CITY OF OAKWOOD, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2017

Prepared by:

Finance Department


CITY OF
OAKWOOD
BUILDING THE FUTURE TOGETHER

CITY OF OAKWOOD, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

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CITY OF OAKWOOD, GEORGIA

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INTRODUCTORY SECTION

CITY OF OAKWOOD

BUILDING THE FUTURE TOGETHER

June 30, 2018

Honorable Mayor,
Members of the City Council, and City Manager
City of Oakwood, Georgia

The Comprehensive Annual Financial Report of the City of Oakwood, Georgia for the fiscal year ended December 31, 2017, is hereby submitted as mandated by State statute. The statute requires that the City of Oakwood, Georgia issue a report on its financial position and activity on an annual basis, and this report is to be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data 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 and any component units of the City of Oakwood, Georgia. All disclosures necessary to enable the reader to gain an understanding of the City financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this letter of transmittal, a list of City of Oakwood's principal officials, department directors and elected officials, and an organizational chart. The financial section includes the management's discussion and analysis, basic financial statements, required supplementary information, combining and individual funds financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The statistical section includes selected financial, economic, and demographic information, generally presented on a multi-year basis.

Hawkins & McNair, CPAs, a firm of certified public accountants, audited the City of Oakwood's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended December 31, 2017 are free of material misstatements. 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 a reasonable basis for rendering an unmodified opinion that the City of Oakwood's financial statements for the fiscal year ended December 31, 2017 are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first financial section component of this report.

Accounting principles generally accepted in the United States of America 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 the MD&A section.

Reporting Entity

The financial reporting entity (City of Oakwood) includes all the funds of the primary government, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and included as part of the primary government.

The City provides a full range of services to its estimated 4,161 citizens. Some of the services which are available to those residents include police protection; court systems; the construction and maintenance of

highways, streets and infrastructure; facilities and grounds maintenance; tax collection; planning and zoning; building permitting and inspections; recreational activities and cultural events; residential solid waste collection/recycling; stormwater management; and inherent administrative support services. The City also provides sewer services, which are shown as an Enterprise Fund in this report.

Government Structure, Local Economic Condition and Outlook

Oakwood originated around 1873, when the railroad first ran between Charlotte and Atlanta. It was initially called "O'Dell's Crossing" for its main landowner Ulysses S. O'Dell, Sr. The name was later changed in approximately 1896 to Oakwood because the location was the regular stop for wood-burning locomotives picking up essential fuel – oak wood.

The community quickly blossomed into a thriving railroad center with a depot packed with traveling passengers and a yard lined with crews loading and unloading freight. This bustle of activity attracted the town's earliest industries, including a brick-making shop and a bottle-making plant. In turn, these industries helped attract boarding houses, stores, a hotel and other businesses to supply the growing area's demands.

The city of Oakwood was incorporated in 1903 as a municipality by the State of Georgia. Its land area encompasses approximately 5.1 square miles. Oakwood is located 48 miles northwest of Atlanta, along the I-985 corridor.

The City of Oakwood operates under a mayor and council-city manager form of government. The Oakwood City Council is comprised of a mayor and five council members. Each council member is qualified and elected to one of five seats or posts, by at-large or city-wide voting. The mayor and council members are elected to four-year terms. The elections are staggered with the election for and posts 3, 4, and 5 occurring one year, and election for mayor and posts 1 and 2 occurring two years later.

The Council enacts ordinances, adopts resolutions, establishes policy, adopts the annual budget, and establishes the ad valorem tax rate for each year. The City Manager is responsible for implementing the policies set forth by the Council, overseeing all City employees, and managing the day to day operations of the City.

The economic outlook for the City remains stable as a result of cost cutting initiatives begun by management at the beginning of the economic downturn which have continued as the City has experienced growth. This proactive approach positioned the City to be able to face the current economic climate and maintain a strong financial position. The City has seen a lot of new development within and around the City of the last several years. This growth led to property values having an increase in the last several years. With continued development within the City, we are optimistic values will continue to increase in the future. The net assessment of property in the City increased 17.0 percent from $271,248,565 to $316,977,447.The Hall County unemployment rate, of which the City is a municipality, was slightly lower than the state average. At December 31, 2017 the rate was 3.5 percent compared to the State average of 4.5 percent.

Accounting and Budgetary Controls

Management of the City of Oakwood is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance for the proper recording of financial transactions.

The City maintains budgetary controls to ensure compliance with the legal provision of the annual appropriations budget approved by the Mayor and Council. Statutes of the State of Georgia require the City to operate under an annual balanced budget adopted by resolution. The City Manager is responsible for preparing the annual budget, which is then submitted to the Mayor and Council for discussion and adoption.

The applicable State statutes require that the City not exceed its budget at the department level. The legal level of City budget control (the level at which expenditures may not exceed appropriations) for each legally adopted annual operating budget is at the department level. Administrative budgetary control is maintained internally at an object of expenditure level within the department or function. The City Manager can authorize the transfer of appropriations among accounts within their department's budget. The Mayor and Council must approve all other transfers or supplemental appropriations. The City's budget procedures are more fully explained in the accompanying Notes to the Financial Statements.

The City does not utilizing encumbrance accounting as a budgetary control. All budgetary appropriations lapse at year-end unless expressly authorized by Mayor and Council.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Long-term Financial Planning and Policies

As part of its strategic plan, the Mayor and Council continue to set aside monies for future occurrences. This includes committing funds for future retirement obligations, capital projects and vehicle replacement. All of these committed funds ensuring the City's strong financial position.

A debt policy sets forth the parameters for issuing debt and managing outstanding debt and provides guidance to decision makers regarding the methods, types, amounts, timing and purposes for which debt may be issued. The policy for parameters for consideration of refunding opportunities where at a net present value savings of at least 3% of the refunding principal can be achieved.

The Mayor and Council have adopted a minimum fund balance policy. This policy requires 25% of the subsequent year's expenditures to be maintained as unassigned fund balance. The City exceeded this minimum for the current year.

Awards and Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the various City departments and officials. Our sincere appreciation is extended to each individual for the contributions made in the preparation of this report.

We would also like to thank the Mayor and members of Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner and through whose efforts we have made substantial progress in responding to the extraordinary demands placed upon our community. We believe that the accomplishments that have been identified in this transmittal letter and the accompanying MD&A section clearly indicate that the Mayor and Council has effectively and efficiently planned and managed the resources that were entrusted to them by the Citizens of the City.

Respectfully submitted,

Carl A. Stephens
Finance Director

CITY OF OAKWOOD, GEORGIA

LIST OF PRINCIPAL OFFICIALS

DECEMBER 31, 2017

LEGISLATIVE BRANCH

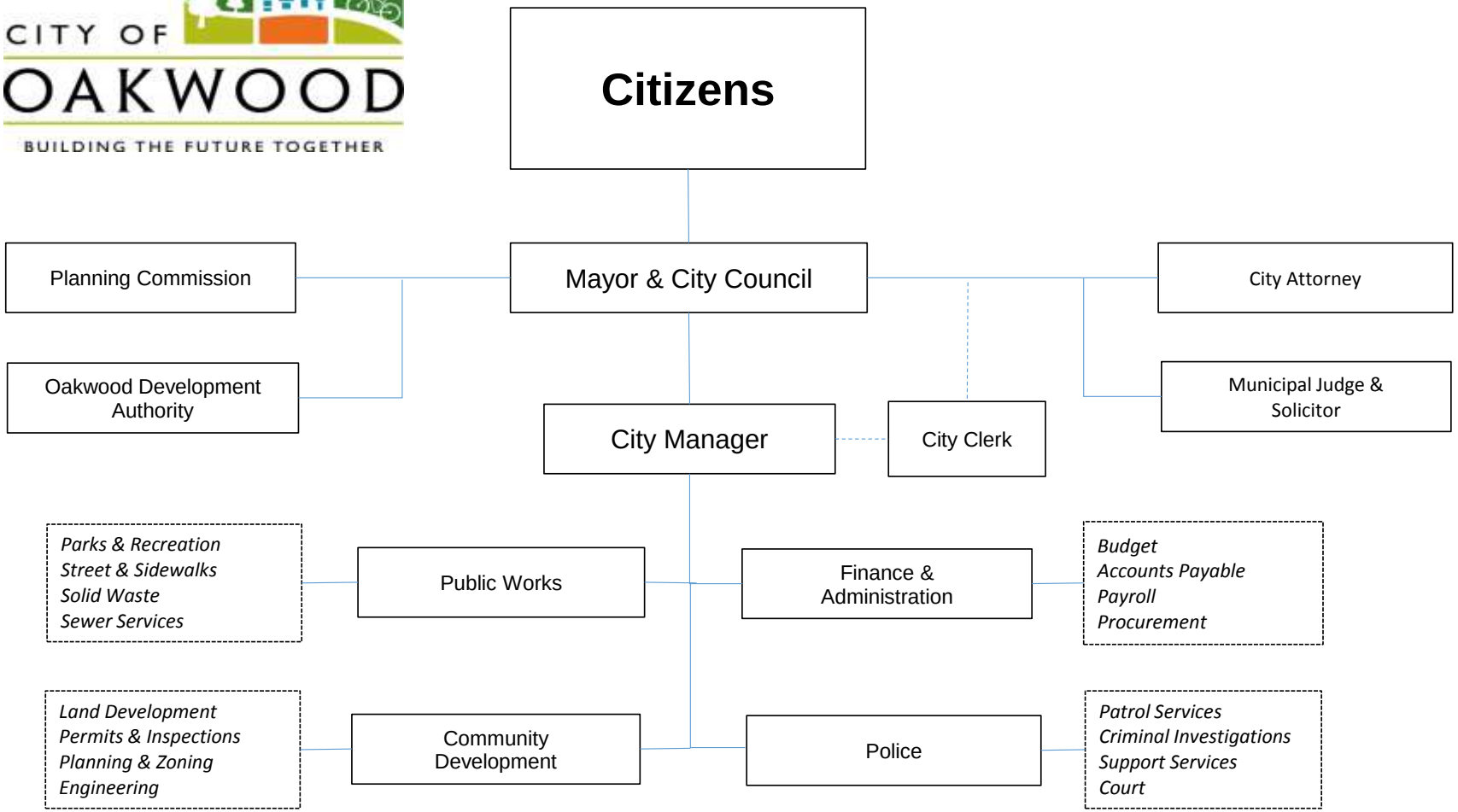
Mayor	Lamar Scroggs
City Council Post 1	Sam Evans
City Council Post 2	Pat Jones
City Council Post 3	Todd Wilson
City Council Post 4	Dwight Wood
City Council Post 5	Sheri Millwood

MANAGEMENT STAFF

City Manager	Stan Brown
City Clerk	Tangee Puckett
Director of Finance	Carl A. Stephens
Police Chief	Randall Moon
Director of Public Works	Jason Spencer
Director of Community Development	B. R. White
Permit Clerk/Receptionist	Peggy Funderburk

CITY OF OAKWOOD

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December 2016

FINANCIAL SECTION

Hawkins & McNair, CPAs

224 East Broad Street
Winder, Georgia 30680
770-867-9426
fax 770-867-1240
hawkins100@windstream.net

INDEPENDENT AUDITOR'S REPORT

To the City of Oakwood
Oakwood, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Oakwood, Georgia, (City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City as of December 31, 2017, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68. *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27,* as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68,* as of July 1, 2014. These standards significantly changed the accounting for the City's net pension liability and the related disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information on pages 10-20 and 53-54 respectfully, 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 inquires, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hawkins & McNair, CPAs
Winder, Georgia
June 1, 2018

CITY OF OAKWOOD, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of the City of Oakwood, Georgia (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2017. The audit is required by Georgia law. A Statement of Net Position and the Statement of Activities provides a picture of the activities of the City. Fund Financial Statements provide a more detailed view of the City's services and the revenue dedicated to provide them.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2017 are as follows:

- The City's combined net position increased $1,032,507 (6.0%) to $18,337,223 from $17,304,716 in 2017.
- Combined revenue increased $176,082 (3.1%) to $5,943,900 from $5,767,818 in 2017, of which governmental activities totaled $5,367,019 and business-type activities totaled $576,881.
- Overall expenses decreased $260,715 (5.0%) to $4,911,393 from $5,172,108 in 2017, of which governmental activities totaled $4,200,093 and business-type activities totaled $711,300.
- As of December 31, 2017, the City's governmental funds reported combined ending fund balances of $1,982,468. At December 31, 2017, $1,419,963 or 71.6% is available for use (unassigned fund balance).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's operations, in a manner similar to private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the primary government.

There are two government-wide statements: 1) The Statement of Net Position and 2) The Statement of Activities.

The Statement of Net Position

The Statement of Net Position presents information on all of the City's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are

reported in this statement for some items that will not result in cash flows until future fiscal periods (i.e. uncollected taxes and earned but unused accrued vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include the general government, judicial, public safety, public works, recreation and culture and housing and development. The business-type activities include the sewer utility.

Component units include legally separate entities that meet the criteria for inclusion in the City's financial statements discussed in the notes to the financial statements, Note 1. The City currently does not have a qualifying component unit.

The government-wide financial statements can be found on pages 21 through 23 of this report.

FUND FINANCIAL STATEMENTS

The Fund Financial statements begin on page 24 and provide detailed information about the City's funds. Some funds are required to be established by state law and by bond covenants. However, the City establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Most of the basic services provided by the City are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities in the government-wide statements.

The City maintains three governmental fund types: the General Fund, Special Revenue Funds and Capital Projects Funds. The funds are the General Fund, Hotel/Motel Tax Fund, Tax Allocation District (TAD) Fund, and the Special Purpose Local Option Sales Tax (SPLOST) Fund.

The basic governmental fund financial statements can be found on pages 28 through 30 of this report.

Proprietary Funds

Proprietary funds are used to account for activities that operate similar to those of commercial enterprises found in the private sector. The City maintains the Sewer Fund as an enterprise fund. Proprietary funds provide the same type of information as the government-wide financial statements but in greater detail.

The basic proprietary fund financial statements can be found on pages 27 through 29 of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements.

