3,259
Total liabilities	<u>1,401</u>	<u>1,145,358</u>	<u>1,521,196</u>	<u>-</u>	<u>2,667,955</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	6,940	-	6,940
Restricted	54,704	-	-	-	54,704
Unassigned	-	(1,145,358)	(1,521,196)	-	(2,666,554)
Total fund balances	<u>54,704</u>	<u>(1,145,358)</u>	<u>(1,514,256)</u>	<u>-</u>	<u>(2,604,910)</u>
Total liabilities and fund balances	<u>\$ 56,105</u>	<u>\$ -</u>	<u>\$ 6,940</u>	<u>\$ -</u>	<u>\$ 63,045</u>

Capital Project					Total Nonmajor Governmental Funds
CDBG	Street Paving	Multiple Grants	Total Capital Project		
\$ -	\$ -	\$ 200	\$ 200	\$ 200	
-	30,070	-	30,070	30,070	
-	9,849	-	9,849	9,849	
-	-	-	-	56,105	
-	-	-	-	6,940	
<u>\$ -</u>	<u>\$ 39,919</u>	<u>\$ 200</u>	<u>\$ 40,119</u>	<u>\$ 103,164</u>	
\$ -	\$ 10	\$ -	\$ 10	\$ 10,298	
-	15,271	100	15,371	2,669,779	
-	-	-	-	3,259	
<u>-</u>	<u>15,281</u>	<u>100</u>	<u>15,381</u>	<u>2,683,336</u>	
-	-	-	-	6,940	
-	24,638	100	24,738	79,442	
-	-	-	-	(2,666,554)	
<u>-</u>	<u>24,638</u>	<u>100</u>	<u>24,738</u>	<u>(2,580,172)</u>	
<u>\$ -</u>	<u>\$ 39,919</u>	<u>\$ 200</u>	<u>\$ 40,119</u>	<u>\$ 103,164</u>	

**CITY OF THOMASVILLE, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

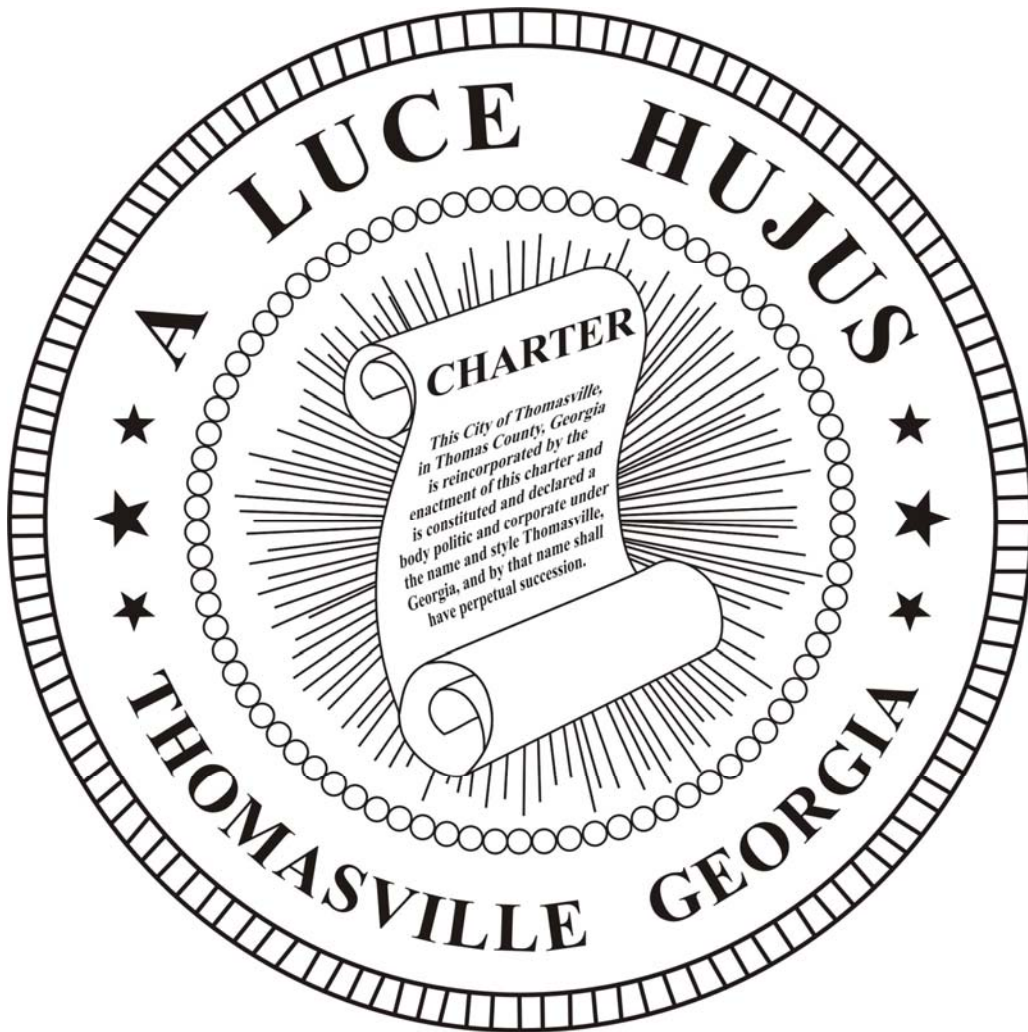
	Special Revenue				
	Asset Forfeiture	Economic Development	Parks and Recreation	Special Hotel/Motel Tax	Total Special Revenue
REVENUES					
Sales taxes, general	\$ -	\$ -	\$ 1,449,466	\$ -	\$ 1,449,466
Sales taxes, selective	-	-	-	395,387	395,387
Intergovernmental	44,903	-	-	-	44,903
Investment earnings	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Total revenues	44,903	-	1,449,466	395,387	1,889,756
EXPENDITURES					
Current:					
Public safety:					
Supplies	30,567	-	-	-	30,567
Economic development:					
Other costs	-	3,400,000	-	395,387	3,795,387
Culture and recreation:					
Personal services	-	-	105,515	-	105,515
Contracted services	-	-	824,545	-	824,545
Supplies	-	-	62,831	-	62,831
Interfund charges	-	-	20,647	-	20,647
Other costs	-	-	142,652	-	142,652
Debt service:					-
Principal	-	-	12,218	-	12,218
Interest	-	-	757	-	757
Capital outlay:					
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	7,084	-	7,084
Total expenditures	30,567	3,400,000	1,176,249	395,387	5,002,203
Excess (deficiency) of revenues over expenditures	14,336	(3,400,000)	273,217	-	(3,112,447)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	480,030	98,010	-	578,040
Transfers out	-	-	(367,224)	-	(367,224)
Total other financing sources (uses)	-	480,030	(269,214)	-	210,816
Net change in fund balances	14,336	(2,919,970)	4,003	-	(2,901,631)
Fund balances, beginning	40,368	1,774,612	(1,518,259)	-	296,721
Fund balances, ending	\$ 54,704	\$ (1,145,358)	\$ (1,514,256)	\$ -	\$ (2,604,910)

Capital Project				Total Nonmajor Governmental Funds
CDBG	Street Paving	Multiple Grants	Total Capital Project	
\$ -	\$ -	\$ -	\$ -	\$ 1,449,466
-	-	-	-	395,387
100,886	-	208,220	309,106	354,009
-	537	-	537	537
-	-	-	-	-
100,886	537	208,220	309,643	2,199,399
-	-	-	-	30,567
-	-	-	-	3,795,387
-	-	-	-	105,515
-	-	-	-	824,545
-	-	-	-	62,831
-	-	-	-	20,647
-	-	-	-	142,652
-	-	-	-	12,218
-	-	-	-	757
-	-	208,220	208,220	208,220
100,886	-	-	100,886	100,886
-	-	-	-	7,084
100,886	-	208,220	309,106	5,311,309
-	537	-	537	(3,111,910)
-	-	-	-	578,040
-	-	-	-	(367,224)
-	-	-	-	210,816
-	537	-	537	(2,901,094)
-	24,101	100	24,201	320,922
\$ -	\$ 24,638	\$ 100	\$ 24,738	\$ (2,580,172)



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Schedules of Revenues, Expenditures  
And Changes in Fund Balances –  
Budget and Actual



**CITY OF THOMASVILLE, GEORGIA**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST) FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 3,740,000	\$ 3,740,000	\$ 3,783,792	\$ 43,792
Investment earnings	2,000	2,000	800	(1,200)
Miscellaneous	500	500	137,654	137,154
Total revenues	3,742,500	3,742,500	3,922,246	179,746
EXPENDITURES				
Capital Outlay:				
Public safety	1,408,137	1,408,137	270,826	1,137,311
Highways and streets	2,633,498	2,633,498	1,955,643	677,855
Economic development	690,000	690,000	589,705	100,295
Culture and recreation	888,500	888,500	407,921	480,579
Total expenditures	5,620,135	5,620,135	3,224,095	2,396,040
Excess (deficiency) of revenues over expenditures	(1,877,635)	(1,877,635)	698,151	2,575,786
OTHER FINANCING SOURCES (USES)				
Transfers in	215,000	215,000	214,146	(854)
Total other financing sources (uses)	215,000	215,000	214,146	(854)
Net change in fund balances	(1,662,635)	(1,662,635)	912,297	2,574,932
Fund balances, beginning	3,535,389	3,535,389	3,535,389	-
Fund balances, ending	\$ 1,872,754	\$ 1,872,754	\$ 4,447,686	\$ 2,574,932

**CITY OF THOMASVILLE, GEORGIA**  
**PARKS AND RECREATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales taxes, general	\$ 1,716,000	\$ 1,716,000	\$ 1,449,466	\$ (266,534)
Total revenues	1,716,000	1,716,000	1,449,466	(266,534)
EXPENDITURES				
Current:				
Culture and recreation:				
Personal services	109,176	109,176	105,515	3,661
Contracted services	829,250	829,250	824,545	4,705
Supplies	81,848	81,848	62,831	19,017
Interfund charges	20,804	20,804	20,647	157
Other costs	154,377	154,377	142,652	11,725
Debt service:				
Principal	5,305	5,305	12,218	(6,913)
Interest	105	105	757	(652)
Capital Outlay	7,300	7,300	7,084	216
Total expenditures	1,208,165	1,208,165	1,176,249	31,916
Excess (deficiency) of revenues over expenditures	507,835	507,835	273,217	(234,618)
OTHER FINANCING SOURCES (USES)				
Debt issuance	7,300	7,300	-	(7,300)
Transfers in	-	-	98,010	98,010
Transfers out	(367,224)	(367,224)	(367,224)	-
Total other financing sources (uses)	(359,924)	(359,924)	(269,214)	90,710
Net change in fund balance	147,911	147,911	4,003	(143,908)
Fund balances, beginning	(1,518,259)	(1,518,259)	(1,518,259)	-
Fund balances, ending	\$ (1,370,348)	\$ (1,370,348)	\$ (1,514,256)	\$ (143,908)

**CITY OF THOMASVILLE, GEORGIA**  
**ASSET FORFEITURE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 44,903	\$ (30,097)
Total revenues	75,000	75,000	44,903	(30,097)
EXPENDITURES				
Current:				
Public safety:				
Supplies	65,000	65,000	30,567	34,433
Capital outlay	51,378	51,378	-	51,378
Total expenditures	116,378	116,378	30,567	85,811
Net change in fund balances	(41,378)	(41,378)	14,336	55,714
Fund balances, beginning	40,368	40,368	40,368	-
Fund balances, ending	\$ (1,010)	\$ (1,010)	\$ 54,704	\$ 55,714

**CITY OF THOMASVILLE, GEORGIA  
SPECIAL HOTEL/MOTEL TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales taxes, selective	\$ 277,000	\$ 395,387	\$ 395,387	\$ -
Total revenues	277,000	395,387	395,387	-
EXPENDITURES				
Current:				
Economic development:				
Other costs	277,000	395,387	395,387	-
Total expenditures	277,000	395,387	395,387	-
Net change in fund balance	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -

**CITY OF THOMASVILLE, GEORGIA**  
**ECONOMIC DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Economic development:				
Other costs	-	3,400,000	3,400,000	-
Total expenditures	-	3,400,000	3,400,000	-
Excess (deficiency) of revenues over expenditures	-	(3,400,000)	(3,400,000)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	490,000	490,000	480,030	(9,970)
Total other financing sources (uses)	490,000	490,000	480,030	(9,970)
Net change in fund balance	490,000	(2,910,000)	(2,919,970)	(9,970)
Fund balances, beginning	1,774,612	1,774,612	1,774,612	-
Fund balances, ending	\$ 2,264,612	\$ (1,135,388)	\$ (1,145,358)	\$ (9,970)

**CITY OF THOMASVILLE, GEORGIA**  
**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 100,886	\$ 100,886	\$ -
Total revenues	-	100,886	100,886	-
EXPENDITURES				
Capital outlay	-	100,886	100,886	-
Total expenditures	-	100,886	100,886	-
Net change in fund balance	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -

**CITY OF THOMASVILLE, GEORGIA**  
**MULTIPLE GRANTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 360,000	\$ 360,000	\$ 208,220	\$ (151,780)
Total revenues	360,000	360,000	208,220	(151,780)
EXPENDITURES				
Current:				
Other Costs	15,000	15,000	-	15,000
Capital outlay	345,000	345,000	208,220	136,780
Total expenditures	360,000	360,000	208,220	151,780
Net change in fund balance	-	-	-	-
Fund balances, beginning	100	100	100	-
Fund balances, ending	\$ 100	\$ 100	\$ 100	\$ -

**CITY OF THOMASVILLE, GEORGIA**  
**STREET PAVING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 537	\$ 537
Total revenues	-	-	537	537
EXPENDITURES				
Current:				
Highways and streets:				
Interfund charges	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	537	537
Fund balances, beginning	24,101	24,101	24,101	-
Fund balances, ending	\$ 24,101	\$ 24,101	\$ 24,638	\$ 537

## **Nonmajor Enterprise Funds**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Auditorium Fund** – This fund is used to account for the operation of the Municipal Auditorium. All activities necessary to provide such services are accounted for in this fund.

**Airport Fund** – This fund is used to account for the operation of the Thomasville Municipal Airport. All activities necessary to provide such services are accounted for in this fund.

**Golf Course Fund** – This fund is used to account for the operation of the Country Oaks Golf course. All activities necessary to provide such services are accounted for in this fund.

**Natural Gas Fund** – This fund is used to account for the cost of providing natural gas services to the citizens of the City and surrounding areas. All activities necessary to provide such services are accounted for in this fund.

**Rose.net Fund** – This fund is used to account for the cost of providing Internet services to the citizens of the City and surrounding areas.

**Sanitation Fund** – This fund is used to account for the cost of providing commercial and residential refuse and trash collection services to the citizens of the City and surrounding areas. All activities necessary to provide such services are accounted for in this fund.

**Telecommunications Fund** – This fund is used to account for the cost of providing telecommunications services to the citizens of the City and surrounding areas. All activities necessary to provide such services are accounted for in this fund.

