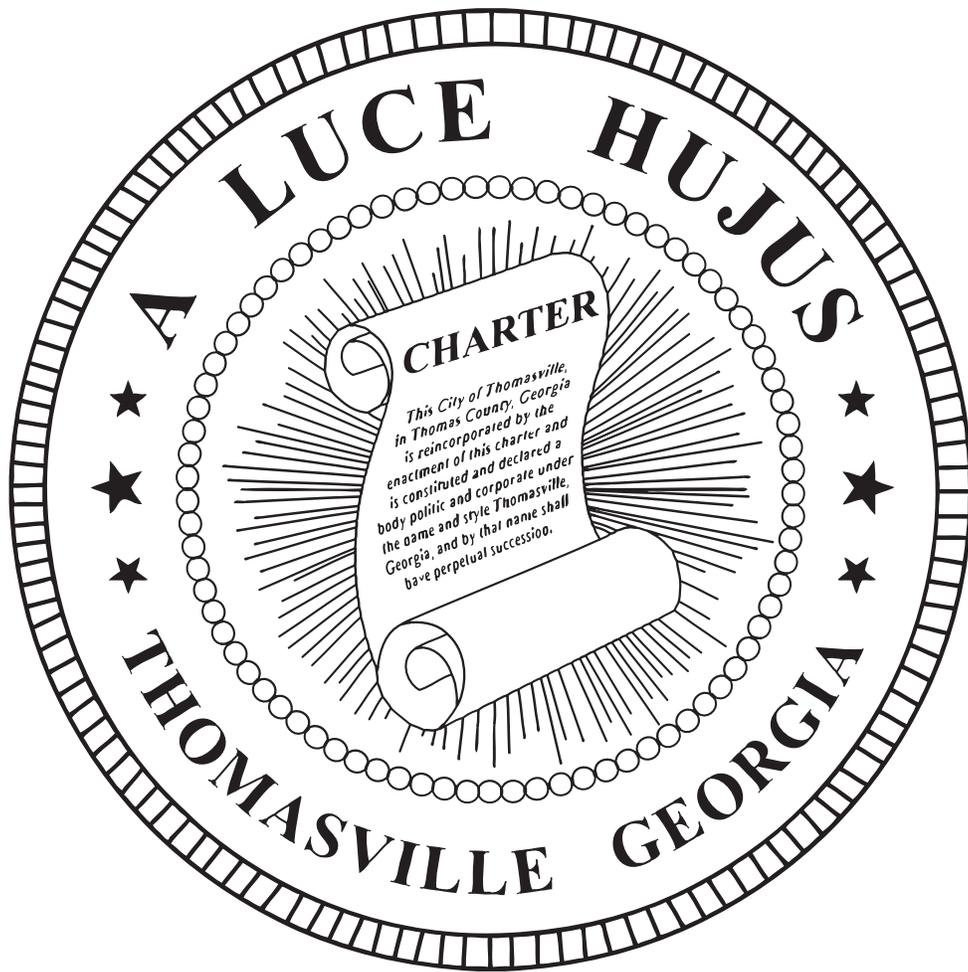
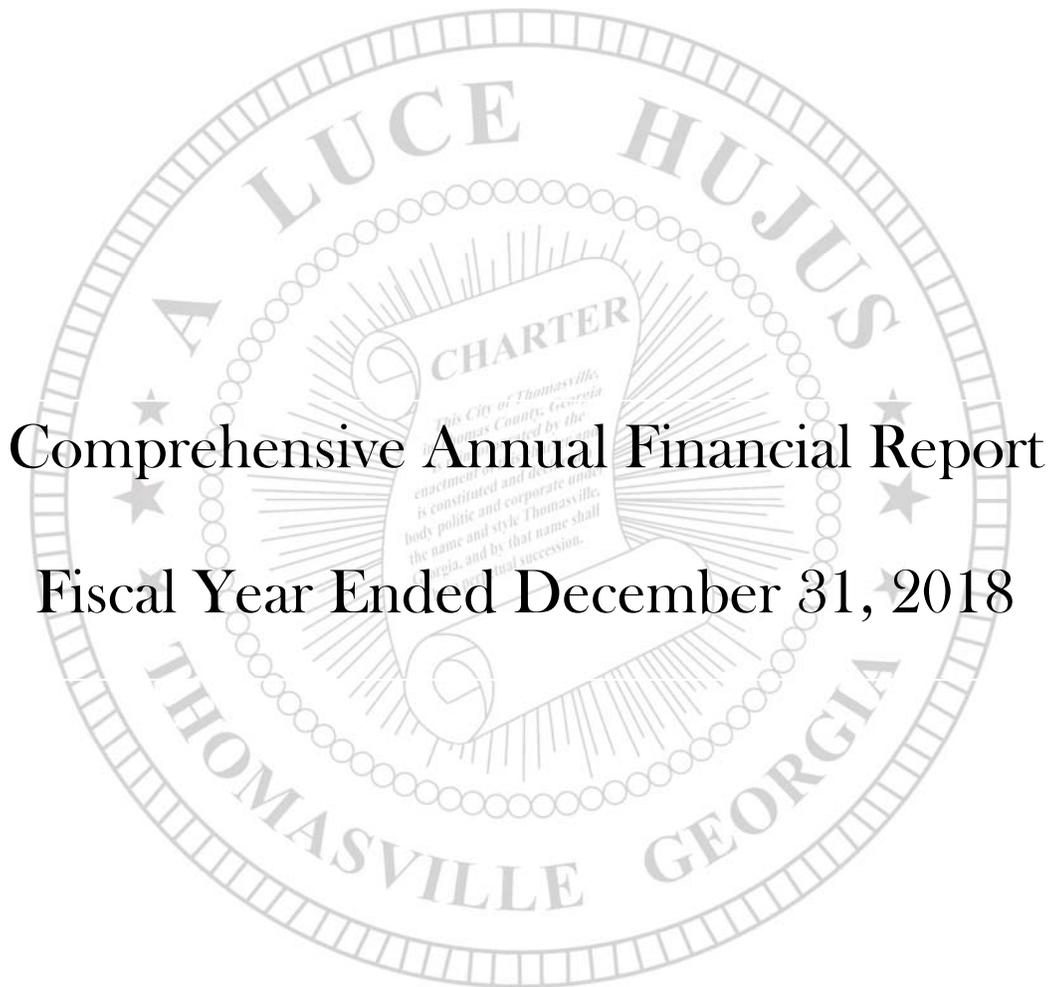


City of  
**Thomasville**  
State of Georgia



Comprehensive Annual Financial Report  
Fiscal Year Ended December 31, 2018

# City of Thomasville State of Georgia



## Comprehensive Annual Financial Report Fiscal Year Ended December 31, 2018

Prepared by Financial Services  
City of Thomasville

**CITY OF THOMASVILLE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2018**

Prepared by:  
Thomasville Finance Department



**CITY OF THOMASVILLE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

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**CITY OF THOMASVILLE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

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**CITY OF THOMASVILLE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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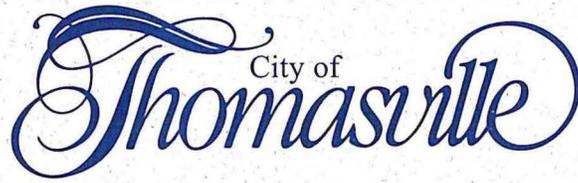
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## **INTRODUCTORY SECTION**

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

October 25, 2019

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, 2018.

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.

Mauldin & Jenkins, CPAs, 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. Mauldin & Jenkins, CPAs have issued an unmodified opinion on the City of Thomasville's financial statements for the fiscal year ended December 31, 2018. 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, 2018. Mauldin & Jenkins, CPAs 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 of tourism 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 300 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 Flowers Foods lead the community as top employers.

Thomasville's diverse economy has been built through a history of local and regional partnerships, making Thomasville a most desirable location for new industry and retail. In 2018, Thomasville recruited six new projects that will total 700 jobs. These projects include Check Mate Industries, Wal Mart, Southern States Insulation, Red Chamber Seafood, Brandt Information Services and a new Marriott in downtown Thomasville. Local industries expanding in 2018 includes Sweetgrass Dairy, Flowers Corporate and Martel Marine Panels. On the retail side, 100 plus jobs were created with the opening of Planet Fitness, Locos and Starbucks coming in 2019.

The City of Thomasville was named a 2018 Live, Work, Play City by the Georgia Municipal Association, a voluntary, non-profit organization that provides legislative advocacy, research, training, employee benefit and technical consulting services. The award represents a commitment to advancing job creation, housing offerings and recreational amenities. The City also received a Georgia Transportation Infrastructure Bank (GTIB) award for upgrades to the South Martin Luther King, Jr. Boulevard area. The City of Thomasville was also awarded a Community Development Block Grant (CDBG) in the amount of \$750,000 for infrastructure improvements in the Fletcherville Community. These improvements will include sewer rehab, water main replacement, drainage improvements, resurfacing, and sidewalk construction on various streets within the target area.

Downtown Thomasville was designated a Georgia Exceptional Main Street (GEMS) community and continued to show economic growth. The thriving downtown area retail

shops, restaurants, professional offices, and downtown living experienced 18 building rehabilitation projects and 45 public improvement projects in 2018, with more than \$7.5 million in public/private investment in the downtown area. There were 19 new or expanded businesses and 130 jobs created in downtown. SouthLife Supply Company, a downtown retail business, was recognized as a state of Georgia Small Business Rock Star by the Georgia Department of Economic Development (GDED) and the Georgia Economic Developers Association. During 2018, electrical overhead infrastructure was relocated in The Bottom District of downtown in anticipation of the West Jackson Streetscape project, which officially began in 2019.

Tourism also yielded strong economic benefits for the community. In its most recent study, the GDED reported that local tourism supported more than 635 jobs and generated \$71.20 million in direct spending. This report also showed an increase in Thomas County over previous years. Job growth is up by more than 5 percent, in part due to new restaurants and businesses opening in the community. Visitor expenditures have also steadily grown over the last six years, with a near 30 percent growth. Over 6,000 visitors walked through the doors of the Thomasville Visitors Center this past year. The Thomasville Visitors Center assisted over 10,000 people in town for weddings, reunions, sporting events and other events, bringing an estimated \$17.5 million in direct spending to the area.

**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 new 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. The telecommunications operations were consolidated into the South Georgia Governmental Services Authority (SGGSA) in 2017, and the City of Thomasville continued to manage the telecommunications operations for the cities of Cairo, Camilla, Moultrie and Thomasville. 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 2018, 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.

The City of Thomasville made enhancements to the water and wastewater infrastructure in many areas of the community in 2018. A five year plan for street resurfacing and sidewalk paving was also adopted by City Council. Additionally, the Water Treatment Plant and the Wastewater Treatment Plan were also recognized for their commitment to excellence through the 2018 Gold Standard Award from the Georgia Association of Water Professionals.

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, 2017. This was the seventeenth 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,



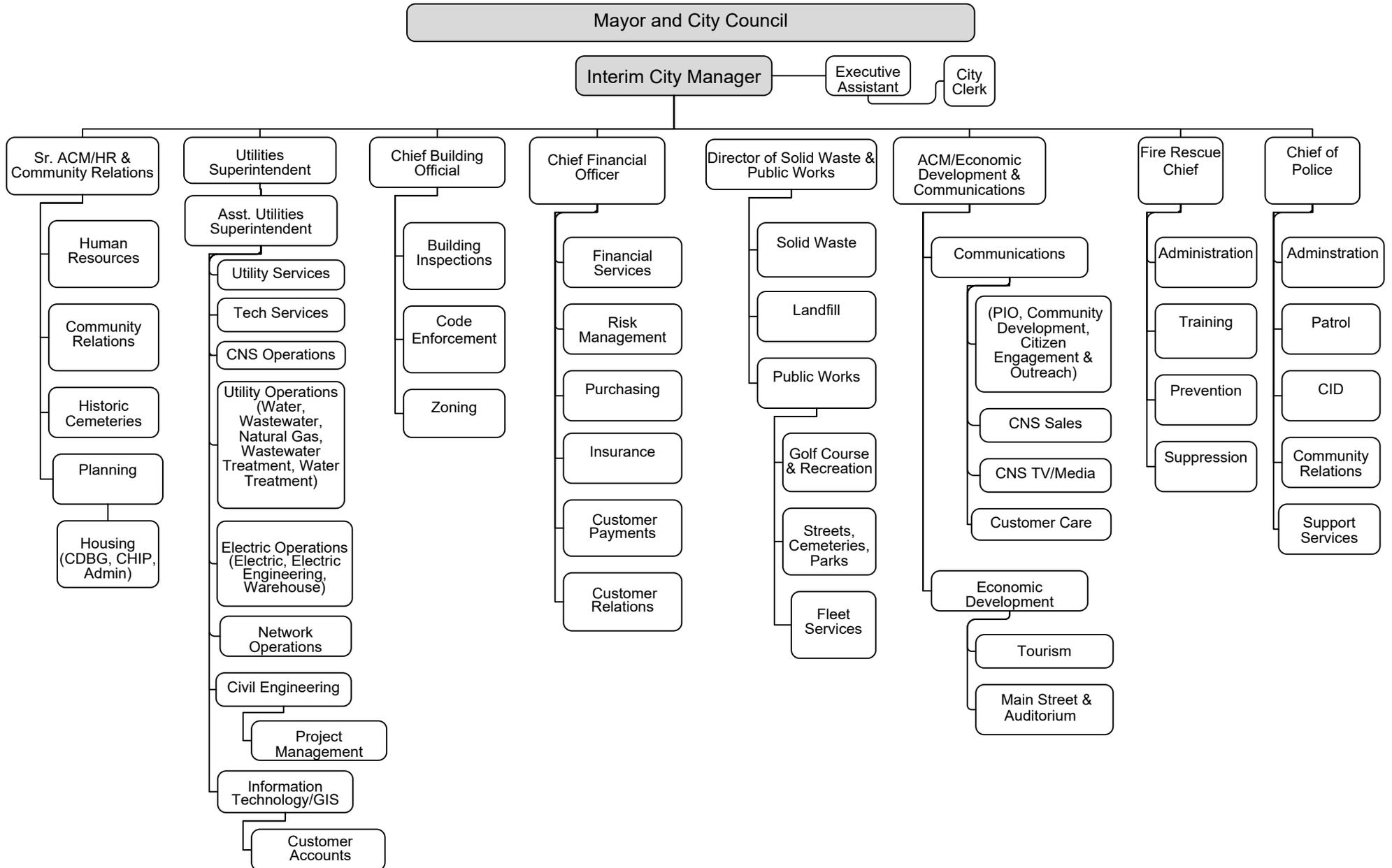
Alan Carson  
City Manager



Ashley Cason  
Chief Financial Officer

# City of Thomasville Organization Chart

December 31, 2018



# CITY OF THOMASVILLE, GEORGIA

## LIST OF PRINCIPAL OFFICIALS DECEMBER 31, 2018

---

### ELECTED OFFICIALS

Mayor – Council Member	Greg Hobbs
Mayor Pro-Tem – Council Member	Terry Scott
Council Member	David Hufstetler
Council Member	Jay Flowers
Council Member	Todd Mobley

### APPOINTED OFFICIALS

Interim City Manager	Kha McDonald
City Attorney	Tim Sanders
Municipal Court Judge	Mark Mitchell

### DEPARTMENT HEADS

Assistant City Manager/Marketing & Communications	Lynn Williams
Assistant Utilities Superintendent	Chris White
City Engineer	Wayne Newsome
Chief Financial Officer	Ashley Cason
Fire Rescue Chief	Chris Bowman
Police Chief	Troy Rich
Director of Solid Waste and Public Works	Nate Tyler
Chief Building Official	Mark Harmon
City Planner	Kenny Thompson
Director of Utility Operations	Chris Hayes
Marketing and Communication Director	Sheryl Sealy
Technical Services Director	Patrick Little
Broadband Operations Director	Randy Eubanks
Director of Electric and Engineering Operations	Bruce Whittington
Municipal Airport Manager	Robert Petty
Network Operations Director	Marvin Golden
Golf Course Director	Mike Owens
Tourism Director	Bonnie Hayes
Marketing Manager	Sarah Baggett
Main Street & Business Development Director	April Norton
Fleet Services Manager	Philip Palmer
Information Technology Director	Clint Wilkerson
Solid Waste and Landfill Assistant Director	Harold Phillips
Water Distribution System Superintendent	Stacey Thomas
Wastewater Collection System Superintendent	Antonio O'Neal
Wastewater Treatment Plant Superintendent	Jim Ridley
Natural Gas Superintendent	Chuck Whitaker
Public Works Superintendent	Mike Atkinson
Director of Customer Service and Financial Compliance	Emily Phillips



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, 2017**

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

---

**To the Honorable Mayor and Members  
of the City Commission  
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, and the aggregate remaining fund information of the **City of Thomasville, Georgia** (the "City"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, and the aggregate remaining fund information of the City of Thomasville, Georgia as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Notes 16 and 17, the City implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of January 1, 2018. This standard significantly changed the accounting for the City's net other post-employment benefits (OPEB) liability and the related disclosures. Our opinions are not modified with respect to this matter.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 17), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on page 88), the Schedule of City Contributions – Retirement Plan (on page 89), the Schedule of Changes in the City's Net OPEB Liability and Related Ratios (on page 90), and the Schedule of City Contributions – OPEB Plan (on page 91) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

---

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying schedules of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated § 48-8-121, and is 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of the City.

The combining and individual nonmajor fund financial statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements 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 October 25, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
October 25, 2019

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# CITY OF THOMASVILLE, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2018

---

As management of the City of Thomasville, Georgia (the "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, 2018. 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 i – v 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, 2018, by \$200.5 million. Of this amount, \$122 million represents net investment in capital assets; \$4.4 million is restricted for specific purposes (restricted net position); and the remaining portion represents unrestricted net position of \$74 million.
- Comparing FY 2018 with FY 2017, the results of governmental activities produced an increase in net position of \$1.6 million, while in FY 2017 net position decreased by \$4,772. We discuss key changes in net position later in this report.
- Comparing FY 2018 with FY 2017, the results of business-type activities produced an increase in net position of \$5.2 million, while in FY 2017 net position increased by \$2.7 million. We discuss key changes in net position later in this report.
- As of December 31, 2018 and 2017, the City's governmental funds reported combined ending fund balances of \$4.7 million and \$5.0 million, respectively.
- The City's General Fund (primary operating fund) reported a total fund balance of \$993,109, a decrease of \$654,501 from the prior year (fund balance).
- The City's loans (debt) increased \$694,927 in FY 2018. This was comprised of \$1.8 million in new debt less \$1.064 million in reductions (payments). The new debt is still in the drawdown phase as of December 2018. Completion of this project and repayment of loans are projected to be in 2019. The City's percentage of loans compared to net position decreased from 10.8% to 10.9%. The other components of long-term debt are discussed in further detail later in this report.

### 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.

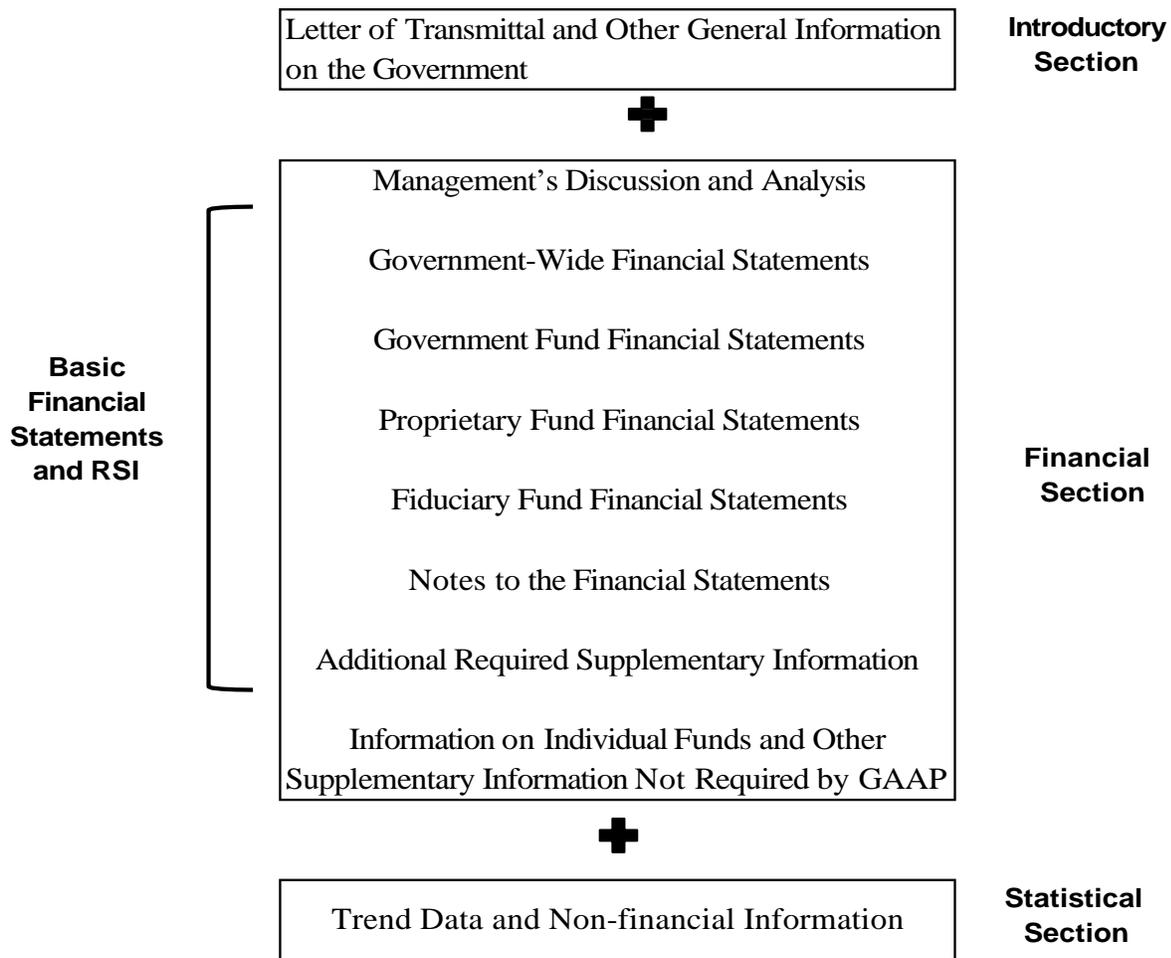
# MANAGEMENT'S DISCUSSION AND ANALYSIS

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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:

## Components of the Comprehensive Annual Financial Report (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 18 – 20 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2018. 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 the Downtown Development Authority ("DDA"), the Destination Thomasville Tourism Authority ("DTTA"), the 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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 fund, both of which are considered to be major funds. Data from the other eight 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 Fund, special revenue funds and capital projects funds. A budgetary comparison statement has been provided for the General Fund in the basic financial statements to demonstrate compliance with the budget. Budgetary schedules have been presented as supplementary information for all special revenue funds and capital project funds.

The basic governmental fund financial statements can be found on pages 18 – 24 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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 25 – 34 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 35 and 36 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 40 – 87 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 and other post-employment benefits ("OPEB") to its employees. Required supplementary information can be found on pages 88 – 91 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 92 – 104 of this report. This section also includes the budget to actual schedules, and statements for special revenues funds and capital project funds.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 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, 2018 and 2017 is presented below.

### City of Thomasville Net Position

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

#### City of Thomasville's Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 6,385	\$ 6,080	\$ 90,018	\$ 82,386	\$ 96,403	\$ 88,466
Capital assets	41,367	39,305	100,505	100,477	141,872	139,782
Total assets	<u>47,752</u>	<u>45,385</u>	<u>190,523</u>	<u>182,863</u>	<u>238,275</u>	<u>228,248</u>
Deferred outflows of resources	-	-	3,429	1,960	3,429	1,960
Other liabilities	3,671	2,827	10,583	8,263	14,254	11,090
Long-term liabilities outstanding	2,286	2,254	24,181	20,342	26,467	22,596
Total liabilities	<u>5,957</u>	<u>5,081</u>	<u>34,764</u>	<u>28,605</u>	<u>40,721</u>	<u>33,686</u>
Deferred inflows of resources	463	540	-	2,194	463	2,734
Net position:						
Net investment in capital assets	41,226	39,239	80,841	81,508	122,067	120,747
Restricted	4,387	4,627	-	-	4,387	4,627
Unrestricted	(4,281)	(4,102)	78,347	72,516	74,066	68,414
Total net position	<u>\$ 41,332</u>	<u>\$ 39,764</u>	<u>\$ 159,188</u>	<u>\$ 154,024</u>	<u>\$ 200,520</u>	<u>\$ 193,788</u>

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 \$200.5 million at the close of the most recent fiscal year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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 \$41.3 million, at December 31, 2018.

### 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:

	<b>Government-wide</b>	
	<b>2018</b>	<b>2017</b>
Current assets	<b>\$ 96,403</b>	\$ 88,466
Current liabilities	<b>14,254</b>	11,090
Ratio of current assets to current liabilities	<b>6.76</b>	<b>7.98</b>

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

### City of Thomasville Changes in Net Position (in thousands)

The City of Thomasville's net position increased \$6.7 million during the current fiscal year. The governmental activities increased by \$1.6 million and the City's business-type activities increased by \$5.2 million. The table below summarizes the changes in net position for the current and previous year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### City of Thomasville's Changes in Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues						
Charges for services	\$ 1,221	\$ 859	\$ 93,890	\$ 98,397	\$ 95,111	\$ 99,256
Operating grants and contributions	151	147	96	-	247	147
Capital grants and contributions	3,720	4,093	181	-	3,901	4,093
General revenues:						
Taxes, general	993	869	-	-	993	869
Sales taxes	3,978	3,719	-	-	3,978	3,719
Business taxes	2,104	1,990	-	-	2,104	1,990
Unrestricted investment earnings	234	232	2,020	-	2,254	232
Investment in SGGSA	-	-	3,093	2,148	3,093	2,148
Gain on sale of capital assets	-	-	21	-	21	-
Miscellaneous revenue	401	513	-	1,189	401	1,702
Total revenues	<b>12,802</b>	12,422	<b>99,301</b>	101,734	<b>112,103</b>	114,156
Expenses:						
General administration	2,791	2,804	-	-	2,791	2,804
Public safety	10,917	10,910	-	-	10,917	10,910
Highways and streets	5,429	4,183	-	-	5,429	4,183
Economic development	1,499	5,166	-	-	1,499	5,166
Culture and recreation	1,318	1,156	-	-	1,318	1,156
Interest on long-term debt	116	19	-	-	116	19
Auditorium	-	-	437	373	437	373
Airport	-	-	3,695	2,006	3,695	2,006
Community Network Services	-	-	3,495	5,873	3,495	5,873
Compressed Natural Gas	-	-	272	305	272	305
Electric	-	-	49,659	50,378	49,659	50,378
Events center	-	-	114	2,078	114	2,078
Golf course	-	-	904	982	904	982
Landfill	-	-	3,051	3,018	3,051	3,018
Natural gas	-	-	3,678	3,596	3,678	3,596
Network operations	-	-	1,383	2,101	1,383	2,101
Sanitation	-	-	5,396	4,984	5,396	4,984
Telecommunications	-	-	407	564	407	564
Telephony	-	-	927	1,253	927	1,253
Water and sewer	-	-	9,884	9,780	9,884	9,780
Total expenses	<b>22,070</b>	24,238	<b>83,302</b>	87,291	<b>105,372</b>	111,529
Change in net position before transfers	<b>(9,268)</b>	(11,816)	<b>15,999</b>	14,443	<b>6,731</b>	2,627
Transfers	<b>10,836</b>	11,811	<b>(10,836)</b>	(11,811)	-	-
Change in net position	<b>1,568</b>	(5)	<b>5,163</b>	2,632	<b>6,731</b>	2,627
Net position, beginning, restated	<b>39,764</b>	39,769	<b>154,024</b>	151,392	<b>193,788</b>	191,161
Net position, ending	<b>\$ 41,332</b>	\$ 39,764	<b>\$ 159,187</b>	\$ 154,024	<b>\$ 200,519</b>	\$ 193,788

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Governmental activities.** For FY 2018 net position of the governmental activities increased \$1.6 million, compared to an increase of \$4,772 in FY 2017. 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 \$10.8 million in FY 2018, a decrease of \$1 million or 9% when compared to FY 2017.

