



CITY OF  
**GAINESVILLE**  
GEORGIA

FINANCIAL SERVICES

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2022







***CITY OF GAINESVILLE, GEORGIA***  
***Annual Comprehensive Financial Report***  
***For the Fiscal Year Ended June 30, 2022***



**GAINESVILLE**

***CITY OF GAINESVILLE, GEORGIA***

***Annual Comprehensive Financial Report***

***For the Fiscal Year Ended June 30, 2022***

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



**GAINESVILLE**

# **CITY OF GAINESVILLE, GEORGIA**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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**OFFICIALS OF THE CITY OF GAINESVILLE**

***LEGISLATIVE BRANCH***

***CITY COUNCIL***

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

***OFFICERS OF THE COUNCIL***

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

***JUDICIAL BRANCH***

G. Hammond Law, III	Municipal Court Judge and Administrative Hearing Officer
Inez Grant	City Solicitor

***EXECUTIVE BRANCH***

***CITY MANAGER AND DEPARTMENT DIRECTORS***

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



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Gainesville  
Georgia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO



**GAINESVILLE**

# CITY OF GAINESVILLE Organizational Chart

**Citizens**

Mayor and Council

City Solicitor

Municipal  
Court Judge

City Manager

City Attorney

City Auditor

Boards and  
Authorities

City Clerk's  
Office\*

Community  
Service  
Center

Golf Course

Department of  
Water  
Resources

Public Works  
Department

Police  
Department

Fire  
Department

Administrative  
Services  
Department

Community  
Development  
Department

Financial  
Services  
Department

Information  
Technology

 = Appointed by Mayor and Council

\* Division within the City Manager's Office

CITY OF  
**GAINESVILLE**

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**OFFICE OF THE CITY MANAGER**

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🖱 | GAINESVILLE.ORG

December 14, 2022

Citizens, Mayor, and Members of the City Council  
City of Gainesville, GA:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Gainesville (the City) for the fiscal year ended June 30, 2022 (FY22). Georgia code requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. These statements are to be presented in compliance with generally accepted accounting principles (GAAP), federal and state regulations, and audited in accordance with generally accepted governmental auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we submit this report for your consideration.

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

Rushton and Company, LLC, Certified Public Accountants, has audited the City's financial statements as required by Georgia Code. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for FY22 are free from material misstatement. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the

accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for FY22 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

## Profile of the Government

The City of Gainesville, incorporated on November 30, 1821, is located in Northeast Georgia, approximately 50 miles northeast of Atlanta. Gainesville is the principal city and county seat of Hall County. Bordered on the west by Lake Sidney Lanier, Hall County lies at the southern edge of the Chattahoochee National Forest and the foothills of the Blue Ridge Mountains. According to the 2020 U.S. Census, Gainesville has a population of 42,296, while Hall County's population is 203,136. Census Bureau estimates for 2021 show Gainesville and Hall County's population at 43,417 and 207,369, respectively, with over 150,000 people either living or employed in the City during workday hours. The City is empowered to levy a property tax on real and personal property located within its boundaries. Also, the City is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.



The City operates under a Council-Manager form of government. Gainesville's City Council is composed of an elected Mayor and five council members who are responsible for enacting ordinances, resolutions, and regulations governing the City. In addition, the Council appoints the City Manager, City Clerk, City Attorney, and members of various statutory and advisory boards. The City Manager is the chief executive officer of the City and is responsible for enforcement of laws and ordinances, as well as appointments and supervision of the various department directors of the municipal government. An organizational chart of The City's current structure of operation is included in the introductory section.



The City, under the guidance of the City Manager and the Council, provides a full range of services: police and fire protection; the maintenance of streets and infrastructure; parks, recreational activities, and cultural events; municipal golf course; municipal airport; planning, zoning, and building inspection services; water and sewer services. The City's water and sewer service is provided to its citizens and to most of Hall County.

The ACFR includes all funds of the primary government (i.e. City of Gainesville as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Gainesville Parks and Recreation, Gainesville Convention and Visitor's Bureau (Gainesville CVB), and the Land Bank Authority all meet the current guidelines of GASB Statement No. 14 and, therefore, are included as component units in the ACFR as part of the City's reporting entity. City Council appoints the Board members and exercises budgetary review for all component units. In addition, the Council establishes a designated tax levy for Gainesville Parks and Recreation. These agencies serve both the residents of the City and Hall County with their program activities. All information on these legally separate entities can be found in the Notes to the Financial Statements.

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

## Local Economy

As the regional employment center for Northeast Georgia, Gainesville-Hall County holds the distinction of being rated by Forbes Magazine as a "Best Small Places for Business and Careers," including ranking 7<sup>th</sup> in job growth. The Milliken Institute study ranked Gainesville metro area as the 8<sup>th</sup> "Best Performing Small City in America" of 2022 when considering job creation, economic growth, and wage gains. While the COVID-19 pandemic created challenges for the Gainesville metro area, particularly in regards to strains placed on healthcare providers, the hospitality industry, and small business, the City has shown a strong economic recovery. Tourism has greatly rebounded as evidence of a 42% increase in Hotel-Motel tax collection over FY21 and a 54% increase compared to pre-Pandemic collections.

The Gainesville community continues to see impressive growth in both manufacturing and retail sectors. The Gainesville-Hall County is home to more than 330 manufacturing and processing facilities, including 57 international locations. According to the Greater-Hall Chamber of Commerce, Gainesville-Hall County added 1,700 new jobs and \$295 million in capital investments in a one year period ending June 30, 2022. FY22 was another year of substantial capital investment, particularly in the manufacturing industry. An example of this is Fox Factory Holding Corp, an industry leader in design and manufacturing of high performance shock absorbers, who in the past year, invested more than \$75 million in their new corporate headquarters in Gainesville, employing 1,300 workers. Another example is Kubota Manufacturing of America's \$90 million Research and Development Center that opened in April of 2022 that created an estimated 100 jobs. Other area manufacturing expansions planned include Marel and Syfan Logistics among others.



One way the City is focusing on economic and job growth is through the development of the 85 Business Park, a 1,300-acre business park located between Athens Highway and Candler Road. Cottrell, an industry leader in manufacturing and assembling car haulers, is beginning the construction in the 85 Business Park of its second manufacturing facility in Gainesville-Hall County, investing \$125 million in the 500,000 square foot facility.

### ***85 Business Park Construction***

The poultry industry remains strong in Gainesville and has drawn other spinoff industries to the area, including those that manufacture poultry vaccines and high-tech processing equipment. The poultry industry is still the primary employer in Gainesville-Hall County, with four poultry companies ranking in the top ten employers. The food processing and manufacturing industries continue to be a significant employer, making up more than 26% of the Gainesville-Hall County workforce.

Gainesville serves as the regional financial and retail hub for Northeast Georgia. The Historic Downtown Square continues to flourish with popular restaurants and a mix of both trendy and traditional retail establishments found along its brick-lined sidewalks. Main Street Gainesville's successful record of attracting visitors Downtown to shop, eat, and enjoy the quaint atmosphere helps generate foot traffic and commerce for local merchants. The potential for long-term growth and development can be seen in the great transformation that is happening in Downtown Gainesville. Several major projects were completed within the past year in Downtown and Midtown to enhance accessibility and create additional mixed-use – living and retail – options for the community and its visitors. A major streetscaping project was completed that includes new trees, decorative street lights, benches, and wider sidewalks, some of which have brick accents. In addition, two major projects for mixed-use were completed within the past year. There are three other major mixed-use projects underway with estimates of being completed in 2023 and 2024. The completion and opening of the new 410-space North Parking Deck is helping support the growth and traffic these new attractions will bring.



### ***Gainesville Renaissance Mixed-Use Development Completed in 2022***

In addition to the aforementioned robust business activity, Gainesville-Hall County holds the privilege of being the medical nucleus for the 14-county Northeast Georgia area with a top ranked hospital, Northeast Georgia Medical Center (NGMC), and a number of highly-recognized physician group practices. The excellent reputation of the City's medical facilities has drawn some of the finest physicians to the Gainesville area with healthcare employing about 14,725 workers in Gainesville-Hall County. *Forbes* has deemed NGMC as one of the best hospitals to work for in the state and nation. The healthcare industry is a major contributor to Gainesville's economy as evidenced by the Georgia Hospital Association crediting NGMC with contributing more than \$3.2 billion to local and state economy in 2019. NGMC's impact upon the local economy continues with the addition of a 927,500 square-foot expansion for its Gainesville campus which began in 2022.



### ***New Streetscaping along Bradford Street in Downtown***

Impressive growth in the Gainesville area is also reflected in recent years' Census data. According to 2020 Census totals, the City recognized a 27% population increase over the past decade. With an estimated 38% of the City's population listed as Hispanic or Latino per 2020 Census numbers, the City takes great pride in and embraces its cultural diversity. Gainesville-Hall County expects to see continued growth in the future. The sense of community found in Gainesville, combined with a multitude of beautiful parks and recreational activities, along with easy access to large metropolitan areas makes Gainesville an attractive place to call home.

With the City's population increase and continual progress and development of multiple industries, certain services must be in place to support this growth. Gainesville's Department of Water Resources continues to support residents, current industries, and expanding developments throughout Hall County, serving over 58,000 water customers. The Department withdraws water from Lake Lanier, treats the high quality source water to stringent drinking water standards, and pumps the water to residences and businesses



throughout the County. For over 10,000 of those customers, the Department takes back the wastewater, treats it to very stringent limits, and returns the highly treated water to Lake Lanier. For 13 consecutive years, the Lakeside Water Treatment Plant has been awarded the Platinum Award for 100% compliance. Also, the Department addresses stormwater water issues within the City limits. Gainesville is part of the Century Club for having active 100-year-old ductile iron pipe water mains that are fully operational. The Department employs highly qualified and state-certified water professionals in treatment, collection and distribution, laboratory, engineering, and other areas of expertise.



***Damond Castleberry, Lakeside Water Treatment Plant Manager, educates students.***

## Major Initiatives

Recently, Gainesville adopted its 2040 Comprehensive Plan, maintaining the Georgia PlanFirst Community designation by the Georgia Department of Community Affairs' by clearly demonstrating an established pattern of successfully implementing the Local Comprehensive Plan. In line with the City's comprehensive plan, each year the City assesses its strategic priorities as it looks into the future, centering on the needs and wellbeing of the citizens and the community at large. There are five strategic priorities: Economic Opportunity/Development, Spirit of Community, Culture of Safety, Stewardship, and Regional Destination.

Aligning with the City's strategic priorities, there are multiple ongoing projects that evidence the strategic thinking and reimagining of Gainesville's Downtown and Midtown. These projects will bring much needed residential spaces and additional retail and restaurant opportunities to the areas which support the City's economic priorities in its strategic vision.

The largest of the Downtown projects is The National, a \$50 million multi-use development with the idea of it being a live-work-play community. Located just off the Downtown Square, The National has plans to include a 157-unit apartment building and a 130-room, seven-story hotel with an underground parking deck and outdoor plaza of greenspace connecting the two buildings. The National is projected to be completed in the spring of 2023.

In July of 2022, the City officially opened its new North Parking Deck for public use. This is the third parking deck in the Downtown area, helping to accommodate the increased need for parking by residents, employees, and visitors to Downtown. There is additional construction ongoing near the North Parking Deck that will hold two additional restaurants that will provide visitors additional Downtown dining options.



***Rendering of North Parking Deck with Restaurant Space***

These large development projects include direct access to the Downtown Square, extending into Midtown, providing convenient access to the Highlands to Islands trail system. As Midtown is being revitalized, developers are finding the area attractive for new residential, restaurant, and retail projects. One of the new residential projects is the second phase of the Solis apartment developments. The first phase of Solis opened in early 2022. Solis plans for phase two to include a 180-unit apartment building and 5,000 square feet of retail space, all built on the former Hall County Jail Site. One of the restaurant projects is Cumming-based NoFo Brew Company and Distillery that will be built off of the Midland Greenway. All of the potential amenities brought with adding restaurant, retail, business, residential, and greenspace will continue to highlight Gainesville as the economic epicenter of Hall County and the surrounding Northeast Georgia area.

An important aspect to any community is enhancing the health and wellbeing of its citizens by creating access to recreation and greenspace. Nationally recognized and accredited, Gainesville Parks and Recreation maintains and operates eight major facilities, 21 parks, and over 547 acres of park land. The Department continues to enhance and expand the City's parks, outdoor trail system, recreational facilities, and recreation programs. There are



planned projects on the Midland Greenway, part of the Highlands to Islands trail system that connects to various cities in Hall County. These projects include installing lighting and adding an amphitheater and plaza area along the Midland Greenway. In addition to enhancements of the City's trail system, construction has begun on the new J. Melvin Cooper Youth Athletic Complex that will be on 89 acres of land and include five ball diamonds, one multipurpose field,



a walking path, track, and playground. The athletic complex will provide much needed additional space for youth programing and is expected to bring \$6 million in economic impact annually.

Another project that will have a substantial impact for the City, while aligning with its strategic priority of being a Regional Destination, is the renovation and expansion of the Lake Lanier Olympic Park Boathouse. The current Boathouse, built in 1994 for the 1996 Olympic Games, is used by local clubs who help uphold the Olympic legacy and help draw visiting athletes to the Gainesville area generating over \$4 million annually to the community. The Boathouse is in need of a full renovation. Construction of the \$21 million Boathouse began in August 2022 and is expected to be completed by the end of 2023. In addition to the bottom level providing boat storage and fitness center, the Boathouse will feature 17,000 square feet of meeting space, a catering kitchen, and patio seating overlooking the lake. Last year Lake Lanier Olympic Park generated a third of tourisms \$19 million revenue and the new Boathouse is expected to double the venue's annual economic impact by drawing visiting athletes and increasing participation in regattas.



***Rendering of Lake Lanier Olympic Park Boathouse renovation and expansion***

## Long-Term Financial Planning

The City of Gainesville has a bond rating of Aa1 by Moody's Investor Service and an AA rating by S&P Global Ratings. This stable bond rating is a reflection of the City's large and growing tax base, conservative fiscal management, operating effectiveness, and long-term overall financial stability. The Aa1 rating emphasizes a strong liquidity position and low-level credit risk the City poses to potential investors and, therefore, will allow the city to utilize long-term debt to provide resources to finance needed capital improvements.

The City of Gainesville maintains a flexible, yet thorough, five-year capital improvement plan whereby capital needs are identified several years before funding and implementation, to allow adequate time for planning. This plan also provides for the orderly purchase of needed equipment and facilities and allows for the efficient allocation of limited financial resources.

The City's current five-year capital improvements plan has identified \$294.5 million in projected expenditures through fiscal year 2027. Of this, \$55.4 million has been approved to be expended in FY23. Notable general government capital improvements in FY23 will include the following: \$135,000 for Fire vehicle replacement; \$320,000 for replacement Police vehicles; \$315,000 for greenway connectivity; and \$1.3 million for street resurfacing projects. Compared to FY22's capital improvement budget of \$126.6 million, there was a significant decrease due to major upgrades or maintenance to water and sewer facilities that occurred in FY22.



The Department of Water Resources (DWR) has its own, separate and robust capital improvements program to continue providing for the needs of the community. A main focus for DWR, while complying with regulatory requirements, is ensuring high standards are met for safe drinking water and environmental protection. Aligning with this focus, the Department has begun projects including a new solids dewatering facility, new sewer lift stations, water treatment plant improvements, stormwater improvements, and water line replacements and relocations.

The major source of funding for DWR capital projects in FY23 are loans from the Georgia Environmental Finance Authority (GEFA). Proceeds from the loans will go towards required maintenance, improvements, and expansion to serve new customers. The improvements will meet new requirements, incorporate new technology, increase efficiency, and reduce operating costs.

Budgeted Fund Balance is the largest funding source for the general government in FY23. This funding source represents surplus funds from previous years and is typically used for one-time purchases. Also, Special Local Option Sales Tax (SPLOST) is a large source of funding for capital improvement projects.

Another major source of funding for the City's capital projects are bond proceeds. If necessary, the City may choose to issue general obligation bonds for capital improvement projects that are too expensive to be financed from current revenue sources. The City issued Revenue bonds in October 2022, the proceeds of which will be used towards the construction of the J. Melvin Cooper Youth Athletic Complex, the Lake Lanier Olympic Park Boathouse, and retail space near the North Parking Deck. There are two series included in this issuance of revenue bonds. Series 2022A (non-taxable) was issued for \$33.9 million and Series 2022B (taxable) was issued for \$3.6 million. As previously discussed these projects are part of the City's major initiatives and align with its strategic priorities.

## Relevant Financial Policies

In accordance with Georgia statutes, the City operates under an annual budget adopted by local resolution. The annual budget serves as the foundation for the City's financial planning and control. The City's budget is adopted by City Council on or before June 30 at a regular Council meeting that is open to the public. The budget is balanced for each and every budgeted fund. Total anticipated revenues and a portion of fund balance should equal the fund's anticipated expenditures. The level of legal budgetary control is maintained at the fund/department level. Department directors may request budget

adjustments through the Financial Services Department, provided that the budget adjustment does not increase the overall budget or personal services allocation for that department.

The City attempts to establish an unreserved fund balance in the General Fund. The purpose is to pay expenditures caused by unforeseen emergencies, handle shortfalls caused by revenue declines, and to eliminate any short-term borrowing for cash flow purposes. This reserve should accumulate and retain no less than two months of operating expenditures.

The City's Investment and Cash Management policy states that the City should make investments with prudence, judgement, and care with the primary objective of safety and secondary objective of obtaining competitive market rates of return. Maximum opportunity is provided to all local financial institutions to bid and compete for City investments due to the importance of the financial institutions to the local economy. As a result of declining interest rates, the City's interest earnings were considerably less in FY22 compared to pre-COVID-19 pandemic. However, the City continues leveraging different strategies and investments to gain conservative investment earnings.

The City requires that current expenditures be financed with current revenues that include the portion of fund balance in excess of authorized reserves. The City should avoid budgetary procedures that balance current expenditures through the obligation of future resources, or which finance on-going expenditures with one time revenues. It strives to avoid short-term borrowing in order to meet budgetary requirements.

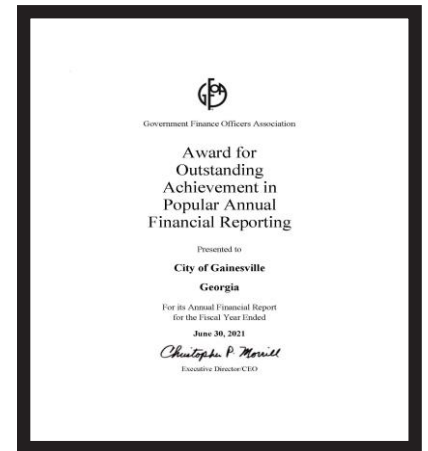
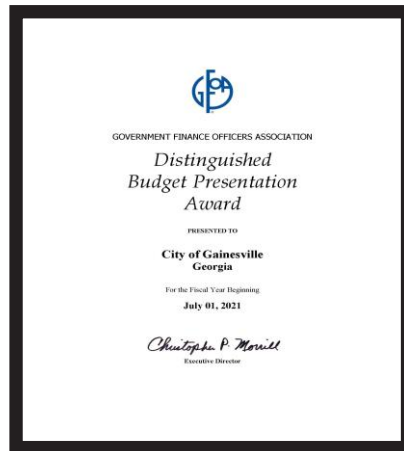
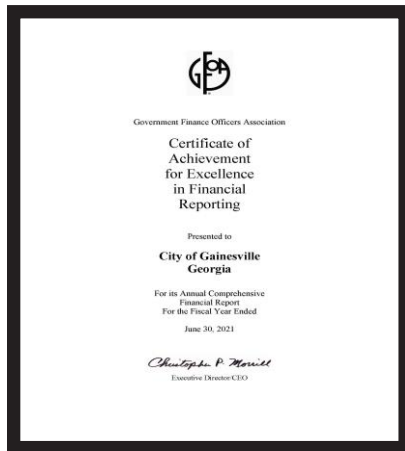
The City is permitted to issue debt in any form that does not contradict the existing constitution and laws of the State of Georgia. It will only utilize long-term debt for capital improvement projects that are too expensive to be financed from current revenue sources. The debt should be paid back within a period of time that does not exceed the life of the project financed.

## Awards and Acknowledgment

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gainesville for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the thirty-first consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual report, conforming to program standards and satisfying both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA presented a Distinguished Budget Presentation Award to the City of Gainesville for its annual budget for the fiscal year beginning July 1, 2021. This was the twenty-ninth consecutive year the City achieved this notable award. In order to receive this honor, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. A Distinguished Budget Presentation Award is valid for a period of one year only. We believe our current budget continues to conform to the standards and we are submitting it to GFOA to determine its eligibility for another distinguished award.

The GFOA presented an Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to the City of Gainesville for its PAFR submitted for the fiscal year ended June 30, 2021. This was the eighth year the government achieved this esteemed award. The PAFR award was established to encourage governments to produce a high quality report based on ACFR information that would be easily understandable to the general public and other interested parties without a background in public finance. The Popular Annual Financial Reporting Award is valid for a period of one year only. The City intends to submit its PAFR for the fiscal year ending June 30, 2022.



The preparation of this report could not have been accomplished without the efficient and dedicated services of our entire staff of the Financial Services Department who contributed to its preparation. Special recognition is given to the City's Deputy CFO of Audit and Financial Operations, Beverly Williams, who is the person primarily responsible for the Annual Comprehensive Financial Report preparation. Enormous thanks go to the staff of our accounting firm, Rushton and Company, CPAs (especially Chris Hollifield and Sam Latimer) for their technical guidance and assistance to make this a quality report.

Additionally, we would like to thank the City Council for their consistent support for maintaining the highest standards of professionalism in the management of the City's finances and their continued support of the City's professional staff. The Council's vision and input are the guiding factors that enables the City staff to work toward keeping and promoting the City of Gainesville as a great place to live, work, learn, and play.

Respectfully submitted,

Bryan Lackey  
City Manager

Jeremy Perry  
Chief Financial Officer



**GAINESVILLE**



## Independent Auditor's Report

Honorable Mayor and  
Members of the City Council  
City of Gainesville, Georgia

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Gainesville, Georgia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Gainesville, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Gainesville, Georgia, as of June 30, 2022, and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparisons of the General Fund, Fire Fund, and American Rescue Plan Grant Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Gainesville, Georgia and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Gainesville, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Gainesville, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Gainesville, Georgia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information on pages 4 through 19 and 114 through 131 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gainesville, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Gainesville, Georgia's basic financial statements for the year ended June 30, 2021, which are not presented with the accompanying financial statements. In our report dated November 25, 2021, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gainesville, Georgia's basic financial statements as a whole.

The combining and individual fund financial statements and schedules related to the 2021 financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the 2021 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, on our consideration of the City of Gainesville, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Gainesville, Georgia's internal control over financial reporting and compliance.

*Rushton, LLC*

Gainesville, Georgia  
December 14, 2022



**GAINESVILLE**



## THE CITY OF GAINESVILLE, GA MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

As management of the City of Gainesville, it is our pleasure to present this narrative discussion and analysis of the City of Gainesville's financial performance, providing an overview of the activities for the fiscal year ended June 30, 2022. The purpose of this narrative is to provide objective and easily readable analysis of the City's annual financial performance, current financial position, and projections for its future stability. This narrative should also assist readers in making timely and meaningful financial decisions based on the City's financial transparency. This analytical information is designed to be read in conjunction with the Letter of Transmittal located on pages xi-xxi of this Annual Comprehensive Financial Report and with the City's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The City of Gainesville's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at June 30, 2022 by \$707.3 million (reported as *net position*). Of this amount, \$26.5 million (reported as *unrestricted net position*) may be used to meet the City's ongoing obligations.
- As of June 30, 2022, the City's governmental funds reported combined ending fund balances of \$72.1 million. Approximately 26.3% of this total amount, \$19.0 million, is unassigned fund balance in the General Fund that is available for spending at the City Council's discretion.

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

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The focus of the government-wide financial statements is the overall financial position and activities of the City of Gainesville. It is designed to provide readers with an overview of the City's financial activities in a manner similar to a private business enterprise. The City's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These two statements report information about the City of Gainesville using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The **Statement of Net Position** (pages 20-21) presents information on the City's total assets and deferred outflow of resources and the total liabilities and deferred inflow of resources. The difference between these is reported as net position. The City reports all of its assets and deferred outflows of resources when it acquires ownership. All of its liabilities and deferred inflow of resources are reported when they are incurred. Although the purpose of the City is not to accumulate net position, in general, an increase in net position indicates that the financial position of the City is improving over time.

The **Statement of Activities** (page 22), on the other hand, presents the revenues and expenses of the City. This statement is prepared using the accrual basis of accounting mentioned earlier, where revenues are recognized when earned and expenses are recognized when incurred, even when money may not be received or used in the current period. The difference between revenues and expenses is reported as change in net position. The primary focus of the Statement of Activities is the net cost of various activities provided by the City and identifies the extent to which each function of the City draws from general revenues or is self-financing through fees, grants, or other sources.

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

- **Governmental activities** – Most of the City's basic services are reported under this category, including police, fire, public works, and general administration. Sales tax, property taxes, and intergovernmental revenues finance most of these services.
- **Business-type activities** – The City charges fees to customers to assist in covering all or most of the cost for certain services it provides. The City's water and sewer system and garbage collection fees are reported in this category.
- **Discretely Presented Component Units** – Component units are legally separate organizations for which the elected officials of the City are financially accountable. Gainesville Parks and Recreation, Gainesville Convention and Visitor's Bureau (Gainesville CVB), and the Land Bank Authority, although legally separate, function for all practical purposes as departments of the City of Gainesville. Therefore, these component units have been included as an integral part of the primary government.

The City's government-wide financial statements are presented on pages 20-22.

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

In contrast to government-wide financial statements that focus on the City as a whole, the focus of fund financial statements is specific activities of the City and its most significant funds. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's non-major funds can be found beginning on page 132. The City's funds are divided into three broad categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

### **Governmental Funds**

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

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

The City of Gainesville maintains nineteen individual governmental funds. Information for major funds is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances. The City's major governmental funds are the General Fund, Fire Services Fund, American Rescue Plan Act Fund (ARPA), and Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Fund. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 132-135 of this report.

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

The City's basic governmental fund financial statements are presented on pages 23-31 of this report.

### **Proprietary Funds**

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



Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. The City of Gainesville's enterprise funds are the Department of Water Resources, which is considered a major fund, the Solid Waste Fund, the Airport Fund, and the Chattahoochee Golf Course Fund.

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

The City's proprietary fund financial statements are presented on pages 32-36.

### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are presented in the fund statements, but they are not reflected in the government-wide financial statements since the resources of those funds are not available to support the City of Gainesville's own programs. The accrual basis of accounting is used for fiduciary funds, the same method used for governmental and proprietary funds.

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

The City's fiduciary fund financial statements are presented on pages 37-38.

### ***Notes to the Financial Statements***

The notes to the financial statements provide additional detail that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-113 of this report.

