CITY OF OAKWOOD, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2018

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, 2018

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CITY OF OAKWOOD, GEORGIA

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INTRODUCTORY SECTION

CITY OF OAKWOOD

BUILDING THE FUTURE TOGETHER

June 30, 2019

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, 2018, 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, 2018 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, 2018 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 andgrounds 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 11.1 percent from $316,440,863 to $356,440,863. The Hall County unemployment rate, of which the City is a municipality, was slightly lower than the state average. At December 31, 2018 the rate was 3.5 percent compared to the State average of 3.7 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 utilize 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 ensure 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 thecontributions 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, 2018

LEGISLATIVE BRANCH

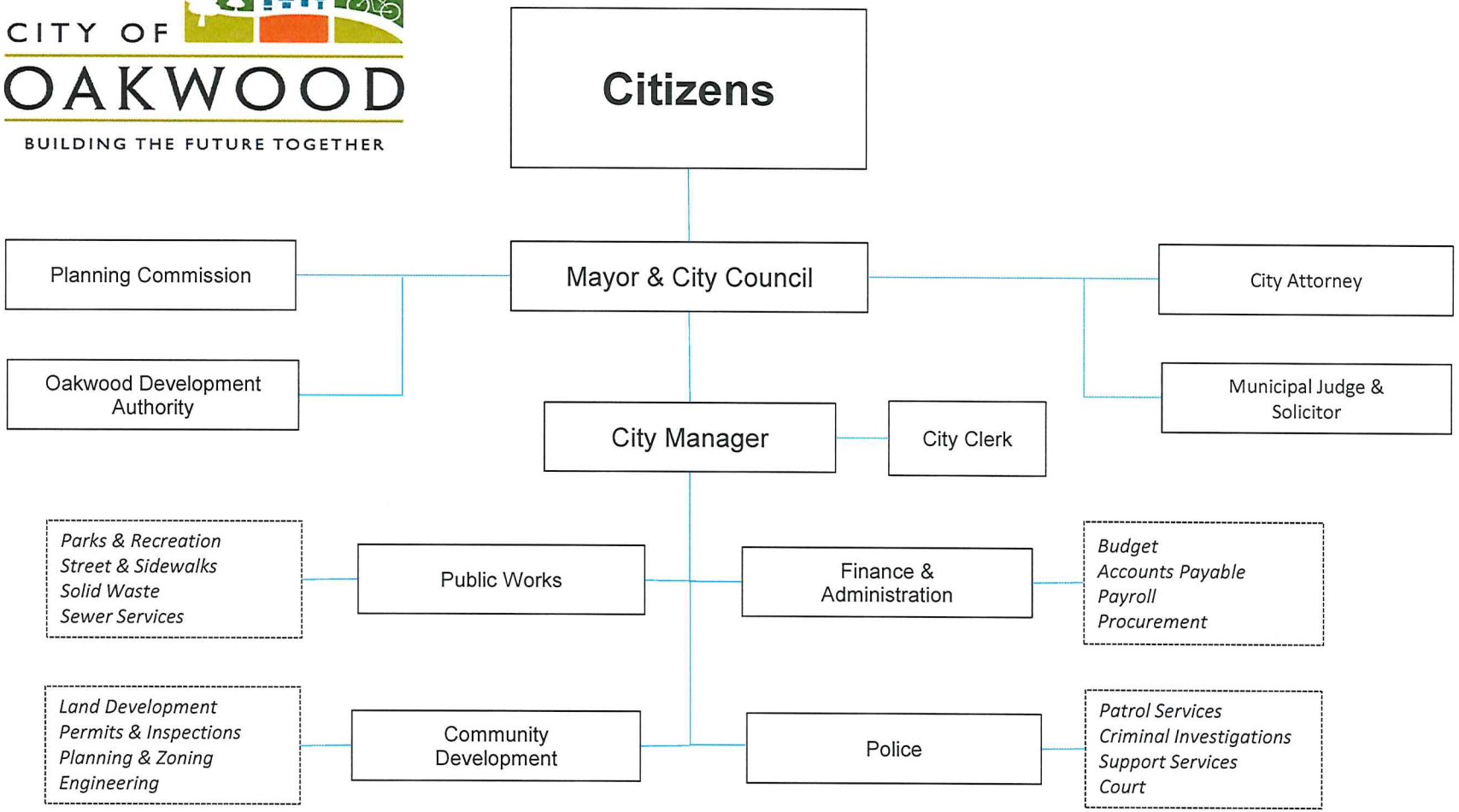
Mayor	Lamar Scroggs
City Council Post 1	Stephen Hendrix
City Council Post 2	Pat Jones
City Council Post 3	Todd Wilson
City Council Post 4	Dwight Wood
City Council Post 5	Sheri Millwood

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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2018, 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.

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 10-22 and 58-61 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 21, 2019, 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 21, 2019

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, 2018. 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 2018 are as follows:

- The City's combined net position increased $2,364,407 (10.0%) to $25,990,629 from $23,626,222 in 2018.
- Combined revenue increased $2,471,527 (41.6%) to $8,899,792 from $5,943,900 in 2018, of which governmental activities totaled $5,831,094 and business-type activities totaled $3,068,698.
- Overall expenses increased $1,370,780 (26.6%) to $6,524,556 from $5,153,776 in 2018, of which governmental activities totaled $4,233,612 and business-type activities totaled $2,290,944.
- As of December 31, 2018, the City's governmental funds reported combined ending fund balances of $2,811,230. At December 31, 2018, $1,755,688 or 62.5% 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 23 through 25 of this report.

FUND FINANCIAL STATEMENTS

The Fund Financial statements begin on page 26 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 26 through 29 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 30 through 33 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 34 through 56 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 58 through 64 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 $25,990,629 at December 31, 2018.

Combined net position includes a net investment in capital assets of $17,059,573 (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 portion of net position is not available for future spending. The City has $506,351 of restricted net position that is subject to external restrictions, constitutional provisions, or enabling legislation on how it can be used. The City has $8,424,705 in unrestricted net position at December 31, 2018.

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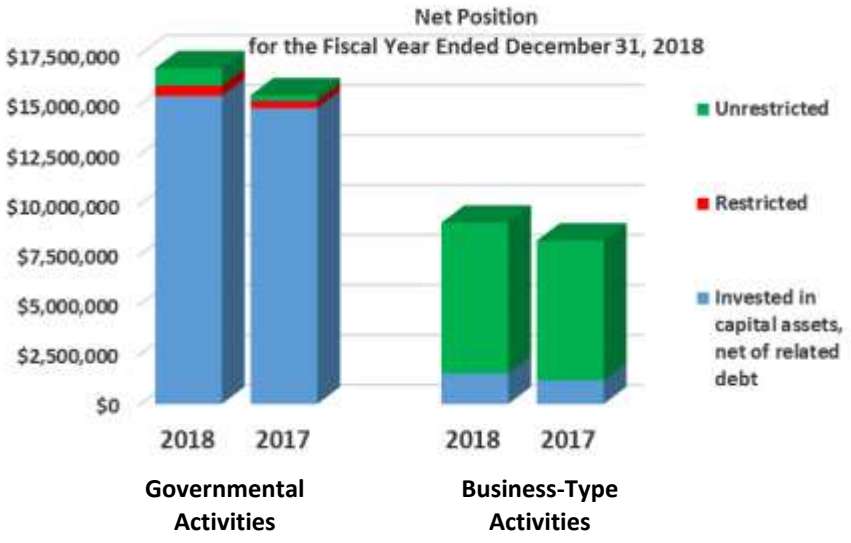
City of Oakwood's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Assets:						
Current assets	$ 3,150,549	$ 2,150,835	$ 2,298,335	$ 232,812	$ 5,448,884	$ 2,383,647
Prepaid capacity	-	-	5,404,702	6,803,277	5,404,702	6,803,277
Capital assets, net	18,462,532	18,425,875	10,743,892	11,065,536	29,206,424	29,491,411
Total assets	21,613,081	20,576,710	18,446,929	18,101,625	40,060,010	38,678,335
Deferred outflows of resources						
Pension related items	489,822	554,885	-	-	489,822	554,885
Liabilities						
Current liabilities	995,696	769,876	718,043	678,383	1,713,739	1,448,259
Long-term liabilities	4,164,289	4,878,252	8,658,614	9,243,754	12,822,903	14,122,006
Total liabilities	5,159,985	5,648,128	9,376,657	9,922,137	14,536,642	15,570,265
Deferred inflows of resources						
Pension related items	140,245	36,732	-	-	140,245	36,732
Net Position						
Net investment in capital assets	15,412,921	14,803,435	1,646,652	1,185,307	17,059,573	15,988,742
Restricted	506,351	357,915	-	-	506,351	357,915
Unrestricted	883,401	285,384	7,541,304	6,994,181	8,424,705	7,279,565
Total net position	$16,802,673	$15,446,734	$ 9,187,956	$ 8,179,488	$25,990,629	$ 23,626,222

The table above presents the City's Net Position as of December 31, 2018 and 2017.

As of December 31, 2018 the City of Oakwood is able to present positive balances in net position for its governmental and business-type activities.

Changes in Net Position

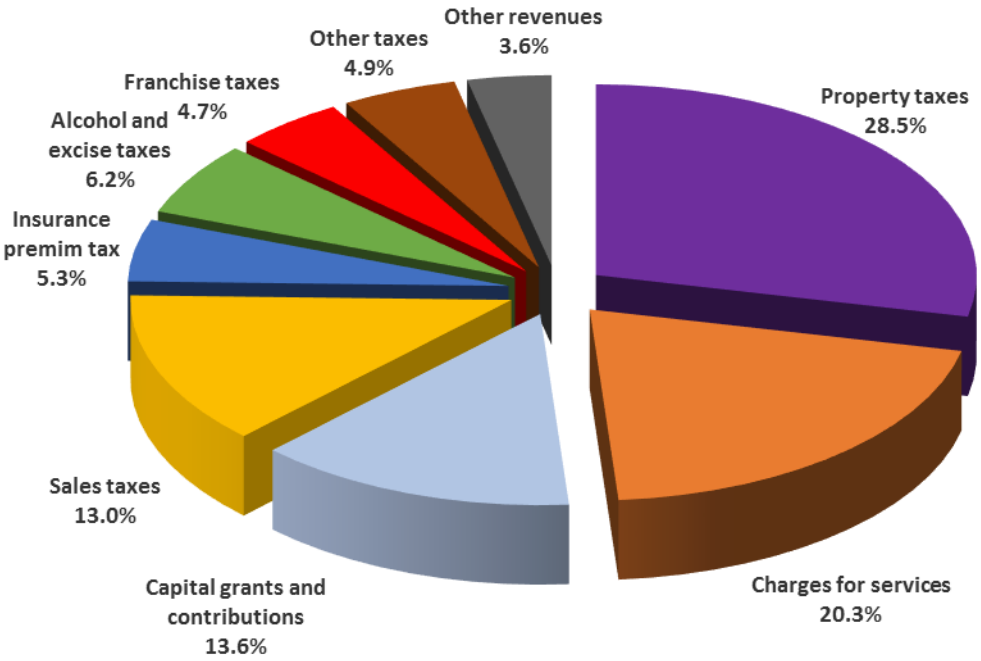


	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	$ 1,085,448	$ 1,440,906	$ 3,068,698	$ 576,881	$ 4,154,146	$ 2,017,787
Capital grants & contributions	726,589	634,706	-	-	726,589	634,706
General revenues:						
Property taxes	1,523,469	1,433,412	-	-	1,523,469	1,433,412
Sales taxes	695,032	650,279	-	-	695,032	650,279
Insurance premium tax	281,611	261,125	-	-	281,611	261,125
Alcohol and excise taxes	331,747	325,645	-	-	331,747	325,645
Franchise taxes	250,783	362,502	-	-	250,783	362,502
Other taxes	261,118	251,161	-	-	261,118	251,161
Gain on sale of capital assets	190,823	7,191	-	-	190,823	7,191
Special item - donation	484,365	-			484,365	-
Other	109	92	-	-	109	92
Total revenues	5,831,094	5,367,019	3,068,698	576,881	8,899,792	5,943,900
Expenses:						
General government	754,783	758,565			754,783	758,565
Judicial	255,432	-			255,432	-
Public safety	1,373,518	1,624,517			1,373,518	1,624,517
Public works	1,178,940	1,225,488			1,178,940	1,225,488
Recreation and culture	86,318	80,448			86,318	80,448
Housing and development	487,581	295,307			- 487,581	- 295,307
Interest on long-term debt	97,040	215,768	286,462	269,335	383,502	485,103
Sewer			2,004,482	684,348	2,004,482	684,348
Total expenses	4,233,612	4,200,093	2,290,944	953,683	6,524,556	5,153,776
Changes in net position before transfers	1,597,482	1,166,926	777,754	(376,802)	2,375,236	790,124
Transfers	(230,714)	55,799	230,714	(55,799)	-	-
Changes in net position	1,366,768	1,222,725	1,008,468	(432,601)	2,375,236	790,124
Net position, beginning of year restated	15,435,905	14,213,180	8,179,488	8,612,089	23,615,393	22,825,269
Net position, end of year	$16,802,673	$15,435,905	$ 9,187,956	$ 8,179,488	$25,990,629	$ 23,615,393

