



CITY OF
GAINESVILLE
FINANCIAL SERVICES

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2020**

CITY OF GAINESVILLE, GEORGIA
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020



GAINESVILLE

CITY OF GAINESVILLE, GEORGIA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

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



GAINESVILLE

CITY OF GAINESVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2020

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OFFICIALS OF THE CITY OF GAINESVILLE

LEGISLATIVE BRANCH

CITY COUNCIL

Danny Dunagan	Mayor
Sam Couvillon (WARD 1)	Council Member
Zack Thompson (WARD 2)	Council Member
Barbara B. Brooks (WARD 3)	Council Member
George Wangemann (WARD 4)	Council Member
Juli Clay (WARD 5)	Council Member

OFFICERS OF THE COUNCIL

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

JUDICIAL BRANCH

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

EXECUTIVE BRANCH

CITY MANAGER AND DEPARTMENT DIRECTORS

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



Government Finance Officers Association

Certificate of
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for Excellence
in Financial
Reporting

Presented to

**City of Gainesville
Georgia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

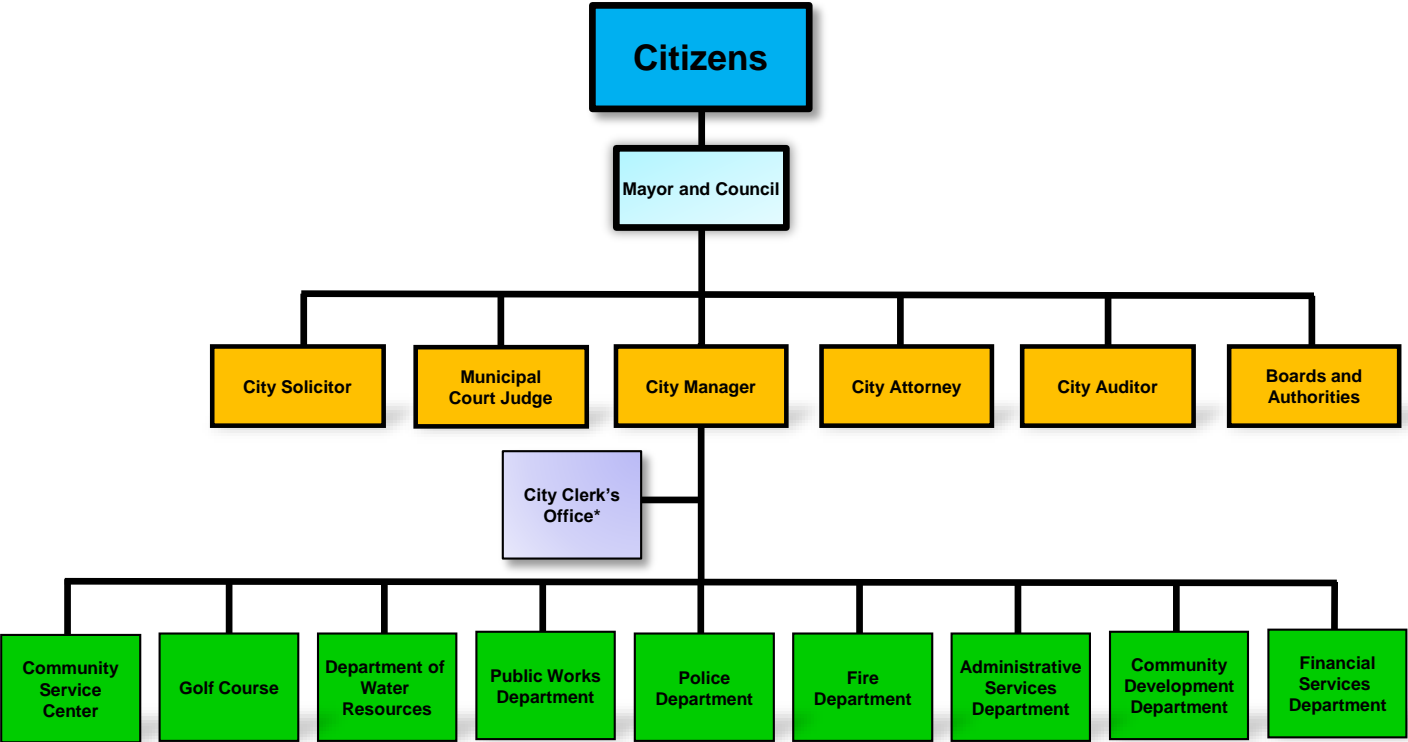
Christopher P. Morill


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

PO BOX 2496 GAINESVILLE, GA 30503

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November 20, 2020

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, 2020. State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. These statements are to be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we submit this report for your consideration.

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

Rushton and Company, LLC, a firm of certified public accountants, has audited the City of Gainesville's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Gainesville for the fiscal year ended June 30, 2020, 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, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

The City of Gainesville is located in Northeast Georgia, approximately 50 miles north-east 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 2019 show Gainesville and Hall County's population at 43,232 and 204,441, respectively, with over 150,000 people either living or employed in the City during workday hours. The City of Gainesville is empowered to levy a property tax on real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

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

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

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

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

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



Food Truck Friday at Lake Lanier Olympic Park

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 2020 Milliken Institute study placed Gainesville as the 8th best performing small city in America; based on salary and employment growth. Despite the development of the COVID-19 virus into an international pandemic, Gainesville has continued to develop its economy and retain industry based growth. The COVID-19 pandemic has challenged local businesses to adapt to new safety protocols while still producing goods and services both domestically and internationally.

The Gainesville community continues to see impressive growth in both manufacturing and retail sectors. Fiscal year 2020 was another year of substantial capital investment reported by the Greater Hall Chamber of Commerce. More than 785 jobs are anticipated from the 13 new and existing projects reported for the Gainesville/Hall County area, with a total investment of over \$267 million. Several of these projects are multi-year projects where investment and job creation will take place over a number of years, creating an ongoing positive ripple effect.

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

Gainesville-Hall County’s designation as a leading Food and Agribusiness employer continues in 2020. Hall County’s poultry and manufacturing sectors has by far the highest economic impact in the state. In a 2016 report by Gartner, Gainesville-Hall MSA ranked as the highest concentrated metro area for food manufacturing and processing in the United States, with over 10,000 employees.

Also, downtown Gainesville continues to flourish as popular restaurants and a mix of both trendy and traditional retail establishments dot the brick lined sidewalks of what is known as the City’s historic “Downtown Square”. Main Street Gainesville’s successful record of attracting as many as 1,000 visitors downtown to shop, eat, and enjoy the quaint atmosphere helps generate foot traffic and commerce for local merchants.

In addition to the aforementioned robust business activity, Gainesville-Hall County holds the privilege of being the medical nucleus for the 14 county Northeast Georgia area with its top ranked hospital, Northeast Georgia Medical Center (NEGMC), and a number of highly-recognized physician group practices. The excellent reputation of the City’s medical facilities has drawn some of the finest physicians to the Gainesville area; nearly 600 physicians practicing more than 50 specialties were on staff in 2019. NEGMC has earned recognition as Georgia’s top hospital for the fourth consecutive year by CareChex, a national healthcare ratings agency. NEGMC has also been ranked as Georgia’s #1 Heart, Stroke Care, and Women’s Health hospital. NEGMC has expanded its footprint in North Georgia by acquiring Chestatee Regional Hospital in Dahlonega and a plan is in place to acquire Habersham Medical Center in the coming years.

Impressive growth in the Gainesville area is also reflected in recent years' Census estimates. 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 official United States Census for the decade beginning in 2020 was recently concluded and numbers are being finalized. Gainesville-Hall County expects to see continued growth in this official count. The sense of community found in Gainesville, combined with a multitude of beautiful parks and recreational activities, along with easy access to large metropolitan areas makes Gainesville an attractive place to call home.

Major Initiatives

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

Aligning with the goals of the Renaissance Strategic Vision and Plan, a new mixed-use development project is currently under construction in the downtown area. The project, dubbed "Gainesville Renaissance", plans to include 20,000 square feet of retail, 20,000 square feet of office space, along with eight luxury condominiums. The Gainesville Renaissance project will incorporate a pocket park as part of the development. The project will include direct access to the Downtown Square and convenient access to the Highlands to Islands trail system. Access to more retail and office space will enhance the Downtown area's appeal and provide more shopping and entertainment outlets to surrounding residents.



Rendering of the Gainesville Renaissance mixed-use development-Aerial View

As the City moves forward with its Renaissance Strategic Vision and Plan, an important aspect of the plan is more greenspace and walking paths to create a more pedestrian friendly space. Roosevelt Square is frequently used by fitness groups, students, and other pedestrians looking for a quiet place to relax and enjoy the outdoors. The renovation of Roosevelt Square has proved to be a valuable asset in the City. Many people enjoy the space everyday and it continues to grow as a popular spot for community events and outdoor leisure. With the addition of the Gainesville Renaissance pocket park, the Roosevelt Square area will provide many opportunities for relaxation and leisure.

The Connectivity side of the City's work plan includes creating a more pedestrian friendly environment to downtown Gainesville. Solutions that have been implemented include the addition of attractive streetscaping and other infrastructure improvements that create safe and inviting connections for both pedestrians and commuters alike. Other short-term solutions that have been implemented include adjusting signal timing and the installation of flashing cross-walk systems at critical intersections, and improved demarcation at pedestrian crossings. Other connectivity improvements included the installation of uniform way-finding signage, the extension of the Midtown Greenway, and aesthetic improvements to the City's gateway corridors coming into the City.

One of the top improvements cited in the study was to celebrate the walk-ability of Downtown and to encourage greater use of parking decks by implementing a parking hierarchy, along with improving aesthetics and visible security. New and creative entertainment options were also suggested, and are currently being implemented, 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.



Groundbreaking of the City View Project in the Downtown area

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

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

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

Long-Term Financial Planning

The City of Gainesville maintains a flexible, yet thorough, five year capital improvement plan whereby capital needs are identified several years before funding and implementation, to allow adequate time for planning. This plan also provides for the orderly purchase of needed equipment and facilities. A prime example of this planning is newly constructed Fire Station #2. The new station will replace an outdated facility and will increase the coverage of the surrounding areas served by the station’s personnel.

The City’s current five year general government capital improvements plan has identified \$58.8 million in projected expenditures through fiscal year 2025; \$7.61 million of this has been approved to be expended in FY2021. The City is budgeting \$150,000 for a network improvement project in FY2021; other notable projected costs include \$100,000 for roadway patching and \$93,522 for planned replacements of the Police Department’s portable radios.

The City of Gainesville Department of Water Resources maintains a separate capital improvement plan. The most recently adopted plan indicates that \$25 million will be earmarked in the next fiscal year for maintenance and facility construction of the City’s water, wastewater, and stormwater systems, with some allowance for growth. For 2021, Stormwater improvements are projected to cost \$1,000,000.

Relevant Financial Policies

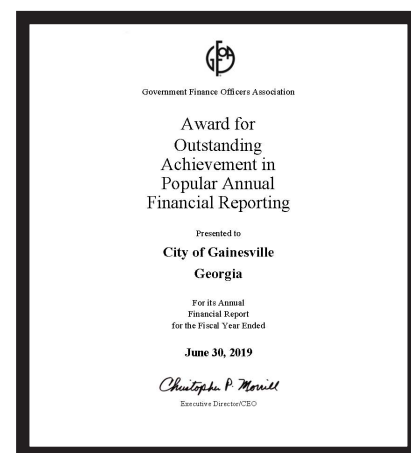
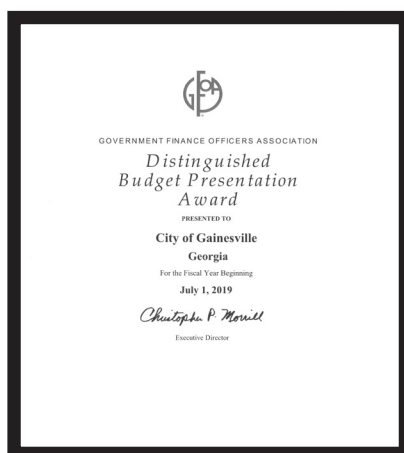
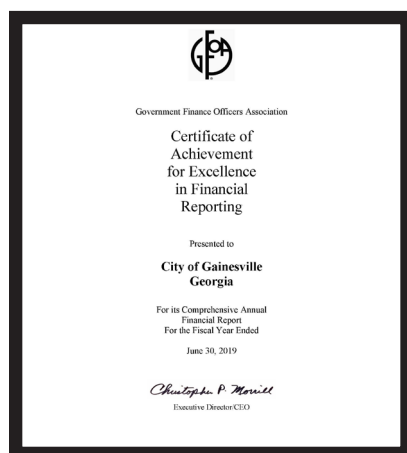
The City of Gainesville’s Investment and Cash Management policy states that the City shall seek competitive investment rates within its safety criteria. Maximum opportunity shall be provided to all local financial institutions to bid and compete for City investments due to the importance of the financial institutions to the local economy. Abiding by this policy proved highly beneficial to the City in FY2020, as the City enjoyed increased investment earnings by leveraging different strategies and investments.

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, 2019. This was the twenty-ninth 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, 2019. This was the twenty-seventh 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, 2019. This was the sixth 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, 2020.



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,

A handwritten signature in black ink, appearing to read 'Bryan Lackey', with a stylized flourish at the end.

Bryan Lackey
City Manager

A handwritten signature in black ink, appearing to read 'Jeremy Perry', with a stylized flourish at the end.

Jeremy Perry
Chief Financial Officer



GAINESVILLE

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, 2020, 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons of the General Fund, Fire Special Revenue Fund, and Economic Development Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 20 and 105 through 122 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, 2019, which are not presented with the accompanying financial statements. In our report dated November 25, 2019, 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 2019 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 2019 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 2019 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020, 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

November 20, 2020



GAINESVILLE

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, 2020. The purpose of this narrative is to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about the City of Gainesville. This analytical information is designed to be read in conjunction with the Letter of Transmittal located on pages xi-xx of this Comprehensive Annual Financial Report and with the City's financial statements, which follow this section.

Financial Highlights

- The City of Gainesville's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at June 30, 2020, by \$609.9 million (reported as *net position*). Of this amount, \$17.8 million (reported as *unrestricted net position*) may be used to meet the City's ongoing obligations.
- As of June 30, 2020, Gainesville's governmental funds reported combined ending fund balances of \$58.1 million. Approximately 23.0% of this total amount, \$13.4 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 are intended to serve as an introduction to the City of Gainesville's basic financial statements. The City of Gainesville's basic financial statements are composed of three elements: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

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

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

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

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

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

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

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

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

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

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

The focus of fund financial statements is directed to specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's non-major funds can be found beginning on page 123. The City's funds are divided into three broad categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

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

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

The City of Gainesville maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire Services Fund, Economic Development Fund, and the Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Fund, which are considered major funds.

Data from the other fourteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 123-126 of this report.

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

The City's basic governmental fund financial statements are presented on pages 24-32 of this report.

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

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

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

The City's proprietary fund financial statements are presented on pages 33-37.

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

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

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

The City's fiduciary fund financial statements are presented on pages 38-39.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-104 of this report.

Other Supplementary Information

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

This report includes two schedules (pages 26 and 29), which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

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

Overview of the City's Financial Position and Operations

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

City of Gainesville Statement of Net Position Fiscal Years 2020 and 2019

	Governmental Activities		Business Type Activities		Total	
(In millions of dollars)						
	2020	2019	2020	2019	2020	2019
Current assets	\$ 69.6	\$ 68.4	\$ 140.7	\$ 140.3	\$ 210.3	\$ 208.7
Capital assets	112.4	106.1	495.6	483.6	608.0	589.7
Other noncurrent assets	-	0.1	-	-	-	0.1
Total assets	182.0	174.6	636.3	623.9	818.3	798.5
Deferred Outflows of Resources	7.8	5.9	4.2	4.1	12.0	10.0
Current liabilities	9.7	8.2	27.1	24.8	36.8	33.0
Noncurrent liabilities	68.6	64.0	104.0	121.8	172.6	185.8
Total liabilities	78.3	72.2	131.1	146.6	209.4	218.8
Deferred Inflows of Resources	5.7	9.4	5.3	6.3	11.0	15.7
Net position:						
Net investment in capital assets	90.4	85.3	402.5	375.0	492.9	460.3
Restricted	24.2	20.9	75.0	74.9	99.2	95.8
Unrestricted	(8.8)	(7.3)	26.6	25.2	17.8	17.9
Total net position	\$ 105.8	\$ 98.9	\$ 504.1	\$ 475.1	\$ 609.9	\$ 574.0

Net position may serve over time as a useful indicator of a government's financial position. The City of Gainesville reported a \$6.8 million increase in net position for governmental activities, while posting \$29.1 million in positive growth for business type activities. Overall, the City's net position rose \$35.9 million to close the current fiscal year with a \$609.9 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 (80.8%) 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 \$32.6 million from previous year totals, from \$460.3 million to \$492.9 million.

The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position comprises the next largest component, constituting 16.3% of total net position. Restricted net position experienced a \$3.4 million gain during the past year, jumping from \$95.8 million to \$99.2 million at the end of fiscal year 2020. Restricted net position represents amounts that are subject to limitation in the manner which funds may be spent; these constraints are imposed by external sources, enabling legislation or constitutional provision.

The remaining balance represents unrestricted net position. The statement reveals a \$17.8 million balance at the end of this year, a decrease of \$159,222 from fiscal year 2019. 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 declined by \$1.5 million between fiscal years 2019 and 2020, increasing the deficit balance from \$7.3 million to \$8.8 million. Business-type activities showed a \$1.4 million growth in unrestricted net position. The total unrestricted net position is comprised of the business-type activities funds only, and it should be noted that these resources cannot be used to add to the net asset surplus in governmental activities. The City generally can only use the resources in business-type unrestricted net position to finance the ongoing operations of the business-type activities.

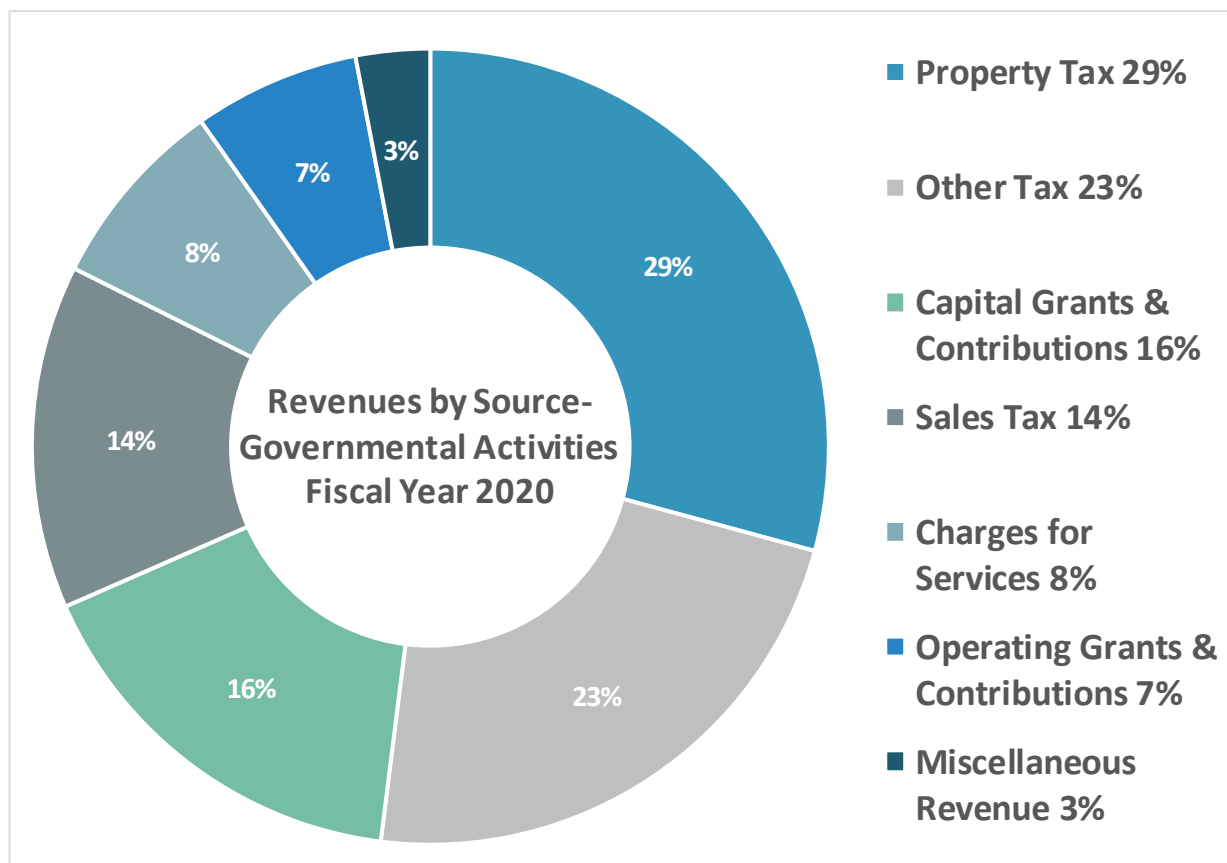
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City of Gainesville's net position changed during the fiscal year.

**City of Gainesville
Changes in Net Position
Fiscal Years 2020 and 2019**

	Governmental Activities		Business Type Activities		Total	
	(In millions of dollars)					
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 3.8	\$ 4.7	\$ 79.0	\$ 79.1	\$ 82.8	\$ 83.8
Operating grants and contributions	3.3	2.6	0.0	0.0	3.3	2.6
Capital grants and contributions	8.1	9.5	10.5	10.3	18.6	19.8
General revenues:						
Property taxes	14.3	14.0	0.0	0.0	14.3	14.0
Sales tax	6.9	6.2	0.0	0.0	6.9	6.2
Other taxes	11.1	10.8	0.0	0.0	11.1	10.8
Miscellaneous revenue	1.7	2.8	3.7	3.8	5.4	6.6
Total revenues	49.2	50.6	93.2	93.2	142.4	143.8
Expenses						
General government	7.1	7.7	0.0	0.0	7.1	7.7
Judicial	0.6	0.5	0.0	0.0	0.6	0.5
Public safety	20.3	19.9	0.0	0.0	20.3	19.9
Public works	8.0	11.3	0.0	0.0	8.0	11.3
Health and welfare	2.6	2.5	0.0	0.0	2.6	2.5
Culture and recreation	3.6	0.6	0.0	0.0	3.6	0.6
Housing and development	4.1	3.5	0.0	0.0	4.1	3.5
Interest on long-term debt	0.7	0.7	0.0	0.0	0.7	0.7
Water and sewer	0.0	0.0	54.0	54.1	54.0	54.1
Airport	0.0	0.0	1.1	1.3	1.1	1.3
Solid waste	0.0	0.0	2.9	2.4	2.9	2.4
Golf course	0.0	0.0	1.4	1.3	1.4	1.3
Total expenses	47.0	46.7	59.4	59.1	106.4	105.8
Indirect Cost Allocation	1.6	1.4	(1.6)	(1.4)	0.0	0.0
Increase in net position before transfers	3.7	5.3	32.2	32.7	35.9	38.0
Transfers	3.2	3.6	(3.2)	(3.6)	0.0	0.0
Increase in net position	6.9	8.9	29.0	29.1	35.9	38.0
Net position - beginning	98.9	90.0	475.1	446.0	574.0	536.0
Prior period adjustment	0.0	0.0	0.0	0.0	0.0	0.0
Net position-beginning (restated)	98.9	90.0	475.1	446.0	574.0	536.0
Net position - ending	\$ 105.8	\$ 98.9	\$ 504.1	\$ 475.1	\$ 609.9	\$ 574.0

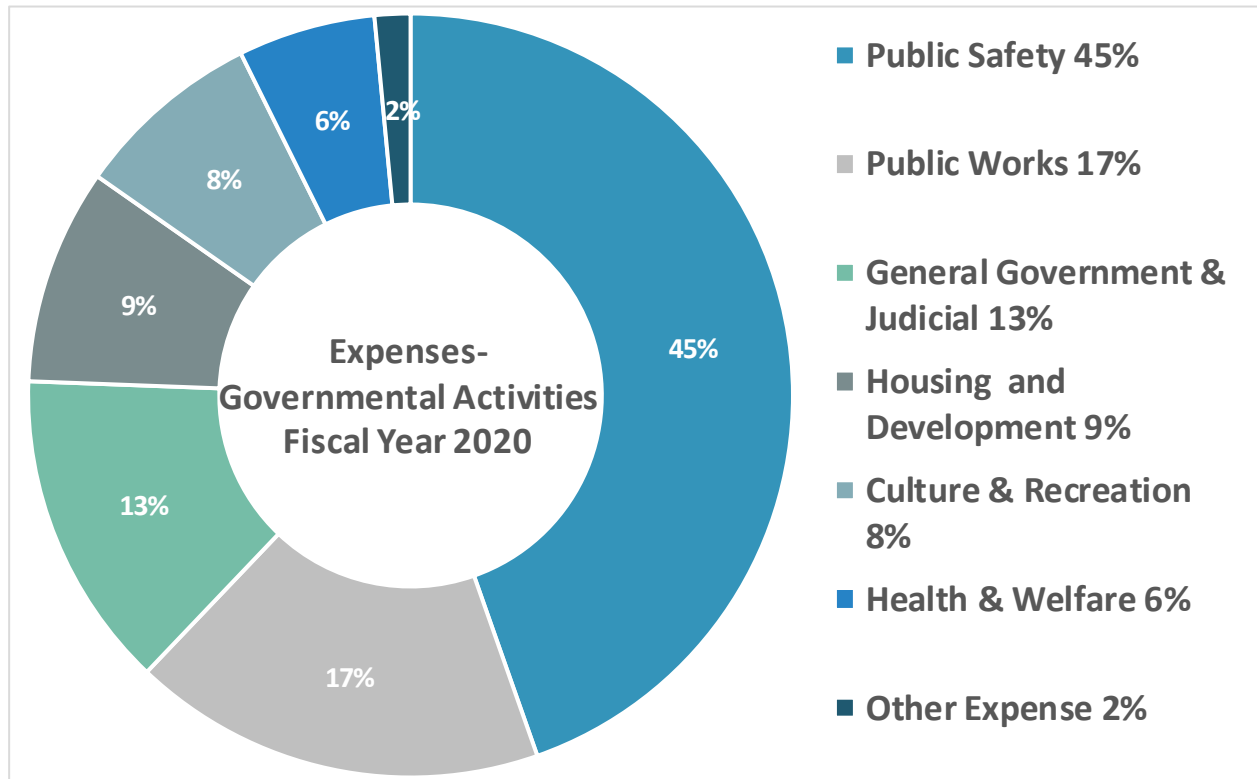
Governmental Activities –

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



The revenue chart indicates that Property Tax collections were the largest source of revenue for governmental activities during the fiscal year 2020. Property Tax, which made up 29% of total revenue, surpassed fiscal year 2019 collections by \$346,666. This increase is comprised of an \$801,165 rise in real and personal property tax collections, offset by a \$454,144 drop in Title Ad Valorem (TAVT) tax. The decline in TAVT tax was due to a change in allocation rates enacted by the state of Georgia in July 2019. Other tax, which includes franchise, insurance premium, hotel/motel and occupational tax, represented 23% of governmental activities revenue. Other tax totals specify a \$403,795 upsurge when compared with fiscal year 2019, due in part to increases of \$158,267 and \$137,753 in Insurance Premium and Hotel Motel collections respectively. Capital Grants and Contributions, which garnered 16% of total collections, experienced a \$1.5 million decline from fiscal year 2019 totals; this decrease is due in part to the City receiving \$2.6 million in capital contributions from private donors in fiscal year 2019, while receiving no capital contributions in fiscal year 2020. Sales tax revenues, which made up 14% of total revenue, signaled an increase of \$611,335 over prior year, as a result of a \$623,798 jump in local option sales tax collections. Charges for Services, which constituted 8% of all revenue, showed an \$807,657 drop from previous year collections. A \$305,432 downturn in cash confiscations, followed by a \$267,413 reduction in building permit collections contributed to this decline. A \$210,024 drop in Municipal Court fines, due to court closure during the COVID pandemic, also added to the Charges for Services revenue decline.

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



The expense chart illustrates that 45% of total governmental activities expense for the City of Gainesville during fiscal year 2020 was in payment of Public Safety services, such as fire and police protection, followed by Public Works, which constituted 17% of total costs. Overall, costs were up \$309,739 when compared to fiscal year 2019. Public Safety expenditures are up \$449,490 from fiscal year 2019 totals, because of increased personal services costs. Public Works costs are down \$3.4 million from the previous year, as a result of a \$2.4 million decrease in repair and street maintenance projects. General Government and Judicial expenditures, which make up 13% of total outlay, show a \$639,329 decline from the previous year, due predominantly to decreased building repair costs. Housing and Development, which made up 9% of total expenditures; increased \$681,146 from fiscal year 2019, due in part to \$653,871 paid for the Davis Street Cottages construction, as well as costs involving Tax Allocation district projects. Culture and Recreation, which encompassed 8% of total expenditures, showed a \$3.0 million increase in costs from the previous year; this surge was due predominantly to \$2.0 million in funding costs for construction of the new Skate Park.

Business-type Activities –

Business-type activities increased the City of Gainesville's net position by \$29.1 million, expanding total net position to \$504.2 million. Key elements involving business-type activities are as follows:

- Total revenue for business-type activities remained relatively level, when compared with fiscal year 2019 totals; Department of Water Resources proceeds decreased by \$219,510, while the Chattahoochee Golf Course revenue showed an \$81,439 increase from fiscal year 2019 collections.
- Capital Grant revenues increased by \$130,613 over fiscal year 2019 totals, primarily due to a \$1.7 million upsurge in Department of Water Resources capital contributions, offset by a \$1.6 million reduction in Airport Intergovernmental Revenues. Fiscal year 2019 Airport Intergovernmental Revenues were related to Airport runway improvements.
- Overall expenses for business-type activities were up \$431,807, primarily from a \$452,589 increase in Solid Waste expenses due to the \$340,000 purchase of new garbage containers related to the safety precautions taken in regard to the COVID-19 pandemic. Airport expenses experienced a \$193,171 decline, while Department of Water Resources and Chattahoochee Golf Course showed increases of \$106,880 and \$80,024 respectively.

Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City of Gainesville's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the City completed this year, its governmental funds reported a combined ending fund balance of \$58.1 million. Of this amount, \$13.4 million or 23.1% constitutes unassigned fund balance, meaning that no constraints have been placed on how this money may be spent. The General Fund is the only governmental fund that can have positive unassigned fund balance. The remainder of fund balance is either nonspendable, restricted by a third party, committed to be spent in a specified matter by formal resolution, or assigned for a specific purpose, including the 2021 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 \$13.4 million, while total fund balance reached \$16.8 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 60.3% of total General Fund expenditures, while total fund balance represents 75.8% of that same amount. Of the \$16.8 million total fund

balance for the general fund, \$3.4 million is assigned, comprised predominantly of \$3.2 million which is assigned for budget.

The General Fund's fund balance increased by \$3.1 million during the current fiscal year. This was due to better than projected revenue proceeds, combined with maintaining costs below budget. Other key factors regarding fiscal year 2020 activity are as follows:

Total tax revenue exceeded the budget by \$2.2 million; \$1.0 million of this increase was due to better than anticipated Local Option Sales tax receipts, followed by a \$491,603 and \$462,980 increase in Insurance Premium and Franchise tax collection respectively. In addition, Investment income revenue totals came in \$497,537 ahead of budget, as a result of better than anticipated interest rates early in the fiscal year. Motor Vehicle/TAVT tax revenues underperformed budget as a result of aforementioned Georgia state law changes involving the allocation of TAVT tax collections. Also, Fines, Fees and Forfeiture revenues fell \$296,831 below budget, due to Municipal Court closures that took place from mid-March through June due to COVID-19 pandemic. Expenditures came in under budget by \$1.2 million; personal services accounted for \$539,908 of this cost reduction, attributable to savings due to unfilled positions. Public Works expense was \$650,840 less than budget; \$322,348 of this savings was in personal services costs, again, due to unfilled positions.

- Transfers to the General Fund totaled \$3.7 million, with \$3.3 million originating from Department of Water Resources for General Fund operations, followed by \$335,000 from Solid Waste for additional General Fund resources required due to the COVID-19 crisis, \$49,870 in remaining funds following the closeout of the Government Access Cable TV Channel special revenue fund, and \$34,255 transferred from the Impact Fee fund for administrative fee services. Transfers out of the General Fund totaled \$6.3 million; \$2.7 million of this was moved to the Fire Services fund in relation to Insurance Premium tax collected; \$1.6 million was transferred to the General Government Capital Projects for various projects as needed, while \$751,163 was transmitted to the Community Service Center (CSC), providing aid with CSC operating costs, and \$750,000 was transferred to the SPLOST Capital Project fund for the Fire Station #2 construction.

The **Fire Services Fund** has a \$813,274 fund balance at fiscal year-end, all of which was assigned for Public Safety. Total revenues came to \$6.5 million, with \$6.4 million of this stemming from property and motor vehicle tax collections. Among the fund's \$10.0 million in expenditures, \$7.5 million was paid out in personal services expense, and \$1.3 million was paid toward the purchase of a 2019 Pierce 107-foot Ascendant Tiller Heavy Duty Aerial Ladder Fire Truck. As mentioned previously, the Fire Services Fund received \$2.7 million in transfers from the General Fund related to Insurance Premium Tax, as well as \$1.3 million from the issuance of a capital lease related to the purchase of the aforementioned fire truck. Transfers out of \$384,842 were recorded; \$282,812 was moved to the Debt Fund for the annual payment toward the new fire truck, and \$102,030 transmitted to the General Government Capital Project fund for a Fire radio replacement and Battalion Vehicle projects.

The **Economic Development Fund** has a \$6.1 million fund balance at fiscal year-end, all of which is assigned for Housing and Development. The lone source of revenue for the Economic Development Fund in fiscal year 2020 was Investment Income, which totaled \$114,476. Expenditures totaled \$55,826, of which \$28,788 was paid toward legal and consulting fees.

The **Special Purpose Local Option Sales Tax Capital Projects (SPLOST) Fund** has a \$16.3 million fund balance at fiscal year-end. Of this fund balance, \$7.4 million is restricted for Public Works projects; of which \$4.6 million is allocated to the Transportation Plan and Stormwater projects, along with the Dawsonville Highway/McEver Road Connector, Oak Tree Drive, and In-House Paving projects. Another \$7.1 million is restricted for Culture and Recreation projects; of which \$6.9 million is set aside for the Youth Sports Complex Center. The \$524,964 restricted for Public Safety and \$850,000 assigned for Public Safety are both set aside for the relocation of Fire Station #2. The \$528,307 balance in Assigned for Public Works includes \$230,005 for Roadway Patching projects, along with \$240,000 allocated for the ITS Communication project. Among the fund's \$6.9 million in expenditures was \$3.9 million paid toward the relocation of Fire Station #2, \$1.0 million for the Stormwater Rehabilitation Project, and \$970,663 paid toward the Youth Sports Complex facility. The largest source of revenue for the SPLOST Fund was \$6.1 million collected from the SPLOST tax revenues. Of the \$2.6 million transfers in, \$1.1 million was transmitted from the Impact Fee Fund, providing \$850,000 and \$323,744 funding for the Fire Station #2 and Youth Sports Complex respectively, as well as \$750,000 additional funding for the Fire Stations #2 relocation transferred from the General Fund.

General Fund Budget Highlights

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

- Increased Transfer to SPLOST Capital Projects by \$1.4 million for funding of the Fire Station #2 relocation project.
- Reduced the budget for Transfer to General Government Capital Projects by \$804,624 at the onset of the COVID crisis. Projects involved were moved to the fiscal year 2021 budget.
- Increased Code Enforcement salaries budget by \$53,000 for newly created position.
- Transfer to Grants fund was increased by \$43,331 for match funding of Bullet Proof Vest and Governor's Office of Highway Safety grants.
- Increased budgeted fund balance to cover fiscal year 2021 reappropriations.
- Increased/decreased various expenditure budgets for adjustments as needed.

General Fund expenditures for fiscal year 2020 were \$22.2 million, 94.8% 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 \$1.2 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 \$539,908.