**Other Supplementary Information**

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

Other supplementary information includes two schedules (pages 25 and 28), which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

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

## OVERVIEW OF THE CITY'S FINANCIAL POSITION AND OPERATIONS

The City's overall financial position and results of operations for the past two fiscal years are summarized as follows based on the information included in the government-wide financial statements (see pages 20-22):

### City of Gainesville Statement of Net Position Fiscal Years 2022 and 2021

	Governmental Activities		Business Type Activities		Total	
	(In millions of dollars)					
	2022	2021	2022	2021	2022	2021
Current assets	\$ 85.5	\$ 77.1	\$ 153.3	\$ 156.0	\$ 238.8	\$ 233.1
Capital assets	124.6	115.5	523.2	503.0	647.8	618.5
Other noncurrent assets	1.3	0.9	6.3	0	7.6	0
<b>Total assets</b>	<b>211.4</b>	<b>193.5</b>	<b>682.8</b>	<b>659.0</b>	<b>894.2</b>	<b>851.6</b>
<b>Deferred Outflows of Resources</b>	<b>11.6</b>	<b>8.2</b>	<b>6.5</b>	<b>4.8</b>	<b>18.1</b>	<b>13.0</b>
Current liabilities	14.0	15.7	21.0	34.4	35.0	50.1
Noncurrent liabilities	70.1	51.8	89.5	80.6	159.6	132.4
<b>Total liabilities</b>	<b>84.1</b>	<b>67.5</b>	<b>110.5</b>	<b>115.0</b>	<b>194.6</b>	<b>182.5</b>
<b>Deferred Inflows of Resources</b>	<b>3.9</b>	<b>16.4</b>	<b>6.6</b>	<b>11.1</b>	<b>10.5</b>	<b>27.5</b>
<b>Net position:</b>						
Net investment in capital assets	106.8	96.1	453.9	425.0	560.7	521.1
Restricted	26.6	27.7	93.5	81.6	120.1	109.3
Unrestricted	1.6	(6.7)	24.9	31.0	26.5	24.3
<b>Total net position</b>	<b>\$ 135.0</b>	<b>\$ 117.1</b>	<b>\$ 572.3</b>	<b>\$ 537.6</b>	<b>\$ 707.3</b>	<b>\$ 654.7</b>

Net position may serve over time as a useful indicator of a government's financial position. The City of Gainesville reported a \$17.9 million increase in net position for governmental activities, while posting \$34.7 million in positive growth for business-type activities. Overall, the City's net position rose \$52.6 million to close the current fiscal year with a net position of \$707.3 million; much of the net position is invested in capital assets or is restricted on how it can be used.

The largest portion of the City of Gainesville's net position (79.3%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt outstanding that was needed to construct or acquire the assets. The net investment in capital assets increased by \$39.6 million from previous year totals, from \$521.1 million to \$560.7 million.

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

Restricted net position comprises the next largest component, constituting 17.0% of total net position. Restricted net position experienced a \$10.8 million gain during the past year, jumping from \$109.3 million to \$120.1 million at the end of fiscal year 2022. Restricted net position represents amounts that are subject to limitation in the manner that funds may be spent; these constraints are imposed by external sources, enabling legislation, or constitutional provision.

The remaining balance (3.7%) represents unrestricted net position. The statement reveals a \$26.5 million balance at the end of this fiscal year, an increase of \$2.2 million from fiscal year 2021. The result of the City having a positive unrestricted net position should be interpreted as the City having currently available resources that are greater than long-term commitments.

Unrestricted net position for governmental activities increased by \$8.3 million between fiscal years 2021 and 2022, decreasing the deficit balance from \$6.7 million to a surplus of \$1.6 million. Business-type activities showed a \$6.1 million decrease in unrestricted net position. The total unrestricted net position for business-type activities cannot be used to add to the net asset surplus in governmental activities. Generally, the City can only use the resources in business-type unrestricted net position to finance the ongoing operations of the business-type activities.

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

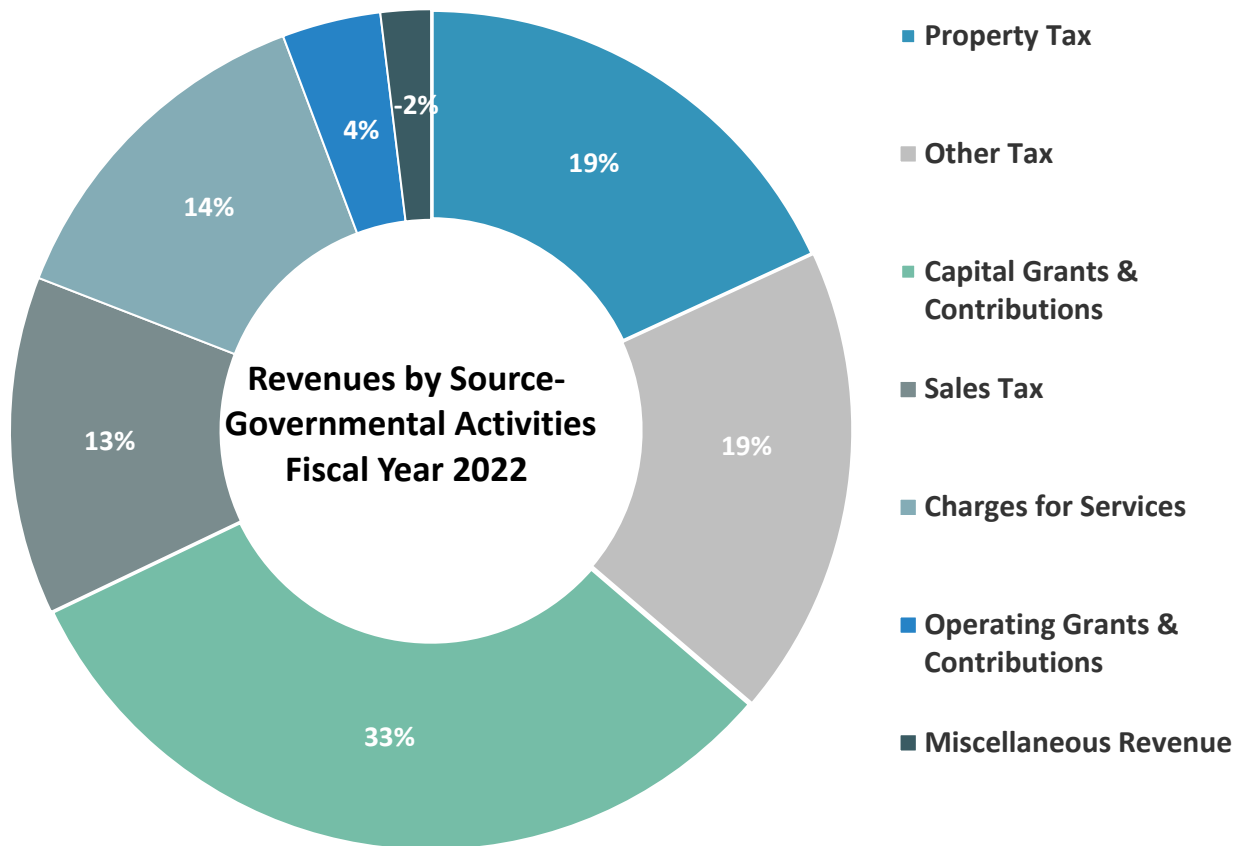
**City of Gainesville  
Changes in Net Position  
Fiscal Years 2022 and 2021**

	Governmental Activities		Business Type Activities		Total	
	(In millions of dollars)					
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 9.3	\$ 4.7	\$ 83.0	\$ 81.1	\$ 92.3	\$ 85.8
Operating grants and contributions	2.6	6.2	0	0.4	2.6	6.6
Capital grants and contributions	21.9	11.8	18.6	13.1	40.5	24.9
General revenues:						
Property taxes	12.5	15.8	0	0	12.5	15.8
Sales tax	9.0	7.7	0	0	9.0	7.7
Other taxes	12.6	11.5	0	0	12.6	11.5
Miscellaneous revenue	(1.3)	(3.9)	5.4	2.2	4.1	(1.7)
<b>Total revenues</b>	<b>66.6</b>	<b>53.8</b>	<b>107.0</b>	<b>96.8</b>	<b>173.6</b>	<b>150.6</b>
<b>Expenses</b>						
General government	10.9	7.6	0	0	10.9	7.6
Judicial	0.7	0.6	0	0	0.7	0.6
Public safety	23.6	17.7	0	0	23.6	17.7
Public works	12.4	9.7	0	0	12.4	9.7
Health and welfare	3.2	3.1	0	0	3.2	3.1
Culture and recreation	3.7	2.0	0	0	3.7	2.0
Housing and development	5.2	4.3	0	0	5.2	4.3
Interest on long-term debt	0.5	0.6	0	0	0.5	0.6
Water and sewer	0	0	55.3	55.2	55.3	55.2
Airport	0	0	0.9	0.9	0.9	0.9
Solid waste	0	0	3.1	2.8	3.1	2.8
Golf course	0	0	1.5	1.3	1.5	1.3
<b>Total expenses</b>	<b>60.2</b>	<b>45.6</b>	<b>60.8</b>	<b>60.2</b>	<b>121.0</b>	<b>105.8</b>
Indirect Cost Allocation	1.7	1.6	(1.7)	(1.6)	0	0
<b>Increase in net position before transfers</b>	<b>8.1</b>	<b>9.8</b>	<b>44.5</b>	<b>35.0</b>	<b>52.6</b>	<b>44.8</b>
Transfers	9.8	1.5	(9.8)	(1.5)	0	0
<b>Increase in net position</b>	<b>17.9</b>	<b>11.3</b>	<b>34.7</b>	<b>33.5</b>	<b>52.6</b>	<b>44.8</b>
<b>Net position - beginning</b>	<b>117.1</b>	<b>105.8</b>	<b>537.6</b>	<b>504.1</b>	<b>654.7</b>	<b>609.9</b>
<b>Net position - ending</b>	<b>\$ 135.0</b>	<b>\$ 117.1</b>	<b>\$ 572.3</b>	<b>\$ 537.6</b>	<b>\$ 707.3</b>	<b>\$ 654.7</b>



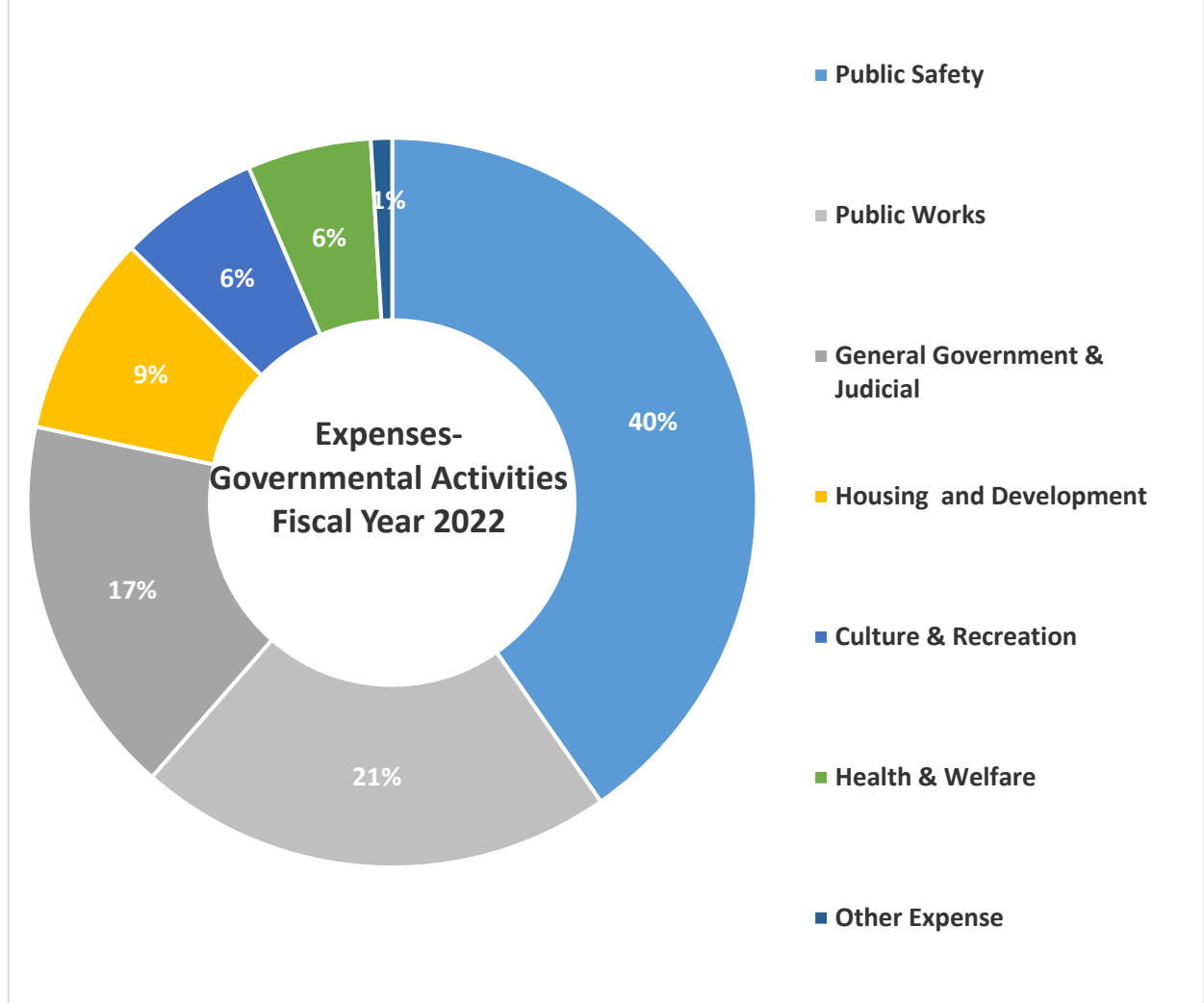
## Governmental Activities

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



The revenue chart indicates that Capital Grants and Contributions were the largest source of revenue for governmental activities during fiscal year 2022. Capital Grants and Contributions, which made up 33% of total revenue, surpassed fiscal year 2021 collections by \$10.0 million. This increase is comprised of an \$5.6 million rise in Department of Water Resources capital contributions, as well as a substantial gain in SPLOST receipts. Property Tax, which garnered 19% of total collections, experienced a \$3.2 million decrease from fiscal year 2021 totals; this large decrease is predominately due to the 1 mill credit the City extended to City property owners. Other tax, which includes franchise, insurance premium, hotel/motel, and occupational tax, represented 19% of governmental activities revenue. Other tax totals specify a \$1.0 million increase when compared with fiscal year 2021, due in part to increases of \$542,492 and \$321,923 in hotel/motel and franchise tax collections respectively. Charges for Services, which constituted 14% of all revenue, showed a \$4.6 million upswing from previous year collections. This can be attributed primarily to a \$2.6 million surge in impact fees and a \$360,270 increase in building permits. Sales tax revenues increased by \$1.3 million and made up of 13% of total revenue. This increase resulted largely from an \$966,805 increase in local option sales tax collections. Operating Grants and Contributions generated 4% of total revenue, lagging behind fiscal year 2021 by \$3.6 million. This large reduction is due mainly to the CARES Act funding that was received in fiscal year 2021, including a \$1.9 million Coronavirus Relief Fund Grant and the \$730,702 American Rescue Plan Act Grant. Miscellaneous revenue represents -0.2%, or -\$1.3 million, due to the requirement of accounting for unrealized gains and losses even while our investment intention is to avoid selling investments at a loss.

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



The expense chart illustrates that 40% of total governmental activities expense for the City of Gainesville during fiscal year 2022 was in payment of Public Safety services, such as fire and police protection, followed by Public Works, which constituted 21% of total costs. Overall, costs were up \$14.6 million when compared to fiscal year 2021. Public Safety expenses were up \$5.9 million from fiscal year 2021 totals, resulting from increased pension expense and a \$2.6 million Joint Fire Agreement with Hall County. General Government and Judicial expenses, which make up 17% of total outlay, showed a \$3.3 million increase from the previous year due to the \$2.2 million loss of the sale of downtown land that will be developed. Public Works costs were up \$2.7 million from the previous year, due to costs for various capital outlay projects such as \$900,577 for the Stormwater Rehabilitation Program, \$704,833 for the Street Resurfacing Program, \$669,050 for the In-house Paving Program, and \$565,805 for the Prior Street Turn Lane. Culture and Recreation, which encompassed 6% of total expenses, showed a \$1.7 million increase in costs from the previous year, also due predominantly to increased project activity, including \$500,000 toward the LED Sport Field Lighting Project, \$188,082 toward the Myrtle Street Park Mini-Pitch Project, \$152,468 toward playground improvements, and \$131,030 for park vehicles. Housing and Development, which made up 9% of total expenses, shows a rise in costs of \$977,438.

### **Business-type Activities**

Business-type activities increased the City of Gainesville's net position by \$34.7 million, bringing total net position to \$572.3 million. Key elements involving business-type activities are as follows:

- Total revenue for business-type activities increased, when compared with fiscal year 2021 totals; Department of Water Resources proceeds improved by \$1.7 million, while Solid Waste, Airport and Golf revenue showed a \$81,424, \$63,357 and \$56,300 increase from fiscal year 2021 collections, respectively.
- Capital Grant and Contribution revenues for the Department of Water Resources increased by \$5.6 million over fiscal year 2021 totals, primarily due to growth in Department of Water Resources capital contributions and the \$3.4 million American Rescue Plan Act Grant.
- Overall expenses for business-type activities were up \$520,450. Solid Waste, Golf Course, and Department of Water Resources expenses increased by \$187,271, \$175,991 and \$157,833, respectively. These upcharges stemmed primarily from increased landfill charges, higher salary costs, and increased supply cost due to widespread material shortages.

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

### **Governmental Funds**

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

As the City completed this year, its governmental funds reported a combined ending fund balance of \$72.1 million. Of this amount, \$19.0 million or 26.3% constitutes unassigned fund balance, meaning that no constraints have been placed on how this money may be spent. The General Fund is the only governmental fund that can have positive unassigned fund balance. The remainder of fund balance is either nonspendable, restricted by a third party, committed to be spent in a specified matter by formal resolution, or assigned for a specific purpose, including the 2023 budget.

The **General Fund** is the chief operating fund of the City. Again, at the end of the current fiscal year, the unassigned fund balance of the General Fund was \$19.0 million, while total fund balance reached \$23.8 million. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 95.8% of total General Fund expenditures, while total fund balance represents 120% of that same amount. Of the \$23.8 million total fund balance for the general fund, \$4.8 million is assigned and is comprised predominantly of \$4.6 million which is assigned for budget.

The General Fund's fund balance increased by \$5.2 million during the current fiscal year. This was due to better than projected revenue proceeds, combined with maintaining costs below budget. Other key factors regarding fiscal year 2022 activity are as follows:

Tax revenue fluctuates greatly so its budget is calculated conservatively. Tax revenue over the conservative budget is used for anticipated capital projects in the next fiscal year. In fiscal year 2022, total tax revenue exceeded the budget by \$3.2 million; \$3.1 million of this increase was due to better than anticipated Local Option Sales tax receipts. Motor Vehicle/TAVT tax revenues exceeded budget by \$975,765, followed by \$672,612 and \$654,174 increases in Insurance Premium and Franchise tax respectively. Hotel/Motel collections also improved by \$750,087. Fines, Fees and Forfeiture revenues also exceeded budget by \$486,353, while Licenses and Permits exceeded budget by \$703,070. Investment income revenue totals show a decline of \$986,439 reflecting the current trend of interest rates. Expenditures came in under budget by \$1.3 million; personal services accounted for \$630,595 of this cost reduction, attributable to savings due to unfilled positions. Public Works expense was \$438,668 less than budget; \$284,726 of this savings was in personal services costs, again, due to unfilled positions.

Transfers to the General Fund totaled \$8.6 million, with \$5.1 million originating from the American Rescue Plan Grant Fund and \$3.4 million from the Department of Water Resources for General Fund operations. Transfers out of the General Fund totaled \$11.8 million; \$4.8 million was transferred to the Police Service Fund; \$3.6 million was transferred to General Government Capital Projects for various projects as needed; \$2.1 million was moved to the Fire Services fund in relation to Insurance Premium tax collected and \$703,749 was transmitted to the Community Service Center (CSC), providing aid with CSC operating costs. \$550,000 was transferred to the SPLOST Capital Projects fund, while \$70,767 and \$40,360 was transferred to the Grants and Chattahoochee Golf Course Funds respectively.

The **Fire Services Fund** has a \$1.4 million fund balance at fiscal year-end, all of which is assigned for Public Safety. Total revenues came to \$7.3 million mostly stemming from property and motor vehicle tax collections. Among the fund's \$9.4 million in expenditures, \$8.0 million was paid out in personal services expense. As mentioned previously, the Fire Services Fund received \$2.1 million in transfers from the General Fund related to Insurance Premium Tax. Transfers out of \$105,250 were recorded to the General Government Capital Project fund for the Fleet Replacement project.

The **American Rescue Plan Grant Fund** includes Intergovernmental Revenues totaling \$8.8 million for the grant funding provided by the American Rescue Plan Act. Transfers to the Department of Water Resources Capital Project Fund total \$8.6 million, while \$194,784 accounts for expenditures related to the personal services payments funded by the Public Safety Officials and First Responders Grant.

The **Special Purpose Local Option Sales Tax Capital Projects (SPLOST) Fund** has a \$17.5 million fund balance at fiscal year-end. Of this fund balance, \$9.4 million is restricted for Public Works projects with \$1.6 million allocated to the Storm-water Rehabilitation Program, along with the Transportation Plan Implementation, Greenway Connectivity Project and In-House Paving projects. Another \$5.8 million is restricted for Culture and Recreation projects; \$5.7 million is set aside for the Youth Sports Complex Center and for the Midtown Greenway Project. The \$1.2 million restricted for Public Safety has been allocated for the purchase of two Fleet Replacement Pumpers. The \$1.0 million balance assigned for Public Works includes \$565,000 for the Elachee Bridge project, \$334,690 for Roadway Patching projects, and

\$200,000 allocated for the Greenway Connectivity project. Among the fund's \$20.6 million in expenditures, \$10.5 million was paid toward the new Parking Deck project, \$2.3 million for the Midtown Greenway Park, \$1.5 million for two Fleet Replacement Pumpers, and \$1.7 million for the Storm-water Rehabilitation Program. The largest source of revenue for the SPLOST Fund was \$12.3 million collected from the SPLOST tax revenues. Of the \$1.8 million transfers in, \$910,084 was transferred from the Grants Capital Projects Fund, providing \$423,052 funding for the Street Resurfacing Program, as well as \$487,032 of additional funding for the Greenway Connectivity.

### **General Fund Budget Highlights**

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

- Transfer to General Government Capital Projects was increased by \$311,350; \$290,000 was associated with the Poultry Park Improvements Project, while another \$18,680 allocation was recorded for the funding of equipment for new police vehicles, and \$2,670 for the construction of the downtown Retail Space Project.
- Increased budgeted fund balance to cover fiscal year 2022 reappropriations.
- Increased/decreased various expenditure budgets for adjustments as needed.

General Fund expenditures for fiscal year 2022 were \$19.8 million, 93.9% of the final amended budget. There were no net over expenditures by General Fund departments. Total actual expenditures in the General Fund were lower than the final amended budget total by \$1.3 million. Personal services costs came under the final budget by \$630,595 or 4.1% due to position vacancies.

Total actual revenues exceeded the final amended budget by 3.4%, a total of \$913,316. The excess revenues are due mainly to tax collections that were \$3.2 million above projections.

### **Enterprise Funds**

The City of Gainesville's enterprise fund financial statements provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the City's four enterprise funds, prior to the adjustment to reflect the consolidation of internal service fund activities related to enterprise funds, totaled as follows:

	Unrestricted Net Position (In millions of dollars)
▪ Department of Water Resources	\$ 21.2
▪ Nonmajor Funds (Airport, Solid Waste, Golf Course)	3.3
Total	<u>\$ 24.5</u>



Compared with fiscal year 2021, the total increase in combined net position, prior to the consolidation adjustment of internal service fund activity, indicated growth of \$35.0 million, with net investment in capital assets increasing by \$28.9 million. Overall, unrestricted net position for all four enterprise funds, again prior to the consolidation adjustment of internal service fund activity, showed a \$5.9 million decrease from fiscal year 2021.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The City of Gainesville has invested \$647.9 million in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, buildings, and vehicles and equipment. Approximately 80.8% of this investment is related to business-type activities while only 19.2% relates to governmental activities.

Capital assets held by the City at the end of the current fiscal year are summarized as follows:

**City of Gainesville**  
**Capital Assets (net of accumulated depreciation)**  
**Fiscal Years 2022 and 2021**

	Governmental Activities		Business-type Activities		Total	
(In millions of dollars)						
	2022	2021	2022	2021	2022	2021
Land	\$ 26.1	\$ 27.8	32.3	\$ 35.9	\$ 58.4	\$ 63.7
Buildings	67.8	68.9	61.0	61.0	128.8	129.9
Improvements other than buildings	3.5	3.4	12.8	10.3	16.3	13.7
Vehicles and equipment	27.0	26.0	48.9	47.4	75.9	73.4
Infrastructure	39.4	42.0	604.4	589.3	643.8	631.3
Intangibles	1.3	3.1	6.1	6.7	7.4	9.8
Construction in progress	23.5	10.1	65.9	45.0	89.4	55.1
Total	188.6	181.3	831.4	795.6	1,020.0	976.9
Accumulated depreciation	(64.0)	(65.7)	(308.1)	(292.7)	(372.1)	(358.4)
Net Capital Assets	\$ 124.6	\$ 115.6	\$ 523.3	\$ 502.9	\$ 647.9	\$ 618.5

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

- Downtown North Parking Deck Upgrade, \$10.4 million
- Midtown Greenway Park, \$2.3 million
- Washington St. and Bradford St. Streetscaping, \$1.5 million

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

- 85 Business Park Improvements, \$13.1 million
- Athens Hwy Sanitary Sewer Extension, \$3.4 million
- New Water Meter Installations, \$2.1 million
- Flat Creek Dewatering Facility Improvements, \$1.9 million

Additional information on the City of Gainesville's capital assets can be found in Note 10 on pages 73-75 of this report.

### **Long-term Debt**

At June 30, 2022, the City of Gainesville had long-term liabilities, net of unamortized bond premium and discount, totaling \$80.4 million. This is a \$12.9 million reduction from last year's totals. The decrease in debt was due to payments made to reduce the balance of liabilities, including making the final payment on the City's 2016 Water and Sewer Refunding series bonds.

### **City of Gainesville Outstanding Debt Fiscal Years 2022 and 2021**

	Governmental Activities		Business-type Activities		Total	
(In millions of dollars)						
	2022	2021	2022	2021	2022	2021
Notes from direct borrowings	\$ 1.7	\$ 0	\$ 8.9	\$ 1.8	\$ 10.6	\$ 1.8
Certificates of participation	0.4	0	0	0	0.4	0
Contracts Payable	13.8	18.4	12.5	14.1	26.3	32.5
Revenue Bonds	0	0	36.2	51.2	36.2	51.2
Leases Payable	0	0	0.2	0	0.2	0
Unamortized Bond Premium	0	0	6.7	7.8	6.7	7.8
Total	\$ 15.9	\$ 18.4	\$ 64.5	\$ 74.9	\$ 80.4	93.3

The City maintains a bond credit rating of Aa1 from Moody's on both general obligation and senior-lien revenue bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City of Gainesville is \$600.3 million and the City had no general obligation debt outstanding as of June 30, 2022.

Additional information on the City's long-term debt can be found in Notes 12, 13, and 14 on pages 77-87 of this report.

## **ECONOMIC CONDITION AND OUTLOOK**

- Based on the Population Estimates Program using the 2020 Census as a baseline, the population for Gainesville is estimated at 43,417. This is a 28.4% uptick from the 2010 census count of 33,804.
- Gainesville adopted a 3.656 tax millage rate for fiscal year 2023. In addition, the 1.00 mill credit that was shared with City residents in fiscal year 2022 has been extended in fiscal year 2023. The gross property tax digest for the City of Gainesville rose from \$6.4 billion for fiscal year 2022 to \$7.5 billion for fiscal year 2023, which computes to a 17.2% increase in the tax base.
- Local Option Sales Tax collections, along with other fees, are tracking ahead of budget at the end of the first quarter of fiscal year 2023. Departments are spending conservatively and continue to monitor their 2023 budgeted costs closely.