**Telephony Fund** – This fund is used to account for the cost of providing telephony services to the citizens of the City and surrounding areas. All activities necessary to provide such services are accounted for in this fund.

**Compressed Natural Gas Fund** - This fund is used to account for the cost of providing compressed natural gas to the City and other users. All activities necessary to provide such services are accounted for in this fund.

**Events Center** - This fund is used to account for the operations of the future Events Center. All activities necessary to provide such services are accounted for in this fund.

**CITY OF THOMASVILLE, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**DECEMBER 31, 2017**

	Business-Type Activities				
	Auditorium	Airport	Golf Course	Natural Gas	Rose.net
<b>ASSETS</b>					
<b>Current:</b>					
Cash	\$ -	\$ 150	\$ 363	\$ -	\$ -
Accounts receivable	-	45,973	10,703	857,356	446,616
Due from other funds	-	-	-	4,024,303	1,015,285
Inventories	-	78,189	33,589	117,565	34,767
Prepaid items	2,482	8,395	4,120	2,040	204
Total current assets	2,482	132,707	48,775	5,001,264	1,496,872
<b>Noncurrent:</b>					
<b>Capital assets:</b>					
Land and land improvements	76,705	606,825	650,989	22,534	-
Buildings	4,792,285	5,766,876	415,992	152,594	675,184
Machinery and equipment	18,629	1,264,957	452,005	194,200	34,692
Infrastructure	-	9,822,820	895,613	4,049,220	-
Construction in Progress	-	2,787,506	-	-	-
Less accumulated depreciation	(1,865,011)	(8,812,820)	(1,378,048)	(1,710,567)	(37,115)
Total capital assets (net of accumulated depreciation)	3,022,608	11,436,164	1,036,551	2,707,981	672,761
Total noncurrent assets	3,022,608	11,436,164	1,036,551	2,707,981	672,761
Total assets	\$ 3,025,090	\$ 11,568,871	\$ 1,085,326	\$ 7,709,245	\$ 2,169,633
<b>LIABILITIES</b>					
<b>Current:</b>					
Accounts payable	\$ 22,406	\$ 232,467	\$ 63,262	\$ 231,361	\$ 436,462
Sales tax payable	-	-	-	12,073	89
Customer deposits	-	-	-	-	-
Due to other funds	3,675,534	5,326,401	4,791,457	-	-
Accrued liabilities	2,826	27,227	11,678	23,306	21,315
Accrued compensated absences	-	-	-	2,672	-
Current portion of long-term debt	-	-	-	-	5,496
Total current liabilities	3,700,766	5,586,095	4,866,397	269,412	463,362
<b>Noncurrent:</b>					
Accrued compensated absences	-	-	-	10,687	-
Total noncurrent liabilities	-	-	-	10,687	-
Total liabilities	3,700,766	5,586,095	4,866,397	280,099	463,362
<b>NET POSITION (DEFICIT)</b>					
Net investment in capital assets	3,022,608	11,436,164	1,036,551	2,707,981	667,265
Restricted for gas renewal	-	-	-	1,260,101	-
Unrestricted	(3,698,284)	(5,453,388)	(4,817,622)	3,461,064	1,039,006
Total net position (deficit)	\$ (675,676)	\$ 5,982,776	\$ (3,781,071)	\$ 7,429,146	\$ 1,706,271

Sanitation	Tele-communications	Telephony	Compressed Natural Gas	Events Center	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 513
473,578	530,218	88,963	19,705	-	2,473,112
-	-	1,008,788	-	-	6,048,376
1,166,194	-	-	-	-	1,430,304
8,820	2,378	-	-	791	29,230
1,648,592	532,596	1,097,751	19,705	791	9,981,535
-	-	-	-	-	1,357,053
1,331,218	339,699	-	-	-	13,473,848
6,725,447	-	-	1,140,110	-	9,830,040
-	-	-	188,714	-	14,956,367
-	-	-	-	-	2,787,506
(4,284,133)	(83,595)	-	(205,934)	-	(18,377,223)
3,772,532	256,104	-	1,122,890	-	24,027,591
3,772,532	256,104	-	1,122,890	-	24,027,591
\$ 5,421,124	\$ 788,700	\$ 1,097,751	\$ 1,142,595	\$ 791	\$ 34,009,126
\$ 134,018	\$ 209,343	\$ 179,298	\$ 11,708	\$ -	\$ 1,520,325
-	-	9,454	36	-	21,652
-	-	16,607	-	-	16,607
5,059,670	39,641	-	800,768	1,922,256	21,615,727
46,300	-	95,461	-	-	228,113
2,825	-	-	-	-	5,497
73,058	-	-	-	-	78,554
5,315,871	248,984	300,820	812,512	1,922,256	23,486,475
11,299	-	-	-	-	21,986
11,299	-	-	-	-	21,986
5,327,170	248,984	300,820	812,512	1,922,256	23,508,461
3,699,474	256,104	-	1,122,890	-	23,949,037
-	-	-	-	-	1,260,101
(3,605,520)	283,612	796,931	(792,807)	(1,921,465)	(14,708,473)
\$ 93,954	\$ 539,716	\$ 796,931	\$ 330,083	\$ (1,921,465)	\$ 10,500,665

**CITY OF THOMASVILLE, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

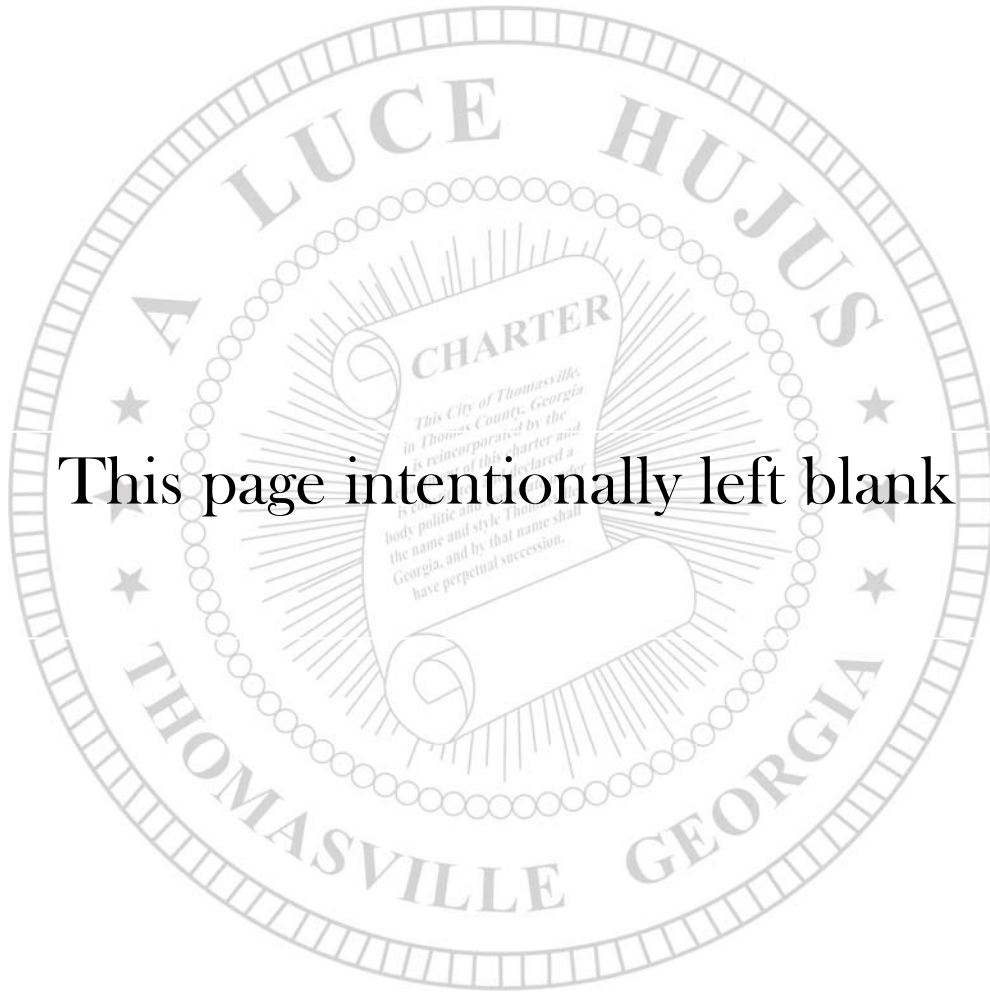
	Business-Type Activities				
	Auditorium	Airport	Golf Course	Natural Gas	Rose.net
Operating revenues:					
Charges for sales and services	\$ 117,177	\$ 1,802,074	\$ 442,930	\$ 488,189	\$ 2,651,793
Intergovernmental	-	1,976,657	-	-	-
Metered sales	-	-	-	3,895,345	-
Miscellaneous revenue	-	20,880	4,250	-	3,375
Total operating revenues	117,177	3,799,611	447,180	4,383,534	2,655,168
Operating expenses:					
Personal services	46,656	348,797	293,555	327,806	536,375
Contracted services	78,622	102,617	212,899	314,597	64,892
Cost of sales	-	882,480	81,953	1,946,209	631,435
Supplies	11,441	16,005	96,654	65,870	30,344
Interfund charges	15,712	109,280	69,754	716,981	638,156
Depreciation	154,454	418,788	114,807	172,959	104,834
Other costs	65,308	130,010	112,327	62,111	74,257
Total operating expenses	372,193	2,007,977	981,949	3,606,533	2,080,293
Operating income (loss)	(255,016)	1,791,634	(534,769)	777,001	574,875
Nonoperating revenues (expenses):					
Gain (loss) on sale of capital assets	-	-	-	-	(30,194)
Investment earnings	-	-	-	297	-
Interest expense	(1,280)	-	(942)	-	(200)
Total nonoperating revenue (expenses)	(1,280)	-	(942)	297	(30,394)
Income (loss) before transfers	(256,296)	1,791,634	(535,711)	777,298	544,481
Transfers in	-	-	257,400	-	-
Transfers out	-	-	-	(437,957)	(4,861,000)
Change in net position	(256,296)	1,791,634	(278,311)	339,341	(4,316,519)
Net position, beginning	(419,380)	4,191,142	(3,502,760)	7,089,805	6,022,790
Net position, ending	\$ (675,676)	\$ 5,982,776	\$ (3,781,071)	\$ 7,429,146	\$ 1,706,271

Sanitation	Tele-communications	Telephony	Compressed Natural Gas	Events Center	Total
\$ 4,968,403	\$ 951,857	\$ 1,761,578	\$ 267,386	\$ 125,960	\$ 13,577,347
-	-	-	-	-	1,976,657
-	-	-	-	-	3,895,345
129,600	6,461	5,620	79,554	-	249,740
5,098,003	958,318	1,767,198	346,940	125,960	19,699,089
1,085,148	-	-	-	-	2,638,337
624,622	1,733	372,016	58,132	6,950	1,837,080
-	165,131	163,195	108,075	-	3,978,478
363,657	63,485	80,578	990	311	729,335
960,349	237,124	606,349	26,278	1,360	3,381,343
745,628	57,187	32,088	62,503	23,064	1,886,312
1,216,152	36,231	126	49,355	70,007	1,815,884
4,995,556	560,891	1,254,352	305,333	101,692	16,266,769
102,447	397,427	512,846	41,607	24,268	3,432,320
41,325	(4,302)	(2,539)	-	(1,976,395)	(1,972,105)
-	-	-	-	-	297
(2,654)	-	(1,232)	-	-	(6,308)
38,671	(4,302)	(3,771)	-	(1,976,395)	(1,978,116)
141,118	393,125	509,075	41,607	(1,952,127)	1,454,204
-	-	-	-	-	257,400
(275,000)	(600,000)	(3,050,000)	-	-	(9,223,957)
(133,882)	(206,875)	(2,540,925)	41,607	(1,952,127)	(7,512,353)
227,836	746,591	3,337,856	288,476	30,662	18,013,018
\$ 93,954	\$ 539,716	\$ 796,931	\$ 330,083	\$ (1,921,465)	\$ 10,500,665

**CITY OF THOMASVILLE, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Business-Type Activities				
	Auditorium	Airport	Golf Course	Natural Gas	Rose.net
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 117,177	\$ 1,849,609	\$ 446,106	\$ 4,125,480	\$ 2,986,923
Receipts from interfund services provided	2,368,110	2,269,576	237,483	-	1,154,101
Payments to suppliers	(543,607)	(1,288,521)	(455,775)	(2,360,097)	582,986
Payments to employees	(47,003)	(335,281)	(293,706)	(327,112)	(538,928)
Payments for interfund services used	(15,712)	(109,280)	(69,754)	(722,822)	(638,156)
Net cash provided by (used in) operating activities	1,878,965	2,386,103	(135,646)	715,449	3,546,926
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Transfer to other funds	-	-	-	(437,957)	(4,861,000)
Advances from other funds	-	-	257,400	-	-
Net cash provided by (used in) noncapital and related financing activities	-	-	257,400	(437,957)	(4,861,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets	(1,877,685)	(2,385,953)	(68,829)	(277,789)	-
Proceeds from sale of capital assets	-	-	-	-	1,319,769
Principal paid	-	-	(51,883)	-	(5,495)
Interest paid	(1,280)	-	(942)	-	(200)
Net cash provided by (used in) capital and related financing activities	(1,878,965)	(2,385,953)	(121,654)	(277,789)	1,314,074
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends received	-	-	-	297	-
Net cash provided by investing activities	-	-	-	297	-
Net increase (decrease) in cash and cash equivalents	-	150	100	-	-
Cash and cash equivalents, January 1	-	-	263	-	-
Cash and cash equivalents, December 31	\$ -	\$ 150	\$ 363	\$ -	\$ -
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ (255,016)	\$ 1,791,634	\$ (534,769)	\$ 777,001	\$ 574,875
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	154,454	418,788	114,807	172,959	104,834
(Increase) decrease in accounts receivable	-	26,655	(1,074)	(258,054)	331,755
(Increase) decrease in due from other funds	-	-	-	(5,841)	1,154,101
(Increase) decrease in inventories	-	(1,151)	848	3,672	966,647
(Increase) decrease in prepaid items	(262)	235	1,169	105	111
Increase (decrease) in accounts payable	(387,974)	(156,493)	46,041	24,913	417,156
Increase (decrease) in due to other funds	2,368,110	292,919	237,483	-	-
Increase (decrease) in accrued liabilities	(347)	13,516	(151)	564	(2,553)
Increase (decrease) in accrued compensated absences	-	-	-	130	-
Total adjustments	2,133,981	594,469	399,123	(61,552)	2,972,051
Net cash provided by (used in) operating activities	\$ 1,878,965	\$ 2,386,103	\$ (135,646)	\$ 715,449	\$ 3,546,926

Sanitation	Tele-communications	Telephony	Compressed Natural Gas	Events Center	Total
\$ 5,073,950	\$ 1,043,617	\$ 1,976,998	\$ 347,183	\$ 125,960	\$ 18,093,003
-	-	2,007,820	-	192,718	8,229,808
(2,223,008)	(69,041)	(523,438)	(216,267)	(77,355)	(7,174,123)
(1,100,687)	-	-	-	-	(2,642,717)
(1,043,610)	(706,986)	(606,349)	(130,916)	(1,360)	(4,044,945)
706,645	267,590	2,855,031	-	239,963	12,461,026
(275,000)	(600,000)	(3,050,000)	-	-	(9,223,957)
-	-	-	-	-	257,400
(275,000)	(600,000)	(3,050,000)	-	-	(8,966,557)
(397,261)	-	-	-	(239,963)	(5,247,480)
41,328	332,410	196,200	-	-	1,889,707
(73,058)	-	-	-	-	(130,436)
(2,654)	-	(1,231)	-	-	(6,307)
(431,645)	332,410	194,969	-	(239,963)	(3,494,516)
-	-	-	-	-	297
-	-	-	-	-	297
-	-	-	-	-	250
-	-	-	-	-	263
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 513
\$ 102,447	\$ 397,427	\$ 512,846	\$ 41,607	\$ 24,268	\$ 3,432,320
745,628	57,187	32,088	62,503	23,064	1,886,312
(24,053)	85,299	174,939	243	-	335,710
-	-	2,007,820	-	-	3,156,080
-	-	-	-	-	970,016
(289)	238	-	-	(87)	1,220
(18,288)	197,301	92,477	285	-	215,418
(83,261)	(469,862)	-	(104,638)	192,718	2,433,469
(16,109)	-	34,861	-	-	29,781
570	-	-	-	-	700
604,198	(129,837)	2,342,185	(41,607)	215,695	9,028,706
\$ 706,645	\$ 267,590	\$ 2,855,031	\$ -	\$ 239,963	\$ 12,461,026



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## **Internal Service Funds**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City and to other government units, on a cost reimbursement basis.