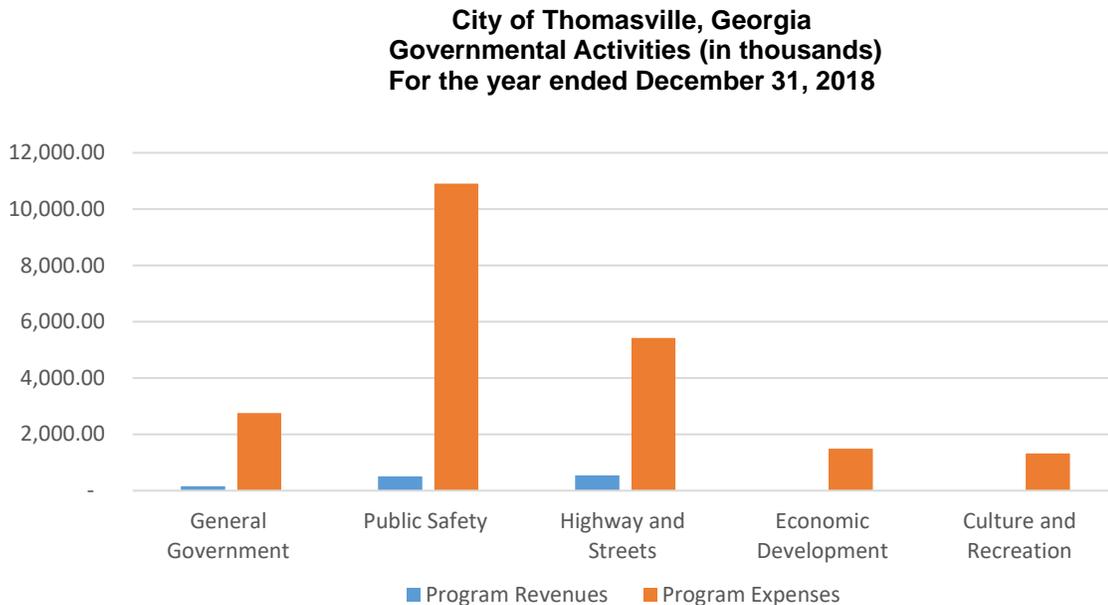
Expenses

- Operational expenses for governmental activities (excluding depreciation expense) decreased by \$1.5 million or 8%. The detailed change by function (in thousands) was as follows:

	2018	2017	Difference
General administration	\$ 2,791	\$ 2,804	\$ (13)
Public safety	10,917	10,910	7
Highways and streets	5,429	4,183	1,246
Economic development	1,499	5,166	(3,667)
Culture and recreation	1,318	1,156	162

The majority of the variance is due to a \$3.4 million transfer from the City to the Payroll Development Authority in 2017. The 2018 budget year reflects the typical expenditure amount for economic development.

The graph below represents a comparison of program revenues to program expenses for governmental activities for fiscal year 2018. It is apparent from this graph that general revenues (taxes and transfers from utilities) were required to cover expenses for most functions.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

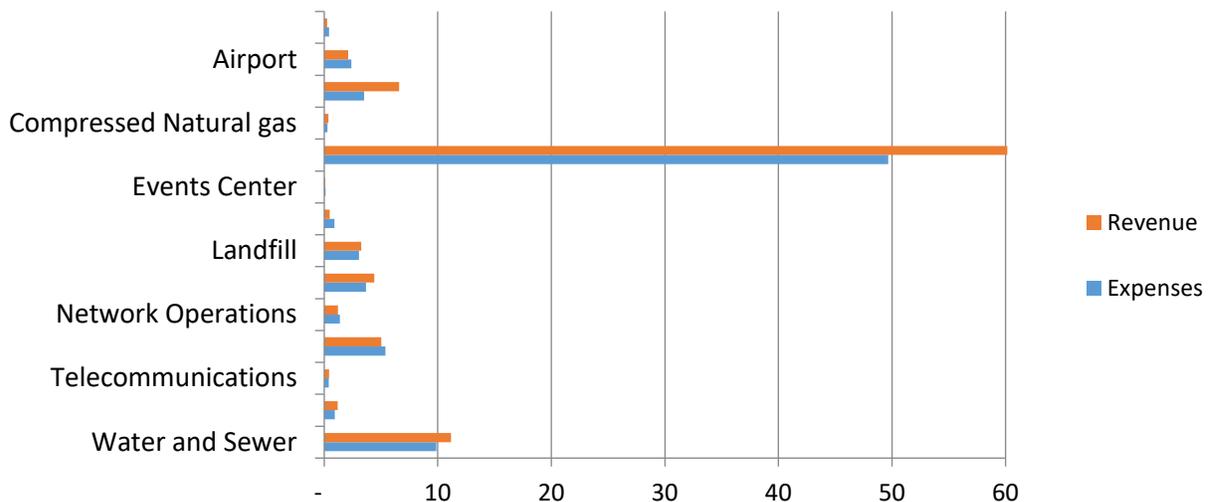
The largest revenue sources for governmental activities in FY 2018 are transfers from utilities which totaled \$10.8 million or 46% of total governmental activity resources. The second largest revenue source is taxes (general taxes, sales taxes, etc.) which totaled \$7 million or 30% of total governmental activity revenues. The third largest revenue source was capital grants and SPLOST proceeds in the amount of \$3.7 million, representing 16% 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 2018 net position of the business type activities increased by \$5.2 million, compared to an increase of \$2.6 million in FY 2017. 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 \$12.9 million
- Water and Sewer had a net income before transfers of \$1.3 million
- Community Network Services (CNS) had a net income before transfers of \$3.1 million
- Telephony had a net income before transfers of \$263,078
- Natural Gas had a net income before transfers of \$736,527
- Telecommunications had a net income before transfers of \$3,280
- Compressed Natural Gas has a net income before transfers of \$95,077

**City of Thomasville, GA  
Program Revenues and Expenses: Business-Type Activities  
(amounts in thousands)**

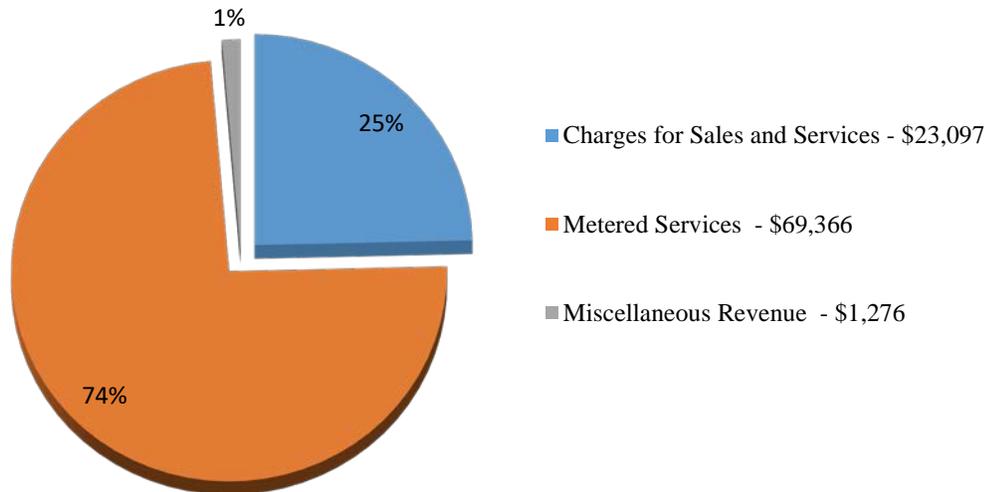


## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Revenues by Sources - Business-Type Activities**  
(amounts in thousands)



### 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 \$4.7 million, a decrease of \$326,632 in comparison with the restated prior year fund balance. The restricted fund balance is \$4.4 million, which is not available for new spending because it has already been committed for a variety of restricted purposes.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The General Fund is the chief operating fund of the City. At December 31, 2018, the total fund balance in the General Fund was \$993,109. The unassigned portion of the General Fund balance was \$898,320 or 90.5% of the total fund balance. General fund revenues increased by \$611,547. General fund expenditures decreased by \$3,291.

The SPLOST fund balance decreased by \$248,238 during 2018. This fund balance fluctuates based on the level of current SPLOST funded projects. The combined fund balances of the other non-major governmental funds increased by \$576,107 during the current year.

**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 \$74.9 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 24 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, 2018, the City had \$141.9 million invested in a variety of capital assets, as reflected in the following schedule, which represents a net increase (additions less retirements and depreciation) of \$2.1 million or 1% from the end of last year.

#### City of Thomasville's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,512	\$ 1,512	\$ 6,072	\$ 6,072	\$ 7,584	\$ 7,584
Buildings and improvements	4,938	4,935	14,964	15,171	19,902	20,106
Machinery and equipment	3,021	3,840	11,817	13,747	14,838	17,587
Infrastructure	31,271	29,018	67,499	62,658	98,770	91,676
Construction in progress	626	-	153	2,829	779	2,829
Total	\$ 41,368	\$ 39,305	\$ 100,505	\$ 100,477	\$ 141,873	\$ 139,782

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### Additions

- New streamlining equipment for City Council meetings \$52,172
- Completed airport runway extension \$2.2 million
- Completed new card access system at Sanitation building \$70,000
- New police vehicles and related equipment \$300,390
- SPLOST funds were used for the following capital projects:
  - Street paving, resurfacing, and sidewalks at a cost of \$2 million
  - Infrastructure at Red Hills Business Park at a cost of \$134,971
  - Storm water expenditures \$485,838
  - Multi-use trail and recreation projects at a cost of \$1.04 million
- Georgia Environmental Finance Authority (“GEFA”) revolving loan proceeds were used to fund water and sewer infrastructure projects at a total cost of \$1.8 million

### Reductions

- Transferred property from the Event Center Fund to Payroll Development Authority in the amount of \$1.568 million

Additional information on the City’s capital assets can be found in Note 5 on page 56 of this report.

### **Long-term Obligations**

At December 31, 2018, the City had long-term obligations in the amount of \$27.9 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:

- Increases in GEFA Loans – \$1.8 million outstanding and still in drawdown phase as of year-end
- Increases to accrued compensated absences – \$5,329
- Increases in the City’s landfill closure and post closure liability – \$246,437

Retirements of long-term debt amounted to \$1.06 million. See Note 6 for additional details.

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

The unemployment rate for the City of Thomasville was 3.7% compared to the 4.9% figure reported during the previous year. The City’s unemployment rate is slightly higher than the state’s average of 3.6% and slightly lower the national average of 3.9% as of December 2018.

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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **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.

**CITY OF THOMASVILLE, GEORGIA**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

ASSETS	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Destination Thomasville Tourism Authority	Payroll Development Authority	Thomasville Thomas County Land Bank Authority
Cash and cash equivalents	\$ 5,178,170	\$ 42,523,496	\$ 47,701,666	\$ 589,760	\$ 274,960	\$ 31,373	\$ 9,332
Investments	2,139,881	14,363,310	16,503,191	-	-	-	-
Taxes receivable	22,633	-	22,633	-	-	-	-
Accounts receivable, net of allowances	477,577	14,471,342	14,948,919	-	89,883	51,530	-
Due from other governments	612,713	200,903	813,616	-	-	-	-
Interest receivable	10,386	127,680	138,066	-	-	-	-
Due from component units	13,886	680,063	693,949	-	-	-	-
Due from primary government	-	-	-	-	-	109,816	-
Internal balances	(2,986,230)	2,986,230	-	-	-	-	-
Inventories	134,986	3,024,772	3,159,758	-	-	-	-
Prepaid expenses	317,709	133,085	450,794	3,461	1,720	8,718	1,378
Investment in SGGSA	-	4,546,299	4,546,299	-	-	-	-
SGGSA bonds receivable	-	6,400,000	6,400,000	-	-	-	-
Fair value of interest rate swap agreement	462,986	-	462,986	-	-	-	-
Assets held for resale	-	-	-	-	-	-	301,887
OPEB asset	-	560,804	560,804	-	-	-	-
Capital assets:							
Nondepreciable	2,138,044	6,224,642	8,362,686	145,357	-	5,981,541	-
Depreciable, net	39,229,127	94,279,930	133,509,057	8,704,793	-	3,695,869	-
Total assets	<u>47,751,868</u>	<u>190,522,556</u>	<u>238,274,424</u>	<u>9,443,371</u>	<u>366,563</u>	<u>9,878,847</u>	<u>312,597</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pension	-	2,918,761	2,918,761	-	-	-	-
Other post-employment benefits	-	510,194	510,194	-	-	-	-
Total deferred outflows or resources	<u>-</u>	<u>3,428,955</u>	<u>3,428,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>							
Accounts payable	1,309,865	6,963,429	8,273,294	1,198	154,952	29,754	1,245
Retainage payable	58,765	-	58,765	-	-	-	-
Accrued liabilities	763,807	621,087	1,384,894	-	-	-	-
Due to component units	109,816	-	109,816	-	-	-	-
Due to other governments	994,238	-	994,238	-	-	-	-
Due to primary government	-	-	-	43,107	50,063	600,000	779
Customer deposits payable	-	1,662,624	1,662,624	-	-	-	-
Notes payable due within one year	-	1,079,172	1,079,172	1,866,665	-	-	-
Notes payable due in more than one year	-	18,584,720	18,584,720	-	-	-	-
Bonds payable due within one year	-	-	-	308,750	-	-	-
Bonds payable due in more than one year	-	-	-	6,716,250	-	-	-
Certificates of participation, due in more than one year	2,222,000	-	2,222,000	-	-	-	-
Compensated absences due within one year	96,123	59,835	155,958	-	-	-	-
Compensated absences due in more than one year	64,082	39,892	103,974	-	-	-	-
Claims payable	338,640	-	338,640	-	-	-	-
Net pension liability	-	320,581	320,581	-	-	-	-
Landfill post-closure care costs due within one year	-	197,313	197,313	-	-	-	-
Landfill post-closure care costs due in more than one year	-	5,235,434	5,235,434	-	-	-	-
Total liabilities	<u>5,957,336</u>	<u>34,764,087</u>	<u>40,721,423</u>	<u>8,935,970</u>	<u>205,015</u>	<u>629,754</u>	<u>2,024</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Accumulated increase in fair value of hedging derivative	462,986	-	462,986	-	-	-	-
<b>NET POSITION</b>							
Net investment in capital assets	41,226,287	80,840,680	122,066,967	-	-	9,677,410	-
Restricted for:							
Public safety	67,571	-	67,571	-	-	-	-
Capital projects	4,319,513	-	4,319,513	-	-	-	-
Unrestricted (deficit)	(4,281,825)	78,346,744	74,064,919	507,401	161,548	(428,317)	304,573
Total net position	<u>\$ 41,331,546</u>	<u>\$ 159,187,424</u>	<u>\$ 200,518,970</u>	<u>\$ 507,401</u>	<u>\$ 161,548</u>	<u>\$ 9,249,093</u>	<u>\$ 304,573</u>

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

# CITY OF THOMASVILLE, GEORGIA

## STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General administration	\$ 2,791,446	\$ 161,320	\$ -	\$ -
Public safety	10,917,313	506,051	110,731	-
Highways and streets	5,428,603	548,463	-	3,515,556
Economic development	1,499,232	4,665	40,000	204,180
Culture and recreation	1,317,595	-	-	-
Interest on long-term debt	115,978	-	-	-
Total governmental activities	22,070,167	1,220,499	150,731	3,719,736
Business-type activities:				
Auditorium	436,707	105,973	-	-
Airport	2,375,948	2,108,245	-	248,529
Community Network Services	3,494,889	3,182,546	-	-
Compressed Natural Gas	272,258	367,857	-	-
Electric	49,658,820	60,932,943	-	-
Events Center	1,681,667	-	95,908	-
Golf Course	903,585	490,248	-	-
Landfill	3,051,189	3,213,479	-	-
Natural Gas	3,677,864	4,425,209	-	-
Network Operations	1,382,879	1,216,812	-	-
Sanitation	5,396,361	5,040,521	-	-
Telecommunications	407,355	412,664	-	-
Telephony	926,829	1,194,987	-	-
Water and Sewer	9,884,115	11,199,038	-	181,350
Total business-type activities	83,550,466	93,890,522	95,908	429,879
Total primary government	\$ 105,620,633	\$ 95,111,021	\$ 246,639	\$ 4,149,615
<b>Component units:</b>				
Downtown Development Authority	\$ 911,355	\$ 1,051,339	\$ -	\$ -
Destination Thomasville Tourism Authority	562,034	-	643,467	-
Payroll Development Authority	631,085	112,500	829,777	1,568,000
Thomasville-Thomas County Land Bank Authority	36,581	6,000	-	-
Total component units	\$ 2,141,055	\$ 1,169,839	\$ 1,473,244	\$ 1,568,000
General revenues:				
Taxes, general				
Sales taxes, general				
Sales taxes, selective				
Business taxes				
Unrestricted investment earnings				
Investment in SGGSA				
Gain on sale of capital assets				
Miscellaneous revenue				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position						
Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Destination Thomasville Tourism Authority	Payroll Development Authority	Thomasville Thomas County Land Bank Authority
\$ (2,630,126)	\$ -	\$ (2,630,126)	\$ -	\$ -	\$ -	\$ -
(10,300,531)	-	(10,300,531)	-	-	-	-
(1,364,584)	-	(1,364,584)	-	-	-	-
(1,250,387)	-	(1,250,387)	-	-	-	-
(1,317,595)	-	(1,317,595)	-	-	-	-
(115,978)	-	(115,978)	-	-	-	-
(16,979,201)	-	(16,979,201)	-	-	-	-
-	(330,734)	(330,734)	-	-	-	-
-	(19,174)	(19,174)	-	-	-	-
-	(312,343)	(312,343)	-	-	-	-
-	95,599	95,599	-	-	-	-
-	11,274,123	11,274,123	-	-	-	-
-	(1,585,759)	(1,585,759)	-	-	-	-
-	(413,337)	(413,337)	-	-	-	-
-	162,290	162,290	-	-	-	-
-	747,345	747,345	-	-	-	-
-	(166,067)	(166,067)	-	-	-	-
-	(355,840)	(355,840)	-	-	-	-
-	5,309	5,309	-	-	-	-
-	268,158	268,158	-	-	-	-
-	1,496,273	1,496,273	-	-	-	-
-	10,865,843	10,865,843	-	-	-	-
(16,979,201)	10,865,843	(6,113,358)	-	-	-	-
-	-	-	139,984	-	-	-
-	-	-	-	81,433	-	-
-	-	-	-	-	1,879,192	-
-	-	-	-	-	-	(30,581)
-	-	-	139,984	81,433	1,879,192	(30,581)
993,329	-	993,329	-	-	-	-
3,071,429	-	3,071,429	-	-	-	-
905,909	-	905,909	-	-	-	-
2,104,166	-	2,104,166	-	-	-	-
234,364	2,019,783	2,254,147	1,657	-	139	-
-	3,092,990	3,092,990	-	-	-	-
-	20,670	20,670	-	-	-	-
401,218	-	401,218	-	-	-	-
10,836,224	(10,836,224)	-	-	-	-	-
18,546,639	(5,702,781)	12,843,858	1,657	-	139	-
1,567,438	5,163,062	6,730,500	141,641	81,433	1,879,331	(30,581)
39,764,108	154,024,362	193,788,470	365,760	80,115	7,369,762	341,154
\$ 41,331,546	\$ 159,187,424	\$ 200,518,970	\$ 507,401	\$ 161,548	\$ 9,249,093	\$ 310,573

**CITY OF THOMASVILLE, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

<b>ASSETS</b>	<b>General</b>	<b>SPLOST</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash	\$ 156,004	\$ 4,152,857	\$ 149,098	\$ 4,457,959
Investments	2,139,881	-	-	2,139,881
Accounts receivable	259,180	84,649	30,070	373,899
Interest receivable	-	-	10,386	10,386
Taxes receivable	22,633	-	-	22,633
Due from other governments	303,755	308,958	-	612,713
Due from component units	13,886	-	-	13,886
Due from other funds	471,425	-	-	471,425
Prepaid items	94,789	-	6,811	101,600
Total assets	<u>\$ 3,461,553</u>	<u>\$ 4,546,464</u>	<u>\$ 196,365</u>	<u>\$ 8,204,382</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 580,093	\$ 286,826	\$ 22,949	\$ 889,868
Retainage payable	-	58,765	-	58,765
Accrued liabilities	475,863	-	3,585	479,448
Due to other governments	994,241	-	-	994,241
Due to component units	109,816	-	-	109,816
Due to other funds	308,431	1,425	691,222	1,001,078
Total liabilities	<u>2,468,444</u>	<u>347,016</u>	<u>717,756</u>	<u>3,533,216</u>
<b>FUND BALANCES (DEFICIT)</b>				
Nonspendable:				
Prepaid items	94,789	-	6,811	101,600
Restricted for:				
Public safety	-	-	67,571	67,571
Capital projects	-	4,199,448	120,065	4,319,513
Unassigned (deficit)	898,320	-	(715,838)	182,482
Total fund balances	<u>993,109</u>	<u>4,199,448</u>	<u>(521,391)</u>	<u>4,671,166</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,461,553</u>	<u>\$ 4,546,464</u>	<u>\$ 196,365</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.	37,214,110
Internal service funds are used by management to charge the costs of certain functions to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,771,098
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Certificates of participation - GMA	(2,222,000)
Compensated absences	(102,828)
Net position of governmental activities	<u>\$ 41,331,546</u>

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

**CITY OF THOMASVILLE, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	<u>General</u>	<u>SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes, general	\$ 993,329	\$ -	\$ -	\$ 993,329
Sales taxes, general	1,522,996	-	1,548,433	3,071,429
Sales taxes, selective	514,387	-	391,522	905,909
Business taxes	2,104,166	-	-	2,104,166
Licenses, permits and fees	404,553	-	-	404,553
Penalties and interest on delinquent taxes	115,073	-	-	115,073
Intergovernmental	96,581	3,409,742	358,426	3,864,749
Charges for services	401,402	-	-	401,402
Fines and forfeitures	299,471	-	-	299,471
Investment earnings	234,364	5,718	-	240,082
Miscellaneous revenue	269,998	-	131,219	401,217
Total revenues	<u>6,956,320</u>	<u>3,415,460</u>	<u>2,429,600</u>	<u>12,801,380</u>
<b>EXPENDITURES</b>				
Current:				
General administration	2,701,983	-	-	2,701,983
Public safety	10,914,031	-	41,283	10,955,314
Highways and streets	2,992,775	-	-	2,992,775
Economic development	1,026,839	-	374,562	1,401,401
Culture and recreation	-	-	1,307,832	1,307,832
Debt service:				
Interest	115,978	-	-	115,978
Capital outlay:				
Highways and streets	-	2,745,685	-	2,745,685
Economic development	-	134,972	292,712	427,684
Culture and recreation	-	1,043,194	-	1,043,194
Total expenditures	<u>17,751,606</u>	<u>3,923,851</u>	<u>2,016,389</u>	<u>23,691,846</u>
Excess (deficiency) of revenues over expenditures	<u>(10,795,286)</u>	<u>(508,391)</u>	<u>413,211</u>	<u>(10,890,466)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	11,174,685	260,153	603,370	12,038,208
Transfers out	<u>(1,033,900)</u>	-	<u>(440,474)</u>	<u>(1,474,374)</u>
Total other financing sources (uses)	<u>10,140,785</u>	<u>260,153</u>	<u>162,896</u>	<u>10,563,834</u>
Net change in fund balances	(654,501)	(248,238)	576,107	(326,632)
<b>Fund balances (deficits), beginning of year, as restated</b>	<u>1,647,610</u>	<u>4,447,686</u>	<u>(1,097,498)</u>	<u>4,997,798</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ 993,109</u>	<u>\$ 4,199,448</u>	<u>\$ (521,391)</u>	<u>\$ 4,671,166</u>

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

**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 FISCAL YEAR ENDED DECEMBER 31, 2018**

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

Net change in fund balances - total governmental funds. \$ (326,632)

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 outlay exceeded depreciation in the current period.

Capital outlay	4,894,929
Depreciation expense	(3,313,055)

Internal service funds are used by management to charge the costs of certain functions to individual funds. The net revenue of certain activities in the internal service funds is reported with governmental activities.

348,389

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the change in compensated absences from the previous year.