Total actual revenues exceeded the final amended budget by a total of \$2.6 million; this is due mainly to tax collections, which came in \$2.2 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	\$22,995,112
▪ Nonmajor Funds (Airport, Solid Waste, Golf Course)	<u>2,272,172</u>
Total	<u>\$25,267,284</u>

Prior to the consolidation adjustment of internal service fund activity, the total increase in combined net position indicated growth of \$29.1 million, with net investment in capital assets increasing by \$27.5 million. Overall unrestricted net position for all four enterprise funds showed a \$1.4 million increase from fiscal year 2019.

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 \$608.0 million in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, buildings, and machinery and equipment. Approximately 81.5% of this investment is related to business-type activities while only 18.5% 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 2020 and 2019

	Governmental Activities		Business Type Activities		Total	
(In millions of dollars)						
	2020	2019	2020	2019	2020	2019
Land	\$ 27.5	\$ 27.6	\$ 34.9	\$ 34.5	\$ 62.4	\$ 62.1
Buildings	58.8	58.8	60.9	53.0	119.7	111.8
Improvements other than buildings	3.4	3.3	10.1	10.1	13.5	13.4
Vehicles and equipment	25.5	23.3	42.9	40.2	68.4	63.5
Infrastructure	41.9	41.6	581.3	560.3	623.2	601.9
Intangibles	3.1	3.1	6.1	6.1	9.2	9.2
Construction in progress	14.1	6.6	35.7	39.2	49.8	45.8
Total	174.3	164.3	771.9	743.4	946.2	907.7
Accumulated depreciation	(62.0)	(58.2)	(276.2)	(259.7)	(338.2)	(317.9)
Net Capital Assets	\$ 112.3	\$ 106.1	\$ 495.7	\$ 483.7	\$ 608.0	\$ 589.8

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

- Fire Station #2 Relocation, \$3.9 million
- Administration Renovation, \$1.8 million
- Stormwater Rehabilitation Program, \$1.0 million

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

- Linwood Reclamation Facility Diffuser Replacement Project, \$2.8 million
- Jesse Jewell/Queen City Parkway Utilities Relocation, \$2.2 million
- Lake Knickerbocker Dam Improvements, \$1.9 million
- Riverside Water Treatment Plant Facility Upgrades, \$1.6 million

Additional information on the City of Gainesville's capital assets can be found in Note 9 on pages 70-72 of this report.

Long-term debt. At June 30, 2020, the City of Gainesville had \$110.8 million in bonds, notes, and capital leases outstanding, net of unamortized bond premium and discount. This is a \$15.7 million decline from last year's totals. The decrease in debt was due to payments made to reduce bonds, notes, and capital leases outstanding.

**City of Gainesville
Outstanding Debt
Fiscal Years 2020 and 2019**

	Governmental Activities				Business Type Activities				Total			
(In millions of dollars)												
	2020		2019		2020		2019		2020		2019	
Capital Leases	\$	20.5	\$	20.6	\$	15.6	\$	17.6	\$	36.1	\$	38.2
Revenue Bonds		-		-		65.8		78.4		65.8		78.4
Unamortized Bond Premium		-		-		8.9		9.9		8.9		9.9
Total	\$	20.5	\$	20.6	\$	90.3	\$	105.9	\$	110.8	\$	126.5

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 \$520.8 million, which is significantly in excess of the City's general obligation debt outstanding of \$20.5 million.

Additional information on the City's long-term financing can be found in Notes 10, 11, 12, and 13 on pages 73-80 of this report.

Economic Condition and Outlook

- According to the most recent U.S. Census numbers, the population for Gainesville is 43,232 with current estimates showing a 27.9% uptick in population since the 2010 census was released.
- Gainesville adopted a 3.24 tax millage rate for fiscal year 2021. The gross property tax digest for the City of Gainesville rose from \$5.6 billion for fiscal year 2020 to \$6.1 billion for fiscal year 2021, which computes to an 8.93% 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 2021. Departments are spending conservatively and continue to monitor their 2021 budgeted costs closely.

These were among the many factors taken into consideration when preparing the 2021 budget. Of the \$16.8 million fund balance in the General Fund, \$3.3 million has been appropriated for spending in the 2021 fiscal budget.

Contacting the City's Financial Services Group

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

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



GAINESVILLE

BASIC FINANCIAL STATEMENTS

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 32,535,755	\$ 21,537,180	\$ 54,072,935	\$ 2,306,499
Investments	41,795,479	22,969,832	64,765,311	2,321,193
Restricted assets				
Cash and cash equivalents	0	45,212,572	45,212,572	101,761
Investments	0	32,877,518	32,877,518	0
Receivables (net)				
Accounts	744,210	4,702,218	5,446,428	3,391
Intergovernmental	3,791,766	259,150	4,050,916	0
Taxes	1,647,089	0	1,647,089	59,004
Notes	102,420	0	102,420	0
Other	0	21,075	21,075	0
Internal balances	(11,278,437)	11,278,437	0	0
Inventories	117,777	1,860,347	1,978,124	0
Prepaid items	24,014	5,703	29,717	0
Other	120,665	0	120,665	0
Total current assets	69,600,738	140,724,032	210,324,770	4,791,848
Noncurrent assets				
Notes receivable	108,358	0	108,358	0
Capital assets				
Non-depreciable	41,680,664	70,612,071	112,292,735	7,673,277
Depreciable (net)	70,688,293	425,056,719	495,745,012	6,402,504
Total noncurrent assets	112,477,315	495,668,790	608,146,105	14,075,781
Total assets	182,078,053	636,392,822	818,470,875	18,867,629
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	0	121,350	121,350	0
Deferred outflows related to pensions	5,993,305	2,940,147	8,933,452	585,340
Deferred outflows related to other post employment benefits	1,811,034	1,222,324	3,033,358	218,983
Total deferred outflows of resources	7,804,339	4,283,821	12,088,160	804,323
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,768,966	1,407,372	3,176,338	65,749
Retainages	409,231	0	409,231	88,318
Intergovernmental	4,978	923,685	928,663	4,067
Sales tax	0	10,935	10,935	748
Deposits	148,404	4,036	152,440	0
Interest	113,033	5,569	118,602	0
Accrued salaries	871,210	530,859	1,402,069	132,385
Unearned revenue	56,973	0	56,973	8,999
Compensated absences	1,739,560	970,738	2,710,298	148,944
Claims reserve	2,231,758	0	2,231,758	0
Capital lease payable	2,280,050	1,526,588	3,806,638	0
Other liabilities	130,521	49,714	180,235	13,071
Liabilities payable from restricted assets				
Payables				
Accounts	0	2,256,537	2,256,537	0
Retainages	0	1,186,299	1,186,299	0
Customer deposits	0	2,262,826	2,262,826	0
Interest	0	332,299	332,299	0
Bonds payable	0	15,663,739	15,663,739	0
Total current liabilities	9,754,684	27,131,196	36,885,880	462,281

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Compensated absences	\$ 193,284	\$ 107,860	\$ 301,144	\$ 16,549
Net pension liability	33,670,110	19,727,894	53,398,004	1,075,689
Net OPEB liability	16,453,610	11,112,375	27,565,985	1,824,060
Capital lease payable	18,264,155	14,055,880	32,320,035	0
Bonds payable	0	58,983,151	58,983,151	0
Total noncurrent liabilities	68,581,159	103,987,160	172,568,319	2,916,298
Total liabilities	78,335,843	131,118,356	209,454,199	3,378,579
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	1,126,531	2,218,045	3,344,576	126,833
Deferred inflows related to other post employment benefits	4,624,642	3,179,589	7,804,231	497,816
Total deferred inflows of resources	5,751,173	5,397,634	11,148,807	624,649
NET POSITION				
Net investment in capital assets	90,462,073	402,469,168	492,931,241	14,075,781
Restricted for:				
Public Safety	943,358	0	943,358	0
Public Works	19,150	0	19,150	0
Health and Welfare	1,320,898	0	1,320,898	0
Culture and Recreation	177,116	0	177,116	5,255
Housing and Development	1,581,907	0	1,581,907	0
Debt Service	2,411,643	8,561,194	10,972,837	0
Capital Outlay	17,679,225	66,602,192	84,281,417	505
Unrestricted	(8,799,994)	26,528,099	17,728,105	1,587,183
Total net position	\$ 105,795,376	\$ 504,160,653	\$ 609,956,029	\$ 15,668,724



GAINESVILLE

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2020

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating	Capital	
				Grants and Contributions	Grants and Contributions	
Primary government						
Governmental activities						
General Government	\$ 7,171,633	\$ (1,643,584)	\$ 792,355	\$ 55,116	\$ 0	\$ (4,680,578)
Judicial	617,082	0	0	1,188	0	(615,894)
Public Safety	20,338,623	0	1,211,250	458,053	0	(18,669,320)
Public Works	7,973,739	0	224,940	33,704	3,450,250	(4,264,845)
Health and Welfare	2,649,162	0	62,333	1,984,938	392,107	(209,784)
Culture and Recreation	3,622,553	0	0	7,035	3,959,295	343,777
Housing and Development	4,162,912	0	1,554,688	766,406	252,557	(1,589,261)
Interest on long-term debt	688,833	0	0	0	0	(688,833)
Total governmental activities	47,224,537	(1,643,584)	3,845,566	3,306,440	8,054,209	(30,374,738)
Business-type activities						
Department of						
Water Resources	54,010,857	1,287,571	73,915,527	0	10,165,917	28,783,016
Airport	1,103,436	209,561	996,677	0	313,383	(2,937)
Solid Waste	2,852,637	146,452	2,969,641	0	0	(29,448)
Golf Course	1,387,413	0	1,144,461	0	0	(242,952)
Total business-type activities	59,354,343	1,643,584	79,026,306	0	10,479,300	28,507,679
Total primary government	106,578,880	0	82,871,872	3,306,440	18,533,509	(1,867,059)
Component Units						
Communication and Tourism						
Housing and Development	1,198,780	0	88,658	0	1,499,315	389,193
Parks and Recreation						
Culture and Recreation	5,316,808	0	1,142,893	3,632,079	200,000	(341,836)
Total Component Units	6,515,588	0	1,231,551	3,632,079	1,699,315	47,357
			Governmental Activities	Business-Type Activities	Total	Component Units
Change in net position						
Net (expense) revenue			\$ (30,374,738)	\$ 28,507,679	\$ (1,867,059)	\$ 47,357
General revenues						
Taxes						
Property			14,321,981	0	14,321,981	3,862,929
Intangibles			250,731	0	250,731	0
Franchise			4,540,980	0	4,540,980	0
Occupational			1,375,576	0	1,375,576	0
Insurance premium			2,591,703	0	2,591,703	0
Alcoholic beverages			1,207,300	0	1,207,300	0
Hotel/Motel			1,191,436	0	1,191,436	0
Local option sales			6,847,210	0	6,847,210	0
Investment			1,411,125	3,521,550	4,932,675	104,076
Payments from City of Gainesville			0	0	0	700,956
Gain on sale of assets			55,689	15,172	70,861	5,206
Miscellaneous			282,974	158,510	441,484	9,925
Transfers			3,162,043	(3,162,043)	0	0
Total general revenues and transfers			37,238,748	533,189	37,771,937	4,683,092
Change in net position			6,864,010	29,040,868	35,904,878	4,730,449
Net position - beginning			98,931,366	475,119,785	574,051,151	10,938,275
Net position - ending			\$ 105,795,376	\$ 504,160,653	\$ 609,956,029	\$ 15,668,724

CITY OF GAINESVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General	Fire	Economic Development
ASSETS			
Cash and cash equivalents	\$ 8,165,817	\$ 538,553	\$ 2,828,715
Investments	7,916,647	519,914	13,279,644
Receivables (net)			
Accounts	181,995	1,249	5,099
Intergovernmental	24,898	876	0
Taxes	1,462,974	79,811	0
Notes	0	0	0
Prepaid items	13,851	0	0
Due from other funds	616,211	0	0
Inventory	0	0	0
Total assets	\$ 18,382,393	\$ 1,140,403	\$ 16,113,458
LIABILITIES			
Payables			
Accounts	\$ 549,748	\$ 24,138	\$ 5,721
Retainages	0	0	0
Intergovernmental	4,978	0	0
Accrued salaries	572,641	238,475	0
Unearned revenue	1,973	0	0
Due to other funds	0	0	10,017,622
Due to others	78,226	0	0
Total liabilities	1,207,566	262,613	10,023,343
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue -			
Taxes	381,601	64,516	0
Notes receivable	0	0	0
Total deferred inflows of resources	381,601	64,516	0
FUND BALANCES			
Nonspendable	13,851	0	0
Restricted	0	0	0
Committed	14,738	0	0
Assigned	3,404,718	813,274	6,090,115
Unassigned	13,359,919	0	0
Total fund balances	16,793,226	813,274	6,090,115
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,382,393	\$ 1,140,403	\$ 16,113,458

	SPLOST	Nonmajor Governmental Funds	Totals
\$	8,109,342	\$ 8,661,591	\$ 28,304,018
	7,828,668	7,944,672	37,489,545
	0	543,901	732,244
	1,574,711	2,190,935	3,791,420
	0	104,304	1,647,089
	0	210,778	210,778
	0	7,885	21,736
	0	1,500,472	2,116,683
	0	29,735	29,735
\$	17,512,721	\$ 21,194,273	\$ 74,343,248

\$	550,819	\$ 499,576	\$ 1,630,002
	243,500	165,731	409,231
	0	0	4,978
	429	46,591	858,136
	0	55,000	56,973
	0	2,116,683	12,134,305
	0	52,295	130,521
	794,748	2,935,876	15,224,146

	372,106	36,215	854,438
	0	210,778	210,778
	372,106	246,993	1,065,216

	0	37,620	51,471
	14,967,560	8,346,305	23,313,865
	0	443,073	457,811
	1,378,307	9,184,406	20,870,820
	0	0	13,359,919
	16,345,867	18,011,404	58,053,886

\$	17,512,721	\$ 21,194,273	\$ 74,343,248
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GAINESVILLE

CITY OF GAINESVILLE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2020

Total fund balance - total governmental funds		\$ 58,053,886
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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		112,368,957
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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 and sales tax	\$ 854,438	
Notes receivable	210,778	1,065,216
	<hr/>	

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

These are:

Capital leases	\$ (20,544,205)	
Interest payable	(113,033)	
Compensated absences	(1,932,844)	
Net pension liability	(33,670,110)	
Net OPEB obligation	(16,453,610)	(72,713,802)
	<hr/>	

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

These are:

Deferred outflows of resources:

Deferred outflows related to pensions	\$ 5,993,305	
Deferred outflows related to other post employment benefits	1,811,034	

Deferred inflows of resources:

Deferred inflows related to pensions	(1,126,531)	
Deferred inflows related to other post employment benefits	(4,624,642)	2,053,166
	<hr/>	

Internal service funds are used by management to charge the costs of certain activities, such as risk management, employee benefits, and vehicle maintenance, to individual funds. Assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

Internal service funds net position	\$ 6,318,364	
Less internal balance resulting from allocation of internal service fund activities allocated to business-type activities	(1,260,815)	
Less capital assets included above	(122,740)	
Add compensated absences included above	33,144	4,967,953
	<hr/>	<hr/>

Net position of governmental activities		\$ 105,795,376
		<hr/>

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2020

	General	Fire	Economic Development
REVENUES			
Taxes	\$ 21,407,309	\$ 6,432,683	\$ 0
Licenses and permits	920,559	0	0
Fines, fees and forfeitures	1,066,369	0	0
Charges for services	2,950,408	0	0
Intergovernmental	387,371	0	0
Investment	821,618	29,556	114,476
Contributions	8,500	0	0
Other	176,097	6,311	0
Total revenues	27,738,231	6,468,550	114,476
EXPENDITURES			
Current			
General Government	4,950,539	0	0
Judicial	603,102	0	0
Public Safety	9,865,202	10,016,756	0
Public Works	4,891,531	0	0
Health and Welfare	15,000	0	0
Culture and Recreation	94,855	0	0
Housing and Development	1,740,880	0	55,826
Debt service			
Principal	0	0	0
Interest and other charges	0	0	0
Capital outlay	0	0	0
Total expenditures	22,161,109	10,016,756	55,826
Excess (deficiency) of revenues over (under) expenditures	5,577,122	(3,548,206)	58,650
Other financing sources (uses)			
Transfers in	3,719,608	2,700,000	0
Transfers out	(6,251,002)	(384,842)	0
Issuance of capital leases	0	1,268,593	0
Sales of capital assets	38,923	3,300	0
Total other financing sources (uses)	(2,492,471)	3,587,051	0
Net changes in fund balances	3,084,651	38,845	58,650
Fund balances, July 1	13,708,575	774,429	6,031,465
Fund balances, June 30	\$ 16,793,226	\$ 813,274	\$ 6,090,115

SPLOST		Nonmajor Governmental Funds	Totals
\$	0	\$ 4,124,398	\$ 31,964,390
	0	0	920,559
	0	144,881	1,211,250
	0	1,605,612	4,556,020
6,096,929		4,265,919	10,750,219
	0	272,201	1,237,851
	0	107,623	116,123
	0	100,566	282,974
6,096,929		10,621,200	51,039,386
	0	108,520	5,059,059
	0	1,188	604,290
	0	475,214	20,357,172
	0	31,878	4,923,409
	0	3,314,651	3,329,651
	0	2,560,518	2,655,373
	0	2,028,349	3,825,055
	0	1,754,003	1,754,003
	0	662,008	662,008
6,938,196		5,868,012	12,806,208
6,938,196		16,804,341	55,976,228
(841,267)		(6,183,141)	(4,936,842)
2,587,339		3,445,177	12,452,124
	0	(2,654,237)	(9,290,081)
	0	479,638	1,748,231
	0	24,813	67,036
2,587,339		1,295,391	4,977,310
1,746,072		(4,887,750)	40,468
14,599,795		22,899,154	58,013,418
\$ 16,345,867		\$ 18,011,404	\$ 58,053,886

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, 2020

Net change in fund balances - total governmental funds	\$ 40,468
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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	\$ 11,536,444	
Depreciation	<u>(5,035,883)</u>	6,500,561

In the statement of activities, the loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources.

Cost of assets disposed	\$ (1,568,214)	
Related accumulated depreciation	<u>1,321,865</u>	(246,349)

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.

Cost of assets	\$ 57,644	
Related accumulated depreciation	<u>(57,644)</u>	0

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. 715,760

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. Further, governmental funds report bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of net position.

Debt principal repayments	\$ 1,761,507	
Debt proceeds	(1,748,231)	
Net change in interest payable	<u>(26,825)</u>	(13,549)

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	\$ 2,357,581	
Cost of benefits earned net of employee contributions	<u>(3,467,573)</u>	(1,109,992)

Other post employment benefits are reported in the statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

OPEB contributions	\$ 1,224,656	
Cost of benefits earned net of employee contributions	<u>183,414</u>	1,408,070

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		(546,579)
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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	\$ 17,552	
Add depreciation expense included above	37,002	
Add change in compensated absences included above	2,601	
Add consolidation of internal service fund activities allocated to business-type activities	<u>58,465</u>	<u>115,620</u>
Change in net position of governmental activities		<u>\$ 6,864,010</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, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 19,170,732	\$ 19,170,732	\$ 21,407,309	\$ 2,236,577
Licenses and permits	874,400	874,400	920,559	46,159
Fines, fees and forfeitures	1,363,200	1,363,200	1,066,369	(296,831)
Charges for services	2,864,474	2,864,474	2,950,408	85,934
Intergovernmental	362,614	362,614	387,371	24,757
Investment	324,081	324,081	821,618	497,537
Contributions	0	0	8,500	8,500
Other	156,600	160,988	176,097	15,109
Total revenues	25,116,101	25,120,489	27,738,231	2,617,742
EXPENDITURES				
Current				
General Government				
Mayor and Council	398,275	402,663	304,516	98,147
City Manager's Office	933,938	933,938	896,052	37,886
Finance	1,346,754	1,346,754	1,301,345	45,409
Information Technologies	1,078,198	1,078,198	997,859	80,339
Human Resources	809,608	818,458	754,489	63,969
Public Lands and Buildings	887,154	805,829	696,278	109,551
Judicial				
Municipal Court	591,500	603,150	603,102	48
Public Safety				
Police	9,930,208	9,886,877	9,865,202	21,675
Public Works				
Engineering	1,058,242	1,058,242	1,021,327	36,915
Traffic	1,475,094	1,475,094	1,310,449	164,645
Street Maintenance	1,921,348	1,921,348	1,653,671	267,677
Storm Water	442,147	442,147	329,817	112,330
Cemetery	645,540	645,540	576,267	69,273
Health and Welfare				
Payments to other agencies	15,000	22,000	15,000	7,000
Culture and Recreation				
Payments to other agencies	94,855	94,855	94,855	0
Housing and Development				
Planning	764,068	758,549	718,580	39,969
Inspection	445,670	452,397	422,623	29,774
Code Enforcement	370,355	462,380	437,695	24,685
Payments to other agencies	166,983	161,983	161,982	1
Total expenditures	23,374,937	23,370,402	22,161,109	1,209,293
Excess (deficiency) of revenues over (under) expenditures	1,741,164	1,750,087	5,577,122	3,827,035
Other financing sources (uses)				
Transfers in (out)				
Transfers in	3,338,002	4,327,329	3,719,608	(607,721)
Transfers out	(7,967,475)	(8,481,182)	(6,251,002)	2,230,180
Contingency	(617,000)	(617,000)	0	617,000
Sales of capital assets	40,000	40,000	38,923	(1,077)
Total other financing sources (uses)	(5,206,473)	(4,730,853)	(2,492,471)	2,238,382
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,465,309)	(2,980,766)	3,084,651	6,065,417
Fund balances, July 1	3,465,309	2,980,766	13,708,575	10,727,809
Fund balances, June 30	\$ 0	\$ 0	\$ 16,793,226	\$ 16,793,226

CITY OF GAINESVILLE, GEORGIA
FIRE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2020

	Budget		Actual	Variance with
	Original	Final		Final Budget
REVENUES				
Property taxes	\$ 6,260,612	\$ 6,260,612	\$ 6,372,274	\$ 111,662
Motor vehicle	50,794	50,794	60,409	9,615
Investment	30,026	30,026	29,556	(470)
Other	0	6,311	6,311	0
Total revenues	<u>6,341,432</u>	<u>6,347,743</u>	<u>6,468,550</u>	<u>120,807</u>
EXPENDITURES				
Current				
Public Safety				
Personal Services	7,566,045	7,569,111	7,535,503	33,608
Other	1,390,575	2,807,844	2,481,253	326,591
Total expenditures	<u>8,956,620</u>	<u>10,376,955</u>	<u>10,016,756</u>	<u>360,199</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,615,188)</u>	<u>(4,029,212)</u>	<u>(3,548,206)</u>	<u>481,006</u>
Other financing sources (uses)				
Transfers in (out)				
Transfers in	2,700,000	2,700,000	2,700,000	0
Transfers out	(384,812)	(384,842)	(384,842)	0
Sales of capital assets	0	0	3,300	3,300
Issuance of capital lease	0	1,414,054	1,268,593	(145,461)
Total other financing sources (uses)	<u>2,315,188</u>	<u>3,729,212</u>	<u>3,587,051</u>	<u>(142,161)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(300,000)</u>	<u>(300,000)</u>	<u>38,845</u>	<u>338,845</u>
Fund balances, July 1	<u>300,000</u>	<u>300,000</u>	<u>774,429</u>	<u>474,429</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 813,274</u></u>	<u><u>\$ 813,274</u></u>

CITY OF GAINESVILLE, GEORGIA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2020

	Budget			Variance with
	Original	Final	Actual	Final
				Budget
REVENUES				
Investment	\$ 43,000	\$ 43,000	\$ 114,476	\$ 71,476
EXPENDITURES				
Current				
Housing and Development				
Other	108,000	108,000	55,826	52,174
Excess (deficiency) of revenues over (under) expenditures	(65,000)	(65,000)	58,650	123,650
Fund balances, July 1	65,000	65,000	6,031,465	5,966,465
Fund balances, June 30	\$ 0	\$ 0	\$ 6,090,115	\$ 6,090,115

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Business-Type Activities			Governmental Activities
	Department of	Nonmajor		Internal
	Water Resources	Enterprise Funds	Totals	Service
ASSETS				
Current assets				
Cash and cash equivalents	\$ 19,142,300	\$ 2,394,880	\$ 21,537,180	\$ 4,231,737
Investments	20,659,437	2,310,395	22,969,832	4,305,934
Restricted assets				
Cash and cash equivalents	45,212,572	0	45,212,572	0
Investments	32,877,518	0	32,877,518	0
Receivables (net)				
Accounts	4,442,085	260,133	4,702,218	11,966
Intergovernmental	0	259,150	259,150	346
Other	21,075	0	21,075	0
Due from other funds	10,017,622	0	10,017,622	0
Inventories	1,860,347	0	1,860,347	88,042
Prepaid items	5,703	0	5,703	2,278
Other assets	0	0	0	120,665
Total current assets	134,238,659	5,224,558	139,463,217	8,760,968
Noncurrent assets				
Capital assets				
Non-depreciable	69,459,367	1,152,704	70,612,071	0
Depreciable (net)	412,940,271	12,116,448	425,056,719	122,740
Total noncurrent assets	482,399,638	13,269,152	495,668,790	122,740
Total assets	616,638,297	18,493,710	635,132,007	8,883,708
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	93,885	27,465	121,350	0
Deferred outflows related to pensions	2,695,233	244,914	2,940,147	0
Deferred outflows related to other post employment benefits	1,071,912	150,412	1,222,324	0
Total deferred outflow of resources	3,861,030	422,791	4,283,821	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	976,966	430,406	1,407,372	138,964
Intergovernmental	923,685	0	923,685	0
Deposits	0	4,036	4,036	148,404
Sales tax	0	10,935	10,935	0
Interest	0	5,569	5,569	0
Accrued salaries	457,862	72,997	530,859	13,074
Compensated absences	855,114	115,624	970,738	29,830
Claims reserve	0	0	0	2,231,758
Capital lease payable	1,261,588	265,000	1,526,588	0
Other liabilities	0	49,714	49,714	0
Liabilities payable from restricted assets:				
Payables				
Accounts	2,256,537	0	2,256,537	0
Retainages	1,186,299	0	1,186,299	0
Customer deposits	2,262,826	0	2,262,826	0
Interest	332,299	0	332,299	0
Revenue bonds payable	15,663,739	0	15,663,739	0
Total current liabilities	26,176,915	954,281	27,131,196	2,562,030

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
Noncurrent liabilities				
Compensated absences	\$ 95,013	\$ 12,847	\$ 107,860	\$ 3,314
Net pension liability	18,974,239	753,655	19,727,894	0
Net OPEB liability	9,757,735	1,354,640	11,112,375	0
Capital leases payable	12,615,880	1,440,000	14,055,880	0
Revenue bonds payable	58,983,151	0	58,983,151	0
Total noncurrent liabilities	100,426,018	3,561,142	103,987,160	3,314
Total liabilities	126,602,933	4,515,423	131,118,356	2,565,344
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	2,107,432	110,613	2,218,045	0
Deferred inflows related to other post employment benefits	2,794,303	385,286	3,179,589	0
Total deferred inflows of resources	4,901,735	495,899	5,397,634	0
NET POSITION				
Net investment in capital assets	390,877,551	11,591,617	402,469,168	122,740
Restricted for:				
Capital outlay	66,560,802	41,390	66,602,192	0
Debt service	8,561,194	0	8,561,194	0
Unrestricted	22,995,112	2,272,172	25,267,284	6,195,624
Total net position	\$ 488,994,659	\$ 13,905,179	502,899,838	\$ 6,318,364
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			1,260,815	
Net position of business-type activities			\$ 504,160,653	

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2020

	Business-Type Activities			Governmental Activities
	Department of	Nonmajor		Internal
	Water Resources	Enterprise Funds	Totals	Service
OPERATING REVENUES				
Charges for sales and services	\$ 73,915,527	\$ 5,110,779	\$ 79,026,306	\$ 0
Interfund services provided	0	0	0	13,249,715
Other	120,604	37,906	158,510	60,863
Total operating revenues	74,036,131	5,148,685	79,184,816	13,310,578
OPERATING EXPENSES				
Costs of sales and services	22,997,951	2,207,151	25,205,102	13,044,242
Personal services	13,546,093	1,992,499	15,538,592	383,594
Depreciation	15,794,316	1,438,740	17,233,056	37,002
Total operating expenses	52,338,360	5,638,390	57,976,750	13,464,838
Operating income (loss)	21,697,771	(489,705)	21,208,066	(154,260)
Non-operating revenues (expenses)				
Investment revenue	3,410,956	110,594	3,521,550	170,349
Interest expense	(2,901,603)	(61,109)	(2,962,712)	0
Gain (loss) on sale of capital assets	4,681	10,491	15,172	1,463
Total non-operating revenues (expenses)	514,034	59,976	574,010	171,812
Income (loss) before capital contributions and transfers	22,211,805	(429,729)	21,782,076	17,552
Capital contributions				
Connection fees	3,740,514	0	3,740,514	0
Capital contributions	6,425,403	0	6,425,403	0
Intergovernmental revenue	0	313,383	313,383	0
Total capital contributions	10,165,917	313,383	10,479,300	0
Income (loss) before transfers	32,377,722	(116,346)	32,261,376	17,552
Transfers in (out)				
Transfers in	0	473,440	473,440	0
Transfers out	(3,300,483)	(335,000)	(3,635,483)	0
Total transfers in (out)	(3,300,483)	138,440	(3,162,043)	0
Change in net position	29,077,239	22,094	29,099,333	17,552
Net position, July 1	459,917,420	13,883,085	473,800,505	6,300,812
Net position, June 30	\$ 488,994,659	\$ 13,905,179	\$ 502,899,838	\$ 6,318,364
Change in net position - enterprise funds			\$ 29,099,333	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(58,465)	
Change in net position - business-type activities			\$ 29,040,868	

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2020

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
Cash flows from operating activities:				
Receipts from customers	\$ 74,799,642	\$ 5,155,214	\$ 79,954,856	\$ 0
Receipts from interfund services provided	0	0	0	13,272,325
Payments to suppliers	(24,039,449)	(2,097,459)	(26,136,908)	(13,180,213)
Payments to employees	(13,993,912)	(2,078,744)	(16,072,656)	(379,136)
Other receipts	120,605	25,306	145,911	60,863
Net cash provided (used) by operating activities	36,886,886	1,004,317	37,891,203	(226,161)
Cash flows from non-capital financing activities:				
Receipts from other funds	0	473,440	473,440	0
Payments to other funds	(3,300,483)	(638,957)	(3,939,440)	0
Net cash provided (used) by non-capital financing activities	(3,300,483)	(165,517)	(3,466,000)	0
Cash flows from capital and related financing activities:				
Connection fees	3,740,514	0	3,740,514	0
Receipts from other funds	17,350	0	17,350	0
Receipts from other governments	0	1,582,508	1,582,508	0
Proceeds from sale of capital assets	58,157	10,491	68,648	1,463
Interest paid	(2,929,567)	(53,227)	(2,982,794)	0
Acquisition of capital assets	(19,844,104)	(1,236,550)	(21,080,654)	0
Payment of capital related accounts payable	(2,566,865)	(305,637)	(2,872,502)	0
Principal payments - bonds	(12,615,000)	0	(12,615,000)	0
Principal payments - capital leases	0	(715,428)	(715,428)	0
Net cash provided (used) by capital and related financing activities	(34,139,515)	(717,843)	(34,857,358)	1,463
Cash flows from investing activities:				
Receipts of investment revenue	2,505,971	110,594	2,616,565	170,350
Purchase of investments	66,785,426	(3,316,252)	63,469,174	5,371,497
Sale of investments	(74,893,769)	2,882,135	(72,011,634)	(6,071,410)
Net cash provided (used) by operating activities	(5,602,372)	(323,523)	(5,925,895)	(529,563)
Net increase (decrease) in cash and cash equivalents	(6,155,484)	(202,566)	(6,358,050)	(754,261)
Cash and cash equivalents, July 1	70,510,356	2,597,446	73,107,802	4,985,998
Cash and cash equivalents, June 30	\$ 64,354,872	\$ 2,394,880	\$ 66,749,752	\$ 4,231,737

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2020

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 21,697,771	\$ (489,705)	\$ 21,208,066	\$ (154,260)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	15,794,316	1,438,740	17,233,056	37,002
(Increase) decrease in accounts receivable	941,418	30,171	971,589	14,448
(Increase) decrease in intergovernmental receivables	0	0	0	8,161
(Increase) decrease in inventory	(196,867)	0	(196,867)	6,142
(Increase) decrease in prepaid items	(5,703)	0	(5,703)	(2,278)
(Increase) decrease in other assets	0	0	0	19,335
(Increase) decrease in deferred outflows of resources	(186,872)	(182,571)	(369,443)	0
Increase (decrease) in accounts payable	(935,184)	107,428	(827,756)	(80,360)
Increase (decrease) in intergovernmental payables	96,256	0	96,256	0
Increase (decrease) in sales tax payable	0	1,663	1,663	0
Increase (decrease) in accrued salaries and benefits	282,515	61,743	344,258	4,458
Increase (decrease) in deposits payable	(57,303)	0	(57,303)	12,502
Increase (decrease) in claims reserve	0	0	0	(91,311)
Increase (decrease) in net pension liability	(119,596)	243,717	124,121	0
Increase (decrease) in deferred inflows of resources	(683,295)	(246,194)	(929,489)	0
Increase (decrease) in net OPEB liability	259,430	37,061	296,491	0
Increase (decrease) in other liabilities	0	2,264	2,264	0
Total adjustments	15,189,115	1,494,022	16,683,137	(71,901)
Net cash provided (used) by operating activities	\$ 36,886,886	\$ 1,004,317	\$ 37,891,203	\$ (226,161)
Cash and cash equivalents reconciliation:				
Cash and cash equivalents	\$ 19,142,300	\$ 2,394,880	\$ 21,537,180	\$ 4,231,737
Restricted assets				
Cash and cash equivalents	45,212,572	0	45,212,572	0
Total cash and cash equivalents	\$ 64,354,872	\$ 2,394,880	\$ 66,749,752	\$ 4,231,737

Noncash investing, capital, and financing activities:

Contributions of capital assets from individuals totaled \$5,146,465.
Acquisition of capital assets through accounts payable totaled \$1,883,564.
Acquisition of capital assets through retainage payable totaled \$1,186,299
Forgiveness of capital lease through capital contributions totaled \$1,261,588.

Note: A portion of beginning cash and cash equivalents has been reclassified to investments. See notes for additional details.