The notes to financial statements can be found on pages 32 through 52 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees as well as a Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the General Fund. These schedules compare the original and final adopted budget of each fund to the actual revenues and expenditures.

The required supplementary information, including related notes, can be found on pages 53 through 56 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The City's combined net position (governmental and business-type activities) totaled $18,337,223 at December 31, 2017.

Combined net position includes a net investment in capital assets of $17,494,164 (e.g. land, infrastructure, buildings, equipment, and other); less accumulated depreciation and any related debt outstanding that was needed to build or acquire the assets. The City uses these assets to provide services to the citizens and the businesses in the City, consequently, this net position is not available for future spending. The City has $357,915 of restricted net position that is subject to external restrictions, constitutional provisions, or enabling legislation on how it can be used. The City has $485,144 in unrestricted net position at December 31, 2017.

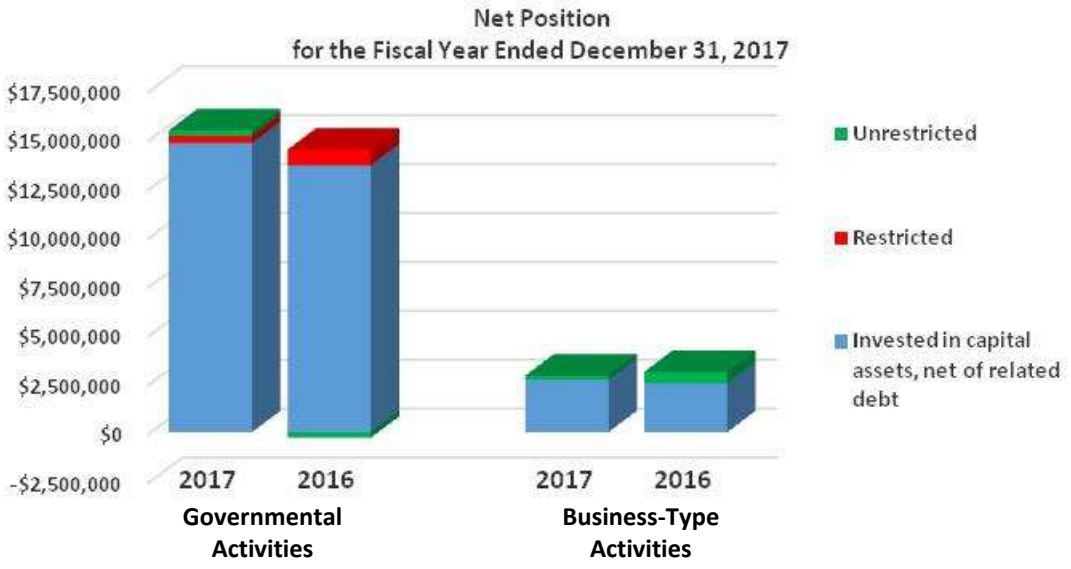
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City of Oakwood's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Assets:						
Current assets	$ 2,150,835	$ 1,987,356	$ 232,812	$ 590,090	$ 2,383,647	$ 2,577,446
Capital assets, net	18,425,874	17,780,477	12,570,958	12,707,815	30,996,832	30,488,292
Total assets	20,576,709	19,767,833	12,803,770	13,297,905	33,380,479	33,065,738
Deferred outflows of resources						
Pension related items	547,859	788,368	-	-	547,859	788,368
Liabilities						
Current liabilities	774,143	555,138	678,383	1,346,369	1,452,526	1,901,507
Long-term liabilities	4,878,252	5,767,324	9,224,069	8,860,000	14,102,321	14,627,324
Total liabilities	5,652,395	6,322,462	9,902,452	10,206,369	15,554,847	16,528,831
Deferred inflows of resources						
Pension related items	36,268	22,449	-	-	36,268	22,449
Net Position						
Net investment in capital assets	14,803,435	13,659,342	2,690,729	2,501,446	17,494,164	16,160,788
Restricted	357,915	806,801	-	-	357,915	806,801
Unrestricted	274,555	(252,963)	210,589	590,090	485,144	337,127
Total net position	$15,435,905	$14,213,180	$ 2,901,318	$ 3,091,536	$18,337,223	$ 17,304,716

The table above presents the City's Net Position as of December 31, 2017 and 2016.

As of December 31, 2017 the City of Oakwood is able to present positive balances in net position for its governmental and business-type activities.



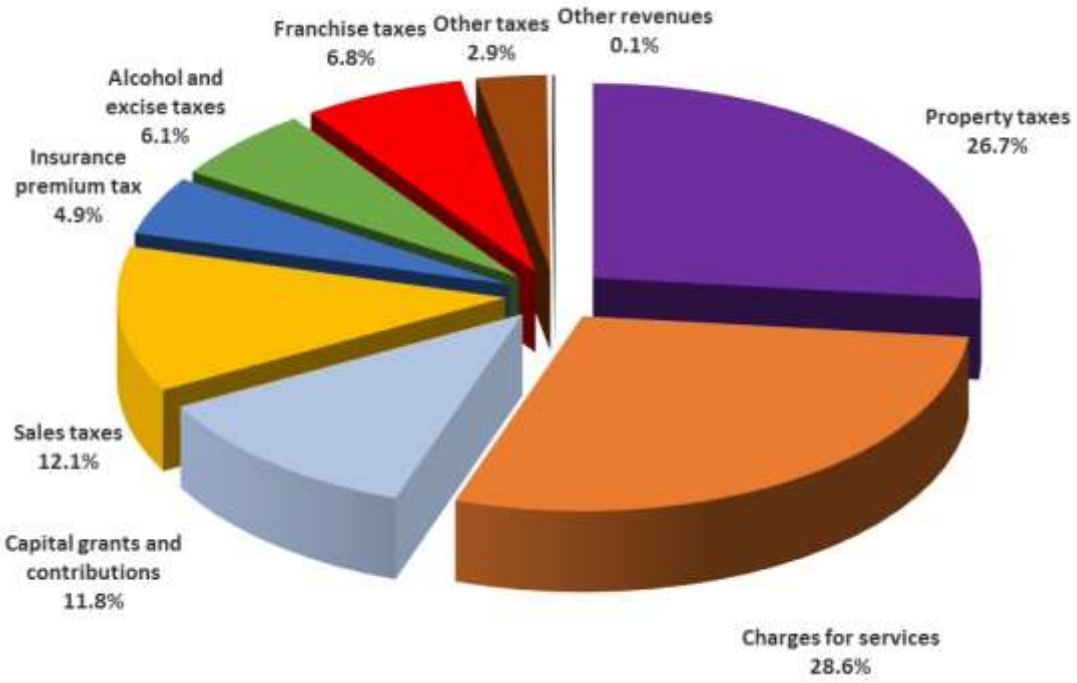
City of Oakwood's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	$ 1,534,700	$ 1,291,384	$ 576,881	$ 518,000	$ 2,111,581	$ 1,809,384
Capital grants & contributions	634,706	752,790	-	-	634,706	752,790
General revenues:						
Property taxes	1,433,412	1,089,579	-	-	1,433,412	1,089,579
Sales taxes	650,279	617,382	-	-	650,279	617,382
Insurance premium tax	261,125	248,346	-	-	261,125	248,346
Alcohol and excise taxes	325,645	324,325	-	-	325,645	324,325
Franchise taxes	362,502	248,983	-	-	362,502	248,983
Other taxes	157,367	126,900	-	-	157,367	126,900
Gain on sale of capital assets	7,191	549,973	-	-	7,191	549,973
Other	92	156	-	-	92	156
Total revenues	5,367,019	5,249,818	576,881	518,000	5,943,900	5,767,818
Expenses:						
General government	758,565	760,845			758,565	760,845
Judicial	-	-			-	-
Public safety	1,624,517	1,551,094			1,624,517	1,551,094
Public works	1,225,488	1,763,549			1,225,488	1,763,549
Recreation and culture	80,448	75,025			80,448	75,025
Housing and development	295,307	164,434			295,307	164,434
Interest on long-term debt	215,768	210,850			215,768	210,850
Sewer			711,300	646,311	711,300	646,311
Total expenses	4,200,093	4,525,797	711,300	646,311	4,911,393	5,172,108
Changes in net position before transfers	1,166,926	724,021	(134,419)	(128,311)	1,032,507	595,710
Transfers	55,799	(167,361)	(55,799)	167,361	-	-
Changes in net position	1,222,725	556,660	(190,218)	39,050	1,032,507	595,710
Net position, beginning of year	14,213,180	13,656,520	3,091,536	3,052,486	17,304,716	16,709,006
Net position, end of year	$15,435,905	$14,213,180	$ 2,901,318	$ 3,091,536	$18,337,223	$ 17,304,716

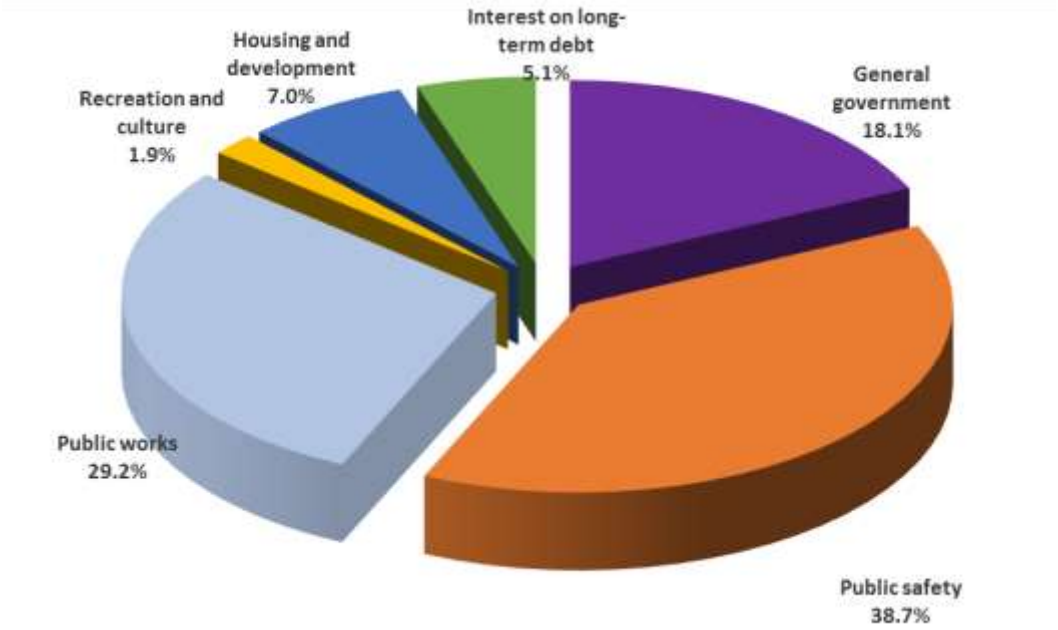
Governmental Activities

See pages 22 and 23 of the financial statements for the net cost (total cost less revenues generated by the activities) of these program functions. The following charts show the source of the City's governmental revenues and expenses.

Governmental Revenues



Governmental Expenses



The governmental activities of the City increased net position by $1,222,725. The primary focus of the governmental activities of the City is to maintain and improve city-wide infrastructure as well as to provide administrative and public safety services, parks and recreation opportunities, and community development and zoning services for our residents.

Revenue Impacts

- Property taxes of $1,433,412 provided 26.7% of governmental revenues for general operations. The M&O (maintenance and operations) millage rate remained at 4.174 mills. Property tax revenue was up approximately $343,833 or 31.6% due to increased property values and continued development of property within the City.

- Sales tax or Local Option Sales Taxes were approximately $32,897 or 5.3% greater than the $617,382 in sales taxes received in 2016. Sales taxes constitute 12.1% of governmental revenues.

- Franchise taxes of $362,502 recognize a one-time accrual of electric utility franchise fee of $118,842. In absence of this accrual, the franchise tax revenues would have been $243,660, which would be $5,323 less than 2016 revenues.

- Other taxes, such as real estate transfer fees, Intangible tax, hotel-motel excise tax, and energy excise tax, in total were slightly greater (0.7%) in 2017 ($157,367) than they were in the prior year.

- Charges for services, which represent 28.6% of governmental revenues, increased 21.6% or $272,791 from prior year revenues ($1,261,909).This was due to one-time 2016 revenues for wayfinding signage ($12,960) and insurance claims/reimbursements ($59,086) being offset by reimbursements by other municipalities in the cooperative paving program. The City engaged and contracted for street paving in the cities of Clermont (Town), Flowery Branch, Gainesville, and Lula.

- Capital grants and contributions for Governmental activities decreased approximately $118,084. This is the net effect of an increase in SPLOST ($26,543 or 4.7%), a $30,000 decrease in LMIG (Local Maintenance Improvement Grant) funding for 2017 and a one-time (2016) grant of Georgia Department of Transportation (GDOT) of $112,000 in 2016.

- Charges for service revenue for Business-type activities increased due to the increased in sewer revenue. Customers continue to be added to the City's sewer system.

- Gain on the sale of capital assets decreased from the prior year. In 2016, the sold several acres of land.

- Investment income had a modest $64 decrease from that of 2016.

Expense Impacts

- General Government expenses were down (0.3%) from those of 2016. This was due to a slight decrease in depreciation expense in 2017.

- Public Safety experienced an increase of $73,423 or 4.7% above the $1,551,094 in 2016 expenses. This was due to inflationary increases in cost of operations, as no significant changes were made to personnel and no new initiatives were undertaken in 2017.

- Public Works expenses decreased 30.6% or $538,061 from those of 2017. This is due to the capitalization of various expenses for projects such as M. Stringer Road improvements, Old Oakwood Road widening, and pavement management in 2017.

- Housing and Development expenses increased $130,873 or 79.6% from those of the prior year ($164,434). In 2017, the City entered into contract with a third-party vendor to provide inspection services, plan review, and assist in development management.

- Interest on long-term debt increased ($4,918 or 2.3%) as 2017 recognized the first year-end accrual of interest $32,366 on its outstanding debt. This offset the increasing application of portions of debt service payments to debt principal versus debt interest.

