City of Gainesville

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2018

CITY OF GAINESVILLE, GEORGIA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

Gainesville, Georgia

Since 1821

CITY OF GAINESVILLE, GEORGIA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

Prepared by the Financial Services Group
Jeremy Perry,
Chief Financial Officer

Gainesville, Georgia

Since 1821

CITY OF GAINESVILLE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2018

TABLE OF CONTENTS

INTRODUCTORY SECTION:

	Page (s)
Table of Contents	i-x
Principal Officials	xi
Certificate of Achievement for Excellence in Financial Reporting	xii
City of Gainesville Organizational Chart: By Governmental Branch and Department	xiii
Letter of Transmittal	xiv-xxiii

FINANCIAL SECTION:

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-20

BASIC FINANCIAL STATEMENTS

Exhibit		
	Government-wide Statements	
A-1	Statement of Net Position	21-22
A-2	Statement of Activities	23
	Fund Financial Statements	
A-3	Balance Sheet – Governmental Funds	24
A-4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	25
A-5	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	26
A-6	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
A-7	Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) to Actual – General Fund	28

Table of Contents, continued

BASIC FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Exhibit		Page(s)
A-8	Statement of Net Position – Proprietary Funds	**29-30**
A-9	Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	**31**
A-10	Statement of Cash Flows – Proprietary Funds	**32-33**
A-11	Statement of Fiduciary Net Position – Fiduciary Funds	**34**
A-12	Statement of Changes in Fiduciary Net Position – Fiduciary Funds	**35**
A-13	Combining Statement of Net Position – Component Units	**36-37**
A-14	Combining Statement of Revenues, Expenses, and Changes in Net Position – Component Units	**38**
A-15	**Notes to the Financial Statements**	**39-96**

Item #		Page #
1.	Description of Government Unit	**39**
2.	Summary of Significant Accounting Policies	**39-56**
3.	Deposit and Investment Risk	**56-59**
4.	Accounts Receivable	**59**
5.	Intergovernmental Receivables	**60**
6.	Property Taxes	**61**
7.	Intradepartmental Billings	**61**
8.	Interfund Receivables and Payables, and Transfers	**61-62**
9.	Capital Assets	**63-65**
10.	Capital and Operating Leases Agreements	**66-69**
11.	Long-Term Debt	**69-71**
12.	Conduit Debt	**72**
13.	Changes in Beginning Balances	**72**
14.	Nonspendable, Restricted, Committed, and Assigned Fund Balances	**73**
15.	Self-Insurance	**74-75**
16.	Pension Plans	**75-87**

Table of Contents, continued

BASIC FINANCIAL STATEMENTS (continued)

Exhibit **Page(s)**

A-15 **Notes to the Financial Statements, continued**

Item #		Page #
17.	Post-Employment Benefits Other Than Pensions	**87-91**
18.	Hotel/Motel Lodging Tax	**91**
19.	Major Users/Taxpayers	**92**
20.	Joint Ventures	**92-93**
21.	Related Organizations	**93**
22.	Risk Pools	**93**
23.	Commitments and Contingencies	**94**
24.	Tax Abatements	**95**
25.	Subsequent Events	**95-96**
26.	New Accounting Standards	**96**

REQUIRED SUPPLEMENTARY INFORMATION

B-1	Schedule of Changes in the Net Pension Liability and Related Ratios – Pension Trust Fund (Pension Plan A)	**97-98**
B-2	Schedule of Contributions – Pension Trust Fund (Pension Plan A)	**99-100**
B-2	Schedule of Investment Returns – Pension Trust Fund (Pension Plan A)	**99-100**
B-3	Schedule of Changes in the Net Pension Liability and Related Ratios – GMEBS (Pension Plan B)	**101-102**
B-4	Schedule of Contributions – Pension Trust Fund GMEBS (Pension Plan B)	**103-104**
B-5	Schedule of Changes in the Net OPEB Liability and Related Ratios	**105**
B-6	Schedule of OPEB Contributions	**106**
B-7	Notes to the Required Supplementary Information	**107-111**

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

C-1	Combining Balance Sheet – Nonmajor Governmental Funds	**112-113**
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	**114-115**

Table of Contents, continued

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

Exhibit		Page(s)
C-3	Combining Statement of Net Position – Nonmajor Enterprise Funds	**116-117**
C-4	Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds	**118**
C-5	Combining Statement of Cash Flows – Nonmajor Enterprise Funds	**119-120**
C-6	Combining Statement of Net Position – Internal Service Funds	**121**
C-7	Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	**122**
C-8	Combining Statement of Cash Flows – Internal Service Funds	**123**
	GENERAL FUND	
D-1	Comparative Balance Sheets	**124**
D-2	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	**125**
D-3	Schedule of Revenues - Budget (GAAP Basis) and Actual	**126**
D-4	Schedule of Expenditures - Budget (GAAP Basis) and Actual	**127-128**
	SPECIAL REVENUE FUNDS	
E-1	Community Service Center Special Revenue Fund Comparative Balance Sheets	**129**
E-2	Community Service Center Special Revenue Fund Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget (GAAP Basis) and Actual	**130**
E-3	Economic Development Special Revenue Fund Comparative Balance Sheets	**131**
E-4	Economic Development Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual	**132**
E-5	Hotel/Motel Tax Special Revenue Fund Comparative Balance Sheets	**133**
E-6	Hotel/Motel Tax Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual	**134**
E-7	Government Access Cable TV Channel Special Revenue Fund Comparative Balance Sheets	**135**

Table of Contents, continued

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

Exhibit		Page(s)
	SPECIAL REVENUE FUNDS, continued	
E-8	Government Access Cable TV Channel Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	**136**
E-9	Confiscated Assets Special Revenue Fund Comparative Balance Sheets	**137**
E-10	Confiscated Assets Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	**138**
E-11	Grants Special Revenue Fund Comparative Balance Sheets	**139**
E-12	Grants Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	**140**
E-13	HUD Grant Special Revenue Fund Comparative Balance Sheets	**141**
E-14	HUD Grant Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	**142**
E-15	Revolving Loan Fund Special Revenue Fund Comparative Balance Sheets	**143**
E-16	Revolving Loan Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	**144**
E-17	Impact Fee Special Revenue Fund Comparative Balance Sheets	**145**
E-18	Impact Fee Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	**146**
E-19	Tax Allocation District Special Revenue Fund Comparative Balance Sheets	**147**
E-20	Tax Allocation District Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	**148**
E-21	Information Technology Special Revenue Fund Comparative Balance Sheets	**149**
E-22	Information Technology Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	**150**
E-23	Cemetery Trust Special Revenue Fund Comparative Balance Sheets	**151**
E-24	Cemetery Trust Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	**152**

Table of Contents, continued

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

Exhibit		Page(s)
	DEBT SERVICE FUND	
F-1	Comparative Balance Sheets	**153**
F-2	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual	**154**
	CAPITAL PROJECTS FUNDS	
G-1	General Government Capital Projects Fund Comparative Balance Sheets	**155**
G-2	General Government Capital Projects Fund Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	**156**
G-3	Special Purpose Local Option Sales Tax Capital Projects Fund Comparative Balance Sheets	**157**
G-4	Special Purpose Local Option Sales Tax Capital Projects Fund Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	**158**
G-5	Grants Capital Projects Fund Comparative Balance Sheets	**159**
G-6	Grants Capital Projects Fund Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances	**160**
	ENTERPRISE FUNDS	
H-1	Department of Water Resources Enterprise Fund Comparative Statements of Net Position	**161-162**
H-2	Department of Water Resources Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	**163**
H-3	Department of Water Resources Enterprise Fund Comparative Statements of Cash Flows	**164-165**
H-4	Airport Enterprise Fund Comparative Statements of Net Position	**166**
H-5	Airport Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	**167**
H-6	Airport Enterprise Fund Comparative Statements of Cash Flows	**168**
H-7	Solid Waste Enterprise Fund Comparative Statements of Net Position	**169**
H-8	Solid Waste Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	**170**

Table of Contents, continued

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

Exhibit		Page(s)
	ENTERPRISE FUNDS, continued	
H-9	Solid Waste Enterprise Fund Comparative Statements of Cash Flows	**171**
H-10	Chattahoochee Golf Course Enterprise Fund Comparative Statements of Net Position	**172**
H-11	Chattahoochee Golf Course Enterprise Fund Comparative Statements of Revenues, Expenses, and Changes in Net Position	**173**
H-12	Chattahoochee Golf Course Enterprise Fund Comparative Statements of Cash Flows	**174**
	INTERNAL SERVICE FUNDS	
I-1	General Insurance Fund Comparative Statements of Net Position	**175**
I-2	General Insurance Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	**176**
I-3	General Insurance Fund Comparative Statements of Cash Flows	**177**
I-4	Employee Benefits Fund Comparative Statements of Net Position	**178**
I-5	Employee Benefits Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	**179**
I-6	Employee Benefits Fund Comparative Statements of Cash Flows	**180**
I-7	Vehicle Services Fund Comparative Statements of Net Position	**181**
I-8	Vehicle Services Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	**182**
I-9	Vehicle Services Fund Comparative Statements of Cash Flows	**183**
	TRUST AND AGENCY FUNDS	
J-1	Community Private-Purpose Trust Fund Comparative Statements of Trust Net Position	**184**
J-2	Community Private-Purpose Trust Fund Comparative Statements of Revenues, Expenditures, and Changes in Trust Net Position	**185**
J-3	Employees' Pension Trust Fund Comparative Statements of Plan Net Position	**186**
J-4	Employees' Pension Trust Fund Comparative Statements of Changes in Plan Net Position	**187**

Table of Contents, continued

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

Exhibit		Page(s)
	TRUST AND AGENCY FUNDS, continued	
J-5	Municipal Court Agency Fund Comparative Statements of Assets and Liabilities	**188**
J-6	Municipal Court Agency Fund Statement of Changes in Assets and Liabilities	**189**
	COMPONENT UNIT	
K-1	Parks and Recreation Comparative Balance Sheets	**190**
K-2	Parks and Recreation Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	**191**
K-3	Parks and Recreation - Operating Activity - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	**192**
K-4	Parks and Recreation - Capital Projects Activity - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	**193**
K-5	Convention and Visitor's Bureau Comparative Balance Sheets	**194**
K-6	Convention and Visitor's Bureau Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	**195**

STATISTICAL SECTION:

	FINANCIAL TRENDS	
L-1	Net Position by Component – Last Ten Fiscal Years	**196-197**
L-2	Changes in Net Position – Last Ten Fiscal Years	**198-201**
L-3	Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years	**202-203**
L-4	Fund Balances of Governmental Funds – Last Ten Fiscal Years	**204-205**
L-5	Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	**206-207**
L-6	General Government Tax Revenues by Source – Last Ten Fiscal Years	**208-209**

Table of Contents, continued

STATISTICAL SECTION (continued):

Exhibit		Page(s)
	REVENUE CAPACITY	
L-7	Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	**210-211**
L-8	Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	**212-213**
L-9	Principal Taxpayers – June 30, 2018	**214**
L-10	Property Tax Levies and Collections – Last Ten Fiscal Years	**215**
L-11	Local Option Sales Tax Distribution Commodity Report – Hall County – June 30, 2018	**216**
L-12	Department of Water Resources Ten Largest System Customers – June 30, 2018	**217**
	DEBT CAPACITY	
L-13	Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	**218**
L-14	Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	**219**
L-15	Direct and Overlapping Governmental Activities Debt – June 30, 2018	**220**
L-16	Legal Debt Margin Information – Last Ten Fiscal Years	**221-222**
L-17	Pledged-Revenue Coverage – Department of Water Resources Enterprise Fund – Last Ten Fiscal Years	**223**
	DEMOGRAPHIC AND ECONOMIC INFORMATION	
L-18	Demographic and Economic Statistics – Last Ten Fiscal Years	**224**
L-19	Principal Employers/Hall County – June 30, 2018	**225**
	OPERATING INFORMATION	
L-20	Full-time Equivalent City Government Employees by Function – Last Ten Fiscal Years	**226**
L-21	Operating Indicators by Function – Last Ten Fiscal Years	**227-228**
L-22	Capital Asset Statistics by Function – Last Ten Fiscal Years	**229-230**

Table of Contents, continued

STATISTICAL SECTION (continued):

Exhibit		Page(s)
	OTHER INFORMATION	
L-23	Department of Water Resources Water Rates and Minimum Demand Charges – June 30, 2018	**231**
L-24	Department of Water Resources Water Tap/Meter, Connection and Administrative Fees – June 30, 2018	**232**
L-25	Department of Water Resources Sewer Rates and Charges – June 30, 2018	**233**
L-26	Department of Water Resources Sewer Tapping, Connection and Administrative Fees – June 30, 2018	**234**
L-27	Department of Water Resources Capital Improvements – Last Ten Fiscal Years	**235**
L-28	Schedule of Insurance Coverage – June 30, 2018	**236**
L-29	Property Value – Construction – Last Ten Calendar Years	**237**
L-30	Miscellaneous Statistics	**238**

OTHER REPORTING SECTION:

SINGLE AUDIT SECTION

	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*	**239-240**
	Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	**241-242**
M-1	Schedule of Expenditures of Federal Awards	**243**
M-2	Notes to the Schedule of Expenditures of Federal Awards	**244**
M-3	Schedule of Findings and Questioned Costs	**245-246**

STATE REPORTING SECTION

N-1	Schedule of Projects Financed with Special Purpose Local Option Sales Tax	**247**

OFFICIALS OF THE CITY OF GAINESVILLE

LEGISLATIVE BRANCH

CITY COUNCIL

Danny Dunagan	Mayor
Sam Couvillon (Ward 1)	Council Member
Zack Thompson (Ward 2)	Council Member
Barbara B. Brooks (Ward 3)	Council Member
George Wangemann (Ward 4)	Council Member
Ruth Bruner (Ward 5)	Council Member

OFFICERS OF THE COUNCIL

Denise Jordan	City Clerk
Abbott S. Hayes, Jr.	City Attorney

JUDICIAL BRANCH

G. Hammond Law, III	Municipal Court Judge and Administrative Hearing Officer
Anne M. Bishop	City Solicitor

EXECUTIVE BRANCH

CITY MANAGER AND DEPARTMENT DIRECTORS

Bryan Lackey	City Manager
Angela Sheppard	Assistant City Manager
Jeremy Perry	Chief Financial Officer
Rodger Hogan	Director of Chattahoochee Golf Course
Nikki Perry	Director of Gainesville CVB
Perry R. Ligon	Director of Community Development
Phillippa L. Moss	Director of Community Service Center
Janeann Allison	Administrative Services Director
Jerome Yarbrough	Chief of Fire
J. Melvin Cooper	Director of Parks and Recreation
Carol Martin	Chief of Police
Linda MacGregor	Director of Water Resources
Chris Rotalsky	Director of Public Works

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Gainesville

Georgia

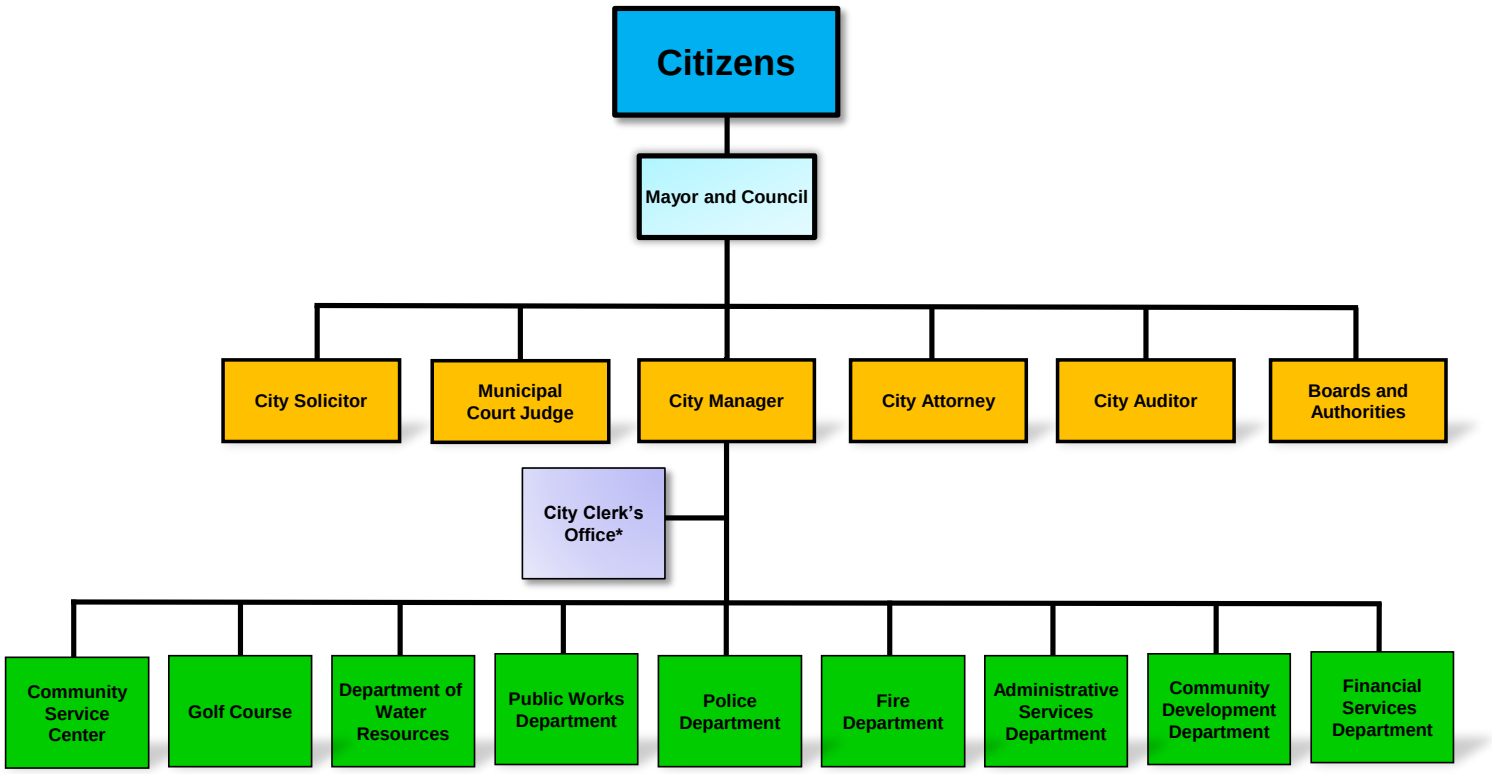
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

CITY OF GAINESVILLE
Organizational Chart



= Appointed by Mayor and Council

* Division within the City Manager's Office

Gainesville, Georgia

Since 1821

City of Gainesville
Office of the City Manager

Post Office Box 2496
Gainesville, GA 30503

Telephone:
770.535.6865
Fax: 770.535.6896
www.gainesville.org

November 28, 2018

To the Honorable Mayor, Distinguished Members of the City Council and Citizens of the City of Gainesville:

It is our pleasure to present the Comprehensive Annual Financial Report (CAFR) of the City of Gainesville (City) for the fiscal year ended June 30, 2018. 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. These statements are to be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we submit this report for your consideration.

This report is published to provide you and other interested parties with detailed information concerning the financial condition of the City of Gainesville. The report consists of management's representations concerning the finances of the City of Gainesville, and was prepared by the staff of the Financial Services Group. This report was prepared using the requirements as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Gainesville's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, the financial report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City.

Rushton and Company, LLC, a firm of certified public accountants has audited the City of Gainesville's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Gainesville for the fiscal year ended June 30, 2018, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by Management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City of Gainesville's financial statements for the fiscal year ended June 30, 2018 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Gainesville was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented in the Single Audit section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Gainesville's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Gainesville is located in Northeast Georgia, approximately 50 miles northeast of Atlanta. Gainesville is the principal city and county seat of Hall County. Bordered on the west by Lake Sidney Lanier, Hall County lies at the southern edge of the Chattahoochee National Forest and the foothills of the Blue Ridge Mountains. According to the 2010 U.S. Census, Gainesville has a population of 33,804, while Hall County's population is 179,684. Census Bureau estimates for 2017 show Gainesville and Hall County's population at 40,359 and 199,335, respectively, with over 150,000 people either living or employed in the City during workday hours. The City of Gainesville is empowered to levy a property tax on real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Gainesville was incorporated on November 30, 1821 and operates under a Council-Manager form of government. Gainesville's City Council is composed of an elected Mayor and five council members responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards and the City Manager. The City Manager is the chief executive officer of the City and is responsible for enforcement of laws and ordinances, as well as appointments and supervision of the various department directors of the municipal government. The City, under the guidance of the City Manager and the Council, provides a full range of services. These services include police and fire protection; the maintenance of streets and infrastructure; parks; municipal golf course; recreational activities and cultural events; planning, zoning, and building inspection services; water and water pollution control services; solid waste collection; and an airport. The City provides a full range of municipal services to the citizens of Gainesville and water and sewer service to most of Hall County. The Comprehensive Annual Financial Report includes all funds and activities directly under the control of the City Council.

Gainesville Parks and Recreation and Gainesville Convention and Visitors Bureau (Gainesville CVB) both meet the current guidelines of GASB Statement No. 14, and are, therefore, included as component units in the CAFR as part of the City of Gainesville's reporting entity.

City Council appoints the Board members and exercises budgetary review for both entities, and establishes a designated tax levy for Gainesville Parks and Recreation. These agencies serve both the residents of the City and Hall County with their program activities. Additional information on these legally separate entities can be found in the Notes to the Financial Statements.

The Community Service Center is jointly funded by the City and Hall County, but is included in this report because of the City's ability to establish its authority over the Center, as all employees of the Center are City employees. In addition, the City exercises fiduciary responsibility over the Employees' Pension Trust Fund.

The annual budget serves as the foundation for the City of Gainesville's financial planning and control. The City of Gainesville budget is adopted by City Council on or before June 30 at a regular Council meeting that is open to the public. The level of legal budgetary control is the department level. Department directors may request budget adjustments through the Financial Services Department, provided that the budget adjustment does not increase the overall budget or personal services allocation for that department. Equipment adjustments under $5,000 must be approved by the City Manager, while equipment adjustments over $5,000 and changes in personal services budgets require City Council approval.

Local Economy

As the regional employment center for Northeast Georgia, Gainesville-Hall County holds the distinction of being rated by Forbes Magazine as a "Best Small Places for Business and Careers". In addition, the 2017 Milliken Institute study placed Gainesville as the 3rd best-performing small city in America, up from 27th in 2015 and 10th in 2016; based on salary and employment growth. Milliken Institute also named Gainesville-Hall County as the top ranking Metro area in Georgia. Recent statistics substantiate these accolades; July 2018 numbers show Metro Gainesville as having the one of the lowest unemployment rates in the state. Gainesville's July 2018 rate was 3.4%, down from the July 2017 4.2% rate. Overall, Gainesville-Hall County gained 4,000 jobs over the last year, which factored to a 4.27% growth rate. Growth occurred in both the service and goods producing industries. This positive news is fueled by growth from both new and existing businesses from a variety of sectors.

Downtown 2018 Beach Bash

The Gainesville community continues to see impressive growth in both manufacturing and retail sectors. 2017 was another year of substantial capital investment reported by the Greater Hall Chamber of Commerce. More than 900 jobs are anticipated from the 29 new and existing projects reported for the Gainesville/Hall County area, with a total investment of over $170 million. Several of these projects are multi-year projects where investment and job creation will take place over a number of years, creating an ongoing positive ripple effect.

Approximately 45 international firms operate in the community, and Gainesville-Hall County serves as the international headquarters for many of these companies. Business growth opportunities abound; expanding and new industry have a number of developing business parks to choose from.

Gainesville-Hall County's designation as a leading Food and Agribusiness employer continues; the County has by far the highest county economic impact in the state. In a 2016 report by Gartner, Gainesville-Hall MSA ranked as the highest concentrated metro area for food manufacturing and processing in the United States, with over 10,000 employees.

Also, downtown Gainesville continues to flourish as popular restaurants and a mix of both trendy and traditional retail establishments dot the brick lined sidewalks of what is known as the City's historic "Downtown Square". Main Street Gainesville hosts First Friday events monthly on the Square, attracting as many as 1,000 visitors downtown to shop, eat, and enjoy the quaint atmosphere. A local farmers market and summer concerts are part of the event, which is designed to showcase the City's booming downtown. Main Street Gainesville typically hosts an estimated 50 events yearly, bringing about 100,000 visitors to the downtown business district.

In addition to the aforementioned robust business activity, Gainesville-Hall County holds the privilege of being the medical nucleus for the 14 county Northeast Georgia area with its top ranked hospital, Northeast Georgia Medical Center (NEGMC), and a number of highly-recognized physician group practices. The excellent reputation of the City's medical facilities has drawn some of the finest physicians to the Gainesville area; nearly 600 physicians practicing more than 50 specialties are on staff, and 119 new physicians joined the staff in 2017. NEGMC has earned recognition as Georgia's top hospital for the fourth consecutive year by CareChex, a national healthcare ratings agency. NEGMC has also been ranked as Georgia's #1 Heart, Stroke Care, and Women's Health hospital. NEGMC has expanded its footprint in North Georgia by acquiring Barrow Regional Medical Center in Winder and opening its Joint Care Center in Braselton.

Business development and employment opportunities continue to bring healthy growth to the Gainesville-Hall County area, and this is reflected in both the real estate and new construction market. Construction permits continued to signal growth during 2017 in both the residential and especially, the commercial category. Residential permits totaled 416 for 2017. This number includes 412 single-family homes and 4 multi-family units. Commercial permits saw an increase in new construction with more than 31 projects with a construction valuation of over $234,766,657. A few notable projects include Carroll Daniel Construction's new headquarters, and several new professional buildings. Along with the increase in building permits, the Inspection Services Division conducted a record 15,283 inspections in 2017. The building permit data reflects Gainesville's robust economy and the desire for businesses to operate within the City. The City's various commercial sectors continue to lead the region in output and keeps Gainesville's unemployment rate as one of the lowest in the state.

Impressive growth in the Gainesville area is also reflected in recent Census numbers. According to 2010 Census totals, the County recognized a 29% population increase over the past decade, and between 2010 and 2015, predicted growth has clocked in at 39.2%. With an estimated 41.6% of the City's population listed as Hispanic or Latino per 2010 Census numbers, the City takes great pride in and embraces its cultural diversity. The sense of community found in Gainesville, combined with a multitude of beautiful parks and recreational activities, along with easy access to large metropolitan areas makes Gainesville an attractive place to call home.

Major Initiatives

In the latter half of 2015, the City released findings from a Renaissance Strategic Vision and Plan on Downtown Gainesville. This study was performed under the guidance of the Georgia Downtown Renaissance Partnership with the purpose of promoting strategic ideas and work programs for selected Georgia communities. The study focused on identifying downtown Gainesville's positive attributes and unique features, and with this information, creating a shared community vision and implementation work plan.

Aligning with the goals of the Renaissance Strategic Vision and Plan, two new mixed-use development projects totaling $53 million are currently planned for the downtown area. This venture is led by Knight Commercial Real Estate and Carroll Daniel Construction, who were selected as the winning bid for an RFP issued by the City. To help accommodate the expected increase in visitors and residents, the City has started the expansion of the Downtown Parking Deck. The expansion will add 168 new, much-needed, parking spaces to the Downtown Square area. The expansion of the existing parking deck aligns with the goals of the Renaissance Strategic Vision and Plan.

"Mutts on Main"

As the City moves forward with it's Renaissance Strategic Vision and Plan, an important piece was recently implemented with the Roosevelt Square renovation, which was completed in 2016. More greenspace and walking paths were added to create a more pedestrian friendly space. Roosevelt Square is frequently used by fitness groups, students, and other pedestrians looking for a quiet place to relax and enjoy the outdoors. The 2018 Main Street Concert Series saw many free concerts on the lawn of Roosevelt Square. The renovation of Roosevelt Square has proved to be a valuable asset in the City. Many people enjoy the space everyday and it continues to grow as a popular spot for community events.

The Connectivity side of the City's work plan includes creating a more pedestrian friendly environment to downtown Gainesville. Long-term solutions include the addition of attractive streetscaping and other infrastructure improvements that would create safe and inviting connections for both pedestrians and commuters alike. In addition, a number of viable short-term solutions that could be implemented in less than one year for relatively little cost were identified with the study. These include adjusting signal timing and the installation of flashing cross-walk systems at critical intersections, removing bollards to reconnect streets in downtown, and improved demarcation at pedestrian crossings. Other connectivity improvements included the installation of uniform way-finding signage, the extension of the Midtown Greenway, and aesthetic improvements to the City's gateway corridors coming into the City.

Friday Night Concerts in Roosevelt Square

One of the top improvements cited was to celebrate the walk-ability of Downtown and to encourage greater use of parking decks by implementing a parking hierarchy, along with improving aesthetics and visible security. New and creative entertainment options were also suggested, such as food truck festivals at nearby parks on the lake, and the utilization of historical and architecturally interesting buildings as entertainment venues. In addition, redevelopment opportunities of existing unsightly and vacant sites was suggested, as well as innovative development and the expanded awareness of the possibilities available in the segment of town known as Midtown, just south of the Downtown City Square.

As for Design priorities, focus groups reiterated the importance of newly constructed or remodeled downtown buildings "fitting" the existing character and charm of adjacent structures. While feelings were strong that Downtown Gainesville continue with more traditional design, locals expressed a desire to build upon the industrial feel of the Midtown character while encouraging new development and the reuse of historic warehouses. It was also idealized that Midtown, which already is home to a number of lively art galleries, could be promoted as a creative district with a scattering of public art in all forms.

Economic development means building on and strengthening the community's existing economic assets while diversifying the economic base. Focus groups listed downtown housing as one of the top Economic Development priorities. New mixed-use developments on the fourth side of the Square, the City-owned Main Street lots, and the south side of the pedestrian bridge were also recognized as crucial to the vitality of Downtown Gainesville. The final step of the strategic planning process involved creating an implementation plan that makes the vision a reality.

Rendering of the downtown mixed-use development

Action items identifying the “who, what, when, where, and why” were noted as part of the process, allowing the achievement of the vision through practical and attainable steps. Action items also noted potential partners, obstacles, and proposed funding sources required to achieve the community’s visions for Downtown. To learn more about Gainesville’s vision for its downtown, refer to the City’s website to view the full 146-page study on the City’s Community Development Department web page.

Long-Term Financial Planning

The City of Gainesville maintains a flexible, yet thorough, five year capital improvement plan whereby capital needs are identified several years before funding and implementation, to allow adequate time for planning. This plan also provides for the orderly purchase of needed equipment. A prime example of the equipment is the recently installed gateway corridor signage around the city. The new signage was designed to highlight the entrance to the City at several key locations.

The City’s current five year general government capital improvements plan has identified $67.2 million in projected expenditures through fiscal year 2023; $11.6 million of this has been approved to be expended in FY2019. Leading the way in 2019 are projected expenditures totaling $1.05 million for streetscaping along Washington and Bradford Streets. Other notable projected capital costs include $750,000 for an Aerial Apparatus for the Fire Department, $660,000 for street paving, and $825,000 for Administration Building renovations.

The City of Gainesville Department of Water Resources maintains a separate capital improvement plan. The most recently adopted plan indicates that $39.2 million will be earmarked in the next fiscal year for maintenance and facility construction of the City’s water, wastewater, and stormwater systems, with some allowance for growth. For 2019, estimated enhancements are projected to cost $35.4 million. Stormwater improvements are projected to cost $900,000.

City of Gainesville Gateway Corridor Signage

Relevant Financial Policies

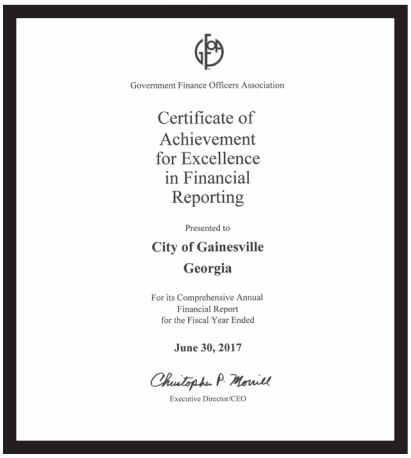
The City of Gainesville's Investment and Cash Management policy states that the City shall seek competitive investment rates within its safety criteria. Maximum opportunity shall be provided to all local financial institutions to bid and compete for City investments due to the importance of the financial institutions to the local economy. Abiding by this policy proved highly beneficial to the City in FY2018, as the City enjoyed increased investment earnings in an environment of rising interest rates.

Awards and Acknowledgment

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 Gainesville for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. This was the twenty-seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR, conforming to program standards and satisfying 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 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 GFOA presented a Distinguished Budget Presentation Award to the City of Gainesville for its annual budget for the fiscal year beginning July 1, 2017. This was the twenty-fifth year the City achieved this eminent award. In order to receive this honor, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. A Distinguished Budget Presentation Award is valid for a period of one year only. We believe our current budget continues to conform to the standards of the Distinguished Budget Presentation Award Program's requirements, and we are submitting it to GFOA to determine its eligibility for another award.

The GFOA presented an Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to the City of Gainesville for it's PAFR submitted for the fiscal year ended June 30, 2017. This was the fourth year the government achieved this esteemed award. The PAFR award was established to encourage governments to produce a high quality report based on CAFR information that would be easily understandable to the general public and other interested parties without a background in public finance. The Popular Annual Financial Reporting Award is valid for a period of one year only. The City intends to submit a PAFR for the fiscal year ending June 30, 2018.


Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

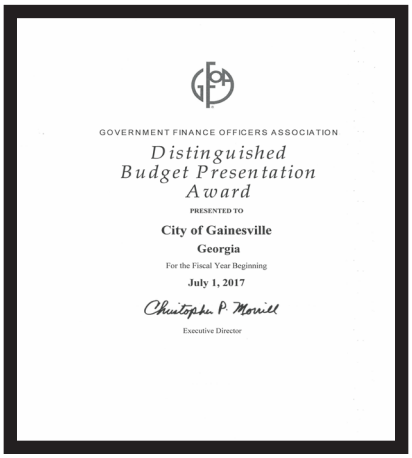
Presented to

City of Gainesville
Georgia

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill
Executive Director/CEO


GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

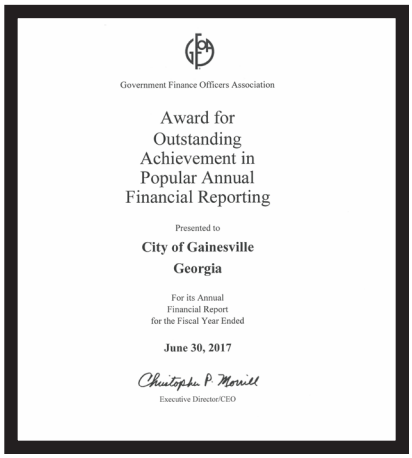
PRESENTED TO

City of Gainesville
Georgia

For the Fiscal Year Beginning

July 1, 2017

Christopher P. Morrill
Executive Director


Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

City of Gainesville
Georgia

For its Annual Financial Report for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill
Executive Director/CEO

The preparation of this report could not have been accomplished without the efficient and dedicated services of our entire staff of the Financial Services Group, who contributed to its preparation. Special recognition is given to the City's Financial Services Manager, Beverly Williams, who is the person primarily responsible for the CAFR preparation. Enormous thanks go to the staff of our accounting firm, Rushton and Company, CPAs (especially Chris Hollifield and Sam Latimer) for their technical guidance and assistance to make this a quality report.

We would like to also thank the City Council for their consistent support for maintaining the highest standards of professionalism in the management of the City's finances, and their continued support of the City's professional staff. The Council's vision and input are the guiding factors that enables the City staff to work toward keeping and enhancing the City of Gainesville as a great place to live, work, learn, and play.

Respectfully submitted,

Bryan Lackey
City Manager

Jeremy Perry
Chief Financial Officer

Independent Auditor's Report

Honorable Mayor and
Members of the City Council
City of Gainesville, 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 Gainesville, Georgia, as of and for the year ended June 30, 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 of 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 Gainesville, Georgia, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 20 and 97 through 111 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 of Gainesville, Georgia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and statistical section are presented for purposes of additional analysis and are not a required part of the 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 financial statements.

The combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, 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 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 fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the 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.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Gainesville, Georgia's basic financial statements for the year ended June 30, 2017, which are not presented with the accompanying financial statements. In our report dated December 12, 2017, we expressed unmodified opinions on the respective 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. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gainesville, Georgia's basic financial statements as a whole. The individual fund financial statements and schedules, related to the 2017 financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statements. The 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 2017 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2018, on our consideration of the City of Gainesville, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and, not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Gainesville, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 28, 2018

Gainesville, Georgia

Since 1821

CITY OF GAINESVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Gainesville, it is our pleasure to present this narrative discussion and analysis of the City of Gainesville's financial performance, providing an overview of the activities for the fiscal year ended June 30, 2018. The purpose of this narrative is to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about the City of Gainesville. This analytical information is designed to be read in conjunction with the Letter of Transmittal located on pages xiv-xxiii of this Comprehensive Annual Financial Report and with the City's financial statements, which follow this section.

Financial Highlights

- The City of Gainesville's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at June 30, 2018, by $536.0 million (reported as *net position*). Of this amount, $2.4 million (reported as *unrestricted net position*) may be used to meet the City's ongoing obligations.

- As of June 30, 2018, Gainesville's governmental funds reported combined ending fund balances of $48.3 million. Approximately 18.8% of this total amount, $9.1 million, is unassigned fund balance in the General Fund, which is available for spending at the City Council's discretion.

More detailed information regarding these activities and funds begins on page 9.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to the City of Gainesville's basic financial statements. The City of Gainesville's basic financial statements are composed of three elements: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the City as a whole)

The focus of the government-wide financial statements is on the overall financial position and activities of the City of Gainesville and is designed to provide readers with an overview of the City's financial activities in a manner similar to a private business enterprise.

The City's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These two statements report information about the City of Gainesville using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the ***Statement of Net Position*** (pages 21-22) is to attempt to report all of the assets and deferred outflow of resources held and liabilities and deferred inflow of deferred resources owed by the City. The City reports all of its assets and deferred outflows of resources when it acquires ownership over the elements and reports all of its liabilities and deferred inflow of resources when they are incurred. Net position is defined as the residual of all other financial statement elements presented in a statement of financial position. Although the purpose of the City is not to accumulate net position, in general, as this amount increases it indicates that the financial position of the City is improving over time.

The ***Statement of Activities*** (page 23), on the other hand, presents the revenues and expenses of the City. This statement is prepared using the accrual basis of accounting mentioned earlier, where revenues are recognized when earned and expenses when incurred. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as change in net position. The primary focus of the Statement of Activities is on the net cost of various activities provided by the City and identifies the extent to which each function of the City draws from general revenues or is self-financing through fees, grants, or other sources.

In the Statement of Net Position and the Statement of Activities, we divide the City of Gainesville into three types of activities:

- ***Governmental activities*** – Most of the City's basic services are reported under this category, including police, fire, public works, and general administration. Sales tax, property taxes, and intergovernmental revenues finance most of these services.

- ***Business-type activities*** – The City charges fees to customers to assist in covering all or most of the cost for certain services it provides. The City's water and sewer system and garbage collection fees are reported in this category.

- ***Discretely Presented Component Unit*** – Component units are legally separate organizations for which the elected officials of the City are financially accountable. The Parks and Recreation Department and

Gainesville Convention and Visitor's Bureau (Gainesville CVB), although legally separate, function for all practical purposes as departments of the City of Gainesville, and therefore have been included as an integral part of the primary government.

The City's government-wide financial statements are presented on pages 21-23.

Fund Financial Statements (Reporting the City's Major Funds)

The focus of fund financial statements is directed to specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's non-major funds can be found beginning on page 112. The City's funds are divided into three broad categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

- ***Governmental Funds*** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, governmental fund financial statements focus on the short-term view of the City's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

  Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these 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. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided after each statement.

  The City of Gainesville maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the SPLOST Capital Projects Fund, which are considered major funds.

  Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 112-115 of this report.

The City of Gainesville adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The City's basic governmental fund financial statements are presented on pages 24-28 of this report.

- ***Proprietary Funds*** – When the City charges customers for the services it provides – whether to outside customers or to other departments of the City – these services are generally reported in proprietary funds. The City maintains two different types of proprietary funds: Enterprise funds and Internal Service funds. These proprietary funds are prepared using the same accrual basis of accounting as the government-wide financial statements.

  Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. The City of Gainesville uses enterprise funds to account for its Water and Sewer system, which is considered a major fund, for its Solid Waste functions, as well as the Lee Gilmer Airport and Chattahoochee Golf Course.

  Internal service funds are an accounting device used to account for services provided and billed on an internal basis. The City utilizes internal services funds for Vehicle Services, General Insurance, and Employee Benefits. Because of the nature of the City's internal services funds, they are reported as governmental activities on the government-wide statement.

  The City's proprietary fund financial statements are presented on pages 29-33.

- ***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 of Gainesville's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

  The City acts as a trustee or fiduciary for its employee pension plan. It is also responsible for other assets that, because of the nature of the trust or agency arrangement, can be used only for the trust or agent beneficiaries. These include the Community Private-Purpose Trust, Employees' Pension Trust and Municipal Court Fund.

  Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements.

  The City's fiduciary fund financial statements are presented on pages 34-35.

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 39-96 of this report.

Other Supplementary Information

Following the basic financial statements is other supplementary information, which includes combining financial statements for non-major governmental, proprietary, and fiduciary funds. These funds are combined by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 25 and 27), which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.

- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statement but are reported as deferred revenue on the fund statements.

- Internal service funds are reported as governmental activities on the government-wide statements but are reported as proprietary funds in the fund financial statements.

- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.

- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.

- Bond and note proceeds result in liabilities on the government-wide statements but are recorded as other financing sources on the governmental fund financial statements.

- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

- Transfers of capital assets between governmental activities and business-type activities are not recorded in the governmental fund financial statements.