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2020

	Community Private-Purpose Trust Fund	Employees' Pension Trust Fund	Municipal Court Agency Fund
ASSETS			
Cash and cash equivalents	\$ 48,952	\$ 948,489	\$ 34,790
Investments, at fair value			
Mutual funds			
Equity	0	65,943,173	0
Fixed income	0	31,071,901	0
Real estate	0	9,894,048	0
Total assets	48,952	107,857,611	34,790
LIABILITIES			
Accounts payable	20,867	42,865	0
Due to other agencies	0	0	34,790
Total liabilities	20,867	42,865	34,790
NET POSITION			
Restricted for:			
Pensions	0	107,814,746	0
Employee assistance	28,085	0	0
Total net position	\$ 28,085	\$ 107,814,746	\$ 0

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the fiscal year ended June 30, 2020

	Community Private-Purpose Trust Fund	Employees' Pension Trust Fund
ADDITIONS		
Contributions		
Employer contributions	\$ 0	\$ 3,593,741
Employee contributions	0	3,650,875
Employee donations	50,896	0
Total contributions and donations	50,896	7,244,616
Investment Income		
Net appreciation (depreciation) in fair value of investments	0	2,819,537
Interest	4	6,200
Dividends	0	1,859,831
Investment expense	0	(313,890)
Net investment income (loss)	4	4,371,678
Total additions (reductions)	50,900	11,616,294
DEDUCTIONS		
Benefits	0	8,896,838
Refunds	0	492,009
Distributions for assistance	55,530	0
Total deductions	55,530	9,388,847
Change in net position	(4,630)	2,227,447
Net position held in trust for pension benefits and other purposes		
Net position, July 1	32,715	105,587,299
Net position, June 30	<u>\$ 28,085</u>	<u>\$ 107,814,746</u>

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2020

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Total Component Units
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,874,954	\$ 431,545	\$ 2,306,499
Investments	1,904,582	416,611	2,321,193
Receivables			
Accounts	2,272	1,119	3,391
Taxes	59,004	0	59,004
Restricted assets			
Cash and cash equivalents	101,761	0	101,761
Total current assets	3,942,573	849,275	4,791,848
Noncurrent assets			
Capital assets			
Non-depreciable	7,673,277	0	7,673,277
Depreciable (net)	5,386,413	1,016,091	6,402,504
Total noncurrent assets	13,059,690	1,016,091	14,075,781
Total assets	17,002,263	1,865,366	18,867,629
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	244,616	340,724	585,340
Deferred outflows related to other post employment benefits	189,589	29,394	218,983
Total deferred outflows of resources	434,205	370,118	804,323
LIABILITIES			
Current liabilities			
Payables			
Accounts	52,233	13,516	65,749
Intergovernmental	4,067	0	4,067
Retainage	88,318	0	88,318
Sales tax	748	0	748
Unearned revenue	8,000	999	8,999
Accrued salaries	108,268	24,117	132,385
Compensated absences	123,579	25,365	148,944
Other liabilities	13,071	0	13,071
Total current liabilities	398,284	63,997	462,281
Noncurrent liabilities			
Compensated absences	13,731	2,818	16,549
Net pension liability	236,717	838,972	1,075,689
Net OPEB liability	1,655,044	169,016	1,824,060
Total noncurrent liabilities	1,905,492	1,010,806	2,916,298
Total liabilities	2,303,776	1,074,803	3,378,579

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2020

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Total Component Units
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	\$ 96,614	\$ 30,219	\$ 126,833
Deferred inflows related to other post employment benefits	439,034	58,782	497,816
Total deferred inflows of resources	535,648	89,001	624,649
NET POSITION			
Investment in capital assets	13,059,690	1,016,091	14,075,781
Restricted for cultural and recreation	5,255	0	5,255
Restricted for capital outlay	505	0	505
Unrestricted	1,531,594	55,589	1,587,183
Total net position	\$ 14,597,044	\$ 1,071,680	\$ 15,668,724

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
COMPONENT UNITS
For the fiscal year ended June 30, 2020

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Total Component Units
Expenses			
Culture and Recreation	\$ 5,316,808	\$ 0	\$ 5,316,808
Housing and Development	0	1,198,780	1,198,780
Total expenses	5,316,808	1,198,780	6,515,588
Program revenues			
Charges for services	1,142,893	88,658	1,231,551
Operating grants and contributions	3,632,079	0	3,632,079
Capital grants and contributions	200,000	1,499,315	1,699,315
Total program revenues	4,974,972	1,587,973	6,562,945
Net (expense) revenue	(341,836)	389,193	47,357
General revenues			
Property taxes	3,862,929	0	3,862,929
Investment	90,465	13,611	104,076
Payments from City of Gainesville	0	700,956	700,956
Gain on sale of capital asset	5,206	0	5,206
Miscellaneous	635	9,290	9,925
Total general revenues	3,959,235	723,857	4,683,092
Change in net position	3,617,399	1,113,050	4,730,449
Net position, July 1	10,979,645	(41,370)	10,938,275
Net position, June 30	\$ 14,597,044	\$ 1,071,680	\$ 15,668,724



GAINESVILLE

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 8%, of which 62 1/2 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, continued

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

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements

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

The City reports the following major governmental funds:

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

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

Economic Development Fund - This fund is used to account for resources that are legally or donor restricted for the City's economic development activities.

SPLOST Fund - This fund is used to account for long-term capital projects financed by special local option sales tax.

The City reports the following major proprietary fund:

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Additionally, the City reports the following fund types:

Governmental Fund Types

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

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

Proprietary Fund Types

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

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

Fiduciary Fund Types

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Fiduciary Fund Types (continued)

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

Component Units

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

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

Interfund Activity

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

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

E. Measurement Focus and Basis of Accounting

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

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

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

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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

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

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

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

F. Revenues and Expenditures/Expenses

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

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses, continued

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

Proprietary funds and internal service funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Department of Water Resources Fund, Airport Fund, Solid Waste Fund, and Chattahoochee Golf Course Fund, and internal service funds are charges to customers for sales and services. The Department of Water Resources Fund also recognizes as operating revenue a portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

G. Budgets and Budgetary Accounting

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

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting, continued

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

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

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

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting, continued

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

H. Cash and Investments

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

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

I. Intergovernmental Receivables

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

J. Inventories

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

2. Summary of Significant Accounting Policies (continued)

K. Prepaid Items

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

L. Capital Assets

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

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

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

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

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

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

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

2. Summary of Significant Accounting Policies (continued)

M. Deferred Outflows/Inflows of Resources

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

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

N. Net Position Flow Assumption

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

2. Summary of Significant Accounting Policies (continued)

O. Fund Balance Flow Assumption

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

P. Restricted Assets and Restricted Net Position

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

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

2. Summary of Significant Accounting Policies (continued)

Q. Fund Balances – Governmental Funds

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

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

Q. Fund Balances – Governmental Funds, continued

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

R. Compensated Absences

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

S. Long-Term Obligations

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

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

2. Summary of Significant Accounting Policies (continued)

T. Capital Contributions

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

U. Pensions

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

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

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

W. Comparative Data and Reclassifications

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

3. Deposit and Investment Risk

Custodial credit risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be able to recover deposits or will not be able to recover collateral securities that are in possession by an outside party. State statutes and the City's policies require that all deposits and investments (other than federal and state government instruments) to be collateralized with depository insurance; obligations of the U.S. governments; or bonds of public authorities, counties or municipalities; or to participate in the Georgia Secure Deposit Program. The Employees' Pension Trust Fund deposits and investments are exempt from the requirements enumerated above.

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

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

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

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

3. Deposit and Investment Risk (continued)

The City participates in the State of Georgia Local Government Investment Pool (Georgia Fund 1). The City policy limits investments in Georgia Fund 1 to 50% of the City's investments. Assets in this pool are invested in the Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Standard and Poor's criteria for AAAs 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 Georgia Fund 1 is rated AAAs by Standard & Poor's. The weighted average maturity at the end of the current fiscal year was 38 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$56,948.

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)

Investment policies – Employees’ Pension Trust Fund (continued)

City policy requires that fixed income portfolio should bear an average credit quality of “A” or higher. Investments in Collateralized Mortgage Obligations shall be limited to 15% of the market value of the investment manager's total portfolio. No more than 5% (at cost) of an investment manager's total fixed income portfolio shall be invested in the securities of any single corporate issuer. There is no limit imposed on investments in fixed income securities issued directly by the US government or any agency or instrumentality thereof. Investments in corporate fixed income securities shall be limited to securities issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia. The duration of the fixed income portfolio should be less than 135% of the duration of the Barclays Capital US Aggregate Bond Index. At the end of the current fiscal year, the duration for the index was 5.63 years.

Investments in corporate fixed income securities shall be limited to those securities rated “BAA” or higher by Moody's or “BBB” or higher by Standard & Poor's rating services. Fixed income securities may be managed through the purchase of open-ended, no-load mutual funds or commingled funds as long as these funds in aggregate adhere to the fixed income guidelines of the policy.

Investment	Fair Value	Average Maturity (in years)	Standard and Poor's Credit Rating
PIMCO All Asset Fund	\$ 9,490,198	8.77	N/A
PIMCO Income Fund	6,446,349	5.44	N/A
PIMCO Investment Grade Credit Fund	7,759,511	11.22	N/A
PIMCO Total Return Fund	7,375,843	6.91	N/A
	<u>\$ 31,071,901</u>		

Foreign currency risk

The City has no investments denominated in a foreign currency.

Investments

The City measures and records its investments using fair value hierarchy measurement guidelines established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs other than quoted market prices. Level 3 inputs are significant unobservable inputs.

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

3. Deposit and Investment Risk (continued)

At the end of the current fiscal year, the City's investments consist of the following:

Investment	Fair Value Measurement			Fair Value
	Level 1	Level 2	Level 3	
Federal agency securities	\$ 0	\$ 15,908,329	\$ 0	\$ 15,908,329
U.S. treasury notes	9,571,966	0	0	9,571,966
Property held for resale	0	0	10,641,733	10,641,733
Total investments measured at fair value	\$ 9,571,966	\$ 15,908,329	\$ 10,641,733	\$ 36,122,029
Investments recorded at cost:				
Certificates of deposit				61,520,800
Investments not subject to level disclosure:				
Georgia Fund 1 (classified as cash equivalent)				56,948
Total investments				\$ 97,699,777

U.S. treasury notes classified as Level 1 of the hierarchy are valued using prices quoted in active markets. Federal agency securities classified as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices. Mutual funds comprised of real estate investments classified as Level 3 of the hierarchy are valued using unobservable inputs and assumptions such as appraisals, rental revenue, rental expense amounts, growth assumptions, and discount rates

The certificates of deposit are nonparticipating interest earning investment contracts and, accordingly, are recorded at cost.

The Georgia Fund 1 investment pool, which does not meet the criteria of GASB Statement No. 79 and are thus valued at fair value in accordance with GASB Statement No. 31. Accordingly, the City does not disclose the investment in Georgia Fund 1 within the fair value hierarchy. Investments in Georgia Fund 1 have no limitations or restrictions on withdrawals and can be removed at any time.

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

3. Deposit and Investment Risk (continued)

At the end of the current fiscal year, component unit investments consist of the following:

Investment	Fair Value Measurement			Fair Value
	Level 1	Level 2	Level 3	
Federal agency securities	\$ 0	\$ 424,657	\$ 0	\$ 424,657
U.S. treasury notes	255,515	0	0	255,515
Total investments measured at fair value	\$ 255,515	\$ 424,657	\$ 0	\$ 680,172
Investments recorded at cost:				
Certificates of deposit				1,641,021
Total investments				<u><u>\$ 2,321,193</u></u>

U.S. treasury notes classified as Level 1 of the hierarchy are valued using prices quoted in active markets. Federal agency securities classified as Level 2 of the hierarchy are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

The certificates of deposit are nonparticipating interest earning investment contracts and, accordingly, are recorded at cost.

At the end of the current fiscal year, the City's Employees' Pension Trust Fund investments consist of the following:

Investment	Fair Value Measurement			Fair Value
	Level 1	Level 2	Level 3	
Mutual Funds - corporate bonds	\$ 0	\$ 31,071,901	\$ 0	\$ 31,071,901
Mutual Funds - corporate stocks	65,943,173	0	0	65,943,173
Mutual Funds - real estate	0	0	9,894,048	9,894,048
Total investments measured at fair value	\$ 65,943,173	\$ 31,071,901	\$ 9,894,048	\$ 106,909,122

Mutual funds comprised of corporate stock securities classified as Level 1 of the hierarchy are valued using prices quoted in active markets. Mutual funds comprised of corporate bond securities classified as Level 2 of the hierarchy are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices. Mutual funds comprised of real estate investments classified as Level 3 of the hierarchy are valued using unobservable inputs and assumptions such as appraisals, rental revenue, rental expense amounts, growth assumptions, and discount rates

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

4. Accounts Receivable

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

Primary Government:

Major Funds

General Fund		\$	181,995
Fire Special Revenue Fund			1,249
Economic Development Special Revenue Fund			5,099
Department of Water Resources Enterprise Fund	\$	5,647,813	
Less: Allowance for Uncollectibles		<u>(1,205,728)</u>	4,442,085

Nonmajor Funds

Special Revenue Funds			
Community Service Center			4,295
Impact Fee			708
Tax Allocation District			400
Capital Project Fund			
General Government			538,498
Enterprise Funds			
Airport	22,577		
Solid Waste	283,172		
Less: Allowance for Uncollectibles	<u>(86,092)</u>		
Golf Course	40,476		260,133
Internal Service Funds			
General Insurance	5,403		
Employee Benefits	<u>6,563</u>		11,966
Total Primary Government			<u><u>\$ 5,446,428</u></u>

Component Units:

City of Gainesville Parks and Recreation	\$	2,272
Gainesville Convention and Visitor's Bureau		<u>1,119</u>
Total Component Units	\$	<u><u>3,391</u></u>

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

5. Intergovernmental Receivables

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

Primary Government:

Major Funds

General Fund	\$	24,898
Fire Special Revenue Fund		876
SPLOST Capital Projects Fund		1,574,711

Nonmajor Funds

Special Revenue Funds		
Community Service Center	\$ 1,124,218	
Grants	513,101	
HUD Grant	<u>261,099</u>	1,898,418

Debt Service Funds

Debt Service		960
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Capital Projects Funds

Grants		291,557
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Enterprise funds

Airport		259,150
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Internal Service Funds

Vehicle Services		<u>346</u>
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Total Primary Government		<u><u>\$ 4,050,916</u></u>
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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 2020, based upon the assessments of January 1, 2019 and the levy date of August 28, 2019, were final billed on October 1, 2019, and due on December 1, 2019. Tax liens are issued 90 days after the due date. The City of Gainesville bills and collects its own property taxes with property tax collections appearing as revenues to the respective funds (General, Fire, Tax Allocation District, Debt Service, and Parks and Recreation Component Unit) according to the tax rates set by City Council.

7. Intradepartmental Billings

Total operating revenues and total operating expenses in the Department of Water Resources Enterprise Fund includes \$189,065 of intradepartmental billings for water and sewer usage for the current fiscal year.

8. Interfund Receivables, Payables, and Transfers

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 616,211
Department of Water Resources	Economic Development	10,017,622
Nonmajor Governmental	Nonmajor Governmental	1,500,472
		<u>\$ 12,134,305</u>

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

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
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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

A summary of interfund transfers is as follows:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
General	Fire	\$ 2,700,000
	SPLOST	750,000
	Nonmajor Governmental	2,327,562
	Nonmajor Enterprise	473,440
Fire	Nonmajor Governmental	384,842
Department of Water Resources	General	3,300,483
Nonmajor Governmental	General	84,125
	SPLOST	1,837,339
	Nonmajor Governmental	732,773
Nonmajor Enterprise	General	335,000
		<u>\$ 12,925,564</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
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

9. Capital Assets

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

	Balance Beginning	Increases	Decreases	Balance Ending
Governmental activities				
Non-depreciable assets				
Land	\$ 27,448,883	\$ 127,962	\$ (138,319)	\$ 27,438,526
Easements	132,500	0	0	132,500
Construction in progress	6,582,151	9,016,712	(1,489,225)	14,109,638
Total non-depreciable assets	34,163,534	9,144,674	(1,627,544)	41,680,664
Depreciable assets				
Buildings	58,769,655	0	0	58,769,655
Land improvements	3,295,834	99,392	0	3,395,226
Vehicles and equipment	23,344,297	3,563,656	(1,429,895)	25,478,058
Intangibles	3,112,339	0	0	3,112,339
Infrastructure	41,633,321	275,591	0	41,908,912
Total depreciable assets	130,155,446	3,938,639	(1,429,895)	132,664,190
Less accumulated depreciation				
Buildings	(19,689,220)	(1,467,857)	0	(21,157,077)
Land improvements	(1,936,156)	(126,906)	0	(2,063,062)
Vehicles and equipment	(17,234,480)	(1,922,994)	1,321,865	(17,835,609)
Intangibles	(2,347,979)	(242,272)	0	(2,590,251)
Infrastructure	(16,996,400)	(1,333,498)	0	(18,329,898)
Total accumulated depreciation	(58,204,235)	(5,093,527)	1,321,865	(61,975,897)
Total depreciable assets, net	71,951,211	(1,154,888)	(108,030)	70,688,293
Governmental activities capital assets, net	\$ 106,114,745	\$ 7,989,786	\$ (1,735,574)	\$ 112,368,957
Business-type activities				
Non-depreciable assets				
Land	\$ 32,507,539	\$ 322,740	\$ (53,475)	\$ 32,776,804
Easements	2,056,998	65,283	0	2,122,281
Construction in progress	39,196,753	22,789,609	(26,273,376)	35,712,986
Total non-depreciable assets	73,761,290	23,177,632	(26,326,851)	70,612,071
Depreciable assets				
Buildings	52,944,485	7,978,774	0	60,923,259
Land improvements	10,096,613	0	0	10,096,613
Vehicles and equipment	40,221,661	3,366,970	(708,285)	42,880,346
Intangibles	6,089,224	0	0	6,089,224
Infrastructure	560,271,556	21,046,982	0	581,318,538
Total depreciable assets	669,623,539	32,392,726	(708,285)	701,307,980
Less accumulated depreciation				
Buildings	(15,082,241)	(1,216,299)	0	(16,298,540)
Land improvements	(6,136,308)	(431,891)	0	(6,568,199)
Vehicles and equipment	(21,571,337)	(2,471,971)	708,285	(23,335,023)
Intangibles	(2,846,909)	(271,597)	0	(3,118,506)
Infrastructure	(214,089,695)	(12,841,298)	0	(226,930,993)
Total accumulated depreciation	(259,726,490)	(17,233,056)	708,285	(276,251,261)
Total depreciable assets, net	409,897,049	15,159,670	0	425,056,719
Business-type activities capital assets, net	\$ 483,658,339	\$ 38,337,302	\$ (26,326,851)	\$ 495,668,790

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

9. Capital Assets (continued)

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

	Balance Beginning	Increases	Decreases	Balance Ending
Parks & Recreation Component Unit				
Non-depreciable assets				
Land	\$ 4,595,830	\$ 778,794	\$ 0	\$ 5,374,624
Construction in progress	302,995	4,082,090	(2,086,432)	2,298,653
Total non-depreciable assets	<u>4,898,825</u>	<u>4,860,884</u>	<u>(2,086,432)</u>	<u>7,673,277</u>
Depreciable assets				
Buildings	9,054,971	847,461	(723,499)	9,178,933
Land improvements	4,101,587	0	0	4,101,587
Vehicles and equipment	1,687,794	279,574	(53,100)	1,914,268
Intangibles	281,365	0	0	281,365
Infrastructure	3,120,059	0	0	3,120,059
Total depreciable assets	<u>18,245,776</u>	<u>1,127,035</u>	<u>(776,599)</u>	<u>18,596,212</u>
Less accumulated depreciation				
Buildings	(7,242,996)	(107,710)	711,658	(6,639,048)
Land improvements	(2,931,981)	(107,512)	0	(3,039,493)
Vehicles and equipment	(1,313,938)	(143,925)	0	(1,457,863)
Intangibles	(243,953)	(9,353)	0	(253,306)
Infrastructure	(1,677,528)	(142,561)	0	(1,820,089)
Total accumulated depreciation	<u>(13,410,396)</u>	<u>(511,061)</u>	<u>711,658</u>	<u>(13,209,799)</u>
Total depreciable assets, net	<u>4,835,380</u>	<u>615,974</u>	<u>(64,941)</u>	<u>5,386,413</u>
Parks & Recreation Component Unit capital assets, net	<u>\$ 9,734,205</u>	<u>\$ 5,476,858</u>	<u>\$ (2,151,373)</u>	<u>\$ 13,059,690</u>
Convention and Visitor's Bureau Component Unit				
Depreciable assets				
Buildings	\$ 0	\$ 1,701,955	\$ 0	\$ 1,701,955
Land Improvements		25,972	0	25,972
Vehicles and equipment	22,216	60,475	0	82,691
Total depreciable assets	<u>22,216</u>	<u>1,788,402</u>	<u>0</u>	<u>1,810,618</u>
Less accumulated depreciation				
Buildings	0	(730,457)	0	(730,457)
Land Improvements	0	(1,693)	0	(1,693)
Vehicles and equipment	(14,070)	(48,307)	0	(62,377)
Total accumulated depreciation	<u>(14,070)</u>	<u>(780,457)</u>	<u>0</u>	<u>(794,527)</u>
Convention and Visitor's Bureau Component Unit capital assets, net	<u>\$ 8,146</u>	<u>\$ 1,007,945</u>	<u>\$ 0</u>	<u>\$ 1,016,091</u>

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9. Capital Assets (continued)

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

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$	2,106,905
Public Safety		1,226,288
Public Works		1,170,506
Health and Welfare		289,122
Housing and Development		206,060
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>37,002</u>
Total depreciation expense for governmental activities	\$	<u>5,035,883</u>

Business-type activities

Department of Water Resources	\$	15,794,316
Airport		839,030
Solid Waste		265,771
Golf Course		<u>333,939</u>
Total depreciation expense for business-type activities	\$	<u>17,233,056</u>

Component Units

Parks and Recreation	\$	452,270
Convention and Visitor's Bureau		70,513

	Primary Government		Component Units	
	Governmental Activities	Business-type Activities	Parks and Recreation	Convention and Visitor's Bureau
Current year depreciation expense	\$ 5,035,883	\$ 17,233,056	\$ 452,270	\$ 70,513
Prior accumulated depreciation on assets through contribution from an outside entity	57,644	0	58,791	709,944
Additions to accumulated depreciation	\$ 5,093,527	\$ 17,233,056	\$ 511,061	\$ 780,457

10. Capital and Operating Leases Agreements

The City has entered into agreements for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of these leases at the end of the current fiscal year are \$20,544,205 and \$15,582,468 for governmental and business-type activities, respectively.

Total assets leased under capital leases are \$30,293,023 and \$39,586,921 for governmental and business-type activities, respectively, and are classified as follows:

	Governmental Activities		Business-type Activities	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Airport improvements	\$ 0	\$ 0	\$ 5,332,220	\$ 2,843,851
Golf Course improvements	0	0	2,715,000	1,764,750
Water and sewer system	0	0	31,539,701	17,662,233
Land	745,413	0	0	0
Buildings	16,516,041	3,049,912	0	0
Vehicles and equipment	1,959,299	434,074	0	0
Infrastructure	6,703,765	2,145,205	0	0
Construction in progress	4,368,505	0	0	0
Total assets under capital leases	<u>\$ 30,293,023</u>	<u>\$ 5,629,191</u>	<u>\$ 39,586,921</u>	<u>\$ 22,270,834</u>

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

10. Capital and Operating Leases Agreements (continued)

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

Year Ending June 30,	Governmental Activities	Business-type Activities
2021	\$ 2,885,924	\$ 1,567,368
2022	4,189,164	1,570,372
2023	2,814,708	1,568,181
2024	2,664,374	1,570,838
2025	2,374,460	1,568,216
2026-2030	6,929,462	6,611,859
2031-2034	1,752,668	1,261,588
Total minimum lease payments	23,610,760	15,718,422
Less amounts representing interest	(3,066,555)	(135,954)
Present value of minimum lease payments	<u>\$ 20,544,205</u>	<u>\$ 15,582,468</u>

The City has entered into an agreement to participate in a pooled lease program sponsored by the Georgia Municipal Association. Certificates of Participation in the amount of \$150,126,000 were issued in connection with the lease program, with the City's pro rata share of the principal being \$1,166,000. At the end of the current fiscal year, the City has a balance of \$682,201 of the certificate proceeds for the purpose of financing the acquisition of equipment and is included with other leases above. These amounts are presented as capital leases in the governmental activities on the Government-wide Statement of Net Position. The remaining balance of the certificate proceeds is held in trust pursuant to the certificate and is not considered legal debt of the City.

10. Capital and Operating Leases Agreements (continued)

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

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

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

10. Capital and Operating Leases Agreements (continued)

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

On August 6, 2018, the Gainesville Redevelopment Authority issued \$4,695,000 in the Series 2018 Revenue Refunding Bonds, with an interest rate of 3.99%. An intergovernmental lease became effective, on the date of issuance, between the Gainesville Redevelopment Authority and the City of Gainesville. Under the lease, bond proceeds of the Authority issue will be applied toward the construction of two additional floors for parking in the Original Parking Garage Project and that a pocket park be constructed, installed, and equipped adjacent to the Original Parking Garage Project, and the property will be leased to the City. In return, the City will make payment to the trustee for the bonds on behalf of the Authority sufficient to pay the principal and interest on the bonds. The City will continue to maintain, repair and have use of the property.

On April 17, 2018, the City entered into a lease purchase agreement with PNC Equipment Finance, LLC, for the purchase of a 2019 Pierce Aerial Ladder Truck. The amount of the lease agreement was \$1,268,593, interest at 3.43%, for a term of five years.

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

11. Long-Term Debt

Revenue Bonds

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

- \$83,650,000 2014 Water and Sewer System Refunding series bonds due in annual installments of \$3,715,000 to \$7,710,000 through November 15, 2028; interest at 5.00% (\$48,860,000 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% (\$0 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% (\$16,960,000 outstanding)

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

Year Ending June 30,	Principal	Interest	Total
2021	\$ 14,615,000	\$ 2,449,024	\$ 17,064,024
2022	14,965,000	2,025,828	16,990,828
2023	6,300,000	1,654,500	7,954,500
2024	5,640,000	1,356,000	6,996,000
2025	5,800,000	1,070,000	6,870,000
2026-2029	18,500,000	1,665,800	20,165,800
Totals	<u>\$ 65,820,000</u>	<u>\$ 10,221,152</u>	<u>\$ 76,041,152</u>

11. Long-Term Debt (continued)

Revenue Bonds, continued

The Water and Sewerage Revenue Bonds Series 2014 (\$83,650,000) and Water and Sewerage Revenue Bonds Series 2016 (\$26,910,000) are collateralized by operating income from the water and sewerage system of the City of Gainesville, Georgia. Upon the occurrence of an event of default, all outstanding principal and accrued interest on the Water and Sewerage Revenue Bonds Series 2014 and 2016 may be declared immediately due and payable. Proceeds from the Series 2014 were used to refund a portion of the Series 2005 water and sewerage revenue bond issue and retire the debt on 13 water and sewerage notes payable, and to pay expenses necessary to accomplish the Series 2014 refunding issue. Proceeds from the Series 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 and 2022, respectively. Total principal and interest remaining to be paid on the bonds is \$58,864,300 and \$17,176,853, respectively. Principal and interest paid for the current year was \$12,615,000 and \$2,770,244, respectively. Water and sewer operating revenue totaled \$74,036,131 for the current year.

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12. Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Capital lease obligations	\$ 20,557,481	\$ 1,748,231	\$ (1,761,507)	\$ 20,544,205	\$ 2,280,050
Compensated absences	1,386,265	1,794,218	(1,247,639)	1,932,844	1,739,560
Total governmental activities	<u>\$ 21,943,746</u>	<u>\$ 3,542,449</u>	<u>\$ (3,009,146)</u>	<u>\$ 22,477,049</u>	<u>\$ 4,019,610</u>
Business-type activities					
Revenue bonds	\$ 78,435,000	\$ 0	\$ (12,615,000)	\$ 65,820,000	\$ 14,615,000
Unamortized bond premium	9,875,630	0	(1,048,740)	8,826,890	1,048,739
Capital lease obligations	17,559,484	0	(1,977,016)	15,582,468	1,526,588
Compensated absences	811,931	997,404	(730,737)	1,078,598	970,738
Total business-type activities	<u>\$ 106,682,045</u>	<u>\$ 997,404</u>	<u>\$ (16,371,493)</u>	<u>\$ 91,307,956</u>	<u>\$ 18,161,065</u>
Component Units					
City of Gainesville					
Parks and Recreation					
Compensated absences	\$ 106,838	\$ 126,626	\$ (96,154)	\$ 137,310	\$ 123,579
Gainesville Convention and Visitor's Bureau					
Compensated absences	15,766	26,606	(14,189)	28,183	25,365
Total Component Units	<u>\$ 122,604</u>	<u>\$ 153,232</u>	<u>\$ (110,343)</u>	<u>\$ 165,493</u>	<u>\$ 148,944</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, of the governmental activities were liquidated in the General and Special Revenue Funds.

Total interest incurred and expensed in the governmental activities and the business-type activities for the current fiscal year was \$688,833 and \$2,962,712, respectively.

12. Long-Term Liabilities (continued)

The City is subject to a legal debt margin of 10% of total assessed property value. The City's net assessed value is \$520,798,362. The City has \$24,628,509 of outstanding general obligation debt. The City has a total of \$496,169,853 (95.27%) of outstanding legal debt margin remaining.

13. Conduit Debt

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

At the end of the current fiscal year, there were 14 series of Revenue Bonds outstanding. The current aggregate principal amount payable for the series totaled \$206,467,310. The original issue amounts totaled \$214,232,930.

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

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

	General	Fire	Economic Development	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventories	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,735	\$ 29,735
Prepaid items	13,851	0	0	0	7,885	21,736
	<u>13,851</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,620</u>	<u>51,471</u>
Restricted for:						
Police facilities and equipment	0	0	0	0	932,561	932,561
Fire facilities and equipment	0	0	0	0	10,797	10,797
Streets facilities and equipment	0	0	0	0	19,150	19,150
Community Service Center operations	0	0	0	0	1,320,898	1,320,898
Recreation facilities and equipment	0	0	0	0	177,116	177,116
Neighborhood improvements	0	0	0	0	232,920	232,920
Midtown development	0	0	0	0	937,877	937,877
Capital projects	0	0	0	14,967,560	2,339,558	17,307,118
Debt service	0	0	0	0	2,375,428	2,375,428
	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,967,560</u>	<u>8,346,305</u>	<u>23,313,865</u>
Committed for:						
Cemetery improvements	0	0	0	0	438,205	438,205
Tree replacement	14,738	0	0	0	0	14,738
Energy efficiency retrofits	0	0	0	0	4,868	4,868
	<u>14,738</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>443,073</u>	<u>457,811</u>
Assigned for:						
Matching funds for grants	0	0	0	0	75,369	75,369
Fire operations	0	813,274	0	0	0	813,274
Community Service Center operations	0	0	0	0	1,949,067	1,949,067
Economic development	0	0	6,090,115	0	0	6,090,115
Tourism and City promotion	0	0	0	0	128,479	128,479
Budget	3,404,718	0	0	0	0	3,404,718
Capital projects	0	0	0	1,378,307	5,330,500	6,708,807
Debt service	0	0	0	0	1,700,991	1,700,991
	<u>3,404,718</u>	<u>813,274</u>	<u>6,090,115</u>	<u>1,378,307</u>	<u>9,184,406</u>	<u>20,870,820</u>

15. Self-Insurance

General Insurance

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

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

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

Health Insurance

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

Liabilities

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

15. Self-Insurance (continued)

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
General Insurance Internal Service Fund		
Balance, beginning of year	\$ 1,550,858	\$ 1,902,661
Current year claims and changes in estimate	704,212	(242,176)
Claim payments	(577,325)	(109,627)
Balance, end of year	<u>\$ 1,677,745</u>	<u>\$ 1,550,858</u>
Employee Benefits Internal Service Fund		
Balance, beginning of year	\$ 772,211	\$ 360,024
Current year claims and changes in estimate	5,390,530	6,729,004
Claim payments	(5,608,728)	(6,316,817)
Balance, end of year	<u>\$ 554,013</u>	<u>\$ 772,211</u>

16. Pension Plans

Defined Benefit Pension Plans

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

Pension Plan A

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

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

16. Pension Plans (continued)

Pension Plan A (continued)

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

At July 1, 2020, the date of the most recent actuarial valuation, participants consist of the following:

Retirees and beneficiaries currently receiving benefits	293
Terminated vested participants entitled to but not yet receiving benefits	53
Active participants	<u>504</u>
Total number of participants	<u><u>850</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.

16. Pension Plans (continued)

Pension Plan A (continued)

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	55%
Fixed Income (core)	35%
Real Estate	10%
Totals	<u>100%</u>

Rate of return. For the current fiscal year, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.123 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

16. Pension Plans (continued)

Pension Plan A (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the City reported a net pension liability of \$53,431,171. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. For the current fiscal year, the City recognized pension expense of \$5,116,497.

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 6/30/2019	\$ 154,433,627	\$105,587,298	\$48,846,329
Changes for the year:			
Service cost	3,679,859	0	3,679,859
Interest	10,739,335	0	10,739,335
Differences between expected and actual experience	1,781,943	0	1,781,943
Contributions-employer	0	3,593,741	(3,593,741)
Contributions-employee	0	3,650,875	(3,650,875)
Net investment income	0	4,685,569	(4,685,569)
Benefit payments, including refunds of employee contribution	(9,388,847)	(9,388,847)	0
Administrative expense	0	(313,890)	313,890
Net changes	<u>6,812,290</u>	<u>2,227,448</u>	<u>4,584,842</u>
Balances at 6/30/2020	<u>\$ 161,245,917</u>	<u>\$107,814,746</u>	<u>\$53,431,171</u>
Plan fiduciary net position as a percentage of the total pension liability		66.86%	
Covered payroll		\$ 27,658,144	
Employer's net pension liability as percentage of covered payroll		193.18%	

16. Pension Plans (continued)

Pension Plan A (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,510,341	\$ 0
Changes of assumptions	1,719,498	(41,111)
Changes in participant fund allocation	1,438,560	(1,438,560)
Net difference between projected and actual earnings on pension plan investments	0	(1,493,763)
Totals	<u>\$ 8,668,399</u>	<u>\$ (2,973,434)</u>

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

Year Ending June 30	
2021	\$ 478,921
2022	1,516,198
2023	2,057,022
2024	1,345,833
2025	296,991
Totals	<u>\$ 5,694,965</u>

16. Pension Plans (continued)

Pension Plan A (continued)

Actuarial Assumptions. The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected salary increases	2.75% plus service based merit increases
Cost of living adjustments	0.00%
Net investment rate of return	7.00%
Actuarial cost method	Entry age
Amortization method	Level percent of payroll, using 2.75% annual increases
Remaining amortization period	3-30 years (closed periods)

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

The mortality and economic actuarial assumptions used in the July 1, 2018 and the July 1, 2019 valuations were based on the results of an actuarial experience study for the period of July 1, 2010 through June 30, 2015, and a subsequent review of economic assumptions as of July 1, 2018.

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 returns are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

16. Pension Plans (continued)

Pension Plan A (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	55%	6.40%
Fixed income (core)	35%	1.15%
Real Estate	10%	4.50%
Total	100%	

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

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

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	6.00%	\$72,471,453
Current discount rate	7.00%	53,431,171
1% increase	8.00%	37,581,055

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

16. Pension Plans (continued)

Pension Plan B

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

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

At January 1, 2020, the date of the most recent actuarial valuation, participants consist of the following:

Retirees and beneficiaries currently receiving benefits	75
Terminated vested participants entitled to but not yet receiving benefits	39
Active participants	<u>143</u>
Total number of participants	<u><u>257</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.

16. Pension Plans (continued)

Pension Plan B (continued)

Contributions. Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The City's contributions for the current fiscal year totaled \$321,704 or 5.55% of covered payroll. The administrative expenses set by contract with GMEBS are in addition to the state-required annual funding requirement. The Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the City reported a net pension liability of \$1,042,522. The net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. For the current fiscal year, the City recognized pension income of \$28,534. The Governmental Activities' net pension liability is liquidated by the General Fund, Community Service Center Special Revenue Fund, and Fire Special Revenue Fund.

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 9/30/2018	\$ 8,032,565	\$ 7,902,433	\$ 130,132
Changes for the year:			
Service cost	140,424	0	140,424
Interest	592,594	0	592,594
Differences between expected and actual experience	430,086	0	430,086
Contributions-employer	0	287,034	(287,034)
Net investment income	0	226,653	(226,653)
Benefit payments, including refunds of employee contributions	(543,490)	(543,490)	0
Administrative expense	0	(29,933)	29,933
Other	233,040	0	233,040
Net changes	<u>852,654</u>	<u>(59,736)</u>	<u>912,390</u>
Balances at 9/30/2019	\$ 8,885,219	\$ 7,842,697	\$ 1,042,522
Plan fiduciary net position as a percentage of the total pension liability		88.27%	
Covered payroll		\$ 5,074,389	
Net pension liability as a percentage of covered payroll		20.54%	

16. Pension Plans (continued)

Pension Plan B (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 346,623	\$ (147,995)
Changes of assumptions	234,052	0
Changes in participant fund allocation	72,480	(72,480)
Net difference between projected and actual earnings on pension plan investments	0	(277,500)
Contributions subsequent to the measurement date	197,238	0
Totals	<u><u>\$ 850,393</u></u>	<u><u>\$ (497,975)</u></u>

The \$197,238 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, 2021. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2021	\$ (236,108)
2022	51,790
2023	135,815
2024	203,683
Totals	<u><u>\$ 155,180</u></u>

16. Pension Plans (continued)

Pension Plan B (continued)

Actuarial Assumptions. The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	2.25% plus service-based merit increases
Cost of living adjustments	0.00%
Net investment rate of return	7.375%
Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar
Remaining amortization period	13 years

Healthy mortality rates were based on the Sex-Distinct Pri-2012 Head-County Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the Sex-Distinct Pri-2012 Head-County Weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The mortality and economic actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2019.