**Building Maintenance Fund** – This fund is used to account for the cost of maintaining City buildings.

**City Shop Fund** – This fund is used to account for the cost of maintaining City vehicles.

**Customer Service Fund** – This fund is used to account for the cost of billing, cashiering and related customer services for the City and other government units.

**Engineering Fund** – This fund is used to account for the cost of providing City engineering services.

**Information Systems Fund** – This fund is used to account for the cost of providing and maintaining computer systems, internet services, and networking services for the City and other government units.

**Marketing Fund** – This fund is used to account for the cost of organizing and implementing marketing strategies for the City and other government units.

**Purchasing Fund** – This fund is used to account for the cost of operating a centralized purchasing department and warehouse.

**Financial Services Fund** – This fund is used to account for the cost of providing financial accounting, reporting and payroll administrative services for the City.

**Human Resources Fund** – This fund is used to account for the various costs associated with the administration of the City's human resources function.

**Self Insurance Fund** – This fund is used to account for the cost of providing various insurance coverages, including health and dental, workers' compensation, and unemployment claims for City employees. Resources are contributed by employees and the City.

**Technical Services Fund** – This fund is used to account for the cost of providing City technical services.

**CITY OF THOMASVILLE, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2017**

	Building Maintenance	City Shop	Customer Service	Engineering	Information Systems
<b>ASSETS</b>					
<b>Current:</b>					
Cash	\$ -	\$ 100	\$ 150	\$ -	\$ -
Accounts receivable	-	-	-	-	6,258
Due from other funds	7,068	-	159,660	-	-
Inventories	-	87,153	-	-	9,258
Prepaid items	78	1,387	3,859	992	1,134
Total current assets	7,146	88,640	163,669	992	16,650
<b>Noncurrent:</b>					
<b>Capital assets:</b>					
Buildings	-	1,445,882	-	1,063,283	23,430
Machinery and equipment	37,774	380,524	709,008	325,264	5,719,451
Less accumulated depreciation	(34,616)	(594,339)	(679,769)	(385,698)	(4,796,314)
Total capital assets (net of accumulated depreciation)	3,158	1,232,067	29,239	1,002,849	946,567
Total noncurrent assets	3,158	1,232,067	29,239	1,002,849	946,567
Total assets	\$ 10,304	\$ 1,320,707	\$ 192,908	\$ 1,003,841	\$ 963,217
<b>LIABILITIES</b>					
<b>Current:</b>					
Accounts payable	\$ 2,978	\$ 195,164	\$ 25,586	\$ 10,748	\$ 57,645
Due to other funds	-	377,047	-	873,568	705,709
Accrued liabilities	1,900	17,298	66,463	28,566	36,570
Claims payable	-	-	-	-	-
Accrued compensated absences	-	-	773	1,392	-
Current portion of long-term debt	4,142	7,380	-	7,120	-
Total current liabilities	9,020	596,889	92,822	921,394	799,924
<b>Noncurrent:</b>					
Accrued compensated absences	-	-	3,091	5,566	-
Notes payable, less current portion	-	7,380	-	7,120	-
Total noncurrent liabilities	-	7,380	3,091	12,686	-
Total liabilities	9,020	604,269	95,913	934,080	799,924
<b>NET POSITION (DEFICIT)</b>					
Net investment in capital assets	(984)	1,217,307	29,239	988,609	946,567
Unrestricted	2,268	(500,869)	67,756	(918,848)	(783,274)
Total net position (deficit)	\$ 1,284	\$ 716,438	\$ 96,995	\$ 69,761	\$ 163,293

Marketing	Purchasing	Financial Services	Human Resources	Self Insurance	Technical Services	Total
\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,250
-	-	-	-	152,722	1,363,597	1,522,577
6,912	3,311	17,636	34,873	1,514,159	-	1,743,619
-	-	-	-	-	-	96,411
171	7	36	22	194,080	2,311	204,077
7,083	3,318	18,672	34,895	1,860,961	1,365,908	3,567,934
-	-	-	-	-	609,032	3,141,627
52,879	10,500	15,125	6,600	172,425	301,684	7,731,234
(29,399)	(10,500)	(15,125)	(1,870)	(172,425)	(479,681)	(7,199,736)
23,480	-	-	4,730	-	431,035	3,673,125
23,480	-	-	4,730	-	431,035	3,673,125
\$ 30,563	\$ 3,318	\$ 18,672	\$ 39,625	\$ 1,860,961	\$ 1,796,943	\$ 7,241,059
\$ 3,208	\$ 143	\$ 1,708	\$ 5,612	\$ 21,864	\$ 8,543	\$ 333,199
-	-	-	-	-	1,700,089	3,656,413
21,509	3,175	16,964	13,222	1,958	70,406	278,031
-	-	-	-	336,791	-	336,791
1,209	-	-	4,158	-	4,174	11,706
-	-	-	-	-	-	18,642
25,926	3,318	18,672	22,992	360,613	1,783,212	4,634,782
4,835	-	-	16,633	-	16,695	46,820
-	-	-	-	-	-	14,500
4,835	-	-	16,633	-	16,695	61,320
30,761	3,318	18,672	39,625	360,613	1,799,907	4,696,102
23,480	-	-	4,730	-	431,035	3,639,983
(23,678)	-	-	(4,730)	1,500,348	(433,999)	(1,095,026)
\$ (198)	\$ -	\$ -	\$ -	\$ 1,500,348	\$ (2,964)	\$ 2,544,957

**CITY OF THOMASVILLE, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

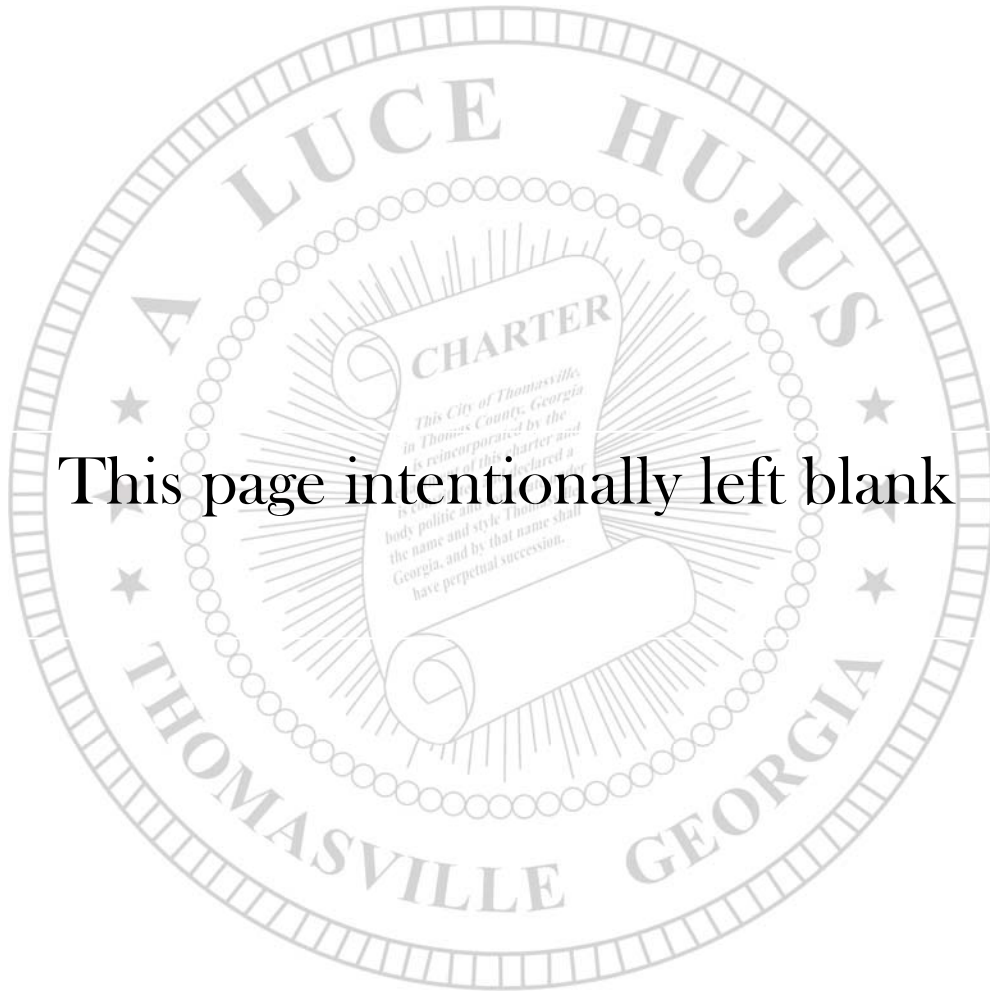
	Building Maintenance	City Shop	Customer Service	Engineering	Information Systems
Operating revenues:					
Charges for services	\$ 101,655	\$ 2,646,373	\$ 2,582,348	\$ 1,001,471	\$ 1,927,508
Miscellaneous revenue	-	8	-	12,555	156
Total operating revenues	101,655	2,646,381	2,582,348	1,014,026	1,927,664
Operating expenses:					
Personal services	51,638	474,482	1,629,586	735,101	1,040,838
Contracted services	-	20,560	297,358	59,410	296,803
Cost of sales	-	1,293,739	-	-	-
Supplies	25,691	57,428	143,507	17,816	24,238
Interfund charges	17,988	113,904	435,444	115,596	172,812
Depreciation	4,210	70,048	5,600	21,223	224,113
Other costs	1,978	515,819	70,923	46,657	56,980
Total operating expenses	101,505	2,545,980	2,582,418	995,803	1,815,784
Operating income (loss)	150	100,401	(70)	18,223	111,880
Nonoperating revenues (expenses):					
Gain (loss) on sale of capital assets	-	-	-	-	(11,882)
Investment earnings	-	-	-	-	-
Interest expense	(150)	(402)	-	(417)	-
Total nonoperating revenues (expenses)	(150)	(402)	-	(417)	(11,882)
Income (loss) before transfers	-	99,999	(70)	17,806	99,998
Transfers in	-	-	-	5,769	-
Transfers out	-	-	-	-	(5,769)
Change in net position	-	99,999	(70)	23,575	94,229
Net position, beginning	1,284	616,439	97,065	46,186	69,064
Net position, ending	\$ 1,284	\$ 716,438	\$ 96,995	\$ 69,761	\$ 163,293

Marketing	Purchasing	Financial Services	Human Resources	Self Insurance	Technical Services	Total
\$ 826,756	\$ 99,741	\$ 617,904	\$ 449,641	\$ 7,640,749	\$ 2,484,691	\$ 20,378,837
-	-	7,051	6,372	-	-	26,142
826,756	99,741	624,955	456,013	7,640,749	2,484,691	20,404,979
600,937	77,607	389,854	362,688	50,580	1,739,173	7,152,484
37,209	893	97,245	15,817	64,241	197,346	1,086,882
-	-	-	-	-	-	1,293,739
39,331	2,930	29,518	10,708	25,457	43,561	420,185
106,177	15,912	96,432	49,896	779,909	327,648	2,231,718
7,452	-	-	660	-	97,267	430,573
35,650	2,399	11,906	16,244	6,720,709	79,696	7,558,961
826,756	99,741	624,955	456,013	7,640,896	2,484,691	20,174,542
-	-	-	-	(147)	-	230,437
-	-	-	-	-	-	(11,882)
-	-	-	-	147	-	147
-	-	-	-	-	-	(969)
-	-	-	-	147	-	(12,704)
-	-	-	-	-	-	217,733
-	-	-	-	1,379,336	-	1,385,105
-	-	-	-	-	-	(5,769)
-	-	-	-	1,379,336	-	1,597,069
(198)	-	-	-	121,012	(2,964)	947,888
\$ (198)	\$ -	\$ -	\$ -	\$ 1,500,348	\$ (2,964)	\$ 2,544,957