- Sewer expenses for 2017 increased by $269,994 or 126.7% from the prior year. This was due to completion of the Martin Road Pump Station project, resulting in increased 1st year depreciation of $139,570, a 53.9% increase. Additionally, bringing the Martin Road pump station online has resulted in additional operational cost such as electricity, water, and system management by a third-party contractor.

FUND FINANCIAL ANALYSIS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, the 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 of December 31, 2017, the City's governmental funds reported combined ending fund balances of $1,986,735.

The General Fund is the operating fund of the City. At the end of the current fiscal year, the fund balance of the General Fund was $1,605,993, which was comprised of non-spendable fund balance of $21,111, restricted fund balance of $10,678 (police, condemnation) and unassigned fund balance of $1,424,230. Fund balance in the General Fund increased $489,788 (43.9%) in 2017 over 2016. The primary reason for the increase was the additional revenue realized from building permits and related fees as well as an increase in property taxes revenues in 2016 over the prior year.

The Hotel/Motel Tax Fund is a special revenue fund of the City to account for the collection and expenditure of hotel and motel excise taxes imposed by the City in accordance with the Official Code of Georgia Annotated 48-13-51. It requires that all lodging taxes levied of 3% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. The City collected $97,534 in taxes, a 2.0% decrease below the revenue for 2016. The funds are transferred to the General Fund where 60% is expended for general purposes and at least 40% must be expended by law. The City has met this requirement with 40% or $39,014 being expended at year-end.

The Tax Allocation District (TAD) Fund, also a special revenues fund, was established in accordance with the 1985 Georgia Redevelopment Powers Act to account and report on the pledge or investment of future incremental increases in property taxes generated by the resulting new development in a distinct area of the City. The fund balance of $183,479 is restricted to the redevelopment activities of the district. This fund balance is a $59,909 or 24.6% decrease from that of 2016, due to $64,989 in revenues ($64,897 in

incremental property taxes) versus $50,041 in debt service on property acquisition in the district and transfer of $74,857 in funds advanced the tax district by the General Fund.

The SPLOST IV Fund is a capital projects fund of the City. The purpose of this fund is to account for the collection of special purpose local option sales tax (SPLOST) and the construction of approved capital projects. At the end of the current fiscal year, the restricted (capital projects) fund balance of the SPLOST IV Fund was $197,263, representing a $366,150 decrease. This was principally due significant increases in capital expenditures for streets, roads and bridges ($294,824) and sewer ($271,010) in 2017. SPLOST revenues increased modestly by 4.7% or $26,593 to $592,709 for the year.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The City has one enterprise fund: the Sewer Fund.

The Sewer Fund has a net position of $2,901,318 at December 31, 2017, a decrease of $190,218 below 2016. Net investment in capital assets is $2,690,729 and unrestricted net position is $210,589. Net position decreased in 2017 due primarily to (1) increased operating expenses (depreciation expense), (2) decreased interest on outstanding debt ($47,692), (3) increase in SLOST-funded project expenses ($111,572), and (4) repayment of funds advanced by the General Fund ($334,732).

Sewer Fund Net Position

	2017	2016	Diff	%Chg
Net Investment in capital Assets	2,690,729	2,501,446	189,283	7.6%
Unrestricted (Deficit)	210,589	590,090	(379,501)	-64.3%
Total Net Position	2,901,318	3,091,536	(190,218)	-6.2%

The operations of the Sewer Fund had $576,881 in revenues, a $58,881 or 11.4% increase in revenues above those for 2016. This was due to a complete year in consumption revenues for customers and $00,000 in connection fees. Expenses increased $269,994 or 126.7% from those of 2016 ($213,121) principally due to a $139,570 increase in depreciation expense (completion of the Martin Road pump station project) and additional system management cost in 2017.

Sewer Fund Operations

	Operating Revenues		Operating Expenses		Income from Operations	
	2017	2016	2017	2016	2017	2016
Fund:						
Sewer	$576,881	$518,000	$483,115	$213,121	$93,766	$304,879
Totals	$576,881	$518,000	$483,115	$213,121	$93,766	$304,879

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's comparison of actual revenues and expenditures in the General Fund to the adopted budget can be found on pages 53 and 54 of the annual report. In 2017, the City had a net favorable budget variance of $489,788. There was a favorable revenue budget variance of $450,598. The original budget adopted by the City of Oakwood reflected a very conservative projection for property taxes, franchise taxes, business taxes, licenses and permits and fines and forfeitures. However, by mid-year in 2017, the City had decided to staff several administrative positions and amended the departmental budget for general administration and community development. The budget variance for all expenditure categories in 2017 was $ -0-. Management continues to operate under a conservative budget to ensure that the City maintains sufficient

reserves to cover unexpected expenditures and emergencies as they arise during the course of normal operations.

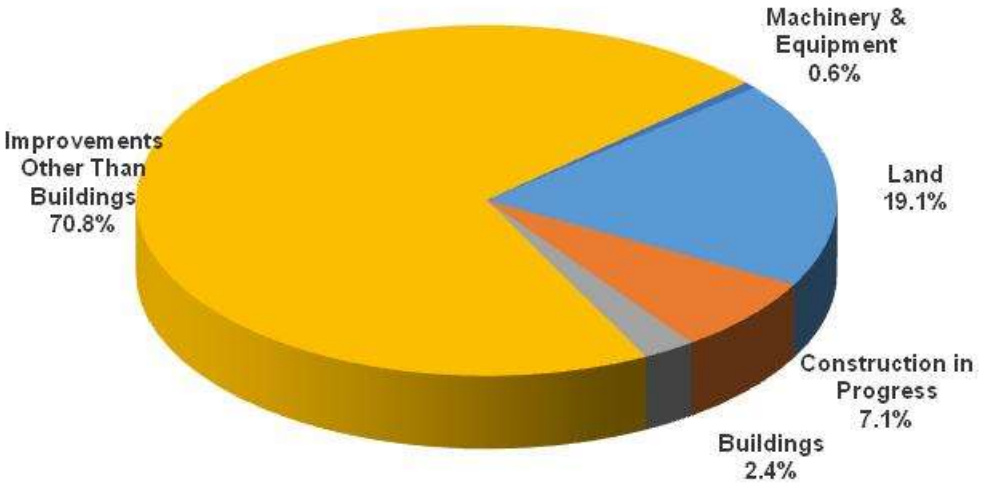
CAPITAL ASSETS

The table below presents capital assets of the primary government, net of accumulated depreciation:

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	$ 5,919,773	$ 5,919,773	$ -	$ -	$ 5,919,773	$ 5,919,773
Construction in Progress	2,184,074	1,603,137	10,950	4,901,225	2,195,024	6,504,362
Buildings	756,547	807,462	-	-	756,547	807,462
Improvements Other Than Buildings	9,378,653	9,275,884	12,560,008	7,806,697	21,938,661	17,082,581
Machinery and Equipment	186,827	174,221	-	-	186,827	174,221
Totals	$ 18,425,874	$ 17,780,477	$ 12,570,958	$ 12,707,922	$ 30,996,832	$ 30,488,399

See Note 1 in the notes to the financial statements for the City's policies regarding capital assets. Note 5 in the notes to the financial statements provides a summary of capital asset activity for the year ended December 31, 2017.

Total Capital Assets by Category
For the Fiscal Year Ended December 31, 2017



LONG-TERM DEBT

The table below represents long-term debt outstanding as of December 31, 2017 and 2016:

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Bonds	$ 1,875,355	$ 2,227,255	$ 8,860,000	$ 9,265,000	$ 10,735,355	$ 11,492,255
Loans	1,747,084	1,893,880	-	-	1,747,084	1,893,880
Net Pension Liability	1,829,233	2,135,087	-	-	1,829,233	2,135,087
Totals	$ 5,451,672	$ 6,256,222	$ 8,860,000	$ 9,265,000	$ 14,311,672	$ 15,521,222

The City reported long-term debt of $14,311,672 as of December 31, 2017 exclusive of interest expense. The City has no general obligation debt outstanding at December 31, 2017. See Note 7 in the notes to the financial statements for a summary of all debt activity and a summary of all debt held by the City at December 31, 2017.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Mayor and Council in conjunction with the staff of the City of Oakwood have continued to aggressively address the current and future needs of the City by focusing on sound financial management, the use of current resources for capital expenditures and an extensive budgeting process. The City's General Fund budget for fiscal year 2018 is $4,264.563. This is an increase of $304,849 or 7.7% from the adopted 2017 budget.

The City's top priorities will continue to be the redevelopment of older neighborhoods and development of commercial areas, parks and transportation. There are two major financial issues for FY 2017 and beyond:

Commercial redevelopment. There are several major projects; both public and private, that are in various stages of redevelopment. Once completed these projects will bring major commercial and residential development to Oakwood and surrounding areas. Significant investments continue to be made along interstate I-985 and Thurmon Tanner Parkway. Continued transportation improvements to roads, sidewalks and traffic issues using the Hall County 1% Special Local Option Sales Tax (SPLOST) approved by voters in 2011, and again in 2016. These funds continue to be leverage with State transportation funds and other City funding.

Oakwood continues to change and mature. The City's 30-year downtown redevelopment plan (Oakwood 2030) has been a catalyst for millions of dollars of investment and redevelopment in Oakwood, with residential development and restaurants and retail establishments flourishing in Oakwood.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the City of Oakwood's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, at City of Oakwood, P.O. Box 99, Oakwood, GA 30566. Please visit our website at www.cityofoakwood.net for additional information.

CITY OF OAKWOOD, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2017

Assets:	Governmental Activities	Business-type Activities	Total
Cash	$ 1,505,374	$ 100,116	$ 1,605,490
Receivables, net:			
Taxes	286,089	-	286,089
Other	160,183	-	160,183
Due from other governments	108,473	130,711	239,184
Inventories	-	-	-
Prepaid items	21,111	1,985	23,096
Restricted assets	69,605	-	69,605
Capital assets:			
Land and construction in progress	8,103,847	10,950	8,114,797
Other capital assets, net of accumulated depreciation	10,322,027	12,560,008	22,882,035
Total assets	20,576,709	12,803,770	33,380,479
Deferred Outflows of resources:			
Pension related items	547,859	-	547,859
Total deferred outflows of resources	547,859	-	547,859
Liabilities			
Accounts payable and other current liabilities	109,655	22,223	131,878
Retainage payable	38,401	-	38,401
Escrow deposits	20,311	-	20,311
Accrued interest payable	32,366	120,010	152,376
Bonds payable - current	417,400	495,000	912,400
Premium on bonds payable - current	-	41,150	41,150
Notes, lease obligations, and estimated claims payable, current	156,010	-	156,010
Noncurrent liabilities:			
Net pension liability	1,829,223	-	1,829,223
Premium on bonds payable	-	859,069	859,069
Notes, lease obligations, and estimated claims payable	1,591,074	-	1,591,074
Bonds payable	1,457,955	8,365,000	9,822,955
Total liabilities	5,652,395	9,902,452	15,554,847
Deferred inflows of resources:			
Pension related items	36,268	-	36,268
Total deferred inflows of resources	36,268	-	36,268
Net Position:			
Net investment in capital assets	14,803,435	2,690,729	17,494,164
Restricted for:			
Public Safety	10,678	-	10,678
Capital projects	347,237	-	347,237
Unrestricted	274,555	210,589	485,144
Total net position	$ 15,435,905	$ 2,901,318	$ 18,337,223

See accompanying notes to financial statements.

CITY OF OAKWOOD, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions
Primary Government:				
General government activities:				
General government	$ 758,565	$ 777,834	$ -	$ 41,997
Public safety	1,624,517	550,152	-	-
Public works	1,225,488	-	-	592,709
Recreation and culture	80,448	28,166	-	-
Housing and development	295,307	178,548	-	-
Interest and fiscal charges	215,768	-	-	-
Total governmental activities	4,200,093	1,534,700	-	634,706
Business-type activities:				
Sewer	711,300	576,881	-	-
Total Primary Government	$ 4,911,393	$ 2,111,581	$ -	$ 634,706

General revenues:

Taxes:

Property taxes
Local Option Sales Tax
Insurance Premium Tax
Alcohol Beverage Taxes
Franchise taxes((fees)
Other taxes
Unrestricted investment earnings
Gain on sale of capital assets
Miscellaneous revenues

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning
Net position, ending

See accompanying notes to financial statements.

Net (Expense) Revenue and Change in Net Position		
Governmental Activities	Business-type Activities	Total
$ 61,266	$ -	$ 61,266
(1,074,365)	-	(1,074,365)
(632,779)	-	(632,779)
(52,282)	-	(52,282)
(116,759)	-	(116,759)
(215,768)	-	(215,768)
(2,030,687)	-	(2,030,687)
-	(134,419)	(134,419)
(2,030,687)	(134,419)	(2,165,106)
1,433,412	-	1,433,412
650,279	-	650,279
261,125	-	261,125
325,645	-	325,645
362,502	-	362,502
157,367	-	157,367
92	-	92
7,191	-	7,191
-	-	-
55,799	(55,799)	-
3,253,412	(55,799)	3,197,613
1,222,725	(190,218)	1,032,507
14,213,180	3,091,536	17,304,716
$ 15,435,905	$ 2,901,318	$ 18,337,223

CITY OF OAKWOOD, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General Fund	Hotel/Motel Tax Fund	Tax Allocation District Fund	SPLOST Fund	Total Governmental Funds
Assets:					
Cash	$ 1,073,860	$ -	$ 183,479	$ 248,035	$ 1,505,374
Receivables, net:					
Taxes	286,089	-	-	-	286,089
Other	152,279	7,904	-	-	160,183
Due from other funds	7,904	-	-	-	7,904
Due from other governments	108,473	-	-	-	108,473
Prepaids items	21,111	-	-	-	21,111
Restricted cash	69,605	-	-	-	69,605
Total assets	$ 1,719,321	$ 7,904	$ 183,479	$ 248,035	$ 2,158,739
Liabilities and fund balances:					
Liabilities					
Accounts payable	79,045	-	-	17,735	96,780
Accrued liabilities	12,875	-	-	-	12,875
Unearned revenue	-	-	-	-	-
Retainage payable	5,364	-	-	33,037	38,401
Due to other funds	-	7,904	-	-	7,904
Due to other governments	-	-	-	-	-
Escrow deposits	20,311	-	-	-	20,311
Total liabilities	117,595	7,904	-	50,772	176,271
Fund Balances:					
Fund Balances:					
Nonspendable:					
Prepaid items	21,111	-	-	-	21,111
Restricted for:					
Public safety	10,678	-	-	-	10,678
Capital projects	-	-	-	197,263	197,263
Economic development	-	-	183,479	-	183,479
Assigned for:					
Capital improvements	149,974	-	-	-	149,974
Unassigned	1,419,963	-	-	-	1,419,963
Total fund balances	1,601,726	-	183,479	197,263	1,982,468
Total liabilities and fund balances	$ 1,719,321	$ 7,904	$ 183,479	$ 248,035	$ 2,158,739

See accompanying notes to financial statements.