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

16. Pension Plans (continued)

Pension Plan 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.41%
International equity	20%	6.96%
Global fixed income	5%	3.06%
Domestic fixed income	20%	1.96%
Real estate	10%	4.76%
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.375 percent) or one percentage-point higher (8.375 percent) than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	6.375%	\$ 1,979,266
Current discount rate	7.375%	1,042,522
1% increase	8.375%	251,579

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

16. Pension Plans (continued)

Other Plans

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

17. Post-Employment Benefits Other Than Pensions

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

At July 1, 2019, the date of the most recent actuarial valuation, participants consist of the following:

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

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

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

Contributions. The City has not elected to advance fund the OPEB Plan, but rather maintains the OPEB Plan on a “pay-as-you-go” basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. The GMA issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy. The City’s contributions for the current fiscal year totaled \$2,216,045 or 6.79% of covered employee payroll.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. At the end of the current fiscal year, the City reported a net OPEB liability of \$29,390,045. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined from actuarial valuations using data as of July 1, 2019 and measured by an actuarial valuation as of July 1, 2018. During the current fiscal year, the City recognized OPEB income of \$331,887. The Governmental Activities’ net OPEB liability is liquidated by the General Fund, Community Service Center Special Revenue Fund, and Fire Special Revenue Fund.

The components of the net OPEB liability are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 6/30/2018	\$ 28,591,995	\$ 0	\$ 28,591,995
Changes for the year:			
Service cost	971,234	0	971,234
Interest	1,114,961	0	1,114,961
Change of benefit terms	(568,876)	0	(568,876)
Differences between expected and actual experience	329,053	0	329,053
Contributions-employer	0	1,505,738	(1,505,738)
Changes in assumptions	457,416	0	457,416
Benefit payments, including refunds of member contributions	(1,505,738)	(1,505,738)	0
Net changes	798,050	0	798,050
Balances at 6/30/2019	\$ 29,390,045	\$ 0	\$ 29,390,045

Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
Covered employee payroll	\$ 31,755,811
Plan net OPEB liability as a percentage of covered employee payroll	92.55%

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 655,115	\$ (69,224)
Changes of assumptions	381,180	(8,232,823)
Contributions subsequent to the measurement date	2,216,046	0
Totals	<u>\$ 3,252,341</u>	<u>\$ (8,302,047)</u>

The \$2,216,046 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30	
2021	\$ (1,849,207)
2022	(1,849,207)
2023	(1,849,207)
2024	(1,849,207)
2025	131,076
Totals	<u>\$ (7,265,752)</u>

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

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

Inflation	2.75%
Projected salary increases	3.25% to 8.25%, including inflation
Actuarial cost method	Entry age level
Discount rate	3.50%, 3.87% in previous year
Healthcare cost trend rates	Pre-65 Medical: 6.75% trended down to 4.50% by 2027 Medicare Advantage: 5.50% trended down to 4.50% by 2022. Pre-65 Prescription Drug: 6.75% trended down to 4.50% by 2027. Administrative Expenses: 3.00%
Mortality rates	Healthy mortality rates were based on RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. Disabled mortality rates were based on RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.
Amortization method	Open 30 years, level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Market value

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through June 30, 2014.

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

Development of Long-Term Rate. Since the City funds this plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax-exempt general obligation bonds. Specifically, the chosen rate is 3.50%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2019.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (2.50%) or one percentage-point higher (4.50%) than the current rate. Also, shown is the Net OPEB Liability as if it were calculated using healthcare cost trend rates that were on percentage point lower or on percentage point higher than the current healthcare trend rates:

<u>Discount Rate</u>		<u>Net OPEB Liability</u>
1% decrease	2.50%	\$ 32,997,876
Current discount rate	3.50%	29,390,045
1% increase	4.50%	25,577,556
<u>Healthcare Cost Trend Rates</u>		<u>Net OPEB Liability</u>
1% decrease		\$ 25,675,766
Current discount rate		29,390,045
1% increase		33,874,522

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

18. Hotel/Motel Lodging Tax

The City has levied a 8% lodging tax in accordance with OCGA 48-13-51(b). The City is required to spend an amount equal to at least 62.5% for the purpose of promoting tourism, conventions, and trade shows or for facilities used for these purposes. A summary of the transactions for the current fiscal year follows:

Lodging Tax Receipts	\$ 1,191,436	
Disbursements for tourism and visitor programs	\$ 1,185,944	99.54% of tax receipts

The City increased the levy of its Hotel Motel lodging tax from 6% to 8%. The collection of the taxes based on the 8% rate began July 1, 2019.

19. Major Users/Taxpayers

The ten major customers of the water and sewer system are primarily from the poultry and food processing industry. The major users represent approximately 37 percent of the water sales and sewer charges from the system in current fiscal year.

The ten major taxpayers of the City for the current fiscal year represent approximately 13 percent of the current year tax levy. The ten largest taxpayers are comprised of various types of entities including manufacturing and food processing.

20. Joint Ventures

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

The Hall County Multi Agency Narcotics Squad (MANS) Task Force investigates crimes involving narcotics, prostitution, gang violence, and organized crime, and it conducts both undercover and traditional investigations to effectively prosecute cases in court. The Hall County Sheriff's Office is responsible for the funding and reporting for the Hall County MANS Task Force. During the current fiscal year, the City paid \$87,728 in personnel costs for one police officer assigned to the MANS unit.

The Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force Group One Task Force disrupts illicit drug traffic, gathers and reports intelligence related to drug trafficking, and conducts both undercover and traditional investigations to effectively prosecute cases in court. The Drug Enforcement Agency is responsible for the funding and reporting for the OCDETF Strike Force Group One Task Force. During the current fiscal year, the City paid \$118,179 in personnel costs for one police officer assigned to the OCDETF Strike Force Group One Task Force.

The Safe Streets Task Force Identifies and targets for prosecution criminal enterprises affecting northeast Georgia, such as organized crime groups responsible for drug trafficking, money laundering and crimes of violence. The Federal Bureau of Investigation is responsible for the funding and reporting for the Safe Streets Task Force. During the current fiscal year, the City paid \$102,389 in personnel costs for one police officer assigned to the Safe Streets Task Force.

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the current fiscal year, the city paid \$33,296 in such dues. Membership in a regional commission (RC) is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RCs in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the GMRC financial statements can be obtained from GMRC, 1310 West Ridge Road, Gainesville, GA 30501.

21. Related Organizations

The City of Gainesville Housing Authority is considered a related organization to the City of Gainesville. The City appoints members to the Authority but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Gainesville. The City received \$76,547 as payment-in-lieu-of-taxes during the current fiscal year.

22. Risk Pools

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

23. Risks and Uncertainties

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the City, its performance, and its financial results.

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 the end of the current fiscal year, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	<u>Restricted</u>	<u>Assigned</u>
General Fund	\$ 0	\$ 36,194

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

Project	Amount Expended to Date	Remaining Commitment
Expansion of the water and sewer distribution system	\$ 11,634,451	\$ 10,619,377
Improvements to airport terminal	33,392	10,000
Improvements to recreational facilities	1,823,672	535,985
City buildings and facilities improvements	5,295,858	2,655,248
Improvements to roadways & sidewalks	1,003,295	47,939
Totals	<u>\$ 19,790,668</u>	<u>\$ 13,868,549</u>

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 current fiscal year, the cumulative property tax not collected by the City due to abatement programs was \$31,645.

26. Subsequent Events

On August 20, 2020, the City entered into a lease purchase agreement with PNC Equipment Finance, LLC, for the purchase of two pumpers for the Fire Department. The amount of the lease agreement was \$1,383,099, interest at 2.03%, for a term of five years.

On August 28, 2020, the City sold the Cityview property, classified as land held for resale in the Economic Development Special Revenue Fund, to a developer in the amount of \$5,000,000.

Subsequent to June 30, 2020, the City received \$1,921,021 of funding as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). These funds are reimbursements for the City's expenditures related to public safety and various items during the COVID-19 pandemic.

27. Prior Period Balance Reclassification

A portion of the City's cash balances have been restated to reclass investments previously reported under the cash and cash equivalents caption. The reclassification had no effect on net position or fund balance.

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, 2020
(Unaudited)

	Fiscal Year End	
	2020	2019
Total pension liability		
Service cost	\$ 3,679,859	\$ 3,457,259
Interest	10,739,335	10,187,578
Differences between expected and actual experience	1,781,943	3,149,640
Changes of assumptions	0	0
Benefit payments, including refunds of employee contributions	(9,388,847)	(8,880,837)
Net change in total pension liability	6,812,290	7,913,640
Total pension liability - beginning	154,433,627	146,519,987
Total pension liability - ending (a)	\$ 161,245,917	\$ 154,433,627
Plan fiduciary net position		
Contributions - employer	\$ 3,593,741	\$ 3,459,466
Contributions - employee	3,650,875	3,459,466
Net investment income	4,685,569	8,235,138
Benefit payments, including refunds of employee contributions	(9,388,847)	(8,880,837)
Administrative expense	(313,890)	(292,750)
Net change in total pension liability	2,227,448	5,980,483
Plan fiduciary net position - beginning	105,587,298	99,606,815
Plan fiduciary net position - ending (b)	\$ 107,814,746	\$ 105,587,298
Net pension liability (asset) - ending : (a) - (b)	\$ 53,431,171	\$ 48,846,329
Plan's fiduciary net position as a percentage of the total pension liability	66.86%	68.37%
Covered payroll	\$ 27,658,144	\$ 26,208,076
Net pension liability as a percentage of covered payroll	193.18%	186.38%

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.

Fiscal Year End				
2018	2017	2016	2015	2014
\$ 3,272,080	\$ 3,292,073	\$ 3,650,560	\$ 3,522,833	\$ 3,500,226
9,800,092	9,366,300	9,061,392	8,576,549	8,177,872
2,438,030	1,826,638	586,393	1,827,514	636,486
3,438,994	0	(246,666)	0	0
(8,661,630)	(8,301,719)	(7,642,229)	(7,282,407)	(6,715,366)
10,287,566	6,183,292	5,409,450	6,644,489	5,599,218
136,232,421	130,049,129	124,639,679	117,995,190	112,395,972
<u>\$ 146,519,987</u>	<u>\$ 136,232,421</u>	<u>\$ 130,049,129</u>	<u>\$ 124,639,679</u>	<u>\$ 117,995,190</u>
\$ 3,209,624	\$ 3,079,855	\$ 3,021,182	\$ 2,862,539	\$ 2,766,404
3,209,624	3,132,277	3,021,182	2,862,539	2,766,404
10,757,165	11,348,553	1,794,845	2,909,159	10,171,570
(8,661,630)	(8,301,719)	(7,642,229)	(7,282,407)	(6,715,366)
(219,596)	(165,260)	(143,004)	(169,045)	(104,589)
8,295,187	9,093,706	51,976	1,182,785	8,884,423
91,311,628	82,217,922	82,165,946	80,983,161	72,098,738
<u>\$ 99,606,815</u>	<u>\$ 91,311,628</u>	<u>\$ 82,217,922</u>	<u>\$ 82,165,946</u>	<u>\$ 80,983,161</u>
<u>\$ 46,913,172</u>	<u>\$ 44,920,793</u>	<u>\$ 47,831,207</u>	<u>\$ 42,473,733</u>	<u>\$ 37,012,029</u>
67.98%	67.03%	63.22%	65.92%	68.63%
\$ 24,315,333	\$ 23,729,379	\$ 22,887,742	\$ 21,685,902	\$ 20,957,606
192.94%	189.30%	208.98%	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, 2020
(Unaudited)

	Fiscal Year End	
	2020	2019
Actuarially determined contribution	\$ 5,283,686	\$ 4,859,686
Contributions in relation to the actuarially determined contribution	(3,593,741)	(3,459,466)
Contribution deficiency (excess)	<u>\$ 1,689,945</u>	<u>\$ 1,400,220</u>
Covered payroll	\$ 27,248,632	\$ 26,208,076
Contributions as a percentage of covered payroll	13.19%	13.20%

Note: This schedule is intended to report ten years of information; however, fiscal year 2014 was the first year of implementation. Additional years' information will be displayed as it becomes available.
The above recommended contribution is the City's portion.
The Fund has accumulated a Georgia Minimum Funding Credit Balance, which has been used to offset any shortfall 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, 2020
(Unaudited)

	Fiscal Year End	
	2020	2019
Annual money-weighted rate of return, net of investment expense	7.123%	7.408%

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.

Fiscal Year End				
2018	2017	2016	2015	2014
\$ 4,509,116 (3,209,624)	\$ 4,170,598 (3,079,855)	\$ 3,736,793 (3,021,182)	\$ 3,579,097 (2,862,539)	\$ 3,703,299 (2,766,404)
<u>\$ 1,299,492</u>	<u>\$ 1,090,743</u>	<u>\$ 715,611</u>	<u>\$ 716,558</u>	<u>\$ 936,895</u>
\$ 24,315,333	\$ 23,729,379	\$ 22,887,742	\$ 21,685,902	\$ 20,957,606
13.20%	12.98%	13.20%	13.20%	13.20%

Fiscal Year End				
2018	2017	2016	2015	2014
7.353%	7.765%	7.660%	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, 2020
(Unaudited)

	Fiscal Year End	
	2020	2019
Total pension liability		
Service cost	\$ 140,424	\$ 152,472
Interest	592,594	589,263
Differences between expected and actual experience	430,086	(168,376)
Changes of assumptions	233,040	0
Benefit payments, including refunds of employee contributions	(543,490)	(490,307)
Other changes	0	0
Net change in total pension liability	852,654	83,052
Total pension liability - beginning	8,032,565	7,949,513
Total pension liability - ending (a)	\$ 8,885,219	\$ 8,032,565
Plan fiduciary net position		
Contributions - employer	\$ 287,034	\$ 313,655
Net investment income	226,653	717,673
Benefit payments, including refunds of employee contributions	(543,490)	(490,307)
Administrative expense	(29,933)	(32,702)
Net change in plan fiduciary net position	(59,736)	508,319
Plan fiduciary net position - beginning	7,902,433	7,394,114
Plan fiduciary net position - ending (b)	\$ 7,842,697	\$ 7,902,433
Net pension liability (asset) - ending : (a) - (b)	\$ 1,042,522	\$ 130,132
Plan's fiduciary net position as a percentage of the total pension liability	88.27%	98.38%
Covered payroll	\$ 5,074,389	\$ 4,330,598
Net pension liability as a percentage of covered payroll	20.54%	3.00%

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.

Fiscal Year End			
2018	2017	2016	2015
\$ 179,299	\$ 175,050	\$ 178,348	\$ 168,281
572,572	549,573	535,078	532,517
(74,578)	12,775	(102,827)	(142,791)
0	0	0	0
(469,718)	(411,541)	(435,594)	(415,541)
119,050	0	0	(99,394)
326,625	325,857	175,005	43,072
7,622,888	7,297,031	7,122,026	7,078,954
<u>\$ 7,949,513</u>	<u>\$ 7,622,888</u>	<u>\$ 7,297,031</u>	<u>\$ 7,122,026</u>
\$ 350,507	\$ 314,938	\$ 371,738	\$ 393,721
968,510	1,745,662	48,579	396,786
(469,718)	(411,541)	(435,594)	(415,541)
(33,775)	(20,454)	(23,058)	(18,652)
815,524	1,628,605	(38,335)	356,314
6,578,590	4,949,985	4,988,320	4,632,006
<u>\$ 7,394,114</u>	<u>\$ 6,578,590</u>	<u>\$ 4,949,985</u>	<u>\$ 4,988,320</u>
<u>\$ 555,399</u>	<u>\$ 1,044,298</u>	<u>\$ 2,347,046</u>	<u>\$ 2,133,706</u>
93.01%	86.30%	67.84%	70.04%
\$ 4,862,847	\$ 5,080,284	\$ 4,890,737	\$ 4,779,243
11.42%	20.56%	47.99%	44.65%

CITY OF GAINESVILLE, GEORGIA
GMEBS (PENSION PLAN B)
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2020
(Unaudited)

	Fiscal Year End	
	2020	2019
Actuarially determined contribution	\$ 295,049	\$ 319,859
Contributions in relation to the actuarially determined contribution	(321,704)	(293,203)
Contribution deficiency (excess)	<u>\$ (26,655)</u>	<u>\$ 26,656</u>
Covered payroll	\$ 5,793,589	\$ 5,602,873
Contributions as a percentage of covered payroll	5.55%	5.23%

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.

Fiscal Year End			
2018	2017	2016	2015
\$ 324,651 (324,651)	\$ 319,859 (319,859)	\$ 324,651 (324,651)	\$ 347,773 (347,773)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 5,099,054	\$ 5,179,922	\$ 5,272,975	\$ 4,845,902
6.37%	6.17%	6.16%	7.18%

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2020
(Unaudited)

	Fiscal Year End		
	2020	2019	2018
Total OPEB liability			
Service cost	\$ 971,234	\$ 1,565,644	\$ 1,789,852
Interest	1,114,961	1,344,332	1,123,997
Change of benefit terms	(568,876)	0	0
Differences between expected and actual experience	329,053	(103,835)	666,587
Changes in assumptions	457,416	(9,336,059)	(3,515,374)
Benefit payments, including refunds of member contributions	(1,505,738)	(1,727,236)	(1,729,093)
Net change in total OPEB liability	798,050	(8,257,154)	(1,664,031)
Total OPEB liability - beginning	28,591,995	36,849,149	38,513,180
Total OPEB liability - ending (a)	\$ 29,390,045	\$ 28,591,995	\$ 36,849,149
Plan fiduciary net position			
Contributions - employer	\$ 1,505,738	\$ 1,727,236	\$ 1,729,093
Benefit payments, including refunds of member contributions	(1,505,738)	(1,727,236)	(1,729,093)
Net change in plan fiduciary net position	0	0	0
Plan fiduciary net position - beginning	0	0	0
Plan fiduciary net position - ending (b)	\$ 0	\$ 0	\$ 0
Net OPEB liability (asset) - ending : (a) - (b)	\$ 29,390,045	\$ 28,591,995	\$ 36,849,149
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 31,755,811	\$ 29,628,098	\$ 27,547,554
Plan net OPEB liability as a percentage of covered employee payroll	92.55%	96.50%	133.77%

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

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF OPEB CONTRIBUTIONS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2020
(Unaudited)

	Fiscal Year End		
	2020	2019	2018
Actuarially determined contribution	\$ 2,127,261	\$ 2,110,072	\$ 2,883,950
Contributions in relation to the actuarially determined contribution	(2,216,045)	(1,505,736)	(1,727,236)
Contribution deficiency (excess)	<u>\$ (88,784)</u>	<u>\$ 604,336</u>	<u>\$ 1,156,714</u>
Covered employee payroll	\$ 32,629,096	\$ 31,755,811	\$ 29,628,098
Contributions as a percentage of covered employee payroll	6.79%	4.74%	5.83%

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

Pension Trust Fund (Pension Plan A)

1. Valuation Date

The actuarially determined contribution rate was determined as of July 1, 2020, 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, 2020.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry Age Actuarial Cost Method

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

Remaining amortization period = 3-30 years (closed periods)

Asset valuation method = Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.

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

Inflation rate = 2.75%

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

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = Earliest eligibility for normal retirement, not before age 60

Pension Trust Fund (Pension Plan A), continued

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

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

3. Changes in Benefits

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

4. Changes of Assumptions

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

GMEBS (Pension Plan B)

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2020, 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, 2020.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 13 years

GMEBS (Pension Plan B), continued

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 = 7.375%

Projected salary increases = 2.25% 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 Sex-Distinct Pri-2012 Head-County Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the Sex-Distinct Pri-2012 Head-County Weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

3. Changes in Benefits

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

4. Changes of Assumptions

The following assumption changes based on an actuarial study conducted in November and December of 2019:

The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

GMEBS (Pension Plan B), continued

4. Changes of Assumptions (continued)

The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.

The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.

The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.

GMEBS (Pension Plan B), continued

4. Changes of Assumptions (continued)

Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.

Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.

Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.

The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.

The disability rates were changed to 50% of the rates in the prior age-based table.

The inflation assumption was decreased from 2.75% to 2.25%.

The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.

GMEBS (Pension Plan B), continued

4. Changes of Assumptions (continued)

The investment return assumption was decreased from 7.50% to 7.375%.

OPEB Plan

1. Valuation Date

The actuarially determined contribution rates are determined as of June 30, 2019, based on the most recent valuation date, one year prior to the end of the fiscal year in which contributions are reported.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry age level

Amortization method = Open 30 years, level percent of payroll

Remaining amortization period = 30 years

Asset valuation method = Market value

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

Projected payroll increases = 2.75%

Inflation = 2.75%

Funding discount rate = 3.50%

OPEB Plan, continued

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

Discount rate = 3.50%

Retirement age = 65

Healthcare cost trend rates = Pre-65 Medical: 6.75% trended down to 4.50% by 2027 Medicare Advantage: 5.50% trended down to 4.50% by 2022. Pre-65 Prescription Drug: 6.75% trended down to 4.50% by 2027. Administrative Expenses: 3.00%

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

3. Changes in Benefits

The following benefit changes were effective July 1, 2019:

OOP maximum increased from \$4,500/\$13,500 (individual/family) to \$5,500/\$14,300 for in-network and from \$7,000/\$21,000 to \$9,000/\$25,000 for out-of-network.

PCP copay increased from \$35 to \$45.

Specialist copay increased from \$50 to \$60.

CITY OF GAINESVILLE, GEORGIA**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION****June 30, 2020**

OPEB Plan, continued**3. Changes in Benefits (continued)**

Prescription drug copay structure changed from \$10/\$40/\$60/\$250(generic/formulary brand/specialty) to the following:

Prescription Drug Card		
Structure	In-Network	Out-of-Network
Generic	Member pays \$10 copay; maximum 30 day supply	Member pays \$35 copay; maximum 30 day supply
Formulary Brand	Member pays 20% with a minimum of \$50 up to \$75; maximum 30 day supply	Member pays 30% with a minimum of \$100 up to \$150; maximum 30 day supply
Non-Formulary Brand	Member pays 40% with a minimum of \$175 up to \$200; maximum 30 day supply	Member pays 60% with a minimum of \$225 up to \$275; maximum 30 day supply
Retail Drug - Tier 4 (Drugs costing \$700-\$6,000 per month)	20% copay	Not Covered
Retail Drug - Tier 5 (Drugs costing \$6,001-\$9,999 per month)	Not Covered	Not Covered

4. Changes of Assumptions

The effective discount rate is 3.50% for June 30, 2019. It was 3.87% at June 30, 2018.

The excise tax regulation was repealed by Congress in December 2019.



GAINESVILLE

COMBINING STATEMENTS

Nonmajor Governmental Funds

Nonmajor Enterprise Funds

Internal Service Funds

CITY OF GAINESVILLE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020

	Special Revenue						
	Community Service Center	Hotel/Motel Tax	Government Access Cable TV Channel	Confiscated Assets	Grants	HUD Grant	Revolving Loan
ASSETS							
Cash and cash equivalents	\$ 1,325,227	\$ 34,463	\$ 0	\$ 195,521	\$ 300	\$ 0	\$ 71,011
Investments	1,055,378	33,270	0	138,269	0	92,896	68,554
Receivables (net)							
Accounts	4,295	0	0	0	0	0	0
Intergovernmental	1,124,218	0	0	0	513,101	261,099	0
Taxes	0	60,746	0	0	0	0	0
Notes	0	0	0	0	0	0	210,778
Due from other funds	0	0	0	0	0	0	0
Prepaid items	0	0	0	0	0	0	0
Inventory	29,735	0	0	0	0	0	0
Total assets	\$ 3,538,853	\$ 128,479	\$ 0	\$ 333,790	\$ 513,401	\$ 353,995	\$ 350,343
LIABILITIES							
Payables							
Accounts	\$ 192,931	\$ 0	\$ 0	\$ 21,405	\$ 741	\$ 1,183	\$ 0
Retainages	0	0	0	0	0	0	0
Accrued salaries	46,222	0	0	0	0	369	0
Unearned revenue	0	0	0	0	55,000	0	0
Due to other funds	0	0	0	0	357,122	259,089	0
Due to others	0	0	0	52,295	0	0	0
Total liabilities	239,153	0	0	73,700	412,863	260,641	0
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue -							
Taxes	0	0	0	0	0	0	0
Notes receivable	0	0	0	0	0	0	210,778
Total deferred inflows of resources	0	0	0	0	0	0	210,778
FUND BALANCES							
Nonspendable	29,735	0	0	0	0	0	0
Restricted	1,320,898	0	0	260,090	20,301	93,354	139,565
Committed	0	0	0	0	4,868	0	0
Assigned	1,949,067	128,479	0	0	75,369	0	0
Total fund balances	3,299,700	128,479	0	260,090	100,538	93,354	139,565
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,538,853	\$ 128,479	\$ 0	\$ 333,790	\$ 513,401	\$ 353,995	\$ 350,343

Special Revenue					Capital Projects		Total Nonmajor Governmental Funds
Impact Fee	Tax Allocation District	Information Technology	Cemetery Trust	Debt Service	General Government	Grants	
\$ 323,069	\$ 1,240,441	\$ 113,753	\$ 222,961	\$ 1,306,430	\$ 3,515,278	\$ 313,137	\$ 8,661,591
311,887	1,197,508	109,816	215,244	1,261,214	3,158,337	302,299	7,944,672
708	400	0	0	0	538,498	0	543,901
0	0	0	0	960	0	291,557	2,190,935
0	0	0	0	43,558	0	0	104,304
0	0	0	0	0	0	0	210,778
0	0	0	0	1,500,472	0	0	1,500,472
0	0	0	0	7,885	0	0	7,885
0	0	0	0	0	0	0	29,735
<u>\$ 635,664</u>	<u>\$ 2,438,349</u>	<u>\$ 223,569</u>	<u>\$ 438,205</u>	<u>\$ 4,120,519</u>	<u>\$ 7,212,113</u>	<u>\$ 906,993</u>	<u>\$ 21,194,273</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 205,616	\$ 77,700	\$ 499,576
0	0	0	0	0	165,731	0	165,731
0	0	0	0	0	0	0	46,591
0	0	0	0	0	0	0	55,000
0	1,500,472	0	0	0	0	0	2,116,683
0	0	0	0	0	0	0	52,295
0	1,500,472	0	0	0	371,347	77,700	2,935,876
0	0	0	0	36,215	0	0	36,215
0	0	0	0	0	0	0	210,778
0	0	0	0	36,215	0	0	246,993
0	0	0	0	7,885	0	0	37,620
635,664	937,877	223,569	0	2,375,428	2,257,156	82,403	8,346,305
0	0	0	438,205	0	0	0	443,073
0	0	0	0	1,700,991	4,583,610	746,890	9,184,406
635,664	937,877	223,569	438,205	4,084,304	6,840,766	829,293	18,011,404
<u>\$ 635,664</u>	<u>\$ 2,438,349</u>	<u>\$ 223,569</u>	<u>\$ 438,205</u>	<u>\$ 4,120,519</u>	<u>\$ 7,212,113</u>	<u>\$ 906,993</u>	<u>\$ 21,194,273</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, 2020

	Special Revenue						
	Community Service Center	Hotel/Motel Tax	Government Access Cable TV Channel	Confiscated Assets	Grants	HUD Grant	Revolving Loan
REVENUES							
Taxes	\$ 0	\$ 1,191,436	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines, fees, and forfeitures	0	0	0	102,985	0	0	0
Charges for services	470,198	0	0	0	0	0	16,469
Intergovernmental	2,165,741	0	0	0	391,080	538,032	0
Investment	51,800	1,146	0	11,270	0	0	4,165
Contributions	85,623	0	0	0	0	0	0
Other	100,566	0	0	0	0	0	0
Total revenues	2,873,928	1,192,582	0	114,255	391,080	538,032	20,634
EXPENDITURES							
Current							
General Government	0	0	96,382	0	12,138	0	0
Judicial	0	0	0	0	1,188	0	0
Public Safety	0	0	0	332,073	128,909	0	0
Public Works	0	0	0	0	31,025	0	0
Health and Welfare	3,314,651	0	0	0	0	0	0
Culture and Recreation	0	0	0	0	10,518	0	0
Housing and Development	0	700,956	0	0	428,726	360,602	6,410
Debt service:							
Principal	0	0	0	0	0	0	0
Interest and fiscal charges	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Total expenditures	3,314,651	700,956	96,382	332,073	612,504	360,602	6,410
Excess (deficiency) of revenues over (under) expenditures	(440,723)	491,626	(96,382)	(217,818)	(221,424)	177,430	14,224
Other financing sources (uses)							
Transfers in	751,163	0	21,455	0	21,479	0	0
Transfers out	0	(484,988)	(49,870)	0	0	(177,430)	0
Sale of capital assets	22,755	0	2,058	0	0	0	0
Issuance of capital leases	0	0	0	0	0	0	0
Total other financing sources (uses)	773,918	(484,988)	(26,357)	0	21,479	(177,430)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	333,195	6,638	(122,739)	(217,818)	(199,945)	0	14,224
Fund balances, July 1	2,966,505	121,841	122,739	477,908	300,483	93,354	125,341
Fund balances, June 30	\$ 3,299,700	\$ 128,479	\$ 0	\$ 260,090	\$ 100,538	\$ 93,354	\$ 139,565

Special Revenue					Capital Projects		Total Nonmajor Governmental Funds
Impact Fee	Tax Allocation District	Information Technology	Cemetery Trust	Debt Service	General Government	Grants	
\$ 0	\$ 84,987	\$ 0	\$ 0	\$ 2,847,975	\$ 0	\$ 0	\$ 4,124,398
0	0	41,896	0	0	0	0	144,881
1,068,955	0	0	49,990	0	0	0	1,605,612
0	251,939	0	0	0	0	919,127	4,265,919
80,443	48,621	4,597	8,356	49,999	11,804	0	272,201
0	0	0	0	0	22,000	0	107,623
0	0	0	0	0	0	0	100,566
1,149,398	385,547	46,493	58,346	2,897,974	33,804	919,127	10,621,200
0	0	0	0	0	0	0	108,520
0	0	0	0	0	0	0	1,188
0	0	14,232	0	0	0	0	475,214
0	0	0	853	0	0	0	31,878
0	0	0	0	0	0	0	3,314,651
2,550,000	0	0	0	0	0	0	2,560,518
0	531,655	0	0	0	0	0	2,028,349
0	0	0	0	1,754,003	0	0	1,754,003
0	0	0	0	662,008	0	0	662,008
0	0	0	0	0	4,788,273	1,079,739	5,868,012
2,550,000	531,655	14,232	853	2,416,011	4,788,273	1,079,739	16,804,341
(1,400,602)	(146,108)	32,261	57,493	481,963	(4,754,469)	(160,612)	(6,183,141)
0	0	0	0	459,066	2,014,584	177,430	3,445,177
(1,207,999)	(17,900)	(31,000)	0	0	(491,462)	(193,588)	(2,654,237)
0	0	0	0	0	0	0	24,813
0	0	0	0	0	479,638	0	479,638
(1,207,999)	(17,900)	(31,000)	0	459,066	2,002,760	(16,158)	1,295,391
(2,608,601)	(164,008)	1,261	57,493	941,029	(2,751,709)	(176,770)	(4,887,750)
3,244,265	1,101,885	222,308	380,712	3,143,275	9,592,475	1,006,063	22,899,154
\$ 635,664	\$ 937,877	\$ 223,569	\$ 438,205	\$ 4,084,304	\$ 6,840,766	\$ 829,293	\$ 18,011,404

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2020

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 422,290	\$ 1,822,734	\$ 149,856	\$ 2,394,880
Investments	407,673	1,759,452	143,270	2,310,395
Receivables				
Accounts (net)	22,577	197,080	40,476	260,133
Intergovernmental	259,150	0	0	259,150
Total current assets	1,111,690	3,779,266	333,602	5,224,558
Noncurrent assets				
Capital assets				
Non-depreciable	1,100,553	0	52,151	1,152,704
Depreciable (net)	8,379,941	1,291,836	2,444,671	12,116,448
Total noncurrent assets	9,480,494	1,291,836	2,496,822	13,269,152
Total assets	10,592,184	5,071,102	2,830,424	18,493,710
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	0	0	27,465	27,465
Deferred outflows related to pensions	13,737	195,539	35,638	244,914
Deferred outflows related to other post employment benefits	5,135	119,599	25,678	150,412
Total deferred outflows of resources	18,872	315,138	88,781	422,791
LIABILITIES				
Current liabilities				
Payables				
Accounts	20,576	359,160	50,670	430,406
Deposits	4,036	0	0	4,036
Sales tax	0	0	10,935	10,935
Interest	0	0	5,569	5,569
Accrued salaries	2,372	45,819	24,806	72,997
Compensated absences	0	86,814	28,810	115,624
Capital lease payable	0	0	265,000	265,000
Other liabilities	0	0	49,714	49,714
Total current liabilities	26,984	491,793	435,504	954,281
Noncurrent liabilities				
Compensated absences	0	9,646	3,201	12,847
Net pension liability	101,521	604,375	47,759	753,655
Net OPEB liability	47,110	1,071,977	235,553	1,354,640
Capital leases payable	0	0	1,440,000	1,440,000
Total noncurrent liabilities	148,631	1,685,998	1,726,513	3,561,142
Total liabilities	175,615	2,177,791	2,162,017	4,515,423

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2020

	<u>Airport</u>	<u>Solid Waste</u>	<u>Chattahoochee Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	\$ 28,421	\$ 60,165	\$ 22,027	\$ 110,613
Deferred inflows related to other post employment benefits	13,002	307,270	65,014	385,286
Total deferred inflows of resources	<u>41,423</u>	<u>367,435</u>	<u>87,041</u>	<u>495,899</u>
NET POSITION				
Net investment in capital assets	9,480,494	1,291,836	819,287	11,591,617
Restricted for capital outlay	0	0	41,390	41,390
Unrestricted	913,524	1,549,178	(190,530)	2,272,172
Total net position	<u>\$ 10,394,018</u>	<u>\$ 2,841,014</u>	<u>\$ 670,147</u>	<u>\$ 13,905,179</u>

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2020

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for sales and services	\$ 996,677	\$ 2,969,641	\$ 1,144,461	\$ 5,110,779
Other	250	8,601	29,055	37,906
Total operating revenues	996,927	2,978,242	1,173,516	5,148,685
OPERATING EXPENSES				
Costs of sales and services	404,542	1,367,489	435,120	2,207,151
Personal services	60,742	1,365,829	565,928	1,992,499
Depreciation	839,030	265,771	333,939	1,438,740
Total operating expenses	1,304,314	2,999,089	1,334,987	5,638,390
Operating income (loss)	(307,387)	(20,847)	(161,471)	(489,705)
Non-operating revenues (expenses)				
Interest revenue	20,889	81,623	8,082	110,594
Interest expense	(8,683)	0	(52,426)	(61,109)
Gain (loss) on sale of capital assets	0	0	10,491	10,491
Total non-operating revenues (expenses)	12,206	81,623	(33,853)	59,976
Income (loss) before capital contributions and transfers	(295,181)	60,776	(195,324)	(429,729)
Capital contributions				
Intergovernmental revenue	313,383	0	0	313,383
Income (loss) before transfers	18,202	60,776	(195,324)	(116,346)
Transfers in (out)				
Transfers in	0	0	473,440	473,440
Transfers out	0	(335,000)	0	(335,000)
Total transfers in (out)	0	(335,000)	473,440	138,440
Change in net position	18,202	(274,224)	278,116	22,094
Net position, July 1	10,375,816	3,115,238	392,031	13,883,085
Net position, June 30	\$ 10,394,018	\$ 2,841,014	\$ 670,147	\$ 13,905,179

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2020

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from customers	\$ 996,333	\$ 2,998,627	\$ 1,160,254	\$ 5,155,214
Payments to suppliers	(391,784)	(1,263,105)	(442,570)	(2,097,459)
Payments to employees	(69,427)	(1,411,872)	(597,445)	(2,078,744)
Other receipts	250	8,601	16,455	25,306
Net cash provided (used) by operating activities	535,372	332,251	136,694	1,004,317
Cash flows from non-capital financing activities:				
Receipts from other funds	0	0	473,440	473,440
Payments to other funds	(80,587)	(335,000)	(223,370)	(638,957)
Net cash provided (used) by non-capital financing activities	(80,587)	(335,000)	250,070	(165,517)
Cash flows from capital and related financing activities:				
Receipts from other governments	1,582,508	0	0	1,582,508
Proceeds from sale of capital assets	0	0	10,491	10,491
Payment of capital related accounts payable	(277,792)	0	(27,845)	(305,637)
Interest paid	(5,538)	0	(47,689)	(53,227)
Acquisition of capital assets	(489,461)	(572,888)	(174,201)	(1,236,550)
Principal payments - capital leases	(455,428)	0	(260,000)	(715,428)
Net cash provided (used) by capital and related financing activities	354,289	(572,888)	(499,244)	(717,843)
Cash flows from investing activities:				
Receipts of investment revenue	20,889	81,623	8,082	110,594
Purchase of investments	(916,231)	(2,244,202)	(155,819)	(3,316,252)
Proceeds from sale of investments	508,558	2,194,853	178,724	2,882,135
Net cash provided (used) by investing activities	(386,784)	32,274	30,987	(323,523)
Net increase (decrease) in cash and cash equivalents	422,290	(543,363)	(81,493)	(202,566)
Cash and cash equivalents, July 1	0	2,366,097	231,349	2,597,446
Cash and cash equivalents, June 30	\$ 422,290	\$ 1,822,734	\$ 149,856	\$ 2,394,880

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2020

	<u>Airport</u>	<u>Solid Waste</u>	<u>Chattahoochee Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (307,387)	\$ (20,847)	\$ (161,471)	\$ (489,705)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	839,030	265,771	333,939	1,438,740
(Increase) decrease in accounts receivable	(345)	28,986	1,530	30,171
(Increase) decrease in deferred outflows of resources	433	(151,363)	(31,641)	(182,571)
Increase (decrease) in accounts payable	12,758	104,384	(9,714)	107,428
Increase (decrease) in sales tax payable	0	0	1,663	1,663
Increase (decrease) in accrued salaries and benefits	(1,282)	59,086	3,939	61,743
Increase (decrease) in other liabilities	0	0	2,264	2,264
Increase (decrease) in net pension liability	(24,079)	222,019	45,777	243,717
Increase (decrease) in deferred inflows of resources	15,009	(205,434)	(55,769)	(246,194)
Increase (decrease) in net OPEB liability	1,235	29,649	6,177	37,061
Total adjustments	842,759	353,098	298,165	1,494,022
Net cash provided (used) by operating activities	\$ 535,372	\$ 332,251	\$ 136,694	\$ 1,004,317

Note: A portion of beginning cash and cash equivalents has been reclassified to investments. See notes for additional details.