**CITY OF THOMASVILLE, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

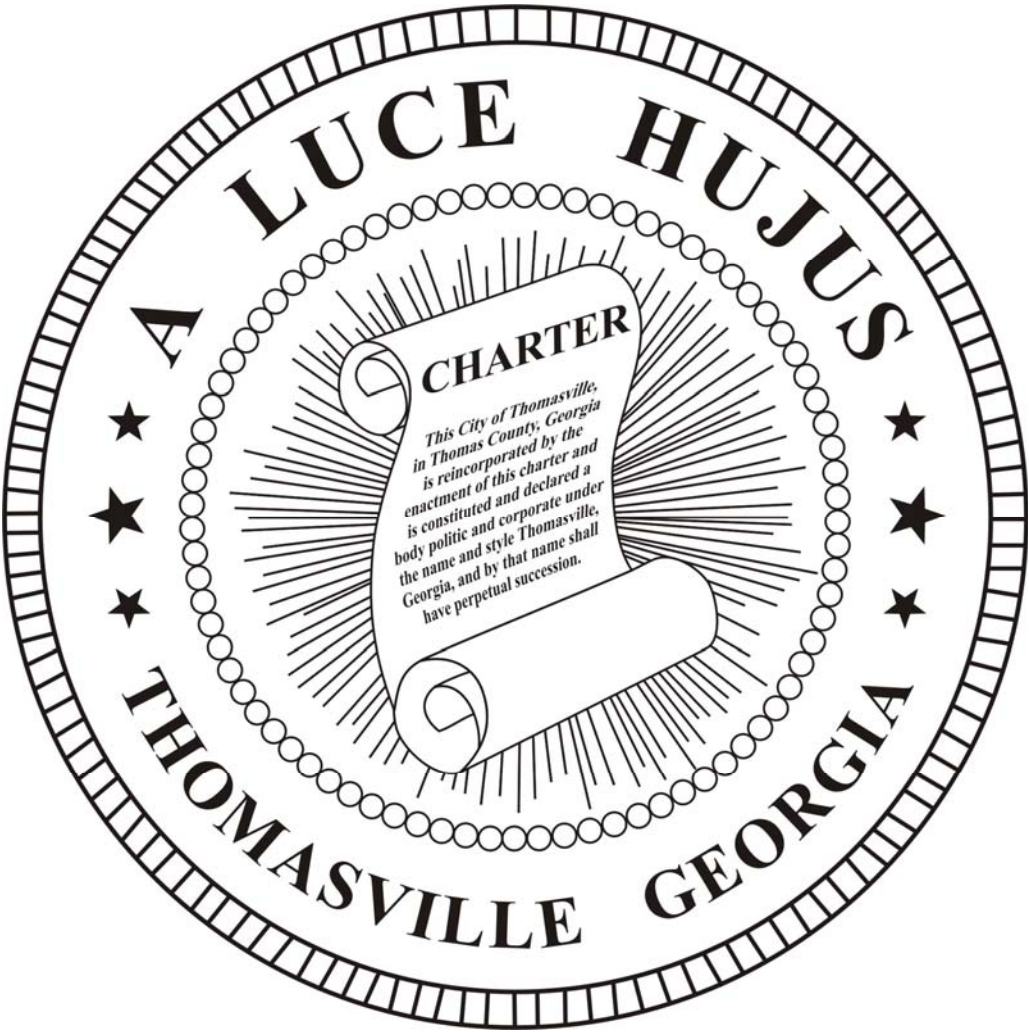
	Building Maintenance	City Shop	Customer Service	Engineering	Information Systems
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts from interfund services provided	101,655	2,697,196	2,582,348	1,582,505	1,939,089
Payments to suppliers	(24,981)	(1,769,808)	(504,115)	(153,876)	(377,662)
Payments to employees	(51,560)	(475,186)	(1,621,813)	(731,217)	(1,042,768)
Payments for interfund services used	(20,822)	(419,194)	(456,420)	-	(313,644)
Net cash provided by (used in) operating activities	4,292	33,008	-	697,412	205,015
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Transfers to other funds	-	-	-	-	(5,769)
Advances from other funds	-	-	-	5,769	-
Net cash provided by noncapital and related financing activities	-	-	-	5,769	(5,769)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sale of capital assets	-	-	-	-	6,056
Purchases of capital assets	-	(25,226)	-	(695,644)	(195,105)
Principal paid	(4,142)	(7,380)	-	(7,120)	(10,197)
Interest paid	(150)	(402)	-	(417)	-
Net cash (used in) capital and related financing activities	(4,292)	(33,008)	-	(703,181)	(199,246)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends received	-	-	-	-	-
Net cash provided by investing activities	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents, January 1	-	100	150	-	-
Cash and cash equivalents, December 31	\$ -	\$ 100	\$ 150	\$ -	\$ -
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 150	\$ 100,401	\$ (70)	\$ 18,223	\$ 111,880
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>					
Depreciation expense	4,210	70,048	5,600	21,223	224,113
(Increase) decrease in accounts receivable	-	50,815	-	-	11,425
(Increase) in due from other funds	(2,834)	-	(20,976)	-	-
(Increase) decrease in inventories	-	32,425	-	-	(384)
(Increase) decrease in prepaid items	(7)	(38)	(3,526)	96	134
Increase (decrease) in net OPEB obligation	-	-	-	-	-
Increase (decrease) in accounts payable	2,695	85,351	11,199	(30,089)	609
Increase (decrease) in due to other funds	-	(305,290)	-	684,075	(140,832)
Increase (decrease) in accrued liabilities	78	(704)	7,773	3,679	(1,930)
Increase (decrease) in claims payable	-	-	-	-	-
Increase (decrease) in accrued compensated absences	-	-	-	205	-
Total adjustments	4,142	(67,393)	70	679,189	93,135
Net cash provided by (used in) operating activities	\$ 4,292	\$ 33,008	\$ -	\$ 697,412	\$ 205,015

Marketing	Purchasing	Financial Services	Human Resources	Self Insurance	Technical Services	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
826,756	99,741	624,955	456,013	7,664,213	2,347,888	20,922,359
(111,692)	(6,244)	(138,007)	(40,024)	(6,780,689)	(319,677)	(10,226,775)
(594,993)	(77,960)	(391,079)	(360,122)	(1,430,330)	(1,739,239)	(8,516,267)
(120,071)	(15,537)	(95,869)	(55,867)	(832,677)	(424,384)	(2,754,485)
-	-	-	-	(1,379,483)	(135,412)	(575,168)
-	-	-	-	-	-	(5,769)
-	-	-	-	1,379,336	-	1,385,105
-	-	-	-	1,379,336	-	1,379,336
-	-	-	-	-	135,412	141,468
-	-	-	-	-	-	(915,975)
-	-	-	-	-	-	(28,839)
-	-	-	-	-	-	(969)
-	-	-	-	-	135,412	(804,315)
-	-	-	-	147	-	147
-	-	-	-	147	-	147
-	-	-	-	-	-	-
-	-	1,000	-	-	-	1,250
\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,250
\$ -	\$ -	\$ -	\$ -	\$ (147)	\$ -	\$ 230,437
7,452	-	-	660	-	97,267	430,573
-	-	-	-	23,464	(136,803)	(51,099)
(6,912)	375	563	(5,971)	69,655	-	33,900
-	-	-	-	-	-	32,041
(21)	(1)	(4)	(2)	31,244	(365)	27,510
-	-	-	-	(1,379,336)	-	(1,379,336)
519	(21)	666	2,747	(1,526)	1,291	73,441
(6,982)	-	-	-	-	(96,736)	134,235
5,612	(353)	(1,225)	1,618	(414)	(57)	14,077
-	-	-	-	(122,423)	-	(122,423)
332	-	-	948	-	(9)	1,476
-	-	-	-	(1,379,336)	(135,412)	(805,605)
\$ -	\$ -	\$ -	\$ -	\$ (1,379,483)	\$ (135,412)	\$ (575,168)



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# Statistical Section



# STATISTICAL SECTION

(Unaudited)

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

## CONTENTS

### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess property tax as a revenue source.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the city's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic data to help the reader understand the environment within which the government's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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

**CITY OF THOMASVILLE, GEORGIA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012
Governmental activities					
Net investment in capital assets	\$ 15,418,355	\$ 21,223,696	\$ 22,685,099	\$ 22,193,105	\$ 23,544,184
Restricted	5,013,295	3,426,598	3,385,865	4,268,675	6,160,361
Unrestricted	(7,321,353)	(9,311,363)	(7,500,842)	(6,828,242)	(8,414,872)
Total governmental activities net position	<u>\$ 13,110,297</u>	<u>\$ 15,338,931</u>	<u>\$ 18,570,122</u>	<u>\$ 19,633,538</u>	<u>\$ 21,289,673</u>
Business-type activities					
Net investment in capital assets	\$ 69,303,844	\$ 70,400,403	\$ 74,378,388	\$ 75,652,169	\$ 77,589,065
Restricted	13,449,097	13,686,930	15,417,672	17,363,352	18,451,886
Unrestricted	28,356,828	31,935,612	34,126,887	31,090,593	26,941,620
Total business-type activities net position	<u>\$ 111,109,769</u>	<u>\$ 116,022,945</u>	<u>\$ 123,922,947</u>	<u>\$ 124,106,114</u>	<u>\$ 122,982,571</u>
Primary government					
Net investment in capital assets	\$ 84,722,199	\$ 91,624,099	\$ 97,063,487	\$ 97,845,274	\$ 101,133,249
Restricted	18,462,392	17,113,528	18,803,537	21,632,027	24,612,247
Unrestricted	21,035,475	22,624,249	26,626,045	24,262,351	18,526,748
Total primary government net position	<u>\$ 124,220,066</u>	<u>\$ 131,361,876</u>	<u>\$ 142,493,069</u>	<u>\$ 143,739,652</u>	<u>\$ 144,272,244</u>

2013	2014	2015	2016	2017
\$ 25,538,405	\$ 26,961,290	\$ 32,117,391	\$ 36,957,137	\$ 39,239,253
7,346,865	7,698,395	7,728,823	5,465,779	4,627,371
(6,404,600)	(4,649,630)	(5,459,772)	(5,698,953)	(7,147,433)
<u>\$ 26,480,670</u>	<u>\$ 30,010,055</u>	<u>\$ 34,386,442</u>	<u>\$ 36,723,963</u>	<u>\$ 36,719,191</u>

\$ 81,500,648	\$ 85,298,510	\$ 89,357,323	\$ 89,024,118	\$ 79,586,938
20,442,220	26,243,960	31,383,337	35,662,103	38,442,454
25,642,835	25,801,132	23,699,496	29,106,746	38,500,940
<u>\$ 127,585,703</u>	<u>\$ 137,343,602</u>	<u>\$ 144,440,156</u>	<u>\$ 153,792,967</u>	<u>\$ 156,530,332</u>

\$ 107,039,053	\$ 112,259,800	\$ 121,474,714	\$ 125,981,255	\$ 118,826,191
27,789,085	33,942,355	39,112,160	41,127,882	43,069,825
19,238,235	21,151,502	18,239,724	23,407,793	31,353,507
<u>\$ 154,066,373</u>	<u>\$ 167,353,657</u>	<u>\$ 178,826,598</u>	<u>\$ 190,516,930</u>	<u>\$ 193,249,523</u>

**CITY OF THOMASVILLE, GEORGIA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**

<b>Expenses</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Governmental activities:					
General administration	\$ 2,679,930	\$ 2,557,564	\$ 2,783,262	\$ 2,132,041	\$ 2,502,759
Public safety	8,433,268	8,669,573	9,387,215	9,978,637	10,295,396
Highways and streets	2,476,862	2,522,064	2,977,659	3,298,788	3,386,586
Economic development	880,389	909,793	933,451	1,047,159	1,013,147
Culture and recreation	1,106,450	1,085,127	1,134,534	1,285,681	1,221,190
Interest on long term debt	153,365	87,928	70,936	55,058	56,445
Total governmental activities expenses	15,730,264	15,832,049	17,287,057	17,797,364	18,475,523
Business-type activities:					
Auditorium	247,731	256,307	259,312	258,552	249,069
Airport	2,655,558	1,993,431	2,468,699	2,681,232	2,581,952
Community network services	6,601,003	7,098,750	7,317,917	7,369,168	7,486,007
Compressed natural gas	-	-	-	-	-
Electric	43,414,341	41,550,537	44,173,661	46,654,653	46,996,719
Events center	-	-	-	-	-
Golf course	843,260	835,926	949,196	975,135	993,138
Landfill	2,729,333	3,548,827	2,915,366	3,136,876	2,554,795
Natural gas	6,054,942	3,896,336	4,423,080	3,825,147	3,486,050
Rose.net	2,970,256	3,119,511	3,379,809	3,564,242	3,455,292
Sanitation	4,200,818	3,958,259	4,263,858	4,557,858	4,554,744
Telecommunications	1,497,047	1,182,114	1,309,705	1,200,115	1,094,957
Telephony	848,264	1,163,780	1,790,955	1,943,205	1,839,357
Water and sewer	7,163,896	7,177,501	7,357,635	7,621,326	8,031,182
Total business-type activities expenses	79,226,449	75,781,279	80,609,193	83,787,509	83,323,262
Total primary government expenses	\$ 94,956,713	\$ 91,613,328	\$ 97,896,250	\$ 101,584,873	\$ 101,798,785

**Program Revenues**

Governmental activities:					
Charges for services:					
General administration	\$ 159,686	\$ 182,991	\$ 176,074	\$ 176,865	\$ 167,495
Public safety	447,617	403,180	564,897	632,494	618,510
Highways and streets	279,459	216,565	446,388	173,809	265,654
Economic development	4,950	15,280	11,065	11,260	7,860
Operating grants and contributions	221,787	95,129	212,512	67,464	46,415
Capital grants and contributions	479,238	2,725,144	2,238,723	3,033,498	3,746,643
Total governmental activities program revenues	1,592,737	3,638,289	3,649,659	4,095,390	4,852,577
Business-type activities:					
Charges for services:					
Auditorium	127,030	170,016	147,740	150,671	147,235
Airport	2,113,884	1,413,693	1,854,284	2,208,341	2,009,632
Community network services	6,665,412	7,211,482	8,025,974	8,460,075	8,442,552
Compressed natural gas	-	-	-	-	-
Electric	48,131,749	49,655,660	51,890,633	50,751,441	53,641,417
Events center	-	-	-	-	-
Golf course	371,970	385,347	401,150	444,080	424,116
Landfill	2,905,338	2,721,914	3,093,794	2,432,076	2,459,622
Natural gas	6,280,832	4,357,056	5,033,474	4,308,372	4,066,983
Rose.net	3,452,550	3,652,431	3,978,625	4,176,907	4,461,315
Sanitation	4,681,676	4,543,301	4,769,958	4,784,545	4,657,592
Telecommunications	1,685,290	1,528,730	1,391,293	1,313,785	1,408,976
Telephony	1,248,393	1,814,152	2,431,898	2,454,353	2,651,243
Water and sewer	8,394,245	8,261,163	8,627,679	9,104,977	9,378,475
Capital grants and contributions	576,009	-	109,066	97,353	-
Total business-type activities program revenues	86,634,378	85,714,945	91,755,568	90,686,976	93,749,158
Total primary government program revenues	\$ 88,227,115	\$ 89,353,234	\$ 95,405,227	\$ 94,782,366	\$ 98,601,735

2013	2014	2015	2016	2017
\$ 1,863,922	\$ 2,077,519	\$ 2,290,449	\$ 2,514,322	\$ 2,803,548
9,023,649	9,933,711	10,118,231	10,638,424	10,730,909
2,923,418	3,303,453	3,468,625	3,699,953	4,183,184
991,150	1,213,935	1,321,535	1,584,260	5,166,208
1,052,604	1,134,987	1,151,352	1,191,831	1,156,190
29,769	31,960	19,715	8,526	18,875
15,884,512	17,695,565	18,369,907	19,637,316	24,058,914
264,675	302,462	337,900	352,165	373,237
2,608,645	2,774,549	2,201,053	1,846,162	2,006,339
7,933,723	8,778,413	10,117,712	9,788,303	5,723,770
58,942	206,281	247,062	241,467	304,939
48,958,614	51,920,567	50,958,361	52,178,492	50,378,135
51,715	80,741	154,991	82,445	101,672
961,744	994,504	1,016,764	979,817	981,845
2,550,614	2,326,429	2,683,418	2,939,760	3,018,444
4,013,999	4,389,894	3,718,186	3,400,411	3,595,833
3,479,379	3,639,788	3,733,362	3,789,929	2,070,926
4,599,579	4,717,153	5,234,852	5,122,690	4,984,027
1,205,754	1,224,311	1,105,880	945,295	559,363
2,010,831	2,295,908	2,295,044	2,277,922	1,250,641
8,103,423	8,528,781	9,027,763	9,694,591	9,780,041
86,801,637	92,179,781	92,832,348	93,639,449	85,129,212
\$ 102,686,149	\$ 109,875,346	\$ 111,202,255	\$ 113,276,765	\$ 109,188,126