CITY OF OAKWOOD, GEORGIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION DECEMBER 31, 2017

Amounts reported for governmental activities in the Statement of Activities (pages 22 & 23) are different because:		
Total fund balance - total governmental funds (page 24)		$ 1,982,468
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
Net pension liability	(1,829,223)	(1,829,223)
Deferred outflows of resources:		
Pension related items	547,859	547,859
Deferred inflows of resources:		
Pension related items	(36,268)	(36,268)
Debt principal is a liability in the governmental activities but is not shown in Governmental Funds. Also see Note 7. Long-Term Debt for additional detail		(3,622,439)
Accrued interest on outstanding debt is a liability in the governmental activities but is not shown in Governmental Funds.		(32,366)
Capital assets of $24,017,070, net of accumulated depreciation of $5,591,196, are not financial resources and, therefore, are not reported in the funds. See Note 5. Capital Assets for additional detail.		18,425,874
Change in net position - governmental activities (pages 22 & 23)		$ 15,435,905

See accompanying notes to financial statements.

CITY OF OAKWOOD, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017

	General Fund	Hotel/Motel Tax Fund	Tax Allocation District Fund	SPLOST Fund	Total Governmental Funds
Revenues:					
Taxes	$ 3,121,693	$ 97,534	$ -	$ -	$ 3,219,227
Fines and forfeitures	550,152	-	-	-	550,152
Licenses and permits	393,338	-	-	-	393,338
Charges for services	69,408	-	-	-	69,408
Intergovernmental	431,680	-	-	592,564	1,024,244
Investment earnings	-	-	92	145	237
Other	38,326	-	64,897	-	103,223
Total revenues	4,604,597	97,534	64,989	592,709	5,359,829
Expenditures:					
Current:					
General government	768,955	-	-	-	768,955
Public safety	1,604,431	-	-	-	1,604,431
Public works	1,226,718	-	-	-	1,226,718
Recreation and culture	75,625	-	-	-	75,625
Housing and development	325,604	-	-	-	325,604
Capital Outlay	-	-	-	679,926	679,926
Debt service:					
Principal	478,025	-	20,671	-	498,696
Interest costs	154,032	-	29,370	-	183,402
Finance charges	-	-	-	-	-
Total expenditures	4,633,390	-	50,041	679,926	5,363,357
Excess (deficiency) of revenues over expenditures	(28,793)	97,534	14,948	(87,217)	(3,528)
Other financing sources (uses):					
Transfers in	507,123	-	-	-	507,123
Proceeds from sale of capital assets	7,191	-	-	-	7,191
Proceeds from debt issuance	-			-	-
Transfers out	-	(97,534)	(74,857)	(278,933)	(451,324)
Total other financing sources (uses)	514,314	(97,534)	(74,857)	(278,933)	62,990
Net change in fund balance	485,521	-	(59,909)	(366,150)	59,462
Fund balances, beginning	1,116,205	-	243,388	563,413	1,923,006
Fund balances, ending	$ 1,601,726	$ -	$ 183,479	$ 197,263	$ 1,982,468

See accompanying notes to financial statements.

CITY OF OAKWOOD, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Amounts reported for governmental activities in the statement of activities (page 22 & 23) are different because:		
Net change in fund balances - Governmental Funds (page 26)	$	59,462
Governmental funds report principal payments on debt as expenditures. However, in the statement of net position, these payments are shown as a reduction in long-term debt.		498,696
Governmental funds do not report interest accrued on long-term debt as expenditures. However, in the statement of net position, these payments are shown as a current liability.		(32,366)
Capital assets sold are reflected as financing sources on the governmental funds		-
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of $1,381,764 exceeded depreciation of $736,367 in the current period.		645,397
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds.		51,536
Net position of governmental activities (pages 22 & 23)	$	1,222,725

See accompanying notes to financial statements.

CITY OF OAKWOOD, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	Sewer Enterprise Fund
Assets:	
Cash	$ 100,116
Due from other governments	130,711
Prepaids	1,985
Total current assets	232,812
Noncurrent assets	
Land and construction in progress	10,950
Other capital assets, net of accumulated depreciation	12,560,008
Total capital assets	12,570,958
Total assets	12,803,770
Liabilities:	
Current Liabilities:	
Accounts payable	22,223
Accrued interest payable	120,010
Bonds payable, due within one year	495,000
Premium on bonds payable - current	41,150
Total current liabilities	678,383
Long-term liabilities (net of current portion):	
Premium on bonds payable - non-current	859,069
Bonds payable, non-current	8,365,000
Total non-current liabilities	9,224,069
Total liabilities	9,902,452
Net position:	
Net Investment in capital assets	2,690,729
Unrestricted (deficit)	210,589
Total net position	$ 2,901,318

See accompanying notes to financial statements.

CITY OF OAKWOOD, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Sewer Enterprise Fund
Operating revenues:	
Charges for services:	
Capacity/connect charges	$ 576,881
Other revenues	-
Miscellaneous	-
Total operating revenues	576,881
Operating expenses:	
Cost of services	84,737
Depreciation	398,378
Total operating expenses	483,115
Operating income (loss)	93,766
Non-operating revenues (expenses):	
Amortization of bond premium	41,150
Interest on bonds, notes and lease obligations	(269,335)
Total non-operating revenues (expenses)	(228,185)
Income (loss) before contributions and transfers	(134,419)
Other financing sources (uses):	
Capital contributions, developers	-
Capital contributions, other	-
Transfers from other funds	278,933
Transfers to other funds	(334,732)
Total other financing sources (uses):	(55,799)
Change in net position	(190,218)
Net position, beginning of year	3,091,536
Net position, end of year	$ 2,901,318

See accompanying notes to financial statements.

CITY OF OAKWOOD, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Sewer Enterprise Fund
Cash flows from (to) operating activities:	
Cash received from customers	$ 576,881
Cash payments to suppliers for goods and services	(84,737)
Cash payments to employees	-
Net cash from (to) operating activities	492,144
Cash flows from (to) noncapital financing activities:	
Grants received	-
Transfers from other funds	278,933
Transfers to other funds	-
Net cash from (to) noncapital financing activities	278,933
Cash flows from (to) capital and related financing activities:	
Proceeds from debt issuance	-
Acquisition and construction of capital assets	(371,993)
Principal paid on bonds notes, and lease obligations	(405,000)
Interest paid on bonds notes, and lease obligations	(149,326)
Proceeds from the sale of capital assets	-
Capital contributions, other	-
Capital grants received	-
Net cash from (to) capital and related financing activities	(926,319)
Cash flows from (to) investing activities:	
Investment income	-
Net cash from (to) investing activities	-
Net increase (decrease) in cash	(155,242)
Cash at beginning of year	255,358
Cash at end of year	$ 100,116

See accompanying notes to financial statements.

CITY OF OAKWOOD, GEORGIA

STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR DECEMBER 31, 2017

	Sewer Enterprise Fund
Reconciliation of operating income (loss) to net cash from (to) operating activities	
Operating income (loss)	$ 93,766
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	398,378
Non-cash operating revenues (expenses)	-
Non-operating revenue (expense)	-
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	-
(Increase) decrease in due from other funds	-
Increase (decrease) in accounts payable	-
Increase (decrease) in accrued interest payable	-
Increase (decrease) in deferred revenue	-
Increase (decrease) in customer deposits	-
Increase (decrease) in other liabilities	-
Net cash from (to) operating activities	$ 492,144

See accompanying notes to financial statements.

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City was incorporated in 1903 and operates under a city council/manager form of government. Policy making and legislative authority are vested in the Mayor and five council members. The City Manager is responsible for the daily operations of all City departments. The City provides basic services which include general government, public safety, public works, health and welfare, culture and recreation, and housing and development. Sewer management services are also provided.

The accompanying financial statements present the City (the primary government) and its component units, entities for which the City is considered to be financially accountable.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities**)** report information on all of the non-fiduciary activities of the primary government and its component unit. Fiduciary activities of the City are reported only in the fund financial statements. For the most part, the effect of inter-fund activity has been removed from the government-wide statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from its legally separate *component unit* for which the primary government is financially accountable.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Agency funds have no measurement focus; however, they use the accrual basis of accounting to recognize assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

Property taxes, sales taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund – Reports as the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

Hotel/Motel (Special Revenue) Tax Fund – Reports the financial resources and expenditures of the Hotel/Motel taxes.

Tax Allocation Fund (TAD) – Accounts for tax allocation funds from the City and County to be used for land acquisition and capital improvements in the TAD district.

SPLOST Fund (Capital Projects Fund) – Reports financial resources related to Special Purpose Local Option Sales Tax.

The City reports the following proprietary fund:

Sewer Fund – Reports resources related to the activities of the sewer system.

D. Budgets

Formal budgetary accounting is employed as a management control device for the general fund, special revenue funds, and capital projects funds of the City. The governmental fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the general fund. Project-length budgets are adopted for the capital projects funds. During the fiscal year ended December 31, 2017, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All budget appropriations lapse at the end of each year.

E. Cash and Investments

Amounts reported as cash by the City in the accompanying financial statements include cash on hand and on deposit with financial institutions.

State of Georgia statutes require all financial institution deposits and investments in excess of the federal depository insured amount to be fully collateralized by an equivalent amount of state or U.S. obligations. State of Georgia statutes authorize the City to invest in (1) U.S. Government obligations; (2) U.S. Government agency obligations; (3) obligations of the State of Georgia; (4) obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated “AA” or better by Moody’s Investor’s Service, Inc.; (5) negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; (6) repurchase agreements when collateralized by U.S. Government or agency obligations; and (7) pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Investments are reported at fair value as determined by quoted market prices. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the fiscal year in which services are consumed. Prepaid items reported in the governmental funds are equally offset by non-spendable fund balance which indicates that they do not constitute “available, spendable resources.”

H. Capital Assets

Capital assets, which include buildings, improvements, machinery and equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The City has reported all infrastructures that it currently owns and has a responsibility for maintaining. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

Capital assets of the City are depreciated using the straight line method over the following useful lives:

Asset Class	Years
Buildings	30
Building improvements	30
Improvements, other than building	12
Equipment/Computers	5-7
Furniture and fixtures	7
Vehicles	5-7
Infrastructure	20

Fully depreciated assets still in service are carried in the capital asset accounts.

I. Capitalized interest

Interest costs are capitalized on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs, in determining the amount to be capitalized.

J. 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 and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

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 and so will not be recognized as an inflow of resources (revenue) until that time.

K. Compensated Absences

The City's policy allows employees meeting eligibility requirements to accumulate earned but unused vacation leave benefits up to a maximum of 280 hours. Employees who have completed six months of satisfactory job performance are reimbursed for accumulated vacation benefits upon separation of service. The City did not record a liability for accumulated vacation at December 31, 2017. Accrued, but unpaid, sick leave at year end is not recorded as a liability as it is contingent upon employees' future illness and is not paid upon separation of service.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities of the primary government under governmental activities in the Statement of Net Position.

In the fund financial statements, governmental fund types recognize the face amount of the debt issued as other financing sources and the repayment of debt as debt service expenditures.

M. Inter-fund Transactions and Balances

Quasi-external transactions are accounted for as revenues and expenditures and are not eliminated. The City had no quasi-external transactions during the year.

Transactions that constitute reimbursement to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Outstanding inter-fund balances at year end related to such reimbursements, as well as activity between funds representative of lending/borrowing arrangements, are reported as "due to/from other funds" in the governmental fund financial statements. All other inter-fund transactions are reported as transfers. At year end, all inter-fund balances outstanding and all transfers among governmental funds are eliminated in the government-wide statements. Receipts and/or payments to or from other governmental units, not included in the reporting entity of the City, are not reported as transfers, but rather according to the purpose for which the receipt or payment is made.

N. Fund Balance

Fund balances of governmental funds are presented in various classifications that comprise a hierarchy which is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental

funds can be spent. Descriptions and the City's policies with respect to these classifications are as follows:

Non-spendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified prepaid items as non-spendable as these items are not resources in spendable form.

Restricted: This classification includes amounts that are restricted to specific purposes whereby constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City's special revenue and capital projects funds are legally restricted to expenditures for specific purposes. For reporting purposes, the City considers the cash balance of police condemnation or seized funds, where the case(s) have been adjudicated to be restricted for public safety purposes only.

Committed: This classification includes amounts that can be used only for specific purposes determined by a formal action of City Council, the City's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use. A resolution by City Council is required (prior to the end of the reporting period) when establishing, modifying or rescinding a fund balance commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the City's intent to use for specific purposes, but are neither restricted nor committed. The City Council has retained, for itself, the authority to assign or earmark funds for specific use. However, unlike commitments, assignments do not require a formal action and generally only exist temporarily. This classification also includes all remaining positive fund balance for all governmental funds other than the General Fund.

Unassigned: This classification includes the residual fund balance for the General Fund. It 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 Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

The City's policy would be to use restricted fund balances first when expenditure is made for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Otherwise, it is the City's policy to reduce committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are made for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

O. Net Position

Net position in financial reporting is based on the *economic resources measurement focus* and represents the difference between (a) total assets and deferred outflows of resources and (b) total liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those

assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. The remaining portion of net position is reported as unrestricted.

