CITY OF

GAINESVILLE

FINANCIAL SERVICES

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2019

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CITY OF GAINESVILLE, GEORGIA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

Gainesville, Georgia

Since 1821

CITY OF GAINESVILLE, GEORGIA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

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

Gainesville, Georgia

Since 1821

CITY OF GAINESVILLE, GEORGIA
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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
Robyn Lynch	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
Kate Mattison	Director of Parks and Recreation
Jay Parrish	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

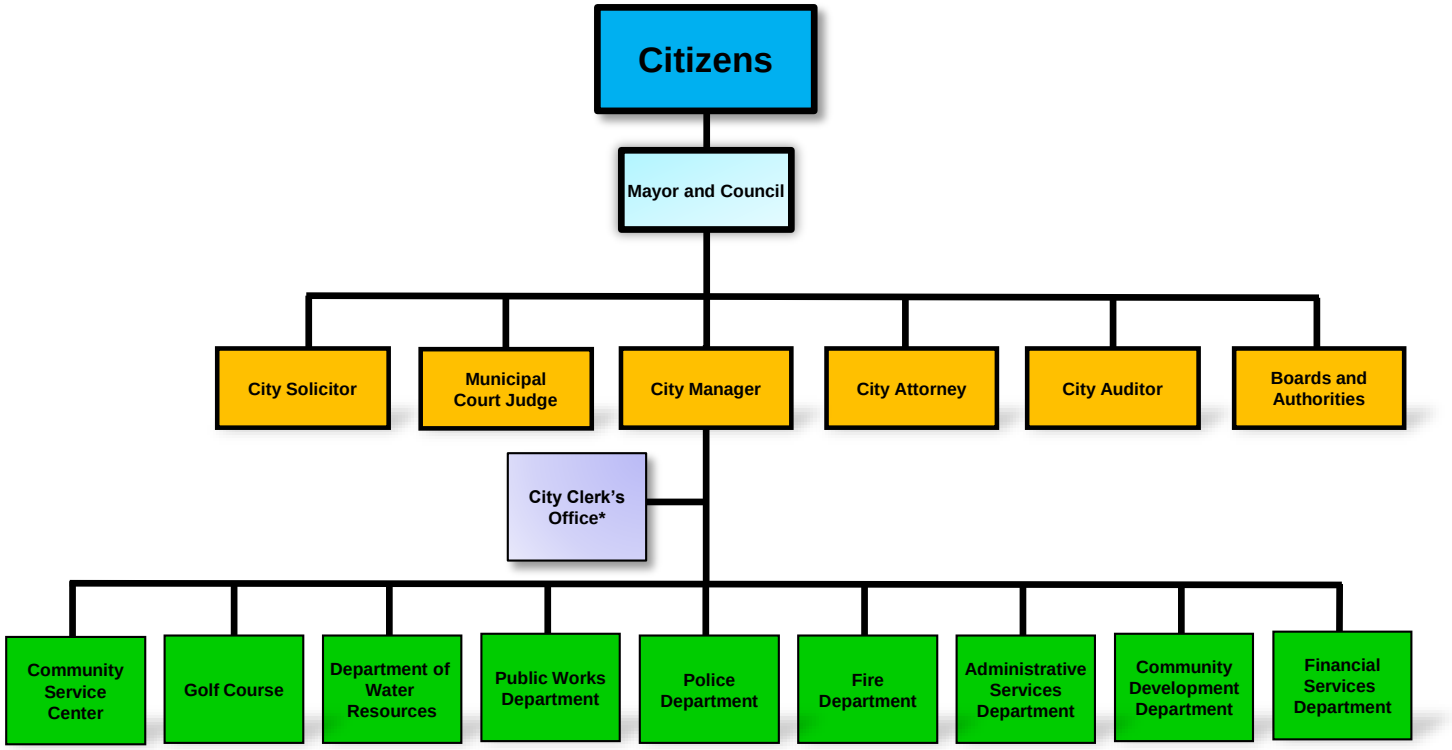
June 30, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF
GAINESVILLE

Organizational Chart



= Appointed by Mayor and Council

* Division within the City Manager's Office

CITY OF
GAINESVILLE

OFFICE OF THE CITY MANAGER

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November 25, 2019

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, 2019. 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, 2019, 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, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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 2018 show Gainesville and Hall County's population at 41,464 and 202,148, 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 2018 Milliken Institute study placed Gainesville as the 3rd best-performing small city in America, keeping the current spot from the 2017 study; 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 2019 numbers show Metro Gainesville as the lowest unemployment rate in the state. Gainesville's July 2019 rate was 2.9%, down from the July 2018 3.4% rate. Overall, Gainesville-Hall County gained 4,200 jobs over the last year, which factored to a 4.56% 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.

New business construction-Downtown

The Gainesville community continues to see impressive growth in both manufacturing and retail sectors. 2018 was another year of substantial capital investment reported by the Greater Hall Chamber of Commerce. More than 1,440 jobs are anticipated from the 12 new and existing projects reported for the Gainesville/Hall County area, with a total investment of over $254.4 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 in 2019. Hall County's poultry and manufacturing sectors has by far the highest 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 were on staff in 2018. 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 Chestatee Regional Hospital in Dahlonega and a plan is in place to acquire Habersham Medical Center in the coming years.

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 2018 in both the residential and commercial categories. Residential permits totaled 288 for 2018. This number includes 192 single-family homes and 96 multi-family permits totaling 708 units. Commercial permits saw an increase in new construction with more than 24 projects with a construction valuation of over $40.5 million. Along with the increase in building permits, the Inspection Services Division conducted 13,761 inspections in 2018. 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 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, a new mixed-use development project totaling an estimated $44.0 million is currently planned for the downtown area. This venture is led by Terwilliger Pappas, who was selected as the winning bid for an RFP issued by the City. The City View site project, dubbed "Solis Gainesville", plans to include 10,000 square feet of retail along with 220 market rate apartments. The City View project will incorporate the existing Highlands to Islands trail along with a gathering space or plaza. The City View site will be built alongside other City amenities such as the new skate park, which is currently under construction, and existing facilities such as the City's Public Safety Complex. The project will include direct access to the Downtown Square via the pedestrian bridge that spans across Jesse Jewell Parkway. Access to more retail space will enhance the Downtown area's appeal and provide more shopping and entertainment outlets to surrounding residents.

Rendering of the City View mixed-use development-Aerial View

As the City moves forward with it's Renaissance Strategic Vision and Plan, an important aspect of the plan is more greenspace and walking paths 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 2019 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 have been implemented include adjusting signal timing and the installation of flashing cross-walk systems at critical intersections, 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.

One of the top improvements cited in the study 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.

Streetscaping construction on the Square

New constructed Downtown Parking Garage

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 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.

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.

Rendering of the City View mixed-use development-Bradford Street View

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 $46.1 million in projected expenditures through fiscal year 2024; $9.3 million of this has been approved to be expended in FY2020. Leading the way in 2020 are projected expenditures totaling $1.2 million for the Midtown Greenway Connectivity project. Other notable projected capital costs include $660,000 for street paving, $600,000 for the relocation of Fire Station #2 and $771,000 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 $13.3 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 2020, Stormwater improvements are projected to cost $843,816.

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 FY2019, as the City enjoyed increased investment earnings by leveraging different strategies and investments.

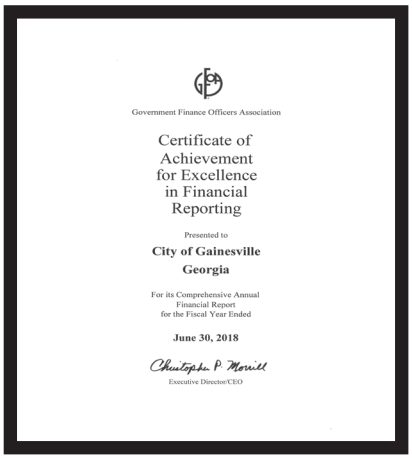
Traffic median beautification ceremony

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, 2018. This was the twenty-eighth 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, 2018. This was the twenty-sixth 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, 2018. This was the fifth 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, 2019.


Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Gainesville

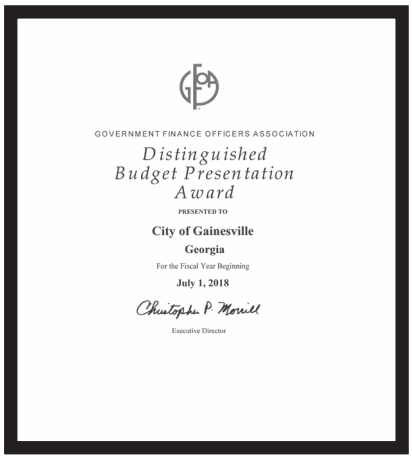
Georgia

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO


GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Gainesville

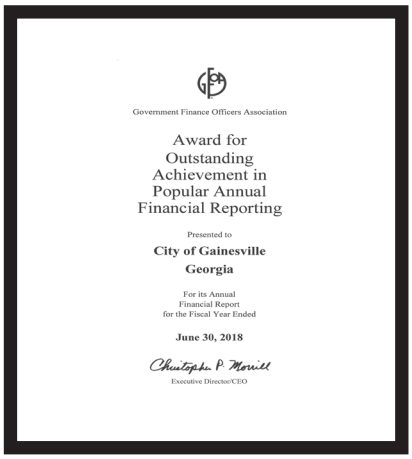
Georgia

For the Fiscal Year Beginning

July 1, 2018

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, 2018

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons of the General Fund, Fire Special Revenue Fund, and Economic Development Special Revenue 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 103 through 117 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, 2018, which are not presented with the accompanying financial statements. In our report dated November 28, 2018, 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 2018 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 2018 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 2018 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 *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2019, 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 25, 2019

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, 2019. 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 xi-xx 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, 2019, by $574.0 million (reported as *net position*). Of this amount, $17.9 million (reported as *unrestricted net position*) may be used to meet the City's ongoing obligations.

- As of June 30, 2019, Gainesville's governmental funds reported combined ending fund balances of $58.0 million. Approximately 17.1% of this total amount, $9.9 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 Units*** – 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 118. 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 eighteen 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, Fire Services Fund, Economic Development Fund, and the General Government Capital Projects Fund, which are considered major funds.

  Data from the other fourteen 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 118-121 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 24-32 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 33-37.

- ***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 38-39.

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 43-102 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 26 and 29), 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 2019 and 2018

	Governmental Activities		Business Type Activities		Total	
			(In millions of dollars)			
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Current assets	$ 68.4	$ 58.2	$ 140.3	$ 128.6	$ 208.7	$ 186.8
Capital assets	106.1	103.5	483.6	483.6	589.7	587.1
Other noncurrent assets	0.1	-	-	-	0.1	-
Total assets	174.6	161.7	623.9	612.2	798.5	773.9
Deferred Outflows of Resources	5.9	5.6	4.1	4.2	10.0	9.8
Current liabilities	8.2	7.6	24.8	27.1	33.0	34.7
Noncurrent liabilities	64.0	64.7	121.8	140.0	185.8	204.7
Total liabilities	72.2	72.3	146.6	167.1	218.8	239.4
Deferred Inflows of Resources	9.4	5.0	6.3	3.3	15.7	8.3
Net position:						
Net investment in capital assets	85.3	85.2	375.0	356.5	460.3	441.7
Restricted	20.9	20.3	74.9	71.6	95.8	91.9
Unrestricted	(7.3)	(15.5)	25.2	17.9	17.9	2.4
Total net position	$ 98.9	$ 90.0	$ 475.1	$ 446.0	$ 574.0	$ 536.0

Net position may serve over time as a useful indicator of a government's financial position. The City of Gainesville reported an $8.9 million increase in net position for governmental activities, while posting $29.1 million in positive growth for business type activities. Overall, the City's net position rose $38.0 million to close the current fiscal year with a $574.0 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 (80.2%) 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 $18.6 million from previous year totals, from $441.7 million to $460.3 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 16.7% of total net position. Restricted net position experienced a $3.9 million gain during the past year, jumping from $91.9 million to $95.8 million at the end of fiscal year 2019. 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 $17.9 million balance at the end of this year, an increase of $15.5 million from fiscal year 2018. 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 improved by $8.2 million between 2018 and 2019, decreasing the deficit balance from $15.5 million to $7.3 million. Business-type activities showed a $7.3 million growth in unrestricted net position. 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.

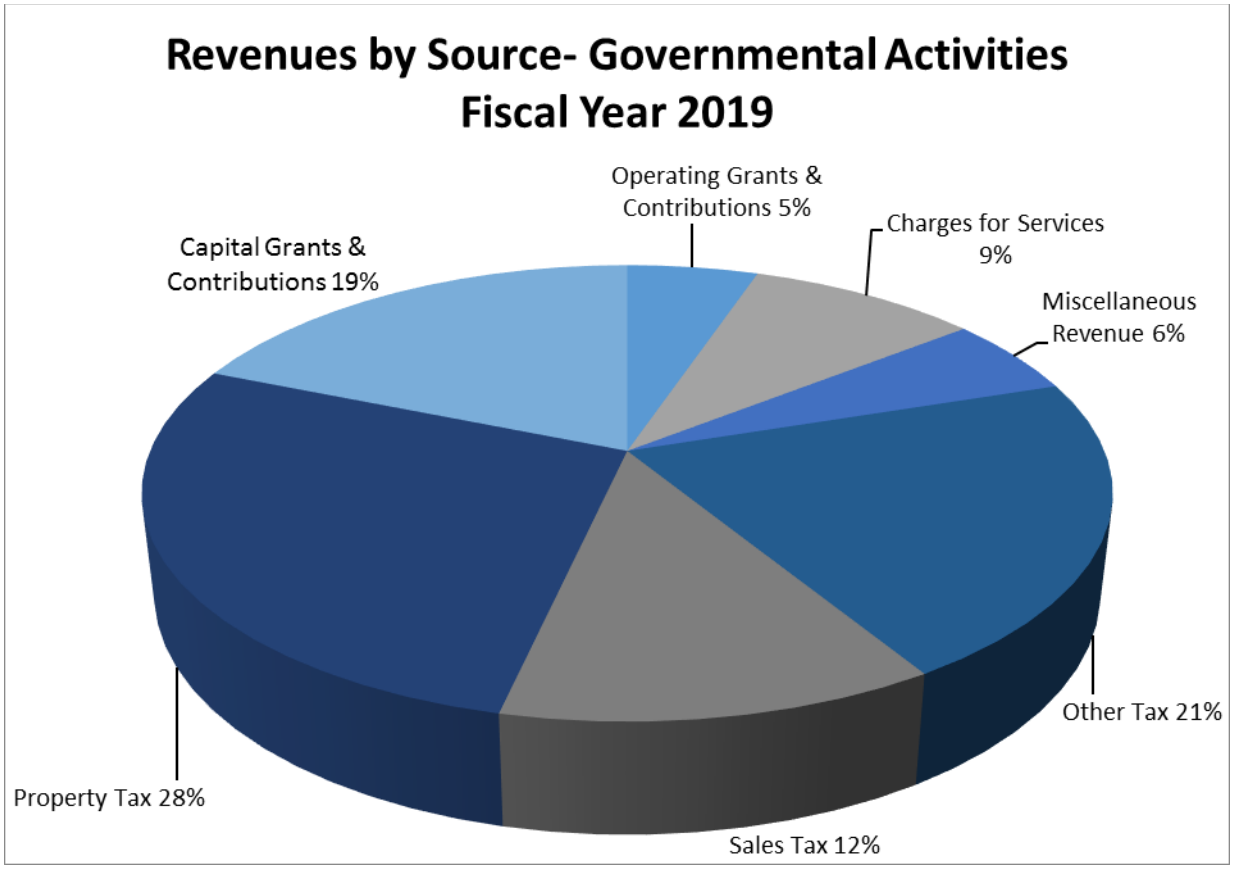
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City of Gainesville's net position changed during the fiscal year.

City of Gainesville
Changes in Net Position
Fiscal Years 2019 and 2018

	Governmental Activities		Business Type Activities		Total	
	(In millions of dollars)					
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	$ 4.7	$ 4.6	$ 79.1	$ 76.8	$ 83.8	$ 81.4
Operating grants and contributions	2.6	4.4	0.0	0.0	2.6	4.4
Capital grants and contributions	9.5	12.1	10.3	9.5	19.8	21.6
General revenues:						
Property taxes	14.0	10.4	0.0	0.0	14.0	10.4
Sales tax	6.2	5.9	0.0	0.0	6.2	5.9
Other taxes	10.8	10.2	0.0	0.0	10.8	10.2
Miscellaneous revenue	2.8	1.8	3.8	2.6	6.6	4.4
Total revenues	50.6	49.4	93.2	88.9	143.8	138.3
Expenses						
General government	7.7	7.2	0.0	0.0	7.7	7.2
Judicial	0.5	0.6	0.0	0.0	0.5	0.6
Public safety	19.9	19.9	0.0	0.0	19.9	19.9
Public works	11.3	6.9	0.0	0.0	11.3	6.9
Health and welfare	2.5	2.4	0.0	0.0	2.5	2.4
Culture and recreation	0.6	0.4	0.0	0.0	0.6	0.4
Housing and development	3.5	2.7	0.0	0.0	3.5	2.7
Interest on long-term debt	0.7	0.5	0.0	0.0	0.7	0.5
Water and sewer	0.0	0.0	54.1	52.9	54.1	52.9
Airport	0.0	0.0	1.3	1.1	1.3	1.1
Solid waste	0.0	0.0	2.4	2.3	2.4	2.3
Golf course	0.0	0.0	1.3	1.3	1.3	1.3
Total expenses	46.7	40.6	59.1	57.6	105.8	98.2
Indirect Cost Allocation	1.4	1.4	(1.4)	(1.4)	0.0	0.0
Increase in net position before transfers	5.3	10.2	32.7	29.9	38.0	40.1
Transfers	3.6	3.9	(3.6)	(3.9)	0.0	0.0
Increase in net position	8.9	14.1	29.1	26.0	38.0	40.1
Net position - beginning	90.0	77.3	446.0	420.6	536.0	497.9
Prior period adjustment	0.0	(1.4)	0.0	(0.6)	0.0	(2.0)
Net position-beginning (restated)	90.0	75.9	446.0	420.0	536.0	495.9
Net position - ending	$ 98.9	$ 90.0	$ 475.1	$ 446.0	$ 574.0	$ 536.0

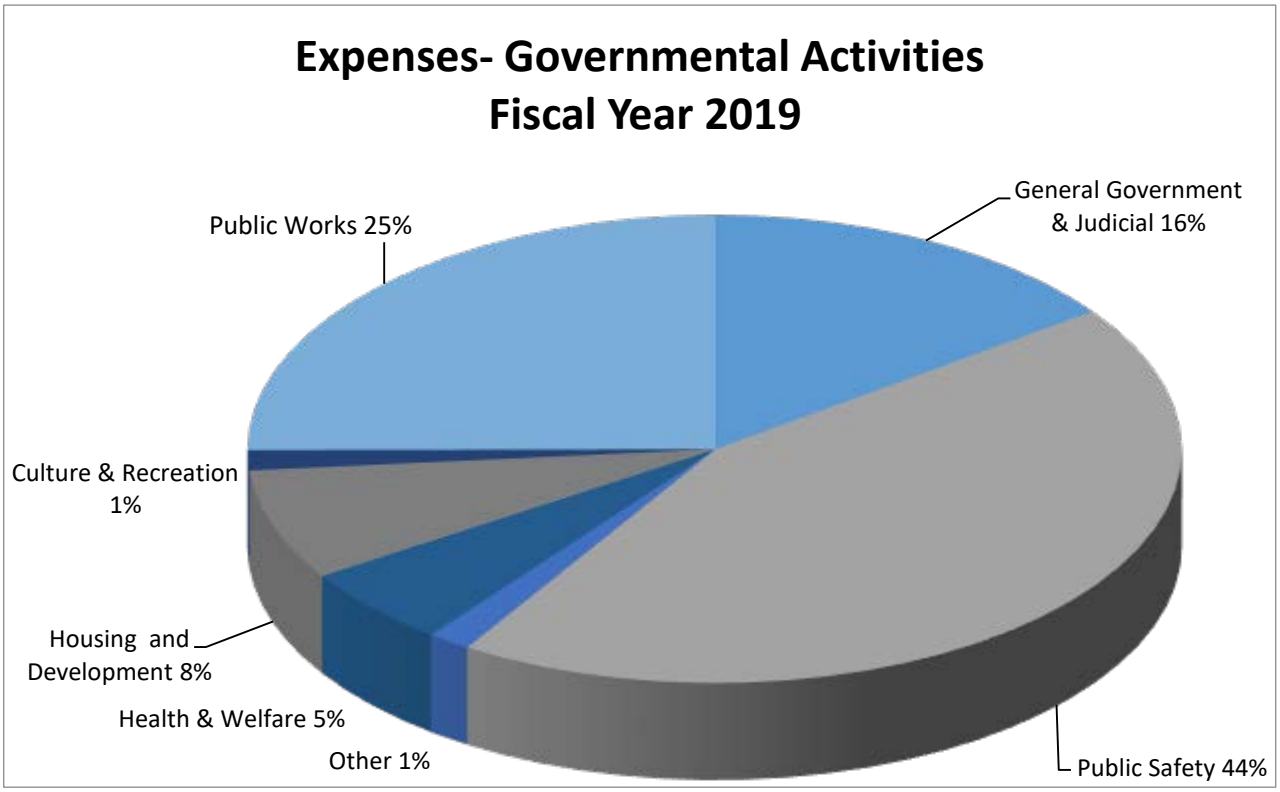
Governmental Activities –

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



The revenue chart indicates that Property Tax was the largest source of revenue for governmental activities during the fiscal year 2019. Property tax revenue surpassed FY18 collections by $3.6 million. A $3.3 million rise in tax collections on current real and personal property made up the bulk of this increase, followed by a $100,382 jump in TAVT. Other tax, which includes franchise, insurance premium, hotel/motel and occupational taxes, represented 21% of governmental activities revenue. Other tax showed an increase from FY2018; this is due mainly to a $299,159 upsurge in franchise fee collections. Capital Grants and Contributions exhibited a $2.6 million reduction from FY18 totals; contributions were higher in FY18 due to SPLOST funding of the Senior Center. Sales tax, which comprised 12% of governmental activities revenue, experienced a $350,704 boost over 2018 collections. Charges for services made up 9% of total revenue as well; this source showed a $60,109 rise from 2018 totals.

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 2019 was providing Public Safety services such as fire and police protection, followed by Public Works. Overall, costs were up $6.1 million when compared with FY18. The largest portion of increased expenditure stems from Public Works, which shows a $4.4 million upturn for costs associated with various projects including $1.1 million for street paving, $797,503 for the Stormwater Rehabilitation Project, $464,823 for the Information Technology project, and $616,984 for the FY18 Street Resurfacing Program. Housing and Development costs, which make up 8% of governmental activities expense, showed a $797,830 increase in costs from FY2018. Community Development Block Grant Program (CDBG) expenses were up considerably in FY2019, due partly to the Presley Davis Street Acquisition and the McDonald Street Buffer project. Public Safety had a $29,590 reduction in costs when compared to fiscal year 2018. General Government and Judicial expense, which makes up 16% of total governmental activities, shows a $455,563 rise in costs.

Business-type Activities –

Business-type activities increased the City of Gainesville's net position by $29.1 million, expanding total net position to $475.1 million. Key elements involving business-type activities are as follows:

- Total revenue for business-type activities was $4.3 million higher than collections recorded in FY18. This gain is due predominantly to a $2.3 million surge in charges for services, as well as an increase in interest revenue earned due to favorable investment rates. Water sales were up $997,545 due to a 2.59% increase in water volume usage. Capital contributions were down $1.1 million from FY18 totals.

- FY19 Solid Waste and Airport charges for services increased $78,263 and $43,898 from fiscal year 2018 totals, respectively, while Golf Course operating revenues tracked closely with 2018 collections.

- Overall expenses for business-type activities were up $1.5 million from FY18 totals. Department of Water Resources experienced a $1.2 million rise in costs, with the largest growth occurring in costs of sales and services; $473,462 of this increase occurred with personal services cost, while $495,954 is a result of higher repair and maintenance expense. Airport expenses increased $213,223 over fiscal year 2018 totals, due largely to a $136,975 upturn in capital outlay expense and a $13,348 rise in depreciation expense. Solid Waste expenses were up $126,015 with increases of $42,706, $38,882, and $36,487 in personal services, landfill changes and depreciation expense respectively. Golf Course showed reduced expense of $42,245.

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 $58.0 million. Of this amount, $9.9 million or 17.1% 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 2020 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

$9.9 million, while total fund balance reached $13.7 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 46.5% of total General Fund expenditures, while total fund balance represents 64.3% of that same amount. Of the $13.7 million total fund balance for the general fund, $3.6 million is assigned, comprised predominantly of $3.5 million which is assigned for budget.

The General Fund's fund balance increased by $444,164 during the current fiscal year. This was due to better than projected revenue proceeds, combined with maintaining costs below budget. Other key factors regarding FY19 activity are as follows:

Total tax revenue exceeded the budget by $2.1 million, $1.7 million of this increase was due to better than anticipated Local Option Sales, Franchise, TAVT and Insurance Premium tax collections. In addition, investment income revenue totals came in $635,151 ahead of budget. Expenditures came in under budget by $1.4 million; personal services accounted for $754,488 of this cost reduction. Public Works expense was $464,052 less than budget; $249,940 of this savings was in personal services costs due to unfilled positions. Police was under budget by $409,245; $316,923 of this total was attributable to personal services cost savings due to unfilled positions as well.

- Transfers to the General Fund totaled $3.4 million, with $3.3 million originating from Department of Water Resources for General Fund operations, followed by $36,893 transferred from the Impact Fee fund for administrative fee services. Transfers out of the General Fund totaled $9.4 million; $4.5 million was transferred to the General Government Capital Projects for various projects, including $825,000 for the Administration Building Renovation, $900,000 for the Dawsonville Highway and McEver Road Connector, $425,000 for road improvements on Park Hill Drive, and $400,000 for Washington and Bradford Street streetscaping. In addition, $3.2 million was transferred to the Fire Services District, while $869,405 was transmitted to the Community Service Center (CSC), providing assistance with CSC operational costs.

The **Fire Services Fund** has a $774,429 fund balance at fiscal year-end. Of this fund balance, $474,429 is assigned for Public Safety, while $300,000 is assigned for Budget. Among the fund's expenditures was $7.3 million paid out in personal services expense, $11,019 paid for the Hall County Joint Fire Training Facility as well as other general operating expenses. The largest source of revenue for the Fire Services Fund was $5.9 million from Property and Real and Motor Vehicle tax collections. The Fire Services Fund also received $3.2 million in transfers from the General Fund related to Insurance Premium Tax.

The **Economic Development Fund** has a $6.0 million fund balance at fiscal year-end. $65,000 of this amount is assigned for budget, with the remaining balance assigned for Housing and Development. The largest source of revenue for the Economic Development Fund was $1.1 million from Investment Income revenue, of which $1.0 million was due to the sale of the Industrial Park Property and the remaining $96,483 was earned on invested cash.

The **General Government Capital Projects Fund** has a $9.6 million fund balance at fiscal year-end. Of this fund balance, $1.6 million is restricted for Health and Welfare projects; this restricted money is allocated to the Parking Deck Public Restroom and Washington and Bradford Street Streetscaping projects. Another $858,332 is restricted for General Government projects; $388,311 of this total is for City Signage projects. Of the $4.2 million assigned for Public Works, $1.5 million is for Streetscaping and $900,000 for the Dawsonville Highway/McEver Road project. Among the fund's expenditures was $3.9 million paid for the Parking Deck and Public Restroom, $176,155 paid for Interchange Beautification, $235,000 for the Washington and Bradford Streetscaping project, and $231,423 for the Sidewalk Program. The largest source of revenue for the General Government Capital Projects Fund was transfers from various City funds, including $4.5 million from the General Fund and $684,380 from the Department of Water Resources. Also, $4.9 million was received from the issuance of a capital lease for the Parking Deck Expansion project.

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:

- Increased the Local Options Sales Tax revenue budget and the Public Land and Buildings budget by $324,000 for costs associated with building improvements.

- Increased Transfer to Capital Projects budget by $65,600 for the Fiber Cable Relocation on Jesse Jewell Parkway.

- Transfer to Fire Fund was increased by $500,000 for capital projects.

- Contingency was adjusted $446,196; $200,000 was associated with the Turner, Wood and Smith Property, and another $228,000 for project budget increases.

- Increased budgeted fund balance to cover FY20 reappropriations.

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

General Fund expenditures for fiscal 2019 were $21.3 million, 93.9% 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 $1.4 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 $754,488.

Total actual revenues exceeded the final amended budget by a total of $2.9 million; this is due mainly to tax collections, which came in $2.1 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	$20,630,515
▪ Nonmajor Funds (Airport, Solid Waste, Golf Course)	$3,270,314
Total	$23,900,829

Prior to the consolidation adjustment of internal service fund activity, the total increase in combined net position showed a growth of $29.3 million, with net investment in capital assets showing an increase of $18.5 million. Overall unrestricted net position for all four enterprise funds showed a $7.3 million increase from FY18.