The factors discussed in this analysis were among the many factors taken into consideration when preparing the 2023 budget. Of the \$23.8 million fund balance in the General Fund, \$4.6 million has been appropriated for spending in the 2023 fiscal budget.

## **OTHER INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Gainesville's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Financial Services Department, PO Box 2496, Gainesville, GA 30503.

## ***BASIC FINANCIAL STATEMENTS***

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 28,610,416	\$ 14,895,189	\$ 43,505,605	\$ 2,308,630
Investments	52,170,260	31,667,888	83,838,148	4,620,388
Restricted assets				
Cash and cash equivalents	0	37,857,141	37,857,141	228,425
Investments	0	58,141,280	58,141,280	0
Receivables (net)				
Accounts	277,992	4,172,990	4,450,982	33,255
Intergovernmental	2,538,801	3,012,636	5,551,437	0
Taxes	1,779,239	0	1,779,239	63,875
Notes	97,277	0	97,277	0
Lease	108,137	500,243	608,380	0
Other	0	439,194	439,194	0
Internal balances	(310,306)	310,306	0	0
Inventories	124,952	2,189,401	2,314,353	0
Prepaid items	19,640	130,612	150,252	1,500
Other	99,675	0	99,675	0
Total current assets	85,516,083	153,316,880	238,832,963	7,256,073
Noncurrent assets				
Notes receivable	75,124	0	75,124	0
Lease receivable	990,211	3,140,393	4,130,604	0
Property held for development	196,763	3,030,514	3,227,277	254,808
Right-to-use leased assets (net)	0	160,502	160,502	0
Capital assets				
Non-depreciable	49,724,857	98,162,171	147,887,028	8,465,339
Depreciable (net)	74,906,097	425,061,379	499,967,476	9,301,851
Total noncurrent assets	125,893,052	529,554,959	655,448,011	18,021,998
Total assets	211,409,135	682,871,839	894,280,974	25,278,071
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	0	16,293	16,293	0
Deferred outflows related to pensions	7,868,739	4,010,949	11,879,688	644,480
Deferred outflows related to other post employment benefits	3,710,531	2,500,209	6,210,740	478,664
Total deferred outflows of resources	11,579,270	6,527,451	18,106,721	1,123,144
LIABILITIES				
Current liabilities				
Payables				
Accounts	3,002,208	1,400,887	4,403,095	495,662
Retainages	983,285	0	983,285	0
Intergovernmental	97,899	1,431,215	1,529,114	130,230
Sales tax	0	14,293	14,293	16,103
Deposits	182,004	48,280	230,284	0
Interest	94,627	36,151	130,778	0
Accrued salaries	1,143,286	650,905	1,794,191	205,146
Unearned revenue	2,428,153	0	2,428,153	14,505
Compensated absences	1,361,825	772,216	2,134,041	118,740
Claims reserve	1,769,406	0	1,769,406	0
Lease payable	0	36,451	36,451	0
Contracts payable	1,892,504	1,541,588	3,434,092	0
Certificates of participation payable	202,296	0	202,296	0
Notes payable	535,371	285,649	821,020	0
Other liabilities	298,875	52,789	351,664	19,924



**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Current liabilities</b>				
Liabilities payable from restricted assets				
Payables				
Accounts	\$ 0	\$ 2,687,477	\$ 2,687,477	\$ 0
Retainages	0	2,175,424	2,175,424	0
Customer deposits	0	2,307,513	2,307,513	0
Interest	0	226,500	226,500	0
Bonds payable	0	7,348,739	7,348,739	0
Total current liabilities	13,991,739	21,016,077	35,007,816	1,000,310
<b>Noncurrent liabilities</b>				
Compensated absences	151,314	85,801	237,115	13,194
Net pension liability	37,074,964	20,768,495	57,843,459	1,108,455
Net OPEB liability	19,603,392	13,226,641	32,830,033	2,262,208
Lease payable	0	126,258	126,258	0
Contracts payable	11,918,975	10,977,704	22,896,679	0
Certificates of participation payable	202,296	0	202,296	0
Notes payable	1,119,910	8,648,063	9,767,973	0
Bonds payable	0	35,620,672	35,620,672	0
Total noncurrent liabilities	70,070,851	89,453,634	159,524,485	3,383,857
<b>Total liabilities</b>	84,062,590	110,469,711	194,532,301	4,384,167
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	482,601	1,425,886	1,908,487	257,313
Deferred inflows related to other post employment benefits	2,333,494	1,645,733	3,979,227	172,406
Deferred inflows related to leases	1,086,896	3,555,945	4,642,841	0
<b>Total deferred inflows of resources</b>	3,902,991	6,627,564	10,530,555	429,719
<b>NET POSITION</b>				
Net investment in capital assets	106,806,030	453,946,820	560,752,850	17,560,372
Restricted for:				
Public Safety	3,747,420	0	3,747,420	0
Public Works	19,150	0	19,150	0
Health and Welfare	1,473,052	0	1,473,052	0
Culture and Recreation	1,333,714	0	1,333,714	28,425
Housing and Development	1,375,934	0	1,375,934	0
Debt Service	1,242,654	3,752,256	4,994,910	0
Capital Outlay	17,422,871	89,753,968	107,176,839	1,160,466
Unrestricted	1,601,999	24,848,971	26,450,970	2,838,066
<b>Total net position</b>	\$ 135,022,824	\$ 572,302,015	\$ 707,324,839	\$ 21,587,329



**GAINESVILLE**

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**For the fiscal year ended June 30, 2022**

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>						
Governmental activities						
General Government	\$ 10,946,609	\$ (1,707,364)	\$ 1,138,304	\$ 23,822	\$ 0	\$ (8,077,119)
Judicial	651,673	0	0	0	0	(651,673)
Public Safety	23,588,972	0	1,555,112	734,453	69,880	(21,229,527)
Public Works	12,380,025	0	302,985	0	21,081,530	9,004,490
Health and Welfare	3,220,549	0	1,337,702	1,355,999	2,000	(524,848)
Culture and Recreation	3,661,245	0	0	0	250,000	(3,411,245)
Housing and Development	5,242,108	0	4,935,499	507,392	477,236	678,019
Interest on long-term debt	547,859	0	0	0	0	(547,859)
Total governmental activities	60,239,040	(1,707,364)	9,269,602	2,621,666	21,880,646	(24,759,762)
Business-type activities						
Department of						
Water Resources	55,337,045	1,351,351	77,799,111	0	18,612,374	39,723,089
Airport	889,584	209,561	1,109,211	0	0	10,066
Solid Waste	3,054,118	146,452	3,054,103	0	0	(146,467)
Golf Course	1,506,098	0	1,063,606	0	0	(442,492)
Total business-type activities	60,786,845	1,707,364	83,026,031	0	18,612,374	39,144,196
Total primary government	121,025,885	0	92,295,633	2,621,666	40,493,020	14,384,434
<b>Component Units</b>						
Communication and Tourism						
Housing and Development	1,553,187	0	91,282	0	344,527	(1,117,378)
Parks and Recreation						
Culture and Recreation	6,477,141	0	1,875,484	31,500	3,726,669	(843,488)
Land Bank						
Housing and Development	422	0	0	0	0	(422)
Total Component Units	8,030,750	0	1,966,766	31,500	4,071,196	(1,961,288)
			<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Units</b>
<b>Change in net position</b>						
Net (expense) revenue			\$ (24,759,762)	\$ 39,144,196	\$ 14,384,434	\$ (1,961,288)
<b>General revenues</b>						
Taxes						
Property			12,546,447	0	12,546,447	5,277,913
Intangibles			378,473	0	378,473	0
Franchise			4,704,915	0	4,704,915	0
Occupational			1,451,302	0	1,451,302	0
Insurance premium			2,823,726	0	2,823,726	0
Alcoholic beverages			1,368,292	0	1,368,292	0
Hotel/Motel			1,837,797	0	1,837,797	0
Local option sales			8,990,656	0	8,990,656	0
Investment			(1,835,458)	(1,766,113)	(3,601,571)	(147,579)
Payments from City of Gainesville			0	0	0	1,199,940
Gain on sale of property held for development			0	6,668,446	6,668,446	0
Gain on sale of assets			131,194	27,636	158,830	0
Miscellaneous			447,676	488,744	936,420	95,403
Transfers			9,840,641	(9,840,641)	0	0
Total general revenues and transfers			42,685,661	(4,421,928)	38,263,733	6,425,677
Change in net position			17,925,899	34,722,268	52,648,167	4,464,389
Net position - beginning, restated			117,096,925	537,579,747	654,676,672	17,122,940
Net position - ending			\$ 135,022,824	\$ 572,302,015	\$ 707,324,839	\$ 21,587,329

**CITY OF GAINESVILLE, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2022**

	<u>General</u>	<u>Fire</u>	<u>American Rescue Plan Grant</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,983,467	\$ 627,288	\$ 854,358
Investments	14,549,812	1,155,221	1,573,395
Receivables (net)			
Accounts	138,447	663	0
Intergovernmental	147,904	733	0
Taxes	1,489,614	86,358	0
Notes	0	0	0
Lease	1,098,348	0	0
Prepaid items	1,622	0	0
Due from other funds	565,348	0	0
Property held for development	0	0	0
<b>Total assets</b>	<u><u>\$ 25,974,562</u></u>	<u><u>\$ 1,870,263</u></u>	<u><u>\$ 2,427,753</u></u>
<b>LIABILITIES</b>			
Payables			
Accounts	\$ 396,923	\$ 62,054	\$ 0
Retainages	0	0	0
Intergovernmental	49,315	1,361	0
Accrued salaries	575,206	338,173	0
Unearned revenue	400	0	2,427,753
Due to other funds	0	0	0
Due to others	76,180	0	0
<b>Total liabilities</b>	<u>1,098,024</u>	<u>401,588</u>	<u>2,427,753</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue -			
Taxes	24,467	80,037	0
Notes receivable	0	0	0
Lease revenue	1,086,896	0	0
<b>Total deferred inflows of resources</b>	<u>1,111,363</u>	<u>80,037</u>	<u>0</u>
<b>FUND BALANCES</b>			
Nonspendable	1,622	0	0
Restricted	0	0	0
Committed	30,850	0	0
Assigned	4,762,964	1,388,638	0
Unassigned	18,969,739	0	0
<b>Total fund balances</b>	<u>23,765,175</u>	<u>1,388,638</u>	<u>0</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u><u>\$ 25,974,562</u></u>	<u><u>\$ 1,870,263</u></u>	<u><u>\$ 2,427,753</u></u>

<b>SPLOST</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
\$ 6,147,166	\$ 11,001,888	\$ 26,614,167
11,640,194	19,575,876	48,494,498
0	135,308	274,418
1,859,180	484,737	2,492,554
0	203,267	1,779,239
0	172,401	172,401
0	0	1,098,348
0	5,018	6,640
0	1,272,731	1,838,079
0	196,763	196,763
<u>\$ 19,646,540</u>	<u>\$ 33,047,989</u>	<u>\$ 82,967,107</u>
\$ 1,348,926	\$ 935,125	\$ 2,743,028
836,941	146,344	983,285
0	47,223	97,899
0	212,697	1,126,076
0	0	2,428,153
0	1,838,079	1,838,079
0	222,695	298,875
<u>2,185,867</u>	<u>3,402,163</u>	<u>9,515,395</u>
0	36,784	141,288
0	172,401	172,401
0	0	1,086,896
<u>0</u>	<u>209,185</u>	<u>1,400,585</u>
0	5,018	6,640
16,435,445	9,942,844	26,378,289
0	540,720	571,570
1,025,228	18,948,059	26,124,889
0	0	18,969,739
<u>17,460,673</u>	<u>29,436,641</u>	<u>72,051,127</u>
<u>\$ 19,646,540</u>	<u>\$ 33,047,989</u>	<u>\$ 82,967,107</u>



**GAINESVILLE**



**CITY OF GAINESVILLE, GEORGIA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

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<b>Total fund balance - total governmental funds</b>		<b>\$ 72,051,127</b>
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Amounts reported for governmental activities in the statement of net position are different because:

Some assets are not financial resources and, therefore, are not reported in the funds.

These are:

Capital assets, net of accumulated depreciation		124,630,954
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Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are unavailable in the funds.

These are:

Property and sales tax	\$ 141,288	
Notes receivable	172,401	313,689

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

These are:

Contract payable	\$ (13,811,479)	
Notes payable	(1,655,281)	
Certificates of participation payable	(404,592)	
Interest payable	(94,627)	
Compensated absences	(1,513,139)	
Net pension liability	(37,074,964)	
Net OPEB liability	(19,603,392)	(74,157,474)

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

These are:

Deferred outflows of resources:		
Deferred outflows related to pensions	\$ 7,868,739	
Deferred outflows related to other post-employment benefits	3,710,531	
Deferred inflows of resources:		
Deferred inflows related to pensions	(482,601)	
Deferred inflows related to other post-employment benefits	(2,333,494)	8,763,175

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

Internal service funds net position	\$ 3,794,783	
Less internal balance resulting from allocation of internal service fund activities allocated to business-type activities	(310,306)	
Less capital assets included above	(94,016)	
Add compensated absences included above	30,892	3,421,353

Net position of governmental activities		<u><u>\$ 135,022,824</u></u>
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**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the fiscal year ended June 30, 2022**

	General	Fire	American Rescue Plan Grant
<b>REVENUES</b>			
Taxes	\$ 21,712,587	\$ 7,390,611	\$ 0
Licenses and permits	1,558,221	0	0
Fines, fees and forfeitures	1,308,434	0	0
Charges for services	3,089,266	0	0
Intergovernmental	354,570	0	8,836,672
Investment	(909,749)	(71,357)	0
Contributions	0	0	0
Other	375,460	2,070	0
<b>Total revenues</b>	<b>27,488,789</b>	<b>7,321,324</b>	<b>8,836,672</b>
<b>EXPENDITURES</b>			
Current			
General Government	5,684,456	0	0
Judicial	604,469	0	0
Public Safety	5,912,333	9,354,523	194,784
Public Works	5,401,454	0	0
Health and Welfare	15,000	0	0
Culture and Recreation	0	0	0
Housing and Development	2,190,944	0	0
Debt service			
Principal	0	0	0
Interest and other charges	0	0	0
Capital outlay	0	0	0
<b>Total expenditures</b>	<b>19,808,656</b>	<b>9,354,523</b>	<b>194,784</b>
Excess (deficiency) of revenues over (under) expenditures	<b>7,680,133</b>	<b>(2,033,199)</b>	<b>8,641,888</b>
Other financing sources (uses)			
Transfers in	8,648,497	2,111,870	0
Transfers out	(11,841,723)	(105,250)	(8,641,888)
Proceeds from long-term debt	0	0	0
Sales of capital assets	709,054	87,544	0
<b>Total other financing sources (uses)</b>	<b>(2,484,172)</b>	<b>2,094,164</b>	<b>(8,641,888)</b>
Net changes in fund balances	5,195,961	60,965	0
Fund balances, July 1	18,569,214	1,327,673	0
<b>Fund balances, June 30</b>	<b>\$ 23,765,175</b>	<b>\$ 1,388,638</b>	<b>\$ 0</b>

		Nonmajor Governmental	
SPLOST	Funds	Totals	
\$ 0	\$ 5,071,008	\$ 34,174,206	
0	0	1,558,221	
0	246,678	1,555,112	
0	4,756,920	7,846,186	
12,321,772	3,330,542	24,843,556	
0	(756,426)	(1,737,532)	
0	202,190	202,190	
0	70,146	447,676	
12,321,772	12,921,058	68,889,615	
0	0	5,684,456	
0	0	604,469	
0	5,050,950	20,512,590	
0	0	5,401,454	
0	3,076,060	3,091,060	
0	1,000,000	1,000,000	
0	1,904,929	4,095,873	
0	3,908,508	3,908,508	
0	552,100	552,100	
20,645,115	5,808,929	26,454,044	
20,645,115	21,301,476	71,304,554	
(8,323,343)	(8,380,418)	(2,414,939)	
1,752,810	20,187,147	32,700,324	
(293,692)	(1,984,478)	(22,867,031)	
1,383,099	0	1,383,099	
0	18,017	814,615	
2,842,217	18,220,686	12,031,007	
(5,481,126)	9,840,268	9,616,068	
22,941,799	19,596,373	62,435,059	
\$ 17,460,673	\$ 29,436,641	\$ 72,051,127	

**CITY OF GAINESVILLE, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the fiscal year ended June 30, 2022**

**Net change in fund balances - total governmental funds** \$ 9,616,068

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 18,388,364	
Depreciation	(5,368,892)	13,019,472

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

Cost of assets disposed	\$ (11,150,929)	
Related accumulated depreciation	7,156,717	(3,994,212)

Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Cost of assets	\$ 96,700	
Related accumulated depreciation	0	96,700

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue. (98,520)

The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues. Further, governmental funds report bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of net position.

Debt principal repayments	\$ 3,916,012	
Debt proceeds	(1,383,099)	
Net change in interest payable	4,240	2,537,153

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	\$ 2,519,016	
Cost of benefits earned net of employee contributions	(5,762,390)	(3,243,374)

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

OPEB contributions	\$ 987,336	
Cost of benefits earned net of employee contributions	(583,147)	404,189

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Compensated absences		147,293
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Internal service funds are used by management to charge the cost of certain activities, such as risk management and vehicle maintenance, to individual funds. Net revenue (expense) of internal service funds is reported with governmental activities.

Change in net position of internal service funds	\$ (837,883)	
Add depreciation expense included above	31,634	
Add change in compensated absences included above	3,481	
Subtract capital outlay included above	(39,458)	
Add consolidation of internal service fund activities allocated to business-type activities	283,356	(558,870)
Change in net position of governmental activities		\$ 17,925,899

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Taxes	\$ 18,173,203	\$ 18,463,203	\$ 21,712,587	\$ 3,249,384
Licenses and permits	855,151	855,151	1,558,221	703,070
Fines, fees and forfeitures	822,081	822,081	1,308,434	486,353
Charges for services	2,986,265	2,986,265	3,089,266	103,001
Intergovernmental	383,286	3,173,985	354,570	(2,819,415)
Investment	76,690	76,690	(909,749)	(986,439)
Other	194,383	198,098	375,460	177,362
<b>Total revenues</b>	<b>23,491,059</b>	<b>26,575,473</b>	<b>27,488,789</b>	<b>913,316</b>
<b>EXPENDITURES</b>				
Current				
General Government				
Mayor and Council	432,506	447,963	377,020	70,943
City Manager's Office	953,849	962,649	917,677	44,972
Finance	1,460,076	1,460,076	1,414,496	45,580
Information Technologies	1,200,495	1,200,495	1,128,868	71,627
Human Resources	1,032,248	1,032,248	937,938	94,310
Public Lands and Buildings	1,032,627	1,032,627	908,457	124,170
Judicial				
Municipal Court	661,740	661,740	604,469	57,271
Public Safety				
Police	6,289,330	6,169,860	5,912,333	257,527
Public Works				
Engineering	1,264,530	1,214,530	1,093,430	121,100
Traffic	1,537,583	1,537,583	1,485,685	51,898
Street Maintenance	1,949,066	1,949,066	1,823,155	125,911
Storm Water	445,158	445,158	347,714	97,444
Cemetery	693,785	693,785	651,470	42,315
Health and Welfare				
Payments to other agencies	15,000	15,000	15,000	0
Housing and Development				
Planning	889,792	927,212	907,125	20,087
Inspection	469,233	511,019	491,216	19,803
Code Enforcement	520,162	520,162	484,946	35,216
Payments to other agencies	302,793	307,657	307,657	0
<b>Total expenditures</b>	<b>21,149,973</b>	<b>21,088,830</b>	<b>19,808,656</b>	<b>1,280,174</b>
Excess (deficiency) of revenues over (under) expenditures	2,341,086	5,486,643	7,680,133	2,193,490
Other financing sources (uses)				
Transfers in (out)				
Transfers in	3,406,333	3,425,013	8,648,497	5,223,484
Transfers out	(9,152,220)	(12,673,739)	(11,841,723)	832,016
Contingency	(629,000)	(626,500)	0	626,500
Sales of capital assets	55,000	55,000	709,054	654,054
Total other financing sources (uses)	(6,319,887)	(9,820,226)	(2,484,172)	7,336,054
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,978,801)	(4,333,583)	5,195,961	9,529,544
Fund balances, July 1	3,978,801	4,333,583	18,569,214	14,235,631
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 23,765,175</b>	<b>\$ 23,765,175</b>

**CITY OF GAINESVILLE, GEORGIA**  
**FIRE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property taxes	\$ 7,062,375	\$ 7,062,375	\$ 7,334,355	\$ 271,980
Motor vehicle	38,763	38,763	56,256	17,493
Investment	5,600	5,600	(71,357)	(76,957)
Other	0	0	2,070	2,070
<b>Total revenues</b>	<u>7,106,738</u>	<u>7,106,738</u>	<u>7,321,324</u>	<u>214,586</u>
<b>EXPENDITURES</b>				
Current				
Public Safety				
Personal Services	8,018,050	8,057,050	8,018,938	38,112
Other	1,460,550	1,421,550	1,335,585	85,965
<b>Total expenditures</b>	<u>9,478,600</u>	<u>9,478,600</u>	<u>9,354,523</u>	<u>124,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,371,862)</u>	<u>(2,371,862)</u>	<u>(2,033,199)</u>	<u>338,663</u>
Other financing sources (uses)				
Transfers in (out)				
Transfers in	2,111,870	2,111,870	2,111,870	0
Transfers out	(105,000)	(105,250)	(105,250)	0
Sales of capital assets	<u>0</u>	<u>0</u>	<u>87,544</u>	<u>87,544</u>
Total other financing sources (uses)	<u>2,006,870</u>	<u>2,006,620</u>	<u>2,094,164</u>	<u>87,544</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(364,992)</u>	<u>(365,242)</u>	<u>60,965</u>	<u>426,207</u>
Fund balances, July 1	<u>364,992</u>	<u>365,242</u>	<u>1,327,673</u>	<u>962,431</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,388,638</u></u>	<u><u>\$ 1,388,638</u></u>



**CITY OF GAINESVILLE, GEORGIA**  
**AMERICAN RESCUE PLAN GRANT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**

	<b>Budget</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Intergovernmental	\$ 3,708,239	\$ 3,708,239	\$ 8,836,672	\$ 5,128,433
<b>EXPENDITURES</b>				
Current				
Public Safety				
Personal services	194,820	194,820	194,784	36
Excess (deficiency) of revenues over (under) expenditures	3,513,419	3,513,419	8,641,888	5,128,469
Other financing sources (uses)				
Transfers in (out)				
Transfers in	(3,513,419)	(3,513,419)	(8,641,888)	(5,128,469)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	0
Fund balances, July 1	0	0	0	0
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2022**

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 13,135,013	\$ 1,760,176	\$ 14,895,189	\$ 1,996,249
Investments	28,429,371	3,238,517	31,667,888	3,675,762
Restricted assets				
Cash and cash equivalents	37,857,141	0	37,857,141	0
Investments	58,141,280	0	58,141,280	0
Receivables (net)				
Accounts	3,907,352	265,638	4,172,990	3,574
Intergovernmental	3,003,486	9,150	3,012,636	46,247
Lease	0	500,243	500,243	0
Other	8,127	431,067	439,194	0
Inventories	2,189,401	0	2,189,401	124,952
Prepaid items	130,612	0	130,612	13,000
Other assets	0	0	0	99,675
Total current assets	146,801,783	6,204,791	153,006,574	5,959,459
<b>Noncurrent assets</b>				
Lease receivable	0	3,140,393	3,140,393	0
Property held for development	2,971,111	59,403	3,030,514	0
Right-to-use leased assets (net)	0	160,502	160,502	0
Capital assets				
Non-depreciable	97,096,241	1,065,930	98,162,171	0
Depreciable (net)	410,600,600	14,460,779	425,061,379	94,016
Total noncurrent assets	510,667,952	18,887,007	529,554,959	94,016
<b>Total assets</b>	<b>657,469,735</b>	<b>25,091,798</b>	<b>682,561,533</b>	<b>6,053,475</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on refunding	0	16,293	16,293	0
Deferred outflows related to pensions	3,750,003	260,946	4,010,949	0
Deferred outflows related to other post employment benefits	2,190,257	309,952	2,500,209	0
<b>Total deferred outflow of resources</b>	<b>5,940,260</b>	<b>587,191</b>	<b>6,527,451</b>	<b>0</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables				
Accounts	1,284,738	116,149	1,400,887	259,180
Intergovernmental	1,381,120	50,095	1,431,215	0
Deposits	0	48,280	48,280	182,004
Sales tax	0	14,293	14,293	0
Interest	0	36,151	36,151	0
Accrued salaries	563,680	87,225	650,905	17,210
Compensated absences	684,289	87,927	772,216	27,803
Claims reserve	0	0	0	1,769,406
Lease payable	0	36,451	36,451	0
Contracts payable	1,261,588	280,000	1,541,588	0
Note payable	0	285,649	285,649	0
Other liabilities	0	52,789	52,789	0

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2022**

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Liabilities payable from restricted assets:				
Payables				
Accounts	\$ 2,687,477	\$ 0	\$ 2,687,477	\$ 0
Retainages	2,175,424	0	2,175,424	0
Customer deposits	2,307,513	0	2,307,513	0
Interest	226,500	0	226,500	0
Revenue bonds payable	7,348,739	0	7,348,739	0
Total current liabilities	19,921,068	1,095,009	21,016,077	2,255,603
<b>Noncurrent liabilities</b>				
Compensated absences	76,032	9,769	85,801	3,089
Net pension liability	20,271,021	497,474	20,768,495	0
Net OPEB liability	11,607,021	1,619,620	13,226,641	0
Lease payable	0	126,258	126,258	0
Contracts payable	10,092,704	885,000	10,977,704	0
Notes payable	7,734,375	913,688	8,648,063	0
Revenue bonds payable	35,620,672	0	35,620,672	0
Total noncurrent liabilities	85,401,825	4,051,809	89,453,634	3,089
<b>Total liabilities</b>	<b>105,322,893</b>	<b>5,146,818</b>	<b>110,469,711</b>	<b>2,258,692</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	1,135,226	290,660	1,425,886	0
Deferred inflows related to other post employment benefits	1,453,559	192,174	1,645,733	0
Deferred inflows related to leases	0	3,555,945	3,555,945	0
<b>Total deferred inflows of resources</b>	<b>2,588,785</b>	<b>4,038,779</b>	<b>6,627,564</b>	<b>0</b>
<b>NET POSITION</b>				
Net investment in capital assets	440,786,848	13,159,972	453,946,820	94,016
Restricted for:				
Capital outlay	89,701,165	52,803	89,753,968	0
Debt service	3,752,256	0	3,752,256	0
Unrestricted	21,258,048	3,280,617	24,538,665	3,700,767
<b>Total net position</b>	<b>\$ 555,498,317</b>	<b>\$ 16,493,392</b>	<b>571,991,709</b>	<b>\$ 3,794,783</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			310,306	
<b>Net position of business-type activities</b>			<b>\$ 572,302,015</b>	