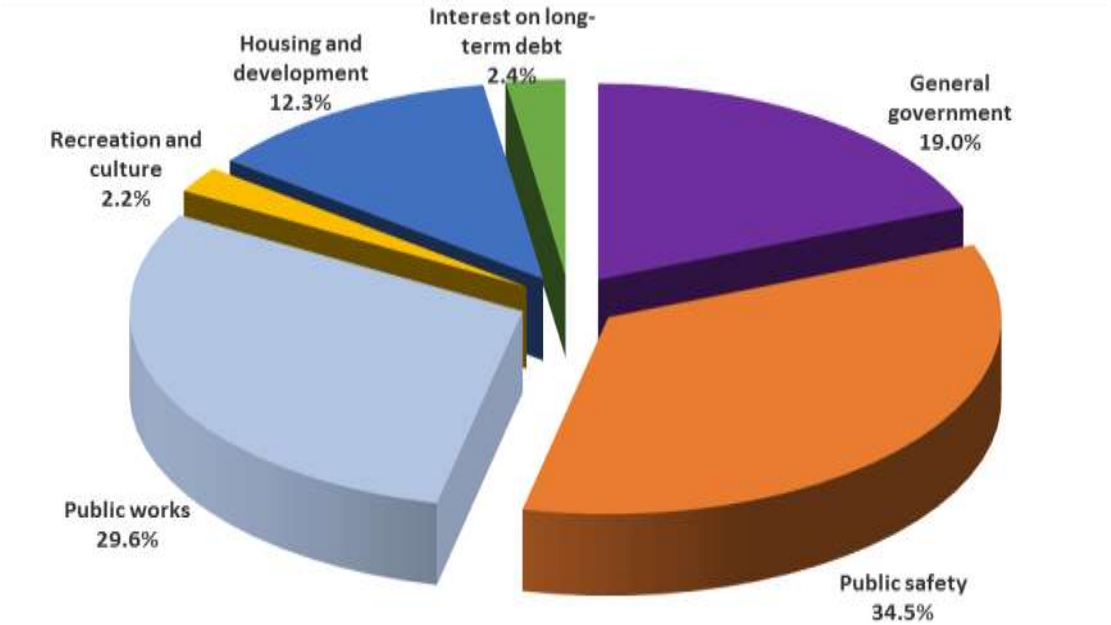
Governmental Activities

See pages 24 and 25 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 $1,366,766. 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.

The City's business type activities increased net position by $1,008,468. The single business type activity is the provision of sewer/waster services to its residential and corporate citizens. This includes operating and maintaining system infrastructure, ensuring sufficient wastewater capacity and balancing sewer rates.

Revenue Impacts

- Property taxes of $1,523,469 provided 26.1% 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 $90,057 or 6.3% due to increased property values and continued development of property within the City.

- Sales tax or Local Option Sales Taxes were approximately $44,753 or 6.9% greater than the $650,279 in sales taxes received in 2017. Sales taxes constitute 11.9% of governmental revenues.

- Franchise taxes of $250,783 less than those of 2017 due to a one-time accrual of electric utility fees ($118,842) in 2017. These revenues constitute 4.3% of governmental revenues.

- Other taxes, such as real estate transfer fees, Intangible tax, hotel-motel excise tax, and energy excise tax, in total were $9,957 or 4.0% greater than those in the prior year ($251,161).

- Charges for services, which represent 18.6% of governmental revenues, decreased 24.7% or $355,458 from prior year revenues ($1,440,906). In 2018, the City did not engage in a municipal shared paving program. The charges are payments from partner municipalities (Town of Clermont, Flowery Branch, Gainesville, and Lula) decreased $389,683. This was offset by first-time receipt of technology fees (citation software and services) of $59,279.

- Capital grants and contributions for Governmental activities increased approximately $91,883. This is the net effect of an increase in SPLOST revenues ($55,575 or 9.4%), a $33,000 increase in LMIG (Local Maintenance Improvement Grant) funding in 2018.

- Charges for service revenue for Business-type activities increased due to an increase in capacity/connection revenues of $2,491,817. The majority of this was the sale of wastewater capacity.

- Gain on the sale of capital assets increased $183,632 from the prior year. In 2018, the City sold several acres of land.

- Investment income had a modest $157 increase from that of 2017.

Expense Impacts

- General Government expenses were down (0.5%) from those of 2017. This was due to the reallocation of retirement cost and other benefits.

- The Judicial function was created for the first time with staffing and operating cost shifted from public safety (police department). This includes staffing and operating cost of the court totaling $255,432.

- Public Safety experienced a decrease of $250,999 or 15.5% primarily related to the creation of the Court (Judicial) department. There were no changes were made to staffing and no new initiatives were undertaken in 2018.

- Public Works expenses decreased 3.8% or $46,548 from those of 2017. This is due to a 6.5% decrease ($77,234) in Streets and a 76.1% increase ($30,686) in Solid Waste. The Streets department includes the City's participation in the Hall County Traffic Study ($19,912) and a decrease in street maintenance ($116,234). The Solid Waste increase is due to the acquisition of recycling trash can and bins.

- Housing and Development expenses increased $192,274 or 65.1% from those of the prior year ($295,307). The 2018 expenses reflect a full year of staffing and increase in development related operating costs (inspections and plan review).

- Interest on long-term debt decreased $114,128 or 52.9% in 2018. This was due to prescribed debt service for the 2016 bonds allocating greater interest in 2017.

- Sewer expenses for 2018 increased by $1,320,134 or 192.9% from the previous year. This was due to a $1,126,771 increase in cost of capacity sales, and a full year operation of the Martin Road Pump Station resulting in additional professional services and utility costs.

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, 2018, the City's governmental funds reported combined ending fund balances of $2,811,230.

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 $2,342,009, which was comprised of non-spendable fund balance of $25,783, restricted fund balance of $37,130 (police, condemnation) and unassigned fund balance of $1,755,688. Fund balance in the General Fund increased $740,283 (46.2%) in 2018 over 2017. 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 2018 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 $102,584 in taxes, a 5.2% increase above the revenues for 2017. 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 $41,054 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 $221,824 is restricted to the redevelopment activities of the district. This fund balance represents a $38,345 or 20.9% increase from that of 2017, due to $88,595 in revenues ($88,486 in incremental property taxes) versus $50,042 in debt service on property acquisition in the district and operating costs of $208.

The SPLOST 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 Fund was $247,397, representing a $50,134 increase. This was principally due to a decrease in capital expenditures for streets, roads and bridges ($351,134), while public safety and sewer increased $38,644 and $48,219, respectfully in 2018. SPLOST fund revenues increased by 9.4% or $55,575 to $648,284 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 $9,187,956 at December 31, 2018, an increase of $1,008,468 above 2017. Net investment in capital assets is $1,646,652 and unrestricted net position is $7,541,304. Net position increased in 2018 as a result of a significant increase in capacity/connection revenues ($2,479,327) offset by an increase in the cost of capacity sales ($1,126,771) and increases in operating costs. Additionally, the Sewer Fund had a significant non-recurring transfer out of $334,732 in 2017.

Sewer Fund Net Posiion

	2018	2017	Diff	%Chg
Net Investment in capital Assets	1,646,652	1,185,307	461,345	38.9%
Unrestricted (Deficit)	7,541,304	6,994,181	547,123	7.8%
Total Net Position	9,187,956	8,179,488	1,008,468	12.3%

The operations of the Sewer Fund had $3,068,698 in revenues, a $2,491,817 increase in revenues above those for 2017 due to the sale of wastewater capacity. Operating expenses increased due the cost of those sales and increases in depreciation expense and additional system management cost in 2018.

Sewer Fund Operations

	Operating Revenues		Operating Expenses		Income from Operations	
	2018	2017	2018	2017	2018	2017
Fund:						
Sewer	$3,068,698	$576,881	$2,054,777	$725,498	$1,013,921	($148,617)
Totals	$3,068,698	$576,881	$2,054,777	$725,498	$1,013,921	($148,617)

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 58 and 59 of the annual report. In 2018, the City had a net favorable budget variance of $740,283. There was a favorable revenue budget variance of $311,898. 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. There were no negative budget variances at the

departmental level. 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:

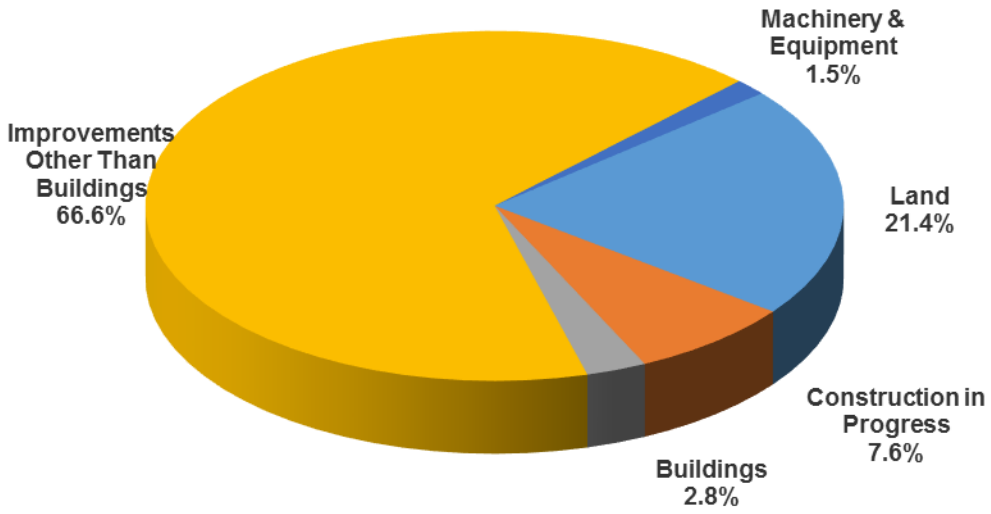
City of Oakwood, Georgia's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activties		Totals	
	2018	2017	2018	2017	2018	2017
Land	$ 6,058,396	$ 5,919,773	$ 230,407	$ 230,407	$ 6,288,803	$ 6,150,180
Construction in Progress	2,193,859	2,184,074	33,770	10,950	2,227,629	2,195,024
Buildings	817,906	756,547	-	-	817,906	756,547
Improvements - Other Than Buildings	9,011,555	9,378,653	10,531,167	10,824,179	19,542,722	20,202,832
Machinery and Equipment	380,816	186,827	66,232	-	447,048	186,827
Totals	$ 18,462,532	$ 18,425,874	$ 10,861,576	$ 11,065,536	$ 29,324,108	$ 29,491,410

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, 2018.