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 $589.8 million in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, buildings, and machinery and equipment. Approximately 82.0% of this investment is related to business-type activities while only 18.0% 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 2019 and 2018

	Governmental Activities		Business Type Activities		Total	
	(In millions of dollars)					
	2019	2018	2019	2018	2019	2018
Land	$ 27.6	$ 26.4	$ 34.5	$ 33.6	$ 62.1	$ 60.0
Buildings	58.8	58.7	53.0	52.2	111.8	110.9
Improvements other than buildings	3.3	3.1	10.1	10.2	13.4	13.3
Vehicles and equipment	23.3	22.8	40.2	38.4	63.5	61.2
Infrastructure	41.6	39.3	560.3	551.9	601.9	591.2
Intangibles	3.1	3.2	6.1	6.1	9.2	9.3
Construction in progress	6.6	3.8	39.2	35.9	45.8	39.7
Total	164.3	157.3	743.4	728.3	907.7	885.6
Accumulated depreciation	(58.2)	(54.0)	(259.7)	(244.7)	(317.9)	(298.7)
Net Capital Assets	$ 106.1	$ 103.3	$ 483.7	$ 483.6	$ 589.8	$ 586.9

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

- Parking Deck Expansion and Public Restroom, $3.9 million
- Midtown Greenway, $303,825
- Asphalt Patch Truck, $179,629
- Stormwater Rehabilitation Program, $797,503

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

- Riverside Drive Water Treatment Plant Improvements, $2.0 million
- Lanier Islands/Martin Road Utilities Relocation, $1.2 million
- Downtown Utilities Improvements, $1.3 million

Additional information on the City of Gainesville's capital assets can be found in Note 9 on pages 68-70 of this report.

Long-term debt. At June 30, 2019, the City of Gainesville had $126.5 million in bonds, notes, and capital leases outstanding, net of unamortized bond premium and discount. This is a $16.3 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 2019 and 2018

	Governmental Activities		Business Type Activities		Total	
			(In millions of dollars)			
	2019	2018	2019	2018	2019	2018
Capital Leases	$ 20.6	$ 17.8	$ 17.6	$ 19.5	$ 38.2	$ 37.3
Revenue Bonds	-	-	78.4	94.6	78.4	94.6
Unamortized Bond Premium	-	-	9.9	10.9	9.9	10.9
Total	$ 20.6	$ 17.8	$ 105.9	$ 125.0	$ 126.5	$ 142.8

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 $523.6 million, which is significantly in excess of the City's general obligation debt outstanding of $20.6 million.

Additional information on the City's long-term debt can be found in Notes 10, 11, 12, and 13 on pages 71-78 of this report.

Economic Condition and Outlook

- According to the most recent U.S. Census numbers, the population for Gainesville is 41,464 with current estimates showing a 22.7% uptick in population since the 2010 census was released.

- Gainesville adopted a 3.322 tax millage rate for fiscal year 2020. The gross property tax digest for the City of Gainesville rose from $5.2 billion for fiscal year 2019 to $5.6 billion for fiscal year 2020, which computes to a 7.69% 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 2020. Departments are spending conservatively and continue to monitor their 2020 budgeted costs closely.

These were among the many factors taken into consideration when preparing the 2020 budget. Of the $13.7 million fund balance in the General Fund, $3.5 million has been appropriated for spending in the 2020 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, 2019

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	$ 64,252,178	$ 42,853,485	$ 107,105,663	$ 4,251,899
Investments	10,842,064	0	10,842,064	0
Restricted assets				
Cash and cash equivalents	0	77,559,209	77,559,209	200,000
Receivables (net)				
Accounts	364,814	5,457,932	5,822,746	21,763
Intergovernmental	2,321,111	1,744,541	4,065,652	0
Taxes	1,311,357	0	1,311,357	40,912
Notes	101,915	0	101,915	0
Other	0	20,684	20,684	0
Internal balances	(11,032,945)	11,032,945	0	0
Inventories	128,186	1,663,480	1,791,666	0
Prepaid items	11,743	0	11,743	0
Other	140,000	0	140,000	0
Total current assets	68,440,423	140,332,276	208,772,699	4,514,574
Noncurrent assets				
Notes receivable	123,154	0	123,154	0
Capital assets				
Non-depreciable	34,163,534	73,761,290	107,924,824	4,898,825
Depreciable (net)	71,951,211	409,897,049	481,848,260	4,843,526
Total noncurrent assets	106,237,899	483,658,339	589,896,238	9,742,351
Total assets	174,678,322	623,990,615	798,668,937	14,256,925
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	0	274,960	274,960	0
Deferred outflows related to pensions	4,760,109	3,042,701	7,802,810	108,337
Deferred outflows related to other post employment benefits	1,108,929	750,327	1,859,256	122,616
Total deferred outflows of resources	5,869,038	4,067,988	9,937,026	230,953
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,983,933	2,045,658	4,029,591	143,017
Retainages	57,189	179,320	236,509	0
Intergovernmental	0	827,429	827,429	8,585
Sales tax	0	9,272	9,272	9,305
Deposits	135,902	4,036	139,938	0
Interest	86,208	7,543	93,751	0
Accrued salaries	744,110	453,270	1,197,380	121,324
Compensated absences	1,247,639	730,737	1,978,376	110,343
Claims reserve	2,323,069	0	2,323,069	0
Capital lease payable	1,533,430	1,977,016	3,510,446	0
Other liabilities	104,167	47,450	151,617	15,271
Liabilities payable from restricted assets				
Payables				
Accounts	0	2,475,704	2,475,704	0
Retainages	0	779,916	779,916	0
Customer deposits	0	2,320,129	2,320,129	0
Interest	0	360,262	360,262	0
Bonds payable	0	12,615,000	12,615,000	0
Total current liabilities	8,215,647	24,832,742	33,048,389	407,845

See accompanying notes to the financial statements.

Exhibit A-1, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2019

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Noncurrent liabilities				
Compensated absences	$ 138,626	$ 81,194	$ 219,820	$ 12,261
Net pension liability	28,834,209	19,603,777	48,437,986	538,475
Net OPEB liability	16,012,582	10,815,884	26,828,466	1,763,529
Capital lease payable	19,024,051	15,582,468	34,606,519	0
Bonds payable	0	75,695,630	75,695,630	0
Total noncurrent liabilities	64,009,468	121,778,953	185,788,421	2,314,265
Total liabilities	72,225,115	146,611,695	218,836,810	2,722,110
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	3,619,244	2,376,446	5,995,690	172,246
Deferred inflows related to other post employment benefits	5,771,635	3,950,677	9,722,312	655,247
Total deferred inflows of resources	9,390,879	6,327,123	15,718,002	827,493
NET POSITION				
Net investment in capital assets	85,297,394	374,995,209	460,292,603	9,732,068
Restricted for:				
General Government	918,694	0	918,694	0
Public Safety	4,774,596	0	4,774,596	0
Public Works	6,557,770	0	6,557,770	0
Health and Welfare	2,881,713	0	2,881,713	0
Culture and Recreation	2,676,736	0	2,676,736	5,255
Housing and Development	1,647,279	0	1,647,279	0
Debt Service	1,509,966	7,294,471	8,804,437	0
Capital Outlay	0	67,609,996	67,609,996	225
Unrestricted	(7,332,782)	25,220,109	17,887,327	1,200,727
Total net position	$ 98,931,366	$ 475,119,785	$ 574,051,151	$ 10,938,275

See accompanying notes to the financial statements.

Exhibit A-1, continued

Gainesville, Georgia

Since 1821

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2019

			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	$ 7,672,674	$ (1,444,339)	$ 794,308	$ 143,964	$ 0	$ (5,290,063)
Judicial	556,125	0	0	0	0	(556,125)
Public Safety	19,889,133	0	1,740,436	435,596	0	(17,713,101)
Public Works	11,350,947	0	216,335	28,217	8,533,153	(2,573,242)
Health and Welfare	2,484,051	0	93,394	1,682,618	0	(708,039)
Culture and Recreation	628,343	0	0	0	778,223	149,880
Housing and Development	3,481,766	0	1,808,750	346,717	236,681	(1,089,618)
Interest on long-term debt	652,514	0	0	0	0	(652,514)
Total governmental activities	46,715,553	(1,444,339)	4,653,223	2,637,112	9,548,057	(28,432,822)
Business-type activities						
Department of Water Resources	54,113,056	1,088,326	74,135,037	0	8,488,382	27,422,037
Airport	1,296,607	209,561	975,041	0	1,860,305	1,329,178
Solid Waste	2,400,048	146,452	2,965,987	0	0	419,487
Golf Course	1,307,389	0	1,063,022	0	0	(244,367)
Total business-type activities	59,117,100	1,444,339	79,139,087	0	10,348,687	28,926,335
Total primary government	105,832,653	0	83,792,310	2,637,112	19,896,744	493,513
Component Units						
Communication and Tourism Housing and Development	598,511	0	0	0	0	(598,511)
Parks and Recreation Culture and Recreation	5,758,370	0	1,836,045	637,121	0	(3,285,204)
Total Component Units	6,356,881	0	1,836,045	637,121	0	(3,883,715)

	Governmental Activities	Business-Type Activities	Total	Component Units
Change in net position				
Net (expense) revenue	$ (28,432,822)	$ 28,926,335	$ 493,513	$ (3,883,715)
General revenues				
Taxes				
Property	13,975,315	0	13,975,315	3,591,958
Intangibles	179,964	0	179,964	0
Franchise	4,507,256	0	4,507,256	0
Occupational	1,418,919	0	1,418,919	0
Insurance premium	2,433,437	0	2,433,437	0
Alcoholic beverages	1,160,672	0	1,160,672	0
Hotel/Motel	1,053,683	0	1,053,683	0
Local option sales	6,235,875	0	6,235,875	0
Investment	2,421,542	3,625,899	6,047,441	96,205
Payments from City of Gainesville	0	0	0	766,385
Gain on sale of assets	60,948	53,525	114,473	190,044
Miscellaneous	337,490	86,220	423,710	21,357
Transfers	3,577,520	(3,577,520)	0	0
Total general revenues and transfers	37,362,621	188,124	37,550,745	4,665,949
Change in net position	8,929,799	29,114,459	38,044,258	782,234
Net position - beginning	90,001,567	446,005,326	536,006,893	10,156,041
Net position - ending	$ 98,931,366	$ 475,119,785	$ 574,051,151	$ 10,938,275

See accompanying notes to the financial statements.

Exhibit A-2

CITY OF GAINESVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General	Fire	Economic Development
ASSETS			
Cash and cash equivalents	$ 12,697,067	$ 1,030,184	$ 5,502,188
Investments	0	0	10,548,835
Receivables (net)			
Accounts	97,729	403	1,748
Intergovernmental	372,892	491	0
Taxes	1,139,691	49,146	0
Notes	0	0	0
Prepaid items	2,424	0	0
Due from other funds	355,028	0	0
Inventory	0	0	0
Advances to other funds	223,370	0	0
Total assets	$ 14,888,201	$ 1,080,224	$ 16,052,771
LIABILITIES			
Payables			
Accounts	$ 585,000	$ 54,313	$ 3,684
Retainages	3,106	0	0
Accrued salaries	473,407	209,965	0
Due to other funds	0	0	10,017,622
Due to others	62,246	0	0
Total liabilities	1,123,759	264,278	10,021,306
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue -			
Property taxes	55,867	41,517	0
Notes receivable	0	0	0
Total deferred inflows of resources	55,867	41,517	0
FUND BALANCES			
Nonspendable	225,794	0	0
Restricted	0	0	0
Committed	4,957	0	0
Assigned	3,604,326	774,429	6,031,465
Unassigned	9,873,498	0	0
Total fund balances	13,708,575	774,429	6,031,465
Total liabilities, deferred inflows of resources, and fund balances	$ 14,888,201	$ 1,080,224	$ 16,052,771

See accompanying notes to the financial statements.

Exhibit A-3, continued

General Government Capital Projects	Nonmajor Governmental Funds	Totals
$ 9,593,742	$ 26,836,978	$ 55,660,159
0	293,229	10,842,064
238,489	30	338,399
0	1,939,221	2,312,604
0	122,520	1,311,357
0	225,069	225,069
0	9,319	11,743
0	1,500,472	1,855,500
0	34,002	34,002
0	0	223,370
$ 9,832,231	$ 30,960,840	$ 72,814,267
$ 224,303	$ 897,309	$ 1,764,609
15,453	38,630	57,189
0	49,521	732,893
0	1,774,912	11,792,534
0	41,922	104,168
239,756	2,802,294	14,451,393
0	27,003	124,387
0	225,069	225,069
0	252,072	349,456
0	43,321	269,115
2,491,346	18,223,337	20,714,683
0	385,580	390,537
7,101,129	9,254,236	26,765,585
0	0	9,873,498
9,592,475	27,906,474	58,013,418
$ 9,832,231	$ 30,960,840	$ 72,814,267

See accompanying notes to the financial statements.

Exhibit A-3, continued

Gainesville, Georgia

Since 1821

CITY OF GAINESVILLE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2019

Total fund balance - total governmental funds		$ 58,013,418
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		106,114,745
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are unavailable in the funds. These are:		
Property taxes	$ 124,387	
Notes receivable	225,069	349,456
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are:		
Capital leases	$ (20,557,481)	
Interest payable	(86,208)	
Compensated absences	(1,386,265)	
Net pension liability	(28,834,209)	
Net OPEB obligation	(16,012,582)	(66,876,745)
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	$ 4,760,109	
Deferred outflows related to other post employment benefits	1,108,929	
Deferred inflows of resources:		
Deferred inflows related to pensions	(3,619,244)	
Deferred inflows related to other post employment benefits	(5,771,635)	(3,521,841)
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	$ 6,300,812	
Less internal balance resulting from allocation of internal service fund activities allocated to business-type activities	(1,319,280)	
Less capital assets included above	(159,742)	
Add compensated absences included above	30,543	4,852,333
Net position of governmental activities		$ 98,931,366

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, 2019

	General	Fire	Economic Development
REVENUES			
Taxes	$ 21,150,543	$ 5,940,994	$ 0
Licenses and permits	1,192,531	0	0
Fines, fees and forfeitures	1,270,227	0	0
Charges for services	2,771,075	0	0
Intergovernmental	404,061	3,298	0
Investment	745,151	23,591	1,137,320
Contributions	13,732	0	0
Other	251,353	0	0
Total revenues	27,798,673	5,967,883	1,137,320
EXPENDITURES			
Current			
General Government	5,060,187	0	0
Judicial	536,900	0	0
Public Safety	9,417,675	8,392,915	0
Public Works	4,783,471	0	0
Health and Welfare	19,500	0	0
Culture and Recreation	0	0	0
Housing and Development	1,525,495	0	206,827
Debt service			
Principal	0	0	0
Interest and other charges	0	0	0
Capital outlay	0	0	0
Total expenditures	21,343,228	8,392,915	206,827
Excess (deficiency) of revenues over (under) expenditures	6,455,445	(2,425,032)	930,493
Other financing sources (uses)			
Transfers in	3,334,595	3,199,225	0
Transfers out	(9,397,763)	0	0
Issuance of capital leases	0	0	0
Sales of capital assets	51,887	236	0
Total other financing sources (uses)	(6,011,281)	3,199,461	0
Net changes in fund balances	444,164	774,429	930,493
Fund balances, July 1	13,264,411	0	5,100,972
Fund balances, June 30	$ 13,708,575	$ 774,429	$ 6,031,465

See accompanying notes to the financial statements.

Exhibit A-5, continued

General Government Capital Projects	Nonmajor Governmental Funds	Totals
$ 0	$ 3,846,982	$ 30,938,519
0	0	1,192,531
0	470,209	1,740,436
0	1,490,995	4,262,070
0	2,733,908	3,141,267
55,633	6,065,386	8,027,081
0	155,570	169,302
0	86,133	337,486
55,633	14,849,183	49,808,692
0	180,766	5,240,953
0	0	536,900
0	610,217	18,420,807
0	4,275	4,787,746
0	2,834,079	2,853,579
0	626,120	626,120
0	1,193,805	2,926,127
0	2,176,859	2,176,859
0	630,248	630,248
6,033,782	4,509,592	10,543,374
6,033,782	12,765,961	48,742,713
(5,978,149)	2,083,222	1,065,979
5,363,546	2,167,691	14,065,057
(104,226)	(985,549)	(10,487,538)
4,933,489	0	4,933,489
0	53,039	105,162
10,192,809	1,235,181	8,616,170
4,214,660	3,318,403	9,682,149
5,377,815	24,588,071	48,331,269
$ 9,592,475	$ 27,906,474	$ 58,013,418

See accompanying notes to the financial statements.

Exhibit A-5, continued

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, 2019

Net change in fund balances - total governmental funds		$ 9,682,149
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	$ 5,621,722	
Depreciation	(4,776,676)	845,046
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	$ (1,985,204)	
Related accumulated depreciation	846,503	(1,138,701)
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.		
Component Unit	$ 156,138	
Business-type activities	280,332	
Related accumulated depreciation	(280,332)	
Individual contributors	2,896,376	
Other governments	64,696	3,117,210
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.		(20,121)
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	$ 2,184,363	
Debt proceeds	(4,933,489)	
Net change in interest payable	(37,274)	(2,786,400)
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	$ 3,773,121	
Cost of benefits earned net of employee contributions	(4,655,742)	(882,621)
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	$ 1,505,735	
Cost of benefits earned net of employee contributions	(1,186,009)	319,726
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		(99,308)
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	$ (282,223)	
Add depreciation expense included above	37,581	
Add change in compensated absences included above	4,069	
Add consolidation of internal service fund activities allocated to business-type activities	178,935	
Subtract capital outlay included above	(45,543)	(107,181)
Change in net position of governmental activities		$ 8,929,799

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, 2019

	Budget			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 18,686,317	$ 19,010,317	$ 21,150,543	$ 2,140,226
Licenses and permits	877,000	877,000	1,192,531	315,531
Fines, fees and forfeitures	1,360,000	1,360,000	1,270,227	(89,773)
Charges for services	2,887,335	2,887,335	2,771,075	(116,260)
Intergovernmental	404,951	421,362	404,061	(17,301)
Investment	110,000	110,000	745,151	635,151
Contributions	0	7,377	13,732	6,355
Other	270,400	270,400	251,353	(19,047)
Total revenues	24,596,003	24,943,791	27,798,673	2,854,882
EXPENDITURES				
Current				
General Government				
Mayor and Council	385,920	398,452	311,275	87,177
City Manager's Office	874,008	887,963	855,325	32,638
Finance	1,301,737	1,297,267	1,250,275	46,992
Information Technologies	802,994	963,622	899,540	64,082
Human Resources	811,732	809,279	739,588	69,691
Public Lands and Buildings	697,494	1,164,605	1,004,184	160,421
Judicial				
Municipal Court	572,498	563,649	536,900	26,749
Public Safety				
Police	9,867,761	9,826,920	9,417,675	409,245
Public Works				
Engineering	1,035,927	1,029,827	1,011,544	18,283
Traffic	1,384,048	1,340,448	1,238,104	102,344
Street Maintenance	1,832,964	1,854,746	1,656,208	198,538
Storm Water	415,255	415,255	303,972	111,283
Cemetery	609,247	607,247	573,643	33,604
Health and Welfare				
Agency allocations	12,500	19,500	19,500	0
Housing and Development				
Planning	589,824	734,104	722,800	11,304
Inspection	453,459	425,248	406,811	18,437
Code Enforcement	368,892	370,636	362,884	7,752
Agency allocations	33,000	33,000	33,000	0
Total expenditures	22,049,260	22,741,768	21,343,228	1,398,540
Excess (deficiency) of revenues over (under) expenditures	2,546,743	2,202,023	6,455,445	4,253,422
Other financing sources (uses)				
Transfers in (out)				
Transfers in	3,257,067	3,388,106	3,334,595	(53,511)
Transfers out	(8,648,974)	(9,496,735)	(9,397,763)	98,972
Contingency	(691,577)	(245,381)	0	245,381
Sales of capital assets	40,000	40,000	51,887	11,887
Total other financing sources (uses)	(6,043,484)	(6,314,010)	(6,011,281)	302,729
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,496,741)	(4,111,987)	444,164	4,556,151
Fund balances, July 1	3,496,741	4,111,987	13,264,411	9,152,424
Fund balances, June 30	$ 0	$ 0	$ 13,708,575	$ 13,708,575

See accompanying notes to the financial statements.

Exhibit A-7

CITY OF GAINESVILLE, GEORGIA
FIRE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2019

	Budget			Variance with Final
	Original	**Final**	**Actual**	**Budget**
REVENUES				
Property taxes	$ 5,777,256	$ 5,777,256	$ 5,892,252	$ 114,996
Motor vehicle	60,719	60,719	48,742	(11,977)
Intergovernmental	0	0	3,298	3,298
Investment	20,000	20,000	23,591	3,591
Total revenues	5,857,975	5,857,975	5,967,883	109,908
EXPENDITURES				
Current				
Public Safety				
Fire	8,557,200	8,557,200	8,392,915	164,285
Debt Service	284,000	784,000	0	784,000
Total expenditures	8,841,200	9,341,200	8,392,915	948,285
Excess (deficiency) of revenues over (under) expenditures	(2,983,225)	(3,483,225)	(2,425,032)	1,058,193
Other financing sources (uses)				
Transfers in (out)				
Transfers in	2,699,225	3,199,225	3,199,225	0
Sales of capital assets	0	0	236	236
Total other financing sources (uses)	2,699,225	3,199,225	3,199,461	236
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(284,000)	(284,000)	774,429	1,058,429
Fund balances, July 1	284,000	284,000	0	(284,000)
Fund balances, June 30	$ 0	$ 0	$ 774,429	$ 774,429

See accompanying notes to the financial statements.

Exhibit A-8

CITY OF GAINESVILLE, GEORGIA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2019

	Budget			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Investment	$ 162,500	$ 162,500	$ 1,137,320	$ 974,820
EXPENDITURES				
Current				
Housing and Development				
Other	220,500	220,500	206,827	13,673
Excess (deficiency) of revenues over (under) expenditures	(58,000)	(58,000)	930,493	988,493
Fund balances, July 1	58,000	58,000	5,100,972	5,042,972
Fund balances, June 30	$ 0	$ 0	$ 6,031,465	$ 6,031,465

See accompanying notes to the financial statements.

Exhibit A-9

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
ASSETS				
Current assets				
Cash and cash equivalents	$ 38,379,761	$ 4,473,724	$ 42,853,485	$ 8,592,019
Restricted assets				
Cash and cash equivalents	77,559,209	0	77,559,209	0
Receivables (net)				
Accounts	5,167,628	290,304	5,457,932	26,415
Intergovernmental	216,266	1,528,275	1,744,541	8,507
Other	20,684	0	20,684	0
Due from other funds	10,017,622	0	10,017,622	0
Inventories	1,663,480	0	1,663,480	94,184
Other assets	0	0	0	140,000
Total current assets	133,024,650	6,292,303	139,316,953	8,861,125
Noncurrent assets				
Capital assets				
Non-depreciable	71,150,853	2,610,437	73,761,290	0
Depreciable (net)	399,036,144	10,860,905	409,897,049	159,742
Total noncurrent assets	470,186,997	13,471,342	483,658,339	159,742
Total assets	603,211,647	19,763,645	622,975,292	9,020,867
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	237,639	37,321	274,960	0
Deferred outflows related to pensions	2,921,361	121,340	3,042,701	0
Deferred outflows related to other post employment benefits	658,912	91,415	750,327	0
Total deferred outflow of resources	3,817,912	250,076	4,067,988	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,596,364	449,294	2,045,658	219,324
Intergovernmental	827,429	0	827,429	0
Deposits	0	4,036	4,036	135,902
Retainage	0	179,320	179,320	0
Sales tax	0	9,272	9,272	0
Interest	0	7,543	7,543	0
Accrued salaries	395,785	57,485	453,270	11,217
Due to other funds	0	80,587	80,587	0
Compensated absences	656,721	74,016	730,737	27,489
Claims reserve	0	0	0	2,323,069
Capital lease payable	1,261,588	715,428	1,977,016	0
Other liabilities	0	47,450	47,450	0
Liabilities payable from restricted assets:				
Payables				
Accounts	2,475,704	0	2,475,704	0
Retainages	779,916	0	779,916	0
Customer deposits	2,320,129	0	2,320,129	0
Interest	360,262	0	360,262	0
Revenue bonds payable	12,615,000	0	12,615,000	0
Total current liabilities	23,288,898	1,624,431	24,913,329	2,717,001

See accompanying notes to the financial statements.

Exhibit A-10, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
Noncurrent liabilities				
Advances from other funds	$ 0	$ 223,370	$ 223,370	$ 0
Compensated absences	72,969	8,225	81,194	3,054
Net pension liability	19,093,839	509,938	19,603,777	0
Net OPEB liability	9,498,305	1,317,579	10,815,884	0
Capital leases payable	13,877,468	1,705,000	15,582,468	0
Revenue bonds payable	75,695,630	0	75,695,630	0
Total noncurrent liabilities	118,238,211	3,764,112	122,002,323	3,054
Total liabilities	141,527,109	5,388,543	146,915,652	2,720,055
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	2,116,025	260,421	2,376,446	0
Deferred inflows related to other post employment benefits	3,469,005	481,672	3,950,677	0
Total deferred inflows of resources	5,585,030	742,093	6,327,123	0
NET POSITION				
Net investment in capital assets	364,408,087	10,587,122	374,995,209	159,742
Restricted for:				
Capital outlay	67,584,347	25,649	67,609,996	0
Debt service	7,294,471	0	7,294,471	0
Unrestricted	20,630,515	3,270,314	23,900,829	6,141,070
Total net position	$ 459,917,420	$ 13,883,085	473,800,505	$ 6,300,812
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			1,319,280	
Net position of business-type activities			$ 475,119,785	

See accompanying notes to the financial statements.

Exhibit A-10, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2019

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
OPERATING REVENUES				
Charges for sales and services	$ 74,135,037	$ 5,004,050	$ 79,139,087	$ 0
Interfund services provided	0	0	0	12,857,706
Other	64,161	22,059	86,220	8,561
Total operating revenues	74,199,198	5,026,109	79,225,307	12,866,267
OPERATING EXPENSES				
Costs of sales and services	22,379,999	1,945,579	24,325,578	12,913,582
Personal services	13,934,033	1,912,120	15,846,153	387,228
Depreciation	15,334,337	1,418,677	16,753,014	37,581
Total operating expenses	51,648,369	5,276,376	56,924,745	13,338,391
Operating income (loss)	22,550,829	(250,267)	22,300,562	(472,124)
Non-operating revenues (expenses)				
Investment revenue	3,529,834	133,313	3,663,147	186,986
Interest expense	(3,332,805)	(83,681)	(3,416,486)	0
Gain (loss) on sale of capital assets	(78,521)	53,525	(24,996)	2,915
Total non-operating revenues (expenses)	118,508	103,157	221,665	189,901
Income (loss) before capital contributions and transfers	22,669,337	(147,110)	22,522,227	(282,223)
Capital contributions				
Connection fees	4,363,061	0	4,363,061	0
Capital contributions	4,125,321	0	4,125,321	0
Intergovernmental revenue	0	1,860,305	1,860,305	0
Total capital contributions	8,488,382	1,860,305	10,348,687	0
Income (loss) before transfers	31,157,719	1,713,195	32,870,914	(282,223)
Transfers in (out)				
Transfers in	0	404,562	404,562	0
Transfers out	(3,982,082)	0	(3,982,082)	0
Total transfers in (out)	(3,982,082)	404,562	(3,577,520)	0
Change in net position	27,175,637	2,117,757	29,293,394	(282,223)
Net position, July 1	432,741,783	11,765,328	444,507,111	6,583,035
Net position, June 30	$ 459,917,420	$ 13,883,085	$ 473,800,505	$ 6,300,812
Change in net position - enterprise funds			$ 29,293,394	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(178,935)	
Change in net position - business-type activities			$ 29,114,459	

See accompanying notes to the financial statements.

Exhibit A-11

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2019

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
Cash flows from operating activities:				
Receipts from customers	$ 73,265,273	$ 5,060,441	$ 78,325,714	$ 0
Receipts from interfund services provided	0	0	0	12,857,950
Payments to suppliers	(21,588,325)	(1,938,126)	(23,526,451)	(12,890,514)
Payments to employees	(13,497,090)	(1,995,863)	(15,492,953)	(381,013)
Other receipts	64,161	15,959	80,120	8,561
Net cash provided (used) by operating activities	38,244,019	1,142,411	39,386,430	(405,016)
Cash flows from non-capital financing activities:				
Receipts from other funds	0	404,562	404,562	0
Payments to other funds	(13,315,323)	(35,420)	(13,350,743)	0
Net cash provided (used) by non-capital financing activities	(13,315,323)	369,142	(12,946,181)	0
Cash flows from capital and related financing activities:				
Connection fees	4,363,061	0	4,363,061	0
Receipts from other funds	30,818	80,587	111,405	0
Payments to other funds	(984,980)	0	(984,980)	0
Receipts from other governments	0	440,986	440,986	0
Proceeds from sale of capital assets	119,611	58,278	177,889	7,373
Interest paid	(3,398,014)	(68,628)	(3,466,642)	0
Acquisition of capital assets	(8,521,582)	(2,251,334)	(10,772,916)	(50,000)
Payment of capital related accounts payable	(2,655,166)	(1,279)	(2,656,445)	0
Principal payments - bonds	(16,200,000)	0	(16,200,000)	0
Principal payments - capital leases and promissory notes	0	(704,475)	(704,475)	0
Net cash provided (used) by capital and related financing activities	(27,246,252)	(2,445,865)	(29,692,117)	(42,627)
Cash flows from investing activities:				
Interest received	2,719,658	133,313	2,852,971	186,986
Net increase (decrease) in cash and cash equivalents	402,102	(800,999)	(398,897)	(260,657)
Cash and cash equivalents, July 1	115,536,868	5,274,723	120,811,591	8,852,676
Cash and cash equivalents, June 30	$ 115,938,970	$ 4,473,724	$ 120,412,694	$ 8,592,019

See accompanying notes to the financial statements.