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2020

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,147,862	\$ 2,922,720	\$ 161,155	\$ 4,231,737
Investments	1,108,134	3,042,512	155,288	4,305,934
Receivables				
Accounts	5,403	6,563	0	11,966
Intergovernmental	0	0	346	346
Inventory	0	0	88,042	88,042
Prepaid items	0	2,278	0	2,278
Other assets	120,665	0	0	120,665
Total current assets	2,382,064	5,974,073	404,831	8,760,968
Noncurrent assets				
Depreciable capital assets (net)	0	0	122,740	122,740
Total assets	2,382,064	5,974,073	527,571	8,883,708
LIABILITIES				
Current liabilities				
Payables				
Accounts	881	63,056	75,027	138,964
Deposits	0	148,404	0	148,404
Accrued salaries	0	0	13,074	13,074
Compensated absences	0	0	29,830	29,830
Claims reserves	1,677,745	554,013	0	2,231,758
Total current liabilities	1,678,626	765,473	117,931	2,562,030
Noncurrent liabilities				
Compensated absences	0	0	3,314	3,314
Total liabilities	1,678,626	765,473	121,245	2,565,344
NET POSITION				
Investment in capital assets	0	0	122,740	122,740
Unrestricted	703,438	5,208,600	283,586	6,195,624
Total net position	\$ 703,438	\$ 5,208,600	\$ 406,326	\$ 6,318,364

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2020

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
OPERATING REVENUES				
Interfund services provided	\$ 1,627,790	\$ 9,631,048	\$ 1,990,877	\$ 13,249,715
Other	59,983	0	880	60,863
Total operating revenues	1,687,773	9,631,048	1,991,757	13,310,578
OPERATING EXPENSES				
Costs of services	1,687,773	9,783,845	1,572,624	13,044,242
Personal services	0	0	383,594	383,594
Depreciation	0	0	37,002	37,002
Total operating expenses	1,687,773	9,783,845	1,993,220	13,464,838
Operating income (loss)	0	(152,797)	(1,463)	(154,260)
Non-operating revenues (expenses)				
Investment revenue	48,585	121,764	0	170,349
Gain (loss) on sale of capital assets	0	0	1,463	1,463
Total non-operating revenues (expenses)	48,585	121,764	1,463	171,812
Change in net position	48,585	(31,033)	0	17,552
Net position, July 1	654,853	5,239,633	406,326	6,300,812
Net position, June 30	\$ 703,438	\$ 5,208,600	\$ 406,326	\$ 6,318,364

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2020

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
Cash flows from operating activities:				
Receipts from interfund services provided	\$ 1,624,248	\$ 9,649,039	\$ 1,999,038	\$ 13,272,325
Payments to suppliers	(1,596,458)	(10,012,206)	(1,571,549)	(13,180,213)
Payments to employees	0	0	(379,136)	(379,136)
Other receipts	59,983	0	880	60,863
Net cash provided (used) by operating activities	87,773	(363,167)	49,233	(226,161)
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets	0	0	1,463	1,463
Cash flows from investing activities:				
Receipts of investment revenue	48,585	121,765	0	170,350
Proceeds from sale of investments	1,382,357	3,795,424	193,716	5,371,497
Purchase of investments	(1,601,187)	(4,232,589)	(237,634)	(6,071,410)
Net cash provided (used) by investing activities	(170,245)	(315,400)	(43,918)	(529,563)
Net increase (decrease) in cash and cash equivalents	(82,472)	(678,567)	6,778	(754,261)
Cash and cash equivalents, July 1	1,230,334	3,601,287	154,377	4,985,998
Cash and cash equivalents, June 30	\$ 1,147,862	\$ 2,922,720	\$ 161,155	\$ 4,231,737
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 0	\$ (152,797)	\$ (1,463)	\$ (154,260)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	0	0	37,002	37,002
(Increase) decrease in accounts receivable	(3,542)	17,990	0	14,448
(Increase) decrease in intergovernmental receivables	0	0	8,161	8,161
(Increase) decrease in prepaid items	0	(2,278)	0	(2,278)
(Increase) decrease in inventory	0	0	6,142	6,142
(Increase) decrease in other assets	19,335	0	0	19,335
Increase (decrease) in accounts payable	(54,907)	(20,386)	(5,067)	(80,360)
Increase (decrease) in deposits payable	0	12,502	0	12,502
Increase (decrease) in accrued salaries and benefits	0	0	4,458	4,458
Increase (decrease) in claims reserve	126,887	(218,198)	0	(91,311)
Total adjustments	87,773	(210,370)	50,696	(71,901)
Net cash provided (used) by operating activities	\$ 87,773	\$ (363,167)	\$ 49,233	\$ (226,161)

Note: A portion of beginning cash and cash equivalents has been reclassified to investments. See notes for additional details.



GAINESVILLE

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, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 8,165,817	\$ 7,398,715
Investments	7,916,647	5,298,352
Receivables (net)		
Accounts	181,995	97,729
Intergovernmental	24,898	372,892
Taxes	1,462,974	1,139,691
Prepaid items	13,851	2,424
Due from other funds	616,211	355,028
Advances to other funds	0	223,370
Total assets	\$ 18,382,393	\$ 14,888,201
LIABILITIES		
Payables		
Accounts	\$ 549,748	\$ 585,000
Intergovernmental	4,978	3,106
Due to others	78,226	62,246
Accrued salaries	572,641	473,407
Unearned revenue	1,973	0
Total liabilities	1,207,566	1,123,759
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - taxes	381,601	55,867
FUND BALANCES		
Nonspendable:		
Prepaid items	13,851	2,424
Advances to other funds	0	223,370
Committed for Housing and Development	14,738	4,957
Assigned for:		
Public Works	148,820	139,017
Budget	3,255,898	3,465,309
Unassigned	13,359,919	9,873,498
Total fund balances	16,793,226	13,708,575
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,382,393	\$ 14,888,201

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2020 and 2019

	2020	2019
REVENUES		
Taxes	\$ 21,407,309	\$ 21,150,543
Licenses and permits	920,559	1,192,531
Fines, fees and forfeitures	1,066,369	1,270,227
Charges for services	2,950,408	2,771,075
Intergovernmental	387,371	404,061
Investment	821,618	745,151
Contributions	8,500	13,732
Other	176,097	251,353
Total revenues	27,738,231	27,798,673
EXPENDITURES		
Current		
General Government	4,950,539	5,060,187
Judicial	603,102	536,900
Public Safety	9,865,202	9,417,675
Public Works	4,891,531	4,783,471
Health and Welfare	15,000	19,500
Culture and Recreation	94,855	0
Housing and Development	1,740,880	1,525,495
Total expenditures	22,161,109	21,343,228
Excess (deficiency) of revenues over (under) expenditures	5,577,122	6,455,445
Other financing sources (uses)		
Transfers in (out)		
Community Service Center Fund	(751,163)	(869,405)
Government Access Cable TV Channel Fund	49,870	(100,018)
Grants Special Revenue Fund	(21,478)	(22,943)
Fire Fund	(2,700,000)	(3,199,225)
Impact Fee Fund	34,255	36,893
SPLOST Capital Projects Fund	(750,000)	(16,411)
General Government Capital Projects Fund	(1,554,921)	(4,504,799)
Grants Capital Projects Fund	0	(155,000)
Debt Service Fund	0	(125,400)
Department of Water Resources Fund	3,300,483	3,297,702
Chattahoochee Golf Course Fund	(473,440)	(404,562)
Solid Waste Fund	335,000	0
Sales of capital assets	38,923	51,887
Total other financing sources (uses)	(2,492,471)	(6,011,281)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	3,084,651	444,164
Fund balances, July 1	13,708,575	13,264,411
Fund balances, June 30	\$ 16,793,226	\$ 13,708,575

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Current year levy	\$ 3,820,127	\$ 3,909,537	\$ 89,410	\$ 3,723,355
Prior years' levies	38,136	25,476	(12,660)	63,785
Motor vehicle/TAVT tax	1,064,329	938,587	(125,742)	1,401,626
Cost, penalties, and interest	10,140	39,627	29,487	25,654
Total general property taxes	4,932,732	4,913,227	(19,505)	5,214,420
Intangibles tax	130,000	250,731	120,731	179,964
Franchise tax	4,078,000	4,540,980	462,980	4,507,256
Insurance premium tax	2,100,000	2,591,703	491,703	2,433,437
Occupational tax	1,357,000	1,375,576	18,576	1,418,919
Alcohol tax	1,093,000	1,207,300	114,300	1,160,672
Local option sales tax	5,480,000	6,527,792	1,047,792	6,235,875
Total taxes	19,170,732	21,407,309	2,236,577	21,150,543
Licenses and permits	874,400	920,559	46,159	1,192,531
Fines, fees and forfeitures	1,363,200	1,066,369	(296,831)	1,270,227
Charges for services	2,864,474	2,950,408	85,934	2,771,075
Intergovernmental	362,614	387,371	24,757	404,061
Investment	324,081	821,618	497,537	745,151
Contributions	0	8,500	8,500	13,732
Other				
Rents	126,600	123,661	(2,939)	218,520
Miscellaneous	34,388	52,436	18,048	32,833
Total other	160,988	176,097	15,109	251,353
Total revenues	<u>\$ 25,120,489</u>	<u>\$ 27,738,231</u>	<u>\$ 2,617,742</u>	<u>\$ 27,798,673</u>

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	\$ 245,970	\$ 222,973	\$ 22,997	\$ 226,398
Other	156,693	81,543	75,150	84,877
Total Mayor and Council	402,663	304,516	98,147	311,275
City Manager's Office				
Personal services	701,684	692,363	9,321	638,370
Other	232,254	203,689	28,565	216,955
Total City Manager's Office	933,938	896,052	37,886	855,325
Finance				
Personal services	1,073,181	1,072,994	187	1,029,781
Other	273,573	228,351	45,222	220,494
Total Finance	1,346,754	1,301,345	45,409	1,250,275
Information Technologies				
Personal services	679,305	641,025	38,280	615,866
Other	398,893	356,834	42,059	283,674
Total Information Technologies	1,078,198	997,859	80,339	899,540
Human Resources				
Personal services	687,478	642,825	44,653	629,769
Other	130,980	111,664	19,316	109,819
Total Human Resources	818,458	754,489	63,969	739,588
Public Lands and Buildings				
Personal services	407,229	366,700	40,529	325,270
Other	399,100	329,578	69,522	678,914
Total Public Lands and Buildings	806,329	696,278	110,051	1,004,184
Total General Government	5,386,340	4,950,539	435,801	5,060,187
Judicial				
Municipal Court				
Personal services	490,697	490,652	45	455,418
Other	111,953	112,450	(497)	81,482
Total Judicial	602,650	603,102	(452)	536,900
Public Safety				
Police				
Personal services	8,331,547	8,297,655	33,892	7,991,870
Other	1,555,330	1,567,547	(12,217)	1,425,805
Total Police	9,886,877	9,865,202	21,675	9,417,675
Total Public Safety	9,886,877	9,865,202	21,675	9,417,675

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
Public Works				
Engineering				
Personal services	\$ 930,635	\$ 917,541	\$ 13,094	\$ 905,006
Other	127,607	103,786	23,821	106,538
Total Engineering	1,058,242	1,021,327	36,915	1,011,544
Traffic				
Personal services	474,875	459,928	14,947	429,326
Other	1,000,219	850,521	149,698	808,778
Total Traffic	1,475,094	1,310,449	164,645	1,238,104
Street Maintenance				
Personal services	1,448,462	1,230,032	218,430	1,182,214
Other	472,886	423,639	49,247	473,994
Total Street Maintenance	1,921,348	1,653,671	267,677	1,656,208
Storm Water				
Personal services	330,711	278,158	52,553	253,696
Other	111,436	51,659	59,777	50,276
Total Storm Water	442,147	329,817	112,330	303,972
Cemetery				
Personal services	433,235	409,911	23,324	401,569
Other	212,305	166,356	45,949	172,074
Total Cemetery	645,540	576,267	69,273	573,643
Total Public Works	5,542,371	4,891,531	650,840	4,783,471
Health and Welfare				
Payments to other agencies	22,000	15,000	7,000	19,500
Culture and Recreation				
Payments to other agencies	94,855	94,855	0	0
Housing and Development				
Planning				
Personal services	629,094	608,292	20,802	528,465
Other	129,455	110,288	19,167	194,335
Total Planning	758,549	718,580	39,969	722,800
Inspection				
Personal services	374,943	372,651	2,292	355,312
Other	77,454	49,972	27,482	51,499
Total Inspection	452,397	422,623	29,774	406,811
Code Enforcement				
Personal services	349,411	344,850	4,561	281,124
Other	112,969	92,845	20,124	81,760
Total Code Enforcement	462,380	437,695	24,685	362,884
Economic Development				
Payments to other agencies	161,983	161,982	1	33,000
Total Housing and Development	1,835,309	1,740,880	94,429	1,525,495
Total expenditures	\$ 23,370,402	\$ 22,161,109	\$ 1,209,293	\$ 21,343,228

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF GAINESVILLE, GEORGIA
COMMUNITY SERVICE CENTER SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 1,325,227	\$ 1,540,111
Investments	1,055,378	1,111,006
Receivables		
Accounts	4,295	30
Intergovernmental	1,124,218	409,365
Inventory	29,735	34,002
Total assets	\$ 3,538,853	\$ 3,094,514
LIABILITIES		
Accounts payable	\$ 192,931	\$ 83,855
Accrued salaries	46,222	44,154
Total liabilities	239,153	128,009
FUND BALANCES		
Nonspendable:		
Inventory	29,735	34,002
Restricted for Health and Welfare	1,320,898	1,248,699
Assigned for Health and Welfare	1,949,067	1,683,804
Total fund balances	3,299,700	2,966,505
Total liabilities and fund balances	\$ 3,538,853	\$ 3,094,514

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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 401,984	\$ 470,198	\$ 68,214	\$ 342,918
Intergovernmental	2,057,077	2,165,741	108,664	1,615,779
Interest	8,000	51,800	43,800	58,416
Contributions	88,700	85,623	(3,077)	105,070
Other	82,620	100,566	17,946	86,102
Total revenues	2,638,381	2,873,928	235,547	2,208,285
EXPENDITURES				
Current				
Health and Welfare				
Personal services	1,712,806	1,483,576	229,230	1,506,210
Other	1,597,989	1,386,677	211,312	1,281,019
Capital outlay	627,200	444,398	182,802	46,850
Total expenditures	3,937,995	3,314,651	623,344	2,834,079
Excess (deficiency) of revenues over (under) expenditures	(1,299,614)	(440,723)	858,891	(625,794)
Other financing sources (uses)				
Transfers in (out)				
General Fund	751,163	751,163	0	869,405
Sale of capital assets	0	22,755	22,755	51,327
Total other financing sources (uses)	751,163	773,918	22,755	920,732
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(548,451)	333,195	881,646	294,938
Fund balance, July 1	548,451	2,966,505	2,418,054	2,671,567
Fund balances, June 30	\$ 0	\$ 3,299,700	\$ 3,299,700	\$ 2,966,505

CITY OF GAINESVILLE, GEORGIA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 2,828,715	\$ 3,193,720
Investments	13,279,644	12,857,303
Accounts receivable	5,099	1,748
Total assets	\$ 16,113,458	\$ 16,052,771
LIABILITIES		
Accounts payable	\$ 5,721	\$ 3,684
Due to other funds	10,017,622	10,017,622
Total liabilities	10,023,343	10,021,306
FUND BALANCES		
Assigned for Housing and Development:	6,090,115	6,031,465
Total liabilities and fund balances	\$ 16,113,458	\$ 16,052,771

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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Investment	\$ 43,000	\$ 114,476	\$ 71,476	\$ 1,137,320
EXPENDITURES				
Current				
Housing and Development				
Other	108,000	55,826	52,174	206,827
Excess (deficiency) of revenues over (under) expenditures	(65,000)	58,650	123,650	930,493
Fund balances, July 1	65,000	6,031,465	5,966,465	5,100,972
Fund balances, June 30	\$ 0	\$ 6,090,115	\$ 6,090,115	\$ 6,031,465

CITY OF GAINESVILLE, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 34,463	\$ 17,486
Investments	33,270	12,639
Taxes receivable	60,746	91,716
Total assets	\$ 128,479	\$ 121,841
FUND BALANCES		
Assigned for Housing and Development	\$ 128,479	\$ 121,841

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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/motel taxes	\$ 1,288,711	\$ 1,191,436	\$ (97,275)	\$ 1,053,683
Investment	600	1,146	546	1,592
Total revenues	<u>1,289,311</u>	<u>1,192,582</u>	<u>(96,729)</u>	<u>1,055,275</u>
EXPENDITURES				
Current				
Housing and Development				
Other	<u>804,323</u>	<u>700,956</u>	<u>103,367</u>	<u>764,162</u>
Excess (deficiency) of revenues over (under) expenditures	<u>484,988</u>	<u>491,626</u>	<u>6,638</u>	<u>291,113</u>
Other financing sources (uses)				
Transfers in (out)				
Debt Service Fund	(158,355)	(158,355)	0	(175,652)
General Government				
Capital Projects Fund	<u>(326,633)</u>	<u>(326,633)</u>	<u>0</u>	<u>(128,585)</u>
Total other financing sources (uses)	<u>(484,988)</u>	<u>(484,988)</u>	<u>0</u>	<u>(304,237)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>6,638</u>	<u>6,638</u>	<u>(13,124)</u>
Fund balances, July 1	<u>0</u>	<u>121,841</u>	<u>121,841</u>	<u>134,965</u>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 128,479</u>	<u>\$ 128,479</u>	<u>\$ 121,841</u>

CITY OF GAINESVILLE, GEORGIA
GOVERNMENT ACCESS CABLE TV CHANNEL SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 0	\$ 69,816
Investments	0	50,464
Intergovernmental receivables	0	7,525
	<hr/>	<hr/>
Total assets	\$ 0	\$ 127,805
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	\$ 0	\$ 1,423
Accrued salaries	0	3,643
	<hr/>	<hr/>
Total liabilities	0	5,066
	<hr/>	<hr/>
FUND BALANCES		
Restricted for General Government	0	60,363
Assigned for General Government	0	62,376
	<hr/>	<hr/>
Total fund balances	0	122,739
	<hr/>	<hr/>
Total liabilities and fund balances	\$ 0	\$ 127,805
	<hr/>	<hr/>

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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 80,749
Investment	0	0	0	2,346
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>83,095</u>
EXPENDITURES				
Current				
General Government				
Personal services	0	0	0	113,136
Other	96,382	96,382	0	67,630
Total expenditures	<u>96,382</u>	<u>96,382</u>	<u>0</u>	<u>180,766</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(96,382)</u>	<u>(96,382)</u>	<u>0</u>	<u>(97,671)</u>
Other financing sources (uses)				
Transfers in (out)				
General Fund	(49,870)	(49,870)	0	100,018
General Government				
Capital Projects Fund	21,455	21,455	0	0
Proceeds from sale of capital assets	2,058	2,058	0	0
Total other financing sources (uses)	<u>(26,357)</u>	<u>(26,357)</u>	<u>0</u>	<u>100,018</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(122,739)</u>	<u>(122,739)</u>	<u>0</u>	<u>2,347</u>
Fund balance, July 1	<u>122,739</u>	<u>122,739</u>	<u>0</u>	<u>120,392</u>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 122,739</u>

CITY OF GAINESVILLE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 195,521	\$ 371,828
Investments	138,269	238,460
Total assets	\$ 333,790	\$ 610,288
LIABILITIES		
Accounts payable	\$ 21,405	\$ 90,458
Due to others	52,295	41,922
Total liabilities	73,700	132,380
FUND BALANCES		
Restricted for Public Safety	260,090	477,908
Total liabilities and fund balances	\$ 333,790	\$ 610,288

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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 0	\$ 102,985	\$ 102,985	\$ 408,417
Investment	0	11,270	11,270	15,385
Total revenues	<u>0</u>	<u>114,255</u>	<u>114,255</u>	<u>423,802</u>
EXPENDITURES				
Current				
Public Safety				
Other	304,102	205,974	98,128	322,878
Capital outlay	135,891	126,099	9,792	175,028
Total expenditures	<u>439,993</u>	<u>332,073</u>	<u>107,920</u>	<u>497,906</u>
Excess (deficiency) of revenues over (under) expenditures	(439,993)	(217,818)	222,175	(74,104)
Other financing sources (uses)				
Sales of capital assets	0	0	0	1,712
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(439,993)	(217,818)	222,175	(72,392)
Fund balance, July 1	<u>439,993</u>	<u>477,908</u>	<u>37,915</u>	<u>550,300</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 260,090</u></u>	<u><u>\$ 260,090</u></u>	<u><u>\$ 477,908</u></u>

CITY OF GAINESVILLE, GEORGIA
GRANTS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 300	\$ 300
Investments	0	200,332
Intergovernmental receivables	513,101	346,934
Total assets	\$ 513,401	\$ 547,566
LIABILITIES		
Accounts payable	\$ 741	\$ 0
Unearned revenue	55,000	0
Due to other funds	357,122	247,083
Total liabilities	412,863	247,083
FUND BALANCES		
Restricted for		
Public Safety	1,151	764
Public Works	19,150	19,150
Housing and Development	0	200,332
Committed for Housing and Development	4,868	4,868
Assigned for General Government	75,369	75,369
Total fund balances	100,538	300,483
Total liabilities and fund balances	\$ 513,401	\$ 547,566

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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 808,544	\$ 391,080	\$ (417,464)	\$ 88,372
EXPENDITURES				
Current				
General Government	12,660	12,138	522	0
Judicial	1,188	1,188	0	0
Public Safety	179,952	128,909	51,043	102,617
Public Works	32,880	31,025	1,855	0
Culture and Recreation	10,960	10,518	442	0
Housing and Development	614,235	428,726	185,509	7,934
Total expenditures	851,875	612,504	239,371	110,551
Excess (deficiency) of revenues over (under) expenditures	(43,331)	(221,424)	(178,093)	(22,179)
Other financing sources (uses)				
Transfers in (out)				
General Fund	43,331	21,479	(21,852)	22,943
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(199,945)	(199,945)	764
Fund balance, July 1	0	300,483	300,483	299,719
Fund balances, June 30	\$ 0	\$ 100,538	\$ 100,538	\$ 300,483

CITY OF GAINESVILLE, GEORGIA
HUD GRANT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Investments	\$ 92,896	\$ 92,897
Intergovernmental receivables	<u>261,099</u>	<u>30,227</u>
Total assets	<u><u>\$ 353,995</u></u>	<u><u>\$ 123,124</u></u>
LIABILITIES		
Accounts payable	\$ 1,183	\$ 2,413
Accrued salaries	369	0
Due to other funds	<u>259,089</u>	<u>27,357</u>
Total liabilities	260,641	29,770
FUND BALANCES		
Restricted for Housing and Development	<u>93,354</u>	<u>93,354</u>
Total liabilities and fund balances	<u><u>\$ 353,995</u></u>	<u><u>\$ 123,124</u></u>

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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 997,822	\$ 538,032	\$ (459,790)	\$ 338,783
EXPENDITURES				
Current				
Housing and Development				
Personal services	154,089	75,757	78,332	35,391
Other	521,585	284,845	236,740	99,732
Total expenditures	675,674	360,602	315,072	135,123
Excess (deficiency) of revenues over (under) expenditures	322,148	177,430	(144,718)	203,660
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	(322,148)	(177,430)	144,718	(203,203)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	457
Fund balances, July 1	0	93,354	93,354	92,897
Fund balances, June 30	\$ 0	\$ 93,354	\$ 93,354	\$ 93,354

CITY OF GAINESVILLE, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 71,011	\$ 72,754
Investments	68,554	52,587
Notes receivable	<u>210,778</u>	<u>225,069</u>
Total assets	<u><u>\$ 350,343</u></u>	<u><u>\$ 350,410</u></u>
 DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - notes receivable	\$ 210,778	\$ 225,069
 FUND BALANCES		
Restricted for Housing and Development	<u>139,565</u>	<u>125,341</u>
Total deferred inflows of resources and fund balances	<u><u>\$ 350,343</u></u>	<u><u>\$ 350,410</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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 17,346	\$ 16,469	\$ (877)	\$ 14,487
Investment	3,572	4,165	593	6,410
Other	0	0	0	31
Total revenues	20,918	20,634	(284)	20,928
EXPENDITURES				
Current				
Housing and Development				
Other	79,400	6,410	72,990	1,368
Excess (deficiency) of revenues over (under) expenditures	(58,482)	14,224	72,706	19,560
Fund balances, July 1	58,482	125,341	66,859	105,781
Fund balances, June 30	\$ 0	\$ 139,565	\$ 139,565	\$ 125,341

CITY OF GAINESVILLE, GEORGIA
IMPACT FEE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 323,069	\$ 1,883,119
Investments	311,887	1,361,146
Accounts receivable	708	0
Total assets	\$ 635,664	\$ 3,244,265
FUND BALANCES		
Restricted for:		
Public Safety	458,548	820,926
Cultural and Recreation	177,116	2,423,339
Total fund balances	\$ 635,664	\$ 3,244,265

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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 758,764	\$ 1,068,955	\$ 310,191	\$ 1,075,030
Investment	24,908	80,443	55,535	76,693
Total revenues	783,672	1,149,398	365,726	1,151,723
EXPENDITURES				
Current				
Culture and Recreation				
Other	2,550,000	2,550,000	0	626,120
Excess (deficiency) of revenues over (under) expenditures	(1,766,328)	(1,400,602)	365,726	525,603
Other financing sources (uses)				
Transfers in (out)				
General Fund	(37,519)	(34,255)	3,264	(36,893)
SPLOST Fund	(1,173,744)	(1,173,744)	0	0
General Government				
Capital Projects Fund	0	0	0	3,576
Total other financing sources (uses)	(1,211,263)	(1,207,999)	3,264	(33,317)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,977,591)	(2,608,601)	368,990	492,286
Fund balances, July 1	2,977,591	3,244,265	266,674	2,751,979
Fund balances, June 30	\$ 0	\$ 635,664	\$ 635,664	\$ 3,244,265

CITY OF GAINESVILLE, GEORGIA
TAX ALLOCATION DISTRICT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 1,240,441	\$ 1,510,527
Investments	1,197,508	1,091,830
Accounts receivable	<u>400</u>	<u>0</u>
Total assets	<u><u>\$ 2,438,349</u></u>	<u><u>\$ 2,602,357</u></u>
LIABILITIES		
Due to other funds	\$ 1,500,472	\$ 1,500,472
FUND BALANCES		
Restricted for Housing and Development	<u>937,877</u>	<u>1,101,885</u>
Total liabilities and fund balances	<u><u>\$ 2,438,349</u></u>	<u><u>\$ 2,602,357</u></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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	\$ 62,100	\$ 84,987	\$ 22,887	\$ 60,329
Intergovernmental	209,100	251,939	42,839	207,299
Investment	15,000	48,621	33,621	40,557
Total revenues	286,200	385,547	99,347	308,185
EXPENDITURES				
Current				
Housing and Development	533,842	531,655	2,187	285,218
Excess (deficiency) of revenues over (under) expenditures	(247,642)	(146,108)	101,534	22,967
Other financing sources (uses)				
Transfers in (out)				
Debt Service Fund	(17,901)	(17,900)	1	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(265,543)	(164,008)	101,535	0
Fund balances, July 1	265,543	1,101,885	836,342	1,078,918
Fund balances, June 30	\$ 0	\$ 937,877	\$ 937,877	\$ 1,101,885

CITY OF GAINESVILLE, GEORGIA
INFORMATION TECHNOLOGY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 113,753	\$ 132,868
Investments	109,816	96,038
Total assets	\$ 223,569	\$ 228,906
LIABILITIES		
Accounts payable	\$ 0	\$ 6,598
FUND BALANCES		
Restricted for Public Safety	223,569	222,308
Total liabilities and fund balances	\$ 223,569	\$ 228,906

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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 44,784	\$ 41,896	\$ (2,888)	\$ 61,792
Investment	0	4,597	4,597	3,963
Total revenues	<u>44,784</u>	<u>46,493</u>	<u>1,709</u>	<u>65,755</u>
EXPENDITURES				
Current				
Public Safety				
Other	<u>14,234</u>	<u>14,232</u>	<u>2</u>	<u>9,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,550</u>	<u>32,261</u>	<u>1,711</u>	<u>56,061</u>
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	(31,000)	(31,000)	0	41,250
Contingency	<u>450</u>	<u>0</u>	<u>(450)</u>	<u>0</u>
Total other financing sources (uses)	<u>(30,550)</u>	<u>(31,000)</u>	<u>(450)</u>	<u>41,250</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>1,261</u>	<u>1,261</u>	<u>97,311</u>
Fund balances, July 1	<u>0</u>	<u>222,308</u>	<u>222,308</u>	<u>124,997</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 223,569</u></u>	<u><u>\$ 223,569</u></u>	<u><u>\$ 222,308</u></u>

CITY OF GAINESVILLE, GEORGIA
CEMETERY TRUST SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 222,961	\$ 221,225
Investments	215,244	159,904
Total assets	\$ 438,205	\$ 381,129
LIABILITIES		
Accounts payable	\$ 0	\$ 417
FUND BALANCES		
Committed for Public Works	438,205	380,712
Total liabilities and fund balances	\$ 438,205	\$ 381,129

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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Sales and services	\$ 45,000	\$ 49,990	\$ 4,990	\$ 58,560
Contributions	0	0	0	25,500
Investment	2,500	8,356	5,856	7,654
Total revenues	47,500	58,346	10,846	91,714
EXPENDITURES				
Public Works				
Other	900	853	47	4,275
Total expenditures	900	853	47	4,275
Excess (deficiency) of revenues over (under) expenditures	46,600	57,493	10,893	87,439
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	(46,600)	0	46,600	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	57,493	57,493	87,439
Fund balances, July 1	0	380,712	380,712	293,273
Fund balances, June 30	\$ 0	\$ 438,205	\$ 438,205	\$ 380,712

CITY OF GAINESVILLE, GEORGIA
FIRE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 538,553	\$ 597,966
Investments	519,914	432,218
Receivable		
Accounts	1,249	403
Taxes	79,811	49,146
Intergovernmental	876	491
Total assets	\$ 1,140,403	\$ 1,080,224
LIABILITIES		
Accounts payable	\$ 24,138	\$ 54,313
Accrued salaries	238,475	209,965
Total liabilities	262,613	264,278
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	64,516	41,517
FUND BALANCES		
Assigned for Public Safety	813,274	774,429
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,140,403	\$ 1,080,224

CITY OF GAINESVILLE, GEORGIA
FIRE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	\$ 6,260,612	\$ 6,372,274	\$ 111,662	\$ 5,892,252
Motor vehicle taxes	50,794	60,409	9,615	48,742
Intergovernmental	0	0	0	3,298
Investment	30,026	29,556	(470)	23,591
Other	6,311	6,311	0	0
Total revenues	6,347,743	6,468,550	120,807	5,967,883
EXPENDITURES				
Current				
Public Safety				
Personal services	7,569,111	7,535,503	33,608	7,300,574
Other	2,807,844	2,481,253	326,591	1,092,341
Total expenditures	10,376,955	10,016,756	360,199	8,392,915
Excess (deficiency) of revenues over (under) expenditures	(4,029,212)	(3,548,206)	481,006	(2,425,032)
Other financing sources (uses)				
Transfers in (out)				
General Fund	2,700,000	2,700,000	0	3,199,225
General Government Capital Projects Fund	(102,030)	(102,030)	0	0
Debt Service Fund	(282,812)	(282,812)	0	0
Sales of capital assets	0	3,300	3,300	236
Issuance of capital lease	1,414,054	1,268,593	(145,461)	0
Total other financing sources (uses)	3,729,212	3,587,051	(142,161)	3,199,461
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(300,000)	38,845	338,845	774,429
Fund balances, July 1	300,000	774,429	474,429	0
Fund balances, June 30	\$ 0	\$ 813,274	\$ 813,274	\$ 774,429



GAINESVILLE

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, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 1,306,430	\$ 945,682
Investments	1,261,214	683,553
Receivables		
Intergovernmental	960	449
Taxes	43,558	30,803
Due from other funds	1,500,472	1,500,472
Prepaid items	7,885	9,319
Total assets	\$ 4,120,519	\$ 3,170,278
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - taxes	\$ 36,215	\$ 27,003
FUND BALANCES		
Nonspendable prepaid items	7,885	9,319
Restricted for debt service	2,375,428	1,482,963
Assigned for debt service	1,700,991	1,650,993
Total fund balances	4,084,304	3,143,275
Total deferred inflows of resources and fund balances	\$ 4,120,519	\$ 3,170,278

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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	\$ 2,790,540	\$ 2,847,975	\$ 57,435	\$ 2,732,970
Investment	46,930	49,999	3,069	56,747
Total revenues	2,837,470	2,897,974	60,504	2,789,717
EXPENDITURES				
Debt Service				
Principal	1,942,078	1,754,003	188,075	2,176,859
Interest and fiscal charges	1,354,459	662,008	692,451	630,248
Total expenditures	3,296,537	2,416,011	880,526	2,807,107
Excess (deficiency) of revenues over (under) expenditures	(459,067)	481,963	941,030	(17,390)
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	0	0	125,400
Fire Special Revenue Fund	282,812	282,811	(1)	0
Tax Allocation District Special Revenue Fund	17,900	17,900	0	0
Hotel/Motel Tax Special Revenue Fund	158,355	158,355	0	175,652
General Governmental Capital Projects Fund	0	0	0	59,400
Total other financing sources (uses)	459,067	459,066	(1)	360,452
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	941,029	941,029	343,062
Fund balances, July 1	0	3,143,275	3,143,275	2,800,213
Fund balances, June 30	\$ 0	\$ 4,084,304	\$ 4,084,304	\$ 3,143,275