\$ 186,392	\$ 181,065	\$ 18,351	\$ 18,325	\$ 48,753
518,996	464,624	489,488	471,830	491,819
259,119	315,842	437,148	83,669	312,600
11,146	8,865	65,941	51,512	6,215
197,492	116,961	371,286	181,048	146,405
4,778,326	3,580,774	3,737,704	3,931,399	4,092,898
5,951,471	4,668,131	5,119,918	4,737,783	5,098,690

151,123	139,423	149,288	154,012	117,177
2,063,364	2,243,400	1,741,689	1,692,695	3,778,731
8,799,473	9,168,793	9,892,159	10,091,104	5,105,817
96,061	234,449	292,422	272,310	267,386
57,062,477	62,178,779	63,332,943	62,287,398	59,731,022
62,667	160,000	133,333	-	125,960
449,932	413,102	466,995	480,352	442,930
2,320,904	2,268,752	2,306,937	3,565,591	2,653,483
5,033,316	4,891,186	4,325,452	3,974,659	4,383,534
4,673,152	5,072,331	5,366,992	5,590,213	2,651,793
5,006,596	5,147,144	5,380,587	5,199,002	4,968,403
1,503,787	1,767,773	1,743,373	1,761,831	951,857
2,821,231	3,019,387	2,985,625	2,988,445	1,761,578
9,562,452	9,923,019	10,396,434	11,298,514	11,457,544
87,973	35,481	1,114,726	-	-
99,694,508	106,663,019	109,628,955	109,356,126	98,397,215
\$ 105,645,979	\$ 111,331,150	\$ 114,748,873	\$ 114,093,909	\$ 103,495,905

**CITY OF THOMASVILLE, GEORGIA**  
**CHANGES IN NET POSITION (CONTINUED)**  
**LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012
Net (expenses)/revenues					
Governmental activities	\$ (14,137,527)	\$ (12,193,760)	\$ (13,637,398)	\$ (13,701,974)	\$ (13,622,946)
Business-type activities	7,407,929	9,933,666	11,146,375	6,899,467	10,425,896
Total primary government net expenses	<u>\$ (6,729,598)</u>	<u>\$ (2,260,094)</u>	<u>\$ (2,491,023)</u>	<u>\$ (6,802,507)</u>	<u>\$ (3,197,050)</u>

**General Revenues and Other Changes in  
Net Position**

Governmental activities:

Taxes					
Property taxes, general	\$ 690,634	\$ 632,782	\$ 619,980	\$ 564,179	\$ 539,110
Property taxes, fire services	1,639,041	1,588,659	939,647	573,832	-
Sales taxes, general	5,243,446	3,003,605	3,049,468	3,164,926	2,877,092
Sales taxes, selective	725,290	685,636	663,486	668,289	637,968
Business taxes	1,692,493	1,651,381	1,634,512	1,492,289	1,625,995
Penalties and interest on delinquent taxes	106,927	158,991	205,370	195,543	220,035
Unrestricted investment earnings	153,271	59,243	55,399	287	1,127
Gain (loss) on disposal of capital assets	-	(34,720)	-	4,085	-
Miscellaneous revenues	150,370	310,158	165,212	140,866	215,188
Transfers	5,198,149	6,366,659	8,572,503	7,961,094	9,162,566
Total governmental activities	<u>15,599,621</u>	<u>14,422,394</u>	<u>15,905,577</u>	<u>14,765,390</u>	<u>15,279,081</u>
Business-type activities:					
Unrestricted investment earnings	1,621,448	490,560	390,144	410,751	163,759
Transfer to Pension Fund	-	(2,000,000)	-	-	(3,000,000)
Municipal Competitive Trust Contributions	-	2,700,000	3,562,688	296,608	-
Gain (loss) on disposal of capital assets	68,989	(133,220)	41,900	76,006	22,610
Miscellaneous revenues	590,650	288,829	669,142	461,429	426,758
Transfers	(5,198,149)	(6,366,659)	(8,572,503)	(7,961,094)	(9,162,566)
Total business-type activities	<u>(2,917,062)</u>	<u>(5,020,490)</u>	<u>(3,908,629)</u>	<u>(6,716,300)</u>	<u>(11,549,439)</u>
Total primary government	<u>\$ 12,682,559</u>	<u>\$ 9,401,904</u>	<u>\$ 11,996,948</u>	<u>\$ 8,049,090</u>	<u>\$ 3,729,642</u>

**Change in Net Position**

Governmental activities	\$ 1,462,094	\$ 2,228,634	\$ 2,268,179	\$ 1,063,416	\$ 1,656,135
Business-type activities	4,490,867	4,913,176	7,237,746	183,167	(1,123,543)
Total primary government	<u>\$ 5,952,961</u>	<u>\$ 7,141,810</u>	<u>\$ 9,505,925</u>	<u>\$ 1,246,583</u>	<u>\$ 532,592</u>

2013	2014	2015	2016	2017
\$ (9,933,041)	\$ (13,027,434)	\$ (13,249,989)	\$ (14,899,533)	\$ (18,960,224)
12,892,871	14,483,238	16,796,607	15,716,677	13,268,003
<u>\$ 2,959,830</u>	<u>\$ 1,455,804</u>	<u>\$ 3,546,618</u>	<u>\$ 817,144</u>	<u>\$ (5,692,221)</u>

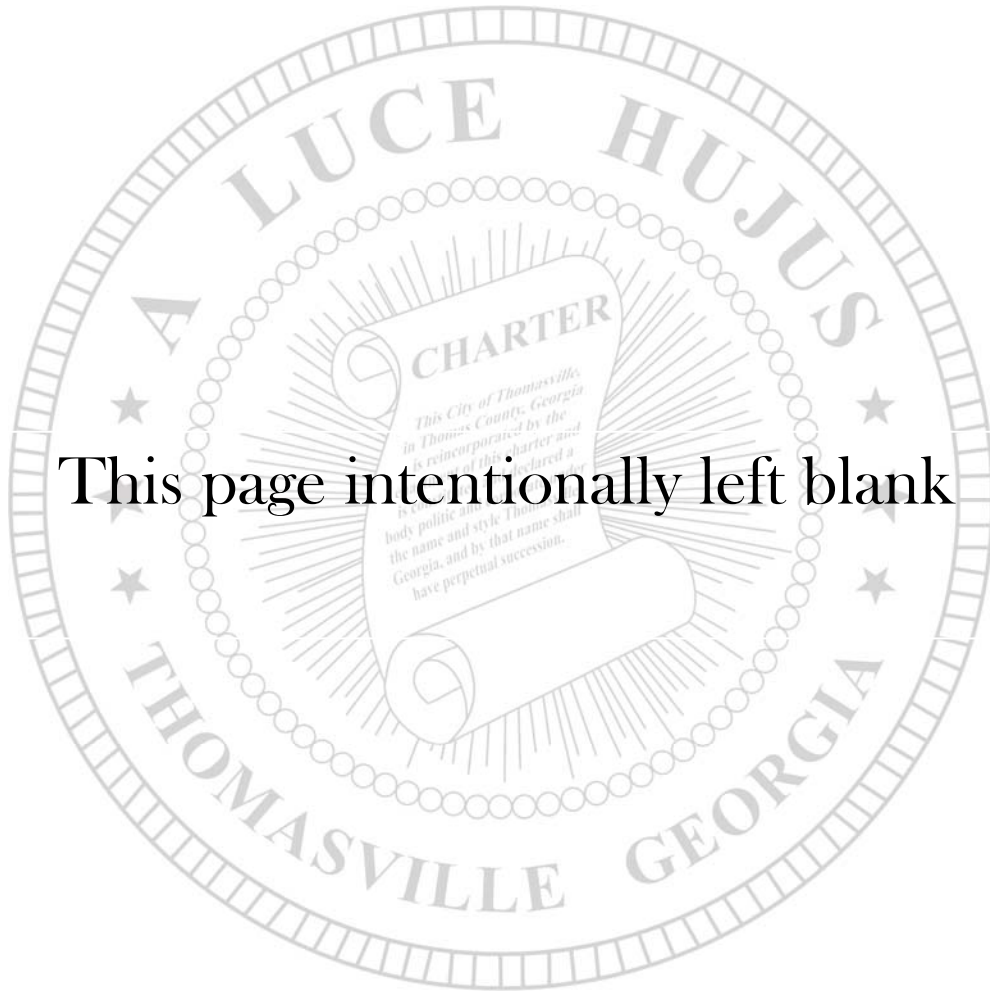
\$ 941,503	\$ 1,044,301	\$ 1,007,485	\$ 895,632	\$ 869,359
-	-	-	-	-
2,825,302	2,839,982	2,665,573	3,160,305	2,856,014
616,104	629,593	648,461	699,988	862,730
1,618,634	1,746,190	1,742,621	1,914,745	1,990,075
157,462	219,579	141,397	120,969	232,258
226	71	9,413	3,357	2,759
-	-	-	-	(178,970)
247,459	340,320	356,222	249,451	510,048
8,717,348	9,736,783	11,055,204	10,192,607	11,811,179
<u>15,124,038</u>	<u>16,556,819</u>	<u>17,626,376</u>	<u>17,237,054</u>	<u>18,955,452</u>

(15,329)	(42,422)	(26,969)	94,107	443,026
-	-	-	-	-
-	4,533,075	3,671,945	2,919,158	2,148,159
2,945	-	5,155	(12,218)	(2,056,036)
439,993	520,791	783,174	827,694	745,392
<u>(8,717,348)</u>	<u>(9,736,783)</u>	<u>(11,055,204)</u>	<u>(10,192,607)</u>	<u>(11,811,179)</u>
<u>(8,289,739)</u>	<u>(4,725,339)</u>	<u>(6,621,899)</u>	<u>(6,363,866)</u>	<u>(10,530,638)</u>
<u>\$ 6,834,299</u>	<u>\$ 11,831,480</u>	<u>\$ 11,004,477</u>	<u>\$ 10,873,188</u>	<u>\$ 8,424,814</u>

\$ 5,190,997	\$ 3,529,385	\$ 4,376,387	\$ 2,337,521	\$ (4,772)
4,603,132	9,757,899	10,174,708	9,352,811	2,737,365
<u>\$ 9,794,129</u>	<u>\$ 13,287,284</u>	<u>\$ 14,551,095</u>	<u>\$ 11,690,332</u>	<u>\$ 2,732,593</u>

**CITY OF THOMASVILLE, GEORGIA  
GOVERNMENTAL ACTIVITIES  
TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

Fiscal Year	Property Tax	Sales Tax	Franchise Fees	Alcoholic Beverage Tax	Other	Total
2008	\$ 1,989,280	\$ 3,164,825	\$ 485,768	\$ 482,927	\$ 3,782,538	\$ 9,905,338
2009	1,696,325	3,026,364	471,158	476,061	3,639,610	9,309,518
2010	1,186,427	3,049,468	453,300	474,914	1,839,882	7,003,991
2011	560,385	3,224,752	446,093	474,200	1,727,743	6,433,173
2012	94,318	3,167,188	433,903	443,694	1,885,299	6,024,402
2013	28,561	3,110,149	506,555	431,420	1,814,851	5,891,536
2014	17,338	3,519,789	452,537	432,517	2,002,917	6,425,098
2015	8,183	3,307,283	448,708	388,170	1,924,405	6,076,749
2016	3,184	3,160,305	467,572	397,333	2,642,276	6,670,670
2017	2,114	3,251,401	416,550	467,343	2,440,770	6,578,178



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**CITY OF THOMASVILLE, GEORGIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ 60,940	\$ 67,881
Unassigned	(90,364)	224,505	315,464	(60,340)	(67,281)
Total general fund	<u>\$ (90,364)</u>	<u>\$ 224,505</u>	<u>\$ 315,464</u>	<u>\$ 600</u>	<u>\$ 600</u>
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ 7,711	\$ 8,194
Restricted	5,013,295	3,426,598	3,385,865	4,475,706	6,305,964
Unassigned	-	-	-	(1,542,532)	(1,808,965)
Unrestricted, reported in:					
Special revenue funds	(2,421,552)	(2,609,412)	(371,848)	-	-
Capital project funds	(421,073)	(551,264)	(374,114)	-	-
Total all other governmental funds	<u>\$ 2,170,670</u>	<u>\$ 265,922</u>	<u>\$ 2,639,903</u>	<u>\$ 2,940,885</u>	<u>\$ 4,505,193</u>

2013	2014	2015	2016	2017
\$ 77,368	\$ 77,685	\$ 90,908	\$ 82,298	\$ 93,303
80,635	41,595	(40,584)	43,273	18,558
<u>\$ 158,003</u>	<u>\$ 119,280</u>	<u>\$ 50,324</u>	<u>\$ 125,571</u>	<u>\$ 111,861</u>
\$ 9,704	\$ 11,107	\$ 10,510	\$ 8,911	\$ 6,940
7,522,133	8,634,329	7,609,487	5,374,570	4,527,128
(1,908,300)	(1,804,797)	(1,687,479)	(1,527,170)	(2,666,554)
-	-	-	-	-
-	-	-	-	-
<u>\$ 5,623,537</u>	<u>\$ 6,840,639</u>	<u>\$ 5,932,518</u>	<u>\$ 3,856,311</u>	<u>\$ 1,867,514</u>

**CITY OF THOMASVILLE, GEORGIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012
<b>Revenues</b>					
Taxes	\$ 10,097,831	\$ 7,721,054	\$ 7,112,463	\$ 6,659,058	\$ 5,900,200
Licenses, permits and fees	261,719	194,880	422,433	153,947	247,634
Intergovernmental	701,025	2,820,273	2,451,235	3,004,827	3,779,229
Charges for services	345,167	320,305	429,712	414,177	408,339
Fines and forfeitures	344,048	302,831	346,279	426,304	403,546
Investment earnings	152,836	59,089	55,153	96,035	13,829
Miscellaneous	64,446	252,799	95,221	107,306	161,990
Total revenues	11,967,072	11,671,231	10,912,496	10,861,654	10,914,767
<b>Expenditures</b>					
General administration	1,732,001	1,729,637	1,777,295	1,883,954	2,034,873
Public safety	8,023,159	8,107,411	8,495,219	8,973,946	9,193,727
Highways and streets	1,939,028	1,936,040	2,173,982	2,421,341	2,423,206
Economic development	655,725	685,326	635,023	706,813	640,716
Culture and recreation	1,106,450	1,085,127	1,111,377	1,259,202	1,194,738
Capital outlay	2,834,209	4,877,920	2,710,379	2,714,876	2,671,588
Debt service					
Principal	795,963	830,494	743,464	1,246,195	900,132
Interest	152,930	87,928	69,488	53,920	55,222
Total expenditures	17,239,465	19,339,883	17,716,227	19,260,247	19,114,202
Excess of revenues over (under) expenditures	(5,272,393)	(7,668,652)	(6,803,731)	(8,398,593)	(8,199,435)
Other financing sources (uses)					
Transfer in	5,801,591	6,506,361	9,249,686	8,308,162	9,515,271
Debt issuance	1,093,609	109,867	860,580	423,617	601,177
Transfer out	(809,050)	(537,455)	(841,595)	(347,068)	(352,705)
Total other financing sources	6,086,150	6,078,773	9,268,671	8,384,711	9,763,743
Net change in fund balance	\$ 813,757	\$ (1,589,879)	\$ 2,464,940	\$ (13,882)	\$ 1,564,308
Debt service as a percentage of noncapital expenditures	6.6%	6.4%	5.4%	7.9%	5.8%