Exhibit A-12, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2019

	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)	$ 22,550,829	$ (250,267)	$ 22,300,562	$ (472,124)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	15,334,337	1,418,677	16,753,014	37,581
(Increase) decrease in accounts receivable	(842,635)	48,681	(793,954)	169
(Increase) decrease in intergovernmental receivables	(47,249)	0	(47,249)	75
(Increase) decrease in inventory	(44,796)	0	(44,796)	24,050
(Increase) decrease in deferred outflows of resources	(167,240)	18,330	(148,910)	0
Increase (decrease) in accounts payable	14,111	7,463	21,574	(87,559)
Increase (decrease) in intergovernmental payables	822,359	0	822,359	0
Increase (decrease) in sales tax payable	0	1,611	1,611	0
Increase (decrease) in accrued salaries and benefits	83,912	7,771	91,683	6,216
Increase (decrease) in deposits payable	20,120	0	20,120	26,192
Increase (decrease) in claims reserve	0	0	0	60,384
Increase (decrease) in net pension liability	628,883	(97,184)	531,699	0
Increase (decrease) in deferred inflows of resources	2,656,574	329,334	2,985,908	0
Increase (decrease) in OPEB liability	(2,765,186)	(341,997)	(3,107,183)	0
Increase (decrease) in other liabilities	0	(8)	(8)	0
Total adjustments	15,693,190	1,392,678	17,085,868	67,108
Net cash provided (used) by operating activities	$ 38,244,019	$ 1,142,411	$ 39,386,430	$ (405,016)
Cash and cash equivalents reconciliation:				
Cash and cash equivalents	$ 38,379,761	$ 4,473,724	$ 42,853,485	$ 8,592,019
Restricted assets				
Cash and cash equivalents	77,559,209	0	77,559,209	0
Total cash and cash equivalents	$ 115,938,970	$ 4,473,724	$ 120,412,694	$ 8,592,019

Noncash investing, capital, and financing activities:

Contributions of capital assets from individuals totaled $2,832,743.
Acquisition of capital assets through accounts payable totaled $2,108,743.
Acquisition of capital assets through retainage payable totaled $959,236.
Forgiveness of capital lease through capital contributions totaled $1,261,588.

See accompanying notes to the financial statements.

Exhibit A-12, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2019

	Community Private-Purpose Trust Fund	Employees' Pension Trust Fund	Municipal Court Agency Fund
ASSETS			
Cash and cash equivalents	$ 32,515	$ 863,065	$ 90,693
Accounts receivable	200	0	0
Investments, at fair value			
Mutual funds			
Equity	0	64,907,057	0
Fixed income	0	30,192,196	0
Real estate	0	9,708,659	0
Total assets	32,715	105,670,977	90,693
LIABILITIES			
Accounts payable	0	83,678	0
Due to other agencies	0	0	90,693
Total liabilities	0	83,678	90,693
NET POSITION			
Restricted for:			
Pensions	0	105,587,299	0
Employee assistance	32,715	0	0
Total net position	$ 32,715	$ 105,587,299	$ 0

See accompanying notes to the financial statements.

Exhibit A-13

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the fiscal year ended June 30, 2019

	Community Private-Purpose Trust Fund	Employees' Pension Trust Fund
ADDITIONS		
Contributions		
Employer contributions	$ 0	$ 3,459,466
Employee contributions	0	3,459,466
Employee donations	50,804	0
Total contributions and donations	50,804	6,918,932
Investment Income		
Net appreciation (depreciation) in fair value of investments	0	6,284,608
Interest	3	11,828
Dividends	0	1,938,702
Investment expense	0	(292,750)
Net investment income (loss)	3	7,942,388
Total additions (reductions)	50,807	14,861,320
DEDUCTIONS		
Benefits	0	8,484,302
Refunds	0	396,535
Distributions for assistance	41,376	0
Total deductions	41,376	8,880,837
Change in net position	9,431	5,980,483
Net position held in trust for pension benefits and other purposes		
Net position, July 1	23,284	99,606,816
Net position, June 30	$ 32,715	$ 105,587,299

See accompanying notes to the financial statements.

Exhibit A-14

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2019

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Total Component Units
ASSETS			
Current assets			
Cash and cash equivalents	$ 3,586,014	$ 665,885	$ 4,251,899
Receivables			
Accounts	21,763	0	21,763
Taxes	40,912	0	40,912
Restricted assets			
Cash and cash equivalents	200,000	0	200,000
Total current assets	3,848,689	665,885	4,514,574
Noncurrent assets			
Capital assets			
Non-depreciable	4,898,825	0	4,898,825
Depreciable (net)	4,835,380	8,146	4,843,526
Total noncurrent assets	9,734,205	8,146	9,742,351
Total assets	13,582,894	674,031	14,256,925
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	32,417	75,920	108,337
Deferred outflows related to other post employment benefits	110,922	11,694	122,616
Total deferred outflows of resources	143,339	87,614	230,953
LIABILITIES			
Current liabilities			
Payables			
Accounts	125,950	17,067	143,017
Intergovernmental	8,585	0	8,585
Sales tax	9,305	0	9,305
Accrued salaries	112,683	8,641	121,324
Compensated absences	96,154	14,189	110,343
Other liabilities	15,271	0	15,271
Total current liabilities	367,948	39,897	407,845
Noncurrent liabilities			
Compensated absences	10,684	1,577	12,261
Net pension liability	75,170	463,305	538,475
Net OPEB liability	1,605,631	157,898	1,763,529
Total noncurrent liabilities	1,691,485	622,780	2,314,265
Total liabilities	2,059,433	662,677	2,722,110

See accompanying notes to the financial statements.

Exhibit A-15, continued

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2019

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Total Component Units
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	$ 119,606	$ 52,640	$ 172,246
Deferred inflows related to other post employment benefits	567,549	87,698	655,247
Total deferred inflows of resources	687,155	140,338	827,493
NET POSITION			
Net investment in capital assets	9,723,922	8,146	9,732,068
Restricted for cultural and recreation	5,255	0	5,255
Restricted for capital outlay	225	0	225
Unrestricted	1,250,243	(49,516)	1,200,727
Total net position	$ 10,979,645	$ (41,370)	$ 10,938,275

See accompanying notes to the financial statements.

Exhibit A-15, continued

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
COMPONENT UNITS
For the fiscal year ended June 30, 2019

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Total Component Units
Expenses			
Culture and Recreation	$ 5,758,370	$ 0	$ 5,758,370
Housing and Development	0	598,511	598,511
Total expenses	5,758,370	598,511	6,356,881
Program revenues			
Charges for services	1,825,378	10,667	1,836,045
Operating grants and contributions	637,121	0	637,121
Total program revenues	2,462,499	10,667	2,473,166
Net (expense) revenue	(3,295,871)	(587,844)	(3,883,715)
General revenues			
Property taxes	3,591,958	0	3,591,958
Investment	84,420	11,785	96,205
Payments from City of Gainesville	2,223	764,162	766,385
Gain on sale of capital asset	190,044	0	190,044
Miscellaneous	987	20,370	21,357
Total general revenues	3,869,632	796,317	4,665,949
Change in net position	573,761	208,473	782,234
Net position, July 1	10,405,884	(249,843)	10,156,041
Net position, June 30	$ 10,979,645	$ (41,370)	$ 10,938,275

See accompanying notes to the financial statements.

Exhibit A-16

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.

Fire Fund – This fund is used to account for valorem property tax collections derived from the City's special tax district for Fire Services and the costs associated with the operation of the City's Fire Department.

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

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

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.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

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.

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. Pensions

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

V. Use of Estimates in the Preparation of the Financial Statements

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

W. 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.

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 50% 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.

3. Deposit and Investment Risk (continued)

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 39 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was $47,596,246.

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.

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 5.70 years.

3. Deposit and Investment Risk (continued)

Investment policies – Employees' Pension Trust Fund (continued)

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	$	7,280,296	11.29	N/A
PIMCO Total Return Fund		6,801,434	7.13	N/A
	$	14,081,730		

Foreign currency risk

The City has no investments denominated in a foreign currency.

Investments

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

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

Debt and equity securities categorized as Level 1 are based on prices quoted in active markets for those securities. Debt securities categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices. The real estate investments and properties held for resale are quoted as a level 3 input. There is no active market for these investments. Fair value of these investments approximates the cost.

At the end of the current fiscal year, the City had the following recurring fair value measurements in the Employees' Pension Trust Fund. The investments reported in the Economic Development, Grants, and HUD Grant Special Revenue funds are classified as "Property held for resale."

3. Deposit and Investment Risk (continued)

Investment by fair value level	Fair Value			
	Total	Level 1	Level 2	Level 3
Debt Securities				
Mutual Funds	$ 30,192,196	$ 0	$ 30,192,196	$ 0
Equities				
Mutual Funds	64,907,057	64,907,057	0	0
Other				
Real Estate Funds	9,708,659	0	0	9,708,659
Property held for resale	10,842,064	0	0	10,842,064
Total Investments	$ 115,649,976	$ 64,907,057	$ 30,192,196	$ 20,550,723

4. Accounts Receivable

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

Primary Government:		
Major Funds		
General Fund		$ 97,729
Fire Special Revenue Fund		403
Economic Development Special Revenue Fund		1,748
General Government Capital Projects Fund		238,489
Department of Water Resources Fund	$ 6,373,646	
Less: Allowance for Uncollectibles	(1,206,018)	5,167,628
Nonmajor Funds		
Special Revenue Funds		
Community Service Center Fund		30
Enterprise Funds		
Airport Fund	22,232	
Solid Waste Fund	310,738	
Less: Allowance for Uncollectibles	(84,672)	
Golf Course Fund	42,006	290,304
Internal Service Funds		
General Insurance Fund	1,861	
Employee Benefits Fund	24,554	26,415
Total Primary Government		$ 5,822,746
Component Units:		
City of Gainesville Parks and Recreation		$ 21,763

5. Intergovernmental Receivables

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

Primary Government:		
Major Funds		
General Fund		$ 372,892
Fire Special Revenue Fund		491
Department of Water Resources Enterprise Fund		216,266
Nonmajor Funds		
Special Revenue Funds		
Community Service Center Fund	$ 409,365	
Grants Fund	346,934	
Government Access Cable TV Channel Fund	7,525	
HUD Grant Fund	30,227	794,051
Debt Service Funds		
Debt Service Fund		449
Capital Projects Funds		
SPLOST Fund	1,115,259	
Grants Fund	29,462	1,144,721
Enterprise funds		
Airport Fund		1,528,275
Internal Service Funds		
Vehicle Services		8,507
Total Primary Government		$ 4,065,652

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 2019, based upon the assessments of January 1, 2018 and the levy date of October 1, 2018, were final billed on October 1, 2018, and due on December 1, 2018. 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, Fire, 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 $169,110 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	$ 355,028
Department of Water Resources	Economic Development	10,017,622
Nonmajor Governmental	Nonmajor Governmental	1,419,884
Nonmajor Governmental	Nonmajor Enterprise	80,587
		$ 11,873,121

The balance reported as Due to/Due from represent loans between the borrower funds and the lender. Balances reported between the General Fund and nonmajor governmental funds resulted from transactions to alleviate equity in pooled cash deficits at year-end.

At the end of the current fiscal year, the City reported an advance due to/from other funds. $223,370 is 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 with 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	Fire Special Revenue Fund	$ 3,199,225
	General Government Capital Projects	4,504,799
	Nonmajor Governmental	1,289,177
	Nonmajor Enterprise	404,562
General Government Capital Projects	Nonmajor Governmental	104,226
Department of Water Resources	General	3,297,702
	General Government Capital Projects	684,380
Nonmajor Governmental	General	36,893
	General Government Capital Projects	174,367
	Nonmajor Governmental	774,288
		$ 14,469,619

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 current fiscal year was as follows:

	Balance Beginning	Increases	Decreases	Balance Ending
Governmental activities				
Non-depreciable assets				
Land	$ 26,389,441	$ 1,059,442	$ 0	$ 27,448,883
Easements	0	132,500	0	132,500
Construction in progress	3,772,112	5,569,468	(2,759,429)	6,582,151
Total non-depreciable assets	30,161,553	6,761,410	(2,759,429)	34,163,534
Depreciable assets				
Buildings	58,749,805	19,850	0	58,769,655
Land improvements	3,124,046	171,788	0	3,295,834
Vehicles and equipment	22,831,116	1,363,117	(849,936)	23,344,297
Intangibles	3,156,035	0	(43,696)	3,112,339
Infrastructure	39,307,902	2,325,419	0	41,633,321
Total depreciable assets	127,168,904	3,880,174	(893,632)	130,155,446
Less accumulated depreciation				
Buildings	(18,219,993)	(1,469,227)	0	(19,689,220)
Land improvements	(1,817,839)	(118,317)	0	(1,936,156)
Vehicles and equipment	(16,128,205)	(1,909,082)	802,807	(17,234,480)
Intangibles	(2,148,010)	(243,665)	43,696	(2,347,979)
Infrastructure	(15,679,683)	(1,316,717)	0	(16,996,400)
Total accumulated depreciation	(53,993,730)	(5,057,008)	846,503	(58,204,235)
Total depreciable assets, net	73,175,174	(1,176,834)	(47,129)	71,951,211
Governmental activities capital assets, net	$ 103,336,727	$ 5,584,576	$ (2,806,558)	$ 106,114,745
Business-type activities				
Non-depreciable assets				
Land	$ 31,534,028	$ 973,511	$ 0	$ 32,507,539
Easements	2,056,998	0	0	2,056,998
Construction in progress	35,945,359	12,378,603	(9,127,209)	39,196,753
Total non-depreciable assets	69,536,385	13,352,114	(9,127,209)	73,761,290
Depreciable assets				
Buildings	52,213,906	730,579	0	52,944,485
Land improvements	10,211,827	0	(115,214)	10,096,613
Vehicles and equipment	38,350,324	3,523,494	(1,652,157)	40,221,661
Intangibles	6,089,224	0	0	6,089,224
Infrastructure	551,945,947	8,568,609	(243,000)	560,271,556
Total depreciable assets	658,811,228	12,822,682	(2,010,371)	669,623,539
Less accumulated depreciation				
Buildings	(13,911,753)	(1,170,488)	0	(15,082,241)
Land improvements	(5,806,313)	(425,173)	95,178	(6,136,308)
Vehicles and equipment	(20,923,678)	(2,221,888)	1,574,229	(21,571,337)
Intangibles	(2,549,397)	(297,512)	0	(2,846,909)
Infrastructure	(201,516,647)	(12,637,953)	64,905	(214,089,695)
Total accumulated depreciation	(244,707,788)	(16,753,014)	1,734,312	(259,726,490)
Total depreciable assets, net	414,103,440	(3,930,332)	(276,059)	409,897,049
Business-type activities capital assets, net	$ 483,639,825	$ 9,421,782	$ (9,403,268)	$ 483,658,339

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	$ (19,353)	$ 4,595,830
Construction in progress	325,199	551,858	(574,062)	302,995
Total non-depreciable assets	4,940,382	551,858	(593,415)	4,898,825
Depreciable assets				
Buildings	9,054,971	0	0	9,054,971
Land improvements	4,101,587	0	0	4,101,587
Vehicles and equipment	1,574,661	163,530	(50,397)	1,687,794
Intangibles	281,365	0	0	281,365
Infrastructure	3,120,059	0	0	3,120,059
Total depreciable assets	18,132,643	163,530	(50,397)	18,245,776
Less accumulated depreciation				
Buildings	(7,134,403)	(108,593)	0	(7,242,996)
Land improvements	(2,625,362)	(306,619)	0	(2,931,981)
Vehicles and equipment	(1,224,983)	(88,955)	0	(1,313,938)
Intangibles	(234,600)	(9,353)	0	(243,953)
Infrastructure	(1,534,969)	(142,559)	0	(1,677,528)
Total accumulated depreciation	(12,754,317)	(656,079)	0	(13,410,396)
Total depreciable assets, net	5,378,326	(492,549)	(50,397)	4,835,380
Parks & Recreation Component Unit capital assets, net	$ 10,318,708	$ 59,309	$ (643,812)	$ 9,734,205
Convention and Visitor's Bureau Component Unit				
Depreciable assets				
Vehicles and equipment	$ 22,216	$ 0	$ 0	$ 22,216
Less accumulated depreciation				
Vehicles and equipment	(9,627)	(4,443)	0	(14,070)
Convention and Visitor's Bureau Component Unit capital assets, net	$ 12,589	$ (4,443)	$ 0	$ 8,146

Decreases in construction in progress for the governmental activities consist of projects placed into service in the amount of $1,667,857 and projects abandoned in the amount of $1,091,572.

Decreases in construction in progress for the business-type activities consist of projects placed into service in the amount of $7,554,136, $973,511 reclassified to land, and projects abandoned in the amount of $599,562.

9. Capital Assets (continued)

Decreases in construction in progress for the Parks and Recreation Component Unit consist of projects placed into service in the amount of $244,667 and projects abandoned in the amount of $329,748.

Certain amounts of accumulated depreciation were reclassified from infrastructure to vehicles and equipment. This reclassification had no effect on the net value of capital assets.

Depreciation expense was charged to functions/programs as follows:

Primary Government		
Governmental activities		
General Government	$	2,083,612
Public Safety		1,189,461
Public Works		1,016,218
Health and Welfare		254,919
Housing and Development		194,884
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		37,582
Total depreciation expense for governmental activities	$	4,776,676
Business-type activities		
Department of Water Resources	$	15,334,337
Airport		909,967
Solid Waste		206,644
Golf Course		302,066
Total depreciation expense for business-type activities	$	16,753,014
Component Unit		
Parks and Recreation	$	656,079
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	$ 4,776,676	$ 16,753,014	$ 656,079	$ 4,443
Prior accumulated depreciation on assets transferred between governmental, business-type activities, and component unit	280,332	0	0	0
Additions to accumulated depreciation	$ 5,057,008	$ 16,753,014	$ 656,079	$ 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 $20,557,481 and $17,559,484 for governmental and business-type activities, respectively.

Total assets leased under capital leases are $28,285,350 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	$ 2,666,110
Golf Course improvements	0	0	2,715,000	1,629,000
Water and sewer system	0	0	31,539,701	16,400,645
Land	745,413	0	0	0
Buildings	16,516,041	2,721,691	0	0
Vehicles and equipment	211,069	42,214	0	0
Infrastructure	6,703,765	1,877,054	0	0
Construction in progress	4,109,062	0	0	0
Total assets under capital leases	$ 28,285,350	$ 4,640,959	$ 39,586,921	$ 20,695,755

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

10. Capital and Operating Leases Agreements (continued)

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
2020	$ 2,150,754	$ 2,029,219
2021	2,423,614	1,567,368
2022	3,726,854	1,570,372
2023	2,352,399	1,568,181
2024	2,381,564	1,570,838
2025-2029	8,925,862	6,918,487
2030-2034	2,189,587	2,523,176
Total minimum lease payments	24,150,634	17,747,641
Less amounts representing interest	(3,593,153)	(188,157)
Present value of minimum lease payments	$ 20,557,481	$ 17,559,484

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 the end of the current fiscal year, the City has a balance of $238,489 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.

10. Capital and Operating Leases Agreements (continued)

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.

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.

10. Capital and Operating Leases Agreements (continued)

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.

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.

10. Capital and Operating Leases Agreements (continued)

On August 6, 2018, the Gainesville Redevelopment Authority issued $4,695,000 in the Series 2018 Revenue Refunding Bonds, with an interest rate of 3.99%. 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 construction of two additional floors for parking in the Original Parking Garage Project and that a pocket park be constructed, installed, and equipped adjacent to the Original Parking Garage Project, 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. The City will continue to maintain, repair and have use of the property.

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% ($55,870,000 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% ($2,240,000 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% ($20,325,000 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
2020	$ 12,615,000	$ 2,770,244	$ 15,385,244
2021	14,615,000	2,449,024	17,064,024
2022	14,965,000	2,025,828	16,990,828
2023	6,300,000	1,654,500	7,954,500
2024	5,640,000	1,356,000	6,996,000
2025-2029	24,300,000	2,735,800	27,035,800
Totals	$ 78,435,000	$ 12,991,396	$ 91,426,396

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. Upon the occurrence of an event of default, all outstanding principal and accrued interest on the Water and Sewerage Revenue Bonds Series 2014, 2015 and 2016 may be declared immediately due and payable. 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 $68,387,400, $2,260,384, and $20,778,612, respectively. Principal and interest paid for the current year was $10,485,950, $5,242,679, and $3,614,305, respectively. Water and sewer operating revenue totaled $74,199,198 for the current year.

12. Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Capital lease obligations	$ 17,808,355	$ 4,933,489	$ (2,184,363)	$ 20,557,481	$ 1,533,430
Compensated absences	1,286,957	1,705,496	(1,606,188)	1,386,265	1,247,639
Total governmental activities	$ 19,095,312	$ 6,638,985	$ (3,790,551)	$ 21,943,746	$ 2,781,069
Business-type activities					
Revenue bonds	$ 94,635,000	$ 0	$ (16,200,000)	$ 78,435,000	$ 12,615,000
Unamortized bond premium	10,924,369	0	(1,048,739)	9,875,630	0
Capital lease obligations	19,525,547	0	(1,966,063)	17,559,484	1,977,016
Compensated absences	725,295	1,123,729	(1,037,093)	811,931	730,737
Total business-type activities	$ 125,810,211	$ 1,123,729	$ (20,251,895)	$ 106,682,045	$ 15,322,753
Component Units					
City of Gainesville Parks and Recreation					
Compensated absences	$ 116,428	$ 145,789	$ (155,379)	$ 106,838	$ 96,154
Gainesville Convention and Visitor's Bureau					
Compensated absences	7,057	20,005	(11,296)	15,766	14,189
Total Component Units	$ 123,485	$ 165,794	$ (166,675)	$ 122,604	$ 110,343

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, 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 $652,514 and $3,416,486, respectively.

12. Long-Term Liabilities (continued)

The City is subject to a legal debit margin of 10% of total assessed property value. The City's net assessed value is $523,585,630. The City has $23,700,756 of outstanding general obligation debt. The City has a total of $499,884,874 (95.5%) of outstanding legal debt margin remaining.

13. 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 $92,652,953. The original issue amounts totaled $97,872,430.

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	Fire	Economic Development	General Government Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventories	$ 0	$ 0	$ 0	$ 0	$ 34,002	$ 34,002
Prepaid items	2,424	0	0	0	9,319	11,743
Advances to other funds	223,370	0	0	0	0	223,370
	225,794	0	0	0	43,321	269,115
Restricted for:						
TV 18 operations	0	0	0	0	60,363	60,363
Police facilities and equipment	0	0	0	0	649,025	649,025
Fire facilities and equipment	0	0	0	0	549,654	549,654
Streets facilities and equipment	0	0	0	0	19,150	19,150
Community Service Center operations	0	0	0	0	1,248,699	1,248,699
Recreation facilities and equipm	0	0	0	0	2,423,339	2,423,339
Neighborhood improvements	0	0	0	0	419,027	419,027
Midtown development	0	0	0	0	836,342	836,342
Capital projects	0	0	0	2,491,346	10,534,775	13,026,121
Debt service	0	0	0	0	1,482,963	1,482,963
	0	0	0	2,491,346	18,223,337	20,714,683
Committed for:						
Cemetery improvements	0	0	0	0	380,712	380,712
Tree replacement	4,957	0	0	0	0	4,957
Energy efficiency retrofits	0	0	0	0	4,868	4,868
	4,957	0	0	0	385,580	390,537
Assigned for:						
TV 18 operations	0	0	0	0	62,376	62,376
Matching funds for grants	0	0	0	0	75,369	75,369
Fire facilities and equipment	0	0	0	0	100,000	100,000
Fire operations	0	474,429	0	0	0	474,429
City Hall improvements	139,017	0	0	0	0	139,017
Cemetery improvements	0	0	0	0	381,861	381,861
Community Service Center operations	0	0	0	0	1,533,804	1,533,804
Youth sports complex	0	0	0	0	3,750,000	3,750,000
Economic development	0	0	5,966,465	0	0	5,966,465
Tourism and City promotion	0	0	0	0	121,841	121,841
Budget	3,465,309	300,000	65,000	0	473,227	4,303,536
Capital projects	0	0	0	7,101,129	839,222	7,940,351
Debt service	0	0	0	0	1,916,536	1,916,536
	3,604,326	774,429	6,031,465	7,101,129	9,254,236	26,765,585

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 Midwest Employers Casualty 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 Healthgram. 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, 2019	June 30, 2018
General Insurance Internal Service Fund		
Balance, beginning of year	$ 1,902,661	$ 1,074,978
Current year claims and changes in estimate	(242,176)	2,176,038
Claim payments	(109,627)	(1,348,355)
Balance, end of year	$ 1,550,858	$ 1,902,661
Employee Benefits Internal Service Fund		
Balance, beginning of year	$ 360,024	$ 682,627
Current year claims and changes in estimate	6,729,004	5,140,268
Claim payments	(6,316,817)	(5,462,871)
Balance, end of year	$ 772,211	$ 360,024

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, 2019, the date of the most recent actuarial valuation, there were 829 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	282
Terminated vested participants entitled to but not yet receiving benefits	42
Active participants	505
Total number of participants	829

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 7.408 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 $48,846,329 The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. For the current fiscal year, the City recognized pension expense of $5,194,588.

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 6/30/2018	$ 146,519,987	$ 99,606,815	$ 46,913,172
Changes for the year:			
Service cost	3,457,259	0	3,457,259
Interest	10,187,578	0	10,187,578
Differences between expected and actual experience	3,149,640	0	3,149,640
Contributions-employer	0	3,459,466	(3,459,466)
Contributions-employee	0	3,459,466	(3,459,466)
Net investment income	0	8,235,138	(8,235,138)
Benefit payments, including refunds of employee contribution	(8,880,837)	(8,880,837)	0
Administrative expense	0	(292,750)	292,750
Net changes	7,913,640	5,980,483	1,933,157
Balances at 6/30/2019	$ 154,433,627	$105,587,298	$ 48,846,329

Plan fiduciary net position as a percentage of the total pension liability	68.37%
Covered payroll	$ 26,208,076
Employer's net pension liability as percentage of covered payroll	186.38%

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	$ 5,358,836	$ 0
Changes of assumptions	2,292,664	(82,222)
Net difference between projected and actual earnings on pension plan investments	0	(4,936,399)
Totals	$ 7,651,500	$ (5,018,621)

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

Year Ending June 30	
2020	$ 518,477
2021	(341,972)
2022	695,305
2023	1,236,129
2024	524,940
Totals	$ 2,632,879

16. Pension Plans (continued)

Pension Plan A (continued)

Actuarial Assumptions. The total pension liability in the July 1, 2019 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 2.75% annual increases
Remaining amortization period	4-29 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, 2019 valuation were based on the results of an actuarial experience study for the period of July 1, 2010 through June 30, 2015, and a subsequent review of economic assumptions as of July 1, 2019.

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%	6.41%
Fixed income (core)	35%	1.96%
Fixed income (high yield)	5%	16.00%
Real Estate	5%	4.76%
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%	$67,229,657
Current discount rate	7.00%	48,846,329
1% increase	8.00%	33,534,469

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, 2019, the date of the most recent actuarial valuation, there were 236 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	70
Terminated vested participants entitled to but not yet receiving benefits	40
Active participants	126
Total number of participants	236

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 contributions rate for the current fiscal year was $319,859 or 5.71% 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 $130,132. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. For the current fiscal year, the City recognized pension income of $193,372. The Governmental Activities' net pension liability is liquidated by the General Fund, Community Service Center Special Revenue Fund, and Fire Special Revenue 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 9/30/2017	$ 7,949,513	$ 7,394,114	$ 555,399
Changes for the year:			
Service cost	152,472	0	152,472
Interest	589,263	0	589,263
Differences between expected and actual experience	(168,376)	0	(168,376)
Contributions-employer	0	313,655	(313,655)
Net investment income	0	717,673	(717,673)
Benefit payments, including refunds of employee contributions	(490,307)	(490,307)	0
Administrative expense	0	(32,702)	32,702
Net changes	83,052	508,319	(425,267)
Balances at 9/30/2018	$ 8,032,565	$ 7,902,433	$ 130,132

Plan fiduciary net position as a percentage of the total pension liability	98.38%
Covered payroll	$ 4,330,598
Net pension liability as a percentage of covered payroll	3.00%

16. Pension Plans (continued)

Pension Plan B (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	$ 5,110	$ (237,520)
Changes of assumptions	71,430	(16,566)
Net difference between projected and actual earnings on pension plan investments	0	(895,229)
Contributions subsequent to the measurement date	183,108	0
Totals	$ 259,648	$ (1,149,315)

The $183,108 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, 2020. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2020	$ (413,226)
2021	(439,791)
2022	(151,893)
2023	(67,865)
Totals	$ (1,072,775)

16. Pension Plans (continued)

Pension Plan B (continued)

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

Inflation	2.75%
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, 2019 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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	7.40%
Global fixed income	5%	3.03%
Domestic fixed income	20%	1.75%
Real estate	10%	5.10%
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%	$ 954,723
Current discount rate	7.50%	130,132
1% increase	8.50%	(568,681)

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, 2018, the date of the most recent actuarial valuation, there were 802 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	196
Vested terminated members entitled to but not yet receiving benefits	0
Active participants	606
Total number of participants	802

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 $28,591,995. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined from actuarial valuations using data as of July 1, 2017 and measured by an actuarial valuation as of July 1, 2018. During the current fiscal year, the City recognized OPEB expense of $929,692. The Governmental Activities' net OPEB liability is liquidated by the General Fund, Community Service Center Special Revenue Fund, and Fire Special Revenue Fund.

