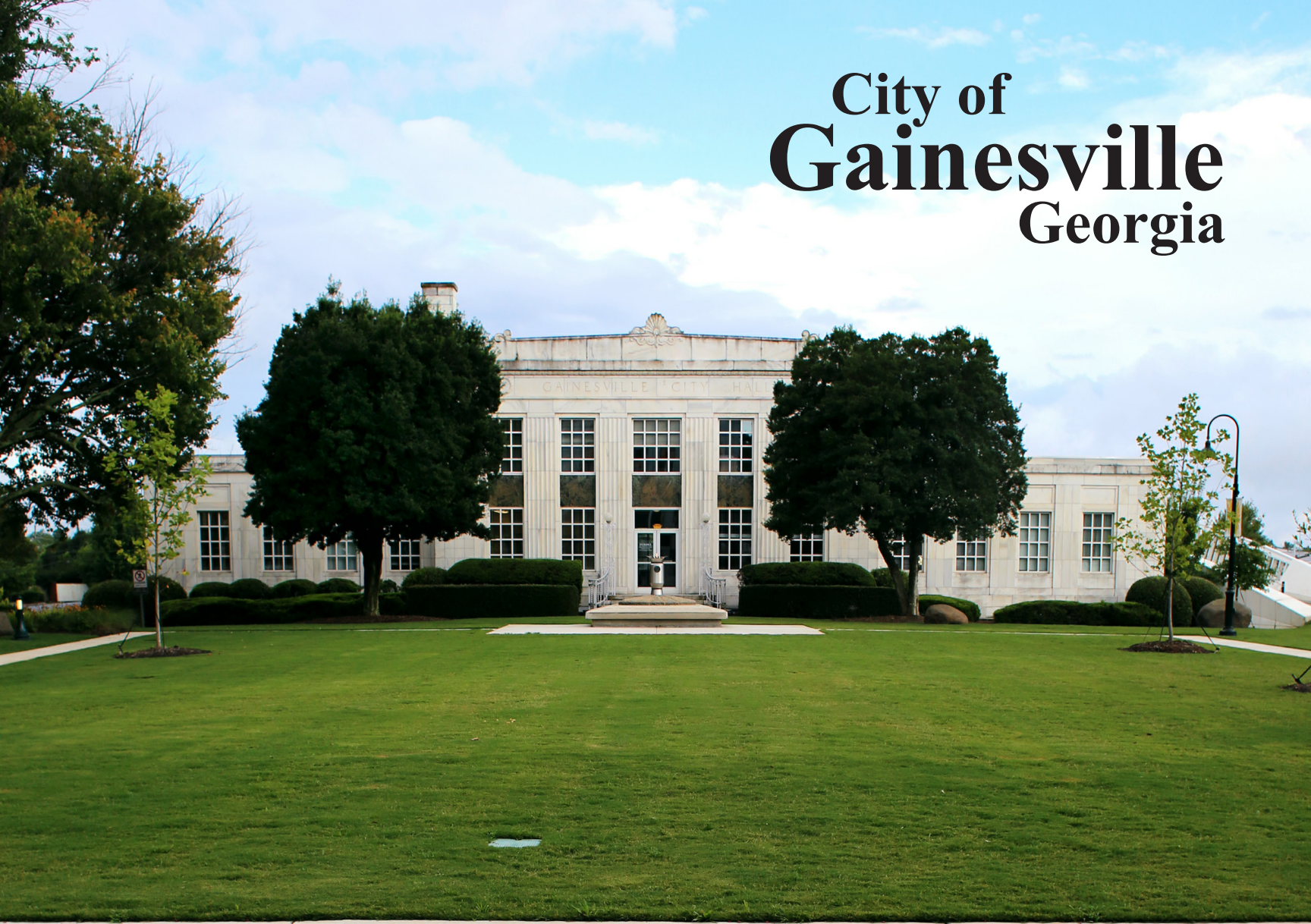


# City of Gainesville Georgia



## Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2017





***CITY OF GAINESVILLE, GEORGIA***  
***Comprehensive Annual Financial Report***  
***For the Fiscal Year Ended June 30, 2017***





***CITY OF GAINESVILLE, GEORGIA***

***Comprehensive Annual Financial Report***

***For the Fiscal Year Ended June 30, 2017***

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



# **CITY OF GAINESVILLE, GEORGIA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

***For the fiscal year ended June 30, 2017***

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# **OFFICIALS OF THE CITY OF GAINESVILLE**

## **LEGISLATIVE BRANCH**

### **CITY COUNCIL**

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

Mayor  
Council Member  
Council Member  
Council Member  
Council Member  
Council Member

### **OFFICERS OF THE COUNCIL**

Denise Jordan  
Abbott S. Hayes, Jr.

City Clerk  
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  
Angela Sheppard  
Jeremy Perry  
Rodger Hogan  
Catiel Felts  
Perry R. Ligon  
Phillippa L. Moss  
Janeann Allison  
Jerome Yarbrough  
J. Melvin Cooper  
Carol Martin  
Linda MacGregor  
Chris Rotalsky

City Manager  
Assistant City Manager  
Chief Financial Officer  
Director of Chattahoochee Golf Course  
Director of Communications and Tourism  
Director of Community Development  
Director of Community Service Center  
Administrative Services Director  
Chief of Fire  
Director of Parks and Recreation  
Chief of Police  
Director of Water Resources  
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

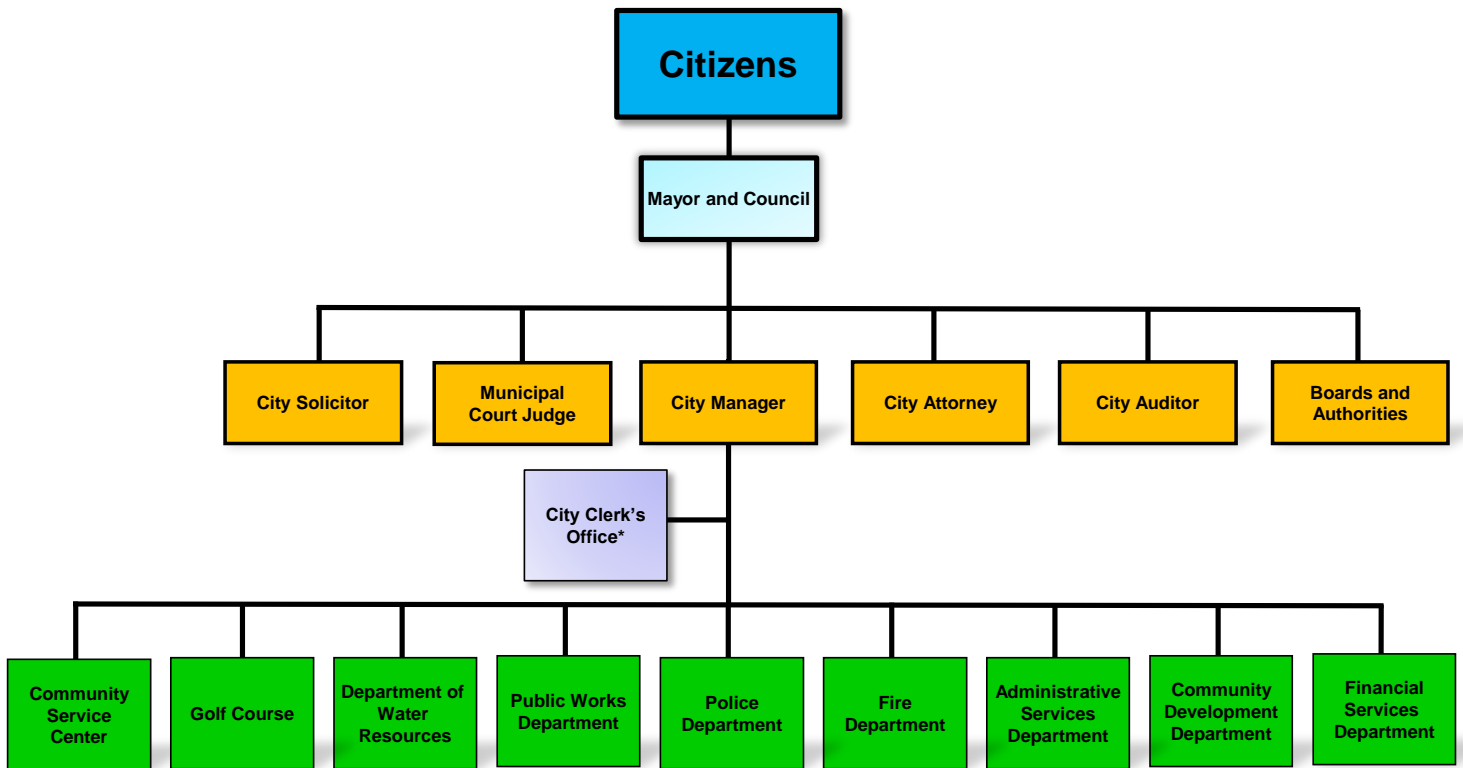
**June 30, 2016**


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

Post Office Box 2496  
Gainesville, GA 30503

Telephone:  
770.535.6865  
Fax: 770.535.6896  
[www.gainesville.org](http://www.gainesville.org)

**December 12, 2017**

**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, 2017. 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, which is a part of the City's Administrative Services Department. 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, 2017, 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, 2017 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 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 2016 show Gainesville and Hall County's population at 40,000 and 196,637 numbers considerably, with over 100,000 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 Administrative 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 2016 Milliken Institute study placed Gainesville as the 10th best-performing small city in America, up from 27th in 2015; 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 2017 numbers show Metro Gainesville as having the one of the lowest unemployment rates in the state. Gainesville's July 2017 rate was 4.2%, down from the July 2016 4.6% rate. Overall, Gainesville-Hall County gained 3,300 jobs over the last year, which factored to a 4% growth rate. Growth occurred in both the service and goods producing industries. This positive news is fueled by growth from both new and existing businesses from a variety of sectors.



*Downtown Farmer's Market*



The Gainesville community continues to see impressive growth in both manufacturing and retail sectors. 2016 was another year of substantial capital investment reported by the Greater Hall Chamber of Commerce. More than 800 jobs are anticipated from the 18 new and existing projects reported for the Gainesville/Hall County area, with a total investment of over \$163 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 new and developing business parks to choose from, including Gainesville Business Park, Procure Park, Gateway Industrial Centre, and Mountain View Business Park.

Gainesville-Hall County's designation as a leading Food and Agribusiness employer continues; the County has by far the highest county economic impact in the state. In a 2016 report, by Garner Electronics, 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 burgeoning 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 and well-recognized physicians to the Gainesville area; nearly 600 physicians practicing more than 50 specialties are on staff, and 65 new physicians joined the staff in 2014. 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 their footprint in Gainesville by recently acquiring the Sherwood Plaza shopping center.

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 reached an all-time high during 2016 in both the residential and commercial categories. Residential permits totaled 991 for 2016. This number includes 435 single-family homes and 556 multi-family units. Commercial permits saw an increase in new construction with more than 10 projects with a construction valuation of over \$1,000,000. A few notable projects include Lanier Technical College's new campus, the Mincey Marble expansion, several new professional buildings, and a new hotel currently under construction on Dawsonville Highway. Along with the increase in building permits, the Inspection Services Division, conducted a record 12,195 inspections in 2016. The building permit data reflects Gainesville's robust economy and the desire for businesses to operate within the City. The City's various commercial sectors continue to lead the region in output and keeps Gainesville's unemployment rate as one of the lowest in the state.



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

## **Major Initiatives**

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

A feature taken from the Renaissance Strategic Vision and Plan, and implemented on the Square, was the Parklet concept. The Parklet was added to provide a "front door" down-town experience. The Parklet allows more space for amenities such as seating and landscaping. The Parklet concept creates a better experience in the downtown area that will align future projects with the City's Vision.



**"Parklet" Concept**

Aligning with the goals of the Renaissance Strategic Vision and Plan, two new mixed-use development projects totaling \$53 million are currently planned for the downtown area. This venture is led by Knight Commercial Real Estate and Carroll Daniel Construction, who were selected as the winning bid for an RFP issued by the City. The project will span over 2 acres fronting Jesse Jewell Parkway and Main Street. The project will include retail, housing, and restaurant space. The mixed-use developments will provide a unique experience for Gainesville residents by creating quality housing opportunities along with exciting retail options for everyone.

As the City moves forward with its Renaissance Strategic Vision and Plan an important piece was recently renovated. Roosevelt Square's renovation was completed in 2016 and boasts a beautiful view of the famous area. More greenspace and walking paths were added to create a more pedestrian friendly space. Roosevelt Square is frequently used by fitness groups, students, and other pedestrians looking for a quiet place to relax and enjoy the outdoors. The renovation of Roosevelt Square has preserved the legacy of the area for many generations to come.

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 can be implemented in less than one year for relatively little cost were identified with the study. These include adjusting



*Roosevelt Square*



signal timing and the installation of flashing crosswalk systems at critical intersections, removing bollards to reconnect streets in downtown, and improved demarcation at pedestrian crossings. Other connectivity improvements included the installation of uniform way-finding signage, the expansion of existing transit service to key sites in Downtown, 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 from the Programming 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. In coordination with the mixed-use projects mentioned above, the City will be expanding the downtown parking deck to include two additional levels. The parking deck expansion will increase the number of parking spaces to accommodate the developments and the increased demand for downtown parking. The plan to expand the existing parking deck aligns with the goals of the Renaissance Strategic Vision and Plan.

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.



*Rendering of the downtown mixed-use development*

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

## **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 replacement of facilities and equipment. A prime example of the replacement of equipment will be the recently purchased aerial ladder fire truck. The truck dubbed, "Big Red", is the newest asset in the Gainesville Fire Department's fire-fighting arsenal. The 100-foot platform truck was funded from SPLOST VII and will be used to run calls every day and responding to multi-level structures and accidents. The state-of-the-art truck allows the Fire Department to deliver the best possible service level to citizens and property. The capital improvement program is important for the City to increase the effectiveness and efficiency of all service areas and capital assets.



*"Big Red" Aerial Apparatus Fire Engine No. 21*

The City's current five year general government capital improvements plan has identified \$66.3 million in projected expenditures through fiscal year 2022; \$9.9 million of this has been approved to be expended in FY2018. Leading the way in 2018, projected expenditures is \$1.2 million for streetscaping along Washington and Bradford Streets. Other notable projected capital costs include \$750,000 for an Aerial Apparatus for the Fire Department, \$660,000 for street paving, and \$500,000 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 \$9.9 million will be required over the next fiscal year to construct facilities and maintenance, with some allowance for growth, the City's water, wastewater, and stormwater systems. For 2018, estimated enhancements are projected to cost \$7.2 million. Stormwater improvements are projected to cost \$1 million.

### **Relevant Financial Policies**

The City of Gainesville's Debt Capacity, Issuance, and Management policy states that where cost effective, the City will incorporate early call or prepayment features into structured debt. On September 27, 2016, the City issued \$26,910,000 in Water and Sewerage Refunding Revenue Bonds, Series 2016, with an average interest rate of 1.27%. The Series 2016 bonds were issued to partially advance refund \$26,610,000 of outstanding Series 2006 Bonds with an average interest rate of 4.18%.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$308,513. This difference, reported in the financial statements as deferred outflows of resources-deferred charges on refunding, is being charged to operations through the year 2022 using the effective interest method. The City reduced its total debt service payments over the next 5 years by \$3,047,671 and recognized an economic gain (the difference between the present value of the old debt and new debt service payments) of \$2,580,265.

### **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, 2016. This was the twenty-sixth 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, 2016. This was the twenty-fourth 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 its PAFR submitted for the fiscal year ended June 30, 2016. This was the third 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, 2017.

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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.



## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 20 and 99 through 108 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, 2016, which are not presented with the accompanying financial statements. In our report dated November 21, 2016, 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 2016 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 2016 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 2016 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

#### **Other Reporting Required by *Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2017, 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.

*Ruskton & Company, LLC*

Certified Public Accountants

Gainesville, Georgia  
December 12, 2017



# 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, 2017. The purpose of this narrative is to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about the City of Gainesville. This analytical information is designed to be read in conjunction with the Letter of Transmittal located on pages xiv-xxiii of this Comprehensive Annual Financial Report and with the City's financial statements, which follow this section.

### Financial Highlights

- The City of Gainesville's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at June 30, 2017, by \$497.8 million (reported as *net position*). Of this amount, \$4.5 million (reported as *unrestricted net position*) may be used to meet the City's ongoing obligations.
- As of June 30, 2017, Gainesville's governmental funds reported combined ending fund balances of \$40.5 million. Approximately 19.0% of this total amount, \$7.7 million, is unassigned fund balance in the General Fund, which is available for spending at the City Council's discretion.

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

### Overview of the Financial Statements

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

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

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

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

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

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

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

- **Governmental activities** – Most of the City's basic services are reported under this category, including police, fire, public works, and general administration. Sales tax, property taxes, and intergovernmental revenues finance most of these services.
- **Business-type activities** – The City charges fees to customers to assist in covering all or most of the cost for certain services it provides. The City's water and sewer system and garbage collection fees are reported in this category.
- **Discretely Presented Component Unit** – Component units are legally separate organizations for which the elected officials of the City are financially accountable. The Parks and Recreation Department and

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

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

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

The focus of fund financial statements is directed to specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's non-major funds can be found beginning on page 109. The City's funds are divided into three broad categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

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

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided after each statement.

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

Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 109-112 of this report.

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

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

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

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

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

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

- **Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Gainesville's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

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

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



## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-98 of this report.

## **Other Supplementary Information**

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

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

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statement but are reported as deferred revenue on the fund statements.
- Internal service funds are reported as governmental activities on the government-wide statements but are reported as proprietary funds in the fund financial statements.
- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Bond and note proceeds result in liabilities on the government-wide statements but are recorded as other financing sources on the governmental fund financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.
- Transfers of capital assets between governmental activities and business-type activities are not recorded in the governmental fund financial statements.

## Overview of the City's Financial Position and Operations

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

### City of Gainesville Statement of Net Position Fiscal Years 2017 and 2016

	Governmental Activities		Business Type Activities		Total	
	(In millions of dollars)					
	2017	2016	2017	2016	2017	2016
Current assets	\$ 50.6	\$ 43.6	\$ 127.5	\$ 112.2	\$ 178.1	\$ 155.8
Capital assets	98.2	99.6	475.4	477.3	573.6	576.9
Other noncurrent assets	0.1	0.2	-	-	0.1	0.2
<b>Total assets</b>	<u>148.9</u>	<u>143.4</u>	<u>602.9</u>	<u>589.5</u>	<u>751.8</u>	<u>732.9</u>
<b>Deferred Outflows of Resources</b>	<u>4.1</u>	<u>4.5</u>	<u>3.7</u>	<u>4.5</u>	<u>7.8</u>	<u>9.0</u>
Current liabilities	8.0	8.9	25.3	23.9	33.3	32.8
Noncurrent liabilities	63.9	64.8	158.0	178.7	221.9	243.5
<b>Total liabilities</b>	<u>71.9</u>	<u>73.7</u>	<u>183.3</u>	<u>202.6</u>	<u>255.2</u>	<u>276.3</u>
<b>Deferred Inflows of Resources</b>	<u>3.9</u>	<u>1.4</u>	<u>2.7</u>	<u>1.0</u>	<u>6.6</u>	<u>2.4</u>
<b>Net position:</b>						
Net investment in capital assets	78.0	78.7	330.3	314.7	408.3	393.4
Restricted	14.6	12.1	70.5	63.0	85.1	75.1
Unrestricted	<u>(15.3)</u>	<u>(18.0)</u>	<u>19.8</u>	<u>12.6</u>	<u>4.5</u>	<u>(5.4)</u>
<b>Total net position</b>	<u>\$ 77.3</u>	<u>\$ 72.8</u>	<u>\$ 420.6</u>	<u>\$ 390.3</u>	<u>\$ 497.9</u>	<u>\$ 463.1</u>

Net position may serve over time as a useful indicator of a government's financial position. The City of Gainesville reported a \$4.5 million increase in net position for governmental activities, while posting \$30.3 million in positive growth for business type activities. Overall, the City's net position rose \$34.8 million to close the current fiscal year with a \$497.9 million ending balance. However, much of the net position is restricted as to the purpose for which it can be used, or is invested in capital assets.

The largest portion of the City of Gainesville's net position (82.0%) 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 \$14.9 million between the end of fiscal years 2016 and 2017, from \$393.4 million to \$408.3 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 17.1% of total net position. Restricted net position experienced a \$10.0 million gain during the past year, jumping from \$75.1 million to \$85.1 million at the end of fiscal year 2017. 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 \$4.5 million balance at the end of this year, an increase of \$9.9 million from fiscal year 2016. 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 grew by \$2.7 million between 2016 and 2017, decreasing the deficit balance from \$18.0 million to \$15.3 million. Business-type activities also showed an uptick in unrestricted net position, from \$12.6 million to \$19.8 million. The total unrestricted net position is comprised of the business-type activities funds only, and it should be noted that these resources cannot be used to add to the net asset surplus in governmental activities. The City generally can only use the resources in business-type unrestricted net position to finance the ongoing operations of the business-type activities.

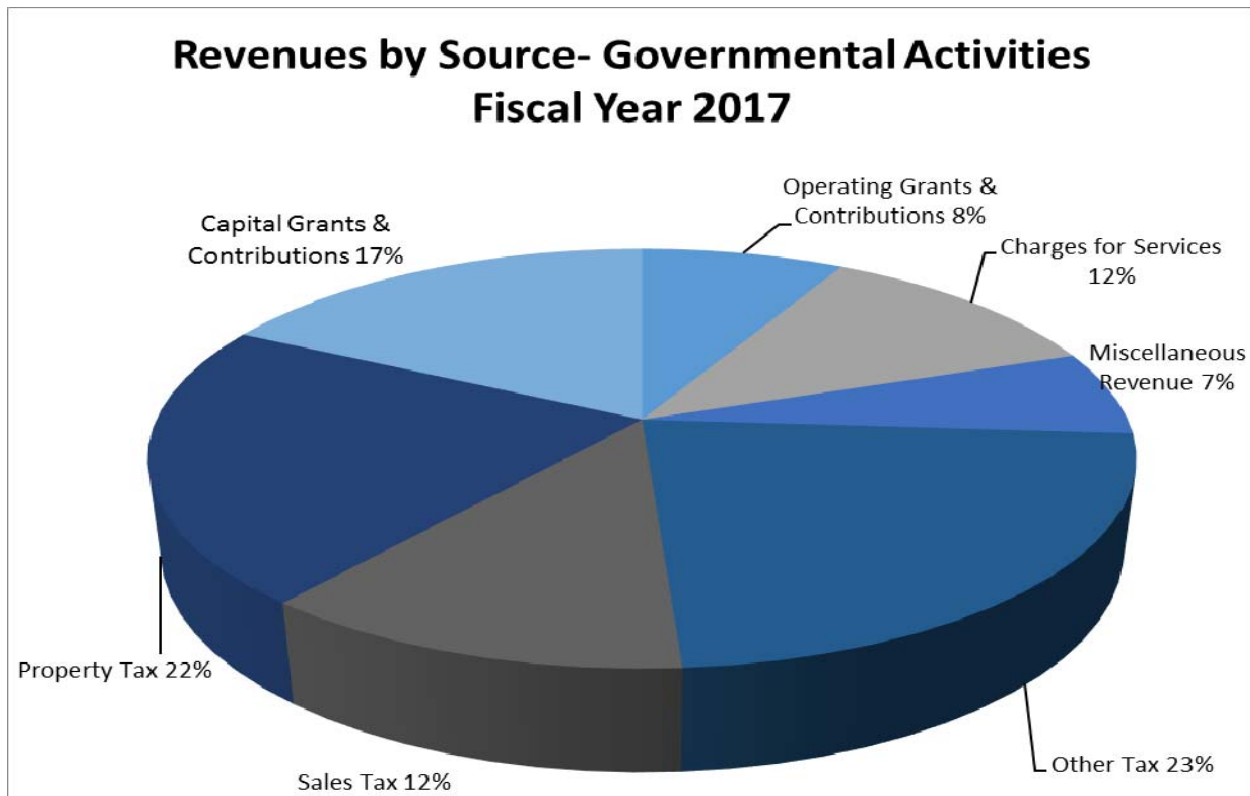
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City of Gainesville's net position changed during the fiscal year.

**City of Gainesville  
Changes in Net Position  
Fiscal Years 2017 and 2016**

	Governmental Activities		Business Type Activities		Total	
	(In millions of dollars)					
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 5.3	\$ 4.0	\$ 76.3	\$ 71.2	\$ 81.6	\$ 75.2
Operating grants and contributions	3.6	2.8	0.0	0.0	3.6	2.8
Capital grants and contributions	7.9	6.1	9.0	9.1	16.9	15.2
General revenues:						
Property taxes	9.8	9.4	0.0	0.0	9.8	9.4
Sales tax	5.4	5.2	0.0	0.0	5.4	5.2
Other taxes	10.5	9.9	0.0	0.0	10.5	9.9
Miscellaneous revenue	2.9	0.2	1.7	1.4	4.6	1.6
Special Item- loss on demolition	(6.5)	0.0	0.0	0.0	(6.5)	0.0
Total revenues	38.9	37.6	87.0	81.7	125.9	119.3
Expenses						
General government	6.4	4.4	0.0	0.0	6.4	4.4
Judicial	0.5	0.5	0.0	0.0	0.5	0.5
Public safety	18.2	19.5	0.0	0.0	18.2	19.5
Public works	7.2	10.3	0.0	0.0	7.2	10.3
Health and welfare	2.7	2.6	0.0	0.0	2.7	2.6
Culture and recreation	0.4	0.4	0.0	0.0	0.4	0.4
Housing and development	3.8	2.4	0.0	0.0	3.8	2.4
Interest on long-term debt	0.6	0.5	0.0	0.0	0.6	0.5
Water and sewer	0.0	0.0	46.3	47.3	46.3	47.3
Airport	0.0	0.0	1.5	1.1	1.5	1.1
Solid waste	0.0	0.0	2.2	2.2	2.2	2.2
Golf course	0.0	0.0	1.3	1.3	1.3	1.3
Total expenses	39.8	40.6	51.3	51.9	91.1	92.5
Indirect Cost Allocation	1.4	1.4	(1.4)	(1.4)	0.0	0.0
Increase in net position						
before transfers	0.5	(1.6)	34.3	28.4	34.8	26.8
Transfers	4.0	3.7	(4.0)	(3.7)	0.0	0.0
Increase in net position	4.5	2.1	30.3	24.7	34.8	26.8
Net position - beginning	72.8	70.7	390.3	365.6	463.1	436.3
Net position - ending	\$ 77.3	\$ 72.8	\$ 420.6	\$ 390.3	\$ 497.9	\$ 463.1

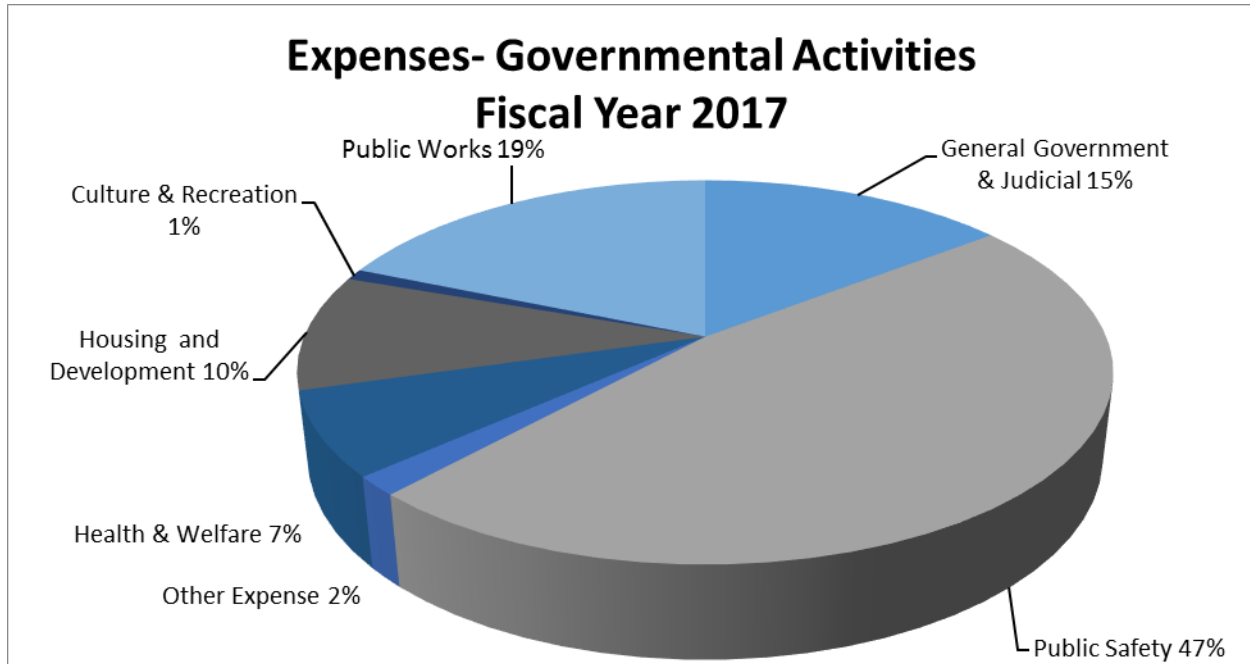
## Governmental Activities –

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



The revenue chart indicates that Other tax and Property tax were the largest sources of revenue for governmental activities during the fiscal year 2017. Other tax, which includes franchise, insurance premium, hotel/motel and occupation taxes, represented 22% of governmental activities revenue. FY17 Other tax collections showed a \$495,801 increase over FY16 total; the major source of this jump was due to a \$255,317 rise in insurance premium tax, followed by a \$119,935 surge in franchise tax collections. Property tax revenue, which made up 22% of total governmental activities revenue, surpassed FY16 collections by \$399,256. An increase in tax collections on current real and personal property made up the bulk of this increase. Capital Grants and Contributions, which make up 17% of governmental activities revenue, exhibited a \$1.8 million increase over FY16 totals. This was due in part to a \$750,375 and \$590,299 rise in Public Safety and Public Works grants and contributions respectively. Sales tax, which comprised 12% of governmental activities revenue, experienced a \$157,509 increase over 2016 collections. Charges for services made up 12% of total revenue as well; this source showed a \$1.3 million increase over 2016 totals. Increased impact fee collections of \$616,288 made up a good portion of this surge, followed by a \$282,790 jump in building permit collections. Not included in the revenue by source chart is the \$6.5 million special item loss, which recorded the demolition of the jail building.

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 2017 was providing public safety services such as fire and police protection, followed by public works. Overall, expenses were down \$852,388 when compared with FY16. The largest portion of diminished expenditure stems from public safety, which showed a \$1.3 million decrease, due largely to a \$992,228 drop in Other Post-Employment Benefits (OPEB) expense. In addition, Code Enforcement, which had in previous years been classified as Public Safety, was moved to the Housing and Development function in fiscal year 2017. Public Works, which makes up 19% of total costs, had a \$3.1 million reduction in costs when compared to fiscal year 2016. This is because Public Lands and Building Department, classified as a Public Works function in 2016, was moved to the General Government function in 2017. Public Lands and Building expenses for 2017 totaled \$2.2 million. In addition, Public Works also showed a reduction of \$220,658 in OPEB costs. General Government and Judicial expense, which makes up 15% of total governmental activities, shows a \$2.1 million increase in costs, due mainly to the aforementioned Public Lands and Building reclassification to the General Government function. Housing and Development costs, which make up 10% of governmental activities expense, showed a \$1.4 million increase in costs. The Code Enforcement function was moved to Housing and Development in fiscal year 2017, after being classified as Public Safety in prior years. Code Enforcement expenses totaled \$318,950 in fiscal year 2017. This change, along with increased Home Grant and Community Health Initiative Program (CHIP) expenses for affordable home construction, made up a good portion of this cost increase.

## Business-type Activities –

Business-type activities increased the City of Gainesville's net position by \$30.3 million, expanding total net position to \$420.6 million. Key elements involving business-type activities are as follows:

- Total revenue for business-type activities was \$5.2 million higher than collections recorded in FY16. This gain is due predominantly to a \$4.8 million surge in Department of Water Resources' charges for services, where water sales experienced a 5.87% rise in volume over FY16 usage. This gain in volume, due in part to new residential and commercial development, resulted in an \$895,173 increase in connection fees. Capital contributions were down, however, by \$1.4 million.
- FY17 Solid Waste and Golf Course charges for services increased \$149,663 and \$55,197 from fiscal year 2016 totals, respectively, while Airport charges for services revenue showed a \$5,665 reduction in collections.
- Overall expenses for business-type activities were down \$646,642 from FY16 totals. Department of Water Resources experienced a \$1.1 million drop in costs. Factors involved in this decline include a \$1.3 million drop in interest expense, as well as decreased personal services expense, due primarily to a \$991,674 decline in OPEB costs. Airport expenses increased \$417,583 over fiscal year 2016 totals, due largely to a \$314,134 increase in depreciation expense. Solid Waste expenses were down \$14,465, while the Golf Course showed increased expense of \$14,127.

## 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 \$40.5 million. Of this amount, \$7.7 million or 19.0% constitutes unassigned fund balance, meaning that 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 2018 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 \$7.7 million, while total fund balance reached \$11.9 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 27.1% of total General Fund expenditures, while total fund balance represents 42.1% of that same amount. Of the \$11.9 million total fund balance for the general fund, \$4.0 million is assigned, comprised predominantly of \$3.8 million which is assigned for budget.

The General Fund's fund balance decreased by \$97,309 during the current fiscal year. The General Fund's \$278,995 deficiency of revenues under expenditures was due predominantly to the General Government's \$1.6 million acquisition of the Turner Wood and Smith land and building. Bond proceeds for this acquisition are recorded in Other Financing Sources. The City implemented a pay study increase in July 2016; the resulting \$635,427 pay increase was offset with strong Tax and Licenses and Permits collections. Other key factors regarding FY17 activity are as follows:

Revenue exceeded the final budget by \$2.2 million. Tax revenues exceeded budget by \$1.3 million, with Local option sales tax and Insurance premium tax exceeding expectations by \$313,313 and \$293,406 respectively. In addition, building permit receipts surpassed budget by \$436,564, while Fines, Fees and Forfeiture collections came in \$327,313 above budget. Expenditures came in under budget by \$1.5 million; personal services accounted for \$908,175 of this cost reduction, of which \$409,706 is attributable to public safety personnel costs. Public safety savings were due in part to unfilled positions.

- Transfers to the General Fund totaled \$3.3 million, with \$3.3 million originating from Department of Water Resources for General Fund operations, followed by \$43,430 transferred from the Impact Fee fund for administrative fee services. Transfers out of the General Fund totaled \$5.5 million; \$3.6 million was transferred to the General Government Capital Projects for various projects, including \$575,000 for a fire engine replacement, \$525,000 for Washington and Bradford streetscaping, \$320,525 for the Main Street demolition, and \$250,000 for Administration Building Renovation costs. In addition, \$705,000 was transferred to the Economic Development Fund, transferring the sales proceeds of the Community Way property, while \$616,596 was transmitted to the Community Service Center (CSC), providing assistance with CSC operational costs.

The **General Government Capital Projects Fund** has a \$5.3 million fund balance at fiscal year-end. Of this fund balance, \$2.5 million is assigned for General Government projects, comprising \$1.2 million for the Administrative Building Renovation. Another \$1.6 million is assigned for Public Works projects, which includes \$525,000 set aside for the Washington and Bradford streetscaping improvements. Among the fund's expenditures was \$2.5 million paid toward the Pedestrian Bridge, \$738,174 for the Roosevelt Square renovation, and \$1.2 million for Public Safety vehicle replacements. The largest source of revenue for the General Government Capital Projects Fund was the aforementioned \$3.6 million transfer from General Fund, followed by a \$1.1 transfer from the Department of Water Resources, for the purpose of funding Administrative Building Renovations and network security and upgrade projects.