(36,193)

\$ 1,567,438

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

**CITY OF THOMASVILLE, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes, general	\$ 948,810	\$ 948,810	\$ 993,329	\$ 44,519
Sales taxes, general	1,185,000	1,185,000	1,522,996	337,996
Sales taxes, selective	450,000	450,000	514,387	64,387
Business taxes	1,955,000	1,955,000	2,104,166	149,166
Licenses, permits and fees	290,525	290,525	404,553	114,028
Penalties and interest on delinquent taxes	172,000	172,000	115,073	(56,927)
Intergovernmental	106,900	106,900	96,581	(10,319)
Charges for services	378,300	378,300	401,402	23,102
Fines and forfeitures	350,000	350,000	299,471	(50,529)
Investment earnings	450	450	234,364	233,914
Miscellaneous revenue	125,000	125,000	269,998	144,998
Total revenues	<u>5,961,985</u>	<u>5,961,985</u>	<u>6,956,320</u>	<u>994,335</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General administration:				
Council	387,511	707,671	707,671	-
Manager/Assistant manager	473,366	473,366	375,794	97,572
Clerk	120,060	120,262	120,262	-
Risk management	97,109	98,490	98,490	-
Planning and zoning	1,643,618	1,643,618	1,399,766	243,852
Total general administration	<u>2,721,664</u>	<u>3,043,407</u>	<u>2,701,983</u>	<u>341,424</u>
Public safety:				
Police	6,765,916	6,902,921	6,902,921	-
Fire	3,748,818	4,011,110	4,011,110	-
Total public safety	<u>10,514,734</u>	<u>10,914,031</u>	<u>10,914,031</u>	<u>-</u>
Highways and streets:				
Maintenance	2,969,146	2,992,775	2,992,775	-
Economic development:				
Main Street	894,515	960,972	1,026,839	(65,867)
<b>Debt service:</b>				
Interest	2,200	2,200	115,978	(113,778)
Total debt service	<u>2,200</u>	<u>2,200</u>	<u>115,978</u>	<u>(113,778)</u>
Total expenditures	<u>17,102,259</u>	<u>17,913,385</u>	<u>17,751,606</u>	<u>161,779</u>
Deficiency of revenues over expenditures	<u>(11,140,274)</u>	<u>(11,951,400)</u>	<u>(10,795,286)</u>	<u>1,156,114</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	751,928	751,928	-	(751,928)
Transfers in	10,706,340	10,706,340	11,174,685	468,345
Transfers out	(315,000)	(315,000)	(1,033,900)	(718,900)
Total other financing sources, net	<u>11,143,268</u>	<u>11,143,268</u>	<u>10,140,785</u>	<u>(1,002,483)</u>
Net change in fund balances	2,994	(808,132)	(654,501)	153,631
Fund balances, beginning of year, as restated	<u>1,647,610</u>	<u>1,647,610</u>	<u>1,647,610</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,650,604</u>	<u>\$ 839,478</u>	<u>\$ 993,109</u>	<u>\$ 153,631</u>

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

**CITY OF THOMASVILLE, GEORGIA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2018**

	<b>Community Network Services</b>	<b>Electric</b>	<b>Landfill</b>	<b>Water and Sewer</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 7,135,096	\$ 23,586,197	\$ 5,685,826	\$ 33,852
Investments	-	12,226,369	2,134,460	2,481
Accounts receivable	928,609	9,062,420	558,793	1,368,298
Due from other governments	-	-	-	200,903
Interest receivable	127,680	-	-	-
Due from other funds	-	9,058,329	271,270	-
Due from component unit	-	634,415	-	-
SGGSA bonds receivable, current	100,000	-	-	-
Inventories	-	1,330,521	-	342,818
Prepaid items	4,765	78,519	6,214	13,111
Total current assets	<u>8,296,150</u>	<u>55,976,770</u>	<u>8,656,563</u>	<u>1,961,463</u>
<b>NONCURRENT ASSETS</b>				
Capital assets				
Land and land improvements	-	156,156	-	135,690
Buildings	10,807	4,018,354	692,190	2,661,730
Machinery and equipment	-	2,294,214	5,432,921	16,406,057
Infrastructure	-	22,666,424	10,840,426	57,924,042
Construction in progress	-	-	118,610	-
	<u>10,807</u>	<u>29,135,148</u>	<u>17,084,147</u>	<u>77,127,519</u>
Less accumulated depreciation	<u>(3,026)</u>	<u>(13,155,352)</u>	<u>(8,824,593)</u>	<u>(24,072,676)</u>
	7,781	15,979,796	8,259,554	53,054,843
Net OPEB asset	-	560,804	-	-
Investment in SGGSA	4,546,299	-	-	-
SGGSA bonds receivable	6,300,000	-	-	-
Total noncurrent assets	<u>10,854,080</u>	<u>16,540,600</u>	<u>8,259,554</u>	<u>53,054,843</u>
Total assets	<u>19,150,230</u>	<u>72,517,370</u>	<u>16,916,117</u>	<u>55,016,306</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related	-	2,918,761	-	-
OPEB related	-	510,194	-	-
Total deferred outflows of resources	<u>-</u>	<u>3,428,955</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	797,783	3,894,662	158,046	532,419
Accrued liabilities	87,690	230,849	11,462	126,389
Current portion - compensated absences	-	7,962	4,421	29,948
Current portion - notes payable	-	-	-	1,079,172
Current portion - landfill closure/post-closure care costs	-	-	197,313	-
Customer deposits payable	-	1,656,074	-	-
Claims payable	-	-	-	-
Due to other funds	8,209,840	741,270	222,103	-
Total current liabilities	<u>9,095,313</u>	<u>6,530,817</u>	<u>593,345</u>	<u>1,767,928</u>

(Continued)

<b>Nonmajor Business-Type Activities</b>	<b>Totals</b>	<b>Governmental Activities Internal Service Funds</b>
\$ 6,082,525	\$ 42,523,496	\$ 720,211
-	14,363,310	-
2,553,222	14,471,342	103,678
-	200,903	-
-	127,680	-
34,899	9,364,498	1,125,450
45,648	680,063	-
-	100,000	-
1,351,433	3,024,772	134,986
30,476	133,085	216,109
<u>10,098,203</u>	<u>84,989,149</u>	<u>2,300,434</u>
5,780,086	6,071,932	-
13,889,864	21,272,945	2,992,405
10,305,245	34,438,437	6,047,755
13,149,596	104,580,488	2,159,254
34,100	152,710	625,951
<u>43,158,891</u>	<u>166,516,512</u>	<u>11,825,365</u>
<u>(19,956,293)</u>	<u>(66,011,940)</u>	<u>(7,672,302)</u>
23,202,598	100,504,572	4,153,063
-	560,804	-
-	4,546,299	-
-	6,300,000	-
<u>23,202,598</u>	<u>111,911,675</u>	<u>4,153,063</u>
<u>33,300,801</u>	<u>196,900,824</u>	<u>6,453,497</u>
-	2,918,761	-
-	510,194	-
-	<u>3,428,955</u>	-
1,580,519	6,963,429	419,884
164,697	621,087	284,359
17,504	59,835	34,427
-	1,079,172	-
-	197,313	-
6,550	1,662,624	-
-	-	338,640
661,157	9,834,370	125,925
<u>2,430,427</u>	<u>20,417,830</u>	<u>1,203,235</u>

**CITY OF THOMASVILLE, GEORGIA**

**STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2018**

	<u>Community Network Services</u>	<u>Electric</u>	<u>Landfill</u>	<u>Water and Sewer</u>
<b>LIABILITIES (CONTINUED)</b>				
<b>NON-CURRENT LIABILITIES</b>				
Compensated absences, net of current portion	\$ -	\$ 5,308	\$ 2,948	\$ 19,967
Notes payable, net of current portion	-	-	-	18,584,720
Net pension liability	-	320,581	-	-
Landfill closure/post-closure care costs	-	-	5,235,434	-
Total non-current liabilities	<u>-</u>	<u>325,889</u>	<u>5,238,382</u>	<u>18,604,687</u>
Total liabilities	<u>9,095,313</u>	<u>6,856,706</u>	<u>5,831,727</u>	<u>20,372,615</u>
<b>NET POSITION</b>				
Net investment in capital assets	7,781	15,979,796	8,259,554	33,390,951
Restricted for gas renewal	-	-	-	-
Restricted for capital expansion	-	-	-	-
Unrestricted	10,047,136	53,109,823	2,824,836	1,252,740
Total net position	<u>\$ 10,054,917</u>	<u>\$ 69,089,619</u>	<u>\$ 11,084,390</u>	<u>\$ 34,643,691</u>

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

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

<b>Nonmajor Business-Type Activities</b>	<b>Totals</b>	<b>Governmental Activities Internal Service Funds</b>
\$ 11,669	\$ 39,892	\$ 22,950
-	18,584,720	-
-	320,581	-
-	5,235,434	-
11,669	24,180,627	22,950
2,442,096	44,598,457	1,226,185
23,202,598	80,840,680	4,153,063
-	-	-
-	-	-
7,656,107	74,890,642	1,074,249
\$ 30,858,705	155,731,322	\$ 5,227,312
	3,456,102	
	\$ 159,187,424	

**CITY OF THOMASVILLE, GEORGIA**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	<b>Community Network Services</b>	<b>Electric</b>	<b>Landfill</b>	<b>Water and Sewer</b>
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 3,009,751	\$ 5,331,809	\$ 3,203,304	\$ 472,511
Metered sales	-	54,892,863	-	10,424,387
Miscellaneous revenue	154,205	671,824	-	264,131
Total operating revenues	<u>3,163,956</u>	<u>60,896,496</u>	<u>3,203,304</u>	<u>11,161,029</u>
<b>OPERATING EXPENSES</b>				
Personnel services	2,032,488	2,179,875	363,602	1,570,240
Contracted services	4,030	2,222,958	1,076,703	1,332,693
Cost of sales	-	40,304,931	-	-
Supplies	31,975	500,112	153,091	1,584,064
Interfund charges	1,232,294	2,415,979	634,330	2,519,474
Depreciation	216	1,510,658	760,955	2,205,098
Other costs	193,886	522,565	62,508	258,675
Total operating expenses	<u>3,494,889</u>	<u>49,657,078</u>	<u>3,051,189</u>	<u>9,470,244</u>
Operating income (loss)	<u>(330,933)</u>	<u>11,239,418</u>	<u>152,115</u>	<u>1,690,785</u>
<b>NON-OPERATING INCOME (EXPENSES)</b>				
Gain on sale of capital assets	-	11,875	3,135	5,660
Investment earnings	336,905	1,636,788	45,217	597
Interest expense	-	(1,742)	-	(413,871)
Intergovernmental revenue	-	-	-	-
Income from investment in SGGSA	3,092,990	-	-	-
Total non-operating income (expenses)	<u>3,429,895</u>	<u>1,646,921</u>	<u>48,352</u>	<u>(407,614)</u>
Income (loss) before transfers and capital contributions	<u>3,098,962</u>	<u>12,886,339</u>	<u>200,467</u>	<u>1,283,171</u>
<b>TRANSFERS</b>				
Transfers in	123,200	-	-	350,033
Transfers out	(1,795,012)	(8,386,331)	(20,121)	(1,095,000)
Total transfers	<u>(1,671,812)</u>	<u>(8,386,331)</u>	<u>(20,121)</u>	<u>(744,967)</u>
Income (loss) before capital contributions	1,427,150	4,500,008	180,346	538,204
<b>CAPITAL CONTRIBUTIONS</b>				
	-	-	-	181,350
Change in net position	1,427,150	4,500,008	180,346	719,554
Net position, beginning of year, as restated	<u>8,627,767</u>	<u>64,589,611</u>	<u>10,904,044</u>	<u>33,924,137</u>
Net position, end of year	<u>\$ 10,054,917</u>	<u>\$ 69,089,619</u>	<u>\$ 11,084,390</u>	<u>\$ 34,643,691</u>

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

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

<b>Nonmajor Business-Type Activities</b>	<b>Totals</b>	<b>Governmental Activities Internal Service Funds</b>
\$ 11,079,783	\$ 23,097,158	\$ 21,868,796
4,048,811	69,366,061	-
185,686	1,275,846	30,193
<u>15,314,280</u>	<u>93,739,065</u>	<u>21,898,989</u>
2,821,611	8,967,816	7,447,313
1,538,019	6,174,403	1,186,219
3,477,481	43,782,412	1,520,406
701,931	2,971,173	394,013
3,671,656	10,473,733	2,404,950
1,763,626	6,240,553	488,230
1,919,129	2,956,763	8,230,608
<u>15,893,453</u>	<u>81,566,853</u>	<u>21,671,739</u>
<u>(579,173)</u>	<u>12,172,212</u>	<u>227,250</u>
-	20,670	-
276	2,019,783	329
-	(415,613)	-
95,898	95,898	-
-	3,092,990	-
<u>96,174</u>	<u>4,813,728</u>	<u>329</u>
<u>(482,999)</u>	<u>16,985,940</u>	<u>227,579</u>
2,694,754	3,167,987	272,390
<u>(2,707,747)</u>	<u>(14,004,211)</u>	<u>-</u>
<u>(12,993)</u>	<u>(10,836,224)</u>	<u>272,390</u>
(495,992)	6,149,716	499,969
<u>(1,319,471)</u>	<u>(1,138,121)</u>	<u>-</u>
(1,815,463)	5,011,595	499,969
<u>32,674,168</u>		<u>4,727,343</u>
<u>\$ 30,858,705</u>		<u>\$ 5,227,312</u>
	151,467	
	<u>\$ 5,163,062</u>	

**CITY OF THOMASVILLE, GEORGIA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	<b>Community Network Services</b>	<b>Electric</b>	<b>Landfill</b>	<b>Water and Sewer</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 2,642,146	\$ 60,238,447	\$ 3,075,721	\$ 10,648,438
Receipts from interfund services provided	390,815	3,332,459	-	297,983
Payments to suppliers	(232,906)	(42,901,851)	(1,270,231)	(2,832,565)
Payments to employees	(2,032,316)	(1,313,750)	(362,937)	(1,538,986)
Payments for interfund services used	6,114,246	(8,993,849)	(800,436)	(2,683,386)
Net cash provided by operating activities	<u>6,881,985</u>	<u>10,361,456</u>	<u>642,117</u>	<u>3,891,484</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental revenue	-	-	-	-
Transfers out	(1,795,012)	(8,386,331)	(20,121)	(1,095,000)
Transfers in	123,200	-	-	350,033
Net cash provided by (used in) noncapital financing activities	<u>(1,671,812)</u>	<u>(8,386,331)</u>	<u>(20,121)</u>	<u>(744,967)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Intergovernmental capital assets received	-	-	-	-
Acquisition and construction of capital assets	-	(1,678,106)	(131,280)	(3,338,223)
Proceeds from sale of capital assets	-	11,875	3,135	5,660
Principal paid on notes payable and capital leases	-	(626,383)	-	(1,063,686)
Proceeds from note payable	-	-	-	1,696,858
Interest paid on capital debt	-	-	-	(413,871)
Net cash (used in) capital and related financing activities	<u>-</u>	<u>(2,292,614)</u>	<u>(128,145)</u>	<u>(3,113,262)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	-	(1,509,445)	(13,257)	-
Equity in investment in SGGSA	1,798,612	-	-	-
Interest and dividends received	336,905	1,635,046	45,217	597
Net cash provided by investing activities	<u>2,135,517</u>	<u>125,601</u>	<u>31,960</u>	<u>597</u>
Increase (decrease) in cash and cash equivalents	<u>7,345,690</u>	<u>(191,888)</u>	<u>525,811</u>	<u>33,852</u>
Cash and cash equivalents:				
<b>Beginning of year</b>	<u>(210,594)</u>	<u>23,778,085</u>	<u>5,160,015</u>	<u>-</u>
<b>End of year</b>	<u>\$ 7,135,096</u>	<u>\$ 23,586,197</u>	<u>\$ 5,685,826</u>	<u>\$ 33,852</u>
<b>Classified as:</b>				
Cash and cash equivalents	\$ 7,135,096	\$ 23,586,197	\$ 5,685,826	\$ 33,852
Restricted assets, cash	-	-	-	-
	<u>\$ 7,135,096</u>	<u>\$ 23,586,197</u>	<u>\$ 5,685,826</u>	<u>\$ 33,852</u>

(Continued)

<b>Nonmajor Business-Type Activities</b>	<b>Totals</b>	<b>Governmental Activities Internal Service Funds</b>
\$ 15,038,427	\$ 91,643,179	\$ 23,287,695
1,098,471	5,119,728	648,362
(7,684,290)	(54,921,843)	(11,321,653)
(2,884,148)	(8,132,137)	(7,442,134)
1,079,968	(5,283,457)	(3,753,052)
<u>6,648,428</u>	<u>28,425,470</u>	<u>1,419,218</u>
95,898	95,898	-
(2,707,747)	(14,004,211)	-
<u>2,694,755</u>	<u>3,167,988</u>	<u>272,390</u>
<u>82,906</u>	<u>(10,740,325)</u>	<u>272,390</u>
248,529	248,529	-
(898,127)	(6,045,736)	(972,976)
-	20,670	-
-	(1,690,069)	-
-	1,696,858	-
-	(413,871)	-
<u>(649,598)</u>	<u>(6,183,619)</u>	<u>(972,976)</u>
-	(1,522,702)	-
-	1,798,612	-
<u>276</u>	<u>2,018,041</u>	<u>329</u>
<u>276</u>	<u>2,293,951</u>	<u>329</u>
<u>6,082,012</u>	<u>13,795,477</u>	<u>718,961</u>
<u>513</u>	<u>28,728,019</u>	<u>1,250</u>
<u>\$ 6,082,525</u>	<u>\$ 42,523,496</u>	<u>\$ 720,211</u>
\$ 6,082,525	\$ 42,523,496	\$ 720,211
-	-	-
<u>\$ 6,082,525</u>	<u>\$ 42,523,496</u>	<u>\$ 720,211</u>

**CITY OF THOMASVILLE, GEORGIA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	<b>Community Network Services</b>	<b>Electric</b>	<b>Landfill</b>	<b>Water and Sewer</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ (330,933)	\$ 11,239,418	\$ 152,115	\$ 1,690,785
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	216	1,510,658	760,955	2,205,098
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(369,600)	(75,113)	(127,583)	(47,557)
(Increase) decrease in due from other governments	336,610	1,032,435	-	(200,903)
Decrease in interest receivable	1,995	-	-	-
(Increase) decrease in due from other funds	-	2,262,615	(164,290)	33,852
Increase in due from component units	-	(634,415)	-	-
(Increase) decrease in inventories	3,700	16,001	-	(20,454)
(Increase) decrease in prepaids and other assets	203	21,751	266	6,475
Increase in net pension asset	-	-	-	-
Decrease in net OPEB asset	-	145,587	-	-
Increase in deferred outflows of resources - pension	-	(958,846)	-	-
Increase in deferred outflows of resources - OPEB	-	(510,194)	-	-
Increase (decrease) in accounts payable	(6,918)	610,963	(224,632)	356,846
Increase (decrease) in accrued liabilities	172	153,409	665	31,254
Increase (decrease) in customer deposits	-	88,888	-	-
Increase in net pension liability	-	4,230,190	-	-
Increase in landfill closure/post-closure care costs	-	-	246,437	-
Increase (decrease) in due to other funds	7,246,540	(6,577,870)	(1,816)	(163,912)
Increase in claims payable	-	-	-	-
Decrease in deferred inflows of resources - pension	-	(2,194,021)	-	-
Net cash provided by (used in) operating activities	<u>\$ 6,881,985</u>	<u>\$ 10,361,456</u>	<u>\$ 642,117</u>	<u>\$ 3,891,484</u>

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

<b>Nonmajor Business-Type Activities</b>	<b>Totals</b>	<b>Governmental Activities Internal Service Funds</b>
\$ (579,173)	\$ 12,172,212	\$ 227,250
1,763,626	6,240,553	488,230
(80,110)	(699,963)	1,418,899
-	1,168,142	-
-	1,995	-
5,967,829	8,100,006	611,257
-	(634,415)	-
38,364	37,611	(38,575)
(1,246)	27,449	(12,032)
-	-	-
-	145,587	-
-	(958,846)	-
-	(510,194)	-
(39,251)	697,008	58,351
(62,486)	123,014	5,179
(10,057)	78,831	-
-	4,230,190	-
-	246,437	-
(349,068)	153,874	(1,341,190)
-	-	1,849
-	(2,194,021)	-
<u>\$ 6,648,428</u>	<u>\$ 28,425,470</u>	<u>\$ 1,419,218</u>

**CITY OF THOMASVILLE, GEORGIA**

**STATEMENT OF PLAN NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2018**

	<b>Public Employees' Retirement Pension Trust Fund</b>	<b>Public Employees' Other Post-Employment Benefits Trust Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 946,121	\$ 451,898
Other receivables	15,521	-
Investments, at fair value:		
Common stock	13,770,262	153,339
Certificate of deposit	500,000	-
Corporate bonds	65,589	-
Alternatives	1,113,031	-
Mutual funds	23,499,928	4,053,114
Total assets	39,910,452	4,658,351
<b>LIABILITIES</b>		
Accounts payable	23,954	-
Total liabilities	23,954	-
<b>NET POSITION</b>		
Net position restricted for plan benefits	\$ 39,886,498	\$ 4,658,351

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

**CITY OF THOMASVILLE, GEORGIA**

**STATEMENT OF CHANGES IN PLAN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Public Employees' Retirement Pension Trust Fund</u>	<u>Public Employees' Other Post-Employment Benefits Trust Fund</u>
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 277,572	\$ -
Plan members	185,048	-
Total contributions	<u>462,620</u>	<u>-</u>
Investment earnings		
Interest and dividends	1,759,090	252,630
Net decrease in the fair value of investments	(3,780,767)	(590,592)
Total investment earnings	<u>(2,021,677)</u>	<u>(337,962)</u>
Less investment expense	(208,044)	-
Net investment earnings	<u>(2,229,721)</u>	<u>(337,962)</u>
Total additions	<u>(1,767,101)</u>	<u>(337,962)</u>
<b>DEDUCTIONS</b>		
Benefits	2,249,837	-
Administrative expenses	191,632	-
Total deductions	<u>2,441,469</u>	<u>-</u>
Change in net position	(4,208,570)	(337,962)
Net position, beginning	<u>44,095,068</u>	<u>4,996,315</u>
Net position, ending	<u>\$ 39,886,498</u>	<u>\$ 4,658,353</u>

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

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**CITY OF THOMASVILLE, GEORGIA**

**COMBINING STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS  
DECEMBER 31, 2018**

<b>ASSETS</b>	<b>Downtown Development Authority</b>	<b>Destination Thomasville Tourism Authority</b>	<b>Payroll Development Authority</b>	<b>Thomasville - Thomas County Land Bank Authority</b>	<b>Total Component Units</b>
Cash	\$ 589,760	\$ 274,960	\$ 31,373	\$ 9,332	\$ 905,425
Receivables	-	89,883	51,530	-	141,413
Prepaid items	3,461	1,720	8,718	1,378	15,277
Due from City of Thomasville	-	-	109,816	-	109,816
Land held for resale	-	-	-	301,887	301,887
Capital assets, net	8,850,150	-	9,677,410	-	18,527,560
Total assets	<u>9,443,371</u>	<u>366,563</u>	<u>9,878,847</u>	<u>312,597</u>	<u>20,001,378</u>
<b>LIABILITIES</b>					
Accounts payable and other current liabilities	1,198	154,952	29,754	1,245	187,149
Due to City of Thomasville	43,107	50,063	600,000	779	693,949
Non-current liabilities:					
Due within one year	2,175,415	-	-	-	2,175,415
Due in more than one year	6,716,250	-	-	-	6,716,250
Total liabilities	<u>8,935,970</u>	<u>205,015</u>	<u>629,754</u>	<u>2,024</u>	<u>9,772,763</u>
<b>NET POSITION</b>					
Net investment in capital assets	(41,515)	-	9,677,410	-	9,635,895
Unrestricted (deficit)	548,916	161,548	(428,317)	304,573	586,720
Total net position	<u>\$ 507,401</u>	<u>\$ 161,548</u>	<u>\$ 9,249,093</u>	<u>\$ 304,573</u>	<u>\$ 10,222,615</u>

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

**CITY OF THOMASVILLE, GEORGIA**

**STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Component units:</b>				
Downtown Development Authority	\$ 911,355	\$ 1,051,339	\$ -	\$ -
Destination Thomasville Tourism Authority	562,034	-	643,467	-
Payroll Development Authority	631,085	112,500	829,777	1,568,000
Thomasville-Thomas County				
Land Bank Authority	36,581	6,000	-	-
Total component units	\$ 2,141,055	\$ 1,169,839	\$ 1,473,244	\$ 1,568,000

General revenues:  
    Unrestricted investment earnings  
    Total general revenues  
    Change in net position  
Net position, beginning of year, restated  
Net position, end of year

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

**Net (Expenses) Revenues and Changes in Net Position**

<b>Downtown Development Authority</b>	<b>Destination Thomasville Tourism Authority</b>	<b>Payroll Development Authority</b>	<b>Thomasville - Thomas County Land Bank Authority</b>
\$ 139,984	\$ -	\$ -	\$ -
-	81,433	-	-
-	-	1,879,192	-
-	-	-	(36,581)
<u>139,984</u>	<u>81,433</u>	<u>1,879,192</u>	<u>(36,581)</u>
<u>1,657</u>	<u>-</u>	<u>139</u>	<u>-</u>
<u>1,657</u>	<u>-</u>	<u>139</u>	<u>-</u>
141,641	81,433	1,879,331	(36,581)
365,760	80,115	7,369,762	341,154
<u>\$ 507,401</u>	<u>\$ 161,548</u>	<u>\$ 9,249,093</u>	<u>\$ 304,573</u>

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## **NOTES TO THE FINANCIAL STATEMENTS**

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# CITY OF THOMASVILLE, GEORGIA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Thomasville, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### A. The Financial Reporting Entity

The 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 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.

In conformity with generally accepted accounting principles, as set forth in the Statement of Governmental Accounting Standards (the "GASB") No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, the component units' financial statements have been included as either blended or discretely presented. All of the City's component units have a December 31 year-end. As of December 31, 2018, the City does not have any blended component units.

#### Discretely Presented Component Units

**The Thomasville Downtown Development Authority (the "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 revenue.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### A. The Financial Reporting Entity (Continued)

##### Discretely Presented Component Units (Continued)

**The Destination Thomasville Tourism Authority (the “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.

**The Thomasville Payroll Development Authority (the “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 revenue.

**The Thomasville-Thomas County Land Bank Authority (the “LBA”)** consists of five members: two members appointed by the City of Thomasville, two members appointed by Thomas County, and one member at-large 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 the DDA, DTTA, PDA, and LBA may be obtained at the City’s financial services department, 111 Victoria Place, Thomasville, Georgia or by contacting 229-227-7010.

#### B. Government-wide and Fund 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 non-fiduciary 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Government-wide and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, 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.

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation

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 the fiduciary fund financial statements, although the agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, licenses, and investment income 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 cash is received by the City.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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.

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.

The **Water and Sewer 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.

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

Additionally, the City reports the following fund types:

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditure for specific purposes.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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, on a cost reimbursement basis.

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 Post-employment Benefit Trust Fund accumulates resources for postemployment healthcare benefits to qualified employees.

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 City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 proprietary funds are charges to customers for sales and services provided. Operating expenses for the proprietary 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 non-operating revenues and expenses.

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Deposits and Investments

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

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 values. Increases or decreases in the fair value during the year are recognized as a component of investment income.

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.

State statutes authorize the City to invest in the following types 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 1)
- 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 of U.S. obligations.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Inventory and Prepaid Items

Inventory in the proprietary funds is valued at the lower of cost or market using the weighted average method. The City accounts for inventory on the purchase basis. Prepaid expenses are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure is made for goods or services that were purchased for consumption, but not consumed as of December 31.

#### F. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" in the fund financial statements. Short-term interfund loans are classified as "interfund receivables/payables". Long-term interfund loans are classified as "advances". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

#### G. Grants from Other Governments

Federal and state governmental units represent an important source of supplementary funding used to finance housing, business development employment, construction programs, capital asset additions and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in both governmental and proprietary funds. Grant contributions in the proprietary funds, which are for the purpose of construction activities, land easement or capital asset acquisitions, are recorded as capital contributions within the statement of revenues and expenses. For all funds, a grant receivable is recorded when the City has a right to receive the related grant amounts.

#### H. 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. Capital assets are defined by the City 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 estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### H. Capital Assets (Continued)

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. During the fiscal year ended December 31, 2018, no amounts were capitalized.

Depreciation is provided on the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 – 50
Machinery and equipment	3 – 15
Infrastructure, including utility system	33 – 50

#### I. Long-Term Liabilities

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, as well as deferred charges, 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.

#### J. 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### J. Compensated Absences (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.

#### K. Fund Equity

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

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

Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only 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** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City's Chief Financial Officer to assign fund balances.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### K. Fund Equity (Continued)

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

**Net Position** – Net position represents the difference between assets, plus deferred outflows of resources and liabilities plus deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

#### L. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. One item is an effective hedge, reported in the government-wide statement of net position. The effective hedge results from the change in market value of a swap agreement related to the certificates of participation. The amount is deferred and will mature on June 1, 2028, at the same time as the certificates of participation.

The other item relates to the City's Pension and OPEB Plans and is reported in the enterprise fund and business-type activities in the Statements of Net Position. The net difference between projected and actual earnings on pension and OPEB plan investments is deferred and amortized against pension expense over a five-year period, resulting in recognition as deferred outflows of resources.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### L. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category related to the City's OPEB Plan. Changes in actuarial assumptions, which adjust the net pension liability, are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members.

#### M. Pension and OPEB Plans

For purposes of measuring the net pension liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, pension expense and OPEB expense, information about the fiduciary net position of the City of Thomasville Public Employees Retirement System ("PERS") and City of Thomasville Post-Employment Health Care Plan ("OPEB Plan") and additions to/deductions from the Retirement and OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the respective plans. 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.

#### N. Tax Abatement Agreements

During the year ended December 31, 2016, the City implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires the City to disclose information for any tax abatement agreements either entered into by the City, or agreements entered into by other governments that reduce the City's tax revenues. As of December 31, 2018, the City did not have any such agreements, either entered into by the City or by other governments that exceeded the quantitative threshold for disclosure.

#### O. 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

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### 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 2018, 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 on the following January 1. The operating budget includes proposed expenditures and the 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 City 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 project funds. For budgetary purposes, appropriations lapse at year-end except for that portion related to encumbered amounts.

#### Deficit Fund Equity

At December 31, 2018, the following governmental funds have deficit fund balances: Economic Development Fund - \$691,052, Parks and Recreation Fund – \$17,905 and the CDBG Fund – \$70. The City recognizes that the current revenue sources do not adequately fund expenditures. The City budgets to subsidize these accounts by transfers net of previous deficits; therefore, a deficit balance may remain.

At December 31, 2018, the following enterprise fund has a deficit balance in net position: Events Center – \$66,095. The City recognizes that the current fee structure does not adequately fund expenses. The City budgets to subsidize this fund by transfers net of depreciation expense and previous deficits; therefore, a deficit balance may remain.

At December 31, 2018, the following internal service fund has a deficit balance in net position: Marketing – \$198. This fund is supported by other departments or agencies of the City and other governmental units on a cost reimbursement basis. The City continues to use a full cost allocation plan.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS

**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 bankers' 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.

**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 deposit 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, 2018, the City did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

**Custodial Credit Risk – Investments.** Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all 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.

As of December 31, 2018, the City had the following investments:

Investment	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 - 5	6 - 10
Certificates of deposit	\$ 2,134,460	\$ 2,134,460	\$ -	\$ -
Municipal Competitive Trust	12,228,850	12,228,850	-	-
Guaranteed investment contract	2,139,881	-	-	2,139,881
Total	<u>\$ 16,503,191</u>	<u>\$ 14,363,310</u>	<u>\$ -</u>	<u>\$ 2,139,881</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The City's investment in the Guaranteed Investment Contract was rated AA-.