Overview of the City's Financial Position and Operations

The City's overall financial position and operations for this fiscal year are summarized as follows based on the information included in the government-wide financial statements (see pages 21-23):

City of Gainesville
Statement of Net Position
Fiscal Years 2018 and 2017

	Governmental Activities		Business Type Activities		Total	
			(In millions of dollars)			
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Current assets	$ 58.2	$ 50.6	$ 128.6	$ 127.5	$ 186.8	$ 178.1
Capital assets	103.5	98.2	483.6	475.4	587.1	573.6
Other noncurrent assets	-	0.1	-	-	-	0.1
Total assets	161.7	148.9	612.2	602.9	773.9	751.8
Deferred Outflows of Resources	5.6	4.1	4.2	3.7	9.8	7.8
Current liabilities	7.6	8.0	27.1	25.3	34.7	33.3
Noncurrent liabilities	64.7	63.9	140.0	158.0	204.7	221.9
Total liabilities	72.3	71.9	167.1	183.3	239.4	255.2
Deferred Inflows of Resources	5.0	3.9	3.3	2.7	8.3	6.6
Net position:						
Net investment in capital assets	85.2	78.0	356.5	330.3	441.7	408.3
Restricted	20.3	14.6	71.6	70.5	91.9	85.1
Unrestricted	(15.5)	(15.3)	17.9	19.8	2.4	4.5
Total net position	$ 90.0	$ 77.3	$ 446.0	$ 420.6	$ 536.0	$ 497.9

Net position may serve over time as a useful indicator of a government's financial position. The City of Gainesville reported a $12.7 million increase in net position for governmental activities, while posting $25.4 million in positive growth for business type activities. Overall, the City's net position rose $38.1 million to close the current fiscal year with a $536.0 million ending balance. However, much of the net position is restricted as to the purpose for which it can be used, or is invested in capital assets.

The largest portion of the City of Gainesville's net position (82.4%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire the assets. The net investment in capital assets increased by $33.4 million from previous year totals, from $408.3 million to $441.7 million.

The City uses 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.

Restricted net position comprises the next largest component, constituting 17.2% of total net position. Restricted net position experienced a $6.8 million gain during the past year, jumping from $85.1 million to $91.9 million at the end of fiscal year 2018. Restricted net position represent amounts that are subject to limitation in the manner which funds may be spent; these constraints are imposed by external sources, enabling legislation or constitutional provision.

The remaining balance represents unrestricted net position. The statement reveals a $2.4 million balance at the end of this year, a decrease of $2.1 million from fiscal year 2017. The unrestricted net position balance was impacted unfavorably due to the implementation of GASB 75, which concerns other post-employment benefits. The indication of a positive unrestricted net position would not mean that the City had resources available beyond its long-term commitments. Rather, it would be the result of having currently available resources that are greater than long-term commitments.

Unrestricted net position for governmental activities decreased by $229,318 between 2017 and 2018, increasing the deficit balance from $15.3 million to $15.5 million. Business-type activities also showed a decrease in unrestricted net position, from $19.8 million to $17.9 million. The total unrestricted net position is comprised of the business-type activities funds only, and it should be noted that these resources cannot be used to add to the net asset surplus in governmental activities. The City generally can only use the resources in business-type unrestricted net position to finance the ongoing operations of the business-type activities.

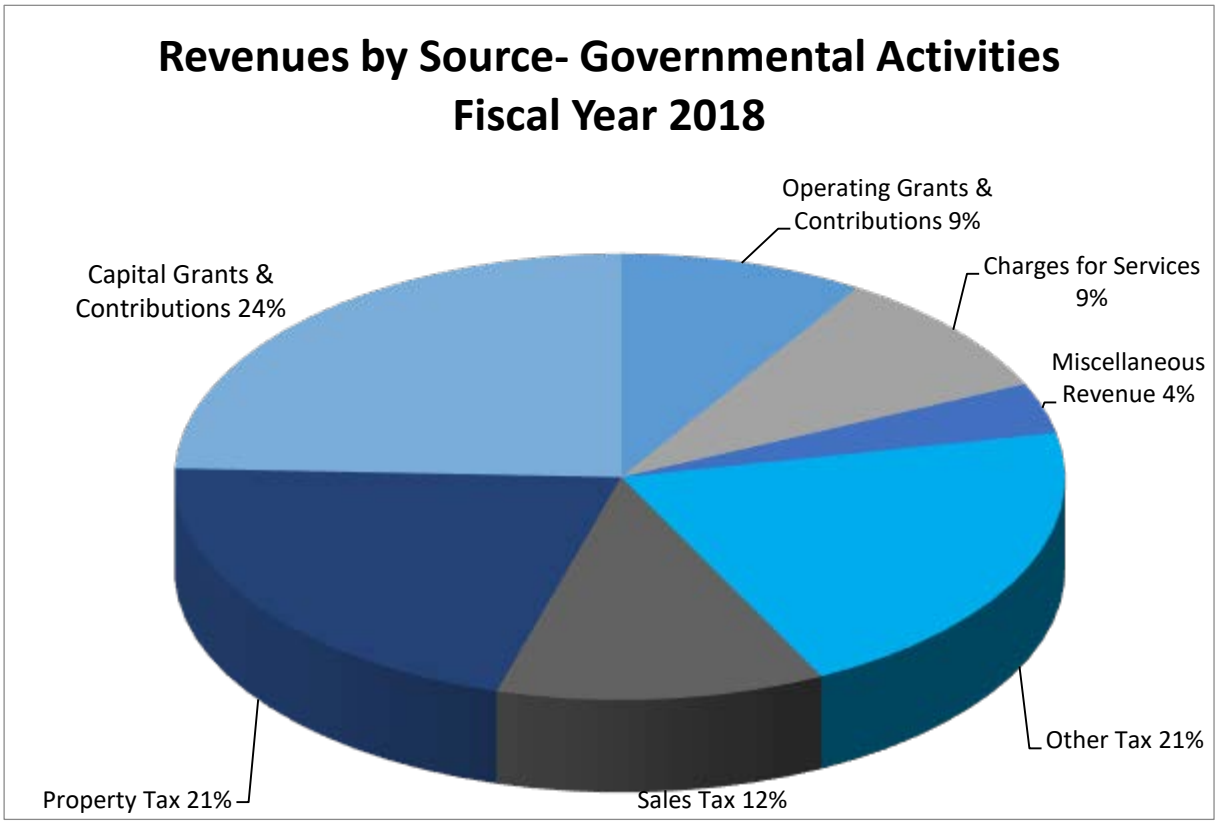
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City of Gainesville's net position changed during the fiscal year.

City of Gainesville
Changes in Net Position
Fiscal Years 2018 and 2017

	Governmental Activities		Business Type Activities		Total	
	(In millions of dollars)					
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	$ 4.6	$ 5.3	$ 76.8	$ 76.3	$ 81.4	$ 81.6
Operating grants and contributions	4.4	3.6	0.0	0.0	4.4	3.6
Capital grants and contributions	12.1	7.9	9.5	9.0	21.6	16.9
General revenues:						
Property taxes	10.4	9.8	0.0	0.0	10.4	9.8
Sales tax	5.9	5.4	0.0	0.0	5.9	5.4
Other taxes	10.2	10.5	0.0	0.0	10.2	10.5
Miscellaneous revenue	1.8	2.9	2.6	1.7	4.4	4.6
Special Item- loss on demolition	0.0	(6.5)	0.0	0.0	0.0	(6.5)
Total revenues	49.4	38.9	88.9	87.0	138.3	125.9
Expenses						
General government	7.2	6.4	0.0	0.0	7.2	6.4
Judicial	0.6	0.5	0.0	0.0	0.6	0.5
Public safety	19.9	18.2	0.0	0.0	19.9	18.2
Public works	6.9	7.2	0.0	0.0	6.9	7.2
Health and welfare	2.4	2.7	0.0	0.0	2.4	2.7
Culture and recreation	0.4	0.4	0.0	0.0	0.4	0.4
Housing and development	2.7	3.8	0.0	0.0	2.7	3.8
Interest on long-term debt	0.5	0.6	0.0	0.0	0.5	0.6
Water and sewer	0.0	0.0	52.9	46.3	52.9	46.3
Airport	0.0	0.0	1.1	1.5	1.1	1.5
Solid waste	0.0	0.0	2.3	2.2	2.3	2.2
Golf course	0.0	0.0	1.3	1.3	1.3	1.3
Total expenses	40.6	39.8	57.6	51.3	98.2	91.1
Indirect Cost Allocation	1.4	1.4	(1.4)	(1.4)	0.0	0.0
Increase in net position before transfers	10.2	0.5	29.9	34.3	40.1	34.8
Transfers	3.9	4.0	(3.9)	(4.0)	0.0	0.0
Increase in net position	14.1	4.5	26.0	30.3	40.1	34.8
Net position - beginning	77.3	72.8	420.6	390.3	497.9	463.1
Prior period adjustment	(1.4)	0.0	(0.6)	0.0	(2.0)	0.0
Net position-beginning (restated)	75.9	72.8	420.0	390.3	495.9	463.1
Net position - ending	$ 90.0	$ 77.3	$ 446.0	$ 420.6	$ 536.0	$ 497.9

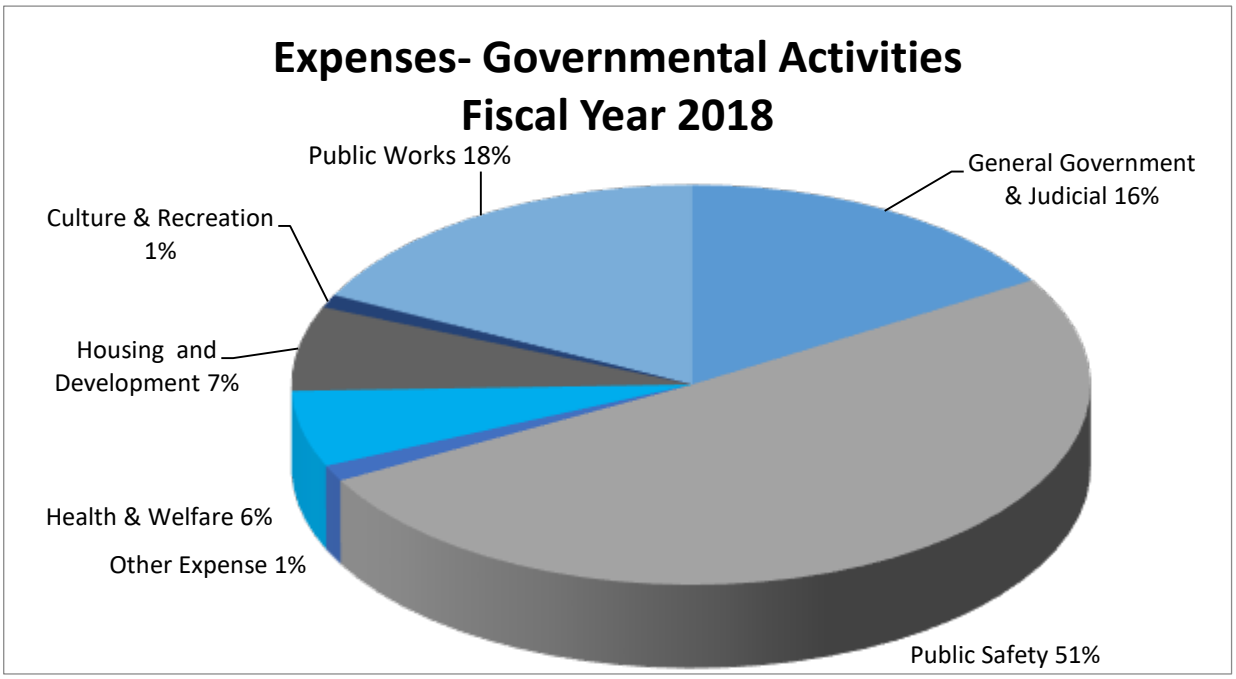
Governmental Activities –

The following chart depicts revenues of the governmental activities for the fiscal year:



The revenue chart indicates that Capital Grants & Contributions was the largest source of revenue for governmental activities during the fiscal year 2018. Capital Grants and Contributions exhibited a $4.2 million growth over FY17 totals; $2.7 million of this increase is attributable to a jump in developer infrastructure contributions. Other tax, which includes franchise, insurance premium, hotel/motel and occupational taxes, represented 21% of governmental activities revenue. Other revenue showed a decrease from FY2017; this is due mainly to a $293,084 drop in franchise fee collections. Property tax revenue, which made up 21% of total governmental activities revenue, surpassed FY17 collections by $648,626. A $512,652 rise in tax collections on current real and personal property made up the bulk of this increase, followed by a $221,368 jump in TAVT. Sales tax, which comprised 12% of governmental activities revenue, experienced a $445,858 boost over 2017 collections. Charges for services made up 9% of total revenue as well; this source showed a $685,944 decline from 2017 totals. Decreased impact fee collections of $351,386 made up a good portion of this drop, followed by a $269,056 decline in Municipal Court fines and fees collections.

The following chart depicts the expenses of the governmental activities for the fiscal year:



The expense chart illustrates that the most significant governmental activities expense for the City of Gainesville during fiscal year 2018 was providing Public Safety services such as fire and police protection, followed by Public Works. Overall, costs were up $792,591 when compared with FY17. The largest portion of increased expenditure stems from Public Safety, which shows a $1.8 million upturn, due largely to a $737,095 jump in police and fire salary and benefits costs. Public Works, which makes up 18% of total costs, had a $291,067 reduction in costs when compared to fiscal year 2017. General Government and Judicial expense, which makes up 16% of total governmental activities, shows a $799,576 increase in costs, due mainly to a growth in capital outlay acquisitions. Housing and Development costs, which make up 7% of governmental activities expense, showed a $1.1 million decrease in costs from FY2017. Home Grant and Community Health Initiative Program (CHIP) expenses for affordable home construction was up considerably in FY2017, due to the construction of the Enclave cottages. In FY2018, the City did not have a new home construction project taking place, and this is reflected by the decrease in costs.

Business-type Activities –

Business-type activities increased the City of Gainesville's net position by $26.0 million, expanding total net position to $446.0 million. Key elements involving business-type activities are as follows:

- Total revenue for business-type activities was $1.9 million higher than collections recorded in FY17. This gain is due predominantly to a $1.9 million surge in capital contributions, as well as an increase in interest revenue earned due to favorable investment rates. Water sales were down $1.3 million, however, due to 1.02% decline in water volume usage.

- FY18 Solid Waste and Airport charges for services increased $118,502 and $11,799 from fiscal year 2017 totals, respectively, while Golf Course operating revenues showed a $28,405 reduction in collections.

- Overall expenses for business-type activities were up $6.3 million from FY17 totals. An increase in capital projects and the consequent use of consultant services contributed to this increase, as well as the purchase of several new water meters. Department of Water Resources experienced a $6.6 million rise in costs, with the largest growth occurring in costs of sales and services. Airport expenses decreased $426,240 over fiscal year 2017 totals, due largely to a $190,950 downturn in depreciation expense and a $213,933 decrease in costs of sales and services. Solid Waste expenses were up $78,082, while the Golf Course showed reduced expense of $57,632.

Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City of Gainesville'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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the City completed this year, its governmental funds reported a combined ending fund balance of $48.3 million. Of this amount, $9.1 million or 18.8% constitutes unassigned fund balance, meaning that no constraints have been placed on how this money may be spent. The General Fund is the only governmental fund that can have positive unassigned fund balance. The remainder of fund balance is either nonspendable, restricted by a third party, committed to be spent in a specified matter by formal resolution, or assigned for a specific purpose, including the 2019 budget.

The **General Fund** is the chief operating fund of the City. Again, at the end of the current fiscal year, the unassigned fund balance of the General Fund was $9.1 million, while total fund balance reached $13.3 million. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance

and total fund balance to total fund expenditures. Unassigned fund balance represents 31.8% of total General Fund expenditures, while total fund balance represents 46.5% of that same amount. Of the $13.3 million total fund balance for the general fund, $3.9 million is assigned, comprised predominantly of $3.8 million which is assigned for budget.

The General Fund's fund balance increased by $1.3 million during the current fiscal year. This was due to better than projected revenue proceeds, combined with maintaining costs below budget. Other key factors regarding FY18 activity are as follows:

Revenue exceeded the final budget by $2.6 million. Real and Motor Vehicle and Property Tax revenues exceeded budget by $589,354, while Local Option Sales Tax and Investment Income exceeded expectations by $588,410 and $222,625 respectively. In addition, Intergovernmental revenue exceeded budget by $642,317, due to better than anticipated Tax Equity revenue. Expenditures came in under budget by $1.3 million; personal services accounted for $730,825 of this cost reduction, of which $363,425 is attributable to Public Works personnel costs. Public Works savings were due in part to unfilled positions.

- Transfers to the General Fund totaled $3.4 million, with $3.4 million originating from Department of Water Resources for General Fund operations, followed by $30,871 transferred from the Impact Fee fund for administrative fee services. Transfers out of the General Fund totaled $4.6 million; $3.2 million was transferred to the General Government Capital Projects for various projects, including $500,000 for the Administration Renovation, $490,000 for street maintenance fleet and equipment, and $405,000 for the replacement of police vehicles. In addition, $665,631 was transmitted to the Community Service Center (CSC), providing assistance with CSC operational costs.

The **Special Projects Local Option Sales Tax (SPLOST) Capital Projects Fund** has a $12.5 million fund balance at fiscal year-end. Of this fund balance, $3.7 million is restricted for Public Safety projects, of which $3.2 million is allocated for the relocation of Fire Station #2. Another $7.6 million is restricted for Public Works projects, which includes $2.4 million for various street paving and resurfacing projects, $1.2 million for the Oak Tree Drive intersection, along with $1.1 million set aside for the Stormwater plan project. Among the fund's expenditures was $1.3 million paid toward the new Senior Life Center, $578,477 for Traffic Software, and $560,738 for the Fire Station #2 relocation project. The largest source of revenue for the General Government Capital Projects Fund was $3.2 million and $2.2 million received from SPLOST VII and SPLOST VI grants. In addition, the City received $1.3 million from Hall County government to be paid toward the construction of the Senior Life Center. The SPLOST Fund also received transfers from a number of City funds.

General Fund Budget Highlights

The original budget for the General Fund was amended by various appropriations approved after the beginning of the fiscal year. In addition,

Council approved several adjustments to prevent budget overruns. The following highlights the differences between the original and the final budget amount:

- Charges for services revenue and Transfer from Department of Water Resources budget was increased $203,000 to cover Storm Water costs.

- Increased Police Budget by $334,200 for Police Incentive Pay.

- Increased Public Land and Buildings budget by $450,000; $300,000 for costs associated with the purchase of Arts Council Property and $150,000 for the relocation of underground utilities.

- Increased the Sale of Capital Assets revenue budget and the transfer to Economic Fund budget by $745,000, for proceeds from the sale of 330 Main Street property.

- Increased budgeted fund balance to cover FY19 reappropriations

- Increased/decreased various expenditure budgets for adjustments as needed.

General Fund expenditures for fiscal 2018 were $28.6 million, 95.6% of the final amended budget, and there were no net overexpenditures by General Fund departments. Total actual expenditures in the General Fund were lower than the final amended budget total by $1.3 million; General Fund expenditures as a whole were less than the original budget numbers as well. Personal services costs came under the final budget by $730,825.

Total actual revenues exceeded the final amended budget by a total of $2.6 million; this is due mainly to tax collections, which came in $1.8 million above projections.

Enterprise Funds

The City of Gainesville's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the City's four enterprise funds, prior to the adjustment to reflect the consolidation of internal service fund activities related to enterprise funds, totaled as follows:

▪ Department of Water Resources	$13,769,725
▪ Nonmajor Funds (Airport, Solid Waste, Golf Course)	$2,669,245
Total	$16,438,970

Prior to the consolidation adjustment of internal service fund activity, the total increase in combined net position showed a growth of $25.4 million, with net investment in capital assets showing an increase of $26.2 million. Overall unrestricted net position for all four enterprise funds showed a $1.9 million decrease from FY17.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Capital Assets and Debt Administration

Capital Assets. The City of Gainesville has invested $586.9 million in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, buildings, and machinery and equipment. Approximately 82.4% of this investment is related to business-type activities while only 17.6% relates to governmental activities.

Capital assets held by the City at the end of the current fiscal year are summarized as follows:

City of Gainesville
Capital Assets (net of accumulated depreciation)
Fiscal Years 2018 and 2017

	Governmental Activities		Business Type Activities		Total	
	(In millions of dollars)					
	2018	2017	2018	2017	2018	2017
Land and easements	$ 26.4	$ 25.5	$ 33.6	$ 33.6	$ 60.0	$ 59.1
Buildings	58.7	57.1	52.2	52.2	110.9	109.3
Improvements other than buildings	3.1	3.1	10.2	10.2	13.3	13.3
Vehicles and equipment	22.8	20.2	38.4	31.4	61.2	51.6
Infrastructure	39.3	34.8	551.9	550.7	591.2	585.5
Intangibles	3.2	3.3	6.1	6.1	9.3	9.4
Construction in progress	3.8	4.3	35.9	20.4	39.7	24.7
Total	157.3	148.3	728.3	704.6	885.6	852.9
Accumulated depreciation	(54.0)	(50.2)	(244.7)	(229.1)	(298.7)	(279.3)
Net Capital Assets	$ 103.3	$ 98.1	$ 483.6	$ 475.5	$ 586.9	$ 573.6

Major capital asset expenditures during the current fiscal year for governmental activities included the following:

- Senior Life Center Building, $1.3 million
- Administration Building Renovation, $1.1 million
- Traffic Communication System, $578,477
- Fire Station #2 Relocation, $560,738

Major capital asset expenses during the current fiscal year for business-type activities included the following:

- Riverside Drive Water Treatment Plant Improvements, $6.3 million
- Cleveland Highway Bridge Utilities Relocation, $2.9 million
- Athens Highway Utilities Relocation, $1.6 million

Additional information on the City of Gainesville's capital assets can be found in Note 9 on pages 63-65 of this report.

Long-term debt. At June 30, 2018, the City of Gainesville had $142.8 million in bonds, notes, and capital leases outstanding, net of unamortized bond premium and discount. This is a $20.5 million decline from last year's totals. The decrease in debt was due to payments made to reduce bonds, notes, and capital leases outstanding.

City of Gainesville
Outstanding Debt
Fiscal Years 2018 and 2017

	Governmental Activities		Business Type Activities		Total	
	(In millions of dollars)					
	2018	2017	2018	2017	2018	2017
Capital Leases	$ 17.8	$ 19.3	$ 19.5	$ 21.4	$ 37.3	$ 40.7
Revenue Bonds	-	-	94.6	110.6	94.6	110.6
Unamortized Bond Premium	-	-	10.9	12.0	10.9	12.0
Total	$ 17.8	$ 19.3	$ 125.0	$ 144.0	$ 142.8	$ 163.3

The City maintains a bond credit rating of Aa2 from Moody's on both general obligation and senior-lien revenue bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10% of its total assessed valuation. The current debt limitation for the City of Gainesville is $472.3 million, which is significantly in excess of the City's general obligation debt outstanding of $17.8 million.

Additional information on the City's long-term debt can be found in Notes 10 and 11 on pages 66-71 of this report.

Economic Condition and Outlook

- According to the most recent U.S. Census numbers, the population for Gainesville is 40,359, with current estimates showing an 18.9% uptick in population since the 2010 census was released.

- Gainesville adopted a 3.364 tax millage rate for fiscal year 2019. The gross property tax digest for the City of Gainesville rose from $4.7 billion for fiscal year 2018 to $5.2 billion for fiscal year 2019, which computes to a 10.64% increase in the tax base.

- Local Option Sales Tax collections, along with other fees, are tracking closely to budget at the end of the first quarter of fiscal year 2019. Departments are spending conservatively and continue to monitor their 2019 budgeted costs closely.

These were among the many factors taken into consideration when preparing the 2019 budget. Of the $13.3 million fund balance in the General Fund, $3.8 million has been appropriated for spending in the 2019 fiscal budget.

Contacting the City's Financial Services Group

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Gainesville's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

City of Gainesville
ATTN: Financial Services Department
Financial Services
PO Box 2496
Gainesville, GA 30503

Gainesville, Georgia

Since 1821

BASIC FINANCIAL STATEMENTS

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2018

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	$ 53,853,634	$ 46,472,580	$ 100,326,214	$ 3,187,478
Investments	1,226,849	0	1,226,849	0
Restricted assets				
Cash and cash equivalents	0	74,339,011	74,339,011	100,000
Receivables (net)				
Accounts	128,081	4,684,663	4,812,744	9,706
Intergovernmental	2,525,777	277,973	2,803,750	0
Taxes	1,288,407	0	1,288,407	47,883
Notes	131,605	0	131,605	0
Internal balances	(1,239,425)	1,239,425	0	0
Inventories	152,236	1,618,684	1,770,920	0
Prepaid items	12,020	0	12,020	0
Other	140,000	0	140,000	0
Total current assets	58,219,184	128,632,336	186,851,520	3,345,067
Noncurrent assets				
Notes receivable	135,785	0	135,785	0
Capital assets				
Non-depreciable	30,161,553	69,536,385	99,697,938	4,940,382
Depreciable (net)	73,175,174	414,103,440	487,278,614	5,390,915
Total noncurrent assets	103,472,512	483,639,825	587,112,337	10,331,297
Total assets	161,691,696	612,272,161	773,963,857	13,676,364
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	0	530,498	530,498	0
Deferred outflows related to pensions	4,318,237	2,772,993	7,091,230	113,017
Deferred outflows related to other post employment benefits	1,284,725	871,125	2,155,850	142,748
Total deferred outflows of resources	5,602,962	4,174,616	9,777,578	255,765
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,518,328	2,392,328	3,910,656	209,474
Retainages	16,644	1,447,347	1,463,991	34,316
Intergovernmental	0	5,070	5,070	2,968
Sales tax	0	7,661	7,661	11,984
Deposits	109,710	4,036	113,746	0
Interest	63,942	9,464	73,406	0
Accrued salaries	705,235	448,219	1,153,454	121,417
Compensated absences	1,158,261	652,765	1,811,026	111,146
Unearned revenue	0	0	0	905
Claims reserve	2,262,685	0	2,262,685	0
Capital lease payable	1,715,236	1,951,588	3,666,824	0
Other liabilities	82,004	47,458	129,462	13,576
Liabilities payable from restricted assets				
Payables				
Accounts	0	1,207,819	1,207,819	0
Customer deposits	0	2,300,009	2,300,009	0
Interest	0	425,471	425,471	0
Bonds payable	0	16,200,000	16,200,000	0
Total current liabilities	7,632,045	27,099,235	34,731,280	505,786

See accompanying notes to the financial statements.

Exhibit A-1, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2018

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Noncurrent liabilities				
Compensated absences	$ 128,696	$ 72,530	$ 201,226	$ 12,339
Net pension liability	27,842,342	19,030,019	46,872,361	596,210
Net OPEB liability	20,595,623	13,965,124	34,560,747	2,288,402
Capital lease payable	16,093,119	17,573,959	33,667,078	0
Bonds payable	0	89,359,369	89,359,369	0
Total noncurrent liabilities	64,659,780	140,001,001	204,660,781	2,896,951
Total liabilities	72,291,825	167,100,236	239,392,061	3,402,737
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	3,317,150	2,199,279	5,516,429	186,227
Deferred inflows related to other post employment benefits	1,684,116	1,141,936	2,826,052	187,124
Total deferred inflows of resources	5,001,266	3,341,215	8,342,481	373,351
NET POSITION				
Net investment in capital assets	85,186,895	356,428,961	441,615,856	10,296,981
Restricted for:				
General Government	62,402	0	62,402	0
Public Safety	1,009,969	0	1,009,969	0
Public Works	19,150	0	19,150	0
Health and Welfare	1,264,418	0	1,264,418	0
Culture and Recreation	2,155,816	0	2,155,816	6,161
Housing and Development	1,745,318	0	1,745,318	0
Debt service	1,219,885	9,341,319	10,561,204	0
Capital outlay	12,842,616	62,297,861	75,140,477	30,239
Unrestricted	(15,504,902)	17,937,185	2,432,283	(177,340)
Total net position	$ 90,001,567	$ 446,005,326	$ 536,006,893	$ 10,156,041

See accompanying notes to the financial statements.

Exhibit A-1, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2018

			Program Revenues			
	Expenses	Indirect Costs	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
FUNCTIONS/PROGRAMS						
Primary government						
Governmental activities						
General Government	$ 7,228,728	$ (1,398,722)	$ 762,256	$ 1,343,265	$ 0	$ (3,724,485)
Judicial	544,453	0	0	0	0	(544,453)
Public Safety	19,920,072	0	1,680,375	396,487	0	(17,843,210)
Public Works	6,907,223	0	198,769	435,795	7,239,043	966,384
Health and Welfare	2,416,453	0	93,300	1,586,259	1,286,948	550,054
Culture and Recreation	415,439	0	0	14,544	3,265,937	2,865,042
Housing and Development	2,683,623	0	1,858,414	621,560	275,858	72,209
Interest on long-term debt	509,730	0	0	0	0	(509,730)
Total governmental activities	40,625,721	(1,398,722)	4,593,114	4,397,910	12,067,786	(18,168,189)
Business-type activities						
Department of Water Resources	52,913,991	1,042,707	71,963,509	0	9,421,649	27,428,460
Airport	1,091,970	209,563	931,143	0	98,172	(272,218)
Solid Waste	2,274,033	146,452	2,887,724	0	0	467,239
Golf Course	1,356,195	0	1,061,026	0	0	(295,169)
Total business-type activities	57,636,189	1,398,722	76,843,402	0	9,519,821	27,328,312
Total primary government	98,261,910	0	81,436,516	4,397,910	21,587,607	9,160,123
Component Units						
Communication and Tourism Housing and Development	639,598	0	0	0	0	(639,598)
Parks and Recreation Culture and Recreation	5,666,011	0	1,830,685	21,000	250	(3,814,076)
Total Component Units	6,305,609	0	1,830,685	21,000	250	(4,453,674)

	Governmental Activities	Business-Type Activities	Total	Component Units
Change in net position				
Net (expense) revenue	$ (18,168,189)	$ 27,328,312	$ 9,160,123	$ (4,453,674)
General revenues				
Taxes				
Property	10,457,466	0	10,457,466	3,246,674
Intangibles	213,556	0	213,556	0
Franchise	4,208,097	0	4,208,097	0
Occupational	1,394,517	0	1,394,517	0
Insurance premium	2,346,272	0	2,346,272	0
Alcoholic beverages	1,152,257	0	1,152,257	0
Hotel/Motel	965,036	0	965,036	0
Local option sales	5,885,171	0	5,885,171	0
Interest and Investment earnings	481,963	2,184,898	2,666,861	39,812
Payments from City of Gainesville	0	0	0	860,990
Gain on sale of assets	887,411	298,965	1,186,376	0
Miscellaneous	441,324	128,941	570,265	12,545
Transfers	3,920,070	(3,920,070)	0	0
Total general revenues, special items, and transfers	32,353,140	(1,307,266)	31,045,874	4,160,021
Change in net position	14,184,951	26,021,046	40,205,997	(293,653)
Net position - beginning (original)	77,247,904	420,601,224	497,849,128	10,826,768
Prior period adjustment	(1,431,288)	(616,944)	(2,048,232)	(377,074)
Net position - beginning (restated)	75,816,616	419,984,280	495,800,896	10,449,694
Net position - ending	$ 90,001,567	$ 446,005,326	$ 536,006,893	$ 10,156,041

See accompanying notes to the financial statements.

Exhibit A-2

CITY OF GAINESVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	General	SPLOST	Nonmajor Governmental Funds	Totals
ASSETS				
Cash and cash equivalents	$ 12,345,180	$ 11,556,248	$ 21,099,530	$ 45,000,958
Investments	0	0	1,226,849	1,226,849
Receivables (net)				
Accounts	66,992	0	34,505	101,497
Intergovernmental	32,670	1,009,788	1,474,737	2,517,195
Taxes	1,170,461	0	117,946	1,288,407
Notes	0	0	267,390	267,390
Prepaid items	1,268	0	10,752	12,020
Due from other funds	885,971	0	0	885,971
Inventory	0	0	34,002	34,002
Advances to other funds	258,790	0	0	258,790
Total assets	$ 14,761,332	$ 12,566,036	$ 24,265,711	$ 51,593,079
LIABILITIES				
Payables				
Accounts	$ 752,012	$ 31,572	$ 427,864	$ 1,211,448
Retainages	0	0	16,644	16,644
Accrued salaries	639,397	0	56,769	696,166
Due to other funds	0	0	885,971	885,971
Due to others	27,994	0	54,010	82,004
Total liabilities	1,419,403	31,572	1,441,258	2,892,233
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue -				
Property taxes	77,518	0	24,669	102,187
Notes receivable	0	0	267,390	267,390
Total deferred inflows of resources	77,518	0	292,059	369,577
FUND BALANCES				
Nonspendable	260,058	0	44,754	304,812
Restricted	0	11,619,014	8,408,501	20,027,515
Committed	4,957	0	298,141	303,098
Assigned	3,912,390	915,450	13,780,998	18,608,838
Unassigned	9,087,006	0	0	9,087,006
Total fund balances	13,264,411	12,534,464	22,532,394	48,331,269
Total liabilities, deferred inflows, and fund balances	$ 14,761,332	$ 12,566,036	$ 24,265,711	$ 51,593,079

See accompanying notes to the financial statements.

Exhibit A-3

CITY OF GAINESVILLE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2018

Total fund balance - total governmental funds		$ 48,331,269
Amounts reported for governmental activities in the statement of net position are different because:		
Some assets are not financial resources and, therefore, are not reported in the funds. These are:		
Capital assets, net of accumulated depreciation		103,336,727
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are unavailable in the funds. These are:		
Property taxes	$ 102,187	
Notes receivable	267,390	369,577
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are:		
Capital leases	$ (17,808,355)	
Interest payable	(63,942)	
Compensated absences	(1,286,957)	
Net pension liability	(27,842,342)	
Net OPEB obligation	(20,595,623)	(67,597,219)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:		
Deferred outflows of resources:		
Deferred outflows related to pensions	$ 4,318,237	
Deferred outflows related to other post employment benefits	1,284,725	
Deferred inflows of resouces:		
Deferred inflows related to pensions	(3,317,150)	
Deferred inflows related to other post employment benefits	(1,684,116)	601,696
Internal service funds are used by management to charge the costs of certain activities, such as risk management, employee benefits, and vehicle maintenance, to individual funds. Assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
Internal service funds net position	$ 6,583,035	
Less internal balance resulting from allocation of internal service fund activities allocated to business-type activities	(1,498,215)	
Less capital assets included above	(151,779)	
Add compensated absences included above	26,476	4,959,517
Net position of governmental activities		$ 90,001,567

See accompanying notes to the financial statements.

Exhibit A-4

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2018

	General	SPLOST	Nonmajor Governmental Funds	Totals
REVENUES				
Taxes	$ 23,181,523	$ 0	$ 3,485,264	$ 26,666,787
Licenses and permits	1,143,187	0	0	1,143,187
Fines, fees and forfeitures	1,345,500	0	334,875	1,680,375
Charges for services	2,321,193	0	1,562,396	3,883,589
Intergovernmental	1,496,497	6,777,358	3,365,821	11,639,676
Investment and interest	271,934	0	135,061	406,995
Contributions	8,597	44,000	161,553	214,150
Other	356,668	0	84,656	441,324
Total revenues	30,125,099	6,821,358	9,129,626	46,076,083
EXPENDITURES				
Current				
General Government	4,861,538	0	253,447	5,114,985
Judicial	523,018	0	0	523,018
Public Safety	17,302,602	0	412,676	17,715,278
Public Works	4,612,450	0	419,322	5,031,772
Health and Welfare	12,500	0	2,677,723	2,690,223
Culture and Recreation	0	0	245,982	245,982
Housing and Development	1,266,422	0	1,137,591	2,404,013
Debt service				
Principal	0	0	1,462,303	1,462,303
Interest and other charges	0	0	517,843	517,843
Capital outlay	0	3,215,041	4,119,756	7,334,797
Total expenditures	28,578,530	3,215,041	11,246,643	43,040,214
Excess (deficiency) of revenues over (under) expenditures	1,546,569	3,606,317	(2,117,017)	3,035,869
Other financing sources (uses)				
Transfers in	3,477,093	962,975	5,509,945	9,950,013
Transfers out	(4,593,056)	0	(1,436,888)	(6,029,944)
Proceeds from issuance of capital leases	0	0	10,932	10,932
Sales of capital assets	906,970	0	6,494	913,464
Total other financing sources (uses)	(208,993)	962,975	4,090,483	4,844,465
Net changes in fund balances	1,337,576	4,569,292	1,973,466	7,880,334
Fund balances, July 1	11,926,835	7,965,172	20,558,928	40,450,935
Fund balances, June 30	$ 13,264,411	$ 12,534,464	$ 22,532,394	$ 48,331,269

See accompanying notes to the financial statements.

Exhibit A-5

CITY OF GAINESVILLE, 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 June 30, 2018

Net change in fund balances - total governmental funds		$ 7,880,334
Amounts reported for governmental activities in the statement of activities are different because:		
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.		
Capital outlays	$ 6,404,715	
Depreciation	(4,535,268)	1,869,447
In the statement of activities, the loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources.		
Cost of assets disposed	$ (2,136,818)	
Related accumulated depreciation	813,578	(1,323,240)
Contributions of capital assets increase net position in the statement of activites, but do not appear in the governmental funds because they are not financial resources.		
Business-type activities	$ 169,248	
Related accumulated depreciation	(49,254)	
Individual contributors	4,513,297	4,633,291
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue.		(65,942)
The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.		
Debt principal repayments	$ 1,469,807	
Debt proceeds	(10,932)	
Net change in interest payable	8,112	1,466,987
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Pension contributions	$ 2,122,514	
Cost of benefits earned net of employee contributions	(2,399,558)	(277,044)
Other post employment benefits are reported in the statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
OPEB contributions	$ 1,729,093	
Cost of benefits earned net of employee contributions	(2,164,846)	(435,753)
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Compensated absences		(63,953)
Internal service funds are used by management to charge the cost of certain activities, such as risk management and vehicle maintenance, to individual funds. Net revenue (expense) of internal service funds is reported with governmental activities.		
Change in net position of internal service funds	$ 768,182	
Add depreciation expense included above	34,021	
Add change in compensated absences included above	1,609	
Add consolidation of internal service fund activities allocated to business-type activities	(261,752)	
Subtract capital outlay included above	(41,236)	500,824
Change in net position of governmental activities		$ 14,184,951

See accompanying notes to the financial statements.

Exhibit A-6

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2018

	Budget			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 21,428,152	$ 21,428,152	$ 23,181,523	$ 1,753,371
Licenses and permits	879,000	879,000	1,143,187	264,187
Fines, fees and forfeitures	1,441,500	1,441,500	1,345,500	(96,000)
Charges for services	2,421,499	2,421,499	2,321,193	(100,306)
Intergovernmental	327,197	860,357	1,496,497	636,140
Interest	49,309	49,309	271,934	222,625
Contributions	0	8,597	8,597	0
Other	247,600	405,679	356,668	(49,011)
Total revenues	26,794,257	27,494,093	30,125,099	2,631,006
EXPENDITURES				
Current				
General Government				
Mayor and Council	418,554	423,709	317,339	106,370
City Manager's Office	828,050	832,221	801,392	30,829
Finance	1,228,049	1,228,049	1,158,231	69,818
Information Technologies	781,305	781,305	726,017	55,288
Human Resources	800,063	800,063	656,265	143,798
Public Lands and Buildings	650,063	1,264,992	1,202,294	62,698
Judicial				
Municipal Court	556,615	556,615	523,018	33,597
Public Safety				
Police	9,251,588	9,405,144	9,356,941	48,203
Fire	7,842,904	7,991,585	7,945,661	45,924
Public Works				
Engineering	986,831	986,831	908,613	78,218
Traffic	1,268,050	1,268,050	1,267,765	285
Street Maintenance	1,832,022	1,869,318	1,583,421	285,897
Storm Water	405,394	405,394	301,821	103,573
Cemetery	601,278	601,278	550,830	50,448
Health and Welfare				
Agency allocations	12,500	56,372	12,500	43,872
Housing and Development				
Planning	629,960	685,810	545,955	139,855
Inspection	364,788	364,788	360,121	4,667
Code Enforcement	295,752	328,479	328,409	70
Agency allocations	31,938	31,938	31,937	1
Total expenditures	28,785,704	29,881,941	28,578,530	1,303,411
Excess (deficiency) of revenues over (under) expenditures	(1,991,447)	(2,387,848)	1,546,569	3,934,417
Other financing sources (uses)				
Transfers in (out)				
Transfers in	3,358,857	3,572,378	3,477,093	(95,285)
Transfers out	(4,537,382)	(4,597,783)	(4,593,056)	4,727
Contingency	(709,774)	(688,603)	0	688,603
Sales of capital assets	40,000	785,000	906,970	121,970
Total other financing sources (uses)	(1,848,299)	(929,008)	(208,993)	720,015
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,839,746)	(3,316,856)	1,337,576	4,654,432
Fund balances, July 1	3,839,746	3,316,856	11,926,835	8,609,979
Fund balances, June 30	$ 0	$ 0	$ 13,264,411	$ 13,264,411

See accompanying notes to the financial statements.

Exhibit A-7

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
ASSETS				
Current assets				
Cash and cash equivalents	$ 41,197,857	$ 5,274,723	$ 46,472,580	$ 8,852,676
Restricted assets				
Cash and cash equivalents	74,339,011	0	74,339,011	0
Receivables (net)				
Accounts	4,345,677	338,986	4,684,663	26,584
Intergovernmental	169,017	108,956	277,973	8,582
Inventories	1,618,684	0	1,618,684	118,234
Other assets	0	0	0	140,000
Total current assets	121,670,246	5,722,665	127,392,911	9,146,076
Noncurrent assets				
Capital assets				
Non-depreciable	68,735,349	801,036	69,536,385	0
Depreciable (net)	402,762,155	11,341,285	414,103,440	151,779
Total noncurrent assets	471,497,504	12,142,321	483,639,825	151,779
Total assets	593,167,750	17,864,986	611,032,736	9,297,855
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	476,203	54,295	530,498	0
Deferred outflows related to pensions	2,648,054	124,939	2,772,993	0
Deferred outflows related to other post employment benefits	764,979	106,146	871,125	0
Total deferred outflow of resources	3,889,236	285,380	4,174,616	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	2,271,008	121,320	2,392,328	306,880
Intergovernmental	5,070	0	5,070	0
Deposits	0	4,036	4,036	109,710
Sales tax	0	7,661	7,661	0
Interest	0	9,464	9,464	0
Accrued salaries	396,366	51,853	448,219	9,069
Compensated absences	580,677	72,088	652,765	23,828
Claims reserve	0	0	0	2,262,685
Capital lease payable	1,261,588	690,000	1,951,588	0
Other liabilities	0	47,458	47,458	0
Liabilities payable from restricted assets:				
Payables				
Accounts	1,207,819	0	1,207,819	0
Retainages	1,447,347	0	1,447,347	0
Customer deposits	2,300,009	0	2,300,009	0
Interest	425,471	0	425,471	0
Revenue bonds payable	16,200,000	0	16,200,000	0
Total current liabilities	26,095,355	1,003,880	27,099,235	2,712,172

See accompanying notes to the financial statements.