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Total Capital Assets by Category
For the Fiscal Year Ended December 31, 2018



LONG-TERM DEBT

The table below represents long-term debt outstanding as of December 31, 2018 and 2017:

City of Oakwood, Georgia's Capital Assets

	Governmental Activities		Business-type Activties		Totals	
	2018	2017	2018	2017	2018	2017
Capital Lease	$ -	$ -	$ -	$ -	$ -	$ -
Contracts Payable	1,457,955	1,875,355	8,365,000	8,860,000	9,822,955	10,735,355
Loans	1,591,656	1,747,084	-	-	1,591,656	1,747,084
Net Pension Liability	1,708,053	1,829,233	-	-	1,708,053	1,829,233
Compensated Absences	47,620	-	-	-	47,620	-
Totals	$ 4,805,284	$ 5,451,672	$ 8,365,000	$ 8,860,000	$ 13,170,284	$ 14,311,672

The City reported long-term debt of $13,170,284 as of December 31, 2018 exclusive of interest expense. The City has $9,822,955 in outstanding contracts payable at December 31, 2018. 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, 2018.

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 2019 is $4,470.0413. This is an increase of $205,498 or 4.8% from the adopted 2018 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 2018 and beyond:

Commercial redevelopment. There are several major projects; both public and private, that are in various stages of redevelopment. 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.

Residential development. The City has permitted several residential developments in an effort to balance its tax base. As a result, the City must determine or adapt is levels of existing services and new services. These include police and fire protection, sanitation, recreation and stormwater.

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.

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CITY OF OAKWOOD, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2018

Assets:	Governmental Activities	Business-type Activities	Total
Cash	$ 2,512,840	$ 1,520,319	$ 4,033,159
Receivables, net:			
Taxes	200,516	-	200,516
Other	172,428	647,309	819,737
Due from other governments	75,071	130,707	205,778
Inventories	-	-	-
Prepaid items	25,783	-	25,783
Restricted assets	163,911	-	163,911
Prepaid capacity	-	5,404,702	5,404,702
Capital assets:			
Land and construction in progress	8,252,255	264,177	8,516,432
Other capital assets, net of accumulated depreciation	10,210,277	10,597,399	20,807,676
Total assets	21,613,081	18,564,613	40,177,694
Deferred Outflows of resources:			
Pension related items	489,822	-	489,822
Total deferred outflows of resources	489,822	-	489,822
Liabilities			
Accounts payable and other current liabilities	205,971	26,127	232,098
Retainage payable	21,596	-	21,596
Escrow deposits	86,471	-	86,471
Accrued interest payable	15,382	115,921	131,303
Compensated absences	47,620	-	47,620
Unearned revenue	-	19,685	19,685
Contracts payable - current	435,800	505,000	940,800
Premium on contracts payable - current	-	51,310	51,310
Notes, lease obligations, and estimated claims payable, current	157,575	-	157,575
Due to other governments	25,281	-	25,281
Noncurrent liabilities:			
Net pension liability	1,708,053	-	1,708,053
Premium on contracts payable	-	798,614	798,614
Notes, lease obligations, and estimated claims payable	1,434,081	-	1,434,081
Contracts payable	1,022,155	7,860,000	8,882,155
Total liabilities	5,159,985	9,376,657	14,536,642
Deferred inflows of resources:			
Pension related items	140,245	-	140,245
Total deferred inflows of resources	140,245	-	140,245
Net Position:			
Net investment in capital assets	15,412,921	1,646,652	17,059,573
Restricted for:			
Public safety	37,130	-	37,130
Capital projects	247,397	-	247,397
Economic development	221,824	-	221,824
Unrestricted	883,401	7,541,304	8,424,705
Total net position	$ 16,802,673	$ 9,187,956	$ 25,990,629

See accompanying notes to financial statements.

CITY OF OAKWOOD, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

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	$ 754,783	$ 102,472	$ -	$ 78,305
Judicial	255,432	-	-	-
Public safety	1,373,518	722,271	-	-
Public works	1,178,940	-	-	648,284
Recreation and culture	86,318	46,972	-	-
Housing and development	487,581	213,733	-	-
Interest and fiscal charges	97,040	-	-	-
Total governmental activities	4,233,612	1,085,448	-	726,589
Business-type activities:				
Sewer	2,290,944	3,068,698	-	-
Total Primary Government	$ 6,524,556	$ 4,154,146	$ -	$ 726,589

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
Donations
Miscellaneous revenues

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning
Prior period adjustment
Net position, beginning as restated

Net position, ending

See accompanying notes to financial statements.

Net (Expense) Revenue and Change in Net Position		
Governmental Activities	Business-type Activities	Total
$ (574,006)	$ -	$ (574,006)
(255,432)		(255,432)
(651,247)	-	(651,247)
(530,656)	-	(530,656)
(39,346)	-	(39,346)
(273,848)	-	(273,848)
(97,040)	-	(97,040)
(2,421,575)	-	(2,421,575)
-	777,754	777,754
(2,421,575)	777,754	(1,643,821)
1,523,469	-	1,523,469
695,032	-	695,032
281,611	-	281,611
331,747	-	331,747
250,783	-	250,783
261,118	-	261,118
109	-	109
190,823	-	190,823
484,365	-	484,365
-	-	-
(230,714)	230,714	-
3,788,343	230,714	4,019,057
1,366,768	1,008,468	2,375,236
15,435,905	2,901,318	18,337,223
-	5,278,170	5,278,170
15,435,905	8,179,488	23,615,393
16,802,673	9,187,956	25,990,629

CITY OF OAKWOOD, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General Fund	Hotel/Motel Tax Fund	Tax Allocation District Fund	SPLOST Fund	Total Governmental Funds
Assets:					
Cash	$ 2,045,437	$ -	$ 221,824	$ 245,579	$ 2,512,840
Receivables, net:					
Taxes	200,516	-	-	-	200,516
Other	164,220	8,208	-	-	172,428
Due from other funds	8,208	-	-	48,695	56,903
Due from other governments	75,071	-	-	-	75,071
Prepaids items	25,783	-	-	-	25,783
Restricted cash	163,911	-	-	-	163,911
Total assets	$ 2,683,146	$ 8,208	$ 221,824	$ 294,274	$ 3,207,452
Liabilities and fund balances:					
Liabilities					
Accounts payable	102,547	-	-	-	102,547
Accrued liabilities	75,620	-	-	-	75,620
Court bonds payable	27,804	-	-	-	27,804
Retainage payable	-	-	-	21,596	21,596
Due to other funds	48,695	8,208	-	-	56,903
Due to other governments	-	-	-	25,281	25,281
Escrow deposits	86,471	-	-	-	86,471
Total liabilities	341,137	8,208	-	46,877	396,222
Fund Balances:					
Fund Balances:					
Nonspendable:					
Prepaid items	25,783	-	-	-	25,783
Restricted for:					
Public safety	37,130	-	-	-	37,130
Capital projects	-	-	-	247,397	247,397
Economic development	-	-	221,824	-	221,824
Assigned for:					
Capital improvements	523,408	-	-	-	523,408
Unassigned	1,755,688	-	-	-	1,755,688
Total fund balances	2,342,009	-	221,824	247,397	2,811,230
Total liabilities and fund balances	$ 2,683,146	$ 8,208	$ 221,824	$ 294,274	$ 3,207,452

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, 2018

Amounts reported for governmental activities in the Statement of Activities (pages 24 & 25) are different because:		
Total fund balance - total governmental funds (page 26)		$ 2,811,230
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
Compensated absences is a liability in the governmental activities but is not shown in Governmental Funds.		(47,620)
Net pension liability	(1,708,053)	(1,708,053)
Deferred outflows of resources: Pension related items	489,822	489,822
Deferred inflows of resources: Pension related items	(140,245)	(140,245)
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		(3,049,611)
Accrued interest on outstanding debt is a liability in the governmental activities but is not shown in Governmental Funds.		(15,382)
Capital assets of $24,740,939, net of accumulated depreciation of $6,278,407, are not financial resources and, therefore, are not reported in the funds. See Note 5. Capital Assets for additional detail.		18,462,532
Net position - governmental activities (pages 24 & 25)		$ 16,802,673

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, 2018

	General Fund	Hotel/Motel Tax Fund	Tax Allocation District Fund	SPLOST Fund	Total Governmental Funds
Revenues:					
Taxes	$ 3,118,725	$ 102,584	$ -	$ -	$ 3,221,309
Fines and forfeitures	662,992	-	-	-	662,992
Licenses and permits	456,742	-	-	-	456,742
Charges for services	111,826	-	-	-	111,826
Intergovernmental	78,305	-	-	648,144	726,449
Investment earnings	-	-	109	140	249
Other	21,906	-	88,486	-	110,392
Total revenues	4,450,496	102,584	88,595	648,284	5,289,959
Expenditures:					
Current:					
General government	692,171	-	-	-	692,171
Judicial	255,432	-	-	-	255,432
Public safety	1,306,822	-	-	-	1,306,822
Public works	677,343	-	-	-	677,343
Recreation and culture	129,189	-	-	-	129,189
Housing and development	508,215	-	209	-	508,424
Capital Outlay	-	-	-	367,436	367,436
Debt service:					
Principal	549,978	-	22,850	-	572,828
Interest costs	101,670	-	27,191	-	128,861
Finance charges	-	-	-	-	-
Total expenditures	4,220,820	-	50,250	367,436	4,638,506
Excess of revenues over expenditures	229,676	102,584	38,345	280,848	651,453
Other financing sources (uses):					
Transfers in	102,584	-	-	-	102,584
Proceeds from sale of capital assets	408,023	-	-	-	408,023
Proceeds from debt issuance	-			-	-
Transfers out	-	(102,584)	-	(230,714)	(333,298)
Total other financing sources (uses)	510,607	(102,584)	-	(230,714)	177,309
Net change in fund balance	740,283	-	38,345	50,134	828,762
Fund balances, beginning	1,601,726	-	183,479	197,263	1,982,468
Fund balances, ending	$ 2,342,009	$ -	$ 221,824	$ 247,397	$ 2,811,230

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, 2018

Amounts reported for governmental activities in the statement of activities (page 24 & 25) are different because:		
Net change in fund balances - Governmental Funds (page 28)		$ 828,762
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.		572,828
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.		16,984
Governmental funds report the proceeds from the sale of assets as an increase in financial resources. However, in the statement of activities, only the gain/loss on the sale is reported. The difference is the net book value of the assets sold.		(217,200)
Governmental funds do not report the donations of capital assets as revenues. However, in the statement of net position, the value of these assets received are recorded as donations		484,365
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 $512,045 was less than depreciation of $742,551 in the current period.		(230,506)
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.		
Changes in compensated absences	(47,620)	
Changes in Deferred Outflows, Inflows & Net Pension Liability	(40,845)	(88,465)
Change in net position of governmental activities (pages 24 & 25)		$ 1,366,768

See accompanying notes to financial statements.