As of December 31, 2018, the City had the following investments in the Pension Trust Fund:

Investment	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 - 5	6 - 10
Certificates of Deposit	\$ 500,000	\$ 500,000	\$ -	\$ -
Corporate equities	13,770,262	-	-	-
Mutual funds	23,499,928	-	-	-
Real estate investment trust	65,589	-	-	-
Alternative funds	1,113,031	-	-	-
<b>Total</b>	<b>\$ 38,948,810</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ -</b>

As of December 31, 2018, the City had the following investments in the OPEB Trust Fund:

Investment	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 - 5	6 - 10
Corporate equities	\$ 153,339	\$ -	\$ -	\$ -
Mutual funds	4,053,114	-	-	-
<b>Total</b>	<b>\$ 4,206,453</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Fair Value Measurements.** The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements at December 31, 2018:

Investment	Level 1	Level 2	Level 3	Fair Value
Municipal Competitive Trust	\$ 12,228,850	\$ -	\$ -	\$ 12,228,850
<b>Total investments measured at fair value</b>	<b>\$ 12,228,850</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,228,850</b>

Investments not subject to level disclosure:

Certificates of deposit	2,134,460
Guaranteed Investment Contract	2,139,881
<b>Total investments</b>	<b>\$ 16,503,191</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The City's Pension Trust Fund has the following recurring fair value measurements at December 31, 2018:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Equity securities	\$ 13,770,262	\$ -	\$ -	\$ 13,770,262
Mutual funds	23,499,928	-	-	23,499,928
Real estate investment trust	65,589	-	-	65,589
 Total investments measured at fair value	 <u>\$ 37,335,779</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 37,335,779</u>
Investments measured at NAV:				
Hedge fund				1,113,031
Investments not subject to level disclosure:				
Certificates of deposit				500,000
Total investments				<u>\$ 38,948,810</u>

The City's OPEB Trust Fund has the following recurring fair value measurements at December 31, 2018:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Equity securities	\$ 153,339	\$ -	\$ -	\$ 153,339
Mutual funds	4,053,114	-	-	4,053,114
 Total investments measured at fair value	 <u>\$ 4,206,453</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 4,206,453</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. RECEIVABLES

#### Accounts Receivable

Receivables as of December 31, 2018, including the applicable allowances for uncollectible accounts, for its major funds and its nonmajor funds in the aggregate are as follows:

	<u>General</u>	<u>SPLOST</u>	<u>CNS</u>	<u>Electric</u>
Receivables:				
Taxes	\$ 22,633	\$ -	\$ -	\$ -
Accounts	259,180	84,649	962,604	9,205,136
Interest	-	-	127,680	-
Intergovernmental	303,755	308,958	-	-
Gross receivables	<u>585,568</u>	<u>393,607</u>	<u>1,090,284</u>	<u>9,205,136</u>
Less: allowance for uncollectibles	-	-	(33,995)	(142,716)
Net total receivables	<u>\$ 585,568</u>	<u>\$ 393,607</u>	<u>\$ 1,056,289</u>	<u>\$ 9,062,420</u>

	<u>Landfill</u>	<u>Water and Sewer</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ -	\$ -	\$ -	\$ 22,633
Accounts	579,036	1,398,335	2,772,461	15,261,401
Interest	-	-	10,386	138,066
Intergovernmental	-	200,903	-	813,616
Gross receivables	<u>579,036</u>	<u>1,599,238</u>	<u>2,782,847</u>	<u>16,235,716</u>
Less: allowance for uncollectibles	(20,243)	(30,037)	(85,491)	(312,482)
Net total receivables	<u>\$ 558,793</u>	<u>\$ 1,569,201</u>	<u>\$ 2,697,356</u>	<u>\$ 15,923,234</u>

No property taxes were levied for the year ended December 31, 2018. There were no property taxes receivable at December 31, 2018.

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, 2018, the City had outstanding loans to residents in the amount of \$669,347, which is included in the Electric Fund's accounts receivable balance in the table above.

On April 26, 2017, as part of the South Georgia Governmental Services Authority ("SGGSA") consolidation discussed in Note 12, the City purchased \$6.5 million in SGGSA series 2017B bonds. The bonds have an average coupon rate of 3.99% and mature on January 1, 2027. At December 31, 2018, the outstanding balance of these bonds is \$6,400,000 and is reported in the City's CNS Fund.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. RECEIVABLES (CONTINUED)

Annual bond payments to be received by the City as of December 31, 2018 are as follows:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 353,365	\$ 100,000	\$ 253,365
2020	349,375	100,000	249,375
2021	345,385	100,000	245,385
2022	341,395	100,000	241,395
2023	1,234,151	1,015,000	219,151
2024 – 2028	5,402,055	4,985,000	417,055
	<u>\$ 8,025,726</u>	<u>\$ 6,400,000</u>	<u>\$ 1,625,726</u>

### NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 1,512,093	\$ -	\$ -	\$ -	\$ 1,512,093
Construction in progress	-	625,951	-	-	625,951
Total capital assets, not being depreciated	<u>1,512,093</u>	<u>625,951</u>	<u>-</u>	<u>-</u>	<u>2,138,044</u>
Capital assets, being depreciated:					
Buildings and improvements	8,864,933	279,673	-	-	9,144,606
Machinery and equipment	23,193,689	955,468	(57,210)	-	24,091,947
Infrastructure	84,003,063	4,002,000	-	-	88,005,063
Total capital assets, being depreciated	<u>116,061,685</u>	<u>5,237,141</u>	<u>(57,210)</u>	<u>-</u>	<u>121,241,616</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,930,276)	(276,720)	-	-	(4,206,996)
Machinery and equipment	(19,353,202)	(1,775,169)	57,210	-	(21,071,161)
Infrastructure	(54,984,939)	(1,749,393)	-	-	(56,734,332)
Total accumulated depreciation	<u>(78,268,417)</u>	<u>(3,801,282)</u>	<u>57,210</u>	<u>-</u>	<u>(82,012,489)</u>
Total capital assets, being depreciated, net	<u>37,793,268</u>	<u>1,435,859</u>	<u>-</u>	<u>-</u>	<u>39,229,127</u>
Governmental activities capital assets, net	<u>\$ 39,305,361</u>	<u>\$ 2,061,810</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,367,171</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the City governmental activities was charged to functions/programs of the primary government as follows:

Governmental activities:		
General administration	\$	119,598
Public safety		475,483
Highways and streets		2,536,040
Economic development		103,693
Culture and recreation		78,241
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets		488,227
Total depreciation expense - governmental activities	\$	3,801,282

Internal service fund capital assets with a net book value of \$4,153,063 are included in the above amounts for governmental activities.

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 6,071,933	\$ -	\$ -	\$ -	\$ 6,071,933
Construction in progress	2,829,422	110,794	-	(2,787,507)	152,709
Total capital assets, not being depreciated	8,901,355	110,794	-	(2,787,507)	6,224,642
Capital assets, being depreciated:					
Buildings	20,907,708	384,780	(19,439)	-	21,273,049
Machinery and equipment	34,067,128	1,046,192	(674,987)	-	34,438,333
Infrastructure	98,723,952	4,725,826	(1,656,795)	2,787,507	104,580,490
Total capital assets, being depreciated	153,698,788	6,156,798	(2,351,221)	2,787,507	160,291,872
Less accumulated depreciation for:					
Buildings	(5,736,727)	(591,580)	19,439	-	(6,308,868)
Machinery and equipment	(20,320,312)	(3,053,279)	752,488	-	(22,621,103)
Infrastructure	(36,065,571)	(2,595,694)	1,579,294	-	(37,081,971)
Total accumulated depreciation	(62,122,610)	(6,240,553)	2,351,221	-	(66,011,942)
Total capital assets, being depreciated, net	91,576,178	(83,755)	-	2,787,507	94,279,930
Business-type activities capital assets, net	\$ 100,477,533	\$ 27,039	\$ -	\$ -	\$ 100,504,572

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

Certain assets within the beginning balances of land, buildings and infrastructure for business type capital assets have been reclassified to properly reflect the appropriate capital asset type as of the beginning of the year.

Depreciation expense for the City's business-type activities was charged to functions/programs of the primary government as follows:

Business-type activities:		
Community Network Services	\$	216
Electric		1,510,658
Landfill		760,955
Water and sewer		2,205,098
Nonmajor business-type activities		1,763,626
Total depreciation expense - business-type activities	\$	<u>6,240,553</u>

Capital asset activity for the Downtown Development Authority for the year ended December 31, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
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	263,500	-	-	263,500
Total capital assets, being depreciated	<u>12,792,783</u>	<u>-</u>	<u>-</u>	<u>12,792,783</u>
Less accumulated depreciation for:				
Buildings	(3,669,220)	(313,232)	-	(3,982,452)
Infrastructure	(96,410)	(9,128)	-	(105,538)
Total accumulated depreciation	<u>(3,765,630)</u>	<u>(322,360)</u>	<u>-</u>	<u>(4,087,990)</u>
Total capital assets, being depreciated, net	<u>9,027,153</u>	<u>(322,360)</u>	<u>-</u>	<u>8,704,793</u>
Downtown Development Authority capital assets, net	<u>\$ 9,172,510</u>	<u>\$ (322,360)</u>	<u>\$ -</u>	<u>\$ 8,850,150</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Payroll Development Authority for the year ended December 31, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 4,413,541	\$ 1,568,000	\$ -	\$ 5,981,541
Total capital assets, not being depreciated	<u>4,413,541</u>	<u>1,568,000</u>	<u>-</u>	<u>5,981,541</u>
Capital assets, being depreciated:				
Buildings	3,407,917	-	-	3,407,917
Machinery and equipment	296,333	-	-	296,333
Infrastructure	289,922	-	-	289,922
Total capital assets, being depreciated	<u>3,994,172</u>	<u>-</u>	<u>-</u>	<u>3,994,172</u>
Less accumulated depreciation for:				
Buildings	(35,503)	(85,000)	-	(120,503)
Machinery and equipment	(167,922)	(9,878)	-	(177,800)
Total accumulated depreciation	<u>(203,425)</u>	<u>(94,878)</u>	<u>-</u>	<u>(298,303)</u>
Total capital assets, being depreciated, net	<u>3,790,747</u>	<u>(94,878)</u>	<u>-</u>	<u>3,695,869</u>
Payroll Development Authority capital assets, net	<u>\$ 8,204,288</u>	<u>\$ 1,473,122</u>	<u>\$ -</u>	<u>\$ 9,677,410</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT

#### Notes Payable

The City has incurred debt to the Georgia Environmental Finance Authority (“GEFA”) for various water and sewer system projects. These notes are as follows at December 31, 2018:

Description	Original Amount	Interest Rate	Due Date	Amount
Water and sewer system projects	\$ 1,145,840	1.38%	2037	\$ 1,078,245
Water and sewer system projects	7,300,000	2.13%	2037	6,625,295
Water and sewer system projects	1,756,021	2.13%	2037	1,636,518
Water and sewer system projects	8,752,445	2.13%	2037	7,978,897
Water and sewer system projects	526,032	1.03%	2037	486,213
				<u>17,805,168</u>
		Less current portion		<u>(1,079,172)</u>
				<u><u>\$ 16,725,996</u></u>

In addition to the notes payable listed above, the City has two additional loans for water and sewer system projects with GEFA that are in the drawdown phase at December 31, 2018, with outstanding balances of \$1,552,611 and \$306,113. Repayment will be determined when construction is complete and all drawdowns have been made.

GEFA notes payable annual debt service requirements are as follows at December 31, 2018:

Fiscal Year Payable	Total	Principal	Interest
2019	\$ 1,434,787	\$ 1,079,172	\$ 355,615
2020	1,434,785	1,101,720	333,065
2021	1,433,786	1,124,756	309,030
2022	1,434,787	1,148,271	286,516
2023	1,434,786	1,172,285	262,501
2024 – 2028	7,173,920	6,239,785	934,135
2029 – 2033	5,850,349	5,263,311	587,038
2034 – 2037	696,397	675,868	20,529
	<u>\$ 20,893,597</u>	<u>\$ 17,805,168</u>	<u>\$ 3,088,429</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Certificates of Participation

In June 1998, the City entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the City's participation totaling \$2,222,000. The lease pool agreement with the Association provides that the City owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal balance is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City draws from the investment to lease equipment from the Association. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the swap agreement, the City is required to pay: 1) a semi-annual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association ("SIFMA") Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the Swap Payment); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the swap agreement, but generally equal to the outstanding unpaid principal portion of such contract, less the amount originally deposited in the Reserve Fund relating to the contract, and 2) a one-time swap premium to be paid on the effective date of the swap agreement. The semi-annual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the contract, and related distributions of interest on the certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the swap agreement, the City's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Certificates of Participation (Continued)

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the swap agreement, the City would be exposed to credit risk in the amount of the swap's fair value. To minimize this risk, the County executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa1 by Moody's. At December 31, 2018, the floating rate being paid by the City is 1.71% and the market value of the City's portion of this agreement is \$462,986, a decrease of \$77,238 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2018, based on the derivative contract. This market value is reported as an asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year-end) is deferred and reported as deferred revenue in the statement of net position.

Annual debt service requirements for the certificates of participation are as follows:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 105,545	\$ -	\$ 105,545
2020	105,545	-	105,545
2021	105,545	-	105,545
2022	105,545	-	105,545
2023	105,545	-	105,545
2024 – 2028	2,749,725	2,222,000	527,725
	<u>\$ 3,277,450</u>	<u>\$ 2,222,000</u>	<u>\$ 1,055,450</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Certificates of participation	\$ 2,222,000	\$ -	\$ -	\$ 2,222,000	\$ -
Compensated absences	158,301	160,205	(158,301)	160,205	96,123
Governmental activity Long-term liabilities	<u>\$ 2,380,301</u>	<u>\$ 160,205</u>	<u>\$ (158,301)</u>	<u>\$ 2,382,205</u>	<u>\$ 96,123</u>
<b>Business-type activities:</b>					
Notes payable - GEFA	\$ 18,968,965	\$ 1,758,613	\$ (1,063,686)	\$ 19,663,892	\$ 1,079,172
Compensated absences	96,302	99,726	(96,301)	99,727	59,835
Net pension liability (asset)	(3,909,609)	4,692,810	(462,620)	320,581	-
Landfill closure/post-closure	5,186,310	692,437	(446,000)	5,432,747	197,313
Business-type activity Long-term liabilities	<u>\$ 20,341,968</u>	<u>\$ 7,243,586</u>	<u>\$ (2,068,607)</u>	<u>\$ 25,516,947</u>	<u>\$ 1,336,320</u>

The above schedule has been corrected to properly reflect the City's participation in the Georgia Municipal Association's 1998 lease pool. Certificates of participation with a beginning balance of \$2,222,000 have been added as a long-term liability, and notes payable – GMA of \$66,109 for governmental activities and \$104,020 for business-type activities at December 31, 2017, are not included in the above schedule. See Note 17 for further discussion.

Additionally, the beginning balance of notes payable – GEFA has been corrected to properly reflect the outstanding balance at the beginning of the year. See Note 17 for further discussion.

The above schedule has also been corrected to remove the beginning of year balance of notes payable – ECG in the amount of \$611,317, as this amount is not a note payable, but is instead a loan program provided by ECG for the citizens of the City, for which the City serves as the administrator of the program.

For the governmental activities, compensated absences are liquidated by the General Fund. For business-type activities, the net pension liability is liquidated by the Electric Fund and compensated absences are liquidated by the Electric, Landfill, Water and Sewer, Auditorium, Natural Gas and Sanitation Funds.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Bonds Payable – Downtown Development Authority

At December 31, 2018, the Thomasville Downtown Development Authority has outstanding bonds payable in the amount of \$7,025,000. These bonds are secured by revenues of the Flowers Food Project and a letter of credit. The interest rate is variable and determined by the official bond document. Principal and interest payments are due through maturity on April 1, 2027.

The bonds payable debt service requirements to maturity, including interest, are as follows:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 734,608	\$ 308,750	\$ 425,858
2020	748,413	330,000	418,413
2021	738,826	353,750	385,076
2022	737,566	375,000	362,566
2023	737,478	398,750	338,728
2024 – 2028	6,342,107	5,258,750	1,083,357
	<u>\$ 10,038,998</u>	<u>\$ 7,025,000</u>	<u>\$ 3,013,998</u>

#### Changes in Long-Term Liabilities – Downtown Development Authority

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Downtown Development Authority	\$ 7,310,000	\$ -	\$ (285,000)	\$ 7,025,000	\$ 308,750
DDA Long-term liabilities	<u>\$ 7,310,000</u>	<u>\$ -</u>	<u>\$ (285,000)</u>	<u>\$ 7,025,000</u>	<u>\$ 308,750</u>

#### Notes Payable – Downtown Development Authority

The Thomasville Downtown Development Authority has entered into a note payable agreement with a local financial institution to finance capital assets for economic development. The note is secured by a guarantee from the City of Thomasville. In the unlikely event that the project proceeds from the Authority are not sufficient to cover the debt service, the City will cover the debt service. The note bears interest at 4.05% and matures in December 2019. The outstanding balance at December 31, 2018, is \$1,866,665.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### 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 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 the Authorities as of December 31, 2018 was \$760,336.

### NOTE 7. LANDFILL CLOSURE/POST-CLOSURE CARE

In 1973, the City of Thomasville and Thomas County entered into an agreement to operate a landfill. Under this agreement, Thomas County provided (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.

Effective 1998, the City of Thomasville Phase II Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the City must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. Engineering studies estimate post-closure costs of approximately \$955,807 over the remaining 13-year period. These costs are based on what it would cost to perform all post-closure care in 2019. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 7. LANDFILL CLOSURE/POST-CLOSURE CARE (CONTINUED)**

State and federal laws and regulations require the City to place a final cover on the Phase III and Phase IV Landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites 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, which is expected to occur in 2062 for Phase III and 2071 for Phase IV, 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 landfill closure and post-closure care liability of \$1,550,814 at December 31, 2018, for Phase III represents the cumulative amount reported to date based on the use of approximately 25.23% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care for Phase III of \$4,595,238 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 2019, adjusted annually for inflation. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Should any problems occur during the closure and post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

The landfill closure and post-closure care liability of \$2,926,126 at December 31, 2018, for Phase IV represents the cumulative amount reported to date based on the use of approximately 24.83% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care for Phase IV of \$8,860,403 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 2019, adjusted annually for inflation. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Should any problems occur during the closure and post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

### **NOTE 8. DEFINED BENEFIT RETIREMENT PLAN**

#### **A. Plan Description**

The City of Thomasville Public Employees' Retirement System ("PERS") covered full-time employees of the City of Thomasville and its related agencies until it closed in 2000. 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 prepared.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. DEFINED BENEFIT RETIREMENT PLAN (CONTINUED)

#### B. Benefits Provided

Accrued benefits, retirement provisions and benefit payment provisions are as follows:

1. The Accrued Benefit is calculated as 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, 2018, Breakpoints One and Two are \$2,215 and \$5,111, respectively.

2. Normal Retirement

##### Eligibility

- Employees hired before January 1, 1997 (Class B): The earlier of the attainment of age 60 and ten 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 ten 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 the 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 the attainment of age 60 and the completion of ten years of pension service.

##### Benefit

- Accrued benefit to the date of retirement reduced by .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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. DEFINED BENEFIT RETIREMENT PLAN (CONTINUED)

#### B. Benefits Provided (Continued)

##### 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 of the following: 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 years).

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

###### Eligibility

- Death prior to receiving retirement benefits.

###### Benefit

- For a married member with ten 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; or 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 that exceeds the value of the member's accumulated employee contributions at the time of retirement, the difference will be paid to the designated beneficiary.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. DEFINED BENEFIT RETIREMENT PLAN (CONTINUED)

#### B. Benefits Provided (Continued)

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

- With less than ten years of pension service, the member will receive a refund of accumulated employee contributions.
- With ten or more years of pension service: a) the member may elect a refund of his accumulated employee contributions; 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; or c) should a plan 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.

##### 10. Optional Forms of Payment

- Joint and Survivor Annuity: a reduced monthly benefit payable to the member for life, with 50%, 66.67% 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. DEFINED BENEFIT RETIREMENT PLAN (CONTINUED)

#### C. Employees Covered By Benefit Terms

As of December 31, 2018, employee membership consisted of the following:

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

The Plan was adopted in 1949 and amended through January 1, 2018. 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 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 five years may be repurchased at 8.5% annual interest subject to certain requirements.

#### D. Contributions

Periodic employer contributions to the Plan are determined on a non-actuarial 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.

Total required contributions to the pension plan in 2018 amounted to \$462,620, of which \$277,572 and \$185,048 were made by the City and its employees, respectively. Contributions made by the City and its employees represent approximately 11.25% and 7.50%, 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 2018 was \$2,382,748.

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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. DEFINED BENEFIT RETIREMENT PLAN (CONTINUED)

#### E. Net Pension Liability of the City

The City's net pension liability was measured as of January 1, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions.* The total pension liability in the January 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50% compounded annually for all pensioners hired before January 1, 1997; 3.5% compounded annually for indexing benefit formula.
Salary increases	5.00% per year
Investment rate of return	6.00% compounded annually, net of investment expenses.
Actuarial Cost Method	Individual Entry Age Normal
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.

The cost of living adjustments is 2.50% compounded annually for all pensioners hired before January 1, 1997 and 3.5% compounded annually for indexing benefit formula.

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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Equities	60%	6.00%
Alternatives	10%	4.00
Fixed income	29%	3.00
Cash	1%	-
Total	<u>100%</u>	

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. DEFINED BENEFIT RETIREMENT PLAN (CONTINUED)

#### E. Net Pension Liability of the City (Continued)

*Discount rate.* The discount rate used to measure the total pension liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that member 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 member 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

*Changes in the Net Pension Liability of the City.* The changes in the components of the net pension liability of the City for the year ended December 31, 2018, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
<b>Beginning Balance</b>	\$ 40,185,459	\$ 44,095,068	\$ (3,909,609)
<b>Changes for the year:</b>			
Service cost	180,607	-	180,607
Interest	2,338,857	-	2,338,857
Differences between expected and actual experience	-	-	-
Assumption changes	-	-	-
Contributions – employer	-	277,572	(277,572)
Contributions – employee	-	185,048	(185,048)
Net investment income	-	(2,157,841)	2,157,841
Benefit payments, including refunds of employee contributions	(2,437,864)	(2,437,864)	-
Administrative expense	-	(15,505)	15,505
<b>Net changes</b>	<u>81,600</u>	<u>(4,148,590)</u>	<u>4,230,190</u>
<b>Ending Balance</b>	<u>\$ 40,267,059</u>	<u>\$ 39,946,478</u>	<u>\$ 320,581</u>

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. DEFINED BENEFIT RETIREMENT PLAN (CONTINUED)

#### E. Net Pension Liability of the City (Continued)

*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 6.00%, 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 (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

	1% Decrease (5.0%)	Current Discount Rate (6.0%)	1% Increase (7.0%)
City's net pension liability (asset)	\$ 5,318,161	\$ 320,581	\$ (3,811,870)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2018, and the current sharing pattern of costs between employer and employee.

*Fund allocation of the 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. DEFINED BENEFIT RETIREMENT PLAN (CONTINUED)

#### F. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2018, the City recognized pension expense of \$1,354,895. At December 31, 2018, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 2,918,761	\$ -
Total	\$ 2,918,761	\$ -

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Year ending December 31,</b>		
2019	\$ 1,697,679	\$ (588,386)
2020	948,906	(588,385)
2021	948,906	(488,864)
2022	948,905	-
Total	\$ 4,544,396	\$ (1,665,635)

### NOTE 9. DEFINED CONTRIBUTION PLAN

Effective June, 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 participants' base salary. In addition, the City will make a matching contribution based on the amount that each participant defers under the Employers 457 plan, limited to an employer contribution of 6%. Benefits depend solely on amounts contributed to the plan and investment earnings, reduced by expense 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 years ended December 31, 2018, the City contributed \$774,489 to the defined contribution plan.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10. INTERFUND BALANCES AND TRANSFERS**

Interfund receivables and payables result from timing differences related to payroll and other year-end transactions which normally clear within one to two months. Interfund receivable and payable balances as of December 31, 2018, are as follows:

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
General Fund	SPLOST Fund	\$ 1,425
	Electric Fund	470,000
	Nonmajor Governmental Funds	691,052
Electric Fund	General Fund	201,949
	CNS Fund	8,209,840
	Nonmajor Enterprise Funds	570,049
	Internal Service Funds	76,491
Internal Service Funds	Landfill Fund	222,103
	General Fund	797,534
	Nonmajor Enterprise Funds	81,199
	Nonmajor Governmental Funds	170
	Internal Service Funds	24,444
Landfill Fund	Electric Fund	271,270
Nonmajor Enterprise Funds	Internal Service Funds	24,990
Nonmajor Enterprise Funds	Nonmajor Enterprise Funds	9,909
		<b>\$ 11,652,425</b>

Transfers are used to: 1) move revenues from the fund that statute or budget requires collecting them to the fund that the statute or budget requires to expend them, and 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between funds during the year were as follows:

<b>Transfers In</b>	<b>Amount</b>	<b>Transfers out</b>	<b>Amount</b>
General Fund	\$ 11,174,685	Electric Fund	\$ 8,386,331
Internal Service Fund	272,390	CNS Fund	1,795,012
SPLOST Fund	260,153	Nonmajor Governmental Funds	440,474
Nonmajor Governmental Funds	603,370	Landfill Fund	20,121
CNS Fund	123,200	Nonmajor Enterprise Funds	2,707,747
Nonmajor Enterprise Funds	2,694,754	Water and Sewer Fund	1,095,000
Water and Sewer Fund	350,033	General Fund	1,033,900
Total	<b>\$ 15,478,585</b>		<b>\$ 15,478,585</b>

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 11. HOTEL/MOTEL LODGING TAX**

The City has levied a 5% lodging tax and approved giving the majority of the hotel/motel tax received by the City 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, 2018, 100% of the tax receipts were expended. The City collected and transferred revenues of \$318,112 to the DTTA. Other local governments transferred \$244,777 to the DTTA. The DTTA expended \$562,035 during the year ended December 31, 2018. The City also transferred \$73,410 to the Events Center Fund.

### **NOTE 12. JOINT VENTURES**

Under Georgia law, the City, in conjunction with other cities and counties in the 14 county southwest Georgia area, is a member of the Southwest Georgia Regional Commission and is required to pay annual dues thereto. During its year ended December 31, 2018, the City paid \$25,478 in such dues. Membership in a regional commission (“RC”) is required by the Official Code of Georgia Annotated (“O.C.G.A.”) §50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1, provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from: Southwest Georgia Regional Commission; 181 East Broad Street, Camilla, Georgia 31730.

The SGGSA 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 Thomasville, the City of Cairo, the City of Camilla, and the City of Moultrie (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 reported its assets, liabilities, expenditures/expenses and revenues under an implied right of use in the regional components.

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 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.

### **NOTE 13. RELATED ORGANIZATION**

The City’s governing body is responsible for all of the board appointments of the City of Thomasville Housing Authority. However, the City has no further accountability for this organization.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. COMMITMENTS AND CONTINGENCIES

#### **Bonds Payable**

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, 2018 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.

#### **Agreements with the Municipal Electric Authority of Georgia**

The Municipal Electric Authority of Georgia ("MEAG") is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by state law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit unless any such profits inure to the benefit of the public.

As of December 31, 2018, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to \$38,139,526 in 2018.

At December 31, 2018, the outstanding debt of MEAG was approximately \$6.01 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$276.44 million at December 31, 2018.

#### **Litigation**

The City is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### Grants from Governments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such 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 which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

### NOTE 15. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft 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 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.

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 and 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 contract. 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.

Comprehensive general liability coverage through GIRMA 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).

Settled claims in the past three years have not exceeded the coverage.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 15. RISK MANAGEMENT (CONTINUED)

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, 2018, 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, 2018, 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, 2018.