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended June 30, 2022**

	Business-Type Activities			Governmental Activities
	Department of	Nonmajor		Internal
	Water Resources	Enterprise Funds	Totals	Service
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 77,799,111	\$ 5,226,920	\$ 83,026,031	\$ 0
Interfund services provided	0	0	0	13,560,632
Other	450,461	38,283	488,744	58,623
<b>Total operating revenues</b>	<b>78,249,572</b>	<b>5,265,203</b>	<b>83,514,775</b>	<b>13,619,255</b>
<b>OPERATING EXPENSES</b>				
Costs of sales and services	22,073,899	1,991,510	24,065,409	13,901,172
Personal services	15,549,945	2,263,404	17,813,349	434,090
Depreciation	16,771,646	1,431,344	18,202,990	31,634
<b>Total operating expenses</b>	<b>54,395,490</b>	<b>5,686,258</b>	<b>60,081,748</b>	<b>14,366,896</b>
Operating income (loss)	23,854,082	(421,055)	23,433,027	(747,641)
Non-operating revenues (expenses)				
Investment revenue	(1,658,124)	(107,989)	(1,766,113)	(100,741)
Interest expense	(2,009,550)	(119,555)	(2,129,105)	0
Gain on sale of property held for development	5,052,506	1,615,940	6,668,446	0
Gain (loss) on sale of capital assets	17,170	10,466	27,636	3,151
Total non-operating revenues (expenses)	1,402,002	1,398,862	2,800,864	(97,590)
Income (loss) before capital contributions and transfers	25,256,084	977,807	26,233,891	(845,231)
Capital contributions				
Connection fees	6,904,881	0	6,904,881	0
Capital contributions	11,707,493	0	11,707,493	0
Total capital contributions	18,612,374	0	18,612,374	0
Income (loss) before transfers	43,868,458	977,807	44,846,265	(845,231)
Transfers in (out)				
Transfers in	3,431,418	122,360	3,553,778	39,459
Transfers out	(13,394,419)	0	(13,394,419)	(32,111)
Total transfers in (out)	(9,963,001)	122,360	(9,840,641)	7,348
Change in net position	33,905,457	1,100,167	35,005,624	(837,883)
Net position, July 1, restated	521,592,860	15,393,225	536,986,085	4,632,666
<b>Net position, June 30</b>	<b>\$ 555,498,317</b>	<b>\$ 16,493,392</b>	<b>\$ 571,991,709</b>	<b>\$ 3,794,783</b>
Change in net position - enterprise funds			\$ 35,005,624	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(283,356)	
Change in net position - business-type activities			<b>\$ 34,722,268</b>	

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended June 30, 2022**

	Business-Type Activities			Governmental Activities
	Department of	Nonmajor		Internal
	Water Resources	Enterprise Funds	Totals	Service
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 77,137,784	\$ 5,134,571	\$ 82,272,355	\$ 0
Receipts from interfund services provided	0	0	0	13,560,047
Payments to suppliers	(23,934,295)	(2,249,842)	(26,184,137)	(14,166,179)
Payments to employees	(14,649,571)	(2,306,546)	(16,956,117)	(428,274)
Other receipts	450,461	38,283	488,744	58,623
Net cash provided (used) by operating activities	39,004,379	616,466	39,620,845	(975,783)
<b>Cash flows from non-capital financing activities:</b>				
Receipts from other funds	0	40,360	40,360	0
Payments to other funds	(3,376,797)	0	(3,376,797)	(32,111)
Net cash provided (used) by non-capital financing activities	(3,376,797)	40,360	(3,336,437)	(32,111)
<b>Cash flows from capital and related financing activities:</b>				
Connection fees	6,904,881	0	6,904,881	0
Receipts of capital contributions	230,000	0	230,000	0
Receipts from other governments	0	82,000	82,000	0
Receipts from other funds	3,431,418	0	3,431,418	39,459
Proceeds from sale of capital assets	130,857	10,465	141,322	3,151
Interest paid	(2,063,008)	(82,520)	(2,145,528)	0
Acquisition of capital assets	(24,058,093)	(3,169,114)	(27,227,207)	(39,459)
Payment of capital related accounts payable	(1,662,533)	0	(1,662,533)	0
Payment of capital related retainages payable	(1,133,450)	(91,111)	(1,224,561)	0
Proceeds from leases payable	0	192,602	192,602	0
Proceeds from notes payable	5,968,151	1,654,828	7,622,979	0
Principal payments - contracts payable	0	(275,000)	(275,000)	0
Principal payments - leases payable	0	(29,893)	(29,893)	0
Principal payments - bonds	(14,965,000)	0	(14,965,000)	0
Principal payments - notes payable	0	(455,491)	(455,491)	0
Net cash provided (used) by capital and related financing activities	(27,216,777)	(2,163,234)	(29,380,011)	3,151
<b>Cash flows from investing activities:</b>				
Receipts of investment revenue	551,564	21,769	573,333	22,781
Proceeds from sale of property held for development	0	1,254,286	1,254,286	0
Purchase of investments	(79,946,091)	(2,808,450)	(82,754,541)	(2,737,629)
Proceeds from sale of investments	36,778,270	1,475,696	38,253,966	1,513,483
Net cash provided (used) by operating activities	(42,616,257)	(56,699)	(42,672,956)	(1,201,365)
Net increase (decrease) in cash and cash equivalents	(34,205,452)	(1,563,107)	(35,768,559)	(2,206,108)
Cash and cash equivalents, July 1	85,197,606	3,323,283	88,520,889	4,202,357
<b>Cash and cash equivalents, June 30</b>	<b>\$ 50,992,154</b>	<b>\$ 1,760,176</b>	<b>\$ 52,752,330</b>	<b>\$ 1,996,249</b>

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended June 30, 2022**

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 23,854,082	\$ (421,055)	\$ 23,433,027	\$ (747,641)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	16,771,646	1,431,344	18,202,990	31,634
(Increase) decrease in accounts receivable	535,859	(62,391)	473,468	37,276
(Increase) decrease in intergovernmental receivables	(1,263,553)	0	(1,263,553)	(37,861)
Increase) decrease in leases receivable	0	495,636	495,636	0
(Increase) decrease in inventory	(399,066)	0	(399,066)	
(Increase) decrease in prepaid items	(129,663)	0	(129,663)	(28,339)
(Increase) decrease in other assets	0	0	0	(22,225)
(Increase) decrease in deferred outflows of resources	(1,731,416)	(26,249)	(1,757,665)	0
Increase (decrease) in accounts payable	(1,463,177)	(285,228)	(1,748,405)	(14,667)
Increase (decrease) in intergovernmental payables	131,510	23,542	155,052	0
Increase (decrease) in sales tax payable	0	12,685	12,685	0
Increase (decrease) in accrued salaries and benefits	(13,791)	(1,512)	(15,303)	5,816
Increase (decrease) in deposits payable	66,367	0	66,367	27,802
Increase (decrease) in claims reserve	0	0	0	(227,578)
Increase (decrease) in net pension liability	10,312,153	30,077	10,342,230	0
Increase (decrease) in deferred inflows of resources	(8,002,583)	(632,536)	(8,635,119)	0
Increase (decrease) in net OPEB liability	336,011	48,799	384,810	0
Increase (decrease) in other liabilities	0	3,354	3,354	0
Total adjustments	15,150,297	1,037,521	16,187,818	(228,142)
Net cash provided (used) by operating activities	\$ 39,004,379	\$ 616,466	\$ 39,620,845	\$ (975,783)
<b>Cash and cash equivalents reconciliation:</b>				
Cash and cash equivalents	\$ 13,135,013	\$ 1,760,176	\$ 14,895,189	\$ 1,996,249
Restricted assets				
Cash and cash equivalents	37,857,141	0	37,857,141	0
Total cash and cash equivalents	\$ 50,992,154	\$ 1,760,176	\$ 52,752,330	\$ 1,996,249
<b>Noncash investing, capital, and financing activities:</b>				
Contributions of capital assets from individuals totaled \$10,215,905.				
Acquisition of capital assets through accounts payable totaled \$2,692,975.				
Acquisition of capital assets through retainage payable totaled \$2,175,424.				
Forgiveness of contracts payable through capital contributions totaled \$1,261,588.				



**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2022**

	<b>Community Private-Purpose Trust Fund</b>	<b>Employees' Pension Trust Fund</b>	<b>Municipal Court Custodial Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 27,129	\$ 4,371,402	\$ 83,032
Investments, at fair value			
Mutual funds			
Equity	0	79,453,785	0
Fixed income	0	19,394,978	0
Real estate	0	18,438,867	0
<b>Total assets</b>	<u>27,129</u>	<u>121,659,032</u>	<u>83,032</u>
<b>LIABILITIES</b>			
Accounts payable	0	33,358	0
Due to other agencies	0	0	25,950
<b>Total liabilities</b>	<u>0</u>	<u>33,358</u>	<u>25,950</u>
<b>NET POSITION</b>			
Restricted for:			
Pensions	0	121,625,674	0
Employee assistance	27,129	0	0
Individuals, organizations, and other governments	0	0	57,082
<b>Total net position</b>	<u>\$ 27,129</u>	<u>\$ 121,625,674</u>	<u>\$ 57,082</u>

**CITY OF GAINESVILLE, GEORGIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**For the fiscal year ended June 30, 2022**

	<b>Community Private-Purpose Trust Fund</b>	<b>Employees' Pension Trust Fund</b>	<b>Municipal Court Custodial Fund</b>
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 0	\$ 3,851,093	\$ 0
Employee contributions	0	3,851,093	0
Employee donations	46,590	0	0
Fines and forfeitures collected for other governments	0	0	106,533
Total contributions and donations	46,590	7,702,186	106,533
Investment Income			
Net appreciation (depreciation) in fair value of investments	0	(15,252,487)	0
Interest	4	325	0
Dividends	0	1,925,125	0
Investment expense	0	(400,013)	0
Net investment income (loss)	4	(13,727,050)	0
<b>Total additions (reductions)</b>	46,594	(6,024,864)	106,533
<b>DEDUCTIONS</b>			
Benefits	0	9,750,012	0
Refunds	0	1,225,827	0
Distributions for assistance	56,317	0	0
Distributions of fines and forfeitures to other governments	0	0	134,136
<b>Total deductions</b>	56,317	10,975,839	134,136
Change in net position	(9,723)	(17,000,703)	(27,603)
Net position, July 1	36,852	138,626,377	84,685
<b>Net position, June 30</b>	<b>\$ 27,129</b>	<b>\$ 121,625,674</b>	<b>\$ 57,082</b>

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**June 30, 2022**

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Gainesville Hall County Land Bank	Total Component Units
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 1,975,250	\$ 333,380	\$ 0	\$ 2,308,630
Restricted assets				
Cash and cash equivalents	228,425	0	0	228,425
Investments	4,006,984	613,404	0	4,620,388
Receivables				
Accounts	9,961	23,294	0	33,255
Taxes	63,875	0	0	63,875
Prepays	0	1,500	0	1,500
Total current assets	6,284,495	971,578	0	7,256,073
<b>Noncurrent assets</b>				
Property held for development	0	0	254,808	254,808
Capital assets				
Non-depreciable	8,465,339	0	0	8,465,339
Depreciable (net)	8,280,840	1,021,011	0	9,301,851
Total noncurrent assets	16,746,179	1,021,011	254,808	18,021,998
<b>Total assets</b>	<b>23,030,674</b>	<b>1,992,589</b>	<b>254,808</b>	<b>25,278,071</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	247,333	397,147	0	644,480
Deferred outflows related to other post employment benefits	400,998	77,666	0	478,664
<b>Total deferred outflows of resources</b>	<b>648,331</b>	<b>474,813</b>	<b>0</b>	<b>1,123,144</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables				
Accounts	400,672	94,990	0	495,662
Intergovernmental	0	0	130,230	130,230
Sales tax	16,103	0	0	16,103
Unearned revenue	8,000	6,505	0	14,505
Accrued salaries	172,109	33,037	0	205,146
Compensated absences	96,802	21,938	0	118,740
Other liabilities	19,524	400	0	19,924
Total current liabilities	713,210	156,870	130,230	1,000,310
<b>Noncurrent liabilities</b>				
Compensated absences	10,756	2,438	0	13,194
Net pension liability	5,776	1,102,679	0	1,108,455
Net OPEB liability	2,013,001	249,207	0	2,262,208
Total noncurrent liabilities	2,029,533	1,354,324	0	3,383,857
<b>Total liabilities</b>	<b>2,742,743</b>	<b>1,511,194</b>	<b>130,230</b>	<b>4,384,167</b>

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**June 30, 2022**

	<b>City of Gainesville Parks and Recreation</b>	<b>Gainesville Convention and Visitor's Bureau</b>	<b>Gainesville Hall County Land Bank</b>	<b>Total Component Units</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	\$ 257,313	\$ 0	\$ 0	\$ 257,313
Deferred inflows related to other post employment benefits	172,336	70	0	172,406
<b>Total deferred inflows of resources</b>	<b>429,649</b>	<b>70</b>	<b>0</b>	<b>429,719</b>
<b>NET POSITION</b>				
Investment in capital assets	16,539,361	1,021,011	0	17,560,372
Restricted for cultural and recreation	28,425	0	0	28,425
Restricted for capital outlay	1,160,466	0	0	1,160,466
Unrestricted	2,778,361	(64,873)	124,578	2,838,066
<b>Total net position</b>	<b>\$ 20,506,613</b>	<b>\$ 956,138</b>	<b>\$ 124,578</b>	<b>\$ 21,587,329</b>

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**COMPONENT UNITS**  
**For the fiscal year ended June 30, 2022**

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Gainesville Hall County Land Bank	Total Component Units
<b>Expenses</b>				
Culture and Recreation	\$ 6,477,141	\$ 0	\$ 0	\$ 6,477,141
Housing and Development	0	1,553,187	422	1,553,609
<b>Total expenses</b>	<u>6,477,141</u>	<u>1,553,187</u>	<u>422</u>	<u>8,030,750</u>
<b>Program revenues</b>				
Charges for services	1,875,484	91,282	0	1,966,766
Operating grants and contributions	31,500	0	0	31,500
Capital grants and contributions	3,726,669	344,527	0	4,071,196
<b>Total program revenues</b>	<u>5,633,653</u>	<u>435,809</u>	<u>0</u>	<u>6,069,462</u>
<b>Net (expense) revenue</b>	<u>(843,488)</u>	<u>(1,117,378)</u>	<u>(422)</u>	<u>(1,961,288)</u>
<b>General revenues</b>				
Property taxes	5,277,913	0	0	5,277,913
Investment	(137,029)	(10,550)	0	(147,579)
Payments from City of Gainesville	0	1,149,940	50,000	1,199,940
Miscellaneous	8,724	86,679	0	95,403
<b>Total general revenues</b>	<u>5,149,608</u>	<u>1,226,069</u>	<u>50,000</u>	<u>6,425,677</u>
<b>Change in net position</b>	<u>4,306,120</u>	<u>108,691</u>	<u>49,578</u>	<u>4,464,389</u>
<b>Net position, July 1</b>	<u>16,200,493</u>	<u>847,447</u>	<u>75,000</u>	<u>17,122,940</u>
<b>Net position, June 30</b>	<u>\$ 20,506,613</u>	<u>\$ 956,138</u>	<u>\$ 124,578</u>	<u>\$ 21,587,329</u>



**GAINESVILLE**



## **1. Description of Government Unit**

The City of Gainesville, Georgia (the City) is located in the Northeastern area of Georgia in Hall County about 50 miles northeast of Atlanta and about 100 miles southwest of Greenville, South Carolina, just north of Interstate 85 on the Chattahoochee River and Lake Sidney Lanier.

The City provides a full range of governmental services, including public safety, health and social services, recreational programs, and economic development as well as water and sewer service, the operation of an airport, and funding support for certain other local agencies. The City is governed by an elected mayor and five-member council.

## **2. Summary of Significant Accounting Policies**

### **A. Description of Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

### **B. Reporting Entity**

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Gainesville (the primary government) and material component units. The component unit discussed below is included in the City's reporting entity because of the significance of its operational and financial relationship with the City. In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, the financial statements of the following component units have been included as discretely presented component units.

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

### **B. Reporting Entity, continued**

#### **City of Gainesville Parks and Recreation Board**

The City of Gainesville Parks and Recreation Board was established as a legally separate entity through a special election in 1924 and operates pursuant to the Official Code of Georgia Annotated section 36-64-1. The Board consists of nine members appointed by the City Council. The City Council levies a recreation tax which can be not less than 0.75 mills and not greater than 1.0 mills. The Parks and Recreation Board provides leisure services to the citizens of the City of Gainesville and the citizens of Hall County. The Board undertakes special projects and assignments for City management. In many respects it functions similar to a City department through regular participation in department director meetings, budget approval, accounting, payroll, etc.

The City of Gainesville Parks and Recreation is reported in a separate column to emphasize that it is legally separate from the City. Individual financial statements are presented as part of the City's Annual Comprehensive Report in the section labeled "Component Unit". (See Exhibits K-1 to K-4). Gainesville Parks and Recreation has a June 30 year-end. There is no separately issued stand-alone financial report for this component unit.

#### **Gainesville Convention and Visitor's Bureau**

The Gainesville Convention and Visitor's Bureau was established as a legally separate entity through presentation of House Bill 1132 approved by the Governor on April 29, 2014 and operates pursuant to the Official Code of Georgia Annotated section 48-13-51. The Board consists of up to seven directors appointed by the City Council. The City of Gainesville collects hotel/motel taxes as authorized by OCGA 48-13-51. Under this law the City levies a tax at a rate of 8%, of which 62 1/2 percent of the total tax is expended for promoting tourism, conventions, and trade shows through a contract or contracts with a convention and visitors bureau authority created by local Act of the General Assembly for a municipality, or a private sector nonprofit organization. The Gainesville Convention and Visitor's Bureau has the responsibility and authority to promote tourism, conventions, and trade shows in the City of Gainesville, Georgia for the citizens of Hall County. The Board undertakes special projects and assignments from City management. In many respects it functions similar to a City department through regular participation in department director meetings, budget approval, accounting, payroll, etc.

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

### **B. Reporting Entity, continued**

#### **Gainesville Convention and Visitor's Bureau, continued**

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

#### **Gainesville-Hall County Land Bank**

The Gainesville-Hall County Land Bank is a public entity authorized by state law and created pursuant to an intergovernmental agreement between the City of Gainesville and Hall County, Georgia. It is governed by a Board of Directors appointed by the City Council and Hall County Board of Commissioners. The Board consists of up to five directors: three appointed by the City Council and two appointed by Hall County, Georgia Board of Commissioners. The Gainesville-Hall County Land Bank has the responsibility and authority to acquire tax delinquent properties, surplus properties of the local governments, and other properties in order to foster the public purpose of returning land which is a non revenue-generating, nontax-producing status to an effective utilization status in order to provide affordable housing, new industry and jobs for the citizens of Georgia. Because the City appoints a majority of the Board of Directors and provides virtually all operating resources for Gainesville-Hall County Land Bank, a financial burden relationship exists between the City and the Land Bank, the Land Bank is reported as a discretely presented component unit.

The Gainesville-Hall County Land Bank is reported in a separate column to emphasize that it is legally separate from the City. Individual financial statements are presented as part of the City's Annual Comprehensive Report in the section labeled "Component Units". (See Exhibits K-7 and K-8). The Gainesville-Hall County Land Bank has a June 30 year-end. There is no separately issued stand-alone financial report for this component unit.

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

### **C. Basis of Presentation – Government-wide Financial Statements**

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

The government has three discretely presented component units. Parks and Recreation component unit, the Convention and Visitor's Bureau component unit, and the Gainesville-Hall County Land Bank are combined and are shown in a separate column in the government-wide financial statements.

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

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

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

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

The City reports the following major governmental funds:

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

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

**American Rescue Plan Grant Fund** - This fund is used to account for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

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

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

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

#### **Governmental Fund Types**

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

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

#### **Proprietary Fund Types**

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

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

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

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

#### **Fiduciary Fund Types**

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

**Custodial Funds** – These funds are custodial in nature and are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held for others. The City has a custodial fund to account for the activity of the Municipal Court.

#### **Component Units**

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

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

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

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

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

#### **Interfund Activity**

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

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

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

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



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

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

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

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

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

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

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

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

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

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **H. Cash and Investments**

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

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

### **I. Intergovernmental Receivables**

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

### **J. Inventories**

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

### **K. Prepaid Items**

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

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

### **L. Capital Assets**

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

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

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

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

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

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

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

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

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

### **M. Deferred Outflows/Inflows of Resources**

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

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

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

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



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

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

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

### **P. Leases Receivable**

Leases receivable are measured at the present value of lease payments expected to be received during the lease terms.

A deferred inflow of resources is recorded for lease receivables. The deferred inflow of resources is recorded at the initiation of the lease at an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the respective lease.

### **Q. Right-to-Use Leased Assets**

The City has recorded right to use leased assets as a result of implementing GASB Statement No. 87, *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the shorter of the estimated useful life of the leased asset or life of the related lease.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **T. Compensated Absences**

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

### **U. Long-Term Obligations**

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

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

### **V. Capital Contributions**

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

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

### **W. Pensions**

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

### **X. Use of Estimates in the Preparation of the Financial Statements**

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

### **Y. Comparative Data and Reclassifications**

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

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

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

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

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

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

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

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

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

The City participates in the State of Georgia Local Government Investment Pool (Georgia Fund 1). The City policy limits investments in Georgia Fund 1 to 50% of the City's investments. Assets in this pool are invested in the Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Standard and Poor's criteria for AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability.

The Georgia Fund 1 is rated AAAf by Standard & Poor's. The weighted average maturity at the end of the current fiscal year was 43 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$57,122.

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

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

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

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

#### **Investment policies – Employees’ Pension Trust Fund (continued)**

City policy requires that fixed income portfolio should bear an average credit quality of “A” or higher. Investments in Collateralized Mortgage Obligations shall be limited to 15% of the market value of the investment manager’s total portfolio. No more than 5% (at cost) of an investment manager’s total fixed income portfolio shall be invested in the securities of any single corporate issuer. There is no limit imposed on investments in fixed income securities issued directly by the US government or any agency or instrumentality thereof. Investments in corporate fixed income securities shall be limited to securities issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia. The duration of the fixed income portfolio should be less than 135% of the duration of the Barclays Capital US Aggregate Bond Index. At the end of the current fiscal year, the duration for the index was 6.2 years.

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

<b>Investment</b>	<b>Fair Value</b>	<b>Average Maturity (in years)</b>	<b>Standard and Poor’s Credit Rating</b>
PIMCO Income Fund	\$ 9,257,906	3.68	N/A
PIMCO Investment Grade Credit Fund	4,929,455	11.00	N/A
PIMCO Total Return Fund	5,207,617	7.31	N/A
	<u><u>\$ 19,394,978</u></u>		

#### **Foreign currency risk**

The City has no investments denominated in a foreign currency.

#### **Investments**

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



**CITY OF GAINESVILLE, GEORGIA**  
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**3. Deposit and Investment Risk (continued)**

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

Investment	Fair Value Measurement			Fair Value
	Level 1	Level 2	Level 3	
Federal agency securities	\$ 0	\$ 15,183,286	\$ 0	\$ 15,183,286
U.S. treasury notes	75,195,117	0	0	75,195,117
Mortgage-backed securities	0	4,719,398	0	4,719,398
Municipal bond securities	0	46,881,627	0	46,881,627
<b>Total investments measured at fair value</b>	<b>\$ 75,195,117</b>	<b>\$ 66,784,311</b>	<b>\$ 0</b>	<b>\$ 141,979,428</b>
<b>Investments not subject to level disclosure:</b>				
Georgia Fund 1 (classified as cash equivalent)				57,122
Total Investments				<u>\$ 142,036,550</u>

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

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

**CITY OF GAINESVILLE, GEORGIA**  
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**3. Deposit and Investment Risk (continued)**

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

Investment	Fair Value Measurement			Fair Value
	Level 1	Level 2	Level 3	
Federal agency securities	\$ 0	\$ 494,104	\$ 0	\$ 494,104
U.S. treasury notes	2,447,050	0	0	2,447,050
Mortgage-backed securities	0	153,582	0	153,582
Municipal bond securities	0	1,525,652	0	1,525,652
<b>Total investments measured at fair value</b>	<b>\$ 2,447,050</b>	<b>\$ 2,173,338</b>	<b>\$ 0</b>	<b>\$ 4,620,388</b>

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

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

Investment	Fair Value Measurement			Fair Value
	Level 1	Level 2	Level 3	
Mutual Funds - corporate bonds	\$ 0	\$ 19,394,978	\$ 0	\$ 19,394,978
Mutual Funds - corporate stocks	79,453,785	0	0	79,453,785
Mutual Funds - real estate	0	0	18,438,867	18,438,867
<b>Total investments measured at fair value</b>	<b>\$ 79,453,785</b>	<b>\$ 19,394,978</b>	<b>\$ 18,438,867</b>	<b>\$ 117,287,630</b>

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

**CITY OF GAINESVILLE, GEORGIA**  
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**4. Accounts Receivable**

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

**Primary Government:**

**Major Funds**

General Fund		\$ 138,447
Fire Special Revenue Fund		663
Department of Water Resources Enterprise Fund	\$ 5,163,457	
Less: Allowance for Uncollectibles	<u>(1,256,105)</u>	3,907,352

**Nonmajor Funds**

Special Revenue Funds		
Community Service Center	1,161	
Grants	<u>134,147</u>	135,308
Enterprise Funds		
Airport	11,845	
Solid Waste	306,300	
Less: Allowance for Uncollectibles	<u>(87,290)</u>	
Golf Course	<u>34,783</u>	265,638
Internal Service Funds		
General Insurance	1,760	
Employee Benefits	<u>1,814</u>	3,574
Total Primary Government		<u><u>\$ 4,450,982</u></u>

**Component Units:**

City of Gainesville Parks and Recreation	\$ 9,961
Gainesville Convention and Visitor's Bureau	<u>23,294</u>
Total Component Units	<u><u>\$ 33,255</u></u>

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

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

**Primary Government:**

**Major Funds**

General Fund	\$	147,904
Fire Special Revenue Fund		733
SPLOST Capital Projects Fund		1,859,180
Department of Water Resources Fund		3,003,486

**Nonmajor Funds**

Special Revenue Funds

Community Service Center	\$	393,332	
Grants		84,330	
HUD Grant		6,782	
Police		293	484,737

Enterprise funds

Airport			9,150
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Internal Service Funds

Vehicle Services			46,247
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Total Primary Government	\$	5,551,437
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**6. Property Taxes**

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for fiscal year 2022, based upon the assessments of January 1, 2021, and the levy date of August 19, 2021, were final billed on September 8, 2021, and due on December 1, 2021. Tax liens are issued 90 days after the due date. The City of Gainesville bills and collects its own property taxes with property tax collections appearing as revenues to the respective funds (General, Fire, Police, Tax Allocation District, Debt Service, and Parks and Recreation Component Unit) according to the tax rates set by City Council.

## **7. Intradepartmental Billings**

Total operating revenues and total operating expenses in the Department of Water Resources Enterprise Fund includes \$232,745 of intradepartmental billings for water and sewer usage for the current fiscal year.