## **General Fund Budget Highlights**

The original budget for the General Fund was amended by various appropriations approved after the beginning of the fiscal year. In addition, Council approved several adjustments to prevent budget overruns. The following highlights the differences between the original and the final budget amount:

- Charges for services revenue and Transfer from Department of Water Resources budget was increased \$203,000 to cover Storm Water costs.
- Increased Public Land and Buildings budget by \$1,630,000 for costs associated with the purchase of Turner, Wood & Smith land and building.
- Increased Bond Issuance revenue budget by \$1,630,000 for bond proceeds received for the purchase of the Turner, Wood & Smith land and building.
- Increased the Sale of Capital Assets revenue budget and the transfer to Economic Fund budget by \$705,000, for proceeds from the sale of the Community Way property.
- Increased budgeted fund balance to cover FY17 reappropriations
- Increased/decreased various expenditure budgets for adjustments as needed.

General Fund expenditures for fiscal 2017 were \$28.3 million, 95.0% 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 \$1.5 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 \$908,175.

Total actual revenues exceeded the final amended budget by a total of \$2.2 million; this is due mainly to tax collections, which came in \$1.2 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	\$16,488,997
▪ Nonmajor Funds (Airport, Solid Waste, Golf Course)	<u>2,048,015</u>
Total	<u>\$18,537,012</u>

Prior to the consolidation adjustment of internal service fund activity, the total increase in combined net position showed a growth of \$30.3 million, with net investment in capital assets showing an increase of \$15.6 million. Overall unrestricted net position for all four enterprise funds showed a \$7.2 million increase from FY16.

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 \$573.6 million in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, buildings, and machinery and equipment. Approximately 82.9% of this investment is related to business-type activities while only 17.1% 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 2017 and 2016**

	Governmental Activities		Business Type Activities		Total	
	(In millions of dollars)					
	2017	2016	2017	2016	2017	2016
Land	\$ 25.5	\$ 24.5	\$ 33.6	\$ 33.6	\$ 59.1	\$ 58.1
Buildings	57.1	62.4	52.2	52.2	109.3	114.6
Improvements other than buildngs	3.1	3.1	10.2	8.8	13.3	11.9
Vehicles and equipment	20.2	19.5	31.4	30.7	51.6	50.2
Infrastructure	34.8	33.3	550.7	545.0	585.5	578.3
Intangibles	3.3	2.2	6.1	6.0	9.4	8.2
Construction in progress	4.3	2.0	20.4	14.0	24.7	16.0
Total	148.3	147.0	704.6	690.3	852.9	837.3
Accumulated depreciation	(50.2)	(47.4)	(229.1)	(213.1)	(279.3)	(260.5)
Net Capital Assets	\$ 98.1	\$ 99.6	\$ 475.5	\$ 477.2	\$ 573.6	\$ 576.8

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

- Roosevelt Square Renovations, \$738,174
- 15 Police Vehicles, \$525,256
- Fire Department Engine 23 Replacement, \$508,376
- Wilshire Trail Storm Sewer Rehabilitation, \$422,761

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

- Athens Highway Utility Relocation, \$2.9 million
- Riverside Drive Plant Improvements, \$2.6 million
- Water Main Extensions and Improvements, \$2.2 million

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

**Long-term debt.** At June 30, 2017, the City of Gainesville had \$163.3 million in bonds, notes, and capital leases outstanding, net of unamortized bond premium and discount. This is a \$19.9 million decline from last year's totals. Savings of \$2.5 million were achieved with the 2016 refunding of Water Sewer debt; the remaining decrease in debt was due to payments made to reduce bonds, notes and capital leases outstanding.

**City of Gainesville  
Outstanding Debt  
Fiscal Years 2017 and 2016**

	Governmental Activities		Business Type Activities		Total	
	(In millions of dollars)					
	2017	2016	2017	2016	2017	2016
Capital Leases	\$ 19.3	\$ 20.8	\$ 21.4	\$ 23.4	\$ 40.7	\$ 44.2
Revenue Bonds	-	-	110.6	125.6	110.6	125.6
Unamortized Bond Premium	-	-	12.0	13.4	12.0	13.4
Notes Payable	-	-	-	-	-	-
Total	\$ 19.3	\$ 20.8	\$ 144.0	\$ 162.4	\$ 163.3	\$ 183.2

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 \$430.6 million, which is significantly in excess of the City's general obligation debt outstanding of \$19.3 million.

Additional information on the City's long-term debt can be found in Notes 10 and 11 on pages 66-72 of this report.

## **Economic Condition and Outlook**

- According to the most recent U.S. Census numbers, the population for Gainesville is 40,000, with current estimates showing a 13.3% uptick in population since the 2010 census was released.
- Gainesville adopted a 2.864 tax millage rate for fiscal year 2018. The gross property tax digest for the City of Gainesville rose from \$4.3 billion for fiscal year 2017 to \$4.7 billion for fiscal year 2018, which computes to a 9.3% 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 2018. Departments are spending conservatively and continue to monitor their 2018 budgeted costs closely.

These were among the many factors taken into consideration when preparing the 2018 budget. Of the \$11.9 million fund balance in the General Fund, \$3.8 million has been appropriated for spending in the 2018 fiscal budget.

**Contacting the City's Financial Services Group**

This financial report is designed to provide our citizens, taxpayers, customers, and 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: Administrative Services Department  
Financial Services  
PO Box 2496  
Gainesville, GA 30503



## ***BASIC FINANCIAL STATEMENTS***

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2017**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 45,483,924	\$ 46,745,983	\$ 92,229,907	\$ 3,104,475
Investments	1,022,842	0	1,022,842	0
Restricted assets				
Cash and cash equivalents	0	73,210,781	73,210,781	100,000
Receivables (net)				
Accounts	625,524	4,591,438	5,216,962	5,233
Intergovernmental	2,733,606	284,898	3,018,504	0
Taxes	1,202,487	0	1,202,487	39,636
Notes	152,295	0	152,295	0
Internal balances	(943,539)	943,539	0	0
Inventories	135,555	1,700,186	1,835,741	0
Prepaid items	29,518	3,800	33,318	29,500
Other	140,000	0	140,000	0
Total current assets	50,582,212	127,480,625	178,062,837	3,278,844
Noncurrent assets				
Notes receivable	132,316	0	132,316	0
Capital assets				
Non-depreciable	29,818,150	54,027,811	83,845,961	4,844,681
Depreciable (net)	68,339,079	421,456,221	489,795,300	5,691,767
Total noncurrent assets	98,289,545	475,484,032	573,773,577	10,536,448
Total assets	148,871,757	602,964,657	751,836,414	13,815,292
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	0	786,036	786,036	0
Pension contributions subsequent to measurement date	115,059	116,695	231,754	38,847
Pension investment return differences	2,327,572	1,629,536	3,957,108	64,966
Pension experience differences	1,699,317	1,138,343	2,837,660	28,856
Total deferred outflows of resources	4,141,948	3,670,610	7,812,558	132,669
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,841,155	1,670,425	3,511,580	108,009
Retainages	36,560	753,350	789,910	0
Intergovernmental	16,194	3,689	19,883	7,753
Sales tax	0	7,580	7,580	10,060
Deposits	75,936	4,036	79,972	0
Interest	72,054	11,330	83,384	0
Accrued salaries	606,140	378,586	984,726	102,358
Compensated absences	1,100,703	654,197	1,754,900	128,979
Unearned revenue	949,478	0	949,478	3,810
Claims reserve	1,757,605	0	1,757,605	0
Capital lease payable	1,469,912	1,931,588	3,401,500	0
Other liabilities	86,315	45,280	131,595	12,441
Liabilities payable from restricted assets				
Payables				
Accounts	0	1,131,257	1,131,257	0
Customer deposits	0	2,235,205	2,235,205	0
Interest	0	489,234	489,234	0
Bonds payable	0	15,940,000	15,940,000	0
Total current liabilities	8,012,052	25,255,757	33,267,809	373,410



**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2017**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Noncurrent liabilities</b>				
Compensated absences	\$ 122,301	\$ 72,688	\$ 194,989	\$ 14,330
Net pension liability	26,842,354	18,505,615	45,347,969	617,120
OPEB obligation	19,127,971	13,323,522	32,451,493	1,907,288
Capital lease payable	17,797,318	19,540,021	37,337,339	0
Bonds payable	0	106,608,109	106,608,109	0
Total noncurrent liabilities	63,889,944	158,049,955	221,939,899	2,538,738
<b>Total liabilities</b>	<b>71,901,996</b>	<b>183,305,712</b>	<b>255,207,708</b>	<b>2,912,148</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension assumption changes	118,621	86,366	204,987	9,154
Pension investment return differences	3,686,214	2,582,253	6,268,467	178,622
Pension experience differences	58,970	59,712	118,682	21,269
<b>Total deferred inflows of resources</b>	<b>3,863,805</b>	<b>2,728,331</b>	<b>6,592,136</b>	<b>209,045</b>
<b>NET POSITION</b>				
Net investment in capital assets	77,972,132	330,315,818	408,287,950	10,529,772
Restricted for:				
General Government	61,885	0	61,885	0
Public Safety	1,068,200	0	1,068,200	0
Public Works	19,150	0	19,150	0
Health and Welfare	1,311,111	0	1,311,111	0
Culture and Recreation	1,645,008	0	1,645,008	5,255
Housing and Development	1,397,432	0	1,397,432	0
Debt service	570,183	9,126,761	9,696,944	0
Capital outlay	8,478,387	61,385,170	69,863,557	26,469
Unrestricted	(15,275,584)	19,773,475	4,497,891	265,272
<b>Total net position</b>	<b>\$ 77,247,904</b>	<b>\$ 420,601,224</b>	<b>\$ 497,849,128</b>	<b>\$ 10,826,768</b>

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
For the fiscal year ended June 30, 2017

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>						
Governmental activities						
General Government	\$ 6,429,519	\$ (1,370,895)	\$ 748,458	\$ 244,401	\$ 0	\$ (4,065,765)
Judicial	544,083	0	0	0	0	(544,083)
Public Safety	18,168,500	0	1,944,818	428,802	3,090,564	(12,704,316)
Public Works	7,199,267	0	219,680	50,125	4,057,086	(2,872,376)
Health and Welfare	2,726,152	0	106,322	1,698,777	331,709	(589,344)
Culture and Recreation	348,180	0	0	0	219,679	(128,501)
Housing and Development	3,769,857	0	2,259,780	1,180,594	233,755	(95,728)
Interest on long-term debt	619,743	0	0	0	0	(619,743)
Total governmental activities	39,805,301	(1,370,895)	5,279,058	3,602,699	7,932,793	(21,619,856)
Business-type activities						
Department of						
Water Resources	46,270,110	1,014,882	71,521,460	0	9,020,084	33,256,552
Airport	1,526,612	209,561	919,344	0	0	(816,829)
Solid Waste	2,195,951	146,452	2,769,222	0	0	426,819
Golf Course	1,304,992	0	1,089,431	0	0	(215,561)
Total business-type activities	51,297,665	1,370,895	76,299,457	0	9,020,084	32,650,981
Total primary government	91,102,966	0	81,578,515	3,602,699	16,952,877	11,031,125
<b>Component Units</b>						
Communication and Tourism						
Housing and Development	520,722	0	0	0	0	(520,722)
Parks and Recreation						
Culture and Recreation	5,233,340	0	1,816,617	15,611	0	(3,401,112)
Total Component Units	5,754,062	0	1,816,617	15,611	0	(3,921,834)
			<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Units</b>
<b>Change in net position</b>						
Net (expense) revenue			\$ (21,619,856)	\$ 32,650,981	\$ 11,031,125	\$ (3,921,834)
<b>General revenues</b>						
Taxes						
Property			9,808,840	0	9,808,840	2,941,936
Intangibles			190,764	0	190,764	0
Franchise			4,501,181	0	4,501,181	0
Occupational			1,373,680	0	1,373,680	0
Insurance premium			2,203,406	0	2,203,406	0
Alcoholic beverages			1,166,259	0	1,166,259	0
Hotel/Motel			929,035	0	929,035	0
Local option sales			5,439,313	0	5,439,313	0
Interest and Investment earnings			2,001,892	1,399,356	3,401,248	13,124
Payments from City of Gainesville			0	0	0	801,018
Gain on sale of assets			574,310	154,692	729,002	1,894
Miscellaneous			373,513	107,875	481,388	19,705
Special item - loss on demolition of building			(6,491,937)	0	(6,491,937)	0
Transfers			4,006,251	(4,006,251)	0	0
Total general revenues, special items, and transfers			26,076,507	(2,344,328)	23,732,179	3,777,677
Change in net position			4,456,651	30,306,653	34,763,304	(144,157)
Net position - beginning			72,791,253	390,294,571	463,085,824	10,970,925
Net position - ending			\$ 77,247,904	\$ 420,601,224	\$ 497,849,128	\$ 10,826,768

**CITY OF GAINESVILLE, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2017**

	<b>General</b>	<b>General Government Capital Project</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,140,815	\$ 5,029,031	\$ 21,879,966	\$ 38,049,812
Investments	0	0	1,022,842	1,022,842
Receivables (net)				
Accounts	29,423	578,254	620	608,297
Intergovernmental	30,807	0	2,681,284	2,712,091
Taxes	1,088,936	0	113,551	1,202,487
Notes	0	0	284,611	284,611
Prepaid items	2,332	0	27,186	29,518
Due from other funds	367,821	0	0	367,821
Inventory	0	0	40,191	40,191
Advances to other funds	292,924	0	0	292,924
<b>Total assets</b>	<b>\$ 12,953,058</b>	<b>\$ 5,607,285</b>	<b>\$ 26,050,251</b>	<b>\$ 44,610,594</b>
<b>LIABILITIES</b>				
Payables				
Accounts	\$ 346,862	\$ 321,352	\$ 1,002,407	\$ 1,670,621
Retainages	0	7,557	29,003	36,560
Intergovernmental	16,194	0	0	16,194
Accrued salaries	551,372	0	45,779	597,151
Unearned revenue	0	0	949,478	949,478
Due to other funds	0	0	367,821	367,821
Due to others	0	0	86,315	86,315
<b>Total liabilities</b>	<b>914,428</b>	<b>328,909</b>	<b>2,480,803</b>	<b>3,724,140</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue -				
Property taxes	111,795	0	39,113	150,908
Notes receivable	0	0	284,611	284,611
<b>Total deferred inflows of resources</b>	<b>111,795</b>	<b>0</b>	<b>323,724</b>	<b>435,519</b>
<b>FUND BALANCES</b>				
Nonspendable	295,256	0	67,377	362,633
Restricted	0	953,927	13,273,705	14,227,632
Committed	4,957	0	275,253	280,210
Assigned	3,966,341	4,324,449	9,629,389	17,920,179
Unassigned	7,660,281	0	0	7,660,281
<b>Total fund balances</b>	<b>11,926,835</b>	<b>5,278,376</b>	<b>23,245,724</b>	<b>40,450,935</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 12,953,058</b>	<b>\$ 5,607,285</b>	<b>\$ 26,050,251</b>	<b>\$ 44,610,594</b>

**CITY OF GAINESVILLE, GEORGIA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
**June 30, 2017**

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<b>Total fund balance - total governmental funds</b>		<b>\$</b>	<b>40,450,935</b>
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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			98,157,229
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Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are unavailable in the funds.

These are:

Property taxes	\$	150,908	
Notes receivable		<u>284,611</u>	435,519

Long-term liabilities are not due and payable in the current period and are not reported in the funds.

These are:

Capital leases	\$	(19,267,230)	
Interest payable		(72,054)	
Compensated absences		(1,223,004)	
Net pension liability		(26,842,354)	
Net OPEB obligation		<u>(19,127,971)</u>	(66,532,613)

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:

Pension contributions subsequent to measurement date	\$	115,059	
Pension investment return differences		2,327,572	
Pension experience differences		1,699,317	

Deferred inflows of resources:

Pension assumption changes		(118,621)	
Pension investment return differences		(3,686,214)	
Pension experience differences		<u>(58,970)</u>	278,143

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	\$	5,814,853	
Less internal balance resulting from allocation of internal service fund activities allocated to business-type activities		(1,236,463)	
Less capital assets included above		(144,566)	
Add compensated absences included above		<u>24,867</u>	<u>4,458,691</u>

Net position of governmental activities		<b>\$</b>	<b><u>77,247,904</u></b>
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**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the fiscal year ended June 30, 2017**

	General	General Government Capital Project	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>				
Taxes	\$ 22,282,388	\$ 0	\$ 3,341,945	\$ 25,624,333
Licenses and permits	1,304,203	0	0	1,304,203
Fines, fees and forfeitures	1,642,513	0	302,305	1,944,818
Charges for services	2,279,279	0	2,016,038	4,295,317
Intergovernmental	376,069	81,303	8,930,807	9,388,179
Investment and interest	80,030	0	1,895,841	1,975,871
Contributions	7,294	29,000	134,822	171,116
Other	132,170	0	241,343	373,513
<b>Total revenues</b>	<b>28,103,946</b>	<b>110,303</b>	<b>16,863,101</b>	<b>45,077,350</b>
<b>EXPENDITURES</b>				
Current				
General Government	5,772,300	0	225,237	5,997,537
Judicial	521,707	0	0	521,707
Public Safety	16,152,041	0	314,930	16,466,971
Public Works	4,436,759	0	129	4,436,888
Health and Welfare	48,129	0	2,847,790	2,895,919
Culture and Recreation	160,606	0	73,677	234,283
Housing and Development	1,291,399	0	2,147,505	3,438,904
Debt service				
Principal	0	2,472,351	1,456,462	3,928,813
Interest and other charges	0	0	523,047	523,047
Capital outlay	0	5,010,718	3,366,525	8,377,243
<b>Total expenditures</b>	<b>28,382,941</b>	<b>7,483,069</b>	<b>10,955,302</b>	<b>46,821,312</b>
Excess (deficiency) of revenues over (under) expenditures	(278,995)	(7,372,766)	5,907,799	(1,743,962)
Other financing sources (uses)				
Transfers in	3,316,671	5,240,143	2,100,085	10,656,899
Transfers out	(5,507,843)	(132,211)	(987,594)	(6,627,648)
Proceeds from issuance of:				
Capital leases	0	807,264	0	807,264
Bond	1,630,000	0	0	1,630,000
Sales of capital assets	742,858	0	26,134	768,992
<b>Total other financing sources (uses)</b>	<b>181,686</b>	<b>5,915,196</b>	<b>1,138,625</b>	<b>7,235,507</b>
Net changes in fund balances	(97,309)	(1,457,570)	7,046,424	5,491,545
Fund balances, July 1	12,024,144	6,735,946	16,199,300	34,959,390
<b>Fund balances, June 30</b>	<b>\$ 11,926,835</b>	<b>\$ 5,278,376</b>	<b>\$ 23,245,724</b>	<b>\$ 40,450,935</b>

**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, 2017**

<b>Net change in fund balances - total governmental funds</b>	<b>\$</b>	<b>5,491,545</b>
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	\$ 8,264,475	
Depreciation	<u>(4,559,712)</u>	3,704,763
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	\$ (8,678,026)	
Related accumulated depreciation	<u>1,827,543</u>	(6,850,483)
Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		
Individual contributors		1,815,943
Distributions of capital assets decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		
Component units		(136,216)
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.		
		(33,604)
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	\$ 3,936,319	
Debt proceeds	(2,437,264)	
Net change in interest payable	<u>2,850</u>	1,501,905
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Pension contributions	\$ 2,018,490	
Cost of benefits earned net of employee contributions	<u>(2,517,434)</u>	(498,944)
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Compensated absences	\$ (63,930)	
Net OPEB obligation	<u>(449,461)</u>	(513,391)
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	\$ (100,410)	
Add depreciation expense included above	33,964	
Add change in compensated absences included above	3,877	
Add consolidation of internal service fund activities allocated to business-type activities	<u>37,702</u>	(24,867)
Change in net position of governmental activities		<u><u>\$ 4,456,651</u></u>

**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, 2017**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Taxes	\$ 21,017,073	\$ 21,017,073	\$ 22,282,388	\$ 1,265,315
Licenses and permits	873,000	873,000	1,304,203	431,203
Fines, fees and forfeitures	1,315,200	1,315,200	1,642,513	327,313
Charges for services	2,435,241	2,232,241	2,279,279	47,038
Intergovernmental	364,113	364,113	376,069	11,956
Interest	28,000	28,000	80,030	52,030
Contributions	0	6,000	7,294	1,294
Other	60,000	60,000	132,170	72,170
<b>Total revenues</b>	<b>26,092,627</b>	<b>25,895,627</b>	<b>28,103,946</b>	<b>2,208,319</b>
<b>EXPENDITURES</b>				
Current				
General Government				
Mayor and Council	365,870	371,375	340,309	31,066
City Manager's Office	692,502	708,575	695,776	12,799
Finance	2,058,918	2,058,918	1,871,965	186,953
Human Resources	691,764	691,764	655,528	36,236
Public Lands and Buildings	623,327	2,273,827	2,208,722	65,105
Judicial				
Municipal Court	537,213	537,213	521,707	15,506
Public Safety				
Police	9,128,560	9,123,108	8,745,045	378,063
Fire	7,606,815	7,606,815	7,406,996	199,819
Public Works				
Engineering	932,513	932,513	860,336	72,177
Traffic	1,223,627	1,223,627	1,121,997	101,630
Street Maintenance	1,802,009	1,781,509	1,614,276	167,233
Storm Water	406,720	406,720	310,980	95,740
Cemetery	595,770	595,770	529,170	66,600
Health and Welfare				
Agency allocations	15,000	85,000	48,129	36,871
Culture and Recreation				
Agency allocations	150,000	161,375	160,606	769
Housing and Development				
Planning	578,229	618,427	615,456	2,971
Inspection	352,767	336,767	327,400	9,367
Code Enforcement	307,762	318,950	318,590	360
Agency allocations	29,953	29,953	29,953	0
<b>Total expenditures</b>	<b>28,099,319</b>	<b>29,862,206</b>	<b>28,382,941</b>	<b>1,479,265</b>
Excess (deficiency) of revenues over (under) expenditures	(2,006,692)	(3,966,579)	(278,995)	3,687,584
Other financing sources (uses)				
Transfers in (out)				
Transfers in	3,291,211	3,494,211	3,316,671	(177,540)
Transfers out	(4,762,931)	(5,536,971)	(5,507,843)	29,128
Contingency	(661,588)	(568,624)	0	568,624
Issuance of bond	0	1,630,000	1,630,000	0
Sales of capital assets	40,000	745,000	742,858	(2,142)
Total other financing sources (uses)	(2,093,308)	(236,384)	181,686	418,070
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(4,100,000)	(4,202,963)	(97,309)	4,105,654
Fund balances, July 1	4,100,000	4,202,963	12,024,144	7,821,181
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 11,926,835</b>	<b>\$ 11,926,835</b>



**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2017**

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 42,226,490	\$ 4,519,493	\$ 46,745,983	\$ 7,434,112
Restricted assets				
Cash and cash equivalents	73,210,781	0	73,210,781	0
Receivables (net)				
Accounts	4,283,524	307,914	4,591,438	17,227
Intergovernmental	165,068	119,830	284,898	21,515
Inventories	1,700,186	0	1,700,186	95,364
Prepaid items	3,800	0	3,800	0
Other assets	0	0	0	140,000
Total current assets	121,589,849	4,947,237	126,537,086	7,708,218
<b>Noncurrent assets</b>				
Capital assets				
Non-depreciable	52,815,390	1,212,421	54,027,811	0
Depreciable (net)	409,572,791	11,883,430	421,456,221	144,566
Total noncurrent assets	462,388,181	13,095,851	475,484,032	144,566
<b>Total assets</b>	583,978,030	18,043,088	602,021,118	7,852,784
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on refunding	714,767	71,269	786,036	0
Pension contributions subsequent to measurement date	68,389	48,306	116,695	0
Pension investment return differences	1,555,372	74,164	1,629,536	0
Pension experience differences	1,107,314	31,029	1,138,343	0
<b>Total deferred outflow of resources</b>	3,445,842	224,768	3,670,610	0
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables				
Accounts	1,514,138	156,287	1,670,425	170,534
Intergovernmental	3,689	0	3,689	0
Deposits	0	4,036	4,036	75,936
Sales tax	0	7,580	7,580	0
Interest	0	11,330	11,330	0
Accrued salaries	330,545	48,041	378,586	8,989
Compensated absences	580,115	74,082	654,197	22,380
Claims reserve	0	0	0	1,757,605
Capital lease payable	1,261,588	670,000	1,931,588	0
Other liabilities	0	45,280	45,280	0
Liabilities payable from restricted assets:				
Payables				
Accounts	1,131,257	0	1,131,257	0
Retainages	753,350	0	753,350	0
Customer deposits	2,235,205	0	2,235,205	0
Interest	489,234	0	489,234	0
Revenue bonds payable	15,940,000	0	15,940,000	0
<b>Total current liabilities</b>	24,239,121	1,016,636	25,255,757	2,035,444

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2017**

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
<b>Noncurrent liabilities</b>				
Advances from other funds	\$ 0	\$ 292,924	\$ 292,924	\$ 0
Compensated absences	64,457	8,231	72,688	2,487
Net pension liability	17,864,502	641,113	18,505,615	0
OPEB obligation	11,826,744	1,496,778	13,323,522	0
Capital leases payable	16,400,644	3,139,377	19,540,021	0
Revenue bonds payable	106,608,109	0	106,608,109	0
Total noncurrent liabilities	152,764,456	5,578,423	158,342,879	2,487
<b>Total liabilities</b>	177,003,577	6,595,059	183,598,636	2,037,931
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension assumption changes	75,906	10,460	86,366	0
Pension investment return differences	2,326,041	256,212	2,582,253	0
Pension experience differences	35,009	24,703	59,712	0
<b>Total deferred inflows of resources</b>	2,436,956	291,375	2,728,331	0
<b>NET POSITION</b>				
Net investment in capital assets	321,008,000	9,307,818	330,315,818	144,566
Restricted for:				
Capital outlay	61,359,581	25,589	61,385,170	0
Debt service	9,126,761	0	9,126,761	0
Unrestricted	16,488,997	2,048,015	18,537,012	5,670,287
<b>Total net position</b>	\$ 407,983,339	\$ 11,381,422	419,364,761	\$ 5,814,853
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			1,236,463	
<b>Net position of business-type activities</b>			<u>\$ 420,601,224</u>	

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended June 30, 2017**

	Business-Type Activities			Governmental Activities
	Department of	Nonmajor		Internal
	Water Resources	Enterprise Funds	Totals	Service
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 71,521,460	\$ 4,777,997	\$ 76,299,457	\$ 0
Interfund services provided	0	0	0	12,461,171
Other	69,575	38,300	107,875	111,857
<b>Total operating revenues</b>	<b>71,591,035</b>	<b>4,816,297</b>	<b>76,407,332</b>	<b>12,573,028</b>
<b>OPERATING EXPENSES</b>				
Costs of sales and services	14,346,536	1,827,808	16,174,344	12,271,752
Personal services	13,132,924	1,884,741	15,017,665	366,530
Depreciation	14,952,305	1,557,360	16,509,665	33,964
<b>Total operating expenses</b>	<b>42,431,765</b>	<b>5,269,909</b>	<b>47,701,674</b>	<b>12,672,246</b>
Operating income (loss)	29,159,270	(453,612)	28,705,658	(99,218)
Non-operating revenues (expenses)				
Interest revenue	1,372,085	27,271	1,399,356	21,341
Interest expense	(4,724,102)	(113,659)	(4,837,761)	0
Debt issue costs	(91,423)	0	(91,423)	0
Gain (loss) on sale of capital assets	22,941	131,751	154,692	467
Total non-operating revenues (expenses)	(3,420,499)	45,363	(3,375,136)	21,808
Income (loss) before capital contributions and transfers	25,738,771	(408,249)	25,330,522	(77,410)
Capital contributions				
Connection fees	4,911,419	0	4,911,419	0
Capital contributions	3,330,707	0	3,330,707	0
Intergovernmental revenue	0	777,958	777,958	0
Total capital contributions	8,242,126	777,958	9,020,084	0
Income (loss) before transfers	33,980,897	369,709	34,350,606	(77,410)
Transfers in (out)				
Transfers in	23,000	343,654	366,654	0
Transfers out	(4,372,905)	0	(4,372,905)	(23,000)
Total transfers in (out)	(4,349,905)	343,654	(4,006,251)	(23,000)
Change in net position	29,630,992	713,363	30,344,355	(100,410)
Net position, July 1	378,352,347	10,668,059	389,020,406	5,915,263
<b>Net position, June 30</b>	<b>\$ 407,983,339</b>	<b>\$ 11,381,422</b>	<b>\$ 419,364,761</b>	<b>\$ 5,814,853</b>
Change in net position - enterprise funds			\$ 30,344,355	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(37,702)	
Change in net position - business-type activities			<u>\$ 30,306,653</u>	

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended June 30, 2017**

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
	<b>Department of Water Resources</b>	<b>Nonmajor Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service</b>
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 71,530,145	\$ 4,757,525	\$ 76,287,670	\$ 0
Receipts from interfund services provided	0	0	0	12,457,932
Payments to suppliers	(13,780,628)	(1,935,743)	(15,716,371)	(12,404,945)
Payments to employees	(12,527,913)	(1,867,781)	(14,395,694)	(362,338)
Other receipts	69,575	25,699	95,274	111,857
Net cash provided (used) by operating activities	45,291,179	979,700	46,270,879	(197,494)
<b>Cash flows from non-capital financing activities:</b>				
Receipts from other funds	23,000	236,344	259,344	(23,000)
Payments to other funds	(4,372,905)	0	(4,372,905)	(42,954)
Net cash provided (used) by non-capital financing activities	(4,349,905)	236,344	(4,113,561)	(65,954)
<b>Cash flows from capital and related financing activities:</b>				
Connection fees	4,911,419	0	4,911,419	0
Receipts of capital contributions	26,579	0	26,579	0
Receipts from other governments	0	730,731	730,731	0
Proceeds from sale of capital assets	41,221	154,137	195,358	0
Interest paid	(4,517,077)	(98,535)	(4,615,612)	0
Acquisition of capital assets	(10,293,588)	(689,659)	(10,983,247)	0
Payment of capital related accounts payable	(1,347,957)	(80,670)	(1,428,627)	0
Principal payments - bonds	(41,935,000)	0	(41,935,000)	0
Bond issue costs	(91,423)	0	(91,423)	0
Proceeds from bond issuance	26,910,000	0	26,910,000	0
Principal payments - capital leases and promissory notes	0	(665,000)	(665,000)	0
Net cash provided (used) by capital and related financing activities	(26,295,826)	(648,996)	(26,944,822)	0
<b>Cash flows from investing activities:</b>				
Interest received	83,718	12,796	96,514	21,341
Net increase (decrease) in cash and cash equivalents	14,729,166	579,844	15,309,010	(242,107)
Cash and cash equivalents, July 1	100,708,105	3,939,649	104,647,754	7,676,219
<b>Cash and cash equivalents, June 30</b>	<b>\$ 115,437,271</b>	<b>\$ 4,519,493</b>	<b>\$ 119,956,764</b>	<b>\$ 7,434,112</b>

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended June 30, 2017**

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
	<b>Department of Water Resources</b>	<b>Nonmajor Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 29,159,270	\$ (453,612)	\$ 28,705,658	\$ (99,218)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	14,952,305	1,557,360	16,509,665	33,964
(Increase) decrease in accounts receivable	(406,095)	(33,552)	(439,647)	13,261
(Increase) decrease in intergovernmental receivables	338,003	0	338,003	(16,500)
(Increase) decrease in inventory	166,414	0	166,414	(17,887)
(Increase) decrease in prepaid expenses	78,054	2,920	80,974	0
(Increase) decrease in other assets	0	0	0	(45,935)
(Increase) decrease in net pension contributions after measurement date	(2,485)	(1,772)	(4,257)	0
Increase (decrease) in accounts payable	320,416	(115,122)	205,294	(7,923)
Increase (decrease) in intergovernmental payables	1,024	0	1,024	0
Increase (decrease) in sales tax payable	0	480	480	0
Increase (decrease) in accrued salaries and benefits	17,076	15,010	32,086	4,192
Increase (decrease) in deposits payable	76,777	0	76,777	75,936
Increase (decrease) in claims reserve	0	0	0	(137,384)
Increase (decrease) in net pension liability	(1,416,931)	(266,252)	(1,683,183)	0
Increase (decrease) in pension experience differences	(368,030)	(18,820)	(386,850)	0
Increase (decrease) in pension investment return differences	2,117,242	258,640	2,375,882	0
Increase (decrease) in pension assumption differences	(19,546)	(3,426)	(22,972)	0
Increase (decrease) in OPEB obligation	277,685	33,580	311,265	0
Increase (decrease) in other liabilities	0	4,266	4,266	0
Total adjustments	16,131,909	1,433,312	17,565,221	(98,276)
Net cash provided (used) by operating activities	\$ 45,291,179	\$ 979,700	\$ 46,270,879	\$ (197,494)
<b>Cash and cash equivalents reconciliation:</b>				
Cash and cash equivalents	\$ 42,226,490	\$ 4,519,493	\$ 46,745,983	\$ 7,434,112
Restricted assets				
Cash and cash equivalents	73,210,781	0	73,210,781	0
Total cash and cash equivalents	\$ 115,437,271	\$ 4,519,493	\$ 119,956,764	\$ 7,434,112

**Noncash investing, capital, and financing activities:**

Contributions of capital assets from individuals totaled \$2,042,540.  
Acquisition of capital assets through accounts payable totaled \$1,755,143.  
Forgiveness of capital lease through capital contributions totaled \$1,261,588.