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 6/30/2017	$ 36,849,149	$ 0	$ 36,849,149
Changes for the year:			
Service cost	1,565,644	0	1,565,644
Interest	1,344,332	0	1,344,332
Differences between expected and actual experience	(103,835)	0	(103,835)
Contributions-employer	0	1,727,236	(1,727,236)
Changes in assumptions	(9,336,059)	0	(9,336,059)
Benefit payments, including refunds of member contributions	(1,727,236)	(1,727,236)	0
Net changes	(8,257,154)	0	(8,257,154)
Balances at 6/30/2018	$ 28,591,995	$ 0	$ 28,591,995

Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
Covered employee payroll	$ 29,628,098
Plan net OPEB liability as a percentage of covered employee payroll	96.50%

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	$ 476,136	$ (86,529)
Changes of assumptions	0	(10,291,030)
Contributions subsequent to the measurement date	1,505,736	0
Totals	$ 1,981,872	$ (10,377,559)

The $1,505,736 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, 2020. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30	
2020	$ (1,980,285)
2021	(1,980,285)
2022	(1,980,285)
2023	(1,980,285)
2024	(1,980,283)
Totals	$ (9,901,423)

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

Actuarial Assumptions. The total OPEB 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	3.25% to 8.25%, including inflation
Actuarial cost method	Entry age
Discount rate	3.87%, 3.58% in previous year
Healthcare cost trend rates	Pre-65 Medical: 6.75% trended down to 4.50% by 2027 Medicare Advantage: 5.50% trended down to 4.50% by 2022. Pre-65 Prescription Drug: 6.75% 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, 2018 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 3.87%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2018.

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 (2.87%) or one percentage-point higher (4.87%) 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	2.87%	$ 32,133,171
Current discount rate	3.87%	28,591,995
1% increase	4.87%	25,577,556

Healthcare Cost Trend Rates	**Net OPEB Liability**
1% decrease	$ 25,204,273
Current discount rate	28,591,995
1% increase	32,665,906

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	$	1,053,683	
Disbursements for tourism and visitor programs	$	1,155,899	109.70% of tax receipts

The City increased the levy of its Hotel Motel lodging tax from 6% to 8%. The collection of the taxes based on the 8% rate will begin in July 2019.

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 38 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 13 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 the current fiscal year, the City paid $84,525 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 the current fiscal year, the City paid $107,677 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 the current fiscal year, the City paid $92,613 in personnel costs for one police officer assigned to the Safe Streets Task Force.

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 $33,000 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 $83,485 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	$ 34,408
Nonmajor governmental funds	21,715	0
	$ 21,715	$ 34,408

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	$ 15,033,267	$ 13,540,046
Safety improvements to airport runway	1,762,379	220,435
Improvements to recreational facilities	166,401	52,263
City buildings and facilities improvements	4,108,086	177,917
Improvements to roadways & sidewalks	3,226,512	1,403,274
City equipment & vehicles	0	237,883
Totals	$ 24,296,645	$ 15,631,818

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 $339,693.

25. Subsequent Events

On July 15, 2019, the City took possession of a 2019 Pierce 107 foot Ascendant Tiller Heavy Duty Aerial Ladder Fire truck at a lease price, including interest, of $1.4 million.

On November 5, 2019, Council approved the adoption of a Real Estate Agreement between the City and Gainesville MER/APRS, LLC and FRS-GA, LLC for the acquisition of 88.9 acres on 2490 Old Cornelia Highway at the purchase price of $777,875, for the construction of a Youth Sports Complex Center.

26. New Accounting Standards

The City implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, 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, 2019
(Unaudited)

	Fiscal Year End	
	2019	**2018**
Total pension liability		
Service cost	$ 3,457,259	$ 3,272,080
Interest	10,187,578	9,800,092
Differences between expected and actual experience	3,149,640	2,438,030
Changes of assumptions	0	3,438,994
Benefit payments, including refunds of employee contributions	(8,880,837)	(8,661,630)
Net change in total pension liability	7,913,640	10,287,566
Total pension liability - beginning	146,519,987	136,232,421
Total pension liability - ending (a)	$ 154,433,627	$ 146,519,987
Plan fiduciary net position		
Contributions - employer	$ 3,459,466	$ 3,209,624
Contributions - employee	3,459,466	3,209,624
Net investment income	8,235,138	10,757,165
Benefit payments, including refunds of employee contributions	(8,880,837)	(8,661,630)
Administrative expense	(292,750)	(219,596)
Net change in total pension liability	5,980,483	8,295,187
Plan fiduciary net position - beginning	99,606,815	91,311,628
Plan fiduciary net position - ending (b)	$ 105,587,298	$ 99,606,815
Net pension liability (asset) - ending : (a) - (b)	$ 48,846,329	$ 46,913,172
Plan's fiduciary net position as a percentage of the total pension liability	68.37%	67.98%
Covered payroll	$ 26,208,076	$ 24,315,333
Net pension liabilty as a percentage of covered payroll	186.38%	192.94%

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			
2017	**2016**	**2015**	**2014**
$ 3,292,073	$ 3,650,560	$ 3,522,833	$ 3,500,226
9,366,300	9,061,392	8,576,549	8,177,872
1,826,638	586,393	1,827,514	636,486
0	(246,666)	0	0
(8,301,719)	(7,642,229)	(7,282,407)	(6,715,366)
6,183,292	5,409,450	6,644,489	5,599,218
130,049,129	124,639,679	117,995,190	112,395,972
$ 136,232,421	$ 130,049,129	$ 124,639,679	$ 117,995,190
$ 3,079,855	$ 3,021,182	$ 2,862,539	$ 2,766,404
3,132,277	3,021,182	2,862,539	2,766,404
11,348,553	1,794,845	2,909,159	10,171,570
(8,301,719)	(7,642,229)	(7,282,407)	(6,715,366)
(165,260)	(143,004)	(169,045)	(104,589)
9,093,706	51,976	1,182,785	8,884,423
82,217,922	82,165,946	80,983,161	72,098,738
$ 91,311,628	$ 82,217,922	$ 82,165,946	$ 80,983,161
$ 44,920,793	$ 47,831,207	$ 42,473,733	$ 37,012,029
67.03%	63.22%	65.92%	68.63%
$ 23,729,379	$ 22,887,742	$ 21,685,902	$ 20,957,606
189.30%	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, 2019
(Unaudited)

	Fiscal Year End	
	2019	**2018**
Actuarially determined contribution	$ 4,859,686	$ 4,509,116
Contributions in relation to the actuarially determined contribution	(3,459,466)	(3,209,624)
Contribution deficiency (excess)	$ 1,400,220	$ 1,299,492
Covered payroll	$ 26,208,076	$ 24,315,333
Contributions as a percentage of covered payroll	13.20%	13.20%

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, 2019
(Unaudited)

	Fiscal Year End	
	2019	**2018**
Annual money-weighted rate of return, net of investment expense	7.408%	7.353%

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			
2017	2016	2015	2014
$ 4,170,598	$ 3,736,793	$ 3,579,097	$ 3,703,299
(3,079,855)	(3,021,182)	(2,862,539)	(2,766,404)
$ 1,090,743	$ 715,611	$ 716,558	$ 936,895
$ 23,729,379	$ 22,887,742	$ 21,685,902	$ 20,957,606
12.98%	13.20%	13.20%	13.20%

Fiscal Year End			
2017	2016	2015	2014
7.765%	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, 2019
(Unaudited)

	Fiscal Year End	
	2019	**2018**
Total pension liability		
Service cost	$ 152,472	$ 179,299
Interest	589,263	572,572
Differences between expected and actual experience	(168,376)	(74,578)
Benefit payments, including refunds of employee contributions	(490,307)	(469,718)
Other changes	0	119,050
Net change in total pension liability	83,052	326,625
Total pension liability - beginning	7,949,513	7,622,888
Total pension liability - ending (a)	$ 8,032,565	$ 7,949,513
Plan fiduciary net position		
Contributions - employer	$ 313,655	$ 350,507
Net investment income	717,673	968,510
Benefit payments, including refunds of employee contributions	(490,307)	(469,718)
Administrative expense	(32,702)	(33,775)
Net change in total pension liability	508,319	815,524
Plan fiduciary net position - beginning	7,394,114	6,578,590
Plan fiduciary net position - ending (b)	$ 7,902,433	$ 7,394,114
Net pension liability (asset) - ending : (a) - (b)	$ 130,132	$ 555,399
Plan's fiduciary net position as a percentage of the total pension liability	98.38%	93.01%
Covered payroll	$ 4,330,598	$ 4,862,847
Net pension liabilty as a percentage of covered payroll	3.00%	11.42%

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		
2017	**2016**	**2015**
$ 175,050	$ 178,348	$ 168,281
549,573	535,078	532,517
12,775	(102,827)	(142,791)
(411,541)	(435,594)	(415,541)
0	0	(99,394)
325,857	175,005	43,072
7,297,031	7,122,026	7,078,954
$ 7,622,888	$ 7,297,031	$ 7,122,026
$ 314,938	$ 371,738	$ 393,721
1,745,662	48,579	396,786
(411,541)	(435,594)	(415,541)
(20,454)	(23,058)	(18,652)
1,628,605	(38,335)	356,314
4,949,985	4,988,320	4,632,006
$ 6,578,590	$ 4,949,985	$ 4,988,320
$ 1,044,298	$ 2,347,046	$ 2,133,706
86.30%	67.84%	70.04%
$ 5,080,284	$ 4,890,737	$ 4,779,243
20.56%	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, 2019
(Unaudited)

	Fiscal Year End	
	2019	**2018**
Actuarially determined contribution	$ 319,859	$ 324,651
Contributions in relation to the actuarially determined contribution	(293,203)	(324,651)
Contribution deficiency (excess)	$ 26,656	$ 0
Covered payroll	$ 5,602,873	$ 5,099,054
Contributions as a percentage of covered payroll	5.23%	6.37%

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		
2017	**2016**	**2015**
$ 319,859	$ 324,651	$ 347,773
(319,859)	(324,651)	(347,773)
$ 0	$ 0	$ 0
$ 5,179,922	$ 5,272,975	$ 4,845,902
6.17%	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, 2019
(Unaudited)

	Fiscal Year End	
	2019	**2018**
Total OPEB liability		
Service cost	$ 1,565,644	$ 1,789,852
Interest	1,344,332	1,123,997
Differences between expected and actual experience	(103,835)	666,587
Changes in assumptions	(9,336,059)	(3,515,374)
Benefit payments, including refunds of member contributions	(1,727,236)	(1,729,093)
Net change in total OPEB liability	(8,257,154)	(1,664,031)
Total OPEB liability - beginning	36,849,149	38,513,180
Total OPEB liability - ending (a)	$ 28,591,995	$ 36,849,149
Plan fiduciary net position		
Contributions - employer	$ 1,727,236	$ 1,729,093
Benefit payments, including refunds of member contributions	(1,727,236)	(1,729,093)
Net change in plan fiduciary net position	0	0
Plan fiduciary net position - beginning	0	0
Plan fiduciary net position - ending (b)	$ 0	$ 0
Net OPEB liability (asset) - ending : (a) - (b)	$ 28,591,995	$ 36,849,149
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered employee payroll	$ 29,628,098	$ 27,547,554
Plan net OPEB liability as a percentage of covered employee payroll	96.50%	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, 2019
(Unaudited)

	Fiscal Year End	
	2019	**2018**
Actuarially determined contribution	$ 2,110,072	$ 2,883,950
Contributions in relation to the actuarially determined contribution	(1,550,735)	(1,727,236)
Contribution deficiency (excess)	$ 559,337	$ 1,156,714
Covered employee payroll	$ 31,755,811	$ 29,628,098
Contributions as a percentage of covered employee payroll	4.88%	5.83%

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, 2019, 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, 2019.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry age normal

Amortization method = Level percent of payroll, using 2.75% annual increases

Remaining amortization period = 4-29 years (closed periods)

Asset valuation method = Market value of assets less unrecognized returns of each of the last five 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 five-year period, further adjusted, if necessary, to be within 20% 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 = Earliest eligibility for normal retirement, not before age 60

Mortality = 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.

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

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

GMEBS (Pension Plan B)

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2019, 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, 2019.

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 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 were no changes in benefit provisions since the last valuation.

GMEBS (Pension Plan B), continued

4. Changes of Assumptions

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

OPEB Plan

1. Valuation Date

The actuarially determined contribution rates are determined as of June 30, 2018, based on the most recent valuation date, one year 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

Projected salary increases = 3.25% to 8.25%, including inflation

Projected payroll increases = 2.75%

Inflation = 2.75%

Funding discount rate = 3.87%

OPEB Plan, continued

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

Discount rate = 3.87%

Retirement age = 65

Healthcare cost trend rates = Pre-65 Medical: 6.75% trended down to 4.50% by 2027 Medicare Advantage: 5.50% trended down to 4.50% by 2022. Pre-65 Prescription Drug: 6.75% 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 projected claims trend rate changes from 7.00% to 4.50% in 2016 to 6.75% to 4.50% in 2018

The effective discount rate is 3.87% for June 30, 2018. It was 3.58% at June 30, 2017.

The inflation rate assumption changes from 3.25% to 2.75%.

Medical and Rx claims were modeled together for this valuation since claims were not provided separately.

The active participation rate assumption for employees/spouses was changed from 90%/50% to 70%/18%.

COMBINING STATEMENTS

Nonmajor Governmental Funds

Nonmajor Enterprise Funds

Internal Service Funds

CITY OF GAINESVILLE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Special Revenue						
	Community Service Center	**Hotel/Motel Tax**	**Government Access Cable TV Channel**	**Confiscated Assets**	**Grants**	**HUD Grant**	**Revolving Loan**
ASSETS							
Cash and cash equivalents	$ 2,651,117	$ 30,124	$ 120,280	$ 610,288	$ 300	$ 0	$ 125,341
Investments	0	0	0	0	200,332	92,897	0
Receivables (net)							
Accounts	30	0	0	0	0	0	0
Intergovernmental	409,365	0	7,525	0	346,934	30,227	0
Taxes	0	91,717	0	0	0	0	0
Notes	0	0	0	0	0	0	225,069
Due from other funds	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	$ 3,094,514	$ 121,841	$ 127,805	$ 610,288	$ 547,566	$ 123,124	$ 350,410
LIABILITIES							
Payables							
Accounts	$ 83,855	$ 0	$ 1,423	$ 90,458	$ 0	$ 2,413	$ 0
Retainages	0	0	0	0	0	0	0
Accrued salaries	44,154	0	3,643	0	0	0	0
Due to other funds	0	0	0	0	247,083	27,357	0
Due to others	0	0	0	41,922	0	0	0
Total liabilities	128,009	0	5,066	132,380	247,083	29,770	0
DEFERRED INFLOWS OF RESOURES							
Unavailable revenue -							
Property taxes	0	0	0	0	0	0	0
Notes receivable	0	0	0	0	0	0	225,069
Total deferred inflows of resources	0	0	0	0	0	0	225,069
FUND BALANCES							
Nonspendable	34,002	0	0	0	0	0	0
Restricted	1,248,699	0	60,363	154,681	220,246	93,354	125,341
Committed	0	0	0	0	4,868	0	0
Assigned	1,683,804	121,841	62,376	323,227	75,369	0	0
Total fund balances	2,966,505	121,841	122,739	477,908	300,483	93,354	125,341
Total liabilities, deferred inflows of resources, and fund balances	$ 3,094,514	$ 121,841	$ 127,805	$ 610,288	$ 547,566	$ 123,124	$ 350,410

Special Revenue					Capital Projects		Total
Impact Fee	Tax Allocation District	Information Technology	Cemetery Trust	Debt Service	SPLOST	Grants	Nonmajor Governmental Funds
$ 3,244,265	$ 2,602,357	$ 228,906	$ 381,129	$ 1,629,235	$ 14,232,064	$ 981,572	$ 26,836,978
0	0	0	0	0	0	0	293,229
0	0	0	0	0	0	0	30
0	0	0	0	449	1,115,259	29,462	1,939,221
0	0	0	0	30,803	0	0	122,520
0	0	0	0	0	0	0	225,069
0	0	0	0	1,500,472	0	0	1,500,472
0	0	0	0	9,319	0	0	9,319
0	0	0	0	0	0	0	34,002
$ 3,244,265	$ 2,602,357	$ 228,906	$ 381,129	$ 3,170,278	$ 15,347,323	$ 1,011,034	$ 30,960,840
$ 0	$ 0	$ 6,598	$ 417	$ 0	$ 707,174	$ 4,971	$ 897,309
0	0	0	0	0	38,630	0	38,630
0	0	0	0	0	1,724	0	49,521
0	1,500,472	0	0	0	0	0	1,774,912
0	0	0	0	0	0	0	41,922
0	1,500,472	6,598	417	0	747,528	4,971	2,802,294
0	0	0	0	27,003	0	0	27,003
0	0	0	0	0	0	0	225,069
0	0	0	0	27,003	0	0	252,072
0	0	0	0	9,319	0	0	43,321
3,244,265	836,342	222,308	0	1,482,963	10,367,934	166,841	18,223,337
0	0	0	380,712	0	0	0	385,580
0	265,543	0	0	1,650,993	4,231,861	839,222	9,254,236
3,244,265	1,101,885	222,308	380,712	3,143,275	14,599,795	1,006,063	27,906,474
$ 3,244,265	$ 2,602,357	$ 228,906	$ 381,129	$ 3,170,278	$ 15,347,323	$ 1,011,034	$ 30,960,840

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2019

	Special Revenue						
	Community Service Center	**Hotel/Motel Tax**	**Government Access Cable TV Channel**	**Confiscated Assets**	**Grants**	**HUD Grant**	**Revolving Loan**
REVENUES							
Taxes	$ 0	$ 1,053,683	$ 0	$ 0	$ 0	$ 0	$ 0
Fines, fees, and forfeitures	0	0	0	408,417	0	0	0
Charges for services	342,918	0	0	0	0	0	14,487
Intergovernmental	1,615,779	0	80,749	0	88,372	338,783	0
Investment	58,416	1,592	2,346	15,385	0	0	6,410
Contributions	105,070	0	0	0	0	0	0
Other	86,102	0	0	0	0	0	31
Total revenues	2,208,285	1,055,275	83,095	423,802	88,372	338,783	20,928
EXPENDITURES							
Current							
General Government	0	0	180,766	0	0	0	0
Public Safety	0	0	0	497,906	102,617	0	0
Public Works	0	0	0	0	0	0	0
Health and Welfare	2,834,079	0	0	0	0	0	0
Culture and Recreation	0	0	0	0	0	0	0
Housing and Development	0	764,162	0	0	7,934	135,123	1,368
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	2,834,079	764,162	180,766	497,906	110,551	135,123	1,368
Excess (deficiency) of revenues over (under) expenditures	(625,794)	291,113	(97,671)	(74,104)	(22,179)	203,660	19,560
Other financing sources (uses)							
Transfers in	869,405	0	100,018	0	22,943	0	0
Transfers out	0	(304,237)	0	0	0	(203,203)	0
Sale of capital assets	51,327	0	0	1,712	0	0	0
Total other financing sources (uses)	920,732	(304,237)	100,018	1,712	22,943	(203,203)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	294,938	(13,124)	2,347	(72,392)	764	457	19,560
Fund balances, July 1	2,671,567	134,965	120,392	550,300	299,719	92,897	105,781
Fund balances, June 30	$ 2,966,505	$ 121,841	$ 122,739	$ 477,908	$ 300,483	$ 93,354	$ 125,341

Special Revenue					Capital Projects		Total
Impact Fee	Tax Allocation District	Information Technology	Cemetery Trust	Debt Service	SPLOST	Grants	Nonmajor Governmental Funds
$ 0	$ 60,329	$ 0	$ 0	$ 2,732,970	$ 0	$ 0	$ 3,846,982
0	0	61,792	0	0	0	0	470,209
1,075,030	0	0	58,560	0	0	0	1,490,995
0	207,299	0	0	0	0	402,926	2,733,908
76,694	40,557	3,963	7,654	56,747	5,795,622	0	6,065,386
0	0	0	25,500	0	0	25,000	155,570
0	0	0	0	0	0	0	86,133
1,151,724	308,185	65,755	91,714	2,789,717	5,795,622	427,926	14,849,183
0	0	0	0	0	0	0	180,766
0	0	9,694	0	0	0	0	610,217
0	0	0	4,275	0	0	0	4,275
0	0	0	0	0	0	0	2,834,079
626,120	0	0	0	0	0	0	626,120
0	285,218	0	0	0	0	0	1,193,805
0	0	0	0	2,176,859	0	0	2,176,859
0	0	0	0	630,248	0	0	630,248
0	0	0	0	0	4,142,136	367,456	4,509,592
626,120	285,218	9,694	4,275	2,807,107	4,142,136	367,456	12,765,961
525,604	22,967	56,061	87,439	(17,390)	1,653,486	60,470	2,083,222
3,575	0	41,250	0	360,452	411,845	358,203	2,167,691
(36,893)	0	0	0	0	0	(441,216)	(985,549)
0	0	0	0	0	0	0	53,039
(33,318)	0	41,250	0	360,452	411,845	(83,013)	1,235,181
492,286	22,967	97,311	87,439	343,062	2,065,331	(22,543)	3,318,403
2,751,979	1,078,918	124,997	293,273	2,800,213	12,534,464	1,028,606	24,588,071
$ 3,244,265	$ 1,101,885	$ 222,308	$ 380,712	$ 3,143,275	$ 14,599,795	$ 1,006,063	$ 27,906,474

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2019

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
ASSETS				
Current assets				
Cash and cash equivalents	$ 0	$ 4,076,200	$ 397,524	$ 4,473,724
Receivables				
Accounts (net)	22,232	226,066	42,006	290,304
Intergovernmental	1,528,275	0	0	1,528,275
Total current assets	1,550,507	4,302,266	439,530	6,292,303
Noncurrent assets				
Capital assets				
Non-depreciable	2,558,286	0	52,151	2,610,437
Depreciable (net)	7,271,777	984,719	2,604,409	10,860,905
Total noncurrent assets	9,830,063	984,719	2,656,560	13,471,342
Total assets	11,380,570	5,286,985	3,096,090	19,763,645
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	4,270	0	33,051	37,321
Deferred outflows related to pensions	16,136	91,375	13,829	121,340
Deferred outflows related to other post employment benefits	3,169	72,400	15,846	91,415
Total deferred outflows of resources	23,575	163,775	62,726	250,076
LIABILITIES				
Current liabilities				
Payables				
Accounts	106,289	254,776	88,229	449,294
Deposits	4,036	0	0	4,036
Sales tax	0	0	9,272	9,272
Retainage	179,320	0	0	179,320
Interest	1,125	0	6,418	7,543
Accrued salaries	1,938	30,895	24,652	57,485
Compensated absences	1,545	47,068	25,403	74,016
Due to other funds	80,587	0	0	80,587
Capital lease payable	455,428	0	260,000	715,428
Other liabilities	0	0	47,450	47,450
Total current liabilities	830,268	332,739	461,424	1,624,431
Noncurrent liabilities				
Advances from other funds	0	0	223,370	223,370
Compensated absences	172	5,230	2,823	8,225
Net pension liability	125,600	382,356	1,982	509,938
Net OPEB liability	45,875	1,042,328	229,376	1,317,579
Capital leases payable	0	0	1,705,000	1,705,000
Total noncurrent liabilities	171,647	1,429,914	2,162,551	3,764,112
Total liabilities	1,001,915	1,762,653	2,623,975	5,388,543

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2019

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	$ 10,199	$ 188,490	$ 61,732	$ 260,421
Deferred inflows related to other post employment benefits	16,215	384,379	81,078	481,672
Total deferred inflows of resources	26,414	572,869	142,810	742,093
NET POSITION				
Net investment in capital assets	9,101,114	789,242	696,766	10,587,122
Restricted for capital outlay	0	0	25,649	25,649
Unrestricted	1,274,702	2,325,996	(330,384)	3,270,314
Total net position	$ 10,375,816	$ 3,115,238	$ 392,031	$ 13,883,085

Exhibit C-3, continued

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2019

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for sales and services	$ 975,041	$ 2,965,987	$ 1,063,022	$ 5,004,050
Other	240	14,415	7,404	22,059
Total operating revenues	975,281	2,980,402	1,070,426	5,026,109
OPERATING EXPENSES				
Costs of sales and services	500,169	1,057,054	388,356	1,945,579
Personal services	71,345	1,282,802	557,973	1,912,120
Depreciation	909,967	206,644	302,066	1,418,677
Total operating expenses	1,481,481	2,546,500	1,248,395	5,276,376
Operating income (loss)	(506,200)	433,902	(177,969)	(250,267)
Non-operating revenues (expenses)				
Interest revenue	36,686	85,417	11,210	133,313
Interest expense	(24,687)	0	(58,994)	(83,681)
Gain (loss) on sale of capital assets	(1,253)	53,431	1,347	53,525
Total non-operating revenues (expenses)	10,746	138,848	(46,437)	103,157
Income (loss) before capital contributions and transfers	(495,454)	572,750	(224,406)	(147,110)
Capital contributions				
Intergovernmental revenue	1,860,305	0	0	1,860,305
Income (loss) before transfers	1,364,851	572,750	(224,406)	1,713,195
Transfers in (out)				
Transfers in	0	0	404,562	404,562
Change in net position	1,364,851	572,750	180,156	2,117,757
Net position, July 1 (original)	9,010,965	2,542,488	211,875	11,765,328
Net position, June 30	$ 10,375,816	$ 3,115,238	$ 392,031	$ 13,883,085

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2019

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from customers	$ 976,720	$ 3,015,611	$ 1,068,110	$ 5,060,441
Payments to suppliers	(511,638)	(1,043,143)	(383,345)	(1,938,126)
Payments to employees	(68,244)	(1,346,639)	(580,980)	(1,995,863)
Other receipts	240	14,415	1,304	15,959
Net cash provided (used) by operating activities	397,078	640,244	105,089	1,142,411
Cash flows from non-capital financing activities:				
Receipts from other funds	0	0	404,562	404,562
Payments to other funds	0	0	(35,420)	(35,420)
Net cash provided (used) by non-capital financing activities	0	0	369,142	369,142
Cash flows from capital and related financing activities:				
Receipts from other funds	80,587	0	0	80,587
Receipts from other governments	440,986	0	0	440,986
Proceeds from sale of capital assets	3,496	53,435	1,347	58,278
Payment of capital related accounts payable	0	0	(1,279)	(1,279)
Interest paid	(14,387)	0	(54,241)	(68,628)
Acquisition of capital assets	(1,546,632)	(280,473)	(424,229)	(2,251,334)
Principal payments - capital leases	(449,475)	0	(255,000)	(704,475)
Net cash provided (used) by capital and related financing activities	(1,485,425)	(227,038)	(733,402)	(2,445,865)
Cash flows from investing activities:				
Interest received	36,686	85,417	11,210	133,313
Net increase (decrease) in cash and cash equivalents	(1,051,661)	498,623	(247,961)	(800,999)
Cash and cash equivalents, July 1	1,051,661	3,577,577	645,485	5,274,723
Cash and cash equivalents, June 30	$ 0	$ 4,076,200	$ 397,524	$ 4,473,724

Exhibit C-5, continued

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2019

	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)	$ (506,200)	$ 433,902	$ (177,969)	$ (250,267)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	909,967	206,644	302,066	1,418,677
(Increase) decrease in accounts receivable	1,680	49,625	(2,624)	48,681
(Increase) decrease in deferred outflows of resources	(975)	13,518	5,787	18,330
Increase (decrease) in accounts payable	(11,469)	13,911	5,021	7,463
Increase (decrease) in sales tax payable	0	0	1,611	1,611
Increase (decrease) in accrued salaries and benefits	695	1,418	5,658	7,771
Increase (decrease) in other liabilities	0	0	(8)	(8)
Increase (decrease) in net pension liability	3,675	(36,850)	(64,009)	(97,184)
Increase (decrease) in deferred inflows of resources	12,508	265,319	51,507	329,334
Increase (decrease) in OPEB liability	(12,803)	(307,243)	(21,951)	(341,997)
Total adjustments	903,278	206,342	283,058	1,392,678
Net cash provided (used) by operating activities	$ 397,078	$ 640,244	$ 105,089	$ 1,142,411

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled $321,793.

Acquisition of capital assets through retainage payable totaled $179,320.