CITY OF OAKWOOD, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

	Sewer Enterprise Fund
Assets:	
Cash	$ 1,520,319
Receivables, net	647,309
Interfund balances	-
Due from other funds	-
Due from other governments	130,707
Prepaids	-
Total current assets	2,298,335
Noncurrent assets	
Prepaid Capacity	5,404,702
Capital assets	
Land and construction in progress	264,177
Other capital assets, net of accumulated depreciation	10,597,399
Total capital assets	10,861,576
Total assets	18,564,613
Liabilities:	
Current Liabilities:	
Accounts payable	26,127
Accrued interest payable	115,921
Unearned revenue	19,685
Contracts payable, due within one year	505,000
Premium on contracts payable - current	51,310
Total current liabilities	718,043
Long-term liabilities (net of current portion):	
Premium on contracts payable - non-current	798,614
Contracts payable, non-current	7,860,000
Total non-current liabilities	8,658,614
Total liabilities	9,376,657
Net position:	
Net Investment in capital assets	1,646,652
Unrestricted (deficit)	7,541,304
Total net position	$ 9,187,956

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, 2018

	Sewer Enterprise Fund
Operating revenues:	
Charges for services:	$ 530,233
Capacity/connect charges	2,538,465
Other revenues	-
Miscellaneous	-
Total operating revenues	3,068,698
Operating expenses:	
Cost of sales, capacity	1,398,575
Cost of services	221,528
Depreciation	434,674
Total operating expenses	2,054,777
Operating income (loss)	1,013,921
Non-operating revenues (expenses):	
Amortization of premium, contracts payable	50,295
Interest on contracts payable, notes and lease obligations	(286,462)
Total non-operating revenues (expenses)	(236,167)
Income (loss) before contributions and transfers	777,754
Other financing sources (uses):	
Capital contributions, developers	-
Capital contributions, other	-
Transfers from other funds	230,714
Transfers to other funds	-
Total other financing sources (uses):	230,714
Change in net position	1,008,468
Net position, beginning of year	2,901,318
Prior period adjustment	5,278,170
Total net position, beginning as restated	8,179,488
Net position, end of year	$ 9,187,956

See accompanying notes to financial statements.

CITY OF OAKWOOD, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Sewer Enterprise Fund
Cash flows from (to) operating activities:	
Cash received from customers	$ 2,421,388
Cash payments to suppliers for goods and services	(221,528)
Cash payments to employees	-
Net cash from (to) operating activities	2,199,860
Cash flows from (to) noncapital financing activities:	
Grants received	-
Transfers from other funds	-
Transfers to other funds	-
Net cash from (to) noncapital financing activities	-
Cash flows from (to) capital and related financing activities:	
Proceeds from debt issuance	-
Acquisition and construction of capital assets	(344,831)
Principal paid on contracts payable, notes, and lease obligations	(495,000)
Interest paid on contracts payable, notes, and lease obligations	(170,540)
Proceeds from the sale of capital assets	-
Capital contributions, other	230,714
Capital grants received	-
Net cash from (to) capital and related financing activities	(779,657)
Cash flows from (to) investing activities:	
Investment income	-
Net cash from (to) investing activities	-
Net increase (decrease) in cash	1,420,203
Cash at beginning of year	100,116
Cash at end of year	$ 1,520,319

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, 2018

	Sewer Enterprise Fund
Reconciliation of operating income (loss) to net cash from (to) operating activities	
Operating income (loss)	$ 1,013,921
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	434,674
Non-cash operating revenues (expenses)	-
Non-operating revenue (expense)	-
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(647,309)
(Increase) decrease in due from other funds	-
(Increase) decrease in prepaid capacity	1,398,574
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	$ 2,199,860

See accompanying notes to financial statements.

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, 2018, 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, 2018, 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 120 hours. Employees who have completed six months of satisfactory job performance are reimbursed for accumulated vacation benefits upon separation of service. Any portion of the liability, if any, which is less than or equal to the average of the last three years is considered a current liability. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is reported for unpaid sick leave because the benefits are paid only upon illness of an employee, and the amount of such payments cannot be reasonably estimated.

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 expenditure sin 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 assignor 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, 2018, 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	$ 2,242,845	$ -	$ -	$ 2,242,845	$ 2,209,348
TAD Fund	221,824	-	-	221,824	221,824
SPLOST	248,035	-	-	248,035	245,579
Business-Type Activities					
Sewer Fund	1,570,335	-	-	1,570,335	1,520,319

NOTE 4. RECEIVABLES

The City bills and collects its own property taxes. Property taxes are generally levied on November 1st of each year, with the bills being payable and payable by January 1st. All unpaid taxes become delinquent and subject to lien on January 1st. Property taxes receivable at year end is estimated based on the tax levy, less amounts collected prior to December 31, 2018. 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, 2018 are as follows:

	General	Hotel/Motel Tax Fund	TAD Fund	SPLOST Fund	Total Governmental Funds	Sewer
Receivables:						
Property taxes	$ 200,516	$ -	$ -	$ -	$ 200,516	$ -
Franchise taxes	131,861	-	-	-	131,861	-
Excise taxes	32,359	8,208	-	-	40,567	-
Accounts	-	-	-	-	-	647,309
Intergovernmental	75,071	-	-	-	75,071	130,707
Net total receivable	$ 439,807	$ 8,208	$ -	$ -	$ 448,015	$ 778,016

Accounts receivable consist primarily of franchise and excise taxes, along with any other amounts due to the City as of December 31, 2018, 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, 2018, but were collected by retail or lodging establishments from their customers in 2018. The accounts receivable of the Sewer Fund represent wastewater capacity acquired by developers.

NOTE 5. CAPITAL ASSETS

Primary Government

Capital asset activity for the year ended December 31, 2018, 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, 2017	$ 5,919,773	$ 2,184,074	$ 1,546,085	$ 12,809,027	$ 1,558,110	$ 24,017,069
Increases	355,823	9,785	114,177	238,729	277,895	996,409
Decreases	(217,200)	-	-	-	(55,339)	(272,539)
Balance, December 31, 2018	6,058,396	2,193,859	1,660,262	13,047,756	1,780,666	24,740,939
Accumulated Depreciation						
Balance, December 31, 2017	-	-	789,538	3,430,374	1,371,283	5,591,195
Increases	-	-	52,818	605,826	83,907	742,551
Decreases	-	-	-	-	(55,339)	(55,339)
Balance, December 31, 2018	-	-	842,356	4,036,200	1,399,851	6,278,407
Governmental Activities						
Capital Assets, Net	6,058,396	2,193,859	817,906	9,011,556	380,815	18,462,532
Business-type Activities						
Balance, December 31, 2017 restated	230,407	10,950	-	12,761,993	-	13,003,350
Increases	-	22,820	-	138,176	69,718	230,714
Decreases	-	-	-	-	-	-
Balance, December 31, 2018	230,407	33,770	-	12,900,169	69,718	13,234,064
Accumulated Depreciation						
Balance, December 31, 2017 restated	-	-	-	1,937,814	-	1,937,814
Increases	-	-	-	431,188	3,486	434,674
Decreases	-	-	-	-	-	-
Balance, December 31, 2018	-	-	-	2,369,002	3,486	2,372,488
Business-type Activities						
Capital Assets, Net	230,407	33,770	-	10,531,167	66,232	10,861,576
Primary Government						
Capital Assets, Net	$ 6,288,803	$ 2,227,629	$ 817,906	$ 19,542,723	$ 447,047	$ 29,324,108

As discussed in Note 18, a prior period adjustment was recorded to decrease the beginning balance of water and sewer infrastructure for plant capacity acquired in previous years.

Depreciation Expense

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

Governmental Activities		Business-type Activities	
General government	$ 53,834	Sewer	$ 434,674
Public safety	56,232		
Culture and recreation	10,069		
Public works - Street	619,918		
Public works - Solid Waste	2,498		
Total	$ 742,551		

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2018, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Hotel Motel Tax Fund	$ 8,208
SPLOST	General Fund	48,695

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, 2018, were as follows:

Transfer to/from Other Funds:

Transfers In	Transfers Out	Amount
General Fund	Hotel/Motel Tax Fund	$ 102,584
General Fund	TAD Fund	33,965
Sewer Fund	SPLOST Fund	230,714

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, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government Activities					
Contracts payable	$ 1,875,355	$ -	$ (417,400)	$ 1,457,955	$ 435,800
Notes payable	1,747,084	-	(155,428)	1,591,656	157,575
Compensated absences	-	47,620	-	47,620	47,620
Net pension liability	1,829,223	354,250	(475,420)	1,708,053	-
Governmental activities Long-term liabilities	$ 5,451,662	$ 401,870	$ (1,048,248)	$ 4,805,284	$ 640,995

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

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

On December 16, 2007, the City entered into a contract with Gainesville-Hall County Development Authority to issue $3,500,000 of Series 2007 Revenue Bonds 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, 2018, the principal balance due on this debt is $1,457,955.

Fiscal year ending December 31,	Principal	Interest	Total
2019	$ 435,800	$ 64,190	$ 499,990
2020	1,022,155	67,892	1,090,047
Total	$ 1,457,955	$ 132,082	$ 1,590,037

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, 2018 is $1,043,525.

Fiscal year ending December 31,	Principal	Interest	Total
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
2023	170,145	18,227	188,372
2024 - 2028	271,678	10,881	282,559
Total	$ 1,043,525	$ 180,895	$ 1,224,420

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. On December 20, 2018, the interest was reset to 6.75% per annum. At December 31, 2018, the principal amount due is $548,131.

Fiscal year ending December 31,	Principal	Interest	Total
2019	$ 18,214	$ 36,442	$ 54,656
2020	19,482	35,174	54,656
2021	20,839	33,817	54,656
2022	22,290	32,367	54,657
2023	23,842	30,815	54,657
2024 - 2028	146,546	126,736	273,282
2029 - 2033	205,182	68,100	273,282
2034 - 2038	91,736	5,902	97,638
Total	$ 548,131	$ 369,353	$ 917,484

Business-type activities

The following is a summary of activities long-term debt activity for the year ended December 31, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Contracts payable	$ 8,860,000	$ -	$ (495,000)	$ 8,365,000	$ 505,000
Plus: Premiums	900,219	-	(50,295)	849,924	51,310
Total contracts payable	9,760,219	-	(545,295)	9,214,924	556,310
Notes Payable	-	-	-	-	-
Business-type activities Long-term liabilities	$ 9,760,219	$ -	$ (545,295)	$ 9,214,924	$ 556,310

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

On July 1, 2016, 2007, the City entered into a contract with Gainesville-Hall County Development Authority to issue $9,265,000 of Series 2016 Revenue Bonds for sewer facilities and improvements. These were refunding revenue bonds used to retire two (2) original Georgia Environmental Facilities Authority (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, 2018 was $8,365,000.

Fiscal year ending December 31,	Principal	Interest	Total
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
2023	555,000	228,300	783,300
2024 - 2028	3,035,000	886,600	3,921,600
2029 - 2033	2,120,000	302,200	2,422,200
2034 - 2038	570,000	56,800	626,800
Total	$ 8,365,000	$ 2,529,850	$ 10,894,850

NOTE 8. SEWER TREATMENT CONTRACTS

To facilitate the provision of wastewater (sewer) treatment for the residents of Oakwood, the City has entered into various intergovernmental agreements (IGA) with several municipal service providers. Utilizing existing facilities and infrastructure and designation of distinct services areas, sewer treatment is provided via intergovernmental agreements with Flowery Branch, Gainesville, and the Town of Braselton.

Oakwood Capacity in the Flowery Branch WWTP

In 2005, the City entered into a settlement agreement with the City of Flowery Branch to confirm its allocation of 50,000 gpd (gallons per day) of wastewater capacity in the Flowery Branch WWTP. During 2006, Hall County transferred, to the City of Oakwood, 200,000 gallon per day of its 400,000 gallons per day of waste water capacity, which it had purchased from Flowery Branch for $4,000,000 in 2004. Additionally, as a part of a 2017 IGA with Flowery Branch, the City received an additional 12,000 gallons per day of capacity based on shifting customers from Flowery Branch wastewater treatment to its emerging wastewater treatment agreement with the Town of Braselton. The City of Flowery Branch provides operation/maintenance of the system, bills customers, and remits a sewer capital recoupment fee (an add-on to the sewer charges) to the City on a quarterly basis. The 2017 IGA with Flowery Branch addressed various service delivery challenges in the south and west portions of the city. This agreement superseded previous agreements and defines the City's capacity in the Flowery Branch system (262,000 gpd), terms and parameters for acquiring additional capacity, and its one-third interest in a jointly-owned spray field site. The value of the capacity is expensed as it is sold to developers and other users. As of December 31, 2018, 109,622 gpd of wastewater treatment capacity had been allocated to developers, and the remaining capacity (152,378 gpd) is valued at $1,523,780.