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2017**

	<b>Community Private-Purpose Trust Fund</b>	<b>Employees' Pension Trust Fund</b>	<b>Municipal Court Agency Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 31,692	\$ 829,193	\$ 113,102
Investments, at fair value			
Mutual funds			
Equity	0	61,252,507	0
Fixed income	0	25,194,368	0
Real estate		4,062,432	0
<b>Total assets</b>	<b>31,692</b>	<b>91,338,500</b>	<b>113,102</b>
<b>LIABILITIES</b>			
Accounts payable	0	26,872	0
Due to other agencies	0	0	113,102
<b>Total liabilities</b>	<b>0</b>	<b>26,872</b>	<b>113,102</b>
<b>NET POSITION</b>			
Restricted for:			
Pensions	0	91,311,628	0
Employee assistance	31,692	0	0
<b>Total net position</b>	<b>\$ 31,692</b>	<b>\$ 91,311,628</b>	<b>\$ 0</b>

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**For the fiscal year ended June 30, 2017**

	<b>Community Private-Purpose Trust Fund</b>	<b>Employees' Pension Trust Fund</b>
<b>ADDITIONS</b>		
Contributions		
Employer contributions	\$ 0	\$ 3,079,855
Employee contributions	0	3,132,278
Employee donations	51,540	0
Total contributions and donations	51,540	6,212,133
Investment Income		
Net appreciation (depreciation) in fair value of investments	0	9,831,925
Interest	2	790
Dividends	0	1,515,839
Investment expense	0	(165,260)
Net investment income (loss)	2	11,183,294
<b>Total additions (reductions)</b>	51,542	17,395,427
<b>DEDUCTIONS</b>		
Benefits	0	7,616,626
Refunds	0	685,093
Distributions for assistance	34,694	0
<b>Total deductions</b>	34,694	8,301,719
Change in net position	16,848	9,093,708
<b>Net position held in trust for pension benefits and other purposes</b>		
Net position, July 1	14,844	82,217,920
<b>Net position, June 30</b>	<u>\$ 31,692</u>	<u>\$ 91,311,628</u>



**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**June 30, 2017**

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Total Component Units
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 2,570,650	\$ 533,825	\$ 3,104,475
Receivables			
Accounts	5,233	0	5,233
Taxes	39,636	0	39,636
Restricted assets			
Cash and cash equivalents	100,000	0	100,000
Prepaid items	0	29,500	29,500
Total current assets	2,715,519	563,325	3,278,844
<b>Noncurrent assets</b>			
Capital assets			
Non-depreciable	4,844,681	0	4,844,681
Depreciable (net)	5,674,735	17,032	5,691,767
Total noncurrent assets	10,519,416	17,032	10,536,448
<b>Total assets</b>	<b>13,234,935</b>	<b>580,357</b>	<b>13,815,292</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension contributions subsequent to measurement date	38,847	0	38,847
Pension investment return differences	30,136	34,830	64,966
Pension experience differences	1,154	27,702	28,856
<b>Total deferred outflows of resources</b>	<b>70,137</b>	<b>62,532</b>	<b>132,669</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables			
Accounts	96,921	11,088	108,009
Intergovernmental	7,753	0	7,753
Sales tax	10,060	0	10,060
Accrued salaries	94,484	7,874	102,358
Compensated absences	115,782	13,197	128,979
Unearned revenue	3,810	0	3,810
Other liabilities	12,441	0	12,441
Total current liabilities	341,251	32,159	373,410
<b>Noncurrent liabilities</b>			
Compensated absences	12,864	1,466	14,330
Net pension liability	190,933	426,187	617,120
OPEB obligation	1,836,841	70,447	1,907,288
Total noncurrent liabilities	2,040,638	498,100	2,538,738
<b>Total liabilities</b>	<b>2,381,889</b>	<b>530,259</b>	<b>2,912,148</b>

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**June 30, 2017**

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Total Component Units
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension assumption changes	\$ 7,754	\$ 1,400	\$ 9,154
Pension investment return differences	126,044	52,578	178,622
Pension experience differences	21,269	0	21,269
<b>Total deferred inflows of resources</b>	<b>155,067</b>	<b>53,978</b>	<b>209,045</b>
<b>NET POSITION</b>			
Net investment in capital assets	10,512,740	17,032	10,529,772
Restricted for cultural and recreation	5,255	0	5,255
Restricted for capital outlay	26,469	0	26,469
Unrestricted	223,652	41,620	265,272
<b>Total net position</b>	<b>\$ 10,768,116</b>	<b>\$ 58,652</b>	<b>\$ 10,826,768</b>

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**COMPONENT UNITS**  
**For the fiscal year ended June 30, 2017**

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Total Component Units
<b>Expenses</b>			
Culture and Recreation	\$ 5,233,340	\$ 0	\$ 5,233,340
Housing and Development	0	520,722	520,722
<b>Total expenses</b>	<b>5,233,340</b>	<b>520,722</b>	<b>5,754,062</b>
<b>Program revenues</b>			
Charges for services	1,816,617	0	1,816,617
Operating grants and contributions	15,611	0	15,611
<b>Total program revenues</b>	<b>1,832,228</b>	<b>0</b>	<b>1,832,228</b>
<b>Net (expense) revenue</b>	<b>(3,401,112)</b>	<b>(520,722)</b>	<b>(3,921,834)</b>
<b>General revenues</b>			
Property taxes	2,941,936	0	2,941,936
Interest	11,780	1,344	13,124
Payments from City of Gainesville	187,575	613,443	801,018
Gain on sale of assets	1,894	0	1,894
Miscellaneous	1,149	18,556	19,705
<b>Total general revenues</b>	<b>3,144,334</b>	<b>633,343</b>	<b>3,777,677</b>
<b>Change in net position</b>	<b>(256,778)</b>	<b>112,621</b>	<b>(144,157)</b>
<b>Net position, July 1</b>	<b>11,024,894</b>	<b>(53,969)</b>	<b>10,970,925</b>
<b>Net position, June 30</b>	<b>\$ 10,768,116</b>	<b>\$ 58,652</b>	<b>\$ 10,826,768</b>



## **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.

**General Government Capital Project Fund** – This fund is used to account for general purpose long-term capital projects financed through 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.

Additionally, the City reports the following fund types:

### **Governmental Fund Types**

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

## **2. Summary of Significant Accounting Policies (continued)**

### **D. Basis of Presentation – Fund Financial Statements, continued**

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

#### **Proprietary Fund Types**

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

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

#### **Fiduciary Fund Types**

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

## **2. Summary of Significant Accounting Policies (continued)**

### **D. Basis of Presentation – Fund Financial Statements, continued**

#### **Fiduciary Fund Types (continued)**

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

#### **Component Units**

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

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

#### **Interfund Activity**

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

## **2. Summary of Significant Accounting Policies (continued)**

### **D. Basis of Presentation – Fund Financial Statements, continued**

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

### **E. Measurement Focus and Basis of Accounting**

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

## **2. Summary of Significant Accounting Policies (continued)**

### **E. Measurement Focus and Basis of Accounting, continued**

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

### **F. Revenues and Expenditures/Expenses**

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

## **2. Summary of Significant Accounting Policies (continued)**

### **F. Revenues and Expenditures/Expenses, continued**

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

Proprietary funds 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 and Solid Waste Funds are charges to customers for sales and services. 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.

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.

## **2. Summary of Significant Accounting Policies (continued)**

### **G. Budgets and Budgetary Accounting, continued**

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.

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.

## **2. Summary of Significant Accounting Policies (continued)**

### **H. Cash and Investments, continued**

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.

### **K. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2017, 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.



## **2. Summary of Significant Accounting Policies (continued)**

### **L. Capital Assets, continued**

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:

	<b>Useful Life</b>	<b>Capitalization</b>
	<b>in Years</b>	<b>Threshold</b>
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	\$ 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. Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed.

## **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 outflow of resource for deferred charges on bond refunding and their defined benefit pension plans. 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.

### **N. Net Position Flow Assumption**

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

## **2. Summary of Significant Accounting Policies (continued)**

### **O. Fund Balance Flow Assumption**

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

### **P. Restricted Assets and Restricted Net Position**

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

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

## **2. Summary of Significant Accounting Policies (continued)**

### **Q. Fund Balances – Governmental Funds**

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

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

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

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

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

## **2. Summary of Significant Accounting Policies (continued)**

### **Q. Fund Balances – Governmental Funds, continued**

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

### **R. Compensated Absences**

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

### **S. Long-Term Obligations**

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

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

## **2. Summary of Significant Accounting Policies (continued)**

### **T. Capital Contributions**

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

### **U. Comparative Data and Reclassifications**

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain 2016 amounts have been reclassified to conform to the 2017 presentation.

## **3. Deposit and Investment Risk**

### **Custodial credit risk – Deposits**

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

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

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

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

### **3. Deposit and Investment Risk (continued)**

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

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

The Georgia Fund 1 is rated AAAf by Standard & Poor's. The weighted average maturity at June 30, 2017 was 26 days. At June 30, 2017, the City's balance in Georgia Fund 1 was \$49,765,449.

#### **Investment policies – Employees' Pension Trust Fund**

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

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



### **3. Deposit and Investment Risk (continued)**

City policy requires that fixed income portfolio should bear an average credit quality of “A” or higher. Investments in Collateralized Mortgage Obligations shall be limited to 15% of the market value of the investment manager’s total portfolio. No more than 5% (at cost) of an investment manager’s total fixed income portfolio shall be invested in the securities of any single corporate issuer. There is no limit imposed on investments in fixed income securities issued directly by the US government or any agency or instrumentality thereof. Investments in corporate fixed income securities shall be limited to securities issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia. The duration of the fixed income portfolio should be less than 135% of the duration of the Barclays Capital US Aggregate Bond Index. At June 30, 2017, the duration for the index was 6.01 years. Investments in corporate fixed income securities shall be limited to those securities rated “BAA” or higher by Moody’s or “BBB” or higher by Standard & Poor’s rating services. Fixed income securities may be managed through the purchase of open-ended, no-load mutual funds or commingled funds as long as these funds in aggregate adhere to the fixed income guidelines of the policy.

<b>Investment</b>	<b>Fair Value</b>	<b>Average Maturity (in years)</b>	<b>Standard and Poor's Credit Rating</b>
PIMCO Investment Grade Corporate Bond Fund	\$ 10,590,335	10.54	N/A
PIMCO Total Return Fund	6,279,217	7.64	N/A
PIMCO All Asset Fund	8,324,816	6.08	N/A
	<u>\$ 25,194,368</u>		

#### **Foreign currency risk**

The City has no investments denominated in a foreign currency.

#### **Investments**

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

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

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



**CITY OF GAINESVILLE, GEORGIA**  
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**5. Intergovernmental Receivables**

Intergovernmental receivables at June 30, 2017 consist of the following:

**Primary Government:**

**Major Funds**

General Fund			
US Treasury	\$	4,606	
Gainesville city school system		375	
Hall County, Georgia		<u>25,826</u>	\$ 30,807
Department of Water Resources			
Enterprise Fund			
Hall County, Georgia			165,068

**Nonmajor Funds**

Special Revenue Funds			
Community Service Center			
State of Georgia		18,077	
Hall County, Georgia		307,495	
Grants			
US Treasury		369,363	
Government Access Cable TV			
Hall County, Georgia		27,639	
HUD Grant			
US Treasury		331,384	
Confiscated Assets			
Hall County, Georgia		4,000	
Tax Allocation District			
Gainesville City School System		<u>138,039</u>	1,195,997
Debt Service Funds			
Debt Service			
Miscellaneous			408
Capital Projects Funds			
Grant			
State of Georgia		259,587	
SPLOST			
Hall County, Georgia		<u>1,225,292</u>	1,484,879
Enterprise funds			
Airport			
State of Georgia		3,941	
US Treasury		<u>115,889</u>	119,830
Vehicle Services Internal Service Fund			
Gainesville City School System			<u>21,515</u>
Total Primary Government			<u>\$ 3,018,504</u>

## **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 2017, based upon the assessments of January 1, 2016 and the levy date of September 28, 2016, were final billed on September 30, 2016, and due on December 1, 2016. Tax liens are issued 90 days after the due date. The City of Gainesville bills and collects its own property taxes with property tax collections appearing as revenues to the respective funds (General, Tax Allocation District, Debt Service, and Parks and Recreation Component Unit) according to the tax rates set by City Council.

## **7. Intradepartmental Billings**

Total operating revenues and total operating expenses in the Department of Water Resources Enterprise Fund includes \$125,528 of intradepartmental billings for water and sewer usage for fiscal year 2017.

## **8. Interfund Receivables, Payables, and Transfers**

A summary of interfund receivables and payables as of June 30, 2017 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	<u>\$ 367,821</u>

The balance reported as Due to/Due from represent loans between the borrower funds and the lender. Balances reported between in the General Fund and nonmajor governmental funds resulted from transactions to alleviate equity in pooled cash deficits at year-end. The \$292,924 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 within one year.

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

**CITY OF GAINESVILLE, GEORGIA**  
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## **8. Interfund Receivables, Payables, and Transfers (continued)**

A summary of interfund transfers is as follows:

<b><u>Transfer Out Fund</u></b>	<b><u>Transfer In Fund</u></b>	<b><u>Amount</u></b>
General	General Government Capital Project	\$ 3,645,225
	Nonmajor Governmental	1,518,964
	Nonmajor Enterprise	343,654
General Government Capital Project	Nonmajor Governmental	132,211
Department of Water Resources	General	3,273,211
	General Government Capital Project	1,099,694
Internal Service	Department of Water Resources	23,000
Nonmajor Governmental	General	43,460
	General Government Capital Project	495,224
	Nonmajor Governmental	448,910
		<u><u>\$ 11,023,553</u></u>

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.

**CITY OF GAINESVILLE, GEORGIA**  
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## **9. Capital Assets**

Capital asset activity for the primary government for the year ended June 30, 2017 was as follows:

	<b>Balance Beginning</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Ending</b>
<b>Governmental activities</b>				
Non-depreciable assets				
Land	\$ 24,466,846	\$ 1,258,309	\$ (185,645)	\$ 25,539,510
Construction in progress	1,990,690	8,221,649	(5,933,699)	4,278,640
Total non-depreciable assets	26,457,536	9,479,958	(6,119,344)	29,818,150
Depreciable assets				
Buildings	62,386,475	1,922,653	(7,177,131)	57,131,997
Land improvements	3,124,046	0	0	3,124,046
Vehicles and equipment	19,473,963	1,888,168	(1,199,075)	20,163,056
Intangibles	2,176,773	1,140,341	0	3,317,114
Infrastructure	33,323,926	1,501,726	0	34,825,652
Total depreciable assets	120,485,183	6,452,888	(8,376,206)	118,561,865
Less accumulated depreciation				
Buildings	(15,786,970)	(1,705,283)	685,194	(16,807,059)
Land improvements	(1,572,045)	(127,477)	0	(1,699,522)
Vehicles and equipment	(14,857,953)	(1,552,610)	1,187,619	(15,222,944)
Intangibles	(1,827,769)	(161,334)	0	(1,989,103)
Infrastructure	(13,318,183)	(1,185,975)	0	(14,504,158)
Total accumulated depreciation	(47,362,920)	(4,732,679)	1,872,813	(50,222,786)
Total depreciable assets, net	73,122,263	1,720,209	(6,503,393)	68,339,079
Governmental activities capital assets, net	\$ 99,579,799	\$ 11,200,167	\$ (12,622,737)	\$ 98,157,229
<b>Business-type activities</b>				
Non-depreciable assets				
Land	\$ 31,535,148	\$ 0	\$ (384)	\$ 31,534,764
Easements	2,051,336	0	0	2,051,336
Construction in progress	14,026,761	13,900,971	(7,486,021)	20,441,711
Total non-depreciable assets	47,613,246	13,900,971	(7,486,405)	54,027,811
Depreciable assets				
Buildings	52,245,339	0	(31,433)	52,213,906
Land improvements	8,784,153	1,427,674	0	10,211,827
Vehicles and equipment	30,722,083	1,140,718	(502,864)	31,359,937
Intangibles	5,980,021	109,203	0	6,089,224
Infrastructure	544,987,825	5,688,386	0	550,676,211
Total depreciable assets	642,719,421	8,365,981	(534,297)	650,551,105
Less accumulated depreciation				
Buildings	(11,481,892)	(1,268,649)	9,430	(12,741,111)
Land improvements	(5,029,161)	(342,636)	0	(5,371,797)
Vehicles and equipment	(16,977,033)	(1,903,268)	484,585	(18,395,716)
Intangibles	(1,960,607)	(288,935)	0	(2,249,542)
Infrastructure	(177,630,541)	(12,706,177)	0	(190,336,718)
Total accumulated depreciation	(213,079,234)	(16,509,665)	494,015	(229,094,884)
Total depreciable assets, net	429,640,187	(8,143,684)	(40,282)	421,456,221
Business-type activities capital assets, net	\$ 477,253,433	\$ 5,757,287	\$ (7,526,687)	\$ 475,484,032

**CITY OF GAINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 year ended June 30, 2017 was as follows:

	<b>Balance Beginning</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Ending</b>
<b>Parks &amp; Recreation Component Unit</b>				
Non-depreciable assets				
Land	\$ 4,615,183	\$ 0	\$ 0	\$ 4,615,183
Construction in progress	99,829	373,092	(243,423)	229,498
Total non-depreciable assets	<u>4,715,012</u>	<u>373,092</u>	<u>(243,423)</u>	<u>4,844,681</u>
Depreciable assets				
Buildings	8,978,851	0	0	8,978,851
Land improvements	3,744,842	0	0	3,744,842
Vehicles and equipment	1,424,112	154,434	(49,037)	1,529,509
Intangibles	281,365	0	0	281,365
Infrastructure	3,137,259	0	0	3,137,259
Total depreciable assets	<u>17,566,429</u>	<u>154,434</u>	<u>(49,037)</u>	<u>17,671,826</u>
Less accumulated depreciation				
Buildings	(6,722,315)	(210,937)	0	(6,933,252)
Land improvements	(1,992,045)	(320,489)	0	(2,312,534)
Vehicles and equipment	(1,067,402)	(118,396)	49,037	(1,136,761)
Intangibles	(200,028)	(17,286)	0	(217,314)
Infrastructure	(1,253,980)	(143,250)	0	(1,397,230)
Total accumulated depreciation	<u>(11,235,770)</u>	<u>(810,358)</u>	<u>49,037</u>	<u>(11,997,091)</u>
Total depreciable assets, net	<u>6,330,659</u>	<u>(655,924)</u>	<u>0</u>	<u>5,674,735</u>
Parks & Recreation Component Unit capital assets, net	<u>\$ 11,045,672</u>	<u>\$ (282,832)</u>	<u>\$ (243,423)</u>	<u>\$ 10,519,416</u>
<b>Convention and Visitor's Bureau Component Unit</b>				
Depreciable assets				
Vehicles and equipment	\$ 22,216	\$ 0	\$ 0	\$ 22,216
Less accumulated depreciation				
Vehicles and equipment	(740)	(4,444)	0	(5,184)
Convention and Visitor's Bureau Component Unit capital assets, net	<u>\$ 21,476</u>	<u>\$ (4,444)</u>	<u>\$ 0</u>	<u>\$ 17,032</u>

**CITY OF GAINESVILLE, GEORGIA**  
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**9. Capital Assets (continued)**

Depreciation expense was charged to functions/programs as follows:

**Primary Government**

**Governmental activities**

General Government	\$ 2,206,800
Public Safety	883,401
Public Works	961,181
Health and Welfare	288,616
Housing and Development	185,750
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	33,964

Total depreciation expense for governmental activities	<u>\$ 4,559,712</u>
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**Business-type activities**

Department of Water Resources	\$ 14,952,305
Airport	1,087,569
Solid Waste	171,151
Golf Course	298,640

Total depreciation expense for business-type activities	<u>\$ 16,509,665</u>
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**Component Unit**

Parks and Recreation	\$ 780,606
Convention and Visitor's Bureau	4,444

	<b>Primary Government</b>		<b>Component Units</b>	
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Parks and Recreation</b>	<b>Convention and Visitor's Bureau</b>
Current year depreciation expense	\$ 4,559,712	\$ 16,509,665	\$ 780,606	\$ 4,444
Prior accumulated depreciation on assets transferred between governmental, business-type activities, and component unit	172,967	0	29,752	0
Additions to accumulated depreciation	<u>\$ 4,732,679</u>	<u>\$ 16,509,665</u>	<u>\$ 810,358</u>	<u>\$ 4,444</u>



**CITY OF GAINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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## **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 June 30, 2017, are \$19,267,230 and \$21,471,609 for governmental and business-type activities, respectively.

Total assets leased under capital leases are \$24,993,602 and \$39,586,921 for governmental and business-type activities, respectively, and are classified as follows:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>
Airport improvements	\$ 0	\$ 0	\$ 5,332,220	\$ 2,310,629
Golf Course improvements	0	0	2,715,000	1,357,500
Water and sewer system	0	0	31,539,701	13,877,468
Land	745,413	0	0	0
Buildings	16,516,041	2,065,250	0	0
Vehicles and equipment	1,028,383	275,814	0	0
Infrastructure	6,703,765	1,340,753	0	0
Total assets under capital leases	<u>\$ 24,993,602</u>	<u>\$ 3,681,817</u>	<u>\$ 39,586,921</u>	<u>\$ 17,545,597</u>

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

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2017:

<b>Year Ending June 30,</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>
2018	\$ 1,983,579	\$ 2,028,761
2019	2,193,089	2,033,667
2020	2,203,825	2,029,219
2021	2,135,909	1,567,368
2022	3,254,059	1,570,372
2023-2027	8,917,012	7,534,330
2028-2031	<u>1,547,891</u>	<u>5,046,351</u>
Total minimum lease payments	22,235,364	21,810,068
Less amounts representing interest	<u>(2,968,134)</u>	<u>(338,459)</u>
Present value of minimum lease payments	<u>\$ 19,267,230</u>	<u>\$ 21,471,609</u>

## **10. Capital and Operating Leases Agreements (continued)**

On June 30, 2017, the City has entered into an agreement to participate in a pooled lease program sponsored by the Georgia Municipal Association. Certificates of Participation in the amount of \$150,126,000 were issued in connection with the lease program, with the City's pro rata share of the principal being \$1,166,000. At June 30, 2017, the City has a balance of \$807,264 of the certificate proceeds for the purpose of financing the acquisition of equipment and is included with other leases above. These amounts are presented as capital leases in the governmental activities on the Government-wide Statement of Net Position. The remaining balance of the certificate proceeds is held in trust pursuant to the certificate, and is not considered legal debt of the City.

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

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

## **10. Capital and Operating Leases Agreements (continued)**

On August 31, 2012, the Gainesville Redevelopment Authority issued a promissory note in the amount of \$2,472,351 with an interest rate of 0.0%. An intergovernmental lease became effective, on the date of issue, between the Gainesville Redevelopment Authority and the City of Gainesville. Under the lease, the City is to reimburse certain construction costs to a developer and take title of a constructed pedestrian bridge. In return, the City will make payments 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 pedestrian bridge. The lease was paid in full during the current year.

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

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

## **10. Capital and Operating Leases Agreements (continued)**

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.

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 June 30, 2017:

- \$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% (\$71,060,000 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% (\$12,605,000 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% (\$26,910,000 outstanding)

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

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 15,940,000	\$ 3,658,820	\$ 19,598,820
2019	16,200,000	3,142,933	19,342,933
2020	12,615,000	2,770,244	15,385,244
2021	14,615,000	2,449,024	17,064,024
2022	14,965,000	2,025,828	16,990,828
2023-2027	28,665,000	5,371,375	34,036,375
2028-2029	7,575,000	374,925	7,949,925
<b>Totals</b>	<b>\$ 110,575,000</b>	<b>\$ 19,793,149</b>	<b>\$ 130,368,149</b>

## **11. Long-Term Debt (continued)**

### **Revenue Bonds, continued**

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

The bonds are payable solely from the water and sewer operating income, and are payable through the fiscal years ending 2029, 2020, and 2022, respectively. Total principal and interest remaining to be paid on the bonds is \$89,509,050, \$12,895,063, and \$27,964,037 respectively. Principal and interest paid for the current year was \$10,727,825, \$5,537,276, and \$3,571,120, respectively. Water and sewer operating revenue totaled \$71,591,035 for the current year.

**CITY OF GAINESVILLE, GEORGIA**  
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**11. Long-Term Debt (continued)**

**Changes in Long-Term Debt**

The following is a summary of changes in long-term debt of the City for fiscal year ended June 30, 2017:

	<b>Balance 6/30/2016</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance 6/30/2017</b>	<b>Due Within One Year</b>
<b>Governmental activities</b>					
Capital lease obligations	\$ 20,766,285	\$ 2,437,264	\$ (3,936,319)	\$ 19,267,230	\$ 1,469,912
Compensated absences	1,159,074	1,525,015	(1,461,085)	1,223,004	1,100,703
Total Governmental activities	<u>\$ 21,925,359</u>	<u>\$ 3,962,279</u>	<u>\$ (5,397,404)</u>	<u>\$ 20,490,234</u>	<u>\$ 2,570,615</u>
<b>Business-type activities</b>					
Revenue bonds	\$ 125,600,000	\$ 26,910,000	\$ (41,935,000)	\$ 110,575,000	\$ 15,940,000
Unamortized bond premium	13,439,842	0	(1,466,733)	11,973,109	0
Capital lease obligations	23,412,672	0	(1,941,063)	21,471,609	1,931,588
Compensated absences	720,183	914,648	(907,946)	726,885	654,197
Total business-type activities	<u>\$ 163,172,697</u>	<u>\$ 27,824,648</u>	<u>\$ (46,250,742)</u>	<u>\$ 144,746,603</u>	<u>\$ 18,525,785</u>
<b>Component Units</b>					
<b>City of Gainesville</b>					
<b>Parks and Recreation</b>					
Compensated absences	\$ 119,268	\$ 139,936	\$ (130,558)	\$ 128,646	\$ 115,782
<b>Gainesville Convention and Visitor's Bureau</b>					
Compensated absences	21,217	11,311	(17,865)	14,663	13,197
Total Component Units	<u>\$ 140,485</u>	<u>\$ 151,247</u>	<u>\$ (148,423)</u>	<u>\$ 143,309</u>	<u>\$ 128,979</u>

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

Total interest incurred and expensed in the governmental activities and the business-type activities for the fiscal ended June 30, 2017 was \$619,743 and \$4,837,761, respectively.

## **12. Bond Refunding**

On September 27, 2016, the City issued \$26,910,000 in Water and Sewerage Refunding Revenue Bonds, Series 2016, with an average interest rate of 1.27%. The Series 2016 bonds were issued to partially advance refund \$26,610,000 of outstanding Series 2006 Bonds with an average interest rate of 4.18%. Net proceeds of \$26,800,732 (\$26,910,000 original issue less \$109,268 in underwriting fees, insurance, and other costs of issuance) together with \$381,465 in Series 2006 sinking fund accruals wired from Regions Bank to refund the outstanding bonds.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$308,513. This difference, reported in the financial statements as deferred outflows of resources-deferred charges on refunding, is being charged to operations through the year 2022 using the effective interest method. The City completed the current refunding to reduce its total debt service payments over the next 5 years by \$3,047,671 and to obtain an economic gain (the difference between the present value of the old debt and new debt service payments) of \$2,580,265.



### **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.

As of June 30, 2017, there were 39 series of Revenue Bonds outstanding. The current aggregate principal amount payable for the series totaled \$669,217,133; the original issue amounts totaled \$1,078,245,403.

### **14. Deficit Equity Balances**

At June 30, 2017, the Chattahoochee Golf Course Enterprise Fund had negative net position of \$95,528. This is due to a reduction in revenues, although a cutback in department expenses helped to mitigate the overall shortfall. The City plans to liquidate the deficit fund equity through future revenue recognition.

**CITY OF GAINESVILLE, GEORGIA**  
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**June 30, 2017**

**15. Nonspendable, Restricted, Committed, and Assigned Fund Balances**

The following is a summary of restricted, committed, and assigned fund balances of the governmental funds for fiscal year ended June 30, 2017:

	<u>General</u>	<u>General Government Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Nonspendable:</b>				
Inventories	\$ 0	\$ 0	\$ 40,191	\$ 40,191
Prepaid items	2,332	0	27,186	29,518
Advances to other funds	292,924	0	0	292,924
	<u>295,256</u>	<u>0</u>	<u>67,377</u>	<u>362,633</u>
<b>Restricted for:</b>				
General Government				
TV 18 operations	0	0	61,885	61,885
Public Safety				
Police facilities and equipment	0	0	755,048	755,048
Fire facilities and equipment	0	0	313,152	313,152
Public Works				
Streets facilities and equipment	0	0	19,150	19,150
Health and Welfare				
Community Service Center operations	0	0	1,311,111	1,311,111
Culture and Recreation				
Recreation facilities and equipment	0	0	1,645,008	1,645,008
Housing and Development				
Neighborhood improvements	0	0	195,294	195,294
Midtown development	0	0	917,527	917,527
Capital projects	0	953,927	7,524,460	8,478,387
Debt service	0	0	531,070	531,070
	<u>0</u>	<u>953,927</u>	<u>13,273,705</u>	<u>14,227,632</u>
<b>Committed for:</b>				
Public Works				
Cemetery improvements	0	0	270,385	270,385
Housing and Development				
Tree replacement	4,957	0	0	4,957
Energy efficiency retrofits	0	0	4,868	4,868
	<u>4,957</u>	<u>0</u>	<u>275,253</u>	<u>280,210</u>
<b>Assigned for:</b>				
General Government				
TV 18 operations	0	0	57,473	57,473
Matching funds for grants	0	0	68,910	68,910
Public Works				
City Hall improvements	126,595	0	0	126,595
Health and Welfare				
Community Service Center operations	0	0	1,282,795	1,282,795
Housing and Development				
Economic development	0	0	4,833,094	4,833,094
Tourism and City promotion	0	0	63,327	63,327
Budget	3,839,746	0	316,947	4,156,693
Capital projects	0	4,324,449	1,592,813	5,917,262
Debt service	0	0	1,414,030	1,414,030
	<u>3,966,341</u>	<u>4,324,449</u>	<u>9,629,389</u>	<u>17,920,179</u>

## **16. Self-Insurance**

### **General Insurance**

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

As part of the newly established self-insurance program, the City has utilized the services of a broker and a third-party administrator. The broker and third-party administrator assist to determine the self-insurance funding requirements using data from the City's claim history. The third-party administrator files claims and forms required by the State of Georgia and provides risk control services. The City has also established excess workers' compensation coverage with New York Fire and Marine to assist with claims exceeding \$500,000.

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

### **Health Insurance**

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

### **Liabilities**

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

## **16. Self-Insurance (continued)**

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
<b>General Insurance Internal Service Fund</b>		
Balance, beginning of year	\$ 954,638	\$ 1,184,845
Current year claims and changes in estimate	579,733	294,602
Claim payments	<u>(459,393)</u>	<u>(524,809)</u>
Balance, end of year	<u><u>\$ 1,074,978</u></u>	<u><u>\$ 954,638</u></u>
<b>Employee Benefits Internal Service Fund</b>		
Balance, beginning of year	\$ 940,350	\$ 416,580
Current year claims and changes in estimate	5,839,866	6,229,477
Claim payments	<u>(6,097,589)</u>	<u>(5,705,707)</u>
Balance, end of year	<u><u>\$ 682,627</u></u>	<u><u>\$ 940,350</u></u>

## **17. 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 – all seven members are elected by active and retired plan members.

## **17. 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, 2017, the date of the most recent actuarial valuation, there were 786 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	265
Terminated vested participants entitled to but not yet receiving benefits	35
Active participants	<u>486</u>
Total number of participants	<u><u>786</u></u>

*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.

## **17. 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 June 30, 2017:

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

*Rate of return.* For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.765 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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**17. Pension Plans (continued)**

**Pension Plan A (continued)**

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* At June 30, 2017, the City reported a net pension liability of \$44,920,793. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. For the fiscal year ended June 30, 2017, the City recognized pension expense of \$4,068,969.

The components of the net pension liability are as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
<b>Balances at 6/30/2016</b>	<b>\$ 130,049,129</b>	<b>\$ 82,217,922</b>	<b>\$ 47,831,207</b>
Changes for the year:			
Service cost	3,292,073	0	3,292,073
Interest	9,366,300	0	9,366,300
Differences between expected and actual experience	1,826,638	0	1,826,638
Contributions-employer	0	3,079,855	(3,079,855)
Contributions-employee	0	3,132,277	(3,132,277)
Net investment income	0	11,348,553	(11,348,553)
Benefit payments, including refunds of employee contribution	(8,301,719)	(8,301,719)	0
Administrative expense	0	(165,260)	165,260
Net changes	<u>6,183,292</u>	<u>9,093,706</u>	<u>(2,910,414)</u>
<b>Balances at 6/30/2017</b>	<b><u>\$ 136,232,421</u></b>	<b><u>\$ 91,311,628</u></b>	<b><u>\$ 44,920,793</u></b>
Plan fiduciary net position as a percentage of the total pension liability		67.03%	
Covered payroll		\$ 23,729,379	
Employer's net pension liability as percentage of covered payroll		189.30%	

## **17. Pension Plans (continued)**

### **Pension Plan A (continued)**

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,856,296	\$ 0
Changes of assumptions	0	(164,444)
Net difference between projected and actual earnings on pension plan investments	0	(1,516,796)
Totals	<u>\$ 2,856,296</u>	<u>\$ (1,681,240)</u>

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

<b>Year Ending June 30</b>	
2018	\$ 256,677
2019	1,219,164
2020	127,612
2021	(732,837)
2022	304,440
Totals	<u>\$ 1,175,056</u>



## **17. Pension Plans (continued)**

### **Pension Plan A (continued)**

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

Inflation	3.00%
Projected salary increases	3.00% plus service based merit increases
Cost of living adjustments	0.00%
Net investment rate of return	7.25%
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Remaining amortization period	6-26 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, 2017 valuation were based on the results of an actuarial experience study for the period of July 1, 2010 through June 30, 2015.

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

## **17. 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 as of June 30, 2017 are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Domestic equity	55%	6.71%
Fixed income (core)	35%	2.11%
Fixed income (high yield)	5%	4.61%
Real Estate	5%	6.37%
Total	100%	

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 (6.25 percent) or one percentage-point higher (8.25 percent) than the current rate:

	<b><u>Discount Rate</u></b>	<b><u>Net Pension Liability</u></b>
1% decrease	6.25%	\$61,030,052
Current discount rate	7.25%	44,920,793
1% increase	8.25%	31,507,940

*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.

## **17. 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, 2017, the date of the most recent actuarial valuation, there were 252 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	67
Terminated vested participants entitled to but not yet receiving benefits	32
Active participants	<u>153</u>
Total number of participants	<u><u>252</u></u>

*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.

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**17. Pension Plans (continued)**

**Pension Plan B (continued)**

*Contributions.* Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The City's actuarially determined contribution rate for the fiscal year ended June 30, 2017 was \$319,859 or 6.30% 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 June 30, 2017, the City reported a net pension liability of \$1,044,298. The net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. For the fiscal year ended June 30, 2017, the City recognized pension expense of \$96,782.

The components of the net pension liability are as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
<b>Balances at 9/30/2015</b>	<b>\$ 7,297,031</b>	<b>\$ 4,949,985</b>	<b>\$ 2,347,046</b>
Changes for the year:			
Service cost	175,050	0	175,050
Interest	549,573	0	549,573
Differences between expected and actual experience	12,775	0	12,775
Contributions-employer	0	314,938	(314,938)
Net investment income	0	1,745,662	(1,745,662)
Benefit payments, including refunds of employee contribution	(411,541)	(411,541)	0
Administrative expense	0	(20,454)	20,454
Net changes	<u>325,857</u>	<u>1,628,605</u>	<u>(1,302,748)</u>
<b>Balances at 9/30/2016</b>	<b>\$ 7,622,888</b>	<b>\$ 6,578,590</b>	<b>\$ 1,044,298</b>
Plan fiduciary net position as a percentage of the total pension liability		86.30%	
Covered payroll		\$ 5,080,284	
Net pension liability as a percentage of covered payroll		20.56%	

## **17. Pension Plans (continued)**

### **Pension Plan B (continued)**

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 10,220	\$ (139,951)
Changes of assumptions	0	(49,697)
Net difference between projected and actual earnings on pension plan investments	0	(908,229)
Contributions subsequent to the measurement date	270,601	0
Totals	<u>\$ 280,821</u>	<u>\$ (1,097,877)</u>

The \$270,601 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, 2018. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	
2018	\$ (269,208)
2019	(269,208)
2020	(261,333)
2021	<u>(287,908)</u>
Totals	<u>\$ (1,087,657)</u>

## **17. Pension Plans (continued)**

### **Pension Plan B (continued)**

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

Inflation	3.25%
Projected salary increases	3.25% plus service based merit increases
Cost of living adjustments	0.00%
Net investment rate of return	7.75%
Actuarial cost method	Entry age normal
Amortization method	Closed level dollar
Remaining amortization period	30 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, 2016 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.

## **17. 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, 2016 are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Domestic equity	45%	6.75%
International equity	20%	7.45%
Fixed income	25%	1.75%
Real estate	10%	4.55%
Total	<u>100%</u>	

*Discount Rate.* The discount rate used to measure the total pension liability was 7.75 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.

## **17. Pension Plans (continued)**

### **Pension Plan B (continued)**

*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 (6.75 percent) or one percentage-point higher (8.75 percent) than the current rate:

	<b><u>Discount Rate</u></b>	<b><u>Net Pension Liability</u></b>
1% decrease	6.75%	\$ 1,853,699
Current discount rate	7.75%	1,044,298
1% increase	8.75%	358,723

*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.

### **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.



## **18. Post-Employment Health Care Benefits**

### **Plan Description**

The City of Gainesville provides post employment health care benefits as a participating member in the Georgia Municipal Employees Benefit System (GMEBS), a defined benefit other post employment benefit (OPEB) plan ("Plan"), which is a service of Georgia Municipal Association (GMA). GMEBS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipalities in Georgia. The City elected to participate in GMEBS as of July 1, 2008, as a result of City Ordinance and a contract between the City and GMA. The Plan's assets may be used only for the payment of benefits to the members of the Plan, in accordance with the terms of the Plan. See Note 2 – Summary of Significant Accounting Policies for reporting of investments.

City employees who leave employment in a Vested, Normal, Early, or Disability status (as defined by the plan document) and were hired prior to January 1, 2002, may participate in the plan without regard to years of service. Those hired on or after January 1, 2002, must have a minimum of 20 years service in order to participate.

GMA issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Georgia Municipal Association at 21 Pryor Street, SW, Atlanta, Georgia 30303.