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2019

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 2,119,638	$ 6,206,634	$ 265,747	$ 8,592,019
Receivables				
Accounts	1,861	24,554	0	26,415
Intergovernmental	0	0	8,507	8,507
Inventory	0	0	94,184	94,184
Other assets	140,000	0	0	140,000
Total current assets	2,261,499	6,231,188	368,438	8,861,125
Noncurrent assets				
Depreciable capital assets (net)	0	0	159,742	159,742
Total assets	2,261,499	6,231,188	528,180	9,020,867
LIABILITIES				
Current liabilities				
Payables				
Accounts	55,788	83,442	80,094	219,324
Deposits	0	135,902	0	135,902
Accrued salaries	0	0	11,217	11,217
Compensated absences	0	0	27,489	27,489
Claims reserves	1,550,858	772,211	0	2,323,069
Total current liabilities	1,606,646	991,555	118,800	2,717,001
Noncurrent liabilities				
Compensated absences	0	0	3,054	3,054
Total liabilities	1,606,646	991,555	121,854	2,720,055
NET POSITION				
Investment in capital assets	0	0	159,742	159,742
Unrestricted	654,853	5,239,633	246,584	6,141,070
Total net position	$ 654,853	$ 5,239,633	$ 406,326	$ 6,300,812

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2019

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
OPERATING REVENUES				
Interfund services provided	$ 1,170,652	$ 9,418,336	$ 2,268,718	$ 12,857,706
Other	7,522	0	1,039	8,561
Total operating revenues	1,178,174	9,418,336	2,269,757	12,866,267
OPERATING EXPENSES				
Costs of services	1,178,174	9,887,545	1,847,863	12,913,582
Personal services	0	0	387,228	387,228
Depreciation	0	0	37,581	37,581
Total operating expenses	1,178,174	9,887,545	2,272,672	13,338,391
Operating income (loss)	0	(469,209)	(2,915)	(472,124)
Non-operating revenues (expenses)				
Investment revenue	51,701	135,285	0	186,986
Gain (loss) on sale of capital assets	0	0	2,915	2,915
Total non-operating revenues (expenses)	51,701	135,285	2,915	189,901
Change in net position	51,701	(333,924)	0	(282,223)
Net position, July 1	603,152	5,573,557	406,326	6,583,035
Net position, June 30	$ 654,853	$ 5,239,633	$ 406,326	$ 6,300,812

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2019

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
Cash flows from operating activities:				
Receipts from interfund services provided	$ 1,171,611	$ 9,417,546	$ 2,268,793	$ 12,857,950
Payments to suppliers	(1,523,006)	(9,526,780)	(1,840,728)	(12,890,514)
Payments to employees	0	0	(381,013)	(381,013)
Other receipts	7,522	0	1,039	8,561
Net cash provided (used) by operating activities	(343,873)	(109,234)	48,091	(405,016)
Cash flows from capital and related financing activities:				
Payments to other funds	0	0	7,373	7,373
Acquisition of capital assets	0	0	(50,000)	(50,000)
Net cash provided (used) by capital and related financing activities	0	0	(42,627)	(42,627)
Cash flows from investing activities:				
Receipts from investments	51,701	135,285	0	186,986
Net increase (decrease) in cash and cash equivalents	(292,172)	26,051	5,464	(260,657)
Cash and cash equivalents, July 1	2,411,810	6,180,583	260,283	8,852,676
Cash and cash equivalents, June 30	$ 2,119,638	$ 6,206,634	$ 265,747	$ 8,592,019
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 0	$ (469,209)	$ (2,915)	$ (472,124)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	0	0	37,581	37,581
(Increase) decrease in accounts receivable	959	(790)	0	169
(Increase) decrease in intergovernmental receivables	0	0	75	75
(Increase) decrease in inventory	0	0	24,050	24,050
Increase (decrease) in accounts payable	6,971	(77,614)	(16,916)	(87,559)
Increase (decrease) in deposits payable	0	26,192	0	26,192
Increase (decrease) in accrued salaries and benefits	0	0	6,216	6,216
Increase (decrease) in claims reserve	(351,803)	412,187	0	60,384
Total adjustments	(343,873)	359,975	51,006	67,108
Net cash provided (used) by operating activities	$ (343,873)	$ (109,234)	$ 48,091	$ (405,016)

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, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 12,697,067	$ 12,345,180
Receivables (net)		
Accounts	97,729	66,992
Intergovernmental	372,892	32,670
Taxes	1,139,691	1,170,461
Prepaid items	2,424	1,268
Due from other funds	355,028	885,971
Advances to other funds	223,370	258,790
Total assets	$ 14,888,201	$ 14,761,332
LIABILITIES		
Payables		
Accounts	$ 585,000	$ 752,012
Intergovernmental	3,106	0
Due to others	62,246	27,994
Accrued salaries	473,407	639,397
Total liabilities	1,123,759	1,419,403
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	55,867	77,518
FUND BALANCES		
Nonspendable:		
Prepaid items	2,424	1,268
Advances to other funds	223,370	258,790
Committed for Housing and Development	4,957	4,957
Assigned for:		
Public Works	139,017	131,649
Budget	3,465,309	3,780,741
Unassigned	9,873,498	9,087,006
Total fund balances	13,708,575	13,264,411
Total liabilities, deferred inflows of resources, and fund balances	$ 14,888,201	$ 14,761,332

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, 2019 and 2018

	2019	2018
REVENUES		
Taxes	$ 21,150,543	$ 23,181,523
Licenses and permits	1,192,531	1,143,187
Fines, fees and forfeitures	1,270,227	1,345,500
Charges for services	2,771,075	2,321,193
Intergovernmental	404,061	1,496,497
Interest	745,151	271,934
Contributions	13,732	8,597
Other	251,353	356,672
Total revenues	27,798,673	30,125,103
EXPENDITURES		
Current		
General Government	5,060,187	4,861,539
Judicial	536,900	523,018
Public Safety	9,417,675	17,302,604
Public Works	4,783,471	4,612,451
Health and Welfare	19,500	12,500
Housing and Development	1,525,495	1,266,422
Total expenditures	21,343,228	28,578,534
Excess (deficiency) of revenues over (under) expenditures	6,455,445	1,546,569
Other financing sources (uses)		
Transfers in (out)		
Community Service Center Fund	(869,405)	(665,631)
Government Access Cable TV Channel Fund	(100,018)	(123,636)
Grants Special Revenue Fund	(22,943)	(52,443)
Fire Fund	(3,199,225)	0
Impact Fee Fund	36,893	30,871
SPLOST Capital Projects Fund	(16,411)	(100,000)
General Government Capital Projects Fund	(4,504,799)	(3,176,581)
Grants Capital Projects Fund	(155,000)	(25,000)
Debt Service Fund	(125,400)	(156,000)
Department of Water Resources Fund	3,297,702	3,446,222
Chattahoochee Golf Course Fund	(404,562)	(293,765)
Sales of capital assets	51,887	906,970
Total other financing sources (uses)	(6,011,281)	(208,993)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	444,164	1,337,576
Fund balances, July 1	13,264,411	11,926,835
Fund balances, June 30	$ 13,708,575	$ 13,264,411

Exhibit D-2

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2019
(With comparative actual amounts for the fiscal year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Current year levy	$ 3,634,407	$ 3,723,355	$ 88,948	$ 6,603,492
Prior years' levies	36,282	63,785	27,503	14,670
Motor vehicle/TAVT tax	949,324	1,401,626	452,302	1,330,150
Cost, penalties, and interest	10,140	25,654	15,514	33,341
Total general property taxes	4,630,153	5,214,420	584,267	7,981,653
Intangibles tax	126,000	179,964	53,964	213,556
Franchise tax	4,007,864	4,507,256	499,392	4,208,097
Insurance premium tax	2,100,000	2,433,437	333,437	2,346,272
Occupational tax	1,352,300	1,418,919	66,619	1,394,517
Alcohol tax	1,093,000	1,160,672	67,672	1,152,257
Local option sales tax	5,701,000	6,235,875	534,875	5,885,171
Total taxes	19,010,317	21,150,543	2,140,226	23,181,523
Licenses and permits	877,000	1,192,531	315,531	1,143,187
Fines, fees and forfeitures	1,360,000	1,270,227	(89,773)	1,345,500
Charges for services	2,887,335	2,771,075	(116,260)	2,321,193
Intergovernmental	421,362	404,061	(17,301)	1,496,497
Investment	110,000	745,151	635,151	271,934
Contributions	7,377	13,732	6,355	8,597
Other				
Rents	235,400	218,520	(16,880)	226,045
Miscellaneous	35,000	32,833	(2,167)	130,627
Total other	270,400	251,353	(19,047)	356,672
Total revenues	$ 24,943,791	$ 27,798,673	$ 2,854,882	$ 30,125,103

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2019
(With comparative actual amounts for the fiscal year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	$ 245,970	$ 226,398	$ 19,572	$ 230,243
Other	152,482	84,877	67,605	87,096
Total Mayor and Council	398,452	311,275	87,177	317,339
City Manager's Office				
Personal services	655,970	638,370	17,600	614,544
Other	231,993	216,955	15,038	186,848
Total City Manager's Office	887,963	855,325	32,638	801,392
Finance				
Personal services	1,033,186	1,029,781	3,405	956,641
Other	264,081	220,494	43,587	201,590
Total Finance	1,297,267	1,250,275	46,992	1,158,231
Information Technologies				
Personal services	662,708	615,866	46,842	511,846
Other	300,914	283,674	17,240	214,172
Total Information Technologies	963,622	899,540	64,082	726,018
Human Resources				
Personal services	655,681	629,769	25,912	578,401
Other	153,598	109,819	43,779	77,864
Total Human Resources	809,279	739,588	69,691	656,265
Public Lands and Buildings				
Personal services	372,374	325,270	47,104	261,604
Other	792,231	678,914	113,317	640,690
Capital outlay	0	0	0	300,000
Total Public Lands and Buildings	1,164,605	1,004,184	160,421	1,202,294
Total General Government	5,521,188	5,060,187	461,001	4,861,539
Judicial				
Municipal Court				
Personal services	472,671	455,418	17,253	432,256
Other	90,978	81,482	9,496	90,762
Total Judicial	563,649	536,900	26,749	523,018
Public Safety				
Police				
Personal services	8,308,793	7,991,870	316,923	7,843,229
Other	1,518,127	1,425,805	92,322	1,513,713
Total Police	9,826,920	9,417,675	409,245	9,356,942
Fire				
Personal services	0	0	0	7,209,361
Other	0	0	0	736,301
Total Fire	0	0	0	7,945,662
Total Public Safety	9,826,920	9,417,675	409,245	17,302,604

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2019
(With comparative actual amounts for the fiscal year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
Public Works				
Engineering				
Personal services	$ 910,854	$ 905,006	$ 5,848	$ 830,982
Other	118,973	106,538	12,435	77,632
Total Engineering	1,029,827	1,011,544	18,283	908,614
Traffic				
Personal services	439,421	429,326	10,095	443,891
Other	901,027	808,778	92,249	811,694
Capital outlay	0	0	0	12,180
Total Traffic	1,340,448	1,238,104	102,344	1,267,765
Street Maintenance				
Personal services	1,351,073	1,182,214	168,859	1,104,398
Other	483,673	462,143	21,530	409,877
Capital outlay	20,000	11,851	8,149	69,146
Total Street Maintenance	1,854,746	1,656,208	198,538	1,583,421
Storm Water				
Personal services	308,625	253,696	54,929	268,946
Other	106,630	50,276	56,354	32,875
Total Storm Water	415,255	303,972	111,283	301,821
Cemetery				
Personal services	411,778	401,569	10,209	379,334
Other	195,469	172,074	23,395	171,496
Total Cemetery	607,247	573,643	33,604	550,830
Total Public Works	5,247,523	4,783,471	464,052	4,612,451
Health and Welfare				
Agency allocations	19,500	19,500	0	12,500
Housing and Development				
Planning				
Personal services	531,671	528,465	3,206	468,991
Other	202,433	194,335	8,098	76,964
Total Planning	734,104	722,800	11,304	545,955
Inspection				
Personal services	358,637	355,312	3,325	330,917
Other	66,611	51,499	15,112	29,204
Total Inspection	425,248	406,811	18,437	360,121
Code Enforcement				
Personal services	284,532	281,124	3,408	260,987
Other	86,104	81,760	4,344	67,422
Total Code Enforcement	370,636	362,884	7,752	328,409
Agency allocations	33,000	33,000	0	31,937
Total Housing and Development	1,562,988	1,525,495	37,493	1,266,422
Total expenditures	$ 22,741,768	$ 21,343,228	$ 1,398,540	$ 28,578,534

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.*

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

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, and Code Enforcement.*

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.*

Fire Fund *– This fund is used to account for ad valorem property tax collections derived from the City's special tax district for Fire Services and the costs associated with the operation of the City's Fire Department.*

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

CITY OF GAINESVILLE, GEORGIA
COMMUNITY SERVICE CENTER SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 2,651,117	$ 2,615,463
Receivables		
Accounts	30	3,290
Intergovernmental	409,365	210,039
Inventory	34,002	34,002
Total assets	$ 3,094,514	$ 2,862,794
LIABILITIES		
Accounts payable	$ 83,855	$ 149,605
Accrued salaries	44,154	41,622
Total liabilities	128,009	191,227
FUND BALANCES		
Nonspendable:		
Inventories	34,002	34,002
Restricted for Health and Welfare	1,248,699	1,264,418
Assigned for:		
Health and Welfare	1,533,804	1,373,147
Budget	150,000	0
Total fund balances	2,966,505	2,671,567
Total liabilities and fund balances	$ 3,094,514	$ 2,862,794

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 431,907	$ 342,918	$ (88,989)	$ 359,270
Intergovernmental	2,320,858	1,615,779	(705,079)	1,473,755
Interest	5,000	58,416	53,416	22,877
Contributions	129,700	105,070	(24,630)	146,393
Other	84,710	86,102	1,392	84,209
Total revenues	2,972,175	2,208,285	(763,890)	2,086,504
EXPENDITURES				
Current				
Health and Welfare				
Personal services	1,679,850	1,506,210	173,640	1,417,879
Other	1,396,261	1,281,019	115,242	1,259,844
Capital outlay	892,000	46,850	845,150	0
Total expenditures	3,968,111	2,834,079	1,134,032	2,677,723
Excess (deficiency) of revenues over (under) expenditures	(995,936)	(625,794)	370,142	(591,219)
Other financing sources (uses)				
Transfers in (out)				
General Fund	869,405	869,405	0	665,631
General Government Capital Projects Fund	0	0	0	(28,301)
SPLOST Capital Projects Fund	0	0	0	(15,135)
Sale of capital assets	0	51,327	51,327	6,494
Total other financing sources (uses)	869,405	920,732	51,327	628,689
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(126,531)	294,938	421,469	37,470
Fund balance, July 1	126,531	2,671,567	2,545,036	2,634,097
Fund balances, June 30	$ 0	$ 2,966,505	$ 2,966,505	$ 2,671,567

Exhibit E-2

CITY OF GAINESVILLE, GEORGIA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 5,502,188	$ 4,174,878
Accounts receivable	1,748	0
Investments	10,548,835	933,619
Total assets	$ 16,052,771	$ 5,108,497
LIABILITIES		
Accounts payable	$ 3,684	$ 7,525
Due to other funds	10,017,622	0
	10,021,306	7,525
FUND BALANCES		
Assigned for:		
Housing and Development	5,966,465	5,042,972
Budget	65,000	58,000
Total fund balances	6,031,465	5,100,972
Total liabilities and fund balances	$ 16,052,771	$ 5,108,497

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Charges for services	$ 0	$ 0	$ 0	$ 243,830
Investment	162,500	1,137,320	974,820	39,016
Total revenue	162,500	1,137,320	974,820	282,846
EXPENDITURES				
Current				
Housing and Development				
Other	220,500	206,827	13,673	95,816
Excess (deficiency) of revenues over (under) expenditures	(58,000)	930,493	988,493	187,030
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	0	0	0	(30,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(58,000)	930,493	988,493	157,030
Fund balances, July 1	58,000	5,100,972	5,042,972	4,943,942
Fund balances, June 30	$ 0	$ 6,031,465	$ 6,031,465	$ 5,100,972

CITY OF GAINESVILLE, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 30,124	$ 52,843
Taxes receivable	91,717	82,122
Total assets	$ 121,841	$ 134,965
FUND BALANCES		
Assigned for Housing and Development	$ 121,841	$ 134,965

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/motel taxes	$ 962,114	$ 1,053,683	$ 91,569	$ 965,037
Investment	200	1,592	1,392	753
Total revenues	962,314	1,055,275	92,961	965,790
EXPENDITURES				
Current				
Housing and Development				
Other	764,162	764,162	0	472,783
Excess (deficiency) of revenues over (under) expenditures	198,152	291,113	92,961	493,007
Other financing sources (uses)				
Transfers in (out)				
Debt Service Fund	(175,652)	(175,652)	0	(160,869)
General Government Capital Projects Fund	(128,585)	(128,585)	0	(260,500)
Total other financing sources (uses)	(304,237)	(304,237)	0	(421,369)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(106,085)	(13,124)	92,961	71,638
Fund balances, July 1	106,085	134,965	28,880	63,327
Fund balances, June 30	$ 0	$ 121,841	$ 121,841	$ 134,965

CITY OF GAINESVILLE, GEORGIA
GOVERNMENT ACCESS CABLE TV CHANNEL SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 120,280	$ 101,722
Intergovernmental receivables	7,525	33,825
Total assets	$ 127,805	$ 135,547
LIABILITIES		
Accounts payable	$ 1,423	$ 306
Accrued salaries	3,643	14,849
Total liabilities	5,066	15,155
FUND BALANCES		
Restricted for:		
General Government	60,363	55,977
Capital outlay	0	6,425
Assigned for General Government	62,376	57,990
Total fund balances	122,739	120,392
Total liabilities and fund balances	$ 127,805	$ 135,547

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 128,686	$ 80,749	$ (47,937)	$ 123,636
Investment	1,194	2,346	1,152	1,035
Total revenues	129,880	83,095	(46,785)	124,671
EXPENDITURES				
Current				
General Government				
Personal services	181,091	113,136	67,955	174,521
Other	77,475	67,630	9,845	67,092
Total expenditures	258,566	180,766	77,800	241,613
Excess (deficiency) of revenues over (under) expenditures	(128,686)	(97,671)	31,015	(116,942)
Other financing sources (uses)				
Transfers in (out)				
General Fund	128,686	100,018	(28,668)	123,636
General Government Capital Projects Fund	0	0	0	(5,660)
Total other financing sources (uses)	128,686	100,018	(28,668)	117,976
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	2,347	2,347	1,034
Fund balance, July 1	0	120,392	120,392	119,358
Fund balances, June 30	$ 0	$ 122,739	$ 122,739	$ 120,392

CITY OF GAINESVILLE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 610,288	$ 601,053
Receivables	0	3,257
Total assets	$ 610,288	$ 604,310
LIABILITIES		
Accounts payable	$ 90,458	$ 0
Due to others	41,922	54,010
Total liabilities	132,380	54,010
FUND BALANCES		
Restricted for Public Safety	154,681	282,350
Assigned for Budget	323,227	267,950
Total fund balances	477,908	550,300
Total liabilities and fund balances	$ 610,288	$ 604,310

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 408,416	$ 408,417	$ 1	$ 265,130
Investment	15,382	15,385	3	5,710
Total revenues	423,798	423,802	4	270,840
EXPENDITURES				
Current				
Public Safety				
Other	450,258	322,878	127,380	208,294
Capital outlay	183,500	175,028	8,472	60,808
Total expenditures	633,758	497,906	135,852	269,102
Excess (deficiency) of revenues over (under) expenditures	(209,960)	(74,104)	135,856	1,738
Other financing sources (uses)				
Sales of capital assets	1,712	1,712	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(208,248)	(72,392)	135,856	1,738
Fund balance, July 1	208,248	550,300	342,052	548,562
Fund balances, June 30	$ 0	$ 477,908	$ 477,908	$ 550,300

CITY OF GAINESVILLE, GEORGIA
GRANTS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 300	$ 300
Investments	200,332	200,332
Intergovernmental receivables	346,934	756,414
Total assets	$ 547,566	$ 957,046
LIABILITIES		
Accounts payable	$ 0	$ 11,538
Due to other funds	247,083	645,789
Total liabilities	247,083	657,327
FUND BALANCES		
Restricted for		
Public Safety	764	6,459
Public Works	19,150	19,150
Housing and Development	200,332	200,332
Committed for Housing and Development	4,868	4,868
Assigned for General Government	75,369	68,910
Total fund balances	300,483	299,719
Total liabilities and fund balances	$ 547,566	$ 957,046

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 1,175,232	$ 88,372	$ (1,086,860)	$ 808,738
EXPENDITURES				
Current				
General Government	0	0	0	11,834
Public Safety	149,159	102,617	46,542	115,000
Public Works	0	0	0	418,674
Culture and Recreation	0	0	0	15,982
Housing and Development	1,049,266	7,934	1,041,332	98,265
Total expenditures	1,198,425	110,551	1,087,874	659,755
Excess (deficiency) of revenues over (under) expenditures	(23,193)	(22,179)	1,014	148,983
Other financing sources (uses)				
Transfers in (out)				
General Fund	23,193	22,943	(250)	52,443
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	764	764	201,426
Fund balance, July 1	0	299,719	299,719	98,293
Fund balances, June 30	$ 0	$ 300,483	$ 300,483	$ 299,719

Exhibit E-12

CITY OF GAINESVILLE, GEORGIA
HUD GRANT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Investments	$ 92,897	$ 92,898
Intergovernmental receivables	30,227	244,220
Total assets	$ 123,124	$ 337,118
LIABILITIES		
Payables		
Accounts	$ 2,413	$ 3,741
Accrued salaries	0	298
Due to other funds	27,357	240,182
Total liabilities	29,770	244,221
FUND BALANCES		
Restricted for Housing and Development	93,354	92,897
Total liabilities and fund balances	$ 123,124	$ 337,118

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 837,818	$ 338,783	$ (499,035)	$ 315,096
EXPENDITURES				
Current				
Housing and Development				
Personal services	166,090	35,391	130,699	39,459
Other	395,072	99,732	295,340	275,637
Total expenditures	561,162	135,123	426,039	315,096
Excess (deficiency) of revenues over (under) expenditures	276,656	203,660	(72,996)	0
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	(276,656)	(203,203)	73,453	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	457	457	0
Fund balances, July 1	0	92,897	92,897	92,897
Fund balances, June 30	$ 0	$ 93,354	$ 93,354	$ 92,897

CITY OF GAINESVILLE, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 125,341	$ 105,781
Notes receivable	225,069	267,390
Total assets	$ 350,410	$ 373,171
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - notes receivable	$ 225,069	$ 267,390
FUND BALANCES		
Restricted for Housing and Development	125,341	105,781
Total deferred inflows of resources and fund balances	$ 350,410	$ 373,171

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Charges for services	$ 19,985	$ 14,487	$ (5,498)	$ 20,595
Investment	4,333	6,410	2,077	1,070
Other	0	31	31	0
Total revenues	24,318	20,928	(3,390)	21,665
EXPENDITURES				
Current				
Housing and Development				
Other	82,800	1,368	81,432	18,281
Excess (deficiency) of revenues over (under) expenditures	(58,482)	19,560	78,042	3,384
Fund balances, July 1	58,482	105,781	47,299	102,397
Fund balances, June 30	$ 0	$ 125,341	$ 125,341	$ 105,781

CITY OF GAINESVILLE, GEORGIA
IMPACT FEE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 3,244,265	$ 2,751,979
FUND BALANCES		
Restricted for:		
Public Safety	820,926	596,163
Cultural and Recreation	2,423,339	2,155,816
Total fund balances	$ 3,244,265	$ 2,751,979

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Charges for services	$ 547,960	$ 1,075,030	$ 527,070	$ 892,597
Investment	25,468	76,694	51,226	23,107
Total revenues	573,428	1,151,724	578,296	915,704
EXPENDITURES				
Current				
Culture and Recreation				
Other	650,000	626,120	23,880	230,000
Excess (deficiency) of revenues over (under) expenditures	(76,572)	525,604	602,176	685,704
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	(36,893)	(36,893)	(30,871)
General Government Capital Projects Fund	(350,000)	3,575	353,575	0
Total other financing sources (uses)	(350,000)	(33,318)	316,682	(30,871)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(426,572)	492,286	918,858	654,833
Fund balances, July 1	426,572	2,751,979	2,325,407	2,097,146
Fund balances, June 30	$ 0	$ 3,244,265	$ 3,244,265	$ 2,751,979

CITY OF GAINESVILLE, GEORGIA
TAX ALLOCATION DISTRICT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 2,602,357	$ 1,080,438
LIABILITIES		
Accounts payable	$ 0	$ 1,520
Due to other funds	1,500,472	0
Total liabilities	1,500,472	1,520
FUND BALANCES		
Restricted for Housing and Development	836,342	687,006
Assigned for Budget	265,543	391,912
Total fund balances	1,101,885	1,078,918
Total liabilities and fund balances	$ 2,602,357	$ 1,080,438

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	$ 33,137	$ 60,329	$ 27,192	$ 42,545
Intergovernmental	188,956	207,299	18,343	247,900
Investment	1,650	40,557	38,907	8,296
Total revenues	223,743	308,185	84,442	298,741
EXPENDITURES				
Current				
Housing and Development	615,655	285,218	330,437	137,350
Excess (deficiency) of revenues over (under) expenditures	(391,912)	22,967	414,879	161,391
Fund balances, July 1	391,912	1,078,918	687,006	917,527
Fund balances, June 30	$ 0	$ 1,101,885	$ 1,101,885	$ 1,078,918

CITY OF GAINESVILLE, GEORGIA
INFORMATION TECHNOLOGY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 228,906	$ 124,997
LIABILITIES		
Accounts payable	$ 6,598	$ 0
FUND BALANCES		
Restricted for Public Safety	222,308	124,997
Total liabilities and fund balances	$ 228,906	$ 124,997

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 55,000	$ 61,792	$ 6,792	$ 69,745
Investment	1,000	3,963	2,963	1,841
Total revenues	56,000	65,755	9,755	71,586
EXPENDITURES				
Current				
Public Safety				
Other	56,000	9,694	46,306	28,574
Excess (deficiency) of revenues over (under) expenditures	0	56,061	56,061	43,012
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	41,250	41,250	0	(181,500)
Contingency	(41,250)	0	41,250	0
Total other financing sources (uses)	0	41,250	41,250	(181,500)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	97,311	97,311	(138,488)
Fund balances, July 1	0	124,997	124,997	263,485
Fund balances, June 30	$ 0	$ 222,308	$ 222,308	$ 124,997

CITY OF GAINESVILLE, GEORGIA
CEMETERY TRUST SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 381,129	$ 293,273
LIABILITIES		
Accounts payable	$ 417	$ 0
FUND BALANCES		
Committed for Public Works	380,712	293,273
Total liabilities and fund balances	$ 381,129	$ 293,273

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Sales and services	$ 40,000	$ 58,560	$ 18,560	$ 46,104
Contributions	0	25,500	25,500	4,500
Investment	2,704	7,654	4,950	2,834
Total revenues	42,704	91,714	49,010	53,438
EXPENDITURES				
Public Works				
Other	5,000	4,275	725	648
Total expenditures	5,000	4,275	725	648
Excess (deficiency) of revenues over (under) expenditures	37,704	87,439	49,735	52,790
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	(37,704)	0	37,704	(49,652)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	87,439	87,439	3,138
Fund balances, July 1	0	293,273	293,273	290,135
Fund balances, June 30	$ 0	$ 380,712	$ 380,712	$ 293,273

CITY OF GAINESVILLE, GEORGIA
FIRE SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2019

ASSETS		
Cash and cash equivalents	$	1,030,184
Receivable		
Accounts		403
Taxes		49,146
Intergovernmental		491
Total assets	$	1,080,224
LIABILITIES		
Accounts payable	$	54,313
Accrued salaries		209,965
Total liabilities		264,278
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes		41,517
FUND BALANCES		
Assigned for Public Safety		474,429
Assigned for Budget		300,000
Total fund balances		774,429
Total liabilities and fund balances	$	1,080,224

CITY OF GAINESVILLE, GEORGIA
FIRE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2019

	Final Budget	Actual	Variance
REVENUES			
Property taxes	$ 5,777,256	$ 5,892,252	$ 114,996
Motor vehicle taxes	60,719	48,742	(11,977)
Intergovernmental	0	3,298	3,298
Investment	20,000	23,591	3,591
Total revenues	5,857,975	5,967,883	109,908
EXPENDITURES			
Current			
Public Safety			
Personal services	7,430,171	7,300,574	129,597
Other	1,127,029	1,092,341	34,688
Debt Service	784,000	0	784,000
Total expenditures	9,341,200	8,392,915	948,285
Excess (deficiency) of revenues over (under) expenditures	(3,483,225)	(2,425,032)	1,058,193
Other financing sources (uses)			
Transfers in (out)			
General Fund	3,199,225	3,199,225	0
Sales of capital assets	0	236	236
Total other financing sources (uses)	3,199,225	3,199,461	236
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(284,000)	774,429	1,058,429
Fund balances, July 1	284,000	0	(284,000)
Fund balances, June 30	$ 0	$ 774,429	$ 774,429

Exhibit E-26

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, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 1,629,235	$ 2,777,893
Receivables		
Intergovernmental	449	414
Taxes	30,803	35,823
Due from other funds	1,500,472	0
Prepaid items	9,319	10,752
Total assets	$ 3,170,278	$ 2,824,882
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	$ 27,003	$ 24,669
FUND BALANCES		
Nonspendable prepaid items	9,319	10,752
Restricted for debt service	1,482,963	1,195,216
Assigned for debt service	1,650,993	1,594,245
Total fund balances	3,143,275	2,800,213
Total deferred inflows and fund balances	$ 3,170,278	$ 2,824,882