GAINESVILLE

CAPITAL PROJECTS FUNDS

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

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

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

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

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

CITY OF GAINESVILLE, GEORGIA
GENERAL GOVERNMENT CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 3,515,278	\$ 5,873,975
Investments	3,158,337	3,719,767
Other receivable	538,498	238,489
Total assets	\$ 7,212,113	\$ 9,832,231
LIABILITIES		
Accounts payable	\$ 205,616	\$ 224,303
Retainages payable	165,731	15,453
Total liabilities	371,347	239,756
FUND BALANCES		
Restricted for capital projects:		
General Government	617,615	858,332
Public Safety	12,117	0
Health and Welfare	1,627,424	1,633,014
Assigned for capital projects:		
General Government	1,960,729	2,583,870
Public Safety	300,539	300,671
Public Works	2,322,342	4,216,588
Total fund balances	6,840,766	9,592,475
Total liabilities and fund balances	\$ 7,212,113	\$ 9,832,231

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, 2020 and 2019

	2020	2019
REVENUES		
Investment	\$ 11,804	\$ 55,633
Contributions	22,000	0
Total revenues	33,804	55,633
EXPENDITURES		
Capital outlay		
General Government	2,909,946	4,447,045
Public Safety	712,546	271,857
Public Works	922,726	1,069,710
Housing and Development	243,055	245,170
Total expenditures	4,788,273	6,033,782
Excess (deficiency) of revenues over (under) expenditures	(4,754,469)	(5,978,149)
Other financing sources (uses)		
Transfers in (out)		
General Fund	1,554,921	4,504,799
Fire Special Revenue Fund	102,030	0
Hotel/Motel Tax Fund	326,633	128,585
Government Access Cable TV Channel Fund	(21,455)	0
Information Technology Fund	31,000	(41,250)
Impact Fees Fund	0	(3,576)
Grants Capital Projects Fund	(225,000)	45,782
SPLOST Capital Projects Fund	(245,007)	0
Department of Water Resources Fund	0	684,380
Debt Service Fund	0	(59,400)
Issuance of capital leases	479,638	4,933,489
Total other financing sources (uses)	2,002,760	10,192,809
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,751,709)	4,214,660
Fund balances, July 1	9,592,475	5,377,815
Fund balances, June 30	\$ 6,840,766	\$ 9,592,475

CITY OF GAINESVILLE, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 8,109,342	\$ 8,260,939
Investments	7,828,668	5,971,125
Intergovernmental receivables	1,574,711	1,115,259
Total assets	\$ 17,512,721	\$ 15,347,323
LIABILITIES		
Accounts payable	\$ 550,819	\$ 707,174
Retainages payable	243,500	38,630
Accrued salaries	429	1,724
Total liabilities	794,748	747,528
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - taxes	372,106	0
FUND BALANCES		
Restricted for capital projects:		
Public Safety	524,964	3,575,917
Public Works	7,391,458	6,538,620
Culture and Recreation	7,051,138	253,397
Assigned for capital projects:		
Public Safety	850,000	100,000
Public Works	528,307	381,861
Health and Welfare	0	3,750,000
Total fund balances	16,345,867	14,599,795
Total liabilities and fund balances	\$ 17,512,721	\$ 15,347,323

CITY OF GAINESVILLE, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2020 and 2019

	2020	2019
REVENUES		
Intergovernmental	\$ 6,096,929	\$ 5,795,622
Total revenues	6,096,929	5,795,622
EXPENDITURES		
Capital outlay		
Public Safety	3,949,148	169,715
Public Works	2,018,385	3,970,198
Culture and Recreation	970,663	2,223
Total expenditures	6,938,196	4,142,136
Excess (deficiency) of revenues over (under) expenditures	(841,267)	1,653,486
Other financing sources (uses)		
Transfers in (out)		
General Fund	750,000	16,411
Impact Fee Special Revenue Fund	1,173,744	0
Grants Capital Projects Fund	418,588	395,434
General Government Capital Projects Fund	245,007	0
Total other financing sources (uses)	2,587,339	411,845
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,746,072	2,065,331
Fund balances, July 1	14,599,795	12,534,464
Fund balances, June 30	\$ 16,345,867	\$ 14,599,795

CITY OF GAINESVILLE, GEORGIA
GRANTS CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 313,137	\$ 569,749
Investments	302,299	411,823
Intergovernmental receivables	291,557	29,462
Total assets	\$ 906,993	\$ 1,011,034
LIABILITIES		
Accounts payable	\$ 77,700	\$ 4,971
FUND BALANCES		
Restricted for capital projects:		
Public Works	82,403	166,841
Assigned for capital projects:		
Public Works	746,890	839,222
Total fund balances	829,293	1,006,063
Total liabilities and fund balances	\$ 906,993	\$ 1,011,034

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, 2020 and 2019

	2020	2019
REVENUES		
Intergovernmental	\$ 919,127	\$ 402,926
Contributions	0	25,000
Total revenues	919,127	427,926
EXPENDITURES		
Capital outlay		
General Government	991,347	303,324
Public Works	88,392	64,132
Total expenditures	1,079,739	367,456
Excess (deficiency) of revenues over (under) expenditures	(160,612)	60,470
Other financing sources (uses)		
Transfers in (out)		
General Fund	0	155,000
HUD Grant Special Revenue Fund	177,430	203,203
SPLOST Capital Projects Funds	(418,588)	(395,434)
General Government Capital Projects Fund	225,000	(45,782)
Total other financing sources (uses)	(16,158)	(83,013)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(176,770)	(22,543)
Fund balances, July 1	1,006,063	1,028,606
Fund balances, June 30	\$ 829,293	\$ 1,006,063



GAINESVILLE

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, 2020 and 2019

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 19,142,300	\$ 21,306,458
Investments	20,659,437	17,073,301
Receivables		
Accounts (net)	4,442,085	5,383,894
Other	21,075	20,684
Due from other funds	10,017,622	10,017,622
Inventories	1,860,347	1,663,480
Prepaid items	5,703	0
Total current assets	56,148,569	55,465,439
Restricted assets		
Extension and Renewal		
Cash and cash equivalents	34,056,253	39,229,036
Investments	32,877,518	28,355,311
Debt Redemption		
Cash and cash equivalents	8,893,493	7,654,733
Customer Deposits		
Cash and cash equivalents	2,262,826	2,320,129
Total restricted assets	78,090,090	77,559,209
Noncurrent assets		
Capital assets		
Land	32,220,269	31,951,003
Nondepreciable intangibles	2,122,281	2,056,998
Land improvements	2,069,290	2,069,290
Buildings	52,966,422	45,161,849
Distribution system	569,357,491	550,257,703
Vehicles and equipment	38,195,346	35,919,958
Depreciable intangibles	5,971,224	5,971,224
Construction in progress	35,116,817	37,142,852
Accumulated depreciation	(255,619,502)	(240,343,880)
Total noncurrent assets	482,399,638	470,186,997
Total assets	616,638,297	603,211,645
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	93,885	237,639
Deferred outflows related to pensions	2,695,233	2,921,361
Deferred outflows related to other post employment benefits	1,071,912	658,912
Total deferred outflows of resources	3,861,030	3,817,912

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	2020	2019
LIABILITIES		
Current liabilities		
Payables		
Accounts	\$ 976,966	\$ 1,596,365
Intergovernmental	923,685	827,429
Accrued salaries	457,862	395,785
Compensated absences	855,114	656,721
Capital lease payable	1,261,588	1,261,588
Total current liabilities	4,475,215	4,737,888
Current liabilities payable from restricted assets		
Payables		
Accounts	2,256,537	2,475,702
Retainages	1,186,299	779,916
Customer deposits	2,262,826	2,320,129
Revenue bonds payable	15,663,739	13,663,739
Interest payable	332,299	360,262
Total liabilities payable from restricted assets	21,701,700	19,599,748
Noncurrent liabilities		
Net pension liability	18,974,239	19,093,839
Net OPEB liability	9,757,735	9,498,305
Compensated absences	95,013	72,969
Capital leases payable	12,615,880	13,877,468
Revenue bonds payable	58,983,151	74,646,890
Total noncurrent liabilities	100,426,018	117,189,471
Total liabilities	126,602,933	141,527,107
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	2,107,432	2,116,025
Deferred inflows related to other post employment benefits	2,794,303	3,469,005
Total deferred inflows of resources	4,901,735	5,585,030
NET POSITION		
Net investment in capital assets	390,877,551	364,408,087
Restricted for:		
Capital outlay	66,560,802	67,584,347
Debt service	8,561,194	7,294,471
Unrestricted	22,995,112	20,630,515
Total net position	\$ 488,994,659	\$ 459,917,420

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, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Charges for sales and services		
Water sales	\$ 37,608,772	\$ 38,035,078
Sewer charges	33,667,870	33,256,009
Tap fees	1,303,189	1,315,289
Other	1,335,696	1,528,661
Other	120,604	64,161
Total operating revenues	74,036,131	74,199,198
OPERATING EXPENSES		
Costs of sales and services	22,997,951	22,379,999
Personal services	13,546,093	13,934,033
Depreciation	15,794,316	15,334,337
Total operating expenses	52,338,360	51,648,369
Operating income (loss)	21,697,771	22,550,829
Non-operating revenues (expenses)		
Investment revenue	3,410,956	3,529,834
Interest expense	(2,901,603)	(3,332,805)
Gain (loss) on sale of capital assets	4,681	(78,521)
Total non-operating revenues (expenses)	514,034	118,508
Net income (loss) before capital contributions and transfers	22,211,805	22,669,337
Capital contributions		
Connection fees	3,740,514	4,363,061
Capital contributions	6,425,403	4,125,321
Total capital contributions	10,165,917	8,488,382
Net income (loss) before transfers	32,377,722	31,157,719
Transfers in (out)		
General Fund	(3,300,483)	(3,297,702)
General Government Capital Projects Fund	0	(684,380)
Total transfers in (out)	(3,300,483)	(3,982,082)
Change in net position	29,077,239	27,175,637
Net position, July 1	459,917,420	432,741,783
Net position, June 30	\$ 488,994,659	\$ 459,917,420

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Receipts from customers	\$ 74,799,642	\$ 73,265,273
Payments to suppliers	(24,039,449)	(21,588,325)
Payments to employees	(13,993,912)	(13,497,090)
Other receipts	120,605	64,161
Net cash provided (used) by operating activities	36,886,886	38,244,019
Cash flows from non-capital financing activities:		
Payments to other funds	(3,300,483)	(13,315,323)
Net cash provided (used) by non-capital financing activities	(3,300,483)	(13,315,323)
Cash flows from capital and related financing activities:		
Connection fees	3,740,514	4,363,061
Receipts of capital contributions	17,350	30,818
Payments to other funds	0	(984,980)
Interest paid	(2,929,567)	(3,398,014)
Acquisition of capital assets	(19,844,104)	(8,521,582)
Payment of capital related accounts payable	(2,566,865)	(2,655,167)
Proceeds from sale of capital assets	58,157	119,611
Principal payments - bonds	(12,615,000)	(16,200,000)
Net cash provided (used) by capital and related financing activities	(34,139,515)	(27,246,253)
Cash flows from investing activities:		
Receipts of investment revenue	2,505,971	2,719,657
Proceeds from sale of investments	66,785,426	0
Purchase of investments	(74,893,769)	(45,428,612)
Net cash provided (used) by investing activities	(5,602,372)	(42,708,955)
Net increase (decrease) in cash and cash equivalents	(6,155,484)	(45,026,512)
Cash and cash equivalents, July 1	70,510,356	115,536,868
Cash and cash equivalents, June 30	\$ 64,354,872	\$ 70,510,356

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2020 and 2019

	2020	2019
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 21,697,771	\$ 22,550,829
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	15,794,316	15,334,337
(Increase) decrease in accounts receivable	941,418	(842,635)
(Increase) decrease in intergovernmental receivables	0	(47,249)
(Increase) decrease in inventory	(196,867)	(44,796)
(Increase) decrease in prepaid items	(5,703)	0
(Increase) decrease in deferred outflows of resources	(186,872)	(167,240)
Increase (decrease) in accounts payable	(935,184)	14,111
Increase (decrease) in intergovernmental payables	96,256	822,359
Increase (decrease) in deposits payable	(57,303)	20,120
Increase (decrease) in accrued salaries and benefits	282,515	83,912
Increase (decrease) in net pension liability	(119,596)	628,883
Increase (decrease) in deferred inflows of resources	(683,295)	2,656,574
Increase (decrease) in net OPEB liability	259,430	(2,765,186)
Total adjustments	15,189,115	15,693,190
Net cash provided (used) by operating activities	\$ 36,886,886	\$ 38,244,019
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	\$ 19,142,300	\$ 21,306,458
Extension and Renewal		
Cash and cash equivalents	34,056,253	39,229,036
Debt Redemption		
Cash and cash equivalents	8,893,493	7,654,733
Customer Deposits		
Cash and cash equivalents	2,262,826	2,320,129
Total cash and cash equivalents	\$ 64,354,872	\$ 70,510,356

Noncash investing, capital, and financing activities:

Contributions of capital assets from individuals totaled \$5,146,465 and \$2,832,915 for the fiscal years ended June 30, 2020 and 2019, respectively.

Contributions of capital assets from other governments totaled \$1,261,588 and \$1,261,588 for the fiscal years ended June 30, 2020 and 2019, respectively.

Acquisition of capital assets through accounts payable totaled \$1,883,564 and \$1,786,949 for the fiscal years ended June 30, 2020 and 2019, respectively.

Acquisition of capital assets through retainage payable totaled \$1,186,299 and \$779,916 for the fiscal years ended June 30, 2020 and 2019, respectively.

Forgiveness of capital lease through capital contributions totaled \$1,261,588 and \$1,261,588 for the fiscal years ended June 30, 2020 and 2019, respectively.

Note: A portion of beginning cash and cash equivalents has been reclassified to investments. See notes for additional details.

CITY OF GAINESVILLE, GEORGIA
AIRPORT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 422,290	\$ 0
Investments	407,673	0
Receivables		
Accounts	22,577	22,232
Intergovernmental	259,150	1,528,275
Total current assets	1,111,690	1,550,507
Capital assets		
Land	504,385	504,385
Land improvements	14,588,775	12,641,581
Buildings	6,637,588	6,637,588
Vehicles and equipment	503,925	503,925
Intangibles	118,000	118,000
Construction in progress	596,168	2,053,901
Accumulated depreciation	(13,468,347)	(12,629,317)
Total capital assets (net of accumulated depreciation)	9,480,494	9,830,063
Total assets	10,592,184	11,380,570
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	0	4,270
Deferred outflows related to pensions	13,737	16,136
Deferred outflows related to other post employment benefits	5,135	3,169
Total deferred outflows of resources	18,872	23,575
LIABILITIES		
Current liabilities		
Payables		
Accounts	20,576	106,289
Retainage	0	179,320
Interest	0	1,125
Customer deposits	4,036	4,036
Due to other funds	0	80,587
Accrued salaries	2,372	1,938
Compensated absences	0	1,545
Capital leases payable	0	455,428
Total current liabilities	26,984	830,268
Noncurrent liabilities		
Net pension liability	101,521	125,600
Net OPEB liability	47,110	45,875
Compensated absences	0	172
Total noncurrent liabilities	148,631	171,647
Total liabilities	175,615	1,001,915
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	28,421	10,199
Deferred inflows related to other post employment benefits	13,002	16,215
Total deferred inflows of resources	41,423	26,414
NET POSITION		
Net investment in capital assets	9,480,494	9,101,114
Unrestricted	913,524	1,274,702
Total net position	\$ 10,394,018	\$ 10,375,816

CITY OF GAINESVILLE, GEORGIA
AIRPORT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Charges for sales and services		
Fuel sales	\$ 38,939	\$ 47,731
Rent	957,738	927,310
Other	250	240
Total operating revenues	<u>996,927</u>	<u>975,281</u>
OPERATING EXPENSES		
Costs of sales and services	404,542	500,169
Personal services	60,742	71,345
Depreciation	839,030	909,967
Total operating expenses	<u>1,304,314</u>	<u>1,481,481</u>
Operating income (loss)	<u>(307,387)</u>	<u>(506,200)</u>
Non-operating revenues (expenses)		
Investment revenue	20,889	36,686
Interest expense	(8,683)	(24,687)
Gain (loss) on sale of capital assets	0	(1,253)
Total non-operating revenues (expenses)	<u>12,206</u>	<u>10,746</u>
Net income (loss) before capital contributions	(295,181)	(495,454)
Capital contributions		
Intergovernmental revenue	<u>313,383</u>	<u>1,860,305</u>
Change in net position	18,202	1,364,851
Net position, July 1	<u>10,375,816</u>	<u>9,010,965</u>
Net position, June 30	<u><u>\$ 10,394,018</u></u>	<u><u>\$ 10,375,816</u></u>

CITY OF GAINESVILLE, GEORGIA
AIRPORT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Receipts from customers	\$ 996,333	\$ 976,720
Payments to suppliers	(391,784)	(511,638)
Payments to employees	(69,427)	(68,244)
Other receipts	250	240
	<u>535,372</u>	<u>397,078</u>
Net cash provided (used) by operating activities	<u>535,372</u>	<u>397,078</u>
Cash flows from non-capital financing activities:		
Payments to other funds	(80,587)	0
	<u>(80,587)</u>	<u>0</u>
Cash flows from capital and related financing activities:		
Receipts from other governments	1,582,508	440,986
Receipts from other funds	0	80,587
Sale of capital assets	0	3,496
Interest paid	(5,538)	(14,387)
Payment of capital related accounts payable	(277,792)	0
Acquisition of capital assets	(489,461)	(1,546,632)
Principal payments - capital leases	(455,428)	(449,475)
	<u>354,289</u>	<u>(1,485,425)</u>
Net cash provided (used) by capital and related financing activities	<u>354,289</u>	<u>(1,485,425)</u>
Cash flows from investing activities:		
Receipts of investment revenue	20,889	36,686
Proceeds from sale of investments	508,558	0
Purchase of investments	(916,231)	0
	<u>(386,784)</u>	<u>36,686</u>
Net cash provided (used) by investing activities	<u>(386,784)</u>	<u>36,686</u>
Net increase (decrease) in cash and cash equivalents	422,290	(1,051,661)
Cash and cash equivalents, July 1	0	1,051,661
Cash and cash equivalents, June 30	<u><u>\$ 422,290</u></u>	<u><u>\$ 0</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (307,387)	\$ (506,200)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	839,030	909,967
(Increase) decrease in accounts receivable	(345)	1,680
(Increase) decrease in deferred outflows of resources	433	(975)
Increase (decrease) in accounts payable	12,758	(11,469)
Increase (decrease) in accrued payroll liabilities	(1,282)	695
Increase (decrease) in net pension liability	(24,079)	3,675
Increase (decrease) in deferred inflows of resources	15,009	12,508
Increase (decrease) in net OPEB liability	1,235	(12,803)
	<u>842,759</u>	<u>903,278</u>
Total adjustments	<u>842,759</u>	<u>903,278</u>
Net cash provided by operating activities	<u><u>\$ 535,372</u></u>	<u><u>\$ 397,078</u></u>

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled \$0 and \$98,472 for the fiscal years ended June 30, 2020 and 2019, respectively.

Acquisition of capital assets through retainage payable totaled \$0 and \$179,320 for the fiscal years ended June 30, 2020 and 2019, respectively.

CITY OF GAINESVILLE, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,822,734	\$ 2,366,097
Investments	1,759,452	1,710,103
Accounts receivable (net)	197,080	226,066
Total current assets	3,779,266	4,302,266
Capital assets		
Buildings	25,051	25,051
Vehicles and equipment	3,221,162	2,828,026
Accumulated depreciation	(1,954,377)	(1,868,358)
Total capital assets (net of accumulated depreciation)	1,291,836	984,719
Total assets	5,071,102	5,286,985
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	195,539	91,375
Deferred outflows related to other post employment benefits	119,599	72,400
Total deferred outflows of resources	315,138	163,775
LIABILITIES		
Current liabilities		
Accounts payable	359,160	254,776
Accrued salaries	45,819	30,895
Compensated absences	86,814	47,068
Total current liabilities	491,793	332,739
Noncurrent liabilities		
Net pension liability	604,375	382,356
Net OPEB liability	1,071,977	1,042,328
Compensated absences	9,646	5,230
Total noncurrent liabilities	1,685,998	1,429,914
Total liabilities	2,177,791	1,762,653
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	60,165	188,490
Deferred inflows related to other post employment benefits	307,270	384,379
Total deferred inflows of resources	367,435	572,869
NET POSITION		
Net investment in capital assets	1,291,836	789,242
Unrestricted	1,549,178	2,325,996
Total net position	\$ 2,841,014	\$ 3,115,238

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, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Charges for sales and services	\$ 2,969,641	\$ 2,965,987
Other	8,601	14,415
Total operating revenues	2,978,242	2,980,402
OPERATING EXPENSES		
Costs of sales and services	1,080,320	715,024
Costs of sales and services - landfill	287,169	342,030
Personal services	1,365,829	1,282,802
Depreciation	265,771	206,644
Total operating expenses	2,999,089	2,546,500
Operating income (loss)	(20,847)	433,902
Non-operating revenues (expenses)		
Investment revenue	81,623	85,417
Gain (loss) on sale of capital assets	0	53,431
Total non-operating revenues (expenses)	81,623	138,848
Net income (loss) before transfers	60,776	572,750
Transfers in (out)		
General Fund	(335,000)	0
Change in net position	(274,224)	572,750
Net position, July 1	3,115,238	2,542,488
Net position, June 30	\$ 2,841,014	\$ 3,115,238

CITY OF GAINESVILLE, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Receipts from customers	\$ 2,998,627	\$ 3,015,611
Payments to suppliers	(1,263,105)	(1,043,143)
Payments to employees	(1,411,872)	(1,346,639)
Other receipts	8,601	14,415
	<u>332,251</u>	<u>640,244</u>
Net cash provided (used) by operating activities		
Cash flows from noncapital and related financing activities:		
Payments to other funds	(335,000)	0
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(572,888)	(280,473)
Proceeds from sale of capital assets	0	53,435
	<u>(572,888)</u>	<u>(227,038)</u>
Net cash provided (used) by capital and related financing activities		
Cash flows from investing activities:		
Receipts of investment revenue	81,623	85,417
Proceeds from sale of investments	2,194,853	0
Purchase of investments	(2,244,202)	(1,710,103)
	<u>32,274</u>	<u>(1,624,686)</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	(543,363)	(1,211,480)
Cash and cash equivalents, July 1	2,366,097	3,577,577
Cash and cash equivalents, June 30	<u><u>\$ 1,822,734</u></u>	<u><u>\$ 2,366,097</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (20,847)	\$ 433,902
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	265,771	206,644
(Increase) decrease in accounts receivable	28,986	49,625
(Increase) decrease in deferred outflows of resources	(151,363)	13,518
Increase (decrease) in accounts payable	104,384	13,911
Increase (decrease) in accrued payroll liabilities	59,086	1,418
Increase (decrease) in net pension liability	222,019	(36,850)
Increase (decrease) in deferred inflows of resources	(205,434)	265,319
Increase (decrease) in net OPEB liability	29,649	(307,243)
	<u>353,098</u>	<u>206,342</u>
Total adjustments		
Net cash used by operating activities	<u><u>\$ 332,251</u></u>	<u><u>\$ 640,244</u></u>
Noncash investing, capital, and financing activities:		
Acquisition of capital assets through accounts payable totaled \$0 and \$195,477 for the fiscal years ended June 30, 2020 and 2019, respectively.		

Note: A portion of beginning cash and cash equivalents has been reclassified to investments. See notes for additional details

CITY OF GAINESVILLE, GEORGIA
CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 149,856	\$ 231,349
Investments	143,270	166,175
Accounts receivable (net)	40,476	42,006
Total current assets	333,602	439,530
Capital assets		
Land	52,151	52,151
Land improvements	5,399,594	5,399,594
Buildings	1,294,197	1,119,997
Vehicles and equipment	959,917	969,756
Accumulated depreciation	(5,209,037)	(4,884,938)
Total capital assets (net of accumulated depreciation)	2,496,822	2,656,560
Total assets	2,830,424	3,096,090
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	27,465	33,051
Deferred outflows related to pensions	35,638	9,386
Deferred outflows related to other post employment benefits	25,678	20,289
Total deferred outflows of resources	88,781	62,726
LIABILITIES		
Current liabilities		
Payables		
Accounts	50,670	88,229
Sales tax	10,935	9,272
Interest	5,569	6,418
Accrued salaries	24,806	24,652
Compensated absences	28,810	25,403
Capital lease payable	265,000	260,000
Other liabilities	49,714	47,450
Total current liabilities	435,504	461,424
Noncurrent liabilities		
Advances from other funds	0	223,370
Net pension liability	47,759	1,982
Net OPEB liability	235,553	229,376
Compensated absences	3,201	2,823
Capital leases payable	1,440,000	1,705,000
Total noncurrent liabilities	1,726,513	2,162,551
Total liabilities	2,162,017	2,623,975
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	22,027	61,732
Deferred inflows related to other post employment benefits	65,014	81,078
Total deferred inflows of resources	87,041	142,810
NET POSITION		
Net investment in capital assets	819,287	696,766
Restricted for capital outlay	41,390	25,649
Unrestricted	(190,530)	(330,384)
Total net position	\$ 670,147	\$ 392,031

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, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Charges for sales and services		
Greens fees	\$ 702,528	\$ 658,376
Cart fees	355,169	322,478
Handicap fees	20,145	20,720
Practice range	66,619	61,448
Rent revenue	12,600	6,100
Other	16,455	1,304
Total operating revenues	1,173,516	1,070,426
OPERATING EXPENSES		
Costs of sales and services	435,120	388,356
Personal services	565,928	557,973
Depreciation	333,939	302,066
Total operating expenses	1,334,987	1,248,395
Operating income (loss)	(161,471)	(177,969)
Non-operating revenues (expenses)		
Investment revenue	8,082	11,210
Interest expense	(52,426)	(58,994)
Gain (loss) on sale of capital assets	10,491	1,347
Total non-operating revenues (expenses)	(33,853)	(46,437)
Net income (loss) before transfers	(195,324)	(224,406)
Transfers in (out)		
General Fund	473,440	404,562
Change in net position	278,116	180,156
Net position, July 1	392,031	211,875
Net position, June 30	\$ 670,147	\$ 392,031

CITY OF GAINESVILLE, GEORGIA
CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Receipts from customers	\$ 1,160,254	\$ 1,068,110
Payments to suppliers	(442,570)	(383,345)
Payments to employees	(597,445)	(580,980)
Other receipts	16,455	1,304
Net cash provided (used) by operating activities	<u>136,694</u>	<u>105,089</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	473,440	404,562
Payments to other funds	(223,370)	(35,420)
Net cash provided (used) by non-capital financing activities	<u>250,070</u>	<u>369,142</u>
Cash flows from capital and related financing activities:		
Interest paid	(47,689)	(54,241)
Principal payments - capital leases	(260,000)	(255,000)
Sale of capital assets	10,491	1,347
Payment of capital related accounts payable	(27,845)	(1,279)
Acquisition of capital assets	(174,201)	(424,229)
Net cash provided (used) by capital and related financing activities	<u>(499,244)</u>	<u>(733,402)</u>
Cash flows from investing activities:		
Receipts of investment revenue	8,082	11,210
Proceeds from sale of investments	178,724	0
Purchase of investments	(155,819)	(166,175)
Net cash provided (used) by operating activities	<u>30,987</u>	<u>(154,965)</u>
Net increase (decrease) in cash and cash equivalents	(81,493)	(414,136)
Cash and cash equivalents, July 1	<u>231,349</u>	<u>645,485</u>
Cash and cash equivalents, June 30	<u><u>\$ 149,856</u></u>	<u><u>\$ 231,349</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (161,471)</u>	<u>\$ (177,969)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	333,939	302,066
(Increase) decrease in accounts receivable	1,530	(2,624)
(Increase) decrease in deferred outflows of resources	(31,641)	5,787
Increase (decrease) in accounts payable	(9,714)	5,021
Increase (decrease) in sales tax payable	1,663	1,611
Increase (decrease) in accrued salaries and benefits	3,939	5,658
Increase (decrease) in other liabilities	2,264	(8)
Increase (decrease) in net OPEB liability	6,177	(21,951)
Increase (decrease) in deferred inflows of resources	(55,769)	51,507
Increase (decrease) in net pension liability	45,777	(64,009)
Total adjustments	<u>298,165</u>	<u>283,058</u>
Net cash provided (used) by operating activities	<u><u>\$ 136,694</u></u>	<u><u>\$ 105,089</u></u>

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled \$0 and \$27,845 for the fiscal years ended June 30, 2020 and 2019, respectively.

Note: A portion of beginning cash and cash equivalents has been reclassified to investments. See notes for additional details.



GAINESVILLE

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, 2020 and 2019

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,147,862	\$ 1,230,334
Investments	1,108,134	889,304
Accounts receivable	5,403	1,861
Other assets	120,665	140,000
Total assets	2,382,064	2,261,499
LIABILITIES		
Current liabilities		
Accounts payable	881	55,788
Claims reserves	1,677,745	1,550,858
Total liabilities	1,678,626	1,606,646
NET POSITION		
Unrestricted	\$ 703,438	\$ 654,853

CITY OF GAINESVILLE, GEORGIA
GENERAL INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Interfund services provided	\$ 1,627,790	\$ 1,170,652
Other	59,983	7,522
Total operating revenue	1,687,773	1,178,174
OPERATING EXPENSES		
Costs of services		
Insurance	929,474	883,360
Claims	577,325	109,627
Administrative fees	180,974	185,187
Total operating expenses	1,687,773	1,178,174
Operating income (loss)	0	0
Non-operating revenues (expenses)		
Investment revenue	48,585	51,701
Change in net position	48,585	51,701
Net position, July 1	654,853	603,152
Net position, June 30	\$ 703,438	\$ 654,853

CITY OF GAINESVILLE, GEORGIA
GENERAL INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Receipts from interfund services provided	\$ 1,624,248	\$ 1,171,611
Payments to suppliers	(1,596,458)	(1,523,006)
Other receipts	<u>59,983</u>	<u>7,522</u>
Net cash provided (used) by operating activities	<u>87,773</u>	<u>(343,873)</u>
Cash flows from investing activities:		
Receipts of investment revenue	48,585	51,701
Proceeds from sale of investments	1,382,357	0
Purchase of investments	<u>(1,601,187)</u>	<u>(889,304)</u>
Net cash provided (used) by investing activities	<u>(170,245)</u>	<u>(837,603)</u>
Net increase (decrease) in cash and cash equivalents	(82,472)	(1,181,476)
Cash and cash equivalents, July 1	<u>1,230,334</u>	<u>2,411,810</u>
Cash and cash equivalents, June 30	<u><u>\$ 1,147,862</u></u>	<u><u>\$ 1,230,334</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ 0</u>	<u>\$ 0</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	(3,542)	959
(Increase) decrease in other assets	19,335	0
Increase (decrease) in accounts payable	(54,907)	6,971
Increase (decrease) in claims reserve	<u>126,887</u>	<u>(351,803)</u>
Total adjustments	<u>87,773</u>	<u>(343,873)</u>
Net cash provided (used) by operating activities	<u><u>\$ 87,773</u></u>	<u><u>\$ (343,873)</u></u>

Note: A portion of beginning cash and cash equivalents has been reclassified to investments. See notes for additional details.

CITY OF GAINESVILLE, GEORGIA
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,922,720	\$ 3,601,287
Investments	3,042,512	2,605,347
Accounts receivable	6,563	24,554
Prepaid items	2,278	0
Total assets	5,974,073	6,231,188
LIABILITIES		
Current liabilities		
Accounts payable	63,056	83,442
Deposits payable	148,404	135,902
Claims reserves	554,013	772,211
Total liabilities	765,473	991,555
NET POSITION		
Unrestricted	\$ 5,208,600	\$ 5,239,633

CITY OF GAINESVILLE, GEORGIA
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Interfund services provided	\$ 9,631,048	\$ 9,418,336
OPERATING EXPENSES		
Costs of services		
Insurance	1,969,382	1,776,449
Claims	5,608,728	6,316,817
Wellness program	1,821,174	1,385,658
Administrative fees	384,561	408,621
Total operating expenses	9,783,845	9,887,545
Operating income (loss)	(152,797)	(469,209)
Non-operating revenues (expenses)		
Investment revenue	121,764	135,285
Change in net position	(31,033)	(333,924)
Net position, July 1	5,239,633	5,573,557
Net position, June 30	\$ 5,208,600	\$ 5,239,633

CITY OF GAINESVILLE, GEORGIA
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Receipts from interfund services provided	\$ 9,649,039	\$ 9,417,546
Payments to suppliers	(10,012,206)	(9,526,780)
Net cash provided (used) by operating activities	(363,167)	(109,234)
Cash flows from investing activities:		
Receipts of investment revenue	121,765	135,285
Proceeds from sale of investments	3,795,424	0
Purchase of investments	(4,232,589)	(2,605,347)
Net cash provided (used) by investing activities	(315,400)	(2,470,062)
Net increase (decrease) in cash and cash equivalents	(678,567)	(2,579,296)
Cash and cash equivalents, July 1	3,601,287	6,180,583
Cash and cash equivalents, June 30	\$ 2,922,720	\$ 3,601,287
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (152,797)	\$ (469,209)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	17,990	(790)
(Increase) decrease in prepaid items	(2,278)	0
Increase (decrease) in accounts payable	(20,386)	(77,614)
Increase (decrease) in deposits payable	12,502	26,192
Increase (decrease) in claims reserve	(218,198)	412,187
Total adjustments	(210,370)	359,975
Net cash provided (used) by operating activities	\$ (363,167)	\$ (109,234)

Note: A portion of beginning cash and cash equivalents has been reclassified to investments. See notes for additional details.

CITY OF GAINESVILLE, GEORGIA
VEHICLE SERVICES FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 161,155	\$ 154,377
Investments	155,288	111,370
Intergovernmental receivables	346	8,507
Inventory	88,042	94,184
Total current assets	404,831	368,438
Capital assets		
Buildings	266,254	266,254
Vehicles and equipment	491,498	506,648
Accumulated depreciation	(635,012)	(613,160)
Capital assets (net of accumulated depreciation)	122,740	159,742
Total assets	527,571	528,180
LIABILITIES		
Current liabilities		
Accounts payable	75,027	80,094
Accrued salaries	13,074	11,217
Compensated absences	29,830	27,489
Total current liabilities	117,931	118,800
Noncurrent liabilities		
Compensated absences	3,314	3,054
Total liabilities	121,245	121,854
NET POSITION		
Investment in capital assets	122,740	159,742
Unrestricted	283,586	246,584
Total net position	\$ 406,326	\$ 406,326

CITY OF GAINESVILLE, GEORGIA
VEHICLE SERVICES FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Interfund services provided	\$ 1,990,877	\$ 2,268,718
Other	880	1,039
Total operating revenues	1,991,757	2,269,757
OPERATING EXPENSES		
Costs of services	1,572,624	1,847,863
Personal services	383,594	387,228
Depreciation	37,002	37,581
Total operating expenses	1,993,220	2,272,672
Operating income (loss)	(1,463)	(2,915)
Non-operating revenues (expenses)		
Gain (loss) on sale of capital assets	1,463	2,915
Change in net position	0	0
Net position, July 1	406,326	406,326
Net position, June 30	\$ 406,326	\$ 406,326

CITY OF GAINESVILLE, GEORGIA
VEHICLE SERVICES FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Receipts from interfund services provided	\$ 1,999,038	\$ 2,268,793
Payments to suppliers	(1,571,549)	(1,840,728)
Payments to employees	(379,136)	(381,013)
Other receipts	880	1,039
Net cash provided (used) by operating activities	<u>49,233</u>	<u>48,091</u>
Cash flows from capital and related financing activities:		
Sale of capital assets	1,463	7,373
Acquisition of capital assets	0	(50,000)
Net cash provided (used) by capital and related financing activities	<u>1,463</u>	<u>(42,627)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	193,716	0
Purchase of investments	(237,634)	(111,370)
Net cash provided (used) by investing activities	<u>(43,918)</u>	<u>(111,370)</u>
Net increase (decrease) in cash and cash equivalents	6,778	(105,906)
Cash and cash equivalents, July 1	<u>154,377</u>	<u>260,283</u>
Cash and cash equivalents, June 30	<u><u>\$ 161,155</u></u>	<u><u>\$ 154,377</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (1,463)	\$ (2,915)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation expense	37,002	37,581
(Increase) decrease in intergovernmental receivables	8,161	75
(Increase) decrease in inventory	6,142	24,050
Increase (decrease) in accounts payable	(5,067)	(16,916)
Increase (decrease) in accrued salaries and benefits	4,458	6,216
Total adjustments	<u>50,696</u>	<u>51,006</u>
Net cash provided (used) by operating activities	<u><u>\$ 49,233</u></u>	<u><u>\$ 48,091</u></u>

Note: A portion of beginning cash and cash equivalents has been reclassified to investments. See notes for additional details.