Current Membership is as follows:

Retirees and beneficiaries currently receiving benefits	182
Active participants	<u>640</u>
Total number of participants	<u><u>822</u></u>

## **18. Post-Employment Health Care Benefits (continued)**

### **Funding Policy**

The funding policy for the plan is to contribute an amount equal to the benefit and administrative costs paid on behalf of retirees and their dependents (ie, pay-as-you-go basis). Plan members receiving benefits contributed \$811,477, through their required contributions of \$291.50, \$757.93, \$899.06, and \$1,379.14 per month for single retiree coverage, retiree and children coverage, retiree and spouse coverage, and retiree family coverage, respectively. The recommended contribution meets the guidelines for calculating an annual required contribution set forth in GASB Statement No. 45. These contributions are determined under the projected unit credit actuarial cost method and the market value of assets for developing the actuarial value of assets. The unfunded actuarial accrued liability (UAAL) is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2016 is 22 years. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy. The projection of benefits does not incorporate the potential effect of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

## **18. Post-Employment Health Care Benefits (continued)**

### **Annual OPEB Cost and Net OPEB Obligation**

For fiscal year 2017, the City's annual OPEB cost of \$2,541,484 was equal to the City's recommended contribution, as calculated on the pay-as-you go basis. The recommended contribution was computed as part of an actuarial valuation as of July 1, 2016. Significant actuarial assumptions used in the valuation include: (a) a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually, (b) a rate of inflation of 3.5 percent, (c) no post-retirement benefit increases, and (d) a medical and drug cost trend rate of 8.0 percent, graded to 5 percent over 12 years.

The City's annual OPEB cost and net OPEB obligations for the current year were as follows:

Annual required contribution	\$ 3,479,497
Interest on net OPEB obligation	1,341,856
Adjustment to ARC	<u>(2,279,869)</u>
Annual OPEB cost	2,541,484
Contributions made	<u>(1,729,093)</u>
Increase (decrease) in net OPEB obligation	812,391
Net OPEB obligation - beginning of year	<u>33,546,390</u>
Net OPEB obligation - end of year	<u><u>\$ 34,358,781</u></u>

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## **18. Post-Employment Health Care Benefits (continued)**

### **Historical Trend Information**

Historical trend information for annual OPEB cost and funding progress is as follows:

<b>Fiscal Year ended June 30,</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
2014	\$ 4,921,707	41%	\$ 27,838,614
2015	3,810,294	49%	29,791,451
2016	5,681,611	34%	33,546,392
2017	2,541,484	68%	34,358,781

### **Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability* (AAL) (b)</b>	<b>Unfunded (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll** (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
7/1/2008	\$ 0	\$ 69,174,911	\$ 69,174,911	0.00%	\$ 26,474,878	261%
7/1/2010	0	46,286,246	46,286,246	0.00%	23,436,559	197%
7/1/2012	0	38,562,559	38,562,559	0.00%	25,653,927	150%
7/1/2014	0	44,636,399	44,636,399	0.00%	24,956,146	179%
7/1/2016	0	31,688,201	31,688,201	0.00%	27,547,554	115%

\* AAL based on a pay-as-you-go plan

\*\* Payroll of participants whose attained age is less than the assumed retirement age

## **19. 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 year ended June 30, 2017, follows:

Lodging Tax Receipts	\$ 929,034	
Disbursements for tourism and visitor programs	\$ 929,034	100.00% of tax receipts

## **20. 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 36 percent of the water sales and sewer charges from the system in fiscal year 2017.

The ten major taxpayers of the City for fiscal year 2017 represent approximately 15 percent of the current year tax levy. The ten largest taxpayers are comprised of various types of entities including retail, manufacturing and food processing.

## **21. 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 Sheriff's Office is responsible for the funding and reporting for the Hall County MANS Task Force. During fiscal year 2017, the City paid \$221,071 in personnel costs for three police officers assigned to the MANS unit.

The Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force Group One Task Force disrupts illicit drug traffic, gathers and reports intelligence related to drug trafficking, and conducts both undercover and traditional investigations to effectively prosecute cases in court. The Drug Enforcement Agency is responsible for the funding and reporting for the OCDETF Strike Force Group One Task Force. During fiscal year 2017, the City paid \$98,025 in personnel costs for one police officer assigned to the OCDETF Strike Force Group One Task Force.

The Safe Streets Task Force Identifies and targets for prosecution criminal enterprises affecting northeast Georgia, such as organized crime groups responsible for drug trafficking, money laundering and crimes of violence. The Federal Bureau of Investigation is responsible for the funding and reporting for the Safe Streets Task Force. During fiscal year 2017, the City paid \$5,170 in personnel costs for one police officer assigned to the Safe Streets Task Force.

## **21. Joint Ventures (continued)**

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During fiscal year 2017, the city paid \$29,953 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.

## **22. 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 \$86,976 as payment-in-lieu-of-taxes during fiscal year 2017.

## **23. 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.

## **24. 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 June 30, 2017, 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:

	<b>Restricted</b>	<b>Committed</b>	<b>Assigned</b>
<b>General Fund</b>	\$ 0	\$ 43,872	\$ 6,020
<b>Nonmajor governmental funds</b>	2,000,481	0	1,237,074
	<u>\$ 2,000,481</u>	<u>\$ 43,872</u>	<u>\$ 1,243,094</u>

The City has active construction projects as of June 30, 2017. At fiscal year end, the City's commitments with contractors are as follows:

<b>Project</b>	<b>Amount Expended to Date</b>	<b>Remaining Commitment</b>
Expansion of the water and sewer distribution system	\$ 6,702,815	\$ 10,290,146
Renovation of the Senior Life Center	81,776	1,266,081
Improvements to the midtown greenway	0	365,815
Totals	<u>\$ 6,784,591</u>	<u>\$ 11,922,042</u>

## **24. Commitments and Contingencies (continued)**

### **Commitments, continued**

On May 30, 2008, the City entered into an intergovernmental agreement with Hall County, Georgia (the County), and the Gainesville and Hall County Development Authority (the Authority), for the development of the Gainesville Business Park. As part of this agreement, the City contributed land, which is reported as an investment in the Economic Development Special Revenue Fund (See Note 3). On January 1, 2009, the Authority issued the Taxable Revenue Bond (Gainesville Business Park Project), Series 2009, in the amount of \$2,000,000, for the acquisition and development of the Project. The Authority entered into an intergovernmental agreement with the County, in which the County agrees to make payments to the Authority sufficient to pay the debt service on the Bonds. The City entered into an intergovernmental agreement with the County and the Authority in which the City agrees to pay to the County the City's prorata share (84.84%) of each payment required of the County immediately when the County is required to make such payments. The Authority agrees to apply the net proceeds from sales of lots in the Project to payment of the Bonds, second to reimbursement to the City and County on a prorata basis for the funds provided by the City and County to make the payments under the intergovernmental agreement and for development and construction, and third as payment to the City and County on a prorata basis of the remaining proceeds for the original property contributed by each entity for the Project. The City is not a party to the Tax Revenue Bonds and is only liable for payments as they come due to the County. Therefore, there has been no debt liability recorded by the City. The bonds were paid off during the current fiscal year.

### **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.



## **25. 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 fiscal year ended June 30, 2017, the cumulative property tax not collected by the City due to abatement programs was \$180,086.

## **26. Special Item**

During the fiscal year ended June 30, 2017, the City demolished an old building as it was no longer being used, and the property was being altered for sale. The original cost of the building was \$7,177,131, with accumulated depreciation of \$685,194. Because the disposal resulted in no proceeds from a sale, the City incurred a loss on the disposal of \$6,491,937, as reported on the statement of activities.

***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, 2017**  
**(Unaudited)**

	<b>Fiscal Year End</b>	
	<b>2017</b>	<b>2016</b>
<b>Total pension liability</b>		
Service cost	\$ 3,292,073	\$ 3,650,560
Interest	9,366,300	9,061,392
Differences between expected and actual experience	1,826,638	586,393
Changes of assumptions	0	(246,666)
Benefit payments, including refunds of employee contributions	(8,301,719)	(7,642,229)
Net change in total pension liability	6,183,292	5,409,450
Total pension liability - beginning	130,049,129	124,639,679
<b>Total pension liability - ending (a)</b>	<b>\$ 136,232,421</b>	<b>\$ 130,049,129</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 3,079,855	\$ 3,021,182
Contributions - employee	3,132,277	3,021,182
Net investment income	11,348,553	1,794,845
Benefit payments, including refunds of employee contributions	(8,301,719)	(7,642,229)
Administrative expense	(165,260)	(143,004)
Net change in total pension liability	9,093,706	51,976
Plan fiduciary net position - beginning	82,217,922	82,165,946
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 91,311,628</b>	<b>\$ 82,217,922</b>
<b>Net pension liability (asset) - ending : (a) - (b)</b>	<b>\$ 44,920,793</b>	<b>\$ 47,831,207</b>
Plan's fiduciary net position as a percentage of the total pension liability	67.03%	63.22%
Covered payroll	\$ 23,729,379	\$ 22,887,742
Net pension liability as a percentage of covered payroll	189.30%	208.98%

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

<b>Fiscal Year End</b>	
<b>2015</b>	<b>2014</b>
\$ 3,522,833	\$ 3,500,226
8,576,549	8,177,872
1,827,514	636,486
0	0
(7,282,407)	(6,715,366)
6,644,489	5,599,218
117,995,190	112,395,972
<u>\$ 124,639,679</u>	<u>\$ 117,995,190</u>
\$ 2,862,539	\$ 2,766,404
2,862,539	2,766,404
2,909,159	10,171,570
(7,282,407)	(6,715,366)
(169,045)	(104,589)
1,182,785	8,884,423
80,983,161	72,098,738
<u>\$ 82,165,946</u>	<u>\$ 80,983,161</u>
<u>\$ 42,473,733</u>	<u>\$ 37,012,029</u>
65.92%	68.63%
\$ 21,685,902	\$ 20,957,606
195.86%	176.60%

**CITY OF GAINESVILLE, GEORGIA**  
**PENSION TRUST FUND (PENSION PLAN A)**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**For the fiscal year ended June 30, 2017**  
**(Unaudited)**

	Fiscal Year End	
	2017	2016
Actuarially determined contribution	\$ 4,170,598	\$ 3,736,793
Contributions in relation to the actuarially determined contribution	(3,079,855)	(3,021,182)
Contribution deficiency (excess)	<u>\$ 1,090,743</u>	<u>\$ 715,611</u>
Covered payroll	\$ 23,729,379	\$ 22,887,742
Contributions as a percentage of covered payroll	12.98%	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 had accumulated a Georgia Minimum Funding Credit Balance, which has been used to offset any shortfall of 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, 2017**  
**(Unaudited)**

	Fiscal Year End	
	2017	2016
Annual money-weighted rate of return, net of investment expense	7.765%	7.660%

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.

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Fiscal Year End	
2015	2014
\$ 3,579,097 (2,862,539)	\$ 3,703,299 (2,766,404)
<u>\$ 716,558</u>	<u>\$ 936,895</u>
\$ 21,685,902	\$ 20,957,606
13.20%	13.20%

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Fiscal Year End	
2015	2014
7.835%	8.065%

**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, 2017**  
**(Unaudited)**

	Fiscal Year End		
	2017	2016	2015
<b>Total pension liability</b>			
Service cost	\$ 175,050	\$ 178,348	\$ 168,281
Interest	549,573	535,078	532,517
Differences between expected and actual experience	12,775	(102,827)	(142,791)
Benefit payments, including refunds of employee contributions	(411,541)	(435,594)	(415,541)
Other changes	0	0	(99,394)
Net change in total pension liability	325,857	175,005	43,072
Total pension liability - beginning	7,297,031	7,122,026	7,078,954
<b>Total pension liability - ending (a)</b>	<b>\$ 7,622,888</b>	<b>\$ 7,297,031</b>	<b>\$ 7,122,026</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 314,938	\$ 371,738	\$ 393,721
Net investment income	1,745,662	48,579	396,786
Benefit payments, including refunds of employee contributions	(411,541)	(435,594)	(415,541)
Administrative expense	(20,454)	(23,058)	(18,652)
Net change in total pension liability	1,628,605	(38,335)	356,314
Plan fiduciary net position - beginning	4,949,985	4,988,320	4,632,006
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 6,578,590</b>	<b>\$ 4,949,985</b>	<b>\$ 4,988,320</b>
<b>Net pension liability (asset) - ending : (a) - (b)</b>	<b>\$ 1,044,298</b>	<b>\$ 2,347,046</b>	<b>\$ 2,133,706</b>
Plan's fiduciary net position as a percentage of the total pension liability	86.30%	67.84%	70.04%
Covered payroll	\$ 5,080,284	\$ 4,890,737	\$ 4,779,243
Net pension liability as a percentage of covered payroll	20.56%	47.99%	44.65%

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.

**CITY OF GAINESVILLE, GEORGIA**  
**GMEBS (PENSION PLAN B)**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**For the fiscal year ended June 30, 2017**  
**(Unaudited)**

	Fiscal Year End		
	2017	2016	2015
Actuarially determined contribution	\$ 319,859	\$ 324,651	\$ 347,773
Contributions in relation to the actuarially determined contribution	(319,859)	(324,651)	(347,773)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 5,179,922	\$ 5,272,975	\$ 4,845,902
Contributions as a percentage of covered payroll	6.17%	6.16%	7.18%

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.



## **Pension Trust Fund (Pension Plan A)**

### **1. Valuation Date**

The actuarially determined contribution rate was determined as of July 1, 2017, 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, 2017.

### **2. Methods and Assumptions Used to Determine Contribution Rates**

Actuarial cost method = Entry age normal

Amortization method = Level percent of payroll, using 3.5% annual increases

Remaining amortization period = 6-26 years (closed periods)

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

Net investment rate of return = 7.25%

Projected salary increases = Inflation plus merit increases that vary by service, ranging from 0.50% to 8.50%

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = 60

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

### **3. Changes in Benefits**

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

### **4. Changes of Assumptions**

A detailed study of experience for the five-year period ending June 30, 2016 was performed and the recommendations of the experience study were approved by the Board in August 2016. The following assumptions changes are included for the fiscal years beginning in 2016:

The investment return assumption was decreased from 7.50% to 7.25%.

The inflation assumption was lowered from 3.50% to 3.00%.

The payroll growth rate assumption (used for determining the amortization of the unfunded actuarial accrued liability) was lowered from 3.50% to 3.00%.

The service-based salary scale assumption was modified to reflect actual plan experience.

An explicit administrative expense assumption of \$130,000 per year was introduced.

The pre-retirement mortality assumption was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, with rates set forward two years for males and one year for females, to the sex-distinct RP-2014 Blue Collar Employee Mortality Table. This table is projected generationally with Scale MP-2015.

The post-retirement mortality assumption for healthy annuitants was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, with rates set forward two years for males and one year for females, to 120% of the sex-distinct RP-2014 Blue Collar Healthy Annuitant Mortality Table with rates set forward two years for males only. This table is projected generationally with Scale MP-2015.

The mortality assumption for disabled retirees was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table, with rates set forward two years for males and one year for females, to the sex-distinct RP-2014 Disabled Retiree Mortality Table. This table is projected generationally with Scale MP-2015.

#### **4. Changes of Assumptions (continued)**

Retirement rates were modified for participants hired before July 1, 2008 to better reflect actual experience observed during the study period and expected future patterns.

The turnover assumption for Public Safety employees hired on or after July 1, 2008, was modified from an age-based assumption to an assumption based on years of service.

The age-based rates for participants hired prior to July 1, 2008 and General Employees hired on or after July 1, 2008, were modified to reflect actual experience during the study period. The new rates for all participant groups extend through normal retirement.

The disability rates were lowered by 50%.

The percent married assumption was lowered from 100% to 90%.

The spousal age assumption was set to two years younger for male participants and two years older for female participants.

### **GMEBS (Pension Plan B)**

#### **1. Valuation Date**

The actuarially determined contribution rate was determined as of January 1, 2017, 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, 2017.

#### **2. Methods and Assumptions Used to Determine Contribution Rates**

Actuarial cost method = Entry age normal

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

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

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 = 7.75%

Projected salary increases = 3.25% plus service based merit increases

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = 65

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

## **3. Changes in Benefits**

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

## **4. Changes of Assumptions**

There were no changes in actuarial assumptions since the last valuation.



## ***COMBINING STATEMENTS***

***Nonmajor Governmental Funds***

***Nonmajor Enterprise Funds***

***Internal Service Funds***

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2017**

	Special Revenue						
	Community Service Center	Economic Development	Hotel/Motel Tax	Government Access Cable TV Channel	Confiscated Assets	Grants	HUD Grant
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,453,100	\$ 4,017,869	\$ 0	\$ 96,372	\$ 617,545	\$ 300	\$ 0
Investments	0	929,945	0	0	0	0	91,182
Receivables (net)							
Accounts	20	0	0	0	0	0	0
Intergovernmental	325,572	0	0	27,639	4,000	369,363	331,384
Taxes	0	0	83,621	0	0	0	0
Notes	0	0	0	0	0	0	0
Prepaid items	0	0	0	0	15,000	0	0
Inventory	40,191	0	0	0	0	0	0
<b>Total assets</b>	<b>\$ 2,818,883</b>	<b>\$ 4,947,814</b>	<b>\$ 83,621</b>	<b>\$ 124,011</b>	<b>\$ 636,545</b>	<b>\$ 369,663</b>	<b>\$ 422,566</b>
<b>LIABILITIES</b>							
Payables							
Accounts	\$ 145,859	\$ 3,872	\$ 0	\$ 54	\$ 1,668	\$ 8,472	\$ 222,870
Retainages	0	0	0	0	0	0	19,917
Accrued salaries	38,927	0	0	4,599	0	0	2,253
Unearned revenue	0	0	0	0	0	0	0
Due to other funds	0	0	20,294	0	0	262,898	84,629
Due to others	0	0	0	0	86,315	0	0
<b>Total liabilities</b>	<b>184,786</b>	<b>3,872</b>	<b>20,294</b>	<b>4,653</b>	<b>87,983</b>	<b>271,370</b>	<b>329,669</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	0	0	0	0	0	0	0
notes receivable	0	0	0	0	0	0	0
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUND BALANCES</b>							
Nonspendable	40,191	0	0	0	15,000	0	0
Restricted	1,311,111	0	0	61,885	488,712	24,515	92,897
Committed	0	0	0	0	0	4,868	0
Assigned	1,282,795	4,943,942	63,327	57,473	44,850	68,910	0
<b>Total fund balances</b>	<b>2,634,097</b>	<b>4,943,942</b>	<b>63,327</b>	<b>119,358</b>	<b>548,562</b>	<b>98,293</b>	<b>92,897</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 2,818,883</b>	<b>\$ 4,947,814</b>	<b>\$ 83,621</b>	<b>\$ 124,011</b>	<b>\$ 636,545</b>	<b>\$ 369,663</b>	<b>\$ 422,566</b>

Special Revenue						Capital Projects		Total Nonmajor Governmental Funds
Revolving Loan	Impact Fee	Tax Allocation District	Information Technology	Cemetery Trust	Debt Service	SPLOST	Grants	
\$ 100,682 1,715	\$ 2,097,146 0	\$ 779,488 0	\$ 263,485 0	\$ 289,535 0	\$ 1,953,875 0	\$ 8,301,004 0	\$ 909,565 0	\$ 21,879,966 1,022,842
0	0	0	0	600	0	0	0	620
0	0	138,039	0	0	408	1,225,292	259,587	2,681,284
0	0	0	0	0	29,930	0	0	113,551
284,611	0	0	0	0	0	0	0	284,611
0	0	0	0	0	12,186	0	0	27,186
0	0	0	0	0	0	0	0	40,191
<u>\$ 387,008</u>	<u>\$ 2,097,146</u>	<u>\$ 917,527</u>	<u>\$ 263,485</u>	<u>\$ 290,135</u>	<u>\$ 1,996,399</u>	<u>\$ 9,526,296</u>	<u>\$ 1,169,152</u>	<u>\$ 26,050,251</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 602,560	\$ 17,052	\$ 1,002,407
0	0	0	0	0	0	9,086	0	29,003
0	0	0	0	0	0	0	0	45,779
0	0	0	0	0	0	949,478	0	949,478
0	0	0	0	0	0	0	0	367,821
0	0	0	0	0	0	0	0	86,315
0	0	0	0	0	0	1,561,124	17,052	2,480,803
0	0	0	0	0	39,113	0	0	39,113
284,611	0	0	0	0	0	0	0	284,611
284,611	0	0	0	0	39,113	0	0	323,724
0	0	0	0	0	12,186	0	0	67,377
102,397	2,097,146	917,527	121,985	0	531,070	7,333,722	190,738	13,273,705
0	0	0	0	270,385	0	0	0	275,253
0	0	0	141,500	19,750	1,414,030	631,450	961,362	9,629,389
102,397	2,097,146	917,527	263,485	290,135	1,957,286	7,965,172	1,152,100	23,245,724
<u>\$ 387,008</u>	<u>\$ 2,097,146</u>	<u>\$ 917,527</u>	<u>\$ 263,485</u>	<u>\$ 290,135</u>	<u>\$ 1,996,399</u>	<u>\$ 9,526,296</u>	<u>\$ 1,169,152</u>	<u>\$ 26,050,251</u>



**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the fiscal year ended June 30, 2017**

	Special Revenue						
	Community Service Center	Economic Development	Hotel/Motel Tax	Government Access Cable TV Channel	Confiscated Assets	Grants	HUD Grant
<b>REVENUES</b>							
Taxes	\$ 0	\$ 0	\$ 929,034	\$ 0	\$ 0	\$ 0	\$ 0
Fines, fees, and forfeitures	0	0	0	0	220,751	0	0
Charges for services	549,658	138,243	0	0	0	0	0
Intergovernmental	1,483,582	0	0	162,368	0	603,277	721,239
Interest and investment earnings	6,840	1,867,099	188	301	1,556	0	0
Contributions	129,822	5,000	0	0	0	0	0
Other	82,354	157,183	0	0	0	0	0
<b>Total revenues</b>	<b>2,252,256</b>	<b>2,167,525</b>	<b>929,222</b>	<b>162,669</b>	<b>222,307</b>	<b>603,277</b>	<b>721,239</b>
<b>EXPENDITURES</b>							
Current							
General Government	0	0	0	225,237	0	0	0
Public Safety	0	0	0	0	172,273	136,197	0
Public Works	0	0	0	0	0	0	0
Health and Welfare	2,847,790	0	0	0	0	0	0
Culture and Recreation	0	0	0	0	0	0	0
Housing and Development	0	128,107	613,443	0	0	454,355	671,364
Debt service:							
Principal	0	0	0	0	0	0	0
Interest and fiscal charges	0	1,019	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
<b>Total expenditures</b>	<b>2,847,790</b>	<b>129,126</b>	<b>613,443</b>	<b>225,237</b>	<b>172,273</b>	<b>590,552</b>	<b>671,364</b>
Excess (deficiency) of revenues over (under) expenditures	(595,534)	2,038,399	315,779	(62,568)	50,034	12,725	49,875
Other financing sources (uses)							
Transfers in	616,596	705,000	0	162,368	0	0	0
Transfers out	0	0	(315,591)	(99,500)	0	0	0
Sale of capital assets	26,134	0	0	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>642,730</b>	<b>705,000</b>	<b>(315,591)</b>	<b>62,868</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	47,196	2,743,399	188	300	50,034	12,725	49,875
Fund balances, July 1	2,586,901	2,200,543	63,139	119,058	498,528	85,568	43,022
<b>Fund balances, June 30</b>	<b>\$ 2,634,097</b>	<b>\$ 4,943,942</b>	<b>\$ 63,327</b>	<b>\$ 119,358</b>	<b>\$ 548,562</b>	<b>\$ 98,293</b>	<b>\$ 92,897</b>

Special Revenue					Capital Projects			Total Nonmajor Governmental Funds
Revolving Loan	Impact Fee	Tax Allocation District	Information Technology	Cemetery Trust	Debt Service	SPLOST	Grants	
\$ 0	\$ 0	\$ 59,652	\$ 0	\$ 0	\$ 2,353,259	\$ 0	\$ 0	\$ 3,341,945
0	0	0	81,554	0	0	0	0	302,305
23,014	1,256,573	0	0	48,550	0	0	0	2,016,038
0	0	221,713	0	0	0	5,501,010	237,618	8,930,807
386	6,960	2,498	737	797	8,479	0	0	1,895,841
0	0	0	0	0	0	0	0	134,822
0	0	0	0	0	1,806	0	0	241,343
23,400	1,263,533	283,863	82,291	49,347	2,363,544	5,501,010	237,618	16,863,101
0	0	0	0	0	0	0	0	225,237
0	0	0	6,460	0	0	0	0	314,930
0	0	0	0	129	0	0	0	129
0	0	0	0	0	0	0	0	2,847,790
0	73,677	0	0	0	0	0	0	73,677
69,023	0	211,213	0	0	0	0	0	2,147,505
0	0	0	0	0	1,456,462	0	0	1,456,462
0	0	0	0	0	522,028	0	0	523,047
0	0	0	0	0	0	2,702,356	664,169	3,366,525
69,023	73,677	211,213	6,460	129	1,978,490	2,702,356	664,169	10,955,302
(45,623)	1,189,856	72,650	75,831	49,218	385,054	2,798,654	(426,551)	5,907,799
0	0	0	0	1,254	154,867	460,000	0	2,100,085
0	(583,460)	0	(40,000)	0	0	0	50,957	(987,594)
0	0	0	0	0	0	0	0	26,134
0	(583,460)	0	(40,000)	1,254	154,867	460,000	50,957	1,138,625
(45,623)	606,396	72,650	35,831	50,472	539,921	3,258,654	(375,594)	7,046,424
148,020	1,490,750	844,877	227,654	239,663	1,417,365	4,706,518	1,527,694	16,199,300
\$ 102,397	\$ 2,097,146	\$ 917,527	\$ 263,485	\$ 290,135	\$ 1,957,286	\$ 7,965,172	\$ 1,152,100	\$ 23,245,724

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2017**

	<b>Airport</b>	<b>Solid Waste</b>	<b>Chattahoochee Golf Course</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 970,970	\$ 3,152,285	\$ 396,238	\$ 4,519,493
Receivables				
Accounts (net)	12,654	229,218	66,042	307,914
Intergovernmental	119,830	0	0	119,830
Total current assets	1,103,454	3,381,503	462,280	4,947,237
<b>Noncurrent assets</b>				
Capital assets				
Non-depreciable	1,159,534	0	52,887	1,212,421
Depreciable (net)	8,506,786	684,015	2,692,629	11,883,430
Total noncurrent assets	9,666,320	684,015	2,745,516	13,095,851
<b>Total assets</b>	<b>10,769,774</b>	<b>4,065,518</b>	<b>3,207,796</b>	<b>18,043,088</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on refunding	27,046	0	44,223	71,269
Pension contributions subsequent to measurement date	0	34,265	14,041	48,306
Pension investment return differences	10,082	53,859	10,223	74,164
Pension experience differences	7,450	23,042	537	31,029
<b>Total deferred outflows of resources</b>	<b>44,578</b>	<b>111,166</b>	<b>69,024</b>	<b>224,768</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables				
Accounts	10,509	40,374	105,404	156,287
Deposits	4,036	0	0	4,036
Sales tax	0	0	7,580	7,580
Interest	3,263	0	8,067	11,330
Accrued salaries	2,258	27,671	18,112	48,041
Compensated absences	4,124	46,959	22,999	74,082
Capital lease payable	420,000	0	250,000	670,000
Other liabilities	0	0	45,280	45,280
Total current liabilities	444,190	115,004	457,442	1,016,636
<b>Noncurrent liabilities</b>				
Advances from other funds	0	0	292,924	292,924
Compensated absences	458	5,218	2,555	8,231
Net pension liability	118,350	469,713	53,050	641,113
OPEB obligation	23,993	1,194,440	278,345	1,496,778
Capital leases payable	919,377	0	2,220,000	3,139,377
Total noncurrent liabilities	1,062,178	1,669,371	2,846,874	5,578,423
<b>Total liabilities</b>	<b>1,506,368</b>	<b>1,784,375</b>	<b>3,304,316</b>	<b>6,595,059</b>

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2017**

	<b>Airport</b>	<b>Solid Waste</b>	<b>Chattahoochee Golf Course</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension assumption changes	\$ 423	\$ 7,465	\$ 2,572	\$ 10,460
Pension investment return differences	13,810	184,134	58,268	256,212
Pension experience differences	0	17,511	7,192	24,703
<b>Total deferred inflows of resources</b>	<b>14,233</b>	<b>209,110</b>	<b>68,032</b>	<b>291,375</b>
<b>NET POSITION</b>				
Net investment in capital assets	8,353,989	684,015	269,814	9,307,818
Restricted for capital outlay	0	0	25,589	25,589
Unrestricted	939,762	1,499,184	(390,931)	2,048,015
<b>Total net position</b>	<b>\$ 9,293,751</b>	<b>\$ 2,183,199</b>	<b>\$ (95,528)</b>	<b>\$ 11,381,422</b>

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the fiscal year ended June 30, 2017**

	<b>Airport</b>	<b>Solid Waste</b>	<b>Chattahoochee Golf Course</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 919,344	\$ 2,769,222	\$ 1,089,431	\$ 4,777,997
Other	150	13,164	24,986	38,300
<b>Total operating revenues</b>	<b>919,494</b>	<b>2,782,386</b>	<b>1,114,417</b>	<b>4,816,297</b>
<b>OPERATING EXPENSES</b>				
Costs of sales and services	524,886	895,876	407,046	1,827,808
Personal services	82,043	1,275,376	527,322	1,884,741
Depreciation	1,087,569	171,151	298,640	1,557,360
<b>Total operating expenses</b>	<b>1,694,498</b>	<b>2,342,403</b>	<b>1,233,008</b>	<b>5,269,909</b>
Operating income (loss)	(775,004)	439,983	(118,591)	(453,612)
Non-operating revenues (expenses)				
Interest revenue	17,566	9,047	658	27,271
Interest expense	(41,675)	0	(71,984)	(113,659)
Gain (loss) on sale of capital assets	(20,055)	609	151,197	131,751
<b>Total non-operating revenues (expenses)</b>	<b>(44,164)</b>	<b>9,656</b>	<b>79,871</b>	<b>45,363</b>
Income (loss) before capital contributions and transfers	(819,168)	449,639	(38,720)	(408,249)
Capital contributions				
Intergovernmental revenue	777,958	0	0	777,958
Income (loss) before transfers	(41,210)	449,639	(38,720)	369,709
Transfers in (out)				
Transfers in	0	0	343,654	343,654
Change in net position	(41,210)	449,639	304,934	713,363
Net position, July 1	9,334,961	1,733,560	(400,462)	10,668,059
<b>Net position, June 30</b>	<b>\$ 9,293,751</b>	<b>\$ 2,183,199</b>	<b>\$ (95,528)</b>	<b>\$ 11,381,422</b>

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the fiscal year ended June 30, 2017**

	<u>Airport</u>	<u>Solid Waste</u>	<u>Chattahoochee Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 919,034	\$ 2,747,923	\$ 1,090,568	\$ 4,757,525
Payments to suppliers	(612,744)	(914,048)	(408,951)	(1,935,743)
Payments to employees	(78,691)	(1,260,580)	(528,510)	(1,867,781)
Other receipts	150	13,164	12,385	25,699
	<u>227,749</u>	<u>586,459</u>	<u>165,492</u>	<u>979,700</u>
Net cash provided (used) by operating activities				
<b>Cash flows from non-capital financing activities:</b>				
Receipts from other funds	<u>0</u>	<u>0</u>	<u>236,344</u>	<u>236,344</u>
<b>Cash flows from capital and related financing activities:</b>				
Receipts from other governments	730,731	0	0	730,731
Proceeds from sale of capital assets	1,947	609	151,581	154,137
Payment of capital related accounts payable	(80,670)	0	0	(80,670)
Interest paid	(31,337)	0	(67,198)	(98,535)
Acquisition of capital assets	(608,229)	(44,274)	(37,156)	(689,659)
Principal payments - capital leases	(420,000)	0	(245,000)	(665,000)
	<u>(407,558)</u>	<u>(43,665)</u>	<u>(197,773)</u>	<u>(648,996)</u>
Net cash provided (used) by capital and related financing activities				
<b>Cash flows from investing activities:</b>				
Interest received	<u>3,091</u>	<u>9,047</u>	<u>658</u>	<u>12,796</u>
Net increase (decrease) in cash and cash equivalents	(176,718)	551,841	204,721	579,844
Cash and cash equivalents, July 1	<u>1,147,688</u>	<u>2,600,444</u>	<u>191,517</u>	<u>3,939,649</u>
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 970,970</u></u>	<u><u>\$ 3,152,285</u></u>	<u><u>\$ 396,238</u></u>	<u><u>\$ 4,519,493</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the fiscal year ended June 30, 2017**

	<u>Airport</u>	<u>Solid Waste</u>	<u>Chattahoochee Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (775,004)	\$ 439,983	\$ (118,591)	\$ (453,612)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	1,087,569	171,151	298,640	1,557,360
(Increase) decrease in accounts receivable	(310)	(21,299)	(11,943)	(33,552)
(Increase) decrease in prepaid items	0	0	2,920	2,920
(Increase) decrease in net pension contributions after measurement date	0	(1,261)	(511)	(1,772)
Increase (decrease) in accounts payable	(87,858)	(18,172)	(9,092)	(115,122)
Increase (decrease) in sales tax payable	0	0	480	480
Increase (decrease) in accrued salaries and benefits	862	8,525	5,623	15,010
Increase (decrease) in other liabilities	0	0	4,266	4,266
Increase (decrease) in net pension liability	(7,325)	(190,462)	(68,465)	(266,252)
Increase (decrease) in pension experience differences	(2,398)	(13,734)	(2,688)	(18,820)
Increase (decrease) in pension investment return differences	12,316	185,767	60,557	258,640
Increase (decrease) in pension assumption differences	(103)	(2,453)	(870)	(3,426)
Increase (decrease) in OPEB obligation	0	28,414	5,166	33,580
Total adjustments	<u>1,002,753</u>	<u>146,476</u>	<u>284,083</u>	<u>1,433,312</u>
Net cash provided (used) by operating activities	<u>\$ 227,749</u>	<u>\$ 586,459</u>	<u>\$ 165,492</u>	<u>\$ 979,700</u>

**Noncash investing, capital, and financing activities:**

Acquisition of capital assets through accounts payable totaled \$49,925 for the fiscal year ended June 30, 2017.