Oakwood Capacity in the Gainesville WWTP

In 1995, the City entered into an IGA with the City of Gainesville that increased its reserved capacity in the Gainesville WWTP to 400,000 gpd. In 2006, the City acquired an additional capacity reservation bringing the total to 650,000 gpd. The City of Gainesville provides operation/maintenance of the system, bills customers, and remits a sewer capital recoupment fee (an add-on to the sewer charges) to the City on a quarterly basis. The value of the capacity is expensed as it is sold to developers and other users. As of December 31, 2018, 366,857 gpd of wastewater treatment capacity had been allocated to developers, and the remaining capacity (283,143 gpd) is valued at $3,531,430.

Oakwood Capacity in the Braselton WWTP

In 2008, the City purchased 50,000 gpd of capacity from Town of Braselton at a cost of $350,000. In 2015, the City paid $1,415,250 from its State of Georgia revolving loan proceeds to the Town of Braselton for wastewater processing capacity and infrastructure system investment to transport an additional 75,000 gpd to the treatment facility. The IGA with the Town of Braselton provided for this capacity, while providing for a proportionate share in capital improvements required to service the eastern portion of the city. Based on a billing IGA with the City of Gainesville, the Oakwood customers with wastewater treated through the Town of Braselton WWTP are billed for sewer services by the City of Gainesville. The City of Gainesville remits the sewer fee and the capital recoupment fee (an add-on to the sewer charges) to the City on a quarterly basis. The value of the capacity is expensed as it is sold to developers and other users. As of December 31, 2018, 82,169 gpd of wastewater treatment capacity had been allocated to developers, and the remaining capacity (44,221 gpd) is valued at $834,450.

NOTE 9. RETIREMENT BENEFITS

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 City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. 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 Description. As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by the City Council, the plan provides pension benefits and death and disability benefits for all full-time employees. Regular, full time employees who work at least 30 hours per week may participate in the plan after they have completed one (1) year of continuous service. Elected officials are eligible for these benefits. Benefits vest after 5 years of service. City employees who retire at age 65 with five (5) years of service are entitled to a monthly retirement benefit based upon average earnings and years credited service. Additionally, employees whose age and years of service total seventy-five (Rule of 75) or more qualify for a monthly retirement benefit. Early retirement is permitted provided the participant is at least 55 years of age and has completed ten (10) years of service.

Plan Membership as of June 30, 2018, the date of the most recent actuarial valuation, there were 12 participants consisting of the following:

Inactive plan members for beneficiaries currently receiving benefits	11
Inactive plan membership entitled to but not receiving benefits	18
Active plan members	27
	56

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, 2018, the City's contribution rate was 32.8% of annual payroll. City contributions to the Plan were $345,068 for the fiscal year. Employees of the City do not contribute to 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, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2018.

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

Inflation	0.00%
Salary increases	2.75%
Investment rate of return	7.50%

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, 2018 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% as established by the City Council via ordinance 2010-GO-08-62 on August 12, 2010.

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%
Global fixed income	5%	3.36%
Domestic fixed income	20%	2.11%
Real estate	10%	5.21%
Cash	0%	
Total	100%	

(*) Rates are shown net of pension plan investment expense and assumed inflation of 2.75%.

Discount rate. The discount rate used to measure the total pension liability was 7.50%. 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, 2018, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2017	**$ 4,808,106**	**$ 2,978,883**	**$ 1,829,223**
Changes for the year:			
Service cost	110,858	-	110,858
Interest	363,076	-	363,076
Differences between expected and actual experience	58,058	-	58,058
Assumption changes	98,361	-	98,361
Contributions - employer	-	388,805	(388,805)
Net investment income	-	373,835	(373,835)
Benefit payments, including refunds to employee contributions	(246,513)	(246,513)	-
Administrative expense and other	-	(11,117)	11,117
Net changes	**383,840**	**505,010**	**(121,170)**
Balances at December 31, 2018	**$ 5,191,946**	**$ 3,483,893**	**$ 1,708,053**

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 7.50 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 (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability	$ 2,336,929	$ 1,708,053	$ 1,179,905

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, 2018 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, 2018, the City recognized pension expense of $354,250.

At December 31, 2018, 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	$ 131,914	$ (19,880)
Changes in assumptions	73,770	-
Net difference between projected and actual earnings on pension plan investments	-	(120,365)
City contributions subsequent to the measurement date	284,138	-
Total	$ 489,822	$ (140,245)

City contributions subsequent to the measurement date of $284,138 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, 2018. 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:	
2019	$ 93,561
2020	12,675
2021	(13,219)
2022	(27,578)
Thereafter	-
Total	$ 65,439

NOTE 10. 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 11. 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. The various coverages are noted on the following page:

Type	Amount in Force
Property	$4,676,196

	Limits of Liability	
Type	Each Occurrence	Aggregate
General Liability	$ 1,000,000	Unlimited
Law Enforcement Liability	$ 1,000,000	NA
Public Officials Liability	$ 1,000,000	NA
Automobile Liability	$ 1,000,000	NA
Employee Benefits Liability	$ 1,000,000	NA
Blanket Crime Bond	$ 500,000	None
Worker's Compensation	Statutory	Statutory

For insured programs, there have been no significant reductions in insurance coverage.

NOTE 12. GEORGIA MOUNTAINS REGIONAL COMMISSION

Under Georgia law, the City, in conjunction with other counties and municipalities in the area, are members of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues there to. During its year ended December 31, 2018, the City paid $4,586 in such dues. Membership in GMRC is required by the official Code of Georgia Annotated (O.C.G.A.) Section 50-8-34 which provides for the organization structure of the GMRC in Georgia.

The GMRC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. 50-8-39.1 provides that the member governments are liable for any debts or obligations of GMRC. Separate financial statements may be obtained from:

Georgia Mountain Regional Commission
P.O. Box 1720
Gainesville, Georgia 30503-1720

NOTE 13. 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, 2018, the City received $102,584 in hotel/motel taxes. Of this amount, $41,034, or 40%, was used for the promotion of tourism, conventions and trade shows.

NOTE 14. 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, 2018, the cumulative property tax not collected by the City of Oakwood due to incentive agreements was $32,330, and $47,641 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 15. COMMITMENTS AND CONTINGENCIES

The City has entered into several public/private contractual partnerships for outsourced services and operations. Through these contracts with these 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 $758,983 annually.

The City has no contractual commitments on uncompleted contracts at December 31, 2018.

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 funded by the State's Georgia Underground Storage Tank (GUST) Trust Fund, which is designated for such activities and expenditures.

NOTE 16. FUND BALANCE

Fund balances of governmental funds at December 31, 2018, 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, 2018, are as follows:

General Fund – Prepaid items totaling $25,784 are considered non-spendable fund balance. Additionally, $37,130 (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 $523,408 for capital improvements. The residual balance of $1,771,688 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	$221,824
SPLOST Fund	Streets, sidewalks, sewer, machinery and equipment, vehicles, and other purposes	$247,398

NOTE 17. RESTRICTED ASSETS

Restrictions on cash in the government-wide Statement of Net Position at December 31, 2018, are as follows:

Governmental activities:

Restricted cash:

General Fund	Restricted for law enforcement purposes	$ 55,555
	Funds held in escrow from developers to facilitate improvements to roads and/or sidewalks	108,256
	Balance of grant funds	100
Total restricted cash		$ 163,911

NOTE 18. PRIOR PERIOD ADJUSTMENT

A prior period adjustment to increase sewer system assets related to sewer services and capacity contracts increased business-type net position by $5,278,170. This adjustment was necessary to properly disclose the amount of sewer capacity that had been acquired for resale in 1995, 2005, 2006, 2008, 2015, and 2017, respectfully, net of sewer capacity sold to developers and users prior to fiscal year 2018.

NOTE 19. SUBSEQUENT EVENTS

On February 25, 2019, the City sold a 19.26 acre tract of land that was held for resale in the amount of $2,215,555.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OAKWOOD, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (GAAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget				Variance with
	Original	Revisions	Final	Actual	Final Budget
Revenues:					
Taxes:					
Property taxes	$ 1,439,468	$ (4,000)	$1,435,468	$ 1,523,469	$ 88,001
Sales taxes	640,000	10,000	650,000	695,032	45,032
Insurance premium taxes	250,000	-	250,000	281,611	31,611
Alcohol beverage taxes	325,000	-	325,000	331,747	6,747
Franchise taxes (fees)	256,000	(6,000)	250,000	250,783	783
Financial institution tax	50,000	-	50,000	52,450	2,450
Other taxes	27,000	(10,000)	17,000	17,598	598
Total taxes	2,987,468	(10,000)	2,977,468	3,152,690	175,222
Licenses and permits:					
Alcohol licenses	60,000	(17,000)	43,000	43,709	709
Business licenses	132,000	(45,000)	87,000	87,023	23
Building permits	175,000	38,000	213,000	213,733	733
Other licenses and permits	63,500	48,000	111,500	112,277	777
Total Licenses and permits	430,500	24,000	454,500	456,742	2,242
Charges for services:					
Rent	9,600	(300)	9,300	9,300	-
Other charges for service	71,100	(6,100)	65,000	102,526	37,526
Total charges for services	80,700	(6,400)	74,300	111,826	37,526
Intergovernmental	78,295	-	78,295	78,305	10
Fines and forfeitures	572,600	-	572,600	662,992	90,392
Investment income	-	-	-	-	-
Contributions and donations	3,000	(3,000)	-	-	-
Other revenues	-	-	-	-	-
Miscellaneous	20,000	(4,600)	15,400	21,906	6,506
Total revenues before prior year fund balance	4,172,563	-	4,172,563	4,484,461	311,898
Fund Balance					
Appropriated for current year	-	49,737	49,737	-	(49,737)
Reappropriated for prior year commitments	-	-	-	-	-
Total revenues and prior year fund balance	$ 4,172,563	$ 49,737	$4,222,300	$ 4,484,461	$ 262,161

CITY OF OAKWOOD, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (GAAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget				Variance with
	Original	Revisions	Final	Actual	Final Budget
Expenditures:					
Current:					
General government					
Mayor and council	$ 125,823	$ (8,000)	$ 117,823	$ 81,050	$ 36,773
General Administration	611,042	1,000	612,042	611,121	921
Contingency	-	-	-	-	-
Total general government	736,865	(7,000)	729,865	692,171	37,694
Court	253,080	2,500	255,580	255,432	148
Total judicial	253,080	2,500	255,580	255,432	148
Public safety					
Police department	1,389,457	(60,794)	1,328,663	1,306,822	21,841
Total public safety	1,389,457	(60,794)	1,328,663	1,306,822	21,841
Public works					
Streets	548,026	11,500	559,526	558,903	623
Solid Waste	102,183	17,500	119,683	118,440	1,243
Total public works	650,209	29,000	679,209	677,343	1,866
Recreation and culture					
Community Services	79,445	50,737	130,182	129,188	994
Total recreation and culture	79,445	50,737	130,182	129,188	994
Housing and development					
Community development	359,771	65,000	424,771	420,356	4,415
Economic development	86,400	1,500	87,900	87,859	41
Total housing and development	446,171	66,500	512,671	508,215	4,456
Debt service					
Principal	549,979	-	549,979	549,979	-
Interest	129,357	(24,587)	104,770	101,670	3,100
Total debt service	679,336	(24,587)	654,749	651,649	3,100
Total expenditures	4,234,563	56,356	4,290,919	4,220,820	70,099
Deficiency of revenues over expenditures	(62,000)	(6,619)	(68,619)	263,641	192,062
Other financing sources (uses):					
Proceeds from issuance of debt	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	408,023	408,023
Transfers in	92,000	10,584	102,584	102,584	-
Transfers out	(30,000)	(3,965)	(33,965)	(33,965)	-
Total other financing sources (uses)	62,000	6,619	68,619	476,642	408,023
Net change in fund balances	-	-	-	740,283	740,283
Fund balance, beginning	1,601,726	-	1,601,726	1,601,726	-
Fund balance, ending	$ 1,601,726	$ -	$ 1,601,726	$ 2,342,009	$ 740,283