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

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

<b><u>Receivable Fund</u></b>	<b><u>Payable Fund</u></b>	<b><u>Amount</u></b>
General	Nonmajor Governmental	\$ 565,348
Nonmajor Governmental	Nonmajor Governmental	1,272,731
		<u>\$ 1,838,079</u>

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

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

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

A summary of interfund transfers is as follows:

<b>Transfer Out Fund</b>	<b>Transfer In Fund</b>	<b>Amount</b>
General	Fire	\$ 2,111,870
	SPLOST	550,000
	Nonmajor Governmental	9,139,493
	Nonmajor Enterprise	40,360
American Rescue Plan Grant	General	5,128,470
	Department of Water Resources	3,431,418
	Nonmajor Enterprise	82,000
Fire	SPLOST	250
	Nonmajor Governmental	105,000
SPLOST	Nonmajor Governmental	293,692
Department of Water Resources	General	3,376,797
	Nonmajor Governmental	10,017,622
Internal Service	General	18,723
	Nonmajor Governmental	13,388
Nonmajor Governmental	General	124,507
	SPLOST	1,202,560
	Internal Service	39,459
	Nonmajor Governmental	617,952
		<u>\$ 36,293,561</u>

Interfund transfers were used to transfer unrestricted revenues from payor funds to subsidize operations in payee funds in accordance with budgetary authorizations, to transfer City matching funds in accordance with grant agreements, to transfer funds to Capital Projects Funds for capital projects in accordance with budgetary authorizations, and to move capital assets between governmental activities and business-type activities. The transfer from the Department of Water Resources Fund to the General Fund is in accordance with City policy and is common practice for government-owned utility systems. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

**CITY OF GAINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. Right-to-Use Leased Assets**

Right to use leased activity for the primary government for the current fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Amortizable assets				
Vehicles and equipment	\$ 0	\$ 192,602	\$ 0	\$ 192,602
Less accumulated amortization				
Vehicles and equipment	0	(32,100)	0	(32,100)
Total business-type activities				
right of use leased assets, net	<u>\$ 0</u>	<u>\$ 160,502</u>	<u>\$ 0</u>	<u>\$ 160,502</u>

Amortization expense was charged to functions as follows:

<b>Business-type activities</b>	
Golf Course	<u>\$ 32,100</u>

**CITY OF GAINESVILLE, GEORGIA**  
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**10. Capital Assets**

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

	Balance Beginning	Increases	Decreases	Balance Ending
<b>Governmental activities</b>				
Non-depreciable assets				
Land	\$ 27,783,329	\$ 516,700	\$ (2,213,213)	\$ 26,086,816
Easements	132,500	0	0	132,500
Construction in progress	10,117,910	14,613,132	(1,225,501)	23,505,541
Total non-depreciable assets	38,033,739	15,129,832	(3,438,714)	49,724,857
Depreciable assets				
Buildings	68,566,576	162,542	(972,543)	67,756,575
Land improvements	3,395,226	137,392	(15,332)	3,517,286
Vehicles and equipment	26,054,999	3,142,339	(2,153,559)	27,043,779
Intangibles	3,112,339	70,885	(1,918,064)	1,265,160
Infrastructure	42,077,529	1,165,170	(3,884,316)	39,358,383
Total depreciable assets	143,206,669	4,678,328	(8,943,814)	138,941,183
Less accumulated depreciation				
Buildings	(22,886,122)	(1,714,868)	77,803	(24,523,187)
Land improvements	(2,199,781)	(136,088)	15,332	(2,320,537)
Vehicles and equipment	(18,151,117)	(2,196,985)	1,905,224	(18,442,878)
Intangibles	(2,832,523)	(222,250)	1,873,042	(1,181,731)
Infrastructure	(19,661,871)	(1,239,236)	3,334,354	(17,566,753)
Total accumulated depreciation	(65,731,414)	(5,509,427)	7,205,755	(64,035,086)
Total depreciable assets, net	77,475,255	(831,099)	(1,738,059)	74,906,097
Governmental activities capital assets, net	\$ 115,508,994	\$ 14,298,733	\$ (5,176,773)	\$ 124,630,954
<b>Business-type activities</b>				
Non-depreciable assets				
Land	\$ 29,446,835	\$ 0	\$ 0	\$ 29,446,835
Easements	2,853,620	0	0	2,853,620
Construction in progress	45,079,517	28,760,413	(7,978,214)	65,861,716
Total non-depreciable assets	77,379,972	28,760,413	(7,978,214)	98,162,171
Depreciable assets				
Buildings	60,974,844	0	(14,177)	60,960,667
Land improvements	10,315,225	2,526,675	0	12,841,900
Vehicles and equipment	47,375,964	2,691,345	(1,162,392)	48,904,917
Intangibles	6,743,515	0	(605,187)	6,138,328
Infrastructure	589,252,870	16,118,691	(1,016,219)	604,355,342
Total depreciable assets	714,662,418	21,336,711	(2,797,975)	733,201,154
Less accumulated depreciation				
Buildings	(17,653,877)	(1,355,626)	14,177	(18,995,326)
Land improvements	(7,018,260)	(440,565)	0	(7,458,825)
Vehicles and equipment	(24,677,140)	(2,979,437)	1,168,006	(26,488,571)
Intangibles	(3,373,249)	(290,525)	605,187	(3,058,587)
Infrastructure	(239,930,645)	(13,104,737)	896,916	(252,138,466)
Total accumulated depreciation	(292,653,171)	(18,170,890)	2,684,286	(308,139,775)
Total depreciable assets, net	422,009,247	3,165,821	(113,689)	425,061,379
Business-type activities capital assets, net	\$ 499,389,219	\$ 31,926,234	\$ (8,091,903)	\$ 523,223,550



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**10. Capital Assets (continued)**

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

	<b>Balance Beginning</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Ending</b>
<b>Parks &amp; Recreation Component Unit</b>				
Non-depreciable assets				
Land	\$ 5,374,624	\$ 0	\$ (86,814)	\$ 5,287,810
Construction in progress	1,449,370	2,860,579	(1,132,420)	3,177,529
Total non-depreciable assets	6,823,994	2,860,579	(1,219,234)	8,465,339
Depreciable assets				
Buildings	9,184,348	0	(7,500)	9,176,848
Land improvements	5,828,323	1,282,356	0	7,110,679
Vehicles and equipment	1,757,291	792,438	(100,964)	2,448,765
Intangibles	281,365	0	(241,700)	39,665
Infrastructure	3,120,059	0	0	3,120,059
Total depreciable assets	20,171,386	2,074,794	(350,164)	21,896,016
Less accumulated depreciation				
Buildings	(6,579,790)	(109,760)	7,500	(6,682,050)
Land improvements	(3,115,570)	(283,329)	0	(3,398,899)
Vehicles and equipment	(1,324,340)	(97,081)	13,086	(1,408,335)
Intangibles	(262,659)	0	222,993	(39,666)
Infrastructure	(1,962,648)	(123,578)	0	(2,086,226)
Total accumulated depreciation	(13,245,007)	(613,748)	243,579	(13,615,176)
Total depreciable assets, net	6,926,379	1,461,046	(106,585)	8,280,840
Parks & Recreation Component Unit capital assets, net	\$ 13,750,373	\$ 4,321,625	\$ (1,325,819)	\$ 16,746,179
<b>Convention and Visitor's Bureau Component Unit</b>				
Depreciable assets				
Buildings	\$ 1,701,955	\$ 93,325	\$ 0	\$ 1,795,280
Land Improvements	86,853	0	0	86,853
Vehicles and equipment	82,691	0	0	82,691
Total depreciable assets	1,871,499	93,325	0	1,964,824
Less accumulated depreciation				
Buildings	(793,684)	(63,227)	0	(856,911)
Land Improvements	(3,540)	(7,935)	0	(11,475)
Vehicles and equipment	(72,583)	(2,844)	0	(75,427)
Total accumulated depreciation	(869,807)	(74,006)	0	(943,813)
Convention and Visitor's Bureau Component Unit capital assets, net	\$ 1,001,692	\$ 19,319	\$ 0	\$ 1,021,011

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

Beginning balances of the Business-type activities have been restated to reclassify certain assets.

Decreases in construction in progress in the governmental activities consists of projects placed into service in the amount of \$1,182,561 and projects abandoned in the amount of \$42,940.

Depreciation expense was charged to functions/programs as follows:

**Primary Government**

**Governmental activities**

General Government	\$ 2,334,846
Public Safety	1,234,348
Public Works	1,182,477
Health and Welfare	410,514
Housing and Development	175,073
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	31,634
Total depreciation expense for governmental activities	<u>\$ 5,368,892</u>

**Business-type activities**

Department of Water Resources	\$ 16,771,646
Airport	606,702
Solid Waste	489,833
Golf Course	302,709
Total depreciation expense for business-type activities	<u>\$ 18,170,890</u>

**Component Units**

Parks and Recreation	\$ 592,238
Convention and Visitor's Bureau	74,006

	<b>Primary Government</b>		<b>Component Units</b>	
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Parks and Recreation</b>	<b>Convention and Visitor's Bureau</b>
Current year depreciation expense	\$ 5,368,892	\$ 18,170,890	\$ 592,238	\$ 74,006
Prior accumulated depreciation on assets through transfer from enterprise funds	140,535	0	21,510	0
Additions to accumulated depreciation	<u>\$ 5,509,427</u>	<u>\$ 18,170,890</u>	<u>\$ 613,748</u>	<u>\$ 74,006</u>

## **11. Leases Receivable**

### **Governmental Activities**

During the fiscal year ended June 30, 2021, the City entered into a 139-month lease as Lessor for the use of the City's Georgia Mountain Center property. An initial lease receivable was recorded in the amount of \$1,312,224 at July 1, 2020 to implement GASB Statement No. 87, *Leases*. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term. At the end of the current year, the value of the lease receivable is \$1,098,348. The lessee is required to make monthly fixed payments of \$10,000. The lease has an interest rate of 1.1310%. The value of the deferred inflow of resources at the end of the current year is \$1,086,896. The City recognized lease revenue of \$119,264 and interest revenue of \$12,981 on the leases during the current fiscal year.

### **Business-type Activities**

#### **Airport Fund**

During prior fiscal years, the City entered into multiple leases as Lessor for the use of hangars and land at the City's airport. An initial lease receivable was recorded in the amount of \$4,631,222 at July 1, 2020 to implement GASB Statement No. 87, *Leases*. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term. At the end of the current year, the value of the lease receivable is \$3,640,636. The lessees are required to make monthly payments ranging from \$62 to \$5,366. The interest rates on the leases range from 0.51% to 1.59%. The value of the deferred inflow of resources at the end of the current year is \$3,555,945. The City recognized lease revenue of \$628,733 and interest revenue of \$39,723 on the leases during the current fiscal year.

## **12. Long-Term Debt**

### **Leases**

#### **Business-type Activities**

The City entered an agreement to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB Statement No. 87, *Leases*, and have been recorded at the present value of the future minimum lease payments at their inception. Lease liabilities are comprised of the following individual leases at the end of the current fiscal year:

- \$192,602 golf cart equipment lease due in monthly installments of \$3,559 through December 2027, interest at 4.28%, \$162,709 outstanding.

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

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 36,451	\$ 6,254	\$ 42,705
2024	38,041	4,663	42,704
2025	39,702	3,003	42,705
2026	41,435	1,270	42,705
2027	7,080	25	7,105
Totals	<u>\$ 162,709</u>	<u>\$ 15,215</u>	<u>\$ 177,924</u>

### **Revenue Bonds**

#### **Business-type Activities**

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

- \$83,650,000 2014 Water and Sewer System Refunding series bonds due in annual installments of \$3,715,000 to \$7,710,000 through November 15, 2028; interest at 5.00% (\$36,240,000 outstanding).

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

### **Revenue Bonds, continued**

- \$26,910,000 2016 Water and Sewer System Refunding series bonds due in annual installments of \$3,250,000 to \$8,595,000 through November 15, 2021; interest at 1.27%. These bonds were paid in full during the fiscal year.

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

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 6,300,000	\$ 1,654,500	\$ 7,954,500
2024	5,640,000	1,356,000	6,996,000
2025	5,800,000	1,070,000	6,870,000
2026	5,720,000	782,000	6,502,000
2027	5,205,000	508,875	5,713,875
2028-2029	7,575,000	375,125	7,950,125
Totals	<u>\$ 36,240,000</u>	<u>\$ 5,746,500</u>	<u>\$ 41,986,500</u>

The Water and Sewerage Revenue Bonds Series 2014 (\$83,650,000) are collateralized by operating income from the water and sewerage system of the City of Gainesville, Georgia. Upon the occurrence of an event of default, all outstanding principal and accrued interest on the Water and Sewerage Revenue Bonds Series 2014 may be declared immediately due and payable. Proceeds from the Series 2014 were used to refund a portion of the Series 2005 water and sewerage revenue bond issue and retire the debt on 13 water and sewerage notes payable, and to pay expenses necessary to accomplish the Series 2014 refunding issue.

The bonds are payable solely from the water and sewer operating income and are payable through the fiscal years ending 2029. Total principal and interest remaining to be paid on the bonds is \$41,896,500. Principal and interest paid for the current year was \$14,965,000 and \$1,993,824, respectively. Water and sewer operating revenue totaled \$78,249,572 for the current year.

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

### **Certificates of Participation**

#### **Governmental Activities**

The City has entered into an agreement to participate in a pooled program sponsored by the Georgia Municipal Association. Certificates of Participation in the amount of \$150,126,000 were issued in connection with the program, with the City's pro rata share of the principal being \$1,166,000. At the end of the current fiscal year, the City has a balance of \$404,592 of the certificate proceeds for the purpose of financing the acquisition of equipment. The remaining balance of the certificate proceeds is held in trust pursuant to the certificate and is not considered legal debt of the City.

Annual debt service requirements to maturity are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 202,296	\$0	\$ 202,296
2024	202,296	0	202,296
Totals	<u>\$ 404,592</u>	<u>\$0</u>	<u>\$ 404,592</u>

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

### **Contracts Payable**

#### **Governmental Activities**

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

On September 25, 2012, the Gainesville Redevelopment Authority issued \$8,950,000 in the Series 2012B Revenue Refunding and Improvement Bonds, with an interest rates of 2.542%. An intergovernmental agreement became effective, on the date of issuance, between the Gainesville Redevelopment Authority and the City of Gainesville. Under the agreement, bond proceeds of the Authority issue will be applied toward the purchase of land and buildings currently being used as a corrections facility within a designated redevelopment area and refunding of the Series 2004B Lee Gilmer Memorial Airport Project bonds and the property will be leased to the City. In return, the City will make payment to the trustee for the bonds on behalf of the Authority sufficient to pay the principal and interest on the bonds. In conjunction with the issuance of the bonds, the City conveyed title to land and building thereon to the Authority. The City will continue to maintain, repair and have use of the property.

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

### **Contracts Payable, continued**

#### **Governmental Activities**

On November 29, 2016, the Gainesville Redevelopment Authority issued \$1,680,000 in the Series 2016 Revenue Refunding Bonds, with an interest rate of 2.53%. An intergovernmental agreement became effective, on the date of issuance, between the Gainesville Redevelopment Authority and the City of Gainesville. Under the agreement, bond proceeds of the Authority issue will be applied toward the purchase of land and a building at 300 Brenau Avenue, and the property will be leased to the City. In return, the City will make payment to the trustee for the bonds on behalf of the Authority sufficient to pay the principal and interest on the bonds. In conjunction with the issuance of the bonds, the City conveyed title to land and building thereon to the Authority. The City will continue to maintain, repair and have use of the property. This contract was paid in full on November 15, 2021.

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



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

### **Contracts Payable, continued**

#### **Business-type Activities**

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

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

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

**Contracts Payable, continued**

Annual debt service requirements to maturity for governmental activities are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 1,892,504	\$ 423,969	\$ 2,316,473
2024	1,982,504	363,134	2,345,638
2025	2,077,504	296,956	2,374,460
2026	1,875,112	233,434	2,108,546
2027	1,782,726	177,247	1,959,973
2028-2032	3,356,029	378,573	3,734,602
2033-2034	845,100	34,015	879,115
<b>Totals</b>	<b>\$ 13,811,479</b>	<b>\$ 1,907,328</b>	<b>\$ 15,718,807</b>

Annual debt service requirements to maturity for business-type activities are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 1,541,588	\$ 26,593	\$ 1,568,181
2024	1,551,588	19,250	1,570,838
2025	1,556,588	11,628	1,568,216
2026	1,561,588	3,919	1,565,507
2027	1,261,588	0	1,261,588
2028-2031	5,046,352	0	5,046,352
<b>Totals</b>	<b>\$ 12,519,292</b>	<b>\$ 61,390</b>	<b>\$ 12,580,682</b>

**Notes from Direct Borrowings**

**Governmental Activities**

On April 17, 2018, the City entered into a financed purchase agreement with PNC Equipment Finance, LLC, for the purchase of a 2019 Pierce Aerial Ladder Truck. The amount of the agreement was \$1,268,593, interest at 3.43%, for a term of five years. The outstanding balance was \$537,797 at year end. The agreement is collateralized by the vehicle. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable or the City will be required to return the vehicle.

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

### **Notes from Direct Borrowings, continued**

#### **Governmental Activities**

In July 2021, the City entered into a financed purchase agreement with PNC Equipment Finance, LLC, for the purchase of two 2021 Pierce Arrow XT Pumper Trucks. The amount of the agreement was \$1,383,099, interest at 2.02%, for a term of five years. The outstanding balance was \$1,117,484 at year end. The agreement is collateralized by the vehicles. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable or the City will be required to return the vehicles.

Annual debt service requirements to maturity for governmental activities are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 535,371	\$ 41,131	\$ 576,502
2024	549,940	26,562	576,502
2025	282,121	11,570	293,691
2026	287,849	5,843	293,692
Totals	<u>\$ 1,655,281</u>	<u>\$ 85,106</u>	<u>\$ 1,740,387</u>

#### **Business-Type Activities**

The City entered into 3 direct borrowing agreements the Georgia Environmental Finance Authority in the amount of \$60,500,000 for expansion of the City's water and sewer system. Monthly installments of principal and interest are due beginning on the first day of the calendar month following the date that the loan is fully disbursed (the Amortization Commencement Date) for 239 months; interest at 0.13%. The City has drawn \$7,734,375 on these agreements. At the end of the current fiscal year, the notes are still in drawdown phase (\$7,734,375 outstanding); therefore, an amortization schedule for these notes payable is not presented. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes, fees and charges collected by the City.

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

### **Notes from Direct Borrowings, continued**

#### **Business-Type Activities**

In July 2021, the City entered into a financed purchase agreement with KS StateBank for the purchase of six 2020 Mack Packer Trucks. The amount of the agreement was \$1,104,395, interest at 4.46%, for a term of four years. The outstanding balance was \$787,827 at year end. The agreement is collateralized by the vehicles. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable or the City will be required to return the vehicles.

On April 1, 2022, the City entered into a financed purchase agreement with KS StateBank for the purchase of two 2022 Mack Side Loader Trucks. The amount of the agreement was \$550,433, interest at 3.65%, for a term of four years. The outstanding balance was \$411,510 at year end. The agreement is collateralized by the vehicles. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable or the City will be required to return the vehicles.

Annual debt service requirements to maturity for business-type activities are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 285,649	\$ 50,161	\$ 335,810
2024	754,500	38,423	792,923
2025	159,188	5,812	165,000
<b>Totals</b>	<b>\$ 1,199,337</b>	<b>\$ 94,396</b>	<b>\$ 1,293,733</b>

**CITY OF GAINESVILLE, GEORGIA**  
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### **13. Long-Term Liabilities**

#### **Changes in Long-Term Liabilities**

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental activities</b>					
Notes from direct borrowings	\$ 793,394	\$ 1,383,099	\$ (521,212)	\$ 1,655,281	\$ 535,371
Certificates of participation	606,888	0	(202,296)	404,592	202,296
Contracts payable	17,003,983	0	(3,192,504)	13,811,479	1,892,504
Compensated absences	1,660,433	1,347,096	(1,494,390)	1,513,139	1,361,825
Total governmental activities	<u>\$ 20,064,698</u>	<u>\$ 2,730,195</u>	<u>\$ (5,410,402)</u>	<u>\$ 17,384,491</u>	<u>\$ 3,991,996</u>
<b>Business-type activities</b>					
Revenue bonds	\$ 51,205,000	\$ 0	\$ (14,965,000)	\$ 36,240,000	\$ 6,300,000
Unamortized bond premium	7,778,150	0	(1,048,739)	6,729,411	1,048,739
Leases payable	0	192,602	(29,893)	162,709	36,451
Contracts payable	14,055,880	0	(1,536,588)	12,519,292	1,541,588
Notes from direct borrowings	1,766,224	7,622,979	(455,491)	8,933,712	285,649
Compensated absences	909,836	767,032	(818,851)	858,017	772,216
Total business-type activities	<u>\$ 75,715,090</u>	<u>\$ 8,582,613</u>	<u>\$ (18,854,562)</u>	<u>\$ 65,443,141</u>	<u>\$ 9,984,643</u>
<b>Component Units</b>					
<b>City of Gainesville</b>					
<b>Parks and Recreation</b>					
Compensated absences	\$ 121,084	\$ 95,450	\$ (108,976)	\$ 107,558	\$ 96,802
<b>Gainesville Convention and Visitor's Bureau</b>					
Compensated absences	28,304	21,545	(25,473)	24,376	21,938
Total Component Units	<u>\$ 149,388</u>	<u>\$ 116,995</u>	<u>\$ (134,449)</u>	<u>\$ 131,934</u>	<u>\$ 118,740</u>

Beginning debt balances have been reclassified by type for the current year.

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

Total interest incurred and expensed in the governmental activities and the business-type activities for the current fiscal year was \$547,859 and \$2,129,105, respectively.

### **13. Long-Term Liabilities (continued)**

The City is subject to a legal debit margin of 10% of total assessed property value. The City's net assessed value is \$6,002,755,635. The City has \$0 of outstanding general obligation debt. The City has a total of \$600,275,563 (100%) of outstanding legal debt margin remaining.

### **14. Conduit Debt**

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

At the end of the current fiscal year, there were 8 series of Revenue Bonds outstanding. The current aggregate principal amount payable for the series totaled \$226,828,855. The original issue amounts totaled \$264,232,930.

**CITY OF GAINESVILLE, GEORGIA**  
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**15. Nonspendable, Restricted, Committed, and Assigned Fund Balances**

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

	General	Fire	American Rescue Plan Grant	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>						
Prepaid items	\$ 1,622	\$ 0	\$ 0	\$ 0	\$ 5,018	\$ 6,640
<b>Restricted for:</b>						
Police facilities and equipment	0	0	0	0	1,819,744	1,819,744
Fire facilities and equipment	0	0	0	0	1,927,676	1,927,676
Streets facilities and equipment	0	0	0	0	19,150	19,150
Community Service Center operations	0	0	0	0	1,473,052	1,473,052
Recreation facilities and equipment	0	0	0	0	1,333,714	1,333,714
Neighborhood improvements	0	0	0	0	231,357	231,357
Midtown development	0	0	0	0	972,176	972,176
Capital projects	0	0	0	16,435,445	960,105	17,395,550
Debt service	0	0	0	0	1,205,870	1,205,870
	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,435,445</u>	<u>9,942,844</u>	<u>26,378,289</u>
<b>Committed for:</b>						
Cemetery improvements	0	0	0	0	537,219	537,219
Tree replacement	30,850	0	0	0	0	30,850
Energy efficiency retrofits	0	0	0	0	3,501	3,501
	<u>30,850</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>540,720</u>	<u>571,570</u>
<b>Assigned for:</b>						
Fire operations	0	1,388,638	0	0	0	1,388,638
Police operations	0	0	0	0	159,143	159,143
Community Service Center operations	0	0	0	0	2,460,335	2,460,335
Economic development	0	0	0	0	10,649,557	10,649,557
Tourism and City promotion	0	0	0	0	1,006,513	1,006,513
Budget	4,762,964	0	0	0	0	4,762,964
Capital projects	0	0	0	1,025,228	3,004,762	4,029,990
Debt service	0	0	0	0	1,667,749	1,667,749
	<u>4,762,964</u>	<u>1,388,638</u>	<u>0</u>	<u>1,025,228</u>	<u>18,948,059</u>	<u>26,124,889</u>

## **16. Self-Insurance**

### **General Insurance**

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

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

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

### **Health Insurance**

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

### **Liabilities**

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



**CITY OF GAINESVILLE, GEORGIA**  
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**16. Self-Insurance (continued)**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
<b>General Insurance Internal Service Fund</b>		
Balance, beginning of year	\$ 1,191,498	\$ 1,677,745
Current year claims and changes in estimate	281,155	(487,397)
Claim payments	(279,185)	1,150
Balance, end of year	<u>\$ 1,193,468</u>	<u>\$ 1,191,498</u>
<b>Employee Benefits Internal Service Fund</b>		
Balance, beginning of year	\$ 805,486	\$ 554,013
Current year claims and changes in estimate	6,323,513	7,455,529
Claim payments	(6,553,061)	(7,204,056)
Balance, end of year	<u>\$ 575,938</u>	<u>\$ 805,486</u>

**17. Pension Plans**

**Defined Benefit Pension Plans**

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

**Pension Plan A**

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

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

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

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

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

There is no stand-alone financial report issued for Pension Plan A.

At July 1, 2022, the date of the most recent actuarial valuation, participants consist of the following:

Retirees and beneficiaries currently receiving benefits	306
Terminated vested participants entitled to but not yet receiving benefits	61
Active participants	481
Total number of participants	<u>848</u>

*Benefits Provided.* Employees hired before July 1, 2008, are eligible for normal retirement upon completion of twenty-five years of service or age 60 with at least five years of service. The normal retirement benefit payable for life is 3.0% of the average monthly salary for the highest consecutive five years of service multiplied by the years of service, not to exceed thirty-three years. Benefits vest after ten years of service. An early retirement option is available upon completion of twenty years of service. However, benefits are reduced by 2% for each year the commencement date precedes the normal retirement date. Public safety employees hired on or after July 1, 2008, are eligible for normal retirement upon age 50 and completion of twenty-five years of service or age 60 with at least ten years of service. The normal retirement benefit payable for life is 2.5% of the average monthly salary for the highest consecutive five years of service multiplied by the years of service, not to exceed thirty-three years. Benefits vest after ten years of service. An early retirement option is available upon completion of twenty years of service. However, benefits are reduced by 1.65% for each year the commencement date precedes the normal retirement date. All other employees hired on or after July 1, 2008, are eligible for normal retirement upon age 60 and completion of twenty-five years of service or age 60 with at least ten years of service. The normal retirement benefit payable for life is 2.5% of the average monthly salary for the highest consecutive five years of service multiplied by the years of service, not to exceed thirty-three years. Benefits vest after ten years of service. An early retirement option is available upon completion of twenty years of service.

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

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

However, benefits are reduced by 1.65% for each year the commencement date precedes the normal retirement date.

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

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

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

*Rate of return.* For the current fiscal year, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.81 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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**17. Pension Plans (continued)**

**Pension Plan A (continued)**

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* At the end of the current fiscal year, the City reported a net pension liability of \$58,927,080. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. For the current fiscal year, the City recognized pension expense of \$8,579,321.

The components of the net pension liability are as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
<b>Balances at 6/30/2021</b>	<b>\$ 166,628,644</b>	<b>\$ 138,626,377</b>	<b>\$ 28,002,267</b>
Changes for the year:			
Service cost	3,891,771	0	3,891,771
Interest	11,552,275	0	11,552,275
Change in benefit terms	4,237,614	0	4,237,614
Differences between expected and actual experience	5,218,288	0	5,218,288
Contributions-employer	0	3,851,093	(3,851,093)
Contributions-employee	0	3,851,092	(3,851,092)
Net investment income	0	(13,327,037)	13,327,037
Benefit payments, including refunds of employee contribution	(10,975,839)	(10,975,839)	0
Administrative expense	0	(400,013)	400,013
Net changes	<u>13,924,109</u>	<u>(17,000,704)</u>	<u>30,924,813</u>
<b>Balances at 6/30/2022</b>	<b><u>\$ 180,552,753</u></b>	<b><u>\$ 121,625,673</u></b>	<b><u>\$ 58,927,080</u></b>
Plan fiduciary net position as a percentage of the total pension liability		67.36%	
Covered payroll		\$ 29,174,939	
Employer's net pension liability as percentage of covered payroll		201.98%	

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

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

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 6,546,339	\$ 0
Changes of assumptions	573,166	0
Changes in participant fund allocation	1,023,314	(1,023,314)
Net difference between projected and actual earnings on pension plan investments	3,427,898	0
Totals	<u>\$ 11,570,717</u>	<u>\$ (1,023,314)</u>

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

<b>Year Ending June 30</b>	
2023	\$ 2,464,834
2024	1,753,645
2025	704,803
2026	5,624,121
Totals	<u>\$ 10,547,403</u>

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

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

*Actuarial Assumptions.* The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected salary increases	Inflation plus merit increases that vary by service, ranging from 0.00% to 11.00%
Cost of living adjustments	0.00%
Net investment rate of return	7.00%, net of investment expense, including inflation
Actuarial cost method	Entry age
Amortization method	Level percent of payroll, using 2.75% annual increases
Remaining amortization period	1-28 years (closed periods)

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

The mortality and economic actuarial assumptions used in the July 1, 2021 and the July 1, 2022 valuations were based on the results of an actuarial experience study for the period of July 1, 2010 through June 30, 2015, and a subsequent review of economic assumptions as of July 1, 2018.