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, 2018, the City has reported a liability for medical and dental claims of \$338,640, which represents incurred but not reported ("IBNR") claims and the related administrative expenses which were incurred on or before December 31, 2018, 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 exceed insurance coverage for each of the past three years.

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

	<b>Year Ended</b>	
	<b>December 31,</b>	
	<b>2018</b>	2017
Unpaid claims, beginning of year	<b>\$ 336,791</b>	\$ 459,214
Incurred claims (including IBNRs)	<b>7,103,882</b>	6,430,265
Claim payments	<b>(7,102,033)</b>	(6,552,688)
Unpaid claims, end of year	<b><u>\$ 338,640</u></b>	<b><u>\$ 336,791</u></b>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 16. POST-EMPLOYMENT HEALTH CARE PLAN

#### Plan Administration and Benefits

The City of Thomasville Post-Employment Health Care Plan (the "OPEB Plan") is an agent multiple-employer defined benefit healthcare plan administered by the Georgia Municipal Association. The OPEB Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefit provisions and contribution requirements are established and may be amended by the Commission. The relevant information about the OPEB Plan is provided below. No other financial reports are issued by this agent multiple-employer plan.

Eligible participants are assumed to be employees, and former employees of the City of Thomasville who had health coverage as an active employee for at least the two consecutive years immediately preceding their termination and have satisfied the following requirements: 1) completed at least ten years of consecutive service immediately preceding their termination date, and 2) is eligible and elects to receive normal retirement or disability benefits under a qualified defined benefit plan sponsored by the City. The OPEB Plan is closed to all employees hired after July 1, 2007. The OPEB Plan benefit provisions are fixed at: 1) \$200 per month for retiree only coverage for employees less than age 65; 2) \$400 per month for retirees and spouse (or family) coverage for employees less than age 65; 3) \$100 per month for retiree only coverage for employees age 65 or older; and 4) \$200 per month for retiree and spouse coverage for employees age 65 or older. Deferred retirements are not allowed to elect coverage at the time of retirement. Additionally, surviving spouses are not covered under the OPEB Plan.

**Plan Membership.** Membership of the OPEB Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

Active participants	40
Retired participants	26
Total	<u>66</u>

#### Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the OPEB Plan's actuary. For fiscal year 2018, the City contributed \$251,099 to the OPEB Plan. Plan members receiving benefits are not required to contribute to the OPEB Plan.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 16. POST-EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

#### Net OPEB Liability of the City

Effective July 1, 2017, the City implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, which significantly changed the City's accounting for OPEB amounts. The information disclosed below is presented in accordance with this new standard.

The City's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, with the actuary using standard techniques to roll forward the liability to the measurement date.

*Actuarial assumptions.* The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	7.00%
Long-term expected rate of return on OPEB investments:	7.00%, net of investment expenses, including inflation
Healthcare Cost Trend Rate:	4.00%
Inflation Rate:	2.30%
Participation rate:	95%

Mortality rates were based on the RP-2014 Mortality Table (adjusted to 2006), fully generational using scale MP-2016 for healthy retirees and the RP-2014 Disabled Retiree Mortality Table, Fully Generational using scale MP-2016 for disabled retirees.

The long-term expected rate of return on OPEB 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2017 are summarized in the table on the following page.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 16. POST-EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

#### Net OPEB Liability of the City (Continued)

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45 %	6.75 %
International equity	20	7.45
Domestic fixed income	20	1.75
Real estate	10	4.55
Global fixed income	5	3.30
Cash	-	
Total	100 %	

\* Rates shown are net of the 3.00% assumed rate of inflation.

**Discount rate.** The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the City will contribute in amounts consistent with its formal contribution policy. Based on those assumptions, the OPEB Trust Fund's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all of the projected benefit payments to determine the total OPEB liability.

**Changes in the Net OPEB Liability of the City.** The changes in the components of the net OPEB liability of the City for the year ended June 30, 2018, were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a) - (b)
<b>Beginning Balance</b>	\$ 4,289,924	\$ 4,996,315	\$ (706,391)
<b>Changes for the year:</b>			
Service cost	10,929	-	10,929
Interest	244,166	-	244,166
Differences between expected and actual experience	-	-	-
Contributions - employer	-	-	-
Net investment income	-	(337,963)	337,963
Benefit payments, net of retiree contributions	(424,396)	-	(424,396)
Implicit rate subsidy fulfillment	(23,075)	-	(23,075)
<b>Net changes</b>	(192,376)	(337,963)	145,587
<b>Ending Balance</b>	\$ 4,097,548	\$ 4,658,352	\$ (560,804)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 16. POST-EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

#### Net OPEB Liability of the City (Continued)

The required schedule of changes in the City's net OPEB (asset) liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total OPEB (asset) liability.

#### Sensitivity Analysis

**Sensitivity of the net OPEB (asset) liability to changes in the discount rate.** The following presents the net OPEB (asset) liability of the City, as well as what the City's net OPEB (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate:

	<b>1% Decrease (5.00%)</b>	<b>Current Discount Rate (6.00%)</b>	<b>1% Increase (7.00%)</b>
City's net OPEB (asset) liability	\$ (325,946)	\$ (560,804)	\$ (776,567)

**Sensitivity of the net OPEB (asset) liability to changes in the healthcare cost trend rates.** The following presents the net OPEB (asset) liability of the City, as well as what the City's net OPEB (asset) liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.00%) or 1-percentage-point higher (5.00%) than the current healthcare cost trend rates:

	<b>1% Decrease (3.00%)</b>	<b>Current Discount Rate (4.00%)</b>	<b>1% Increase (5.00%)</b>
City's net OPEB (asset) liability	\$ (804,064)	\$ (560,804)	\$ (295,675)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2018, and the current sharing pattern of costs between employer and inactive employees.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 16. POST-EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

#### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense of \$97,692. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 510,194	\$ -
Total	\$ 510,194	\$ -

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Year ending December 31,</b>		
2019	\$ 127,548	\$ -
2020	127,548	-
2021	127,548	-
2022	127,550	-
Total	\$ 510,194	\$ -

## NOTES TO FINANCIAL STATEMENTS

### NOTE 17. RESTATEMENT OF FUND EQUITY

The City has determined that restatements to beginning fund balance of the General Fund and Nonmajor Governmental Funds are necessary to: 1) account for local option sales tax receivable as of December 31, 2017, 2) to write-off uncollectible amounts owed between funds, and 3) properly account for the City's participation in the 1998 GMA Lease pool and the related Guaranteed Investment Contract as of December 31, 2017. The net effect of these restatements is as follows:

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>
Fund balance (deficit), beginning of year as previously reported	\$ 111,861	(2,580,172)
To correct the beginning balance of accounts receivable to include LOST for December 2017 received in January 2018	284,987	-
To write-off uncollectible amounts owed between funds	(771,749)	1,482,674
To add the beginning balance of the Guaranteed Investment Contract related to the GMA Leasepool	2,022,511	-
Fund balance (deficit), beginning of year, as restated	\$ 1,647,610	\$ (1,097,498)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 17. RESTATEMENT OF FUND EQUITY (CONTINUED)

The City has also determined that restatements to beginning net position of the City's major enterprise funds are necessary to: 1) to correct the beginning of the year balances of GEFA notes payable by adjusting them for the amount of the loans that have been forgiven by GEFA; 2) to account for the change in accounting principle for the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of January 1, 2018; 3) to write-off uncollectible amounts owed between funds and with component units; and 4) to correct the beginning balance of the City's Investment in SGGSA (joint venture). The net effect of these restatements are as follows:

	<b>Community Network Services Fund</b>	<b>Water and Sewer Fund</b>	<b>Electric Fund</b>
Net position, beginning of year, as previously reported	\$ 4,577,451	\$ 24,216,583	\$ 103,026,954
To record GEFA loan forgiveness from prior years	-	1,144,581	-
Change in accounting principle - GASB 75	-	-	(3,156,044)
To write-off uncollectible amounts owed between funds	2,255,863	8,737,973	(35,174,220)
To write-off uncollectible amounts from component units	-	(175,000)	(107,079)
To correct the beginning balance of the Investment in SGGSA (joint venture)	1,794,453	-	-
Net position, beginning of year, as restated	\$ 8,627,767	\$ 33,924,137	\$ 64,589,611

The City has also determined that restatements to beginning net position of the City's non-major enterprise funds and internal service funds are necessary to: 1) to write-off uncollectible amounts owed between funds, and 2) to correct the balance of land in the Events Fund as of the beginning of the year. The net effect of these restatements are as follows:

	<b>Nonmajor Business-type Activities</b>	<b>Internal Service Funds</b>
Net position, beginning of year, as previously reported	\$ 10,500,665	\$ 2,544,957
To write-off uncollectible amounts owed between funds	20,605,502	2,182,386
To add land that was deleted in error in the prior year	1,568,001	-
Net position, beginning of year, as restated	\$ 32,674,168	\$ 4,727,343

## NOTES TO FINANCIAL STATEMENTS

### NOTE 17. RESTATEMENT OF FUND EQUITY (CONTINUED)

Along with the restatements at the fund level noted above, the City has determined that restatements are necessary to: 1) include the outstanding balance of Certificates of Participation associated with the GMA lease pool, and 2) to remove the prior year balances of capital leases payable which were part of the GMA lease pool. The net effect of these restatements are as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Net position, beginning of year, as previously reported	\$ 36,719,191	\$ 156,530,332
Adjustment to include GMA Certificates of Participation	(2,222,000)	-
Adjustment to remove capital lease payable	66,109	-
Adjustments for General Fund (see above)	1,535,749	-
Adjustments for Water and Sewer Fund (see above)	-	9,707,554
Adjustment for Electric Fund (see above)	-	(38,437,343)
Adjustment for CNS Fund (see above)	-	4,050,316
Adjustment for Nonmajor Governmental Funds (see above)	1,482,673	-
Adjustments for Internal Service Funds (see above)	2,182,386	-
Adjustment for Nonmajor Business-type Activities (see above)	-	22,173,503
	<u>\$ 39,764,108</u>	<u>\$ 154,024,362</u>
Net position, beginning of year, as restated	<u>\$ 39,764,108</u>	<u>\$ 154,024,362</u>

In addition to the restatements of the City's fund equity, restatements were determined to be necessary for the City's component units as follows:

	<b>Downtown Development Authority</b>	<b>Thomasville Tourism Authority</b>	<b>Payroll Development Authority</b>	<b>Land Bank Authority</b>
Net position (deficit), beginning of year, as previously reported	\$ 190,760	\$ (412,507)	\$ 7,141,272	\$ 467,252
To write-off uncollectible amounts owed to City	175,000	492,622	199,984	-
To write-off old balance of taxes payable	-	-	28,506	-
To write-off land sold in previous years	-	-	-	(126,098)
	<u>\$ 365,760</u>	<u>\$ 80,115</u>	<u>\$ 7,369,762</u>	<u>\$ 341,154</u>
Net position, beginning of year, as restated	<u>\$ 365,760</u>	<u>\$ 80,115</u>	<u>\$ 7,369,762</u>	<u>\$ 341,154</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

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# CITY OF THOMASVILLE, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEARS ENDED DECEMBER 31,

	2018	2017	2016	2015
<b>Total pension liability</b>				
Service cost	\$ 180,607	\$ 212,546	\$ 166,081	\$ 188,402
Interest on total pension liability	2,338,857	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, including refunds of employee contributions	(2,437,864)	(2,408,031)	(2,127,918)	(2,153,252)
<b>Net change in total pension liability</b>	<b>81,600</b>	<b>1,917,772</b>	<b>4,321,830</b>	<b>941,336</b>
<b>Total pension liability - beginning</b>	<b>40,185,459</b>	<b>38,267,687</b>	<b>33,945,857</b>	<b>33,004,521</b>
<b>Total pension liability - ending (a)</b>	<b>40,267,059</b>	<b>40,185,459</b>	<b>38,267,687</b>	<b>33,945,857</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	277,572	285,446	7,316,186	321,841
Contributions - employee	185,048	200,782	220,654	214,561
Net investment income	(2,157,841)	4,856,523	2,888,344	(1,294,485)
Benefit payments, including refunds of member contributions	(2,437,864)	(2,408,031)	(2,127,918)	(2,153,252)
Administrative expenses	(15,505)	(7,740)	(13,455)	(7,808)
<b>Net change in plan fiduciary net position</b>	<b>(4,148,590)</b>	<b>2,926,980</b>	<b>8,283,811</b>	<b>(2,919,143)</b>
<b>Plan fiduciary net position - beginning</b>	<b>44,095,068</b>	<b>41,168,088</b>	<b>32,884,277</b>	<b>35,803,420</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>39,946,478</b>	<b>44,095,068</b>	<b>41,168,088</b>	<b>32,884,277</b>
<b>City's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ 320,581</b>	<b>\$ (3,909,609)</b>	<b>\$ (2,900,401)</b>	<b>\$ 1,061,580</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>99.2%</b>	<b>109.73%</b>	<b>107.58%</b>	<b>96.87%</b>
<b>Covered payroll</b>	<b>\$ 2,382,748</b>	<b>\$ 2,682,079</b>	<b>\$ 2,682,079</b>	<b>\$ 2,865,769</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>13.45%</b>	<b>-145.77%</b>	<b>-108.14%</b>	<b>37.04%</b>

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

# CITY OF THOMASVILLE, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CITY CONTRIBUTIONS – RETIREMENT PLAN FOR THE FISCAL YEARS ENDED DECEMBER 31,

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ <b>268,059</b>	\$ 322,399	\$ 322,399	\$ 433,933	\$ 433,933
Contributions in relation to the actuarially determined contribution	<u>277,572</u>	<u>285,446</u>	<u>7,316,186</u>	<u>321,841</u>	<u>3,345,375</u>
Contribution deficiency (excess)	<u><u>\$ (9,513)</u></u>	<u><u>\$ 36,953</u></u>	<u><u>\$ (6,993,787)</u></u>	<u><u>\$ 112,092</u></u>	<u><u>\$ (2,911,442)</u></u>
Covered employee payroll	\$ <b>2,382,748</b>	\$ 2,682,079	\$ 2,865,769	\$ 2,846,450	\$ 3,293,340
Contributions as a percentage of covered-employee payroll	<b>11.65%</b>	10.64%	255.30%	11.31%	101.58%

**Notes to the Schedule:**

Valuation Date	January 1, 2019
Cost Method	Individual Entry Age Normal
Actuarial Asset Valuation Method	Market value of the assets as of the valuation date, adjusted by the differences between the expected market value and the actual market value spread over five years.
Assumed Rate of Return on Investments	6.00%
Projected Salary Increases	5.00%
Cost-of-living Adjustment	2.5% compounded annually for all pensioners hired before January 1, 1997 3.5% compounded annually for indexing benefit formula
Amortization Method	In accordance with O.C.G.A. § 47-20-10
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 10 years

The schedule will present 10 years of information once it is accumulated.

# CITY OF THOMASVILLE, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED DECEMBER 31,

	<b>2018</b>
<b>Total OPEB liability</b>	
Service cost	\$ 10,929
Interest	244,166
Benefit payments	(424,396)
Implicit rate subsidy fulfillment	(23,075)
<b>Net change in total OPEB liability</b>	(192,376)
<b>Total OPEB liability - beginning</b>	4,289,924
<b>Total OPEB liability - ending (a)</b>	4,097,548
<b>Plan fiduciary net position</b>	
Contributions - employer	-
Net investment income	(337,963)
Benefit payments	-
<b>Net change in plan fiduciary net position</b>	(337,963)
<b>Plan fiduciary net position - beginning</b>	4,996,315
<b>Plan fiduciary net position - ending (b)</b>	4,658,352
<b>City's net OPEB liability - ending (a) - (b)</b>	\$ (560,804)
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	113.69%
<b>Covered payroll</b>	2,382,747
<b>Net OPEB as a percentage of covered payroll</b>	-23.54%

**Notes to the Schedule:**

- (1) The schedule will present 10 years of information once it is accumulated.
- (2) Additional notes are provided on the following page.

**CITY OF THOMASVILLE, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY CONTRIBUTIONS**  
**OPEB PLAN**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31,**

	<b>2018</b>
Actuarially determined contribution	\$ -
Contributions in relation to the actuarially determined contribution	424,396
Contribution deficiency (excess)	\$ (424,396)
Covered payroll	\$ 2,382,747
Contributions as a percentage of covered-employee payroll	17.81%

**Notes to the Schedule:**

Valuation Date	June 30, 2017
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return	
On Investments	7.00%
Inflation	2.30%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 20 years

- (1) The schedule will present 10 years of information once it is accumulated.
- (2) The actual employer contribution for fiscal year 2018 includes employer contributions for pay as you go cost paid from the General Fund and pre-funding contributions deposited into the OPEB Trust.
- (3) The City of Thomasville is not required to make employer contributions to the trust, but from time to time employer contributions are made to satisfy the unfunded liability.

**COMBINING STATEMENTS  
AND SCHEDULES**

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# CITY OF THOMASVILLE, GEORGIA

## NONMAJOR GOVERNMENTAL FUNDS

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### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The **Asset Forfeiture Fund** is used to account for defaulted property.

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

The **Parks and Recreation 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.

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

### CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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

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

The **CHIP Grant Fund** is used to account for other grants, excluding CDBG.

**CITY OF THOMASVILLE, GEORGIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

ASSETS	Special Revenue Funds				
	Asset Forfeiture	Economic Development	Parks and Recreation	Special Hotel/Motel Tax	Total Special Revenue
Cash and cash equivalents	\$ 69,379	\$ -	\$ -	\$ -	\$ 69,379
Accounts receivable	-	-	-	-	-
Interest receivable	-	-	-	-	-
Prepaid items	-	-	6,811	-	6,811
Total assets	<u>\$ 69,379</u>	<u>\$ -</u>	<u>\$ 6,811</u>	<u>\$ -</u>	<u>\$ 76,190</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 1,808	\$ -	\$ 21,131	\$ -	\$ 22,939
Due to other funds	-	691,052	-	-	691,052
Accrued liabilities	-	-	3,585	-	3,585
Total liabilities	<u>1,808</u>	<u>691,052</u>	<u>24,716</u>	<u>-</u>	<u>717,576</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	6,811	-	6,811
Restricted	67,571	-	-	-	67,571
Unassigned	-	(691,052)	(24,716)	-	(715,768)
Total fund balances (deficits)	<u>67,571</u>	<u>(691,052)</u>	<u>(17,905)</u>	<u>-</u>	<u>(641,386)</u>
Total liabilities and fund balances	<u>\$ 69,379</u>	<u>\$ -</u>	<u>\$ 6,811</u>	<u>\$ -</u>	<u>\$ 76,190</u>

**Capital Project Funds**

<b>CDBG</b>	<b>Street Paving</b>	<b>CHIP Grant</b>	<b>Total Capital Projects</b>	<b>Total Nonmajor Governmental</b>
\$ -	\$ -	\$ 79,719	\$ 79,719	\$ 149,098
-	30,070	-	30,070	30,070
-	10,386	-	10,386	10,386
-	-	-	-	6,811
<u>\$ -</u>	<u>\$ 40,456</u>	<u>\$ 79,719</u>	<u>\$ 120,175</u>	<u>\$ 196,365</u>
\$ -	\$ 10	\$ -	\$ 10	\$ 22,949
70	-	100	170	691,222
-	-	-	-	3,585
<u>70</u>	<u>10</u>	<u>100</u>	<u>180</u>	<u>717,756</u>
-	-	-	-	6,811
-	40,446	79,619	120,065	187,636
<u>(70)</u>	<u>-</u>	<u>-</u>	<u>(70)</u>	<u>(715,838)</u>
<u>(70)</u>	<u>40,446</u>	<u>79,619</u>	<u>119,995</u>	<u>(521,391)</u>
<u>\$ -</u>	<u>\$ 40,456</u>	<u>\$ 79,719</u>	<u>\$ 120,175</u>	<u>\$ 196,365</u>

**CITY OF THOMASVILLE, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	<b>Special Revenue Funds</b>				<b>Total Special Revenue</b>
	<b>Asset Forfeiture</b>	<b>Economic Development</b>	<b>Parks and Recreation</b>	<b>Special Hotel/Motel Tax</b>	
<b>Revenues:</b>					
Sales taxes	\$ -	\$ -	\$ 1,548,433	\$ 391,522	\$ 1,939,955
Intergovernmental	54,150	-	-	-	54,150
Miscellaneous revenues	-	-	6,457	-	6,457
Total revenues	<u>54,150</u>	<u>-</u>	<u>1,554,890</u>	<u>391,522</u>	<u>2,000,562</u>
<b>Expenditures:</b>					
Current:					
Public safety	41,283	-	-	-	41,283
Economic development	-	-	-	318,112	318,112
Culture and recreation	-	-	1,307,832	-	1,307,832
Capital outlay	-	-	-	-	-
Total expenditures	<u>41,283</u>	<u>-</u>	<u>1,307,832</u>	<u>318,112</u>	<u>1,667,227</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,867</u>	<u>-</u>	<u>247,058</u>	<u>73,410</u>	<u>333,335</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	484,306	118,954	-	603,260
Transfers out	-	(30,000)	(337,064)	(73,410)	(440,474)
Total other financing sources (uses)	<u>-</u>	<u>454,306</u>	<u>(218,110)</u>	<u>(73,410)</u>	<u>162,786</u>
Net change in fund balances	12,867	454,306	28,948	-	496,121
<b>Fund balances (deficits), beginning of year</b>	<u>54,704</u>	<u>(1,145,358)</u>	<u>(46,853)</u>	<u>-</u>	<u>(1,137,507)</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ 67,571</u>	<u>\$ (691,052)</u>	<u>\$ (17,905)</u>	<u>\$ -</u>	<u>\$ (641,386)</u>

**Capital Project Funds**

<b>CDBG</b>	<b>Street Paving</b>	<b>CHIP Grant</b>	<b>Total Capital Projects</b>	<b>Total Nonmajor Governmental</b>
\$ -	\$ -	\$ -	\$ -	\$ 1,939,955
100,096	-	204,180	304,276	358,426
-	537	124,225	124,762	131,219
<u>100,096</u>	<u>537</u>	<u>328,405</u>	<u>429,038</u>	<u>2,429,600</u>
-	-	-	-	41,283
56,450	-	-	56,450	374,562
-	-	-	-	1,307,832
43,826	-	248,886	292,712	292,712
<u>100,276</u>	<u>-</u>	<u>248,886</u>	<u>349,162</u>	<u>2,016,389</u>
<u>(180)</u>	<u>537</u>	<u>79,519</u>	<u>79,876</u>	<u>413,211</u>
110	-	-	110	603,370
-	-	-	-	(440,474)
<u>110</u>	<u>-</u>	<u>-</u>	<u>110</u>	<u>162,896</u>
(70)	537	79,519	79,986	576,107
-	39,909	100	40,009	(1,097,498)
<u>\$ (70)</u>	<u>\$ 40,446</u>	<u>\$ 79,619</u>	<u>\$ 119,995</u>	<u>\$ (521,391)</u>

**CITY OF THOMASVILLE, GEORGIA**

**ASSET FORFEITURE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

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	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 65,000	\$ 65,000	\$ 54,150	\$ (10,850)
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>54,150</u>	<u>(10,850)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>65,000</u>	<u>65,000</u>	<u>41,283</u>	<u>23,717</u>
Total expenditures	<u>65,000</u>	<u>65,000</u>	<u>41,283</u>	<u>23,717</u>
Net change in fund balance	-	-	12,867	12,867
<b>Fund balances, beginning of year</b>	<u>54,704</u>	<u>54,704</u>	<u>54,704</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 54,704</u>	<u>\$ 54,704</u>	<u>\$ 67,571</u>	<u>\$ 12,867</u>

**CITY OF THOMASVILLE, GEORGIA**

**ECONOMIC DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Miscellaneous revenue	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
Economic development	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenses	-	-	-	-
Other financing sources (uses)				
Transfers in	490,000	490,000	484,306	(5,694)
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing sources (uses)	460,000	460,000	454,306	(5,694)
Net change in fund balance	460,000	460,000	454,306	(5,694)
<b>Fund balances (deficit), beginning of year</b>	<u>(1,145,358)</u>	<u>(1,145,358)</u>	<u>(1,145,358)</u>	<u>-</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ (685,358)</u>	<u>\$ (685,358)</u>	<u>\$ (691,052)</u>	<u>\$ (5,694)</u>

**CITY OF THOMASVILLE, GEORGIA**

**PARKS AND RECREATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Sales tax	\$ 1,560,000	\$ 1,560,000	\$ 1,548,433	\$ (11,567)
Miscellaneous revenues	-	-	6,457	6,457
Total revenues	<u>1,560,000</u>	<u>1,560,000</u>	<u>1,554,890</u>	<u>(5,110)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	<u>1,261,547</u>	<u>1,311,050</u>	<u>1,307,832</u>	<u>3,218</u>
Total expenditures	<u>1,261,547</u>	<u>1,311,050</u>	<u>1,307,832</u>	<u>3,218</u>
Excess of revenues over expenditures	298,453	248,950	247,058	(1,892)
<b>Other financing sources (uses)</b>				
Issuance of capital lease	43,000	43,000	-	(43,000)
Transfers in	-	-	118,954	118,954
Transfers out	<u>(333,840)</u>	<u>(333,840)</u>	<u>(337,064)</u>	<u>(3,224)</u>
Total other financing sources (uses)	<u>(290,840)</u>	<u>(290,840)</u>	<u>(218,110)</u>	<u>72,730</u>
Net change in fund balance	7,613	(41,890)	28,948	70,838
<b>Fund balances (deficit), beginning of year</b>	<u>(46,853)</u>	<u>(46,853)</u>	<u>(46,853)</u>	<u>-</u>
<b>Fund balances (deficit), end of year</b>	<u><u>\$ (39,240)</u></u>	<u><u>\$ (88,743)</u></u>	<u><u>\$ (17,905)</u></u>	<u><u>\$ 70,838</u></u>

**CITY OF THOMASVILLE, GEORGIA**

**SPECIAL HOTEL/MOTEL TAX  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Sales taxes, selective	\$ 380,000	\$ 380,000	\$ 391,522	\$ 11,522
Total revenues	<u>380,000</u>	<u>380,000</u>	<u>391,522</u>	<u>11,522</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	<u>308,750</u>	<u>308,750</u>	<u>318,112</u>	<u>(9,362)</u>
Total expenditures	<u>308,750</u>	<u>308,750</u>	<u>318,112</u>	<u>(9,362)</u>
Excess of revenues over expenditures	71,250	71,250	73,410	2,160
<b>Other financing uses</b>				
Transfers out	<u>(71,250)</u>	<u>(71,250)</u>	<u>(73,410)</u>	<u>(2,160)</u>
Total other financing uses	<u>(71,250)</u>	<u>(71,250)</u>	<u>(73,410)</u>	<u>(2,160)</u>
Net change in fund balance	-	-	-	-
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF THOMASVILLE, GEORGIA**

**CDBG FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 746,250	\$ 746,250	\$ 100,096	\$ (646,154)
Total revenues	<u>746,250</u>	<u>746,250</u>	<u>100,096</u>	<u>(646,154)</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	705,000	705,000	56,450	648,550
Capital outlay	<u>41,250</u>	<u>41,250</u>	<u>43,826</u>	<u>(2,576)</u>
Total expenditures	<u>746,250</u>	<u>746,250</u>	<u>100,276</u>	<u>645,974</u>
Deficiency of revenues over expenditures	-	-	(180)	(180)
Other financing sources				
Transfers in	<u>-</u>	<u>-</u>	<u>110</u>	<u>110</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>110</u>	<u>110</u>
Net change in fund balance	-	-	(70)	(70)
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (70)</u>	<u>\$ (70)</u>

**CITY OF THOMASVILLE, GEORGIA**

**STREET PAVING FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

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	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ 500	\$ 500	\$ 537	\$ 37
Total revenues	<u>500</u>	<u>500</u>	<u>537</u>	<u>37</u>
<b>EXPENDITURES</b>				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	500	500	537	37
<b>Fund balances, beginning of year</b>	<u>39,909</u>	<u>39,909</u>	<u>39,909</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 40,409</u>	<u>\$ 40,409</u>	<u>\$ 40,446</u>	<u>\$ 37</u>

**CITY OF THOMASVILLE, GEORGIA**

**CHIP GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

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	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 305,000	\$ 305,000	\$ 204,180	\$ (100,820)
Miscellaneous revenues	-	-	124,225	124,225
Total revenues	<u>305,000</u>	<u>305,000</u>	<u>328,405</u>	<u>23,405</u>
<b>EXPENDITURES</b>				
Capital outlay	295,000	295,000	248,886	46,114
Total expenditures	<u>295,000</u>	<u>295,000</u>	<u>248,886</u>	<u>46,114</u>
Net change in fund balance	10,000	10,000	79,519	69,519
Fund balances, beginning of year	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
Fund balances, end of year	<u>\$ 10,100</u>	<u>\$ 10,100</u>	<u>\$ 79,619</u>	<u>\$ 69,519</u>

**CITY OF THOMASVILLE, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET (GAAP BASIS) AND ACTUAL  
SPLOST FUND  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Intergovernmental	\$ 3,755,529	\$ 3,755,529	\$ 3,409,742	\$ (345,787)
Investment earnings	2,500	2,500	5,718	3,218
Total revenues	<u>3,758,029</u>	<u>3,758,029</u>	<u>3,415,460</u>	<u>(342,569)</u>
<b>EXPENDITURES:</b>				
<b>Capital Outlay:</b>				
Highways and streets	2,454,048	2,454,048	2,745,685	(291,637)
Economic development	-	-	134,972	(134,972)
Culture and recreation	2,500,191	2,500,191	1,043,194	1,456,997
Total expenditures	<u>4,954,239</u>	<u>4,954,239</u>	<u>3,923,851</u>	<u>1,030,388</u>
Excess (deficiency) of revenues over expenditures	<u>(1,196,210)</u>	<u>(1,196,210)</u>	<u>(508,391)</u>	<u>687,819</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	215,000	215,000	260,153	45,153
Total other financing sources	<u>215,000</u>	<u>215,000</u>	<u>260,153</u>	<u>45,153</u>
Net change in fund balances	(981,210)	(981,210)	(248,238)	732,972
<b>Fund balances, beginning of year</b>	<u>4,447,686</u>	<u>4,447,686</u>	<u>4,447,686</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 3,466,476</u>	<u>\$ 3,466,476</u>	<u>\$ 4,199,448</u>	<u>\$ 732,972</u>

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

**CITY OF THOMASVILLE, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2012 REFERENDUM  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

<u>Project Description</u>	<u>Original Estimated Cost</u>	<u>Revised Estimated Cost</u>	<u>Expenditures</u>		<u>Total</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Business park development	\$ 3,000,000	\$ 3,000,000	\$ 3,001,254	\$ 134,972	\$ 3,136,226
Recreation facilities improvements	2,000,000	2,000,000	1,693,425	1,043,194	2,736,619
Roads, streets, bridges; water and sewer systems; storm water systems, construction of public safety facilities; and purchase of public safety equipment	<u>15,425,000</u>	<u>15,425,000</u>	<u>9,295,089</u>	<u>2,745,685</u>	<u>12,040,774</u>
	<u>\$ 20,425,000</u>	<u>\$ 20,425,000</u>	<u>\$ 13,989,768</u>	<u>\$ 3,923,851</u>	<u>\$ 17,913,619</u>
Total per Combining Statement of Revenues, Expenditures and Changes in Fund Balance				<u>\$ 3,923,851</u>	

# CITY OF THOMASVILLE, GEORGIA

## NONMAJOR ENTERPRISE FUNDS

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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.