The City's policy would be to use restricted net position first when expenditure is made for purposes for which both restricted and unrestricted net position is available.

P. Use of Estimates

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

NOTE 2. LEGAL COMPLIANCE – BUDGETS

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund.

Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the Finance Director and the City Manager. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not employed by the City.

As shown in the accompanying budgetary comparison schedules for the General Fund and non-major special revenue funds, departmental expenditures did not exceed appropriated budget amounts during the current year.

NOTE 3. DEPOSITS

Cash on the accompanying financial statements includes cash on hand, demand deposits and money market accounts on deposit with financial institutions. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. At December 31, 2017, the City had no cash deposits that were exposed to custodial credit risk.

	Category			Bank	Carrying
	1	2	3	Balance	Amount
Primary Government					
Governmental Activities					
General Fund	$ 1,320,446	$ -	$ -	$ 1,320,446	$ 1,143,465
TAD Fund	183,479	-	-	183,479	183,479
SPLOST	248,035	-	-	248,035	248,035
Business-Type Activities					
Sewer Fund	102,168	-	-	102,168	100,116

NOTE 4. RECEIVABLES

The City bills and collects its own property taxes. Property taxes are generally levied on December 1st of each year, with the bills being payable and payable by February 1st. All unpaid taxes become delinquent and subject to lien on February 1st. Property taxes receivable at year end is estimated based on the tax levy, less amounts collected prior to December 31, 2017. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually for collectability.

Receivables for the City's individual major funds and non-major funds at December 31, 2017 are as follows:

	General	Hotel/Motel Tax Fund	TAD Fund	SPLOST Fund	Total Governmental Funds	Sewer
Receivables:						
Property taxes	$ 286,089	$ -	$ -	$ -	$ 286,089	$ -
Franchise taxes	126,437	-	-	-	126,437	-
Excise taxes	25,842	7,904	-	-	33,746	-
Intergovernmental	108,473	-	-	-	108,473	130,711
Net total receivable	$ 546,841	$ 7,904	$ -	$ -	$ 554,745	$ 130,711

Accounts receivable consist primarily of franchise and excise taxes, along with any other amounts due to the City as of December 31, 2017, for services rendered. The franchise taxes are gas utility franchise taxes received after December 31.The excise taxes are alcohol excise taxes and Hotel Motel excise taxes remitted after December 31, 2017, but were collected by retail or lodging establishments from their customers in 2017.

NOTE 5. CAPITAL ASSETS

Primary Government

Capital asset activity for the year ended December 31, 2017, was as follows:

	CAPITAL ASSETS, NOT DEPRECIATED		CAPITAL ASSETS, DEPRECIATED			
	Land	Construction in Progress	Buildings	Improvements Other Than Buildings	Furniture, Machinery and Equipment	Total
Primary Government						
Governmental Activities						
Balance, December 31, 2016	$ 5,919,773	$ 1,603,137	$ 1,546,085	$ 12,088,848	$ 1,819,648	$ 22,977,491
Increases	-	580,937	-	720,179	80,647	1,381,763
Decreases	-	-	-	-	(342,185)	(342,185)
Balance, December 31, 2017	5,919,773	2,184,074	1,546,085	12,809,027	1,558,110	24,017,069
Accumulated Depreciation						
Balance, December 31, 2016	-	-	738,623	2,812,964	1,645,427	5,197,014
Increases	-	-	50,915	617,410	68,041	736,366
Decreases	-	-	-	-	(342,185)	(342,185)
Balance, December 31, 2017	-	-	789,538	3,430,374	1,371,283	5,591,195
Governmental Activities						
Capital Assets, Net	5,919,773	2,184,074	756,547	9,378,653	186,827	18,425,874
Business-type Activities						
Balance, December 31, 2016	-	4,901,225	-	9,375,447	-	14,276,672
Increases	-	10,950	-	250,571	-	261,521
Decreases	-	(4,901,225)	-	4,901,225	-	-
Balance, December 31, 2017	-	10,950	-	14,527,243	-	14,538,193
Accumulated Depreciation						
Balance, December 31, 2016	-	-	-	1,568,857	-	1,568,857
Increases	-	-	-	398,378	-	398,378
Decreases	-	-	-	-	-	-
Balance, December 31, 2017	-	-	-	1,967,235	-	1,967,235
Business-type Activities						
Capital Assets, Net	-	10,950	-	12,560,008	-	12,570,958
Primary Government						
Capital Assets, Net	$ 5,919,773	$ 2,195,024	$ 756,547	$ 21,938,661	$ 186,827	$ 30,996,832

Depreciation Expense

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities		Business-type Activities	
General government	$ 51,809	Sewer	$ 398,378
Public safety	52,031		
Culture and recreation	4,776		
Public works - Street	627,751		
Public works - Solid Waste	-0-		
Total	$ 736,366		

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2017, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Hotel Motel Tax Fund	$ 7,904

The outstanding balances between funds primarily result from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All inter-fund balances are expected to be repaid within one year from the date of the financial statements.

Transfers between funds during the year ended December 31, 2017, were as follows:

Transfer to/from Other Funds:

Transfers In	Transfers Out	Amount
General Fund	Hotel/Motel Tax Fund	$ 97,534
General Fund	TAD Fund	74,857
General Fund	Sewer Fund	334,732
Sewer Fund	SPLOST Fund	278,933

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) provide unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 7. LONG-TERM DEBT

Governmental activities

The following is a summary of long-term debt activity for the year ended December 31, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government Activities					
Bonds payable	$ 2,227,255	$ -	$ (351,900)	$ 1,875,355	$ 417,400
Notes payable	1,893,880	-	(146,796)	1,747,084	156,010
Net pension liability	2,135,087	346,572	(652,436)	1,829,223	-
Governmental activities Long-term liabilities	$ 6,256,222	$ 346,572	$ (1,151,132)	$ 5,451,662	$ 573,410

For governmental activities, the net pension liability is liquidated by the General Fund.

The debt terms and debt service requirements are noted as follows:

Bond payable for $3,500,000 dated December 16, 2007 to provide funding for road projects. The bonds called for interest only payments, semi-annually, commencing June 1, 2008 through June 1, 2011. Principal and interest was then due on June 1 and December 1 each year in varying amounts from December 1, 2011 through December 1, 2020 at a rate of 4.41% per annum.

On December 1, 2013, the terms of the debt were modified, resulting in a principal and interest payment in February, 2014 and subsequent principal and interest payments to be made semi-annually in February and August of each year. At December 31, 2017, the principal balance due on this debt is $1,875,355.

Fiscal year ending December 31,	Principal	Interest	Total
2018	$ 417,400	$ 82,598	$ 499,998
2019	435,800	64,190	499,990
2020	500,000	44,970	544,970
2021	522,155	22,922	545,077
Total	$ 1,875,355	$ 214,680	$ 2,090,035

Note payable for $1,480,000 dated January 30, 2009 for the purchase of seventeen and a half (17.5) acres of land. This land was acquired to facilitate the future development of a city town center as part of the Oakwood 2030 Master Plan. The note matures on July 1, 2025 with an initial interest rate of five (5.0%) percent on the unpaid balance. The note has structured payments as follows: Monthly payments of $15,697.70 beginning August 1, 2015 and ending July 1, 2018. On July 1, 2018, the interest is adjusted to be calculated as the “prime rate”, as established by the Wall Street Journal, for the period of July 1, 2018

through July 1, 2021. The maximum increase from one year to the next cannot be greater than one (1.0%) percent. On July 1, 2021, the interest rate resets under the aforementioned terms for the period of July 1, 2021 through July 1, 2025. At no time during the term of this promissory note shall the interest rate drop below five (5%) percent. The principal amount due at December 31, 2017 is $1,176.103.

Fiscal year ending December 31,	Principal	Interest	Total
2018	132,578	55,794	188,372
2019	139,361	49,011	188,372
2020	146,491	41,881	188,372
2021	153,986	34,387	188,373
2022	161,864	26,508	188,372
2021- 2028	441,823	29,108	470,931
Total	$ 1,176,103	$ 236,689	$ 1,412,792

Note payable for $655,454 dated December 20, 2012 for the acquisition of a four (4) acre tract of land. This land was also acquired for the future development of a city town center. The note initially called for thirty-six (36) interest monthly payments at 4.5% per annum beginning January 20, 2013. Commencing on January 20, 2016, two-hundred forty (240) monthly payments would commence, with a final payment of the balance of principal and interest on December 20, 2035. These payments have an adjustable interest rate of “prime” plus one and one-quarter (1.25%) recalculated on the 20th of each month. At December 31, 2017, the principal amount due is $570,981.

Fiscal year ending December 31,	Principal	Interest	Total
2018	23,432	26,610	50,042
2019	24,569	25,472	50,041
2020	25,762	24,279	50,041
2021	27,013	23,029	50,042
2022	28,324	21,717	50,041
2021- 2028	163,632	86,575	250,207
2029- 2034	207,400	42,806	250,206
2035- 2040	70,849	2,632	73,481
Total	$ 570,981	$ 253,120	$ 824,101

Business-type activities

The following is a summary of activities long-term debt activity for the year ended December 31, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Bonds payable	$ 9,265,000	$ -	$ (405,000)	$ 8,860,000	$ 495,000
Plus: Premiums	941,369	-	(41,150)	900,219	41,150
Total bonds payable	10,206,369	-	(446,150)	9,760,219	536,150
Notes Payable	-	-	-	-	-
Business-type activities					
Long-term liabilities	$ 10,206,369	$ -	$ (446,150)	$ 9,760,219	$ 536,150

The debt terms and debt service requirements are noted as follows:

Bonds payable to Georgia Environmental Facilities Authority (GEFA) in the original amount of $9,265,000 on July 1, 2016. These were refunding revenue bonds used to retire two (2) original GEFA notes. This note calls for twenty-one (21) annual payments of varying amounts at 2-4% per annum. The principal amount due at December 31, 2017 was $8,860,000.

Fiscal year ending December 31,	Principal	Interest	Total
2018	$ 495,000	$ 290,550	$ 785,550
2019	505,000	280,650	785,650
2020	515,000	270,550	785,550
2021	525,000	260,250	785,250
2022	540,000	244,500	784,500
2021- 2028	2,940,000	981,300	3,921,300
2029- 2034	2,635,000	407,600	3,042,600
2035- 2040	705,000	85,000	790,000
Total	$ 8,860,000	$ 2,820,400	$ 11,680,400

NOTE 8. RETIREMENT BENEFITS

The City participates in the Social Security Administration benefits plan, which is administered by others, is a separate legal entity and is not included in the City's financial statements.

The Georgia Municipal Employees Benefit System (GMEBS) Plan

The City also participates in the Georgia Municipal Employees Benefit System (GMEBS) Retirement Fund, an agent multiple-employer defined benefit plan where contributions made by the City are commingled with contributions made by the other participants of the GMEBS Retirement Fund for investment purposes. The Plan periodically issues an overall report to the required agencies. A stand-alone financial report can be obtained at City Hall. The City implemented and adopted GASB 68 In the current year.

The specific benefit provisions of the City's Plan were established by an adoption agreement executed by the City Council. The plan provides for benefits upon retirement, death, disablement, and termination of employment. The Plan is affiliated with the Georgia Municipal Association (GMA). The City Council retains the authority to amend the adoption agreement, which defined the specific operational provisions of The Plan.

Plan Description. The City, as authorized by the City Council, has established a non-contributory defined benefit pension plan (The City of Oakwood Retirement Plan), covering substantially all of the City's employees. The City's pension plan is administered through the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia's Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive 1.5% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The City Council has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the employer and its plan members. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Plan Membership as of June 30, 2016, the date of the most recent actuarial valuation, there were 12 participants consisting of the following:

Inactive plan members for beneficiaries currently receiving benefits	9
Inactive plan membership entitled to but not receiving benefits	17
Active plan members	25
	51

Contributions: The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan The funding policy for the Plan, as adopted by the City Council, Is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the cost of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability

The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. For the fiscal year ended December 31. 2017, the City's contribution rate was 38.1% of annual payroll.

City contributions to the Plan were $457,568 for the fiscal year ended December 31. 2017. Employees of the City do not contribute to the Plan.

Eligibility: Participation is available immediately beginning with the date of employment for all full-time employees who work at least thirty hours a week. Elected officials are also covered. Employee benefits fully vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 1.5% of final average earnings.

An employee may elect early retirement at the age of 55 provided he has a minimum of ten years total credited service. Retirement between the ages of 55-65, will result in a reduced monthly benefit. To receive full benefits, an employee must be age 65 with at least five years of service. The benefit is based on the highest five year's average earnings. Employees do not contribute toward the plan.

Net Pension Liability of the City

Effective July 1, 2015, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27*, which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The City's net pension liability was measured as of March 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2017 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2015.

Actuarial assumptions. The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	0.00%
Salary increases	3.25%
Investment rate of return	7.75%

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.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study tor the period January 1, 2010 - June 30, 2014.

Cost of living adjustments were assumed to be 0.00% although the Plan allowance tor annual cost of living adjustment is variable, as established by the City Council, in an amount not to exceed 4%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2017 are summarized in the following:

Asset Class	Target Allocation	Long-Term Expected real Rate of return*
Domestic equity	45%	6.71%
International equity	20%	7.71%
Fixed income	25%	5.47%
Real estate	10%	5.21%
Cash	0%	
Total	100%	

(*) Rates are shown net of pension plan investment expense and assumed inflation of 3.25%.