2013	2014	2015	2016	2017
\$ 6,159,005	\$ 6,479,645	\$ 6,205,537	\$ 6,791,639	\$ 6,810,436
240,133	238,182	290,345	271,274	238,887
4,962,367	3,681,013	4,108,990	4,112,447	4,239,303
381,121	438,619	409,878	48,386	333,287
354,399	293,584	310,705	305,676	287,213
13,451	16,722	9,360	3,357	2,759
204,087	278,816	300,305	259,119	510,048
12,314,563	11,426,581	11,635,120	11,791,898	12,421,933

1,889,137	2,003,705	2,139,517	2,273,629	2,653,140
9,161,561	9,372,825	9,285,563	9,533,367	9,473,115
2,275,525	2,438,896	2,494,674	2,580,584	2,909,023
715,746	869,674	937,155	1,143,470	4,664,773
1,185,943	1,184,755	1,173,505	1,191,831	1,156,190
4,548,379	4,052,170	6,495,039	7,503,943	4,020,483
403,517	778,861	1,518,342	449,786	1,350,217
33,540	33,361	19,715	8,526	18,875
20,213,348	20,734,247	24,063,510	24,685,136	26,245,816

(7,898,785)	(9,307,666)	(12,428,390)	(12,893,238)	(13,823,883)
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9,320,489	10,531,030	12,336,686	10,829,124	12,490,559
457,184	749,262	396,109	699,671	10,197
(603,141)	(794,247)	(1,281,482)	(636,517)	(679,380)
9,174,532	10,486,045	11,451,313	10,892,278	11,821,376
\$ 1,275,747	\$ 1,178,379	\$ (977,077)	\$ (2,000,960)	\$ (2,002,507)

2.8%	4.9%	8.8%	2.7%	6.2%
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**CITY OF THOMASVILLE, GEORGIA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Real Property		Personal Property		Exemptions	Total		Ratio of Total Assessed Value to Total Estimated Actual Value	Total City Millage
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Less: Real Property	Total Taxable Assessed Value	Estimated Actual Taxable Value		
2008	\$ 582,147,959	\$ 1,455,369,898	\$ 102,319,951	\$ 255,799,878	\$ 126,802,804	\$ 557,665,106	\$ 1,711,169,776	33%	2.550
2009	574,588,795	1,436,471,988	106,338,661	265,846,653	139,213,365	541,714,091	1,702,318,641	32%	2.500
2010	582,374,965	1,455,937,413	98,520,598	238,801,495	132,057,535	548,838,028	1,694,738,908	32%	1.440
2011	529,789,314	1,324,473,285	105,634,701	264,086,753	132,884,275	502,539,740	1,588,560,038	32%	0.950
2012	505,135,458	1,262,838,645	111,484,114	278,710,285	185,503,291	431,116,281	1,541,548,930	28%	0.000
2013	520,036,510	1,300,091,275	113,609,300	284,023,250	186,145,378	447,500,432	1,584,114,525	28%	0.000
2014	530,705,969	1,326,764,923	124,791,942	311,979,855	187,558,488	467,939,423	1,638,744,778	29%	0.000
2015	539,166,168	1,347,915,420	121,489,286	303,723,215	192,781,325	467,874,129	1,651,638,635	28%	0.000
2016	547,389,877	1,368,474,693	126,487,848	316,219,620	195,541,999	478,335,726	1,684,694,313	28%	0.000
2017	543,507,756	1,358,769,390	117,347,792	293,369,480	191,804,110	469,051,438	1,652,138,870	28%	0.000

Note: The property tax data is presented as it relates to the Property taxes collected by the City on behalf of Thomasville City Schools.

**CITY OF THOMASVILLE, GEORGIA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year	City of Thomasville			Thomas County			Thomasville Board of Education			Total
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	
2008	2.550	0.000	2.550	6.734	0.000	6.734	17.100	0.000	17.100	26.384
2009	2.500	0.000	2.500	8.529	0.000	8.529	17.093	0.000	17.093	28.122
2010	1.440	0.000	1.440	8.514	0.000	8.514	17.093	0.000	17.093	27.047
2011	0.950	0.000	0.950	8.514	0.000	8.514	17.093	0.000	17.093	26.557
2012	0.000	0.000	0.000	8.665	0.000	8.665	17.525	0.000	17.525	26.190
2013	0.000	0.000	0.000	11.300	0.000	11.300	17.341	0.000	17.341	28.641
2014	0.000	0.000	0.000	11.211	0.000	11.211	18.135	0.000	18.135	29.346
2015	0.000	0.000	0.000	17.992	0.000	11.044	17.992	0.000	17.992	29.036
2016	0.000	0.000	0.000	17.869	0.000	10.980	17.869	0.000	17.869	28.849
2017	0.000	0.000	0.000	17.869	0.000	10.964	17.869	0.000	17.869	28.833

Note: The property tax data is presented as it relates to the Property taxes collected by the City on behalf of Thomasville City Schools.

**CITY OF THOMASVILLE, GEORGIA  
PRINCIPAL TAXPAYERS  
CURRENT AND NINE YEARS AGO**

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
TECT	\$ 17,881,726	1	2.7%			
Flowers Baking Co	11,051,419	2	1.7%	8,584,296	1	1.3%
Beadles and Balfour	8,065,949	3	1.2%			
Walmart	6,870,237	4	1.0%	6,818,195	3	1.0%
WILO EMU	6,084,285	5	0.9%			
Archbold	5,972,293	6	0.9%	8,414,396	2	1.2%
Lowe's	5,929,727	7	0.9%	6,767,373	4	1.0%
Georgia Pipe	5,844,898	8	0.9%			
Cleaver Brooks	5,554,989	9	0.8%			
American Signature	5,252,684	10	0.8%			
Art Mortgage				4,274,726	5	0.6%
Capitol Plaza				4,003,550	6	0.6%
Tri Development				3,941,076	7	0.6%
Bellsouth				3,861,345	8	0.6%
Aqua-Chem				3,552,063	9	0.5%
Wildwoods Apartments				3,418,957	10	0.5%
	<u>\$ 78,508,207</u>		<u>11.9%</u>	<u>\$ 53,635,977</u>		<u>7.9%</u>

Note: The property tax data is presented as it relates to the Property taxes collected by the City on behalf of Thomasville City School District.

**CITY OF THOMASVILLE, GEORGIA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 12,700,368	\$ 10,350,051	81%	\$ 1,977,620	12,327,671	97%
2009	12,589,386	10,681,502	85%	1,575,803	12,257,305	97%
2010	12,034,459	10,146,478	84%	1,528,209	11,674,687	97%
2011	10,821,133	9,290,137	86%	1,248,502	10,538,638	97%
2012	10,148,590	8,739,119	86%	1,093,987	9,833,106	97%
2013	10,382,880	8,878,028	86%	1,174,929	10,052,957	97%
2014	11,191,009	9,812,959	88%	1,000,349	10,813,308	97%
2015	11,335,404	9,810,836	87%	1,071,803	10,882,639	96%
2016	11,363,645	9,934,327	87%	889,854	10,824,181	95%
2017	11,124,760	10,123,357	91%	-	10,123,357	91%

Note: The property tax data is presented as it relates to the Property taxes collected by the City on behalf of Thomasville City Schools.

**CITY OF THOMASVILLE, GEORGIA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE\***  
**LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities	Business-Type Activities				Total Primary Government	Per Capita Personal Income*
	Notes Payable	Notes Payable	Revenue Bonds	Capital Leases			
2008	\$ 5,552,921	\$ 12,598,077	\$ 1,680,000	-		\$ 19,830,998	630
2009	4,664,947	13,429,540	-	-		18,094,487	575
2010	4,601,130	12,370,982	-	-		16,972,112	508
2011	3,405,555	12,482,743	-	-		15,888,298	476
2012	2,959,196	13,460,903	-	-		16,420,099	492
2013	2,904,205	14,587,132	-	-		17,491,337	524
2014	2,364,019	19,295,516	-	-		21,659,535	649
2015	1,213,435	20,589,758	-	-		21,803,193	653
2016	1,434,968	24,011,174	-	-		25,446,142	762
2017	66,109	20,890,595	-	-		20,956,704	628

\* See the Schedule of Demographic and Economic Statistics for personal income and population data.

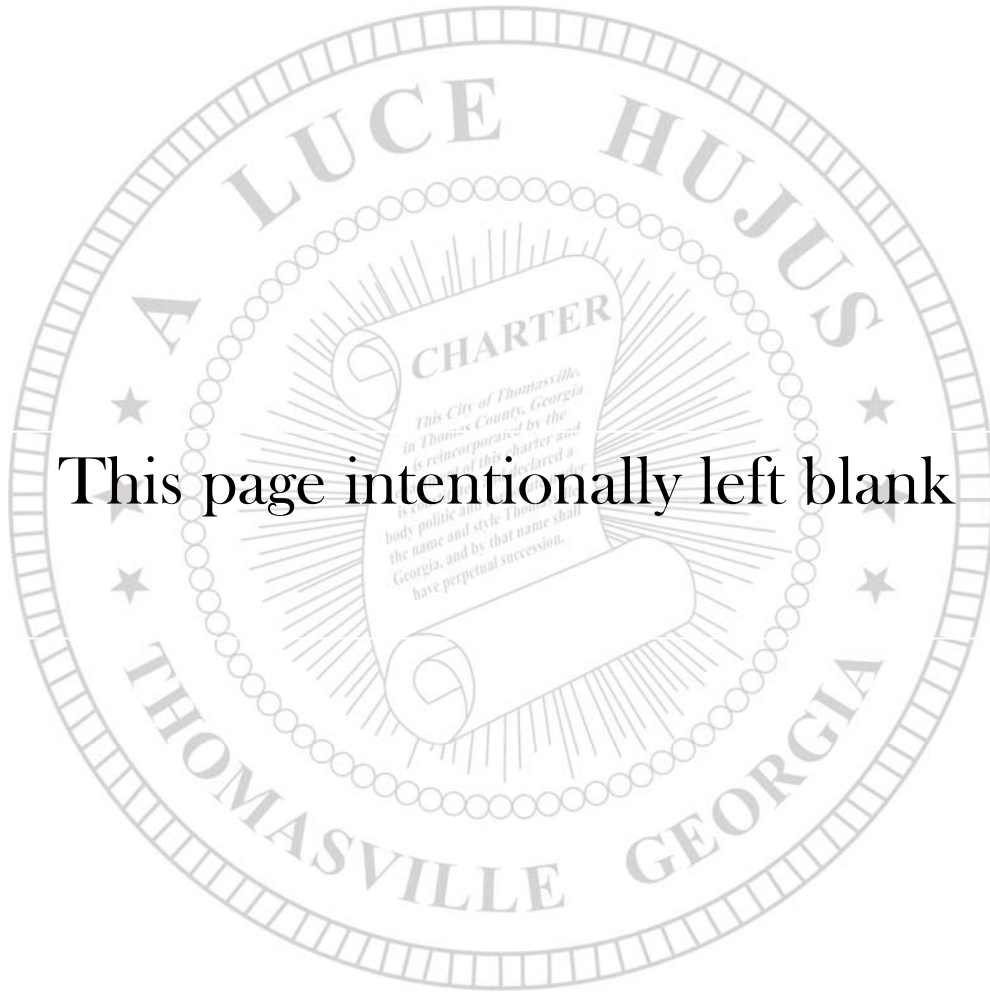
Source: Notes to Financials Statements Note Long Term Debt

**CITY OF THOMASVILLE, GEORGIA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2008	\$ -	\$ -	\$ -	0%	\$ -
2009	-	-	-	0%	-
2010	-	-	-	0%	-
2011	-	-	-	0%	-
2012	-	-	-	0%	-
2013	-	-	-	0%	-
2014	-	-	-	0%	-
2015	-	-	-	0%	-
2016	-	-	-	0%	-
2017	-	-	-	0%	-

**CITY OF THOMASVILLE, GEORGIA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF DECEMBER 31, 2017**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes	\$ -	0%	\$ -
Subtotal, overlapping debt			-
City of Thomasville direct debt			<u>66,109</u>
Total direct and overlapping debt			<u><u>\$ 66,109</u></u>



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**CITY OF THOMASVILLE, GEORGIA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012
Debt Limit	\$ 68,446,791	\$ 68,092,746	\$ 68,089,556	\$ 63,542,402	\$ 61,661,957
Total net debt applicable to limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 68,446,791</u>	<u>\$ 68,092,746</u>	<u>\$ 68,089,556</u>	<u>\$ 63,542,402</u>	<u>\$ 61,661,957</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2017**

Assessed value	\$ 469,051,438
Add back: exempt real property	<u>191,804,110</u>
Total assessed value	<u><u>660,855,548</u></u>
Debt limitations - 10 percent of total assessed value	66,085,555
Debt applicable to limit:	
General Obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 66,085,555</u></u>

2013	2014	2015	2016	2017
\$ 63,364,581	\$ 65,549,791	\$ 66,065,545	\$ 67,387,773	\$ 66,085,555
-	-	-	-	-
<u>\$ 63,364,581</u>	<u>\$ 65,549,791</u>	<u>\$ 66,065,545</u>	<u>\$ 67,387,773</u>	<u>\$ 66,085,555</u>
0.00%	0.00%	0.00%	0.00%	0.00%

**CITY OF THOMASVILLE, GEORGIA**  
**PLEDGED REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

CNS Revenue Bonds							
Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2008	\$ 6,689,505	\$ 5,692,136	\$ 997,369	\$ 1,300,000	\$ 119,200	\$ 1,419,200	0.70%
2009	7,123,612	6,182,027	941,585	1,680,000	67,200	1,747,200	0.54%
2010	-	-	-	-	-	-	0.00%
2011	-	-	-	-	-	-	0.00%
2012	-	-	-	-	-	-	0.00%
2013	-	-	-	-	-	-	0.00%
2014	-	-	-	-	-	-	0.00%
2015	-	-	-	-	-	-	0.00%
2016	-	-	-	-	-	-	0.00%
2017	-	-	-	-	-	-	0.00%