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	$ 2,559,265	$ 2,732,970	$ 173,705	$ 2,477,682
Investment	10,151	56,747	46,596	28,522
Total revenues	2,569,416	2,789,717	220,301	2,506,204
EXPENDITURES				
Debt Service				
Principal	2,177,732	2,176,859	873	1,462,303
Interest and fiscal charges	734,819	630,248	104,571	517,843
Total expenditures	2,912,551	2,807,107	105,444	1,980,146
Excess (deficiency) of revenues over (under) expenditures	(343,135)	(17,390)	325,745	526,058
Other financing sources (uses)				
Transfers in (out)				
General Fund	125,400	125,400	0	156,000
Hotel/Motel Tax Fund	158,335	175,652	17,317	160,869
General Governmental Capital Projects Fund	59,400	59,400	0	0
Total other financing sources (uses)	343,135	360,452	17,317	316,869
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	343,062	343,062	842,927
Fund balances, July 1	0	2,800,213	2,800,213	1,957,286
Fund balances, June 30	$ 0	$ 3,143,275	$ 3,143,275	$ 2,800,213

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.*

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

***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.*

***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, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 9,593,742	$ 5,636,365
Other receivable	238,489	0
Total assets	$ 9,832,231	$ 5,636,365
LIABILITIES		
Accounts payable	$ 224,303	$ 241,906
Retainages payable	15,453	16,644
Total liabilities	239,756	258,550
FUND BALANCES		
Restricted for capital projects:		
General Government	858,332	778,781
Public Safety	0	52,862
Health and Welfare	1,633,014	196,511
Assigned for capital projects:		
General Government	2,583,870	2,268,433
Public Safety	300,671	73,412
Public Works	4,216,588	2,007,816
Total fund balances	9,592,475	5,377,815
Total liabilities and fund balances	$ 9,832,231	$ 5,636,365

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, 2019 and 2018

	2019	2018
REVENUES		
Investment	$ 55,633	$ 0
Contributions	0	5,660
Other	0	447
Total revenues	55,633	6,107
EXPENDITURES		
Capital outlay		
General Government	4,447,045	2,224,982
Public Safety	271,857	892,027
Public Works	1,069,710	602,024
Housing and Development	245,170	152,517
Total expenditures	6,033,782	3,871,550
Excess (deficiency) of revenues over (under) expenditures	(5,978,149)	(3,865,443)
Other financing sources (uses)		
Transfers in (out)		
General Fund	4,504,799	3,176,581
Community Service Center Fund	0	28,300
Hotel/Motel Tax Fund	128,585	260,500
Government Access Cable TV Channel Fund	0	5,660
Information Technology Fund	(41,250)	181,500
Impact Fees Fund	(3,576)	0
Cemetery Trust Fund	0	49,652
Grants Capital Projects Fund	45,782	(35,000)
SPLOST Capital Projects Fund	0	(272,416)
Department of Water Resources Fund	684,380	553,513
Solid Waste Fund	0	5,660
Debt Service Fund	(59,400)	0
Issuance of capital leases	4,933,489	10,932
Total other financing sources (uses)	10,192,809	3,964,882
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	4,214,660	99,439
Fund balances, July 1	5,377,815	5,278,376
Fund balances, June 30	$ 9,592,475	$ 5,377,815

Exhibit G-2

CITY OF GAINESVILLE, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 14,232,064	$ 11,556,248
Intergovernmental receivables	1,115,259	1,009,788
Total assets	$ 15,347,323	$ 12,566,036
LIABILITIES		
Accounts payable	$ 707,174	$ 31,572
Retainages payable	38,630	0
Accrued salaries	1,724	0
Total liabilities	747,528	31,572
FUND BALANCES		
Restricted for capital projects:		
Public Safety	3,575,917	3,745,632
Public Works	6,538,620	7,617,762
Culture and Recreation	253,397	255,620
Assigned for capital projects:		
Public Safety	100,000	100,000
Public Works	381,861	365,450
Health and Welfare	3,750,000	450,000
Total fund balances	14,599,795	12,534,464
Total liabilities and fund balances	$ 15,347,323	$ 12,566,036

CITY OF GAINESVILLE, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
REVENUES		
Intergovernmental	$ 5,795,622	$ 6,777,358
Contributions	0	44,000
Total revenues	5,795,622	6,821,358
EXPENDITURES		
Capital outlay		
Public Safety	169,715	680,768
Public Works	3,970,198	1,157,625
Health and Welfare	0	1,322,029
Culture and Recreation	2,223	54,619
Total expenditures	4,142,136	3,215,041
Excess (deficiency) of revenues over (under) expenditures	1,653,486	3,606,317
Other financing sources (uses)		
Transfers in (out)		
General Fund	16,411	100,000
Department of Water Resources Fund	0	208,440
Community Service Center Fund	0	15,135
Grants Capital Projects Fund	395,434	366,984
General Government Capital Projects Fund	0	272,416
Total other financing sources (uses)	411,845	962,975
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	2,065,331	4,569,292
Fund balances, July 1	12,534,464	7,965,172
Fund balances, June 30	$ 14,599,795	$ 12,534,464

CITY OF GAINESVILLE, GEORGIA
GRANTS CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 981,572	$ 782,546
Accounts receivable	0	27,958
Intergovernmental receivables	29,462	229,825
Total assets	$ 1,011,034	$ 1,040,329
LIABILITIES		
Accounts payable	$ 4,971	$ 11,723
FUND BALANCES		
Restricted for capital projects:		
Public Works	166,841	195,448
Assigned for capital projects:		
Public Works	839,222	833,158
Total fund balances	1,006,063	1,028,606
Total liabilities and fund balances	$ 1,011,034	$ 1,040,329

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, 2019 and 2018

	2019	2018
REVENUES		
Intergovernmental	$ 402,926	$ 396,696
Contributions	25,000	5,000
Total revenues	427,926	401,696
EXPENDITURES		
Capital outlay		
General Government	303,324	114,838
Public Works	64,132	133,368
Total expenditures	367,456	248,206
Excess (deficiency) of revenues over (under) expenditures	60,470	153,490
Other financing sources (uses)		
Transfers in (out)		
General Fund	155,000	25,000
Economic Development Special Revenue Fund	0	30,000
HUD Grant Special Revenue Fund	203,203	0
SPLOST Capital Projects Funds	(395,434)	(366,984)
General Government Capital Projects Fund	(45,782)	35,000
Total other financing sources (uses)	(83,013)	(276,984)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(22,543)	(123,494)
Fund balances, July 1	1,028,606	1,152,100
Fund balances, June 30	$ 1,006,063	$ 1,028,606

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, 2019 and 2018

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 38,379,761	$ 41,197,857
Receivables		
Accounts (net)	5,167,628	4,345,677
Intergovernmental	216,266	169,017
Other	20,684	0
Inventories	1,663,480	1,618,684
Total current assets	45,447,819	47,331,235
Restricted assets		
Extension and Renewal		
Cash and cash equivalents	67,584,347	62,272,212
Debt Redemption		
Cash and cash equivalents	7,654,733	9,766,790
Customer Deposits		
Cash and cash equivalents	2,320,129	2,300,009
Total restricted assets	77,559,209	74,339,011
Noncurrent assets		
Advance to other fund	10,017,622	0
Capital assets		
Land	31,951,003	30,977,493
Nondepreciable intangibles	2,056,998	2,056,998
Land improvements	2,069,290	2,184,504
Buildings	45,161,849	44,835,815
Distribution system	550,257,703	541,932,094
Vehicles and equipment	35,919,958	34,422,825
Depreciable intangibles	5,971,224	5,971,224
Construction in progress	37,142,852	35,700,858
Accumulated depreciation	(240,343,880)	(226,584,307)
Total noncurrent assets	480,204,619	471,497,504
Total assets	603,211,647	593,167,750
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	237,639	476,203
Deferred outflows related to pensions	2,921,361	2,648,054
Deferred outflows related to other post employment benefits	658,912	764,979
Total deferred outflows of resources	3,817,912	3,889,236

Exhibit H-1, continued

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

	2019	2018
LIABILITIES		
Current liabilities		
Payables		
Accounts	$ 1,596,364	$ 2,271,008
Intergovernmental	827,429	5,070
Accrued salaries	395,785	396,366
Compensated absences	656,721	580,677
Capital lease payable	1,261,588	1,261,588
Total current liabilities	4,737,887	4,514,709
Current liabilities payable from restricted assets		
Payables		
Accounts	2,475,704	1,207,819
Retainages	779,916	1,447,347
Customer deposits	2,320,129	2,300,009
Revenue bonds payable	12,615,000	16,200,000
Interest payable	360,262	425,471
Total liabilities payable from restricted assets	18,551,011	21,580,646
Noncurrent liabilities		
Net pension liability	19,093,839	18,464,956
Net OPEB liability	9,498,305	12,263,491
Compensated absences	72,969	64,520
Capital leases payable	13,877,468	15,139,056
Revenue bonds payable	75,695,630	89,359,369
Total noncurrent liabilities	118,238,211	135,291,392
Total liabilities	141,527,109	161,386,747
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	2,116,025	1,925,663
Deferred inflows related to other post employment benefits	3,469,005	1,002,793
Total deferred inflows of resources	5,585,030	2,928,456
NET POSITION		
Net investment in capital assets	364,408,087	347,358,527
Restricted for:		
Capital outlay	67,584,347	62,272,212
Debt service	7,294,471	9,341,319
Unrestricted	20,630,515	13,769,725
Total net position	$ 459,917,420	$ 432,741,783

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, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Charges for sales and services		
Water sales	$ 38,035,078	$ 36,988,937
Sewer charges	33,256,009	32,137,911
Tap fees	1,315,289	1,437,760
Other	1,528,661	1,398,901
Other	64,161	91,685
Total operating revenues	74,199,198	72,055,194
OPERATING EXPENSES		
Costs of sales and services	22,379,999	18,260,466
Personal services	13,934,033	13,460,571
Depreciation	15,334,337	15,101,193
Total operating expenses	51,648,369	46,822,230
Operating income (loss)	22,550,829	25,232,964
Non-operating revenues (expenses)		
Investment revenue	3,492,586	2,123,320
Interest expense	(3,332,805)	(3,852,573)
Gain (loss) on sale of capital assets	(41,273)	(3,543,647)
Total non-operating revenues (expenses)	118,508	(5,272,900)
Net income (loss) before capital contributions and transfers	22,669,337	19,960,064
Capital contributions		
Connection fees	4,363,061	4,173,891
Capital contributions	4,125,321	5,247,758
Total capital contributions	8,488,382	9,421,649
Net income (loss) before transfers	31,157,719	29,381,713
Transfers in (out)		
General Fund	(3,297,702)	(3,446,222)
General Government Capital Projects Fund	(684,380)	(553,513)
SPLOST Capital Projects Fund	0	(208,440)
Total transfers in (out)	(3,982,082)	(4,208,175)
Change in net position	27,175,637	25,173,538
Net position, July 1 (original)	432,741,783	407,983,339
Prior period adjustment	0	(415,094)
Net position, July 1 (restated)	432,741,783	407,568,245
Net position, June 30	$ 459,917,420	$ 432,741,783

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Receipts from customers	$ 73,265,273	$ 71,962,211
Payments to suppliers	(21,588,325)	(17,596,302)
Payments to employees	(13,497,090)	(12,962,475)
Other receipts	64,161	91,685
Net cash provided (used) by operating activities	38,244,019	41,495,119
Cash flows from non-capital financing activities:		
Payments to other funds	(13,315,323)	(3,446,222)
Net cash provided (used) by non-capital financing activities	(13,315,323)	(3,446,222)
Cash flows from capital and related financing activities:		
Connection fees	4,363,061	4,173,891
Receipts of capital contributions	30,818	56,400
Payments to other funds	(984,980)	(761,953)
Interest paid	(3,398,014)	(3,916,336)
Acquisition of capital assets	(8,521,582)	(21,227,024)
Payment of capital related accounts payable	(2,655,166)	(1,705,218)
Proceeds from sale of capital assets	119,611	57,796
Principal payments - bonds	(16,200,000)	(15,940,000)
Net cash provided (used) by capital and related financing activities	(27,246,252)	(39,262,444)
Cash flows from investing activities:		
Interest received	2,719,658	1,313,144
Net increase (decrease) in cash and cash equivalents	402,102	99,597
Cash and cash equivalents, July 1	115,536,868	115,437,271
Cash and cash equivalents, June 30	$ 115,938,970	$ 115,536,868

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 22,550,829	$ 25,232,964
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	15,334,337	15,101,193
(Increase) decrease in accounts receivable	(842,635)	(62,153)
(Increase) decrease in intergovernmental receivables	(47,249)	(3,949)
(Increase) decrease in inventory	(44,796)	81,502
(Increase) decrease in prepaid items	0	3,800
(Increase) decrease in deferred outflows of resources	(167,240)	(1,661,882)
Increase (decrease) in accounts payable	14,111	577,481
Increase (decrease) in intergovernmental payables	822,359	1,381
Increase (decrease) in deposits payable	20,120	64,804
Increase (decrease) in accrued salaries and benefits	83,912	66,446
Increase (decrease) in net pension liability	628,883	600,454
Increase (decrease) in deferred inflows of resources	2,656,574	2,046,871
Increase (decrease) in OPEB liability	(2,765,186)	(553,793)
Total adjustments	15,693,190	16,262,155
Net cash provided (used) by operating activities	$ 38,244,019	$ 41,495,119
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	$ 38,379,761	$ 41,197,857
Extension and Renewal		
Cash and cash equivalents	67,584,347	62,272,212
Debt Redemption		
Cash and cash equivalents	7,654,733	9,766,790
Customer Deposits		
Cash and cash equivalents	2,320,129	2,300,009
Total cash and cash equivalents	$ 115,938,970	$ 115,536,868

Noncash investing, capital, and financing activities:

Contributions of capital assets from individuals totaled $2,832,915 and $3,929,770 for the fiscal years ended June 30, 2019 and 2018, respectively.

Contributions of capital assets from other governments totaled $1,261,588 and $1,261,588 for the fiscal years ended June 30, 2019 and 2018, respectively.

Acquisition of capital assets through accounts payable totaled $1,786,949 and $1,207,819 for the fiscal years ended June 30, 2019 and 2018, respectively.

Acquisition of capital assets through retainage payable totaled $779,916 and $1,447,347 for the fiscal years ended June 30, 2019 and 2018, respectively.

Forgiveness of capital lease through capital contributions totaled $1,261,588 and $1,261,588 for the fiscal years ended June 30, 2019 and 2018, respectively.

CITY OF GAINESVILLE, GEORGIA
AIRPORT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 0	$ 1,051,661
Receivables		
Accounts	22,232	23,912
Intergovernmental	1,528,275	108,956
Total current assets	1,550,507	1,184,529
Capital assets		
Land	504,385	504,385
Land improvements	12,641,581	12,641,581
Buildings	6,637,588	6,637,588
Vehicles and equipment	503,925	526,982
Intangibles	118,000	118,000
Construction in progress	2,053,901	229,476
Accumulated depreciation	(12,629,317)	(11,737,657)
Total capital assets (net of accumulated depreciation)	9,830,063	8,920,355
Total assets	11,380,570	10,104,884
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	4,270	15,658
Deferred outflows related to pensions	16,136	14,670
Deferred outflows related to other post employment benefits	3,169	3,660
Total deferred outflows of resources	23,575	33,988
LIABILITIES		
Current liabilities		
Payables		
Accounts	106,289	19,287
Retainage	179,320	0
Interest	1,125	2,213
Customer deposits	4,036	4,036
Due to other funds	80,587	0
Accrued salaries	1,938	1,864
Compensated absences	1,545	986
Capital leases payable	455,428	435,000
Total current liabilities	830,268	463,386
Noncurrent liabilities		
Net pension liability	125,600	121,925
Net OPEB liability	45,875	58,677
Compensated absences	172	110
Capital leases payable	0	469,903
Total noncurrent liabilities	171,647	650,615
Total liabilities	1,001,915	1,114,001
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	10,199	9,108
Deferred inflows related to other post employment benefits	16,215	4,798
Total deferred inflows of resources	26,414	13,906
NET POSITION		
Net investment in capital assets	9,101,114	8,031,110
Unrestricted	1,274,702	979,855
Total net position	$ 10,375,816	$ 9,010,965

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, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Charges for sales and services		
Fuel sales	$ 47,731	$ 42,685
Rent	927,310	888,458
Other	240	235
Total operating revenues	975,281	931,378
OPERATING EXPENSES		
Costs of sales and services	500,169	310,953
Personal services	71,345	60,686
Depreciation	909,967	896,619
Total operating expenses	1,481,481	1,268,258
Operating income (loss)	(506,200)	(336,880)
Non-operating revenues (expenses)		
Investment revenue	36,686	23,777
Interest expense	(24,687)	(33,275)
Gain (loss) on sale of capital assets	(1,253)	0
Total non-operating revenues (expenses)	10,746	(9,498)
Net income (loss) before capital contributions	(495,454)	(346,378)
Capital contributions		
Intergovernmental revenue	1,860,305	98,172
Change in net position	1,364,851	(248,206)
Net position, July 1 (original)	9,010,965	9,293,751
Prior period adjustment	0	(34,580)
Net position, July 1 (restated)	9,010,965	9,259,171
Net position, June 30	$ 10,375,816	$ 9,010,965

CITY OF GAINESVILLE, GEORGIA
AIRPORT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Receipts from customers	$ 976,720	$ 821,713
Payments to suppliers	(511,638)	(302,175)
Payments to employees	(68,244)	(62,012)
Other receipts	240	235
Net cash provided (used) by operating activities	397,078	457,761
Cash flows from capital and related financing activities:		
Receipts from other governments	440,986	207,218
Receipts from other funds	80,587	0
Sale of capital assets	3,496	0
Interest paid	(14,387)	(22,938)
Acquisition of capital assets	(1,546,632)	(150,653)
Principal payments - capital leases	(449,475)	(420,000)
Net cash provided (used) by capital and related financing activities	(1,485,425)	(386,373)
Cash flows from investing activities:		
Interest received	36,686	9,303
Net increase (decrease) in cash and cash equivalents	(1,051,661)	80,691
Cash and cash equivalents, July 1	1,051,661	970,970
Cash and cash equivalents, June 30	$ 0	$ 1,051,661
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (506,200)	$ (336,880)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	909,967	896,619
(Increase) decrease in accounts receivable	1,680	(11,258)
(Increase) decrease in intergovernmental receivable	0	(98,172)
(Increase) decrease in deferred outflows of resources	(975)	(8,127)
Increase (decrease) in accounts payable	(11,469)	8,778
Increase (decrease) in accrued payroll liabilities	695	(3,880)
Increase (decrease) in net pension liability	3,675	3,575
Increase (decrease) in deferred inflows of resources	12,508	9,756
Increase (decrease) in OPEB liability	(12,803)	(2,650)
Total adjustments	903,278	794,641
Net cash provided by operating activities	$ 397,078	$ 457,761

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled $98,472 and $0 for the fiscal years ended June 30, 2019 and 2018, respectively.

Acquisition of capital assets through retainage payable totaled $179,320 and $0 for the fiscal years ended June 30, 2019 and 2018, respectively.

CITY OF GAINESVILLE, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 4,076,200	$ 3,577,577
Accounts receivable (net)	226,066	275,692
Total current assets	4,302,266	3,853,269
Capital assets		
Buildings	25,051	25,051
Vehicles and equipment	2,828,026	2,524,732
Accumulated depreciation	(1,868,358)	(1,834,369)
Total capital assets (net of accumulated depreciation)	984,719	715,414
Total assets	5,286,985	4,568,683
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	91,375	93,108
Deferred outflows related to other post employment benefits	72,400	84,184
Total deferred outflows of resources	163,775	177,292
LIABILITIES		
Current liabilities		
Accounts payable	254,776	45,389
Accrued salaries	30,895	29,352
Compensated absences	47,068	47,177
Total current liabilities	332,739	121,918
Noncurrent liabilities		
Net pension liability	382,356	419,206
Net OPEB liability	1,042,328	1,349,571
Compensated absences	5,230	5,242
Total noncurrent liabilities	1,429,914	1,774,019
Total liabilities	1,762,653	1,895,937
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	188,490	197,195
Deferred inflows related to other post employment benefits	384,379	110,355
Total deferred inflows of resources	572,869	307,550
NET POSITION		
Net investment in capital assets	789,242	715,414
Unrestricted	2,325,996	1,827,074
Total net position	$ 3,115,238	$ 2,542,488

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, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Charges for sales and services	$ 2,965,987	$ 2,887,724
Other	14,415	11,328
Total operating revenues	2,980,402	2,899,052
OPERATING EXPENSES		
Costs of sales and services	715,024	707,084
Costs of sales and services - landfill	342,030	303,148
Personal services	1,282,802	1,240,096
Depreciation	206,644	170,157
Total operating expenses	2,546,500	2,420,485
Operating income (loss)	433,902	478,567
Non-operating revenues (expenses)		
Investment revenue	85,417	32,834
Gain (loss) on sale of capital assets	53,431	6,296
Total non-operating revenues (expenses)	138,848	39,130
Net income (loss) before transfers	572,750	517,697
Transfers in (out)		
General Government Capital Projects Fund	0	(5,660)
Change in net position	572,750	512,037
Net position, July 1 (original)	2,542,488	2,183,199
Prior period adjustment	0	(152,748)
Net position, July 1 (restated)	2,542,488	2,030,451
Net position, June 30	$ 3,115,238	$ 2,542,488

CITY OF GAINESVILLE, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Receipts from customers	$ 3,015,611	$ 2,841,251
Payments to suppliers	(1,043,143)	(1,005,218)
Payments to employees	(1,346,639)	(1,253,984)
Other receipts	14,415	11,328
Net cash provided (used) by operating activities	640,244	593,377
Cash flows from noncapital and related financing activities:		
Payments to other funds	0	(5,660)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(280,473)	(201,555)
Proceeds from sale of capital asset	53,435	6,296
Net cash provided (used) by capital and related financing activities	(227,038)	(195,259)
Cash flows from investing activities:		
Receipts from investments	85,417	32,834
Net increase (decrease) in cash and cash equivalents	498,623	425,292
Cash and cash equivalents, July 1	3,577,577	3,152,285
Cash and cash equivalents, June 30	$ 4,076,200	$ 3,577,577
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 433,902	$ 478,567
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	206,644	170,157
(Increase) decrease in accounts receivable	49,625	(46,473)
(Increase) decrease in deferred outflows of resources	13,518	(56,659)
Increase (decrease) in accounts payable	13,911	5,015
Increase (decrease) in accrued payroll liabilities	1,418	1,923
Increase (decrease) in net pension liability	(36,850)	(50,507)
Increase (decrease) in deferred inflows of resources	265,319	152,299
Increase (decrease) in OPEB liability	(307,243)	(60,945)
Total adjustments	206,342	114,810
Net cash used by operating activities	$ 640,244	$ 593,377

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled $195,477 and $0 for the fiscal years ended June 30, 2019 and 2018, respectively.

CITY OF GAINESVILLE, GEORGIA
CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 397,524	$ 645,485
Accounts receivable (net)	42,006	39,382
Total current assets	439,530	684,867
Capital assets		
Land	52,151	52,151
Land improvements	5,399,594	5,399,594
Buildings	1,119,997	715,452
Vehicles and equipment	969,756	875,788
Construction in progress	0	15,024
Accumulated depreciation	(4,884,938)	(4,551,457)
Total capital assets (net of accumulated depreciation)	2,656,560	2,506,552
Total assets	3,096,090	3,191,419
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	33,051	38,637
Deferred outflows related to pensions	13,829	17,161
Deferred outflows related to other post employment benefits	15,846	18,302
Total deferred outflows of resources	62,726	74,100
LIABILITIES		
Current liabilities		
Payables		
Accounts	88,229	56,644
Sales tax	9,272	7,661
Interest	6,418	7,251
Accrued salaries	24,652	20,637
Compensated absences	25,403	23,925
Capital lease payable	260,000	255,000
Other liabilities	47,450	47,458
Total current liabilities	461,424	418,576
Noncurrent liabilities		
Advances from other funds	223,370	258,790
Net pension liability	1,982	23,932
Net OPEB liability	229,376	293,385
Compensated absences	2,823	2,658
Capital leases payable	1,705,000	1,965,000
Total noncurrent liabilities	2,162,551	2,543,765
Total liabilities	2,623,975	2,962,341
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	61,732	67,313
Deferred inflows related to other post employment benefits	81,078	23,990
Total deferred inflows of resources	142,810	91,303
NET POSITION		
Net investment in capital assets	696,766	323,910
Restricted for capital outlay	25,649	25,649
Unrestricted	(330,384)	(137,684)
Total net position	$ 392,031	$ 211,875

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, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Charges for sales and services		
Greens fees	$ 658,376	$ 692,174
Cart fees	322,478	291,593
Handicap fees	20,720	20,740
Practice range	61,448	56,519
Rent revenue	6,100	11,950
Other	1,304	13,743
Total operating revenues	1,070,426	1,086,719
OPERATING EXPENSES		
Costs of sales and services	388,356	421,489
Personal services	557,973	565,521
Depreciation	302,066	303,630
Total operating expenses	1,248,395	1,290,640
Operating income (loss)	(177,969)	(203,921)
Non-operating revenues (expenses)		
Investment revenue	11,210	4,967
Interest expense	(58,994)	(65,555)
Gain (loss) on sale of capital assets	1,347	292,669
Total non-operating revenues (expenses)	(46,437)	232,081
Net income (loss) before transfers	(224,406)	28,160
Transfers in (out)		
General Fund	404,562	293,765
Change in net position	180,156	321,925
Net position, July 1 (original)	211,875	(95,528)
Prior period adjustment	0	(14,522)
Net position, July 1 (restated)	211,875	(110,050)
Net position, June 30	$ 392,031	$ 211,875

Exhibit H-11

CITY OF GAINESVILLE, GEORGIA
CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Receipts from customers	$ 1,068,110	$ 1,099,718
Payments to suppliers	(383,345)	(419,425)
Payments to employees	(580,980)	(577,956)
Other receipts	1,304	13,743
Net cash provided (used) by operating activities	105,089	116,080
Cash flows from non-capital financing activities:		
Receipts from other funds	404,562	293,765
Payments to other funds	(35,420)	(34,134)
Net cash provided (used) by non-capital financing activities	369,142	259,631
Cash flows from capital and related financing activities:		
Interest paid	(54,241)	(60,788)
Principal payments - capital leases	(255,000)	(250,000)
Sale of capital assets	1,347	293,405
Payment of capital related accounts payable	(1,279)	(49,925)
Acquisition of capital assets	(424,229)	(64,123)
Net cash provided (used) by capital and related financing activities	(733,402)	(131,431)
Cash flows from investing activities:		
Receipts from investments	11,210	4,967
Net increase (decrease) in cash and cash equivalents	(247,961)	249,247
Cash and cash equivalents, July 1	645,485	396,238
Cash and cash equivalents, June 30	$ 397,524	$ 645,485
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (177,969)	$ (203,921)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	302,066	303,630
(Increase) decrease in accounts receivable	(2,624)	26,661
(Increase) decrease in deferred outflows of resources	5,787	(7,117)
Increase (decrease) in accounts payable	5,021	(114)
Increase (decrease) in sales tax payable	1,611	81
Increase (decrease) in accrued salaries and benefits	5,658	3,554
Increase (decrease) in other liabilities	(8)	2,178
Increase (decrease) in net OPEB liability	(21,951)	(13,249)
Increase (decrease) in deferred inflows of resources	51,507	33,494
Increase (decrease) in net pension liability	(64,009)	(29,117)
Total adjustments	283,058	320,001
Net cash provided (used) by operating activities	$ 105,089	$ 116,080

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled $27,845 and $1,279 for the fiscal years ended June 30, 2019 and 2018, 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, 2019 and 2018

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,119,638	$ 2,411,810
Accounts receivable	1,861	2,820
Other assets	140,000	140,000
Total assets	2,261,499	2,554,630
LIABILITIES		
Current liabilities		
Accounts payable	55,788	48,817
Claims reserves	1,550,858	1,902,661
Total liabilities	1,606,646	1,951,478
NET POSITION		
Unrestricted	$ 654,853	$ 603,152

Exhibit I-1

CITY OF GAINESVILLE, GEORGIA
GENERAL INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Interfund services provided	$ 1,170,652	$ 2,292,312
Other	7,522	49,136
Total operating revenue	1,178,174	2,341,448
OPERATING EXPENSES		
Costs of services		
Insurance	883,360	795,007
Claims	109,627	1,348,355
Administrative fees	185,187	198,086
Total operating expenses	1,178,174	2,341,448
Operating income (loss)	0	0
Non-operating revenues (expenses)		
Investment revenue	51,701	16,347
Change in net position	51,701	16,347
Net position, July 1	603,152	586,805
Net position, June 30	$ 654,853	$ 603,152