Exhibit A-8, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
Noncurrent liabilities				
Advances from other funds	$ 0	$ 258,790	$ 258,790	$ 0
Compensated absences	64,520	8,010	72,530	2,648
Net pension liability	18,464,956	565,063	19,030,019	0
Net OPEB liability	12,263,491	1,701,633	13,965,124	0
Capital leases payable	15,139,056	2,434,903	17,573,959	0
Revenue bonds payable	89,359,369	0	89,359,369	0
Total noncurrent liabilities	135,291,392	4,968,399	140,259,791	2,648
Total liabilities	161,386,747	5,972,279	167,359,026	2,714,820
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	1,925,663	273,616	2,199,279	0
Deferred inflows related to other post employment benefits	1,002,793	139,143	1,141,936	0
Total deferred inflows of resources	2,928,456	412,759	3,341,215	0
NET POSITION				
Net investment in capital assets	347,358,527	9,070,434	356,428,961	151,779
Restricted for:				
Capital outlay	62,272,212	25,649	62,297,861	0
Debt service	9,341,319	0	9,341,319	0
Unrestricted	13,769,725	2,669,245	16,438,970	6,431,256
Total net position	$ 432,741,783	$ 11,765,328	444,507,111	$ 6,583,035
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			1,498,215	
Net position of business-type activities			$ 446,005,326	

See accompanying notes to the financial statements.

Exhibit A-8, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2018

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
OPERATING REVENUES				
Charges for sales and services	$ 71,963,509	$ 4,879,893	$ 76,843,402	$ 0
Interfund services provided	0	0	0	13,979,977
Other	91,685	37,256	128,941	51,093
Total operating revenues	72,055,194	4,917,149	76,972,343	14,031,070
OPERATING EXPENSES				
Costs of sales and services	18,260,466	1,742,674	20,003,140	12,940,913
Personal services	13,460,571	1,866,303	15,326,874	367,314
Depreciation	15,101,193	1,370,406	16,471,599	34,022
Total operating expenses	46,822,230	4,979,383	51,801,613	13,342,249
Operating income (loss)	25,232,964	(62,234)	25,170,730	688,821
Non-operating revenues (expenses)				
Interest revenue	2,123,320	61,578	2,184,898	71,772
Interest expense	(3,852,573)	(98,830)	(3,951,403)	0
Gain (loss) on sale of capital assets	(3,543,647)	298,965	(3,244,682)	7,589
Total non-operating revenues (expenses)	(5,272,900)	261,713	(5,011,187)	79,361
Income (loss) before capital contributions and transfers	19,960,064	199,479	20,159,543	768,182
Capital contributions				
Connection fees	4,173,891	0	4,173,891	0
Capital contributions	5,247,758	0	5,247,758	0
Intergovernmental revenue	0	98,172	98,172	0
Total capital contributions	9,421,649	98,172	9,519,821	0
Income (loss) before transfers	29,381,713	297,651	29,679,364	768,182
Transfers in (out)				
Transfers in	0	293,765	293,765	0
Transfers out	(4,208,175)	(5,660)	(4,213,835)	0
Total transfers in (out)	(4,208,175)	288,105	(3,920,070)	0
Change in net position	25,173,538	585,756	25,759,294	768,182
Net position, July 1 (original)	407,983,339	11,381,422	419,364,761	5,814,853
Prior period adjustment	(415,094)	(201,850)	(616,944)	0
Net position, July 1 (restated)	407,568,245	11,179,572	418,747,817	5,814,853
Net position, June 30	$ 432,741,783	$ 11,765,328	$ 444,507,111	$ 6,583,035
Change in net position - enterprise funds			$ 25,759,294	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			261,752	
Change in net position - business-type activities			$ 26,021,046	

See accompanying notes to the financial statements.

Exhibit A-9

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2018

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
Cash flows from operating activities:				
Receipts from customers	$ 71,962,211	$ 4,762,682	$ 76,724,893	$ 0
Receipts from interfund services provided	0	0	0	13,925,976
Payments to suppliers	(17,596,302)	(1,726,818)	(19,323,120)	(12,231,005)
Payments to employees	(12,962,475)	(1,893,952)	(14,856,427)	(365,627)
Other receipts	91,685	25,306	116,991	51,093
Net cash provided (used) by operating activities	41,495,119	1,167,218	42,662,337	1,380,437
Cash flows from non-capital financing activities:				
Receipts from other funds	0	293,765	293,765	0
Payments to other funds	(3,446,222)	(39,794)	(3,486,016)	0
Net cash provided (used) by non-capital financing activities	(3,446,222)	253,971	(3,192,251)	0
Cash flows from capital and related financing activities:				
Connection fees	4,173,891	0	4,173,891	0
Receipts of capital contributions	56,400	0	56,400	0
Payments to other funds	(761,953)	0	(761,953)	0
Receipts from other governments	0	207,218	207,218	0
Proceeds from sale of capital assets	57,796	299,701	357,497	7,589
Interest paid	(3,916,336)	(83,726)	(4,000,062)	0
Acquisition of capital assets	(21,227,024)	(416,331)	(21,643,355)	(41,235)
Payment of capital related accounts payable	(1,705,218)	(49,925)	(1,755,143)	0
Principal payments - bonds	(15,940,000)	0	(15,940,000)	0
Principal payments - capital leases and promissory notes	0	(670,000)	(670,000)	0
Net cash provided (used) by capital and related financing activities	(39,262,444)	(713,063)	(39,975,507)	(33,646)
Cash flows from investing activities:				
Interest received	1,313,144	47,104	1,360,248	71,773
Net increase (decrease) in cash and cash equivalents	99,597	755,230	854,827	1,418,564
Cash and cash equivalents, July 1	115,437,271	4,519,493	119,956,764	7,434,112
Cash and cash equivalents, June 30	$ 115,536,868	$ 5,274,723	$ 120,811,591	$ 8,852,676

See accompanying notes to the financial statements.

Exhibit A-10, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2018

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 25,232,964	$ (62,234)	$ 25,170,730	$ 688,821
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	15,101,193	1,370,406	16,471,599	34,022
(Increase) decrease in accounts receivable	(62,153)	(31,070)	(93,223)	(9,357)
(Increase) decrease in intergovernmental receivables	(3,949)	(98,172)	(102,121)	12,933
(Increase) decrease in inventory	81,502	0	81,502	(22,872)
(Increase) decrease in prepaid expenses	3,800	0	3,800	0
(Increase) decrease in deferred outflows of resources	(1,661,882)	(71,903)	(1,733,785)	0
Increase (decrease) in accounts payable	577,481	13,679	591,160	136,348
Increase (decrease) in intergovernmental payables	1,381	0	1,381	0
Increase (decrease) in sales tax payable	0	81	81	0
Increase (decrease) in accrued salaries and benefits	66,446	1,597	68,043	1,688
Increase (decrease) in deposits payable	64,804	0	64,804	33,774
Increase (decrease) in claims reserve	0	0	0	505,080
Increase (decrease) in net pension liability	600,454	(76,049)	524,405	0
Increase (decrease) in deferred inflows of resources	2,046,871	195,549	2,242,420	0
Increase (decrease) in OPEB liability	(553,793)	(76,844)	(630,637)	0
Increase (decrease) in other liabilities	0	2,178	2,178	0
Total adjustments	16,262,155	1,229,452	17,491,607	691,616
Net cash provided (used) by operating activities	$ 41,495,119	$ 1,167,218	$ 42,662,337	$ 1,380,437
Cash and cash equivalents reconciliation:				
Cash and cash equivalents	$ 41,197,857	$ 5,274,723	$ 46,472,580	$ 8,852,676
Restricted assets				
Cash and cash equivalents	74,339,011	0	74,339,011	0
Total cash and cash equivalents	$ 115,536,868	$ 5,274,723	$ 120,811,591	$ 8,852,676

Noncash investing, capital, and financing activities:

Contributions of capital assets from individuals totaled $3,929,770.
Acquisition of capital assets through accounts payable totaled $2,656,445.
Forgiveness of capital lease through capital contributions totaled $1,261,588.

See accompanying notes to the financial statements.

Exhibit A-10, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2018

	Community Private-Purpose Trust Fund	Employees' Pension Trust Fund	Municipal Court Agency Fund
ASSETS			
Cash and cash equivalents	$ 23,284	$ 821,251	$ 75,967
Investments, at fair value			
Mutual funds			
Equity	0	65,864,108	0
Fixed income	0	28,601,077	0
Real estate		4,351,920	0
Total assets	23,284	99,638,356	75,967
LIABILITIES			
Accounts payable	0	31,540	0
Due to other agencies	0	0	75,967
Total liabilities	0	31,540	75,967
NET POSITION			
Restricted for:			
Pensions	0	99,606,816	0
Employee assistance	23,284	0	0
Total net position	$ 23,284	$ 99,606,816	$ 0

See accompanying notes to the financial statements.

Exhibit A-11

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the fiscal year ended June 30, 2018

	Community Private-Purpose Trust Fund	Employees' Pension Trust Fund
ADDITIONS		
Contributions		
Employer contributions	$ 0	$ 3,209,624
Employee contributions	0	3,209,624
Employee donations	49,502	0
Total contributions and donations	49,502	6,419,248
Investment Income		
Net appreciation (depreciation) in fair value of investments	0	9,135,951
Interest	3	4,419
Dividends	0	1,616,795
Investment expense	0	(219,595)
Net investment income (loss)	3	10,537,570
Total additions (reductions)	49,505	16,956,818
DEDUCTIONS		
Benefits	0	8,022,423
Refunds	0	639,207
Distributions for assistance	57,913	0
Total deductions	57,913	8,661,630
Change in net position	(8,408)	8,295,188
Net position held in trust for pension benefits and other purposes		
Net position, July 1	31,692	91,311,628
Net position, June 30	$ 23,284	$ 99,606,816

See accompanying notes to the financial statements.

Exhibit A-12

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2018

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Total Component Units
ASSETS			
Current assets			
Cash and cash equivalents	$ 2,753,238	$ 434,240	$ 3,187,478
Receivables			
Accounts	9,706	0	9,706
Taxes	47,883	0	47,883
Restricted assets			
Cash and cash equivalents	100,000	0	100,000
Total current assets	2,910,827	434,240	3,345,067
Noncurrent assets			
Capital assets			
Non-depreciable	4,940,382	0	4,940,382
Depreciable (net)	5,378,326	12,589	5,390,915
Total noncurrent assets	10,318,708	12,589	10,331,297
Total assets	13,229,535	446,829	13,676,364
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	43,685	69,332	113,017
Deferred outflows related to other post employment benefits	128,108	14,640	142,748
Total deferred outflows of resources	171,793	83,972	255,765
LIABILITIES			
Current liabilities			
Payables			
Accounts	194,104	15,370	209,474
Intergovernmental	2,968	0	2,968
Sales tax	11,984	0	11,984
Retainge	34,316	0	34,316
Accrued salaries	111,644	9,773	121,417
Compensated absences	104,795	6,351	111,146
Unearned revenue	905	0	905
Other liabilities	13,576	0	13,576
Total current liabilities	474,292	31,494	505,786
Noncurrent liabilities			
Compensated absences	11,633	706	12,339
Net pension liability	149,410	446,800	596,210
Net OPEB liability	2,053,694	234,708	2,288,402
Total noncurrent liabilities	2,214,737	682,214	2,896,951
Total liabilities	2,689,029	713,708	3,402,737

See accompanying notes to the financial statements.

Exhibit A-13, continued

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2018

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Total Component Units
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	$ 138,483	$ 47,744	$ 186,227
Deferred inflows related to other post employment benefits	167,932	19,192	187,124
Total deferred inflows of resources	306,415	66,936	373,351
NET POSITION			
Net investment in capital assets	10,284,392	12,589	10,296,981
Restricted for cultural and recreation	6,161	0	6,161
Restricted for capital outlay	30,239	0	30,239
Unrestricted	85,092	(262,432)	(177,340)
Total net position	$ 10,405,884	$ (249,843)	$ 10,156,041

See accompanying notes to the financial statements.

Exhibit A-13, continued

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
COMPONENT UNITS
For the fiscal year ended June 30, 2018

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Total Component Units
Expenses			
Culture and Recreation	$ 5,666,011	$ 0	$ 5,666,011
Housing and Development	0	639,598	639,598
Total expenses	5,666,011	639,598	6,305,609
Program revenues			
Charges for services	1,813,587	17,098	1,830,685
Operating grants and contributions	21,000	0	21,000
Total program revenues	1,834,587	17,098	1,851,685
Net (expense) revenue	(3,831,424)	(622,500)	(4,453,924)
General revenues			
Property taxes	3,246,674	0	3,246,674
Interest	35,389	4,423	39,812
Payments from City of Gainesville	399,457	461,533	860,990
Contributions	0	250	250
Miscellaneous	899	11,646	12,545
Total general revenues	3,682,419	477,852	4,160,271
Change in net position	(149,005)	(144,648)	(293,653)
Net position, July 1 (original)	10,768,116	58,652	10,826,768
Prior period adjustment	(213,227)	(163,847)	(377,074)
Net position, July 1 (restated)	10,554,889	(105,195)	10,449,694
Net position, June 30	$ 10,405,884	$ (249,843)	$ 10,156,041

See accompanying notes to the financial statements.

Exhibit A-14

Gainesville, Georgia

Since 1821

1. Description of Government Unit

The City of Gainesville, Georgia (the City) is located in the Northeastern area of Georgia in Hall County about 50 miles northeast of Atlanta and about 100 miles southwest of Greenville, South Carolina, just north of Interstate 85 on the Chattahoochee River and Lake Sidney Lanier.

The City provides a full range of governmental services, including public safety, health and social services, recreational programs and economic development as well as water and sewer service, the operation of an airport, and funding support for certain other local agencies. The City is governed by an elected mayor and five-member council.

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Gainesville (the primary government) and material component units. The component unit discussed below is included in the City's reporting entity because of the significance of its operational and financial relationship with the City. In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, the financial statements of the following component units have been included as discretely presented component units.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

City of Gainesville Parks and Recreation Board

The City of Gainesville Parks and Recreation Board was established as a legally separate entity through a special election in 1924 and operates pursuant to the Official Code of Georgia Annotated section 36-64-1. The Board consists of nine members appointed by the City Council. The City Council levies a recreation tax which can be not less than 0.75 mills and not greater than 1.0 mills. The Parks and Recreation Board provides leisure services to the citizens of the City of Gainesville and the citizens of Hall County. The Board undertakes special projects and assignments for City management. In many respects it functions similar to a City department through regular participation in department director meetings, budget approval, accounting, payroll, etc.

The City of Gainesville Parks and Recreation is reported in a separate column to emphasize that it is legally separate from the City. Individual financial statements are presented as part of the City's Comprehensive Annual Report in the section labeled "Component Unit". (See Exhibits K-1 to K-4). Gainesville Parks and Recreation has a June 30 year-end. There is no separately issued stand-alone financial report for this component unit.

Gainesville Convention and Visitor's Bureau

The Gainesville Convention and Visitor's Bureau was established as a legally separate entity through presentation of House Bill 1132 approved by the Governor on April 29, 2014 and operates pursuant to the Official Code of Georgia Annotated section 48-13-51. The Board consists of up to seven directors appointed by the City Council. The City of Gainesville collects hotel/motel taxes as authorized by OCGA 48-13-51. Under this law the City levies a tax at a rate of 6%, of which 43 1/3 percent of the total tax is expended for promoting tourism, conventions, and trade shows through a contract or contracts with a convention and visitors bureau authority created by local Act of the General Assembly for a municipality, or a private sector nonprofit organization. The Gainesville Convention and Visitor's Bureau has the responsibility and authority to promote tourism, conventions, and trade shows in the City of Gainesville, Georgia for the citizens of Hall County. The Board undertakes special projects and assignments from City management. In many respects it functions similar to a City department through regular participation in department director meetings, budget approval, accounting, payroll, etc.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Gainesville Convention and Visitor's Bureau

The Gainesville Convention and Visitor's Bureau is reported in a separate column to emphasize that it is legally separate from the City. Individual financial statements are presented as part of the City's Comprehensive Annual Report in the section labeled "Component Units". (See Exhibits K-5 and K-6). The Gainesville Convention and Visitor's Bureau has a June 30 year-end. There is no separately issued stand-alone financial report for this component unit.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. 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.

The government has two discretely presented component units. Parks and Recreation component unit and the Convention and Visitor's Bureau component unit are combined and are shown in a separate column in the government-wide financial statements.

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund - The general operating fund of the City is used to account for all financial resources except those required to be accounted for in another fund.

Special Purpose Local Option Sales Tax Capital Project Fund – This fund is used to account for general purpose long-term capital projects financed through special purpose local option sales tax.

The City reports the following major proprietary fund:

Department of Water Resources Fund - This fund is used to account for activities connected with the development, operation, and maintenance of water and sewer service in the City of Gainesville and parts of Hall County.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds - This fund type is used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Capital Projects Funds - This fund type is used to account for financial resources to be used for the acquisition or construction of capital assets (other than those financed by the proprietary or fiduciary funds).

Proprietary Fund Types

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Internal Service Funds - These funds are used to account for the financing of goods and services provided to the departments of the government on a cost reimbursement basis. The City's internal service funds are used to account for the financing of employee benefits, risk management services and vehicle repair and maintenance services to other departments or funds of the City on a cost-reimbursement basis.

Fiduciary Fund Types

Trust Funds - These funds are used to account for assets held by the City as a trustee or agent to be expended or invested in accordance with the conditions of a trust or in its agency capacity. The City has a private-purpose trust fund to account for the activity of the Community Trust Fund, and a pension trust fund to account for a single employer retirement system administered by the City for the benefit of its eligible employees.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Fiduciary Fund Types (continued)

Agency Funds – Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held either for the City or for others. The City has an agency fund to account for the activity of the Municipal Court.

Component Units

The Gainesville Parks and Recreation Component Unit is accounted for using a current financial resources measurement focus and uses the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e. when they both become measurable and available).

The Gainesville Convention and Visitor's Bureau Component Unit is accounted for using a current financial resources measurement focus and uses the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e. when they both become measurable and available).

Interfund Activity

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

F. Revenues and Expenditures/Expenses

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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses, continued

Certain indirect costs have been included as part of program expenses reported for the various functional activities.

Proprietary funds and internal service 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 Department of Water Resources Fund, Airport Fund, Solid Waste Fund, and Chattahoochee Golf Course Fund, and internal service funds are charges to customers for sales and services. The Department of Water Resources Fund also recognizes as operating revenue a portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal services 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.

G. Budgets and Budgetary Accounting

The City Council adopts an operating budget for all governmental fund types, except for the Capital Projects Funds, for the upcoming fiscal year, prior to July 1. Capital budgets are adopted for Capital Projects Funds; additional capital projects are budgeted by the City Council as capital projects are approved throughout the year. The adopted budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of a resolution.

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting, continued

The budget process begins each year with a budget priority-setting workshop in which members of the City Council indicate various issues of importance to be considered in the budget. Once the priorities are established, the Budget Officer prepares estimates of both the current and proposed fiscal year revenue for all funds. Expenditure estimates for the current and proposed fiscal year are initially prepared by the respective department directors. All budget estimates are then reviewed by the City Manager, who makes the final decisions regarding the proposed budget. The proposed budget is then presented to the City Council and interested citizens during public hearings. These hearings are publicized in the local newspaper at least one week before the first hearing, and the budget document is made available for public inspection during this period. The final proposed budget is then adopted by the City Council on or before June 30 during a regular Council meeting, which is also open to the public.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level. Changes may be made within an operating budget by departmental request through the Budget and Purchasing Manager, except for equipment requests under $5,000, which must be approved by the City Manager, and equipment requests over $5,000 and changes in personal services budgets, which must be approved by the City Council. All operating budget transfers between departments and all changes to Capital Projects budgets must be approved by City Council. Formal budgetary integration is employed as a management control device during the year.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year-end.

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting, continued

Encumbrance accounting (under which purchase orders, contracts, and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriation) is employed as an extension of formal budgetary integration in all funds. Encumbrances outstanding at year-end are reported as restrictions, commitments, or assignments of fund balances since they do not constitute expenditures or liabilities.

H. Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital project investments is included in the investment accounts.

Investments are recorded at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

I. Intergovernmental Receivables

Receivables for state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Inventories

Inventories for the General Fund are valued at average cost and recorded as expenditures when consumed. Inventories in the Enterprise and Internal Service Funds are valued at cost on the first-in, first-out method.

2. Summary of Significant Accounting Policies (continued)

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal year, are recorded as prepaid items. Prepaid items in the governmental funds are recorded as expenditures when consumed.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

GASB Statement No. 34 required the City to report and depreciate new infrastructure assets effective with the fiscal year ended June 30, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are among the largest asset classes of the City. Prior to July 1, 2006, neither their historical costs, nor related depreciation, had been reported in the financial statements. The City implemented the requirements for retroactive reporting of major general infrastructure assets during the fiscal year ended June 30, 2007. The City elected not to report general infrastructure assets placed into service prior to July 1, 1980.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated.

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

Land and construction-in-progress are not depreciated. The other property, plant equipment, and infrastructure of the primary government are depreciated using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life in Years	Capitalization Threshold
Buildings	10 to 60	$ 10,000
Sewer lines	40 to 50	$ 25,000
Water lines	40 to 50	$ 25,000
Water and sewer treatment facilities	60	$ 25,000
Roads	30 to 50	$ 200,000
Storm drains	25 to 40	$ 50,000
Sidewalks	25 to 30	$ 50,000
Bridges/culverts	40 to 50	$ 100,000
Bike paths	20 to 30	$ 50,000
Parking lots	15 to 35	$ 100,000
Traffic signals	15 to 25	$ 60,000
Airport runways	20 to 40	$ 25,000
Equipment	5 to 20	$ 10,000
Vehicles	5 to 15	$ 10,000
Furniture and fixtures	3 to 8	$ 10,000
Intangibles	3 to 15	$ 10,000
Computer software	3 to 5	$ 20,000

All land will be valued and capitalized. The costs of normal maintenance and repairs that do not add value or materially extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

2. Summary of Significant Accounting Policies (continued)

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred outflows of resources for deferred charges on bond refunding and their defined benefit pension plans and OPEB plan. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item that arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows of resources related to their defined benefit pension plans and OPEB plan.

N. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

2. Summary of Significant Accounting Policies (continued)

O. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed, fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

P. Restricted Assets and Restricted Net Position

Restricted assets of the Enterprise Funds primarily represent unexpended money collected and receivables consisting of extension and renewal receipts which remain restricted for future construction of specific projects for the improvement and expansion of the Water and Sewer system. Restricted assets for debt redemption of the Department of Water Resources Fund represent resources set aside for the repayment of revenue bonds and notes payable outstanding. The assets are maintained in a separate bank account and their use is limited by application of debt covenants.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of restricted net position.

2. Summary of Significant Accounting Policies (continued)

Q. Fund Balances – Governmental Funds

The City of Gainesville implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable by the City are nonspendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the City Council, the City of Gainesville's highest level of decision making authority, which include the language "committed for the purpose of". Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number. A resolution committing amounts must be adopted prior to the end of the fiscal year; however, the amount to be committed may be determined within 120 days of fiscal year-end.

Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the City's adopted policy, amounts may be assigned by the City Manager, under the authorization of the City Council, through a written memorandum. Amounts appropriated to eliminate a projected deficit in the subsequent fiscal year's budget shall constitute assignments and are documented by adoption of the City's annual operating budget. The City Manager has determined that all equity amounts reported in special revenue funds, capital project funds, debt service funds, or permanent funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments of fund balance.

2. Summary of Significant Accounting Policies (continued)

Q. Fund Balances – Governmental Funds, continued

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that should report positive amounts this category of fund balance.

R. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused paid time off (PTO) benefits which will be paid to the employees upon separation from City service. Accumulated unpaid PTO amounts are accrued when incurred by the City in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured (ie, unused reimbursable leave still outstanding following an employee's resignation or retirement) and is expected to be liquidated with expendable available financial resources.

S. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Issuance costs are expensed as incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

2. Summary of Significant Accounting Policies (continued)

T. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

U. Comparative Data and Reclassifications

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain prior fiscal year amounts have been reclassified to conform to the current fiscal year presentation.

3. Deposit and Investment Risk

Custodial credit risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned. The City's policies require that all deposits be federally insured or fully collateralized. The Employees' Pension Trust Fund is exempt from the City's policy requiring that all deposits be federally insured or fully collateralized.

Investment policies - Credit, concentration of credit, and interest rate risk

The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States. The City has no investment policy that would further limit its investment choices. The City places no limits on the amount the City may invest in any one issuer of equity or debt securities. Investments are reported at fair market value.

The City's financial policies limit investments to a maximum one year maturity to minimize interest rate risk. The City Manager may approve exceptions to the one-year maturity limit, and such exceptions will be disclosed to City Council.

3. Deposit and Investment Risk (continued)

In general, the Employees' Pension Trust Fund is exempt from the City investment and cash management policies. The City has adopted a separate investment policy for the Pension Trust Fund.

The City participates in the State of Georgia Local Government Investment Pool (Georgia Fund 1). The City policy limits investments in Georgia Fund 1 to 40% of the City's investments. Assets in this pool are invested in the Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Standard and Poor's criteria for AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

The Georgia Fund 1 is rated AAAf by Standard & Poor's. The weighted average maturity at the end of the current fiscal year was 10 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was $65,547,119.

Investment policies – Employees' Pension Trust Fund

The assets of the Employees' Pension Trust Fund are held in several mutual funds and separate account portfolios, which are all overseen by one investment consultant. Pension Trust Fund investments follow State of Georgia Code Sections 47-20-82, 47-20-83, and 47-20-84 for authorized investments.

City policy limits investment in equity securities to 55% (at cost) of the Fund's total asset value. No more than 5% (at cost) of an investment manager's equity portfolio may be invested in the shares of a single corporate issuer. Direct investment in foreign equities traded on foreign exchanges is prohibited. Equities may be managed through the purchase of open-ended, no-load mutual funds or commingled funds as long as these funds in aggregate adhere to the equity guidelines of the policy.

3. Deposit and Investment Risk (continued)

City policy requires that fixed income portfolio should bear an average credit quality of "A" or higher. Investments in Collateralized Mortgage Obligations shall be limited to 15% of the market value of the investment manager's total portfolio. No more than 5% (at cost) of an investment manager's total fixed income portfolio shall be invested in the securities of any single corporate issuer. There is no limit imposed on investments in fixed income securities issued directly by the US government or any agency or instrumentality thereof. Investments in corporate fixed income securities shall be limited to securities issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia. The duration of the fixed income portfolio should be less than 135% of the duration of the Barclays Capital US Aggregate Bond Index. At the end of the current fiscal year, the duration for the index was 6.20 years. Investments in corporate fixed income securities shall be limited to those securities rated "BAA" or higher by Moody's or "BBB" or higher by Standard & Poor's rating services. Fixed income securities may be managed through the purchase of open-ended, no-load mutual funds or commingled funds as long as these funds in aggregate adhere to the fixed income guidelines of the policy.

Investment		Fair Value	Average Maturity (in years)	Standard and Poor's Credit Rating
PIMCO Investment Grade Corporate Bond Fund	$	6,661,454	10.02	N/A
PIMCO Total Return Fund		6,323,059	5.17	N/A
PIMCO All Asset Fund		9,711,177	5.55	N/A
	$	22,695,690		

Foreign currency risk

The City has no investments denominated in a foreign currency.

Investments

The investments reported in the Economic Development, Grants and HUD Grant Special Revenue Funds are property held for resale.

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

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

3. Deposit and Investment Risk (continued)

At the end of the current fiscal year, the City had the following recurring fair value measurements in the Employees' Pension Trust Fund.

Investment by fair value level	Fair Value			
	Total	Level 1	Level 2	Level 3
Debt Securities				
Mutual Funds	$ 28,601,077	$ 0	$ 28,601,077	$ 0
Equities				
Mutual Funds	65,864,108	65,864,108	0	0
Other				
Real Estate Funds	4,351,920	0	0	4,351,920
Property held for resale	1,226,849	0	0	1,226,849
Total Investments	$ 100,043,954	$ 65,864,108	$ 28,601,077	$ 5,578,769

4. Accounts Receivable

Net accounts receivable at the end of the current fiscal year consist of the following:

Primary Government:		
Major Funds		
General Fund		$ 66,992
Water Resources Enterprise Fund	$ 5,507,405	
Less: Allowance for Uncollectibles	(1,161,728)	4,345,677
Nonmajor Funds		
Special Revenue Funds		
Confiscated Assets Fund	3,257	
Community Service Center	3,290	6,547
Capital Projects Funds		
Grants		27,958
Enterprise Funds		
Airport	23,912	
Solid Waste	358,576	
Less: Allowance for Uncollectibles	(82,884)	
Golf Course	39,382	338,986
Internal Service Funds		
General Insurance	2,820	
Employee Benefits	23,764	26,584
Total Primary Government		$ 4,812,744
Component Units:		
Parks and Recreation		$ 9,706

5. Intergovernmental Receivables

Intergovernmental receivables at the end of the current fiscal year consist of the following:

Primary Government:		
Major Funds		
General Fund		
Gainesville City School System	$ 20,561	
Drug Enforcement Administration	8,303	
Federal Bureau of Investigation	2,815	
State of Georgia	991	$ 32,670
SPLOST Fund		
Hall County, Georgia	958,329	
State of Georgia	51,412	
Miscellaneous	47	1,009,788
Department of Water Resources Enterprise Fund		
Hall County, Georgia		169,017
Nonmajor Funds		
Special Revenue Funds		
Community Service Center		
State of Georgia	14,776	
Hall County, Georgia	195,263	
Grants		
State of Georgia	29,325	
Federal Emergency Management Agency	395,298	
US Department of Justice	6,126	
US Office of Highway Safety	123,233	
US Department of Housing & Urban Development	202,432	
Government Access Cable TV		
Hall County, Georgia	33,825	
HUD Grant		
US Department of Housing & Urban Development	244,220	1,244,498
Debt Service Funds		
Debt Service		
Miscellaneous		414
Capital Projects Funds		
Grants		
State of Georgia		229,825
Enterprise funds		
Airport		
State of Georgia	7,802	
US Treasury	101,154	108,956
Vehicle Services Internal Service Fund		
Gainesville City School System		8,582
Total Primary Government		$ 2,803,750

6. Property Taxes

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for fiscal year 2018, based upon the assessments of January 1, 2017 and the levy date of September 26, 2017, were final billed on October 1, 2017, and due on December 1, 2017. Tax liens are issued 90 days after the due date. The City of Gainesville bills and collects its own property taxes with property tax collections appearing as revenues to the respective funds (General, Tax Allocation District, Debt Service, and Parks and Recreation Component Unit) according to the tax rates set by City Council.

7. Intradepartmental Billings

Total operating revenues and total operating expenses in the Department of Water Resources Enterprise Fund includes $141,822 of intradepartmental billings for water and sewer usage for the current fiscal year.

8. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables at the end of the current fiscal year is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	$ 885,971

The balance reported as Due to/Due from represent loans between the borrower funds and the lender. Balances reported between in the General Fund and nonmajor governmental funds resulted from transactions to alleviate equity in pooled cash deficits at year-end. $258,790 is also reported in the General Fund as advances to other funds and as advances from other funds in the Chattahoochee Golf Course Enterprise Fund; this balance is not expected to be repaid within one year.

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

8. Interfund Receivables, Payables, and Transfers (continued)

A summary of interfund transfers is as follows:

Transfer Out Fund	Transfer In Fund	Amount
General	SPLOST Capital Project	$ 100,000
	Nonmajor Governmental	4,199,291
	Nonmajor Enterprise	293,765
Department of Water Resources	General	3,446,222
	SPLOST Capital Projects	208,440
	Nonmajor Governmental	553,513
Nonmajor Governmental	General	30,871
	SPLOST Capital Projects	654,535
	Nonmajor Governmental	751,482
Nonmajor Enterprise	Nonmajor Governmental	5,660
		$ 10,243,779

Interfund transfers were used to transfer unrestricted revenues from payor funds to subsidize operations in payee funds in accordance with budgetary authorizations, to transfer City matching funds in accordance with grant agreements, to transfer funds to Capital Projects Funds for capital projects in accordance with budgetary authorizations, and to move capital assets between governmental activities and business-type activities. The transfer from the Department of Water Resources Fund to the General Fund is in accordance with City policy, and is common practice for government-owned utility systems. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

9. Capital Assets

Capital asset activity for the primary government for the year current fiscal year was as follows:

	Balance Beginning	Increases	Decreases	Balance Ending
Governmental activities				
Non-depreciable assets				
Land	$ 25,539,510	$ 855,458	$ (5,527)	$ 26,389,441
Construction in progress	4,278,640	3,527,258	(4,033,786)	3,772,112
Total non-depreciable assets	29,818,150	4,382,716	(4,039,313)	30,161,553
Depreciable assets				
Buildings	57,131,997	1,632,874	(15,066)	58,749,805
Land improvements	3,124,046	0	0	3,124,046
Vehicles and equipment	20,163,056	3,397,692	(729,632)	22,831,116
Intangibles	3,317,114	0	(161,079)	3,156,035
Infrastructure	34,825,652	4,482,250	0	39,307,902
Total depreciable assets	118,561,865	9,512,816	(905,777)	127,168,904
Less accumulated depreciation				
Buildings	(16,807,059)	(1,427,999)	15,065	(18,219,993)
Land improvements	(1,699,522)	(118,317)	0	(1,817,839)
Vehicles and equipment	(15,222,944)	(1,607,127)	701,866	(16,128,205)
Intangibles	(1,989,103)	(255,554)	96,647	(2,148,010)
Infrastructure	(14,504,158)	(1,175,525)	0	(15,679,683)
Total accumulated depreciation	(50,222,786)	(4,584,522)	813,578	(53,993,730)
Total depreciable assets, net	68,339,079	4,928,294	(92,199)	73,175,174
Governmental activities capital assets, net	$ 98,157,229	$ 9,311,010	$ (4,131,512)	$ 103,336,727
Business-type activities				
Non-depreciable assets				
Land	$ 31,534,764	$ 0	$ (736)	$ 31,534,028
Easements	2,051,336	5,662	0	2,056,998
Construction in progress	20,441,711	26,298,695	(10,795,047)	35,945,359
Total non-depreciable assets	54,027,811	26,304,357	(10,795,783)	69,536,385
Depreciable assets				
Buildings	52,213,906	0	0	52,213,906
Land improvements	10,211,827	0	0	10,211,827
Vehicles and equipment	31,359,937	7,880,827	(890,440)	38,350,324
Intangibles	6,089,224	0	0	6,089,224
Infrastructure	550,676,211	7,517,301	(6,247,565)	551,945,947
Total depreciable assets	650,551,105	15,398,128	(7,138,005)	658,811,228
Less accumulated depreciation				
Buildings	(12,741,111)	(1,170,642)	0	(13,911,753)
Land improvements	(5,371,797)	(434,516)	0	(5,806,313)
Vehicles and equipment	(18,395,716)	(1,848,700)	858,695	(19,385,721)
Intangibles	(2,249,542)	(299,855)	0	(2,549,397)
Infrastructure	(190,336,718)	(12,717,886)	0	(203,054,604)
Total accumulated depreciation	(229,094,884)	(16,471,599)	858,695	(244,707,788)
Total depreciable assets, net	421,456,221	(1,073,471)	(6,279,310)	414,103,440
Business-type activities capital assets, net	$ 475,484,032	$ 25,230,886	$ (17,075,093)	$ 483,639,825

9. Capital Assets (continued)

Capital asset activity for the Parks and Recreation Component Unit and the Convention and Visitor's Bureau Component Unit for the current fiscal year was as follows:

	Balance Beginning	Increases	Decreases	Balance Ending
Parks & Recreation Component Unit				
Non-depreciable assets				
Land	$ 4,615,183	$ 0	$ 0	$ 4,615,183
Construction in progress	229,498	169,457	(73,756)	325,199
Total non-depreciable assets	4,844,681	169,457	(73,756)	4,940,382
Depreciable assets				
Buildings	8,978,851	76,120	0	9,054,971
Land improvements	3,744,842	356,745	0	4,101,587
Vehicles and equipment	1,529,509	113,232	(68,080)	1,574,661
Intangibles	281,365	0	0	281,365
Infrastructure	3,137,259	0	(17,200)	3,120,059
Total depreciable assets	17,671,826	546,097	(85,280)	18,132,643
Less accumulated depreciation				
Buildings	(6,933,252)	(201,151)	0	(7,134,403)
Land improvements	(2,312,534)	(312,828)	0	(2,625,362)
Vehicles and equipment	(1,136,761)	(106,579)	18,357	(1,224,983)
Intangibles	(217,314)	(17,286)	0	(234,600)
Infrastructure	(1,397,230)	(142,558)	4,819	(1,534,969)
Total accumulated depreciation	(11,997,091)	(780,402)	23,176	(12,754,317)
Total depreciable assets, net	5,674,735	(234,305)	(62,104)	5,378,326
Parks & Recreation Component Unit capital assets, net	$ 10,519,416	$ (64,848)	$ (135,860)	$ 10,318,708
Convention and Visitor's Bureau Component Unit				
Depreciable assets				
Vehicles and equipment	$ 22,216	$ 0	$ 0	$ 22,216
Less accumulated depreciation				
Vehicles and equipment	(5,184)	(4,443)	0	(9,627)
Convention and Visitor's Bureau Component Unit capital assets, net	$ 17,032	$ (4,443)	$ 0	$ 12,589

Decreases in construction in progress for the governmental activities consist of projects placed into service in the amount of $2,808,272 and projects abandoned in the amount of $1,225,514.

Decreases in construction in progress for the business-type activities consist of projects placed into service in the amount of $7,670,315 and projects abandoned in the amount of $3,124,732.

9. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 1,971,065
Public Safety	1,111,994
Public Works	1,005,330
Health and Welfare	219,643
Housing and Development	193,215
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	34,021
Total depreciation expense for governmental activities	$ 4,535,268
Business-type activities	
Department of Water Resources	$ 15,101,193
Airport	896,619
Solid Waste	170,157
Golf Course	303,630
Total depreciation expense for business-type activities	$ 16,471,599
Component Unit	
Parks and Recreation	$ 764,152
Convention and Visitor's Bureau	4,443

	Primary Government		Component Units	
	Governmental Activities	Business-type Activities	Parks and Recreation	Convention and Visitor's Bureau
Current year depreciation expense	$ 4,535,268	$ 16,471,599	$ 764,152	$ 4,443
Prior accumulated depreciation on assets transferred between governmental, business-type activities, and component unit	49,254	0	16,250	0
Additions to accumulated depreciation	$ 4,584,522	$ 16,471,599	$ 780,402	$ 4,443

10. Capital and Operating Leases Agreements

The City has entered into agreements for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of these leases at the end of the current fiscal year, are $17,808,355 and $19,525,547 for governmental and business-type activities, respectively.

Total assets leased under capital leases are $24,783,414 and $39,586,921 for governmental and business-type activities, respectively, and are classified as follows:

	Governmental Activities		Business-type Activities	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Airport improvements	$ 0	$ 0	$ 5,332,220	$ 2,488,369
Golf Course improvements	0	0	2,715,000	1,493,250
Water and sewer system	0	0	31,539,701	15,139,056
Land	745,413	0	0	0
Buildings	16,516,041	2,393,471	0	0
Vehicles and equipment	818,195	237,825	0	0
Infrastructure	6,703,765	1,608,904	0	0
Total assets under capital leases	$ 24,783,414	$ 4,240,200	$ 39,586,921	$ 19,120,675

Amortization of leased equipment under capital leases is included with depreciation expense.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments at the end of the current fiscal year:

Year Ending June 30,	Governmental Activities	Business-type Activities
2019	$ 2,193,089	$ 2,033,667
2020	2,203,825	2,029,219
2021	2,146,840	1,567,368
2022	3,254,059	1,570,372
2023	1,880,377	1,568,181
2024-2028	8,584,633	7,227,737
2029-2031	0	3,784,764
Total minimum lease payments	20,262,823	19,781,308
Less amounts representing interest	(2,454,468)	(255,761)
Present value of minimum lease payments	$ 17,808,355	$ 19,525,547

10. Capital and Operating Leases Agreements (continued)

On June 30, 2017, the City has entered into an agreement to participate in a pooled lease program sponsored by the Georgia Municipal Association. Certificates of Participation in the amount of $150,126,000 were issued in connection with the lease program, with the City's pro rata share of the principal being $1,166,000. At June 30, 2018, the City has a balance of $741,858 of the certificate proceeds for the purpose of financing the acquisition of equipment and is included with other leases above. These amounts are presented as capital leases in the governmental activities on the Government-wide Statement of Net Position. The remaining balance of the certificate proceeds is held in trust pursuant to the certificate and is not considered legal debt of the City.

On January 17, 2006, the City of Gainesville entered into an intergovernmental lease and management agreement with Hall County, Georgia, for the operation of the Hall County Water System. The lease, in the original amount of $31,539,701, has a 25 year term with an interest rate of 0.00%. In the lease agreement, the City received $34,781,050 in capital assets, $156,739 in intergovernmental receivables from White County, Georgia, and assumed $3,398,088 in notes payable and accrued interest. Hall County will transfer 1/25th of the system value, $1,261,588, annually, beginning January 17, 2007, to offset the lease payment. If the lease agreement is terminated prior to the end of the lease term, Hall County will pay the City for all costs associated with capital improvements made to the system after January 17, 2006, plus the percentage change in the Consumer Price Index since January 17, 2006. Hall County will also pay the City for the portion of the system already transferred at the time of termination.