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 48,952	\$ 32,515
Accounts receivable	<u>0</u>	<u>200</u>
Total assets	<u>48,952</u>	<u>32,715</u>
LIABILITIES		
Accounts payable	<u>20,867</u>	<u>0</u>
NET POSITION		
Restricted for employee assistance	<u>\$ 28,085</u>	<u>\$ 32,715</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, 2020 and 2019

	2020	2019
ADDITIONS		
Employee donations	\$ 50,896	\$ 50,804
Investment revenue	4	3
Total additions	50,900	50,807
DEDUCTIONS		
Distributions for assistance	55,530	41,376
Net increase (decrease)	(4,630)	9,431
Net position held in trust for employee assistance		
Net position, July 1	32,715	23,284
Net position, June 30	\$ 28,085	\$ 32,715

CITY OF GAINESVILLE, GEORGIA
EMPLOYEES' PENSION TRUST FUND
COMPARATIVE STATEMENTS OF PLAN NET POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 948,489	\$ 863,065
Investments		
Mutual funds		
Equity	65,943,173	64,907,057
Fixed income	31,071,901	30,192,196
Real estate	9,894,048	9,708,659
Total assets	<u>107,857,611</u>	<u>105,670,977</u>
LIABILITIES		
Accounts payable	<u>42,865</u>	<u>83,678</u>
NET POSITION		
Restricted for pensions	<u>\$ 107,814,746</u>	<u>\$ 105,587,299</u>

CITY OF GAINESVILLE, GEORGIA
EMPLOYEES' PENSION TRUST FUND
COMPARATIVE STATEMENTS OF CHANGES IN PLAN NET POSITION
For the fiscal years ended June 30, 2020 and 2019

	2020	2019
ADDITIONS		
Contributions		
Employer contributions	\$ 3,593,741	\$ 3,459,466
Employee contributions	3,650,875	3,459,466
Total contributions	<u>7,244,616</u>	<u>6,918,932</u>
Investment Income		
Net appreciation (depreciation) in fair value of investments	2,819,537	6,284,608
Interest	6,200	11,828
Dividends	1,859,831	1,938,702
Investment expense	<u>(313,890)</u>	<u>(292,750)</u>
Net investment income (loss)	<u>4,371,678</u>	<u>7,942,388</u>
Total additions (reductions)	<u>11,616,294</u>	<u>14,861,320</u>
DEDUCTIONS		
Benefits	8,896,838	8,484,302
Refunds	<u>492,009</u>	<u>396,535</u>
Total deductions	<u>9,388,847</u>	<u>8,880,837</u>
Net increase (decrease)	2,227,447	5,980,483
Net position held in trust for pension benefits		
Net position, July 1	<u>105,587,299</u>	<u>99,606,816</u>
Net position, June 30	<u><u>\$ 107,814,746</u></u>	<u><u>\$ 105,587,299</u></u>

CITY OF GAINESVILLE, GEORGIA
MUNICIPAL COURT AGENCY FUND
COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	<u>\$ 34,790</u>	<u>\$ 90,693</u>
LIABILITIES		
Due to other agencies	<u>\$ 34,790</u>	<u>\$ 90,693</u>

CITY OF GAINESVILLE, GEORGIA
MUNICIPAL COURT AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2020

	<u>Balance</u> <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30</u>
ASSETS				
Cash and cash equivalents	<u>\$ 90,693</u>	<u>\$ 1,391,726</u>	<u>\$ (1,447,629)</u>	<u>\$ 34,790</u>
LIABILITIES				
Due to other agencies	<u>\$ 90,693</u>	<u>\$ 1,391,726</u>	<u>\$ (1,447,629)</u>	<u>\$ 34,790</u>



GAINESVILLE

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, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 1,874,954	\$ 2,082,933
Investments	1,904,582	1,586,992
Receivables		
Accounts	2,272	21,763
Property tax	59,004	40,912
Restricted assets		
Cash and cash equivalents	101,761	116,089
Total assets	\$ 3,942,573	\$ 3,848,689
LIABILITIES		
Payables		
Accounts	\$ 52,233	\$ 125,950
Sales tax	748	9,305
Retainage	88,318	0
Intergovernmental	4,067	8,585
Accrued salaries	108,268	112,683
Unearned revenue	8,000	0
Other	13,071	15,271
Total liabilities	274,705	271,794
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	49,068	35,905
FUND BALANCES		
Restricted for:		
Clarks Bridge Legacy	5,255	5,255
Capital projects	505	225
Committed for:		
Booster Club	64,924	219,256
Development Fund	200,137	200,000
Civic Center	80,000	70,000
Children at Play Fund	20,000	20,000
Assigned for Culture and Recreation	3,247,979	3,026,254
Total fund balances	3,618,800	3,540,990
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,942,573	\$ 3,848,689

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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	\$ 3,777,328	\$ 3,849,765	\$ 72,437	\$ 3,589,199
Charges for sales and services				
Recreation Division	188,100	90,411	(97,689)	173,281
Lanier Point/Ivey Watson	139,550	90,744	(48,806)	131,095
Youth Sports Booster Club	94,600	65,499	(29,101)	116,828
Gainesville Civic Center	352,200	251,269	(100,931)	382,525
Allen Creek Soccer Complex	18,700	286	(18,414)	15,945
Frances Meadows Community Center	1,018,475	644,684	(373,791)	1,005,704
Intergovernmental	2,550,000	2,750,000	200,000	626,120
Contributions	96,355	95,635	(720)	11,000
Interest	29,500	90,465	60,965	84,420
Other	1,000	637	(363)	984
Total revenues	8,265,808	7,929,395	(336,413)	6,137,101
EXPENDITURES				
Current				
Culture and recreation				
Administration Division	855,128	815,442	39,686	980,203
Recreation Division	400,978	288,847	112,131	352,360
Parks Division	1,318,114	1,191,920	126,194	855,756
Maintenance Shop	124,183	107,009	17,174	100,487
Lanier Point/Ivey Watson	254,384	190,366	64,018	189,129
Youth Sports Booster Club	197,351	164,034	33,317	140,511
Gainesville Civic Center	623,354	523,707	99,647	546,615
Allen Creek Soccer Complex	49,220	42,982	6,238	49,946
Frances Meadows Center	1,707,846	1,421,060	286,786	1,549,054
Capital outlay	3,349,099	3,111,427	237,672	549,636
Total expenditures	8,879,657	7,856,794	1,022,863	5,313,697
Excess (deficiency) of revenues over (under) expenditures	(613,849)	72,601	686,450	823,404
Other financing sources (uses)				
Sale of capital assets	1,750	5,209	3,459	209,401
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(612,099)	77,810	689,909	1,032,805
Fund balances, July 1	612,099	3,540,990	2,928,891	2,508,185
Fund balances, June 30	\$ 0	\$ 3,618,800	\$ 3,618,800	\$ 3,540,990

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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	\$ 3,777,328	\$ 3,849,765	\$ 72,437	\$ 3,589,199
Charges for sales and services				
Recreation Division	188,100	90,411	(97,689)	173,281
Lanier Point/Ivey Watson	139,550	90,744	(48,806)	131,095
Youth Sports Booster Club	94,600	65,499	(29,101)	116,828
Gainesville Civic Center	352,200	251,269	(100,931)	382,525
Allen Creek Soccer Complex	18,700	286	(18,414)	15,945
Frances Meadows Center	1,018,475	644,684	(373,791)	1,005,704
Intergovernmental	0	200,000	200,000	0
Investment	29,500	90,465	60,965	84,420
Contributions	96,355	95,635	(720)	11,000
Other	1,000	637	(363)	984
Total revenues	5,715,808	5,379,395	(336,413)	5,510,981
EXPENDITURES				
Current				
Culture and recreation				
Administrative services	855,128	815,442	39,686	980,203
Recreational services	400,978	288,847	112,131	352,360
Park services	1,318,114	1,191,920	126,194	855,756
Maintenance shop	124,183	107,009	17,174	100,487
Lanier Point/Ivey Watson	254,384	190,366	64,018	189,129
Booster Club	197,351	164,034	33,317	140,511
Civic Center	623,354	523,707	99,647	546,615
Allen Creek Soccer Complex	49,220	42,982	6,238	49,946
Frances Meadows Center	1,707,846	1,421,060	286,786	1,549,054
Total expenditures	5,530,558	4,745,367	785,191	4,764,061
Excess (deficiency) of revenues over (under) expenditures	185,250	634,028	448,778	746,920
Other financing sources (uses)				
Transfers in (out)				
Capital Projects Activity	(332,602)	(332,602)	0	(192,764)
Sales of capital assets	1,750	5,209	3,459	209,401
Total other financing sources (uses)	(330,852)	(327,393)	3,459	16,637
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(145,602)	\$ 306,635	\$ 452,237	\$ 763,557
Fund balances, July 1	145,602			
Fund balances, June 30	\$ 0			

CITY OF GAINESVILLE, GEORGIA
PARKS AND RECREATION (A COMPONENT UNIT)
CAPITAL PROJECTS ACTIVITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 2,550,000	\$ 2,550,000	\$ 0	\$ 626,120
EXPENDITURES				
Current				
Culture and recreation				
Capital outlay	3,349,099	3,111,427	237,672	549,636
Excess (deficiency) of revenues over (under) expenditures	(799,099)	(561,427)	237,672	76,484
Other financing sources (uses)				
Transfers in (out)				
Operating Activity	332,602	332,602	0	192,764
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(466,497)	<u>\$ (228,825)</u>	<u>\$ 237,672</u>	<u>\$ 269,248</u>
Fund balances, July 1	466,497			
Fund balances, June 30	<u>\$ 0</u>			

CITY OF GAINESVILLE, GEORGIA
CONVENTION AND VISITOR'S BUREAU (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 431,545	\$ 386,510
Investments	416,611	279,375
Accounts receivable	1,119	0
Total assets	\$ 849,275	\$ 665,885
LIABILITIES		
Accounts payable	\$ 13,516	\$ 17,067
Accrued salaries	24,117	8,641
Unearned revenue	999	0
Total liabilities	38,632	25,708
FUND BALANCES		
Restricted for Housing and Development	23,898	233,177
Assigned for:		
Housing and Development	786,745	407,000
Total fund balances	810,643	640,177
Total liabilities and fund balances	\$ 849,275	\$ 665,885

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, 2020
(With comparative actual amounts for the year ended June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 700,956	\$ 700,956	\$ 0	\$ 764,162
Charges for sales and services	62,700	60,754	(1,946)	10,667
Investment revenue	5,000	13,611	8,611	11,059
Contributions	422,757	420,857	(1,900)	0
Rental revenue	24,000	27,904	3,904	0
Other	8,203	9,290	1,087	20,369
Total revenues	1,223,616	1,233,372	9,756	806,257
EXPENDITURES				
Current				
Housing and Development				
Personal services	678,416	642,927	35,489	314,216
Other	545,200	419,979	125,221	261,688
Total expenditures	1,223,616	1,062,906	160,710	575,904
Excess (deficiency) of revenues over (under) expenditures	0	170,466	170,466	230,353
Fund balances, July 1	0	640,177	640,177	409,824
Fund balances, June 30	\$ 0	\$ 810,643	\$ 810,643	\$ 640,177



GAINESVILLE

STATISTICAL SECTION



GAINESVILLE

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.

<u>Contents</u>	<u>Pages</u>
Financial Trends.....	209-222
These tables/schedules contain trend information designed to assist the reader in understanding how the City has performed from a financial perspective over time.	
Revenue Capacity.....	223-230
These tables/schedules contain information that may assist the reader in assessing the viability of the City's most significant revenue sources.	
Debt Capacity.....	231-236
These tables/schedules present information designed to assist the reader in analyzing the affordability of the City's current levels of outstanding debt, and the City's ability to issue additional debt in the future.	
Demographic and Economic Information.....	237-238
These tables/schedules offer demographic, economic and statistical information intended to assist the reader in understanding the environment in which the City's financial activities take place.	
Operating Information.....	239-243
These tables/schedules contain service and infrastructure data to assist the reader in understanding how the information in the City's financial report relates to the services the government provides and the activities it performs.	
Miscellaneous Information.....	244-251
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			
	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 63,722,901	\$ 70,549,134	\$ 74,015,737	\$ 80,039,885
Restricted	4,913,949	11,586,492	12,560,215	4,642,578
Unrestricted	19,692,245	11,878,957	9,380,465	10,217,825
Total governmental activities net position	<u>\$ 88,329,095</u>	<u>\$ 94,014,583</u>	<u>\$ 95,956,417</u>	<u>\$ 94,900,288</u>
Business-type activities				
Net investment in capital assets	\$ 259,477,278	\$ 271,791,712	\$ 282,968,294	\$ 295,579,225
Restricted	43,710,594	40,623,794	28,713,968	43,776,271
Unrestricted	16,169,226	20,918,748	29,468,343	18,915,019
Total business-type activities net position	<u>\$ 319,357,098</u>	<u>\$ 333,334,254</u>	<u>\$ 341,150,605</u>	<u>\$ 358,270,515</u>
Primary government				
Net investment in capital assets	\$ 323,200,179	\$ 342,340,846	\$ 356,984,031	\$ 375,619,110
Restricted	48,624,543	52,210,286	41,274,183	48,418,849
Unrestricted	35,861,471	32,797,705	38,848,808	29,132,844
Total primary government net position	<u>\$ 407,686,193</u>	<u>\$ 427,348,837</u>	<u>\$ 437,107,022</u>	<u>\$ 453,170,803</u>

Note (1): GASB67/68: Accounting and Financial Reporting for Pensions was implemented in FY15.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 78,338,733	\$ 78,415,202	\$ 77,972,132	\$ 85,186,895	\$ 85,297,394	\$ 90,462,073
6,827,434	12,149,291	14,551,356	20,319,574	20,966,754	24,133,297
(14,451,203)	(17,773,240)	(15,275,584)	(15,504,902)	(7,332,782)	(8,799,994)
<u>\$ 70,714,964</u>	<u>\$ 72,791,253</u>	<u>\$ 77,247,904</u>	<u>\$ 90,001,567</u>	<u>\$ 98,931,366</u>	<u>\$ 105,795,376</u>
\$ 303,250,676	\$ 314,735,292	\$ 330,315,818	\$ 356,428,961	\$ 374,995,209	\$ 402,469,168
50,230,260	62,960,499	70,511,931	71,639,180	74,904,467	75,163,386
12,067,163	12,598,780	19,773,475	17,937,185	25,220,109	26,528,099
<u>\$ 365,548,099</u>	<u>\$ 390,294,571</u>	<u>\$ 420,601,224</u>	<u>\$ 446,005,326</u>	<u>\$ 475,119,785</u>	<u>\$ 504,160,653</u>
\$ 381,589,409	\$ 393,150,494	\$ 408,287,950	\$ 441,615,856	\$ 460,292,603	\$ 492,931,241
57,057,694	75,109,790	85,063,287	91,958,754	95,871,221	99,296,683
(2,384,040) ⁽¹⁾	(5,174,460)	4,497,891	2,432,283	17,887,327	17,728,105
<u>\$ 436,263,063</u>	<u>\$ 463,085,824</u>	<u>\$ 497,849,128</u>	<u>\$ 536,006,893</u>	<u>\$ 574,051,151</u>	<u>\$ 609,956,029</u>

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

Expenses	Fiscal Year			
	2011	2012	2013	2014
Governmental activities:				
General Government	\$ 4,064,412	\$ 4,031,095	\$ 4,376,553	\$ 3,933,108
Judicial	404,862	460,066	450,165	510,221
Public Safety	16,160,112	17,932,227	16,423,939	18,460,345
Public Works	6,641,424	7,646,177	7,480,636	8,900,466
Health and Welfare	3,360,632	3,391,482	2,686,449	3,173,758
Culture and Recreation	1,211,214	1,185,988	1,686,715	224,853
Housing and Development	1,363,356	1,196,185	1,104,631	1,591,303
Interest on long-term debt	1,668,489	1,396,524	1,201,196	883,628
Total governmental activities expenses	<u>34,874,501</u>	<u>37,239,744</u>	<u>35,410,284</u>	<u>37,677,682</u>
Business-type activities:				
Water and Sewer	43,974,519	46,692,190	45,332,806	47,020,782
Airport	967,856	1,207,743	983,083	1,014,521
Solid Waste	1,901,016	1,944,248	1,866,955	1,965,935
Golf Course	1,396,446	1,241,853	1,193,905	1,234,260
Total business-type activities expenses	<u>48,239,837</u>	<u>51,086,034</u>	<u>49,376,749</u>	<u>51,235,498</u>
Total primary government expenses	<u>\$ 83,114,338</u>	<u>\$ 88,325,778</u>	<u>\$ 84,787,033</u>	<u>\$ 88,913,180</u>
Indirect Costs				
Governmental activities:				
General Government	(1,343,539)	(1,304,961)	(1,369,231)	(1,390,442)
Business-type activities:				
Water and Sewer	1,106,596	1,022,416	1,086,686	1,034,429
Airport	200,000	200,000	200,000	209,561
Solid Waste	36,943	82,545	82,545	146,452
Total Business-type activities indirect cost	<u>1,343,539</u>	<u>1,304,961</u>	<u>1,369,231</u>	<u>1,390,442</u>
Total primary government indirect cost	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	681,743	708,578	814,922	674,536
Public Safety	1,590,400	1,369,278	1,800,569	1,639,954
Public Works	36,030	36,795	37,070	90,135
Health and Welfare	438,537	410,052	440,824	423,368
Housing and Development	154,849	158,773	703,972	661,299
Culture and Recreation	506,750	377,754	159,336	0
Operating grants and contributions	3,739,620	3,862,903	2,744,521	2,813,369
Capital grants and contributions	7,718,212 ⁽¹⁾	9,565,586 ⁽¹⁾	1,419,674 ⁽¹⁾	2,044,189
Total governmental activities program revenues	<u>14,866,141</u>	<u>16,489,719</u>	<u>8,120,888</u>	<u>8,346,850</u>
Business-Type activities:				
Charges for services:				
Water and Sewer	55,401,138	57,492,303	56,832,305	58,759,620
Airport	818,874	832,971	913,459	944,120
Solid Waste	2,057,883	2,299,960	2,272,930	2,369,815
Golf Course	1,012,377	1,031,717	1,006,129	992,168
Capital grants and contributions	4,009,685	5,257,388	3,546,989	8,646,783
Total business-type activities program revenues	<u>63,299,957</u>	<u>66,914,339</u>	<u>64,571,812</u>	<u>71,712,506</u>
Total primary government program revenues	<u>\$ 78,166,098</u>	<u>\$ 83,404,058</u>	<u>\$ 72,692,700</u>	<u>\$ 80,059,356</u>

Note (1): Significant increase due to SPLOST revenues received for the Public Safety Facilities.

Note (2): Level Two SPLOST funds from Hall County.

Note (3): Effective FY17, PLB expenses were included in General Government, in prior years these expenses were charged to Public Works.

Note (4): Effective FY17, Code Enforcement expenses were included in Housing and Development, in prior years these expenses were charged to Public Safety.

Note (5): Significant increase due to large repair and maintenance expenses for Water and Sewer.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 3,675,464	\$ 4,368,490	\$ 6,429,519 ⁽³⁾	\$ 7,228,783	\$ 7,672,674	\$ 7,171,633
486,947	523,970	544,083	544,453	556,125	617,082
17,460,335	19,480,809	18,168,500 ⁽⁴⁾	19,918,725	19,889,133	20,338,623
8,745,852	10,317,369	7,199,267 ⁽³⁾	6,908,200	11,350,947	7,973,739
2,765,034	2,591,485	2,726,152	2,416,453	2,484,051	2,649,162
440,482	436,250	348,180	415,439	628,343	3,622,553
2,136,524	2,406,705	3,769,857 ⁽⁴⁾	2,683,936	3,481,766	4,162,912
1,198,530	533,058	619,743	509,730	652,514	688,833
<u>36,909,168</u>	<u>40,658,136</u>	<u>39,805,301</u>	<u>40,625,719</u>	<u>46,715,553</u>	<u>47,224,537</u>
46,183,666	47,333,997	46,270,110	52,940,044 ⁽⁵⁾	54,113,056 ⁽⁵⁾	54,010,857
1,045,716	1,109,029	1,526,612	1,091,970	1,296,607	1,103,436
2,072,012	2,210,416	2,195,951	2,274,033	2,400,048	2,852,637
1,287,229	1,290,865	1,304,992	1,356,195	1,307,389	1,387,413
<u>50,588,623</u>	<u>51,944,307</u>	<u>51,297,665</u>	<u>57,662,242</u>	<u>59,117,100</u>	<u>59,354,343</u>
<u>\$ 87,497,791</u>	<u>\$ 92,602,443</u>	<u>\$ 91,102,966</u>	<u>\$ 98,287,961</u>	<u>\$ 105,832,653</u>	<u>\$ 106,578,880</u>
(1,394,235)	(1,376,788)	(1,370,895)	(1,398,722)	(1,444,339)	(1,643,584)
1,038,222	1,020,775	1,014,882	1,042,707	1,088,326	1,287,571
209,561	209,561	209,561	209,563	209,561	209,561
146,452	146,452	146,452	146,452	146,452	146,452
<u>1,394,235</u>	<u>1,376,788</u>	<u>1,370,895</u>	<u>1,398,722</u>	<u>1,444,339</u>	<u>1,643,584</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
723,777	719,185	748,458	762,256	794,308	792,355
1,930,830	1,735,868	1,944,818	1,680,375	1,740,436	1,211,250
129,956	134,580	219,680	198,769	216,335	224,940
134,570	144,162	106,322	93,300	93,394	62,333
1,057,304	1,216,162	2,259,780 ⁽²⁾	1,858,414 ⁽²⁾	1,808,750	1,554,688
0	0	0	0	0	0
2,577,766	2,782,085	3,602,699	4,397,910	2,637,112	3,306,440
2,322,290	6,087,822	7,932,793	12,067,786	9,548,057	8,054,209
<u>8,876,493</u>	<u>12,819,864</u>	<u>16,814,550</u>	<u>21,058,810</u>	<u>16,838,392</u>	<u>15,206,215</u>
64,315,416	66,596,028	71,521,460	71,963,509	74,135,037	73,915,527
897,226	925,009	919,344	931,143	975,041	996,677
2,462,485	2,619,559	2,769,222	2,887,724	2,965,987	2,969,641
983,932	1,034,234	1,089,431	1,061,026	1,063,022	1,144,461
8,445,809	9,142,616	9,020,084	9,519,821	10,348,687	10,479,300
<u>77,104,868</u>	<u>80,317,446</u>	<u>85,319,541</u>	<u>86,363,223</u>	<u>89,487,774</u>	<u>89,505,606</u>
<u>\$ 85,981,361</u>	<u>\$ 93,137,310</u>	<u>\$ 102,134,091</u>	<u>\$ 107,422,033</u>	<u>\$ 106,326,166</u>	<u>\$ 104,711,821</u>

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

	Fiscal Year			
	2011	2012	2013	2014
Net (expense)/revenue				
Governmental activities	\$ (18,664,821)	\$ (19,445,064)	\$ (25,920,165)	\$ (27,940,390)
Business-type activities	13,716,581	15,828,305	13,825,832	19,086,566
Total primary government net (expense)/revenue	(4,948,240)	(3,616,759)	(12,094,333)	(8,853,824)
General revenues and other changes in net position				
Governmental activities:				
Taxes				
Property	7,886,437	7,338,537	7,825,290	8,363,877
Intangibles	59,343	81,841	80,720	105,044
Franchise	4,072,511	4,240,193	4,092,271	4,014,946
Occupational	1,111,954	1,139,926	1,199,374	1,263,534
Insurance premium	1,376,910	1,585,550	1,684,119	1,743,745
Alcoholic beverages	999,642	994,573	979,409	1,022,245
Hotel/Motel	517,456	563,902	591,793	715,260
Local option sales	5,030,213	5,259,684	5,300,279	4,983,807
Investment earnings	450,031	426,185	448,728	246,266
Gain on sale of assets	0	0	67,897	0
Miscellaneous	236,416	245,524	1,057,074 ⁽¹⁾	1,017,590 ⁽¹⁾
Special Item-loss on demolition of building	0	0	0	0
Transfers	3,006,690	3,254,637	5,122,095	3,407,947
Total governmental activities	24,747,603	25,130,552	28,449,049	26,884,261
Business-type activities				
Investment earnings	355,561	314,147	334,347	292,577
Gain on sale of assets	20,718	33,411	12,331	53,471
Miscellaneous	1,011,088	1,055,930	1,042,459	1,095,243
Transfers	(3,006,690)	(3,254,637)	(5,122,095)	(3,407,947)
Total business-type activities	(1,619,323)	(1,851,149)	(3,732,958)	(1,966,656)
Total primary government	23,128,280	23,279,403	24,716,091	24,917,605
Change in net position				
Governmental activities	6,082,782	5,685,488	2,528,884	(1,056,129)
Business-type activities	12,097,258	13,977,156	10,092,874	17,119,910
Total primary government	\$ 18,180,040	\$ 19,662,644	\$ 12,621,758	\$ 16,063,781

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

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

Note (3): Demolition of jail facility.

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

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ (26,638,440)	\$ (26,461,484)	\$ (21,619,856)	\$ (18,168,187)	\$ (28,432,822)	\$ (30,374,738)
25,122,010	26,996,351	32,650,981	27,302,259	28,926,335	28,507,679
(1,516,430)	534,867	11,031,125	9,134,072	493,513	(1,867,059)
8,654,493	9,409,584	9,808,840	10,457,466	13,975,315	14,321,981
133,186	129,075	190,764	213,556	179,964	250,731
4,371,358	4,381,245	4,501,181	4,208,097	4,507,256	4,540,980
1,268,021	1,368,983	1,373,680	1,394,517	1,418,919	1,375,576
1,823,481	1,948,090	2,203,406	2,346,272	2,433,437	2,591,703
1,067,611	1,129,284	1,166,259	1,152,257	1,160,672	1,207,300
828,925	911,847	929,035	965,036	1,053,683	1,191,436
5,094,727	5,281,804	5,439,313	5,885,171	6,235,875	6,847,210
142,917	72,796	2,001,892 ⁽²⁾	481,963	2,421,542 ⁽⁴⁾	1,411,125
0	605	574,310	887,411	60,948	55,689
122,294	183,512	373,513	441,322	337,490	282,974
0	0	(6,491,937) ⁽³⁾	0	0	0
2,395,089	3,720,948	4,006,251	3,920,070	3,577,520	3,162,043
25,902,102	28,537,773	26,076,507	32,353,138	37,362,621	37,238,748
775,365	1,274,329	1,399,356	2,184,898	3,625,899	3,521,550
17,322	5,120	154,692	325,018	53,525	15,172
156,932	191,620	107,875	128,941	86,220	158,510
(2,395,089)	(3,720,948)	(4,006,251)	(3,920,070)	(3,577,520)	(3,162,043)
(1,445,470)	(2,249,879)	(2,344,328)	(1,281,213)	188,124	533,189
24,456,632	26,287,894	23,732,179	31,071,925	37,550,745	37,771,937
(736,338)	2,076,289	4,456,651	14,184,951	8,929,799	6,864,010
23,676,540	24,746,472	30,306,653	26,021,046	29,114,459	29,040,868
\$ 22,940,202	\$ 26,822,761	\$ 34,763,304	\$ 40,205,997	\$ 38,044,258	\$ 35,904,878

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

Fiscal Year	Property Tax	Intangible Tax	Franchise Tax	Occupational Tax
2011	\$ 7,886,437 ⁽²⁾	\$ 59,343 ⁽¹⁾	\$ 4,072,511	\$ 1,111,954
2012	7,338,537	81,841	4,240,193	1,139,926
2013	7,825,290	80,720	4,092,271	1,199,374
2014	8,363,877 ⁽³⁾	105,044	4,014,946	1,263,534
2015	8,654,493	133,186	4,371,358	1,268,021
2016	9,409,584	129,075	4,381,245	1,368,983
2017	9,808,840	190,764	4,501,181	1,373,680
2018	10,457,466	213,556	4,208,097	1,394,517
2019	13,975,315	179,964	4,507,256	1,418,919
2020	14,321,981	250,731	4,540,980	1,375,576

Note (1): Intangible tax that is levied on certain types of property, such as money, stocks, and bonds has decreased significantly due to the economic downturn.

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

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

Note (4): Effective 07/01/2019, the City increased the levy of Hotel Motel lodging tax from 6% to 8%.

Insurance Premium Tax	Alcoholic Beverages Tax	Hotel/Motel Tax	Local Option Sales Tax	Total
\$ 1,376,910	\$ 999,642	\$ 517,456	\$ 5,030,213	\$ 21,054,466
1,585,550	994,573	563,902	5,259,684	21,204,206
1,684,119	979,409	591,793	5,300,279	21,753,255
1,743,745	1,022,245	715,260	4,983,807 ⁽³⁾	22,212,458
1,823,481	1,067,611	828,925	5,094,727	23,241,802
1,948,090	1,129,284	911,847	5,281,804	24,559,912
2,203,406	1,166,259	929,035	5,439,313	25,612,478
2,346,272	1,152,257	965,036	5,885,171	26,622,372
2,433,437	1,160,672	1,053,683	6,235,875	30,965,121
2,591,703	1,207,300	1,191,436 ⁽⁴⁾	6,847,210	32,326,917

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

	Fiscal Year			
	2011	2012	2013	2014
General fund				
Nonspendable	\$ 406,166	\$ 384,796	\$ 367,035	\$ 352,744
Committed		10,054	6,583	6,208
Assigned	2,996,014	3,040,356	2,321,338	3,295,367
Unassigned	5,134,064	5,874,076	6,565,665	7,012,974
Total general fund	<u>\$ 8,536,244</u>	<u>\$ 9,309,282</u>	<u>\$ 9,260,621</u>	<u>\$ 10,667,293</u>
All other governmental funds				
Nonspendable			\$ 130,769	\$ 132,816
Restricted	\$ 10,854,556	\$ 11,214,865	6,385,355	4,174,002
Committed	91,939	115,428	174,187	174,285
Assigned	11,457,922	11,225,020	16,162,739	12,850,447
Total all other governmental funds	<u>\$ 22,404,417</u>	<u>\$ 22,555,313</u>	<u>\$ 22,853,050</u>	<u>\$ 17,331,550</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 475,231	\$ 321,639	\$ 295,256	\$ 260,058	\$ 225,794	\$ 13,851
5,848	4,957	4,957	4,957	4,957	14,738
2,457,217	4,216,717	3,966,341	3,912,390	3,604,326	3,404,718
8,065,121	7,480,831	7,660,281	9,087,006	9,873,498	13,359,919
<u>\$ 11,003,417</u>	<u>\$ 12,024,144</u>	<u>\$ 11,926,835</u>	<u>\$ 13,264,411</u>	<u>\$ 13,708,575</u>	<u>\$ 16,793,226</u>
\$ 99,367	\$ 81,390	\$ 67,377	\$ 44,754	\$ 43,321	\$ 37,620
6,868,770	11,805,659	14,227,632	20,027,515	20,714,683	23,313,865
221,019	244,531	275,253	298,141	385,580	443,073
11,591,868	10,803,666	13,953,838	14,696,448	23,161,259	17,466,102
<u>\$ 18,781,024</u>	<u>\$ 22,935,246</u>	<u>\$ 28,524,100</u>	<u>\$ 35,066,858</u>	<u>\$ 44,304,843</u>	<u>\$ 41,260,660</u>

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

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Taxes	\$ 21,039,421	\$ 21,205,179	\$ 21,798,180	\$ 22,193,025
Licenses and permits	540,906	533,141	727,631	768,827
Fines, fees and forfeitures	1,390,242	1,142,066	1,663,768	1,635,471
Charges for services	2,935,491	2,740,521	2,910,952	3,004,541
Intergovernmental	12,190,933	12,456,574	4,067,439	3,959,460
Interest	56,785	35,839	52,479	41,823
Contributions	152,829	574,090	96,754	96,860
Other	235,905	245,210	1,057,730 ⁽¹⁾	1,017,595 ⁽¹⁾
Total revenues	<u>38,542,512</u>	<u>38,932,620</u>	<u>32,374,933</u>	<u>32,717,602</u>
Expenditures				
General Government	3,289,626	3,317,143	3,287,366	3,228,407
Judicial	367,454	417,255	421,756	460,849
Public Safety	14,555,914	15,880,473	14,617,996	14,934,311
Public Works	4,334,170	4,415,291	4,325,418	4,491,711
Health and Welfare	3,073,671	3,053,511	2,529,431	3,391,256
Culture and Recreation	764,611	1,052,118	592,617	165,000
Housing and Development	1,750,971	1,726,625	1,639,307	2,082,930
Debt Service				
Principal	8,034,940	7,112,064	7,349,754	8,382,841
Interest	1,772,225	1,478,240	1,266,876	964,579
Capital Outlay	8,874,469	3,491,050	9,500,033	2,128,323
Total expenditures	<u>46,818,051</u>	<u>41,943,770</u>	<u>45,530,554</u>	<u>40,230,207</u>
Excess of revenues over (under) expenditures	<u>(8,275,539)</u>	<u>(3,011,150)</u>	<u>(13,155,621)</u>	<u>(7,512,605)</u>
Other financing sources (uses)				
Transfers in	17,371,193	14,414,525	21,464,150	7,477,632
Transfers out	(14,788,283)	(11,222,388)	(16,413,039)	(4,112,658)
Issuance of notes payable	0	0	0	0
Issuance of capital leases	346,228	721,833	8,220,268	0
Issuance of bonds	0	0	0	0
Sale of capital assets	36,907	10,891	70,410	32,803
Total other financing sources (uses)	<u>2,966,045</u>	<u>3,924,861</u>	<u>13,341,789</u>	<u>3,397,777</u>
Net change in fund balances	<u>\$ (5,309,494)</u>	<u>\$ 913,711</u>	<u>\$ 186,168</u>	<u>\$ (4,114,828)</u>
Debt service as a percentage of noncapital expenditures	25.6%	22.7%	23.6%	24.7%

Note (1): 2013-2014 miscellaneous revenue includes CCA rent from the Main Street property.

Note (2): Refunded Frances Meadows debt in 2015 with GRA Bond.

Note (3): Includes sale of investment property at Gainesville Business Park.

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

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

Note (6): Borrowing for Downtown Parking Deck Expansion.