CITY OF OAKWOOD, GEORGIA
TAD (TAX ALLOCATION DISTRICT) FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (GAAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget				Variance with
	Original	Revisions	Final	Actual	Final Budget
Revenues:					
Tax Increment	$ 64,891	$ (33,965)	$ 30,926	$ 54,521	$ 23,595
Miscellaneous	-	-	-	-	-
Investment income	-	-	-	109	109
Total revenues	64,891	(33,965)	30,926	54,630	23,704
Expenditures:					
Current:					
Housing and development					
Planning and development	-	-	-	-	-
Economic development	14,850	-	14,850	209	14,641
Total housing and development	14,850	-	14,850	209	14,641
Debt service					
Principal retirements	22,500	350	22,850	22,850	-
Interest	27,541	(350)	27,191	27,191	-
Total debt service	50,041	-	50,041	50,041	-
Total expenditures	64,891	-	64,891	50,250	14,641
Deficiency of revenues over expenditures	-	(33,965)	(33,965)	4,380	38,345
Other financing sources (uses)					
Transfers in	-	33,965	33,965	33,965	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	33,965	33,965	33,965	-
Net change in fund balances	-	-	-	38,345	38,345
Fund balance, beginning	183,479	-	183,479	183,479	-
Fund balance, ending	$ 183,479	$ -	$ 183,479	$ 221,824	$ 38,345

CITY OF OAKWOOD, GEORGIA
HOTEL MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (GAAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget				Variance with
	Original	Revisions	Final	Actual	Final Budget
Revenues:					
Excise taxes	$ 92,000	$ 10,584	$ 102,584	$ 102,584	$ -
Miscellaneous	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	92,000	10,584	102,584	102,584	-
Expenditures:					
Current:					
Recreation and culture					
Community Services	-	-	-	-	-
Total recreation and culture	-	-	-	-	-
Total expenditures	-	-	-	-	-
Deficiency of revenues over expenditures	92,000	10,584	102,584	102,584	-
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(92,000)	(10,584)	(102,584)	(102,584)	-
Total other financing sources (uses)	(92,000)	(10,584)	(102,584)	(102,584)	-
Net change in fund balances	-	-	-	-	-
Fund balance, beginning	-	-	-	-	-
Fund balance, ending	$ -	$ -	$ -	$ -	$ -

CITY OF OAKWOOD, GEORGIA

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS AS OF DECEMBER 31, 2018

	2018	2017	2016	2015
Total Pension Liability				
Service cost	$ 110,858	$ 91,074	$ 89,199	$ 100,023
Interest on total pension liability	363,076	350,714	309,141	289,436
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	58,058	(39,758)	353,477	10,974
Other	98,361	-	-	35,359
Benefit payments, including refunds of employee contributions	(246,513)	(238,534)	(192,250)	(170,822)
Net change in total pension liability	**383,840**	**163,496**	**559,567**	**264,970**
Total pension liability - beginning	**4,808,106**	**4,644,610**	**4,085,043**	**3,820,073**
Total pension liability - ending (a)	**5,191,946**	**4,808,106**	**4,644,610**	**4,085,043**
Plan fiduciary net position				
Contributions - employer	388,805	395,328	332,559	341,884
Net investment income	373,835	323,856	9,460	199,142
Benefit payments, including refunds of employee contributions	(246,513)	(238,534)	(192,250)	(170,822)
Administrative expenses	(11,117)	(11,290)	(8,050)	(7,313)
Net change in plan fiduciary net position	**505,010**	**469,360**	**141,719**	**362,891**
Plan Fiduciary net position - beginning	**2,978,883**	**2,509,523**	**2,367,804**	**2,004,913**
Plan Fiduciary net position - ending (b)	**3,483,893**	**2,978,883**	**2,509,523**	**2,367,804**
City's net pension liability - ending (a) - (b)	**1,708,053**	**1,829,223**	**2,135,087**	**1,717,239**
Plan fiduciary net position as a percentage of the total pension liability	**67.10%**	**61.96%**	**54.03%**	**57.96%**
Covered - employee payroll	**$ 1,184,559**	**$ 1,011,820**	**$ 931,177**	**$ 970,895**
City's net pension liability as a percentage of covered -employee payroll	**144.19%**	**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

	2018		2017	2016	2015
Total Pension Liability					
Actuarially determined contribution	$ -	*	$ 392,123	$ 356,757	$ 364,133
Contributions in relation to the actuarially determined contribution	-	*	392,123	356,757	364,133
Contribution deficiency (excess)	$ -	*	$ -	$ -	$ -
Covered-employee payroll	-	*	1,011,820	931,177	970,895
Contributions as a percentage of covered-employee payroll	-	*	38.75%	38.31%	37.50%

Notes to the Schedule

Valuation Date	July 1, 2018
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	7.50%
Projected Salary Increases	2.75% plus service based increases
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 10 years

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

* 2018 information will be determined after fiscal year-end and will be included in the 2019 valuation report.

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STATISTICAL SECTION

CITY OF OAKWOOD, GEORGIA

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

	2018	2017	2016	2015
Government activities:				
Net investment in capital assets	$ 15,412,921	$ 14,803,435	$ 13,659,342	$ 14,022,986
Restricted	506,351	357,915	806,801	361,424
Unrestricted	883,401	285,384	(252,963)	(727,890)
Total governmental activities net position	$ 16,802,673	$ 15,446,734	$ 14,213,180	$ 13,656,520
Business-type activities:				
Net investment in capital assets	$ 1,646,652	$ 1,185,307	$ 996,603	$ 1,003,004
Unrestricted	7,541,304	6,994,181	7,609,372	7,948,882
Total business-type activities net position	$ 9,187,956	$ 8,179,488	$ 8,605,975	$ 8,951,886
Primary government:				
Net investment in capital assets	$ 17,059,573	$ 15,988,742	$ 14,655,945	$ 15,025,990
Restricted	506,351	357,915	806,801	361,424
Unrestricted	8,424,705	7,279,565	7,356,409	7,220,992
Total primary government net position	$ 25,990,629	$ 23,626,222	$ 22,819,155	$ 22,608,406

2014	2013	2012	2011	2010	2009
$ 13,414,066	$ 11,777,751	$ 10,808,807	$ 10,989,406	$ 10,700,551	$ 9,796,713
169,184	121,564	-	-	-	-
434,295	533,205	1,177,875	860,903	1,209,734	2,324,969
$ 14,017,545	$ 12,432,520	$ 11,986,682	$ 11,850,309	$ 11,910,285	$ 12,121,682
$ 2,109,777	$ 1,938,538	$ 1,829,947	$ 2,418,881	$ 2,046,754	$ 1,509,771
5,418,413	5,819,241	6,507,672	6,506,642	7,258,649	8,028,145
$ 7,528,190	$ 7,757,779	$ 8,337,619	$ 8,925,523	$ 9,305,403	$ 9,537,916
$ 15,523,843	$ 13,716,289	$ 12,638,754	$ 13,408,287	$ 12,747,305	$ 11,306,484
169,184	121,564	-	-	-	-
5,852,708	6,352,446	7,685,547	7,367,545	8,468,383	10,353,114
$ 21,545,735	$ 20,190,299	$ 20,324,301	$ 20,775,832	$ 21,215,688	$ 21,659,598

CITY OF OAKWOOD, GEORGIA

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

	2018	2017	2016	2015
Expenses				
Governmental activities:				
General government	$ 754,783	$ 758,565	$ 760,845	$ 600,951
Judicial	255,432	-	-	-
Public safety	1,373,518	1,624,517	1,524,833	1,503,966
Public works	1,178,940	1,225,488	1,763,549	839,520
Recreation and culture	86,317	80,448	75,025	66,761
Housing and development	487,581	295,307	190,695	175,918
Interest and fiscal charges	97,040	215,768	210,850	232,721
Total governmental activities expenses	4,233,611	4,200,093	4,525,797	3,419,837
Business-type activities:				
Sewer	2,290,944	953,683	893,911	549,807
Total business-type activities expenses	2,290,944	953,683	893,911	549,807
Total primary government expenses	$ 6,524,555	$ 5,153,776	$ 5,419,708	$ 3,969,644
Program revenues				
Governmental activities:				
Charges for services:				
General government	$ 102,471	$ 777,834	668,985	260,654
Judicial	-	-	-	-
Public Safety	722,271	550,152	551,228	653,614
Public Works	-	-	-	-
Recreation and culture	46,972	28,166	41,746	50,706
Housing & development	213,733	178,548	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	726,589	634,706	752,790	1,132,451
Donation of infrastructure at incorporation	-	-	-	-
Total governmental activities program revenues	$ 1,812,036	$ 2,169,406	2,014,749	2,097,425
Business-type activities:				
Sewer system	3,068,698	576,881	518,000	424,693
Capital grants and contributions	-	-	-	1,548,810
Donation of infrastructure	-	-	-	-
Total business-type activities program revenues	3,068,698	576,881	518,000	1,973,503
Total primary government program revenues	$ 4,880,734	$ 2,746,287	$ 2,532,749	$ 4,070,928

2014	2013	2012	2011	2010	2009
$ 575,714	$ 631,560	$ 696,070	$ 783,295	$ 790,575	$ 620,334
-	-	-	-	-	-
1,511,577	1,525,591	1,493,111	1,577,364	1,417,502	1,433,323
736,667	779,051	507,350	753,027	767,038	543,606
43,122	57,589	60,870	70,170	68,668	70,329
186,930	234,521	341,642	302,757	284,065	549,227
343,194	248,953	282,387	289,575	263,897	85,080
3,397,204	3,477,265	3,381,430	3,776,188	3,591,745	3,301,899
815,769	596,708	658,995	506,123	331,574	729,306
815,769	596,708	658,995	506,123	331,574	729,306
$ 4,212,973	$ 4,073,973	$ 4,040,425	$ 4,282,311	$ 3,923,319	$ 4,031,205
304,550	211,369	398,470	234,842	180,549	326,663
-	-	-	-	-	-
647,484	636,450	756,313	790,901	601,791	700,859
-	-	-	-	-	-
69,633	45,805	12,712	24,725	33,240	42,366
-	-	-	-	-	-
-	-	-	-	-	-
1,421,390	1,106,437	495,546	686,277	712,558	230,769
-	-	-	-	-	-
2,443,057	2,000,061	1,663,041	1,736,745	1,528,138	1,300,657
586,180	16,868	71,091	126,243	99,061	35,419
-	-	-	-	-	36,648
-	-	-	-	-	-
586,180	16,868	71,091	126,243	99,061	72,067
$ 3,029,237	$ 2,016,929	$ 1,734,132	$ 1,862,988	$ 1,627,199	$ 1,372,724

CITY OF OAKWOOD, GEORGIA

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

	2018	2017	2016	2015
Net (expense) revenue:				
Governmental activities	(2,421,575)	(2,030,687)	(2,511,048)	(1,322,412)
Business-type activities	777,754	(376,802)	(375,911)	1,423,696
Total primary government (net (expense) revenue	$ (1,643,821)	$ (2,407,489)	$ (2,886,959)	$ 101,284
General Revenue and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	$ 1,523,469	$ 1,433,412	$ 1,089,579	$ 1,294,746
Sales taxes	695,032	650,279	617,382	601,093
Insurance premium taxes	281,611	261,125	248,346	229,272
Alcohol & excise taxes	331,747	325,645	324,325	304,146
Franchise taxes	250,783	362,502	248,983	257,062
Other taxes	261,118	186,264	156,325	114,496
Unrestricted investment earnings	109	237	156	212
Miscellaneous revenues	484,365	-	-	-
Transfers In (Out)	(230,714)	55,799	(167,361)	(396,364)
Gain(Loss) on disposal of assets	190,823	7,191	549,973	-
Total governmental activities	3,788,343	3,282,454	3,067,708	2,404,663
Business-type activities:				
Transfers In (Out)	230,714	(55,799)	167,361	396,364
Unrestricted investment earnings	-	-	-	-
Miscellaneous revenues	-	-	-	-
Unrestricted investment earnings	-	-	-	-
Total business-type activities	230,714	(55,799)	167,361	396,364
Total primary government net (expense) revenue	4,019,057	3,226,655	3,235,069	2,801,027
Change in Net Position				
Governmental activities	1,366,768	1,251,767	556,660	1,082,251
Business-type activities	1,008,468	(432,601)	(208,550)	1,820,060
Total primary government net (expense) revenue	$ 2,375,236	$ 819,166	$ 348,110	$ 2,902,311