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

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

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. large cap equity	40%	4.10%
U.S. small/mid cap equity	10%	4.55%
U.S. direct real estate	15%	3.54%
Absolute Return	10%	3.04%
Private equity	10%	7.40%
U.S. fixed income	15%	1.05%
Total	100%	

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

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

	<b>Discount Rate</b>	<b>Net Pension Liability</b>
1% decrease	6.00%	\$ 79,939,144
Current discount rate	7.00%	58,927,080
1% increase	8.00%	41,454,530

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

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

### **Pension Plan B**

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

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

The annual report and more detailed information regarding the plan can be obtained at [www.gacities.com](http://www.gacities.com)

At January 1, 2022, the date of the most recent actuarial valuation, participants consist of the following:

Retirees and beneficiaries currently receiving benefits	83
Terminated vested participants entitled to but not yet receiving benefits	45
Active participants	<u>147</u>
Total number of participants	<u><u>275</u></u>

*Benefits Provided.* Regular full-time employees who are non-civil service and who are not eligible to participate in any other retirement program of the City may participate in Plan B at the commencement of employment. Pension Plan B employees also participate in Social Security. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 65 with no reduction in benefit. Members are eligible for early retirement with reduced benefits based on the early retirement at age 55 with ten years of total service. The benefit formula is 1.25% - 2.00% with a five-year vesting schedule.



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

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

*Contributions.* Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The City's contributions for the current fiscal year totaled \$320,966 or 5.07% of covered payroll. The administrative expenses set by contract with GMEBS are in addition to the state-required annual funding requirement. The Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* At the end of the current fiscal year, the City reported a net pension liability of \$24,834. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. For the current fiscal year, the City recognized pension expense of \$125,458. The Governmental Activities' net pension liability is liquidated by the General Fund, Community Service Center Special Revenue Fund, and Fire Special Revenue Fund.

The components of the net pension liability are as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
<b>Balances at 9/30/2020</b>	<b>\$ 9,268,120</b>	<b>\$ 8,183,659</b>	<b>\$ 1,084,461</b>
Changes for the year:			
Service cost	152,474	0	152,474
Interest	671,629	0	671,629
Differences between expected and actual experience	354,865	0	354,865
Contributions-employer	0	326,237	(326,237)
Net investment income	0	1,944,363	(1,944,363)
Benefit payments, including refunds of employee contributions	(627,520)	(627,520)	0
Administrative expense	0	(32,005)	32,005
Net changes	<u>551,448</u>	<u>1,611,075</u>	<u>(1,059,627)</u>
<b>Balances at 9/30/2021</b>	<b>\$ 9,819,568</b>	<b>\$ 9,794,734</b>	<b>\$ 24,834</b>
Plan fiduciary net position as a percentage of the total pension liability		99.75%	
Covered payroll		\$ 5,863,528	
Net pension liability as a percentage of covered payroll		0.42%	

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

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

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 579,313	\$ (33,675)
Changes of assumptions	93,216	0
Changes in participant fund allocation	36,244	(36,244)
Net difference between projected and actual earnings on pension plan investments	0	(1,072,567)
Contributions subsequent to the measurement date	244,678	0
Totals	<u>\$ 953,451</u>	<u>\$ (1,142,486)</u>

The \$244,678 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	
2023	\$ (55,374)
2024	12,494
2025	(191,189)
2026	(199,644)
Totals	<u>\$ (433,713)</u>

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

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

*Actuarial Assumptions.* The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	2.25% plus service-based merit increases
Cost of living adjustments	0.00%
Net investment rate of return	7.375%
Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar
Remaining amortization period	12 years

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

The mortality and economic actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study conducted during the period of November and December 2019.

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

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	45%	6.55%
International equity	20%	7.30%
Global fixed income	5%	0.50%
Domestic fixed income	20%	0.40%
Real estate	10%	3.65%
Total	100%	

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

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

	<b>Discount Rate</b>	<b>Net Pension Liability</b>
1% decrease	6.375%	\$ 1,061,064
Current discount rate	7.375%	24,834
1% increase	8.375%	(852,796)

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

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

### **Pension expense**

	<b>Pension Plan A</b>	<b>Pension Plan B</b>	<b>Total</b>
Service cost	\$ 3,891,771	\$ 152,474	\$ 4,044,245
Interest	11,552,275	671,629	12,223,904
Current-period benefit changes	4,237,614	0	4,237,614
Member contributions	(3,851,092)	0	(3,851,092)
Projected earnings on plan investments	(9,575,268)	(591,255)	(10,166,523)
Expensed portion of current-period differences between expected and actual experience	1,043,656	70,973	1,114,629
Expensed portion of current-period differences between actual and projected earnings on plan investments	4,580,461	(270,620)	4,309,841
Administrative expense	400,013	32,007	432,020
Recognition of deferred inflows and outflows as pension expense	(3,700,109)	60,250	(3,639,859)
Pension expense (income)	<u>\$ 8,579,321</u>	<u>\$ 125,458</u>	<u>\$ 8,704,779</u>

### **Other Plans**

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

## **18. Deferred Compensation Plan**

The City provides retirement benefits for its employees through a deferred compensation, defined contribution plan. The Plan was created under Internal Revenue Code Sections 457 and 401(a). The Plan is administered by the Nationwide, an independent third party. All employees who are considered full-time are eligible to participate in the Plan. The City Council provides for the benefits and funding policy through a City ordinance and maintains the authority to change the policy.

Under the terms of the Plan, employees may defer a portion of their salary through voluntary contributions to the Plan. Employees may defer the lesser of 100 percent of their annual salary or up to \$20,500 of their salary, the maximum allowable by federal law. The City does not contribute to the Plan.

## **18. Deferred Compensation Plan(continued)**

Employee contributions are vested 100% at the time of contribution. Amounts held in the Plan are not available to the employees until termination, retirement, death, or unforeseeable emergency.

During the fiscal year, the City contributed \$0 to the plan based on covered salaries of \$34,926,475. Plan members made voluntary contributions of \$447,974 to the plan.

The City has no fiduciary relationship with the plans, and plan assets are not available to the City or its general creditors. The Plans assets are held in trust by the administrator for the exclusive benefit of the participants of the Plans.

## **19. Post-Employment Benefits Other Than Pensions**

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

The annual report and more detailed information regarding the plan can be obtained at [www.gacities.com](http://www.gacities.com)

At July 1, 2021, the date of the most recent actuarial valuation, participants consist of the following:

Retirees and beneficiaries currently receiving benefits	187
Vested terminated members entitled to but not yet receiving benefits	0
Active participants	642
Total number of participants	<u>829</u>

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

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**19. Post-Employment Benefits Other Than Pensions (continued)**

*Contributions.* The City has not elected to advance fund the OPEB Plan, but rather maintains the OPEB Plan on a “pay-as-you-go” basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. The GMA issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy. The City’s contributions for the current fiscal year totaled \$2,141,466 or 6.81% of covered employee payroll.

*OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB.* At the end of the current fiscal year, the City reported a net OPEB liability of \$35,092,241. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined from actuarial valuations using data as of July 1, 2021 and measured by an actuarial valuation as of June 30, 2021. During the current fiscal year, the City recognized OPEB expense of \$1,057,830. The Governmental Activities’ net OPEB liability is liquidated by the General Fund, Community Service Center Special Revenue Fund, and Fire Special Revenue Fund.

The components of the net OPEB liability are as follows:

	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
<b>Balances at 6/30/2020</b>	<b>\$ 34,045,168</b>	<b>\$ 0</b>	<b>\$ 34,045,168</b>
Changes for the year:			
Service cost	1,164,587	0	1,164,587
Interest	754,602	0	754,602
Differences between expected and actual experience	1,054,726	0	1,054,726
Contributions-employer	0	2,141,466	(2,141,466)
Changes in assumptions	214,624	0	214,624
Benefit payments, including refunds of member contributions	(2,141,466)	(2,141,466)	0
Net changes	1,047,073	0	1,047,073
<b>Balances at 6/30/2021</b>	<b>\$ 35,092,241</b>	<b>\$ 0</b>	<b>\$ 35,092,241</b>

Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
Covered employee payroll	\$ 31,447,516
Plan net OPEB liability as a percentage of covered employee payroll	111.59%

## **19. Post-Employment Benefits Other Than Pensions (continued)**

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,476,470	\$ (34,612)
Changes of assumptions	2,421,898	(4,117,021)
Contributions subsequent to the measurement date	1,791,036	0
Totals	<u>\$ 6,689,404</u>	<u>\$ (4,151,633)</u>

The \$1,791,036 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

<b>Year Ending June 30</b>	
2023	\$ (861,357)
2024	(861,357)
2025	1,118,928
2026	987,850
2027	181,336
Thereafter	181,335
Totals	<u>\$ 746,735</u>



## **19. Post-Employment Benefits Other Than Pensions (continued)**

*Actuarial Assumptions.* The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected salary increases	3.00% to 14.25%, including inflation
Actuarial cost method	Entry age level
Discount rate	2.16%, 2.21% in previous year
Healthcare cost trend rates	Pre-65 Medical: 6.75% trending down to 4.50% by 2031 Medicare Advantage: 6.75% trending down to 4.50% by 2031. Pre-65 Prescription Drug: 6.75% trending down to 4.50% by 2031. Administrative Expenses: 3.00%
Mortality rates	Healthy mortality rates were based on sex distinct Pri-2012 head-count weighted Employee Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on sex distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for Plan A for the period July 1, 2015 to June 30, 2020 and for Plan B for the period January 1, 2015 to June 30, 2019.

## **19. Post-Employment Benefits Other Than Pensions (continued)**

*Development of Long-Term Rate.* Since the City funds this plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax-exempt general obligation bonds. Specifically, the chosen rate is 2.16%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2021.

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* The following presents what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (1.16%) or one percentage-point higher (3.16%) than the current rate. Also, shown is the Net OPEB Liability as if it were calculated using healthcare cost trend rates that were on percentage point lower or on percentage point higher than the current healthcare trend rates:

<b><u>Discount Rate</u></b>		<b><u>Liability</u></b>
1% decrease	1.16%	\$ 39,814,910
Current discount rate	2.16%	35,092,241
1% increase	3.16%	31,134,780
<b><u>Healthcare Cost Trend Rates</u></b>		<b><u>Net OPEB Liability</u></b>
1% decrease		\$ 30,401,138
Current discount rate		35,092,241
1% increase		40,819,980

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

## **20. Hotel/Motel Lodging Tax**

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

Lodging Tax Receipts	\$ 1,837,797	
Disbursements for tourism and visitor programs	\$ 1,260,710	68.60% of tax receipts

The City did not transfer any Hotel/Motel receipts to the General Fund during the current year.

## **21. Major Users/Taxpayers**

The ten major taxpayers of the City for the current fiscal year represent approximately 9 percent of the current year tax levy. The ten largest taxpayers are comprised of various types of entities including manufacturing and food processing.

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

## **22. Joint Ventures**

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

The Hall County Multi Agency Narcotics Squad (MANS) Task Force investigates crimes involving narcotics, prostitution, gang violence, and organized crime, and it conducts both undercover and traditional investigations to effectively prosecute cases in court. The Hall County Sherriff's Office is responsible for the funding and reporting for the Hall County MANS Task Force. During the current fiscal year, the City paid \$35,217 in personnel costs for one police officer assigned to the MANS unit.

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

The Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force Group One Task Force disrupts illicit drug traffic, gathers, and reports intelligence related to drug trafficking, and conducts both undercover and traditional investigations to effectively prosecute cases in court. The Drug Enforcement Agency is responsible for the funding and reporting for the OCDETF Strike Force Group One Task Force. During the current fiscal year, the City paid \$122,479 in personnel costs for one police officer assigned to the OCDETF Strike Force Group One Task Force.

The Safe Streets Task Force identifies and targets for prosecution criminal enterprises affecting northeast Georgia, such as organized crime groups responsible for drug trafficking, money laundering and crimes of violence. The Federal Bureau of Investigation is responsible for the funding and reporting for the Safe Streets Task Force. During the current fiscal year, the City paid \$100,859 in personnel costs for one police officer assigned to the Safe Streets Task Force.

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the current fiscal year, the city paid \$40,530 in such dues. Membership in a regional commission (RC) is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RCs in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the GMRC financial statements can be obtained from GMRC, 1310 West Ridge Road, Gainesville, GA 30501.

## **23. Related Organizations**

The City of Gainesville Housing Authority is considered a related organization to the City of Gainesville. The City appoints members to the Authority but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Gainesville. The City received \$20,000 as payment-in-lieu-of-taxes during the current fiscal year.

## **24. Risk Pools**

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

## **25. Commitments and Contingencies**

### **Commitments**

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, special revenue funds, and capital projects funds. At the end of the current fiscal year, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	<b><u>Restricted</u></b>	<b><u>Assigned</u></b>
General Fund	\$ 0	\$ 39,288
Nonmajor governmental funds	7,076	0
	<b><u>\$ 7,076</u></b>	<b><u>\$ 39,288</u></b>

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

### **Commitments, continued**

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

<b>Project</b>	<b>Amount Expended to Date</b>	<b>Remaining Commitment</b>
Expansion of the water and sewer distribution system	\$ 39,013,259	\$ 61,815,259
Improvements to airport terminal	308,068	26,857
Improvements to recreational facilities	3,513,220	530,900
City buildings and facilities improvements	11,943,025	1,431,057
Improvements to roadways & sidewalks	2,945,295	2,270,725
Totals	<u>\$ 57,722,867</u>	<u>\$ 66,074,798</u>

### **Contingencies**

The City is a defendant in several lawsuits. Management intends to contest these open cases vigorously. The City's legal counsel has stated that the outcome of these lawsuits is not presently determinable.

## **26. Tax Abatements**

The City is subject to tax incentives granted by the Gainesville and Hall County Development Authority (the "Authority"), an entity created by the State of Georgia and activated by the City of Gainesville and the Board of Commissioners of Hall County, Georgia. The authority can enter into agreements with companies for industrial projects to encourage the creation of jobs and new capital investment through an "Investment Assistance Program." Each agreement, negotiated on an individual basis, provides a property tax benefit to the company through a schedule of discounted valuation that reduces the fair market value of real and personal property and requires the company to enter into a sale-leaseback transaction with the Authority. The incentives may be granted to new and existing industrial businesses meeting an established set of criteria established by the Investment Assistance Committee. In return for a property tax benefit, a company is required to commit to creating jobs and capital investment within a defined period as part of a performance and accountability agreement with the Authority that includes provisions for the company to pay back a prorated portion of the benefit if they fail to meet the performance criteria by a specified date. For the City of Gainesville's current fiscal year, the cumulative property tax not collected by the City due to abatement programs was \$202,902.

## **27. Subsequent Events**

In October 2022, the City issued Series 2022 bonds, in the amount of \$37,035,000, proceeds from the bonds will be used to finance two recreation capital projects.

In November 2022, the City issued a certificate of participation in the amount of \$369,985 to finance the purchase of ten police vehicles.

In November 2022, the City issued a note from direct borrowing to finance the purchase of two fire trucks in the amount of \$2,027,100.

## **28. New Accounting Standards**

In conjunction with the implementation of GASB Statement No. 87, *Leases*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2021. See Note 29 for effect of this implementation.

## **29. Changes in Beginning Balances**

### **Governmental Activities**

#### **General Fund**

To implement GASB Statement No. 87, *Leases*, the City recorded an initial lease receivable and related deferred inflow of resources in the amount of \$1,312,224 at July 1, 2020. This adjustment had no effect on beginning fund balance.

A restatement has been made to implement GASB Statement No. 87, *Leases*, the implementation of the standard restated revenue recognition in the amount of \$6,807 and increased the change in fund balance by \$6,807 for the fiscal year ended June 30, 2021.

The total restatement increased beginning net position in the Governmental Activities by \$6,807 due to the implementation of GASB Statement No. 87, *Leases*.

## **29. Changes in Beginning Balances (continued)**

### **Business-type Activities**

#### **Airport Enterprise Fund**

To implement GASB Statement No. 87, *Leases*, the City recorded an initial lease receivable and the related deferred inflow of resources in the amount of \$4,631,222 at July 1, 2020. This adjustment had no effect on beginning net position.

A restatement has been made to implement GASB Statement No. 87, *Leases*, the implementation of the standard restated revenue recognition in the amount of \$45,432 and increased the change in net position by \$45,432 for the fiscal year ended June 30, 2021.

A restatement has been made to correct the recording the recording of a customer deposit in the amount of \$44,244 related to the leases implemented. This adjustment decreased beginning net position by \$44,244.

The total net restatement increased beginning net position by \$1,188.



***REQUIRED SUPPLEMENTARY INFORMATION***

**CITY OF GAINESVILLE, GEORGIA**  
**PENSION TRUST FUND (PENSION PLAN A)**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS**  
**For the fiscal year ended June 30, 2022**  
**(Unaudited)**

	Fiscal Year End		
	2022	2021	2020
<b>Total pension liability</b>			
Service cost	\$ 3,891,771	\$ 3,831,533	\$ 3,679,859
Interest	11,552,275	11,215,733	10,739,335
Change of benefit terms	4,237,614	0	0
Differences between expected and actual experience	5,218,288	40,859	1,781,943
Changes of assumptions	0	0	0
Benefit payments, including refunds of employee contributions	(10,975,839)	(9,705,398)	(9,388,847)
Net change in total pension liability	13,924,109	5,382,727	6,812,290
Total pension liability - beginning	166,628,644	161,245,917	154,433,627
<b>Total pension liability - ending (a)</b>	<b>\$ 180,552,753</b>	<b>\$ 166,628,644</b>	<b>\$ 161,245,917</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 3,851,093	\$ 3,650,796	\$ 3,593,741
Contributions - employee	3,851,092	3,650,796	3,650,875
Net investment income	(13,327,037)	33,572,789	4,685,569
Benefit payments, including refunds of employee contributions	(10,975,839)	(9,705,398)	(9,388,847)
Administrative expense	(400,013)	(357,352)	(313,890)
Net change in total pension liability	(17,000,704)	30,811,631	2,227,448
Plan fiduciary net position - beginning	138,626,377	107,814,746	105,587,298
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 121,625,673</b>	<b>\$ 138,626,377</b>	<b>\$ 107,814,746</b>
<b>Net pension liability (asset) - ending : (a) - (b)</b>	<b>\$ 58,927,080</b>	<b>\$ 28,002,267</b>	<b>\$ 53,431,171</b>
Plan's fiduciary net position as a percentage of the total pension liability	67.36%	83.19%	66.86%
Covered payroll	\$ 29,174,939	\$ 27,657,545	\$ 27,658,144
Net pension liability as a percentage of covered payroll	201.98%	101.25%	193.18%

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

Fiscal Year End					
2019	2018	2017	2016	2015	2014
\$ 3,457,259	\$ 3,272,080	\$ 3,292,073	\$ 3,650,560	\$ 3,522,833	\$ 3,500,226
10,187,578	9,800,092	9,366,300	9,061,392	8,576,549	8,177,872
0	0	0	0	0	0
3,149,640	2,438,030	1,826,638	586,393	1,827,514	636,486
0	3,438,994	0	(246,666)	0	0
(8,880,837)	(8,661,630)	(8,301,719)	(7,642,229)	(7,282,407)	(6,715,366)
7,913,640	10,287,566	6,183,292	5,409,450	6,644,489	5,599,218
146,519,987	136,232,421	130,049,129	124,639,679	117,995,190	112,395,972
<u>\$ 154,433,627</u>	<u>\$ 146,519,987</u>	<u>\$ 136,232,421</u>	<u>\$ 130,049,129</u>	<u>\$ 124,639,679</u>	<u>\$ 117,995,190</u>
\$ 3,459,466	\$ 3,209,624	\$ 3,079,855	\$ 3,021,182	\$ 2,862,539	\$ 2,766,404
3,459,466	3,209,624	3,132,277	3,021,182	2,862,539	2,766,404
8,235,138	10,757,165	11,348,553	1,794,845	2,909,159	10,171,570
(8,880,837)	(8,661,630)	(8,301,719)	(7,642,229)	(7,282,407)	(6,715,366)
(292,750)	(219,596)	(165,260)	(143,004)	(169,045)	(104,589)
5,980,483	8,295,187	9,093,706	51,976	1,182,785	8,884,423
99,606,815	91,311,628	82,217,922	82,165,946	80,983,161	72,098,738
<u>\$ 105,587,298</u>	<u>\$ 99,606,815</u>	<u>\$ 91,311,628</u>	<u>\$ 82,217,922</u>	<u>\$ 82,165,946</u>	<u>\$ 80,983,161</u>
<u>\$ 48,846,329</u>	<u>\$ 46,913,172</u>	<u>\$ 44,920,793</u>	<u>\$ 47,831,207</u>	<u>\$ 42,473,733</u>	<u>\$ 37,012,029</u>
68.37%	67.98%	67.03%	63.22%	65.92%	68.63%
\$ 26,208,076	\$ 24,315,333	\$ 23,729,379	\$ 22,887,742	\$ 21,685,902	\$ 20,957,606
186.38%	192.94%	189.30%	208.98%	195.86%	176.60%

**CITY OF GAINESVILLE, GEORGIA**  
**PENSION TRUST FUND (PENSION PLAN A)**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**For the fiscal year ended June 30, 2022**  
**(Unaudited)**

	Fiscal Year End		
	2022	2021	2020
Actuarially determined contribution	\$ 6,739,746	\$ 6,177,506	\$ 5,283,686
Contributions in relation to the actuarially determined contribution	(3,851,093)	(3,650,796)	(3,593,741)
Contribution deficiency (excess)	\$ 2,888,653	\$ 2,526,710	\$ 1,689,945
Covered payroll	\$ 29,174,939	\$ 27,657,545	\$ 27,248,632
Contributions as a percentage of covered payroll	13.20%	13.20%	13.19%

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

**CITY OF GAINESVILLE, GEORGIA**  
**PENSION TRUST FUND (PENSION PLAN A)**  
**SCHEDULE OF INVESTMENTS RETURNS**  
**LAST TEN FISCAL YEARS**  
**For the fiscal year ended June 30, 2022**  
**(Unaudited)**

	Fiscal Year End		
	2022	2021	2020
Annual money-weighted rate of return, net of investment expense	7.000%	7.000%	7.123%

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

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Fiscal Year End					
2019	2018	2017	2016	2015	2014
\$ 4,859,686	\$ 4,509,116	\$ 4,170,598	\$ 3,736,793	\$ 3,579,097	\$ 3,703,299
(3,459,466)	(3,209,624)	(3,079,855)	(3,021,182)	(2,862,539)	(2,766,404)
<u>\$ 1,400,220</u>	<u>\$ 1,299,492</u>	<u>\$ 1,090,743</u>	<u>\$ 715,611</u>	<u>\$ 716,558</u>	<u>\$ 936,895</u>
\$ 26,208,076	\$ 24,315,333	\$ 23,729,379	\$ 22,887,742	\$ 21,685,902	\$ 20,957,606
13.20%	13.20%	12.98%	13.20%	13.20%	13.20%

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Fiscal Year End					
2019	2018	2017	2016	2015	2014
7.408%	7.353%	7.765%	7.660%	7.835%	8.065%

**CITY OF GAINESVILLE, GEORGIA**  
**GMEBS (PENSION PLAN B)**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS**  
**For the fiscal year ended June 30, 2022**  
**(Unaudited)**

	Fiscal Year End		
	2022	2021	2020
<b>Total pension liability</b>			
Service cost	\$ 152,474	\$ 141,811	\$ 140,424
Interest	671,629	643,328	592,594
Differences between expected and actual experience	354,865	205,644	430,086
Changes of assumptions	0	0	233,040
Benefit payments, including refunds of employee contributions	(627,520)	(607,882)	(543,490)
Other changes	0	0	0
Net change in total pension liability	551,448	382,901	852,654
Total pension liability - beginning	9,268,120	8,885,219	8,032,565
<b>Total pension liability - ending (a)</b>	<b>\$ 9,819,568</b>	<b>\$ 9,268,120</b>	<b>\$ 8,885,219</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 326,237	\$ 251,615	\$ 287,034
Net investment income	1,944,363	727,493	226,653
Benefit payments, including refunds of employee contributions	(627,520)	(607,882)	(543,490)
Administrative expense	(32,005)	(30,264)	(29,933)
Net change in plan fiduciary net position	1,611,075	340,962	(59,736)
Plan fiduciary net position - beginning	8,183,659	7,842,697	7,902,433
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 9,794,734</b>	<b>\$ 8,183,659</b>	<b>\$ 7,842,697</b>
<b>Net pension liability (asset) - ending : (a) - (b)</b>	<b>\$ 24,834</b>	<b>\$ 1,084,461</b>	<b>\$ 1,042,522</b>
Plan's fiduciary net position as a percentage of the total pension liability	99.75%	88.30%	88.27%
Covered payroll	\$ 5,863,528	\$ 5,576,338	\$ 5,074,389
Net pension liability as a percentage of covered payroll	0.42%	19.45%	20.54%

Note: This schedule is intended to report ten years of information; however, fiscal year 2015 was the first year of implementation. Additional years' information will be displayed as it becomes available.

Fiscal Year End				
2019	2018	2017	2016	2015
\$ 152,472	\$ 179,299	\$ 175,050	\$ 178,348	\$ 168,281
589,263	572,572	549,573	535,078	532,517
(168,376)	(74,578)	12,775	(102,827)	(142,791)
0	0	0	0	0
(490,307)	(469,718)	(411,541)	(435,594)	(415,541)
0	119,050	0	0	(99,394)
83,052	326,625	325,857	175,005	43,072
7,949,513	7,622,888	7,297,031	7,122,026	7,078,954
<u>\$ 8,032,565</u>	<u>\$ 7,949,513</u>	<u>\$ 7,622,888</u>	<u>\$ 7,297,031</u>	<u>\$ 7,122,026</u>
\$ 313,655	\$ 350,507	\$ 314,938	\$ 371,738	\$ 393,721
717,673	968,510	1,745,662	48,579	396,786
(490,307)	(469,718)	(411,541)	(435,594)	(415,541)
(32,702)	(33,775)	(20,454)	(23,058)	(18,652)
508,319	815,524	1,628,605	(38,335)	356,314
7,394,114	6,578,590	4,949,985	4,988,320	4,632,006
<u>\$ 7,902,433</u>	<u>\$ 7,394,114</u>	<u>\$ 6,578,590</u>	<u>\$ 4,949,985</u>	<u>\$ 4,988,320</u>
<u>\$ 130,132</u>	<u>\$ 555,399</u>	<u>\$ 1,044,298</u>	<u>\$ 2,347,046</u>	<u>\$ 2,133,706</u>
98.38%	93.01%	86.30%	67.84%	70.04%
\$ 4,330,598	\$ 4,862,847	\$ 5,080,284	\$ 4,890,737	\$ 4,779,243
3.00%	11.42%	20.56%	47.99%	44.65%

**CITY OF GAINESVILLE, GEORGIA**  
**GMEBS (PENSION PLAN B)**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**For the fiscal year ended June 30, 2022**  
**(Unaudited)**

	<b>Fiscal Year End</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Actuarially determined contribution	\$ 326,237	\$ 262,989	\$ 295,049
Contributions in relation to the actuarially determined contribution	(320,966)	(241,073)	(321,704)
Contribution deficiency (excess)	<u>\$ 5,271</u>	<u>\$ 21,916</u>	<u>\$ (26,655)</u>
Covered payroll	\$ 6,325,246	\$ 6,002,098	\$ 5,793,589
Contributions as a percentage of covered payroll	5.07%	4.02%	5.55%

Note: This schedule is intended to report ten years of information; however, fiscal year 2015 was the first year of implementation. Additional years' information will be displayed as it becomes available.