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

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

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

The **Natural Gas 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.

The **Network Operations Fund** is used to account for the cost of providing internet services to the citizens of the City and surrounding areas. All activities necessary to provide such services are accounted for in this fund.

The **Sanitation 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.

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

The **Telephony 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.

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

The **Events Center 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, 2018

ASSETS	Auditorium	Airport	Golf Course	Natural Gas	Network Operations
<b>Current:</b>					
Cash	\$ -	\$ 150	\$ 750	\$ 4,120,685	\$ 848,497
Accounts receivable	-	81,199	7,236	1,137,510	391,567
Due from other funds	-	-	-	-	-
Due from component unit	-	-	-	-	-
Inventories	-	37,682	34,364	113,193	-
Prepaid items	2,715	8,939	3,991	2,139	190
Total current assets	<u>2,715</u>	<u>127,970</u>	<u>46,341</u>	<u>5,373,527</u>	<u>1,240,254</u>
<b>Noncurrent:</b>					
Capital assets:					
Land and land improvements	76,705	5,029,858	650,989	22,534	-
Buildings	4,850,415	5,766,876	518,542	149,216	675,184
Machinery and equipment	18,629	1,428,114	478,453	194,200	34,692
Infrastructure	-	8,111,721	895,613	4,142,262	-
Construction in progress	-	34,100	-	-	-
Less accumulated depreciation	<u>(2,090,660)</u>	<u>(9,262,790)</u>	<u>(1,451,713)</u>	<u>(1,751,745)</u>	<u>(54,089)</u>
Total capital assets	<u>2,855,089</u>	<u>11,107,879</u>	<u>1,091,884</u>	<u>2,756,467</u>	<u>655,787</u>
Total noncurrent assets	<u>2,855,089</u>	<u>11,107,879</u>	<u>1,091,884</u>	<u>2,756,467</u>	<u>655,787</u>
Total assets	<u>\$ 2,857,804</u>	<u>\$ 11,235,849</u>	<u>\$ 1,138,225</u>	<u>\$ 8,129,994</u>	<u>\$ 1,896,041</u>
<b>LIABILITIES</b>					
<b>Current:</b>					
Accounts payable	\$ 44,059	\$ 41,584	\$ 56,721	\$ 357,890	\$ 395,114
Customer deposits	-	-	-	-	-
Due to other funds	19,283	81,199	9,909	-	-
Accrued liabilities	1,210	14,611	10,643	25,930	20,292
Accrued compensated absences	403	-	-	7,949	-
Total current liabilities	<u>64,955</u>	<u>137,394</u>	<u>77,273</u>	<u>391,769</u>	<u>415,406</u>
<b>Noncurrent:</b>					
Accrued compensated absences	269	-	-	5,299	-
Total noncurrent liabilities	<u>269</u>	<u>-</u>	<u>-</u>	<u>5,299</u>	<u>-</u>
Total liabilities	<u>65,224</u>	<u>137,394</u>	<u>77,273</u>	<u>397,068</u>	<u>415,406</u>
<b>NET POSITION (DEFICIT)</b>					
Investment in capital assets	2,855,089	11,107,879	1,091,884	2,756,467	655,787
Unrestricted	(62,509)	(9,424)	(30,932)	4,976,459	824,848
Total net position (deficit)	<u>\$ 2,792,580</u>	<u>\$ 11,098,455</u>	<u>\$ 1,060,952</u>	<u>\$ 7,732,926</u>	<u>\$ 1,480,635</u>

<u>Sanitation</u>	<u>Telecom- munications</u>	<u>Telephony</u>	<u>Compressed Natural Gas</u>	<u>Events Center</u>	<u>Total</u>
\$ -	\$ -	\$ 1,112,443	\$ -	\$ -	\$ 6,082,525
484,674	343,081	84,491	23,464	-	2,553,222
34,899	-	-	-	-	34,899
-	-	-	-	45,648	45,648
1,166,194	-	-	-	-	1,351,433
10,193	2,309	-	-	-	30,476
<u>1,695,960</u>	<u>345,390</u>	<u>1,196,934</u>	<u>23,464</u>	<u>45,648</u>	<u>10,098,203</u>
-	-	-	-	-	5,780,086
1,401,218	339,699	-	188,714	-	13,889,864
6,990,026	-	-	1,161,131	-	10,305,245
-	-	-	-	-	13,149,596
-	-	-	-	-	34,100
(4,985,281)	(91,578)	-	(268,437)	-	(19,956,293)
<u>3,405,963</u>	<u>248,121</u>	<u>-</u>	<u>1,081,408</u>	<u>-</u>	<u>23,202,598</u>
<u>3,405,963</u>	<u>248,121</u>	<u>-</u>	<u>1,081,408</u>	<u>-</u>	<u>23,202,598</u>
<u>\$ 5,101,923</u>	<u>\$ 593,511</u>	<u>\$ 1,196,934</u>	<u>\$ 1,104,872</u>	<u>\$ 45,648</u>	<u>\$ 33,300,801</u>
\$ 139,943	\$ 225,376	\$ 195,674	\$ 12,415	\$ 111,743	\$ 1,580,519
-	-	6,550	-	-	6,550
484,674	42,628	-	23,464	-	661,157
73,604	760	17,596	51	-	164,697
9,152	-	-	-	-	17,504
<u>707,373</u>	<u>268,764</u>	<u>219,820</u>	<u>35,930</u>	<u>111,743</u>	<u>2,430,427</u>
6,101	-	-	-	-	11,669
<u>6,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,669</u>
<u>713,474</u>	<u>268,764</u>	<u>219,820</u>	<u>35,930</u>	<u>111,743</u>	<u>2,442,096</u>
3,405,963	248,121	-	1,081,408	-	23,202,598
982,486	76,626	977,114	(12,466)	(66,095)	7,656,107
<u>\$ 4,388,449</u>	<u>\$ 324,747</u>	<u>\$ 977,114</u>	<u>\$ 1,068,942</u>	<u>\$ (66,095)</u>	<u>\$ 30,858,705</u>

**CITY OF THOMASVILLE, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	<u>Auditorium</u>	<u>Airport</u>	<u>Golf Course</u>	<u>Natural Gas</u>	<u>Network Operations</u>
<b>OPERATING REVENUES</b>					
Charges for sales and services	\$ 105,717	\$ 2,106,554	\$ 489,205	\$ 365,304	\$ 1,202,710
Metered sales	-	-	-	4,048,811	-
Miscellaneous revenues	-	-	-	-	3,375
Total operating revenues	<u>105,717</u>	<u>2,106,554</u>	<u>489,205</u>	<u>4,414,115</u>	<u>1,206,085</u>
<b>OPERATING EXPENSES</b>					
Personnel services	65,008	362,215	282,351	334,526	508,579
Contracted services	63,830	93,485	208,126	277,933	13,523
Cost of sales	-	1,199,239	80,160	1,981,403	8,549
Supplies	9,155	18,231	79,946	168,997	24,207
Interfund charges	16,972	112,087	69,158	735,411	711,055
Depreciation	225,649	449,969	73,665	179,594	16,973
Other costs	56,093	140,722	110,179	-	99,993
Total operating expenses	<u>436,707</u>	<u>2,375,948</u>	<u>903,585</u>	<u>3,677,864</u>	<u>1,382,879</u>
Operating income (loss)	<u>(330,990)</u>	<u>(269,394)</u>	<u>(414,380)</u>	<u>736,251</u>	<u>(176,794)</u>
<b>NON-OPERATING REVENUES</b>					
Investment earnings	-	-	-	276	-
Intergovernmental revenue	-	-	-	-	-
Total non-operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>276</u>	<u>-</u>
Income (loss) before transfers and capital contributions	<u>(330,990)</u>	<u>(269,394)</u>	<u>(414,380)</u>	<u>736,527</u>	<u>(176,794)</u>
<b>TRANSFERS</b>					
Transfers in	151,347	-	464,946	-	801,158
Transfers out	-	-	-	(432,747)	(850,000)
Total transfers	<u>151,347</u>	<u>-</u>	<u>464,946</u>	<u>(432,747)</u>	<u>(48,842)</u>
Income (loss) before capital contributions	<u>(179,643)</u>	<u>(269,394)</u>	<u>50,566</u>	<u>303,780</u>	<u>(225,636)</u>
<b>CAPITAL CONTRIBUTIONS</b>					
	<u>-</u>	<u>248,529</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(179,643)</u>	<u>(20,865)</u>	<u>50,566</u>	<u>303,780</u>	<u>(225,636)</u>
Net position, beginning of year, as restated	<u>2,972,223</u>	<u>11,119,320</u>	<u>1,010,386</u>	<u>7,429,146</u>	<u>1,706,271</u>
Net position (deficit), ending	<u>\$ 2,792,580</u>	<u>\$ 11,098,455</u>	<u>\$ 1,060,952</u>	<u>\$ 7,732,926</u>	<u>\$ 1,480,635</u>

<u>Sanitation</u>	<u>Telecom- munications</u>	<u>Telephony</u>	<u>Compressed Natural Gas</u>	<u>Events Center</u>	<u>Total</u>
\$ 4,924,064	\$ 401,561	\$ 1,189,907	\$ 294,761	\$ -	\$ 11,079,783
-	-	-	-	-	4,048,811
100,663	9,074	-	72,574	-	185,686
<u>5,024,727</u>	<u>410,635</u>	<u>1,189,907</u>	<u>367,335</u>	<u>-</u>	<u>15,314,280</u>
1,268,932	-	-	-	-	2,821,611
594,519	-	267,852	16,534	2,217	1,538,019
-	97,327	-	110,803	-	3,477,481
399,187	-	2,208	-	-	701,931
1,046,955	289,060	655,698	34,622	638	3,671,656
747,290	7,983	-	62,503	-	1,763,626
1,339,478	12,985	1,071	47,796	110,812	1,919,129
<u>5,396,361</u>	<u>407,355</u>	<u>926,829</u>	<u>272,258</u>	<u>113,667</u>	<u>15,893,453</u>
(371,634)	3,280	263,078	95,077	(113,667)	(579,173)
-	-	-	-	-	276
-	-	-	-	95,898	95,898
-	-	-	-	95,898	96,174
(371,634)	3,280	263,078	95,077	(17,769)	(482,999)
355,037	381,751	467,105	-	73,410	2,694,754
(275,000)	(600,000)	(550,000)	-	-	(2,707,747)
<u>80,037</u>	<u>(218,249)</u>	<u>(82,895)</u>	<u>-</u>	<u>73,410</u>	<u>(12,993)</u>
(291,597)	(214,969)	180,183	95,077	55,641	(495,992)
-	-	-	-	(1,568,000)	(1,319,471)
(291,597)	(214,969)	180,183	95,077	(1,512,359)	(1,815,463)
<u>4,680,046</u>	<u>539,716</u>	<u>796,931</u>	<u>973,865</u>	<u>1,446,264</u>	<u>32,674,168</u>
<u>\$ 4,388,449</u>	<u>\$ 324,747</u>	<u>\$ 977,114</u>	<u>\$ 1,068,942</u>	<u>\$ (66,095)</u>	<u>\$ 30,858,705</u>

**CITY OF THOMASVILLE, GEORGIA**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	<u>Auditorium</u>	<u>Airport</u>	<u>Golf Course</u>	<u>Natural Gas</u>	<u>Network Operations</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 105,717	\$ 2,071,328	\$ 492,672	\$ 4,133,961	\$ 1,257,759
Receipts from interfund services provided	(8,352)	-	(59,249)	-	1,018,660
Payments to suppliers	(107,658)	(1,643,104)	(485,598)	(2,309,604)	(158,423)
Payments to employees	(65,952)	(374,831)	(283,386)	(332,013)	(509,602)
Payments for interfund services used	(16,972)	(220,745)	-	3,288,892	(711,055)
Net cash provided by (used in) operating activities	<u>(93,217)</u>	<u>(167,352)</u>	<u>(335,561)</u>	<u>4,781,236</u>	<u>897,339</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Intergovernmental revenue	-	-	-	-	-
Transfers out	-	-	-	(432,747)	(850,000)
Transfers in	151,347	-	464,946	-	801,158
Net cash provided by (used in) noncapital financing activities	<u>151,347</u>	<u>-</u>	<u>464,946</u>	<u>(432,747)</u>	<u>(48,842)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Intergovernmental capital grants received	-	248,529	-	-	-
Acquisition and construction of capital assets	(58,130)	(81,177)	(128,998)	(228,080)	-
Net cash provided by (used in) capital and related financing activities	<u>(58,130)</u>	<u>167,352</u>	<u>(128,998)</u>	<u>(228,080)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	-	-	-	276	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>276</u>	<u>-</u>
Change in cash and cash equivalents	-	-	387	4,120,685	848,497
<b>Cash and cash equivalents:</b>					
Beginning of year	-	150	363	-	-
End of year	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 750</u>	<u>\$ 4,120,685</u>	<u>\$ 848,497</u>
<b>Noncash supplemental disclosures:</b>					
Transfer of capital assets to Payroll Development	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Sanitation</u>	<u>Telecom- munications</u>	<u>Telephony</u>	<u>Compressed Natural Gas</u>	<u>Events Center</u>	<u>Total</u>
\$ 4,912,968	\$ 588,698	\$ 1,184,322	\$ 291,002	\$ -	\$ 15,038,427
65,764	9,074	-	72,574	-	1,098,471
(2,401,690)	(93,450)	(264,209)	(174,411)	(46,143)	(7,684,290)
(1,240,499)	-	(77,865)	-	-	(2,884,148)
<u>(1,035,859)</u>	<u>(286,073)</u>	<u>353,090</u>	<u>(168,144)</u>	<u>(123,166)</u>	<u>1,079,968</u>
<u>300,684</u>	<u>218,249</u>	<u>1,195,338</u>	<u>21,021</u>	<u>(169,309)</u>	<u>6,648,428</u>
-	-	-	-	95,898	95,898
(275,000)	(600,000)	(550,000)	-	-	(2,707,747)
<u>355,037</u>	<u>381,751</u>	<u>467,105</u>	<u>-</u>	<u>73,411</u>	<u>2,694,755</u>
<u>80,037</u>	<u>(218,249)</u>	<u>(82,895)</u>	<u>-</u>	<u>169,309</u>	<u>82,906</u>
-	-	-	-	-	248,529
<u>(380,721)</u>	<u>-</u>	<u>-</u>	<u>(21,021)</u>	<u>-</u>	<u>(898,127)</u>
<u>(380,721)</u>	<u>-</u>	<u>-</u>	<u>(21,021)</u>	<u>-</u>	<u>(649,598)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276</u>
-	-	1,112,443	-	-	6,082,012
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>513</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,112,443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,082,525</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,568,000</u>	<u>\$ 1,568,000</u>

**CITY OF THOMASVILLE, GEORGIA**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	<u>Auditorium</u>	<u>Airport</u>	<u>Golf Course</u>	<u>Natural Gas</u>	<u>Network Operations</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ (330,990)	\$ (269,394)	\$ (414,380)	\$ 736,251	\$ (176,794)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	225,649	449,969	73,665	179,594	16,973
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	-	(35,226)	3,467	(280,154)	55,049
(Increase) decrease in due from other funds	-	-	-	4,024,303	1,015,285
(Increase) decrease in inventory	-	-	(775)	4,372	34,767
(Increase) decrease in prepaids	(233)	(544)	129	(99)	14
Increase (decrease) in accounts payable	21,653	(190,883)	(6,541)	114,456	(46,932)
Increase (decrease) in accrued liabilities	(944)	(12,616)	(1,035)	2,513	(1,023)
Increase (decrease) in due to other funds	(8,352)	(108,658)	9,909	-	-
Decrease in customer deposits	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (93,217)</u>	<u>\$ (167,352)</u>	<u>\$ (335,561)</u>	<u>\$ 4,781,236</u>	<u>\$ 897,339</u>

<u>Sanitation</u>	<u>Telecom- munications</u>	<u>Telephony</u>	<u>Compressed Natural Gas</u>	<u>Events Center</u>	<u>Total</u>
\$ (371,634)	\$ 3,280	\$ 263,078	\$ 95,077	\$ (113,667)	\$ (579,173)
747,290	7,983	-	62,503	-	1,763,626
(11,096)	187,137	4,472	(3,759)	-	(80,110)
(34,899)	-	1,008,788	-	(45,648)	5,967,829
-	-	-	-	-	38,364
(1,373)	69	-	-	791	(1,246)
(67,133)	16,793	6,922	671	111,743	(39,251)
28,433	-	(77,865)	51	-	(62,486)
11,096	2,987	-	(133,522)	(122,528)	(349,068)
-	-	(10,057)	-	-	(10,057)
<u>\$ 300,684</u>	<u>\$ 218,249</u>	<u>\$ 1,195,338</u>	<u>\$ 21,021</u>	<u>\$ (169,309)</u>	<u>\$ 6,648,428</u>

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# CITY OF THOMASVILLE, GEORGIA

## INTERNAL SERVICE FUNDS

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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.

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

The **City Shop Fund** is used to account for the cost of maintaining City vehicles

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

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

The **Information Systems 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.

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

The **Purchasing Fund** is used to account for the cost operating a centralized purchasing department and warehouse.

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

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

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

The **Self Insurance 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.

**CITY OF THOMASVILLE, GEORGIA**

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2018**

<b>ASSETS</b>	<b>Building Maintenance</b>	<b>City Shop</b>	<b>Customer Service</b>	<b>Engineering</b>	<b>Information Systems</b>
<b>Current:</b>					
Cash	\$ 5,420	\$ 100	\$ 130,979	\$ -	\$ -
Accounts receivable	-	43	-	-	24,444
Due from other funds	-	-	-	-	-
Inventories	-	134,944	-	-	42
Prepaid items	84	1,385	4,181	996	1,108
Total current assets	<u>5,504</u>	<u>136,472</u>	<u>135,160</u>	<u>996</u>	<u>25,594</u>
<b>Noncurrent:</b>					
Capital assets:					
Buildings	-	1,445,882	-	937,491	-
Machinery and equipment	37,774	504,743	705,329	329,670	3,856,818
Infrastructure	-	-	24,011	106,433	2,012,066
Construction in progress	-	-	-	-	625,951
Less accumulated depreciation	(37,774)	(675,524)	(686,046)	(423,126)	(5,058,707)
Total capital assets	<u>-</u>	<u>1,275,101</u>	<u>43,294</u>	<u>950,468</u>	<u>1,436,128</u>
Total noncurrent assets	<u>-</u>	<u>1,275,101</u>	<u>43,294</u>	<u>950,468</u>	<u>1,436,128</u>
Total assets	<u>\$ 5,504</u>	<u>\$ 1,411,573</u>	<u>\$ 178,454</u>	<u>\$ 951,464</u>	<u>\$ 1,461,722</u>
<b>LIABILITIES</b>					
<b>Current:</b>					
Accounts payable	\$ 669	\$ 196,393	\$ 19,169	\$ 7,138	\$ 156,923
Due to other funds	-	24,990	-	-	24,444
Accrued liabilities	3,551	21,707	62,085	27,347	45,224
Claims payable	-	-	-	-	-
Accrued compensated absences	-	-	85	4,509	-
Total current liabilities	<u>4,220</u>	<u>243,090</u>	<u>81,339</u>	<u>38,994</u>	<u>226,591</u>
<b>Noncurrent:</b>					
Accrued compensated absences	-	-	56	3,005	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>56</u>	<u>3,005</u>	<u>-</u>
Total liabilities	<u>4,220</u>	<u>243,090</u>	<u>81,395</u>	<u>41,999</u>	<u>226,591</u>
<b>NET POSITION (DEFICIT)</b>					
Investment in capital assets	-	1,275,101	43,294	950,468	1,436,128
Unrestricted	1,284	(106,618)	53,765	(41,003)	(200,997)
Total net position (deficit)	<u>\$ 1,284</u>	<u>\$ 1,168,483</u>	<u>\$ 97,059</u>	<u>\$ 909,465</u>	<u>\$ 1,235,131</u>

<b>Marketing</b>	<b>Purchasing</b>	<b>Financial Services</b>	<b>Human Resources</b>	<b>Technical Services</b>	<b>Self Insurance</b>	<b>Total</b>
\$ 30,353	\$ 3,566	\$ 18,122	\$ 22,294	\$ -	\$ 509,377	\$ 720,211
-	-	-	2,700	76,491	-	103,678
-	-	-	-	-	1,125,450	1,125,450
-	-	-	-	-	-	134,986
179	5	32	19	2,303	205,817	216,109
<u>30,532</u>	<u>3,571</u>	<u>18,154</u>	<u>25,013</u>	<u>78,794</u>	<u>1,840,644</u>	<u>2,300,434</u>
-	-	-	-	609,032	-	2,992,405
52,879	10,500	15,125	-	362,492	172,425	6,047,755
-	-	-	16,744	-	-	2,159,254
-	-	-	-	-	-	625,951
<u>(36,852)</u>	<u>(10,500)</u>	<u>(15,125)</u>	<u>(2,530)</u>	<u>(553,693)</u>	<u>(172,425)</u>	<u>(7,672,302)</u>
<u>16,027</u>	<u>-</u>	<u>-</u>	<u>14,214</u>	<u>417,831</u>	<u>-</u>	<u>4,153,063</u>
<u>16,027</u>	<u>-</u>	<u>-</u>	<u>14,214</u>	<u>417,831</u>	<u>-</u>	<u>4,153,063</u>
<u>\$ 46,559</u>	<u>\$ 3,571</u>	<u>\$ 18,154</u>	<u>\$ 39,227</u>	<u>\$ 496,625</u>	<u>\$ 1,840,644</u>	<u>\$ 6,453,497</u>
\$ 10,345	\$ 498	\$ 5,352	\$ 9,662	\$ 13,645	90	\$ 419,884
-	-	-	-	76,491	-	125,925
30,368	3,073	12,802	7,730	68,906	1,566	284,359
-	-	-	-	-	338,640	338,640
3,626	-	-	13,101	13,106	-	34,427
<u>44,339</u>	<u>3,571</u>	<u>18,154</u>	<u>30,493</u>	<u>172,148</u>	<u>340,296</u>	<u>1,203,235</u>
2,418	-	-	8,734	8,737	-	22,950
<u>2,418</u>	<u>-</u>	<u>-</u>	<u>8,734</u>	<u>8,737</u>	<u>-</u>	<u>22,950</u>
<u>46,757</u>	<u>3,571</u>	<u>18,154</u>	<u>39,227</u>	<u>180,885</u>	<u>340,296</u>	<u>1,226,185</u>
16,027	-	-	14,214	417,831	-	4,153,063
<u>(16,225)</u>	<u>-</u>	<u>-</u>	<u>(14,214)</u>	<u>(102,091)</u>	<u>1,500,348</u>	<u>1,074,249</u>
<u>\$ (198)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,740</u>	<u>\$ 1,500,348</u>	<u>\$ 5,227,312</u>

# CITY OF THOMASVILLE, GEORGIA

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Building Maintenance	City Shop	Customer Service	Engineering	Information Systems
<b>Operating revenues:</b>					
Charges for services	\$ 142,559	\$ 2,943,056	\$ 2,644,792	\$ 1,011,995	\$ 2,104,704
Miscellaneous revenues	-	5,777	-	15,146	9,270
Total operating revenues	<u>142,559</u>	<u>2,948,833</u>	<u>2,644,792</u>	<u>1,027,141</u>	<u>2,113,974</u>
<b>Operating expenses:</b>					
Personnel services	84,378	545,148	1,740,612	718,597	1,079,278
Contracted services	-	15,577	76,064	64,774	408,094
Cost of sales	-	1,406,146	-	-	-
Supplies	25,642	75,742	128,438	15,308	29,416
Interfund charges	26,691	128,068	457,424	123,354	182,970
Depreciation	3,158	81,186	6,278	47,574	262,393
Other costs	2,690	589,584	235,912	37,398	51,826
Total operating expenses	<u>142,559</u>	<u>2,841,451</u>	<u>2,644,728</u>	<u>1,007,005</u>	<u>2,013,977</u>
Operating income (loss)	<u>-</u>	<u>107,382</u>	<u>64</u>	<u>20,136</u>	<u>99,997</u>
<b>Non-operating revenues</b>					
Investment earnings	-	-	-	-	-
Total non-operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income before transfers	-	107,382	64	20,136	99,997
<b>Transfers in</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,390</u>
<b>Change in net position</b>	-	107,382	64	20,136	372,387
<b>Net position (deficit), beginning, as restated</b>	<u>1,284</u>	<u>1,061,101</u>	<u>96,995</u>	<u>889,329</u>	<u>862,744</u>
<b>Net position (deficit), ending</b>	<u>\$ 1,284</u>	<u>\$ 1,168,483</u>	<u>\$ 97,059</u>	<u>\$ 909,465</u>	<u>\$ 1,235,131</u>