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2017**

	<b>General Insurance Fund</b>	<b>Employee Benefits Fund</b>	<b>Vehicle Services Fund</b>	<b>Totals</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 1,555,569	\$ 5,639,644	\$ 238,899	\$ 7,434,112
Receivables				
Accounts	0	17,227	0	17,227
Intergovernmental	0	0	21,515	21,515
Inventory	0	0	95,364	95,364
Other assets	140,000	0	0	140,000
Total current assets	1,695,569	5,656,871	355,778	7,708,218
<b>Noncurrent assets</b>				
Depreciable capital assets (net)	0	0	144,566	144,566
<b>Total assets</b>	<b>1,695,569</b>	<b>5,656,871</b>	<b>500,344</b>	<b>7,852,784</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables				
Accounts	33,786	76,586	60,162	170,534
Deposits	0	75,936	0	75,936
Accrued salaries	0	0	8,989	8,989
Compensated absences	0	0	22,380	22,380
Claims reserves	1,074,978	682,627	0	1,757,605
Total current liabilities	1,108,764	835,149	91,531	2,035,444
<b>Long-term liabilities</b>				
Compensated absences	0	0	2,487	2,487
<b>Total liabilities</b>	<b>1,108,764</b>	<b>835,149</b>	<b>94,018</b>	<b>2,037,931</b>
<b>NET POSITION</b>				
Investment in capital assets	0	0	144,566	144,566
Unrestricted	586,805	4,821,722	261,760	5,670,287
<b>Total net position</b>	<b>\$ 586,805</b>	<b>\$ 4,821,722</b>	<b>\$ 406,326</b>	<b>\$ 5,814,853</b>



**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the fiscal year ended June 30, 2017**

	<b>General Insurance Fund</b>	<b>Employee Benefits Fund</b>	<b>Vehicle Services Fund</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>				
Interfund services provided	\$ 1,384,850	\$ 9,146,125	\$ 1,930,196	\$ 12,461,171
Other	109,147	0	2,710	111,857
<b>Total operating revenues</b>	<b>1,493,997</b>	<b>9,146,125</b>	<b>1,932,906</b>	<b>12,573,028</b>
<b>OPERATING EXPENSES</b>				
Costs of services	1,470,997	9,267,876	1,532,879	12,271,752
Personal services	0	0	366,530	366,530
Depreciation	0	0	33,964	33,964
<b>Total operating expenses</b>	<b>1,470,997</b>	<b>9,267,876</b>	<b>1,933,373</b>	<b>12,672,246</b>
Operating income (loss)	23,000	(121,751)	(467)	(99,218)
Non-operating revenues (expenses)				
Interest revenue	4,976	16,365	0	21,341
Gain (loss) on sale of capital assets	0	0	467	467
<b>Total non-operating revenues (expenses)</b>	<b>4,976</b>	<b>16,365</b>	<b>467</b>	<b>21,808</b>
Net income (loss) before transfers	27,976	(105,386)	0	(77,410)
Transfers in (out)				
Department of Water Resources Fund	(23,000)	0	0	(23,000)
Change in net position	4,976	(105,386)	0	(100,410)
Net position, July 1	581,829	4,927,108	406,326	5,915,263
<b>Net position, June 30</b>	<b>\$ 586,805</b>	<b>\$ 4,821,722</b>	<b>\$ 406,326</b>	<b>\$ 5,814,853</b>

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the fiscal year ended June 30, 2017**

	<b>General Insurance Fund</b>	<b>Employee Benefits Fund</b>	<b>Vehicle Services Fund</b>	<b>Totals</b>
<b>Cash flows from operating activities:</b>				
Receipts from interfund services provided	\$ 1,384,850	\$ 9,159,386	\$ 1,913,696	\$ 12,457,932
Payments to suppliers	(1,392,526)	(9,432,275)	(1,580,144)	(12,404,945)
Payments to employees	0	0	(362,338)	(362,338)
Other receipts	109,147	0	2,710	111,857
Net cash provided (used) by operating activities	101,471	(272,889)	(26,076)	(197,494)
<b>Cash flows from capital and related financing activities:</b>				
Payments to other funds	(23,000)	0	0	(23,000)
Acquisition of capital assets	0	0	(42,954)	(42,954)
Net cash provided (used) by capital and related financing activities	(23,000)	0	(42,954)	(65,954)
<b>Cash flows from investing activities:</b>				
Interest received	4,976	16,365	0	21,341
Net increase (decrease) in cash and cash equivalents	83,447	(256,524)	(69,030)	(242,107)
Cash and cash equivalents, July 1	1,472,122	5,896,168	307,929	7,676,219
<b>Cash and cash equivalents, June 30</b>	<b>\$ 1,555,569</b>	<b>\$ 5,639,644</b>	<b>\$ 238,899</b>	<b>\$ 7,434,112</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 23,000	\$ (121,751)	\$ (467)	\$ (99,218)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	0	0	33,964	33,964
(Increase) decrease in accounts receivable	0	13,261	0	13,261
(Increase) decrease in intergovernmental receivables	0	0	(16,500)	(16,500)
(Increase) decrease in inventory	0	0	(17,887)	(17,887)
(Increase) decrease in other assets	(45,935)	0	0	(45,935)
Increase (decrease) in accounts payable	4,067	17,388	(29,378)	(7,923)
Increase (decrease) in deposits payable	0	75,936	0	75,936
Increase (decrease) in accrued salaries and benefits	0	0	4,192	4,192
Increase (decrease) in claims reserve	120,339	(257,723)	0	(137,384)
Total adjustments	78,471	(151,138)	(25,609)	(98,276)
Net cash provided (used) by operating activities	<u>\$ 101,471</u>	<u>\$ (272,889)</u>	<u>\$ (26,076)</u>	<u>\$ (197,494)</u>



## **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, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 11,140,815	\$ 11,533,466
Receivables (net)		
Accounts	29,423	17,359
Intergovernmental	30,807	18,751
Taxes	1,088,936	1,066,708
Prepaid items	2,332	3,097
Due from other funds	367,821	49,151
Advances to other funds	292,924	318,542
<b>Total assets</b>	<b>\$ 12,953,058</b>	<b>\$ 13,007,074</b>
<b>LIABILITIES</b>		
Payables		
Accounts	\$ 346,862	\$ 334,535
Intergovernmental	16,194	41,823
Accrued salaries	551,372	481,081
<b>Total liabilities</b>	<b>914,428</b>	<b>857,439</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	111,795	125,491
<b>FUND BALANCES</b>		
Nonspendable:		
Prepaid items	2,332	3,097
Advances to other funds	292,924	318,542
Committed for Housing and Development	4,957	4,957
Assigned for:		
Public Works	126,595	116,717
Budget	3,839,746	4,100,000
Unassigned	7,660,281	7,480,831
<b>Total fund balances</b>	<b>11,926,835</b>	<b>12,024,144</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 12,953,058</b>	<b>\$ 13,007,074</b>

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the fiscal years ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>REVENUES</b>		
Taxes	\$ 22,282,388	\$ 21,410,290
Licenses and permits	1,304,203	1,020,055
Fines, fees and forfeitures	1,642,513	1,462,999
Charges for services	2,279,279	2,238,122
Intergovernmental	376,069	314,990
Interest	80,030	34,636
Contributions	7,294	0
Other	132,170	39,607
<b>Total revenues</b>	<b>28,103,946</b>	<b>26,520,699</b>
<b>EXPENDITURES</b>		
Current		
General Government	5,772,300	3,867,944
Judicial	521,707	470,043
Public Safety	16,152,041	15,673,789
Public Works	4,436,759	4,470,310
Health and Welfare	48,129	15,750
Culture and Recreation	160,606	400,000
Housing and Development	1,291,399	1,165,923
<b>Total expenditures</b>	<b>28,382,941</b>	<b>26,063,759</b>
Excess (deficiency) of revenues over (under) expenditures	(278,995)	456,940
Other financing sources (uses)		
Transfers in (out)		
Community Service Center Fund	(616,596)	(573,965)
Government Access Cable TV Channel Fund	(162,368)	(103,438)
Grants Special Revenue Fund	0	(7,051)
Economic Development Fund	(705,000)	0
Impact Fee Fund	43,460	19,209
SPLOST Capital Projects Fund	(10,000)	(100,000)
General Government Capital Projects Fund	(3,645,225)	(1,939,564)
Grants Capital Projects Fund	(25,000)	0
Department of Water Resources Fund	3,273,211	3,590,122
Chattahoochee Golf Course Fund	(343,654)	(335,462)
Vehicle Services Fund	0	(35,000)
Proceeds from bond issuance	1,630,000	0
Sales of capital assets	742,858	48,936
<b>Total other financing sources (uses)</b>	<b>181,686</b>	<b>563,787</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(97,309)	1,020,727
Fund balances, July 1	12,024,144	11,003,417
<b>Fund balances, June 30</b>	<b>\$ 11,926,835</b>	<b>\$ 12,024,144</b>

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2017**  
**(With comparative actual amounts for the fiscal year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
<b>Taxes</b>				
General property taxes				
Current year levy	\$ 5,978,180	\$ 6,154,715	\$ 176,535	\$ 5,783,276
Prior years' levies	59,722	90,613	30,891	99,782
Motor vehicle tax	1,079,708	1,142,923	63,215	1,221,311
Cost, penalties, and interest	66,000	19,534	(46,466)	67,439
Total general property taxes	7,183,610	7,407,785	224,175	7,171,808
Intangibles tax	122,000	190,764	68,764	129,076
Franchise tax	4,244,056	4,501,181	257,125	4,381,245
Insurance premium tax	1,910,000	2,203,406	293,406	1,948,090
Occupational tax	1,370,300	1,373,680	3,380	1,368,983
Alcohol tax	1,061,107	1,166,259	105,152	1,129,284
Local option sales tax	5,126,000	5,439,313	313,313	5,281,804
Total taxes	21,017,073	22,282,388	1,265,315	21,410,290
<b>Licenses and permits</b>	873,000	1,304,203	431,203	1,020,055
<b>Fines, fees and forfeitures</b>	1,315,200	1,642,513	327,313	1,462,999
<b>Charges for services</b>	2,232,241	2,279,279	47,038	2,238,122
<b>Intergovernmental</b>	364,113	376,069	11,956	314,990
<b>Interest</b>	28,000	80,030	52,030	34,636
<b>Contributions</b>	6,000	7,294	1,294	0
<b>Other</b>				
Rents	0	101,800	101,800	0
Miscellaneous	60,000	30,370	(29,630)	39,607
Total other	60,000	132,170	72,170	39,607
<b>Total revenues</b>	<u>\$ 25,895,627</u>	<u>\$ 28,103,946</u>	<u>\$ 2,208,319</u>	<u>\$ 26,520,699</u>

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2017**  
**(With comparative actual amounts for the fiscal year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General Government</b>				
Mayor and Council				
Personal services	\$ 244,370	\$ 233,643	\$ 10,727	\$ 222,596
Other	127,005	106,666	20,339	91,619
Capital outlay	0	0	0	8,000
Total Mayor and Council	371,375	340,309	31,066	322,215
City Manager's Office				
Personal services	593,805	593,724	81	509,759
Other	114,770	102,052	12,718	94,372
Total City Manager's Office	708,575	695,776	12,799	604,131
Finance & Information Technologies				
Personal services	1,562,922	1,423,611	139,311	1,463,689
Other	495,996	448,354	47,642	338,043
Total Finance & Information Technologies	2,058,918	1,871,965	186,953	1,801,732
Human Resources				
Personal services	614,126	596,803	17,323	564,311
Other	77,638	58,725	18,913	51,640
Total Human Resources	691,764	655,528	36,236	615,951
Public Lands and Buildings				
Personal services	266,666	237,083	29,583	215,558
Other	472,161	446,639	25,522	308,357
Capital outlay	1,535,000	1,525,000	10,000	0
Total Public Lands and Buildings	2,273,827	2,208,722	65,105	523,915
Total General Government	6,104,459	5,772,300	332,159	3,867,944
<b>Judicial</b>				
Municipal Court				
Personal services	448,407	438,896	9,511	382,707
Other	88,806	82,811	5,995	87,336
Total Judicial	537,213	521,707	15,506	470,043
<b>Public Safety</b>				
Police				
Personal services	7,497,416	7,205,639	291,777	7,083,572
Other	1,594,692	1,508,441	86,251	1,457,529
Capital outlay	31,000	30,965	35	0
Total Police	9,123,108	8,745,045	378,063	8,541,101
Fire				
Personal services	6,893,180	6,775,251	117,929	6,457,764
Other	700,885	619,134	81,751	642,792
Capital outlay	12,750	12,611	139	32,132
Total Fire	7,606,815	7,406,996	199,819	7,132,688
Total Public Safety	16,729,923	16,152,041	577,882	15,673,789



**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2017**  
**(With comparative actual amounts for the fiscal year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>Public Works</b>				
Engineering				
Personal services	\$ 831,045	\$ 768,005	\$ 63,040	\$ 797,284
Other	101,468	92,331	9,137	98,887
Total Engineering	932,513	860,336	72,177	896,171
Traffic				
Personal services	346,788	340,531	6,257	382,869
Other	865,908	770,535	95,373	780,546
Capital outlay	10,931	10,931	0	0
Total Traffic	1,223,627	1,121,997	101,630	1,163,415
Street Maintenance				
Personal services	1,312,258	1,210,523	101,735	1,199,626
Other	405,751	372,396	33,355	314,783
Capital outlay	63,500	31,357	32,143	67,508
Total Street Maintenance	1,781,509	1,614,276	167,233	1,581,917
Storm Water				
Personal services	336,275	259,027	77,248	215,640
Other	70,445	51,953	18,492	39,964
Capital outlay	0	0	0	26,024
Total Storm Water	406,720	310,980	95,740	281,628
Cemetery				
Personal services	384,245	349,670	34,575	364,199
Other	211,525	179,500	32,025	182,980
Total Cemetery	595,770	529,170	66,600	547,179
Total Public Works	4,940,139	4,436,759	503,380	4,470,310
<b>Health and Welfare</b>				
Agency allocations	85,000	48,129	36,871	15,750
<b>Culture and Recreation</b>				
Agency allocations	161,375	160,606	769	400,000
<b>Housing and Development</b>				
Planning				
Personal services	499,836	499,764	72	481,463
Other	118,591	115,692	2,899	83,776
Total Planning	618,427	615,456	2,971	565,239
Inspection				
Personal services	302,053	293,195	8,858	246,968
Other	34,714	34,205	509	39,303
Total Inspection	336,767	327,400	9,367	286,271
Code Enforcement				
Personal services	240,364	240,216	148	202,637
Other	78,586	78,374	212	82,461
Total Code Enforcement	318,950	318,590	360	285,098
Agency allocations	29,953	29,953	0	29,315
Total Housing and Development	1,304,097	1,291,399	12,698	1,165,923
<b>Total expenditures</b>	<b>\$ 29,862,206</b>	<b>\$ 28,382,941</b>	<b>\$ 1,479,265</b>	<b>\$ 26,063,759</b>

## **SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF GAINESVILLE, GEORGIA**  
**COMMUNITY SERVICE CENTER SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,453,100	\$ 2,478,349
Receivables		
Accounts	20	388
Intergovernmental	325,572	166,925
Inventory	40,191	67,770
<b>Total assets</b>	<b>\$ 2,818,883</b>	<b>\$ 2,713,432</b>
<b>LIABILITIES</b>		
Payables		
Accounts	\$ 145,859	\$ 86,850
Deposits	0	186
Accrued salaries	38,927	39,495
<b>Total liabilities</b>	<b>184,786</b>	<b>126,531</b>
<b>FUND BALANCES</b>		
Nonspendable:		
Inventories	40,191	67,770
Restricted for Health and Welfare	1,311,111	1,306,538
Assigned for:		
Health and Welfare	1,282,795	1,212,593
<b>Total fund balances</b>	<b>2,634,097</b>	<b>2,586,901</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,818,883</b>	<b>\$ 2,713,432</b>

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Charges for services	\$ 645,969	\$ 549,658	\$ (96,311)	\$ 616,856
Intergovernmental	1,657,411	1,483,582	(173,829)	1,352,692
Interest	2,500	6,840	4,340	3,551
Contributions	126,840	129,822	2,982	105,628
Other	82,948	82,354	(594)	83,017
<b>Total revenues</b>	<b>2,515,668</b>	<b>2,252,256</b>	<b>(263,412)</b>	<b>2,161,744</b>
<b>EXPENDITURES</b>				
Current				
Health and Welfare				
Personal services	1,527,574	1,470,771	56,803	1,453,937
Other	1,428,521	1,377,019	51,502	1,233,847
Capital outlay	220,000	0	220,000	33,845
<b>Total expenditures</b>	<b>3,176,095</b>	<b>2,847,790</b>	<b>328,305</b>	<b>2,721,629</b>
Excess (deficiency) of revenues over (under) expenditures	(660,427)	(595,534)	64,893	(559,885)
Other financing sources (uses)				
Transfers in (out)				
General Fund	616,597	616,596	(1)	573,965
Sale of capital assets	0	26,134	26,134	0
<b>Total other financing sources (uses)</b>	<b>616,597</b>	<b>642,730</b>	<b>26,133</b>	<b>573,965</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(43,830)	47,196	91,026	14,080
Fund balance, July 1	43,830	2,586,901	2,543,071	2,572,821
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 2,634,097</b>	<b>\$ 2,634,097</b>	<b>\$ 2,586,901</b>

**CITY OF GAINESVILLE, GEORGIA**  
**ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2017 and 2016**

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	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,017,869	\$ 644,395
Investments	929,945	1,479,461
Advances to other funds	0	81,691
<b>Total assets</b>	<b>\$ 4,947,814</b>	<b>\$ 2,205,547</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 3,872	\$ 5,004
<b>FUND BALANCES</b>		
Assigned for:		
Housing and Development	4,833,094	2,119,743
Budget	110,848	80,800
<b>Total fund balances</b>	<b>4,943,942</b>	<b>2,200,543</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,947,814</b>	<b>\$ 2,205,547</b>

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	<b>2017</b>			<b>2016</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Charges for services	\$ 0	\$ 138,243	\$ 138,243	\$ 0
Investment and interest	1,901,200	1,867,099	(34,101)	3,615
Contributions	0	5,000	5,000	0
Other	0	157,183	157,183	0
<b>Total revenue</b>	<b>1,901,200</b>	<b>2,167,525</b>	<b>266,325</b>	<b>3,615</b>
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Other	133,100	128,107	4,993	89,705
Debt Service				
Interest expense	9,000	1,019	7,981	13,823
<b>Total expenditures</b>	<b>142,100</b>	<b>129,126</b>	<b>12,974</b>	<b>103,528</b>
Excess (deficiency) of revenues over (under) expenditures	<b>1,759,100</b>	<b>2,038,399</b>	<b>279,299</b>	<b>(99,913)</b>
Other financing sources (uses)				
Transfers in (out)				
General Fund	717,000	705,000	(12,000)	0
General Government				
Capital Projects Fund	0	0	0	(395,000)
<b>Total other financing sources (uses)</b>	<b>717,000</b>	<b>705,000</b>	<b>(12,000)</b>	<b>(395,000)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<b>2,476,100</b>	<b>2,743,399</b>	<b>267,299</b>	<b>(494,913)</b>
Fund balances, July 1	(2,476,100)	2,200,543	4,676,643	2,695,456
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 4,943,942</b>	<b>\$ 4,943,942</b>	<b>\$ 2,200,543</b>

**CITY OF GAINESVILLE, GEORGIA**  
**HOTEL/MOTEL TAX SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2017 and 2016**

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Taxes receivable	<u>\$         83,621</u>	<u>\$         83,402</u>
 <b>LIABILITIES</b>		
Due to other funds	<u>\$         20,294</u>	<u>\$         20,263</u>
 <b>FUND BALANCES</b>		
Assigned for:		
Housing and Development	<u>         63,327</u>	<u>         63,139</u>
 <b>Total liabilities and fund balances</b>	<u><u>\$         83,621</u></u>	<u><u>\$         83,402</u></u>

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Hotel/motel taxes	\$ 929,035	\$ 929,034	\$ (1)	\$ 911,847
Interest	200	188	(12)	107
<b>Total revenues</b>	<u>929,235</u>	<u>929,222</u>	<u>(13)</u>	<u>911,954</u>
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Other	<u>613,643</u>	<u>613,443</u>	<u>200</u>	<u>581,594</u>
Excess (deficiency) of revenues over (under) expenditures	<u>315,592</u>	<u>315,779</u>	<u>187</u>	<u>330,360</u>
Other financing sources (uses)				
Transfers in (out)				
Debt Service Fund	(154,868)	(154,867)	1	(151,975)
General Government				
Capital Projects Fund	<u>(160,724)</u>	<u>(160,724)</u>	<u>0</u>	<u>(178,581)</u>
Total other financing sources (uses)	<u>(315,592)</u>	<u>(315,591)</u>	<u>1</u>	<u>(330,556)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>188</u>	<u>188</u>	<u>(196)</u>
Fund balances, July 1	<u>0</u>	<u>63,139</u>	<u>63,139</u>	<u>63,335</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 63,327</u></u>	<u><u>\$ 63,327</u></u>	<u><u>\$ 63,139</u></u>



**CITY OF GAINESVILLE, GEORGIA**  
**GOVERNMENT ACCESS CABLE TV CHANNEL SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 96,372	\$ 114,822
Intergovernmental receivables	27,639	9,165
<b>Total assets</b>	<b>\$ 124,011</b>	<b>\$ 123,987</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 54	\$ 1,463
Accrued salaries	4,599	3,466
<b>Total liabilities</b>	<b>4,653</b>	<b>4,929</b>
<b>FUND BALANCES</b>		
Restricted for:		
General Government	55,460	53,756
Capital outlay	6,425	9,533
Assigned for General Government	57,473	55,769
<b>Total fund balances</b>	<b>119,358</b>	<b>119,058</b>
<b>Total liabilities and fund balances</b>	<b>\$ 124,011</b>	<b>\$ 123,987</b>

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Intergovernmental	\$ 168,456	\$ 162,368	\$ (6,088)	\$ 103,438
Interest	0	301	301	166
<b>Total revenues</b>	<u>168,456</u>	<u>162,669</u>	<u>(5,787)</u>	<u>103,604</u>
<b>EXPENDITURES</b>				
Current				
General Government				
Personal services	168,671	159,934	8,737	134,963
Other	68,741	65,303	3,438	71,998
<b>Total expenditures</b>	<u>237,412</u>	<u>225,237</u>	<u>12,175</u>	<u>206,961</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(68,956)</u>	<u>(62,568)</u>	<u>6,388</u>	<u>(103,357)</u>
Other financing sources (uses)				
Transfers in (out)				
General Fund	168,456	162,368	(6,088)	103,438
General Government				
Capital Projects Fund	(99,500)	(99,500)	0	0
<b>Total other financing sources (uses)</b>	<u>68,956</u>	<u>62,868</u>	<u>(6,088)</u>	<u>103,438</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>300</u>	<u>300</u>	<u>81</u>
Fund balance, July 1	<u>0</u>	<u>119,058</u>	<u>119,058</u>	<u>118,977</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 119,358</u></u>	<u><u>\$ 119,358</u></u>	<u><u>\$ 119,058</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**CONFISCATED ASSETS SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2017 and 2016**

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	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 617,545	\$ 521,941
Intergovernmental receivables	4,000	300
Prepaid items	15,000	0
<b>Total assets</b>	<b>\$ 636,545</b>	<b>\$ 522,241</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 1,668	\$ 3,860
Due to others	86,315	19,853
<b>Total liabilities</b>	<b>87,983</b>	<b>23,713</b>
<b>FUND BALANCES</b>		
Nonspendable:		
Prepaid items	15,000	0
Restricted for Public Safety	488,712	404,528
Assigned for budget	44,850	94,000
<b>Total fund balances</b>	<b>548,562</b>	<b>498,528</b>
<b>Total liabilities and fund balances</b>	<b>\$ 636,545</b>	<b>\$ 522,241</b>

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Fines, fees, and forfeitures	\$ 207,879	\$ 220,751	\$ 12,872	\$ 205,826
Interest	939	1,556	617	750
<b>Total revenues</b>	<b>208,818</b>	<b>222,307</b>	<b>13,489</b>	<b>206,576</b>
<b>EXPENDITURES</b>				
Current				
Public Safety				
Other	208,098	137,422	70,676	128,476
Capital outlay	44,250	34,851	9,399	56,937
<b>Total expenditures</b>	<b>252,348</b>	<b>172,273</b>	<b>80,075</b>	<b>185,413</b>
Excess (deficiency) of revenues over (under) expenditures	(43,530)	50,034	93,564	21,163
Fund balance, July 1	43,530	498,528	454,998	477,365
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 548,562</b>	<b>\$ 548,562</b>	<b>\$ 498,528</b>

**CITY OF GAINESVILLE, GEORGIA**  
**GRANTS SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2017 and 2016**

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	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 300	\$ 9,274
Intergovernmental receivables	369,363	202,518
<b>Total assets</b>	<b>\$ 369,663</b>	<b>\$ 211,792</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 8,472	\$ 126,224
Due to other funds	262,898	0
<b>Total liabilities</b>	<b>271,370</b>	<b>126,224</b>
<b>FUND BALANCES</b>		
Restricted for		
Public Safety	5,365	11,790
Public Works	19,150	0
Committed for Housing and Development	4,868	4,868
Assigned for General Government	68,910	68,910
<b>Total fund balances</b>	<b>98,293</b>	<b>85,568</b>
<b>Total liabilities and fund balances</b>	<b>\$ 369,663</b>	<b>\$ 211,792</b>

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Intergovernmental	\$ 1,351,276	\$ 603,277	\$ (747,999)	\$ 249,973
<b>EXPENDITURES</b>				
Current				
Public Safety	225,917	136,197	89,720	43,599
Housing and Development	1,154,298	454,355	699,943	213,737
<b>Total expenditures</b>	<b>1,380,215</b>	<b>590,552</b>	<b>789,663</b>	<b>257,336</b>
Excess (deficiency) of revenues over (under) expenditures	(28,939)	12,725	41,664	(7,363)
Other financing sources (uses)				
Transfers in (out)				
General Fund	12,281	0	(12,281)	7,051
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(16,658)	12,725	29,383	(312)
Fund balance, July 1	16,658	85,568	68,910	85,880
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 98,293</b>	<b>\$ 98,293</b>	<b>\$ 85,568</b>

**CITY OF GAINESVILLE, GEORGIA**  
**HUD GRANT SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Investments	\$ 91,182	\$ 43,022
Intergovernmental receivables	331,384	42,287
<b>Total assets</b>	<b>\$ 422,566</b>	<b>\$ 85,309</b>
<b>LIABILITIES</b>		
Payables		
Accounts	\$ 222,870	\$ 10,956
Retainages	19,917	0
Accrued salaries	2,253	2,443
Due to other funds	84,629	28,888
<b>Total liabilities</b>	<b>329,669</b>	<b>42,287</b>
<b>FUND BALANCES</b>		
Restricted for Housing and Development	92,897	43,022
<b>Total liabilities and fund balances</b>	<b>\$ 422,566</b>	<b>\$ 85,309</b>

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Intergovernmental	\$ 989,567	\$ 721,239	\$ (268,328)	\$ 412,522
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Personal services	143,708	50,725	92,983	110,222
Other	845,859	620,639	225,220	302,300
<b>Total expenditures</b>	<b>989,567</b>	<b>671,364</b>	<b>318,203</b>	<b>412,522</b>
Excess (deficiency) of revenues over (under) expenditures	0	49,875	49,875	0
Fund balances, July 1	0	43,022	43,022	43,022
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 92,897</b>	<b>\$ 92,897</b>	<b>\$ 43,022</b>



**CITY OF GAINESVILLE, GEORGIA**  
**REVOLVING LOAN SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2017 and 2016**

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 100,682	\$ 148,020
Investments	1,715	0
Notes receivable	<u>284,611</u>	<u>303,534</u>
<b>Total assets</b>	<u><u>\$ 387,008</u></u>	<u><u>\$ 451,554</u></u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - notes receivable	\$ 284,611	\$ 303,534
 <b>FUND BALANCES</b>		
Restricted for Housing and Development	<u>102,397</u>	<u>148,020</u>
<b>Total deferred inflows and fund balances</b>	<u><u>\$ 387,008</u></u>	<u><u>\$ 451,554</u></u>

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Charges for services	\$ 27,078	\$ 23,014	\$ (4,064)	\$ 92,881
Interest	0	386	386	148
Other	0	0	0	54,392
<b>Total revenues</b>	<b>27,078</b>	<b>23,400</b>	<b>(3,678)</b>	<b>147,421</b>
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Other	85,560	69,023	16,537	50,294
Excess (deficiency) of revenues over (under) expenditures	(58,482)	(45,623)	12,859	97,127
Fund balances, July 1	58,482	148,020	89,538	50,893
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 102,397</b>	<b>\$ 102,397</b>	<b>\$ 148,020</b>

**CITY OF GAINESVILLE, GEORGIA**  
**IMPACT FEE SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2017 and 2016**

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	<u>\$ 2,097,146</u>	<u>\$ 1,490,750</u>
 <b>FUND BALANCES</b>		
Restricted for:		
Public Safety	\$ 452,138	\$ 344,590
Cultural and Recreation	<u>1,645,008</u>	<u>1,146,160</u>
 <b>Total fund balances</b>	 <u><u>\$ 2,097,146</u></u>	 <u><u>\$ 1,490,750</u></u>

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Charges for services	\$ 624,461	\$ 1,256,573	\$ 632,112	\$ 616,093
Interest	1,000	6,960	5,960	1,851
<b>Total revenues</b>	<u>625,461</u>	<u>1,263,533</u>	<u>638,072</u>	<u>617,944</u>
<b>EXPENDITURES</b>				
Current				
Culture and Recreation				
Other	<u>105,677</u>	<u>73,677</u>	<u>32,000</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>519,784</u>	<u>1,189,856</u>	<u>670,072</u>	<u>617,944</u>
Other financing sources (uses)				
Transfers in (out)				
General Fund	(43,461)	(43,460)	1	(19,209)
SPLOST Fund	(450,000)	(450,000)	0	0
General Government				
Capital Projects Fund	<u>(90,000)</u>	<u>(90,000)</u>	<u>0</u>	<u>6,996</u>
Total other financing sources (uses)	<u>(583,461)</u>	<u>(583,460)</u>	<u>1</u>	<u>(12,213)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(63,677)</u>	<u>606,396</u>	<u>670,073</u>	<u>605,731</u>
Fund balances, July 1	<u>63,677</u>	<u>1,490,750</u>	<u>1,427,073</u>	<u>885,019</u>
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 2,097,146</u>	<u>\$ 2,097,146</u>	<u>\$ 1,490,750</u>

**CITY OF GAINESVILLE, GEORGIA**  
**TAX ALLOCATION DISTRICT SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2017 and 2016**

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 779,488	\$ 694,546
Intergovernmental receivable	<u>138,039</u>	<u>150,331</u>
<b>Total assets</b>	<u>\$ 917,527</u>	<u>\$ 844,877</u>
 <b>FUND BALANCES</b>		
Restricted for Housing and Development	<u>\$ 917,527</u>	<u>\$ 844,877</u>

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	<b>2017</b>			<b>2016</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Property taxes	\$ 42,854	\$ 59,652	\$ 16,798	\$ 65,056
Intergovernmental	243,932	221,713	(22,219)	280,826
Interest	800	2,498	1,698	926
<b>Total revenues</b>	<b>287,586</b>	<b>283,863</b>	<b>(3,723)</b>	<b>346,808</b>
<b>EXPENDITURES</b>				
Current				
Housing and Development	629,681	211,213	418,468	210,000
Excess (deficiency) of revenues over (under) expenditures	(342,095)	72,650	414,745	136,808
Fund balances, July 1	342,095	844,877	502,782	708,069
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 917,527</b>	<b>\$ 917,527</b>	<b>\$ 844,877</b>

**CITY OF GAINESVILLE, GEORGIA**  
**INFORMATION TECHNOLOGY SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2017 and 2016**

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	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 263,485	\$ 227,654
<b>FUND BALANCES</b>		
Restricted for Public Safety	\$ 121,985	\$ 188,404
Assigned for budget	141,500	39,250
Total fund balances	\$ 263,485	\$ 227,654

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	<b>2017</b>			<b>2016</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Fines, fees, and forfeitures	\$ 54,000	\$ 81,554	\$ 27,554	\$ 67,044
Interest	200	737	537	253
<b>Total revenues</b>	<b>54,200</b>	<b>82,291</b>	<b>28,091</b>	<b>67,297</b>
<b>EXPENDITURES</b>				
Current				
Public Safety				
Other	53,450	6,460	46,990	0
Excess (deficiency) of revenues over (under) expenditures	750	75,831	75,081	67,297
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	(40,000)	(40,000)	0	42,664
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(39,250)	35,831	75,081	109,961
Fund balances, July 1	39,250	227,654	188,404	117,693
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 263,485</b>	<b>\$ 263,485</b>	<b>\$ 227,654</b>



**CITY OF GAINESVILLE, GEORGIA**  
**CEMETERY TRUST SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2017 and 2016**

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	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 289,535	\$ 240,263
Accounts receivable, net	600	0
<b>Total assets</b>	<b>\$ 290,135</b>	<b>\$ 240,263</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 0	\$ 600
<b>FUND BALANCES</b>		
Committed for Public Works	270,385	239,663
Assigned for Budget	19,750	0
<b>Total fund balances</b>	<b>290,135</b>	<b>239,663</b>
<b>Total liabilities and fund balances</b>	<b>\$ 290,135</b>	<b>\$ 240,263</b>

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	<b>2017</b>			<b>2016</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Sales and services	\$ 28,630	\$ 48,550	\$ 19,920	\$ 25,607
Interest	200	797	597	403
<b>Total revenues</b>	<b>28,830</b>	<b>49,347</b>	<b>20,517</b>	<b>26,010</b>
<b>EXPENDITURES</b>				
Public Works				
Capital Outlay	28,700	0	28,700	0
Other	130	129	1	0
<b>Total expenditures</b>	<b>28,830</b>	<b>129</b>	<b>28,701</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	0	49,218	49,218	26,010
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	1,254	1,254	0	(110,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,254	50,472	49,218	(83,990)
Fund balances, July 1	(1,254)	239,663	240,917	323,653
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 290,135</b>	<b>\$ 290,135</b>	<b>\$ 239,663</b>



## ***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, 2017 and 2016**

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,953,875	\$ 1,402,528
Receivables		
Intergovernmental	408	290
Taxes	29,930	41,026
Prepaid items	<u>12,186</u>	<u>13,620</u>
<b>Total assets</b>	<u><u>\$ 1,996,399</u></u>	<u><u>\$ 1,457,464</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	<u>\$ 39,113</u>	<u>\$ 40,099</u>
<b>FUND BALANCES</b>		
Nonspendable prepaid items	12,186	13,620
Restricted for debt service	531,070	0
Assigned for debt service	<u>1,414,030</u>	<u>1,403,745</u>
Total fund balances	<u>1,957,286</u>	<u>1,417,365</u>
<b>Total deferred inflows and fund balances</b>	<u><u>\$ 1,996,399</u></u>	<u><u>\$ 1,457,464</u></u>

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Property taxes	\$ 2,311,012	\$ 2,353,259	\$ 42,247	\$ 2,223,559
Interest	1,935	8,479	6,544	8,281
Other	0	1,806	1,806	6,500
<b>Total revenues</b>	<u>2,312,947</u>	<u>2,363,544</u>	<u>50,597</u>	<u>2,238,340</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	1,913,361	1,456,462	456,899	1,222,585
Interest and fiscal charges	560,869	522,028	38,841	524,268
<b>Total expenditures</b>	<u>2,474,230</u>	<u>1,978,490</u>	<u>495,740</u>	<u>1,746,853</u>
Excess (deficiency) of revenues over (under) expenditures	(161,283)	385,054	546,337	491,487
Other financing sources (uses)				
Transfers in (out)				
Hotel/Motel Tax Fund	142,267	154,867	12,600	151,975
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(19,016)	539,921	558,937	643,462
Fund balances, July 1	19,016	1,417,365	1,398,349	773,903
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 1,957,286</u>	<u>\$ 1,957,286</u>	<u>\$ 1,417,365</u>



## **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, 2017 and 2016**

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,607,285	\$ 7,134,258
	<u>5,607,285</u>	<u>7,134,258</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 321,352	\$ 398,312
Retainages payable	7,557	0
	<u>328,909</u>	<u>398,312</u>
Total liabilities	328,909	398,312
<b>FUND BALANCES</b>		
Restricted for capital projects:		
General Government	839,897	2,769,250
Public Safety	114,030	3,405
Assigned for capital projects:		
General Government	2,549,650	2,185,213
Public Safety	145,844	125,816
Public Works	1,628,955	1,652,262
	<u>5,278,376</u>	<u>6,735,946</u>
Total fund balances	5,278,376	6,735,946
<b>Total liabilities and fund balances</b>	<u>\$ 5,607,285</u>	<u>\$ 7,134,258</u>

**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, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>REVENUES</b>		
Intergovernmental	\$ 81,303	\$ 0
Contributions	29,000	0
<b>Total revenues</b>	<b>110,303</b>	<b>0</b>
<b>EXPENDITURES</b>		
Capital outlay		
General Government	1,649,618	1,149,014
Public Safety	1,407,331	813,306
Public Works	1,829,064	722,286
Culture and Recreation	0	50,850
Housing and Development	124,705	212,330
Debt service		
General Government	2,472,351	0
<b>Total expenditures</b>	<b>7,483,069</b>	<b>2,947,786</b>
Excess (deficiency) of revenues over (under) expenditures	(7,372,766)	(2,947,786)
Other financing sources (uses)		
Transfers in (out)		
General Fund	3,645,225	1,939,564
Hotel/Motel Tax Fund	160,724	178,581
Economic Development Fund	0	395,000
Government Access Cable TV Channel Fund	99,500	0
Information Technology Fund	40,000	(42,664)
Impact Fees Fund	90,000	(6,996)
Cemetery Trust Fund	(1,254)	110,000
General Government Capital Projects Fund	(130,957)	0
Grants Capital Projects Fund	105,000	16,633
SPLOST Capital Projects Fund	0	(81,410)
Department of Water Resources Fund	1,099,694	526,300
Solid Waste Fund	0	(60,013)
Issuance of capital lease	807,264	0
<b>Total other financing sources (uses)</b>	<b>5,915,196</b>	<b>2,974,995</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,457,570)	27,209
Fund balances, July 1	6,735,946	6,708,737
<b>Fund balances, June 30</b>	<b>\$ 5,278,376</b>	<b>\$ 6,735,946</b>