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Fiscal Year End				
2019	2018	2017	2016	2015
\$ 319,859 (293,203)	\$ 324,651 (324,651)	\$ 319,859 (319,859)	\$ 324,651 (324,651)	\$ 347,773 (347,773)
<u>\$ 26,656</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 5,602,873	\$ 5,099,054	\$ 5,179,922	\$ 5,272,975	\$ 4,845,902
5.23%	6.37%	6.17%	6.16%	7.18%

**CITY OF GAINESVILLE, GEORGIA**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS**  
**For the fiscal year ended June 30, 2022**  
**(Unaudited)**

	<b>Fiscal Year End</b>	
	<b>2022</b>	<b>2021</b>
<b>Total OPEB liability</b>		
Service cost	\$ 1,164,587	\$ 1,006,649
Interest	754,602	1,025,437
Change of benefit terms	0	0
Differences between expected and actual experience	1,054,726	1,826,158
Changes in assumptions	214,625	3,012,924
Benefit payments, including refunds of member contributions	(2,141,466)	(2,216,046)
Net change in total OPEB liability	1,047,074	4,655,122
Total OPEB liability - beginning	34,045,167	29,390,045
<b>Total OPEB liability - ending (a)</b>	<b>\$ 35,092,241</b>	<b>\$ 34,045,167</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 2,141,466	\$ 2,216,046
Benefit payments, including refunds of member contributions	(2,141,466)	(2,216,046)
Net change in plan fiduciary net position	0	0
Plan fiduciary net position - beginning	0	0
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net OPEB liability (asset) - ending : (a) - (b)</b>	<b>\$ 35,092,241</b>	<b>\$ 34,045,167</b>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered employee payroll	\$ 31,447,516	\$ 30,605,855
Plan net OPEB liability as a percentage of covered employee payroll	111.59%	111.24%

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

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Fiscal Year End		
2020	2019	2018
\$ 971,234	\$ 1,565,644	\$ 1,789,852
1,114,961	1,344,332	1,123,997
(568,876)	0	0
329,053	(103,835)	666,587
457,416	(9,336,059)	(3,515,374)
(1,505,738)	(1,727,236)	(1,729,093)
798,050	(8,257,154)	(1,664,031)
28,591,995	36,849,149	38,513,180
\$ 29,390,045	\$ 28,591,995	\$ 36,849,149
\$ 1,505,738	\$ 1,727,236	\$ 1,729,093
(1,505,738)	(1,727,236)	(1,729,093)
0	0	0
0	0	0
\$ 0	\$ 0	\$ 0
\$ 29,390,045	\$ 28,591,995	\$ 36,849,149
0.00%	0.00%	0.00%
\$ 31,755,811	\$ 29,628,098	\$ 27,547,554
92.55%	96.50%	133.77%

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

### **1. Valuation Date**

The actuarially determined contribution rate was determined as of July 1, 2022, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2023.

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

Actuarial cost method = Entry Age

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

Remaining amortization period = 1-28 years (closed periods)

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

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

Inflation rate = 2.75%

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

Cost of living adjustments = 0.00%

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

**Pension Trust Fund (Pension Plan A), continued**

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

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

**3. Changes in Benefits**

The following changes in benefit provisions were effective for the June 30, 2022 valuation:

The normal retirement age for General and Public Safety employees hired after July 1, 2008, was lowered from age 65 with 10 years of eligibility service to age 60 with 10 years of eligibility service.

The early retirement reduction factor for employees hired on and after July 1, 2008 was reduced from 5% to 1.65% for each year that the pension commencement date precedes the participant's normal retirement date. Notwithstanding, in the event a participant has achieved the requirements for an Early Retirement Pension, the participant's benefit cannot be reduced to less than forty percent (40%) of the participant's accrued benefit.

A vested participant, who has otherwise qualified a pension, may elect to take a single lump sum distribution equal to his or her participant contributions in lieu of receiving the applicable monthly pension benefit from the Retirement Plan.

All participants in pay status as of June 30, 2022, received a one-time cost-of-living adjustment of 3.00%.

**Pension Trust Fund (Pension Plan A), continued**

**4. Changes of Assumptions**

In accordance with the changes in plan provisions, some assumptions were modified to reflect the changes in retirement eligibilities for affected participants, as of June 30, 2022.

**GMEBS (Pension Plan B)**

**1. Valuation Date**

The actuarially determined contribution rate was determined as of January 1, 2022, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2023.

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

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 12 years

Asset valuation method = Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Net investment rate of return = 7.375%

Projected salary increases = 2.25% plus service-based merit increases

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = 65

**GMEBS (Pension Plan B), continued**

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

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

**3. Changes in Benefits**

There were no changes in benefit provisions in the last two fiscal years.

**4. Changes of Assumptions**

There were no changes in assumptions in the last two fiscal years.

**OPEB Plan**

**1. Valuation Date**

The actuarially determined contribution rates are determined as of June 30, 2020, based on the most recent valuation date, one year prior to the end of the fiscal year in which contributions are reported.

**OPEB Plan, continued**

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

Actuarial cost method = Entry age level percent of pay

Amortization method = Open 30 years, level percent of payroll

Remaining amortization period = 30 years

Asset valuation method = Market value

Projected salary increases = 3.00% to 14.25%, including inflation

Projected payroll increases = 2.75%

Inflation = 2.75%

Funding discount rate = 2.16%

Discount rate = 2.16%

Retirement age = 65

Healthcare cost trend rates = Pre-65 Medical: 6.75% trended down to 4.50% by 2031  
Medicare Advantage: 6.75% trended down to 4.50% by 2031. Pre-65 Prescription Drug: 6.75% trended down to 4.50% by 2031. Administrative Expenses: 3.00%

Mortality = Healthy mortality rates were based on sex distinct Pri-2012 head-count weighted Employee Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on sex distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25

**3. Changes in Benefits**

There were no benefit changes reflected in the last two measurement periods.



**OPEB Plan, continued**

**4. Changes of Assumptions**

Changes reflected in the June 30, 2021 measurement:

The effective discount rate is 2.16% for June 30, 2021. It was 2.21% at June 30, 2020.

Changes reflected in the June 30, 2020 measurement:

The effective discount rate is 2.21% for June 30, 2020. It was 3.50% at June 30, 2019.

The participation rate for future retirees was changed from 18% to 15%.

Healthcare costs were updated to reflect the most recent claims experience.

Pre-65 medical and prescription healthcare trend was updated to reflect the most recent plan experience with a starting trend of 7.0% grading down by 0.25% per year to a 4.50% ultimate rate.

Over-65 medical and prescription healthcare trend was changed to reflect the most recent premium experience with a starting trend of 5.53% for 2020, the 6.75% for 2021 grading down by 0.25% per year to a 4.50% ultimate rate.

Comprehensive actuarial experience reviews were conducted on Plans A and B separately in late 2019 and early 2020. As a result of those studies, the following assumptions were proposed and subsequently approved. These changes are reflected for the first time in this valuation.

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

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

**OPEB Plan, continued**

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

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

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

All disability rates were scaled down by a factor of 50% (updated for both plans).

Turnover rates were updated for Plan A General Employees who were hired after 2008 to reflect recent experience.

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

Retirement rates were updated for Plan A employees who were hired before 2008 to reflect recent experience.

Retirement rates were updated for Plan B participants were revised with new rates based on expected normal retirement age.

The salary increase assumption for Plan A was changed to a service-based scale starting at 14.25% for the first year of service with an ultimate rate of 3.00% at 25 years of service.

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

**CITY OF GAINESVILLE, GEORGIA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2022**

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**OPEB Plan, continued**

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

The assumed age difference between future Plan A male (female) retirees and their spouses was changed from -3 (+3 female) to -2 (+2 female).



**GAINESVILLE**

## ***COMBINING STATEMENTS***

***Nonmajor Governmental Funds***

***Nonmajor Enterprise Funds***

***Internal Service Funds***

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2022**

	Special Revenue						
	Community Service Center	Hotel/Motel Tax	Economic Development	Confiscated Assets	Grants	HUD Grant	Revolving Loan
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,307,909	\$ 296,749	\$ 3,679,313	\$ 332,378	\$ 300	\$ 17,494	\$ 62,825
Investments	2,403,192	546,495	6,775,867	201,993	0	32,216	115,699
Receivables (net)							
Accounts	1,161	0	0	0	134,147	0	0
Intergovernmental	393,332	0	0	0	84,330	6,782	0
Taxes	0	163,269	0	0	0	0	0
Notes	0	0	0	0	0	0	172,401
Due from other funds	0	0	0	0	0	0	0
Prepaid items	0	0	0	0	0	0	0
Property held for development	0	0	196,763	0	0	0	0
<b>Total assets</b>	<b>\$ 4,105,594</b>	<b>\$ 1,006,513</b>	<b>\$ 10,651,943</b>	<b>\$ 534,371</b>	<b>\$ 218,777</b>	<b>\$ 56,492</b>	<b>\$ 350,925</b>
<b>LIABILITIES</b>							
Payables							
Accounts	\$ 102,709	\$ 0	\$ 2,386	\$ 17,408	\$ 0	\$ 802	\$ 0
Intergovernmental	0	0	0	0	0	0	0
Retainages	0	0	0	0	0	0	0
Accrued salaries	69,498	0	0	0	0	2,857	0
Due to other funds	0	0	0	0	195,363	0	0
Due to others	0	0	0	222,695	0	0	0
<b>Total liabilities</b>	<b>172,207</b>	<b>0</b>	<b>2,386</b>	<b>240,103</b>	<b>195,363</b>	<b>3,659</b>	<b>0</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue -							
Taxes	0	0	0	0	0	0	0
Notes receivable	0	0	0	0	0	0	172,401
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>172,401</b>
<b>FUND BALANCES</b>							
Nonspendable	0	0	0	0	0	0	0
Restricted	1,473,052	0	0	294,268	19,913	52,833	178,524
Committed	0	0	0	0	3,501	0	0
Assigned	2,460,335	1,006,513	10,649,557	0	0	0	0
<b>Total fund balances</b>	<b>3,933,387</b>	<b>1,006,513</b>	<b>10,649,557</b>	<b>294,268</b>	<b>23,414</b>	<b>52,833</b>	<b>178,524</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 4,105,594</b>	<b>\$ 1,006,513</b>	<b>\$ 10,651,943</b>	<b>\$ 534,371</b>	<b>\$ 218,777</b>	<b>\$ 56,492</b>	<b>\$ 350,925</b>

Impact Fee	Special Revenue					Capital Projects		Total Nonmajor Governmental Funds
	Police	Tax Allocation District	Information Technology	Cemetery Trust	Debt Service	General Government	Grants	
\$ 1,576,023	\$ 112,577	\$ 790,012	\$ 108,363	\$ 189,055	\$ 562,242	\$ 1,771,734	\$ 194,914	\$ 11,001,888
2,902,424	207,322	1,454,895	199,561	348,164	1,035,432	2,993,659	358,957	19,575,876
0	0	0	0	0	0	0	0	135,308
0	293	0	0	0	0	0	0	484,737
0	0	0	0	0	39,998	0	0	203,267
0	0	0	0	0	0	0	0	172,401
0	0	0	0	0	1,272,731	0	0	1,272,731
0	0	0	0	0	5,018	0	0	5,018
0	0	0	0	0	0	0	0	196,763
<u>\$ 4,478,447</u>	<u>\$ 320,192</u>	<u>\$ 2,244,907</u>	<u>\$ 307,924</u>	<u>\$ 537,219</u>	<u>\$ 2,915,421</u>	<u>\$ 4,765,393</u>	<u>\$ 553,871</u>	<u>\$ 33,047,989</u>
\$ 0	\$ 20,707	\$ 0	\$ 268	\$ 0	\$ 0	\$ 790,845	\$ 0	\$ 935,125
0	0	0	0	0	0	47,223	0	47,223
0	0	0	0	0	0	146,344	0	146,344
0	140,342	0	0	0	0	0	0	212,697
0	0	1,272,731	0	0	0	369,985	0	1,838,079
0	0	0	0	0	0	0	0	222,695
0	161,049	1,272,731	268	0	0	1,354,397	0	3,402,163
0	0	0	0	0	36,784	0	0	36,784
0	0	0	0	0	0	0	0	172,401
0	0	0	0	0	36,784	0	0	209,185
0	0	0	0	0	5,018	0	0	5,018
4,478,447	0	972,176	307,656	0	1,205,870	925,058	35,047	9,942,844
0	0	0	0	537,219	0	0	0	540,720
0	159,143	0	0	0	1,667,749	2,485,938	518,824	18,948,059
4,478,447	159,143	972,176	307,656	537,219	2,878,637	3,410,996	553,871	29,436,641
<u>\$ 4,478,447</u>	<u>\$ 320,192</u>	<u>\$ 2,244,907</u>	<u>\$ 307,924</u>	<u>\$ 537,219</u>	<u>\$ 2,915,421</u>	<u>\$ 4,765,393</u>	<u>\$ 553,871</u>	<u>\$ 33,047,989</u>

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the fiscal year ended June 30, 2022**

	Special Revenue						
	Community Service Center	Hotel/Motel Tax	Economic Development	Confiscated Assets	Grants	HUD Grant	Revolving Loan
<b>REVENUES</b>							
Taxes	\$ 0	\$ 1,837,797	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines, fees, and forfeitures	0	0	0	198,899	0	0	0
Charges for services	183,916	0	0	0	0	0	21,868
Intergovernmental	2,313,177	0	0	0	44,717	549,596	0
Investment	(80,389)	(17,850)	(456,820)	(5,870)	0	0	(4,222)
Contributions	108,040	0	0	0	94,150	0	0
Other	70,146	0	0	0	0	0	0
<b>Total revenues</b>	<b>2,594,890</b>	<b>1,819,947</b>	<b>(456,820)</b>	<b>193,029</b>	<b>138,867</b>	<b>549,596</b>	<b>17,646</b>
<b>EXPENDITURES</b>							
Current							
Public Safety	0	0	0	202,789	209,634	0	0
Health and Welfare	3,076,060	0	0	0	0	0	0
Culture and Recreation	0	0	0	0	0	0	0
Housing and Development	0	1,149,940	11,218	0	0	549,595	0
Debt service:							
Principal	0	0	0	0	0	0	0
Interest and fiscal charges	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
<b>Total expenditures</b>	<b>3,076,060</b>	<b>1,149,940</b>	<b>11,218</b>	<b>202,789</b>	<b>209,634</b>	<b>549,595</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	(481,170)	670,007	(468,038)	(9,760)	(70,767)	1	17,646
Other financing sources (uses)							
Transfers in	703,749	0	10,017,622	0	70,767	0	0
Transfers out	0	(201,695)	0	0	0	0	0
Sale of capital assets	18,039	0	0	40,500	0	(40,522)	0
<b>Total other financing sources (uses)</b>	<b>721,788</b>	<b>(201,695)</b>	<b>10,017,622</b>	<b>40,500</b>	<b>70,767</b>	<b>(40,522)</b>	<b>0</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	240,618	468,312	9,549,584	30,740	0	(40,521)	17,646
Fund balances, July 1	3,692,769	538,201	1,099,973	263,528	23,414	93,354	160,878
<b>Fund balances, June 30</b>	<b>\$ 3,933,387</b>	<b>\$ 1,006,513</b>	<b>\$ 10,649,557</b>	<b>\$ 294,268</b>	<b>\$ 23,414</b>	<b>\$ 52,833</b>	<b>\$ 178,524</b>



Special Revenue						Capital Projects		Total Nonmajor Governmental Funds
Impact Fee	Police	Tax Allocation District	Information Technology	Cemetery Trust	Debt Service	General Government	Grants	
\$ 0	\$ 9,679	\$ 182,167	\$ 0	\$ 0	\$ 3,041,365	\$ 0	\$ 0	\$ 5,071,008
0	0	0	47,779	0	0	0	0	246,678
4,000,348	0	477,236	0	73,552	0	0	0	4,756,920
0	0	0	0	0	0	0	423,052	3,330,542
(70,909)	0	(47,945)	(6,300)	(11,321)	(55,026)	226	0	(756,426)
0	0	0	0	0	0	0	0	202,190
0	0	0	0	0	0	0	0	70,146
3,929,439	9,679	611,458	41,479	62,231	2,986,339	226	423,052	12,921,058
0	4,635,230	0	3,297	0	0	0	0	5,050,950
0	0	0	0	0	0	0	0	3,076,060
1,000,000	0	0	0	0	0	0	0	1,000,000
0	0	194,176	0	0	0	0	0	1,904,929
0	0	0	0	0	3,908,508	0	0	3,908,508
0	0	0	0	0	552,100	0	0	552,100
0	0	0	0	0	0	5,736,506	72,423	5,808,929
1,000,000	4,635,230	194,176	3,297	0	4,460,608	5,736,506	72,423	21,301,476
2,929,439	(4,625,551)	417,282	38,182	62,231	(1,474,269)	(5,736,280)	350,629	(8,380,418)
0	4,784,694	0	0	0	515,719	4,094,596	0	20,187,147
(124,508)	0	(361,257)	0	(55,000)	0	(331,934)	(910,084)	(1,984,478)
0	0	0	0	0	0	0	0	18,017
(124,508)	4,784,694	(361,257)	0	(55,000)	515,719	3,762,662	(910,084)	18,220,686
2,804,931	159,143	56,025	38,182	7,231	(958,550)	(1,973,618)	(559,455)	9,840,268
1,673,516	0	916,151	269,474	529,988	3,837,187	5,384,614	1,113,326	19,596,373
\$ 4,478,447	\$ 159,143	\$ 972,176	\$ 307,656	\$ 537,219	\$ 2,878,637	\$ 3,410,996	\$ 553,871	\$ 29,436,641

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2022**

	<b>Airport</b>	<b>Solid Waste</b>	<b>Chattahoochee Golf Course</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 596,773	\$ 1,137,360	\$ 26,043	\$ 1,760,176
Investments	1,099,020	2,094,210	45,287	3,238,517
Receivables				
Accounts (net)	11,845	219,010	34,783	265,638
Intergovernmental	9,150	0	0	9,150
Lease	500,243	0	0	500,243
Other	0	0	431,067	431,067
Total current assets	2,217,031	3,450,580	537,180	6,204,791
<b>Noncurrent assets</b>				
Lease receivable	3,140,393	0	0	3,140,393
Property held for development	0	0	59,403	59,403
Right-to-use leased assets (net)	0	0	160,502	160,502
Capital assets				
Non-depreciable	1,016,846	0	49,084	1,065,930
Depreciable (net)	7,916,866	2,678,445	3,865,468	14,460,779
Total noncurrent assets	12,074,105	2,678,445	4,134,457	18,887,007
<b>Total assets</b>	<b>14,291,136</b>	<b>6,129,025</b>	<b>4,671,637</b>	<b>25,091,798</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on refunding	0	0	16,293	16,293
Deferred outflows related to pensions	22,427	192,413	46,106	260,946
Deferred outflows related to other post employment benefits	10,519	247,231	52,202	309,952
<b>Total deferred outflows of resources</b>	<b>32,946</b>	<b>439,644</b>	<b>114,601</b>	<b>587,191</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables				
Accounts	17,829	40,481	57,839	116,149
Intergovernmental	0	50,095	0	50,095
Deposits	48,280	0	0	48,280
Sales tax	0	0	14,293	14,293
Interest	0	31,785	4,366	36,151
Accrued salaries	3,321	50,741	33,163	87,225
Compensated absences	8,335	45,814	33,778	87,927
Lease payable	0	0	36,451	36,451
Contracts payable	0	0	280,000	280,000
Notes payable	0	285,649	0	285,649
Other liabilities	0	0	52,789	52,789
Total current liabilities	77,765	504,565	512,679	1,095,009

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2022**

	<b>Airport</b>	<b>Solid Waste</b>	<b>Chattahoochee Golf Course</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Noncurrent liabilities</b>	\$	\$	\$	\$
Compensated absences	926	5,090	3,753	9,769
Net pension liability	125,289	371,008	1,177	497,474
Net OPEB liability	55,711	1,283,961	279,948	1,619,620
Lease payable	0	0	126,258	126,258
Contracts payable	0	0	885,000	885,000
Notes payable	0	913,688	0	913,688
<b>Total noncurrent liabilities</b>	<b>181,926</b>	<b>2,573,747</b>	<b>1,296,136</b>	<b>4,051,809</b>
<b>Total liabilities</b>	<b>259,691</b>	<b>3,078,312</b>	<b>1,808,815</b>	<b>5,146,818</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	5,189	229,136	56,335	290,660
Deferred inflows related to other post employment benefits	7,027	152,779	32,368	192,174
Deferred inflows related to leases	3,555,945	0	0	3,555,945
<b>Total deferred inflows of resources</b>	<b>3,568,161</b>	<b>381,915</b>	<b>88,703</b>	<b>4,038,779</b>
<b>NET POSITION</b>				
Net investment in capital assets	8,933,712	1,479,108	2,747,152	13,159,972
Restricted for capital outlay	0	0	52,803	52,803
Unrestricted	1,562,518	1,629,334	88,765	3,280,617
<b>Total net position</b>	<b>\$ 10,496,230</b>	<b>\$ 3,108,442</b>	<b>\$ 2,888,720</b>	<b>\$ 16,493,392</b>

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the fiscal year ended June 30, 2022**

	<b>Airport</b>	<b>Solid Waste</b>	<b>Chattahoochee Golf Course</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 1,109,211	\$ 3,054,103	\$ 1,063,606	\$ 5,226,920
Other	10,228	12,586	15,469	38,283
<b>Total operating revenues</b>	<b>1,119,439</b>	<b>3,066,689</b>	<b>1,079,075</b>	<b>5,265,203</b>
<b>OPERATING EXPENSES</b>				
Costs of sales and services	405,109	1,093,127	493,274	1,991,510
Personal services	86,296	1,543,782	633,326	2,263,404
Depreciation	606,702	489,833	334,809	1,431,344
<b>Total operating expenses</b>	<b>1,098,107</b>	<b>3,126,742</b>	<b>1,461,409</b>	<b>5,686,258</b>
Operating income (loss)	21,332	(60,053)	(382,334)	(421,055)
Non-operating revenues (expenses)				
Investment revenue	(35,247)	(72,673)	(69)	(107,989)
Interest expense	(1,038)	(73,828)	(44,689)	(119,555)
Gain on sale of property held for development	0	0	1,615,940	1,615,940
Gain (loss) on sale of capital assets	245	10,221	0	10,466
<b>Total non-operating revenues (expenses)</b>	<b>(36,040)</b>	<b>(136,280)</b>	<b>1,571,182</b>	<b>1,398,862</b>
Income (loss) before transfers	(14,708)	(196,333)	1,188,848	977,807
Transfers in (out)	82,000	0	40,360	122,360
Change in net position	67,292	(196,333)	1,229,208	1,100,167
Net position, July 1	10,428,938	3,304,775	1,659,512	15,393,225
<b>Net position, June 30</b>	<b>\$ 10,496,230</b>	<b>\$ 3,108,442</b>	<b>\$ 2,888,720</b>	<b>\$ 16,493,392</b>

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the fiscal year ended June 30, 2022**

	<b>Airport</b>	<b>Solid Waste</b>	<b>Chattahoochee Golf Course</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 1,071,152	\$ 3,015,904	\$ 1,047,515	\$ 5,134,571
Payments to suppliers	(406,133)	(1,045,454)	(798,255)	(2,249,842)
Payments to employees	(79,630)	(1,593,744)	(633,172)	(2,306,546)
Other receipts	10,228	12,586	15,469	38,283
Net cash provided (used) by operating activities	595,617	389,292	(368,443)	616,466
<b>Cash flows from non-capital financing activities:</b>				
Receipts from other governments	0	0	40,360	40,360
<b>Cash flows from capital and related financing activities:</b>				
Proceeds from sale of capital assets	245	10,220	0	10,465
Receipts from other governments	82,000	0	0	82,000
Interest paid	(1,038)	(42,043)	(39,439)	(82,520)
Acquisition of capital assets	(361,828)	(1,764,339)	(1,042,947)	(3,169,114)
Payment of capital related retainages payable	0	0	(91,111)	(91,111)
Proceeds from leases payable	0	0	192,602	192,602
Proceeds from notes payable	0	1,654,828	0	1,654,828
Principal payments - contracts payable	0	0	(275,000)	(275,000)
Principal payments - leases payable	0	0	(29,893)	(29,893)
Principal payments - notes payable	0	(455,491)	0	(455,491)
Net cash provided (used) by capital and related financing activities	(280,621)	(596,825)	(1,285,788)	(2,163,234)
<b>Cash flows from investing activities:</b>				
Receipts of investment revenue	7,002	14,753	14	21,769
Proceeds from sale of property held for development	0	0	1,254,286	1,254,286
Purchase of investments	(1,070,350)	(1,738,017)	(83)	(2,808,450)
Proceeds from sale of investments	467,125	890,651	117,920	1,475,696
Net cash provided (used) by investing activities	(596,223)	(832,613)	1,372,137	(56,699)
Net increase (decrease) in cash and cash equivalents	(281,227)	(1,040,146)	(241,734)	(1,563,107)
Cash and cash equivalents, July 1	878,000	2,177,506	267,777	3,323,283
<b>Cash and cash equivalents, June 30</b>	<b>\$ 596,773</b>	<b>\$ 1,137,360</b>	<b>\$ 26,043</b>	<b>\$ 1,760,176</b>

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the fiscal year ended June 30, 2022**

	<u>Airport</u>	<u>Solid Waste</u>	<u>Chattahoochee Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 21,332	\$ (60,053)	\$ (382,334)	\$ (421,055)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	606,702	489,833	334,809	1,431,344
(Increase) decrease in accounts receivable	4,584	(38,199)	(28,776)	(62,391)
(Increase) decrease in leases receivable	495,636	0	0	495,636
(Increase) decrease in deferred outflows of resources	(12,153)	(10,581)	(3,515)	(26,249)
Increase (decrease) in accounts payable	(1,024)	24,131	(308,335)	(285,228)
Increase (decrease) in intergovernmental payable	0	23,542	0	23,542
Increase (decrease) in sales tax payable	0	0	12,685	12,685
Increase (decrease) in accrued salaries and benefits	1,947	(20,045)	16,586	(1,512)
Increase (decrease) in other liabilities	0	0	3,354	3,354
Increase (decrease) in net pension liability	70,598	10,813	(51,334)	30,077
Increase (decrease) in deferred inflows of resources	(593,400)	(69,188)	30,052	(632,536)
Increase (decrease) in net OPEB liability	1,395	39,039	8,365	48,799
Total adjustments	574,285	449,345	13,891	1,037,521
Net cash provided (used) by operating activities	\$ 595,617	\$ 389,292	\$ (368,443)	\$ 616,466

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

Acquisition of capital assets through accounts payable totaled \$16,486.