2014	2013	2012	2011	2010	2009
(954,147)	(1,477,204)	(1,718,389)	(2,039,443)	(2,063,607)	(2,001,242)
(229,589)	(579,840)	(587,904)	(379,880)	(232,513)	(657,239)
$ (1,183,736)	$ (2,057,044)	$ (2,306,293)	$ (2,419,323)	$ (2,296,120)	$ (2,658,481)
$ 1,144,175	$ 665,538	$ 656,387	$ 608,970	$ 623,335	$ 639,454
577,796	449,210	441,754	430,358	407,177	413,042
214,606	204,828	197,826	186,210	144,754	149,087
304,177	304,750	300,894	293,718	296,834	282,812
221,485	212,227	215,193	200,454	186,156	198,188
106,807	86,255	93,343	259,389	192,608	156,116
126	224	681	368	1,346	4,843
-	-	-	-	-	-
-	10	220,000	-	-	-
-	-	(271,316)	-	-	-
2,569,172	1,923,042	1,854,762	1,979,467	1,852,210	1,843,542
-	(10)	(220,000)	-	-	-
-	-	617	-	-	-
-	-	-	-	-	-
-	-	-	8,101	16,976	36,553
-	(10)	(219,383)	8,101	16,976	36,553
2,569,172	1,923,032	1,635,379	1,987,568	1,869,186	1,880,095
1,615,025	445,838	136,373	(59,976)	(211,397)	(157,700)
(229,589)	(579,850)	(807,287)	(371,779)	(215,537)	(620,686)
$ 1,385,436	$ (134,012)	$ (670,914)	$ (431,755)	$ (426,934)	$ (778,386)

CITY OF OAKWOOD, GEORGIA

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

	2018	2017	2016	2015	2014
General Fund					
Nonspendable					
Prepaid expenditures	$ 25,783	$ 21,111	$ 20,292	$ 18,533	$ 18,973
Restricted:					
Law enforcement	37,130	10,678	-	-	-
Assigned:					
Future capital improvements	523,408	149,974	-	-	-
Encumbrances	-	-	-	-	-
Unassigned	1,755,688	1,419,963	1,095,913	601,863	370,465
Total general fund	$ 2,342,009	$ 1,601,726	$ 1,116,205	$ 620,396	$ 389,438
All Other Governmental Funds					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted:					
Law enforcement	-	-	-	-	-
Capital projects	247,397	197,263	806,801	361,424	244,041
Economic development	221,824	183,479			
Assigned:					
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 469,221	$ 380,742	$ 806,801	$ 361,424	$ 244,041

2013	2012	2011	2010	2009
$ 19,987	$ 18,610	$ 19,186	$ 16,559	$ 18,651
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(4,139)	519,878	580,969	1,162,993	2,214,760
$ 15,848	$ 538,488	$ 600,155	$ 1,179,552	$ 2,233,411
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
196,421	196,887	260,748	30,182	91,558
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 196,421	$ 196,887	$ 260,748	$ 30,182	$ 91,558

CITY OF OAKWOOD, GEORGIA

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

	2018	2017	2016	2015	2014
Revenues					
Taxes	$ 3,221,309	$ 3,190,330	$ 2,684,940	$ 2,800,815	$ 2,569,046
License and permits	456,742	393,338	420,113	260,654	304,550
Fines and forfeitures	662,992	550,152	551,228	653,614	647,484
Interest earned	249	237	330	212	161
Intergovernmental	726,449	1,024,244	752,616	987,668	898,558
Charges for services	111,826	69,408	41,746	50,706	69,633
Miscellaneous	110,392	103,223	278,297	144,783	80,297
Total revenues	5,289,959	5,330,932	4,729,270	4,898,452	4,569,729
Expenditures					
Current:					
General government	692,171	768,955	704,741	661,882	687,996
Judicial	255,432	-	-	-	-
Public safety	1,306,822	1,604,431	1,474,669	1,498,358	1,540,711
Public works	677,343	1,226,718	829,652	865,188	1,004,961
Recreation and culture	129,189	75,625	67,410	59,145	43,262
Housing & development	508,424	325,604	190,695	175,918	186,930
Capital outlay	367,436	679,926	142,467	160,395	56,368
Debt service:					
Principal	572,828	498,696	520,789	500,140	485,097
Interest	128,861	183,402	210,850	232,721	343,194
Total expenditures	4,638,506	5,363,357	4,141,273	4,153,747	4,348,519
Excess of revenues over expenditures	651,453	(32,425)	587,997	744,705	221,210
Other Financing Sources (Uses)					
Proceeds from asset sales	408,023	7,191	549,973	-	-
Issuance of long-term debt	-	-	-	-	200,000
Transfers in	102,584	507,123	142,177	84,803	441,604
Transfers out	(333,298)	(451,324)	(309,538)	(481,167)	(441,604)
Total other financing sources	177,309	62,990	382,612	(396,364)	200,000
Net change in fund balance	$ 828,762	$ 30,565	$ 970,609	$ 348,341	$ 421,210
Debt Service as a Percentage of noncapital expenditures	19.66%	17.05%	11.25%	22.48%	23.91%

2013	2012	2011	2010	2009
$ 1,922,808	$ 1,905,397	$ 1,979,099	$ 1,850,864	$ 1,838,699
211,369	228,130	218,051	165,328	241,986
636,450	756,313	790,901	601,791	700,859
224	798	752	2,600	4,843
704,013	495,429	685,893	711,304	230,769
45,805	12,712	24,725	33,240	42,366
402,424	175,340	61,506	15,221	84,277
3,923,093	3,574,119	3,760,927	3,380,348	3,143,799
626,778	625,883	715,329	721,621	771,216
-	-	-	-	-
1,483,777	1,533,945	1,520,402	1,350,890	1,386,107
1,501,837	501,563	412,246	563,909	600,269
59,537	86,015	70,170	67,466	68,922
234,521	341,642	301,745	2,147,268	2,940,923
79,026	150,600	342,217	357,566	179,974
211,780	1,053,066	423,359	163,066	24,375
248,953	282,387	279,575	263,897	85,079
4,446,209	4,575,101	4,065,043	5,635,683	6,056,865
(523,116)	(1,000,982)	(304,116)	(2,255,335)	(2,913,066)
-	-	-	-	-
-	655,454	-	1,140,100	2,125,000
433,070	594,525	80,203	61,311	116,892
(433,060)	(374,525)	(80,203)	(61,311)	(72,640)
10	875,454	-	1,140,100	2,169,252
$ (523,106)	$ (125,528)	$ (304,116)	$ (1,115,235)	$ (743,814)
11.79%	43.23%	23.28%	8.80%	1.90%

CITY OF OAKWOOD, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Taxes	Sales Taxes	Insurance Premium Taxes	Alcohol & Excise Taxes	Franchise Taxes	Other Taxes	Total
2009	$ 639,454	$ 413,042	$ 149,087	$ 282,812	$ 198,188	$ 156,116	$ 1,838,699
2010	623,335	407,177	144,754	296,834	186,156	192,608	1,850,864
2011	608,970	430,358	186,210	293,718	200,454	259,389	1,979,099
2012	656,387	441,754	197,826	300,894	215,193	93,343	1,905,397
2013	665,538	449,210	204,828	304,750	212,227	86,255	1,922,808
2014	1,144,175	577,796	214,606	304,177	221,485	106,807	2,569,046
2015	1,294,746	601,093	229,272	304,146	257,062	114,496	2,800,815
2016	1,089,579	617,382	248,346	324,325	248,983	156,325	2,684,940
2017	1,433,412	650,279	261,125	325,645	362,502	157,367	3,190,330
2018	1,523,469	695,032	281,611	331,747	250,783	138,667	3,221,309

CITY OF OAKWOOD, GEORGIA

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

	Direct Rates			Overlapping Rates			Total
	City of Oakwood				County	State	Direct and
Calendar Year	Operating Millage	Debt Service	Total	Hall County	School System	of Georgia	Overlapping Millage Rates
2009	2.480	0.000	2.480	8.960	16.420	0.250	28.110
2010	2.480	0.000	2.480	8.960	16.420	0.250	28.110
2011	2.480	0.000	2.480	9.330	17.670	0.250	29.730
2012	2.658	0.000	2.658	9.330	18.490	0.200	30.678
2013	2.658	0.000	2.658	9.330	19.250	0.150	31.388
2014	4.000	0.000	4.000	9.819	18.900	0.100	32.819
2015	4.000	0.000	4.000	9.815	18.800	0.050	32.665
2016	4.174	0.000	4.174	9.796	18.800	0.000	32.770
2017	4.174	0.000	4.174	10.780	18.500	0.000	33.454
2018	4.174	0.000	4.174	10.375	18.200	0.000	32.749

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

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)
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
2018	49,917,986	1,436,178	328,012,134	5,039,886	2,743,270	42,621	20,645

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)
$ 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%
30,771,857	356,440,863	4.174	891,102,158	40%

CITY OF OAKWOOD, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
DECEMBER 31, 2018

	2018			2009		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assed Value**
Performance Food Group	$ 21,911,076	1	6.15 %	$ 12,540,109	2	4.83 %
Kelsey Hayes Company	18,456,164	2	5.18	7,946,177	4	3.06
Kings Hawaiian Bakery, Inc.	15,803,887	3	4.43			
Waldens at Oakwood II, LLC	13,799,996	4	3.87			
Primex Plastics Corp	9,343,876	5	2.62	8,755,526	3	3.37
Bitzer US, Inc.	8,922,969	6	2.50			-
Wal-Mart Sams Club	6,986,212	7	1.96	18,235,961	1	7.02
Jinsung Georgia, LLC	5,744,918	8	1.61			
Wal-Mart Real Estate Business	5,287,440	9	1.48			
Stone Mountain Industrial Park	5,148,626	10	1.44			
Robson Crossing LLC				5,694,799	5	2.19
Madison Retail-Royal Lakes, LLC				5,597,471	6	2.16
Gwinnett Industries				3,848,342	7	1.48
Kubota Manufacturing of America				3,397,084	8	1.31
Barbe America, Inc				3,109,670	9	1.20
Atlanta MF Owner & LLC				3,047,832	10	1.17
	$ 111,405,164		31.25 %	$ 72,172,971		27.80 %
Total Taxable Assessed Value	$ 356,440,863		100.00 %	$ 259,634,482		100.00 %

Source: Hall County Tax Commissioner, Oakwood City Clerk

CITY OF OAKWOOD, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST SEVEN 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	$ 550,177	$ 509,323	92.57	%	$ 40,854	$ 550,177	100.00	%
2013	569,625	452,543	79.45		117,082	569,625	100.00	
2014	925,321	890,650	96.25		34,671	925,321	100.00	
2015	1,026,695	981,547	95.60		45,148	1,026,695	100.00	
2016	1,073,655	993,006	92.49		80,649	1,073,655	100.00	
2017	1,268,415	1,216,847	95.93		51,568	1,268,415	100.00	
2018	1,403,462	1,316,536	93.81		-	1,316,536	93.81	

Source: City of Oakwood, City Clerk

Note: The property tax levies and collections are not available for the years prior to December 31, 2012.