On May 20, 2009, the Gainesville Redevelopment Authority issued $6,230,000 in the Series 2009A Revenue Bonds, with interest rates of 3.00-4.625%. An intergovernmental lease became effective, on the date of issuance, between the Gainesville Redevelopment Authority and the City of Gainesville. Under the lease, bond proceeds of the Authority issue will be applied to construct and equip the 2009A Project, which includes the construction of the Downtown Parking Garage, to be made by the City, and the 2009 Project will be leased to the City. In return, the City will make payments to the trustee for the bonds on behalf of the Authority sufficient to pay the principal and interest on the bonds. In conjunction with the issuance of the bonds, the City conveyed title to land and the Parking Garage thereon to the Authority. The City will continue to operate, maintain, repair and have use of the Parking Garage.

10. Capital and Operating Leases Agreements (continued)

On September 25, 2012, the Gainesville Redevelopment Authority issued $1,295,000 in the Series 2012A Revenue Refunding Bonds, with an interest rate of 0.993%. An intergovernmental lease became effective, on the date of issue, between the Gainesville Redevelopment Authority and the City of Gainesville. Under the lease, bond proceeds of the Authority issue will be applied for refunding all of the Authority's Nontaxable Revenue Bonds (Lee Gilmer Airport Project), Series 2004A and paying the cost of issuing the Series 2012A Bonds. In return, the City will make payments to the trustee for the bonds, on behalf of the Authority, sufficient to pay the principal and interest on the bonds. The City will continue to operate, maintain, repair and have use of the Lee Gilmer Airport.

On September 25, 2012, the Gainesville, Redevelopment Authority issued $8,950,000 in the Series 2012B Revenue Bonds, with an interest rate of 2.542%. An intergovernmental lease became effective, on the date of issuance, between the Gainesville Redevelopment Authority and the City of Gainesville. Under the lease, bond proceeds of the Authority issue will be for acquiring certain properties located in the City of Gainesville, Georgia; for future redevelopment purposes; for refunding all of the Authority's Taxable Revenue Bonds (Lee Gilmer Memorial Airport Project), Series 2004B; and paying the costs of issuing the Series 2012B Bonds. In return, the City will make payments to the trustee for the bonds, on behalf of the Authority, sufficient to pay the principal and interest on the bonds. In conjunction with the issuance of the bonds, the City conveyed title to the land and the facility thereon to the Authority. The City will continue to operate, maintain, repair and have use of the Lee Gilmer Airport and the correction facility.

On June 1, 2015, the Gainesville Redevelopment Authority issued $11,230,000 in the Series 2015 Revenue Refunding Bonds, with an interest rate of 2.556%. An intergovernmental lease became effective, on the date of issue, between the Gainesville Redevelopment Authority and the City of Gainesville. Under the lease, bond proceeds of the Authority issue will be applied for refunding all of the Authority's Nontaxable Revenue Bonds, Series 2005 (Golf Course Project) and Series 2007(Frances Meadows Project) and paying the cost of issuing the Series 2015 Bonds. In return, the City will make payments to the trustee for the bonds, on behalf of the Authority, sufficient to pay the principal and interest on the bonds. The City will continue to operate, maintain, repair and have use of the Golf Course and Frances Meadows Center.

10. Capital and Operating Leases Agreements (continued)

On November 29, 2016, the Gainesville Redevelopment Authority issued $1,680,000 in the Series 2016 Revenue Refunding Bonds, with an interest rate of 2.53%. An intergovernmental lease became effective, on the date of issuance, between the Gainesville Redevelopment Authority and the City of Gainesville. Under the lease, bond proceeds of the Authority issue will be applied toward the purchase of land and a building at 300 Brenau Avenue, and the property will be leased to the City. In return, the City will make payment to the trustee for the bonds on behalf of the Authority sufficient to pay the principal and interest on the bonds. In conjunction with the issuance of the bonds, the City conveyed title to land and building thereon to the Authority. The City will continue to maintain, repair and have use of the property. The property is currently leased out to the former property owners in the short-term, while retained for future redevelopment by the City in accordance to the City's adopted urban redevelopment plan.

The City's lease agreements, other than such agreements described above, are relatively minor commitments (generally for office machines) and are in compliance with state law.

11. Long-Term Debt

Revenue Bonds

Revenue bonds have been issued for business-type activities and are comprised of the following individual issues at the end of the current fiscal year:

- $83,650,000 2014 Water and Sewer System Refunding series bonds due in annual installments of $3,715,000 to $7,710,000 through November 15, 2028; interest at 5.00% ($63,580,000 outstanding).

- $17,865,000 2015 Water and Sewer System Refunding series bonds due in annual installments of $2,240,000 to $5,260,000 through November 15, 2019; interest at 1.82% ($7,395,000 outstanding).

- $26,910,000 2016 Water and Sewer System Refunding series bonds due in annual installments of $3,250,000 to $8,595,000 through November 15, 2021; interest at 1.27% ($23,660,000 outstanding)

11. Long-Term Debt (continued)

Revenue Bonds, continued

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	$ 16,200,000	$ 3,142,933	$ 19,342,933
2020	12,615,000	2,770,244	15,385,244
2021	14,615,000	2,449,025	17,064,025
2022	14,965,000	2,025,828	16,990,828
2023	6,300,000	1,654,500	7,954,500
2024-2028	26,225,000	3,998,925	30,223,925
2029	3,715,000	92,875	3,807,875
Totals	$ 94,635,000	$ 16,134,330	$ 110,769,330

The Water and Sewerage Revenue Bonds Series 2014 ($83,650,000), Water and Sewerage Revenue Bonds Series 2015 ($17,865,000), and Water and Sewerage Revenue Bonds Series 2016 ($26,910,000) are collateralized by operating income from the water and sewerage system of the City of Gainesville, Georgia. Proceeds from the Series 2014 were used to refund a portion of the Series 2005 water and sewerage revenue bond issue and retire the debt on 13 water and sewerage notes payable, and to pay expenses necessary to accomplish the Series 2014 refunding issue. Proceeds from the Series 2015 were used to refund a portion of the Series 2005 water and sewerage revenue bond issue and to pay expenses necessary to accomplish the Series 2015 refunding issue. Proceeds from the Series 2016 were used to refund a portion of the Series 2006 water and sewerage revenue bond issue and to pay expenses necessary to accomplish the Series 2016 refunding issue

The bonds are payable solely from the water and sewer operating income, and are payable through the fiscal years ending 2029, 2020, and 2022, respectively. Total principal and interest remaining to be paid on the bonds is $78,873,350, $7,503,063, and $24,392,917 respectively. Principal and interest paid for the current year was $10,662,372, $5,543,695, and $3,631,318, respectively. Water and sewer operating revenue totaled $72,055,194 for the current year.

11. Long-Term Debt (continued)

Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the City for the current fiscal year:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Capital lease obligations	$ 19,267,230	$ 10,932	$ (1,469,807)	$ 17,808,355	$ 1,715,236
Compensated absences	1,223,004	1,467,418	(1,403,465)	1,286,957	1,158,261
Total Governmental activities	$ 20,490,234	$ 1,478,350	$ (2,873,272)	$ 19,095,312	$ 2,873,497
Business-type activities					
Revenue bonds	$ 110,575,000	$ 0	$ (15,940,000)	$ 94,635,000	$ 16,200,000
Unamortized bond premium	11,973,109	0	(1,048,740)	10,924,369	0
Capital lease obligations	21,471,609	0	(1,946,062)	19,525,547	1,951,588
Compensated absences	726,885	909,436	(911,026)	725,295	652,765
Total business-type activities	$ 144,746,603	$ 909,436	$ (19,845,828)	$ 125,810,211	$ 18,804,353
Component Units					
City of Gainesville Parks and Recreation					
Compensated absences	$ 128,646	$ 126,341	$ (138,559)	$ 116,428	$ 104,795
Gainesville Convention and Visitor's Bureau					
Compensated absences	14,663	18,503	(26,109)	7,057	6,351
Total Component Units	$ 143,309	$ 144,844	$ (164,668)	$ 123,485	$ 111,146

Revenue bond discounts/premiums are amortized over the life of the related debt using the straight-line method. Compensated absences are liquidated by those funds that have salary and wage expenditures. In prior years, long-term liabilities, such as compensated absences, net pension liability, and other post-employment benefit obligation, of the governmental activities were liquidated in the General and Special Revenue Funds.

Total interest incurred and expensed in the governmental activities and the business-type activities for the current fiscal year was $509,730 and $3,951,403, respectively.

12. Conduit Debt

From time to time, the City has issued Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City nor the State, or any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

At the end of the current fiscal year, there were 14 series of Revenue Bonds outstanding. The current aggregate principal amount payable for the series totaled $126,159,759. The original issue amounts totaled $131,247,930.

13. Changes in Beginning Balances

A restatement of beginning balances has been made to adjust the OPEB liability for implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This restatement decreased beginning net position as follows:

Primary Government	
Governmental Activities	$ 1,431,288
Business-Type Activities	
Department of Water Resources	415,094
Nonmajor Enterprise Funds	
Airport	34,580
Solid Waste	152,748
Golf Course	14,522
Total Business-Type Activities	616,944
Total Primary Government	$ 2,048,232
Component Units	
City of Gainesville Parks and Recreation	$ 213,227
Gainesville Convention and Visitor's Bureau	163,847
Total Component Units	$ 377,074

14. Nonspendable, Restricted, Committed, and Assigned Fund Balances

The following is a summary of restricted, committed, and assigned fund balances of the governmental funds at the end of the current fiscal year:

	General	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventories	$ 0	$ 0	$ 34,002	$ 34,002
Prepaid items	1,268	0	10,752	12,020
Advances to other funds	258,790	0	0	258,790
	260,058	0	44,754	304,812
Restricted for:				
General Government				
TV 18 operations	0	0	62,402	62,402
Public Safety				
Police facilities and equipment	0	0	603,638	603,638
Fire facilities and equipment	0	0	406,331	406,331
Public Works				
Streets facilities and equipment	0	0	19,150	19,150
Health and Welfare				
Community Service Center operations	0	0	1,264,418	1,264,418
Culture and Recreation				
Recreation facilities and equipment	0	0	2,155,816	2,155,816
Housing and Development				
Neighborhood improvements	0	0	399,010	399,010
Midtown development	0	0	1,078,918	1,078,918
Capital projects	0	11,619,014	1,223,602	12,842,616
Debt service	0	0	1,195,216	1,195,216
	0	11,619,014	8,408,501	20,027,515
Committed for:				
Public Works				
Cemetery improvements	0	0	293,273	293,273
Housing and Development				
Tree replacement	4,957	0	0	4,957
Energy efficiency retrofits	0	0	4,868	4,868
	4,957	0	298,141	303,098
Assigned for:				
General Government				
TV 18 operations	0	0	57,990	57,990
Matching funds for grants	0	0	68,909	68,909
Public Works				
City Hall improvements	131,649	0	0	131,649
Health and Welfare				
Community Service Center operations	0	0	1,373,147	1,373,147
Housing and Development				
Economic development	0	0	5,042,972	5,042,972
Tourism and City promotion	0	0	134,965	134,965
Budget	3,780,741	0	325,950	4,106,691
Capital projects	0	915,450	5,182,820	6,098,270
Debt service	0	0	1,594,245	1,594,245
	3,912,390	915,450	13,780,998	18,608,838

15. Self-Insurance

General Insurance

During fiscal year 1993, the City established its General Insurance Internal Service Fund, which includes workers' compensation, property, and general liability. Property and liability claims are insured through a private insurance carrier, and subject to various deductibles that are paid from City funds. On January 1, 2013, the City established a self-insurance program for workers' compensation.

As part of the newly established self-insurance program, the City has utilized the services of a broker and a third-party administrator. The broker and third-party administrator assist to determine the self-insurance funding requirements using data from the City's claim history. The third-party administrator files claims and forms required by the State of Georgia and provides risk control services. The City has also established excess workers' compensation coverage with New York Fire and Marine to assist with claims exceeding $650,000.

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

Health Insurance

The City provides health care benefits to its active and retired employees and their dependents through a self-insured plan administered by LifeWell Health Plans. Under this arrangement, the City is responsible for paying all claims but purchases reinsurance policies through an insurance provider that is responsible for paying claims in excess of agreed-upon specific and aggregate levels.

Liabilities

Liabilities of the funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Changes in the balances of claims liabilities during the past two fiscal years are as follows:

15. Self-Insurance (continued)

	June 30, 2018	June 30, 2017
General Insurance Internal Service Fund		
Balance, beginning of year	$ 1,074,978	$ 954,638
Current year claims and changes in estimate	2,176,038	579,733
Claim payments	(1,348,355)	(459,393)
Balance, end of year	$ 1,902,661	$ 1,074,978
Employee Benefits Internal Service Fund		
Balance, beginning of year	$ 682,627	$ 940,350
Current year claims and changes in estimate	5,140,268	5,839,866
Claim payments	(5,462,871)	(6,097,589)
Balance, end of year	$ 360,024	$ 682,627

16. Pension Plans

Defined Benefit Pension Plans

The City contributes and participates in two pension plans: a single-employer, defined benefit plan (Pension Plan A) and an agent multiple-employer, defined benefit plan (Pension Plan B). Each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan. See Note 2 – Summary of Significant Accounting Policies and Note 3 - Cash and Investments for basis of accounting and reporting of investments.

Pension Plan A

Plan Description. The City of Gainesville Retirement Plan A was established February 24, 1941 and was restated July 1, 1994. The Plan was established by the City to provide retirement benefits to substantially all full-time civil service employees. Employees in Pension Plan A do not participate in Federal Social Security with the City. Pension Plan A provides pension benefits, death and disability benefits. This plan was established in accordance with the City Charter and State statutes. The City Council provides for the benefits and funding policy through a City ordinance and maintains the authority to change the policy. Costs of administering the plan are financed through contributions and earnings.

Management of the Retirement Plan A is vested in the Retirement Plan A Board ("Board"), which consists of seven members – six members are elected by active and retired plan members and one is appointed by position.

16. Pension Plans (continued)

Pension Plan A (continued)

Each Board member represents different groups of participants which are retirees, Water Resources department, Police department, Fire department, and three representatives for all other employees.

At July 1, 2018, the date of the most recent actuarial valuation, there were 812 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	277
Terminated vested participants entitled to but not yet receiving benefits	46
Active participants	489
Total number of participants	812

Benefits Provided. Employees hired before July 1, 2008, are eligible for normal retirement upon completion of twenty-five years of service or age 60 with at least five years of service. The normal retirement benefit payable for life is 3.0% of the average monthly salary for the highest consecutive five years of service multiplied by the years of service, not to exceed thirty-three years. Benefits vest after ten years of service. An early retirement option is available upon completion of twenty years of service. However, benefits are reduced by 2% for each year the commencement date precedes the normal retirement date. Public safety employees hired on or after July 1, 2008, are eligible for normal retirement upon age 50 and completion of twenty-five years of service or age 65 with at least ten years of service. The normal retirement benefit payable for life is 2.5% of the average monthly salary for the highest consecutive five years of service multiplied by the years of service, not to exceed thirty-three years. Benefits vest after ten years of service. An early retirement option is available upon completion of twenty years of service. However, benefits are reduced by 5% for each year the commencement date precedes the normal retirement date. All other employees hired on or after July 1, 2008, are eligible for normal retirement upon age 60 and completion of twenty-five years of service or age 65 with at least ten years of service. The normal retirement benefit payable for life is 2.5% of the average monthly salary for the highest consecutive five years of service multiplied by the years of service, not to exceed thirty-three years. Benefits vest after ten years of service. An early retirement option is available upon completion of twenty years of service.

16. Pension Plans (continued)

Pension Plan A (continued)

However, benefits are reduced by 5% for each year the commencement date precedes the normal retirement date.

Contributions. The contribution requirements of plan members and the City are established by plan policy and may be amended under requirements by City Council. Plan members are required to contribute 13.2% of their annual covered salary. The City is required to contribute a matching percentage of 13.2% of annual covered payroll, actuarially determined as an amount that, when combined with plan member contributions is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contributions are recognized when due pursuant to formal or contractual commitments. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investment Policy. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the City's adopted asset allocation policy at the end of the current fiscal year:

Asset Class	Target Allocation
Domestic Equity	55%
Fixed Income (core)	35%
Fixed Income (high yield)	5%
Real Estate	5%
Totals	100%

Rate of return. For the current fiscal year, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.353 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

16. Pension Plans (continued)

Pension Plan A (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the City reported a net pension liability of $46,913,172 The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. For the current fiscal year, the City recognized pension expense of $3,942,215.

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 6/30/2017	$ 136,232,421	$ 91,311,628	$ 44,920,793
Changes for the year:			
Service cost	3,272,080	0	3,272,080
Interest	9,800,092	0	9,800,092
Differences between expected and actual experience	2,438,030	0	2,438,030
Changes in assumptions	3,438,994	0	3,438,994
Contributions-employer	0	3,209,624	(3,209,624)
Contributions-employee	0	3,209,624	(3,209,624)
Net investment income	0	10,757,165	(10,757,165)
Benefit payments, including refunds of employee contribution	(8,661,630)	(8,661,630)	0
Administrative expense	0	(219,596)	219,596
Net changes	10,287,566	8,295,187	1,992,379
Balances at 6/30/2018	$ 146,519,987	$ 99,606,815	$ 46,913,172

Plan fiduciary net position as a percentage of the total pension liability	67.98%
Covered payroll	$ 24,315,333
Employer's net pension liability as percentage of covered payroll	192.94%

16. Pension Plans (continued)

Pension Plan A (continued)

At the end of the current fiscal year, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,014,230	$ 0
Changes of assumptions	2,865,830	(123,333)
Net difference between projected and actual earnings on pension plan investments	0	(4,321,884)
Totals	$ 6,880,060	$ (4,445,217)

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

Year Ending June 30	
2019	$ 1,353,404
2020	261,852
2021	(598,597)
2022	438,680
2023	979,504
Totals	$ 2,434,843

16. Pension Plans (continued)

Pension Plan A (continued)

Actuarial Assumptions. The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected salary increases	2.75% plus service based merit increases
Cost of living adjustments	0.00%
Net investment rate of return	7.00%
Actuarial cost method	Entry age
Amortization method	Level percent of payroll, using 3.00% annual increases
Remaining amortization period	5-30 years (closed periods)

Pre-retirement mortality rates are based on the sex-distinct RP-2014 Employee Mortality Table. Healthy annuitant mortality rates are based on the sex-distinct RP-2014 Blue Collar Healthy Annuitant Mortality Table with rates adjusted 120%, set forward two years for males only. Disabled mortality rates were based on the sex-distinct RP-2014 Disabled Retiree Mortality Table. All mortality tables are projected generationally with Scale MP-2015.

The mortality and economic actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period of July 1, 2010 through June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

16. Pension Plans (continued)

Pension Plan A (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation at the end of the current fiscal year are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	55%	6.40%
Fixed income (core)	35%	1.75%
Fixed income (high yield)	5%	4.30%
Real Estate	5%	5.10%
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan members and the City will each contribute 13.2 percent of pay, for a total of 26.4 percent. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to the projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00 percent) or one percentage-point higher (8.00 percent) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	6.00%	$64,458,252
Current discount rate	7.00%	46,913,172
1% increase	8.00%	32,331,922

Plan Fiduciary Net Position. The financial statements of this plan are included as an employee pension trust fund within this report (Exhibits J-3 and J-4). There is no separately issued stand-alone financial report for this pension plan.

16. Pension Plans (continued)

Pension Plan B

Plan Description. Pension Plan B is the Georgia Municipal Employees Benefit System (GMEBS), a state-wide agent, multiple-employer plan that acts as a common investment and administrative agent for municipalities in the State. The plan is administered by the Georgia Municipal Association (GMA) and provides pension benefits, death and disability benefits, which were established and may be amended by City Council Ordinance and change of contract with GMA. The City elected to participate in GMEBS as of July 1, 1994 as the result of City Ordinance and a contract between the City and the GMEBS.

Control over the operation and administration of the plan is vested with GMEBS along with custody of the plan assets. The plan provides that the City has no liability with respect to payments or benefits or otherwise under the plan except to pay over to GMEBS such actuarially determined contributions as are required to meet minimum funding standards of the Public Retirement Systems Standards Law and provide benefits thereunder.

At January 1, 2018, the date of the most recent actuarial valuation, there were 249 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	68
Terminated vested participants entitled to but not yet receiving benefits	33
Active participants	148
Total number of participants	249

Benefits Provided. Regular full-time employees who are non-civil service and who are not eligible to participate in any other retirement program of the City may participate in Plan B when they have completed one year of service. Pension Plan B employees also participate in Social Security. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 65 with no reduction in benefit. Members are eligible for early retirement with reduced benefits based on the early retirement at age 55 with ten years of total service. The benefit formula is 1.25% - 2.00% with a five-year vesting schedule.

16. Pension Plans (continued)

Pension Plan B (continued)

Contributions. Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The City's actuarially determined contribution rate for the current fiscal year was $324,651 or 6.37% of covered payroll. The administrative expenses set by contract with GMEBS are in addition to the state-required annual funding requirement. The Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the City reported a net pension liability of $555,399. The net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. For the current fiscal year, the City recognized pension income of $71,498. For the Governmental Activities, the net pension liability is liquidated by the General Fund.

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 9/30/2016	$ 7,622,888	$ 6,578,590	$ 1,044,298
Changes for the year:			
Service cost	179,299	0	179,299
Interest	572,572	0	572,572
Differences between expected and actual experience	(74,578)	0	(74,578)
Contributions-employer	0	350,507	(350,507)
Net investment income	0	968,510	(968,510)
Benefit payments, including refunds of employee contributions	(469,718)	(469,718)	0
Administrative expense	0	(33,775)	33,775
Other	119,050	0	119,050
Net changes	326,625	815,524	(488,899)
Balances at 9/30/2017	$ 7,949,513	$ 7,394,114	$ 555,399

Plan fiduciary net position as a percentage of the total pension liability	93.01%
Covered payroll	$ 4,862,847
Net pension liability as a percentage of covered payroll	11.42%

16. Pension Plans (continued)

Pension Plan B (continued)

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,665	$ (158,676)
Changes of assumptions	95,240	(33,132)
Net difference between projected and actual earnings on pension plan investments	0	(1,065,631)
Contributions subsequent to the measurement date	221,282	0
Totals	$ 324,187	$ (1,257,439)

The $221,282 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2019	$ (353,233)
2020	(345,358)
2021	(371,923)
2022	(84,020)
Totals	$ (1,154,534)

16. Pension Plans (continued)

Pension Plan B (continued)

Actuarial Assumptions. The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected salary increases	2.75% plus service-based merit increases
Cost of living adjustments	0.00%
Net investment rate of return	7.50%
Actuarial cost method	Entry age normal
Amortization method	Closed level dollar
Remaining amortization period	10 years

Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

The mortality and economic actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

16. Pension Plans (continued)

Pension Plan B (continued)

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.71%
International equity	20%	7.71%
Global fixed income	5%	3.36%
Domestic fixed income	20%	2.11%
Real estate	10%	5.21%
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50 percent) or one percentage-point higher (8.50 percent) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	6.50%	$ 1,401,394
Current discount rate	7.50%	555,399
1% increase	8.50%	(161,192)

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

16. Pension Plans (continued)

Other Plans

In addition to the plan above, various City employees are also covered under the pension plans of the Georgia Firefighters' Pension Fund and the Peace Officers' Annuity and Benefit Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the financial statements.

17. Post-Employment Benefits Other Than Pensions

Plan Description. The City of Gainesville Other Postemployment Benefits Plan (the "OPEB Plan") is a defined benefit postretirement health care and prescription drug plan. The OPEB plan is administered through the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer OPEB Plan administered by the Georgia Municipal Association (GMA). The City has established provisions, which assign the authority to the City Council members to establish and amend the benefit provisions of the plan.

At July 1, 2016, the date of the most recent actuarial valuation, there were 363 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	182
Vested terminated members entitled to but not yet receiving benefits	0
Active participants	640
Total number of participants	822

Benefits Provided. City employees become eligible after 20 years of service. Benefits valued herein are for Retiree Medical and Prescription Drug. Life Insurance, Vision, and Dental are optional, paid in full by retirees and are not valued here. Coverage is for the retiree's lifetime for retirees hired before 2002, but ceases at age 65 if hired after 2001; spouses have the same coverage provisions. Retirees hired before July 1, 2008, or those with 25 years of service, get a 50% City-paid Supplement. Retirees hired after June 30, 2008 with 20 years of service get a 25% City-paid Supplement, which increases up to 50% with additional service.

17. Post-Employment Benefits Other Than Pensions (continued)

Contributions. The City has not elected to advance fund the OPEB Plan, but rather maintains the OPEB Plan on a "pay-as-you-go" basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. The GMA issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. At the end of the current fiscal year, the City reported a net OPEB liability of $36,849,149. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined from actuarial valuations using data as of July 1, 2016 and measured by an actuarial valuation as of July 1, 2017. During the current fiscal year, the City recognized OPEB expense of $2,506,877.

The components of the net OPEB liability are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 6/30/2016	$ 38,513,180	$ 0	$ 38,513,180
Changes for the year:			
Service cost	1,789,852		1,789,852
Interest	1,123,999		1,123,999
Differences between expected and actual experience	666,584		666,584
Contributions-employer		1,729,093	(1,729,093)
Changes in assumptions	(3,515,373)		(3,515,373)
Benefit payments, including refunds of member contributions	(1,729,093)	(1,729,093)	0
Net changes	(1,664,031)	0	(1,664,031)
Balances at 6/30/2017	$ 36,849,149	$ 0	$ 36,849,149

Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
Covered employee payroll	$ 27,547,554
Plan net OPEB liability as a percentage of covered employee payroll	133.77%

17. Post-Employment Benefits Other Than Pensions (continued)

At the end of the current fiscal year, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 571,362	$ 0
Changes of assumptions	0	(3,013,176)
Contributions subsequent to the measurement date	1,727,236	0
Totals	$ 2,298,598	$ (3,013,176)

The $1,727,236 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30	
2019	$ (406,969)
2020	(406,969)
2021	(406,969)
2022	(406,969)
2023	(406,969)
Thereafter	(406,969)
Totals	$ (2,441,814)

17. Post-Employment Benefits Other Than Pensions (continued)

Actuarial Assumptions. The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Projected salary increases	3.75% to 8.75%, including inflation
Actuarial cost method	Entry age
Discount rate	3.58%, 2.85% in previous year
Healthcare cost trend rates	Pre-65 Medical: 7.00% trended down to 4.50% by 2026 Medicare Advantage: 5.50% trended down to 4.50% by 2020. Pre-65 Prescription Drug: 10.00% trended down to 4.50% by 2027. Administrative Expenses: 3.00%
Mortality rates	Healthy mortality rates were based on RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. Disabled mortality rates were based on RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.
Amortization method	Open 30 years, level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Market value

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through June 30, 2014.

17. Post-Employment Benefits Other Than Pensions (continued)

Development of Long-Term Rate. Since the City funds this plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax-exempt general obligation bonds. Specifically, the chosen rate is 3.58%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2017.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (2.58%) or one percentage-point higher (4.58%) than the current rate. Also, shown is the Net OPEB Liability as if it were calculated using healthcare cost trend rates that were on percentage point lower or on percentage point higher than the current healthcare trend rates:

Discount Rate		Net OPEB Liability
1% decrease	2.58%	$ 41,780,902
Current discount rate	3.58%	36,849,149
1% increase	4.58%	32,683,736

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease	$ 31,779,539
Current discount rate	36,849,149
1% increase	43,049,433

OPEB Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

18. Hotel/Motel Lodging Tax

The City has levied a 6% lodging tax in accordance with OCGA 48-13-51(a)(4). The City is required to spend an amount equal to at least 60% for the purpose of promoting tourism, conventions, and trade shows or for facilities used for these purposes. A summary of the transactions for the current fiscal year follows:

Lodging Tax Receipts	$	965,037	
Disbursements for tourism and visitor programs	$	894,152	92.65% of tax receipts

19. Major Users/Taxpayers

The ten major customers of the water and sewer system are primarily from the poultry and food processing industry. The major users represent approximately 39 percent of the water sales and sewer charges from the system in current fiscal year.

The ten major taxpayers of the City for the current fiscal year represent approximately 16 percent of the current year tax levy. The ten largest taxpayers are comprised of various types of entities including manufacturing and food processing.

20. Joint Ventures

The City of Gainesville participates in three different task forces with various other governments throughout northeast Georgia, including Hall County, Forsyth County, Cherokee County, the Drug Enforcement Agency, and the Federal Bureau of Investigation.

The Hall County Multi Agency Narcotics Squad (MANS) Task Force investigates crimes involving narcotics, prostitution, gang violence, and organized crime, and it conducts both undercover and traditional investigations to effectively prosecute cases in court. The Hall County Sherriff's Office is responsible for the funding and reporting for the Hall County MANS Task Force. During fiscal year 2018, the City paid $76,351 in personnel costs for one police officer assigned to the MANS unit.

The Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force Group One Task Force disrupts illicit drug traffic, gathers and reports intelligence related to drug trafficking, and conducts both undercover and traditional investigations to effectively prosecute cases in court. The Drug Enforcement Agency is responsible for the funding and reporting for the OCDETF Strike Force Group One Task Force. During fiscal year 2018, the City paid $103,781 in personnel costs for one police officer assigned to the OCDETF Strike Force Group One Task Force.

The Safe Streets Task Force Identifies and targets for prosecution criminal enterprises affecting northeast Georgia, such as organized crime groups responsible for drug trafficking, money laundering and crimes of violence. The Federal Bureau of Investigation is responsible for the funding and reporting for the Safe Streets Task Force. During fiscal year 2018, the City paid $83,625 in personnel costs for one police officer assigned to the Safe Streets Task Force.

20. Joint Ventures (continued)

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the current fiscal year, the city paid $31,937 in such dues. Membership in a regional commission (RC) is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RCs in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the GMRC financial statements can be obtained from GMRC, 1310 West Ridge Road, Gainesville, GA 30501.

21. Related Organizations

The City of Gainesville Housing Authority is considered a related organization to the City of Gainesville. The City appoints members to the Authority but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Gainesville. The City received $81,820 as payment-in-lieu-of-taxes during the current fiscal year.

22. Risk Pools

The City participates in the State of Georgia Local Government Investment Pool. Assets in this pool are invested in the Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Standard and Poor's criteria for AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

23. Commitments and Contingencies

Commitments

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, special revenue funds, and capital projects funds. At the end of the current fiscal year, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	Restricted	Assigned
General Fund	$ 0	$ 205,428
Nonmajor governmental funds	30,316	0
	$ 30,316	$ 205,428

The City has active construction projects at the end of the current fiscal year. At fiscal year end, the City's commitments with contractors are as follows:

Project	Amount Expended to Date	Remaining Commitment
Expansion of the water and sewer distribution system	$ 9,426,988	$ 13,560,309
Improvements to recreational facilities	405,561	882,294
City buildings and facilities improvements	592,363	732,733
Safety improvements to airport runway	99,873	153,078
Improvements to roadways	48,516	8,304
Totals	$ 10,573,301	$ 15,336,718

Contingencies

The City is a defendant in several lawsuits. Management intends to contest these open cases vigorously. The City's legal counsel has stated that the outcome of these lawsuits is not presently determinable.

24. Tax Abatements

The City is subject to tax incentives granted by the Gainesville and Hall County Development Authority (the "Authority"), an entity created by the State of Georgia and activated by the City of Gainesville and the Board of Commissioners of Hall County, Georgia. The authority can enter into agreements with companies for industrial projects to encourage the creation of jobs and new capital investment through an "Investment Assistance Program." Each agreement, negotiated on an individual basis, provides a property tax benefit to the company through a schedule of discounted valuation that reduces the fair market value of real and personal property and requires the company to enter into a sale-leaseback transaction with the Authority. The incentives may be granted to new and existing industrial businesses meeting an established set of criteria established by the Investment Assistance Committee. In return for a property tax benefit, a company is required to commit to creating jobs and capital investment within a defined period as part of a performance and accountability agreement with the Authority that includes provisions for the company to pay back a prorated portion of the benefit if they fail to meet the performance criteria by a specified date. For the City of Gainesville's current fiscal year, the cumulative property tax not collected by the City due to abatement programs was $222,285.

25. Subsequent Events

On October 12, 2018, the City sold a large tract of land that was held for resale in the amount of $701,590.

On August 16, 2018, the $4,695,000 Gainesville Redevelopment Authority Revenue Bond, Series 2018 (Taxable) was issued for the Downtown Parking Garage expansion and Park Projects. An intergovernmental lease became effective, on the date of issuance, between the Gainesville Redevelopment Authority and the City of Gainesville.

On November 6, 2018, the City of Gainesville paid $1,823,041 to Koch Foods to purchase 41 acres of property in the Gainesville Industrial Park West.

25. Subsequent Events (continued)

On November 16, 2018, the City purchased a 6.8 acre property tract located on the southern side of the Pedestrian Bridge for $10,000,000, for the development of the City's central business district.

On November 16, 2018, the City sold a 23.06 acre tract of land in the Gainesville Industrial Park West for the purchase price of $876,356.

26. New Accounting Standards

The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the City's current fiscal year.

The City early implemented GASB Statement No. 89, *Accounting for Interest Cost incurred before the End of a Construction Period*, effective for the City's current fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, GEORGIA
PENSION TRUST FUND (PENSION PLAN A)
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2018
(Unaudited)

	Fiscal Year End	
	2018	**2017**
Total pension liability		
Service cost	$ 3,272,080	$ 3,292,073
Interest	9,800,092	9,366,300
Differences between expected and actual experience	2,438,030	1,826,638
Changes of assumptions	3,438,994	0
Benefit payments, including refunds of employee contributions	(8,661,630)	(8,301,719)
Net change in total pension liability	10,287,566	6,183,292
Total pension liability - beginning	136,232,421	130,049,129
Total pension liability - ending (a)	$ 146,519,987	$ 136,232,421
Plan fiduciary net position		
Contributions - employer	$ 3,209,624	$ 3,079,855
Contributions - employee	3,209,624	3,132,277
Net investment income	10,757,165	11,348,553
Benefit payments, including refunds of employee contributions	(8,661,630)	(8,301,719)
Administrative expense	(219,596)	(165,260)
Net change in total pension liability	8,295,187	9,093,706
Plan fiduciary net position - beginning	91,311,628	82,217,922
Plan fiduciary net position - ending (b)	$ 99,606,815	$ 91,311,628
Net pension liability (asset) - ending : (a) - (b)	$ 46,913,172	$ 44,920,793
Plan's fiduciary net position as a percentage of the total pension liability	67.98%	67.03%
Covered payroll	$ 24,315,333	$ 23,729,379
Net pension liabilty as a percentage of covered payroll	192.94%	189.30%

Note: This schedule is intended to report ten years of information; however, fiscal year 2014 was the first year of implementation. Additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

Fiscal Year End		
2016	**2015**	**2014**
$ 3,650,560	$ 3,522,833	$ 3,500,226
9,061,392	8,576,549	8,177,872
586,393	1,827,514	636,486
(246,666)	0	0
(7,642,229)	(7,282,407)	(6,715,366)
5,409,450	6,644,489	5,599,218
124,639,679	117,995,190	112,395,972
130,049,129	$ 124,639,679	$ 117,995,190
3,021,182	$ 2,862,539	$ 2,766,404
3,021,182	2,862,539	2,766,404
1,794,845	2,909,159	10,171,570
(7,642,229)	(7,282,407)	(6,715,366)
(143,004)	(169,045)	(104,589)
51,976	1,182,785	8,884,423
82,165,946	80,983,161	72,098,738
82,217,922	$ 82,165,946	$ 80,983,161
47,831,207	$ 42,473,733	$ 37,012,029
63.22%	65.92%	68.63%
$ 22,887,742	$ 21,685,902	$ 20,957,606
208.98%	195.86%	176.60%

See accompanying notes to required supplementary information.

CITY OF GAINESVILLE, GEORGIA
PENSION TRUST FUND (PENSION PLAN A)
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2018
(Unaudited)

	Fiscal Year End	
	2018	**2017**
Actuarially determined contribution	$ 4,509,116	$ 4,170,598
Contributions in relation to the actuarially determined contribution	(3,209,624)	(3,079,855)
Contribution deficiency (excess)	$ 1,299,492	$ 1,090,743
Covered payroll	$ 24,315,333	$ 23,729,379
Contributions as a percentage of covered payroll	13.20%	12.98%

Note: This schedule is intended to report ten years of information; however, fiscal year 2014 was the first year of implementation. Additional years' information will be displayed as it becomes available.
The above recommended contribution is the City's portion.
The Fund has accumulated a Georgia Minimum Funding Credit Balance, which has been used to offset any shortfall ot the recommended contribution.

CITY OF GAINESVILLE, GEORGIA
PENSION TRUST FUND (PENSION PLAN A)
SCHEDULE OF INVESTMENTS RETURNS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2018
(Unaudited)

	Fiscal Year End	
	2018	**2017**
Annual money-weighted rate of return, net of investment expense	7.353%	7.765%

Note: This schedule is intended to report ten years of information; however, fiscal year 2014 was the first year of implementation. Additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

Fiscal Year End		
2016	**2015**	**2014**
$ 3,736,793	$ 3,579,097	$ 3,703,299
(3,021,182)	(2,862,539)	(2,766,404)
$ 715,611	$ 716,558	$ 936,895
$ 22,887,742	$ 21,685,902	$ 20,957,606
13.20%	13.20%	13.20%

Fiscal Year End		
2016	**2015**	**2014**
7.660%	7.835%	8.065%

See accompanying notes to required supplementary information.

CITY OF GAINESVILLE, GEORGIA
GMEBS (PENSION PLAN B)
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2018
(Unaudited)

	Fiscal Year End	
	2018	**2017**
Total pension liability		
Service cost	$ 179,299	$ 175,050
Interest	572,572	549,573
Differences between expected and actual experience	(74,578)	12,775
Benefit payments, including refunds of employee contributions	(469,718)	(411,541)
Other changes	119,050	0
Net change in total pension liability	326,625	325,857
Total pension liability - beginning	7,622,888	7,297,031
Total pension liability - ending (a)	$ 7,949,513	$ 7,622,888
Plan fiduciary net position		
Contributions - employer	$ 350,507	$ 314,938
Net investment income	968,510	1,745,662
Benefit payments, including refunds of employee contributions	(469,718)	(411,541)
Administrative expense	(33,775)	(20,454)
Net change in total pension liability	815,524	1,628,605
Plan fiduciary net position - beginning	6,578,590	4,949,985
Plan fiduciary net position - ending (b)	$ 7,394,114	$ 6,578,590
Net pension liability (asset) - ending : (a) - (b)	$ 555,399	$ 1,044,298
Plan's fiduciary net position as a percentage of the total pension liability	93.01%	86.30%
Covered payroll	$ 4,862,847	5,080,284
Net pension liabilty as a percentage of covered payroll	11.42%	20.56%

Note: This schedule is intended to report ten years of information; however, fiscal year 2015 was the first year of implementation. Additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

Fiscal Year End	
2016	**2015**
$ 178,348	$ 168,281
535,078	532,517
(102,827)	(142,791)
(435,594)	(415,541)
0	(99,394)
175,005	43,072
7,122,026	7,078,954
$ 7,297,031	$ 7,122,026
$ 371,738	$ 393,721
48,579	396,786
(435,594)	(415,541)
(23,058)	(18,652)
(38,335)	356,314
4,988,320	4,632,006
$ 4,949,985	$ 4,988,320
$ 2,347,046	$ 2,133,706
67.84%	70.04%
$ 4,890,737	$ 4,779,243
47.99%	44.65%

See accompanying notes to required supplementary information.

CITY OF GAINESVILLE, GEORGIA
GMEBS (PENSION PLAN B)
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2018
(Unaudited)

	Fiscal Year End	
	2018	**2017**
Actuarially determined contribution	$ 324,651	$ 319,859
Contributions in relation to the actuarially determined contribution	(324,651)	(319,859)
Contribution deficiency (excess)	$ 0	$ 0
Covered payroll	$ 5,099,054	$ 5,179,922
Contributions as a percentage of covered payroll	6.37%	6.17%

Note: This schedule is intended to report ten years of information; however, fiscal year 2015 was the first year of implementation. Additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

Fiscal Year End	
2016	**2015**
$ 324,651	$ 347,773
(324,651)	(347,773)
$ 0	$ 0
$ 5,272,975	$ 4,845,902
6.16%	7.18%

See accompanying notes to required supplementary information.

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2018
(Unaudited)

	Fiscal Year End
	2018
Total OPEB liability	
Service cost	$ 1,789,852
Interest	1,123,997
Differences between expected and actual experience	666,587
Changes in assumptions	(3,515,374)
Benefit payments, including refunds of member contributions	(1,729,093)
Net change in total OPEB liability	(1,664,031)
Total OPEB liability - beginning	38,513,180
Total OPEB liability - ending (a)	$ 36,849,149
Plan fiduciary net position	
Contributions - employer	$ 1,729,093
Benefit payments, including refunds of member contributions	(1,729,093)
Net change in plan fiduciary net position	0
Plan fiduciary net position - beginning	0
Plan fiduciary net position - ending (b)	$ 0
Net OPEB liability (asset) - ending : (a) - (b)	$ 36,849,149
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%
Covered employee payroll	$ 27,547,554
Plan net OPEB liability as a percentage of covered employee payroll	133.77%

Note: Fiscal year 2018 was the first year of implementation. Therefore, years prior are not reported.

See accompanying notes to the required supplementary information.

Exhibit B-5

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF OPEB CONTRIBUTIONS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2018
(Unaudited)

	Fiscal Year End
	2018
Actuarially determined contribution	$ 3,479,497
Contributions in relation to the actuarially determined contribution	(1,729,093)
Contribution deficiency (excess)	$ 1,750,404
Covered employee payroll	$ 29,628,098
Contributions as a percentage of covered employee payroll	5.84%

Note: Fiscal year 2018 was the first year of implementation. Therefore, years prior are not reported.