**CITY OF GAINESVILLE, GEORGIA**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 8,301,004	\$ 3,887,007
Intergovernmental receivables	1,225,292	819,511
<b>Total assets</b>	<b>\$ 9,526,296</b>	<b>\$ 4,706,518</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 602,560	\$ 0
Retainages payable	9,086	0
Unearned revenue	949,478	0
<b>Total liabilities</b>	<b>1,561,124</b>	<b>0</b>
<b>FUND BALANCES</b>		
Restricted for capital projects:		
Public Safety	4,426,610	1,940,724
Public Works	2,801,874	2,584,344
Culture and Recreation	105,238	0
Assigned for capital projects:		
Public Safety	100,000	100,000
Public Works	81,450	81,450
Health and Welfare	450,000	0
<b>Total fund balances</b>	<b>7,965,172</b>	<b>4,706,518</b>
<b>Total liabilities and fund balances</b>	<b>\$ 9,526,296</b>	<b>\$ 4,706,518</b>

**CITY OF GAINESVILLE, GEORGIA**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**For the fiscal years ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>REVENUES</b>		
Intergovernmental	\$ 5,501,010	\$ 5,005,188
<b>EXPENDITURES</b>		
Capital outlay		
Public Safety	964,115	390,561
Public Works	1,398,278	89,519
Health and Welfare	225,522	0
Culture and Recreation	114,441	0
<b>Total expenditures</b>	<b>2,702,356</b>	<b>480,080</b>
Excess (deficiency) of revenues over (under) expenditures	<b>2,798,654</b>	<b>4,525,108</b>
Other financing sources (uses)		
Transfers in (out)		
General Fund	10,000	100,000
Impact Fee Fund	450,000	0
General Government Capital Projects Fund	0	81,410
<b>Total other financing sources (uses)</b>	<b>460,000</b>	<b>181,410</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<b>3,258,654</b>	<b>4,706,518</b>
Fund balances, July 1	<b>4,706,518</b>	<b>0</b>
<b>Fund balances, June 30</b>	<b>\$ 7,965,172</b>	<b>\$ 4,706,518</b>

**CITY OF GAINESVILLE, GEORGIA**  
**GRANTS CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 909,565	\$ 1,701,442
Intergovernmental receivables	259,587	41,969
<b>Total assets</b>	<b>\$ 1,169,152</b>	<b>\$ 1,743,411</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 17,052	\$ 215,717
<b>FUND BALANCES</b>		
Restricted for capital projects:		
Public Works	190,738	6,718
Assigned for capital projects:		
Public Works	961,362	1,520,976
Total fund balances	1,152,100	1,527,694
<b>Total liabilities and fund balances</b>	<b>\$ 1,169,152</b>	<b>\$ 1,743,411</b>

**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, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>REVENUES</b>		
Intergovernmental	\$ 237,618	\$ 101,969
<b>Total revenues</b>	<b>237,618</b>	<b>101,969</b>
<b>EXPENDITURES</b>		
Capital outlay		
General Government	21,775	0
Public Works	642,394	1,713,843
<b>Total expenditures</b>	<b>664,169</b>	<b>1,713,843</b>
Excess (deficiency) of revenues over (under) expenditures	(426,551)	(1,611,874)
Other financing sources (uses)		
Transfers in (out)		
General Fund	25,000	0
General Government Capital Projects Fund	25,957	(16,633)
<b>Total other financing sources (uses)</b>	<b>50,957</b>	<b>(16,633)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(375,594)	(1,628,507)
Fund balances, July 1	1,527,694	3,156,201
<b>Fund balances, June 30</b>	<b>\$ 1,152,100</b>	<b>\$ 1,527,694</b>



## **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, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 42,226,490	\$ 34,967,508
Receivables		
Accounts (net)	4,283,524	3,877,429
Intergovernmental	165,068	503,071
Inventories	1,700,186	1,866,600
Prepaid items	3,800	81,854
<b>Total current assets</b>	<b>48,379,068</b>	<b>41,296,462</b>
<b>Restricted assets</b>		
Extension and Renewal		
Cash and cash equivalents	61,359,581	53,826,682
Debt Redemption		
Cash and cash equivalents	9,615,995	9,755,487
Customer Deposits		
Cash and cash equivalents	2,235,205	2,158,428
<b>Total restricted assets</b>	<b>73,210,781</b>	<b>65,740,597</b>
<b>Capital assets</b>		
Land	30,977,493	30,977,493
Nondepreciable intangibles	2,051,336	2,051,336
Land improvements	1,813,045	385,370
Buildings	44,853,971	44,853,971
Distribution system	541,938,923	536,363,603
Vehicles and equipment	27,474,409	26,753,854
Depreciable intangibles	5,495,361	5,386,158
Construction in progress	19,786,561	13,946,091
Accumulated depreciation	(212,002,918)	(197,400,456)
<b>Capital assets (net of accumulated depreciation)</b>	<b>462,388,181</b>	<b>463,317,420</b>
<b>Total assets</b>	<b>583,978,030</b>	<b>570,354,479</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on refunding	714,767	1,274,760
Pension contributions subsequent to measurement date	68,389	65,904
Pension investment return differences	1,555,372	2,123,944
Pension experience differences	1,107,314	749,740
<b>Total deferred outflows of resources</b>	<b>3,445,842</b>	<b>4,214,348</b>

**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables		
Accounts	\$ 1,514,138	\$ 1,373,111
Intergovernmental	3,689	2,665
Accrued salaries	330,545	308,928
Compensated absences	580,115	584,202
Capital lease payable	1,261,588	1,261,588
Total current liabilities	3,690,075	3,530,494
<b>Current liabilities payable from restricted assets</b>		
Payables		
Accounts	1,131,257	857,311
Retainages	753,350	490,646
Customer deposits	2,235,205	2,158,428
Revenue bonds payable	15,940,000	15,325,000
Interest payable	489,234	663,836
Total liabilities payable from restricted assets	20,549,046	19,495,221
<b>Long-term liabilities</b>		
Net pension liability	17,864,502	19,281,433
OPEB obligation	11,826,744	11,549,059
Compensated absences	64,457	64,911
Capital leases payable	16,400,644	17,662,232
Revenue bonds payable	106,608,109	123,714,842
Total long-term liabilities	152,764,456	172,272,477
<b>Total liabilities</b>	177,003,577	195,298,192
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension assumption changes	75,906	95,452
Pension investment return differences	2,326,041	777,371
Pension experience differences	35,009	45,465
<b>Total deferred inflows of resources</b>	2,436,956	918,288
<b>NET POSITION</b>		
Net investment in capital assets	321,008,000	305,280,559
Restricted for:		
Capital outlay	61,359,581	53,826,682
Debt service	9,126,761	9,091,652
Unrestricted	16,488,997	10,153,454
<b>Total net position</b>	\$ 407,983,339	\$ 378,352,347

**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, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Water sales	\$ 38,229,155	\$ 35,361,371
Sewer charges	30,546,233	28,858,012
Tap fees	1,448,614	1,147,922
Other	1,297,458	1,228,723
Other	69,575	165,316
<b>Total operating revenues</b>	<b>71,591,035</b>	<b>66,761,344</b>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	14,346,536	12,387,761
Personal services	13,132,924	14,478,502
Depreciation	14,952,305	15,443,458
<b>Total operating expenses</b>	<b>42,431,765</b>	<b>42,309,721</b>
Operating income (loss)	29,159,270	24,451,623
Non-operating revenues (expenses)		
Interest revenue	1,372,085	1,254,490
Interest expense	(4,724,102)	(6,002,335)
Other	0	(15,049)
Debt issue costs	(91,423)	(95,817)
Gain (loss) on sale of capital assets	22,941	2,706
<b>Total non-operating revenues (expenses)</b>	<b>(3,420,499)</b>	<b>(4,856,005)</b>
Net income (loss) before capital contributions and transfers	25,738,771	19,595,618
Capital contributions		
Connection fees	4,911,419	4,016,246
Capital contributions	3,330,707	4,732,288
Intergovernmental revenue	0	321,479
<b>Total capital contributions</b>	<b>8,242,126</b>	<b>9,070,013</b>
Net income (loss) before transfers	33,980,897	28,665,631
Transfers in (out)		
General Fund	(3,273,211)	(3,590,122)
General Government Capital Projects Fund	(1,099,694)	(526,300)
General Insurance Fund	23,000	0
<b>Total transfers in (out)</b>	<b>(4,349,905)</b>	<b>(4,116,422)</b>
Change in net position	29,630,992	24,549,209
Net position, July 1	378,352,347	353,803,138
<b>Net position, June 30</b>	<b>\$ 407,983,339</b>	<b>\$ 378,352,347</b>

**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 71,530,145	\$ 65,889,972
Payments to suppliers	(13,780,628)	(12,137,468)
Payments to employees	(12,527,913)	(12,433,981)
Other receipts	69,575	150,267
Net cash provided (used) by operating activities	45,291,179	41,468,790
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	23,000	0
Payments to other funds	(4,372,905)	(4,116,422)
Net cash provided (used) by non-capital financing activities	(4,349,905)	(4,116,422)
<b>Cash flows from capital and related financing activities:</b>		
Connection fees	4,911,419	4,016,246
Receipts of capital contributions	26,579	0
Receipts from other governments	0	321,479
Interest paid	(4,517,077)	(5,582,850)
Acquisition of capital assets	(10,293,588)	(6,340,699)
Payment of capital related accounts payable	(1,347,957)	(944,206)
Sale of capital assets	41,221	2,706
Bond issue costs	(91,423)	(95,817)
Principal payments - bonds	(41,935,000)	(32,838,546)
Proceeds - bonds	26,910,000	17,865,000
Net cash provided (used) by capital and related financing activities	(26,295,826)	(23,596,687)
<b>Cash flows from investing activities:</b>		
Interest received	83,718	274,331
Net increase (decrease) in cash and cash equivalents	14,729,166	14,030,012
Cash and cash equivalents, July 1	100,708,105	86,678,093
<b>Cash and cash equivalents, June 30</b>	<b>\$ 115,437,271</b>	<b>\$ 100,708,105</b>

**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 29,159,270	\$ 24,451,623
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	14,952,305	15,443,458
(Increase) decrease in accounts receivable	(406,095)	(353,219)
(Increase) decrease in intergovernmental receivables	338,003	(436,803)
(Increase) decrease in inventory	166,414	(329,101)
(Increase) decrease in prepaid items	78,054	120,393
(Increase) decrease in net pension contributions after measurement date	(2,485)	5,966
Increase (decrease) in accounts payable	320,416	499,644
Increase (decrease) in intergovernmental payables	1,024	(40,643)
Increase (decrease) in deposits payable	76,777	83,966
Increase (decrease) in accrued salaries and benefits	17,076	49,707
Increase (decrease) in net pension liability	(1,416,931)	2,103,908
Increase (decrease) in pension experience differences	(368,030)	189,410
Increase (decrease) in pension investment return differences	2,117,242	(1,663,427)
Increase (decrease) in pension assumption differences	(19,546)	74,549
Increase (decrease) in OPEB obligation	277,685	1,269,359
Total adjustments	16,131,909	17,017,167
Net cash provided (used) by operating activities	\$ 45,291,179	\$ 41,468,790
<b>Cash and cash equivalents reconciliation:</b>		
Cash and cash equivalents	\$ 42,226,490	\$ 34,967,508
Extension and Renewal		
Cash and cash equivalents	61,359,581	53,826,682
Debt Redemption		
Cash and cash equivalents	9,615,995	9,755,487
Customer Deposits		
Cash and cash equivalents	2,235,205	2,158,428
Total cash and cash equivalents	\$ 115,437,271	\$ 100,708,105

**Noncash investing, capital, and financing activities:**

Contributions of capital assets from individuals totaled \$2,042,540 and \$3,470,700 for the fiscal years ended June 30, 2017 and 2016, respectively.

Contributions of capital assets from government totaled \$1,261,588 and \$1,261,588 for the fiscal years ended June 30, 2017 and 2016, respectively.

Acquisition of capital assets through accounts payable totaled \$1,705,218 and \$1,347,957 for the fiscal years ended June 30, 2017 and 2016, respectively.

Forgiveness of capital lease through capital contributions totaled \$1,261,588 and \$1,261,588 for the fiscal years ended June 30, 2017 and 2016, respectively.

**CITY OF GAINESVILLE, GEORGIA**  
**AIRPORT ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 970,970	\$ 1,147,688
Receivables		
Accounts	12,654	12,344
Intergovernmental	119,830	72,603
Total current assets	1,103,454	1,232,635
<b>Capital assets</b>		
Land	504,385	504,385
Land improvements	12,065,254	12,065,254
Buildings	6,637,588	6,669,021
Vehicles and equipment	526,982	493,232
Intangibles	118,000	118,000
Construction in progress	655,149	80,670
Accumulated depreciation	(10,841,038)	(9,762,900)
Total capital assets (net of accumulated depreciation)	9,666,320	10,167,662
<b>Total assets</b>	10,769,774	11,400,297
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on refunding	27,046	38,434
Pension investment return differences	10,082	13,808
Pension experience differences	7,450	5,052
<b>Total deferred outflows of resources</b>	44,578	57,294
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables		
Accounts	10,509	170,970
Retainages	0	8,067
Interest	3,263	4,313
Customer deposits	4,036	4,036
Accrued salaries	2,258	2,030
Compensated absences	4,124	3,553
Capital leases payable	420,000	420,000
Total current liabilities	444,190	612,969
<b>Long-term liabilities</b>		
Net pension liability	118,350	125,675
OPEB obligation	23,993	23,993
Compensated absences	458	395
Capital leases payable	919,377	1,353,852
Total long-term liabilities	1,062,178	1,503,915
<b>Total liabilities</b>	1,506,368	2,116,884
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension assumption changes	423	526
Pension investment return differences	13,810	5,220
<b>Total deferred inflows of resources</b>	14,233	5,746
<b>NET POSITION</b>		
Net investment in capital assets	8,353,989	8,351,574
Unrestricted	939,762	983,387
<b>Total net position</b>	\$ 9,293,751	\$ 9,334,961

**CITY OF GAINESVILLE, GEORGIA**  
**AIRPORT ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**For the fiscal years ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Fuel sales	\$ 34,100	\$ 23,813
Rent	885,244	901,196
Other	150	259
Total operating revenues	<u>919,494</u>	<u>925,268</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	524,886	405,581
Personal services	82,043	89,610
Depreciation	<u>1,087,569</u>	<u>773,435</u>
Total operating expenses	<u>1,694,498</u>	<u>1,268,626</u>
Operating income (loss)	<u>(775,004)</u>	<u>(343,358)</u>
Non-operating revenues (expenses)		
Interest revenue	17,566	16,075
Interest expense	(41,675)	(49,964)
Gain (loss) on sale of capital assets	<u>(20,055)</u>	<u>0</u>
Total non-operating revenues (expenses)	<u>(44,164)</u>	<u>(33,889)</u>
Net income (loss) before capital contributions	(819,168)	(377,247)
Capital contributions		
Intergovernmental revenue	<u>777,958</u>	<u>72,603</u>
Change in net position	(41,210)	(304,644)
Net position, July 1	<u>9,334,961</u>	<u>9,639,605</u>
<b>Net position, June 30</b>	<u><u>\$ 9,293,751</u></u>	<u><u>\$ 9,334,961</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**AIRPORT ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 919,034	\$ 844,434
Payments to suppliers	(612,744)	(321,945)
Payments to employees	(78,691)	(77,686)
Other receipts	150	259
	<u>227,749</u>	<u>445,062</u>
Net cash provided (used) by operating activities	<u>227,749</u>	<u>445,062</u>
<b>Cash flows from capital and related financing activities:</b>		
Receipts from other governments	730,731	72,603
Sale of capital assets	1,947	0
Interest paid	(31,337)	(39,589)
Payment of capital related accounts payable	(80,670)	0
Acquisition of capital assets	(608,229)	(9,350)
Principal payments - capital leases	(420,000)	(405,000)
	<u>(407,558)</u>	<u>(381,336)</u>
Net cash provided (used) by capital and related financing activities	<u>(407,558)</u>	<u>(381,336)</u>
<b>Cash flows from investing activities:</b>		
Interest received	3,091	1,602
	<u>3,091</u>	<u>1,602</u>
Net increase (decrease) in cash and cash equivalents	(176,718)	65,328
Cash and cash equivalents, July 1	1,147,688	1,082,360
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 970,970</u></u>	<u><u>\$ 1,147,688</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (775,004)	\$ (343,358)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,087,569	773,435
(Increase) decrease in accounts receivable	(310)	(7,972)
(Increase) decrease in intergovernmental receivable	0	(72,603)
Increase (decrease) in accounts payable	(87,858)	84,358
Increase (decrease) in accrued payroll liabilities	862	457
Increase (decrease) in net pension liability	(7,325)	13,716
Increase (decrease) in pension assumption differences	(103)	526
Increase (decrease) in pension experience differences	(2,398)	1,163
Increase (decrease) in pension investment return differences	12,316	(10,564)
Increase (decrease) in OPEB obligation	0	5,904
	<u>1,002,753</u>	<u>788,420</u>
Total adjustments	<u>1,002,753</u>	<u>788,420</u>
Net cash provided by operating activities	<u><u>\$ 227,749</u></u>	<u><u>\$ 445,062</u></u>
<b>Noncash investing, capital, and financing activities:</b>		
Acquisition of capital assets through accounts payable totaled \$0 and \$80,670 for the fiscal years ended June 30, 2017 and 2016, respectively.		



**CITY OF GAINESVILLE, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 3,152,285	\$ 2,600,444
Accounts receivable (net)	229,218	207,919
Total current assets	3,381,503	2,808,363
<b>Capital assets</b>		
Buildings	25,051	25,051
Vehicles and equipment	2,576,278	2,591,662
Accumulated depreciation	(1,917,314)	(1,805,821)
Total capital assets (net of accumulated depreciation)	684,015	810,892
<b>Total assets</b>	4,065,518	3,619,255
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension contributions subsequent to measurement date	34,265	33,004
Pension investment return differences	53,859	73,571
Pension experience differences	23,042	14,611
<b>Total deferred outflows of resources</b>	111,166	121,186
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	40,374	58,546
Accrued salaries	27,671	25,690
Compensated absences	46,959	41,070
Total current liabilities	115,004	125,306
<b>Long-term liabilities</b>		
Net pension liability	469,713	660,175
OPEB obligation	1,194,440	1,166,026
Compensated absences	5,218	4,563
Total long-term liabilities	1,669,371	1,830,764
<b>Total liabilities</b>	1,784,375	1,956,070
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension assumption changes	7,465	9,918
Pension investment return differences	184,134	18,079
Pension experience differences	17,511	22,814
<b>Total deferred inflows of resources</b>	209,110	50,811
<b>NET POSITION</b>		
Investment in capital assets	684,015	810,892
Unrestricted	1,499,184	922,668
<b>Total net position</b>	\$ 2,183,199	\$ 1,733,560

**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, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 2,769,222	\$ 2,619,559
Other	13,164	9,172
<b>Total operating revenues</b>	<b>2,782,386</b>	<b>2,628,731</b>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	628,700	566,513
Costs of sales and services - landfill	267,176	255,599
Personal services	1,275,376	1,385,990
Depreciation	171,151	148,766
<b>Total operating expenses</b>	<b>2,342,403</b>	<b>2,356,868</b>
Operating income (loss)	439,983	271,863
Non-operating revenues (expenses)		
Interest revenue	9,047	3,641
Gain (loss) on sale of capital assets	609	2,414
<b>Total non-operating revenues (expenses)</b>	<b>9,656</b>	<b>6,055</b>
Net income (loss) before transfers	449,639	277,918
Transfers in (out)		
General Government Capital Projects Fund	0	60,013
Change in net position	449,639	337,931
Net position, July 1	1,733,560	1,395,629
<b>Net position, June 30</b>	<b>\$ 2,183,199</b>	<b>\$ 1,733,560</b>

**CITY OF GAINESVILLE, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 2,747,923	\$ 2,597,011
Payments to suppliers	(914,048)	(814,223)
Payments to employees	(1,260,580)	(1,197,458)
Other receipts	13,164	9,172
	<u>586,459</u>	<u>594,502</u>
Net cash provided (used) by operating activities		
<b>Cash flows from noncapital and related financing activities:</b>		
Payments from other funds	0	60,013
	<u>0</u>	<u>60,013</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	(44,274)	(186,120)
Sale of capital asset	609	0
	<u>(43,665)</u>	<u>(186,120)</u>
Net cash provided (used) by capital and related financing activities		
<b>Cash flows from investing activities:</b>		
Interest received	9,047	3,641
	<u>9,047</u>	<u>3,641</u>
Net increase (decrease) in cash and cash equivalents	551,841	472,036
Cash and cash equivalents, July 1	2,600,444	2,128,408
	<u>2,600,444</u>	<u>2,128,408</u>
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 3,152,285</u></u>	<u><u>\$ 2,600,444</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 439,983	\$ 271,863
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	171,151	148,766
(Increase) decrease in accounts receivable	(21,299)	(22,548)
(Increase) decrease in net pension contributions after measurement date	(1,261)	3,003
Increase (decrease) in accounts payable	(18,172)	30,449
Increase (decrease) in accrued payroll liabilities	8,525	9,376
Increase (decrease) in net pension liability	(190,462)	66,506
Increase (decrease) in pension experience differences	(13,734)	11,139
Increase (decrease) in pension assumption differences	(2,453)	(554)
Increase (decrease) in pension investment return differences	185,767	(65,194)
Increase (decrease) in OPEB obligation	28,414	141,696
	<u>146,476</u>	<u>322,639</u>
Total adjustments		
Net cash used by operating activities	<u><u>\$ 586,459</u></u>	<u><u>\$ 594,502</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 396,238	\$ 191,517
Accounts receivable (net)	66,042	54,099
Prepaid items	0	2,920
Total current assets	462,280	248,536
<b>Capital assets</b>		
Land	52,887	53,271
Land improvements	5,399,594	5,399,594
Buildings	715,452	715,452
Vehicles and equipment	911,199	899,200
Accumulated depreciation	(4,333,616)	(4,110,058)
Total capital assets (net of accumulated depreciation)	2,745,516	2,957,459
<b>Total assets</b>	3,207,796	3,205,995
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on refunding	44,223	49,809
Pension contributions subsequent to measurement date	14,041	13,530
Pension investment return differences	10,223	13,740
Pension experience differences	537	0
<b>Total deferred outflow of resources</b>	69,024	77,079
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables		
Accounts	105,404	64,572
Sales tax	7,580	7,100
Interest	8,067	8,867
Accrued salaries	18,112	16,554
Compensated absences	22,999	19,340
Capital lease payable	250,000	245,000
Other liabilities	45,280	41,014
Total current liabilities	457,442	402,447
<b>Long-term liabilities</b>		
Advances from other funds	292,924	400,233
Net pension liability	53,050	121,515
OPEB obligation	278,345	273,179
Compensated absences	2,555	2,149
Capital leases payable	2,220,000	2,470,000
Total long-term liabilities	2,846,874	3,267,076
<b>Total liabilities</b>	3,304,316	3,669,523
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension assumption changes	2,572	3,442
Pension investment return differences	58,268	1,228
Pension experience differences	7,192	9,343
<b>Total deferred inflows of resources</b>	68,032	14,013
<b>NET POSITION</b>		
Net investment in capital assets	269,814	292,267
Restricted for capital outlay	25,589	42,165
Unrestricted	(390,931)	(734,894)
<b>Total net position</b>	\$ (95,528)	\$ (400,462)

**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, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Greens fees	\$ 709,080	\$ 676,229
Cart fees	300,965	269,764
Handicap fees	19,888	20,096
Practice range	59,498	55,827
Tournament fees	0	12,318
Rent revenue	12,600	15,600
Contributions	11,127	0
Other	1,259	1,272
<b>Total operating revenues</b>	<b>1,114,417</b>	<b>1,051,106</b>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	407,046	390,794
Personal services	527,322	540,087
Depreciation	298,640	287,622
<b>Total operating expenses</b>	<b>1,233,008</b>	<b>1,218,503</b>
Operating income (loss)	(118,591)	(167,397)
Non-operating revenues (expenses)		
Interest revenue	658	123
Interest expense	(71,984)	(72,362)
Gain (loss) on sale of capital assets	151,197	0
<b>Total non-operating revenues (expenses)</b>	<b>79,871</b>	<b>(72,239)</b>
Net income (loss) before transfers	(38,720)	(239,636)
Transfers in (out)		
General Fund	343,654	335,462
Change in net position	304,934	95,826
Net position, July 1	(400,462)	(496,288)
<b>Net position, June 30</b>	<b>\$ (95,528)</b>	<b>\$ (400,462)</b>

**CITY OF GAINESVILLE, GEORGIA**  
**CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 1,090,568	\$ 1,071,018
Payments to suppliers	(408,951)	(360,155)
Payments to employees	(528,510)	(508,592)
Other receipts	12,385	1,272
Net cash provided (used) by operating activities	165,492	203,543
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	236,344	182,112
<b>Cash flows from capital and related financing activities:</b>		
Interest paid	(67,198)	(65,475)
Principal payments - capital leases	(245,000)	0
Sale of capital assets	151,581	0
Acquisition of capital assets	(37,156)	(130,236)
Net cash provided (used) by capital and related financing activities	(197,773)	(195,711)
<b>Cash flows from investing activities:</b>		
Interest received	658	123
Net increase (decrease) in cash and cash equivalents	204,721	190,067
Cash and cash equivalents, July 1	191,517	1,450
<b>Cash and cash equivalents, June 30</b>	<b>\$ 396,238</b>	<b>\$ 191,517</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (118,591)	\$ (167,397)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	298,640	287,622
(Increase) decrease in accounts receivable	(11,943)	20,591
(Increase) decrease in net pension contributions after measurement date	(511)	1,228
(Increase) decrease in prepaid items	2,920	(2,920)
Increase (decrease) in accounts payable	(9,092)	23,912
Increase (decrease) in sales tax payable	480	593
Increase (decrease) in accrued payroll liabilities	5,623	1,614
Increase (decrease) in other liabilities	4,266	9,647
Increase (decrease) in OPEB obligation	5,166	29,520
Increase (decrease) in pension experience differences	(2,688)	3,177
Increase (decrease) in pension assumption differences	(870)	(850)
Increase (decrease) in pension investment return differences	60,557	(14,144)
Increase (decrease) in net pension liability	(68,465)	10,950
Total adjustments	284,083	370,940
Net cash provided (used) by operating activities	\$ 165,492	\$ 203,543
<b>Noncash investing, capital, and financing activities:</b>		
Acquisition of capital assets through accounts payable totaled \$49,925 and \$0 for the fiscal years ended June 30, 2017 and 2016, respectively.		



## **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, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,555,569	\$ 1,472,122
Other assets	140,000	94,065
<b>Total assets</b>	<u>1,695,569</u>	<u>1,566,187</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	33,786	29,720
Claims reserves	1,074,978	954,638
<b>Total liabilities</b>	<u>1,108,764</u>	<u>984,358</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 586,805</u>	<u>\$ 581,829</u>

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL INSURANCE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**For the fiscal years ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>OPERATING REVENUES</b>		
Interfund services provided	\$ 1,384,850	\$ 1,252,455
Other	109,147	6,536
<b>Total operating revenue</b>	<b>1,493,997</b>	<b>1,258,991</b>
<b>OPERATING EXPENSES</b>		
Costs of services		
Insurance	706,452	552,677
Claims	459,393	524,809
Administrative fees	305,152	181,505
<b>Total operating expenses</b>	<b>1,470,997</b>	<b>1,258,991</b>
Operating income (loss)	23,000	0
Non-operating revenues (expenses)		
Interest revenue	4,976	2,743
Net income (loss) before transfers	27,976	2,743
Transfers in (out)		
Department of Water Resources Fund	(23,000)	0
Change in net position	4,976	2,743
Net position, July 1	581,829	579,086
<b>Net position, June 30</b>	<b>\$ 586,805</b>	<b>\$ 581,829</b>

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL INSURANCE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities:</b>		
Receipts from interfund services provided	\$ 1,384,850	\$ 1,259,028
Payments to suppliers	(1,392,526)	(1,550,068)
Other receipts	<u>109,147</u>	<u>6,536</u>
Net cash provided (used) by operating activities	101,471	(284,504)
<b>Cash flows from capital and related financing activities:</b>		
Payments to other funds	(23,000)	0
<b>Cash flows from investing activities:</b>		
Interest received	<u>4,976</u>	<u>2,743</u>
Net increase (decrease) in cash and cash equivalents	83,447	(281,761)
Cash and cash equivalents, July 1	<u>1,472,122</u>	<u>1,753,883</u>
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 1,555,569</u></u>	<u><u>\$ 1,472,122</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	<u>\$ 23,000</u>	<u>\$ 0</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	0	6,573
(Increase) decrease in other assets	(45,935)	(32,520)
Increase (decrease) in accounts payable	4,067	(28,350)
Increase (decrease) in claims reserve	<u>120,339</u>	<u>(230,207)</u>
Total adjustments	<u>78,471</u>	<u>(284,504)</u>
Net cash provided (used) by operating activities	<u><u>\$ 101,471</u></u>	<u><u>\$ (284,504)</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**EMPLOYEE BENEFITS FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 5,639,644	\$ 5,896,168
Accounts receivable	17,227	30,488
<b>Total assets</b>	<u>5,656,871</u>	<u>5,926,656</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	76,586	59,198
Deposits payable	75,936	0
Claims reserves	682,627	940,350
<b>Total liabilities</b>	<u>835,149</u>	<u>999,548</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 4,821,722</u>	<u>\$ 4,927,108</u>

**CITY OF GAINESVILLE, GEORGIA**  
**EMPLOYEE BENEFITS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**For the fiscal years ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>OPERATING REVENUES</b>		
Interfund services provided	\$ 9,146,125	\$ 9,023,896
<b>OPERATING EXPENSES</b>		
Costs of services		
Insurance	1,733,811	1,687,297
Claims	6,097,589	5,705,707
Wellness program	1,134,041	1,026,948
Administrative fees	302,435	379,033
<b>Total operating expenses</b>	<b>9,267,876</b>	<b>8,798,985</b>
Operating income (loss)	(121,751)	224,911
Non-operating revenues (expenses)		
Interest revenue	16,365	7,862
Change in net position	(105,386)	232,773
Net position, July 1	4,927,108	4,694,335
<b>Net position, June 30</b>	<b>\$ 4,821,722</b>	<b>\$ 4,927,108</b>

**CITY OF GAINESVILLE, GEORGIA**  
**EMPLOYEE BENEFITS FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities:</b>		
Receipts from interfund services provided	\$ 9,159,386	\$ 8,995,889
Payments to suppliers	(9,432,275)	(8,208,019)
Net cash provided (used) by operating activities	(272,889)	787,870
<b>Cash flows from investing activities:</b>		
Interest received	16,365	7,862
Net increase (decrease) in cash and cash equivalents	(256,524)	795,732
Cash and cash equivalents, July 1	5,896,168	5,100,436
<b>Cash and cash equivalents, June 30</b>	<b>\$ 5,639,644</b>	<b>\$ 5,896,168</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (121,751)	\$ 224,911
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	13,261	(28,007)
(Increase) decrease in prepaid expenses	0	107,643
Increase (decrease) in accounts payable	17,388	(40,447)
Increase (decrease) in deposits payable	75,936	0
Increase (decrease) in claims reserve	(257,723)	523,770
Total adjustments	(151,138)	562,959
Net cash provided (used) by operating activities	<b>\$ (272,889)</b>	<b>\$ 787,870</b>

**CITY OF GAINESVILLE, GEORGIA**  
**VEHICLE SERVICES FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 238,899	\$ 307,929
Intergovernmental receivables	21,515	5,015
Inventory	95,364	77,477
Total current assets	355,778	390,421
<b>Capital assets</b>		
Buildings	266,254	266,255
Vehicles and equipment	444,661	416,756
Accumulated depreciation	(566,349)	(547,902)
Capital assets (net of accumulated depreciation)	144,566	135,109
<b>Total assets</b>	500,344	525,530
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	60,162	89,540
Accrued salaries	8,989	8,674
Compensated absences	22,380	18,891
Total current liabilities	91,531	117,105
<b>Long-term liabilities</b>		
Compensated absences	2,487	2,099
<b>Total liabilities</b>	94,018	119,204
<b>NET POSITION</b>		
Investment in capital assets	144,566	135,109
Unrestricted	261,760	271,217
<b>Total net position</b>	\$ 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, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>OPERATING REVENUES</b>		
Interfund services provided	\$ 1,930,196	\$ 1,811,822
Other	2,710	2,426
<b>Total operating revenues</b>	<b>1,932,906</b>	<b>1,814,248</b>
<b>OPERATING EXPENSES</b>		
Costs of services	1,532,879	1,459,685
Personal services	366,530	364,198
Depreciation	33,964	25,970
<b>Total operating expenses</b>	<b>1,933,373</b>	<b>1,849,853</b>
Operating income (loss)	(467)	(35,605)
Non-operating revenues (expenses)		
Gain (loss) on sale of capital assets	467	605
Net income (loss) before transfers	0	(35,000)
Transfers in (out)		
General Fund	0	35,000
Change in net position	0	0
Net position, July 1	406,326	406,326
<b>Net position, June 30</b>	<b>\$ 406,326</b>	<b>\$ 406,326</b>



**CITY OF GAINESVILLE, GEORGIA**  
**VEHICLE SERVICES FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities:</b>		
Receipts from interfund services provided	\$ 1,913,696	\$ 1,814,650
Payments to suppliers	(1,580,144)	(1,400,561)
Payments to employees	(362,338)	(356,247)
Other receipts	2,710	2,426
Net cash provided (used) by operating activities	<u>(26,076)</u>	<u>60,268</u>
<b>Cash flows from capital and related financing activities:</b>		
Receipts from other funds	0	35,000
Acquisition of capital assets	(42,954)	(33,276)
Net cash provided (used) by capital and related financing activities	<u>(42,954)</u>	<u>1,724</u>
Net increase (decrease) in cash and cash equivalents	(69,030)	61,992
Cash and cash equivalents, July 1	<u>307,929</u>	<u>245,937</u>
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 238,899</u></u>	<u><u>\$ 307,929</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	<u>\$ (467)</u>	<u>\$ (35,605)</u>
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation expense	33,964	25,970
(Increase) decrease in intergovernmental receivables	(16,500)	2,828
(Increase) decrease in inventory	(17,887)	26,752
Increase (decrease) in accounts payable	(29,378)	32,372
Increase (decrease) in accrued salaries and benefits	4,192	7,951
Total adjustments	<u>(25,609)</u>	<u>95,873</u>
Net cash provided (used) by operating activities	<u><u>\$ (26,076)</u></u>	<u><u>\$ 60,268</u></u>

## **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, 2017 and 2016**

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	<u>\$          31,692</u>	<u>\$          14,844</u>
<b>NET POSITION</b>		
Restricted for employee assistance	<u><u>\$          31,692</u></u>	<u><u>\$          14,844</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**COMMUNITY PRIVATE-PURPOSE TRUST FUND**  
**COMPARATIVE STATEMENTS OF CHANGES IN TRUST NET POSITION**  
**For the fiscal years ended June 30, 2017 and 2016**

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	<b>2017</b>	<b>2016</b>
<b>ADDITIONS</b>		
Employee donations	\$ 51,540	\$ 52,461
Interest revenue	2	2
<b>Total additions</b>	<b>51,542</b>	<b>52,463</b>
<b>DEDUCTIONS</b>		
Distributions for assistance	34,694	52,319
Net increase (decrease)	16,848	144
<b>Net position held in trust for employee assistance</b>		
Net position, July 1	14,844	14,700
<b>Net position, June 30</b>	<b>\$ 31,692</b>	<b>\$ 14,844</b>