<b>Marketing</b>	<b>Purchasing</b>	<b>Financial Services</b>	<b>Human Resources</b>	<b>Technical Services</b>	<b>Self Insurance</b>	<b>Total</b>
\$ 867,059	\$ 99,024	\$ 587,476	\$ 384,525	\$ 2,841,878	\$ 8,241,728	\$ 21,868,796
-	-	-	-	-	-	30,193
<u>867,059</u>	<u>99,024</u>	<u>587,476</u>	<u>384,525</u>	<u>2,841,878</u>	<u>8,241,728</u>	<u>21,898,989</u>
641,713	76,361	341,392	294,017	1,877,265	48,552	7,447,313
15,970	-	113,124	14,977	430,648	46,991	1,186,219
-	-	-	-	-	114,260	1,520,406
37,729	3,900	22,167	10,035	34,942	10,694	394,013
117,176	16,739	100,711	51,941	349,906	849,970	2,404,950
7,452	-	-	660	79,529	-	488,230
47,019	2,024	10,082	12,895	69,588	7,171,590	8,230,608
<u>867,059</u>	<u>99,024</u>	<u>587,476</u>	<u>384,525</u>	<u>2,841,878</u>	<u>8,242,057</u>	<u>21,671,739</u>
-	-	-	-	-	(329)	227,250
-	-	-	-	-	329	329
-	-	-	-	-	329	329
-	-	-	-	-	-	227,579
-	-	-	-	-	-	272,390
-	-	-	-	-	-	499,969
(198)	-	-	-	315,740	1,500,348	4,727,343
<u>\$ (198)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,740</u>	<u>\$ 1,500,348</u>	<u>\$ 5,227,312</u>

**CITY OF THOMASVILLE, GEORGIA**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	<u>Building Maintenance</u>	<u>City Shop</u>	<u>Customer Service</u>	<u>Engineering</u>	<u>Information Systems</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 142,559	\$ 2,943,013	\$ 2,644,792	\$ 1,011,995	\$ 2,086,518
Receipts from interfund services provided	7,068	5,777	159,660	15,146	9,270
Payments to suppliers	(34,789)	(2,148,369)	(447,153)	(130,527)	(380,816)
Payments to employees	(82,727)	(540,739)	(1,748,713)	(719,260)	(1,070,624)
Payments for interfund services used	(26,691)	(135,462)	(457,424)	(177,354)	(164,784)
Net cash provided by operating activities	<u>5,420</u>	<u>124,220</u>	<u>151,162</u>	<u>-</u>	<u>479,564</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Transfers in	-	-	-	-	272,390
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,390</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	-	(124,220)	(20,333)	-	(751,954)
Net cash used in capital and related financing activities	<u>-</u>	<u>(124,220)</u>	<u>(20,333)</u>	<u>-</u>	<u>(751,954)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	-	-	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in cash and cash equivalents	5,420	-	130,829	-	-
<b>Cash and cash equivalents:</b>					
Beginning of year	-	100	150	-	-
End of year	<u>\$ 5,420</u>	<u>\$ 100</u>	<u>\$ 130,979</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Marketing</u>	<u>Purchasing</u>	<u>Financial Services</u>	<u>Human Resources</u>	<u>Technical Services</u>	<u>Self Insurance</u>	<u>Total</u>
\$ 867,059	\$ 99,024	\$ 587,476	\$ 381,825	\$ 4,128,984	\$ 8,394,450	\$ 23,287,695
6,912	3,311	17,636	34,873	-	388,709	648,362
(93,588)	(5,567)	(141,725)	(33,854)	(530,068)	(7,375,197)	(11,321,653)
(632,854)	(76,463)	(345,554)	(298,465)	(1,877,791)	(48,944)	(7,442,134)
(117,176)	(16,739)	(100,711)	(51,941)	(1,654,800)	(849,970)	(3,753,052)
<u>30,353</u>	<u>3,566</u>	<u>17,122</u>	<u>32,438</u>	<u>66,325</u>	<u>509,048</u>	<u>1,419,218</u>
-	-	-	-	-	-	<u>272,390</u>
-	-	-	-	-	-	<u>272,390</u>
-	-	-	(10,144)	(66,325)	-	<u>(972,976)</u>
-	-	-	(10,144)	(66,325)	-	<u>(972,976)</u>
-	-	-	-	-	329	<u>329</u>
-	-	-	-	-	329	<u>329</u>
30,353	3,566	17,122	22,294	-	509,377	718,961
-	-	1,000	-	-	-	<u>1,250</u>
<u>\$ 30,353</u>	<u>\$ 3,566</u>	<u>\$ 18,122</u>	<u>\$ 22,294</u>	<u>\$ -</u>	<u>\$ 509,377</u>	<u>\$ 720,211</u>

**CITY OF THOMASVILLE, GEORGIA**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	<u>Building Maintenance</u>	<u>City Shop</u>	<u>Customer Service</u>	<u>Engineering</u>	<u>Information Systems</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ -	\$ 107,382	\$ 64	\$ 20,136	\$ 99,997
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	3,158	81,186	6,278	47,574	262,393
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	-	(43)	-	-	(18,186)
(Increase) decrease in inventory	-	(47,791)	-	-	9,216
(Increase) decrease in due from other funds	7,068	-	159,660	-	-
(Increase) decrease in prepaids	(6)	2	(322)	(4)	26
Increase (decrease) in accounts payable	(6,451)	(13,531)	(6,417)	(13,043)	99,278
Increase (decrease) in due to other funds	-	(7,394)	-	(54,000)	18,186
Increase (decrease) in accrued liabilities	1,651	4,409	(8,101)	(663)	8,654
Increase in claims payable	-	-	-	-	-
Net cash provided by operating activities	<u>\$ 5,420</u>	<u>\$ 124,220</u>	<u>\$ 151,162</u>	<u>\$ -</u>	<u>\$ 479,564</u>

<u>Marketing</u>	<u>Purchasing</u>	<u>Financial Services</u>	<u>Human Resources</u>	<u>Technical Services</u>	<u>Self Insurance</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (329)	\$ 227,250
7,452	-	-	660	79,529	-	488,230
-	-	-	(2,700)	1,287,106	152,722	1,418,899
-	-	-	-	-	-	(38,575)
-	3,311	17,636	34,873	-	388,709	611,257
(8)	2	4	3	8	(11,737)	(12,032)
7,138	355	3,644	4,050	5,102	(21,774)	58,351
6,912	-	-	-	(1,304,894)	-	(1,341,190)
8,859	(102)	(4,162)	(4,448)	(526)	(392)	5,179
-	-	-	-	-	1,849	1,849
<u>\$ 30,353</u>	<u>\$ 3,566</u>	<u>\$ 17,122</u>	<u>\$ 32,438</u>	<u>\$ 66,325</u>	<u>\$ 509,048</u>	<u>\$ 1,419,218</u>

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# STATISTICAL SECTION

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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, required supplementary information, and supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> .....	<b>121 – 127</b>
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b> .....	<b>128 – 131</b>
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
<b>Debt Capacity</b> .....	<b>132 – 136</b>
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
<b>Demographic and Economic Information</b> .....	<b>137 and 138</b>
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
<b>Operating Information</b> .....	<b>139 – 141</b>
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

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

## CITY OF THOMASVILLE, GEORGIA

### NET POSITION BY ACTIVITY LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Net investment in capital										
assets	\$ 21,223,696	\$ 22,685,099	\$ 22,193,105	\$ 23,544,184	\$ 25,538,405	\$ 26,961,290	\$ 32,117,391	\$ 36,957,137	\$ 39,239,253	\$ 41,226,287
Restricted	3,426,598	3,385,865	4,268,675	6,160,361	7,346,865	7,698,395	7,728,823	5,465,779	4,627,371	4,387,084
Unrestricted	(9,311,363)	(7,500,842)	(6,828,242)	(8,414,872)	(6,404,600)	(4,649,630)	(5,459,772)	(5,698,953)	(7,147,433)	(4,281,825)
Total governmental activities net position	<u>\$ 15,338,931</u>	<u>\$ 18,570,122</u>	<u>\$ 19,633,538</u>	<u>\$ 21,289,673</u>	<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>	<u>\$ 41,331,546</u>
<b>Business-type activities</b>										
Net investment in capital										
assets	\$ 70,400,403	\$ 74,378,388	\$ 75,652,169	\$ 77,589,065	\$ 81,500,648	\$ 85,298,510	\$ 89,357,323	\$ 89,024,118	\$ 79,586,938	\$ 80,840,680
Restricted	13,686,930	15,417,672	17,363,352	18,451,886	20,442,220	26,243,960	31,383,337	35,662,103	38,442,454	-
Unrestricted	31,935,612	34,126,887	31,090,593	26,941,620	25,642,835	25,801,132	23,699,496	29,106,746	38,500,940	78,346,744
Total business-type activities net position	<u>\$ 116,022,945</u>	<u>\$ 123,922,947</u>	<u>\$ 124,106,114</u>	<u>\$ 122,982,571</u>	<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>	<u>\$ 159,187,424</u>
<b>Primary government</b>										
Net investment in capital										
assets	\$ 91,624,099	\$ 97,063,487	\$ 97,845,274	\$ 101,133,249	\$ 107,039,053	\$ 112,259,800	\$ 121,474,714	\$ 125,981,255	\$ 118,826,191	\$ 122,066,967
Restricted	17,113,528	18,803,537	21,632,027	24,612,247	27,789,085	33,942,355	39,112,160	41,127,882	43,069,825	4,387,084
Unrestricted	22,624,249	26,626,045	24,262,351	18,526,748	19,238,235	21,151,502	18,239,724	23,407,793	31,353,507	74,064,919
Total primary government net position	<u>\$ 131,361,876</u>	<u>\$ 142,493,069</u>	<u>\$ 143,739,652</u>	<u>\$ 144,272,244</u>	<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>	<u>\$ 200,518,970</u>

**Note:** GASB 68 was implemented during fiscal year 2015.

# CITY OF THOMASVILLE, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Primary government:										
Governmental activities:										
General government	\$ 2,557,564	\$ 2,783,262	\$ 2,132,041	\$ 2,502,759	\$ 1,863,922	\$ 2,077,519	\$ 2,290,449	\$ 2,514,322	\$ 2,803,548	\$ 2,791,446
Public safety	8,669,573	9,387,215	9,978,637	10,295,396	9,023,649	9,933,711	10,118,231	10,638,424	10,730,909	10,917,313
Highways and streets	2,522,064	2,977,659	3,298,788	3,386,586	2,923,418	3,303,453	3,468,625	3,699,953	4,183,184	5,428,603
Economic development	909,793	933,451	1,047,159	1,013,147	991,150	1,213,935	1,321,535	1,584,260	5,166,208	1,499,232
Culture and recreation	1,085,127	1,134,534	1,285,681	1,221,190	1,052,604	1,134,987	1,151,352	1,191,831	1,156,190	1,317,595
Interest and fiscal changes	87,928	70,936	55,058	56,445	29,769	31,960	19,715	8,526	18,875	115,978
<b>Total governmental activities expenses</b>	<b>15,832,049</b>	<b>17,287,057</b>	<b>17,797,364</b>	<b>18,475,523</b>	<b>15,884,512</b>	<b>17,695,565</b>	<b>18,369,907</b>	<b>19,637,316</b>	<b>24,058,914</b>	<b>22,070,167</b>
Business-type activities:										
Auditorium	256,307	259,312	258,552	249,069	264,675	302,462	337,900	352,165	373,237	436,707
Airport	1,993,431	2,468,699	2,681,232	2,581,952	2,608,645	2,774,549	2,201,053	1,846,162	2,006,339	2,375,948
Community network services	7,098,750	7,317,917	7,369,168	7,486,007	7,933,723	8,778,413	10,117,712	9,788,303	5,723,770	3,494,889
Compressed natural gas	-	-	-	-	58,942	206,281	247,062	241,467	304,939	272,258
Electric	41,550,537	44,173,661	46,654,653	46,996,719	48,958,614	51,920,567	50,958,361	52,178,492	50,378,135	49,658,820
Events center	-	-	-	-	51,715	80,741	154,991	82,445	101,672	1,681,667
Golf course	835,926	949,196	975,135	993,138	961,744	994,504	1,016,764	979,817	981,845	903,585
Landfill	3,548,827	2,915,366	3,136,876	2,554,795	2,550,614	2,326,429	2,683,418	2,939,760	3,018,444	3,051,189
Natural gas	3,896,336	4,423,080	3,825,147	3,486,050	4,013,999	4,389,894	3,718,186	3,400,411	3,595,833	3,677,864
Rose.net	3,119,511	3,379,809	3,564,242	3,455,292	3,479,379	3,639,788	3,733,362	3,789,929	2,070,926	1,382,879
Sanitation	3,958,259	4,263,858	4,557,858	4,554,744	4,599,579	4,717,153	5,234,852	5,122,690	4,984,027	5,396,361
Telecommunications	1,182,114	1,309,705	1,200,115	1,094,957	1,205,754	1,224,311	1,105,880	945,295	559,363	407,355
Telephony	1,163,780	1,790,955	1,943,205	1,839,357	2,010,831	2,295,908	2,295,044	2,277,922	1,250,641	926,829
Water and sewer	7,177,501	7,357,635	7,621,326	8,031,182	8,103,423	8,528,781	9,027,763	9,694,591	9,780,041	9,884,115
<b>Total business-type activities expenses</b>	<b>75,781,279</b>	<b>80,609,193</b>	<b>83,787,509</b>	<b>83,323,262</b>	<b>86,801,637</b>	<b>92,179,781</b>	<b>92,832,348</b>	<b>93,639,449</b>	<b>85,129,212</b>	<b>83,550,466</b>
<b>Total primary government expenses</b>	<b>91,613,328</b>	<b>97,896,250</b>	<b>101,584,873</b>	<b>101,798,785</b>	<b>102,686,149</b>	<b>109,875,346</b>	<b>111,202,255</b>	<b>113,276,765</b>	<b>109,188,126</b>	<b>105,620,633</b>
<b>Program revenues</b>										
Primary government:										
Governmental activities:										
Charges for services										
General government	182,991	176,074	176,865	167,495	186,392	181,065	18,351	18,325	48,753	161,320
Public safety	403,180	564,897	632,494	618,510	518,996	464,624	489,488	471,830	491,819	506,051
Highways and streets	216,565	446,388	173,809	265,654	259,119	315,842	437,148	83,669	312,600	548,463
Economic development	15,280	11,065	11,260	7,860	11,146	8,865	65,941	51,512	6,215	4,665
Operating grants and contributions	95,129	212,512	67,464	46,415	197,492	116,961	371,286	181,048	146,405	150,731
Capital grants and contributions	2,725,144	2,238,723	3,033,498	3,746,643	4,778,326	3,580,774	3,737,704	3,931,399	4,092,898	3,719,736
<b>Total governmental activities program revenues</b>	<b>3,638,289</b>	<b>3,649,659</b>	<b>4,095,390</b>	<b>4,852,577</b>	<b>5,951,471</b>	<b>4,668,131</b>	<b>5,119,918</b>	<b>4,737,783</b>	<b>5,098,690</b>	<b>5,090,966</b>

(Continued)

# CITY OF THOMASVILLE, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Program revenues (Continued)</b>										
Business-type activities:										
Charges for services <sup>(a)</sup>										
Auditorium	\$ 170,016	\$ 147,740	\$ 150,671	\$ 147,235	\$ 151,123	\$ 139,423	\$ 149,288	\$ 154,012	\$ 117,177	\$ 105,973
Airport	1,413,693	1,854,284	2,208,341	2,009,632	2,063,364	2,243,400	1,741,689	1,692,695	3,778,731	2,108,245
Community network services	7,211,482	8,025,974	8,460,075	8,442,552	8,799,473	9,168,793	9,892,159	10,091,104	5,105,817	3,182,546
Compressed natural gas	-	-	-	-	96,061	234,449	292,422	272,310	267,386	367,857
Electric	49,655,660	51,890,633	50,751,441	53,641,417	57,062,477	62,178,779	63,332,943	62,287,398	59,731,022	60,932,943
Events center	-	-	-	-	62,667	160,000	133,333	-	125,960	-
Golf course	385,347	401,150	444,080	424,116	449,932	413,102	466,995	480,352	442,930	490,248
Landfill	2,721,914	3,093,794	2,432,076	2,459,622	2,320,904	2,268,752	2,306,937	3,565,591	2,653,483	3,213,479
Natural gas	4,357,056	5,033,474	4,308,372	4,066,983	5,033,316	4,891,186	4,325,452	3,974,659	4,383,534	4,425,209
Rose.net	3,652,431	3,978,625	4,176,907	4,461,315	4,673,152	5,072,331	5,366,992	5,590,213	2,651,793	1,216,812
Sanitation	4,543,301	4,769,958	4,784,545	4,657,592	5,006,596	5,147,144	5,380,587	5,199,002	4,968,403	5,040,521
Telecommunications	1,528,730	1,391,293	1,313,785	1,408,976	1,503,787	1,767,773	1,743,373	1,761,831	951,857	412,664
Telephony	1,814,152	2,431,898	2,454,353	2,651,243	2,821,231	3,019,387	2,985,625	2,988,445	1,761,578	1,194,987
Water and sewer	8,261,163	8,627,679	9,104,977	9,378,475	9,562,452	9,923,019	10,396,434	11,298,514	11,457,544	11,199,038
Operating grants and contributions										95,908
Capital grants and contributions	-	109,066	97,353	-	87,973	35,481	1,114,726	-	-	429,879
Total business-type activities										
program revenues	85,714,945	91,755,568	90,686,976	93,749,158	99,694,508	106,663,019	109,628,955	109,356,126	98,397,215	94,416,309
Total primary government										
program revenues	89,353,234	95,405,227	94,782,366	98,601,735	105,645,979	111,331,150	114,748,873	114,093,909	103,495,905	99,507,275
<b>General revenues and other changes in net position</b>										
Primary government:										
Governmental activities:										
Property taxes, general	632,782	619,980	564,179	539,110	941,503	1,044,301	1,007,485	895,632	869,359	993,329
Property taxes, fire services	1,588,659	939,647	573,832	-	-	-	-	-	-	-
Sales taxes, general	3,003,605	3,049,468	3,164,926	2,877,092	2,825,302	2,839,982	2,665,573	3,160,305	2,856,014	3,071,429
Sales taxes, selective	685,636	663,486	668,289	637,968	616,104	629,593	648,461	699,988	862,730	905,909
Business taxes	1,651,381	1,634,512	1,492,289	1,625,995	1,618,634	1,746,190	1,742,621	1,914,745	1,990,075	2,104,166
Penalties and interest on delinquent taxes	158,991	205,370	195,543	220,035	157,462	219,579	141,397	120,969	232,258	-
Unrestricted investment earnings	59,243	55,399	287	1,127	226	71	9,413	3,357	2,759	234,364
Gain (loss) on sale of assets	(34,720)	-	4,085	-	-	-	-	-	(178,970)	-
Miscellaneous revenues	310,158	165,212	140,866	215,188	247,459	340,320	356,222	249,451	510,048	401,218
Transfers	6,366,659	8,572,503	7,961,094	9,162,566	8,717,348	9,736,783	11,055,204	10,192,607	11,811,179	10,836,224
Total governmental activities										
general revenues and changes in net position	14,422,394	15,905,577	14,765,390	15,279,081	15,124,038	16,556,819	17,626,376	17,237,054	18,955,452	18,546,639
<b>(Continued)</b>										

# CITY OF THOMASVILLE, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General revenues and other changes in net position (Continued)</b>										
Business-type activities:										
Unrestricted investment earnings	490,560	390,144	410,751	163,759	(15,329)	(42,422)	(26,969)	94,107	443,026	2,019,783
Transfer to Pension Fund	(2,000,000)	-	-	(3,000,000)	-	-	-	-	-	-
Municipal Competitive Trust Contributions	2,700,000	3,562,688	296,608	-	-	4,533,075	3,671,945	2,919,158	2,148,159	-
Income from Investment in SGGSA	-	-	-	-	-	-	-	-	-	3,092,990
Gain (loss) on sale of assets	(133,220)	41,900	76,006	22,610	2,945	-	5,155	(12,218)	(2,056,036)	20,670
Miscellaneous revenues	288,829	669,142	461,429	426,758	439,993	520,791	783,174	827,694	745,392	-
Transfers	(6,366,659)	(8,572,503)	(7,961,094)	(9,162,566)	(8,717,348)	(9,736,783)	(11,055,204)	(10,192,607)	(11,811,179)	(10,836,224)
Total business type activities general revenues and changes in net position	<u>(5,020,490)</u>	<u>(3,908,629)</u>	<u>(6,716,300)</u>	<u>(11,549,439)</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>(5,702,781)</u>
Total primary government general revenues and other changes in net position	<u>\$ 9,401,904</u>	<u>\$ 11,996,948</u>	<u>\$ 8,049,090</u>	<u>\$ 3,729,642</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>	<u>\$ 12,843,858</u>
<b>Change in net position</b>										
Governmental activities	2,228,634	2,268,179	1,063,416	1,656,135	5,190,997	3,529,385	4,376,387	2,337,521	(4,772)	1,567,438
Business-type activities	4,913,176	7,237,746	183,167	(1,123,543)	4,603,132	9,757,899	10,174,708	9,352,811	2,737,365	5,163,062
Total primary government change in net position	<u>\$ 7,141,810</u>	<u>\$ 9,505,925</u>	<u>\$ 1,246,583</u>	<u>\$ 532,592</u>	<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>	<u>\$ 6,730,500</u>

<sup>(a)</sup> Revenue growth from year to year due mostly due to increased rates for services due to rising energy costs.

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Nonspendable	\$ -	\$ -	\$ 60,940	\$ 67,881	\$ 77,368	\$ 77,685	\$ 90,908	\$ 82,298	\$ 93,303	\$ 94,789
Unassigned	224,505	315,464	(60,340)	(67,281)	80,635	41,595	(40,584)	43,273	18,558	898,320
Total general fund	<u>\$ 224,505</u>	<u>\$ 315,464</u>	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 158,003</u>	<u>\$ 119,280</u>	<u>\$ 50,324</u>	<u>\$ 125,571</u>	<u>\$ 111,861</u>	<u>\$ 993,109</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ 7,711	\$ 8,194	\$ 9,704	\$ 11,107	\$ 10,510	\$ 8,911	\$ 6,940	\$ 6,811
Restricted	3,426,598	3,385,865	4,475,706	6,305,964	7,522,133	8,634,329	7,609,487	5,374,570	4,527,128	4,387,084
Unassigned	-	-	(1,542,532)	(1,808,965)	(1,908,300)	(1,804,797)	(1,687,479)	(1,527,170)	(2,666,554)	(715,838)
Unrestricted, reported in:										
Special revenue funds	(2,609,412)	(371,848)	-	-	-	-	-	-	-	-
Capital projects funds	(551,264)	(374,114)	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 265,922</u>	<u>\$ 2,639,903</u>	<u>\$ 2,940,885</u>	<u>\$ 4,505,193</u>	<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>	<u>\$ 3,678,057</u>

## CITY OF THOMASVILLE, GEORGIA

### CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues:</b>										
Taxes	\$ 7,721,054	\$ 7,112,463	\$ 6,659,058	\$ 5,900,200	\$ 6,159,005	\$ 6,479,645	\$ 6,205,537	\$ 6,791,639	\$ 6,810,436	\$ 7,189,906
Licenses, permits, and fees	194,880	422,433	153,947	247,634	240,133	238,182	290,345	271,274	238,887	404,553
Intergovernmental	2,820,273	2,451,235	3,004,827	3,779,229	4,962,367	3,681,013	4,108,990	4,112,447	4,239,303	3,864,749
Charges for services	320,305	429,712	414,177	408,339	381,121	438,619	409,878	48,386	333,287	401,402
Fines and forfeitures	302,831	346,279	426,304	403,546	354,399	293,584	310,705	305,676	287,213	299,471
Interest earnings	59,089	55,153	96,035	13,829	13,451	16,722	9,360	3,357	2,759	240,082
Miscellaneous	252,799	95,221	107,306	161,990	204,087	278,816	300,305	259,119	510,048	401,217
<b>Total revenues</b>	<b>11,671,231</b>	<b>10,912,496</b>	<b>10,861,654</b>	<b>10,914,767</b>	<b>12,314,563</b>	<b>11,426,581</b>	<b>11,635,120</b>	<b>11,791,898</b>	<b>12,421,933</b>	<b>12,801,380</b>
<b>Expenditures:</b>										
Current:										
General government	1,729,637	1,777,295	1,883,954	2,034,873	1,889,137	2,003,705	2,139,517	2,273,629	2,653,140	2,701,983
Public safety	8,107,411	8,495,219	8,973,946	9,193,727	9,161,561	9,372,825	9,285,563	9,533,367	9,473,115	10,955,314
Highways and streets	1,936,040	2,173,982	2,421,341	2,423,206	2,275,525	2,438,896	2,494,674	2,580,584	2,909,023	2,992,775
Economic development	685,326	635,023	706,813	640,716	715,746	869,674	937,155	1,143,470	4,664,773	1,401,401
Culture and recreation	1,085,127	1,111,377	1,259,202	1,194,738	1,185,943	1,184,755	1,173,505	1,191,831	1,156,190	1,307,832
Capital outlay	4,877,920	2,710,379	2,714,876	2,671,588	4,548,379	4,052,170	6,495,039	7,503,943	4,020,483	4,216,563
Debt service:										
Principal	830,494	743,464	1,246,195	900,132	403,517	778,861	1,518,342	449,786	1,350,217	-
Interest and fiscal charges	87,928	69,488	53,920	55,222	33,540	33,361	19,715	8,526	18,875	115,978
<b>Total expenditures</b>	<b>19,339,883</b>	<b>17,716,227</b>	<b>19,260,247</b>	<b>19,114,202</b>	<b>20,213,348</b>	<b>20,734,247</b>	<b>24,063,510</b>	<b>24,685,136</b>	<b>26,245,816</b>	<b>23,691,846</b>
Deficiency of revenues over (under) expenditures	(7,668,652)	(6,803,731)	(8,398,593)	(8,199,435)	(7,898,785)	(9,307,666)	(12,428,390)	(12,893,238)	(13,823,883)	(10,890,466)
Other financing sources (uses)										
Transfers in	\$ 6,506,361	\$ 9,249,686	\$ 8,308,162	\$ 9,515,271	\$ 9,320,489	\$ 10,531,030	\$ 12,336,686	\$ 10,829,124	\$ 12,490,559	\$ 12,038,208
Debt issuance	109,867	860,580	423,617	601,177	457,184	749,262	396,109	699,671	10,197	
Transfers out	(537,455)	(841,595)	(347,068)	(352,705)	(603,141)	(794,247)	(1,281,482)	(636,517)	(679,380)	(1,474,374)
<b>Total other financing sources</b>	<b>6,078,773</b>	<b>9,268,671</b>	<b>8,384,711</b>	<b>9,763,743</b>	<b>9,174,532</b>	<b>10,486,045</b>	<b>11,451,313</b>	<b>10,892,278</b>	<b>11,821,376</b>	<b>10,563,834</b>
<b>Net change in fund balances</b>	<b>\$ (1,589,879)</b>	<b>\$ 2,464,940</b>	<b>\$ (13,882)</b>	<b>\$ 1,564,308</b>	<b>\$ 1,275,747</b>	<b>\$ 1,178,379</b>	<b>\$ (977,077)</b>	<b>\$ (2,000,960)</b>	<b>\$ (2,002,507)</b>	<b>\$ (326,632)</b>
Debt service as a percentage of noncapital expenditures	6.35%	5.42%	7.86%	5.81%	2.79%	4.87%	8.75%	2.67%	6.16%	0.60%

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

Fiscal Year	Property Tax	Sales Tax	Franchise Fees	Alcoholic Beverage Tax	Other <sup>(1)</sup>	Total
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
2018	927	3,462,951	436,295	514,387	2,650,841	7,065,401

Notes: <sup>(1)</sup> - Includes alcohol business taxes, hotel/motel taxes, insurance premium taxes and franchise fees.