**CITY OF THOMASVILLE, GEORGIA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Per Capita		Education Level In Years		Unemployment Rate (3)
		Personal income (1)	Median Age (1)	of Formal Schooling (1)	School Enrollment (2)	
2008	18,162	\$ 31,495	36.5	12.5	3,569	5.7%
2009	18,162	31,495	36.5	12.5	3,647	8.8%
2010	18,413	33,387	38	12.5	3,785	8.9%
2011	18,413	33,387	38	12.5	3,868	8.3%
2012	18,413	33,387	38	12.5	3,107	7.7%
2013	18,413	33,387	38	12.5	3,035	6.3%
2014	18,413	33,387	38	12.5	2,987	8.6%
2015	18,413	33,387	38	12.5	2,909	6.2%
2016	18,413	33,387	38	12.5	2,937	5.9%
2017	18,413	33,387	38	12.5	2,876	4.9%

Data Sources:

- (1) Government Census
- (2) City of Thomasville Board of Education
- (3) Department of Labor

**CITY OF THOMASVILLE, GEORGIA  
PRINCIPAL EMPLOYERS  
CURRENT AND NINE YEARS AGO**

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Archbold Hospital	1,800	1	8.47%	1,800	1	8.12%
Thomas County Schools	850	2	4.00%	835	3	3.77%
Georgia Pines	525	3	2.47%			1.13%
Thomasville City/Utilities	443	4	2.09%	237	9	
Thomas County Government	438	5	2.06%	392	5	0.95%
Thomasville City Schools	390	6	1.84%	505	4	1.04%
Flowers Foods	266	7	1.25%	266	7	1.78%
Cleaver Brooks	240	8	1.13%			2.28%
SWGA Technical College	211	9	0.99%	225	10	
TECT	175	10	0.82%	330	6	1.93%
Southwestern State Hospital				853	2	3.72%
Siemens / US Filter				239	8	1.06%
	<u>5,338</u>		<u>25.78%</u>	<u>5,682</u>		<u>25.78%</u>

Source: City Clerk

**CITY OF THOMASVILLE, GEORGIA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Name of Department</b>										
Airport	6	6	7	7	7	6	7	6	7	7
City Clerk	1	1	1	1	1	1	1	1	1	1
City Council	5	5	5	5	5	5	5	5	5	5
City Manager	2	2	2	2	2	2	2	3	3	2
Customer Service	37	37	36	37	36	36	36	34	35	37
Civil Engineers	8	7	7	7	7	7	10	11	11	11
Risk Management	2	2	2	3	3	1	1	1	1	1
Financial Services	8	8	6	7	7	8	8	8	8	7
Shop	1	1	2	8	8	8	7	8	8	7
Fire Department	42	43	42	42	39	42	42	41	40	41
Golf	3	6	6	6	6	6	6	5	5	4
Human Resources	3	3	3	3	3	3	3	4	4	4
Landfill	7	7	6	6	6	5	4	4	4	4
Tourism	2	2	2	2	3	2	3	4	4	3
Main Street	3	3	4	4	3	3	4	4	3	3
Service Department	8	8	8	7	7	6	6	6	6	6
Planning & Zoning	10	9	8	9	8	9	9	9	8	10
Police Department	67	64	68	67	68	64	59	67	64	62
Sanitation	22	22	22	23	23	21	20	18	19	18
Streets & Grounds	18	20	23	24	24	24	25	24	27	27
Purchasing	2	2	2	1	1	1	1	1	1	1
Warehouse	2	2	2	2	2	2	2	2	2	2
CNS	31	30	31	27	29	31	32	33	32	34
ECC	9	9	9	9	10	10	10	10	10	10
Electric Department	21	26	26	25	25	27	26	25	26	27
Electric Engineers	4	5	5	5	5	5	5	5	5	5
Information Systems	14	19	19	17	17	18	17	18	16	16
Marketing	10	10	10	10	11	10	11	10	8	10
Rose.net	6	7	7	7	7	8	8	8	8	7
Sewer	17	18	18	17	17	26	24	24	22	23
Gas	9	10	7	10	9	9	9	9	9	9
Technical Services	14	13	13	15	15	14	15	16	15	14
Water	19	19	19	19	19	20	21	19	22	21
WPCP	15	14	14	14	14	8	8	8	8	7
Total	428	440	442	448	447	448	447	451	447	446

Source: Payroll Department

**CITY OF THOMASVILLE, GEORGIA**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

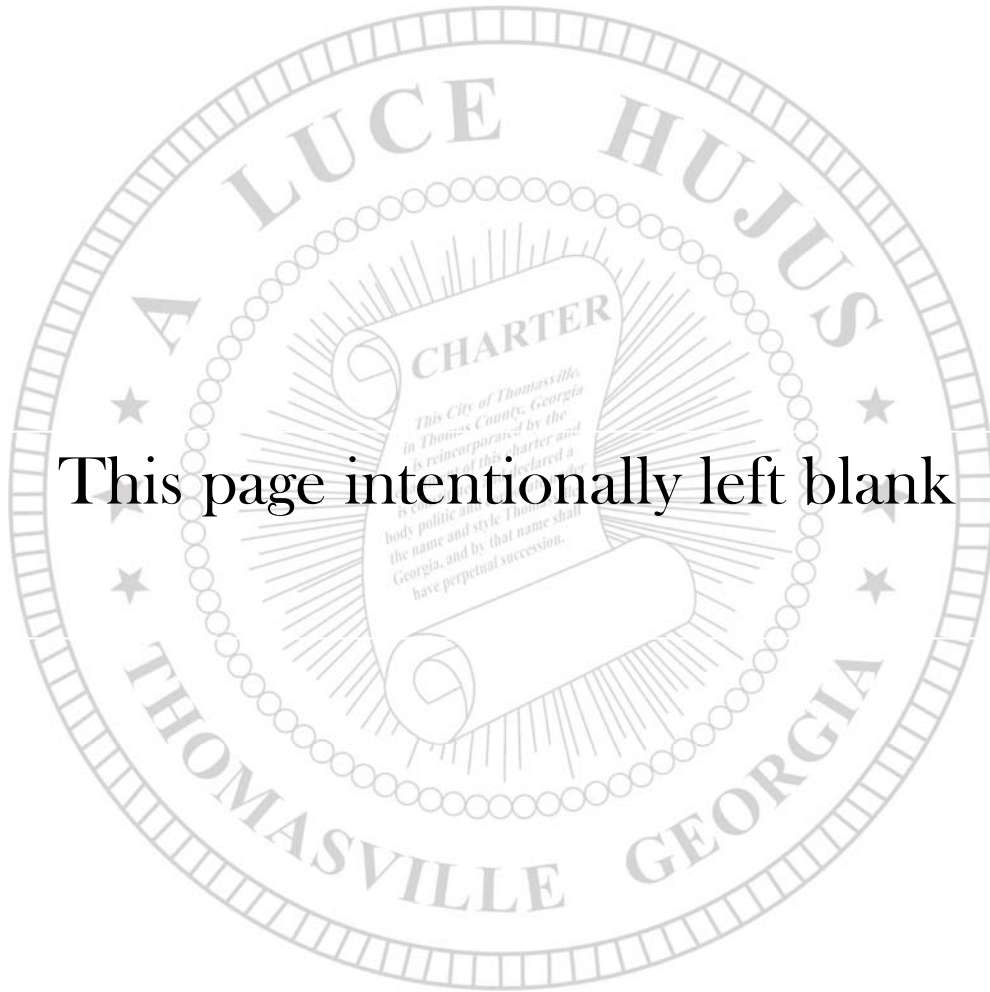
<b>Function</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Police</b>										
Criminal arrests	1,480	1,649	1,893	1,789	1,846	1,950	1,789	2,024	1,582	1,521
Parking violations	16	11	31	33	35	153	97	50	26	22
Traffic violations	1,789	1,984	7,427	1,211	6,212	4,574	4,844	3,012	3,659	4,677
<b>Fire</b>										
Number of calls answered	1,304	1,155	1,156	1,118	1,307	1,135	2,352	4,654	4,680	5,165
Inspections	410	432	589	412	224	267	310	850	1,150	1,684
<b>Highways and streets</b>										
Streets resurfacing (miles)	1.17	1.35	1.12	1.03	0.87	1.70	2.34	0.00	3.41	2.80
<b>Sanitation</b>										
Refuse collected (tons)	6,548	6,798	6,897	6,987	6,258	6,391	7,196	7,809	8,869	8,605
Recyclables collected (tons)	2,254	3,250	3,578	4,200	3,800	3,100	3,619	4,120	3,056	2,300
<b>Water</b>										
All new taps	226	130	62	78	261	93	196	156	122	131
Water main breaks	49	23	23	15	19	24	34	44	68	81
Average daily consumption (thousands of gallons)	5,304	4,570	4,785	4,680	4,900	4,857	4,581	4,638	4,862	4,538
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)	3,975	3,780	4,000	2,900	3,100	4,500	4,800	4,050	3,900	3,900

Sources: Various city departments

**CITY OF THOMASVILLE, GEORGIA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

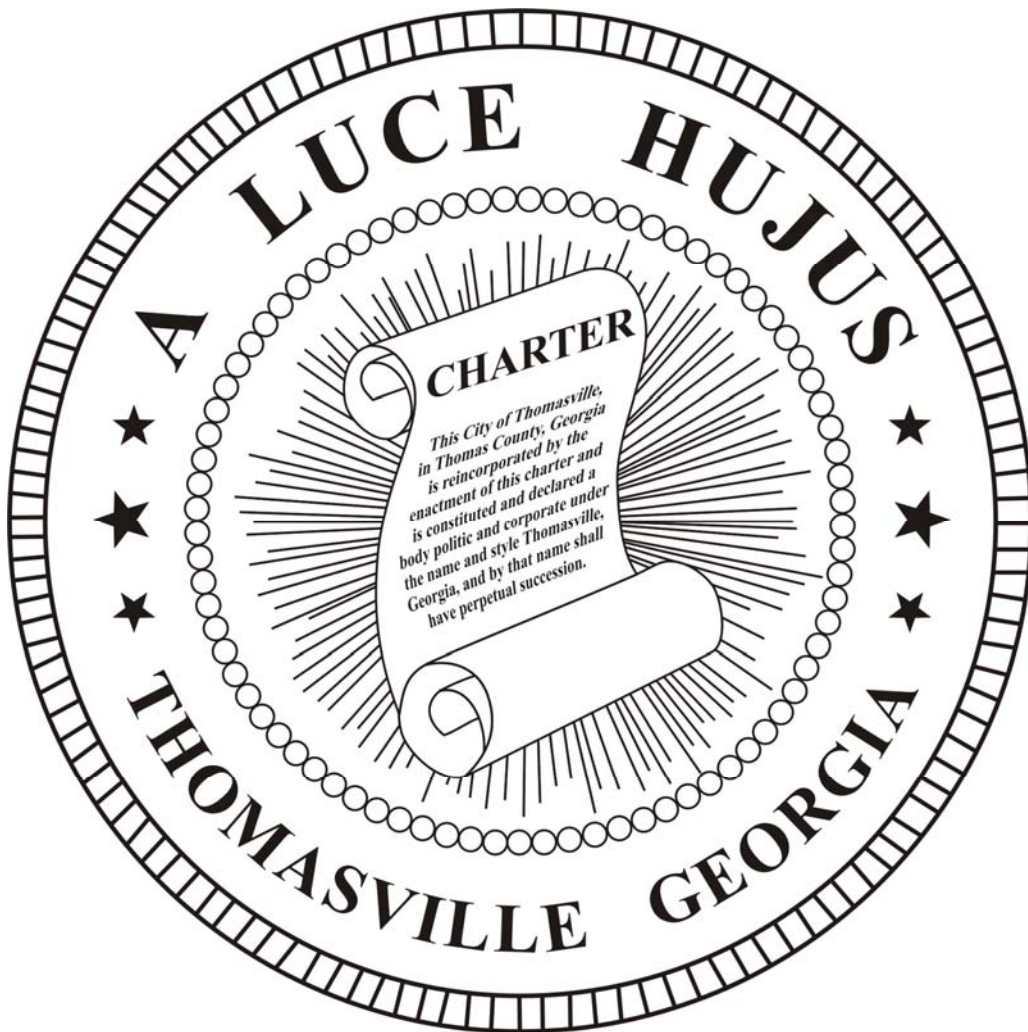
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Function</b>										
Public safety										
Police:										
Stations	1	1	2	2	2	2	2	2	2	2
Patrol units	59	59	60	60	60	60	60	61	61	61
Fire Stations	3	3	3	3	3	3	3	3	3	3
Sanitation										
Collection trucks	25	25	25	25	25	25	25	25	22	21
Highways and streets										
Streets (miles)	134	134	134	134	144	146	147	147	47	147
Streetlights	2,519	2,821	2,822	2,822	2,739	2,741	2,787	2,827	2,823	2,910
Culture and recreation										
Parks acreage	236	237	237	237	319	319	320	322	322	322
Parks	10	11	11	11	17	17	18	19	19	19
Tennis courts	13	13	13	13	13	13	13	13	11	11
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	248	250	251	251	260	253	258	260	266	262
Fire hydrants	1,168	1,254	1,255	1,255	1,411	1,399	1,399	1,415	1,517	1,524
Maximum daily capacity (thousands of gallons)	9,000	9,000	9,000	9,000	8,000	8,000	8,000	8,000	8,000	8,000
Sewer										
Sanitary sewers (miles)	163	164	165	165	178	182	183	183	190	190
Maximum daily treatment capacity/design(thousands of gallons)	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Electric										
Number of distribution stations	9	9	9	9	9	9	9	9	9	8
Miles of service lines	600	600	600	600	600	600	600	600	600	548

Sources: Various city departments



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## Other Financial Information



**LANIGAN & ASSOCIATES, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS ADVISORS  
www.lanigancpa.com

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

The Honorable Mayor and Members of the City Council  
City of Thomasville, Georgia

We have audited, in accordance with the 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, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison statement of the general fund of the City of Thomasville, Georgia (the “City”), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise City of Thomasville, Georgia’s basic financial statements, and have issued our report thereon dated June 12, 2018.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered City of Thomasville, 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 Thomasville, Georgia’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal controls.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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. We did identify deficiencies described in the accompanying schedule of findings and questioned costs as item 2017-001 and 2017-002 that we consider to be a significant deficiencies.

### ***Compliance and Other Matters***

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

### **City of Thomasville's Response to Findings**

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

### **Purpose of this Report**

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

*Lanigan & Associates, PC*

Thomasville, Georgia  
June 12, 2018

**LANIGAN & ASSOCIATES, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS ADVISORS  
www.lanigancpa.com

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

The Honorable Mayor and Members of the City Council  
City of Thomasville, Georgia

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

We have audited the City of Thomasville, Georgia's (the "City") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (*OMB Compliance Supplement*) that could have a direct and material effect on each of the City of Thomasville, Georgia's major federal programs for the year ended December 31, 2017. The City of Thomasville, 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Thomasville, 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Thomasville, 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 Thomasville, Georgia's compliance.