See accompanying notes to the required supplementary information.

Pension Trust Fund (Pension Plan A)

1. Valuation Date

The actuarially determined contribution rate was determined as of July 1, 2018, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2018.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry age normal

Amortization method = Level percent of payroll, using 3.00% annual increases

Remaining amortization period = 5-30 years (closed periods)

Asset valuation method = Market value of assets less unrecognized returns of each of the last ten years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a ten-year period, further adjusted, if necessary, to be within 30% of the market value.

Net investment rate of return = 7.00% including inflation, net of pension plan investment expense

Inflation rate = 2.75%

Projected salary increases = Inflation plus merit increases that vary by service, ranging from 0.00% to 11.00%

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = 60

Mortality = Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table, set forward two years for males and on year for females; projected generationally from 2000 with Scale AA. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table, for both males and females, projected generationally from 2000 with Scale AA.

Pension Trust Fund (Pension Plan A), continued

3. Changes in Benefits

There have been no changes in benefits since the last valuation.

4. Changes of Assumptions

The following assumption changes were reflected for the first time in the June 30, 2018 disclosure:

The investment return assumption was decreased from 7.25% to 7.00%.

The inflation assumption was lowered from 3.00% to 2.75%.

The payroll growth rate assumption (used for determining the amortization of the unfunded actuarial accrued liability) was lowered from 3.00% to 2.75%.

The service-based salary scale assumption was modified in accordance with the decrease in inflation.

The administrative expense assumption was increased from $180,000 to $190,000.

GMEBS (Pension Plan B)

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2018, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2018.

GMEBS (Pension Plan B), continued

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 10 years

Asset valuation method = Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Net investment rate of return = 7.50%

Projected salary increases = 2.75% plus service-based merit increases

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and on year for females. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

3. Changes in Benefits

There were no changes in benefit provisions since the last valuation.

GMEBS (Pension Plan B), continued

4. Changes of Assumptions

Amounts reported for the fiscal year ending in 2018 and later reflect the following assumption changes based on an actuarial study conducted in September 2017:

The investment return assumption was decreased from 7.75% to 7.50%.

The inflation assumption was decreased from 3.25% to 2.75%.

The Social Security wage base rate increase assumption was reduced by .50% for all years of service from 3.25% to 2.75%.

The salary increase rates were reduced by 0.50% for all years of service, consistent with the reduction in the inflation assumptions.

OPEB Plan

1. Valuation Date

The actuarially determined contribution rates are determined as of June 30, 2016, based on the most recent valuation date, two years prior to the end of the fiscal year in which contributions are reported.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry age level

Amortization method = Open 30 years, level percent of payroll

Remaining amortization period = 30 years

Asset valuation method = Market value

OPEB Plan, continued

2. Methods and Assumptions Used to Determine Contribution Rates (continued)

Projected salary increases = 3.75% to 8.75%, including inflation

Projected payroll increases = 3.25%

Inflation = 3.25%

Funding discount rate = 3.58%

Discount rate = 3.58%

Retirement age = 65

Healthcare cost trend rates = Pre-65 Medical: 7.00% trended down to 4.50% by 2026 Medicare Advantage: 5.50% trended down to 4.50% by 2020. Pre-65 Prescription Drug: 10.00% trended down to 4.50% by 2027. Administrative Expenses: 3.00%

Mortality = Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

3. Changes in Benefits

There have been no benefit changes since GASB 75 implementation.

4. Changes of Assumptions

The discount rate increased from 2.85% to 3.58%.

COMBINING STATEMENTS

Nonmajor Governmental Funds

Nonmajor Enterprise Funds

Internal Service Funds

CITY OF GAINESVILLE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Special Revenue						
	Community Service Center	**Economic Development**	**Hotel/Motel Tax**	**Government Access Cable TV Channel**	**Confiscated Assets**	**Grants**	**HUD Grant**
ASSETS							
Cash and cash equivalents	$ 2,615,463	$ 4,174,878	$ 52,842	$ 101,722	$ 601,053	$ 300	$ 0
Investments	0	933,619	0	0	0	200,332	92,898
Receivables (net)							
Accounts	3,290	0	0	0	3,257	0	0
Intergovernmental	210,039	0	0	33,825	0	756,414	244,220
Taxes	0	0	82,123	0	0	0	0
Notes	0	0	0	0	0	0	0
Prepaid items	0	0	0	0	0	0	0
Inventory	34,002	0	0	0	0	0	0
Total assets	$ 2,862,794	$ 5,108,497	$ 134,965	$ 135,547	$ 604,310	$ 957,046	$ 337,118
LIABILITIES							
Payables							
Accounts	$ 149,605	$ 7,525	$ 0	$ 306	$ 0	$ 11,538	$ 3,741
Retainages	0	0	0	0	0	0	0
Accrued salaries	41,622	0	0	14,849	0	0	298
Due to other funds	0	0	0	0	0	645,789	240,182
Due to others	0	0	0	0	54,010	0	0
Total liabilities	191,227	7,525	0	15,155	54,010	657,327	244,221
DEFERRED INFLOWS OF RESOURES							
Unavailable revenue -							
Property taxes	0	0	0	0	0	0	0
Notes receivable	0	0	0	0	0	0	0
Total deferred inflows of resources	0	0	0	0	0	0	0
FUND BALANCES							
Nonspendable	34,002	0	0	0	0	0	0
Restricted	1,264,418	0	0	62,402	282,350	225,941	92,897
Committed	0	0	0	0	0	4,868	0
Assigned	1,373,147	5,100,972	134,965	57,990	267,950	68,910	0
Total fund balances	2,671,567	5,100,972	134,965	120,392	550,300	299,719	92,897
Total liabilities, deferred inflows of resources, and fund balances	$ 2,862,794	$ 5,108,497	$ 134,965	$ 135,547	$ 604,310	$ 957,046	$ 337,118

Special Revenue						Capital Projects		Total
Revolving Loan	Impact Fee	Tax Allocation District	Information Technology	Cemetery Trust	Debt Service	General Government	Grants	Nonmajor Governmental Funds
$ 105,781	$ 2,751,979	$ 1,080,438	$ 124,997	$ 293,273	$ 2,777,893	$ 5,636,365	$ 782,546	$ 21,099,530
0	0	0	0	0	0	0	0	1,226,849
0	0	0	0	0	0	0	27,958	34,505
0	0	0	0	0	414	0	229,825	1,474,737
0	0	0	0	0	35,823	0	0	117,946
267,390	0	0	0	0	0	0	0	267,390
0	0	0	0	0	10,752	0	0	10,752
0	0	0	0	0	0	0	0	34,002
$ 373,171	$ 2,751,979	$ 1,080,438	$ 124,997	$ 293,273	$ 2,824,882	$ 5,636,365	$ 1,040,329	$ 24,265,711
$ 0	$ 0	$ 1,520	$ 0	$ 0	$ 0	$ 241,906	$ 11,723	$ 427,864
0	0	0	0	0	0	16,644	0	16,644
0	0	0	0	0	0	0	0	56,769
0	0	0	0	0	0	0	0	885,971
0	0	0	0	0	0	0	0	54,010
0	0	1,520	0	0	0	258,550	11,723	1,441,258
0	0	0	0	0	24,669	0	0	24,669
267,390	0	0	0	0	0	0	0	267,390
267,390	0	0	0	0	24,669	0	0	292,059
0	0	0	0	0	10,752	0	0	44,754
105,781	2,751,979	1,078,918	124,997	0	1,195,216	1,028,154	195,448	8,408,501
0	0	0	0	293,273	0	0	0	298,141
0	0	0	0	0	1,594,245	4,349,661	833,158	13,780,998
105,781	2,751,979	1,078,918	124,997	293,273	2,800,213	5,377,815	1,028,606	22,532,394
$ 373,171	$ 2,751,979	$ 1,080,438	$ 124,997	$ 293,273	$ 2,824,882	$ 5,636,365	$ 1,040,329	$ 24,265,711

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2018

	Special Revenue						
	Community Service Center	**Economic Development**	**Hotel/Motel Tax**	**Government Access Cable TV Channel**	**Confiscated Assets**	**Grants**	**HUD Grant**
REVENUES							
Taxes	$ 0	$ 0	$ 965,037	$ 0	$ 0	$ 0	$ 0
Fines, fees, and forfeitures	0	0	0	0	265,130	0	0
Charges for services	359,270	243,830	0	0	0	0	0
Intergovernmental	1,473,755	0	0	123,636	0	808,738	315,096
Interest and investment earnings	22,877	39,016	753	1,035	5,710	0	0
Contributions	146,393	0	0	0	0	0	0
Other	84,209	0	0	0	0	0	0
Total revenues	2,086,504	282,846	965,790	124,671	270,840	808,738	315,096
EXPENDITURES							
Current							
General Government	0	0	0	241,613	0	11,834	0
Public Safety	0	0	0	0	269,102	115,000	0
Public Works	0	0	0	0	0	418,674	0
Health and Welfare	2,677,723	0	0	0	0	0	0
Culture and Recreation	0	0	0	0	0	15,982	0
Housing and Development	0	95,816	472,783	0	0	98,265	315,096
Debt service:							
Principal	0	0	0	0	0	0	0
Interest and fiscal charges	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Total expenditures	2,677,723	95,816	472,783	241,613	269,102	659,755	315,096
Excess (deficiency) of revenues over (under) expenditures	(591,219)	187,030	493,007	(116,942)	1,738	148,983	0
Other financing sources (uses)							
Transfers in	665,631	0	0	123,636	0	52,443	0
Transfers out	(43,436)	(30,000)	(421,369)	(5,660)	0	0	0
Proceeds from capital lease	0	0	0	0	0	0	0
Sale of capital assets	6,494	0	0	0	0	0	0
Total other financing sources (uses)	628,689	(30,000)	(421,369)	117,976	0	52,443	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	37,470	157,030	71,638	1,034	1,738	201,426	0
Fund balances, July 1	2,634,097	4,943,942	63,327	119,358	548,562	98,293	92,897
Fund balances, June 30	$ 2,671,567	$ 5,100,972	$ 134,965	$ 120,392	$ 550,300	$ 299,719	$ 92,897

Special Revenue						Capital Projects		Total
Revolving Loan	Impact Fee	Tax Allocation District	Information Technology	Cemetery Trust	Debt Service	General Government	Grants	Nonmajor Governmental Funds
$ 0	$ 0	$ 42,545	$ 0	$ 0	$ 2,477,682	$ 0	$ 0	$ 3,485,264
0	0	0	69,745	0	0	0	0	334,875
20,595	892,597	0	0	46,104	0	0	0	1,562,396
0	0	247,900	0	0	0	0	396,696	3,365,821
1,070	23,107	8,296	1,841	2,834	28,522	0	0	135,061
0	0	0	0	4,500	0	5,660	5,000	161,553
0	0	0	0	0	0	447	0	84,656
21,665	915,704	298,741	71,586	53,438	2,506,204	6,107	401,696	9,129,626
0	0	0	0	0	0	0	0	253,447
0	0	0	28,574	0	0	0	0	412,676
0	0	0	0	648	0	0	0	419,322
0	0	0	0	0	0	0	0	2,677,723
0	230,000	0	0	0	0	0	0	245,982
18,281	0	137,350	0	0	0	0	0	1,137,591
0	0	0	0	0	1,462,303	0	0	1,462,303
0	0	0	0	0	517,843	0	0	517,843
0	0	0	0	0	0	3,871,550	248,206	4,119,756
18,281	230,000	137,350	28,574	648	1,980,146	3,871,550	248,206	11,246,643
3,384	685,704	161,391	43,012	52,790	526,058	(3,865,443)	153,490	(2,117,017)
0	0	0	0	0	316,869	4,261,366	90,000	5,509,945
0	(30,871)	0	(181,500)	(49,652)	0	(307,416)	(366,984)	(1,436,888)
0	0	0	0	0	0	10,932	0	10,932
0	0	0	0	0	0	0	0	6,494
0	(30,871)	0	(181,500)	(49,652)	316,869	3,964,882	(276,984)	4,090,483
3,384	654,833	161,391	(138,488)	3,138	842,927	99,439	(123,494)	1,973,466
102,397	2,097,146	917,527	263,485	290,135	1,957,286	5,278,376	1,152,100	20,558,928
$ 105,781	$ 2,751,979	$ 1,078,918	$ 124,997	$ 293,273	$ 2,800,213	$ 5,377,815	$ 1,028,606	$ 22,532,394

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2018

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
ASSETS				
Current assets				
Cash and cash equivalents	$ 1,051,661	$ 3,577,577	$ 645,485	$ 5,274,723
Receivables				
Accounts (net)	23,912	275,692	39,382	338,986
Intergovernmental	108,956	0	0	108,956
Total current assets	1,184,529	3,853,269	684,867	5,722,665
Noncurrent assets				
Capital assets				
Non-depreciable	733,861	0	67,175	801,036
Depreciable (net)	8,186,494	715,414	2,439,377	11,341,285
Total noncurrent assets	8,920,355	715,414	2,506,552	12,142,321
Total assets	10,104,884	4,568,683	3,191,419	17,864,986
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	15,658	0	38,637	54,295
Deferred outflows related to pensions	14,670	93,108	17,161	124,939
Deferred outflows related to other post employment benefits	3,660	84,184	18,302	106,146
Total deferred outflows of resources	33,988	177,292	74,100	285,380
LIABILITIES				
Current liabilities				
Payables				
Accounts	19,287	45,389	56,644	121,320
Deposits	4,036	0	0	4,036
Sales tax	0	0	7,661	7,661
Interest	2,213	0	7,251	9,464
Accrued salaries	1,864	29,352	20,637	51,853
Compensated absences	986	47,177	23,925	72,088
Capital lease payable	435,000	0	255,000	690,000
Other liabilities	0	0	47,458	47,458
Total current liabilities	463,386	121,918	418,576	1,003,880
Noncurrent liabilities				
Advances from other funds	0	0	258,790	258,790
Compensated absences	110	5,242	2,658	8,010
Net pension liability	121,925	419,206	23,932	565,063
Net OPEB liability	58,677	1,349,571	293,385	1,701,633
Capital leases payable	469,903	0	1,965,000	2,434,903
Total noncurrent liabilities	650,615	1,774,019	2,543,765	4,968,399
Total liabilities	1,114,001	1,895,937	2,962,341	5,972,279

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2018

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	$ 9,108	$ 197,195	$ 67,313	$ 273,616
Deferred inflows related to other post employment benefits	4,798	110,355	23,990	139,143
Total deferred inflows of resources	13,906	307,550	91,303	412,759
NET POSITION				
Net investment in capital assets	8,031,110	715,414	323,910	9,070,434
Restricted for capital outlay	0	0	25,649	25,649
Unrestricted	979,855	1,827,074	(137,684)	2,669,245
Total net position	$ 9,010,965	$ 2,542,488	$ 211,875	$ 11,765,328

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2018

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for sales and services	$ 931,143	$ 2,887,724	$ 1,061,026	$ 4,879,893
Other	235	11,328	25,693	37,256
Total operating revenues	931,378	2,899,052	1,086,719	4,917,149
OPERATING EXPENSES				
Costs of sales and services	310,953	1,010,232	421,489	1,742,674
Personal services	60,686	1,240,096	565,521	1,866,303
Depreciation	896,619	170,157	303,630	1,370,406
Total operating expenses	1,268,258	2,420,485	1,290,640	4,979,383
Operating income (loss)	(336,880)	478,567	(203,921)	(62,234)
Non-operating revenues (expenses)				
Interest revenue	23,777	32,834	4,967	61,578
Interest expense	(33,275)	0	(65,555)	(98,830)
Gain (loss) on sale of capital assets	0	6,296	292,669	298,965
Total non-operating revenues (expenses)	(9,498)	39,130	232,081	261,713
Income (loss) before capital contributions and transfers	(346,378)	517,697	28,160	199,479
Capital contributions				
Intergovernmental revenue	98,172	0	0	98,172
Income (loss) before transfers	(248,206)	517,697	28,160	297,651
Transfers in (out)				
Transfers in	0	0	293,765	293,765
Transfers out	0	(5,660)	0	(5,660)
Total transfers in (out)	0	(5,660)	293,765	288,105
Change in net position	(248,206)	512,037	321,925	585,756
Net position, July 1 (original)	9,293,751	2,183,199	(95,528)	11,381,422
Prior period adjustment	(34,580)	(152,748)	(14,522)	(201,850)
Net position, July 1 (restated)	9,259,171	2,030,451	(110,050)	11,179,572
Net position, June 30	$ 9,010,965	$ 2,542,488	$ 211,875	$ 11,765,328

Exhibit C-4

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2018

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from customers	$ 821,713	$ 2,841,251	$ 1,099,718	$ 4,762,682
Payments to suppliers	(302,175)	(1,005,218)	(419,425)	(1,726,818)
Payments to employees	(62,012)	(1,253,984)	(577,956)	(1,893,952)
Other receipts	235	11,328	13,743	25,306
Net cash provided (used) by operating activities	457,761	593,377	116,080	1,167,218
Cash flows from non-capital financing activities:				
Receipts from other funds	0	0	293,765	293,765
Payments to other funds	0	(5,660)	(34,134)	(39,794)
Net cash provided (used) by non-capital financing activities	0	(5,660)	259,631	253,971
Cash flows from capital and related financing activities:				
Receipts from other governments	207,218	0	0	207,218
Sale of capital asset	0	6,296	293,405	299,701
Payment of capital related accounts payable	0	0	(49,925)	(49,925)
Interest paid	(22,938)	0	(60,788)	(83,726)
Acquisition of capital assets	(150,653)	(201,555)	(64,123)	(416,331)
Principal payments - capital leases	(420,000)	0	(250,000)	(670,000)
Net cash provided (used) by capital and related financing activities	(386,373)	(195,259)	(131,431)	(713,063)
Cash flows from investing activities:				
Interest received	9,303	32,834	4,967	47,104
Net increase (decrease) in cash and cash equivalents	80,691	425,292	249,247	755,230
Cash and cash equivalents, July 1	970,970	3,152,285	396,238	4,519,493
Cash and cash equivalents, June 30	$ 1,051,661	$ 3,577,577	$ 645,485	$ 5,274,723

Exhibit C-5, continued

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2018

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (336,880)	$ 478,567	$ (203,921)	$ (62,234)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	896,619	170,157	303,630	1,370,406
(Increase) decrease in accounts receivable	(11,258)	(46,473)	26,661	(31,070)
(Increase) decrease in intergovernmental receivable	(98,172)	0	0	(98,172)
(Increase) decrease in deferred outflows of resources	(8,127)	(56,659)	(7,117)	(71,903)
Increase (decrease) in accounts payable	8,778	5,015	(114)	13,679
Increase (decrease) in sales tax payable	0	0	81	81
Increase (decrease) in accrued salaries and benefits	(3,880)	1,923	3,554	1,597
Increase (decrease) in other liabilities	0	0	2,178	2,178
Increase (decrease) in net pension liability	3,575	(50,507)	(29,117)	(76,049)
Increase (decrease) in deferred inflows of resources	9,756	152,299	33,494	195,549
Increase (decrease) in OPEB liability	(2,650)	(60,945)	(13,249)	(76,844)
Total adjustments	794,641	114,810	320,001	1,229,452
Net cash provided (used) by operating activities	$ 457,761	$ 593,377	$ 116,080	$ 1,167,218

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled $1,279.

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2018

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 2,411,810	$ 6,180,583	$ 260,283	$ 8,852,676
Receivables				
Accounts	2,820	23,764	0	26,584
Intergovernmental	0	0	8,582	8,582
Inventory	0	0	118,234	118,234
Other assets	140,000	0	0	140,000
Total current assets	2,554,630	6,204,347	387,099	9,146,076
Noncurrent assets				
Depreciable capital assets (net)	0	0	151,779	151,779
Total assets	2,554,630	6,204,347	538,878	9,297,855
LIABILITIES				
Current liabilities				
Payables				
Accounts	48,817	161,056	97,007	306,880
Deposits	0	109,710	0	109,710
Accrued salaries	0	0	9,069	9,069
Compensated absences	0	0	23,828	23,828
Claims reserves	1,902,661	360,024	0	2,262,685
Total current liabilities	1,951,478	630,790	129,904	2,712,172
Long-term liabilities				
Compensated absences	0	0	2,648	2,648
Total liabilities	1,951,478	630,790	132,552	2,714,820
NET POSITION				
Investment in capital assets	0	0	151,779	151,779
Unrestricted	603,152	5,573,557	254,547	6,431,256
Total net position	$ 603,152	$ 5,573,557	$ 406,326	$ 6,583,035

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2018

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
OPERATING REVENUES				
Interfund services provided	$ 2,292,312	$ 9,505,521	$ 2,182,144	$ 13,979,977
Other	49,136	0	1,957	51,093
Total operating revenues	2,341,448	9,505,521	2,184,101	14,031,070
OPERATING EXPENSES				
Costs of services	2,341,448	8,809,111	1,790,354	12,940,913
Personal services	0	0	367,314	367,314
Depreciation	0	0	34,022	34,022
Total operating expenses	2,341,448	8,809,111	2,191,690	13,342,249
Operating income (loss)	0	696,410	(7,589)	688,821
Non-operating revenues (expenses)				
Interest revenue	16,347	55,425	0	71,772
Gain (loss) on sale of capital assets	0	0	7,589	7,589
Total non-operating revenues (expenses)	16,347	55,425	7,589	79,361
Change in net position	16,347	751,835	0	768,182
Net position, July 1	586,805	4,821,722	406,326	5,814,853
Net position, June 30	$ 603,152	$ 5,573,557	$ 406,326	$ 6,583,035

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2018

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
Cash flows from operating activities:				
Receipts from interfund services provided	$ 2,231,917	$ 9,498,983	$ 2,195,076	$ 13,925,976
Payments to suppliers	(1,441,159)	(9,013,470)	(1,776,376)	(12,231,005)
Payments to employees	0	0	(365,627)	(365,627)
Other receipts	49,136	0	1,957	51,093
Net cash provided (used) by operating activities	839,894	485,513	55,030	1,380,437
Cash flows from capital and related financing activities:				
Payments to other funds	0	0	7,589	7,589
Acquisition of capital assets	0	0	(41,235)	(41,235)
Net cash provided (used) by capital and related financing activities	0	0	(33,646)	(33,646)
Cash flows from investing activities:				
Interest received	16,347	55,426	0	71,773
Net increase (decrease) in cash and cash equivalents	856,241	540,939	21,384	1,418,564
Cash and cash equivalents, July 1	1,555,569	5,639,644	238,899	7,434,112
Cash and cash equivalents, June 30	$ 2,411,810	$ 6,180,583	$ 260,283	$ 8,852,676
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 0	$ 696,410	$ (7,589)	$ 688,821
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	0	0	34,022	34,022
(Increase) decrease in accounts receivable	(2,820)	(6,537)	0	(9,357)
(Increase) decrease in intergovernmental receivables	0	0	12,933	12,933
(Increase) decrease in inventory	0	0	(22,872)	(22,872)
Increase (decrease) in accounts payable	15,030	84,470	36,848	136,348
Increase (decrease) in deposits payable	0	33,774	0	33,774
Increase (decrease) in accrued salaries and benefits	0	0	1,688	1,688
Increase (decrease) in claims reserve	827,684	(322,604)	0	505,080
Total adjustments	839,894	(210,897)	62,619	691,616
Net cash provided (used) by operating activities	$ 839,894	$ 485,513	$ 55,030	$ 1,380,437

Gainesville, Georgia

Since 1821

GENERAL FUND

The general operating fund of the City is used to account for all financial resources except those required to be accounted for in another fund.

The General Fund is presented as a major fund in the basic financial statements.

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 12,345,180	$ 11,140,815
Receivables (net)		
Accounts	66,992	29,423
Intergovernmental	32,670	30,807
Taxes	1,170,461	1,088,936
Prepaid items	1,268	2,332
Due from other funds	885,971	367,821
Advances to other funds	258,790	292,924
Total assets	$ 14,761,332	$ 12,953,058
LIABILITIES		
Payables		
Accounts	$ 752,012	$ 346,862
Intergovernmental	0	16,194
Due to others	27,994	0
Accrued salaries	639,397	551,372
Total liabilities	1,419,403	914,428
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	77,518	111,795
FUND BALANCES		
Nonspendable:		
Prepaid items	1,268	2,332
Advances to other funds	258,790	292,924
Committed for Housing and Development	4,957	4,957
Assigned for:		
Public Works	131,649	126,595
Budget	3,780,741	3,839,746
Unassigned	9,087,006	7,660,281
Total fund balances	13,264,411	11,926,835
Total liabilities, deferred inflows, and fund balances	$ 14,761,332	$ 12,953,058

Exhibit D-1, continued

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
REVENUES		
Taxes	$ 23,181,523	$ 22,282,388
Licenses and permits	1,143,187	1,304,203
Fines, fees and forfeitures	1,345,500	1,642,513
Charges for services	2,321,193	2,279,279
Intergovernmental	1,496,497	376,069
Interest	271,934	80,030
Contributions	8,597	7,294
Other	356,668	132,170
Total revenues	30,125,099	28,103,946
EXPENDITURES		
Current		
General Government	4,861,538	5,772,300
Judicial	523,018	521,707
Public Safety	17,302,602	16,152,041
Public Works	4,612,450	4,436,759
Health and Welfare	12,500	48,129
Culture and Recreation	0	160,606
Housing and Development	1,266,422	1,291,399
Total expenditures	28,578,530	28,382,941
Excess (deficiency) of revenues over (under) expenditures	1,546,569	(278,995)
Other financing sources (uses)		
Transfers in (out)		
Community Service Center Fund	(665,631)	(616,596)
Government Access Cable TV Channel Fund	(123,636)	(162,368)
Grants Special Revenue Fund	(52,443)	0
Economic Development Fund	0	(705,000)
Impact Fee Fund	30,871	43,460
SPLOST Capital Projects Fund	(100,000)	(10,000)
General Government Capital Projects Fund	(3,176,581)	(3,645,225)
Grants Capital Projects Fund	(25,000)	(25,000)
Debt Service Fund	(156,000)	0
Department of Water Resources Fund	3,446,222	3,273,211
Chattahoochee Golf Course Fund	(293,765)	(343,654)
Proceeds from bond issuance	0	1,630,000
Sales of capital assets	906,970	742,858
Total other financing sources (uses)	(208,993)	181,686
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,337,576	(97,309)
Fund balances, July 1	11,926,835	12,024,144
Fund balances, June 30	$ 13,264,411	$ 11,926,835

Exhibit D-2

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the fiscal year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Current year levy	$ 6,288,504	$ 6,603,492	$ 314,988	$ 6,154,715
Prior years' levies	62,823	14,670	(48,153)	90,613
Motor vehicle tax	1,005,969	1,330,150	324,181	1,142,923
Cost, penalties, and interest	26,000	33,341	7,341	19,534
Total general property taxes	7,383,296	7,981,653	598,357	7,407,785
Intangibles tax	126,000	213,556	87,556	190,764
Franchise tax	4,217,056	4,208,097	(8,959)	4,501,181
Insurance premium tax	2,000,000	2,346,272	346,272	2,203,406
Occupational tax	1,352,300	1,394,517	42,217	1,373,680
Alcohol tax	1,072,500	1,152,257	79,757	1,166,259
Local option sales tax	5,277,000	5,885,171	608,171	5,439,313
Total taxes	21,428,152	23,181,523	1,753,371	22,282,388
Licenses and permits	879,000	1,143,187	264,187	1,304,203
Fines, fees and forfeitures	1,441,500	1,345,500	(96,000)	1,642,513
Charges for services	2,421,499	2,321,193	(100,306)	2,279,279
Intergovernmental	860,357	1,496,497	636,140	376,069
Interest	49,309	271,934	222,625	80,030
Contributions	8,597	8,597	0	7,294
Other				
Rents	212,600	226,045	13,445	101,800
Miscellaneous	193,079	130,623	(62,456)	30,370
Total other	405,679	356,668	(49,011)	132,170
Total revenues	$ 27,494,093	$ 30,125,099	$ 2,631,006	$ 28,103,946

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the fiscal year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	$ 244,570	$ 230,243	$ 14,327	$ 233,643
Other	179,139	87,096	92,043	106,666
Total Mayor and Council	423,709	317,339	106,370	340,309
City Manager's Office				
Personal services	614,545	614,544	1	593,724
Other	217,676	186,848	30,828	102,052
Total City Manager's Office	832,221	801,392	30,829	695,776
Finance				
Personal services	987,485	956,641	30,844	1,414,185
Other	240,564	201,590	38,974	333,094
Total Finance	1,228,049	1,158,231	69,818	1,747,279
Information Technologies				
Personal services	511,846	511,846	0	9,426
Other	269,459	214,171	55,288	115,260
Total Information Technologies	781,305	726,017	55,288	124,686
Human Resources				
Personal services	713,237	578,401	134,836	596,803
Other	86,826	77,864	8,962	58,725
Total Human Resources	800,063	656,265	143,798	655,528
Public Lands and Buildings				
Personal services	324,229	261,604	62,625	237,083
Other	640,763	640,690	73	446,639
Capital outlay	300,000	300,000	0	1,525,000
Total Public Lands and Buildings	1,264,992	1,202,294	62,698	2,208,722
Total General Government	5,330,339	4,861,538	468,801	5,772,300
Judicial				
Municipal Court				
Personal services	465,799	432,256	33,543	438,896
Other	90,816	90,762	54	82,811
Total Judicial	556,615	523,018	33,597	521,707
Public Safety				
Police				
Personal services	7,873,770	7,843,229	30,541	7,205,639
Other	1,531,374	1,513,712	17,662	1,508,441
Capital outlay	0	0	0	30,965
Total Police	9,405,144	9,356,941	48,203	8,745,045
Fire				
Personal services	7,209,362	7,209,361	1	6,775,251
Other	782,223	736,300	45,923	619,134
Capital outlay	0	0	0	12,611
Total Fire	7,991,585	7,945,661	45,924	7,406,996
Total Public Safety	17,396,729	17,302,602	94,127	16,152,041

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the fiscal year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
Public Works				
Engineering				
Personal services	$ 886,821	$ 830,982	$ 55,839	$ 768,005
Other	100,010	77,631	22,379	92,331
Total Engineering	986,831	908,613	78,218	860,336
Traffic				
Personal services	443,891	443,891	0	340,531
Other	811,979	811,694	285	770,535
Capital outlay	12,180	12,180	0	10,931
Total Traffic	1,268,050	1,267,765	285	1,121,997
Street Maintenance				
Personal services	1,359,366	1,104,398	254,968	1,210,523
Other	438,881	409,877	29,004	372,396
Capital outlay	71,071	69,146	1,925	31,357
Total Street Maintenance	1,869,318	1,583,421	285,897	1,614,276
Storm Water				
Personal services	308,372	268,946	39,426	259,027
Other	97,022	32,875	64,147	51,953
Total Storm Water	405,394	301,821	103,573	310,980
Cemetery				
Personal services	392,526	379,334	13,192	349,670
Other	208,752	171,496	37,256	179,500
Total Cemetery	601,278	550,830	50,448	529,170
Total Public Works	5,130,871	4,612,450	518,421	4,436,759
Health and Welfare				
Agency allocations	56,372	12,500	43,872	48,129
Culture and Recreation				
Agency allocations	0	0	0	160,606
Housing and Development				
Planning				
Personal services	529,672	468,991	60,681	499,764
Other	156,138	76,964	79,174	115,692
Total Planning	685,810	545,955	139,855	615,456
Inspection				
Personal services	330,917	330,917	0	293,195
Other	33,871	29,204	4,667	34,205
Total Inspection	364,788	360,121	4,667	327,400
Code Enforcement				
Personal services	260,988	260,987	1	240,216
Other	67,491	67,422	69	78,374
Total Code Enforcement	328,479	328,409	70	318,590
Agency allocations	31,938	31,937	1	29,953
Total Housing and Development	1,411,015	1,266,422	144,593	1,291,399
Total expenditures	$ 29,881,941	$ 28,578,530	$ 1,303,411	$ 28,382,941

Exhibit D-4, continued

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Community Service Center Fund *- This fund is used to account for local, state and federal grant revenues legally restricted for community service projects.*

Economic Development Fund *- This fund is used to account for activities of economic development.*

Hotel/Motel Tax Fund *- This fund is used to collect Hotel/Motel taxes which are used to help support tourism.*

Government Access Cable TV Channel Fund *- This fund is used to account for costs associated with the operation of the City/County governmental cable television channel.*

Confiscated Assets Fund *- This fund is used to account for the cash received either from a cash confiscation or cash received from a sale of assets acquired from a drug raid.*

Grants Fund *- This fund is used to account for all grants used to finance general government operations.*

HUD Grant Fund *- This fund is used to account for activities connected with the US Department of Housing and Urban Development Community Development Block Grant/ Entitlement Grant. The objective of the grant is to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income.*

Revolving Loan Fund *- This fund is used to record activities connected with notes receivable for loans made with monies recorded in the HUD Grant Fund. As funds are accumulated, loans will be made for the development of the City of Gainesville's urban community using the criteria established by the US Department of Housing and Urban Development Community Development Block Grant/ Entitlement Grant.*

Impact Fee Fund *- This fund is used to account for activities connected with impact fees, whereby new development assists in covering the additional cost of providing public safety and recreational services needed as a result of growth.*

Tax Allocation District Fund *- This fund is used to account for ad valorem property tax collections derived from the City tax allocation districts for the purpose of stimulating private redevelopment within these areas.*

Information Technology Fund *- This fund is used to account for the fee collected through the Municipal Court, as authorized by City ordinance, for the purpose of improving/enhancing information technology in the Police Department, Municipal Court, Code Enforcement, and the City Marshal's Office.*

Cemetery Trust Fund *- This fund is used to account for activities connected with the receipt and disbursements of funds restricted for support of the activities of the City cemetery.*

CITY OF GAINESVILLE, GEORGIA
COMMUNITY SERVICE CENTER SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 2,615,463	$ 2,453,100
Receivables		
Accounts	3,290	20
Intergovernmental	210,039	325,572
Inventory	34,002	40,191
Total assets	$ 2,862,794	$ 2,818,883
LIABILITIES		
Payables		
Accounts	$ 149,605	$ 145,859
Accrued salaries	41,622	38,927
Total liabilities	191,227	184,786
FUND BALANCES		
Nonspendable:		
Inventories	34,002	40,191
Restricted for Health and Welfare	1,264,418	1,311,111
Assigned for:		
Health and Welfare	1,373,147	1,282,795
Total fund balances	2,671,567	2,634,097
Total liabilities and fund balances	$ 2,862,794	$ 2,818,883

CITY OF GAINESVILLE, GEORGIA
COMMUNITY SERVICE CENTER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Charges for services	$ 644,206	$ 359,270	$ (284,936)	$ 549,658
Intergovernmental	1,824,776	1,473,755	(351,021)	1,483,582
Interest	2,500	22,877	20,377	6,840
Contributions	169,835	146,393	(23,442)	129,822
Other	82,859	84,209	1,350	82,354
Total revenues	2,724,176	2,086,504	(637,672)	2,252,256
EXPENDITURES				
Current				
Health and Welfare				
Personal services	1,575,587	1,417,879	157,708	1,470,771
Other	1,438,284	1,259,844	178,440	1,377,019
Capital outlay	332,500	0	332,500	0
Total expenditures	3,346,371	2,677,723	668,648	2,847,790
Excess (deficiency) of revenues over (under) expenditures	(622,195)	(591,219)	30,976	(595,534)
Other financing sources (uses)				
Transfers in (out)				
General Fund	665,631	665,631	0	616,596
General Government Capital Projects Fund	(28,301)	(28,301)	0	0
SPLOST Capital Projects Fund	(15,135)	(15,135)	0	0
Sale of capital assets	0	6,494	6,494	26,134
Total other financing sources (uses)	622,195	628,689	6,494	642,730
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	37,470	37,470	47,196
Fund balance, July 1	0	2,634,097	2,634,097	2,586,901
Fund balances, June 30	$ 0	$ 2,671,567	$ 2,671,567	$ 2,634,097

CITY OF GAINESVILLE, GEORGIA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 4,174,878	$ 4,017,869
Investments	933,619	929,945
Total assets	$ 5,108,497	$ 4,947,814
LIABILITIES		
Accounts payable	$ 7,525	$ 3,872
FUND BALANCES		
Assigned for:		
Housing and Development	5,042,972	4,833,094
Budget	58,000	110,848
Total fund balances	5,100,972	4,943,942
Total liabilities and fund balances	$ 5,108,497	$ 4,947,814

CITY OF GAINESVILLE, GEORGIA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 233,495	$ 243,830	$ 10,335	$ 138,243
Investment and interest	34,240	39,016	4,776	1,867,099
Contributions	0	0	0	5,000
Other	0	0	0	157,183
Total revenue	267,735	282,846	15,111	2,167,525
EXPENDITURES				
Current				
Housing and Development				
Other	237,735	95,816	141,919	128,107
Debt Service				
Interest expense	0	0	0	1,019
Total expenditures	237,735	95,816	141,919	129,126
Excess (deficiency) of revenues over (under) expenditures	30,000	187,030	157,030	2,038,399
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	0	0	705,000
General Government Capital Projects Fund	(30,000)	(30,000)	0	0
Total other financing sources (uses)	(30,000)	(30,000)	0	705,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	157,030	157,030	2,743,399
Fund balances, July 1	0	4,943,942	4,943,942	2,200,543
Fund balances, June 30	$ 0	$ 5,100,972	$ 5,100,972	$ 4,943,942

CITY OF GAINESVILLE, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 52,842	$ 0
Taxes receivable	82,123	83,620
Total assets	$ 134,965	$ 83,620
LIABILITIES		
Due to other funds	$ 0	$ 20,293
FUND BALANCES		
Assigned for:		
Housing and Development	134,965	63,327
Total liabilities and fund balances	$ 134,965	$ 83,620

CITY OF GAINESVILLE, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Hotel/motel taxes	$ 872,202	$ 965,037	$ 92,835	$ 929,034
Interest	200	753	553	188
Total revenues	872,402	965,790	93,388	929,222
EXPENDITURES				
Current				
Housing and Development				
Other	472,783	472,783	0	613,443
Excess (deficiency) of revenues over (under) expenditures	399,619	493,007	93,388	315,779
Other financing sources (uses)				
Transfers in (out)				
Debt Service Fund	(160,869)	(160,869)	0	(154,867)
General Government Capital Projects Fund	(260,500)	(260,500)	0	(160,724)
Total other financing sources (uses)	(421,369)	(421,369)	0	(315,591)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(21,750)	71,638	93,388	188
Fund balances, July 1	21,750	63,327	41,577	63,139
Fund balances, June 30	$ 0	$ 134,965	$ 134,965	$ 63,327

CITY OF GAINESVILLE, GEORGIA
GOVERNMENT ACCESS CABLE TV CHANNEL SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 101,722	$ 96,372
Intergovernmental receivables	33,825	27,639
Total assets	$ 135,547	$ 124,011
LIABILITIES		
Accounts payable	$ 306	$ 54
Accrued salaries	14,849	4,599
Total liabilities	15,155	4,653
FUND BALANCES		
Restricted for:		
General Government	55,977	55,460
Capital outlay	6,425	6,425
Assigned for General Government	57,990	57,473
Total fund balances	120,392	119,358
Total liabilities and fund balances	$ 135,547	$ 124,011

CITY OF GAINESVILLE, GEORGIA
GOVERNMENT ACCESS CABLE TV CHANNEL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 125,778	$ 123,636	$ (2,142)	$ 162,368
Interest	0	1,035	1,035	301
Total revenues	125,778	124,671	(1,107)	162,669
EXPENDITURES				
Current				
General Government				
Personal services	175,927	174,521	1,406	159,934
Other	69,969	67,092	2,877	65,303
Total expenditures	245,896	241,613	4,283	225,237
Excess (deficiency) of revenues over (under) expenditures	(120,118)	(116,942)	3,176	(62,568)
Other financing sources (uses)				
Transfers in (out)				
General Fund	125,778	123,636	(2,142)	162,368
General Government Capital Projects Fund	(5,660)	(5,660)	0	(99,500)
Total other financing sources (uses)	120,118	117,976	(2,142)	62,868
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	1,034	1,034	300
Fund balance, July 1	0	119,358	119,358	119,058
Fund balances, June 30	$ 0	$ 120,392	$ 120,392	$ 119,358

CITY OF GAINESVILLE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 601,053	$ 617,545
Receivables	3,257	4,000
Prepaid items	0	15,000
Total assets	$ 604,310	$ 636,545
LIABILITIES		
Accounts payable	$ 0	$ 1,668
Due to others	54,010	86,315
Total liabilities	54,010	87,983
FUND BALANCES		
Nonspendable:		
Prepaid items	0	15,000
Restricted for Public Safety	282,350	488,712
Assigned for budget	267,950	44,850
Total fund balances	550,300	548,562
Total liabilities and fund balances	$ 604,310	$ 636,545

CITY OF GAINESVILLE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Fines, fees, and forfeitures	$ 247,655	$ 265,130	$ 17,475	$ 220,751
Interest	4,888	5,710	822	1,556
Total revenues	252,543	270,840	18,297	222,307
EXPENDITURES				
Current				
Public Safety				
Other	283,594	208,294	75,300	137,422
Capital outlay	80,876	60,808	20,068	34,851
Total expenditures	364,470	269,102	95,368	172,273
Excess (deficiency) of revenues over (under) expenditures	(111,927)	1,738	113,665	50,034
Other financing sources (uses)				
Sales of capital assets	7,842	0	7,842	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(104,085)	1,738	105,823	50,034
Fund balance, July 1	104,085	548,562	444,477	498,528
Fund balances, June 30	$ 0	$ 550,300	$ 550,300	$ 548,562

CITY OF GAINESVILLE, GEORGIA
GRANTS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 300	$ 300
Investments	200,332	0
Intergovernmental receivables	756,414	369,363
Total assets	$ 957,046	$ 369,663
LIABILITIES		
Accounts payable	$ 11,538	$ 8,472
Due to other funds	645,789	262,898
Total liabilities	657,327	271,370
FUND BALANCES		
Restricted for		
Public Safety	6,459	5,365
Public Works	19,150	19,150
Housing and Development	200,332	0
Committed for Housing and Development	4,868	4,868
Assigned for General Government	68,910	68,910
Total fund balances	299,719	98,293
Total liabilities and fund balances	$ 957,046	$ 369,663