Discount rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, which is zero, and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended December 31, 2017, were as follows:

	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances at December 31, 2016	**$ 4,644,610**	**$ 2,509,523**	**$ 2,135,087**
Changes for the year:			
Service cost	91,074	-	91,074
Interest	350,714	-	350,714
Differences between expected and actual experience	(39,758)	-	(39,758)
Assumption changes	-	-	-
Contributions - employer	-	395,328	(395,328)
Net investment income	-	323,856	(323,856)
Benefit payments, including refunds to employee contributions	(238,534)	(238,534)	-
Administrative expense and other	-	(11,290)	11,290
Net changes	**163,496**	**469,360**	**(305,864)**
Balances at December 31, 2017	**$ 4,808,106**	**$ 2,978,883**	**$ 1,829,223**

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

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.75 percent, as

well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.75 percent) or 1 percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	$ 2,412,307	$ 1,829,223	$ 1,339,492

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2017 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2017, the City recognized pension expense of $346,572.

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 179,482	$ (29,820)
Changes in assumptions	8,840	-
Net difference between projected and actual earnings on pension plan investments	-	(6,448)
City contributions subsequent to the measurement date	359,537	-
Total	$ 547,859	$ (36,268)

City contributions subsequent to the measurement date of $359,537 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2018	$ 93,618
2019	82,034
2020	1,148
2021	(24,746)
Thereafter	-
Total	$ 152,054

NOTE 9. SPECIAL FUNDING DEFINED BENEFIT PENSION PLAN

Peace Officers' Annuity and Benefit Fund of Georgia

The City's police officers are covered by the State of Georgia Peace Officers' Annuity and Benefit Fund (POAB). The City makes no contribution to this plan. Contributions to this plan are collected by the City as the agent for this fund through it court system. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia located at 1210 Greenbelt Parkway in Griffin, Georgia. Detailed information about the plans' fiduciary net position is available in separately issued financial reports that can be obtained at www.poab.georgia.gov (POAB).

NOTE 10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As a member of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

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

The City carries commercial insurance for other risks of loss. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the past three years.

NOTE 11. HOTEL/MOTEL LODGING TAX

The City imposes a 5% hotel/motel excise tax on lodging facilities within the City. According to Georgia statute (O.C.G.A. 48-13-51), all lodging taxes levied of 3% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the year ended December 31, 2017, the City received $99,567 in hotel/motel taxes. Of this amount, $39,014, or 40%, was used for the promotion of tourism, conventions and trade shows.

NOTE 12. INVESTMENT ASSISTANCE PROGRAM

The Gainesville and Hall County Development Authority (the "Authority") can enter into agreements for industrial projects to encourage the creation jobs and new capital investment through an "Investment Assistance Program." Each agreement provides a property tax benefit to the company through a schedule of discounted valuation that reduces, for ad valorem tax purposes, the fair market value of real and personal property that is held by the Authority and leased to the company. Georgia case law and the Authority's enabling legislation provide the Authority with the power to enter into such agreements with private companies.

The Authority may accept title to real and personal property assets from a company in return for job creation and capital investment, and provide a tax benefit to the company through a lease agreement with the Authority. In considering eligibility for providing this benefit to a company, the Authority reviews and gives strong consideration to the recommendation from the Investment Assistance Committee of the Gainesville-Hall County Economic Development Council. The Investment Assistance Committee is a 16-member advisory committee of representatives from the City of Gainesville School District, the Hall County School District, Hall County, the cities of Gainesville, Flowery Branch, Oakwood and Lula and the Authority. The Investment Assistance Committee has a set of eligibility criteria for considering economic development projects that includes the following criteria:

1. Eligible businesses can include new and existing industrial businesses.
2. But for an incentive agreement, the company would not create the jobs and investment in the community.
3. The investment should be at least $10,000,000 in real and personal property.
4. The average wage of the business' employees should be above the average wage of goods producing employees in Hall County.
5. The business should offer medical benefits to all employees.
6. The impacts to job retention will be considered for each expansion project.
7. As a condition of assistance, a business will be required to work with the Gainesville and Hall County Development Authority to convey title to the Authority.

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. The Authority monitors compliance with performance and accountability agreements to ensure the companies meet their commitments.

For the City of Oakwood's fiscal year ended December 31, 2017, the cumulative property tax not collected by the City of Oakwood due to incentive agreements was $34,153, and $39,387 was paid to the City of Oakwood through incentive agreements for the same period. Such agreements in effect for Oakwood resulted in an estimated $120 million in new capital investment and more than 600 new jobs. The Authority recently commissioned an economic impact analysis of the jobs and capital investment created in Oakwood as a result of incentive agreements, and the study estimated an annual economic benefit to Hall County of $37,468,000 of direct and indirect economic benefits to the community as a result of industrial project supported by the incentive agreements in place in the City of Oakwood.

NOTE 13. COMMITMENTS AND CONTINGENCIES

The City has entered into several public/private contractual partnerships for outsourced services and operations. Through these contracts with the private companies, an array of operational services are provided via outsourcing. These contracts are operating contracts for which the City is continually monitoring its outsourcing needs as compared to the cost of providing these services in-house. Currently, the cost of these contracts is approximately $555,328 annually.

In addition to the liabilities enumerated in the balance sheet, at June 30, 2017, the City has contractual commitments on uncompleted contracts of $184,860.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

In 2017, the City decommissioned its former fueling site, which contained an underground fuel storage tank. Under the purview of the Georgia Environmental Protection Division (EDP), the necessary site clean-up and removal of soil and tank contaminates has been completed. Preliminary testing has also been completed, and the site will undergo subsequent testing and monitoring for the next several years. To date, the City has expended $12,322 in this effort, and the City expects to be reimbursed for all cost in excess of $10,000, including continued monitoring, by the State's Georgia Underground Storage Tank (GUST) Trust Fund, which is designated for such activities and expenditures.

NOTE 14. FUND BALANCE

Fund balances of governmental funds at December 31, 2017, as presented in the accompanying governmental funds balance sheet, are classified as follows:

Non-spendable: Amounts that are either not in spendable form or they are legally or contractually required to be maintained intact.

Restricted: Amounts that can be spent only for specific purposes as imposed by state or federal laws or constraints imposed by grantors or creditors.

Assigned: Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned: All amounts not included in other spendable classifications for the General Fund and negative residual fund balances of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The details of fund balance at December 31, 2017, are as follows:

General Fund – Prepaid items totaling $21,111 are considered non-spendable fund balance. Additionally, $10,678 (police condemnation funds) of fund balance is considered restrict for public safety purposes. Any claims have been adjudicated and the resulting funds must be expended for public safety purposes. Additionally, the City has assigned $149,974 for capital improvements. The residual balance of $1,419,963 is classified as unassigned fund balance.

Restricted Fund Balances:

Special Revenue Funds:

Hotel/Motel Fund	Promote tourism, conventions and trade shows	$ 0
Tax Allocation District (TAD) Fund	Land acquisition and capital improvements in the district	$ 183,479
SPLOST Fund	Streets, sidewalks, sewer, machinery and equipment, vehicles, and other purposes	$ 197,263

NOTE 15. RESTRICTED ASSETS

Restrictions on cash in the government-wide Statement of Net Position at December 31, 2017, are as follows:

Governmental activities:

Restricted cash:

General Fund	Restricted for law enforcement purposes	$ 13,124
	Funds held in escrow from developers to facilitate improvements to roads and/or sidewalks	56,381
	Balance of grant funds	100
Total restricted cash		$ 69,605

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OAKWOOD, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (GAAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget				Variance with
	Original	Revisions	Final	Actual	Final Budget
Revenues:					
Taxes:					
Property taxes	$ 1,274,000	$ -	$1,274,000	$ 1,433,412	$ 159,412
Sales taxes	630,000	-	630,000	650,279	20,279
Insurance premium taxes	235,000	-	235,000	261,125	26,125
Alcohol beverage taxes	325,000	-	325,000	325,645	645
Franchise taxes (fees)	260,000	-	260,000	362,502	102,502
Financial institution tax	44,600	-	44,600	56,286	11,686
Other taxes	29,000	-	29,000	32,444	3,444
Total taxes	2,797,600	-	2,797,600	3,121,693	324,093
Licenses and permits:					
Alcohol licenses	46,500	(5,996)	40,504	40,504	-
Business licenses	100,500	-	100,500	108,542	8,042
Building permits	170,000	-	170,000	178,548	8,548
Other licenses and permits	26,500	-	26,500	65,744	39,244
Total Licenses and permits	343,500	(5,996)	337,504	393,338	55,834
Charges for services:					
Rent	24,200	4,000	28,200	28,166	(34)
Other charges for service	47,150	(7,000)	40,150	41,242	1,092
Total charges for services	71,350	(3,000)	68,350	69,408	1,058
Intergovernmental	74,664	288,281	362,945	431,680	68,735
Fines and forfeitures	559,100	(9,000)	550,100	550,152	52
Investment income	-	-	-	-	-
Contributions and donations	2,500	2,000	4,500	4,829	329
Other revenues	-	5,000	5,000	5,225	225
Miscellaneous	20,000	8,000	28,000	28,272	272
Total revenues before prior year fund balance	3,868,714	285,285	4,153,999	4,604,597	450,598
Fund Balance					
Appropriated for current year	-	-	-	-	-
Reappropriated for prior year commitments	-	-	-	-	-
Total revenues and prior year fund balance	$ 3,868,714	$ 285,285	$4,153,999	$ 4,604,597	$ 450,598

CITY OF OAKWOOD, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (GAAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget				Variance with
	Original	Revisions	Final	Actual	Final Budget
Expenditures:					
Current:					
General government					
Mayor and council	146,369	(21,926)	124,443	124,443	-
General Administration	609,369	35,143	644,512	644,512	-
Contingency	-	-	-	-	-
Total general government	755,738	13,217	768,955	768,955	-
Public safety					
Police department	1,560,093	44,338	1,604,431	1,604,431	-
Total public safety	1,560,093	44,338	1,604,431	1,604,431	-
Public works					
Streets	485,588	700,832	1,186,420	1,186,420	-
Solid Waste	39,773	525	40,298	40,298	-
Total public works	525,361	701,357	1,226,718	1,226,718	-
Recreation and culture					
Community Services	108,924	(33,299)	75,625	75,625	-
Total recreation and culture	108,924	(33,299)	75,625	75,625	-
Housing and development					
Community development	83,400	144,458	227,858	227,858	-
Economic development	265,400	(167,654)	97,746	97,746	-
Total housing and development	348,800	(23,196)	325,604	325,604	-
Debt service					
Principal	477,502	523	478,025	478,025	-
Interest	153,296	736	154,032	154,032	-
Total debt service	630,798	1,259	632,057	632,057	-
Total expenditures	3,929,714	703,676	4,633,390	4,633,390	-
Deficiency of revenues over expenditures	(61,000)	(418,391)	(479,391)	(28,793)	450,598
Other financing sources (uses):					
Proceeds from issuance of debt	-	-	-	-	-
Proceeds from sale of capital assets	-	7,191	7,191	7,191	-
Transfers in	91,000	406,933	497,933	507,123	9,190
Transfers out	(30,000)	4,267	(25,733)	-	25,733
Total other financing sources (uses)	61,000	418,391	479,391	514,314	34,923
Net change in fund balances	-	-	-	485,521	485,521
Fund balance, beginning	1,116,205	1,116,205	1,116,205	1,116,205	-
Fund balance, ending	$ 1,116,205	$ 1,116,205	$ 1,116,205	$ 1,601,726	$ 485,521

CITY OF OAKWOOD, GEORGIA
TAD (TAX ALLOCATION DISTRICT) FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (GAAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget				Variance with
	Original	Revisions	Final	Actual	Final Budget
Revenues:					
Tax Increment	$ 67,508	$ -	$ 67,508	$ 64,897	$ (2,611)
Miscellaneous	-	-	-	-	-
Investment income	-	-	-	92	92
Total revenues	67,508	-	67,508	64,989	(2,519)
Expenditures:					
Current:					
Housing and development					
Planning and development	-	-	-	-	-
Economic development	17,467	-	17,467	-	(17,467)
Total housing and development	17,467	-	17,467	-	(17,467)
Debt service					
Principal retirements	20,671	-	20,671	20,671	-
Interest	29,370	-	29,370	29,370	-
Total debt service	50,041	-	50,041	50,041	-
Total expenditures	67,508	-	67,508	50,041	(17,467)
Deficiency of revenues over expenditures	-	-	-	14,948	14,948
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(74,857)	(74,857)
Total other financing sources (uses)	-	-	-	(74,857)	(74,857)
Net change in fund balances	-	-	-	(59,909)	(59,909)
Fund balance, beginning	-	243,388	243,388	243,388	-
Fund balance, ending	$ -	$ 243,388	$ 243,388	$ 183,479	$ (59,909)

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
AS OF DECEMBER 31, 2017

	2017	2016	2015
Total Pension Liability			
Service cost	$ 91,074	$ 89,199	$ 100,023
Interest on total pension liability	350,714	309,141	289,436
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(39,758)	353,477	10,974
Other	-	-	35,359
Benefit payments, including refunds of employee contributions	(238,534)	(192,250)	(170,822)
Net change in total pension liability	**163,496**	**559,567**	**264,970**
Total pension liability - beginning	**4,644,610**	**4,085,043**	**3,820,073**
Total pension liability - ending (a)	**4,808,106**	**4,644,610**	**4,085,043**
Plan fiduciary net position			
Contributions - employer	395,328	332,559	341,884
Net investment income	323,856	9,460	199,142
Benefit payments, including refunds of employee contributions	(238,534)	(192,250)	(170,822)
Administrative expenses	(11,290)	(8,050)	(7,313)
Net change in plan fiduciary net position	**469,360**	**141,719**	**362,891**
Plan Fiduciary net position - beginning	**2,509,523**	**2,367,804**	**2,004,913**
Plan Fiduciary net position - ending (b)	**2,978,883**	**2,509,523**	**2,367,804**
City's net pension liability - ending (a) - (b)	**1,829,223**	**2,135,087**	**1,717,239**
Plan fiduciary net position as a percentage of the total pension liability	**61.96%**	**54.03%**	**57.96%**
Covered - employee payroll	**1,011,820**	**931,177**	**970,895**
City's net pension liability as a percentage of covered -employee payroll	**180.79%**	**229.29%**	**176.87%**

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

CITY OF OAKWOOD, GEORGIA

SCHEDULE OF CITY CONTRIBUTIONS - RETIREMENT PLAN

	2017		2016	2015
Total Pension Liability				
Actuarially determined contribution	$ -	*	$ 356,757	$ 364,133
Contributions in relation to the actuarially determined contribution	-	*	356,757	364,133
Contribution deficiency (excess)	$ -	*	$ -	$ -
Covered-employee payroll	-	*	931,177	970,895
Contributions as a percentage of covered-employee payroll	-	*	38.31%	37.50%

Notes to the Schedule

Valuation Date	July 1, 2017
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment retire, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.75%
Projected Salary Increases	6.25% plus service based merit
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for remaining unfunded liability.
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 14 years

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

* 2017 information will be determined after fiscal year-end and will be included in the 2018 valuation report.