**CITY OF GAINESVILLE, GEORGIA**  
**EMPLOYEES' PENSION TRUST FUND**  
**COMPARATIVE STATEMENTS OF PLAN NET POSITION**  
**June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 829,193	\$ 819,985
Investments		
Mutual funds		
Equity	61,252,507	52,785,089
Fixed income	25,194,368	28,633,683
Real estate	4,062,432	0
<b>Total assets</b>	<b>91,338,500</b>	<b>82,238,757</b>
<b>LIABILITIES</b>		
Accounts payable	26,872	20,837
<b>NET POSITION</b>		
Restricted for pensions	\$ 91,311,628	\$ 82,217,920

**CITY OF GAINESVILLE, GEORGIA**  
**EMPLOYEES' PENSION TRUST FUND**  
**COMPARATIVE STATEMENTS OF CHANGES IN PLAN NET POSITION**  
**For the fiscal years ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ADDITIONS</b>		
Contributions		
Employer contributions	\$ 3,079,855	\$ 3,021,182
Employee contributions	3,132,278	3,021,182
Total contributions	6,212,133	6,042,364
Investment Income		
Net appreciation (depreciation) in fair value of investments	9,831,925	179,593
Interest	790	76
Dividends	1,515,839	1,615,174
Investment expense	(165,260)	(143,004)
Net investment income (loss)	11,183,294	1,651,839
<b>Total additions (reductions)</b>	17,395,427	7,694,203
<b>DEDUCTIONS</b>		
Benefits	7,616,626	6,985,547
Refunds	685,093	656,682
<b>Total deductions</b>	8,301,719	7,642,229
Net increase (decrease)	9,093,708	51,974
<b>Net position held in trust for pension benefits</b>		
Net position, July 1	82,217,920	82,165,946
<b>Net position, June 30</b>	<b>\$ 91,311,628</b>	<b>\$ 82,217,920</b>

**CITY OF GAINESVILLE, GEORGIA**  
**MUNICIPAL COURT AGENCY FUND**  
**COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES**  
**June 30, 2017 and 2016**

---

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	<u>\$ 113,102</u>	<u>\$ 85,283</u>
<b>LIABILITIES</b>		
Due to other agencies	<u>\$ 113,102</u>	<u>\$ 85,283</u>

**CITY OF GAINESVILLE, GEORGIA**  
**MUNICIPAL COURT AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
*For the fiscal year ended June 30, 2017*

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	<u>Balance</u> <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30</u>
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$      85,283</u>	<u>\$     861,558</u>	<u>\$     (833,739)</u>	<u>\$      113,102</u>
<b>LIABILITIES</b>				
Due to other agencies	<u>\$      85,283</u>	<u>\$     861,558</u>	<u>\$     (833,739)</u>	<u>\$      113,102</u>





## **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, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,570,650	\$ 2,246,571
Receivables		
Accounts	5,233	8,051
Property tax	39,636	58,770
Restricted assets		
Cash and cash equivalents	100,000	100,137
<b>Total assets</b>	<b>\$ 2,715,519</b>	<b>\$ 2,413,529</b>
<b>LIABILITIES</b>		
Payables		
Accounts	\$ 96,921	\$ 109,983
Sales tax	10,060	12,988
Intergovernmental	7,753	6,563
Accrued salaries	94,484	83,852
Unearned revenue	3,810	300
Other	12,441	10,693
<b>Total liabilities</b>	<b>225,469</b>	<b>224,379</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	51,099	56,719
<b>FUND BALANCES</b>		
Restricted for:		
Clarks Bridge Legacy	5,255	5,255
Capital projects	26,469	15,421
Committed for:		
Booster Club	238,513	187,553
Development Fund	100,000	100,137
Civic Center	50,000	40,000
Children at Play Fund	10,000	10,000
Assigned for:		
Capital projects	51,577	86,734
Budget	410,334	151,808
Culture and Recreation	1,546,803	1,535,523
<b>Total fund balances</b>	<b>2,438,951</b>	<b>2,132,431</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 2,715,519</b>	<b>\$ 2,413,529</b>

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Property taxes	\$ 2,852,664	\$ 2,947,557	\$ 94,893	\$ 2,788,251
Charges for sales and services				
Recreation Division	177,245	189,831	12,586	189,727
Lanier Point/Ivey Watson	134,165	143,468	9,303	142,196
Youth Sports Booster Club	97,935	102,187	4,252	110,120
Gainesville Civic Center	345,850	362,170	16,320	358,839
Allen Creek Soccer Complex	21,200	14,523	(6,677)	21,200
Frances Meadows Community Center	980,890	1,004,437	23,547	857,543
Intergovernmental	51,359	51,359	0	0
Interest	3,500	11,780	8,280	12,613
Contributions	15,352	15,611	259	10,000
Other	1,000	1,150	150	991
<b>Total revenues</b>	<b>4,681,160</b>	<b>4,844,073</b>	<b>162,913</b>	<b>4,491,480</b>
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Administration Division	772,885	749,659	23,226	739,327
Recreation Division	436,729	400,090	36,639	388,966
Parks Division	856,364	794,270	62,094	841,586
Maintenance Shop	114,840	93,364	21,476	96,909
Lanier Point/Ivey Watson	212,598	197,280	15,318	201,722
Youth Sports Booster Club	97,823	88,544	9,279	74,696
Gainesville Civic Center	603,460	466,567	136,893	462,442
Allen Creek Soccer Complex	47,425	47,224	201	49,218
Frances Meadows Center	1,543,514	1,465,573	77,941	1,211,655
Capital outlay	324,305	236,876	87,429	777,385
<b>Total expenditures</b>	<b>5,009,943</b>	<b>4,539,447</b>	<b>470,496</b>	<b>4,843,906</b>
Excess (deficiency) of revenues over (under) expenditures	(328,783)	304,626	633,409	(352,426)
Other financing sources (uses)				
Sales of capital assets	500	1,894	1,394	6,099
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(328,283)	306,520	634,803	(346,327)
Fund balances, July 1	328,283	2,132,431	1,804,148	2,478,758
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 2,438,951</b>	<b>\$ 2,438,951</b>	<b>\$ 2,132,431</b>

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Property taxes	\$ 2,852,664	\$ 2,947,557	\$ 94,893	\$ 2,788,251
Charges for sales and services				
Recreation Division	177,245	189,831	12,586	189,727
Lanier Point/Ivey Watson	134,165	143,468	9,303	142,196
Youth Sports Booster Club	97,935	102,187	4,252	110,120
Gainesville Civic Center	345,850	362,170	16,320	358,839
Allen Creek Soccer Complex	21,200	14,523	(6,677)	21,200
Frances Meadows Center	980,890	1,004,437	23,547	857,543
Intergovernmental	0	8,984	8,984	0
Interest	3,500	11,780	8,280	12,613
Contributions	15,352	15,611	259	10,000
Other	1,000	1,149	149	991
<b>Total revenues</b>	<b>4,629,801</b>	<b>4,801,697</b>	<b>171,896</b>	<b>4,491,480</b>
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Administrative services	772,885	749,659	23,226	739,327
Recreational services	436,729	400,090	36,639	388,966
Park services	893,866	825,572	68,294	841,586
Maintenance shop	114,840	93,364	21,476	96,909
Lanier Point/Ivey Watson	212,598	197,280	15,318	201,722
Booster Club	97,823	88,544	9,279	74,696
Civic Center	503,460	466,567	36,893	462,442
Allen Creek Soccer Complex	47,425	47,224	201	49,218
Frances Meadows Center	1,543,514	1,465,573	77,941	1,211,655
Capital outlay	29,305	0	29,305	0
<b>Total expenditures</b>	<b>4,652,445</b>	<b>4,333,873</b>	<b>318,572</b>	<b>4,066,521</b>
Excess (deficiency) of revenues over (under) expenditures	(22,644)	467,824	490,468	424,959
Other financing sources (uses)				
Transfers in (out)				
Capital Projects Activity	(123,681)	(138,866)	(15,185)	(114,500)
Sales of capital assets	500	1,894	1,394	6,099
<b>Total other financing sources (uses)</b>	<b>(123,181)</b>	<b>(136,972)</b>	<b>(13,791)</b>	<b>(108,401)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(145,825)	\$ 330,852	\$ 476,677	\$ 316,558
Fund balances, July 1	145,825			
<b>Fund balances, June 30</b>	<b>\$ 0</b>			

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Intergovernmental	\$ 88,861	\$ 73,677	\$ (15,184)	\$ 0
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Capital outlay	395,000	236,876	158,124	777,386
Excess (deficiency) of revenues over (under) expenditures	(306,139)	(163,199)	142,940	(777,386)
Other financing sources (uses)				
Transfers in (out)				
Operating Activity	123,681	138,866	15,185	114,500
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(182,458)	<u>\$ (24,334)</u>	<u>\$ 158,124</u>	<u>\$ (662,886)</u>
Fund balances, July 1	182,458			
<b>Fund balances, June 30</b>	<u>\$ 0</u>			

**CITY OF GAINESVILLE, GEORGIA**  
**CONVENTION AND VISITOR'S BUREAU (A COMPONENT UNIT)**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2017 and 2016**

---

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 533,825	\$ 438,623
Prepaid items	29,500	0
<b>Total assets</b>	<b>\$ 563,325</b>	<b>\$ 438,623</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 11,088	\$ 9,016
Accrued salaries	7,874	9,033
<b>Total liabilities</b>	<b>18,962</b>	<b>18,049</b>
<b>FUND BALANCES</b>		
Nonspendable for prepaid items	29,500	0
Assigned for:		
Budget	118,105	0
Housing and Development	396,758	420,574
<b>Total fund balances</b>	<b>544,363</b>	<b>420,574</b>
<b>Total liabilities and fund balances</b>	<b>\$ 563,325</b>	<b>\$ 438,623</b>

**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, 2017**  
**(With comparative actual amounts for the year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Hotel/motel taxes	\$ 550,809	\$ 613,443	\$ 62,634	\$ 581,595
Interest	0	1,344	1,344	458
Other	13,000	18,556	5,556	19,658
<b>Total revenues</b>	<b>563,809</b>	<b>633,343</b>	<b>69,534</b>	<b>601,711</b>
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Personal services	327,933	300,670	27,263	277,486
Other	240,719	208,884	31,835	163,898
Capital outlay	6,521	0	6,521	22,216
<b>Total expenditures</b>	<b>575,173</b>	<b>509,554</b>	<b>65,619</b>	<b>463,600</b>
Excess (deficiency) of revenues over (under) expenditures	(11,364)	123,789	135,153	138,111
Other financing sources (uses)				
Contingency	11,364	0	(11,364)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	123,789	123,789	138,111
Fund balances, July 1	0	420,574	420,574	282,463
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 544,363</b>	<b>\$ 544,363</b>	<b>\$ 420,574</b>





## ***STATISTICAL SECTION***



**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.

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends.....</b>	<b>193-206</b>
These tables/schedules contain trend information designed to assist the reader in understanding how the City has performed from a financial perspective over time.	
<b>Revenue Capacity.....</b>	<b>207-214</b>
These tables/schedules contain information that may assist the reader in assessing the viability of the City's most significant revenue sources.	
<b>Debt Capacity.....</b>	<b>215-220</b>
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.	
<b>Demographic and Economic Information.....</b>	<b>221-222</b>
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.	
<b>Operating Information.....</b>	<b>223-227</b>
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.	
<b>Miscellaneous Information.....</b>	<b>228-235</b>
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			
	2008	2009	2010	2011
Governmental activities				
Net investment in capital assets	\$ 63,283,044	\$ 67,749,010	\$ 60,193,753	\$ 63,722,901
Restricted	15,285,263	13,579,449	19,518,264	4,913,949 <sup>(1)</sup>
Unrestricted	8,020,964	2,727,185	2,534,296	19,692,245 <sup>(1)</sup>
Total governmental activities net position	<u>\$ 86,589,271</u>	<u>\$ 84,055,644</u>	<u>\$ 82,246,313</u>	<u>\$ 88,329,095</u>
Business-type activities				
Net investment in capital assets	\$ 226,811,308	\$ 234,871,719	\$ 248,507,489	\$ 259,477,278
Restricted	45,853,659	30,780,543	44,475,796	43,710,594
Unrestricted	21,726,107	35,144,675	14,276,555	16,169,226
Total business-type activities net position	<u>\$ 294,391,074</u>	<u>\$ 300,796,937</u>	<u>\$ 307,259,840</u>	<u>\$ 319,357,098</u>
Primary government				
Net investment in capital assets	\$ 290,094,352	\$ 302,620,729	\$ 308,701,242	\$ 323,200,179
Restricted	61,138,922	44,359,992	63,994,060	48,624,543
Unrestricted	29,747,071	37,871,860	16,810,851	35,861,471
Total primary government net position	<u>\$ 380,980,345</u>	<u>\$ 384,852,581</u>	<u>\$ 389,506,153</u>	<u>\$ 407,686,193</u>

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					
2012	2013	2014	2015	2016	2017
\$ 70,549,134	\$ 74,015,737	\$ 80,039,885	\$ 78,338,733	\$ 78,415,202	\$ 77,972,132
11,586,492	12,560,215	4,642,578	6,827,434	12,149,291	14,551,356
11,878,957	9,380,465	10,217,825	(14,451,203)	(17,773,240)	(15,275,584)
<u>\$ 94,014,583</u>	<u>\$ 95,956,417</u>	<u>\$ 94,900,288</u>	<u>\$ 70,714,964</u>	<u>\$ 72,791,253</u>	<u>\$ 77,247,904</u>
\$ 271,791,712	\$ 282,968,294	\$ 295,579,225	\$ 303,250,676	\$ 314,735,292	\$ 330,315,818
40,623,794	28,713,968	43,776,271	50,230,260	62,960,499	70,511,931
20,918,748	29,468,343	18,915,019	12,067,163	12,598,780	19,773,475
<u>\$ 333,334,254</u>	<u>\$ 341,150,605</u>	<u>\$ 358,270,515</u>	<u>\$ 365,548,099</u>	<u>\$ 390,294,571</u>	<u>\$ 420,601,224</u>
\$ 342,340,846	\$ 356,984,031	\$ 375,619,110	\$ 381,589,409	\$ 393,150,494	\$ 408,287,950
52,210,286	41,274,183	48,418,849	57,057,694	75,109,790	85,063,287
32,797,705	38,848,808	29,132,844	(2,384,040) <sup>(2)</sup>	(5,174,460)	4,497,891
<u>\$ 427,348,837</u>	<u>\$ 437,107,022</u>	<u>\$ 453,170,803</u>	<u>\$ 436,263,063</u>	<u>\$ 463,085,824</u>	<u>\$ 497,849,128</u>

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

Expenses	Fiscal Year			
	2008	2009	2010	2011
Governmental activities:				
General Government	\$ 3,152,030	\$ 3,682,213	\$ 3,578,661	\$ 4,064,412
Judicial	371,743	432,380	434,137	404,862
Public Safety	15,103,008	17,760,718	16,930,483	16,160,112
Public Works	6,491,116	6,649,367	7,023,969	6,641,424
Health and Welfare	3,554,427	3,784,135	3,724,473	3,360,632
Culture and Recreation	2,521,243	2,214,061	1,883,742	1,211,214
Housing and Development	2,224,676	1,524,790	2,108,631	1,363,356
Interest on long-term debt	528,726	671,224	1,837,734	1,668,489
Total governmental activities expenses	<u>33,946,969</u>	<u>36,718,888</u>	<u>37,521,830</u>	<u>34,874,501</u>
Business-type activities:				
Water and Sewer	39,826,297	45,745,119	44,812,789	43,974,519
Airport	1,005,505	929,020	912,187	967,856
Solid Waste	2,010,885	2,274,543	2,142,384	1,901,016
Golf Course	1,559,985	1,519,259	1,346,564	1,396,446
Total business-type activities expenses	<u>44,402,672</u>	<u>50,467,941</u>	<u>49,213,924</u>	<u>48,239,837</u>
Total primary government expenses	<u>\$ 78,349,641</u>	<u>\$ 87,186,829</u>	<u>\$ 86,735,754</u>	<u>\$ 83,114,338</u>
<b>Indirect Costs</b>				
Governmental activities:				
General Government	(1,192,270)	(1,261,885)	(1,215,314)	(1,343,539)
Business-type activities:				
Water and Sewer	1,192,270	1,261,885	1,115,314	1,106,596
Airport	0	0	100,000	200,000
Solid Waste	0	0	0	36,943
Total Business-type activities indirect cost	<u>1,192,270</u>	<u>1,261,885</u>	<u>1,215,314</u>	<u>1,343,539</u>
Total primary government indirect cost	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General Government	606,106	630,377	623,419	681,743
Public Safety	2,101,796	1,374,428 <sup>(1)</sup>	1,320,003	1,590,400
Public Works	44,720	38,090	38,110	36,030
Health and Welfare	434,828	442,328	416,661	438,537
Housing and Development	395,079	180,394	48,135	154,849
Culture and Recreation	528,498	519,989	435,955	506,750
Operating grants and contributions	3,929,031	3,287,187	3,776,757	3,739,620
Capital grants and contributions	3,772,803	3,449,017	8,177,269 <sup>(3)</sup>	7,718,212 <sup>(3)</sup>
Total governmental activities program revenues	<u>11,812,861</u>	<u>9,921,810</u>	<u>14,836,309</u>	<u>14,866,141</u>
Business-Type activities:				
Charges for services:				
Water and Sewer	45,377,623	45,616,460	50,039,158	55,401,138
Airport	866,972	851,644	865,739	818,874
Solid Waste	1,565,923	1,703,937	1,769,329	2,057,883
Golf Course	1,108,078	1,057,516	907,160	1,012,377
Operating grants and contributions	130,880	110,652	69,070	0
Capital grants and contributions	18,587,741	8,309,881 <sup>(2)</sup>	3,794,048 <sup>(2)</sup>	4,009,685
Total business-type activities program revenues	<u>67,637,217</u>	<u>57,650,090</u>	<u>57,444,504</u>	<u>63,299,957</u>
Total primary government program revenues	<u>\$ 79,450,078</u>	<u>\$ 67,571,900</u>	<u>\$ 72,280,813</u>	<u>\$ 78,166,098</u>

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

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

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

Note (4): Excess SPLOST Funds from Hall County

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

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

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 4,031,095	\$ 4,376,553	\$ 3,933,108	\$ 3,675,464	\$ 4,368,490	\$ 6,429,519 <sup>(5)</sup>
460,066	450,165	510,221	486,947	523,970	544,083
17,932,227	16,423,939	18,460,345	17,460,335	19,480,809	18,168,500 <sup>(6)</sup>
7,646,177	7,480,636	8,900,466	8,745,852	10,317,369	7,199,267 <sup>(5)</sup>
3,391,482	2,686,449	3,173,758	2,765,034	2,591,485	2,726,152
1,185,988	1,686,715	224,853	440,482	436,250	348,180
1,196,185	1,104,631	1,591,303	2,136,524	2,406,705	3,769,857 <sup>(6)</sup>
1,396,524	1,201,196	883,628	1,198,530	533,058	619,743
37,239,744	35,410,284	37,677,682	36,909,168	40,658,136	39,805,301
46,692,190	45,332,806	47,020,782	46,183,666	47,333,997	46,270,110
1,207,743	983,083	1,014,521	1,045,716	1,109,029	1,526,612
1,944,248	1,866,955	1,965,935	2,072,012	2,210,416	2,195,951
1,241,853	1,193,905	1,234,260	1,287,229	1,290,865	1,304,992
51,086,034	49,376,749	51,235,498	50,588,623	51,944,307	51,297,665
\$ 88,325,778	\$ 84,787,033	\$ 88,913,180	\$ 87,497,791	\$ 92,602,443	\$ 91,102,966
(1,304,961)	(1,369,231)	(1,390,442)	(1,394,235)	(1,376,788)	(1,370,895)
1,022,416	1,086,686	1,034,429	1,038,222	1,020,775	1,014,882
200,000	200,000	209,561	209,561	209,561	209,561
82,545	82,545	146,452	146,452	146,452	146,452
1,304,961	1,369,231	1,390,442	1,394,235	1,376,788	1,370,895
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
708,578	814,922	674,536	723,777	719,185	748,458
1,369,278	1,800,569	1,639,954	1,930,830	1,735,868	1,944,818
36,795	37,070	90,135	129,956	134,580	219,680
410,052	440,824	423,368	134,570	144,162	106,322
158,773	703,972	661,299	1,057,304	1,216,162	2,259,780 <sup>(4)</sup>
377,754	159,336	0	0	0	0
3,862,903	2,744,521	2,813,369	2,577,766	2,782,085	3,602,699
9,565,586 <sup>(3)</sup>	1,419,674	2,044,189	2,322,290	6,087,822	7,932,793
16,489,719	8,120,888	8,346,850	8,876,493	12,819,864	16,814,550
57,492,303	56,832,305	58,759,620	64,315,416	66,596,028	71,521,460
832,971	913,459	944,120	897,226	925,009	919,344
2,299,960	2,272,930	2,369,815	2,462,485	2,619,559	2,769,222
1,031,717	1,006,129	992,168	983,932	1,034,234	1,089,431
0	0	0	0	0	0
5,257,388	3,546,989	8,646,783	8,445,809	9,142,616	9,020,084
66,914,339	64,571,812	71,712,506	77,104,868	80,317,446	85,319,541
\$ 83,404,058	\$ 72,692,700	\$ 80,059,356	\$ 85,981,361	\$ 93,137,310	\$ 102,134,091



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

	Fiscal Year			
	2008	2009	2010	2011
Net (expense)/revenue				
Governmental activities	\$ (20,941,838)	\$ (25,535,193)	\$ (21,470,207)	\$ (18,664,821)
Business-type activities	22,042,275	5,920,264	7,015,266	13,716,581
Total primary government net (expense)/revenue	1,100,437	(19,614,929)	(14,454,941)	(4,948,240)
<b>General revenues and other changes in net position</b>				
Governmental activities:				
Taxes				
Property	7,101,695	7,421,155	7,253,570	7,886,437
Intangibles	237,483	180,064	97,161	59,343
Franchise	4,599,218	4,451,348	3,866,595	4,072,511
Occupational	1,354,234	1,288,785	1,114,317	1,111,954
Insurance premium	1,398,065	1,431,555	1,418,124	1,376,910
Alcoholic beverages	1,056,980	1,000,788	942,016	999,642
Hotel/Motel	479,684	473,047	444,852	517,456
Local option sales	5,829,689	4,799,932	4,943,847	5,030,213
Investment earnings	1,033,414	209,981	498,737	450,031
Gain on sale of assets	900,112	17,246	40,591	0
Miscellaneous	297,695	325,996	363,279	236,416
Special Item-loss on demolition of building	0	0	0	0
Transfers	3,055,911	1,495,051	2,190,747	3,006,690
Total governmental activities	27,344,180	23,094,948	23,173,836	24,747,603
Business-type activities				
Investment earnings	2,664,847	1,013,233	401,971	355,561
Gain on sale of assets	29,804	1,315	19,569	20,718
Miscellaneous	1,151,124	1,020,458	1,023,096	1,011,088
Transfers	(3,055,911)	(1,495,051)	(2,190,747)	(3,006,690)
Total business-type activities	789,864	539,955	(746,111)	(1,619,323)
Total primary government	28,134,044	23,634,903	22,427,725	23,128,280
<b>Change in net position</b>				
Governmental activities	6,402,342	(2,440,245)	1,703,629	6,082,782
Business-type activities	22,832,138	6,460,219	6,269,155	12,097,258
Total primary government	\$ 29,234,480	\$ 4,019,974	\$ 7,972,784	\$ 18,180,040

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

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

Note (3): Demolition of jail facility.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ (19,445,064)	\$ (25,920,165)	\$ (27,940,390)	\$ (26,638,440)	\$ (26,461,484)	\$ (21,619,856)
15,828,305	13,825,832	19,086,566	25,122,010	26,996,351	32,650,981
(3,616,759)	(12,094,333)	(8,853,824)	(1,516,430)	534,867	11,031,125
7,338,537	7,825,290	8,363,877	8,654,493	9,409,584	9,808,840
81,841	80,720	105,044	133,186	129,075	190,764
4,240,193	4,092,271	4,014,946	4,371,358	4,381,245	4,501,181
1,139,926	1,199,374	1,263,534	1,268,021	1,368,983	1,373,680
1,585,550	1,684,119	1,743,745	1,823,481	1,948,090	2,203,406
994,573	979,409	1,022,245	1,067,611	1,129,284	1,166,259
563,902	591,793	715,260	828,925	911,847	929,035
5,259,684	5,300,279	4,983,807	5,094,727	5,281,804	5,439,313
426,185	448,728	246,266	142,917	72,796	2,001,892 <sup>(2)</sup>
0	67,897	0	0	605	574,310
245,524	1,057,074 <sup>(1)</sup>	1,017,590 <sup>(1)</sup>	122,294	183,512	373,513
0	0	0	0	0	(6,491,937) <sup>(3)</sup>
3,254,637	5,122,095	3,407,947	2,395,089	3,720,948	4,006,251
25,130,552	28,449,049	26,884,261	25,902,102	28,537,773	26,076,507
314,147	334,347	292,577	775,365	1,274,329	1,399,356
33,411	12,331	53,471	17,322	5,120	154,692
1,055,930	1,042,459	1,095,243	156,932	191,620	107,875
(3,254,637)	(5,122,095)	(3,407,947)	(2,395,089)	(3,720,948)	(4,006,251)
(1,851,149)	(3,732,958)	(1,966,656)	(1,445,470)	(2,249,879)	(2,344,328)
23,279,403	24,716,091	24,917,605	24,456,632	26,287,894	23,732,179
5,685,488	2,528,884	(1,056,129)	(736,338)	2,076,289	4,456,651
13,977,156	10,092,874	17,119,910	23,676,540	24,746,472	30,306,653
\$ 19,662,644	\$ 12,621,758	\$ 16,063,781	\$ 22,940,202	\$ 26,822,761	\$ 34,763,304

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Intangible Tax</b>	<b>Franchise Tax</b>	<b>Occupational Tax</b>
2008	7,101,695	237,483	4,599,218 <sup>(1)</sup>	1,354,234
2009	7,421,155	180,064 <sup>(3)</sup>	4,451,348	1,288,785
2010	7,253,570	97,161 <sup>(3)</sup>	3,866,595	1,114,317
2011	7,886,437 <sup>(4)</sup>	59,343 <sup>(3)</sup>	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 <sup>(6)</sup>	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

Note (1): Franchise tax audit of previous year's receipts resulted in additional collections in fiscal year 2008.

Note (2): Local option sales tax collections were down significantly due to economic downturn.

Note (3): 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 (4): General Fund millage rate was increased to provide funding for increased Public Safety fire protection.

Note (5): Tax reform, Title Ad Valorem Tax (TAVT), effective March 1, 2013 created a new system for taxing motor vehicles in Georgia. Revenue is now in the form of a property tax and sales are now exempt from sales tax.

<b>Insurance Premium Tax</b>	<b>Alcoholic Beverages Tax</b>	<b>Hotel/Motel Tax</b>	<b>Local Option Sales Tax</b>	<b>Total</b>
1,398,065	1,056,980	479,684	5,829,689	22,057,048
1,431,555	1,000,788	473,047	4,799,932 <sup>(2)</sup>	21,046,674
1,418,124	942,016	444,852	4,943,847	20,080,482
1,376,910	999,642	517,456	5,030,213	21,054,466
1,585,550	994,573	563,902	5,259,684	21,204,206
1,684,119	979,409	591,793	5,300,279	21,753,255
1,743,745	1,022,245	715,260	4,983,807 <sup>(5)</sup>	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

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

	Fiscal Year			
	2008	2009	2010	2011
General fund				
Reserved	\$ 70,002	\$ 102,572	\$ 27,622	
Unreserved	4,066,767	3,595,792	4,164,074	
Nonspendable (4)				\$ 406,166
Committed (4)				
Assigned (4)				2,996,014
Unassigned (4)				5,134,064
Total general fund	<u>\$ 4,136,769</u>	<u>\$ 3,698,364</u>	<u>\$ 4,191,696</u>	<u>\$ 8,536,244</u>
All other governmental funds				
Reserved	\$ 4,535,228	\$ 24,515,444 <sup>(2)</sup>	\$ 10,815,234 <sup>(2)</sup>	
Unreserved, reported in:				
Special revenue funds	10,081,308 <sup>(1)</sup>	9,982,391	10,546,826	
Capital project funds	4,184,614	2,296,318	9,403,152	
Debt service funds	1,602,964	2,266,195	1,293,247	
Nonspendable (3)				
Restricted (3)				\$ 10,854,556
Committed (3)				91,939
Assigned (3)				11,457,922
Total all other governmental funds	<u>\$ 20,404,114</u>	<u>\$ 39,060,348</u>	<u>\$ 32,058,459</u>	<u>\$ 22,404,417</u>

Note (1): Reserve increased by \$4.0 million in 2008 anticipating an economic development land purchase.

Note (2): Fluctuations due to SPLOST revenue collections reserved for debt service on Public Safety Facilities.

Note (3): The City adopted GASB 54 for reporting of fund balance classifications in 2011.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 384,796	\$ 367,035	\$ 352,744	\$ 475,231	\$ 321,639	\$ 295,256
10,054	6,583	6,208	5,848	4,957	4,957
3,040,356	2,321,338	3,295,367	2,457,217	4,216,717	3,966,341
5,874,076	6,565,665	7,012,974	8,065,121	7,480,831	7,660,281
<u>\$ 9,309,282</u>	<u>\$ 9,260,621</u>	<u>\$ 10,667,293</u>	<u>\$ 11,003,417</u>	<u>\$ 12,024,144</u>	<u>\$ 11,926,835</u>
	\$ 130,769	\$ 132,816	\$ 99,367	\$ 81,390	\$ 67,377
\$ 11,214,865	6,385,355	4,174,002	6,868,770	11,805,659	14,227,632
115,428	174,187	174,285	221,019	244,531	275,253
11,225,020	16,162,739	12,850,447	11,591,868	10,803,666	13,953,838
<u>\$ 22,555,313</u>	<u>\$ 22,853,050</u>	<u>\$ 17,331,550</u>	<u>\$ 18,781,024</u>	<u>\$ 22,935,246</u>	<u>\$ 28,524,100</u>

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

	Fiscal Year			
	2008	2009	2010	2011
<b>Revenues</b>				
Taxes	\$ 21,931,347	\$ 21,030,163	\$ 20,073,154	\$ 21,039,421
Licenses and permits	726,127	563,085	526,787	540,906
Fines, fees and forfeitures	1,782,062	1,200,508	1,179,773	1,390,242
Charges for services	2,621,736	2,590,476	2,405,885	2,935,491
Intergovernmental	8,157,297	6,340,062	12,994,964	12,190,933
Interest	983,198	186,918	110,152	56,785
Contributions	150,346	95,806	140,042	152,829
Other	297,697	325,993	363,276	235,905
Total revenues	<u>36,649,810</u>	<u>32,333,011</u>	<u>37,794,033</u>	<u>38,542,512</u>
<b>Expenditures</b>				
General Government	3,183,110	3,260,291	2,985,636	3,289,626
Judicial	370,393	369,537	385,823	367,454
Public Safety	14,206,369	14,097,303	14,010,732	14,555,914
Public Works	4,638,378	4,586,349	4,358,836	4,334,170
Health and Welfare	3,479,259	3,381,182	4,095,212	3,073,671
Culture and Recreation	1,372,628	1,169,614	1,204,508	764,611
Housing and Development	4,624,623	1,951,894	1,649,911	1,750,971
Debt Service				
Principal	2,442,202	1,659,125 <sup>(1)</sup>	3,119,832 <sup>(1)</sup>	8,034,940 <sup>(1)</sup>
Interest	718,082	644,194	1,962,450	1,772,225
Capital Outlay	15,104,298	18,184,470	13,690,589	8,874,469
Total expenditures	<u>50,139,342</u>	<u>49,303,959</u>	<u>47,463,529</u>	<u>46,818,051</u>
Excess of revenues over (under) expenditures	<u>(13,489,532)</u>	<u>(16,970,948)</u>	<u>(9,669,496)</u>	<u>(8,275,539)</u>
<b>Other financing sources (uses)</b>				
Transfers in	11,509,650	5,072,824	6,738,573	17,371,193
Transfers out	(9,131,665)	(3,506,803)	(4,240,053)	(14,788,283)
Issuance of notes payable	0	7,437,971	0	0
Refunding of notes payable	0	(7,437,971)	0	0
Issuance of capital leases	795,481	33,697,531	0	346,228
Issuance of bonds	0	0	0	0
Sale of capital assets	2,045,711	18,607	50,888	36,907
Total other financing sources (uses)	<u>5,219,177</u>	<u>35,282,159</u>	<u>2,549,408</u>	<u>2,966,045</u>
Net change in fund balances	<u>\$ (8,270,355)</u>	<u>\$ 18,311,211</u>	<u>\$ (7,120,088)</u>	<u>\$ (5,309,494)</u>
Debt service as a percentage of noncapital expenditures	9.3%	7.3% <sup>(6)</sup>	15.4% <sup>(3)</sup>	25.6%

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.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 21,205,179	\$ 21,798,180	\$ 22,193,025	\$ 23,263,514	\$ 24,610,752	\$ 25,624,333
533,141	727,631	768,827	1,008,077	1,020,055	1,304,203
1,142,066	1,663,768	1,635,471	1,778,770	1,735,869	1,944,818
2,740,521	2,910,952	3,004,541	3,331,778	3,589,559	4,295,317
12,456,574	4,067,439	3,959,460	4,689,473	7,821,598	9,388,179
35,839	52,479	41,823	126,712	54,687	1,975,871 <sup>(4)</sup>
574,090	96,754	96,860	147,384	105,628	171,116
245,210	1,057,730 <sup>(2)</sup>	1,017,595 <sup>(3)</sup>	122,291	183,516	373,513
38,932,620	32,374,933	32,717,602	34,467,999	39,121,664	45,077,350
3,317,143	3,287,366	3,228,407	3,431,244	3,550,990	5,997,537 <sup>(5)</sup>
417,255	421,756	460,849	465,915	470,043	521,707
15,880,473	14,617,996	14,934,311	15,462,822	16,187,899	16,466,971 <sup>(6)</sup>
4,415,291	4,325,418	4,491,711	4,672,187	4,994,225	4,436,888 <sup>(5)</sup>
3,053,511	2,529,431	3,391,256	2,968,229	2,737,379	2,895,919
1,052,118	592,617	165,000	433,682	400,000	234,283
1,726,625	1,639,307	2,082,930	2,148,470	2,438,677	3,438,904 <sup>(6)</sup>
7,112,064 <sup>(1)</sup>	7,349,754 <sup>(1)</sup>	8,382,841 <sup>(1)</sup>	10,111,549 <sup>(3)</sup>	1,222,585	3,928,813
1,478,240	1,266,876	964,579	1,386,912	538,091	523,047
3,491,050	9,500,033	2,128,323	3,829,201	5,141,709	8,377,243
41,943,770	45,530,554	40,230,207	44,910,211	37,681,598	46,821,312
(3,011,150)	(13,155,621)	(7,512,605)	(10,442,212)	1,440,066	(1,743,962)
14,414,525	21,464,150	7,477,632	10,698,274	7,835,912	10,656,899
(11,222,388)	(16,413,039)	(4,112,658)	(7,435,982)	(4,149,965)	(6,627,648)
0	0	0	0	0	0
0	0	0	0	0	0
721,833	8,220,268	0	8,917,392	0	807,264
0	0	0	0	0	1,630,000
10,891	70,410	32,803	48,126	48,936	768,992
3,924,861	13,341,789	3,397,777	12,227,810	3,734,883	7,235,507
\$ 913,711	\$ 186,168	\$ (4,114,828)	\$ 1,785,598	\$ 5,174,949	\$ 5,491,545
22.7%	23.6%	24.7%	27.1%	5.0%	11.5%



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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Intangibles Tax</b>	<b>Franchise Tax</b>	<b>Insurance Premium Tax</b>
2008	6,975,994	237,483	4,599,218 <sup>(1)</sup>	1,398,065
2009	7,404,644	180,064 <sup>(3)</sup>	4,451,348	1,431,555
2010	7,246,242	97,161 <sup>(3)</sup>	3,866,595	1,418,124
2011	7,871,392 <sup>(4)</sup>	59,343 <sup>(3)</sup>	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 <sup>(5)</sup>	105,044	4,014,946	1,743,745
2015	8,676,206	133,186	4,371,358	1,823,481
2016	9,409,584	129,075	4,381,245	1,948,090
2017	9,808,840	190,764	4,501,181	2,203,406

Note (1): Franchise tax audit of previous year's receipts resulted in additional collections in fiscal year 2008.