CITY OF GAINESVILLE, GEORGIA
GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 1,185,198	$ 808,738	$ (376,460)	$ 603,277
EXPENDITURES				
Current				
General Government	11,834	11,834	0	0
Public Safety	190,150	115,000	75,150	136,197
Public Works	418,677	418,674	3	0
Culture and Recreation	15,982	15,982	0	0
Housing and Development	603,582	98,265	505,317	454,355
Total expenditures	1,240,225	659,755	580,470	590,552
Excess (deficiency) of revenues over (under) expenditures	(55,027)	148,983	204,010	12,725
Other financing sources (uses)				
Transfers in (out)				
General Fund	55,027	52,443	(2,584)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	201,426	201,426	12,725
Fund balance, July 1	0	98,293	98,293	85,568
Fund balances, June 30	$ 0	$ 299,719	$ 299,719	$ 98,293

Exhibit E-12

CITY OF GAINESVILLE, GEORGIA
HUD GRANT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Investments	$ 92,898	$ 91,182
Intergovernmental receivables	244,220	331,384
Total assets	$ 337,118	$ 422,566
LIABILITIES		
Payables		
Accounts	$ 3,741	$ 222,870
Retainages	0	19,917
Accrued salaries	298	2,253
Due to other funds	240,182	84,629
Total liabilities	244,221	329,669
FUND BALANCES		
Restricted for Housing and Development	92,897	92,897
Total liabilities and fund balances	$ 337,118	$ 422,566

CITY OF GAINESVILLE, GEORGIA
HUD GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 854,971	$ 315,096	$ (539,875)	$ 721,239
EXPENDITURES				
Current				
Housing and Development				
Personal services	133,478	39,459	94,019	50,725
Other	721,493	275,637	445,856	620,639
Total expenditures	854,971	315,096	539,875	671,364
Excess (deficiency) of revenues over (under) expenditures	0	0	0	49,875
Fund balances, July 1	0	92,897	92,897	43,022
Fund balances, June 30	$ 0	$ 92,897	$ 92,897	$ 92,897

CITY OF GAINESVILLE, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 105,781	$ 100,682
Investments	0	1,715
Notes receivable	267,390	284,611
Total assets	$ 373,171	$ 387,008
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - notes receivable	$ 267,390	$ 284,611
FUND BALANCES		
Restricted for Housing and Development	105,781	102,397
Total deferred inflows and fund balances	$ 373,171	$ 387,008

CITY OF GAINESVILLE, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 24,127	$ 20,595	$ (3,532)	$ 23,014
Interest	4,840	1,070	(3,770)	386
Total revenues	28,967	21,665	(7,302)	23,400
EXPENDITURES				
Current				
Housing and Development				
Other	87,449	18,281	69,168	69,023
Excess (deficiency) of revenues over (under) expenditures	(58,482)	3,384	61,866	(45,623)
Fund balances, July 1	58,482	102,397	43,915	148,020
Fund balances, June 30	$ 0	$ 105,781	$ 105,781	$ 102,397

CITY OF GAINESVILLE, GEORGIA
IMPACT FEE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 2,751,979	$ 2,097,146
FUND BALANCES		
Restricted for:		
Public Safety	$ 596,163	$ 452,138
Cultural and Recreation	2,155,816	1,645,008
Total fund balances	$ 2,751,979	$ 2,097,146

CITY OF GAINESVILLE, GEORGIA
IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Charges for services	$ 709,271	$ 892,597	$ 183,326	$ 1,256,573
Interest	1,250	23,107	21,857	6,960
Total revenues	710,521	915,704	205,183	1,263,533
EXPENDITURES				
Current				
Culture and Recreation				
Other	679,650	230,000	449,650	73,677
Excess (deficiency) of revenues over (under) expenditures	30,871	685,704	654,833	1,189,856
Other financing sources (uses)				
Transfers in (out)				
General Fund	(30,871)	(30,871)	0	(43,460)
SPLOST Fund	0	0	0	(450,000)
General Government Capital Projects Fund	0	0	0	(90,000)
Total other financing sources (uses)	(30,871)	(30,871)	0	(583,460)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	654,833	654,833	606,396
Fund balances, July 1	0	2,097,146	2,097,146	1,490,750
Fund balances, June 30	$ 0	$ 2,751,979	$ 2,751,979	$ 2,097,146

Exhibit E-18

CITY OF GAINESVILLE, GEORGIA
TAX ALLOCATION DISTRICT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 1,080,438	$ 779,488
Intergovernmental receivable	0	138,039
Total assets	$ 1,080,438	$ 917,527
LIABILITIES		
Accounts payable	$ 1,520	$ 0
FUND BALANCES		
Restricted for Housing and Development	1,078,918	917,527
Total liabilities and fund balances	$ 1,080,438	$ 917,527

CITY OF GAINESVILLE, GEORGIA
TAX ALLOCATION DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	$ 47,513	$ 42,545	$ (4,968)	$ 59,652
Intergovernmental	200,367	247,900	47,533	221,713
Interest	6,843	8,296	1,453	2,498
Total revenues	254,723	298,741	44,018	283,863
EXPENDITURES				
Current				
Housing and Development	478,305	137,350	340,955	211,213
Excess (deficiency) of revenues over (under) expenditures	(223,582)	161,391	384,973	72,650
Fund balances, July 1	223,582	917,527	693,945	844,877
Fund balances, June 30	$ 0	$ 1,078,918	$ 1,078,918	$ 917,527

CITY OF GAINESVILLE, GEORGIA
INFORMATION TECHNOLOGY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 124,997	$ 263,485
FUND BALANCES		
Restricted for Public Safety	$ 124,997	$ 121,985
Assigned for budget	0	141,500
Total fund balances	$ 124,997	$ 263,485

CITY OF GAINESVILLE, GEORGIA
INFORMATION TECHNOLOGY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 55,000	$ 69,745	$ 14,745	$ 81,554
Interest	250	1,841	1,591	737
Total revenues	55,250	71,586	16,336	82,291
EXPENDITURES				
Current				
Public Safety				
Other	28,574	28,574	0	6,460
Excess (deficiency) of revenues over (under) expenditures	26,676	43,012	16,336	75,831
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	(181,500)	(181,500)	0	(40,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(154,824)	(138,488)	16,336	35,831
Fund balances, July 1	154,824	263,485	108,661	227,654
Fund balances, June 30	$ 0	$ 124,997	$ 124,997	$ 263,485

CITY OF GAINESVILLE, GEORGIA
CEMETERY TRUST SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 293,273	$ 289,535
Accounts receivable, net	0	600
Total assets	$ 293,273	$ 290,135
FUND BALANCES		
Committed for Public Works	293,273	270,385
Assigned for Budget	0	19,750
Total fund balances	$ 293,273	$ 290,135

CITY OF GAINESVILLE, GEORGIA
CEMETERY TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
REVENUES				
Sales and services	$ 30,000	$ 46,104	$ 16,104	$ 48,550
Contributions	0	4,500	4,500	0
Interest	250	2,834	2,584	797
Total revenues	30,250	53,438	23,188	49,347
EXPENDITURES				
Public Works				
Other	648	648	0	129
Total expenditures	648	648	0	129
Excess (deficiency) of revenues over (under) expenditures	29,602	52,790	23,188	49,218
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	(49,652)	(49,652)	0	1,254
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(20,050)	3,138	23,188	50,472
Fund balances, July 1	20,050	290,135	270,085	239,663
Fund balances, June 30	$ 0	$ 293,273	$ 293,273	$ 290,135

Gainesville, Georgia

Since 1821

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources and payment of general government long-term debt principal and interest from governmental resources.

CITY OF GAINESVILLE, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 2,777,893	$ 1,953,875
Receivables		
Intergovernmental	414	408
Taxes	35,823	29,930
Prepaid items	10,752	12,186
Total assets	$ 2,824,882	$ 1,996,399
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	$ 24,669	$ 39,113
FUND BALANCES		
Nonspendable prepaid items	10,752	12,186
Restricted for debt service	1,195,216	531,070
Assigned for debt service	1,594,245	1,414,030
Total fund balances	2,800,213	1,957,286
Total deferred inflows and fund balances	$ 2,824,882	$ 1,996,399

CITY OF GAINESVILLE, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	$ 2,398,030	$ 2,477,682	$ 79,652	$ 2,353,259
Interest	5,386	28,522	23,136	8,479
Other	0	0	0	1,806
Total revenues	2,403,416	2,506,204	102,788	2,363,544
EXPENDITURES				
Debt Service				
Principal	1,679,757	1,462,303	217,454	1,456,462
Interest and fiscal charges	536,126	517,843	18,283	522,028
Total expenditures	2,215,883	1,980,146	235,737	1,978,490
Excess (deficiency) of revenues over (under) expenditures	187,533	526,058	338,525	385,054
Other financing sources (uses)				
Transfers in (out)				
General Fund	156,000	156,000	0	0
Hotel/Motel Tax Fund	160,869	160,869	0	154,867
Contingency	(485,800)	0	485,800	0
Total other financing sources (uses)	(168,931)	316,869	485,800	154,867
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	18,602	842,927	824,325	539,921
Fund balances, July 1	(18,602)	1,957,286	1,975,888	1,417,365
Fund balances, June 30	$ 0	$ 2,800,213	$ 2,800,213	$ 1,957,286

Gainesville, Georgia

Since 1821

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by the proprietary or fiduciary funds).

***General Government Capital Projects Fund** - This fund is used to account for general purpose long-term capital projects financed from various revenue sources.*

***Special Purpose Local Option Sales Tax Capital Projects Fund** - This fund is used to account for long-term projects financed by the passage of a special purpose local option sales tax.*

The Special Purpose Local Option Sales Tax Capital Projects Fund is presented as a major fund in the basic financial statements.

***Grants Capital Projects Fund** – This fund is used to account for capital grants used to finance major capital projects.*

CITY OF GAINESVILLE, GEORGIA
GENERAL GOVERNMENT CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 5,636,365	$ 5,029,031
Accounts receivable	0	578,254
Total assets	$ 5,636,365	$ 5,607,285
LIABILITIES		
Accounts payable	$ 241,906	$ 321,352
Retainages payable	16,644	7,557
Total liabilities	258,550	328,909
FUND BALANCES		
Restricted for capital projects:		
General Government	778,781	839,897
Public Safety	52,862	114,030
Health and Welfare	196,511	0
Assigned for capital projects:		
General Government	2,268,433	2,549,650
Public Safety	73,412	145,844
Public Works	2,007,816	1,628,955
Total fund balances	5,377,815	5,278,376
Total liabilities and fund balances	$ 5,636,365	$ 5,607,285

CITY OF GAINESVILLE, GEORGIA
GENERAL GOVERNMENT CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
REVENUES		
Intergovernmental	$ 0	$ 81,303
Contributions	5,660	29,000
Other	447	0
Total revenues	6,107	110,303
EXPENDITURES		
Capital outlay		
General Government	2,224,982	1,649,618
Public Safety	892,027	1,407,331
Public Works	602,024	1,829,064
Housing and Development	152,517	124,705
Debt service		
General Government	0	2,472,351
Total expenditures	3,871,550	7,483,069
Excess (deficiency) of revenues over (under) expenditures	(3,865,443)	(7,372,766)
Other financing sources (uses)		
Transfers in (out)		
General Fund	3,176,581	3,645,225
Community Service Center Fund	28,300	0
Hotel/Motel Tax Fund	260,500	160,724
Government Access Cable TV Channel Fund	5,660	99,500
Information Technology Fund	181,500	40,000
Impact Fees Fund	0	90,000
Cemetery Trust Fund	49,652	(1,254)
Grants Capital Projects Fund	(35,000)	(25,957)
SPLOST Capital Projects Fund	(272,416)	0
Department of Water Resources Fund	553,513	1,099,694
Solid Waste Fund	5,660	0
Issuance of capital lease	10,932	807,264
Total other financing sources (uses)	3,964,882	5,915,196
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	99,439	(1,457,570)
Fund balances, July 1	5,278,376	6,735,946
Fund balances, June 30	$ 5,377,815	$ 5,278,376

Exhibit G-2

CITY OF GAINESVILLE, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 11,556,248	$ 8,301,004
Intergovernmental receivables	1,009,788	1,225,292
Total assets	$ 12,566,036	$ 9,526,296
LIABILITIES		
Accounts payable	$ 31,572	$ 602,560
Retainages payable	0	9,086
Unearned revenue	0	949,478
Total liabilities	31,572	1,561,124
FUND BALANCES		
Restricted for capital projects:		
Public Safety	3,745,632	4,426,610
Public Works	7,617,762	2,801,874
Culture and Recreation	255,620	105,238
Assigned for capital projects:		
Public Safety	100,000	100,000
Public Works	365,450	81,450
Health and Welfare	450,000	450,000
Total fund balances	12,534,464	7,965,172
Total liabilities and fund balances	$ 12,566,036	$ 9,526,296

CITY OF GAINESVILLE, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
REVENUES		
Intergovernmental	$ 6,777,358	$ 5,501,010
Contributions	44,000	0
Total revenues	6,821,358	5,501,010
EXPENDITURES		
Capital outlay		
Public Safety	680,768	964,115
Public Works	1,157,625	1,398,278
Health and Welfare	1,322,029	225,522
Culture and Recreation	54,619	114,441
Total expenditures	3,215,041	2,702,356
Excess (deficiency) of revenues over (under) expenditures	3,606,317	2,798,654
Other financing sources (uses)		
Transfers in (out)		
General Fund	100,000	10,000
Impact Fee Fund	0	450,000
Department of Water Resources Fund	208,440	0
Community Service Center Fund	15,135	0
Grants Capital Projects Fund	366,984	0
General Government Capital Projects Fund	272,416	0
Total other financing sources (uses)	962,975	460,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	4,569,292	3,258,654
Fund balances, July 1	7,965,172	4,706,518
Fund balances, June 30	$ 12,534,464	$ 7,965,172

CITY OF GAINESVILLE, GEORGIA
GRANTS CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 782,546	$ 909,565
Accounts receivable	27,958	0
Intergovernmental receivables	229,825	259,587
Total assets	$ 1,040,329	$ 1,169,152
LIABILITIES		
Accounts payable	$ 11,723	$ 17,052
FUND BALANCES		
Restricted for capital projects:		
Public Works	195,448	190,738
Assigned for capital projects:		
Public Works	833,158	961,362
Total fund balances	1,028,606	1,152,100
Total liabilities and fund balances	$ 1,040,329	$ 1,169,152

CITY OF GAINESVILLE, GEORGIA
GRANTS CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
REVENUES		
Intergovernmental	$ 396,696	$ 237,618
Contributions	5,000	0
Total revenues	401,696	237,618
EXPENDITURES		
Capital outlay		
General Government	114,838	21,775
Public Works	133,368	642,394
Total expenditures	248,206	664,169
Excess (deficiency) of revenues over (under) expenditures	153,490	(426,551)
Other financing sources (uses)		
Transfers in (out)		
General Fund	25,000	25,000
Economic Development Special Revenue Fund	30,000	0
SPLOST Capital Projects Funds	(366,984)	0
General Government Capital Projects Fund	35,000	25,957
Total other financing sources (uses)	(276,984)	50,957
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(123,494)	(375,594)
Fund balances, July 1	1,152,100	1,527,694
Fund balances, June 30	$ 1,028,606	$ 1,152,100

Gainesville, Georgia

Since 1821

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Department of Water Resources Fund *is used to account for activities connected with the development, operation and maintenance of water and sewer service in the City of Gainesville and parts of Hall County.*

The Department of Water Resources Fund is presented as a major fund in the basic financial statements.

Airport Fund *is used to account for activities connected with the operation of the Lee Gilmer Memorial Airport.*

Solid Waste Fund *is used to account for activities connected with the collection and disposal of residential, commercial, industrial and institutional solid waste, and for the maintenance of street rights-of-way.*

Chattahoochee Golf Course Fund *is used to account for activities connected with the operation of a public golf course owned by the City of Gainesville, Georgia.*

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 41,197,857	$ 42,226,490
Receivables		
Accounts (net)	4,345,677	4,283,524
Intergovernmental	169,017	165,068
Inventories	1,618,684	1,700,186
Prepaid items	0	3,800
Total current assets	47,331,235	48,379,068
Restricted assets		
Extension and Renewal		
Cash and cash equivalents	62,272,212	61,359,581
Debt Redemption		
Cash and cash equivalents	9,766,790	9,615,995
Customer Deposits		
Cash and cash equivalents	2,300,009	2,235,205
Total restricted assets	74,339,011	73,210,781
Capital assets		
Land	30,977,493	30,977,493
Nondepreciable intangibles	2,056,998	2,051,336
Land improvements	2,184,504	1,813,045
Buildings	44,835,815	44,853,971
Distribution system	541,932,094	541,938,923
Vehicles and equipment	34,422,825	27,474,409
Depreciable intangibles	5,971,224	5,495,361
Construction in progress	35,700,858	19,786,561
Accumulated depreciation	(226,584,307)	(212,002,918)
Capital assets (net of accumulated depreciation)	471,497,504	462,388,181
Total assets	593,167,750	583,978,030
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	476,203	714,767
Deferred outflows related to pensions	2,648,054	1,175,704
Deferred outflows related to other post employment benefits	764,979	0
Total deferred outflows of resources	3,889,236	1,890,471

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	2017
LIABILITIES		
Current liabilities		
Payables		
Accounts	$ 2,271,008	$ 1,514,138
Intergovernmental	5,070	3,689
Accrued salaries	396,366	330,545
Compensated absences	580,677	580,115
Capital lease payable	1,261,588	1,261,588
Total current liabilities	4,514,709	3,690,075
Current liabilities payable from restricted assets		
Payables		
Accounts	1,207,819	1,131,257
Retainages	1,447,347	753,350
Customer deposits	2,300,009	2,235,205
Revenue bonds payable	16,200,000	15,940,000
Interest payable	425,471	489,234
Total liabilities payable from restricted assets	21,580,646	20,549,046
Noncurrent liabilities		
Net pension liability	18,464,956	17,864,502
Net OPEB liability	12,263,491	11,826,744
Compensated absences	64,520	64,457
Capital leases payable	15,139,056	16,400,644
Revenue bonds payable	89,359,369	106,608,109
Total noncurrent liabilities	135,291,392	152,764,456
Total liabilities	161,386,747	177,003,577
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	1,925,663	881,585
Deferred inflows related to other post employment benefits	1,002,793	0
Total deferred inflows of resources	2,928,456	881,585
NET POSITION		
Net investment in capital assets	347,358,527	321,008,000
Restricted for:		
Capital outlay	62,272,212	61,359,581
Debt service	9,341,319	9,126,761
Unrestricted	13,769,725	16,488,997
Total net position	$ 432,741,783	$ 407,983,339

Exhibit H-1, continued

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
OPERATING REVENUES		
Charges for sales and services		
Water sales	$ 36,988,937	$ 38,229,155
Sewer charges	32,137,911	30,546,233
Tap fees	1,437,760	1,448,614
Other	1,398,901	1,297,458
Other	91,685	69,575
Total operating revenues	72,055,194	71,591,035
OPERATING EXPENSES		
Costs of sales and services	18,260,466	14,346,536
Personal services	13,460,571	13,132,924
Depreciation	15,101,193	14,952,305
Total operating expenses	46,822,230	42,431,765
Operating income (loss)	25,232,964	29,159,270
Non-operating revenues (expenses)		
Interest revenue	2,123,320	1,372,085
Interest expense	(3,852,573)	(4,724,102)
Debt issue costs	0	(91,423)
Gain (loss) on sale of capital assets	(3,543,647)	22,941
Total non-operating revenues (expenses)	(5,272,900)	(3,420,499)
Net income (loss) before capital contributions and transfers	19,960,064	25,738,771
Capital contributions		
Connection fees	4,173,891	4,911,419
Capital contributions	5,247,758	3,330,707
Total capital contributions	9,421,649	8,242,126
Net income (loss) before transfers	29,381,713	33,980,897
Transfers in (out)		
General Fund	(3,446,222)	(3,273,211)
General Government Capital Projects Fund	(553,513)	(1,099,694)
SPLOST Capital Projects Fund	(208,440)	0
General Insurance Fund	0	23,000
Total transfers in (out)	(4,208,175)	(4,349,905)
Change in net position	25,173,538	29,630,992
Net position, July 1 (original)	407,983,339	378,352,347
Prior period adjustment	(415,094)	0
Net position, July 1 (restated)	407,568,245	378,352,347
Net position, June 30	$ 432,741,783	$ 407,983,339

Exhibit H-2

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Receipts from customers	$ 71,962,211	$ 71,530,145
Payments to suppliers	(17,596,302)	(13,780,628)
Payments to employees	(12,962,475)	(12,527,913)
Other receipts	91,685	69,575
Net cash provided (used) by operating activities	41,495,119	45,291,179
Cash flows from non-capital financing activities:		
Payments to other funds	(3,446,222)	(3,273,211)
Net cash provided (used) by non-capital financing activities	(3,446,222)	(3,273,211)
Cash flows from capital and related financing activities:		
Connection fees	4,173,891	4,911,419
Receipts of capital contributions	56,400	26,579
Receipts from other funds	0	23,000
Payments to other funds	(761,953)	(1,099,694)
Interest paid	(3,916,336)	(4,517,077)
Acquisition of capital assets	(21,227,024)	(10,293,588)
Payment of capital related accounts payable	(1,705,218)	(1,347,957)
Sale of capital assets	57,796	41,221
Bond issue costs	0	(91,423)
Principal payments - bonds	(15,940,000)	(41,935,000)
Proceeds - bonds	0	26,910,000
Net cash provided (used) by capital and related financing activities	(39,262,444)	(27,372,520)
Cash flows from investing activities:		
Interest received	1,313,144	83,718
Net increase (decrease) in cash and cash equivalents	99,597	14,729,166
Cash and cash equivalents, July 1	115,437,271	100,708,105
Cash and cash equivalents, June 30	$ 115,536,868	$ 115,437,271

Exhibit H-3, continued

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 25,232,964	$ 29,159,270
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	15,101,193	14,952,305
(Increase) decrease in accounts receivable	(62,153)	(406,095)
(Increase) decrease in intergovernmental receivables	(3,949)	338,003
(Increase) decrease in inventory	81,502	166,414
(Increase) decrease in prepaid items	3,800	78,054
(Increase) decrease in deferred outflows of resources	(1,661,882)	(2,485)
Increase (decrease) in accounts payable	577,481	320,416
Increase (decrease) in intergovernmental payables	1,381	1,024
Increase (decrease) in deposits payable	64,804	76,777
Increase (decrease) in accrued salaries and benefits	66,446	17,076
Increase (decrease) in net pension liability	600,454	(1,416,931)
Increase (decrease) in deferred inflows of resources	2,046,871	1,729,666
Increase (decrease) in OPEB liability	(553,793)	277,685
Total adjustments	16,262,155	16,131,909
Net cash provided (used) by operating activities	$ 41,495,119	$ 45,291,179
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	$ 41,197,857	$ 42,226,490
Extension and Renewal		
Cash and cash equivalents	62,272,212	61,359,581
Debt Redemption		
Cash and cash equivalents	9,766,790	9,615,995
Customer Deposits		
Cash and cash equivalents	2,300,009	2,235,205
Total cash and cash equivalents	$ 115,536,868	$ 115,437,271

Noncash investing, capital, and financing activities:

Contributions of capital assets from individuals totaled $3,929,770 and $2,042,540 for the fiscal years ended June 30, 2018 and 2017, respectively.

Contributions of capital assets from other governments totaled $1,261,588 and $1,261,588 for the fiscal years ended June 30, 2018 and 2017, respectively.

Acquisition of capital assets through accounts payable totaled $2,655,166 and $1,705,218 for the fiscal years ended June 30, 2018 and 2017, respectively.

Forgiveness of capital lease through capital contributions totaled $1,261,588 and $1,261,588 for the fiscal years ended June 30, 2018 and 2017, respectively.

CITY OF GAINESVILLE, GEORGIA
AIRPORT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,051,661	$ 970,970
Receivables		
Accounts	23,912	12,654
Intergovernmental	108,956	119,830
Total current assets	1,184,529	1,103,454
Capital assets		
Land	504,385	504,385
Land improvements	12,641,581	12,065,254
Buildings	6,637,588	6,637,588
Vehicles and equipment	526,982	526,982
Intangibles	118,000	118,000
Construction in progress	229,476	655,149
Accumulated depreciation	(11,737,657)	(10,841,038)
Total capital assets (net of accumulated depreciation)	8,920,355	9,666,320
Total assets	10,104,884	10,769,774
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	15,658	27,046
Deferred outflows related to pensions	14,670	7,449
Deferred outflows related to other post employment benefits	3,660	0
Total deferred outflows of resources	33,988	34,495
LIABILITIES		
Current liabilities		
Payables		
Accounts	19,287	10,509
Interest	2,213	3,263
Customer deposits	4,036	4,036
Accrued salaries	1,864	2,258
Compensated absences	986	4,124
Capital leases payable	435,000	420,000
Total current liabilities	463,386	444,190
Noncurrent liabilities		
Net pension liability	121,925	118,350
Net OPEB liability	58,677	23,993
Compensated absences	110	458
Capital leases payable	469,903	919,377
Total noncurrent liabilities	650,615	1,062,178
Total liabilities	1,114,001	1,506,368
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	9,108	4,150
Deferred inflows related to other post employment benefits	4,798	0
Total deferred inflows of resources	13,906	4,150
NET POSITION		
Net investment in capital assets	8,031,110	8,353,989
Unrestricted	979,855	939,762
Total net position	$ 9,010,965	$ 9,293,751

Exhibit H-4

CITY OF GAINESVILLE, GEORGIA
AIRPORT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
OPERATING REVENUES		
Charges for sales and services		
Fuel sales	$ 42,685	$ 34,100
Rent	888,458	885,244
Other	235	150
Total operating revenues	931,378	919,494
OPERATING EXPENSES		
Costs of sales and services	310,953	524,886
Personal services	60,686	82,043
Depreciation	896,619	1,087,569
Total operating expenses	1,268,258	1,694,498
Operating income (loss)	(336,880)	(775,004)
Non-operating revenues (expenses)		
Interest revenue	23,777	17,566
Interest expense	(33,275)	(41,675)
Gain (loss) on sale of capital assets	0	(20,055)
Total non-operating revenues (expenses)	(9,498)	(44,164)
Net income (loss) before capital contributions	(346,378)	(819,168)
Capital contributions		
Intergovernmental revenue	98,172	777,958
Change in net position	(248,206)	(41,210)
Net position, July 1 (original)	9,293,751	9,334,961
Prior period adjustment	(34,580)	0
Net position, July 1 (restated)	9,259,171	9,334,961
Net position, June 30	$ 9,010,965	$ 9,293,751

CITY OF GAINESVILLE, GEORGIA
AIRPORT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Receipts from customers	$ 821,713	$ 919,034
Payments to suppliers	(302,175)	(612,744)
Payments to employees	(62,012)	(78,691)
Other receipts	235	150
Net cash provided (used) by operating activities	457,761	227,749
Cash flows from capital and related financing activities:		
Receipts from other governments	207,218	730,731
Sale of capital assets	0	1,947
Interest paid	(22,938)	(31,337)
Payment of capital related accounts payable	0	(80,670)
Acquisition of capital assets	(150,653)	(608,229)
Principal payments - capital leases	(420,000)	(420,000)
Net cash provided (used) by capital and related financing activities	(386,373)	(407,558)
Cash flows from investing activities:		
Interest received	9,303	3,091
Net increase (decrease) in cash and cash equivalents	80,691	(176,718)
Cash and cash equivalents, July 1	970,970	1,147,688
Cash and cash equivalents, June 30	$ 1,051,661	$ 970,970
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (336,880)	$ (775,004)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	896,619	1,087,569
(Increase) decrease in accounts receivable	(11,258)	(310)
(Increase) decrease in intergovernmental receivable	(98,172)	0
(Increase) decrease in deferred outflows of resources	(8,127)	12,316
Increase (decrease) in accounts payable	8,778	(87,858)
Increase (decrease) in accrued payroll liabilities	(3,880)	862
Increase (decrease) in net pension liability	3,575	(7,325)
Increase (decrease) in deferred inflows of resources	9,756	(2,501)
Increase (decrease) in OPEB liability	(2,650)	0
Total adjustments	794,641	1,002,753
Net cash provided by operating activities	$ 457,761	$ 227,749

CITY OF GAINESVILLE, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 3,577,577	$ 3,152,285
Accounts receivable (net)	275,692	229,218
Total current assets	3,853,269	3,381,503
Capital assets		
Buildings	25,051	25,051
Vehicles and equipment	2,524,732	2,576,278
Accumulated depreciation	(1,834,369)	(1,917,314)
Total capital assets (net of accumulated depreciation)	715,414	684,015
Total assets	4,568,683	4,065,518
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	93,108	57,307
Deferred outflows related to other post employment benefits	84,184	0
Total deferred outflows of resources	177,292	57,307
LIABILITIES		
Current liabilities		
Accounts payable	45,389	40,374
Accrued salaries	29,352	27,671
Compensated absences	47,177	46,959
Total current liabilities	121,918	115,004
Noncurrent liabilities		
Net pension liability	419,206	469,713
Net OPEB liability	1,349,571	1,194,440
Compensated absences	5,242	5,218
Total noncurrent liabilities	1,774,019	1,669,371
Total liabilities	1,895,937	1,784,375
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	197,195	155,251
Deferred inflows related to other post employment benefits	110,355	0
Total deferred inflows of resources	307,550	155,251
NET POSITION		
Investment in capital assets	715,414	684,015
Unrestricted	1,827,074	1,499,184
Total net position	$ 2,542,488	$ 2,183,199

CITY OF GAINESVILLE, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
OPERATING REVENUES		
Charges for sales and services	$ 2,887,724	$ 2,769,222
Other	11,328	13,164
Total operating revenues	2,899,052	2,782,386
OPERATING EXPENSES		
Costs of sales and services	707,084	628,700
Costs of sales and services - landfill	303,148	267,176
Personal services	1,240,096	1,275,376
Depreciation	170,157	171,151
Total operating expenses	2,420,485	2,342,403
Operating income (loss)	478,567	439,983
Non-operating revenues (expenses)		
Interest revenue	32,834	9,047
Gain (loss) on sale of capital assets	6,296	609
Total non-operating revenues (expenses)	39,130	9,656
Net income (loss) before transfers	517,697	449,639
Transfers in (out)		
General Government Capital Projects Fund	(5,660)	0
Change in net position	512,037	449,639
Net position, July 1 (original)	2,183,199	1,733,560
Prior period adjustment	(152,748)	0
Net position, July 1 (restated)	2,030,451	1,733,560
Net position, June 30	$ 2,542,488	$ 2,183,199

CITY OF GAINESVILLE, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Receipts from customers	$ 2,841,251	$ 2,747,923
Payments to suppliers	(1,005,218)	(914,048)
Payments to employees	(1,253,984)	(1,260,580)
Other receipts	11,328	13,164
Net cash provided (used) by operating activities	593,377	586,459
Cash flows from noncapital and related financing activities:		
Payments to other funds	(5,660)	0
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(201,555)	(44,274)
Sale of capital asset	6,296	609
Net cash provided (used) by capital and related financing activities	(195,259)	(43,665)
Cash flows from investing activities:		
Interest received	32,834	9,047
Net increase (decrease) in cash and cash equivalents	425,292	551,841
Cash and cash equivalents, July 1	3,152,285	2,600,444
Cash and cash equivalents, June 30	$ 3,577,577	$ 3,152,285
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 478,567	$ 439,983
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	170,157	171,151
(Increase) decrease in accounts receivable	(46,473)	(21,299)
(Increase) decrease in deferred outflows of resources	(56,659)	184,506
Increase (decrease) in accounts payable	5,015	(18,172)
Increase (decrease) in accrued payroll liabilities	1,923	8,525
Increase (decrease) in net pension liability	(50,507)	(190,462)
Increase (decrease) in deferred inflows of resources	152,299	(16,187)
Increase (decrease) in OPEB liability	(60,945)	28,414
Total adjustments	114,810	146,476
Net cash used by operating activities	$ 593,377	$ 586,459

CITY OF GAINESVILLE, GEORGIA
CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 645,485	$ 396,238
Accounts receivable (net)	39,382	66,042
Total current assets	684,867	462,280
Capital assets		
Land	52,151	52,887
Land improvements	5,399,594	5,399,594
Buildings	715,452	715,452
Vehicles and equipment	875,788	911,199
Construction in progress	15,024	0
Accumulated depreciation	(4,551,457)	(4,333,616)
Total capital assets (net of accumulated depreciation)	2,506,552	2,745,516
Total assets	3,191,419	3,207,796
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	38,637	44,223
Deferred outflows related to pensions	17,161	14,578
Deferred outflows related to other post employment benefits	18,302	0
Total deferred outflows of resources	74,100	58,801
LIABILITIES		
Current liabilities		
Payables		
Accounts	56,644	105,404
Sales tax	7,661	7,580
Interest	7,251	8,067
Accrued salaries	20,637	18,112
Compensated absences	23,925	22,999
Capital lease payable	255,000	250,000
Other liabilities	47,458	45,280
Total current liabilities	418,576	457,442
Noncurrent liabilities		
Advances from other funds	258,790	292,924
Net pension liability	23,932	53,050
Net OPEB liability	293,385	278,345
Compensated absences	2,658	2,555
Capital leases payable	1,965,000	2,220,000
Total noncurrent liabilities	2,543,765	2,846,874
Total liabilities	2,962,341	3,304,316
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	67,313	57,809
Deferred inflows related to other post employment benefits	23,990	0
Total deferred inflows of resources	91,303	57,809
NET POSITION		
Net investment in capital assets	323,910	269,814
Restricted for capital outlay	25,649	25,589
Unrestricted	(137,684)	(390,931)
Total net position	$ 211,875	$ (95,528)

Exhibit H-10

CITY OF GAINESVILLE, GEORGIA
CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
OPERATING REVENUES		
Charges for sales and services		
Greens fees	$ 692,174	$ 709,080
Cart fees	291,593	300,965
Handicap fees	20,740	19,888
Practice range	56,519	59,498
Rent revenue	11,950	12,600
Contributions	0	11,127
Other	13,743	1,259
Total operating revenues	1,086,719	1,114,417
OPERATING EXPENSES		
Costs of sales and services	421,489	407,046
Personal services	565,521	527,322
Depreciation	303,630	298,640
Total operating expenses	1,290,640	1,233,008
Operating income (loss)	(203,921)	(118,591)
Non-operating revenues (expenses)		
Interest revenue	4,967	658
Interest expense	(65,555)	(71,984)
Gain (loss) on sale of capital assets	292,669	151,197
Total non-operating revenues (expenses)	232,081	79,871
Net income (loss) before transfers	28,160	(38,720)
Transfers in (out)		
General Fund	293,765	343,654
Change in net position	321,925	304,934
Net position, July 1 (original)	(95,528)	(400,462)
Prior period adjustment	(14,522)	0
Net position, July 1 (restated)	(110,050)	(400,462)
Net position, June 30	$ 211,875	$ (95,528)

Exhibit H-11

CITY OF GAINESVILLE, GEORGIA
CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Receipts from customers	$ 1,099,718	$ 1,090,568
Payments to suppliers	(419,425)	(408,951)
Payments to employees	(577,956)	(528,510)
Other receipts	13,743	12,385
Net cash provided (used) by operating activities	116,080	165,492
Cash flows from non-capital financing activities:		
Receipts from other funds	293,765	236,344
Payments to other funds	(34,134)	0
Net cash provided (used) by non-capital financing activities	259,631	236,344
Cash flows from capital and related financing activities:		
Interest paid	(60,788)	(67,198)
Principal payments - capital leases	(250,000)	(245,000)
Sale of capital assets	293,405	151,581
Payment of capital related accounts payable	(49,925)	0
Acquisition of capital assets	(64,123)	(37,156)
Net cash provided (used) by capital and related financing activities	(131,431)	(197,773)
Cash flows from investing activities:		
Interest received	4,967	658
Net increase (decrease) in cash and cash equivalents	249,247	204,721
Cash and cash equivalents, July 1	396,238	191,517
Cash and cash equivalents, June 30	$ 645,485	$ 396,238
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (203,921)	$ (118,591)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	303,630	298,640
(Increase) decrease in accounts receivable	26,661	(11,943)
(Increase) decrease in deferred outflows of resources	(7,117)	(511)
(Increase) decrease in prepaid expenses	0	2,920
Increase (decrease) in accounts payable	(114)	(9,092)
Increase (decrease) in sales tax payable	81	480
Increase (decrease) in accrued salaries and benefits	3,554	5,623
Increase (decrease) in other liabilities	2,178	4,266
Increase (decrease) in OPEB liability	(13,249)	5,166
Increase (decrease) in deferred inflows of resources	33,494	56,999
Increase (decrease) in net pension liability	(29,117)	(68,465)
Total adjustments	320,001	284,083
Net cash provided (used) by operating activities	$ 116,080	$ 165,492

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled $1,279 and $49,925 for the fiscal years ended June 30, 2018 and 2017, respectively.

Gainesville, Georgia

Since 1821

INTERNAL SERVICE FUNDS

These funds are used to account for the financing of goods and services provided to the departments of the government on a cost reimbursement basis.

General Insurance Fund *- This fund is used to account for property, liability, and workers' compensation insurance provided to the City departments.*

Employee Benefits Fund *- This fund is used to account for the cost of providing life and health insurance benefits to City employees and participating dependents.*

Vehicle Services Fund *- This fund is used to account for the cost of providing maintenance and repairs on all City owned vehicles.*

CITY OF GAINESVILLE, GEORGIA
GENERAL INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,411,810	$ 1,555,569
Accounts receivable	2,820	0
Other assets	140,000	140,000
Total assets	2,554,630	1,695,569
LIABILITIES		
Current liabilities		
Accounts payable	48,817	33,786
Claims reserves	1,902,661	1,074,978
Total liabilities	1,951,478	1,108,764
NET POSITION		
Unrestricted	$ 603,152	$ 586,805

CITY OF GAINESVILLE, GEORGIA
GENERAL INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
OPERATING REVENUES		
Interfund services provided	$ 2,292,312	$ 1,384,850
Other	49,136	109,147
Total operating revenue	2,341,448	1,493,997
OPERATING EXPENSES		
Costs of services		
Insurance	795,007	706,452
Claims	1,348,355	459,393
Administrative fees	198,086	305,152
Total operating expenses	2,341,448	1,470,997
Operating income (loss)	0	23,000
Non-operating revenues (expenses)		
Interest revenue	16,347	4,976
Net income (loss) before transfers	16,347	27,976
Transfers in (out)		
Department of Water Resources Fund	0	(23,000)
Change in net position	16,347	4,976
Net position, July 1	586,805	581,829
Net position, June 30	$ 603,152	$ 586,805

Exhibit I-2

CITY OF GAINESVILLE, GEORGIA
GENERAL INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Receipts from interfund services provided	$ 2,231,917	$ 1,384,850
Payments to suppliers	(1,441,159)	(1,392,526)
Other receipts	49,136	109,147
Net cash provided (used) by operating activities	839,894	101,471
Cash flows from capital and related financing activities:		
Payments to other funds	0	(23,000)
Cash flows from investing activities:		
Interest received	16,347	4,976
Net increase (decrease) in cash and cash equivalents	856,241	83,447
Cash and cash equivalents, July 1	1,555,569	1,472,122
Cash and cash equivalents, June 30	$ 2,411,810	$ 1,555,569
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 0	$ 23,000
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	(2,820)	0
(Increase) decrease in other assets	0	(45,935)
Increase (decrease) in accounts payable	15,030	4,067
Increase (decrease) in claims reserve	827,684	120,339
Total adjustments	839,894	78,471
Net cash provided (used) by operating activities	$ 839,894	$ 101,471

CITY OF GAINESVILLE, GEORGIA
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 6,180,583	$ 5,639,644
Accounts receivable	23,764	17,227
Total assets	6,204,347	5,656,871
LIABILITIES		
Current liabilities		
Accounts payable	161,056	76,586
Deposits payable	109,710	75,936
Claims reserves	360,024	682,627
Total liabilities	630,790	835,149
NET POSITION		
Unrestricted	$ 5,573,557	$ 4,821,722

CITY OF GAINESVILLE, GEORGIA
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
OPERATING REVENUES		
Interfund services provided	$ 9,505,521	$ 9,146,125
OPERATING EXPENSES		
Costs of services		
Insurance	1,785,895	1,733,811
Claims	5,462,871	6,097,589
Wellness program	1,078,448	1,134,041
Administrative fees	481,897	302,435
Total operating expenses	8,809,111	9,267,876
Operating income (loss)	696,410	(121,751)
Non-operating revenues (expenses)		
Interest revenue	55,425	16,365
Change in net position	751,835	(105,386)
Net position, July 1	4,821,722	4,927,108
Net position, June 30	$ 5,573,557	$ 4,821,722

CITY OF GAINESVILLE, GEORGIA
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Receipts from interfund services provided	$ 9,498,983	$ 9,159,386
Payments to suppliers	(9,013,470)	(9,432,275)
Net cash provided (used) by operating activities	485,513	(272,889)
Cash flows from investing activities:		
Interest received	55,426	16,365
Net increase (decrease) in cash and cash equivalents	540,939	(256,524)
Cash and cash equivalents, July 1	5,639,644	5,896,168
Cash and cash equivalents, June 30	$ 6,180,583	$ 5,639,644
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 696,410	$ (121,751)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	(6,537)	13,261
Increase (decrease) in accounts payable	84,470	17,388
Increase (decrease) in deposits payable	33,774	75,936
Increase (decrease) in claims reserve	(322,604)	(257,723)
Total adjustments	(210,897)	(151,138)
Net cash provided (used) by operating activities	$ 485,513	$ (272,889)

CITY OF GAINESVILLE, GEORGIA
VEHICLE SERVICES FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 260,283	$ 238,899
Intergovernmental receivables	8,582	21,515
Inventory	118,234	95,364
Total current assets	387,099	355,778
Capital assets		
Buildings	266,254	266,254
Vehicles and equipment	465,896	444,661
Accumulated depreciation	(580,371)	(566,349)
Capital assets (net of accumulated depreciation)	151,779	144,566
Total assets	538,878	500,344
LIABILITIES		
Current liabilities		
Accounts payable	97,007	60,162
Accrued salaries	9,069	8,989
Compensated absences	23,828	22,380
Total current liabilities	129,904	91,531
Noncurrent liabilities		
Compensated absences	2,648	2,487
Total liabilities	132,552	94,018
NET POSITION		
Investment in capital assets	151,779	144,566
Unrestricted	254,547	261,760
Total net position	$ 406,326	$ 406,326

Exhibit I-7

CITY OF GAINESVILLE, GEORGIA
VEHICLE SERVICES FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
OPERATING REVENUES		
Interfund services provided	$ 2,182,144	$ 1,930,196
Other	1,957	2,710
Total operating revenues	2,184,101	1,932,906
OPERATING EXPENSES		
Costs of services	1,790,354	1,532,879
Personal services	367,314	366,530
Depreciation	34,022	33,964
Total operating expenses	2,191,690	1,933,373
Operating income (loss)	(7,589)	(467)
Non-operating revenues (expenses)		
Gain (loss) on sale of capital assets	7,589	467
Change in net position	0	0
Net position, July 1	406,326	406,326
Net position, June 30	$ 406,326	$ 406,326

CITY OF GAINESVILLE, GEORGIA
VEHICLE SERVICES FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Receipts from interfund services provided	$ 2,195,076	$ 1,913,696
Payments to suppliers	(1,776,376)	(1,580,144)
Payments to employees	(365,627)	(362,338)
Other receipts	1,957	2,710
Net cash provided (used) by operating activities	55,030	(26,076)
Cash flows from capital and related financing activities:		
Sale of capital assets	7,589	0
Acquisition of capital assets	(41,235)	(42,954)
Net cash provided (used) by capital and related financing activities	(33,646)	(42,954)
Net increase (decrease) in cash and cash equivalents	21,384	(69,030)
Cash and cash equivalents, July 1	238,899	307,929
Cash and cash equivalents, June 30	$ 260,283	$ 238,899
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (7,589)	$ (467)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation expense	34,022	33,964
(Increase) decrease in intergovernmental receivables	12,933	(16,500)
(Increase) decrease in inventory	(22,872)	(17,887)
Increase (decrease) in accounts payable	36,848	(29,378)
Increase (decrease) in accrued salaries and benefits	1,688	4,192
Total adjustments	62,619	(25,609)
Net cash provided (used) by operating activities	$ 55,030	$ (26,076)

TRUST AND AGENCY FUNDS

These funds are used to account for assets held by the City as a trustee or agent to be expended or invested in accordance with the conditions of a trust or in its agency capacity.