Note (7): Proceeds from Debt borrowing related to Fire Truck purchase.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 23,263,514	\$ 24,610,752	\$ 25,624,333	\$ 26,666,787	\$ 30,938,519	\$ 31,964,390
1,008,077	1,020,055	1,304,203	1,143,187	1,192,531	920,559
1,778,770	1,735,869	1,944,818	1,680,375	1,740,436	1,211,250
3,331,778	3,589,559	4,295,317	3,883,589	4,262,070	4,556,020
4,689,473	7,821,598	9,388,179	11,639,676	3,141,267	10,750,219
126,712	54,687	1,975,871 ⁽³⁾	406,995	8,027,081	1,237,851
147,384	105,628	171,116	214,150	169,302	116,123
122,291	183,516	373,513	441,324	337,486	282,974
<u>34,467,999</u>	<u>39,121,664</u>	<u>45,077,350</u>	<u>46,076,083</u>	<u>49,808,692</u>	<u>51,039,386</u>
3,431,244	3,550,990	5,997,537 ⁽⁴⁾	5,115,043	5,240,953	5,059,059
465,915	470,043	521,707	523,018	536,900	604,290
15,462,822	16,187,899	16,466,971 ⁽⁵⁾	17,713,931	18,420,807	20,357,172
4,672,187	4,994,225	4,436,888 ⁽⁴⁾	5,032,748	4,787,746	4,923,409
2,968,229	2,737,379	2,895,919	2,690,223	2,853,579	3,329,651
433,682	400,000	234,283	245,982	626,120	2,655,373
2,148,470	2,438,677	3,438,904 ⁽⁵⁾	2,404,326	2,926,127	3,825,055
10,111,549 ⁽²⁾	1,222,585	3,928,813	1,462,303	2,176,859	1,754,003
1,386,912	538,091	523,047	517,843	630,248	662,008
3,829,201	5,141,709	8,377,243	7,334,797	10,543,374	12,806,208
<u>44,910,211</u>	<u>37,681,598</u>	<u>46,821,312</u>	<u>43,040,214</u>	<u>48,742,713</u>	<u>55,976,228</u>
<u>(10,442,212)</u>	<u>1,440,066</u>	<u>(1,743,962)</u>	<u>3,035,869</u>	<u>1,065,979</u>	<u>(4,936,842)</u>
10,698,274	7,835,912	10,656,899	9,950,013	14,065,057	12,452,124
(7,435,982)	(4,149,965)	(6,627,648)	(6,029,944)	(10,487,538)	(9,290,081)
0	0	0	0	4,933,489 ⁽⁶⁾	1,748,231 ⁽⁷⁾
8,917,392	0	807,264	10,932	0	0
0	0	1,630,000	0	0	0
48,126	48,936	768,992	913,464	105,162	67,036
<u>12,227,810</u>	<u>3,734,883</u>	<u>7,235,507</u>	<u>4,844,465</u>	<u>8,616,170</u>	<u>4,977,310</u>
<u>\$ 1,785,598</u>	<u>\$ 5,174,949</u>	<u>\$ 5,491,545</u>	<u>\$ 7,880,334</u>	<u>\$ 9,682,149</u>	<u>\$ 40,468</u>
27.1%	5.0%	11.5%	5.4%	6.5%	5.4%

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

Fiscal Year	Property Tax	Intangibles Tax	Franchise Tax	Insurance Premium Tax
2011	\$ 7,871,392 ⁽²⁾	\$ 59,343 ⁽¹⁾	\$ 4,072,511	\$ 1,376,910
2012	7,339,510	81,841	4,240,193	1,585,550
2013	7,870,215	80,720	4,092,271	1,684,119
2014	8,344,444 ⁽³⁾	105,044	4,014,946	1,743,745
2015	8,676,206	133,186	4,371,358	1,823,481
2016	9,460,424	129,075	4,381,245	1,948,090
2017	9,823,521	190,764	4,501,181	2,203,406
2018	10,506,185	213,556	4,208,097	2,346,272
2019	13,953,114	179,964	4,507,256	2,433,437
2020	14,278,872	250,731	4,540,980	2,591,703

Note (1): Intangible tax that is levied on certain types of property, such as money, stocks, and bonds has decreased significantly due to the economic downturn.

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

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

Note (4): Effective 07/01/2019, the City increased the levy of Hotel Motel lodging tax from 6% to 8%.

Occupational Tax	Alcoholic Beverages Tax	Hotel/Motel Tax	Local Option Sales Tax	Total
\$ 1,111,954	\$ 999,642	\$ 517,456	\$ 5,030,213	\$ 21,039,421
1,139,926	994,573	563,902	5,259,684	21,205,179
1,199,374	979,409	591,793	5,300,279	21,798,180
1,263,534	1,022,245	715,260	4,983,807 ⁽³⁾	22,193,025
1,268,021	1,067,611	828,925	5,094,727	23,263,515
1,368,983	1,129,284	911,847	5,281,804	24,610,752
1,373,680	1,166,259	929,035	5,439,313	25,627,159
1,394,517	1,152,257	965,036	5,885,171	26,671,091
1,418,919	1,160,672	1,053,683	6,235,875	30,942,920
1,375,576	1,207,300	1,191,436 ⁽⁴⁾	6,527,792	31,964,390

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	
2011	\$ 2,809,905,328	\$ 842,398,443	\$ 156,029,890	\$ 56,924,528	\$ (224,302,316)
2012	2,626,851,558	845,534,643	153,096,940	68,615,798	(260,718,939)
2013	2,483,471,963	891,542,860	159,990,090	72,487,558	(336,283,393)
2014	2,398,619,850	969,047,745	172,898,560	74,816,730	(336,173,382)
2015	2,567,954,515	1,069,907,483	185,665,960	68,523,120	(312,134,457)
2016	2,953,976,780	1,055,500,805	122,903,835 ⁽²⁾	86,348,763	(298,500,191)
2017	3,036,116,245	1,102,797,493	87,802,225 ⁽²⁾	79,112,033	(329,203,623)
2018	3,414,339,560	1,176,119,518	65,383,400 ⁽²⁾	67,319,268	(343,066,757)
2019	3,809,200,370	1,302,230,195	51,130,100 ⁽²⁾	73,295,630	(372,366,269)
2020	4,121,300,263	1,347,377,733	42,885,448 ⁽²⁾	78,163,115	(377,476,436)

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

Exemption Adjustments	Total Taxable Assessed Value⁽¹⁾	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ (550,000)	\$ 3,640,405,873	2.920	\$ 3,640,405,873	100%
(800,000)	3,432,580,000	2.920	3,432,580,000	100%
(800,000)	3,270,409,078	3.060	3,270,409,078	100%
(1,234,240)	3,277,975,263	3.060	3,277,975,263	100%
(1,486,210)	3,578,430,411	3.020	3,578,430,411	100%
(1,902,555)	3,918,327,437	2.980	3,918,327,437	100%
(2,210,476)	3,974,413,897	2.980	3,974,413,897	100%
(2,937,666)	4,377,157,323	2.864	4,377,157,323	100%
(3,556,440)	4,859,933,586	3.364	4,859,933,586	100%
(4,266,505)	5,207,983,618	3.322	5,207,983,618	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	Fire Service Millage	
2010	2011	1.690	0.750	0.480	0.000	2.920
2011	2012	1.690	0.750	0.480	0.000	2.920
2012	2013	1.770	0.790	0.500	0.000	3.060
2013	2014	1.770	0.790	0.500	0.000	3.060
2014	2015	1.750	0.780	0.490	0.000	3.020
2015	2016	1.630	0.750	0.600	0.000	2.980
2016	2017	1.630	0.750	0.600	0.000	2.980
2017	2018	1.545	0.750	0.569	0.000	2.864
2018	2019	⁽³⁾ 0.795	0.750	0.569	1.250	3.364
2019	2020	0.771	0.750	0.551	1.250	3.322

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

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

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

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

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

Overlapping Rates							
Gainesville City Schools			State of Georgia	Hall County			Total Direct & Overlapping Rates
Operating Millage	Debt Service Millage	Total School Millage		Operating Millage	Emergency Service Millage (4)	Total County Millage	
7.390	0.300	7.690	0.250	6.250	0.000	6.250	17.110
7.390	0.000	7.390	0.250	6.250	0.000	6.250	16.810
7.590	0.000	7.590	0.250	6.250	0.000	6.250	17.150
7.590	0.000	7.590	0.150	6.250	0.000	6.250	17.050
7.590	0.000	7.590	0.150	5.989	0.000	5.989	16.749
6.890	0.000	6.890	0.050	5.735	0.000	5.735	15.655
6.850	0.000	6.850	0.000	5.716	0.000	5.716	15.546
6.850	0.000	6.850	0.000	6.700	0.000	6.700	16.414
6.850	0.000	6.850	0.000	5.360	0.571	5.931	16.145
6.614	0.000	6.614	0.000	5.098	0.571	5.669	15.605

CITY OF GAINESVILLE, GEORGIA
PRINCIPAL TAXPAYERS
June 30, 2020

Taxpayer	Fiscal Year 2020			Fiscal Year 2011		
	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Total Taxable Assessed Value
Kubota Manufacturing of America Corporation/	\$ 145,186,924	1	2.79%	\$ 119,104,098	1	3.27%
Cargill, Inc.	95,020,222	2	1.82%	30,385,855	7	0.83%
Mid-America Apartments LP	65,700,016	3	1.26%	37,206,662	6	1.02%
Fieldale Corp	65,170,887	4	1.25%	37,319,632	5	1.03%
Pilgrims Pride	57,207,474	5	1.10%	26,989,339	8	0.74%
ZF Windpower	46,867,115	6	0.90%		NR*	
Ace Hardware	46,466,809	7	0.89%	44,571,678	3	1.22%
Boehringer Ingelheim	44,081,233	8	0.85%		NR*	
Georgia Power	43,468,247	9	0.83%		NR*	
ZF Industries	43,188,996	10	0.83%	37,554,782	4	1.03%
Continental Tire				55,532,193	2	1.53%
Inland Western Gainesville Village (Shopping Center)				23,515,927	9	0.65%
Stork Gamco (Manufacturer)				19,026,037	10	0.52%
Total	<u><u>\$ 652,357,923</u></u>		<u><u>12.53%</u></u>	<u><u>\$ 431,206,203</u></u>		<u><u>11.84%</u></u>

Source: Tax Year 2019 and 2010 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	
				Percentage			Percentage
			Amount	of Levy		Amount	of Levy
2011	\$ 10,629,985	\$ (208,997)	\$10,239,192	98.26%	\$ 181,796	\$ 10,420,988	100.00%
2012	10,023,134	(317,398)	9,518,471	98.07%	187,265	9,705,736	100.00%
2013	9,294,659	333,059	9,333,018	96.94%	294,632	9,627,650	100.00%
2014	9,272,596	271,595	9,363,036	98.10%	174,721	9,537,757	99.93%
2015	10,039,209	(82,972)	9,762,578	98.05%	186,996	9,949,574	99.93%
2016	11,053,043	(182,757)	10,829,944	99.63%	31,714	10,861,658	99.92%
2017	11,346,349	(17,423)	11,280,816	99.58%	37,477	11,318,293	99.91%
2018	12,156,116	182,686	12,212,440	98.98%	117,412	12,329,852	99.93%
2019	14,041,006	1,982,640	15,894,676	99.20%	93,046	15,987,722	99.78%
2020	16,878,797	190,459	16,892,628	98.97%		16,892,628	98.97%

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, 2020

Commodity	2019			2009		
	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
Food	\$ 7,428,521	1	20.40%	\$ 5,334,543	1	21.47%
Other Retail	5,079,531	2	13.95%	1,832,890	5	7.38%
General	4,848,935	3	13.31%	3,857,367	2	15.52%
Wholesale	4,285,737	4	11.77%	1,277,397	9	5.14%
Home	3,225,208	5	8.86%	1,719,451	7	6.92%
Miscellaneous Services	3,167,367	6	8.70%	1,734,205	6	6.98%
Utilities	2,368,726	7	6.50%	2,483,724	4	10.00%
Manufacturer	1,981,198	8	5.44%	1,290,165	8	5.19%
Other Services	1,697,245	9	4.66%	233,981	13	0.94%
Auto	1,633,413	10	4.48%	3,453,060	3	13.90%
Accommodations	492,030	11	1.35%	231,398	14	0.93%
Construction	211,864	12	0.58%	60,921	15	0.25%
Miscellaneous	0		0.00%	627,748	10	2.53%
Lumber	0		0.00%	418,700	11	1.69%
Apparel	0		0.00%	292,377	12	1.18%
Total	<u>\$ 36,419,774</u>		<u>100.00%</u>	<u>\$ 24,847,927</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.

* Not Ranked

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES TEN LARGEST SYSTEM CUSTOMERS
JUNE 30, 2020

Customer	Type of Business	Total Water Billings	Total Sewer Billings	Total Billings	Percentage of System Revenues
Fieldale Farms Corporation	Manufacturer - Poultry Products	\$ 2,562,343	\$ 7,260,897	\$ 9,823,239	13.78%
Pilgrim's Pride	Manufacturer - Poultry Products	1,470,189	4,396,850	5,867,039	8.23%
Mar-Jac Poultry, Inc.	Manufacturer - Poultry Products	1,457,477	3,794,152	5,251,629	7.37%
NE GA Health Systems	Health Care	539,250	856,527	1,395,777	1.96%
Cargill, Inc.	Manufacturer - Soybean Products	304,954	708,198	1,013,152	1.42%
Hall County Commissioners	Local Government	149,016	645,345	794,361	1.11%
Gold Creek LLC	Manufacturer - Poultry Products	197,647	522,333	719,980	1.01%
Prime Pak Foods, Inc.	Further Food Processing	244,837	369,648	614,485	0.86%
Shasta Beverages Inc.	Manufacturer- Beverages	248,527	261,983	510,510	0.72%
Hall County Board of Education	Local Government	254,602	170,388	424,990	0.60%
Total		<u>\$ 7,428,841</u>	<u>\$ 18,986,321</u>	<u>\$ 26,415,162</u>	<u>37.06%</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 ⁽¹⁾
	General		Water	Notes	Capital			
	Obligation	Capital	& Sewer	Payable	Leases			
	Bonds	Leases	Bonds					
2011	0	\$ 35,737,268	\$ 97,030,523	\$ 113,800,132	\$ 32,321,761	\$ 278,889,683	28.41%	8,250
2012	0	28,964,712	89,089,423	107,536,775	30,575,173	256,166,083	24.16%	7,442
2013	0	29,451,699	80,918,760	101,142,593	28,945,860	240,458,912	21.60%	6,913
2014	0	20,872,774	72,356,947	94,539,646 ⁽¹⁾	27,094,798	214,864,165	18.44%	6,047
2015	0	21,998,379	155,139,294	-	25,093,735	202,231,408	16.41%	5,570
2016	0	20,766,180	139,039,842	-	23,412,672	183,218,694	13.34%	4,733
2017	0	19,267,230	122,548,109	-	21,471,610	163,286,949	10.85%	4,082
2018	0	17,808,355	105,559,369	-	19,525,547	142,893,271	9.06%	3,541
2019	0	20,557,481	88,310,630	-	17,559,484	126,427,595	7.40%	3,049
2020	0	20,544,205	74,646,890	-	15,582,468	110,773,563	5.86%	2,562

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the Schedule of Demographic and Economic Statistics on Exhibit L-18 for personal income and population data.

Note (1): The decrease in notes payable is due to a Series 2014 Water Sewer Bond Refunding which refunded the total amount of the GEFA notes payable and \$5,900,000 of the Series 2005 Water Sewer Bonds.

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

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property⁽¹⁾	Per Capita⁽²⁾
2011	0	0.00%	0
2012	0	0.00%	0
2013	0	0.00%	0
2014	0	0.00%	0
2015	0	0.00%	0
2016	0	0.00%	0
2017	0	0.00%	0
2018	0	0.00%	0
2019	0	0.00%	0
2020	0	0.00%	0

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

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Note (1): See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Exhibit L-7 for property value data.

Note (2): Population data can be found in the Schedule of Demographic and Economic Statistics on Exhibit L-18.



GAINESVILLE

CITY OF GAINESVILLE, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020

<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	\$ 17,070,280	100%	\$ 17,070,280
Hall County	9,116,774	21%	1,914,523
Subtotal, overlapping debt			<u>18,984,803</u>
City of Gainesville direct debt			<u>20,544,205</u>
Total direct and overlapping debt			<u><u>\$ 39,529,008</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			
	2011	2012	2013	2014
Debt Limit	\$ 386,525,819	\$ 369,409,894	\$ 360,749,247	\$ 361,538,289
Total net debt applicable to limit	34,302,996	27,431,657	20,877,219	15,770,863
Legal debt margin	<u>\$ 352,222,823</u>	<u>\$ 341,978,237</u>	<u>\$ 339,872,028</u>	<u>\$ 345,767,426</u>
Total net debt applicable to the limit as a percentage of debt limit	8.87%	7.43%	5.79%	4.36%

Note: Under state finance law, the City of Gainesville's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 389,205,108	\$ 421,873,018	\$ 430,582,800	\$ 472,316,175	\$ 523,585,630	\$ 520,798,362
15,289,643	14,030,339	17,309,944	20,608,568	23,700,756	24,628,509
<u>\$ 373,915,465</u>	<u>\$ 407,842,679</u>	<u>\$ 413,272,856</u>	<u>\$ 451,707,607</u>	<u>\$ 499,884,874</u>	<u>\$ 496,169,853</u>
3.93%	3.33%	4.02%	4.36%	4.53%	4.73%

Legal Debt Margin Calculation for Fiscal Year 2020

Total assessed value of taxable property	\$ 5,207,983,618
Debt limit (10% of total assessed value)	520,798,362
Debt applicable to limit:	
General obligation debt	20,544,205
Less: Amount set aside for repayment of general obligation debt	<u>4,084,304</u>
Total net debt applicable to limit	<u>24,628,509</u>
Legal debt margin	<u>\$ 496,169,853</u>

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

Fiscal Year	Department of Water Resources Revenue Bonds					
	Gross Revenue ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage
				Principal	Interest ⁽³⁾	
2011	\$ 57,629,294	\$ 23,713,795	\$ 33,915,499	\$ 7,470,000	\$ 4,540,916	2.82
2012	59,739,770	24,261,826	35,477,944	7,710,000	4,174,996	2.99
2013	59,662,895	23,442,197	36,220,698	7,955,000	3,768,351	3.09
2014	62,860,604	26,083,825	36,776,779	8,360,000	3,368,156	3.14
2015	68,485,989	24,660,926	43,825,063	8,740,000	4,396,256	3.34
2016	72,032,080	26,866,263	45,165,817	8,140,000	6,271,250	3.13
2017	77,874,539	27,479,460	50,395,079	15,940,000 ⁽³⁾	5,658,796	2.33
2018	78,352,405	31,721,037	46,631,368	16,200,000	3,142,934	2.41
2019	82,054,845	36,314,032	45,740,813	12,615,000	2,770,244	2.97
2020	81,187,601	36,544,044	44,643,557	14,615,000	2,449,024	2.62

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

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

Note (3): New refunding bond issues included GEFA notes payable that were not included in prior year totals.

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

Fiscal Year	City of Gainesville Population^(a)	Estimated City of Gainesville Personal Income (amounts expressed in thousands)^(b)	Hall County Per Capita Personal Income^(c)	Gainesville City Public School Enrollment^(d)	Hall County Unemployment Rate^(e)
2011	33,804	\$ 981,601	\$ 29,038	7,145	8.9%
2012	34,422	1,060,404	30,806	7,464	7.5%
2013	34,786	1,113,187	32,001	7,702	7.6%
2014	35,533	1,165,092	32,789	7,983	6.4%
2015	36,306	1,232,407	33,945	8,056	4.8%
2016	38,712	1,373,928	35,491	7,973	4.2%
2017	40,000	1,505,480	37,637	7,997	4.2%
2018	40,359	1,576,624	39,065	8,069	3.5%
2019	41,464	1,709,105	41,219	8,068	3.1%
2020	43,232	1,889,282	43,701	7,725	5.7%

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

Source (b): Based on City population multiplied by Hall County per capita personal income.

Source (c): Bureau of Economic Analysis, U.S. Department of Commerce; information is provided on Hall County only.

Source (d): Gainesville City Schools, September enrollment.

Source (e): Georgia Department of Labor, Gainesville MSA unemployment rate.

CITY OF GAINESVILLE, GEORGIA
PRINCIPAL EMPLOYERS/HALL COUNTY
June 30, 2020

<u>Employer</u>	2020			2011		
	<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	8,914	1	8.98%	5,030	1	6.18%
Fieldale Farms	2,369	2	2.39%	2,250	2	2.77%
Pilgrims Pride	1,760	3	1.77%	1,600	3	1.97%
Kubota Manufacturing of America	1,600	4	1.61%	960	5	1.18%
Gold Creek Foods	1,593	5	1.61%		NR*	
Foundation Food Groups	1,500	6	1.51%		NR*	
Mar-Jac	1,280	7	1.29%	1,200	4	1.47%
Cottrell, Inc.	1,100	8	1.11%		NR*	
ZF Gainesville, LLC	1,045	9	1.05%		NR*	
Mars Wrigley	989	10	1.00%		NR*	
Coleman Natural Foods (Kings Delight)				900	6	1.11%
Wrigley Manufacturing Company, LLC				850	7	1.04%
The Longstreet Clinic				580	8	0.71%
Koch Foods, Inc.				520	9	0.64%
PFG Milton's Institutional Foods				420	10	0.52%
Total	<u>22,150</u>		<u>22.32%</u>	<u>14,310</u>		<u>17.59%</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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Primary government										
General Government	46	48	51	50	51	51	53	52	53	57
Judicial	8	8	10	10	10	10	10	10	10	10
Public Safety										
Police	113	113	113	114	114	114	116	117	118	120
Fire	103	103	103	103	103	103	103	103	103	103
Code Enforcement	3	3	5	4	4	4	4	5	6	6
Public Works	52	54	53	53	55	55	59	60	60	57
Health and Welfare	47	39	37	32	32	32	40	40	43	41
Culture and Recreation	7	5	0	0	0	0	0	0	0	0
Housing and Development	17	17	13	13	13	13	13	13	13	13
General Insurance	0	0	0	0	0	0	0	0	0	0
Vehicle Services	5	6	6	6	6	6	6	6	6	6
Water and Sewer	229	229	229	230	233	233	233	234	234	234
Solid Waste	24	24	24	24	24	24	24	24	25	25
Golf Course	4	4	4	4	4	4	4	5	5	5
Total primary government	658	653	648	643	649	649	665	669	676	677
Component unit										
City of Gainesville										
Parks and Recreation										
Culture and Recreation	36	37	37	38	39	39	37	37	38	44
Gainesville Convention and Visitor's Bureau										
Housing and Development	0	0	0	0	4	4	4	4	4	7
Total Component units	36	37	37	38	43	43	41	41	42	51
Total employees	694	690	685	681	692	692	706	710	718	728

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			
	2011	2012	2013	2014
Police				
Number of citations issued	13,671	9,306	11,353	11,622
Number of calls for service	67,879	63,839	62,744	60,380
Fire				
Number of calls answered	6,566	6,962	7,031	7,174
Number of inspections conducted	1,439	1,725	1,325	1,862
Highways and streets				
Square feet of sidewalks replaced	445	9,063	4,500	11,727
Linear feet curb and gutter installed	50	698	211	544
Sanitation				
Refuse collected (tons)	4,897	4,743	4,857	4,989
Recyclables collected (tons)	657	726	759	794
Culture and Recreation				
Enrolled in youth athletics	1,507	1,553	1,398	1,424
Civic Center/Cabin rentals	992	1,068	1,223	1,169
Water System (MGD -Millions of Gallons per Day)				
Number of service connections	46,632	47,018	47,892	53,676
Daily average consumption in gallons	17.64 MGD	17.7 MGD	16.74 MGD	16.74 MGD
Sewer System (MGD -Millions of Gallons per Day)				
Number of service connections	8,716	8,847	9,157	10,977
Daily average treatment in gallons	8.50 MGD	8.1 MGD	8.50 MGD	8.90 MGD

Source: Various City Departments.

Note (1): Some indicators are skewed due to the COVID shutdown that occurred March 2020-June 2020.

Fiscal Year					
2015	2016	2017	2018	2019	2020 (1)
9,734	12,060	13,431	11,606	11,340	8,200
70,534	68,007	68,952	83,252	100,750	91,075
7,814	8,108	8,592	8,550	10,317	12,094
2,019	3,850	3,543	3,764	3,672	2,820
8,217	2,562	2,360	1,951	8,210	6,065
241	329	227	50	660	113
5,374	5,791	6,392	6,763	7,621	7,719
772	697	858	820	859	711
1,181	1,388	2407	2,366	2,371	1,918
1,230	991	879	1,213	1,424	982
55,274	50,950	54,572	55,638	56,934	57,878
16.74 MGD	17.40 MGD	18.69 MGD	18.75 MGD	19.03 MGD	19.27 MGD
11,580	10,020	10,687	11,101	11,445	11,788
8.00 MGD	9.1 MGD	9 MGD	10.0 MGD	11.4 MGD	17.0 MGD

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

Function	Fiscal Year			
	2011	2012	2013	2014
Public safety				
Number of police stations	2	2	2	2
Number of fire stations	4	4	4	4
Solid Waste				
Collection Trucks	9	10	10	12
Highways and streets				
Miles of streets	136	136	136	140
Miles of storm sewers	20.20	20.47	20.47	20.49
Number of street lights	2,627	2,694	2,700	2,676
Culture and Recreation				
Community/Civic Centers	2	2	2	2
Parks	21	21	22	22
Park acreage	445	445	450+	450+
Golf courses	1	1	1	1
Swimming pools	5	5	5	4
Baseball/Softball fields	10	11	11	10
Soccer fields	10	10	10	10
Multipurpose fields	1	1	1	2
Tennis courts	16	16	16	15
Water and Sewerage System-Gainesville and Hall County (MGD - Millions of Gallons per Day)				
Water System:				
Miles of water mains	1,344	1,344	1,344	1,355
Number of fire hydrants	8,803	8,855	8,735	8,772
Number of water treatment plants	2	2	2	2
Maximum daily capacity of treatment plants in gallons	35 MGD	35 MGD	35 MGD	35 MGD
Sewer System:				
Miles of sanitary sewers	280	286	286	289
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): Property Addition for Youth Athletic Complex and Skate Park.

Fiscal Year					
2015	2016	2017	2018	2019	2020
2	2	2	1	1	1
4	4	4	4	4	4
13	13	13	14	9	9
140	141	143	147	149	149
20.52	20.81	21.68	24.18	69.00	69.00
2,639	2,679	2,668	2,769	2,825	2,849
2	2	2	2	2	2
22	22	22	22	21	22
450+	454+	454+	454+	458+	547+ ⁽¹⁾
1	1	1	1	1	1
4	4	4	4	4	4
10	10	10	10	9	9
10	10	10	10	10	10
2	2	2	2	2	2
15	15	15	15	15	15
1,363	1,372	1,390	1,383	1,411	1,438
8,838	8,885	9,096	9,557	9,728	9,620
2	2	2	2	2	2
35 MGD	35 MGD	35 MGD	35 MGD	35 MGD	35 MGD
291	294	301	306	318	317
2	2	2	2	2	2
17 MGD	17 MGD	21.25 MGD	17 MGD	17 MGD	21.25 MGD

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES
WATER RATES AND MINIMUM DEMAND CHARGES
JUNE 30, 2020

Water Rates (Monthly Charges):

	Inside City Limits	Outside City Limits
Account Servicing Fee	\$ 6.17	\$ 6.17
Quantity Used Per Month In Cubic Feet		
Per Hundred Cubic feet	\$2.53 Per 100 cf ⁽¹⁾	\$ 4.81 per 100 cf ⁽¹⁾

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

Note (1): 748 gallons equals 100 cubic feet.

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES
WATER TAP/METER, CONNECTION AND ADMINISTRATIVE FEES
JUNE 30, 2020

Inside and Outside City Limits:

Tap Size (Meter Inches)	Tap and Meter	Connection Fee	Administrative Fee	Total
3/4 inch	\$ 1,073	\$ 1,726	\$ 51	\$ 2,850
1 inch	1,198	4,315	129	5,642
1 1/2 inch	2,700	8,630	258	11,588
2 inch	3,500	13,808	414	17,722
3 inch	7,405	27,616	828	35,849
4 inch	Cost of Tap and Meter +	43,150	1,294	N/A
6 inch	Cost of Tap and Meter +	86,300	2,589	N/A
8 inch	Cost of Tap and Meter +	138,080	4,142	N/A

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

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

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES
SEWER RATES AND CHARGES
JUNE 30, 2020

Sewer Rates (Monthly Charges by Volume):

	Inside City Limits	Outside City Limits	Oakwood
Commodity charge Per Cubic Foot	\$ 7.39	\$ 7.39	\$ 7.54

Industrial Surcharges:

<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 93% of monthly metered water consumption.

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

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

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES
SEWER TAPPING, CONNECTION AND ADMINISTRATIVE FEES
JUNE 30, 2020

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:

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

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

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

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

Year	Total Cost of Capital Improvements	Funding Sources	
		System Revenues and Capital Contributions	Debt Proceeds and Investment Earnings
2011	\$ 8,284,333	\$ 8,284,333	0
2012	9,688,399	9,688,399	0
2013	10,633,627	10,633,627	0
2014	7,643,488	7,643,488	0
2015	4,840,617	4,840,617	0
2016	8,136,724	8,136,724	0
2017	13,052,152	13,052,152	0
2018	26,133,018	26,133,018	0
2019	16,251,036	16,251,036	0
2020	27,687,770	27,687,770	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, 2020

	<u>Amount</u>	
Property Coverage		
Blanket building and contents (\$10,000 deductible)	Replacement Cost ⁽¹⁾	
Flood (\$50,000 deductible)	\$ 5,000,000	
Equipment Breakdown (\$25,000 deductible/72 Hours)	\$ 250,000	
Automobile (Fire Trucks 1994 or newer) (\$5,000 deductible)	Actual cash value	(\$5,439,935)
Inland Marine (Contractor's Equipment) (\$2,500 deductible)	Agreed Value	(\$6,511,816)
EDP Equipment (\$10,000 deductible)	Replacement Cost	(\$1,854,448)
Casualty		
General Liability ⁽²⁾		
Personal and advertising injury (\$10,000 deductible)	\$ 1,000,000	per occurrence
Products-completed operations (\$10,000 deductible)	\$ 3,000,000	per occurrence
Law enforcement (\$10,000 deductible)	\$ 1,000,000	per occurrence
Public official (\$15,000 deductible)	⁽³⁾ \$ 1,000,000	per occurrence
Employee benefits (\$1,000 deductible)	\$ 1,000,000	per occurrence
Employment Practices Liability benefits (\$25,000 deductible)	⁽³⁾ \$ 1,000,000	per occurrence
Automobile Liability		
Single limit liability (\$10,000 deductible)	\$ 1,000,000	
Public Employee Dishonesty (\$1,000 deductible)	\$ 500,000	
Airport Liability (\$1,000 deductible) (Includes TRIA)	\$ 10,000,000	

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

Note (1): Maximum property limit of \$284,243,780.

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 ⁽¹⁾ / Number of Units			
2010	152	0	\$ 23,615,800	24	\$ 11,775,300 ⁽²⁾
2011	140	0	23,159,500	17	4,653,000 ⁽²⁾
2012	167	0	28,447,800	17	3,873,000 ⁽²⁾
2013	264	0	47,710,100	26	132,020,900 ⁽³⁾
2014	341	0	67,877,695	17	7,685,100
2015	352	0	75,544,500	25	34,139,300
2016	410	0	91,138,400	20	15,171,000
2017	548	0	118,793,900	28	16,236,000
2018	581	0	135,819,495	28	20,823,000
2019	557	0	133,313,550	94	86,935,000

City of Gainesville

	Number of Residential Permits		Total Estimated Value	Number of Commercial Permits	Total Estimated Value
	Single Family	Multi-Family ⁽¹⁾ / Number of Units			
2010	35	0	\$ 5,544,591	12	\$ 31,119,415 ⁽²⁾
2011	45	0	7,086,101	14	19,138,000 ⁽²⁾
2012	122	2/88	29,873,617	7	18,033,377 ⁽²⁾
2013	262	2/4	47,189,890	14	57,498,595
2014	266	12/3	46,952,571	23	67,932,217
2015	405	8/34	76,109,044	21	37,344,159
2016	435	19/556	118,707,947 ⁽⁴⁾	31	58,129,477
2017	412	4/96	70,021,683	31	234,766,657 ⁽⁵⁾
2018	288	96/708	63,131,144	24	40,504,564
2019	255	11/270	72,202,283	20	119,554,968

Source: Hall County Building and Zoning Department.

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

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

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

Note (4): Totals reflect an increase in multi-family housing projects and single-family dwelling permits.

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

Note (6): Includes Fox Factory, NEGA Health and Geveko Markings Inc.

CITY OF GAINESVILLE, GEORGIA
MISCELLANEOUS STATISTICS

Source: Various city departments and local institutions

Date of Incorporation	1821
Form of Government	Council/Manager
City Population (2019 Estimate)	43,232
Hall County Population, including City (2019 Estimate)	206,349
Area of City in square miles	35.02
Number of full time employees	649

Government facilities and services:

Public Safety:

ISO Fire Classification	Class I
Number of fire personnel and officers	100
Number of police personnel and officers	121
Number of police patrol units	89

Facilities and services not included in the reporting entity:

Education:

Number of elementary schools	6
Number of elementary school instructors	277
Number of middle schools	1
Number of middle school instructors	117
Number of secondary schools	1
Number of secondary school instructors	123
Number of technical institutions (in Hall County, outside City)	1
Number of universities	2

Hospitals:

Number of hospitals	1
Number of patient beds	884

Bond Rating (Moody's):

General Obligation Bonds	Aa2
Revenue Bonds	Aa2



GAINESVILLE

SINGLE AUDIT SECTION



GAINESVILLE

**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, 2020, and the related notes to the financial statements, which collectively comprise the City of Gainesville, Georgia's basic financial statements and have issued our report thereon dated November 20, 2020.

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) as a basis for designing 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 financial statements. 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.

Rushon & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 20, 2020

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, 2020. 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, 2020.

Report on Internal Control over Compliance

Management of the City of Gainesville, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Gainesville, Georgia's, internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of

expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Gainesville Georgia's, internal control over compliance.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 20, 2020

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2020

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass- Through Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster				
Community Development Block Grant/Entitlement Grants	14.218	N/A	\$ 538,032	\$ 0
Passed through Georgia Department of Community Affairs Home Investment Partnerships Program	14.239	2018-108	226,227	0
Total U.S. Department of Housing and Urban Development			764,259	0
U.S. Department of Justice				
Bulletproof Vest Partnership Program	16.607	N/A	7,369	0
Equitable Sharing for State and Local Law Enforcement Agencies	16.922	N/A	301,797	0
Total U.S. Department of Justice			309,166	0
U.S. Department of Transportation				
Passed through the Georgia Department of Transportation:				
Transportation Enhancement Grant	20.205	PI1001679	500,000	0
Federal Transit Cluster				
Federal Transit - Formula Grants	20.507	T006041	348,539	0
		T006115	255,409	
COVID-19		T006115	465,694	0
Total Federal Transit Cluster			1,069,642	0
Highway Safety Cluster				
Passed through Hall County, Georgia:				
State and Community Highway Safety	20.600	GA-2019-402PT-022	15,058	0
		GA-2020-402PT-005	15,661	0
Total Highway Safety Cluster			30,719	0
Total U.S. Department of Transportation			1,600,361	0
U.S. Department of Treasury				
Equitable Sharing	21.016	N/A	8,735	0
U.S. Department of Health and Human Services				
Aging Cluster of Programs				
Passed through Legacy Link, Inc.:				
Special Programs for the Aging - Title III, Part C				
Nutrition Services	93.045	Gainesville - Title III, C1	227,975	0
		Gainesville - Title III, C2	287,637	0
			515,612	0
Nutrition Services Incentive Program	93.053	Gainesville - NSIP	91,098	0
Total Aging Cluster of Programs			606,710	0
Passed through Legacy Link, Inc.:				
Social Services Block Grant	93.667	Gainesville - SSBG	24,923	0
Total U.S. Department of Health and Human Services			631,633	0
U.S. Department of Homeland Security				
Passed through the Georgia Emergency Management Agency:				
Disaster Grants - Public Assistance -				
Homeland Security Grant Program	97.067	EMW-2017-SS-00015-S01	64,000	0
COVID-19 Emergency Management Performance Grants	97.042	FEMA-4501-DR-GA	65,733	0
Total U.S. Department of Homeland Security			129,733	0
Appalachian Regional Commission				
ARC Grant Program	23.002	N/A	250,000	0
Total Expenditures of Federal Awards			\$ 3,693,887	\$ 0

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2020

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Gainesville, Georgia, under programs for the federal government for the current fiscal year. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost 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 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, 2020

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:	
<u>Federal Transit Cluster</u>	
20.507 Federal Transit – Formula Grants	
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, 2020

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, 2020

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST VII					
Public Safety Fire Station	\$ 3,750,000	\$ 3,750,000	\$ 743,940	\$ 3,949,148	\$ 4,693,088
Public Safety Fire Vehicle	1,750,000	1,750,000	1,461,219	0	1,461,219
Roads, Bridges, Stormwater	12,914,482	12,914,482	6,615,620	2,018,385	8,634,005
Youth Sports Athletic Complex	6,750,000	6,750,000	171,283	970,663	1,141,946
Park Improvements	250,000	250,000	0	0	0
Total	<u>\$ 25,414,482</u>	<u>\$ 25,414,482</u>	<u>\$ 8,992,062</u>	<u>\$ 6,938,196</u>	<u>\$ 15,930,258</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.



GAINESVILLE



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