STATISTICAL SECTION

CITY OF OAKWOOD, GEORGIA

NET POSITION BY COMPONENT UNIT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2017	2016	2015	2014
Government activities:				
Net investment in capital assets	$ 14,803,435	$ 13,659,342	$ 14,022,986	$ 13,414,066
Restricted	357,915	806,801	361,424	169,184
Unrestricted	274,555	(252,963)	(727,890)	434,295
Total governmental activities net position	$ 15,435,905	$ 14,213,180	$ 13,656,520	$ 14,017,545
Business-type activities:				
Net investment in capital assets	$ 2,690,729	$ 2,501,446	$ 2,537,847	$ 2,229,370
Unrestricted	210,589	590,090	514,639	515,983
Total business-type activities net position	$ 2,901,318	$ 3,091,536	$ 3,052,486	$ 2,745,353
Primary government:				
Net investment in capital assets	$ 17,494,164	$ 16,160,788	$ 16,560,833	$ 15,643,436
Restricted	357,915	806,801	361,424	169,184
Unrestricted	485,144	337,127	(213,251)	950,278
Total primary government net position	$ 18,337,223	$ 17,304,716	$ 16,709,006	$ 16,762,898

2013	2012	2011	2010	2009	2008
$ 11,777,751	$ 10,808,807	$ 10,989,406	$ 10,700,551	$ 9,796,713	$ 9,166,347
121,564	-	-	-	-	-
533,205	1,177,875	860,903	1,209,734	2,324,969	3,068,783
$ 12,432,520	$ 11,986,682	$ 11,850,309	$ 11,910,285	$ 12,121,682	$ 12,235,130
$ 2,058,131	$ 1,949,540	$ 2,538,474	$ 2,166,347	$ 1,629,364	$ 1,410,772
709,254	1,380,695	1,479,614	2,185,347	2,930,057	3,214,304
$ 2,767,385	$ 3,330,235	$ 4,018,088	$ 4,351,694	$ 4,559,421	$ 4,625,076
$ 13,835,882	$ 12,758,347	$ 13,527,880	$ 12,866,898	$ 11,426,077	$ 10,577,119
121,564	-	-	-	-	-
1,242,459	2,558,570	2,340,517	3,395,081	5,255,026	6,283,087
$ 15,199,905	$ 15,316,917	$ 15,868,397	$ 16,261,979	$ 16,681,103	$ 16,860,206

CITY OF OAKWOOD, GEORGIA

CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2017	2016	2015	2014
Expenses				
Governmental activities:				
General government	$ 758,565	$ 760,845	$ 600,951	$ 575,714
Judicial	-	-	-	-
Public safety	1,624,517	1,524,833	1,503,966	1,511,577
Public works	1,225,488	1,763,549	839,520	736,667
Recreation and culture	80,448	75,025	66,761	43,122
Housing and development	295,307	190,695	175,918	186,930
Interest and fiscal charges	215,768	210,850	232,721	343,194
Total governmental activities expenses	4,200,093	4,525,797	3,419,837	3,397,204
Business-type activities:				
Sewer	711,300	646,311	513,924	608,212
Total business-type activities expenses	711,300	646,311	513,924	608,212
Total primary government expenses	$ 4,911,393	5,172,108	3,933,761	4,005,416
Program revenues				
Governmental activities:				
Charges for services:				
General government	$ 777,834	668,985	260,654	304,550
Judicial	-	-	-	-
Public Safety	550,152	551,228	653,614	647,484
Public Works	-	-	-	-
Recreation and culture	28,166	41,746	50,706	69,633
Housing & development	178,548	-	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	634,706	752,790	1,132,451	1,421,390
Donation of infrastructure at incorporation	-	-	-	-
Total governmental activities program revenues	$ 2,169,406	2,014,749	2,097,425	2,443,057
Business-type activities:				
Sewer system	576,881	518,000	424,693	586,180
Capital grants and contributions	-	-	-	-
Donation of infrastructure at incorporation	-	-	-	-
Total business-type activities program revenues	576,881	518,000	424,693	586,180
Total primary government program revenues	$ 2,746,287	$ 2,532,749	$ 2,522,118	$ 3,029,237

2013	2012	2011	2010	2009	2008
$ 631,560	$ 696,070	$ 783,295	$ 790,575	$ 620,334	$ 371,303
-	-	-	-	-	-
1,525,591	1,493,111	1,577,364	1,417,502	1,433,323	1,414,041
779,051	507,350	753,027	767,038	543,606	503,269
57,589	60,870	70,170	68,668	70,329	114,847
234,521	341,642	302,757	284,065	549,227	761,050
248,953	282,387	289,575	263,897	85,080	3,803
3,477,265	3,381,430	3,776,188	3,591,745	3,301,899	3,168,313
579,728	539,561	467,950	323,764	130,023	44,213
579,728	539,561	467,950	323,764	130,023	44,213
4,056,993	3,920,991	4,244,138	3,915,509	3,431,922	3,212,526
211,369	398,470	234,842	180,549	326,663	874,181
-	-	-	-	-	-
636,450	756,313	790,901	601,791	700,859	807,605
-	-	-	-	-	-
45,805	12,712	24,725	33,240	42,366	46,663
-	-	-	-	-	-
-	-	-	-	-	-
1,106,437	495,546	686,277	712,558	230,769	647,855
-	-	-	-	-	-
2,000,061	1,663,041	1,736,745	1,528,138	1,300,657	2,376,304
16,868	71,091	126,243	99,061	35,419	966,247
-	-	-	-	36,648	43,288
-	-	-	-	-	-
16,868	71,091	126,243	99,061	72,067	1,009,535
$ 2,016,929	$ 1,734,132	$ 1,862,988	$ 1,627,199	$ 1,372,724	$ 3,385,839

CITY OF OAKWOOD, GEORGIA

CHANGES IN NET POSITION (Continued)
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2017	2016	2015	2014
Net (expense) revenue:				
Governmental activities	(2,030,687)	(2,511,048)	(1,322,412)	(954,147)
Business-type activities	(134,419)	(128,311)	(89,231)	(22,032)
Total primary government (net (expense) revenue	$ (2,165,106)	$ (2,639,359)	$ (1,411,643)	$ (976,179)
General Revenue and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	$ 1,433,412	$ 1,089,579	$ 1,294,746	$ 1,144,175
Sales taxes	650,279	617,382	601,093	577,796
Insurance premium taxes	261,125	248,346	229,272	214,606
Alcohol & excise taxes	325,645	324,325	304,146	304,177
Franchise taxes	362,502	248,983	257,062	221,485
Other taxes	157,367	156,325	114,496	106,807
Unrestricted investment earnings	92	156	212	126
Miscellaneous revenues	-	-	-	-
Transfers In (Out)	55,799	(167,361)	(396,364)	-
Gain(Loss) on disposal of assets	7,191	549,973	-	-
Total governmental activities	3,253,412	3,067,708	2,404,663	2,569,172
Business-type activities:				
Transfers In (Out)	(55,799)	167,361	396,364	-
Unrestricted investment earnings	-	-	-	-
Miscellaneous revenues	-	-	-	-
Unrestricted investment earnings	-	-	-	-
Total business-type activities	(55,799)	167,361	396,364	-
Total primary government net (expense) revenue	3,197,613	3,235,069	2,801,027	2,569,172
Change in Net Position				
Governmental activities	1,222,725	556,660	1,082,251	1,615,025
Business-type activities	(190,218)	39,050	307,133	(22,032)
Total primary government net (expense) revenue	$ 1,032,507	$ 595,710	$ 1,389,384	$ 1,592,993

2013	2012	2011	2010	2009	2008
(1,477,204)	(1,718,389)	(2,039,443)	(2,063,607)	(2,001,242)	(792,009)
(562,860)	(468,470)	(341,707)	(224,703)	(57,956)	965,322
$ (2,040,064)	$ (2,186,859)	$ (2,381,150)	$ (2,288,310)	$ (2,059,198)	$ 173,313
$ 665,538	$ 656,387	$ 608,970	$ 623,335	$ 639,454	$ 553,064
449,210	441,754	430,358	407,177	413,042	602,054
204,828	197,826	186,210	144,754	149,087	150,499
304,750	300,894	293,718	296,834	282,812	286,691
212,227	215,193	200,454	186,156	198,188	185,418
86,255	93,343	259,389	192,608	156,116	185,445
224	681	368	1,346	4,843	80,368
-	-	-	-	-	-
10	220,000	-	-	-	-
-	(271,316)	-	-	-	-
1,923,042	1,854,762	1,979,467	1,852,210	1,843,542	2,043,539
(10)	(220,000)	-	-	-	-
-	617	-	-	-	73,781
-	-	-	-	-	-
-	-	8,101	16,976	36,553	-
(10)	(219,383)	8,101	16,976	36,553	73,781
1,923,032	1,635,379	1,987,568	1,869,186	1,880,095	2,117,320
445,838	136,373	(59,976)	(211,397)	(157,700)	1,251,530
(562,870)	(687,853)	(333,606)	(207,727)	(21,403)	1,039,103
$ (117,032)	$ (551,480)	$ (393,582)	$ (419,124)	$ (179,103)	$ 2,290,633

CITY OF OAKWOOD, GEORGIA

FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2017	2016	2015	2014	2013
General Fund					
Nonspendable					
Prepaid expenditures	$ 21,111	$ 20,292	$ 18,533	$ 18,973	$ 19,987
Restricted:					
Law enforcement	10,678	-	-	-	-
Assigned:					
Future capital improvements	149,974	-	-	-	-
Encumbrances	-	-	-	-	-
Unassigned	1,424,230	1,095,913	601,863	370,465	(4,139)
Total general fund	$ 1,605,993	$ 1,116,205	$ 620,396	$ 389,438	$ 15,848
All Other Governmental Funds					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted:					
Law enforcement	-	-	-	-	-
Economic development	183,479				
Capital projects	197,263	806,801	361,424	244,041	196,421
Assigned:					
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 380,742	$ 806,801	$ 361,424	$ 244,041	$ 196,421

2012	2011	2010	2009	2008
$ 18,610	$ 19,186	$ 16,559	$ 18,651	$ 19,855
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
519,878	580,969	1,162,993	2,214,760	2,987,598
$ 538,488	$ 600,155	$ 1,179,552	$ 2,233,411	$ 3,007,453
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
196,887	260,748	30,182	91,558	61,130
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 196,887	$ 260,748	$ 30,182	$ 91,558	$ 61,130

CITY OF OAKWOOD, GEORGIA

CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2017	2016	2015	2014	2013
Revenues					
Property taxes	$ 1,460,801	$ 1,089,579	$ 1,294,746	$ 1,144,175	$ 665,538
Sale taxes	650,279	617,382	601,093	577,796	449,210
Insurance premium	261,125	248,346	229,272	214,606	204,828
Alcohol beverage taxes	325,645	324,325	304,146	304,177	304,750
Franchise taxes	362,502	248,983	257,062	221,485	212,227
Other taxes	88,730	126,900	114,496	106,807	86,255
License and permits	393,338	420,113	260,654	304,550	211,369
Fines and forfeitures	550,152	551,228	653,614	647,484	636,450
Interest earned	-	330	212	161	224
Intergovernmental	431,680	752,616	987,668	898,558	704,013
Charges for services	69,409	41,746	50,706	69,633	45,805
Miscellaneous	38,326	278,297	144,783	80,297	402,424
Excise taxes	-	-	-	-	-
Total revenues	4,631,987	4,699,845	4,898,452	4,569,729	3,923,093
Expenditures					
Current:					
General government	768,955	704,741	661,882	687,996	626,778
Public safety	1,604,431	1,474,669	1,498,358	1,540,711	1,483,777
Public works	1,226,718	829,652	865,188	1,004,961	1,501,837
Recreation and culture	75,625	67,410	59,145	43,262	59,537
Housing & development	321,337	190,695	175,918	186,930	234,521
Capital outlay	-	142,467	160,395	56,368	79,026
Debt service:					
Principal	478,025	731,639	732,861	828,291	460,733
Interest	154,032				
Issuance costs	-	-	-	-	-
Total expenditures	4,629,123	4,141,273	4,153,747	4,348,519	4,446,209
Excess of revenues over expenditures	2,864	558,572	744,705	221,210	(523,116)
Other Financing Sources (Uses)					
Proceeds from asset sales	7,191	549,973	-	-	-
Issuance of long-term debt	-	-	-	200,000	-
Transfers in	507,122	142,177	84,803	441,604	433,070
Transfers out	(27,389)	(309,538)	(481,167)	(441,604)	(433,060)
Total other financing sources	486,924	382,612	(396,364)	200,000	10
Net change in fund balance	$ 489,788	$ 941,184	$ 348,341	$ 421,210	$ (523,106)
Debt Service as a Percentage of noncapital expenditures	15.81%	11.25%	22.48%	23.91%	11.79%