## 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		
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
2018	563,174,678	1,407,936,695	122,643,798	306,609,495	195,558,451	490,260,025	1,714,546,190	29%	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

### DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS (Rate per \$1,000 of assessed value)

Fiscal Year	City of Thomasville			Thomas County			City of 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	
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
2018	0.000	0.000	0.000	18.815	0.000	10.740	18.815	0.000	18.815	29.555

**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 LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended 31-Dec	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 12,589,386	\$ 10,681,502	84.85%	\$ 1,575,803	\$ 12,257,305	97.36%
2010	12,034,459	10,146,478	84.31%	1,528,209	11,674,687	97.01%
2011	10,821,133	9,290,137	85.85%	1,248,502	10,538,639	97.39%
2012	10,148,590	8,739,119	86.11%	1,093,987	9,833,106	96.89%
2013	10,382,880	8,878,028	85.51%	1,174,929	10,052,957	96.82%
2014	11,191,009	9,812,959	87.69%	1,000,349	10,813,308	96.62%
2015	11,335,404	9,810,836	86.55%	1,071,803	10,882,639	96.01%
2016	11,363,645	9,934,327	87.42%	889,854	10,824,181	95.25%
2017	11,124,760	10,123,357	91.00%	732,565	10,855,922	97.58%
2018	12,382,215	10,912,288	88.13%	-	10,912,288	88.13%

**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 PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	2018			2009		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
TECT	\$ 15,688,974	1	2.3%	\$ -	-	-
Flowers Baking Co	7,858,805	2	1.1%	7,792,625	3	1.1%
FPL Foods LLC	7,485,994	3	1.1%			
Beadles & Balfour	7,088,347	4	1.0%			
Archbold	6,754,823	5	1.0%	10,309,690	2	1.5%
Walnat	6,204,204	6	0.9%	6,990,557	4	1.0%
WILO EMU	5,996,467	7	0.9%			
Lowe's	5,908,995	8	0.9%	6,563,461	5	1.0%
Cleaver Brooks	5,816,850	9	0.8%			
American Signature	5,403,763	10	0.8%			
NACOM	-		-	3,490,553	10	0.5%
Tenet-Spalding Regional Hospital	-		-	4,274,726	7	0.6%
Exo-Tech Packaging, LLC	-		-	3,670,816	9	0.5%
Weyerhaeuser Co.	-		-	4,003,550	8	0.6%
Halpem Enterprises, Inc.	-		-	15,041,751	1	2.2%
Walden Point	-		-	4,364,151	6	0.6%
Total	<u>\$ 74,207,222</u>		<u>10.8%</u>	<u>\$ 66,501,880</u>		<u>9.6%</u>

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

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

<b>Fiscal Year</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>			<b>Total Primary Government</b>	<b>Per Capita Personal Income <sup>(1)</sup></b>
	<b>Notes Payable</b>	<b>Notes Payable</b>	<b>Revenue Bonds</b>	<b>Capital Leases</b>		
2009	\$ 4,664,947	\$ 13,429,540	\$ -	\$ -	\$ 18,094,487	575.00
2010	4,601,130	12,370,982	-	-	16,972,112	508.00
2011	3,405,555	12,482,743	-	-	15,888,298	476.00
2012	2,959,196	13,460,903	-	-	16,420,099	492.00
2013	2,904,205	14,587,132	-	-	17,491,337	524.00
2014	2,364,019	19,295,516	-	-	21,659,535	649.00
2015	1,213,435	20,589,758	-	-	21,803,193	653.00
2016	1,434,968	24,011,174	-	-	25,446,142	762.00
2017	66,109	20,890,595	-	-	20,956,704	628.00
2018	-	19,663,892	-	-	19,663,892	588.97

**Source:** Notes to Financial Statements Note Long-Term Debt.

<sup>(1)</sup> See the schedule of Demographic and Economic Statistics for personal income and population data.

**CITY OF THOMASVILLE, GEORGIA**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Funds</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2009	\$ -	\$ -	\$ -	0.00%	-
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-

**CITY OF THOMASVILLE, GEORGIA**

**LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(In thousands)**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 68,092,746	\$ 68,089,556	\$ 63,542,402	\$ 61,661,957	\$ 63,364,581	\$ 65,549,791	\$ 66,065,545	\$ 67,387,773	\$ 66,085,555	\$ 68,581,848
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 68,092,746</u>	<u>\$ 68,089,556</u>	<u>\$ 63,542,402</u>	<u>\$ 61,661,957</u>	<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>	<u>\$ 68,581,848</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<b>Legal Debt Margin Calculation for Fiscal Year 2018</b>	
Total assessed value	\$ 490,260,025
Add back exempt real property	195,558,451
Total taxable assessed value:	<u>685,818,476</u>
Debt limit (10% of total taxable assessed value)	68,581,848
Debt applicable to limit	-
Legal debt margin	<u>\$ 68,581,848</u>

**CITY OF THOMASVILLE, GEORGIA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
DECEMBER 31, 2018**

<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			<u>-</u>
City of Thomasville direct debt			<u>-</u>
Total			<u><u>\$ -</u></u>

**CITY OF THOMASVILLE, GEORGIA**

**PLEGGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

**CNS Revenue Bonds**

Fiscal Year	Operating Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	\$ 7,123,612	\$ 6,182,027	\$ 941,585	\$ 1,680,000	\$ 67,200	\$ 1,747,200	0.54%
2010	-	-	-	-	-	-	0%
2011	-	-	-	-	-	-	0%
2012	-	-	-	-	-	-	0%
2013	-	-	-	-	-	-	0%
2014	-	-	-	-	-	-	0%
2015	-	-	-	-	-	-	0%
2016	-	-	-	-	-	-	0%
2017	-	-	-	-	-	-	0%
2018	-	-	-	-	-	-	0%

## CITY OF THOMASVILLE, GEORGIA

### DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age (1)</u>	<u>Education Level in years of formal schooling (1)</u>	<u>School enrollment (2)</u>	<u>Unemployment Rate (3)</u>
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%
2018	18,413	33,387	38	12.5	2,909	3.7%

Date Sources

<sup>(1)</sup> Governmental Census

<sup>(2)</sup> City of Thomasville Board of Education

<sup>(3)</sup> Department of Labor

**CITY OF THOMASVILLE, GEORGIA**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total 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%			
Thomasville City/Utilities	443	4	2.09%	237	9	1.07%
Thomas County Government	438	5	2.06%	392	5	1.77%
Thomasville City Schools	390	6	1.84%	505	4	2.28%
Cleaver Brooks	254	7	1.20%			
Flowers Foods	240	8	1.13%	268	6	1.21%
SWGA Technical College	211	9	0.99%	225	10	1.02%
TECT	175	10	0.82%	243	7	1.10%
Southwestern State Hospital				853	2	3.85%
Siemens/US Filter				242	8	1.09%
<b>Total</b>	<b>5,326</b>		<b>25.07%</b>	<b>5,600</b>		<b>25.28%</b>

\* Source: City Clerk

## CITY OF THOMASVILLE, GEORGIA

### FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Name of Department	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Airport	6	7	7	7	6	7	6	7	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	3	3	2	1
Customer Service	37	36	37	36	36	36	34	35	37	36
Civil Engineers	7	7	7	7	7	10	11	11	11	10
Risk Management	2	2	3	3	1	1	1	1	1	1
Financial Services	8	6	7	7	8	8	8	8	7	7
Shop	1	2	8	8	8	7	8	8	7	8
Fire Department	43	42	42	39	42	42	41	40	41	41
Golf	6	6	6	6	6	6	5	5	4	4
Human Resources	3	3	3	3	3	3	4	4	4	3
Landfill	7	6	6	6	5	4	4	4	4	5
Tourism	2	2	2	3	2	3	4	4	3	2
Main Street	3	4	4	3	3	4	4	3	3	4
Service Department	8	8	7	7	6	6	6	6	6	6
Planning & Zoning	9	8	9	8	9	9	9	8	10	9
Police Department	64	68	67	68	64	59	67	64	62	68
Sanitation	22	22	23	23	21	20	18	19	18	20
Streets & Grounds	20	23	24	24	24	25	24	27	27	28
Purchasing	2	2	1	1	1	1	1	1	1	1
Warehouse	2	2	2	2	2	2	2	2	2	2
CNS	30	31	27	29	31	32	33	32	34	34
ECC	9	9	9	10	10	10	10	10	10	7
Electric Department	26	26	25	25	27	26	25	26	27	27
Electric Engineers	5	5	5	5	5	5	5	5	5	5
Information Systems	19	19	17	17	18	17	18	16	16	18
Marketing	10	10	10	11	10	11	10	8	10	11
Rose.Net	7	7	7	7	8	8	8	8	7	7
Sewer	18	18	17	17	26	24	24	22	23	21
Gas	10	7	10	9	9	9	9	9	9	8
Technical Services	13	13	15	15	14	15	16	15	14	15
Water	19	19	19	19	20	21	19	22	21	20
WPCP	14	14	14	14	8	8	8	8	7	8
<b>Total</b>	<b>440</b>	<b>442</b>	<b>448</b>	<b>447</b>	<b>448</b>	<b>447</b>	<b>451</b>	<b>447</b>	<b>446</b>	<b>450</b>

Source: Payroll Department

## CITY OF THOMASVILLE, GEORGIA

### OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Criminal Arrests	1,649	1,893	1,789	1,846	1,950	1,789	2,024	1,582	1,521	1,246
Parking violations	11	31	33	35	153	97	50	26	22	0
Traffic violations	1,984	7,427	1,211	6,212	4,574	4,844	3,012	3,659	4,677	8,900
Fire										
Number of calls answered	1,155	1,156	1,118	1,307	1,135	2,352	4,654	4,680	5,165	5,740
Inspections	432	589	412	224	267	310	850	1,150	1,684	1,593
Highways and streets										
Streets resurfacing (miles)	1.35	1.12	1.03	0.87	1.70	2.34	0.00	3.41	2.80	2.10
Sanitation										
Refuse collected (tons)	6,798	6,897	6,987	6,258	6,391	7,196	7,809	8,869	8,605	9,067
Recyclables collected (tons)	3,250	3,578	4,200	3,800	3,100	3,619	4,120	3,056	2,300	511
Water										
All new taps	130	62	78	261	93	196	156	122	131	130
Water main breaks	23	23	15	19	24	34	44	68	81	52
Average daily consumption (thousands of gallons)	4,570	4,785	4,680	4,900	4,857	4,581	4,638	4,862	4,538	4,541
Wastewater										
Average daily sewage treatment (thousands of gallons)	3,780	4,000	2,900	3,100	4,500	4,800	4,050	3,900	3,900	4,500

Sources: Various city departments

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

<b>Function</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>2018</b>
Public safety										
Police:										
Stations	1	2	2	2	2	2	2	2	2	2
Patrol units	59	60	60	60	60	60	61	61	61	60
Fire Stations	3	3	3	3	3	3	3	3	3	3
Sanitation										
Collection trucks	25	25	25	25	25	25	25	22	21	21
Highways and streets										
Streets (miles)	134	134	134	144	146	147	147	147	147	152
Streetlights	2,821	2,822	2,822	2,739	2,741	2,787	2,827	2,823	2,910	2,993
Culture and recreation										
Parks acreage	237	237	237	319	319	320	322	322	322	322
Parks	11	11	11	17	17	18	19	19	19	22
Tennis courts	13	13	13	13	13	13	13	11	11	9
Pickle Ball Courts										4
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	250	251	251	260	253	258	260	266	262	268
Fire hydrants	1,254	1,255	1,255	1,411	1,399	1,399	1,415	1,517	1,524	1,514
Maximum daily capacity (thousands of gallons)	9,000	9,000	9,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Sewer										
Sanitary sewers (miles)	164	165	165	178	182	183	183	190	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	8	9
Miles of service lines	600	600	600	600	600	600	600	600	548	548

**Sources:** Various city departments

## **COMPLIANCE SECTION**

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

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**To the Honorable Mayor and Members  
of the City Council  
Thomasville, Georgia**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Thomasville, Georgia (the "City"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Thomasville, Georgia's basic financial statements and have issued our report thereon dated October 25, 2019. The City implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of January 1, 2018. Our opinions are not modified with respect to this matter.

**Internal Control Over Financial Reporting**

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

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2018 – 001 through 2018 – 006 that we consider to be material weaknesses.

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

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 Responses to the Findings**

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

#### **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.



Macon, Georgia  
October 25, 2019



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

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To the Honorable Mayor and Members  
of the City Council  
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 *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

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

In our opinion, the City 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, 2018.

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### **Report on Internal Control Over Compliance**

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

*Mauldin & Jenkins, LLC*

Macon, Georgia  
October 25, 2019

**CITY OF THOMASVILLE, GEORGIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

<b>Federal Grantor/Pass-through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Grant Identification Number</b>	<b>Total Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b><u>U.S. Department of Housing and Urban Development</u></b> (Passed through Georgia Department of Community Affairs)				
Home Investment Partnerships Program	14.239	2016-115	\$ 248,887	\$ -
Community Development Block Grant	14.228	17P-X-136-2-5961	100,096	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>348,983</b>	<b>-</b>
<b><u>U.S. Department of Transportation</u></b>				
Bulletproof Vest Partnership Program	16.607	1121-0235	3,818	-
<b><u>U.S. Department of Transportation</u></b> (Passed through the Georgia Department of Transportation)				
Airport Improvement Program	20.106	AP016-9029-31(275)	325,424	-
<b>Total U.S. Department of Transportation</b>			<b>325,424</b>	<b>-</b>
<b><u>U.S. Environmental Protection Agency</u></b> (Passed through the Georgia Environmental Finance Authority)				
State Revolving Funds (Clean Water) Program	66.458	GEFA CWSRF 2016040	1,469,060	-
State Revolving Funds (Drinking Water) Program	66.468	GEFA DWSRF 2016016	351,501	-
<b>Total U.S. Environmental Protection Agency</b>			<b>1,820,561</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 2,498,786</b>	<b>\$ -</b>

# CITY OF THOMASVILLE, GEORGIA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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### **NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Thomasville, Georgia (the "City"), and is presented on the modified accrual basis of accounting.

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

### **NOTE 2. DE MINIMIS INDIRECT COST RATE**

The City chose not to use the 10% de minimis cost rate for the year ended December 31, 2018.

### **NOTE 3. NON-CASH AWARDS**

The City did not receive non-cash federal awards during the year ended December 31, 2018.

# CITY OF THOMASVILLE, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

### SECTION I SUMMARY OF AUDIT RESULTS

#### Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:  
Material weaknesses identified?  Yes  No

Significant deficiencies identified not considered  
to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

#### Federal Awards

Internal control over major programs:  
Material weaknesses identified?  Yes  No

Significant deficiencies identified not considered  
to be material weaknesses?  Yes  None Reported

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

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

Identification of major program:

CFDA Number  
66.458

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

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

Auditee qualified as low-risk auditee?  Yes  No

# CITY OF THOMASVILLE, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

#### 2018 – 001 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. 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.

**Cause:** These interfund loans are the result of the City’s use of pooled cash to cover expenditures of various funds in excess of the cash that those funds have generated.

**Effect:** The following prior period adjustments were necessary to increase (decrease) fund equity in order to eliminate the interfund balances for which the ability to repay was not present:

General Fund	\$ (771,749)
Parks and Recreation Fund	1,467,403
Street Paving Fund	15,271
Electric Fund	(35,174,220)
Water and Sewer Fund	8,737,973
Sanitation Fund	4,586,092
Airport Fund	5,136,544
CNS Fund	2,255,863
Golf Course Fund	4,791,457
Compressed Natural Gas Fund	643,782
Events Fund	1,799,728
Auditorium Fund	3,647,899
Technical Services Fund	318,704
City Shop Fund	344,663
Engineering Fund	819,568
Information Technology Fund	699,451

# CITY OF THOMASVILLE, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

#### 2018 – 001      Accounting for Interfund Loans (Pooled Cash)

Additionally, prior period adjustment were necessary to increase equity and reduce amounts owed to the City by the following component units:

Tourism Authority	\$	492,622
Payroll Development Authority		199,984
Downtown Development Authority		175,000

**Recommendation:** We recommend the City closely monitor amounts due between funds as a result of negative pooled cash to determine if the intent and ability to repay these amounts exists, or if the balances should instead be recorded as transfers. A number of these funds do not generate revenues anywhere near the cost of operations and, therefore, the City should consider budgeting transfers to these funds each year as opposed to running a negative pooled cash balance.

**Management's Response:** We will continue to monitor and evaluate interfund loans, including pooled cash balances. We will set parameters that evaluate any increased percentages in pooled cash throughout the year. For accounts with drastic increases, we will consider a transfer entry or establish repayment options over time to offset the increases. We will also budget annual transfers to those funds that do not generate a sufficient amount of revenue to cover their operational costs and have little to no ability to repay an internal loan.

#### 2018 – 002      Accounting for the City's participation in the 1998 Georgia Municipal Association Lease Pool – Restatement of Prior Year Financial Statements

**Criteria:** In June 1998, the City entered into a lease pool agreement with the Georgia Municipal Association (the "GMA"). The funding of the lease pool was provided by the issuance of \$139,295,000 Certificates of Participation by GMA. GMA passed the net proceeds through to the participating municipalities with the City's participation totaling \$2,222,000. The lease pool agreement with the Association provides that the City owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. In accordance with the provisions of this agreement, the City should have originally recorded an investment and a long-term liability for their participation (\$2,222,000). The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation. Additionally, as part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement (a derivative) that qualifies as a fair market hedge. This hedging derivative should also be recorded as an asset and a liability at the government-wide level.

**Condition:** The City did not initially record its participation in the GMA lease pool properly, and subsequent activity has been recorded as if it were a traditional capital lease.

# CITY OF THOMASVILLE, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

#### 2018 – 002      **Accounting for the City's participation in the 1998 Georgia Municipal Association Lease Pool – Restatement of Prior Year Financial Statements (Continued)**

**Cause:** The City was not aware of the provisions of the GMA lease pool agreement.

**Effect:** Improper recording of the City's participation in the GMA lease pool resulted in an understatement of investments and long-term liabilities in prior years. A prior period adjustment was required in the General Fund to increase fund balance and the investment by \$2,022,511. A prior period adjustment to increase long-term debt and decrease net position by \$2,222,000 was also recorded at the government-wide level. Additionally, a prior period adjustment of \$540,224 was needed at the government-wide level to record the interest rate swap associated with the GMA lease pool agreement as both an asset and a liability. An adjustment was made in the current year to the interest rate swap to account for the decrease in its fair market value of \$77,238.

An additional adjustment was required to record current year investment activity in the General Fund, increasing the investment by \$117,370 increasing investment income by \$231,803 and increasing interest expenditures by \$114,433.

**Recommendation:** We recommend the City obtain a thorough understanding of all agreements entered into in order to ensure proper recording of the related transactions.

**Management's Response:** We will be sure to stay up to date on all agreements, including lease pool agreements, along with any accounting provisions that must be accounted for to record the transaction properly. We will also reach out to our auditors, other cities, and other financial resources to ensure that we are recording all the related transactions correctly.

#### 2018 – 003      **Recording of LOST Receivable – Restatement of Prior Year Financial Statements**

**Criteria:** Sales tax is a derived tax (non-exchange transaction) and thus should be recognized as a receivable of the City as the underlying sales occur.

**Condition:** For the City of Thomasville, sales from December which generate the sales tax are remitted first to the State, and then in-turn to the City in January. Therefore the LOST received from the State in January is from December sales and should be accrued at December 31 of each year.

**Cause:** The City was not aware of the one month time lag between the generation of sales tax and the subsequent distribution of that month's sales tax to the City.

# CITY OF THOMASVILLE, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

#### 2018 – 003 Recording of LOST Receivable – Restatement of Prior Year Financial Statements (Continued)

**Effect:** A prior period adjustment was necessary to increase fund balance of the General Fund by \$284,987, increase accounts receivable by \$303,755 and increase revenue by \$18,768.

**Recommendation:** We recommend the City review all revenue transactions subsequent to year-end to determine reporting in the prior period.

**Management's Response:** We will continue to review all transactions on an annual basis to ensure that all revenues and expenses are recorded in the correct period, and we will continue to update and add additional revenue and expense accounts to our existing checklists to ensure that all transactions are being recorded properly and in the correct period.

#### 2018 – 004 Recording of Loan Forgiveness Associated with Georgia Environmental Finance Authority Loans – Restatement of Prior Year Financial Statements

**Criteria:** In accordance with GASB Statement No 33, loan forgiveness is a voluntary non-exchange transaction, and should be recognized as a contribution at the time the eligibility requirements are met. In addition, a receivable should be recorded when expenses have been incurred for which reimbursement is due.

**Condition:** In prior and current years, the City has received loans from the Georgia Environmental Finance Authority (GEFA) for various water and sewer improvements. In accordance with the original agreement with GEFA, a portion of each of these loans was a subsidy, and therefore when drawdowns occurred in which a portion of the amount received was a subsidy, that amount should not have been recorded as a liability, but instead as a capital contribution.

Additionally, we noted various capital expenses were incurred in 2018 related to one of the GEFA projects, for which reimbursement was not requested until early 2019. A receivable should have been recorded at year end for these amounts, as the City was entitled to the reimbursement in 2018.

**Cause:** The City was not aware of the proper treatment of subsidies associated with GEFA loans.

**Effect:** A prior period adjustment was necessary to increase net position of the Water and Sewer Fund by \$1,144,581, decrease GEFA notes payable by \$2,252,520 and increase capital contributions by \$107,939. Additionally, a receivable from GEFA and an increase to notes payable in the amount of \$200,903 was recorded in the Water and Sewer Fund to account for amounts expended under the GEFA project for which reimbursement had not yet been requested at December 31, 2018.

# CITY OF THOMASVILLE, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

#### 2018 – 004      **Recording of Loan Forgiveness Associated with Georgia Environmental Finance Authority Loans – Restatement of Prior Year Financial Statements (Continued)**

**Recommendation:** We recommend the City obtain a thorough understanding of all agreements entered into in order to ensure proper recording of the related transactions.

**Management's Response:** We will continue to stay up to date with the various accounting standards related to transactions involving loan forgiveness and related transactions. We will also consult with our auditors and other financial resources to ensure accuracy of the transaction and general ledger.

#### 2018 – 005      **Recording of Activity Associated with City's Investment in SGGSA (Joint Venture) – Restatement of Prior Year Financial Statements**

**Criteria:** The City is a participant in a joint venture (South Georgia Governmental Services Authority) with four other cities in southwest Georgia. In accordance with the joint venture agreement, the City is entitled to (or responsible for) a share of the income generated by (or loss of) the Authority. As a result, the investment in joint venture should be adjusted annually for the City's participation in the results of the Authority

**Condition:** The City's investment in SGGSA was not adjusted at December 31, 2017 for its share of the 2017 net income of SGGSA, as the issuance of SGGSA's audit and financial information was not released until after the City had finalized and submitted its audit to the State.

**Cause:** The City did not wait to issue its audit until the audited financial information from SGGSA was made available and the adjustment to the City's investment as of December 31, 2017 could be made.

**Effect:** A prior period adjustment was necessary to increase net position of the CNS Fund by \$1,794,453 increase the investment in SGGSA by \$3,237,431, increase income from investment in SGGSA by \$3,092,990, and increase transfers to other funds by \$1,650,012.

**Recommendation:** Because the City's investment in the joint venture is material to the CNS Fund and material to the City's financial statements as a whole, we recommend the City work with the SGGSA to obtain year end audited financial information as soon as possible after December 31 to allow time for the necessary adjustments to be made to the City books for investment activity related to the joint venture.

**Management's Response:** We will be sure to request and receive year end audited financial information from SGGSA prior to submitting our audited financials to ensure accuracy and completeness of the City's financial statements. The City and SGGSA both have calendar year ends, and are both required to have audited financial statements 180 days after year end.

# CITY OF THOMASVILLE, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

#### 2018 – 006      Recording of Land Transaction – Restatement of Prior Year Financial Statements

**Criteria:** The sale, disposal or transfer of property should be reflected in the general ledger on the date that the transaction takes place.

**Condition:** The City transferred land from the Events Fund to the Payroll Development Authority in 2018. However, the land was removed from the Events Fund in 2017 in error.

**Cause:** Land was removed from the general ledger of the Events Fund in 2017, although the actual transfer of the land to the Payroll Development Authority did not occur until 2018.

**Effect:** A prior period adjustment was necessary to increase capital assets (land) and increase equity of the City's Events Fund by \$1,568,000. Additionally, an adjustment was recorded to decrease capital assets (land) and record a contribution (expense) to reflect the transfer of the property to the Payroll Development Authority in 2018.

**Recommendation:** We recommend management review the recording of all property transactions to determine recording in the proper period.

**Management's Response:** We will continue to stay up to date with the various accounting standards related to the sale, disposal or transfer of property. We will also consult with our auditors and other financial resources to ensure accuracy of the transaction and the general ledger.

**CITY OF THOMASVILLE, GEORGIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

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**SECTION III  
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

# CITY OF THOMASVILLE, GEORGIA

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

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### 2017 – 001      **Bank Reconciliations – Depository Accounts**

**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.

**Auditee Response/Status:** Resolved

### 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.

**Auditee Response/Status:** Unresolved – See current year finding 2018-001. There were no drastic increases in the interfund loan balances in 2018; however, no interfund balances were written off during the year either. The City’s Chief Financial Officer wanted to wait until after the new City Manager was in place (subsequent to year-end) and new auditors were in place before making prior period adjustments to write-off interfund balances deemed uncollectible. These adjustments were made subsequent to yearend.



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## **MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2018**

### **2018-001. Accounting for Interfund Loans**

*Name of Contact Person Responsible for Corrective Action Plan:* Ashley Cason, Chief Financial Officer

*Corrective Action Plan:* We will continue to monitor and evaluate interfund loans, including pooled cash balances. We will set parameters that evaluate any increased percentages in pooled cash throughout the year. For accounts with drastic increases, we will consider a transfer entry or establish repayment options over time to offset the increases. We will also budget annual transfers to those funds that do not generate a sufficient amount of revenue to cover their operational costs and have little to no ability to repay an internal loan.

*Anticipated completion date:* December 31, 2019

### **2018-002. Accounting for City's Participation in the 1998 GMA Lease Pool**

*Name of Contact Person Responsible for Corrective Action Plan:* Ashley Cason, Chief Financial Officer

*Corrective Action Plan:* We will be sure to stay up to date on all agreements, including lease pool agreements, along with any accounting provisions that must be accounted for to record the transaction properly. We will also reach out to our auditors, other cities, and other financial resources to ensure that we are recording all the related transactions correctly.

*Anticipated completion date:* December 31, 2019

### **2018-003. Recording of LOST Receivable**

*Name of Contact Person Responsible for Corrective Action Plan:* Ashley Cason, Chief Financial Officer

*Corrective Action Plan:* We will continue to review all transactions on an annual basis to ensure that all revenues and expenses are recorded in the correct period, and we will continue to update and add additional revenue and expense accounts to our existing checklists to ensure that all transactions are being recorded properly and in the correct period.

*Anticipated completion date:* December 31, 2019

**MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(CONTINUED)**

**2018-004. Recording of Loan Forgiveness Associated with GEFA Loans**

*Name of Contact Person Responsible for Corrective Action Plan:* Ashley Cason, Chief Financial Officer

*Corrective Action Plan:* We will continue to stay up to date with the various accounting standards related to transactions involving loan forgiveness and related transactions. We will also consult with our auditors and other financial resources to ensure accuracy of the transaction and general ledger.

*Anticipated completion date:* December 31, 2019

**2018-005. Recording of Activity Associated with the City's Investment in SGGSA**

*Name of Contact Person Responsible for Corrective Action Plan:* Ashley Cason, Chief Financial Officer

*Corrective Action Plan:* We will be sure to request and receive year end audited financial information from SGGSA prior to submitting our audited financials to ensure accuracy and completeness of the City's financial statements. The City and SGGSA both have calendar year ends, and are both required to have audited financial statements 180 days after year end.

*Anticipated completion date:* December 31, 2019

**2018-006. Recording of Land Transaction**

*Name of Contact Person Responsible for Corrective Action Plan:* Ashley Cason, Chief Financial Officer

*Corrective Action Plan:* We will continue to stay up to date with the various accounting standards related to the sale, disposal or transfer of property. We will also consult with our auditors and other financial resources to ensure accuracy of the transaction and the general ledger.

*Anticipated completion date:* December 31, 2019