CITY OF OAKWOOD, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

	Governmental Activities				
Fiscal Year	**Contracts Payable**	**Notes Payable**	**Capital Leases**	**Percentage of Estimated Actual Value of Taxable Property**	**Per Capita (1)**
2009	$ 3,500,000	$ 2,135,454	$ 47,626	0.87%	$ 1,456
2010	3,500,000	3,127,526	22,134	1.02%	1,675
2011	3,304,350	2,932,201	-	1.00%	1,643
2012	3,100,050	2,738,889	-	1.01%	1,455
2013	3,100,050	2,527,110	-	0.96%	1,389
2014	2,835,332	2,306,731	-	0.81%	1,261
2015	2,564,255	2,077,669	-	0.66%	1,132
2016	2,227,255	1,893,880	-	0.61%	994
2017	1,875,355	1,747,084	-	0.46%	873
2018	1,457,955	1,591,656	-	0.34%	733

(1) Source: US Census Bureau

Business-Type Activities				
Contracts Payable	Notes Payable	Capital Leases	Total Primary Government	Per Capita (1)
$ -	$ 5,376,721	$ -	$ 11,059,801	$ 2,833
-	6,779,945	-	13,429,605	3,383
-	8,732,594	-	14,969,145	3,944
-	9,494,652	-	15,333,591	3,821
-	9,240,818	-	14,867,978	3,670
-	8,949,985	-	14,092,048	3,456
-	10,408,114	-	15,050,038	3,672
9,265,000	-	-	13,386,135	3,227
8,860,000	-	-	12,482,439	3,009
8,635,000	-	-	11,684,611	2,808

CITY OF OAKWOOD, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
(amounts expressed in thousands)

	2018	2017	2016	2015
Assessed value of property	$356,440,863	$316,977,447	$271,248,565	$280,820,210
Debt limit (10% of total assessed value)	35,644,086	31,697,745	27,124,857	28,082,021
Amount of Debt applicable to limit:				
General obligation bonds	-	-	-	-
Less:				
Resources restricted to paying principal	-	-	-	-
Total net debt applicable to limit	-	-	-	-
Legal debt margin	$ 35,644,086	$ 31,697,745	$ 27,124,857	$ 28,082,021
Total net dent applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for 2018

Total Assessed Value	$356,440,863
Debt limit (10% of total assessed value)	35,644,086
Debt applicable to limit:	
General obligation debt	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	$ 35,644,086

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

2014	2013	2012	2011	2010	2009
$254,855,048	$234,506,024	$231,697,072	$249,089,193	$261,200,988	$260,672,482
25,485,505	23,450,602	23,169,707	24,908,919	26,120,099	26,067,248
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 25,485,505	$ 23,450,602	$ 23,169,707	$ 24,908,919	$ 26,120,099	$ 26,067,248
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF OAKWOOD, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACIVITIES DEBT
AS OF DECEMBER 31, 2018

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	$ 3,612,541	4.48%	$ 161,731
Hall County Board of Education	48,440,000	4.48%	2,168,620
Total Overlapping Debt	52,052,541		2,330,351
City Direct Debt:			
Contracts Payable	$ 1,875,355	100.00%	$ 1,875,355
Notes Payable	1,591,656	100.00%	1,591,656
Total Direct Debt	3,467,011		3,467,011
Total Overlapping and Direct Debt	$ 55,519,552		$ 5,797,362

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

PLEDGED REVENUE COVERAGE
SEWER UTILITY DEBT
LAST TEN YEARS

Year	Gross Revenue [1]	Less: Operating Expenses [2]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest [3]	
2009	$ 35,419	$ 605,091	$ (569,672)	$ -	$ -	n/a
2010	99,061	148,525	(49,464)	-	-	-
2011	126,243	320,460	(194,217)	205,781	261,725	(0.42)
2012	71,091	467,670	(396,579)	284,587	338,754	(0.64)
2013	16,868	401,245	(384,377)	296,714	362,042	(0.58)
2014	586,180	619,287	(33,107)	309,357	380,504	(0.05)
2015	424,693	348,523	76,170	322,528	300,803	0.12
2016[4]	518,000	635,103	(117,103)	n/a	n/a	n/a
2017	576,881	555,305	21,576	405,000	269,335	0.03
2018	3,068,698	1,620,103	1,448,595	495,000	286,462	1.85

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

(2) Total operating expenses exclusive of depreciation.

(3) Interest on debt service is presented on an accrual basis.

(4) The coverage is not reflected as the City's issuance of $9,265,000 in bonds through the Gainesville-Hall County Development Authority to refund two outstanding Georgia Environmental Facilities Authority (GEFA) notes.

CITY OF OAKWOOD, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	City of Oakwood Population [1]	Estimated City of Oakwood Personal Income (amounts expressed in thousands) [2]	Hall County Per Capita Personal Income [3]	Hall County Unemployment Rate [4]
2009	3,904	$ 115,645	$ 29,623	9.6%
2010	3,970	119,874	30,195	9.2%
2011	3,796	110,215	29,038	8.9%
2012	4,013	123,624	30,806	7.5%
2013	4,051	129,636	32,001	7.6%
2014	4,078	133,714	32,789	6.4%
2015	4,099	139,141	33,945	4.8%
2016	4,148	147,217	35,491	4.2%
2017	4,148	156,118	37,637	4.2%
2018	4,161	162,549	39,065	3.5%

(1) Fiscal year 2009 is an estimates and fiscal year 2010 is based on 2010 Census provided by the U.S. Census Bureau. Fiscal year 2011-2018 is based on Population Estimates Program.

(2) Based on City population multiplied by Hall County per capita personal income.

(3) Bureau of Economic Analysis, U.S. Department of Commerce; information is provided on Hall Cou

(4) Georgia Department of Labor, Gainesville MSA unemployment rate.

CITY OF OAKWOOD, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT AND FIVE YEARS AGO
DECEMBER 31, 2018

	2018				2013			
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**		**Employees**	**Rank**	**Percentage of Total City Employment**	
Performance Food Group	589	1	4.29	%	400	2	4.01	%
King's Hawaiian	517	2	3.77		134	6	1.34	
TRW Automotive	455	3	3.31		443	1	4.44	
Northeast Geoargia Health Systems	400	4	2.91		-		-	
Wal-Mart Supercenter	230	5	1.68		216	3	2.17	
Wayne Farms, LLC	180	6	1.31		154	5	1.54	
Primex Plastics Corp.	175	7	1.27		159	4	1.59	
Bitzer US, Inc.	167	8	1.22		75	10	0.75	
Milton Martin Toyota	155	9	1.13		-		-	
Sam'c Club #664	116	10	0.84		117	7	1.17	
Kroger Store #63			-		92	8	0.92	
Hayes Chrysler Dodge			-		82	9	0.82	
							-	
	2,984		21.74	%	1,872		18.77	%
					-			

(1) Source: 2018 and 2013 individual employer's business license filings.

Note: The operating indicators, methodology, and data are not available prior to 2013.

CITY OF OAKWOOD, GEORGIA

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

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0
Judicial	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Safety										
Police officers	14.0	13.0	14.0	14.0	15.0	15.0	14.0	14.0	13.0	13.0
Civilians	1.0	2.0	2.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Public Works	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Culture and recreation	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Housing and development	2.0	2.0	1.0	1.0	1.0	2.0	2.0	3.0	3.0	3.0
Total	24.5	23.5	23.0	22.0	23.0	24.0	24.0	26.0	25.0	25.0

Source: City of Oakwood Finance Department and budget documents

CITY OF OAKWOOD, GEORGIA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST SEVEN YEARS

Function	2018	2017	2016	2015	2014	2013	2012
Public Safety							
Police							
General							
Calls for service	n/a	12,578	11,996	10,970	10,215	12,831	11,073
Miles driven	n/a	132,496	176,524	183,147	172,091	177,156	117,113
Traffic							
Vehicle stops	n/a	5,732	5,804	4,546	4,868	5,050	4,593
Citations issued	5,235	3,517	3,912	3,530	3,892	3,548	3,724
Warnings issued	4,188	3,460	2,561	2,143	1,723	2,604	1,509
Speeding citations	355	756	982	1,190	1,432	1,331	1,565
Driving under the influence	18	43	48	36	31	46	53
Accidents	811	562	542	480	486	412	374
Accidents with injuries	77	167	271	148	161	136	139
Private property accidents	334	204	202	177	206	186	181
Arrests made	677	721	469	466	333	390	383
Cases							
Felonies	275	n/a	n/a	n/a	n/a	n/a	n/a
Misdemeanors	886	n/a	n/a	n/a	n/a	n/a	n/a
Public Works							
Solid Waste							
Trash collected (tons)	773.87	741.51	687.21	674.48	653.51	654.87	640.81
Recyclables collected	31.40	28.02	28.53	27.42	27.77	29.54	28.79
Trash collected per schedule	100%	100%	100%	100%	100%	100%	n/a
Customer code violations	0	0	0	0	0	0	n/a
Street/Right of Ways							
Roadside mowing (miles)	94.16	114.43	124.39	107.94	120.65	118.00	126.00
Mowing per schedule	56%	70%	n/a	n/a	82%	80%	n/a
Liter collected (bags)	80	15	0	24	5	15	144
Work orders completed on time	100%	100%	100%	100%	100%	100%	n/a
Pavement Condition Index (PCI)	72	75	75	76	78	82	n/a
Stormwater							
Drainage structure inspections	42%	42%	20%	20%	0%	20%	n/a
Work orders completed on time	100%	100%	100%	100%	100%	50%	n/a
Buildings and Grounds							
Park facility inspections	100%	100%	100%	100%	100%	100%	n/a
Cemetery maintenance per schedule	100%	100%	100%	100%	100%	100%	n/a
Work orders completed on time	100%	100%	100%	100%	100%	100%	n/a
Landscape maintenance per schedule	100%	100%	100%	100%	100%	100%	n/a

Sources: Various government departments.

Note: The operating indicators, methodology, and data are not available prior to 2012.

CITY OF OAKWOOD, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST SEVEN YEARS

Function	2018	2017	2016	2015	2014	2013	2012
General Administration							
Vehicles	-	-	1	1	1	1	1
Public Safety							
Vehicles	17	17	16	18	18	17	17
Public Works							
Streets							
Vehicles	6	6	6	6	7	7	7
Heavy Equipment	2	2	3	3	3	3	3
Sanitation							
Vehicles	2	2	2	2	2	2	2
Recreation and Culture							
Playgrounds	1	1	1	1	1	1	1
Community Center	1	1	1	1	1	1	1
Pools	1	1	1	1	1	1	1

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

Note: The operating indicators, methodology, and data are not available prior to 2012.

INTERNAL CONTROL AND COMPLIANCE SECTION

Hawkins & McNair, CPAs

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Winder, Georgia 30680
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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, 2018, 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 21, 2019.

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 21, 2019

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STATE COMPLIANCE SECTION

Hawkins & McNair, CPAs

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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, 2018. 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, 2018, in conformity with accounting principles generally accepted in the United States of America.

Hawkins & McNair, CPAs
June 21, 2019

CITY OF OAKWOOD, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	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	892,498	724,705	167,793	892,498	100.0%
Oakwood Downtown Sewer Phase 1	800,000	45,226	733,203	(687,977)	45,226	100.0%
Infrastructure - Roads, sidewalks, streetscape and etc.	1,500,000	1,316,143	839,240	476,903	1,316,143	100.0%
Other	-	-	-	-	-	0.0%
Total SPLOST VI	$ 3,700,000	$ 2,453,867	$ 2,497,148	$ (43,281)	$ 2,453,867	100.0%
SPLOST VII						
Roads, Streets and Bridges	$ 1,684,678	$ 1,684,678	$ 686,639	$ 262,457	$ 949,096	56.3%
Sewer Infrastructure	1,000,000	1,000,000	267,983	273,995	541,978	54.2%
Public Safety Equipment	300,000	300,000	127,795	104,980	232,775	77.6%
Total SPLOST VII	$ 2,984,678	$ 2,984,678	$ 1,082,417	$ 641,432	$ 1,723,849	57.8%

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