Trust Funds

Community Private-Purpose Trust Fund *- This is a private-purpose trust fund whereby City of Gainesville employees make voluntary donations to provide assistance to local families and individuals in need, as well as contribute funding to both local and national nonprofit agencies.*

Employees' Pension Trust Fund *- This is a pension trust fund used to account for a single employer retirement system administered by the City for the benefit of its eligible employees.*

Agency Fund

Municipal Court Agency Fund – *This fund is used to account, on a temporary basis, for fines collected by the Municipal Court that ultimately are transmitted to the general fund or another agency.*

CITY OF GAINESVILLE, GEORGIA
COMMUNITY PRIVATE-PURPOSE TRUST FUND
COMPARATIVE STATEMENTS OF TRUST NET POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 23,284	$ 31,692
NET POSITION		
Restricted for employee assistance	$ 23,284	$ 31,692

CITY OF GAINESVILLE, GEORGIA
COMMUNITY PRIVATE-PURPOSE TRUST FUND
COMPARATIVE STATEMENTS OF CHANGES IN TRUST NET POSITION
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
ADDITIONS		
Employee donations	$ 49,502	$ 51,540
Interest revenue	3	2
Total additions	49,505	51,542
DEDUCTIONS		
Distributions for assistance	57,913	34,694
Net increase (decrease)	(8,408)	16,848
Net position held in trust for employee assistance		
Net position, July 1	31,692	14,844
Net position, June 30	$ 23,284	$ 31,692

CITY OF GAINESVILLE, GEORGIA
EMPLOYEES' PENSION TRUST FUND
COMPARATIVE STATEMENTS OF PLAN NET POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 821,251	$ 829,193
Investments		
Mutual funds		
Equity	65,864,108	61,252,507
Fixed income	28,601,077	25,194,368
Real estate	4,351,920	4,062,432
Total assets	99,638,356	91,338,500
LIABILITIES		
Accounts payable	31,540	26,872
NET POSITION		
Restricted for pensions	$ 99,606,816	$ 91,311,628

CITY OF GAINESVILLE, GEORGIA
EMPLOYEES' PENSION TRUST FUND
COMPARATIVE STATEMENTS OF CHANGES IN PLAN NET POSITION
For the fiscal years ended June 30, 2018 and 2017

	2018	2017
ADDITIONS		
Contributions		
Employer contributions	$ 3,209,624	$ 3,079,855
Employee contributions	3,209,624	3,132,278
Total contributions	6,419,248	6,212,133
Investment Income		
Net appreciation (depreciation) in fair value of investments	9,135,951	9,831,925
Interest	4,419	790
Dividends	1,616,795	1,515,839
Investment expense	(219,595)	(165,260)
Net investment income (loss)	10,537,570	11,183,294
Total additions (reductions)	16,956,818	17,395,427
DEDUCTIONS		
Benefits	8,022,423	7,616,626
Refunds	639,207	685,093
Total deductions	8,661,630	8,301,719
Net increase (decrease)	8,295,188	9,093,708
Net position held in trust for pension benefits		
Net position, July 1	91,311,628	82,217,920
Net position, June 30	$ 99,606,816	$ 91,311,628

CITY OF GAINESVILLE, GEORGIA
MUNICIPAL COURT AGENCY FUND
COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 75,967	$ 113,102
LIABILITIES		
Due to other agencies	$ 75,967	$ 113,102

CITY OF GAINESVILLE, GEORGIA
MUNICIPAL COURT AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2018

	Balance July 1	Additions	Deletions	Balance June 30
ASSETS				
Cash and cash equivalents	$ 113,102	$ 1,871,084	$ (1,908,219)	$ 75,967
LIABILITIES				
Due to other agencies	$ 113,102	$ 1,871,084	$ (1,908,219)	$ 75,967

Gainesville, Georgia

Since 1821

COMPONENT UNITS

Parks and Recreation *- This component unit is used to account for the government's share of tax revenues legally restricted for operation and maintenance of the government's recreation facilities and parks.*

Gainesville Convention and Visitor's Bureau *- This component unit's primary purpose is to promote tourism, conventions, and trade shows, as well as showcase the City of Gainesville as a whole.*

CITY OF GAINESVILLE, GEORGIA
PARKS AND RECREATION (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 2,753,238	$ 2,570,650
Receivables		
Accounts	9,706	5,233
Property tax	47,883	39,636
Restricted assets		
Cash and cash equivalents	100,000	100,000
Total assets	$ 2,910,827	$ 2,715,519
LIABILITIES		
Payables		
Accounts	$ 194,104	$ 96,921
Sales tax	11,984	10,060
Retainage	34,316	0
Intergovernmental	2,968	7,753
Accrued salaries	111,644	94,484
Unearned revenue	905	3,810
Other	13,576	12,441
Total liabilities	369,497	225,469
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	33,145	51,099
FUND BALANCES		
Restricted for:		
Clarks Bridge Legacy	6,161	5,255
Capital projects	30,239	26,469
Committed for:		
Booster Club	237,548	238,513
Development Fund	100,000	100,000
Civic Center	60,000	50,000
Children at Play Fund	10,000	10,000
Assigned for:		
Capital projects	167,236	51,577
Budget	0	410,334
Culture and Recreation	1,897,001	1,546,803
Total fund balances	2,508,185	2,438,951
Total liabilities, deferred inflows, and fund balances	$ 2,910,827	$ 2,715,519

CITY OF GAINESVILLE, GEORGIA
PARKS AND RECREATION (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	$ 3,160,848	$ 3,264,627	$ 103,779	$ 2,947,557
Charges for sales and services				
Recreation Division	191,000	169,715	(21,285)	189,831
Lanier Point/Ivey Watson	128,150	126,315	(1,835)	143,468
Youth Sports Booster Club	100,540	93,935	(6,605)	102,187
Gainesville Civic Center	361,800	387,350	25,550	362,170
Allen Creek Soccer Complex	21,200	20,304	(896)	14,523
Frances Meadows Community Center	1,000,000	1,015,966	15,966	1,004,437
Intergovernmental	230,000	230,000	0	51,359
Interest	3,650	35,389	31,739	11,780
Contributions	15,500	21,000	5,500	15,611
Other	1,000	902	(98)	1,150
Total revenues	5,213,688	5,365,503	151,815	4,844,073
EXPENDITURES				
Current				
Culture and recreation				
Administration Division	1,040,150	1,007,661	32,489	749,659
Recreation Division	443,693	379,318	64,375	400,090
Parks Division	949,632	849,598	100,034	794,270
Maintenance Shop	113,526	92,461	21,065	93,364
Lanier Point/Ivey Watson	208,363	198,275	10,088	197,280
Youth Sports Booster Club	108,818	97,677	11,141	88,544
Gainesville Civic Center	531,861	492,840	39,021	466,567
Allen Creek Soccer Complex	49,220	47,235	1,985	47,224
Frances Meadows Center	1,598,731	1,521,084	77,647	1,465,573
Capital outlay	887,600	616,595	271,005	236,876
Total expenditures	5,931,594	5,302,744	628,850	4,539,447
Excess (deficiency) of revenues over (under) expenditures	(717,906)	62,759	780,665	304,626
Other financing sources (uses)				
Sales of capital assets	500	6,475	5,975	1,894
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(717,406)	69,234	786,640	306,520
Fund balances, July 1	717,406	2,438,951	1,721,545	2,132,431
Fund balances, June 30	$ 0	$ 2,508,185	$ 2,508,185	$ 2,438,951

Exhibit K-2

CITY OF GAINESVILLE, GEORGIA
PARKS AND RECREATION (A COMPONENT UNIT)
OPERATING ACTIVITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	$ 3,160,848	$ 3,264,627	$ 103,779	$ 2,947,557
Charges for sales and services				
Recreation Division	191,000	169,715	(21,285)	189,831
Lanier Point/Ivey Watson	128,150	126,315	(1,835)	143,468
Youth Sports Booster Club	100,540	93,935	(6,605)	102,187
Gainesville Civic Center	361,800	387,350	25,550	362,170
Allen Creek Soccer Complex	21,200	20,304	(896)	14,523
Frances Meadows Center	1,000,000	1,015,966	15,966	1,004,437
Intergovernmental	0	0	0	8,984
Interest	3,650	35,389	31,739	11,780
Contributions	15,500	21,000	5,500	15,611
Other	1,000	902	(98)	1,149
Total revenues	4,983,688	5,135,503	151,815	4,801,697
EXPENDITURES				
Current				
Culture and recreation				
Administrative services	1,040,150	1,007,661	32,489	749,659
Recreational services	443,693	379,318	64,375	400,090
Park services	949,632	849,598	100,034	825,572
Maintenance shop	113,526	92,461	21,065	93,364
Lanier Point/Ivey Watson	208,363	198,275	10,088	197,280
Booster Club	108,818	97,677	11,141	88,544
Civic Center	531,861	492,840	39,021	466,567
Allen Creek Soccer Complex	49,220	47,235	1,985	47,224
Frances Meadows Center	1,598,731	1,521,084	77,647	1,465,573
Total expenditures	5,043,994	4,686,149	357,845	4,333,873
Excess (deficiency) of revenues over (under) expenditures	(60,306)	449,354	509,660	467,824
Other financing sources (uses)				
Transfers in (out)				
Capital Projects Activity	(506,023)	(506,023)	0	(138,866)
Sales of capital assets	500	6,475	5,975	1,894
Total other financing sources (uses)	(505,523)	(499,548)	5,975	(136,972)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(565,829)	$ (50,194)	$ 515,635	$ 330,852
Fund balances, July 1	565,829			
Fund balances, June 30	$ 0			

CITY OF GAINESVILLE, GEORGIA
PARKS AND RECREATION (A COMPONENT UNIT)
CAPITAL PROJECTS ACTIVITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Intergovernmental	$ 230,000	$ 230,000	$ 0	$ 73,677
EXPENDITURES				
Current				
Culture and recreation				
Capital outlay	887,600	616,595	271,005	236,876
Excess (deficiency) of revenues over (under) expenditures	(657,600)	(386,595)	271,005	(163,199)
Other financing sources (uses)				
Transfers in (out)				
Operating Activity	506,023	506,023	0	138,866
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(151,577)	$ 119,428	$ 271,005	$ (24,333)
Fund balances, July 1	151,577			
Fund balances, June 30	$ 0			

CITY OF GAINESVILLE, GEORGIA
CONVENTION AND VISITOR'S BUREAU (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	$ 434,240	$ 533,825
Prepaid items	0	29,500
Total assets	$ 434,240	$ 563,325
LIABILITIES		
Accounts payable	$ 15,370	$ 11,088
Accrued salaries	9,773	7,874
Total liabilities	25,143	18,962
FUND BALANCES		
Nonspendable for prepaid items	0	29,500
Assigned for:		
Budget	4,555	118,105
Housing and Development	404,542	396,758
Total fund balances	409,097	544,363
Total liabilities and fund balances	$ 434,240	$ 563,325

CITY OF GAINESVILLE, GEORGIA
CONVENTION AND VISITOR'S BUREAU (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/motel taxes	$ 461,533	$ 461,533	$ 0	$ 613,443
Charges for sales and services	0	17,098	17,098	0
Interest	0	4,423	4,423	1,344
Contributions	0	250	250	0
Other	13,500	11,645	(1,855)	18,556
Total revenues	475,033	494,949	19,916	633,343
EXPENDITURES				
Current				
Housing and Development				
Personal services	351,356	351,380	(24)	300,670
Other	279,381	278,835	546	208,884
Total expenditures	630,737	630,215	522	509,554
Excess (deficiency) of revenues over (under) expenditures	(155,704)	(135,266)	20,438	123,789
Other financing sources (uses)				
Contingency	155,704	0	(155,704)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(135,266)	(135,266)	123,789
Fund balances, July 1	0	544,363	544,363	420,574
Fund balances, June 30	$ 0	$ 409,097	$ 409,097	$ 544,363

Gainesville, Georgia

Since 1821

STATISTICAL SECTION

Gainesville, Georgia

Since 1821

CITY OF GAINESVILLE, GEORGIA

Introduction to the Statistical Section

(Unaudited)

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

Contents **Pages**

Financial Trends……196-209

These tables/schedules contain trend information designed to assist the reader in understanding how the City has performed from a financial perspective over time.

Revenue Capacity……210-217

These tables/schedules contain information that may assist the reader in assessing the viability of the City's most significant revenue sources.

Debt Capacity……218-223

These tables/schedules present information designed to assist the reader in analyzing the affordability of the City's current levels of outstanding debt, and the City's ability to issue additional debt in the future.

Demographic and Economic Information……..…224-225

These tables/schedules offer demographic, economic and statistical information intended to assist the reader in understanding the environment in which the City's financial activities take place.

Operating Information……226-230

These tables/schedules contain service and infrastructure data to assist the reader in understanding how the information in the City's financial report relates to the services the government provides and the activities it performs.

Miscellaneous Information……...231-238

These tables/schedules present various data relevant to the overall City and are intended to supply the reader with additional information regarding the City's facilities and services, as well as provide data that is required by bond covenants.

Source: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report for the relevant year.

CITY OF GAINESVILLE, GEORGIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	$ 67,749,010	$ 60,193,753	$ 63,722,901	$ 70,549,134
Restricted	13,579,449	19,518,264	4,913,949 (1)	11,586,492
Unrestricted	2,727,185	2,534,296	19,692,245 (1)	11,878,957
Total governmental activities net position	$ 84,055,644	$ 82,246,313	$ 88,329,095	$ 94,014,583
Business-type activities				
Net investment in capital assets	$ 234,871,719	$ 248,507,489	$ 259,477,278	$ 271,791,712
Restricted	30,780,543	44,475,796	43,710,594	40,623,794
Unrestricted	35,144,675	14,276,555	16,169,226	20,918,748
Total business-type activities net position	$ 300,796,937	$ 307,259,840	$ 319,357,098	$ 333,334,254
Primary government				
Net investment in capital assets	$ 302,620,729	$ 308,701,242	$ 323,200,179	$ 342,340,846
Restricted	44,359,992	63,994,060	48,624,543	52,210,286
Unrestricted	37,871,860	16,810,851	35,861,471	32,797,705
Total primary government net position	$ 384,852,581	$ 389,506,153	$ 407,686,193	$ 427,348,837

Note (1): Prior to FY11, certain elements of fund balance reported in special revenue, debt service, and capital projects funds were reported as restricted net position. Beginning in FY13, those elements of fund balance were reported as unrestricted net position

Note (2): GASB67/68: Accounting and Financial Reporting for Pensions was implemented in FY15; with an ongoing negative impact to unrestricted net position.

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 74,015,737	$ 80,039,885	$ 78,338,733	$ 78,415,202	$ 77,972,132	$ 85,186,895
12,560,215	4,642,578	6,827,434	12,149,291	14,551,356	20,319,574
9,380,465	10,217,825	(14,451,203)	(17,773,240)	(15,275,584)	(15,504,902)
$ 95,956,417	$ 94,900,288	$ 70,714,964	$ 72,791,253	$ 77,247,904	$ 90,001,567
$ 282,968,294	$ 295,579,225	$ 303,250,676	$ 314,735,292	$ 330,315,818	$ 356,428,961
28,713,968	43,776,271	50,230,260	62,960,499	70,511,931	71,639,180
29,468,343	18,915,019	12,067,163	12,598,780	19,773,475	17,937,185
$ 341,150,605	$ 358,270,515	$ 365,548,099	$ 390,294,571	$ 420,601,224	$ 446,005,326
$ 356,984,031	$ 375,619,110	$ 381,589,409	$ 393,150,494	$ 408,287,950	$ 441,615,856
41,274,183	48,418,849	57,057,694	75,109,790	85,063,287	91,958,754
38,848,808	29,132,844	(2,384,040) [2]	(5,174,460)	4,497,891	2,432,283
$ 437,107,022	$ 453,170,803	$ 436,263,063	$ 463,085,824	$ 497,849,128	$ 536,006,893

CITY OF GAINESVILLE, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Expenses	**2009**	**2010**	**2011**	**2012**
Governmental activities:				
General Government	$ 3,682,213	$ 3,578,661	$ 4,064,412	$ 4,031,095
Judicial	432,380	434,137	404,862	460,066
Public Safety	17,760,718	16,930,483	16,160,112	17,932,227
Public Works	6,649,367	7,023,969	6,641,424	7,646,177
Health and Welfare	3,784,135	3,724,473	3,360,632	3,391,482
Culture and Recreation	2,214,061	1,883,742	1,211,214	1,185,988
Housing and Development	1,524,790	2,108,631	1,363,356	1,196,185
Interest on long-term debt	671,224	1,837,734	1,668,489	1,396,524
Total governmental activities expenses	36,718,888	37,521,830	34,874,501	37,239,744
Business-type activities:				
Water and Sewer	45,745,119	44,812,789	43,974,519	46,692,190
Airport	929,020	912,187	967,856	1,207,743
Solid Waste	2,274,543	2,142,384	1,901,016	1,944,248
Golf Course	1,519,259	1,346,564	1,396,446	1,241,853
Total business-type activities expenses	50,467,941	49,213,924	48,239,837	51,086,034
Total primary government expenses	$ 87,186,829	$ 86,735,754	$ 83,114,338	$ 88,325,778
Indirect Costs				
Governmental activities:				
General Government	(1,261,885)	(1,215,314)	(1,343,539)	(1,304,961)
Business-type activities:				
Water and Sewer	1,261,885	1,115,314	1,106,596	1,022,416
Airport	0	100,000	200,000	200,000
Solid Waste	0	0	36,943	82,545
Total Business-type activities indirect cost	1,261,885	1,215,314	1,343,539	1,304,961
Total primary government indirect cost	$ 0	$ 0	$ 0	$ 0
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	630,377	623,419	681,743	708,578
Public Safety	1,374,428 (1)	1,320,003	1,590,400	1,369,278
Public Works	38,090	38,110	36,030	36,795
Health and Welfare	442,328	416,661	438,537	410,052
Housing and Development	180,394	48,135	154,849	158,773
Culture and Recreation	519,989	435,955	506,750	377,754
Operating grants and contributions	3,287,187	3,776,757	3,739,620	3,862,903
Capital grants and contributions	3,449,017	8,177,269 (3)	7,718,212 (3)	9,565,586
Total governmental activities program revenues	9,921,810	14,836,309	14,866,141	16,489,719
Business-Type activities:				
Charges for services:				
Water and Sewer	45,616,460	50,039,158	55,401,138	57,492,303
Airport	851,644	865,739	818,874	832,971
Solid Waste	1,703,937	1,769,329	2,057,883	2,299,960
Golf Course	1,057,516	907,160	1,012,377	1,031,717
Operating grants and contributions	110,652	69,070	0	0
Capital grants and contributions	8,309,881 (2)	3,794,048 (2)	4,009,685	5,257,388
Total business-type activities program revenues	57,650,090	57,444,504	63,299,957	66,914,339
Total primary government program revenues	$ 67,571,900	$ 72,280,813	$ 78,166,098	$ 83,404,058

Note (1): Municipal court fees decrease due in part to law changes involving illegal immigrant deportation

Note (2): Public Utility contributions revenue was much lower due to diminished building activity

Note (3): Significant increase due to SPLOST revenues received for the Public Safety Facilities

Note (4): Excess SPLOST Funds from Hall County.

Note (5): Effective FY17, PLB expenses were included in General Government, in prior years these expenses were charged to Public Works.

Note (6): Effective FY17, Code Enforcement expenses were included in Housing and Development, in prior years these expenses were charged to Public Safety.

Note (7): Significant increase due to large repair and maintenance expenses for Water and Sewer

	Fiscal Year					
	2013	2014	2015	2016	2017	2018
	$ 4,376,553	$ 3,933,108	$ 3,675,464	$ 4,368,490	$ 6,429,519 (5)	$ 7,228,728
	450,165	510,221	486,947	523,970	544,083	544,453
	16,423,939	18,460,345	17,460,335	19,480,809	18,168,500 (6)	19,920,072
	7,480,636	8,900,466	8,745,852	10,317,369	7,199,267 (5)	6,907,223
	2,686,449	3,173,758	2,765,034	2,591,485	2,726,152	2,416,453
	1,686,715	224,853	440,482	436,250	348,180	415,439
	1,104,631	1,591,303	2,136,524	2,406,705	3,769,857 (6)	2,683,623
	1,201,196	883,628	1,198,530	533,058	619,743	509,730
	35,410,284	37,677,682	36,909,168	40,658,136	39,805,301	40,625,721
	45,332,806	47,020,782	46,183,666	47,333,997	46,270,110	52,913,991 (7)
	983,083	1,014,521	1,045,716	1,109,029	1,526,612	1,091,970
	1,866,955	1,965,935	2,072,012	2,210,416	2,195,951	2,274,033
	1,193,905	1,234,260	1,287,229	1,290,865	1,304,992	1,356,195
	49,376,749	51,235,498	50,588,623	51,944,307	51,297,665	57,636,189
	$ 84,787,033	$ 88,913,180	$ 87,497,791	$ 92,602,443	$ 91,102,966	$ 98,261,910
	(1,369,231)	(1,390,442)	(1,394,235)	(1,376,788)	(1,370,895)	(1,398,722)
	1,086,686	1,034,429	1,038,222	1,020,775	1,014,882	1,042,707
	200,000	209,561	209,561	209,561	209,561	209,563
	82,545	146,452	146,452	146,452	146,452	146,452
	1,369,231	1,390,442	1,394,235	1,376,788	1,370,895	1,398,722
	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
	814,922	674,536	723,777	719,185	748,458	762,256
	1,800,569	1,639,954	1,930,830	1,735,868	1,944,818	1,680,375
	37,070	90,135	129,956	134,580	219,680	198,769
	440,824	423,368	134,570	144,162	106,322	93,300
	703,972	661,299	1,057,304	1,216,162	2,259,780 (4)	1,858,414 (4)
	159,336	0	0	0	0	0
	2,744,521	2,813,369	2,577,766	2,782,085	3,602,699	4,397,910
(3)	1,419,674	2,044,189	2,322,290	6,087,822	7,932,793	12,067,786
	8,120,888	8,346,850	8,876,493	12,819,864	16,814,550	21,058,810
	56,832,305	58,759,620	64,315,416	66,596,028	71,521,460	71,963,509
	913,459	944,120	897,226	925,009	919,344	931,143
	2,272,930	2,369,815	2,462,485	2,619,559	2,769,222	2,887,724
	1,006,129	992,168	983,932	1,034,234	1,089,431	1,061,026
	0	0	0	0	0	0
	3,546,989	8,646,783	8,445,809	9,142,616	9,020,084	9,519,821
	64,571,812	71,712,506	77,104,868	80,317,446	85,319,541	86,363,223
	$ 72,692,700	$ 80,059,356	$ 85,981,361	$ 93,137,310	$ 102,134,091	$ 107,422,033

CITY OF GAINESVILLE, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2009	2010	2011	2012
Net (expense)/revenue				
Governmental activities	$ (25,535,193)	$ (21,470,207)	$ (18,664,821)	$ (19,445,064)
Business-type activities	5,920,264	7,015,266	13,716,581	15,828,305
Total primary government net (expense)/revenue	(19,614,929)	(14,454,941)	(4,948,240)	(3,616,759)
General revenues and other changes in net position				
Governmental activities:				
Taxes				
Property	7,421,155	7,253,570	7,886,437	7,338,537
Intangibles	180,064	97,161	59,343	81,841
Franchise	4,451,348	3,866,595	4,072,511	4,240,193
Occupational	1,288,785	1,114,317	1,111,954	1,139,926
Insurance premium	1,431,555	1,418,124	1,376,910	1,585,550
Alcoholic beverages	1,000,788	942,016	999,642	994,573
Hotel/Motel	473,047	444,852	517,456	563,902
Local option sales	4,799,932	4,943,847	5,030,213	5,259,684
Investment earnings	209,981	498,737	450,031	426,185
Gain on sale of assets	17,246	40,591	0	0
Miscellaneous	325,996	363,279	236,416	245,524
Special Item-loss on demolition of building	0	0	0	0
Transfers	1,495,051	2,190,747	3,006,690	3,254,637
Total governmental activities	23,094,948	23,173,836	24,747,603	25,130,552
Business-type activities				
Investment earnings	1,013,233	401,971	355,561	314,147
Gain on sale of assets	1,315	19,569	20,718	33,411
Miscellaneous	1,020,458	1,023,096	1,011,088	1,055,930
Transfers	(1,495,051)	(2,190,747)	(3,006,690)	(3,254,637)
Total business-type activities	539,955	(746,111)	(1,619,323)	(1,851,149)
Total primary government	23,634,903	22,427,725	23,128,280	23,279,403
Change in net position				
Governmental activities	(2,440,245)	1,703,629	6,082,782	5,685,488
Business-type activities	6,460,219	6,269,155	12,097,258	13,977,156
Total primary government	$ 4,019,974	$ 7,972,784	$ 18,180,040	$ 19,662,644

Note (1): Miscellaneous revenue included CCA Rental Revenue 2013 and 2014.

Note (2): Includes proceeds the from sale of Gainesville Business Park property.

Note (3): Demolition of jail facility.

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ (25,920,165)	$ (27,940,390)	$ (26,638,440)	$ (26,461,484)	$ (21,619,856)	$ (18,168,189)
13,825,832	19,086,566	25,122,010	26,996,351	32,650,981	27,328,312
(12,094,333)	(8,853,824)	(1,516,430)	534,867	11,031,125	9,160,123
7,825,290	8,363,877	8,654,493	9,409,584	9,808,840	10,457,466
80,720	105,044	133,186	129,075	190,764	213,556
4,092,271	4,014,946	4,371,358	4,381,245	4,501,181	4,208,097
1,199,374	1,263,534	1,268,021	1,368,983	1,373,680	1,394,517
1,684,119	1,743,745	1,823,481	1,948,090	2,203,406	2,346,272
979,409	1,022,245	1,067,611	1,129,284	1,166,259	1,152,257
591,793	715,260	828,925	911,847	929,035	965,036
5,300,279	4,983,807	5,094,727	5,281,804	5,439,313	5,885,171
448,728	246,266	142,917	72,796	2,001,892 (2)	481,963
67,897	0	0	605	574,310	887,411
1,057,074 (1)	1,017,590 (1)	122,294	183,512	373,513	441,324
0	0	0	0	(6,491,937) (3)	0
5,122,095	3,407,947	2,395,089	3,720,948	4,006,251	3,920,070
28,449,049	26,884,261	25,902,102	28,537,773	26,076,507	32,353,140
334,347	292,577	775,365	1,274,329	1,399,356	2,184,898
12,331	53,471	17,322	5,120	154,692	298,965
1,042,459	1,095,243	156,932	191,620	107,875	128,941
(5,122,095)	(3,407,947)	(2,395,089)	(3,720,948)	(4,006,251)	(3,920,070)
(3,732,958)	(1,966,656)	(1,445,470)	(2,249,879)	(2,344,328)	(1,307,266)
24,716,091	24,917,605	24,456,632	26,287,894	23,732,179	31,045,874
2,528,884	(1,056,129)	(736,338)	2,076,289	4,456,651	14,184,951
10,092,874	17,119,910	23,676,540	24,746,472	30,306,653	26,021,046
$ 12,621,758	$ 16,063,781	$ 22,940,202	$ 26,822,761	$ 34,763,304	$ 40,205,997

CITY OF GAINESVILLE, GEORGIA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Tax	Intangible Tax	Franchise Tax	Occupational Tax
2009	$ 7,421,155	$ 180,064 (2)	$ 4,451,348	$ 1,288,785
2010	7,253,570	97,161 (2)	3,866,595	1,114,317
2011	7,886,437 (3)	59,343 (2)	4,072,511	1,111,954
2012	7,338,537	81,841	4,240,193	1,139,926
2013	7,825,290	80,720	4,092,271	1,199,374
2014	8,363,877 (4)	105,044	4,014,946	1,263,534
2015	8,654,493	133,186	4,371,358	1,268,021
2016	9,409,584	129,075	4,381,245	1,368,983
2017	9,808,840	190,764	4,501,181	1,373,680
2018	10,457,466	213,556	4,208,097	1,394,517

Note (1): Local option sales tax collections were down significantly due to economic downturn.

Note (2): Intangible tax that is levied on certain types of property, such as money, stocks, and bonds has decreased significantly due to the economic downturn.

Note (3): General Fund millage rate was increased to provide funding for increased Public Safety fire protection.

Note (4): Tax reform, Title Ad Valorem Tax (TAVT), effective March 1, 2013 created a new system for taxing motor vehicles in Georgia. Revenue is now in the form of a property tax and sales are now exempt from sales tax.

Insurance Premium Tax	Alcoholic Beverages Tax	Hotel/Motel Tax	Local Option Sales Tax	Total
$ 1,431,555	$ 1,000,788	$ 473,047	$ 4,799,932 (1)	$ 21,046,674
1,418,124	942,016	444,852	4,943,847	20,080,482
1,376,910	999,642	517,456	5,030,213	21,054,466
1,585,550	994,573	563,902	5,259,684	21,204,206
1,684,119	979,409	591,793	5,300,279	21,753,255
1,743,745	1,022,245	715,260	4,983,807 (4)	22,212,458
1,823,481	1,067,611	828,925	5,094,727	23,241,802
1,948,090	1,129,284	911,847	5,281,804	24,559,912
2,203,406	1,166,259	929,035	5,439,313	25,612,478
2,346,272	1,152,257	965,036	5,885,171	26,622,372

CITY OF GAINESVILLE, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2009	2010	2011	2012
General fund				
Reserved	$ 102,572	$ 27,622		
Unreserved	3,595,792	4,164,074		
Nonspendable			$ 406,166	$ 384,796
Committed				10,054
Assigned			2,996,014	3,040,356
Unassigned			5,134,064	5,874,076
Total general fund	$ 3,698,364	$ 4,191,696	$ 8,536,244	$ 9,309,282
All other governmental funds				
Reserved	$ 24,515,444 (1)	$ 10,815,234 (1)		
Unreserved, reported in:				
Special revenue funds	9,982,391	10,546,826		
Capital project funds	2,296,318	9,403,152		
Debt service funds	2,266,195	1,293,247		
Nonspendable				
Restricted			$ 10,854,556	$ 11,214,865
Committed			91,939	115,428
Assigned			11,457,922	11,225,020
Total all other governmental funds	$ 39,060,348	$ 32,058,459	$ 22,404,417	$ 22,555,313

Note (1): Fluctuations due to SPLOST revenue collections reserved for debt service on Public Safety Facilities.

Note (2): The City adopted GASB 54 for reporting of fund balance classifications in 2011.

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 367,035	$ 352,744	$ 475,231	$ 321,639	$ 295,256	$ 260,058
6,583	6,208	5,848	4,957	4,957	4,957
2,321,338	3,295,367	2,457,217	4,216,717	3,966,341	3,912,390
6,565,665	7,012,974	8,065,121	7,480,831	7,660,281	9,087,006
$ 9,260,621	$ 10,667,293	$ 11,003,417	$ 12,024,144	$ 11,926,835	$ 13,264,411
$ 130,769	$ 132,816	$ 99,367	$ 81,390	$ 67,377	$ 44,754
6,385,355	4,174,002	6,868,770	11,805,659	14,227,632	20,027,515
174,187	174,285	221,019	244,531	275,253	298,141
16,162,739	12,850,447	11,591,868	10,803,666	13,953,838	14,696,448
$ 22,853,050	$ 17,331,550	$ 18,781,024	$ 22,935,246	$ 28,524,100	$ 35,066,858

CITY OF GAINESVILLE, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2009	2010	2011	2012
Revenues				
Taxes	$ 21,030,163	$ 20,073,154	$ 21,039,421	$ 21,205,179
Licenses and permits	563,085	526,787	540,906	533,141
Fines, fees and forfeitures	1,200,508	1,179,773	1,390,242	1,142,066
Charges for services	2,590,476	2,405,885	2,935,491	2,740,521
Intergovernmental	6,340,062	12,994,964	12,190,933	12,456,574
Interest	186,918	110,152	56,785	35,839
Contributions	95,806	140,042	152,829	574,090
Other	325,993	363,276	235,905	245,210
Total revenues	32,333,011	37,794,033	38,542,512	38,932,620
Expenditures				
General Government	3,260,291	2,985,636	3,289,626	3,317,143
Judicial	369,537	385,823	367,454	417,255
Public Safety	14,097,303	14,010,732	14,555,914	15,880,473
Public Works	4,586,349	4,358,836	4,334,170	4,415,291
Health and Welfare	3,381,182	4,095,212	3,073,671	3,053,511
Culture and Recreation	1,169,614	1,204,508	764,611	1,052,118
Housing and Development	1,951,894	1,649,911	1,750,971	1,726,625
Debt Service				
Principal	1,659,125	3,119,832 (1)	8,034,940 (1)	7,112,064 (1)
Interest	644,194	1,962,450	1,772,225	1,478,240
Capital Outlay	18,184,470	13,690,589	8,874,469	3,491,050
Total expenditures	49,303,959	47,463,529	46,818,051	41,943,770
Excess of revenues over (under) expenditures	(16,970,948)	(9,669,496)	(8,275,539)	(3,011,150)
Other financing sources (uses)				
Transfers in	5,072,824	6,738,573	17,371,193	14,414,525
Transfers out	(3,506,803)	(4,240,053)	(14,788,283)	(11,222,388)
Issuance of notes payable	7,437,971	0	0	0
Refunding of notes payable	(7,437,971)	0	0	0
Issuance of capital leases	33,697,531	0	346,228	721,833
Issuance of bonds	0	0	0	0
Sales of capital assets	18,607	50,888	36,907	10,891
Total other financing sources (uses)	35,282,159	2,549,408	2,966,045	3,924,861
Net change in fund balances	$ 18,311,211	$ (7,120,088)	$ (5,309,494)	$ 913,711
Debt service as a percentage of noncapital expenditures	7.3%	15.4%	25.6%	22.7%

Note (1): Increase due to Public Safety Facilities and GMC Parking Deck debt service payments; Public Safety Debt paid off in 2014.

Note (2): 2013-2014 miscellaneous revenue includes CCA rent from the Main Street property.

Note (3): Refunded Frances Meadows debt in 2015 with GRA Bond.

Note (4): Includes sale of investment property at Gainesville Business Park.

Note (5): Effective FY17, PLB expenses were included in General Government, in prior years these expenses were charged to Public Works.

Note (6): Effective FY17, Code Enforcement expenses were included in Housing and Development, in prior years these expenses were charged to Public Safety.

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 21,798,180	$ 22,193,025	$ 23,263,514	$ 24,610,752	$ 25,624,333	$ 26,666,787
727,631	768,827	1,008,077	1,020,055	1,304,203	1,143,187
1,663,768	1,635,471	1,778,770	1,735,869	1,944,818	1,680,375
2,910,952	3,004,541	3,331,778	3,589,559	4,295,317	3,883,589
4,067,439	3,959,460	4,689,473	7,821,598	9,388,179	11,639,676
52,479	41,823	126,712	54,687	1,975,871 (4)	406,995
96,754	96,860	147,384	105,628	171,116	214,150
1,057,730 (2)	1,017,595 (2)	122,291	183,516	373,513	441,324
32,374,933	32,717,602	34,467,999	39,121,664	45,077,350	46,076,083
3,287,366	3,228,407	3,431,244	3,550,990	5,997,537 (5)	5,115,043
421,756	460,849	465,915	470,043	521,707	523,018
14,617,996	14,934,311	15,462,822	16,187,899	16,466,971 (6)	17,713,931
4,325,418	4,491,711	4,672,187	4,994,225	4,436,888 (5)	5,032,748
2,529,431	3,391,256	2,968,229	2,737,379	2,895,919	2,690,223
592,617	165,000	433,682	400,000	234,283	245,982
1,639,307	2,082,930	2,148,470	2,438,677	3,438,904 (6)	2,404,326
7,349,754 (1)	8,382,841 (1)	10,111,549 (3)	1,222,585	3,928,813	1,462,303
1,266,876	964,579	1,386,912	538,091	523,047	517,843
9,500,033	2,128,323	3,829,201	5,141,709	8,377,243	7,334,797
45,530,554	40,230,207	44,910,211	37,681,598	46,821,312	43,040,214
(13,155,621)	(7,512,605)	(10,442,212)	1,440,066	(1,743,962)	3,035,869
21,464,150	7,477,632	10,698,274	7,835,912	10,656,899	9,950,013
(16,413,039)	(4,112,658)	(7,435,982)	(4,149,965)	(6,627,648)	(6,029,944)
0	0	0	0	0	0
0	0	0	0	0	0
8,220,268	0	8,917,392	0	807,264	10,932
0	0	0	0	1,630,000	0
70,410	32,803	48,126	48,936	768,992	913,464
13,341,789	3,397,777	12,227,810	3,734,883	7,235,507	4,844,465
$ 186,168	$ (4,114,828)	$ 1,785,598	$ 5,174,949	$ 5,491,545	$ 7,880,334
23.6%	24.7%	27.1%	5.0%	11.5%	5.4%

CITY OF GAINESVILLE, GEORGIA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Tax	Intangibles Tax	Franchise Tax	Insurance Premium Tax
2009	$ 7,404,644	$ 180,064 (2)	$ 4,451,348	$ 1,431,555
2010	7,246,242	97,161 (2)	3,866,595	1,418,124
2011	7,871,392 (3)	59,343 (2)	4,072,511	1,376,910
2012	7,339,510	81,841	4,240,193	1,585,550
2013	7,870,215	80,720	4,092,271	1,684,119
2014	8,344,444 (4)	105,044	4,014,946	1,743,745
2015	8,676,206	133,186	4,371,358	1,823,481
2016	9,358,744	129,075	4,381,245	1,948,090
2017	9,794,158	190,764	4,501,181	2,203,406
2018	10,408,745	213,556	4,208,097	2,346,272

Note (1): Significant decrease due to economic decline experienced in FY09.

Note (2): Intangible tax that is levied on certain types of property, such as money, stocks, and bonds has decreased significantly due to the economic downturn.

Note (3): General Fund millage rate was increased to provide funding for increased Public Safety fire protection.

Note (4): Tax reform, Title Ad Valorem Tax (TVAT), effective March 1, 2013, created a new system for taxing motor vehicles in Georgia. Revenue is now in the form of a property tax and sales are now exempt from sales tax.

Occupational Tax	Alcoholic Beverages Tax	Hotel/Motel Tax	Local Option Sales Tax	Total
$ 1,288,785	$ 1,000,788	$ 473,047	$ 4,799,932 (1)	$ 21,030,163
1,114,317	942,016	444,852	4,943,847	20,073,154
1,111,954	999,642	517,456	5,030,213	21,039,421
1,139,926	994,573	563,902	5,259,684	21,205,179
1,199,374	979,409	591,793	5,300,279	21,798,180
1,263,534	1,022,245	715,260	4,983,807 (4)	22,193,025
1,268,021	1,067,611	828,925	5,094,727	23,263,515
1,368,983	1,129,284	911,847	5,281,804	24,509,072
1,373,680	1,166,259	929,035	5,439,313	25,597,796
1,394,517	1,152,257	965,036	5,885,171	26,573,651

CITY OF GAINESVILLE, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended June 30	Real Property	Personal Property: Inventory/ Business Property	Personal Property: Motor Vehicles	Personal Property: Utilities	Digest Adjustments
2009	$ 2,802,790,740	$ 1,090,115,928	$ 175,754,045	$ 58,663,685	$ (390,055,794)
2010	2,827,936,920	958,733,945	183,722,440	64,903,013	(314,926,076)
2011	2,809,905,328	842,398,443	156,029,890	56,924,528	(224,302,316)
2012	2,626,851,558	845,534,643	153,096,940	68,615,798	(260,718,939)
2013	2,483,471,963	891,542,860	159,990,090	72,487,558	(336,283,393)
2014	2,398,619,850	969,047,745	172,898,560	74,816,730	(336,173,382)
2015	2,567,954,515	1,069,907,483	185,665,960	68,523,120	(312,134,457)
2016	2,953,976,780	1,055,500,805	122,903,835 (4)	86,348,763	(298,500,191)
2017	3,036,116,245	1,102,797,493	87,802,225 (4)	79,112,033	(329,203,623)
2018	3,414,339,560	1,176,119,518	65,383,400 (4)	67,319,268	(343,066,757)

Source: Hall County Tax Commissioner's Digest - Gainesville District.