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

In our opinion, the City of Thomasville, 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, 2017.

**Report on Internal Control Over Compliance**

Management of the City of Thomasville, 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 Thomasville, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Thomasville, 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.

*Lanigan & Associates, PC*

Thomasville, Georgia  
June 12, 2018

**CITY OF THOMASVILLE, GEORGIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of auditor's report issued:	Unmodified
Internal Control over Financial Reporting:	
Are any material weaknesses identified?	<div style="display: flex; justify-content: space-around;"> <span>_____ Yes</span> <span><u>  X  </u> No</span> </div>
Are any significant deficiencies identified?	<div style="display: flex; justify-content: space-around;"> <span><u>  X  </u> Yes</span> <span>_____ None Reported</span> </div>
Is any noncompliance material to financial statements noted?	<div style="display: flex; justify-content: space-around;"> <span>_____ Yes</span> <span><u>  X  </u> No</span> </div>

***Federal Awards***

Internal Control over Major Federal Programs:	
Are any material weaknesses identified?	<div style="display: flex; justify-content: space-around;"> <span>_____ Yes</span> <span><u>  X  </u> No</span> </div>
Are any significant deficiencies identified?	<div style="display: flex; justify-content: space-around;"> <span>_____ Yes</span> <span><u>  X  </u> None Reported</span> </div>
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<div style="display: flex; justify-content: space-around;"> <span>_____ Yes</span> <span><u>  X  </u> No</span> </div>
Identification of major federal programs:	
CFDA Numbers	Name of Federal Programs or Cluster
66.458	State Revolving Funds (Clean Water) Program
20.106	Airport Improvement Program
Dollar threshold used to determine Type A programs:	\$750,000
Auditee qualified as a low-risk auditee?	<div style="display: flex; justify-content: space-around;"> <span><u>  X  </u> Yes</span> <span>_____ No</span> </div>

**CITY OF THOMASVILLE, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**SECTION II - SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

2017-001: Bank Reconciliations - Depository Account

*Criteria* - Monthly bank reconciliations ensure that all transactions affecting the cash account are properly recorded in the financial records and that any errors are identified and corrected on a timely basis.

*Condition* - It was noted during the audit that the bank reconciliation for the Depository account was not being effectively reconciled to the general ledger.

*Cause/Effect* - Failure to reconcile differences on monthly bank reconciliations can lead to errors in the financial records that may not be detected and/or corrected.

*Recommendation* - Monitoring is an important part of maintaining a strong control environment and we recommend that bank accounts be reconciled, and reviewed, monthly to the general ledger and all unusual items be promptly investigated and adjusted with adequate explanations. Each transaction in the general ledger cash account should be reconciled to the bank statement. We recommend the Depository bank reconciliation be separated from the Electric bank reconciliation. We believe this will help more easily identify differences in the internal receivable and payable balances.

*Classification* - Significant Deficiency

*Management Response* - We will improve our Depository reconciliation process by completing a separate reconciliation for the Depository bank account. In the past, this reconciliation was combined with the Utilities Bank reconciliation. I feel it's still necessary to show the Depository balance within the Utilities Bank reconciliation; however, we will establish an independent reconciliation process in addition to Utilities bank reconciliation.

**CITY OF THOMASVILLE, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**SECTION II - SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

2017-002: Accounting for Interfund Loans (Pooled Cash)

*Criteria* - Interfund loans (or advances) are reported as an asset of the lending fund (interfund receivable) and as a liability of the borrowing fund (interfund payable). When evaluating these loans, management is required to emphasize economic substance over legal form. Thus a “loan” made without a reasonable expectation of repayment is not really a loan, but a subsidy. Accordingly, authoritative accounting standards indicate that “if repayment is not expected within a reasonable time, the interfund balances should be reduced and the amount that is not expected to be repaid should be reported as a transfer from the fund that made the loan to the fund that received the loan.”

*Condition* - It was noted during the audit that interfund receivable and payable balances have continued to accumulate over several years.

*Cause/Effect* - These interfund receivables and payables cause the asset and liability balances of their respective funds to be overstated and can distort the transparency of the actual activity between funds in a given year.

*Recommendation* - We recommend the City develop a consistent process to evaluate large interfund receivables/payables, including pooled cash balances. In situations where the loan is not likely to be repaid within a reasonable period of time, balances should be eliminated by recording a transfer. This will create more transparency and accuracy in fund balances and activity.

*Classification* - Significant Deficiency

*Management Response* - We will continue to monitor and evaluate large interfund receivables/payables, including pooled cash balances. Currently, pooled cash accounts for those funds with separate bank accounts are monitored and evaluated, and actual cash is transferred to clear or reduce the pooled cash balances, such as our Landfill Operating account. We will set parameters that evaluates the percentage increase in pooled cash throughout the year. For accounts with drastic increases, we will evaluate and consider transfer entry or setting up smaller repayment options over time to offset the increases.

**CITY OF THOMASVILLE, GEORGIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

*2016-001: Receipts - Segregation of Duties*

*Status: Cleared*

**PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

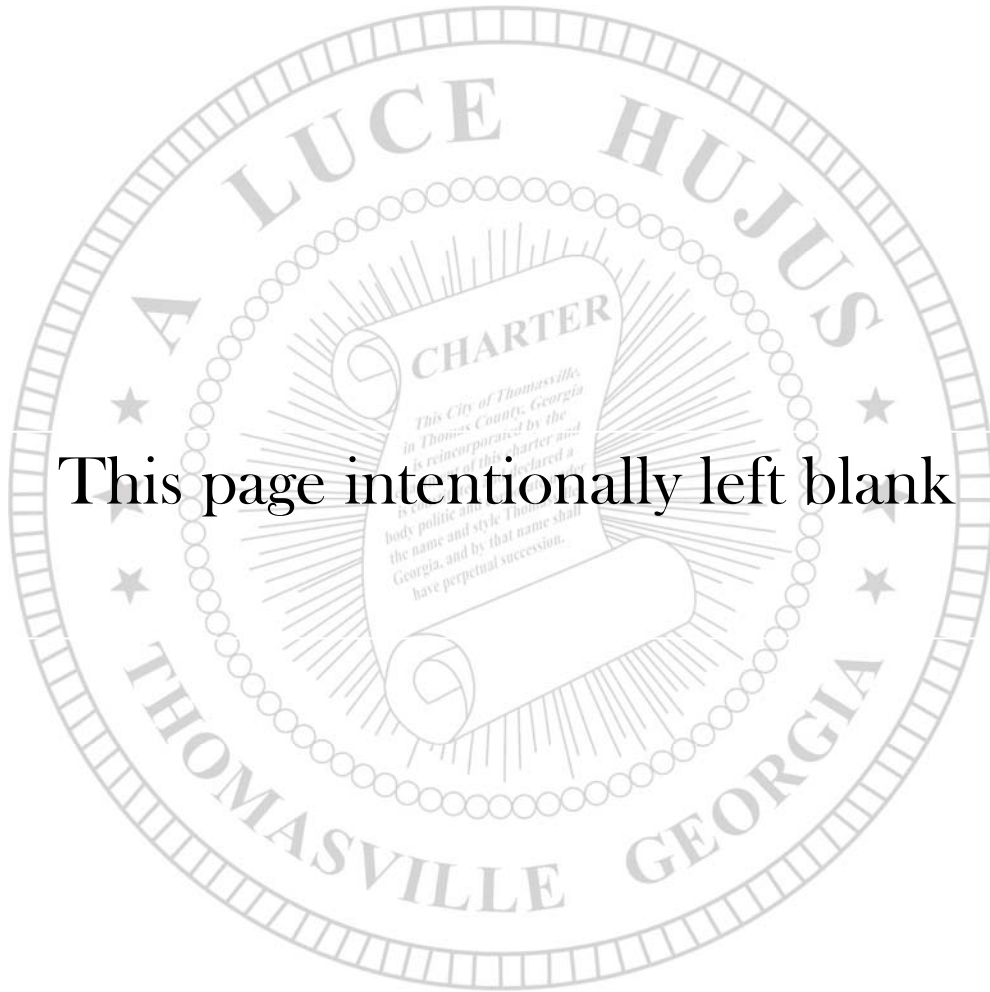
The were no audit findings reported in the prior year.

**CITY OF THOMASVILLE, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal Grantor/Pass-through Grantor/Program Title/Pass-Through Grantor	Federal CFDA Number	Grantor's Number	Federal Expenditures
<b>PRIMARY GOVERNMENT</b>			
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Pass-through Georgia Department of Community Affairs Home Investment Partnerships Program	14.239	2016-115	\$ 208,219
Community Development Block Grants	14.228	14P-X-136-2-5705	<u>100,886</u>
Total U.S. Department of Housing and Urban Development			<u>309,105</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Bulletproof Vest Partnership Program	16.607	1121-0235	<u>6,588</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Pass-through Georgia Department of Transportation Airport Improvement Program	20.106	AP015-9024-30(275)	151,455
Airport Improvement Program	20.106	AP016-9029-31(275)	<u>1,947,864</u>
Total U.S. Department of Transportation			<u>2,099,319</u>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Pass-through Georgia Environmental Finance Authority State Revolving Funds (Clean Water) Program	66.458	GEFA CWSTD11-004	129,201
State Revolving Funds (Clean Water) Program	66.458	GEFA CW2016040	71,646
State Revolving Funds (Clean Water) Program	66.458	GEFA CWSRF14-006	<u>195,363</u>
			396,210
State Revolving Funds (Drinking Water) Program	66.468	GEFA DWSRF11-005	207,526
State Revolving Funds (Drinking Water) Program	66.468	GEFA DWSRF11-017	291,878
State Revolving Funds (Drinking Water) Program	66.468	GEFA DW2016016	<u>56,815</u>
			556,219
Total U.S. Environmental Protection Agency			<u>952,429</u>
<b>Total Federal Grants</b>			<u><u>\$3,367,441</u></u>

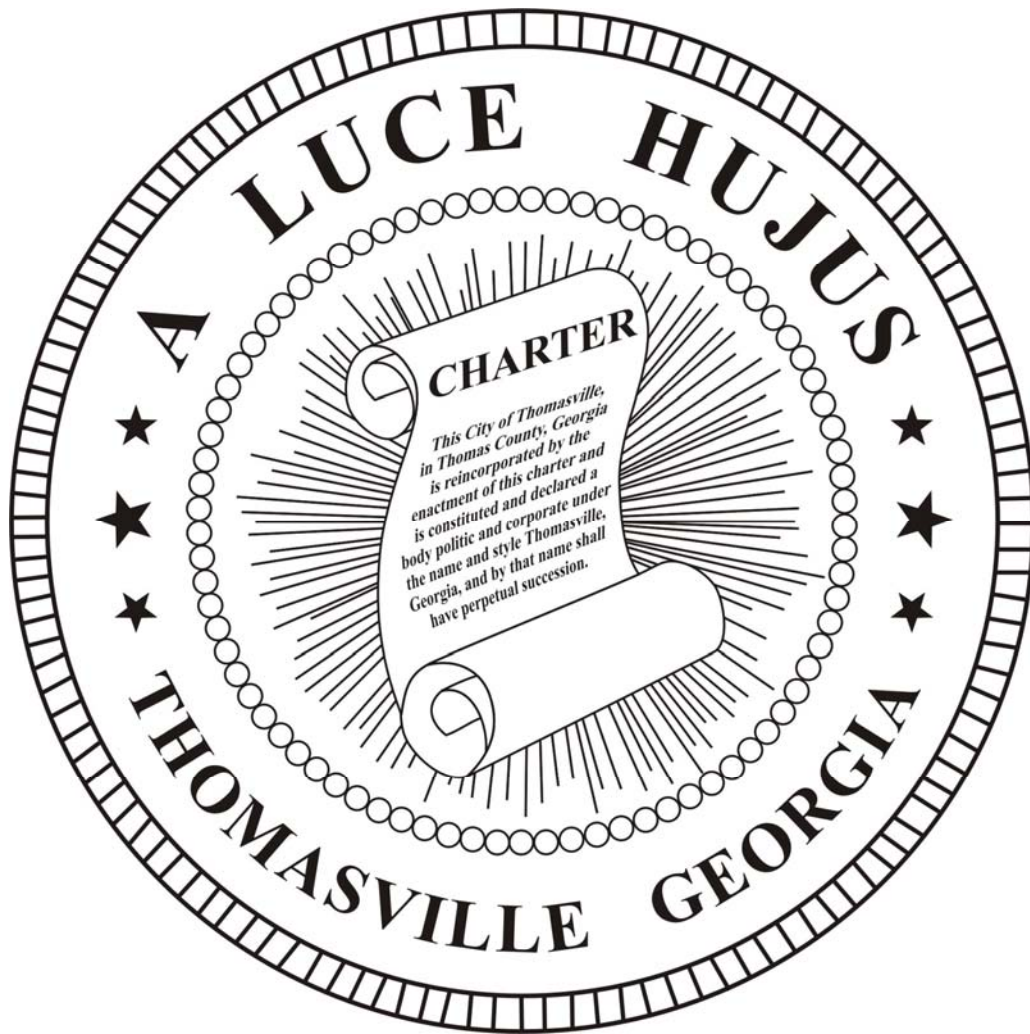
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

The schedule of expenditures of federal awards includes the federal grant activities of the City of Thomasville, 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* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



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## Other Schedules



**CITY OF THOMASVILLE, GEORGIA**  
**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM PROJECT COST SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Award No. 14P-X-136-2-5705

<i>Col. 1</i>	<i>Col. 2</i>	<i>Col. 3</i>	<i>Col. 4</i>	<i>Col. 5</i>	<i>Col. 6</i>
Program Activity	Latest Approved Budget (CDBG Funds)	Accumulative CDBG Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total of Expenditures To Date (Col. 4 + 5)	Questioned Costs (Explain in Remarks)
Contingency	\$ 45,000	\$ -	\$ -	\$ -	\$ -
Engineering	-	-	-	-	-
Sewer Improvements	455,000	491,800	-	491,800	-
Administration	-	-	27,500	27,500	-
In-Kind	-	-	-	-	-
<b>TOTAL</b>	\$ 500,000	\$ 491,800	\$ 27,500	\$ 519,300	\$ -

**CITY OF THOMASVILLE, GEORGIA**  
**SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Project Description	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Per SPLOST 2012 Referendum:					
A. Business Park Development	\$ 3,000,000	\$ 3,000,000	\$ 2,411,549	\$ 589,705	\$ 3,001,254
B. Recreation Facilities Improvements	2,000,000	2,000,000	1,477,605	215,820	1,693,425
C. Roads, Streets, Bridges, Water and Sewer Systems, Storm Water Systems, Construction of Public Safety Facilities and Purchase of Public Safety Equipment	15,425,000	15,425,000	6,876,519	2,418,570	9,295,089
Total expenditures	\$ 20,425,000	\$ 20,425,000	\$ 10,765,673	\$ 3,224,095	\$ 13,989,768