Note (2): Significant decrease due to economic decline experienced in FY09.

Note (3): 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 (4): General Fund millage rate was increased to provide funding for increased Public Safety fire protection.

Note (5): Tax reform, Title Ad Valorem Tax (TVAT), effective March 1, 2013, created a new system for taxing motor vehicles in Georgia. Revenue is now in the form of a property tax and sales are now exempt from sales tax.

<b>Occupational Tax</b>	<b>Alcoholic Beverages Tax</b>	<b>Hotel/Motel Tax</b>	<b>Local Option Sales Tax</b>	<b>Total</b>
1,354,234	1,056,980	479,684	5,829,689	21,931,347
1,288,785	1,000,788	473,047	4,799,932 <sup>(2)</sup>	21,030,163
1,114,317	942,016	444,852	4,943,847	20,073,154
1,111,954	999,642	517,456	5,030,213	21,039,421
1,139,926	994,573	563,902	5,259,684	21,205,179
1,199,374	979,409	591,793	5,300,279	21,798,180
1,263,534	1,022,245	715,260	4,983,807 <sup>(5)</sup>	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	24,559,912
1,373,680	1,166,259	929,035	5,439,313	25,612,478

**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			Digest Adjustments
		Inventory/ Business Property	Motor Vehicles	Utilities	
2008	2,708,669,033	1,127,841,625	172,420,095	57,712,475	(470,958,834)
2009	2,802,790,740	1,090,115,928	175,754,045	58,663,685	(390,055,794)
2010	2,827,936,920	958,733,945	183,722,440	64,903,013	(314,926,076)
2011	2,809,905,328	842,398,443	156,029,890	56,924,528	(224,302,316)
2012	2,626,851,558	845,534,643	153,096,940	68,615,798	(260,718,939)
2013	2,483,471,963	891,542,860	159,990,090	72,487,558	(336,283,393)
2014	2,398,619,850	969,047,745	172,898,560 <sup>(4)</sup>	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 <sup>(4)</sup>	86,348,763	(298,500,191)
2017	3,036,116,245	1,102,797,493	87,802,225 <sup>(4)</sup>	79,112,033	(329,203,623)

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

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

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

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

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

<b>Exemption Adjustments</b>	<b>Total Taxable Assessed Value<sup>(1)</sup></b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
(27,784,000) <sup>(2)</sup>	3,567,900,394	2.66	3,567,900,394	100%
(29,134,000) <sup>(2)</sup>	3,708,134,604	2.66	3,708,134,604	100%
(550,000) <sup>(3)</sup>	3,719,820,242	2.66	3,719,820,242	100%
(550,000)	3,640,405,873	2.92	3,640,405,873	100%
(800,000)	3,432,580,000	2.92	3,432,580,000	100%
(800,000)	3,270,409,078	3.06	3,270,409,078	100%
(1,234,240)	3,277,975,263	3.06	3,277,975,263	100%
(1,486,210)	3,578,430,411	3.02	3,578,430,411	100%
(1,902,555)	3,918,327,437	2.98	3,918,327,437	100%
(2,210,476)	3,974,413,897	2.98	3,974,413,897	100%

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

Tax Year	Fiscal Year	City of Gainesville			Total City Millage
		Operating Millage	Recreation Millage	Debt Service Millage	
2007	2008	1.43	0.75	0.48	2.66
2008	2009	1.43	0.75	0.48	2.66
2009	2010	1.43	0.75	0.48	2.66
2010	2011	1.69	0.75	0.48	2.92
2011	2012	1.69	0.75	0.48	2.92
2012	2013	1.77	0.79	0.50	3.06
2013	2014	1.77	0.79	0.50	3.06
2014	2015	1.75	0.78	0.49	3.02
2015	2016	1.63	0.75	0.60	2.98
2016	2017	1.63	0.75	0.60	2.98

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

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

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

Overlapping Rates						
Gainesville City Schools			State of Georgia	Hall County		Total Direct & Overlapping Rates
Operating Millage	Debt Service Millage	Total School Millage		Operating Millage	Total County Millage	
6.62	0.34	6.96	0.25	6.26	6.26	16.13
7.42	0.39	7.81	0.25	6.25	6.25	16.97
7.41	0.30	7.71	0.25	6.25	6.25	16.87
7.39	0.30	7.69	0.25	6.25	6.25	17.11
7.39	0.00	7.39	0.25	6.25	6.25	16.81
7.59	0.00	7.59	0.25	6.25	6.25	17.15
7.59	0.00	7.59	0.15	6.25	6.25	17.05
7.59	0.00	7.59	0.15	6.25	6.25	17.01
6.89	0.00	6.89	0.05	5.74	5.74	15.66
6.85	0.00	6.85	0.00	5.72	5.72	15.55

**CITY OF GAINESVILLE, GEORGIA**  
**PRINCIPAL TAXPAYERS**  
**June 30, 2017**

Taxpayer	Fiscal Year 2017			Fiscal Year 2008		
	Taxable Assessed Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Assessed Value
Kubota Manufacturing of America Corporation/	\$ 105,596,793	1	2.66%	\$ 213,777,765	1	5.99%
Cargill, Inc.	97,023,089	2	2.44%	70,293,685	2	1.97%
Fieldale Farms Corporation (Queen City Foods)	44,539,255	3	1.12%	32,661,832	7	0.92%
ZF Industries, Inc.	43,622,362	4	1.10%	47,049,775	4	1.32%
Merial Select	41,948,508	5	1.06%			
Pilgrims Pride formerly ConAgra	36,538,328	6	0.92%	39,732,687	5	1.11%
Ace Hardware Corporation	34,879,615	7	0.88%	48,268,929	3	1.35%
Georgia Power	34,014,959	8	0.86%		NR*	
Recro Gainesville LLC (Pharmaceutical)	30,549,127	9	0.77%		NR*	
Marel Stork Poultry Processing Inc.	28,820,428	10	0.73%		NR*	
Hayes Lemmerz Intl GA, Inc. (Western Wheel Georgia, Inc.)				33,401,952	6	0.94%
Caradon Peachtree, Inc. (Peachtree Doors)				30,560,241	8	0.86%
Colonial Realty Limited Part. (Camelot Real Estate Corp.)				30,491,369	9	0.85%
Bell South Communications				18,538,086	10	0.52%
Total	<u>\$ 497,532,464</u>		<u>12.54%</u>	<u>\$ 564,776,321</u>		<u>15.83%</u>

Source: Tax Year 2016 and 2007 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
2008	9,490,615	41,726	9,308,622	97.65%	223,719	9,532,341	100.00%
2009	9,877,359	(1,972)	9,636,926	97.59%	238,461	9,875,387	100.00%
2010	9,894,722	(67,104)	9,579,640	97.48%	247,973	9,827,613	100.00%
2011	10,629,985	(190,452)	10,239,192	98.08%	181,796	10,420,988	99.82%
2012	10,023,134	(306,070)	9,518,471	97.96%	186,659	9,705,130	99.88%
2013	9,294,659	340,979	9,333,018	96.86%	293,480	9,626,498	99.91%
2014	9,272,596	274,298	9,363,036	98.07%	174,201	9,537,237	99.90%
2015	10,039,209	(80,133)	9,762,578	98.03%	185,786	9,948,364	99.89%
2016	11,053,043	(144,029)	10,829,944	99.28%	56,465	10,886,409	99.79%
2017	11,346,349	20,525	11,280,816	99.24%		11,280,816	99.24%

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, 2017**

Commodity	2016			2006		
	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
Food	\$ 6,691,072	1	22.15%	\$ 7,140,985	1	24.25%
General	3,959,890	2	13.11%	3,686,111	3	12.52%
Other Retail	3,833,900	3	12.69%	2,912,970	5	9.89%
Wholesale	3,749,883	4	12.42%		NR*	0.00%
Home	2,718,060	5	9.00%	1,811,969	7	6.15%
Miscellaneous Service	2,577,843	6	8.54%	1,780,891	8	6.05%
Utilities	2,144,021	7	7.10%	2,339,924	6	7.95%
Manufacturer	1,731,562	8	5.73%	1,307,576	9	4.44%
Auto	1,340,201	9	4.44%	5,275,559	2	17.91%
Other Services	639,716	10	2.12%		NR*	0.00%
Accommodations	567,261	11	1.88%		NR*	0.00%
Construction	249,186	12	0.83%	3,193,611	4	10.84%
Total	<u>\$ 30,202,595</u>		<u>100.00%</u>	<u>\$ 29,449,596</u>		<u>100.00%</u>

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, 2017**

<b>Customer</b>	<b>Type of Business</b>	<b>Total Water Billings</b>	<b>Total Sewer Billings</b>	<b>Total Billings</b>	<b>Percentage of System Revenues</b>
Fieldale Farms Corporation	Manufacturer - Poultry Products	\$ 3,396,209	\$ 6,829,993	\$ 10,226,203	14.87%
Pilgrim's Pride	Manufacturer - Poultry Products	1,340,695	3,873,971	5,214,666	7.58%
Mar-Jac Poultry, Inc.	Manufacturer - Poultry Products	1,369,757	3,499,438	4,869,196	7.08%
NE GA Health Systems	Hospital	479,126	709,499	1,188,624	1.73%
Hall County Commissioners	Local Government	258,778	550,533	809,311	1.18%
Cargill, Inc.	Manufacturer - Soybean Products	283,251	266,010	549,262	0.80%
John Soules Acquisitions LLC (Pro View Foods)	Manufacturer - Meat Products	154,710	445,735	600,445	0.87%
North GA Linen Service	Service	197,431	288,343	485,774	0.71%
Kings Delight	Food Further Processing	202,405	270,710	473,116	0.69%
Shasta Beverages Inc.	Manufacturer- Beverages	215,523	238,601	454,124	0.66%
Total		<u>\$ 7,897,885</u>	<u>\$ 16,972,833</u>	<u>\$ 24,870,718</u>	<u>36.16%</u>

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)**

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita <sup>(1)</sup>
	General Obligation Bonds	Capital Leases	Water & Sewer Bonds	Notes Payable	Capital Leases			
2008	2,690,000	12,581,284	119,110,185	119,221,083	37,454,530	291,057,082	29.74%	8,359
2009	1,840,000	45,469,691 <sup>(1)</sup>	112,067,258	125,581,156	35,756,155	320,714,260	30.35%	8,992
2010	945,000	42,862,532	104,719,329	119,786,181	34,048,349	302,361,391	28.01%	8,458
2011	0	35,737,268	97,030,523	113,800,132	32,321,761	278,889,683	28.41%	8,250
2012	0	28,964,712	89,089,423	107,536,775	30,575,173	256,166,083	24.16%	7,442
2013	0	29,451,699	80,918,760	101,142,593	28,945,860	240,458,912	21.60%	6,913
2014	0	20,872,774	72,356,947	94,539,646	27,094,798	214,864,165	18.44%	6,047
2015	0	21,998,379	155,139,294	- <sup>(2)</sup>	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

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
See the Schedule of Demographic and Economic Statistics on Exhibit L-19 for personal income and population data.

Note (1): Increase due to capital leases issued for Public Safety Facilities (\$27,022,224) and Georgia Mountain Center Parking Garage (\$6,308,832).

Note (2): 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**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Estimated Actual Taxable Value of Property<sup>(1)</sup></b>	<b>Per Capita<sup>(2)</sup></b>
2008	2,690,000	0.08%	77.26
2009	1,840,000	0.05%	51.59
2010	945,000	0.03%	26.43
2011	0	0.00%	0
2012	0	0.00%	0
2013	0	0.00%	0
2014	0	0.00%	0
2015	0	0.00%	0
2016	0	0.00%	0
2017	0	0.00%	0

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.



**CITY OF GAINESVILLE, GEORGIA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2017**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Available</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Gainesville City Schools	\$ 32,512,501	100%	\$ 32,512,501
Hall County	2,171,633	19%	412,610
Subtotal, overlapping debt			<u>32,925,112</u>
City of Gainesville direct debt			<u>19,267,230</u>
Total direct and overlapping debt			<u><u>\$ 52,192,342</u></u>

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			
	2008	2009	2010	2011
Debt Limit	\$ 406,664,323	\$ 412,732,440	\$ 403,529,632	\$ 386,525,819
Total net debt applicable to limit	13,668,320	43,267,440 <sup>(1)</sup>	42,514,285	34,302,996
Legal debt margin	<u>\$ 392,996,003</u>	<u>\$ 369,465,000</u>	<u>\$ 361,015,347</u>	<u>\$ 352,222,823</u>
Total net debt applicable to the limit as a percentage of debt limit	3.36%	10.48% <sup>(1)</sup>	10.54%	8.87%

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.

Note (1): Increase due to the addition of the Public Safety facility and Georgia Mountains Center deck debt issued in fiscal year 2009.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 369,409,894	\$ 360,749,247	\$ 361,538,289	\$ 389,205,108	\$ 421,873,018	430,582,800
27,431,657	20,877,219	15,770,863	15,289,643	14,030,339	17,309,944
<u>\$ 341,978,237</u>	<u>\$ 339,872,028</u>	<u>\$ 345,767,426</u>	<u>\$ 373,915,465</u>	<u>\$ 407,842,679</u>	<u>\$ 413,272,856</u>
7.43%	5.79%	4.36%	3.93%	3.33%	4.02%

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

Total Assessed value	\$ 4,305,827,996
Debt limit (10% of total assessed value)	430,582,800
Debt applicable to limit:	
General obligation debt	19,267,230
Less: Amount set aside for repayment of general obligation debt	(1,957,286)
Total net debt applicable to limit	<u>17,309,944</u>
Legal debt margin	<u>\$ 413,272,856</u>



**CITY OF GAINESVILLE, GEORGIA  
 PLEDGED-REVENUE COVERAGE  
 DEPARTMENT OF WATER RESOURCES  
 LAST TEN FISCAL YEARS**

Department of Water Resources Revenue Bonds						
Fiscal Year	Gross Revenue <sup>(1)</sup>	Less:	Net	Debt Service		Coverage
		Operating Expenses <sup>(2)</sup>	Available Revenue	Principal	Interest <sup>(3)</sup>	
2008	52,331,461	21,519,732	30,811,729	6,545,000	5,832,260	2.49
2009	48,470,453	24,353,036	24,117,417	6,845,000	5,177,138	2.01
2010	52,531,389	24,141,817	28,389,572	7,150,000	4,865,079	2.36
2011	57,629,294	23,713,795	33,915,499	7,470,000	4,540,916	2.82
2012	59,739,770	24,261,826	35,477,944	7,710,000	4,174,996	2.99
2013	59,662,895	23,442,197	36,220,698	7,955,000	3,768,351	3.09
2014	62,860,604	26,083,825	36,776,779	8,360,000	3,368,156	3.14
2015	68,485,989	24,660,926	43,825,063	8,740,000	4,396,256	3.34
2016	72,032,080	26,866,263	45,165,817	8,140,000	6,271,250	3.13
2017	77,874,539	27,479,460	50,395,079	15,940,000 <sup>(4)</sup>	5,658,796	2.33

Note (1): Gross revenue is comprised of operating revenue, connection fees, and interest on investments.

Note (2): Total operating expenses exclusive of depreciation.

Note (3): FY2007 - 2009 presented on accrual basis.

Note (4): New refunding bond issues included GEFA notes payable that were not included in prior year totals

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

<b>Fiscal Year</b>	<b>City of Gainesville Population<sup>(a)</sup></b>	<b>Estimated City of Gainesville Personal Income (amounts expressed in thousands)<sup>(b)</sup></b>	<b>Hall County Per Capita Personal Income<sup>(c)</sup></b>	<b>Gainesville City Public School Enrollment<sup>(d)</sup></b>	<b>Hall County Unemployment Rate<sup>(e)</sup></b>
2008	34,818	978,734	28,110	6,361	5.3%
2009	35,668	1,056,593	29,623	6,538	9.6%
2010	35,750	1,079,471	30,195	6,977	9.2%
2011	33,804	981,601	29,038	7,145	8.9%
2012	34,422	1,060,404	30,806	7,464	7.5%
2013	34,786	1,113,187	32,001	7,702	7.6%
2014	35,533	1,165,092	32,789	7,983	6.4%
2015	36,306	1,232,407	33,945	8,056	4.8%
2016	38,712	1,373,928	35,491	7,973	4.2%
2017	40,000	1,505,480	37,637	7,997	4.2%

Source (a): Fiscal year 2007-2010, 2012-2013 are estimates and fiscal year 2011 is based on 2010 Census provided by the U.S. Census Bureau. Fiscal year 2014-2017 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, 2017**

<u>Employer</u>	2017			2008		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Northeast Georgia Medical Center	7,900	1	8.99%	4,700	1	5.64%
Fieldale Farms	2,550	2	2.90%	2,520	2	3.03%
Pilgrims Pride	1,380	3	1.57%	1,560	3	1.87%
Victory Processing LLC	1,310	4	1.49%		NR*	
Kubota Manufacturing of America	1,300	5	1.48%	860	7	1.03%
Mar-Jac	1,250	6	1.42%	1,270	4	1.53%
ZF Gainesville, LLC	1,150	7	1.31%		NR*	
Cottrell, Inc.	990	8	1.13%		NR*	
Gold Creek Foods	980	9	1.11%		NR*	
Wal-Mart	970	10	1.10%		NR*	
Total	<u>19,780</u>		<u>22.50%</u>	<u>10,910</u>		<u>13.09%</u>

Source: Greater Hall Chamber of Commerce.

Note (1): Excludes governmental and educational employers.

\* Not Ranked

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

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Primary government</b>										
General Government	46	41	45	46	48	51	50	51	51	53
Judicial	8	8	7	8	8	10	10	10	10	10
Public Safety										
Police	122	115	113	113	113	113	114	114	114	116
Fire	83	81	102	103	103	103	103	103	103	103
Code Enforcement	7	5	3	3	3	5	4	4	4	4
Public Works	63	54	53	52	54	53	53	55	55	59
Health and Welfare	49	49	45	47	39	37	32	32	32	40
Culture and Recreation	11	10	7	7	5	0	0	0	0	0
Housing and Development	22	18	17	17	17	13	13	13	13	13
General Insurance	2	2	0	0	0	0	0	0	0	0
Vehicle Services	5	5	5	5	6	6	6	6	6	6
Water and Sewer	253	231	225	229	229	229	230	233	233	233
Solid Waste	31	24	24	24	24	24	24	24	24	24
Golf Course	13	13	7	4	4	4	4	4	4	4
<b>Total primary government</b>	<b>715</b>	<b>656</b>	<b>653</b>	<b>658</b>	<b>653</b>	<b>648</b>	<b>643</b>	<b>649</b>	<b>649</b>	<b>665</b>
<b>Component unit</b>										
City of Gainesville										
Parks and Recreation										
Culture and Recreation	38	37	36	36	37	37	38	39	39	37
Gainesville Convention and Visitor's Bureau										
Housing and Development	0	0	0	0	0	0	0	4 <sup>(1)</sup>	4	4
<b>Total Component units</b>	<b>38</b>	<b>37</b>	<b>36</b>	<b>36</b>	<b>37</b>	<b>37</b>	<b>38</b>	<b>43</b>	<b>43</b>	<b>41</b>
<b>Total employees</b>	<b>753</b>	<b>693</b>	<b>689</b>	<b>694</b>	<b>690</b>	<b>685</b>	<b>681</b>	<b>692</b>	<b>692</b>	<b>706</b>

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**

Function	Fiscal Year			
	2008	2009	2010	2011
Police				
Number of citations issued	13,585	11,394 <sup>(1)</sup>	12,307	13,671
Number of calls for service	76,555	74,329	75,866	67,879
Fire				
Number of calls answered	5,998	5,901	6,020	6,566
Number of inspections conducted	2,607	2,631	2,848	1,439
Highways and streets				
Square feet of sidewalks replaced	14,040	2,351 <sup>(1)</sup>	3,552 <sup>(1)</sup>	445 <sup>(1)</sup>
Linear feet curb and gutter installed	2,091	1,071	217	50
Sanitation				
Refuse collected (tons)	5,320	5,261	5,015	4,897
Recyclables collected (tons)	799	653	688	657
Culture and Recreation				
Enrolled in youth athletics	1,741	1,173 <sup>(1)</sup>	1,139	1,507
Civic Center/Cabin rentals	1,579	823 <sup>(1)</sup>	969	992
Water System (MGD -Millions of Gallons per Day)				
Number of service connections	49,783	46,550 <sup>(1)</sup>	46,674	46,632
Daily average consumption in gallons	17.86 MGD	16.56 MGD	17.13 MGD	17.64 MGD
Sewer System (MGD -Millions of Gallons per Day)				
Number of service connections	9,683	8,896 <sup>(1)</sup>	8,840	8,716
Daily average treatment in gallons	7.80 MGD	8.00 MGD	9.20 MGD	8.50 MGD

Source: Various City Departments.

Note (1): Numbers are lower than preceding years due to declining economy.

Fiscal Year					
2012	2013	2014	2015	2016	2017
9,306	11,353	11,622	9,734	12,060	13,431
63,839	62,744	60,380	70,534	68,007	68,952
6,962	7,031	7,174	7,814	8,108	8,592
1,725	1,325	1,862	2,019	3,850	3,543
9,063	4,500	11,727	8,217	2,562	2,360
698	211	544	241	329	227
4,743	4,857	4,989	5,374	5,791	6,392
726	759	794	772	697	858
1,553	1,398	1,424	1,181	1,388	2407
1,068	1,223	1,169	1,230	991	879
47,018	47,892	53,676	55,274	50,950	54,572
17.7 MGD	16.74 MGD	16.74 MGD	16.74 MGD	17.40 MGD	18.69 MGD
8,847	9,157	10,977	11,580	10,020	10,687
8.1 MGD	8.50 MGD	8.90 MGD	8.00 MGD	9.1 MGD	9 MGD

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

Function	Fiscal Year			
	2008	2009	2010	2011
Public safety				
Number of police stations	5	5	3	2 <sup>(1)</sup>
Number of fire stations	4	4	4	4
Solid Waste				
Collection Trucks	9	9	9	9
Highways and streets				
Miles of streets	136	136	136	136
Miles of storm sewers	20.11	20.20	20.20	20.20
Number of street lights	2,340	2,380	2,414	2,627
Culture and Recreation				
Community/Civic Centers	8	8	2	2
Parks	22	21	21	21
Park acreage	443+	444+	445	445
Golf courses	1	1	1	1
Swimming pools	1	5	5	5
Baseball/Softball fields	9	9	10	10
Soccer fields	10	9	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	1,302	1,310	1,315	1,344
Number of fire hydrants	7,843	8,538	8,719	8,803
Number of water treatment plants	2	2	2	2
Maximum daily capacity of treatment plants in gallons	35 MGD	35 MGD	35MGD	35 MGD
Sewer System:				
Miles of sanitary sewers	271	278	280	280
Number of wastewater treatment plants	2	2	2	2
Maximum daily capacity of treatment plants in gallons	17 MGD	17 MGD	17 MGD	17 MGD

Source: Various City Departments.

Note (1): Elimination of Community Police Precincts in Housing Developments during FY11.

Note (2): Increase in acreage is due to the addition of the Allen Creek Park Complex.

Fiscal Year					
2012	2013	2014	2015	2016	2017
2	2	2	2	2	2
4	4	4	4	4	4
10	10	12	13	13	13
136	136	140	140	141	143
20.47	20.47	20.49	20.52	20.81	21.68
2,694	2,700	2,676	2,639	2,679	2,668
2	2	2	2	2	2
21	22	22	22	22	22
445	450+	450+	450+	454+	644+ <sup>(2)</sup>
1	1	1	1	1	1
5	5	4	4	4	4
11	11	10	10	10	10
10	10	10	10	10	10
1	1	2	2	2	2
16	16	15	15	15	15
1,344	1,344	1,355	1,363	1,372	1,390
8,855	8,735	8,772	8,838	8,885	9,096
2	2	2	2	2	2
35 MGD	35 MGD	35 MGD	35 MGD	35 MGD	35 MGD
286	286	289	291	294	301
2	2	2	2	2	2
17 MGD	17 MGD	17 MGD	17 MGD	17 MGD	21.25 MGD



**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES**  
**WATER RATES AND MINIMUM DEMAND CHARGES**  
**JUNE 30, 2017**

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**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 <sup>(1)</sup>	\$ 5.06 per 100 cf <sup>(1)</sup>

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, 2017**

**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 TAPPING, CONNECTION AND ADMINISTRATIVE FEES**  
**JUNE 30, 2017**

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**Sewer Tapping Fees:**

For a six inch (6") service line serving a single dwelling or commercial unit the cost is \$900.

Service lines over 6" shall be charged an additional fee at actual cost per inch.

**Sewer Connection and Administrative Fees:**

Size of Sewer (Meter Inches)	Connection	Administrative
3/4 inch	\$ 3,570	\$ 107
1 inch	8,925	267
1 1/2 inch	17,850	535
2 inch	28,560	856
3 inch	57,120	1,713
4 inch	89,250	2,677
6 inch	178,500	5,355
8 inch	285,600	8,568

The sewer connection and administrative fees shall be in addition to the cost of the meter and water and sewer tapping fees.

Note: This information is included to comply with continuing disclosure requirements of 2005, 2006, 2014, 2015, and 2016 Water and Sewerage bond issues.

**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES**  
**SEWER RATES AND CHARGES**  
**JUNE 30, 2017**

**Sewer Rates (Monthly Charges by Volume):**

	<u>Inside City Limits</u>	<u>Outside City Limits</u>	<u>Oakwood</u>
Commodity charge Per Cubic Foot	\$ 7.39	\$ 7.39	\$ 7.54

**Industrial Surcharges:**

<u>Pollutant</u>	<u>Concentration (mg/l)</u>	<u>Surcharge (dollars per mg/l per 100 cubic feet)</u>
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 91% of monthly metered water consumption.

Commercial, Industrial and Multi-Unit sewer charges are based on 100% of monthly water meter readings.

Note: This information is included to comply with continuing disclosure requirements of 2005, 2006, 2014, 2015, and 2016 Water and Sewerage bond issues.

**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES CAPITAL IMPROVEMENTS**  
**LAST TEN FISCAL YEARS**

Year	Total Cost of Capital Improvements	Funding Sources	
		System Revenues and Capital Contributions	Debt Proceeds and Investment Earnings
2008	12,910,399	10,248,858	2,661,541
2009	14,771,610	14,505,829	265,781
2010	11,853,472	11,853,472	0
2011	8,284,333	8,284,333	0
2012	9,688,399	9,688,399	0
2013	10,633,627	10,633,627	0
2014	7,643,488	7,643,488	0
2015	4,840,617	4,840,617	0
2016	8,136,724	8,136,724	0
2017	13,052,152	13,052,152	0

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, 2017**

	<u>Amount</u>	
<b>Property Coverage</b>		
Blanket building and contents (\$10,000 deductible)	Replacement Cost <sup>(1)</sup>	
Flood (\$50,000 deductible)	\$ 5,000,000	
Equipment Breakdown (\$10,000 deductible)	\$ 100,000	
Automobile (Fire Trucks 1994 or newer) (\$5,000 deductible)	Actual cash value	(\$5,766,842)
Inland Marine (Contractor's Equipment) (\$2,500 deductible)	Actual cash value	(\$5,564,825)
EDP Equipment (\$10,000 deductible)	Replacement Cost	(\$1,870,164)
<b>Casualty</b>		
General Liability <sup>(2)</sup>		
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)	<sup>(3)</sup> \$ 1,000,000	per occurrence
Employee benefits (\$1,000 deductible)	\$ 1,000,000	per occurrence
Employment Practices Liability benefits (\$25,000 deductible)	<sup>(3)</sup> \$ 1,000,000	per occurrence
Automobile Liability		
Single limit liability (\$10,000 deductible)	\$ 1,000,000	
<b>Public Employee Dishonesty</b> (\$1,000 deductible)	\$ 500,000	
<b>Airport Liability</b> (\$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 \$254,483,329.

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 Estimated Value	Number of Commercial Permits	Total Estimated Value
	Single Family	Multi-Family <sup>(1)</sup> / Number of Units			
2007	998	0	188,443,350	60	38,534,400
2008	303	0	54,999,600	52	14,583,500 <sup>(2)</sup>
2009	180	1	29,629,500	50	10,319,500 <sup>(2)</sup>
2010	152	0	23,615,800	24	11,775,300 <sup>(2)</sup>
2011	140	0	23,159,500	17	4,653,000 <sup>(2)</sup>
2012	167	0	28,447,800	17	3,873,000 <sup>(2)</sup>
2013	264	0	47,710,100	26	132,020,900 <sup>(3)</sup>
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

**City of Gainesville**

	Number of Residential Permits		Total Estimated Value	Number of Commercial Permits	Total Estimated Value
	Single Family	Multi-Family <sup>(1)</sup> / Number of Units			
2007	275	5/25	37,531,000	50	68,250,000
2008	51	0	6,815,850	33	32,348,400 <sup>(2)</sup>
2009	19	0	4,431,080	25	55,633,500 <sup>(2)</sup>
2010	35	0	5,544,591	12	31,119,415 <sup>(2)</sup>
2011	45	0	7,086,101	14	19,138,000 <sup>(2)</sup>
2012	122	2/88	29,873,617	7	18,033,377 <sup>(2)</sup>
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 <sup>(4)</sup>	31	58,129,477

Source: Hall County Building and Zoning Department.

Note (1): Multifamily housing includes duplexes, triplexes, and apartment buildings.

Note (2): Economic decline contributed to decreased numbers beginning in 2008.

Note (3): Northeast Georgia Medical Center acquired permits for new hospital in Braselton and new medical office building.

Note (4): A 55.97% growth was due to an increase in multi-family housing projects and single-family dwelling permits.

**CITY OF GAINESVILLE, GEORGIA**  
**MISCELLANEOUS STATISTICS**

*Source: Various city departments and local institutions*

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Date of Incorporation	1821
Form of Government	Council/Manager
City Population (2016 Estimate)	40,000
Hall County Population, including City (2015 Estimate)	193,535
Area of City in square miles	34.37
Number of full time employees	665

**Government facilities and services:**

**Public Safety:**

ISO Fire Classification	Class I
Number of fire personnel and officers	103
Number of police personnel and officers	117
Number of police patrol units	83

**Facilities and services not included in the reporting entity:**

**Education:**

Number of elementary schools	5
Number of elementary school instructors	286
Number of middle schools	1
Number of middle school instructors	106
Number of secondary schools	1
Number of secondary school instructors	132
Number of technical institutions (in Hall County, outside City)	1
Number of universities	2

**Hospitals:**

Number of hospitals	1
Number of patient beds	657

**Bond Rating (Moody's):**

General Obligation Bonds	Aa2
Revenue Bonds	Aa2

Note: Some of the Miscellaneous Statistical information that was included on this schedule in previous years is now included on the Operating Indicators by Function and Capital Asset Statistics by Function schedules.





***SINGLE AUDIT SECTION***



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

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, 2017, 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 December 12, 2017.

**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  
December 12, 2017

## **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, 2017. 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, 2017.

### **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.

*Rushon & Company, LLC*

Certified Public Accountants

Gainesville, Georgia  
December 12, 2017

**CITY OF GAINESVILLE, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the fiscal year ended June 30, 2017**

<b>Federal Grant/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass- Through Number</b>	<b>Total Federal Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Housing and Urban Development</b>				
CDBG - Entitlement Grants Cluster				
Community Development Block Grant/Entitlement Grants	14.218	N/A	\$ 721,239	
Passed through Georgia Department of Community Affairs				
Home Investment Partnerships Program	14.239	2012-850	4,362	\$ 4,362
		2014-912	166,392	166,392
		SF2014-102	283,601	
			<u>454,355</u>	<u>170,754</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>1,175,594</u>	<u>170,754</u>
<b>U.S. Department of Justice</b>				
Bulletproof Vest Partnership Program	16.607	N/A	6,426	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	6,241	
Equitable Sharing for State and Local Law Enforcement Agencies	16.922	N/A	<u>69,778</u>	
<b>Total U.S. Department of Justice</b>			<u>82,445</u>	
<b>U.S. Department of Transportation</b>				
Passed through the Georgia Department of Transportation:				
Airport Improvement Program	20.106	AP016-9029-32(139)	443,872	
		AP017-9031-33(139)	113,172	
		AP018-90XX-34(139)	<u>70,941</u>	
			<u>627,985</u>	
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	PI0015224	<u>28,767</u>	
Federal Transit Cluster				
Federal Transit - Formula Grants	20.507	T005842	360,438	
		T005539	38,680	
		T005842	<u>55,709</u>	
Total Federal Transit Cluster			<u>454,827</u>	
Highway Safety Cluster				
State and Community Highway Safety	20.600			
Passed through the Georgia Office of Highway Safety		GA-2017-402PT-144	72,811	
Passed through Hall County, Georgia		TEN-2016-174-00303	<u>9,902</u>	
Total Highway Safety Cluster			<u>82,713</u>	
<b>Total U.S. Department of Transportation</b>			<u>1,194,292</u>	
<b>U.S. Department of Health and Human Services</b>				
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	220,840	
		Gainesville - Title III, C2	<u>86,975</u>	
			<u>307,815</u>	
Nutrition Services Incentive Program	93.053	Gainesville - NSIP	<u>80,197</u>	
Total Aging Cluster of Programs			<u>388,012</u>	
Passed through Legacy Link, Inc.:				
Social Services Block Grant	93.667	Gainesville - SSBG	<u>29,225</u>	
<b>Total U.S. Department of Health and Human Services</b>			<u>417,237</u>	



**CITY OF GAINESVILLE, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the fiscal year ended June 30, 2017**

<u>Federal Grant/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Number</u>	<u>Total Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
<b>U.S. Department of Homeland Security</b>				
Passed through the Georgia Emergency Management Agency: Disaster Grants - Public Assistance - (Presidentially Declared Disasters)	97.036	FEMA-4215-DR-GA FEMA-3379-FM	\$ 19,150 12,028 <u>31,178</u>	
Homeland Security Grant Program	97.067	EMW-2015-SS-00065-S01 EMW-2016-SS-00007-S01	19,590 2,774 <u>22,364</u>	
<b>Total U.S. Department of Homeland Security</b>			<u>53,542</u>	
<b>Total Expenditures of Federal Awards</b>			<u>\$ 2,923,110</u>	<u>\$ 170,754</u>

**CITY OF GAINESVILLE, GEORGIA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the fiscal year ended June 30, 2017**

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**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 fiscal year ended June 30, 2017. 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 Principles, 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 OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or 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.

**CITY OF GAINESVILLE, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the fiscal year ended June 30, 2017**

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**1. Summary of the Auditor's Results**

**A. Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Noncompliance material to financial statements noted?	None reported

**B. Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported
Identification of major programs:	
20.106 Airport Improvement Program	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**CITY OF GAINESVILLE, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the fiscal year ended June 30, 2017**

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**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, 2017**

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b>SPLOST VII</b>					
Public Safety Fire Station	\$ 3,750,000	\$ 3,750,000	\$ 5,900	\$ 7,797	\$ 13,697
Public Safety Fire Vehicle	1,500,000	1,500,000	384,661	956,318	1,340,979
Roads, Bridges, Stormwater	11,738,816	11,738,816	89,519	1,398,278	1,487,797
Youth Sports Athletic Complex	6,750,000	6,750,000	0	114,441	114,441
Park Improvements	250,000	250,000	0	0	0
Senior Life Center Building	1,500,000	1,500,000	0	225,522	225,522
Total	<u>\$ 25,488,816</u>	<u>\$ 25,488,816</u>	<u>\$ 480,080</u>	<u>\$ 2,702,356</u>	<u>\$ 3,182,436</u>

\* 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.







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