Note (1): The total assessed value amounts are based on the original tax digest prior to additions, deletions, and corrections to accounts. The adjusted assessed value is used to calculate the tax levy amount on the Property Tax Levies and Collections (See Exhibit L-10) in order to indicate a more fair presentation of taxes billed and collected. All property is assessed as of January 1st of each year.

Note (2): For fiscal year 2009 and prior, the Homeowners Tax Relief Credit adjustment applies to all taxing components.

Note (3): Starting in fiscal year 2010 Homeowners Tax Relief Credit is no longer in effect.

Note (4): Effective March 1, 2013, the Title Ad Valorem Tax was enacted, imposing a one-time tax on new vehicle purchases. Over time, motor vehicle taxes should progressively decline.

Exemption Adjustments	Total Taxable Assessed Value[1]	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
$ (29,134,000) [2]	$ 3,708,134,604	2.660	3,708,134,604	100%
(550,000) [3]	3,719,820,242	2.660	3,719,820,242	100%
(550,000)	3,640,405,873	2.920	3,640,405,873	100%
(800,000)	3,432,580,000	2.920	3,432,580,000	100%
(800,000)	3,270,409,078	3.060	3,270,409,078	100%
(1,234,240)	3,277,975,263	3.060	3,277,975,263	100%
(1,486,210)	3,578,430,411	3.020	3,578,430,411	100%
(1,902,555)	3,918,327,437	2.980	3,918,327,437	100%
(2,210,476)	3,974,413,897	2.980	3,974,413,897	100%
(2,937,666)	4,377,157,323	2.864	4,377,157,323	100%

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

		City of Gainesville			
Tax Year	**Fiscal Year**	**Operating Millage**	**Recreation Millage**	**Debt Service Millage**	**Total City Millage**
2008	2009	1.430	0.750	0.480	2.660
2009	2010	1.430	0.750	0.480	2.660
2010	2011	1.690	0.750	0.480	2.920
2011	2012	1.690	0.750	0.480	2.920
2012	2013	1.770	0.790	0.500	3.060
2013	2014	1.770	0.790	0.500	3.060
2014	2015	1.750	0.780	0.490	3.020
2015	2016	1.630	0.750	0.600	2.980
2016	2017	1.630	0.750	0.600	2.980
2017	2018	1.545	0.750	0.569	2.864

Source: City of Gainesville Tax Office and Hall County Tax Commissioners Office.

Note 1: Property tax rate is per $1,000 assessed value.

Note 2: The City of Gainesville taxes on 100% of assessed value.
Hall County taxes on 40% of assessed value.

Overlapping Rates						
Gainesville City Schools				Hall County		Total Direct & Overlapping Rates
Operating Millage	Debt Service Millage	Total School Millage	State of Georgia	Operating Millage	Total County Millage	
7.420	0.390	7.810	0.250	6.250	6.250	16.970
7.410	0.300	7.710	0.250	6.250	6.250	16.870
7.390	0.300	7.690	0.250	6.250	6.250	17.110
7.390	0.000	7.390	0.250	6.250	6.250	16.810
7.590	0.000	7.590	0.250	6.250	6.250	17.150
7.590	0.000	7.590	0.150	6.250	6.250	17.050
7.590	0.000	7.590	0.150	5.989	5.989	16.749
6.890	0.000	6.890	0.050	5.735	5.735	15.655
6.850	0.000	6.850	0.000	5.716	5.716	15.546
6.850	0.000	6.850	0.000	6.700	6.700	16.414

CITY OF GAINESVILLE, GEORGIA
PRINCIPAL TAXPAYERS
June 30, 2018

	Fiscal Year 2018			Fiscal Year 2009		
Taxpayer	**Taxable Assessed Value[1]**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value[1]**	**Rank**	**Percentage of Total Taxable Assessed Value**
Kubota Manufacturing of America Corporation/	$ 141,768,136	1	3.24%	$ 193,264,832	1	5.42%
Cargill, Inc.	109,634,477	2	2.50%	93,124,995	2	2.61%
ZF Industries, Inc.	82,244,637	3	1.88%	40,830,922	5	1.14%
Fieldale Farms Corporation (Queen City Foods)	63,344,346	4	1.45%	39,649,839	6	1.11%
Ace Hardware Corporation	50,188,843	5	1.15%	47,610,666	4	1.33%
Merial Select	40,111,921	6	0.92%		NR*	
Marel Stork Poultry Processing Inc.	38,850,167	7	0.89%		NR*	
Pilgrims Pride formerly ConAgra	38,335,571	8	0.88%	37,646,109	7	1.06%
I M S Gear	36,629,616	9	0.84%		NR*	
Georgia Power	36,115,980	10	0.83%		NR*	
Hayes Lemmerz Intl GA, Inc. (Western Wheel Georigia, Inc.)				54,136,183	3	1.52%
Colonial Realty Limited Part. (Camelot Real Estate Corp.)				30,232,120	8	0.85%
Caradon Peachtree, Inc. (Peachtree Doors)				25,074,607	9	0.70%
Bell South Communications				19,435,155	10	0.54%
Total	$ 637,223,694		14.58%	$ 581,005,428		16.28%

Source: Tax Year 2017 and 2008 Hall County Tax Commissioner's Digest - Gainesville District.

Note (1): Assessed valuation for principal taxpayers includes real property, personal property and utilities taxes, but does not include motor vehicle taxes. Selection is based on the taxpayers with the largest assessed valuation. Values shown are assessed totals before Freeport exemption is deducted for fiscal years prior 2012. Fiscal year 2012 and forward are net assessed value.

* Not Ranked

CITY OF GAINESVILLE, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Adjustments Made After Tax Levy (1)	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	$ 9,877,359	$ (1,972)	$ 9,636,926	97.59%	$ 238,461	$ 9,875,387	100.00%
2010	9,894,722	(67,104)	9,579,640	97.48%	247,963	9,827,603	100.00%
2011	10,629,985	(208,997)	10,239,192	98.26%	181,796	10,420,988	100.00%
2012	10,023,134	(317,398)	9,518,471	98.07%	187,265	9,705,736	100.00%
2013	9,294,659	340,617	9,333,018	96.86%	293,981	9,626,999	99.91%
2014	9,272,596	271,984	9,363,036	98.10%	174,580	9,537,616	99.93%
2015	10,039,209	(82,638)	9,762,578	98.05%	186,775	9,949,353	99.93%
2016	11,053,043	(182,240)	10,829,944	99.62%	31,217	10,861,161	99.91%
2017	11,346,349	(16,287)	11,280,816	99.57%	36,332	11,317,148	99.89%
2018	12,156,116	192,732	12,212,440	98.90%		12,212,440	98.90%

Source: Hall County Tax Commissioner's Digest - Gainesville District.

Note (1): Adjustments made after tax billing within the fiscal year of the levy.

CITY OF GAINESVILLE, GEORGIA
LOCAL OPTION SALES TAX DISTRIBUTION COMMODITY REPORT - HALL COUNTY
June 30, 2018

	2017			2007		
Commodity	**Total Distributed**	**Rank**	**% of Total**	**Total Distributed**	**Rank**	**% of Total**
Food	$ 6,978,790	1	22.04%	$ 7,493,256	1	31.00%
General	4,081,088	2	12.89%	3,837,609	3	15.88%
Other Retail	4,040,505	3	12.76%		NR*	0.00%
Wholesale	3,715,952	4	11.74%		NR*	0.00%
Home	2,966,958	5	9.37%	1,902,209	7	7.87%
Miscellaneous Service	2,784,219	6	8.79%	1,785,456	8	7.39%
Utilities	2,081,787	7	6.58%	2,507,993	5	10.38%
Manufacturer	1,788,511	8	5.65%	1,444,670	9	5.98%
Auto	1,444,702	9	4.56%	5,197,957	2	21.51%
Other Services	959,771	10	3.03%		NR*	0.00%
Accommodations	577,439	11	1.82%		NR*	0.00%
Construction	239,565	12	0.76%		NR*	0.00%
Total	$ 31,659,288		100.00%	$ 24,169,150		100.00%

Source: Information provided by Georgia Department of Revenue - Local Government Services.
This information is reported on a calendar year basis.

Note (1): Data is not available for City of Gainesville; Hall County totals are reported on this schedule.

Note (2): State of Georgia established different categories for the 2009 Calendar year.

* Not Ranked

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES TEN LARGEST SYSTEM CUSTOMERS
JUNE 30, 2018

Customer	Type of Business	Total Water Billings	Total Sewer Billings	Total Billings	Percentage of System Revenues
Fieldale Farms Corporation	Manufacturer - Poultry Products	$ 3,972,296	$ 8,025,052	$ 11,997,349	17.36%
Pilgrim's Pride	Manufacturer - Poultry Products	1,323,349	3,782,350	5,105,699	7.39%
Mar-Jac Poultry, Inc.	Manufacturer - Poultry Products	1,459,461	3,640,351	5,099,812	7.38%
NE GA Health Systems	Hospital	553,727	810,903	1,364,630	1.97%
Hall County Commissioners	Local Government	195,070	616,966	812,036	1.17%
Cargill, Inc.	Manufacturer - Soybean Products	262,541	356,043	618,583	0.89%
North GA Linen Service	Service	217,762	318,036	535,798	0.78%
St Partners LLC dba Almark	Food Further Processing	210,592	307,394	517,987	0.75%
Gold Greek LLC	Manufacturer - Poultry Products	133,372	376,949	510,321	0.74%
Shasta Beverages Inc.	Manufacturer- Beverages	248,777	231,329	480,107	0.69%
Total		$ 8,576,948	$ 18,465,373	$ 27,042,321	39.12%

Note: This information is included to comply with continuing disclosure requirements of 2005, 2006, 2014, 2015, and 2016 Water and Sewerage bond issues.

CITY OF GAINESVILLE, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Governmental Activities		Business-Type Activities					
Fiscal Year	General Obligation Bonds	Capital Leases	Water & Sewer Bonds	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita[1]
2009	$1,840,000	$45,469,691 [1]	$112,067,258	$ 125,581,156	$ 35,756,155	$ 320,714,260	30.35%	8,992
2010	945,000	42,862,532	104,719,329	119,786,181	34,048,349	302,361,391	28.01%	8,458
2011	0	35,737,268	97,030,523	113,800,132	32,321,761	278,889,683	28.41%	8,250
2012	0	28,964,712	89,089,423	107,536,775	30,575,173	256,166,083	24.16%	7,442
2013	0	29,451,699	80,918,760	101,142,593	28,945,860	240,458,912	21.60%	6,913
2014	0	20,872,774	72,356,947	94,539,646 [1]	27,094,798	214,864,165	18.44%	6,047
2015	0	21,998,379	155,139,294	-	25,093,735	202,231,408	16.41%	5,570
2016	0	20,766,180	139,039,842	-	23,412,672	183,218,694	13.34%	4,733
2017	0	19,267,230	122,548,109	-	21,471,610	163,286,949	10.85%	4,082
2018	0	17,808,355	105,559,369	-	19,525,547	142,893,271	9.06%	3,541

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the Schedule of Demographic and Economic Statistics on Exhibit L-19 for personal income and population data.

Note (1): The decrease in notes payable is due to a Series 2014 Water Sewer Bond Refunding which refunded the total amount of the GEFA notes payable and $5,900,000 of the Series 2005 Water Sewer Bonds.

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

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property[1]	Per Capita[2]
2009	$ 1,840,000	0.05%	$ 51.59
2010	945,000	0.03%	26.43
2011	0	0.00%	0
2012	0	0.00%	0
2013	0	0.00%	0
2014	0	0.00%	0
2015	0	0.00%	0
2016	0	0.00%	0
2017	0	0.00%	0
2018	0	0.00%	0

Source: Hall County Tax Commissioner's Digest - Gainesville District.

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

Note (1): See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Exhibit L-7 for property value data.

Note (2): Population data can be found in the Schedule of Demographic and Economic Statistics on Exhibit L-18.

Gainesville, Georgia

Since 1821

CITY OF GAINESVILLE, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Available	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Gainesville City Schools	$ 23,280,480	100%	$ 23,280,480
Hall County	3,612,541	20%	722,508
Subtotal, overlapping debt			24,002,989
City of Gainesville direct debt			17,808,355
Total direct and overlapping debt			$ 41,811,344

Source: Debt outstanding data provided by Gainesville City Schools and Hall County Finance Offices.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Gainesville. The process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Note: The outstanding debt reported from overlapping authorities includes bonds, notes, and capital leases as reported on their Governmental Activities Sheet.

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

	Fiscal Year			
	2009	**2010**	**2011**	**2012**
Debt Limit	$ 412,732,440	$ 403,529,632	$ 386,525,819	$ 369,409,894
Total net debt applicable to limit	43,267,440	42,514,285	34,302,996	27,431,657
Legal debt margin	$ 369,465,000	$ 361,015,347	$ 352,222,823	$ 341,978,237
Total net debt applicable to the limit as a percentage of debt limit	10.48%	10.54%	8.87%	7.43%

Note: Under state finance law, the City of Gainesville's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 360,749,247	$ 361,538,289	$ 389,205,108	$ 421,873,018	$ 430,582,800	$ 472,316,175
20,877,219	15,770,863	15,289,643	14,030,339	17,309,944	20,608,568
$ 339,872,028	$ 345,767,426	$ 373,915,465	$ 407,842,679	$ 413,272,856	$ 451,707,607
5.79%	4.36%	3.93%	3.33%	4.02%	4.36%

Legal Debt Margin Calculation for Fiscal Year 2018

Total Assessed value	$ 4,723,161,746
Debt limit (10% of total assessed value)	472,316,175
Debt applicable to limit:	
General obligation debt	17,808,355
Less: Amount set aside for repayment of general obligation debt	2,800,213
Total net debt applicable to limit	20,608,568
Legal debt margin	$ 451,707,607

CITY OF GAINESVILLE, GEORGIA
PLEDGED-REVENUE COVERAGE
DEPARTMENT OF WATER RESOURCES
LAST TEN FISCAL YEARS

	Department of Water Resources Revenue Bonds					
		Less:	Net	Debt Service		
Fiscal Year	Gross Revenue[1]	Operating Expenses[2]	Available Revenue	Principal	Interest[3]	Coverage
2009	$ 48,470,453	$ 24,353,036	$ 24,117,417	$ 6,845,000	$ 5,177,138	2.01
2010	52,531,389	24,141,817	28,389,572	7,150,000	4,865,079	2.36
2011	57,629,294	23,713,795	33,915,499	7,470,000	4,540,916	2.82
2012	59,739,770	24,261,826	35,477,944	7,710,000	4,174,996	2.99
2013	59,662,895	23,442,197	36,220,698	7,955,000	3,768,351	3.09
2014	62,860,604	26,083,825	36,776,779	8,360,000	3,368,156	3.14
2015	68,485,989	24,660,926	43,825,063	8,740,000	4,396,256	3.34
2016	72,032,080	26,866,263	45,165,817	8,140,000	6,271,250	3.13
2017	77,874,539	27,479,460	50,395,079	15,940,000 [4]	5,658,796	2.33
2018	78,352,405	35,290,737	43,061,668	16,200,000	3,722,583	2.16

Note (1): Gross revenue is comprised of operating revenue, connection fees, and interest on investments.

Note (2): Total operating expenses exclusive of depreciation.

Note (3): FY2007 - 2009 presented on accrual basis.

Note (4): New refunding bond issues included GEFA notes payable that were not included in prior year totals.

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

Fiscal Year	City of Gainesville Population[a]	Estimated City of Gainesville Personal Income (amounts expressed in thousands)[b]	Hall County Per Capita Personal Income[c]	Gainesville City Public School Enrollment[d]	Hall County Unemployment Rate[e]
2009	35,668	$ 1,056,593	$ 29,623	6,538	9.6%
2010	35,750	1,079,471	30,195	6,977	9.2%
2011	33,804	981,601	29,038	7,145	8.9%
2012	34,422	1,060,404	30,806	7,464	7.5%
2013	34,786	1,113,187	32,001	7,702	7.6%
2014	35,533	1,165,092	32,789	7,983	6.4%
2015	36,306	1,232,407	33,945	8,056	4.8%
2016	38,712	1,373,928	35,491	7,973	4.2%
2017	40,000	1,505,480	37,637	7,997	4.2%
2018	40,359	1,576,624	39,065	8,069	3.5%

Source (a): Fiscal year 2009-2010, 2012-2013 are estimates and fiscal year 2011 is based on 2010 Census provided by the U.S. Census Bureau. Fiscal year 2014-2018 is based on Population Estimates Program.

Source (b): Based on City population multiplied by Hall County per capita personal income.

Source (c): Bureau of Economic Analysis, U.S. Department of Commerce; information is provided on Hall County only.

Source (d): Gainesville City Schools, September enrollment.

Source (e): Georgia Department of Labor, Gainesville MSA unemployment rate.

CITY OF GAINESVILLE, GEORGIA
PRINCIPAL EMPLOYERS/HALL COUNTY
June 30, 2018

	2018			2009		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Northeast Georgia Medical Center	8,331	1	8.64%	4,000	1	4.60%
Fieldale Farms	2,550	2	2.64%	2,400	2	2.76%
Victory Processing LLC	1,730	3	1.79%		NR*	
Kubota Manufacturing of America	1,695	4	1.76%	890	7	1.02%
Pilgrims Pride	1,380	5	1.43%	1,599	3	1.84%
Gold Creek Foods	1,300	6	1.35%		NR*	
Mar-Jac	1,280	7	1.33%	1,100	4	1.26%
ZF Gainesville, LLC	1,045	8	1.08%		NR*	
Cottrell, Inc.	1,040	9	1.08%		NR*	
Wal-Mart	970	10	1.01%		NR*	
Total	21,321		22.11%	9,989		11.48%

Source: Greater Hall Chamber of Commerce.

Note (1): Excludes governmental and educational employers.

* Not Ranked

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Primary government										
General Government	41	45	46	48	51	50	51	51	53	52
Judicial	8	7	8	8	10	10	10	10	10	10
Public Safety										
Police	115	113	113	113	113	114	114	114	116	117
Fire	81	102	103	103	103	103	103	103	103	103
Code Enforcement	5	3	3	3	5	4	4	4	4	5
Public Works	54	53	52	54	53	53	55	55	59	60
Health and Welfare	49	45	47	39	37	32	32	32	40	40
Culture and Recreation	10	7	7	5	0	0	0	0	0	0
Housing and Development	18	17	17	17	13	13	13	13	13	13
General Insurance	2	0	0	0	0	0	0	0	0	0
Vehicle Services	5	5	5	6	6	6	6	6	6	6
Water and Sewer	231	225	229	229	229	230	233	233	233	234
Solid Waste	24	24	24	24	24	24	24	24	24	24
Golf Course	13	7	4	4	4	4	4	4	4	5
Total primary government	656	653	658	653	648	643	649	649	665	669
Component unit										
City of Gainesville Parks and Recreation Culture and Recreation	37	36	36	37	37	38	39	39	37	37
Gainesville Convention and Visitor's Bureau Housing and Development	0	0	0	0	0	0	4	4	4	4
Total Component units	37	36	36	37	37	38	43	43	41	41
Total employees	693	689	694	690	685	681	692	692	706	710

Source: Annual City of Gainesville Budget Document.

Note (1) Gainesville Convention and Visitor's Bureau became a component unit in FY15.

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

	2009	2010	2011	2012
Function				
Police				
Number of citations issued	11,394	12,307	13,671	9,306
Number of calls for service	74,329	75,866	67,879	63,839
Fire				
Number of calls answered	5,901	6,020	6,566	6,962
Number of inspections conducted	2,631	2,848	1,439	1,725
Highways and streets				
Square feet of sidewalks replaced	2,351	3,552	445	9,063
Linear feet curb and gutter installed	1,071	217	50	698
Sanitation				
Refuse collected (tons)	5,261	5,015	4,897	4,743
Recyclables collected (tons)	653	688	657	726
Culture and Recreation				
Enrolled in youth athletics	1,173	1,139	1,507	1,553
Civic Center/Cabin rentals	823	969	992	1,068
Water System (MGD -Millions of Gallons per Day)				
Number of service connections	46,550	46,674	46,632	47,018
Daily average consumption in gallons	16.56 MGD	17.13 MGD	17.64 MGD	17.7 MGD
Sewer System (MGD -Millions of Gallons per Day)				
Number of service connections	8,896	8,840	8,716	8,847
Daily average treatment in gallons	8.00 MGD	9.20 MGD	8.50 MGD	8.1 MGD

Source: Various City Departments.

Fiscal Year					
2013	2014	2015	2016	2017	2018
11,353	11,622	9,734	12,060	13,431	11,606
62,744	60,380	70,534	68,007	68,952	83,252
7,031	7,174	7,814	8,108	8,592	8,550
1,325	1,862	2,019	3,850	3,543	3,764
4,500	11,727	8,217	2,562	2,360	1,951
211	544	241	329	227	50
4,857	4,989	5,374	5,791	6,392	6,763
759	794	772	697	858	820
1,398	1,424	1,181	1,388	2407	2,366
1,223	1,169	1,230	991	879	1,213
47,892	53,676	55,274	50,950	54,572	55,638
16.74 MGD	16.74 MGD	16.74 MGD	17.40 MGD	18.69 MGD	18.75 MGD
9,157	10,977	11,580	10,020	10,687	11,101
8.50 MGD	8.90 MGD	8.00 MGD	9.1 MGD	9 MGD	10.0 MGD

Exhibit L-21, continued

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

	Fiscal Year			
	2009	2010	2011	2012
Function				
Public safety				
Number of police stations	5	3	2 (1)	2
Number of fire stations	4	4	4	4
Solid Waste				
Collection Trucks	9	9	9	10
Highways and streets				
Miles of streets	136	136	136	136
Miles of storm sewers	20.20	20.20	20.20	20.47
Number of street lights	2,380	2,414	2,627	2,694
Culture and Recreation				
Community/Civic Centers	8	2	2	2
Parks	21	21	21	21
Park acreage	444+	445	445	445
Golf courses	1	1	1	1
Swimming pools	5	5	5	5
Baseball/Softball fields	9	10	10	11
Soccer fields	9	10	10	10
Multipurpose fields	1	1	1	1
Tennis courts	16	16	16	16
Water and Sewerage System-Gainesville and Hall County (MGD - Millions of Gallons per Day)				
Water System:				
Miles of water mains	1,310	1,315	1,344	1,344
Number of fire hydrants	8,538	8,719	8,803	8,855
Number of water treatment plants	2	2	2	2
Maximum daily capacity of treatment plants in gallons	35 MGD	35MGD	35 MGD	35 MGD
Sewer System:				
Miles of sanitary sewers	278	280	280	286
Number of wastewater treatment plants	2	2	2	2
Maximum daily capacity of treatment plants in gallons	17 MGD	17 MGD	17 MGD	17 MGD

Source: Various City Departments.

Note (1): Elimination of Community Police Precincts in Housing Developments during FY11.

Note (2): Increase in acreage is due to the addition of the Allen Creek Park Complex.

Fiscal Year					
2013	2014	2015	2016	2017	2018
2	2	2	2	2	1
4	4	4	4	4	4
10	12	13	13	13	14
136	140	140	141	143	147
20.47	20.49	20.52	20.81	21.68	24.18
2,700	2,676	2,639	2,679	2,668	2,769
2	2	2	2	2	2
22	22	22	22	22	22
450+	450+	450+	454+	644+ (2)	658+
1	1	1	1	1	1
5	4	4	4	4	4
11	10	10	10	10	10
10	10	10	10	10	10
1	2	2	2	2	2
16	15	15	15	15	15
1,344	1,355	1,363	1,372	1,390	1,383
8,735	8,772	8,838	8,885	9,096	9,557
2	2	2	2	2	2
35 MGD	35 MGD	35 MGD	35 MGD	35 MGD	35 MGD
286	289	291	294	301	306
2	2	2	2	2	2
17 MGD	17 MGD	17 MGD	17 MGD	21.25 MGD	17 MGD

Exhibit L-22, continued

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES
WATER RATES AND MINIMUM DEMAND CHARGES
JUNE 30, 2018

Water Rates (Monthly Charges):

	Inside City Limits	Outside City Limits
Account Servicing Fee	$ 6.17	$ 6.17
Quantity Used Per Month		
In Cubic Feet		
Per Hundred Cubic feet	$2.53 Per 100 cf (1)	$ 5.06 per 100 cf (1)

Note: This information is included to comply with continuing disclosure requirements of 2005, 2006, 2014, 2015, and 2016 Water and Sewerage bond issues.

Note (1): 748 gallons equals 100 cubic feet.

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES
WATER TAP/METER, CONNECTION AND ADMINISTRATIVE FEES
JUNE 30, 2018

Inside and Outside City Limits:

Tap Size (Meter Inches)	Tap and Meter	Connection Fee	Administrative Fee	Total
3/4 inch	$ 1,073	$ 1,726	$ 51	$ 2,850
1 inch	1,198	4,315	129	5,642
1 1/2 inch	2,700	8,630	258	11,588
2 inch	3,500	13,808	414	17,722
3 inch	7,405	27,616	828	35,849
4 inch	Cost of Tap and Meter +	43,150	1,294	N/A
6 inch	Cost of Tap and Meter +	86,300	2,589	N/A
8 inch	Cost of Tap and Meter +	138,080	4,142	N/A

The water connection and administrative fees shall be in addition to the cost of the meter and water and sewer tapping fees.

Note: This information is included to comply with continuing disclosure requirements of 2005, 2006, 2014, 2015, and 2016 Water and Sewerage bond issues.

Sewer Tapping Fees:

For a six inch (6") service line serving a single dwelling or commercial unit the cost is $900.

Service lines over 6" shall be charged an additional fee at actual cost per inch.

Sewer Connection and Administrative Fees:

Size of Sewer (Meter Inches)	Connection	Administrative
3/4 inch	$ 3,570	$ 107
1 inch	8,925	267
1 1/2 inch	17,850	535
2 inch	28,560	856
3 inch	57,120	1,713
4 inch	89,250	2,677
6 inch	178,500	5,355
8 inch	285,600	8,568

The sewer connection and administrative fees shall be in addition to the cost of the meter and water and sewer tapping fees.

Note: This information is included to comply with continuing disclosure requirements of 2005, 2006, 2014, 2015, and 2016 Water and Sewerage bond issues.

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES
SEWER RATES AND CHARGES
JUNE 30, 2018

Sewer Rates (Monthly Charges by Volume):

	Inside City Limits	Outside City Limits	Oakwood
Commodity charge Per Cubic Foot	$ 7.39	$ 7.39	$ 7.54

Industrial Surcharges:

Pollutant	**Concentration** (mg/l)	**Surcharge** (dollars per mg/l per 100 cubic feet)
BOD	250-500	$ 0.0019
	501-700	0.0050
	701-900	0.0057
	Over 900	0.0112
Suspended Solids	250-500	0.0014
	501-700	0.0035
	701-900	0.0039
	Over 900	0.0072
Oil and Grease	101-125	0.0050
	126-150	0.0120
	151-175	0.0140
	Over 175	0.0280
Phosphorus	7-11	0.0220
	12-15	0.0490
	16-20	0.0580
	Over 20	0.1120
Nitrogen	40-75	0.0050
	76-100	0.0130
	101-135	0.0160
	Over 135	0.0320

Accounts billed for sewer only shall pay a monthly account servicing fee of $6.17 inside the City and $6.17 outside the City. In addition, sewer only customers pay an additional fee per 100 cubic feet. The rate is $7.39 for inside city customers, $7.39 for outside city customers, $7.54 for Oakwood customers.

Residential sewer charges are based on 93% of monthly metered water consumption.

Commercial, Industrial and Multi-Unit sewer charges are based on 100% of monthly water meter readings.

Note: This information is included to comply with continuing disclosure requirements of 2005, 2006, 2014, 2015, and 2016 Water and Sewerage bond issues.

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES CAPITAL IMPROVEMENTS
LAST TEN FISCAL YEARS

Year	Total Cost of Capital Improvements	Funding Sources: System Revenues and Capital Contributions	Funding Sources: Debt Proceeds and Investment Earnings
2009	$ 14,771,610	$ 14,505,829	$ 265,781
2010	11,853,472	11,853,472	0
2011	8,284,333	8,284,333	0
2012	9,688,399	9,688,399	0
2013	10,633,627	10,633,627	0
2014	7,643,488	7,643,488	0
2015	4,840,617	4,840,617	0
2016	8,136,724	8,136,724	0
2017	13,052,152	13,052,152	0
2018	26,133,018	26,133,018	0

Note: This information is included to comply with continuing disclosure requirements of 2005, 2006, 2014, 2015, and 2016 Water and Sewerage bond issues.

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF INSURANCE COVERAGE
June 30, 2018

		Amount	
Property Coverage			
Blanket building and contents ($10,000 deductible)		Replacement Cost [1]	
Flood ($50,000 deductible)		$ 5,000,000	
Equipment Breakdown ($10,000 deductible)		$ 100,000	
Automobile (Fire Trucks 1994 or newer) ($5,000 deductible)		Actual cash value	($5,574,728)
Inland Marine (Contractor's Equipment) ($2,500 deductible)		Actual cash value	($6,275,250)
EDP Equipment ($10,000 deductible)		Replacement Cost	($1,854,448)
Casualty			
General Liability [2]			
Personal and advertising injury ($10,000 deductible)		$ 1,000,000	per occurrence
Products-completed operations ($10,000 deductible)		$ 3,000,000	per occurrence
Law enforcement ($10,000 deductible)		$ 1,000,000	per occurrence
Public official ($25,000 deductible)	[3]	$ 1,000,000	per occurrence
Employee benefits ($1,000 deductible)		$ 1,000,000	per occurrence
Employment Practices Liability benefits ($25,000 deductible)	[3]	$ 1,000,000	per occurrence
Automobile Liability			
Single limit liability ($10,000 deductible)		$ 1,000,000	
Public Employee Dishonesty ($1,000 deductible)		$ 500,000	
Airport Liability ($1,000 deductible) (Includes TRIA)		$ 10,000,000	

Note: This information is included to comply with continuing disclosure requirements of 2005, 2006, 2014, 2015, and 2016 Water and Sewerage bond issues.

Note (1): Maximum property limit of $249,134,265.

Note (2): Aggregate annual amount of $3,000,000 for General Liability, Law Enforcement Liability, Public Officials Liability, and Employment Practices Liability.

Note (3): Retro date 7/1/2000 applies.

CITY OF GAINESVILLE, GEORGIA
PROPERTY VALUE - CONSTRUCTION
LAST TEN CALENDAR YEARS

Hall County

	Number of Residential Permits		Total	Number of	Total
	Single Family	Multi-Family[1]/ Number of Units	Estimated Value	Commercial Permits	Estimated Value
2008	303	0	$ 54,999,600	52	$ 14,583,500 [2]
2009	180	1	29,629,500	50	10,319,500 [2]
2010	152	0	23,615,800	24	11,775,300 [2]
2011	140	0	23,159,500	17	4,653,000 [2]
2012	167	0	28,447,800	17	3,873,000 [2]
2013	264	0	47,710,100	26	132,020,900 [3]
2014	341	0	67,877,695	17	7,685,100
2015	352	0	75,544,500	25	34,139,300
2016	410	0	91,138,400	20	15,171,000
2017	548	0	118,793,900	28	16,236,000

City of Gainesville

	Number of Residential Permits		Total	Number of	Total
	Single Family	Multi-Family[1]/ Number of Units	Estimated Value	Commercial Permits	Estimated Value
2008	51	0	$ 6,815,850	33	$ 32,348,400 [2]
2009	19	0	4,431,080	25	55,633,500 [2]
2010	35	0	5,544,591	12	31,119,415 [2]
2011	45	0	7,086,101	14	19,138,000 [2]
2012	122	2/88	29,873,617	7	18,033,377 [2]
2013	262	2/4	47,189,890	14	57,498,595
2014	266	12/3	46,952,571	23	67,932,217
2015	405	8/34	76,109,044	21	37,344,159
2016	435	19/556	118,707,947 [4]	31	58,129,477
2017	412	4/96	70,021,683	31	234,766,657

Source: Hall County Building and Zoning Department.

Note (1): Multifamily housing includes duplexes, triplexes, and apartment buildings.

Note (2): Economic decline contributed to decreased numbers beginning in 2008.

Note (3): Northeast Georgia Medical Center acquired permits for new hospital in Braselton and new medical office building.

Note (4): A 55.97% growth was due to an increase in multi-family housing projects and single-family dwelling permits.

CITY OF GAINESVILLE, GEORGIA
MISCELLANEOUS STATISTICS

Source: Various city departments and local institutions

Date of Incorporation	1821
Form of Government	Council/Manager
City Population (2017 Estimate)	40,359
Hall County Population, including City (2017 Estimate)	199,335
Area of City in square miles	34.41
Number of full time employees	680
Government facilities and services:	
Public Safety:	
ISO Fire Classification	Class I
Number of fire personnel and officers	104
Number of police personnel and officers	119
Number of police patrol units	70
Facilities and services not included in the reporting entity:	
Education:	
Number of elementary schools	6
Number of elementary school instructors	279
Number of middle schools	1
Number of middle school instructors	115
Number of secondary schools	1
Number of secondary school instructors	124
Number of technical institutions (in Hall County, outside City)	1
Number of universities	2
Hospitals:	
Number of hospitals	1
Number of patient beds	657
Bond Rating (Moody's):	
General Obligation Bonds	Aa2
Revenue Bonds	Aa2

Gainesville, Georgia

Since 1821

SINGLE AUDIT SECTION

Gainesville, Georgia

Since 1821

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*

Honorable Mayor and
Members of the City Council
City of Gainesville, 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 City of Gainesville, Georgia, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Gainesville, Georgia's basic financial statements and have issued our report thereon dated November 28, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

This report is intended 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 of Gainesville, Georgia's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 28, 2018

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Honorable Mayor and
Members of the City Council
City of Gainesville, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Gainesville, Georgia's 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 of Gainesville's major federal programs for the year ended June 30, 2018. The City of Gainesville, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Gainesville, Georgia's major 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 of Gainesville, Georgia's, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Gainesville, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

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

an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Gainesville Georgia's, internal control over compliance.

Report on 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 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.

Purpose of this Report

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.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 28, 2018

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2018

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster				
Community Development Block Grant/Entitlement Grants	14.218	N/A	$ 315,096	$ 0
Passed through Georgia Department of Community Affairs				
Home Investment Partnerships Program	14.239	2014-912	31,490	31,490
		SF2014-102	267,107	0
			298,597	31,490
Total U.S. Department of Housing and Urban Development			613,693	31,490
U.S. Department of Justice				
Bulletproof Vest Partnership Program	16.607	N/A	9,550	0
Equitable Sharing for State and Local Law Enforcement Agencies	16.922	N/A	149,572	0
Total U.S. Department of Justice			159,122	0
U.S. Department of Transportation				
Passed through the Georgia Department of Transportation:				
Airport Improvement Program	20.106	AP017-9031-33(139)	60,426	0
		AP018-9034-34(139)	30,214	0
			90,640	0
Federal Transit Cluster				
Federal Transit - Formula Grants	20.507	T006041	362,741	0
		T006043	11,084	0
Total Federal Transit Cluster			373,825	0
Highway Safety Cluster				
Passed through Hall County, Georgia:				
State and Community Highway Safety	20.600	GA-2017-402PT-144	19,968	0
		GA-2018-402PT-005	56,002	0
Total Highway Safety Cluster			75,970	0
Total U.S. Department of Transportation			540,435	0
U.S. Department of Health and Human Services				
Aging Cluster of Programs				
Passed through Legacy Link, Inc.:				
Special Programs for the Aging - Title III, Part C				
Nutrition Services	93.045	Gainesville - Title III, C1	223,974	0
		Gainesville - Title III, C2	92,479	0
			316,453	0
Nutrition Services Incentive Program	93.053	Gainesville - NSIP	88,356	0
Total Aging Cluster of Programs			404,809	0
Passed through Legacy Link, Inc.:				
Social Services Block Grant	93.667	Gainesville - SSBG	24,924	0
Total U.S. Department of Health and Human Services			429,733	0
U.S. Department of Homeland Security				
Passed through the Georgia Emergency Management Agency:				
Disaster Grants - Public Assistance - (Presidentially Declared Disasters)	97.036	FEMA-4338-DR-GA	391,827	0
Homeland Security Grant Program	97.067	EMW-2017-SS-00015-S01	3,471	0
Total U.S. Department of Homeland Security			395,298	0
Total Expenditures of Federal Awards			$ 2,138,281	$ 31,490

See accompanying notes to schedule of expenditures of federal awards.

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Gainesville, Georgia, under programs for the federal government for the current fiscal fiscal year. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures are not allowable or are limited as to reimbursement

3. Indirect Cost Rate

The City of Gainesville, Georgia has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Noncompliance material to financial statements noted?	None reported

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	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?	None reported

Identification of major programs:

20.600 State and Community Highway Safety
97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish Between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

2. Financial Statement Findings

A. Current Year Audit Findings

None reported

B. *Prior Year Audit Findings Follow-Ups*

None reported

3. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

STATE REPORTING SECTION

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2018

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST VII					
Public Safety Fire Station	$ 3,750,000	$ 3,750,000	$ 13,697	$ 560,528	$ 574,225
Public Safety Fire Vehicle	1,750,000	1,750,000	1,340,979	120,240	1,461,219
Roads, Bridges, Stormwater	12,914,482	12,914,482	1,487,797	1,157,625	2,645,422
Youth Sports Athletic Complex	6,750,000	6,750,000	114,441	54,619	169,060
Park Improvements	250,000	250,000	0	0	0
Total	$ 25,414,482	$ 25,414,482	$ 2,956,914	$ 1,893,012	$ 4,849,926

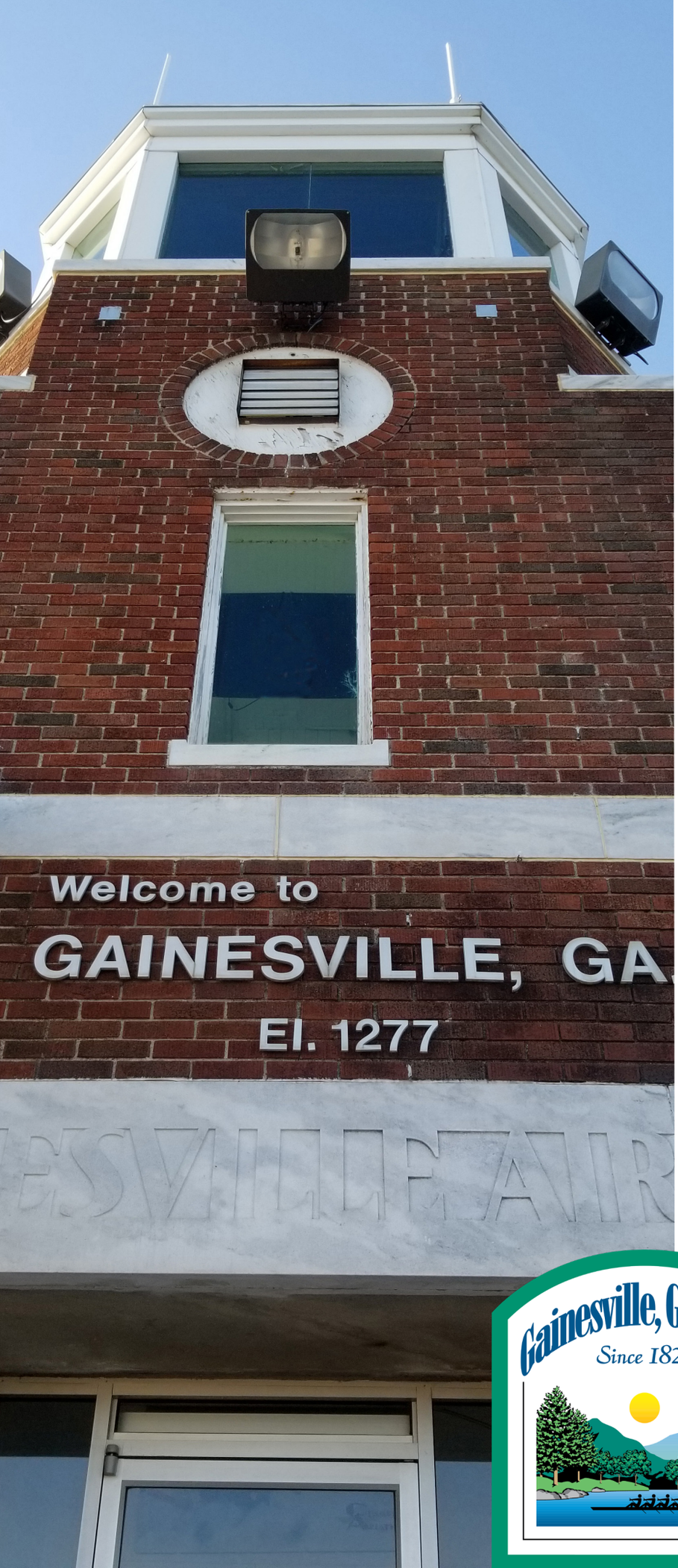
Current year expenditures	$ 1,893,012
Expenditures financed through other revenues	1,322,029
Total SPLOST Capital Projects Fund Expenditures	$ 3,215,041

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

Note: The beginning balance of prior years expenditures and estimated costs have been restated by $225,222 and $1,500,000, respectively. This restatement is due to including the Senior Life Center Building project which was financed with other revenue sources.

Gainesville, Georgia

Since 1821



Gainesville, Georgia
Since 1821