CITY OF GAINESVILLE, GEORGIA
GENERAL INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Receipts from interfund services provided	$ 1,171,611	$ 2,231,917
Payments to suppliers	(1,523,006)	(1,441,159)
Other receipts	7,522	49,136
Net cash provided (used) by operating activities	(343,873)	839,894
Cash flows from investing activities:		
Receipts from investments	51,701	16,347
Net increase (decrease) in cash and cash equivalents	(292,172)	856,241
Cash and cash equivalents, July 1	2,411,810	1,555,569
Cash and cash equivalents, June 30	$ 2,119,638	$ 2,411,810
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 0	$ 0
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	959	(2,820)
Increase (decrease) in accounts payable	6,971	15,030
Increase (decrease) in claims reserve	(351,803)	827,684
Total adjustments	(343,873)	839,894
Net cash provided (used) by operating activities	$ (343,873)	$ 839,894

CITY OF GAINESVILLE, GEORGIA
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 6,206,634	$ 6,180,583
Accounts receivable	24,554	23,764
Total assets	6,231,188	6,204,347
LIABILITIES		
Current liabilities		
Accounts payable	83,442	161,056
Deposits payable	135,902	109,710
Claims reserves	772,211	360,024
Total liabilities	991,555	630,790
NET POSITION		
Unrestricted	$ 5,239,633	$ 5,573,557

CITY OF GAINESVILLE, GEORGIA
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Interfund services provided	$ 9,418,336	$ 9,505,521
OPERATING EXPENSES		
Costs of services		
Insurance	1,776,449	1,785,895
Claims	6,316,817	5,462,871
Wellness program	1,385,658	1,078,448
Administrative fees	408,621	481,897
Total operating expenses	9,887,545	8,809,111
Operating income (loss)	(469,209)	696,410
Non-operating revenues (expenses)		
Investment revenue	135,285	55,425
Change in net position	(333,924)	751,835
Net position, July 1	5,573,557	4,821,722
Net position, June 30	$ 5,239,633	$ 5,573,557

CITY OF GAINESVILLE, GEORGIA
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Receipts from interfund services provided	$ 9,417,546	$ 9,498,983
Payments to suppliers	(9,526,780)	(9,013,470)
Net cash provided (used) by operating activities	(109,234)	485,513
Cash flows from investing activities:		
Receipts from investments	135,285	55,426
Net increase (decrease) in cash and cash equivalents	26,051	540,939
Cash and cash equivalents, July 1	6,180,583	5,639,644
Cash and cash equivalents, June 30	$ 6,206,634	$ 6,180,583
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (469,209)	$ 696,410
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	(790)	(6,537)
Increase (decrease) in accounts payable	(77,614)	84,470
Increase (decrease) in deposits payable	26,192	33,774
Increase (decrease) in claims reserve	412,187	(322,604)
Total adjustments	359,975	(210,897)
Net cash provided (used) by operating activities	$ (109,234)	$ 485,513

CITY OF GAINESVILLE, GEORGIA
VEHICLE SERVICES FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 265,747	$ 260,283
Intergovernmental receivables	8,507	8,582
Inventory	94,184	118,234
Total current assets	368,438	387,099
Capital assets		
Buildings	266,254	266,254
Vehicles and equipment	506,648	465,896
Accumulated depreciation	(613,160)	(580,371)
Capital assets (net of accumulated depreciation)	159,742	151,779
Total assets	528,180	538,878
LIABILITIES		
Current liabilities		
Accounts payable	80,094	97,007
Accrued salaries	11,217	9,069
Compensated absences	27,489	23,828
Total current liabilities	118,800	129,904
Noncurrent liabilities		
Compensated absences	3,054	2,648
Total liabilities	121,854	132,552
NET POSITION		
Investment in capital assets	159,742	151,779
Unrestricted	246,584	254,547
Total net position	$ 406,326	$ 406,326

CITY OF GAINESVILLE, GEORGIA
VEHICLE SERVICES FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Interfund services provided	$ 2,268,718	$ 2,182,144
Other	1,039	1,957
Total operating revenues	2,269,757	2,184,101
OPERATING EXPENSES		
Costs of services	1,847,863	1,790,354
Personal services	387,228	367,314
Depreciation	37,581	34,022
Total operating expenses	2,272,672	2,191,690
Operating income (loss)	(2,915)	(7,589)
Non-operating revenues (expenses)		
Gain (loss) on sale of capital assets	2,915	7,589
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, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Receipts from interfund services provided	$ 2,268,793	$ 2,195,076
Payments to suppliers	(1,840,728)	(1,776,376)
Payments to employees	(381,013)	(365,627)
Other receipts	1,039	1,957
Net cash provided (used) by operating activities	48,091	55,030
Cash flows from capital and related financing activities:		
Sale of capital assets	7,373	7,589
Acquisition of capital assets	(50,000)	(41,235)
Net cash provided (used) by capital and related financing activities	(42,627)	(33,646)
Net increase (decrease) in cash and cash equivalents	5,464	21,384
Cash and cash equivalents, July 1	260,283	238,899
Cash and cash equivalents, June 30	$ 265,747	$ 260,283
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (2,915)	$ (7,589)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation expense	37,581	34,022
(Increase) decrease in intergovernmental receivables	75	12,933
(Increase) decrease in inventory	24,050	(22,872)
Increase (decrease) in accounts payable	(16,916)	36,848
Increase (decrease) in accrued salaries and benefits	6,216	1,688
Total adjustments	51,006	62,619
Net cash provided (used) by operating activities	$ 48,091	$ 55,030

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, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 32,515	$ 23,284
Accounts receivable	200	0
	$ 32,715	$ 23,284
NET POSITION		
Restricted for employee assistance	$ 32,715	$ 23,284

CITY OF GAINESVILLE, GEORGIA
COMMUNITY PRIVATE-PURPOSE TRUST FUND
COMPARATIVE STATEMENTS OF CHANGES IN TRUST NET POSITION
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
ADDITIONS		
Employee donations	$ 50,804	$ 49,502
Investment revenue	3	3
Total additions	50,807	49,505
DEDUCTIONS		
Distributions for assistance	41,376	57,913
Net increase (decrease)	9,431	(8,408)
Net position held in trust for employee assistance		
Net position, July 1	23,284	31,692
Net position, June 30	$ 32,715	$ 23,284

CITY OF GAINESVILLE, GEORGIA
EMPLOYEES' PENSION TRUST FUND
COMPARATIVE STATEMENTS OF PLAN NET POSITION
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 863,065	$ 821,251
Investments		
Mutual funds		
Equity	64,907,057	65,864,108
Fixed income	30,192,196	28,601,077
Real estate	9,708,659	4,351,920
Total assets	105,670,977	99,638,356
LIABILITIES		
Accounts payable	83,678	31,540
NET POSITION		
Restricted for pensions	$ 105,587,299	$ 99,606,816

CITY OF GAINESVILLE, GEORGIA
EMPLOYEES' PENSION TRUST FUND
COMPARATIVE STATEMENTS OF CHANGES IN PLAN NET POSITION
For the fiscal years ended June 30, 2019 and 2018

	2019	2018
ADDITIONS		
Contributions		
Employer contributions	$ 3,459,466	$ 3,209,624
Employee contributions	3,459,466	3,209,624
Total contributions	6,918,932	6,419,248
Investment Income		
Net appreciation (depreciation) in fair value of investments	6,284,608	9,135,951
Interest	11,828	4,419
Dividends	1,938,702	1,616,795
Investment expense	(292,750)	(219,595)
Net investment income (loss)	7,942,388	10,537,570
Total additions (reductions)	14,861,320	16,956,818
DEDUCTIONS		
Benefits	8,484,302	8,022,423
Refunds	396,535	639,207
Total deductions	8,880,837	8,661,630
Net increase (decrease)	5,980,483	8,295,188
Net position held in trust for pension benefits		
Net position, July 1	99,606,816	91,311,628
Net position, June 30	$ 105,587,299	$ 99,606,816

CITY OF GAINESVILLE, GEORGIA
MUNICIPAL COURT AGENCY FUND
COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 90,693	$ 75,967
LIABILITIES		
Due to other agencies	$ 90,693	$ 75,967

CITY OF GAINESVILLE, GEORGIA
MUNICIPAL COURT AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2019

	Balance July 1	Additions	Deletions	Balance June 30
ASSETS				
Cash and cash equivalents	$ 75,967	$ 1,867,099	$ (1,852,373)	$ 90,693
LIABILITIES				
Due to other agencies	$ 75,967	$ 1,867,099	$ (1,852,373)	$ 90,693

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, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 3,586,014	$ 2,753,238
Receivables		
Accounts	21,763	9,706
Property tax	40,912	47,883
Restricted assets		
Cash and cash equivalents	200,000	100,000
Total assets	$ 3,848,689	$ 2,910,827
LIABILITIES		
Payables		
Accounts	$ 125,950	$ 194,104
Sales tax	9,305	11,984
Retainage	0	34,316
Intergovernmental	8,585	2,968
Accrued salaries	112,683	111,644
Unearned revenue	0	905
Other	15,271	13,576
Total liabilities	271,794	369,497
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	35,905	33,145
FUND BALANCES		
Restricted for:		
Clarks Bridge Legacy	5,255	6,161
Capital projects	225	30,239
Committed for:		
Booster Club	219,256	237,548
Development Fund	200,000	100,000
Civic Center	70,000	60,000
Children at Play Fund	20,000	10,000
Assigned for:		
Capital projects	0	167,236
Culture and Recreation	3,026,254	1,897,001
Total fund balances	3,540,990	2,508,185
Total liabilities, deferred inflows of resources, and fund balances	$ 3,848,689	$ 2,910,827

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Property taxes	$ 3,476,933	$ 3,589,199	$ 112,266	$ 3,264,627
Charges for sales and services				
Recreation Division	183,550	173,281	(10,269)	169,715
Lanier Point/Ivey Watson	128,150	131,095	2,945	126,315
Youth Sports Booster Club	95,540	116,828	21,288	93,935
Gainesville Civic Center	360,600	382,525	21,925	387,350
Allen Creek Soccer Complex	14,250	15,945	1,695	20,304
Frances Meadows Community Center	1,010,000	1,005,704	(4,296)	1,015,966
Intergovernmental	626,120	626,120	0	230,000
Interest	8,200	84,420	76,220	35,389
Contributions	11,750	11,000	(750)	21,000
Other	1,000	984	(16)	902
Total revenues	5,916,093	6,137,101	221,008	5,365,503
EXPENDITURES				
Current				
Culture and recreation				
Administration Division	992,055	980,203	11,852	1,007,661
Recreation Division	390,380	352,360	38,020	379,318
Parks Division	953,211	855,756	97,455	849,598
Maintenance Shop	115,652	100,487	15,165	92,461
Lanier Point/Ivey Watson	219,759	189,129	30,630	198,275
Youth Sports Booster Club	158,256	140,511	17,745	97,677
Gainesville Civic Center	613,418	546,615	66,803	492,840
Allen Creek Soccer Complex	52,720	49,946	2,774	47,235
Frances Meadows Center	1,633,022	1,549,054	83,968	1,521,084
Capital outlay	1,016,133	549,636	466,497	616,595
Total expenditures	6,144,606	5,313,697	830,909	5,302,744
Excess (deficiency) of revenues over (under) expenditures	(228,513)	823,404	1,051,917	62,759
Other financing sources (uses)				
Sale of capital assets	200,500	209,401	8,901	6,475
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(28,013)	1,032,805	1,060,818	69,234
Fund balances, July 1	28,013	2,508,185	2,480,172	2,438,951
Fund balances, June 30	$ 0	$ 3,540,990	$ 3,540,990	$ 2,508,185

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	$ 3,476,933	$ 3,589,199	$ 112,266	$ 3,264,627
Charges for sales and services				
Recreation Division	183,550	173,281	(10,269)	169,715
Lanier Point/Ivey Watson	128,150	131,095	2,945	126,315
Youth Sports Booster Club	95,540	116,828	21,288	93,935
Gainesville Civic Center	360,600	382,525	21,925	387,350
Allen Creek Soccer Complex	14,250	15,945	1,695	20,304
Frances Meadows Center	1,010,000	1,005,704	(4,296)	1,015,966
Investment	8,200	84,420	76,220	35,389
Contributions	11,750	11,000	(750)	21,000
Other	1,000	984	(16)	902
Total revenues	5,289,973	5,510,981	221,008	5,135,503
EXPENDITURES				
Current				
Culture and recreation				
Administrative services	992,055	980,203	11,852	1,007,661
Recreational services	390,380	352,360	38,020	379,318
Park services	953,211	855,756	97,455	849,598
Maintenance shop	115,652	100,487	15,165	92,461
Lanier Point/Ivey Watson	219,759	189,129	30,630	198,275
Booster Club	158,256	140,511	17,745	97,677
Civic Center	613,418	546,615	66,803	492,840
Allen Creek Soccer Complex	52,720	49,946	2,774	47,235
Frances Meadows Center	1,633,022	1,549,054	83,968	1,521,084
Total expenditures	5,128,473	4,764,061	364,412	4,686,149
Excess (deficiency) of revenues over (under) expenditures	161,500	746,920	585,420	449,354
Other financing sources (uses)				
Transfers in (out)				
Capital Projects Activity	(192,764)	(192,764)	0	(506,023)
Sales of capital assets	200,500	209,401	8,901	6,475
Total other financing sources (uses)	7,736	16,637	8,901	(499,548)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	169,236	$ 763,557	$ 594,321	$ (50,194)
Fund balances, July 1	(169,236)			
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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Intergovernmental	$ 626,120	$ 626,120	$ 0	$ 230,000
EXPENDITURES				
Current				
Culture and recreation				
Capital outlay	1,016,133	549,636	466,497	616,595
Excess (deficiency) of revenues over (under) expenditures	(390,013)	76,484	466,497	(386,595)
Other financing sources (uses)				
Transfers in (out)				
Operating Activity	192,764	192,764	0	506,023
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(197,249)	$ 269,248	$ 466,497	$ 119,428
Fund balances, July 1	197,249			
Fund balances, June 30	$ 0			

CITY OF GAINESVILLE, GEORGIA
CONVENTION AND VISITOR'S BUREAU (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 665,885	$ 434,240
LIABILITIES		
Accounts payable	$ 17,067	$ 15,370
Accrued salaries	8,641	9,773
Total liabilities	25,708	25,143
FUND BALANCES		
Restricted for Housing and Development	233,177	0
Assigned for:		
Budget	0	4,555
Housing and Development	407,000	404,542
Total fund balances	640,177	409,097
Total liabilities and fund balances	$ 665,885	$ 434,240

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/motel taxes	$ 764,162	$ 764,162	$ 0	$ 461,533
Charges for sales and services	0	10,667	10,667	17,098
Investment revenue	4,263	11,785	7,522	4,423
Contributions	0	0	0	250
Other	14,000	20,370	6,370	11,645
Total revenues	782,425	806,984	24,559	494,949
EXPENDITURES				
Current				
Housing and Development				
Personal services	337,238	314,216	23,022	351,380
Other	262,242	261,688	554	278,835
Total expenditures	599,480	575,904	23,576	630,215
Excess (deficiency) of revenues over (under) expenditures	182,945	231,080	48,135	(135,266)
Other financing sources (uses)				
Contingency	(182,945)	0	182,945	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	231,080	231,080	(135,266)
Fund balances, July 1	0	409,097	409,097	544,363
Fund balances, June 30	$ 0	$ 640,177	$ 640,177	$ 409,097

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……204-217

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……218-225

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

Debt Capacity……226-231

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……232-233

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……234-238

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……239-246

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)

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
Governmental activities				
Net investment in capital assets	$ 60,193,753	$ 63,722,901	$ 70,549,134	$ 74,015,737
Restricted	19,518,264	4,913,949 (1)	11,586,492	12,560,215
Unrestricted	2,534,296	19,692,245 (1)	11,878,957	9,380,465
Total governmental activities net position	$ 82,246,313	$ 88,329,095	$ 94,014,583	$ 95,956,417
Business-type activities				
Net investment in capital assets	$ 248,507,489	$ 259,477,278	$ 271,791,712	$ 282,968,294
Restricted	44,475,796	43,710,594	40,623,794	28,713,968
Unrestricted	14,276,555	16,169,226	20,918,748	29,468,343
Total business-type activities net position	$ 307,259,840	$ 319,357,098	$ 333,334,254	$ 341,150,605
Primary government				
Net investment in capital assets	$ 308,701,242	$ 323,200,179	$ 342,340,846	$ 356,984,031
Restricted	63,994,060	48,624,543	52,210,286	41,274,183
Unrestricted	16,810,851	35,861,471	32,797,705	38,848,808
Total primary government net position	$ 389,506,153	$ 407,686,193	$ 427,348,837	$ 437,107,022

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					
2014	2015	2016	2017	2018	2019
$ 80,039,885	$ 78,338,733	$ 78,415,202	$ 77,972,132	$ 85,186,895	$ 85,297,394
4,642,578	6,827,434	12,149,291	14,551,356	20,319,574	20,966,754
10,217,825	(14,451,203)	(17,773,240)	(15,275,584)	(15,504,902)	(7,332,782)
$ 94,900,288	$ 70,714,964	$ 72,791,253	$ 77,247,904	$ 90,001,567	$ 98,931,366
$ 295,579,225	$ 303,250,676	$ 314,735,292	$ 330,315,818	$ 356,428,961	$ 374,995,209
43,776,271	50,230,260	62,960,499	70,511,931	71,639,180	74,904,467
18,915,019	12,067,163	12,598,780	19,773,475	17,937,185	25,220,109
$ 358,270,515	$ 365,548,099	$ 390,294,571	$ 420,601,224	$ 446,005,326	$ 475,119,785
$ 375,619,110	$ 381,589,409	$ 393,150,494	$ 408,287,950	$ 441,615,856	$ 460,292,603
48,418,849	57,057,694	75,109,790	85,063,287	91,958,754	95,871,221
29,132,844	(2,384,040) [2]	(5,174,460)	4,497,891	2,432,283	17,887,327
$ 453,170,803	$ 436,263,063	$ 463,085,824	$ 497,849,128	$ 536,006,893	$ 574,051,151

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

	Fiscal Year			
Expenses	**2010**	**2011**	**2012**	**2013**
Governmental activities:				
General Government	$ 3,578,661	$ 4,064,412	$ 4,031,095	$ 4,376,553
Judicial	434,137	404,862	460,066	450,165
Public Safety	16,930,483	16,160,112	17,932,227	16,423,939
Public Works	7,023,969	6,641,424	7,646,177	7,480,636
Health and Welfare	3,724,473	3,360,632	3,391,482	2,686,449
Culture and Recreation	1,883,742	1,211,214	1,185,988	1,686,715
Housing and Development	2,108,631	1,363,356	1,196,185	1,104,631
Interest on long-term debt	1,837,734	1,668,489	1,396,524	1,201,196
Total governmental activities expenses	37,521,830	34,874,501	37,239,744	35,410,284
Business-type activities:				
Water and Sewer	44,812,789	43,974,519	46,692,190	45,332,806
Airport	912,187	967,856	1,207,743	983,083
Solid Waste	2,142,384	1,901,016	1,944,248	1,866,955
Golf Course	1,346,564	1,396,446	1,241,853	1,193,905
Total business-type activities expenses	49,213,924	48,239,837	51,086,034	49,376,749
Total primary government expenses	$ 86,735,754	$ 83,114,338	$ 88,325,778	$ 84,787,033
Indirect Costs				
Governmental activities:				
General Government	(1,215,314)	(1,343,539)	(1,304,961)	(1,369,231)
Business-type activities:				
Water and Sewer	1,115,314	1,106,596	1,022,416	1,086,686
Airport	100,000	200,000	200,000	200,000
Solid Waste	0	36,943	82,545	82,545
Total Business-type activities indirect cost	1,215,314	1,343,539	1,304,961	1,369,231
Total primary government indirect cost	$ 0	$ 0	$ 0	$ 0
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	623,419	681,743	708,578	814,922
Public Safety	1,320,003	1,590,400	1,369,278	1,800,569
Public Works	38,110	36,030	36,795	37,070
Health and Welfare	416,661	438,537	410,052	440,824
Housing and Development	48,135	154,849	158,773	703,972
Culture and Recreation	435,955	506,750	377,754	159,336
Operating grants and contributions	3,776,757	3,739,620	3,862,903	2,744,521
Capital grants and contributions	8,177,269 (2)	7,718,212 (2)	9,565,586 (2)	1,419,674
Total governmental activities program revenues	14,836,309	14,866,141	16,489,719	8,120,888
Business-Type activities:				
Charges for services:				
Water and Sewer	50,039,158	55,401,138	57,492,303	56,832,305
Airport	865,739	818,874	832,971	913,459
Solid Waste	1,769,329	2,057,883	2,299,960	2,272,930
Golf Course	907,160	1,012,377	1,031,717	1,006,129
Operating grants and contributions	69,070	0	0	0
Capital grants and contributions	3,794,048 (1)	4,009,685	5,257,388	3,546,989
Total business-type activities program revenues	57,444,504	63,299,957	66,914,339	64,571,812
Total primary government program revenues	$ 72,280,813	$ 78,166,098	$ 83,404,058	$ 72,692,700

Note (1): Department of Water Resources contributions revenue was much lower due to diminished building activity.

Note (2): Significant increase due to SPLOST revenues received for the Public Safety Facilities.

Note (3): Level Two SPLOST funds from Hall County.

Note (4): Effective FY17, PLB expenses were included in General Government, in prior years these expenses were charged to Public Works.

Note (5): Effective FY17, Code Enforcement expenses were included in Housing and Development, in prior years these expenses were charged to Public Safety.

Note (6): Significant increase due to large repair and maintenance expenses for Water and Sewer.

Fiscal Year					
2014	2015	2016	2017	2018	2019
$ 3,933,108	$ 3,675,464	$ 4,368,490	$ 6,429,519 (4)	$ 7,228,783	$ 7,672,674
510,221	486,947	523,970	544,083	544,453	556,125
18,460,345	17,460,335	19,480,809	18,168,500 (5)	19,918,725	19,889,133
8,900,466	8,745,852	10,317,369	7,199,267 (4)	6,908,200	11,350,947
3,173,758	2,765,034	2,591,485	2,726,152	2,416,453	2,484,051
224,853	440,482	436,250	348,180	415,439	628,343
1,591,303	2,136,524	2,406,705	3,769,857 (5)	2,683,936	3,481,766
883,628	1,198,530	533,058	619,743	509,730	652,514
37,677,682	36,909,168	40,658,136	39,805,301	40,625,719	46,715,553
47,020,782	46,183,666	47,333,997	46,270,110	52,940,044 (6)	54,113,056 (6)
1,014,521	1,045,716	1,109,029	1,526,612	1,091,970	1,296,607
1,965,935	2,072,012	2,210,416	2,195,951	2,274,033	2,400,048
1,234,260	1,287,229	1,290,865	1,304,992	1,356,195	1,307,389
51,235,498	50,588,623	51,944,307	51,297,665	57,662,242	59,117,100
$ 88,913,180	$ 87,497,791	$ 92,602,443	$ 91,102,966	$ 98,287,961	$ 105,832,653
(1,390,442)	(1,394,235)	(1,376,788)	(1,370,895)	(1,398,722)	(1,444,339)
1,034,429	1,038,222	1,020,775	1,014,882	1,042,707	1,088,326
209,561	209,561	209,561	209,561	209,563	209,561
146,452	146,452	146,452	146,452	146,452	146,452
1,390,442	1,394,235	1,376,788	1,370,895	1,398,722	1,444,339
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
674,536	723,777	719,185	748,458	762,256	794,308
1,639,954	1,930,830	1,735,868	1,944,818	1,680,375	1,740,436
90,135	129,956	134,580	219,680	198,769	216,335
423,368	134,570	144,162	106,322	93,300	93,394
661,299	1,057,304	1,216,162	2,259,780 (3)	1,858,414 (3)	1,808,750
0	0	0	0	0	0
2,813,369	2,577,766	2,782,085	3,602,699	4,397,910	2,637,112
2,044,189	2,322,290	6,087,822	7,932,793	12,067,786	9,548,057
8,346,850	8,876,493	12,819,864	16,814,550	21,058,810	16,838,392
58,759,620	64,315,416	66,596,028	71,521,460	71,963,509	74,135,037
944,120	897,226	925,009	919,344	931,143	975,041
2,369,815	2,462,485	2,619,559	2,769,222	2,887,724	2,965,987
992,168	983,932	1,034,234	1,089,431	1,061,026	1,063,022
0	0	0	0	0	0
8,646,783	8,445,809	9,142,616	9,020,084	9,519,821	10,348,687
71,712,506	77,104,868	80,317,446	85,319,541	86,363,223	89,487,774
$ 80,059,356	$ 85,981,361	$ 93,137,310	$ 102,134,091	$ 107,422,033	$ 106,326,166

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

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
Net (expense)/revenue				
Governmental activities	$ (21,470,207)	$ (18,664,821)	$ (19,445,064)	$ (25,920,165)
Business-type activities	7,015,266	13,716,581	15,828,305	13,825,832
Total primary government net (expense)/revenue	(14,454,941)	(4,948,240)	(3,616,759)	(12,094,333)
General revenues and other changes in net position				
Governmental activities:				
Taxes				
Property	7,253,570	7,886,437	7,338,537	7,825,290
Intangibles	97,161	59,343	81,841	80,720
Franchise	3,866,595	4,072,511	4,240,193	4,092,271
Occupational	1,114,317	1,111,954	1,139,926	1,199,374
Insurance premium	1,418,124	1,376,910	1,585,550	1,684,119
Alcoholic beverages	942,016	999,642	994,573	979,409
Hotel/Motel	444,852	517,456	563,902	591,793
Local option sales	4,943,847	5,030,213	5,259,684	5,300,279
Investment earnings	498,737	450,031	426,185	448,728
Gain on sale of assets	40,591	0	0	67,897
Miscellaneous	363,279	236,416	245,524	1,057,074 (1)
Special Item-loss on demolition of building	0	0	0	0
Transfers	2,190,747	3,006,690	3,254,637	5,122,095
Total governmental activities	23,173,836	24,747,603	25,130,552	28,449,049
Business-type activities				
Investment earnings	401,971	355,561	314,147	334,347
Gain on sale of assets	19,569	20,718	33,411	12,331
Miscellaneous	1,023,096	1,011,088	1,055,930	1,042,459
Transfers	(2,190,747)	(3,006,690)	(3,254,637)	(5,122,095)
Total business-type activities	(746,111)	(1,619,323)	(1,851,149)	(3,732,958)
Total primary government	22,427,725	23,128,280	23,279,403	24,716,091
Change in net position				
Governmental activities	1,703,629	6,082,782	5,685,488	2,528,884
Business-type activities	6,269,155	12,097,258	13,977,156	10,092,874
Total primary government	$ 7,972,784	$ 18,180,040	$ 19,662,644	$ 12,621,758

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

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

Note (3): Demolition of jail facility.

Note (4): $2.4 million is comprised of $1.0 million from the sale of Business Park property, and $1.4 million in higher returns on invested cash.

Fiscal Year						
2014	2015	2016	2017	2018	2019	
$ (27,940,390)	$ (26,638,440)	$ (26,461,484)	$ (21,619,856)	$ (18,168,187)	$ (28,432,822)	
19,086,566	25,122,010	26,996,351	32,650,981	27,302,259	28,926,335	
(8,853,824)	(1,516,430)	534,867	11,031,125	9,134,072	493,513	
8,363,877	8,654,493	9,409,584	9,808,840	10,457,466	13,975,315	
105,044	133,186	129,075	190,764	213,556	179,964	
4,014,946	4,371,358	4,381,245	4,501,181	4,208,097	4,507,256	
1,263,534	1,268,021	1,368,983	1,373,680	1,394,517	1,418,919	
1,743,745	1,823,481	1,948,090	2,203,406	2,346,272	2,433,437	
1,022,245	1,067,611	1,129,284	1,166,259	1,152,257	1,160,672	
715,260	828,925	911,847	929,035	965,036	1,053,683	
4,983,807	5,094,727	5,281,804	5,439,313	5,885,171	6,235,875	
246,266	142,917	72,796	2,001,892 (2)	481,963	2,421,542 (4)	
0	0	605	574,310	887,411	60,948	
1,017,590 (1)	122,294	183,512	373,513	441,322	337,490	
0	0	0	(6,491,937) (3)	0	0	
3,407,947	2,395,089	3,720,948	4,006,251	3,920,070	3,577,520	
26,884,261	25,902,102	28,537,773	26,076,507	32,353,138	37,362,621	
292,577	775,365	1,274,329	1,399,356	2,184,898	3,625,899	
53,471	17,322	5,120	154,692	325,018	53,525	
1,095,243	156,932	191,620	107,875	128,941	86,220	
(3,407,947)	(2,395,089)	(3,720,948)	(4,006,251)	(3,920,070)	(3,577,520)	
(1,966,656)	(1,445,470)	(2,249,879)	(2,344,328)	(1,281,213)	188,124	
24,917,605	24,456,632	26,287,894	23,732,179	31,071,925	37,550,745	
(1,056,129)	(736,338)	2,076,289	4,456,651	14,184,951	8,929,799	
17,119,910	23,676,540	24,746,472	30,306,653	26,021,046	29,114,459	
$ 16,063,781	$ 22,940,202	$ 26,822,761	$ 34,763,304	$ 40,205,997	$ 38,044,258	

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
2010	$ 7,253,570	$ 97,161 (1)	$ 3,866,595	$ 1,114,317
2011	7,886,437 (2)	59,343 (1)	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 (3)	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
2019	13,975,315	179,964	4,507,256	1,418,919

Note (1): 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 (2): General Fund millage rate was increased to provide funding for increased Public Safety fire protection.