2012	2011	2010	2009	2008
$ 656,387	$ 626,713	$ 623,335	$ 639,454	$ 553,064
441,754	430,358	407,177	413,042	602,054
197,826	186,210	144,754	149,087	150,499
300,894	293,718	296,834	282,812	286,691
215,193	200,454	186,156	198,188	185,418
93,343	196,931	192,608	156,116	185,445
228,130	218,051	165,328	241,986	751,919
756,313	790,901	601,791	700,859	807,605
798	752	2,600	4,843	80,368
495,429	685,893	711,304	230,769	647,855
12,712	24,725	33,240	42,366	46,663
175,340	61,506	15,221	84,277	122,262
-	-	-	-	-
3,574,119	3,716,212	3,380,348	3,143,799	4,419,843
625,883	715,329	721,621	771,216	1,367,258
1,533,945	1,520,402	1,350,890	1,386,107	1,463,549
501,563	412,246	563,909	600,269	3,635,196
86,015	70,170	67,466	68,922	113,234
341,642	301,745	2,147,268	2,940,923	2,242,072
150,600	342,217	357,566	179,974	122,258
1,335,453	702,934	426,963	109,454	27,110
-	-	-	-	-
4,575,101	4,065,043	5,635,683	6,056,865	8,970,677
(1,000,982)	(348,831)	(2,255,335)	(2,913,066)	(4,550,834)
-	-	-	-	-
655,454	-	1,140,100	2,125,000	2,706,507
594,525	80,203	61,311	116,892	104,976
(374,525)	(80,203)	(61,311)	(72,640)	(104,976)
875,454	-	1,140,100	2,169,252	2,706,507
$ (125,528)	$ (348,831)	$ (1,115,235)	$ (743,814)	$ (1,844,327)
43.23%	23.28%	8.80%	1.90%	0.31%

CITY OF OAKWOOD, GEORGIA

ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Calendar Year	Real Property				Personal Property		
	Residential Property	Agricultural Property (1)	Commercial & Industrial	Public Utilities	Motor Vehicles	Mobile Homes	Other (2)
2008	$ 46,508,933	$ 2,355,965	$ 193,531,341	$ 3,185,672	$ 13,851,000	$ 13,750	$ -
2009	49,524,143	2,780,500	216,514,450	4,167,741	13,663,430	13,750	-
2010	49,281,606	3,279,754	201,961,935	3,782,837	13,046,240	51,235	-
2011	42,069,601	3,489,016	194,033,802	4,351,706	12,888,810	47,773	-
2012	35,128,251	3,557,002	189,295,451	4,239,389	12,941,140	46,973	-
2013	33,321,935	2,771,254	202,347,147	4,249,341	13,002,920	46,973	-
2014	34,928,914	2,075,389	227,238,769	4,285,977	9,559,330	46,973	-
2015	39,168,381	1,353,180	250,506,367	4,564,549	8,364,330	45,901	3,392
2016	39,512,312	1,353,540	253,415,832	4,672,986	4,497,260	45,901	-
2017	42,420,239	1,509,338	295,694,135	4,935,492	3,662,720	45,901	3,556

Source: Consolidated Digest Reports from the Hall County Tax Commissioner's Office

(1) Includes conservation use property.
(2) Includes aircraft, boats, miscellaneous personal property, timber and heavy equipment.
(3) Property that is exempt from taxation has not been included. That is typically property owned by governments and not-for-profit organizations like churches.
(4) Hall County assesses property at 40% of actual value for all types of personal and real property.

Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value (4)
$ 19,087,507	$ 240,359,154	2.480	$ 600,897,885	40%
25,991,532	260,672,482	2.480	651,681,205	40%
10,202,619	261,200,988	2.480	653,002,470	40%
7,791,515	249,089,193	2.480	622,722,983	40%
13,511,134	231,697,072	2.658	579,242,680	40%
21,233,546	234,506,024	2.658	586,265,060	40%
23,280,304	254,855,048	4.000	637,137,620	40%
23,185,890	280,820,210	4.000	702,050,525	40%
32,249,266	271,248,565	4.174	678,121,413	40%
31,293,934	316,977,447	4.174	792,443,618	40%

CITY OF OAKWOOD, GEORGIA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(RATE PER $1,000 OF ASSESSED VALUE)
LAST TEN YEARS

Calendar Year	City of Oakwood	Hall County	Hall County Schools	State	Total Direct & Overlapping Rates
2008	2.480	6.250	16.420	0.250	25.400
2009	2.480	6.250	16.420	0.250	25.400
2010	2.480	6.250	16.420	0.250	25.400
2011	2.480	6.250	17.670	0.250	26.650
2012	2.658	6.250	18.490	0.200	27.598
2013	2.658	6.250	19.250	0.150	28.308
2014	4.000	5.989	18.900	0.100	28.989
2015	4.000	5.735	18.800	0.050	28.585
2016	4.174	5.716	18.800	-	28.690
2017	4.174	6.700	18.500	-	29.374

Source: Hall County Tax Commissioner's Office

Overlapping rates are those of local and county governments that apply to property owners within the City of Oakwood. There are no components of the City's tax rate to disclose.

CITY OF OAKWOOD, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND FIVE YEARS AGO
DECEMBER 31, 2017

	2017			2012		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assed Value**
Performance Food Group	$ 18,324,279	1	5.26 %			- %
Kelsey Hayes Company	13,597,228	2	3.90	10,210,485	3	4.16
Kings Hawaiian Bakery, Inc.	14,875,194	3	4.27			-
Waldens at Oakwood II, LLC	13,800,000	4	3.96	7,499,178	4	
Primex Plastics Corp	5,742,317	5	1.65	7,393,587	5	3.02
Bitzer US, Inc.	3,468,917	6	1.00			-
Stone Mountain Industrial Park	7,422,487	7	2.13			
Wal-Mart Sams Club	6,285,709	8		10,242,084	2	
Wal-Mart Real Estate Business	6,280,120	9	1.80	6,217,150	6	2.54
Jinsung Georgia, LLC	1,397,932	10	0.40			
PFG Miltons, Inc.	-		-	11,004,887	1	
Robson Crossing LLC	-		-	4,800,961	7	1.96
Patillo Lumber Company	-		-	4,256,664	8	1.74
Madison Retail-Royal Lakes, LLC	-		-	4,136,623	9	1.69
Kubota Manufacturing of America	-		-	3,168,617	10	1.29
	$ 91,194,183		26.18 %	$ 68,930,236		28.11 %
Total Taxable Assessed Value	$ 348,271,381		100.00 %	$ 245,208,206		100.00

Source: Hall County Tax Commissioner, Oakwood City Clerk

CITY OF OAKWOOD, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST SIX YEARS

Fiscal Period Ended December 31,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date		
		Amount	Percentage of Levy			Amount	Percentage of Levy	
2012	564,014	509,323	90.30	%	54,173	563,496	99.91	%
2013	571,966	452,543	79.12		112,159	564,702	98.73	
2014	960,758	890,650	92.70		74,303	964,953	100.44	
2015	1,039,561	981,547	94.42		56,173	1,037,720	99.82	
2016	1,083,000	993,006	91.69		81,141	1,074,147	99.18	
2017	1,284,706	1,216,847	94.72		-	1,216,847	94.72	

Source: City of Oakwood, City Clerk

CITY OF OAKWOOD, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST SIX YEARS

Fiscal Year	Governmental Activities			Business-Type Activities			Per Capita (1)
	General Obligation Bonds	Contracts & Notes Payable	Capital Leases	General Obligation Bonds	Contracts & Notes Payable	Capital Leases	
2012	$ 3,100,050	$ 2,738,889	-	-	$ 9,494,652	-	773
2013	3,100,050	2,527,110	-	-	9,240,818	-	765
2014	2,835,332	2,306,731	-	-	8,949,985	-	695
2015	2,564,255	2,077,669	-	-	10,408,114	-	626
2016	2,227,255	1,893,880	-	9,265,000	-	-	537
2017	1,875,355	1,747,084	-	8,860,000	-	-	452

(1) Source: US Census Bureau

CITY OF OAKWOOD, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACIVITIES DEBT
AS OF DECEMBER 31, 2017

Governmental Unit	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Oakwood (1)	Amount Applicable to City of Oakwood
Overlapping Debt Direct debt			
Hall County	$ 2,171,633	4.34%	$ 94,303
Hall County Board of Education	29,445,000	4.34%	1,278,646
Total Overlapping Debt	31,616,633		1,372,949
City Direct Debt:			
Bonds	$ 1,875,355	100.00%	$ 1,875,355
Notes Payable	1,747,084	100.00%	1,747,084
Total Direct Debt	3,622,439		3,622,439
Total Overlapping and Direct Debt	$ 35,239,072		$ 4,995,388

Source: Assessed value data used to estimate applicable percentages and debt outstanding obtained from Hall County's Finance Department.

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. This 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.
(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

CITY OF OAKWOOD, GEORGIA

FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST SIX YEARS

Function	2017	2016	2015	2014	2013	2012
General Government	3.0	3.0	3.0	3.0	3.0	3.0
Judicial	0.0	0.0	0.0	0.0	0.0	0.0
Public Safety						
Police officers	13.0	13.0	14.0	15.0	15.0	15.0
Civilians	2.0	2.0	1.0	1.0	1.0	1.0
Public Works	3.0	3.0	3.0	3.0	3.0	3.0
Culture and recreation	0.5	0.0	0.0	0.0	0.0	0.0
Housing and development	1.0	1.0	1.0	1.0	2.0	2.0
Total	22.5	22.0	22.0	23.0	24.0	24.0

Source: City of Oakwood Finance Department and budget documents

CITY OF OAKWOOD, GEORGIA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST SIX YEARS

Function	2017	2016	2015	2014	2013	2012
Public Safety						
Police						
General						
Calls for service	12,578	11,996	10,970	10,215	12,831	11,073
Miles driven	132,496	176,524	183,147	172,091	177,156	117,113
Traffic						
Vehicle stops	5,732	5,804	4,546	4,868	5,050	4,593
Citations issued	3,517	3,912	3,530	3,892	3,548	3,724
Warnings issued	3,460	2,561	2,143	1,723	2,604	1,509
Speeding citations	756	982	1,190	1,432	1,331	1,565
Driving under the influence	43	48	36	31	46	53
Accidents	562	542	480	486	412	374
Accidents with injuries	167	271	148	161	136	139
Private property accidents	204	202	177	206	186	181
Arrests made	721	469	466	333	390	383
Criminal Cases						
Theft by taking	137	155	191	105	167	158
Burglary	13	13	12	12	15	22
Drug cases	28	42	40	15	15	19
Family violence cases	21	27	12	23	22	38
Suspicious activity	1,014	1,042	806	768	856	875
Public Works						
Solid Waste						
Trash collected (tons)	741.51	687.21	674.48	653.51	654.87	640.81
Recyclables collected	28.02	28.53	27.42	27.77	29.54	28.79
Trash collected per schedule	100%	100%	100%	100%	100%	n/a
Customer code violations	0	0	0	0	0	n/a
Street/Right of Ways						
Roadside mowing (miles)	114.43	124.39	107.94	120.65	118.00	126.00
Mowing per schedule	70%	n/a	n/a	82%	80%	n/a
Liter collected (bags)	15	0	24	5	15	144
Work orders completed on time	100%	100%	100%	100%	100%	n/a
Pavement Condition Index (PCI)	75	75	76	78	82	n/a
Stormwater						
Drainage structure inspections	n/a	20%	20%	0%	20%	n/a
Work orders completed on time	100%	100%	100%	100%	50%	n/a
Buildings and Grounds						
Park facility inspections	100%	100%	100%	100%	100%	n/a
Cemetery maintenance per schedule	100%	100%	100%	100%	100%	n/a
Work orders completed on time	100%	100%	100%	100%	100%	n/a
Landscape maintenance per schedule	100%	100%	100%	100%	100%	n/a

CITY OF OAKWOOD, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST SIX YEARS

Function	2017	2016	2015	2014	2013	2012
General Administration						
Vehicles	-	1	1	1	1	1
Public Safety						
Vehicles	17	16	18	18	17	17
Public Works						
Streets						
Vehicles	6	6	6	7	7	7
Heavy Equipment	2	3	3	3	3	3
Sanitation						
Vehicles	2	2	2	2	2	2
Recreation and Culture						
Playgrounds	1	1	1	1	1	1
Community Center	1	1	1	1	1	1
Pools	1	1	1	1	1	1

Source: City's fixed assets records and property and casualty insurance records.

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INTERNAL CONTROL AND COMPLIANCE SECTION

Hawkins & McNair, CPAs

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

To the City Council
City of Oakwood, Georgia

We have audited, in accordance with the 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, and each major fund of City of Oakwood, Georgia, (City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 1, 2018.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 that might be material weaknesses or, significant deficiencies. 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's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hawkins & McNair, CPAs
Winder, Georgia
June 1, 2018

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STATE COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Oakwood, Georgia

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of Oakwood, Georgia, for the year ended December 31, 2017. This schedule is the responsibility of the City of Oakwood, Georgia's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax 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 Schedule of Special Purpose Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note 1 and is not intended to be a complete presentation of the City of Oakwood, Georgia's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in City of Oakwood, Georgia's resolution or ordinance calling for the tax for the year ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

H. McNair, CPAs

Hawkins & McNair, CPAs
June 1, 2018

CITY OF OAKWOOD, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Original Budget	Revised Budget	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	% Completed
SPLOST VI						
Transportation Projects						
McEver Road at HF Reed	$ 200,000	$ 200,000	$ 200,000	$ -	$ 200,000	100.0%
Oakwood Local Road Resurfacing	1,200,000	1,200,000	724,000	-	724,000	60.3%
Oakwood Downtown Sewer Phase 1	800,000	800,000	722,253	10,950	733,203	91.7%
Infrastructure - Roads, sidewalks, streetscape and etc.	1,500,000	1,500,000	839,240	-	839,240	55.9%
Other	-	-	59	-	59	0.0%
Total SPLOST VI	$ 3,700,000	$ 3,700,000	$ 2,485,552	$ 10,950	$ 2,496,502	67.5%
SPLOST VII						
Roads, Streets and Bridges	$ 1,684,678	$ 1,684,678	$ 73,048	$ 613,591	$ 686,639	40.8%
Sewer Infrastructure	1,000,000	1,000,000	-	267,983	267,983	26.8%
Public Safety Equipment	300,000	300,000	61,460	66,335	127,795	42.6%
Total SPLOST VII	$ 2,984,678	$ 2,984,678	$ 134,508	$ 947,909	$ 1,082,417	36.3%

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