Note (3): Tax reform, Title Ad Valorem Tax (TAVT), became effective on March 1, 2013. TAVT is a one-time tax that is paid at the time the vehicle is titled. It replaced sales tax and annual ad valorem tax.

Insurance Premium Tax	Alcoholic Beverages Tax	Hotel/Motel Tax	Local Option Sales Tax	Total
$ 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 (3)	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
2,433,437	1,160,672	1,053,683	6,235,875	30,965,121

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

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
General fund				
Reserved	$ 27,622			
Unreserved	4,164,074			
Nonspendable		$ 406,166	$ 384,796	$ 367,035
Committed			10,054	6,583
Assigned		2,996,014	3,040,356	2,321,338
Unassigned		5,134,064	5,874,076	6,565,665
Total general fund	$ 4,191,696	$ 8,536,244	$ 9,309,282	$ 9,260,621
All other governmental funds				
Reserved	$ 10,815,234 (1)			
Unreserved, reported in:				
Special revenue funds	10,546,826			
Capital project funds	9,403,152			
Debt service funds	1,293,247			
Nonspendable				$ 130,769
Restricted		$ 10,854,556	$ 11,214,865	6,385,355
Committed		91,939	115,428	174,187
Assigned		11,457,922	11,225,020	16,162,739
Total all other governmental funds	$ 32,058,459	$ 22,404,417	$ 22,555,313	$ 22,853,050

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					
2014	2015	2016	2017	2018	2019
$ 352,744	$ 475,231	$ 321,639	$ 295,256	$ 260,058	$ 225,794
6,208	5,848	4,957	4,957	4,957	4,957
3,295,367	2,457,217	4,216,717	3,966,341	3,912,390	3,604,326
7,012,974	8,065,121	7,480,831	7,660,281	9,087,006	9,873,498
$ 10,667,293	$ 11,003,417	$ 12,024,144	$ 11,926,835	$ 13,264,411	$ 13,708,575
$ 132,816	$ 99,367	$ 81,390	$ 67,377	$ 44,754	$ 43,321
4,174,002	6,868,770	11,805,659	14,227,632	20,027,515	20,714,683
174,285	221,019	244,531	275,253	298,141	385,580
12,850,447	11,591,868	10,803,666	13,953,838	14,696,448	23,161,259
$ 17,331,550	$ 18,781,024	$ 22,935,246	$ 28,524,100	$ 35,066,858	$ 44,304,843

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

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
Revenues				
Taxes	$ 20,073,154	$ 21,039,421	$ 21,205,179	$ 21,798,180
Licenses and permits	526,787	540,906	533,141	727,631
Fines, fees and forfeitures	1,179,773	1,390,242	1,142,066	1,663,768
Charges for services	2,405,885	2,935,491	2,740,521	2,910,952
Intergovernmental	12,994,964	12,190,933	12,456,574	4,067,439
Interest	110,152	56,785	35,839	52,479
Contributions	140,042	152,829	574,090	96,754
Other	363,276	235,905	245,210	1,057,730 (2)
Total revenues	37,794,033	38,542,512	38,932,620	32,374,933
Expenditures				
General Government	2,985,636	3,289,626	3,317,143	3,287,366
Judicial	385,823	367,454	417,255	421,756
Public Safety	14,010,732	14,555,914	15,880,473	14,617,996
Public Works	4,358,836	4,334,170	4,415,291	4,325,418
Health and Welfare	4,095,212	3,073,671	3,053,511	2,529,431
Culture and Recreation	1,204,508	764,611	1,052,118	592,617
Housing and Development	1,649,911	1,750,971	1,726,625	1,639,307
Debt Service				
Principal	3,119,832 (1)	8,034,940 (1)	7,112,064 (1)	7,349,754 (1)
Interest	1,962,450	1,772,225	1,478,240	1,266,876
Capital Outlay	13,690,589	8,874,469	3,491,050	9,500,033
Total expenditures	47,463,529	46,818,051	41,943,770	45,530,554
Excess of revenues over (under) expenditures	(9,669,496)	(8,275,539)	(3,011,150)	(13,155,621)
Other financing sources (uses)				
Transfers in	6,738,573	17,371,193	14,414,525	21,464,150
Transfers out	(4,240,053)	(14,788,283)	(11,222,388)	(16,413,039)
Issuance of notes payable	0	0	0	0
Refunding of notes payable	0	0	0	0
Issuance of capital leases	0	346,228	721,833	8,220,268
Issuance of bonds	0	0	0	0
Sale of capital assets	50,888	36,907	10,891	70,410
Total other financing sources (uses)	2,549,408	2,966,045	3,924,861	13,341,789
Net change in fund balances	$ (7,120,088)	$ (5,309,494)	$ 913,711	$ 186,168
Debt service as a percentage of noncapital expenditures	15.4%	25.6%	22.7%	23.6%

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.

Note (7): Borrowing for Downtown Parking Deck Expansion.

Fiscal Year					
2014	2015	2016	2017	2018	2019
$ 22,193,025	$ 23,263,514	$ 24,610,752	$ 25,624,333	$ 26,666,787	$ 30,938,519
768,827	1,008,077	1,020,055	1,304,203	1,143,187	1,192,531
1,635,471	1,778,770	1,735,869	1,944,818	1,680,375	1,740,436
3,004,541	3,331,778	3,589,559	4,295,317	3,883,589	4,262,070
3,959,460	4,689,473	7,821,598	9,388,179	11,639,676	3,141,267
41,823	126,712	54,687	1,975,871 (4)	406,995	8,027,081
96,860	147,384	105,628	171,116	214,150	169,302
1,017,595 (2)	122,291	183,516	373,513	441,324	337,486
32,717,602	34,467,999	39,121,664	45,077,350	46,076,083	49,808,692
3,228,407	3,431,244	3,550,990	5,997,537 (5)	5,115,043	5,240,953
460,849	465,915	470,043	521,707	523,018	536,900
14,934,311	15,462,822	16,187,899	16,466,971 (6)	17,713,931	18,420,807
4,491,711	4,672,187	4,994,225	4,436,888 (5)	5,032,748	4,787,746
3,391,256	2,968,229	2,737,379	2,895,919	2,690,223	2,853,579
165,000	433,682	400,000	234,283	245,982	626,120
2,082,930	2,148,470	2,438,677	3,438,904 (6)	2,404,326	2,926,127
8,382,841 (1)	10,111,549 (3)	1,222,585	3,928,813	1,462,303	2,176,859
964,579	1,386,912	538,091	523,047	517,843	630,248
2,128,323	3,829,201	5,141,709	8,377,243	7,334,797	10,543,374
40,230,207	44,910,211	37,681,598	46,821,312	43,040,214	48,742,713
(7,512,605)	(10,442,212)	1,440,066	(1,743,962)	3,035,869	1,065,979
7,477,632	10,698,274	7,835,912	10,656,899	9,950,013	14,065,057
(4,112,658)	(7,435,982)	(4,149,965)	(6,627,648)	(6,029,944)	(10,487,538)
0	0	0	0	0	4,933,489 (7)
0	0	0	0	0	0
0	8,917,392	0	807,264	10,932	0
0	0	0	1,630,000	0	0
32,803	48,126	48,936	768,992	913,464	105,162
3,397,777	12,227,810	3,734,883 0	7,235,507	4,844,465	8,616,170
$ (4,114,828)	$ 1,785,598	$ 5,174,949	$ 5,491,545	$ 7,880,334	$ 9,682,149
24.7%	27.1%	5.0%	11.5%	5.4%	6.5%

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
2010	$ 7,246,242	$ 97,161 (1)	$ 3,866,595	$ 1,418,124
2011	7,871,392 (2)	59,343 (1)	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 (3)	105,044	4,014,946	1,743,745
2015	8,676,206	133,186	4,371,358	1,823,481
2016	9,460,424	129,075	4,381,245	1,948,090
2017	9,823,521	190,764	4,501,181	2,203,406
2018	10,506,185	213,556	4,208,097	2,346,272
2019	13,953,114	179,964	4,507,256	2,433,437

Note (1): 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 (2): General Fund millage rate was increased to provide funding for increased Public Safety fire protection.

Note (3): Tax reform, Title Ad Valorem Tax (TAVT), became effective on March 1, 2013. TAVT is a one-time tax that is paid at the time the vehicle is titled. It replaced sales tax and annual ad valorem tax.

Occupational Tax	Alcoholic Beverages Tax	Hotel/Motel Tax	Local Option Sales Tax	Total
$ 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 (3)	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	24,610,752
1,373,680	1,166,259	929,035	5,439,313	25,627,159
1,394,517	1,152,257	965,036	5,885,171	26,671,091
1,418,919	1,160,672	1,053,683	6,235,875	30,942,920

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
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 (3)	86,348,763	(298,500,191)
2017	3,036,116,245	1,102,797,493	87,802,225 (3)	79,112,033	(329,203,623)
2018	3,414,339,560	1,176,119,518	65,383,400 (3)	67,319,268	(343,066,757)
2019	3,809,200,370	1,302,230,195	51,130,100 (3)	73,295,630	(372,366,269)

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

Note (3): 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
$ (550,000) [2]	$ 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%
(3,556,440)	4,859,933,586	3.364	4,859,933,586	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**	**Fire Service Millage**	**Total City Millage**
2009	2010	1.430	0.750	0.480	0.000	2.660
2010	2011	1.690	0.750	0.480	0.000	2.920
2011	2012	1.690	0.750	0.480	0.000	2.920
2012	2013	1.770	0.790	0.500	0.000	3.060
2013	2014	1.770	0.790	0.500	0.000	3.060
2014	2015	1.750	0.780	0.490	0.000	3.020
2015	2016	1.630	0.750	0.600	0.000	2.980
2016	2017	1.630	0.750	0.600	0.000	2.980
2017	2018	1.545	0.750	0.569	0.000	2.864
2018	2019 (3)	0.795	0.750	0.569	1.250	3.364

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.

Note 3: The City of Gainesville added Fire Services in Fiscal Year 2019.

Note 4: On June 20, 2017, the City Council approved the updated 2017 Service Delivery Strategy. Within the Service Delivery Strategy, it is agreed that the delivery of emergency medical services within Hall County and the City of Gainesville does not result in any overlapping or duplication of services. As a result, the Emergency Services Special Tax District, along with General M&O, is included with Hall County millage rate.

Overlapping Rates							
Gainesville City Schools				Hall County			Total Direct & Overlapping Rates
Operating Millage	Debt Service Millage	Total School Millage	State of Georgia	Operating Millage	Emergency Service Millage (4)	Total County Millage	
7.410	0.300	7.710	0.250	6.250	0.000	6.250	16.870
7.390	0.300	7.690	0.250	6.250	0.000	6.250	17.110
7.390	0.000	7.390	0.250	6.250	0.000	6.250	16.810
7.590	0.000	7.590	0.250	6.250	0.000	6.250	17.150
7.590	0.000	7.590	0.150	6.250	0.000	6.250	17.050
7.590	0.000	7.590	0.150	5.989	0.000	5.989	16.749
6.890	0.000	6.890	0.050	5.735	0.000	5.735	15.655
6.850	0.000	6.850	0.000	5.716	0.000	5.716	15.546
6.850	0.000	6.850	0.000	6.700	0.000	6.700	16.414
6.850	0.000	6.850	0.000	5.360	0.571	5.931	16.145

CITY OF GAINESVILLE, GEORGIA
PRINCIPAL TAXPAYERS
June 30, 2019

	Fiscal Year 2019			Fiscal Year 2010		
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/	$ 125,235,823	1	2.58%	$ 150,875,596	1	4.06%
Cargill, Inc.	114,573,172	2	2.36%	85,544,749	2	2.30%
Mid-America Apartments LP	65,700,016	3	1.35%	41,550,897	6	1.12%
Z F Wind Power LLC	62,034,973	4	1.28%		NR*	
Fieldale Corp	61,599,884	5	1.27%	35,871,272	7	0.96%
Merial Select	49,231,805	6	1.01%		NR*	
Branch Gainesville Associates LP	40,828,600	7	0.84%		NR*	
Pilgrims Pride Corp	40,805,602	8	0.84%		NR*	
Georgia Power	39,491,482	9	0.81%		NR*	
Marel Stork Poultry Processing Inc	38,607,270	10	0.79%		NR*	
Continental Tire				78,035,320	3	2.10%
ZF Industries, Inc.				49,919,674	4	1.34%
Ace Hardware Corporation				49,275,147	5	1.32%
First Republic Group Realty (Shopping Center)				30,230,570	8	0.81%
Inland Western Gainesville Village (Shopping Center)				27,319,779	9	0.73%
Stork Gamco (Manufacturer)				26,711,376	10	0.72%
Total	$ 638,108,627		13.13%	$ 575,334,380		15.46%

Source: Tax Year 2018 and 2009 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
2010	$ 9,894,722	$ (67,119)	$ 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	333,059	9,333,018	96.94%	294,632	9,627,650	100.00%
2014	9,272,596	271,630	9,363,036	98.10%	174,697	9,537,733	99.93%
2015	10,039,209	(82,937)	9,762,578	98.05%	186,948	9,949,526	99.93%
2016	11,053,043	(182,723)	10,829,944	99.63%	31,625	10,861,569	99.92%
2017	11,346,349	(17,143)	11,280,816	99.57%	37,386	11,318,202	99.90%
2018	12,156,116	183,214	12,212,440	98.97%	116,498	12,328,938	99.92%
2019	14,041,006	1,985,931	15,894,676	99.17%		15,894,676	99.17%

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, 2019

	2018			2008		
Commodity	**Total Distributed**	**Rank**	**% of Total**	**Total Distributed**	**Rank**	**% of Total**
Food	$ 7,029,385	1	20.74%	$ 6,333,245	1	27.12%
Other Retail	4,621,725	2	13.64%		NR*	0.00%
General	4,045,575	3	11.94%	3,914,052	3	16.76%
Wholesale	3,983,107	4	11.75%		NR*	0.00%
Miscellaneous Service	3,178,735	5	9.38%	1,843,388	7	7.89%
Home	3,060,499	6	9.03%	1,660,495	8	7.11%
Utilities	2,266,319	7	6.69%	2,911,221	4	12.46%
Manufacturer	1,684,060	8	4.97%	1,107,192	9	4.74%
Other Services	1,657,313	9	4.89%		NR*	0.00%
Auto	1,600,993	10	4.72%	5,585,993	2	23.92%
Accommodations	486,970	11	1.44%		NR*	0.00%
Construction	276,879	12	0.82%		NR*	0.00%
Total	$ 33,891,559		100.00%	$ 23,355,586		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, 2019

Customer	Type of Business	Total Water Billings	Total Sewer Billings	Total Billings	Percentage of System Revenues
Fieldale Farms Corporation	Manufacturer - Poultry Products	$ 3,376,486	$ 7,580,233	$ 10,956,719	15.37%
Pilgrim's Pride	Manufacturer - Poultry Products	1,432,489	3,913,973	5,346,462	7.50%
Mar-Jac Poultry, Inc.	Manufacturer - Poultry Products	1,478,467	3,831,479	5,309,946	7.45%
NE GA Health Systems	Hospital	500,970	784,006	1,284,976	1.80%
Cargill, Inc.	Manufacturer - Soybean Products	306,765	534,334	841,099	1.18%
Hall County Commissioners	Local Government	160,775	610,871	771,646	1.08%
Gold Greek LLC	Manufacturer - Poultry Products	208,310	561,655	769,965	1.08%
North GA Linen Service	Service	222,321	324,694	547,016	0.77%
Shasta Beverages Inc.	Manufacturer- Beverages	244,223	302,539	546,763	0.77%
Prime Pak Foods, Inc.	Food Further Processing	202,860	296,272	499,133	0.70%
Total		$ 8,133,667	$ 18,740,057	$ 26,873,724	37.70%

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]
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
2019	0	20,557,481	88,310,630	-	17,559,484	126,427,595	7.40%	3,049

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-18 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]
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
2019	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, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Available	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Gainesville City Schools	$ 20,744,772	100%	$ 20,744,772
Hall County	3,890,891	21%	817,087
Subtotal, overlapping debt			21,561,859
City of Gainesville direct debt			20,557,481
Total direct and overlapping debt			$ 42,119,340

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			
	2010	**2011**	**2012**	**2013**
Debt Limit	$ 403,529,632	$ 386,525,819	$ 369,409,894	$ 360,749,247
Total net debt applicable to limit	42,514,285	34,302,996	27,431,657	20,877,219
Legal debt margin	$ 361,015,347	$ 352,222,823	$ 341,978,237	$ 339,872,028
Total net debt applicable to the limit as a percentage of debt limit	10.54%	8.87%	7.43%	5.79%

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					
2014	2015	2016	2017	2018	2019
$ 361,538,289	$ 389,205,108	$ 421,873,018	$ 430,582,800	$ 472,316,175	$ 523,585,630
15,770,863	15,289,643	14,030,339	17,309,944	20,608,568	23,700,756
$ 345,767,426	$ 373,915,465	$ 407,842,679	$ 413,272,856	$ 451,707,607	$ 499,884,874
4.36%	3.93%	3.33%	4.02%	4.36%	4.53%

Legal Debt Margin Calculation for Fiscal Year 2019

Total Assessed value	$ 5,235,856,295
Debt limit (10% of total assessed value)	523,585,630
Debt applicable to limit:	
General obligation debt	20,557,481
Less: Amount set aside for repayment of general obligation debt	3,143,275
Total net debt applicable to limit	23,700,756
Legal debt margin	$ 499,884,874

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
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 [3]	5,658,796	2.33
2018	78,352,405	31,721,037	46,631,368	16,200,000	3,142,934	2.41
2019	82,054,845	36,314,032	45,740,813	12,615,000	2,770,244	2.97

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): 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]
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%
2019	41,464	1,709,105	41,219	8,068	3.1%

Source (a): Fiscal year 2010, 2012-2013 are estimates and fiscal year 2011 is based on 2010 Census provided by the U.S. Census Bureau. Fiscal year 2014-2019 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, 2019

	2019			2010		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Northeast Georgia Medical Center	8,331	1	8.42%	3,330	1	4.09%
Fieldale Farms	2,550	2	2.58%	2,410	2	2.96%
Kubota Manufacturing of America	1,695	3	1.71%	610	7	0.75%
Foundation Food Group	1,500	4	1.52%		NR*	
Pilgrims Pride	1,380	5	1.39%	1,600	3	1.97%
Gold Creek Foods	1,300	6	1.31%		NR*	
Mar-Jac	1,280	7	1.29%	1,100	4	1.35%
Cottrell, Inc.	1,070	8	1.08%		NR*	
ZF Gainesville, LLC	1,045	9	1.06%		NR*	
Wal-Mart	970	10	0.98%		NR*	
Coleman Natural Foods (Kings Delight)				850	5	1.04%
Wrigley Manufacturing Company, LLC				850	6	1.04%
Koch Foods, Inc.				520	8	0.64%
The Longstreet Clinic				440	9	0.54%
PFG Milton's Institutional Foods				420	10	0.52%
Total	21,121		21.34%	12,130		14.90%

Source: Greater Hall Chamber of Commerce.

Note (1): Excludes governmental and educational employers.

* Not Ranked

Exhibit L-19

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Primary government										
General Government	45	46	48	51	50	51	51	53	52	53
Judicial	7	8	8	10	10	10	10	10	10	10
Public Safety										
Police	113	113	113	113	114	114	114	116	117	118
Fire	102	103	103	103	103	103	103	103	103	103
Code Enforcement	3	3	3	5	4	4	4	4	5	6
Public Works	53	52	54	53	53	55	55	59	60	60
Health and Welfare	45	47	39	37	32	32	32	40	40	43
Culture and Recreation	7	7	5	0	0	0	0	0	0	0
Housing and Development	17	17	17	13	13	13	13	13	13	13
General Insurance	0	0	0	0	0	0	0	0	0	0
Vehicle Services	5	5	6	6	6	6	6	6	6	6
Water and Sewer	225	229	229	229	230	233	233	233	234	234
Solid Waste	24	24	24	24	24	24	24	24	24	25
Golf Course	7	4	4	4	4	4	4	4	5	5
Total primary government	653	658	653	648	643	649	649	665	669	676
Component unit										
City of Gainesville Parks and Recreation Culture and Recreation	36	36	37	37	38	39	39	37	37	38
Gainesville Convention and Visitor's Bureau Housing and Development	0	0	0	0	0	4	4	4	4	4
Total Component units	36	36	37	37	38	43	43	41	41	42
Total employees	689	694	690	685	681	692	692	706	710	718

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

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
Function				
Police				
Number of citations issued	12,307	13,671	9,306	11,353
Number of calls for service	75,866	67,879	63,839	62,744
Fire				
Number of calls answered	6,020	6,566	6,962	7,031
Number of inspections conducted	2,848	1,439	1,725	1,325
Highways and streets				
Square feet of sidewalks replaced	3,552	445	9,063	4,500
Linear feet curb and gutter installed	217	50	698	211
Sanitation				
Refuse collected (tons)	5,015	4,897	4,743	4,857
Recyclables collected (tons)	688	657	726	759
Culture and Recreation				
Enrolled in youth athletics	1,139	1,507	1,553	1,398
Civic Center/Cabin rentals	969	992	1,068	1,223
Water System (MGD -Millions of Gallons per Day)				
Number of service connections	46,674	46,632	47,018	47,892
Daily average consumption in gallons	17.13 MGD	17.64 MGD	17.7 MGD	16.74 MGD
Sewer System (MGD -Millions of Gallons per Day)				
Number of service connections	8,840	8,716	8,847	9,157
Daily average treatment in gallons	9.20 MGD	8.50 MGD	8.1 MGD	8.50 MGD

Source: Various City Departments.

Fiscal Year					
2014	2015	2016	2017	2018	2019
11,622	9,734	12,060	13,431	11,606	11,340
60,380	70,534	68,007	68,952	83,252	100,750
7,174	7,814	8,108	8,592	8,550	10,317
1,862	2,019	3,850	3,543	3,764	3,672
11,727	8,217	2,562	2,360	1,951	8,210
544	241	329	227	50	660
4,989	5,374	5,791	6,392	6,763	7,621
794	772	697	858	820	859
1,424	1,181	1,388	2407	2,366	2,371
1,169	1,230	991	879	1,213	1,424
53,676	55,274	50,950	54,572	55,638	56,934
16.74 MGD	16.74 MGD	17.40 MGD	18.69 MGD	18.75 MGD	19.03 MGD
10,977	11,580	10,020	10,687	11,101	11,445
8.90 MGD	8.00 MGD	9.1 MGD	9 MGD	10.0 MGD	11.4 MGD

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

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
Function				
Public safety				
Number of police stations	3	2 (1)	2	2
Number of fire stations	4	4	4	4
Solid Waste				
Collection Trucks	9	9	10	10
Highways and streets				
Miles of streets	136	136	136	136
Miles of storm sewers	20.20	20.20	20.47	20.47
Number of street lights	2,414	2,627	2,694	2,700
Culture and Recreation				
Community/Civic Centers	2	2	2	2
Parks	21	21	21	22
Park acreage	445	445	445	450+
Golf courses	1	1	1	1
Swimming pools	5	5	5	5
Baseball/Softball fields	10	10	11	11
Soccer fields	10	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	1,315	1,344	1,344	1,344
Number of fire hydrants	8,719	8,803	8,855	8,735
Number of water treatment plants	2	2	2	2
Maximum daily capacity of treatment plants in gallons	35MGD	35 MGD	35 MGD	35 MGD
Sewer System:				
Miles of sanitary sewers	280	280	286	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.

Fiscal Year					
2014	2015	2016	2017	2018	2019
2	2	2	2	1	1
4	4	4	4	4	4
12	13	13	13	14	9
140	140	141	143	147	149
20.49	20.52	20.81	21.68	24.18	69.00
2,676	2,639	2,679	2,668	2,769	2,825
2	2	2	2	2	2
22	22	22	22	22	21
450+	450+	454+	454+	454+	458+
1	1	1	1	1	1
4	4	4	4	4	4
10	10	10	10	10	9
10	10	10	10	10	10
2	2	2	2	2	2
15	15	15	15	15	15
1,355	1,363	1,372	1,390	1,383	1,411
8,772	8,838	8,885	9,096	9,557	9,728
2	2	2	2	2	2
35 MGD	35 MGD	35 MGD	35 MGD	35 MGD	35 MGD
289	291	294	301	306	318
2	2	2	2	2	2
17 MGD	17 MGD	17 MGD	21.25 MGD	17 MGD	17 MGD

Exhibit L-22, continued

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES
WATER RATES AND MINIMUM DEMAND CHARGES
JUNE 30, 2019

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, 2019

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.

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES
SEWER RATES AND CHARGES
JUNE 30, 2019

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
SEWER TAPPING, CONNECTION AND ADMINISTRATIVE FEES
JUNE 30, 2019

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 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
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
2019	16,251,036	16,251,036	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, 2019

		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	($7,324,896)
Inland Marine (Contractor's Equipment) ($2,500 deductible)		Actual cash value	($6,505,385)
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 $304,050,339.

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
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
2018	581	0	135,819,495	28	20,823,000

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
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 [5]
2018	288	96/708	63,131,144	24	40,504,564

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): Totals reflect an increase in multi-family housing projects and single-family dwelling permits.

Note (5): Includes $175 million for construction of Enota Elementary.

CITY OF GAINESVILLE, GEORGIA
MISCELLANEOUS STATISTICS

Source: Various city departments and local institutions

Date of Incorporation	1821
Form of Government	Council/Manager
City Population (2018 Estimate)	41,464
Hall County Population, including City (2018 Estimate)	202,148
Area of City in square miles	34.99
Number of full time employees	647
Government facilities and services:	
Public Safety:	
ISO Fire Classification	Class I
Number of fire personnel and officers	104
Number of police personnel and officers	117
Number of police patrol units	76
Facilities and services not included in the reporting entity:	
Education:	
Number of elementary schools	6
Number of elementary school instructors	272
Number of middle schools	1
Number of middle school instructors	113
Number of secondary schools	1
Number of secondary school instructors	126
Number of technical institutions (in Hall County, outside City)	1
Number of universities	2
Hospitals:	
Number of hospitals	1
Number of patient beds	884
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, 2019, 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 25, 2019.

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 25, 2019

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, 2019. 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, 2019.

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 25, 2019

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2019

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	$ 338,783	$ 0
Passed through Georgia Department of Community Affairs				
Home Investment Partnerships Program	14.239	SF2014-102	7,934	0
Total U.S. Department of Housing and Urban Development			346,717	0
U.S. Department of Justice				
Bulletproof Vest Partnership Program	16.607	N/A	11,263	0
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	12,765	
Equitable Sharing for State and Local Law Enforcement Agencies	16.922	N/A	437,924	0
Total U.S. Department of Justice			461,952	0
U.S. Department of Transportation				
Passed through the Georgia Department of Transportation:				
Airport Improvement Program	20.106	AP017-9031-33(139)	17,742	0
		AP018-9034-34(139)	1,648,825	0
			1,666,567	0
Federal Transit Cluster				
Federal Transit - Formula Grants	20.507	T006041	407,812	0
Highway Safety Cluster				
Passed through Hall County, Georgia:				
State and Community Highway Safety	20.600	GA-2017-402PT-144	38	0
		GA-2018-402PT-005	6,927	0
		GA-2019-402PT-022	46,720	0
Total Highway Safety Cluster			53,685	0
Total U.S. Department of Transportation			2,128,064	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	229,350	0
		Gainesville - Title III, C2	153,126	0
			382,476	0
Nutrition Services Incentive Program	93.053	Gainesville - NSIP	113,486	0
Total Aging Cluster of Programs			495,962	0
Passed through Legacy Link, Inc.:				
Social Services Block Grant	93.667	Gainesville - SSBG	24,923	0
Total U.S. Department of Health and Human Services			520,885	0
U.S. Department of Homeland Security				
Passed through the Georgia Emergency Management Agency:				
Disaster Grants - Public Assistance -				
Homeland Security Grant Program	97.067	EMW-2018-SS-00067-S01	3,450	0
Total U.S. Department of Homeland Security			3,450	0
Appalachian Regional Commission				
ARC Grant Program	23.002	N/A	29,382	0
Total Appalachian Regional Commission			29,382	0
Total Expenditures of Federal Awards			$ 3,490,450	$ 0

See accompanying notes to schedule of expenditures of federal awards and schedule of findings and questioned costs.

Exhibit M-1, continued

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 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:	
16.922 Equitable Sharing Program	
20.106 Airport Improvement Program	
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, 2019

	Estimated Cost *		Expenditures		
Project	Original	Current	Prior Years	Current Year	Total
SPLOST VII					
Public Safety Fire Station	$ 3,750,000	$ 3,750,000	$ 574,225	$ 169,715	$ 743,940
Public Safety Fire Vehicle	1,750,000	1,750,000	1,461,219	0	1,461,219
Roads, Bridges, Stormwater	12,914,482	12,914,482	2,645,422	3,970,198	6,615,620
Youth Sports Athletic Complex	6,750,000	6,750,000	169,060	2,223	171,283
Park Improvements	250,000	250,000	0	0	0
Total	$ 25,414,482	$ 25,414,482	$ 4,849,926	$ 4,142,136	$ 8,992,062

* 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.

Gainesville, Georgia

Since 1821

CITY OF

GAINESVILLE

FINANCIAL SERVICES

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