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2022**

	<b>General Insurance Fund</b>	<b>Employee Benefits Fund</b>	<b>Vehicle Services Fund</b>	<b>Totals</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 626,150	\$ 1,244,485	\$ 125,614	\$ 1,996,249
Investments	1,153,125	2,291,856	230,781	3,675,762
Receivables				
Accounts	1,760	1,814	0	3,574
Intergovernmental	0	0	46,247	46,247
Inventory	0	0	124,952	124,952
Prepays	0	13,000	0	13,000
Other assets	99,675	0	0	99,675
Total current assets	1,880,710	3,551,155	527,594	5,959,459
<b>Noncurrent assets</b>				
Depreciable capital assets (net)	0	0	94,016	94,016
<b>Total assets</b>	<b>1,880,710</b>	<b>3,551,155</b>	<b>621,610</b>	<b>6,053,475</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables				
Accounts	1,760	90,238	167,182	259,180
Deposits	0	182,004	0	182,004
Accrued salaries	0	0	17,210	17,210
Compensated absences	0	0	27,803	27,803
Claims reserves	1,193,468	575,938	0	1,769,406
Total current liabilities	1,195,228	848,180	212,195	2,255,603
<b>Noncurrent liabilities</b>				
Compensated absences	0	0	3,089	3,089
<b>Total liabilities</b>	<b>1,195,228</b>	<b>848,180</b>	<b>215,284</b>	<b>2,258,692</b>
<b>NET POSITION</b>				
Investment in capital assets	0	0	94,016	94,016
Unrestricted	685,482	2,702,975	312,310	3,700,767
<b>Total net position</b>	<b>\$ 685,482</b>	<b>\$ 2,702,975</b>	<b>\$ 406,326</b>	<b>\$ 3,794,783</b>

**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the fiscal year ended June 30, 2022**

	<b>General Insurance Fund</b>	<b>Employee Benefits Fund</b>	<b>Vehicle Services Fund</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>				
Interfund services provided	\$ 1,565,150	\$ 9,484,841	\$ 2,510,641	\$ 13,560,632
Other	58,378	0	245	58,623
<b>Total operating revenues</b>	<b>1,623,528</b>	<b>9,484,841</b>	<b>2,510,886</b>	<b>13,619,255</b>
<b>OPERATING EXPENSES</b>				
Costs of services	1,591,418	10,221,982	2,087,772	13,901,172
Personal services	0	0	434,090	434,090
Depreciation	0	0	31,634	31,634
<b>Total operating expenses</b>	<b>1,591,418</b>	<b>10,221,982</b>	<b>2,553,496</b>	<b>14,366,896</b>
Operating income (loss)	32,110	(737,141)	(42,610)	(747,641)
Non-operating revenues (expenses)				
Investment revenue	(33,728)	(67,013)	0	(100,741)
Gain (loss) on sale of capital assets	0	0	3,151	3,151
<b>Total non-operating revenues (expenses)</b>	<b>(33,728)</b>	<b>(67,013)</b>	<b>3,151</b>	<b>(97,590)</b>
Net income (loss) before transfers	(1,618)	(804,154)	(39,459)	(845,231)
Transfers in (out)				
Transfers in	0	0	39,459	39,459
Transfers out	(32,111)	0	0	(32,111)
<b>Total transfers in (out)</b>	<b>(32,111)</b>	<b>0</b>	<b>39,459</b>	<b>7,348</b>
Change in net position	(33,729)	(804,154)	0	(837,883)
Net position, July 1	719,211	3,507,129	406,326	4,632,666
<b>Net position, June 30</b>	<b>\$ 685,482</b>	<b>\$ 2,702,975</b>	<b>\$ 406,326</b>	<b>\$ 3,794,783</b>



**CITY OF GAINESVILLE, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the fiscal year ended June 30, 2022**

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
<b>Cash flows from operating activities:</b>				
Receipts from interfund services provided	\$ 1,563,390	\$ 9,523,877	\$ 2,472,780	\$ 13,560,047
Payments to suppliers	(1,714,781)	(10,400,954)	(2,050,444)	(14,166,179)
Payments to employees	0	0	(428,274)	(428,274)
Other receipts	58,378	0	245	58,623
Net cash provided (used) by operating activities	(93,013)	(877,077)	(5,693)	(975,783)
<b>Cash flows from non-capital financing activities:</b>				
Payments to other funds	(32,111)	0	0	(32,111)
<b>Cash flows from capital and related financing activities:</b>				
Receipts from other funds	0	0	39,459	39,459
Acquisition of capital assets	0	0	(39,459)	(39,459)
Proceeds from sale of capital assets	0	0	3,151	3,151
Net cash provided (used) by capital and related financing activities	0	0	3,151	3,151
<b>Cash flows from investing activities:</b>				
Receipts of investment revenue	7,603	15,178	0	22,781
Proceeds from sale of investments	492,038	921,792	99,653	1,513,483
Purchase of investments	(950,077)	(1,593,387)	(194,165)	(2,737,629)
Net cash provided (used) by investing activities	(450,436)	(656,417)	(94,512)	(1,201,365)
Net increase (decrease) in cash and cash equivalents	(575,560)	(1,533,494)	(97,054)	(2,206,108)
Cash and cash equivalents, July 1	1,201,710	2,777,979	222,668	4,202,357
<b>Cash and cash equivalents, June 30</b>	<b>\$ 626,150</b>	<b>\$ 1,244,485</b>	<b>\$ 125,614</b>	<b>\$ 1,996,249</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 32,110	\$ (737,141)	\$ (42,610)	\$ (747,641)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	0	0	31,634	31,634
(Increase) decrease in accounts receivable	(1,760)	39,036	0	37,276
(Increase) decrease in intergovernmental receivables	0	0	(37,861)	(37,861)
(Increase) decrease in inventory	0	0	(28,339)	(28,339)
(Increase) decrease in other assets	(22,225)	0	0	(22,225)
Increase (decrease) in accounts payable	(103,108)	22,774	65,667	(14,667)
Increase (decrease) in deposits payable	0	27,802	0	27,802
Increase (decrease) in accrued salaries and benefits	0	0	5,816	5,816
Increase (decrease) in claims reserve	1,970	(229,548)	0	(227,578)
Total adjustments	(125,123)	(139,936)	36,917	(228,142)
Net cash provided (used) by operating activities	<u>\$ (93,013)</u>	<u>\$ (877,077)</u>	<u>\$ (5,693)</u>	<u>\$ (975,783)</u>



**GAINESVILLE**

## **GENERAL FUND**

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

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

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,983,467	\$ 10,911,267
Investments	14,549,812	6,629,338
Receivables (net)		
Accounts	138,447	147,107
Intergovernmental	147,904	13,484
Taxes	1,489,614	1,349,348
Lease	1,098,348	1,205,270
Prepaid items	1,622	1,491
Due from other funds	565,348	683,390
<b>Total assets</b>	<b>\$ 25,974,562</b>	<b>\$ 20,940,695</b>
<b>LIABILITIES</b>		
Payables		
Accounts	\$ 396,923	\$ 293,674
Intergovernmental	49,315	74,886
Due to others	76,180	86,989
Accrued salaries	575,206	641,423
Unearned revenue	400	2,073
<b>Total liabilities</b>	<b>1,098,024</b>	<b>1,099,045</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - taxes	24,467	72,875
Leases	1,086,896	1,199,561
<b>Total deferred inflows of resources</b>	<b>1,111,363</b>	<b>1,272,436</b>
<b>FUND BALANCES</b>		
Nonspendable:		
Prepaid items	1,622	1,491
Committed for Housing and Development	30,850	7,388
Assigned for:		
Public Works	172,814	162,108
Budget	4,590,150	3,978,801
Unassigned	18,969,739	14,419,426
<b>Total fund balances</b>	<b>23,765,175</b>	<b>18,569,214</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 25,974,562</b>	<b>\$ 20,940,695</b>

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the fiscal years ended June 30, 2022 and 2021**

	2022	2021
<b>REVENUES</b>		
Taxes	\$ 21,712,587	\$ 23,963,040
Licenses and permits	1,558,221	1,141,400
Fines, fees and forfeitures	1,308,434	1,244,214
Charges for services	3,089,266	3,023,537
Intergovernmental	354,570	2,274,450
Investment	(909,749)	314,070
Contributions	0	1,000
Other	375,460	219,069
<b>Total revenues</b>	<b>27,488,789</b>	<b>32,180,780</b>
<b>EXPENDITURES</b>		
Current		
General Government	5,684,456	5,586,398
Judicial	604,469	599,394
Public Safety	5,912,333	10,011,333
Public Works	5,401,454	5,198,260
Health and Welfare	15,000	12,500
Culture and Recreation	0	346,350
Housing and Development	2,190,944	1,992,565
<b>Total expenditures</b>	<b>19,808,656</b>	<b>23,746,800</b>
Excess (deficiency) of revenues over (under) expenditures	7,680,133	8,433,980
Other financing sources (uses)		
Transfers in (out)		
Community Service Center Fund	(703,749)	(761,163)
Grants Special Revenue Fund	(70,767)	(37,292)
Fire Fund	(2,111,870)	(2,303,304)
Impact Fee Fund	124,508	43,383
Police Service Fund	(4,771,306)	0
American Rescue Plan Act Fund	5,128,469	0
SPLOST Capital Projects Fund	(550,000)	(2,919,813)
General Government Capital Projects Fund	(3,593,671)	(2,900,190)
Grants Capital Projects Fund	0	(13,700)
Department of Water Resources Fund	3,376,797	3,361,432
Chattahoochee Golf Course Fund	(40,360)	(1,279,082)
General Insurance Internal Service Fund	18,723	0
Sales of capital assets	709,054	151,737
<b>Total other financing sources (uses)</b>	<b>(2,484,172)</b>	<b>(6,657,992)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	5,195,961	1,775,988
Fund balances, July 1	18,569,214	16,793,226
<b>Fund balances, June 30</b>	<b>\$ 23,765,175</b>	<b>\$ 18,569,214</b>

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	2022			2021
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
<b>Taxes</b>				
General property taxes				
Current year levy	\$ 2,799,250	\$ 0	\$ (2,799,250)	\$ 4,004,436
Prior years' levies	27,908	44,705	16,797	34,894
Motor vehicle/TAVT tax	926,212	1,901,977	975,765	1,675,001
Cost, penalties, and interest	21,089	48,540	27,451	36,957
Total general property taxes	3,774,459	1,995,222	(1,779,237)	5,751,288
Intangibles tax	133,114	378,474	245,360	345,278
Franchise tax	4,050,741	4,704,915	654,174	4,382,992
Insurance premium tax	2,151,114	2,823,726	672,612	2,733,401
Occupational tax	1,342,600	1,451,302	108,702	1,461,195
Alcohol tax	1,091,634	1,368,292	276,658	1,299,136
Local option sales tax	5,919,541	8,990,656	3,071,115	7,989,750
Total taxes	18,463,203	21,712,587	3,249,384	23,963,040
<b>Licenses and permits</b>	855,151	1,558,221	703,070	1,141,400
<b>Fines, fees and forfeitures</b>	822,081	1,308,434	486,353	1,244,214
<b>Charges for services</b>	2,986,265	3,089,266	103,001	3,023,537
<b>Intergovernmental</b>	3,173,985	354,570	(2,819,415)	2,274,450
<b>Investment</b>	76,690	(909,749)	(986,439)	314,070
<b>Contributions</b>	0	0	0	1,000
<b>Other</b>				
Rents	126,612	129,269	2,657	130,176
Miscellaneous	71,486	246,191	174,705	88,893
Total other	198,098	375,460	177,362	219,069
<b>Total revenues</b>	<u>\$ 26,575,473</u>	<u>\$ 27,488,789</u>	<u>\$ 913,316</u>	<u>\$ 32,180,780</u>

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General Government</b>				
Mayor and Council				
Personal services	\$ 272,203	\$ 252,434	\$ 19,769	\$ 230,155
Other	175,760	124,586	51,174	88,093
Total Mayor and Council	447,963	377,020	70,943	318,248
City Manager's Office				
Personal services	736,861	736,148	713	704,847
Other	225,788	181,529	44,259	189,969
Total City Manager's Office	962,649	917,677	44,972	894,816
Finance				
Personal services	1,201,713	1,200,885	828	1,069,820
Other	258,363	213,611	44,752	257,891
Total Finance	1,460,076	1,414,496	45,580	1,327,711
Information Technologies				
Personal services	749,719	745,840	3,879	652,367
Other	450,776	383,028	67,748	778,362
Total Information Technologies	1,200,495	1,128,868	71,627	1,430,729
Human Resources				
Personal services	757,572	696,326	61,246	637,559
Other	274,676	241,612	33,064	184,362
Total Human Resources	1,032,248	937,938	94,310	821,921
Public Lands and Buildings				
Personal services	428,868	425,296	3,572	312,959
Other	603,759	483,161	120,598	480,014
Total Public Lands and Buildings	1,032,627	908,457	124,170	792,973
Total General Government	6,136,058	5,684,456	451,602	5,586,398
<b>Judicial</b>				
Municipal Court				
Personal services	548,018	516,806	31,212	505,761
Other	113,722	87,663	26,059	93,633
Total Judicial	661,740	604,469	57,271	599,394
<b>Public Safety</b>				
Police				
Personal services	5,189,438	4,997,897	191,541	8,429,245
Other	980,422	914,436	65,986	1,582,088
Total Police	6,169,860	5,912,333	257,527	10,011,333
Total Public Safety	6,169,860	5,912,333	257,527	10,011,333

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Public Works</b>				
Engineering				
Personal services	\$ 1,091,675	\$ 1,003,525	\$ 88,150	\$ 896,142
Other	122,855	89,905	32,950	129,753
Total Engineering	1,214,530	1,093,430	121,100	1,025,895
Traffic				
Personal services	521,327	514,920	6,407	469,241
Other	1,016,256	970,765	45,491	1,034,732
Total Traffic	1,537,583	1,485,685	51,898	1,503,973
Street Maintenance				
Personal services	1,381,402	1,268,513	112,889	1,209,061
Other	567,664	554,642	13,022	476,188
Total Street Maintenance	1,949,066	1,823,155	125,911	1,685,249
Storm Water				
Personal services	349,795	289,650	60,145	287,216
Other	95,363	58,064	37,299	72,178
Total Storm Water	445,158	347,714	97,444	359,394
Cemetery				
Personal services	475,116	457,981	17,135	431,300
Other	218,669	193,489	25,180	192,449
Total Cemetery	693,785	651,470	42,315	623,749
Total Public Works	5,840,122	5,401,454	438,668	5,198,260
<b>Health and Welfare</b>				
Payments to other agencies	15,000	15,000	0	12,500
<b>Culture and Recreation</b>				
Payments to other agencies	0	0	0	346,350
<b>Housing and Development</b>				
Planning				
Personal services	782,096	781,219	877	659,273
Other	145,116	125,906	19,210	160,328
Total Planning	927,212	907,125	20,087	819,601
Inspection				
Personal services	430,551	428,582	1,969	375,823
Other	80,468	62,634	17,834	44,636
Total Inspection	511,019	491,216	19,803	420,459
Code Enforcement				
Personal services	414,552	384,289	30,263	387,588
Other	105,610	100,657	4,953	102,687
Total Code Enforcement	520,162	484,946	35,216	490,275
Economic Development				
Payments to other agencies	307,657	307,657	0	262,230
Total Housing and Development	2,266,050	2,190,944	75,106	1,992,565
<b>Total expenditures</b>	<b>\$ 21,088,830</b>	<b>\$ 19,808,656</b>	<b>\$ 1,280,174</b>	<b>\$ 23,746,800</b>



## **SPECIAL REVENUE FUNDS**

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

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

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

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

**American Rescue Plan Grant Fund** – This fund is used to account for all revenues and expenditures related to the American Rescue Plan Act grant.

*The American Rescue Plan Grant Fund is presented as a major fund in the basic financial statements.*

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

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

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

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

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

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

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

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

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

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

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

**CITY OF GAINESVILLE, GEORGIA**  
**COMMUNITY SERVICE CENTER SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,307,909	\$ 1,328,224
Investments	2,403,192	811,887
Receivables		
Accounts	1,161	1,163
Intergovernmental	393,332	1,616,272
Inventory	0	29,825
<b>Total assets</b>	<b>\$ 4,105,594</b>	<b>\$ 3,787,371</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 102,709	\$ 37,296
Accrued salaries	69,498	57,306
<b>Total liabilities</b>	<b>172,207</b>	<b>94,602</b>
<b>FUND BALANCES</b>		
Nonspendable:		
Inventory	0	29,825
Restricted for Health and Welfare	1,473,052	1,315,919
Assigned for Health and Welfare	2,460,335	2,347,025
<b>Total fund balances</b>	<b>3,933,387</b>	<b>3,692,769</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,105,594</b>	<b>\$ 3,787,371</b>

**CITY OF GAINESVILLE, GEORGIA**  
**COMMUNITY SERVICE CENTER SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Charges for services	\$ 325,101	\$ 183,916	\$ (141,185)	\$ 581,689
Intergovernmental	2,591,417	2,313,177	(278,240)	3,290,206
Investment	30,000	(80,389)	(110,389)	17,896
Contributions	120,100	108,040	(12,060)	84,031
Other	65,270	70,146	4,876	71,377
<b>Total revenues</b>	<b>3,131,888</b>	<b>2,594,890</b>	<b>(536,998)</b>	<b>4,045,199</b>
<b>EXPENDITURES</b>				
Current				
Health and Welfare				
Personal services	1,757,282	1,617,253	140,029	1,491,291
Other	1,568,355	1,355,258	213,097	1,413,870
Capital outlay	610,000	103,549	506,451	1,519,416
<b>Total expenditures</b>	<b>3,935,637</b>	<b>3,076,060</b>	<b>859,577</b>	<b>4,424,577</b>
Excess (deficiency) of revenues over (under) expenditures	(803,749)	(481,170)	322,579	(379,378)
Other financing sources (uses)				
Transfers in (out)				
General Fund	703,749	703,749	0	761,163
Sale of capital assets	0	18,039	18,039	11,284
<b>Total other financing sources (uses)</b>	<b>703,749</b>	<b>721,788</b>	<b>18,039</b>	<b>772,447</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(100,000)	240,618	340,618	393,069
Fund balance, July 1	100,000	3,692,769	3,592,769	3,299,700
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 3,933,387</b>	<b>\$ 3,933,387</b>	<b>\$ 3,692,769</b>

**CITY OF GAINESVILLE, GEORGIA**  
**ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,679,313	\$ 6,564,355
Investments	6,775,867	4,022,686
Property held for development	<u>196,763</u>	<u>531,213</u>
<b>Total assets</b>	<u><u>\$ 10,651,943</u></u>	<u><u>\$ 11,118,254</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 2,386	\$ 659
Due to other funds	<u>0</u>	<u>10,017,622</u>
<b>Total liabilities</b>	2,386	10,018,281
<b>FUND BALANCES</b>		
Assigned for Housing and Development	<u>10,649,557</u>	<u>1,099,973</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 10,651,943</u></u>	<u><u>\$ 11,118,254</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Investment	\$ 19,450	\$ (456,820)	\$ (476,270)	\$ (4,854,797)
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Other	73,000	11,218	61,782	135,345
Excess (deficiency) of revenues over (under) expenditures	(53,550)	(468,038)	(414,488)	(4,990,142)
Other financing sources (uses)				
Transfers in (out)				
Department of Water Resources Fund	10,000,000	10,017,622	(17,622)	0
Contingency	(9,946,450)	0	(9,946,450)	0
Total other financing sources (uses)	53,550	10,017,622	(9,964,072)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	9,549,584	9,549,584	(4,990,142)
Fund balances, July 1	0	1,099,973	1,099,973	6,090,115
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 10,649,557</b>	<b>\$ 10,649,557</b>	<b>\$ 1,099,973</b>

**CITY OF GAINESVILLE, GEORGIA**  
**HOTEL/MOTEL TAX SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 296,749	\$ 246,648
Investments	546,495	151,148
Taxes receivable	<u>163,269</u>	<u>140,405</u>
<b>Total assets</b>	<u><u>\$ 1,006,513</u></u>	<u><u>\$ 538,201</u></u>
<b>FUND BALANCES</b>		
Assigned for Housing and Development	<u><u>\$ 1,006,513</u></u>	<u><u>\$ 538,201</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**HOTEL/MOTEL TAX SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Hotel/motel taxes	\$ 1,087,710	\$ 1,837,797	\$ 750,087	\$ 1,295,305
Investment	425	(17,850)	(18,275)	1,002
<b>Total revenues</b>	<b>1,088,135</b>	<b>1,819,947</b>	<b>731,812</b>	<b>1,296,307</b>
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Other	1,149,940	1,149,940	0	775,815
Excess (deficiency) of revenues over (under) expenditures	(61,805)	670,007	731,812	520,492
Other financing sources (uses)				
Transfers in (out)				
Debt Service Fund	(110,770)	(110,770)	0	(110,770)
General Government				
Capital Projects Fund	(90,925)	(90,925)	0	0
Total other financing sources (uses)	(201,695)	(201,695)	0	(110,770)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(263,500)	468,312	731,812	409,722
Fund balances, July 1	263,500	538,201	274,701	128,479
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 1,006,513</b>	<b>\$ 1,006,513</b>	<b>\$ 538,201</b>

**CITY OF GAINESVILLE, GEORGIA**  
**AMERICAN RESCUE PLAN GRANT SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

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	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 854,358	\$ 3,179,839
Investments	<u>1,573,395</u>	<u>1,948,630</u>
<b>Total assets</b>	<u><u>\$ 2,427,753</u></u>	<u><u>\$ 5,128,469</u></u>
<b>LIABILITIES</b>		
Unearned revenue	<u><u>\$ 2,427,753</u></u>	<u><u>\$ 5,128,469</u></u>



**CITY OF GAINESVILLE, GEORGIA**  
**AMERICAN RESCUE PLAN GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Intergovernmental	\$ 3,708,239	\$ 8,836,672	\$ 5,128,433	\$ 730,702
<b>EXPENDITURES</b>				
Current				
Public Safety				
Personal services	194,820	194,784	(36)	0
Excess (deficiency) of revenues over (under) expenditures	3,513,419	8,641,888	5,128,469	730,702
Other financing sources (uses)				
Transfers in (out)				
Department of Water Resources Fund	(3,513,419)	(8,641,888)	(5,128,469)	(730,702)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	0
Fund balance, July 1	0	0	0	0
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**CITY OF GAINESVILLE, GEORGIA**  
**CONFISCATED ASSETS SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

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	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 332,378	\$ 217,884
Investments	201,993	102,234
Accounts receivable	0	1,436
<b>Total assets</b>	<b>\$ 534,371</b>	<b>\$ 321,554</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 17,408	\$ 6,969
Due to others	222,695	51,057
<b>Total liabilities</b>	<b>240,103</b>	<b>58,026</b>
<b>FUND BALANCES</b>		
Restricted for Public Safety	294,268	263,528
<b>Total liabilities and fund balances</b>	<b>\$ 534,371</b>	<b>\$ 321,554</b>

**CITY OF GAINESVILLE, GEORGIA**  
**CONFISCATED ASSETS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Fines, fees, and forfeitures	\$ 0	\$ 198,899	\$ 198,899	\$ 138,899
Investment	0	(5,870)	(5,870)	2,192
<b>Total revenues</b>	<u>0</u>	<u>193,029</u>	<u>193,029</u>	<u>141,091</u>
<b>EXPENDITURES</b>				
Current				
Public Safety				
Other	166,276	136,533	29,743	107,653
Capital outlay	66,500	66,256	244	30,000
<b>Total expenditures</b>	<u>232,776</u>	<u>202,789</u>	<u>29,987</u>	<u>137,653</u>
Excess (deficiency) of revenues over (under) expenditures	(232,776)	(9,760)	223,016	3,438
Other financing sources (uses)				
Sales of capital assets	0	40,500	40,500	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(232,776)	30,740	263,516	3,438
Fund balance, July 1	<u>232,776</u>	<u>263,528</u>	<u>30,752</u>	<u>260,090</u>
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 294,268</u>	<u>\$ 294,268</u>	<u>\$ 263,528</u>

**CITY OF GAINESVILLE, GEORGIA**  
**GRANTS SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 300	\$ 14,923
Investments	0	8,961
Receivables		
Accounts	134,147	0
Intergovernmental	84,330	695,769
<b>Total assets</b>	<b>\$ 218,777</b>	<b>\$ 719,653</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 0	\$ 12,849
Due to other funds	195,363	683,390
<b>Total liabilities</b>	<b>195,363</b>	<b>696,239</b>
<b>FUND BALANCES</b>		
Restricted for		
Public Safety	763	763
Public Works	19,150	19,150
Committed for Housing and Development	3,501	3,501
<b>Total fund balances</b>	<b>23,414</b>	<b>23,414</b>
<b>Total liabilities and fund balances</b>	<b>\$ 218,777</b>	<b>\$ 719,653</b>

**CITY OF GAINESVILLE, GEORGIA**  
**GRANTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Intergovernmental	\$ 439,191	\$ 44,717	\$ (394,474)	\$ 872,704
Contributions	0	94,150	94,150	55,000
<b>Total revenues</b>	<b>439,191</b>	<b>138,867</b>	<b>(300,324)</b>	<b>927,704</b>
<b>EXPENDITURES</b>				
Current				
General Government	0	0	0	6,298
Public Safety	279,482	209,634	69,848	132,452
Public Works	0	0	0	114,280
Culture and Recreation	0	0	0	156,864
Housing and Development	166,357	0	166,357	632,227
<b>Total expenditures</b>	<b>445,839</b>	<b>209,634</b>	<b>236,205</b>	<b>1,042,121</b>
Excess (deficiency) of revenues over (under) expenditures	(6,648)	(70,767)	(64,119)	(114,417)
Other financing sources (uses)				
Transfers in (out)				
General Fund	6,648	70,767	64,119	37,293
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	(77,124)
Fund balance, July 1	0	23,414	23,414	100,538
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 23,414</b>	<b>\$ 23,414</b>	<b>\$ 23,414</b>

**CITY OF GAINESVILLE, GEORGIA**  
**HUD GRANT SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

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	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 17,494	\$ 19,288
Investments	32,216	54,841
Intergovernmental receivables	6,782	29,504
<b>Total assets</b>	<b>\$ 56,492</b>	<b>\$ 103,633</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 802	\$ 7,733
Accrued salaries	2,857	2,546
<b>Total liabilities</b>	<b>3,659</b>	<b>10,279</b>
<b>FUND BALANCES</b>		
Restricted for Housing and Development	52,833	93,354
<b>Total liabilities and fund balances</b>	<b>\$ 56,492</b>	<b>\$ 103,633</b>

**CITY OF GAINESVILLE, GEORGIA**  
**HUD GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	2022			2021
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Intergovernmental	\$ 1,480,287	\$ 549,596	\$ (930,691)	\$ 515,366
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Personal services	291,670	69,766	221,904	111,726
Other	1,134,920	479,829	655,091	403,165
<b>Total expenditures</b>	<b>1,426,590</b>	<b>549,595</b>	<b>876,995</b>	<b>514,891</b>
Excess (deficiency) of revenues over (under) expenditures	53,697	1	(53,696)	475
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	(94,219)	0	94,219	(50,351)
Sales of capital assets	40,522	(40,522)	(81,044)	49,876
<b>Total other financing sources (uses)</b>	<b>(53,697)</b>	<b>(40,522)</b>	<b>13,175</b>	<b>(475)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(40,521)	(40,521)	0
Fund balances, July 1	0	93,354	93,354	93,354
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 52,833</b>	<b>\$ 52,833</b>	<b>\$ 93,354</b>

**CITY OF GAINESVILLE, GEORGIA**  
**REVOLVING LOAN SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 62,825	\$ 99,750
Investments	115,699	61,128
Notes receivable	<u>172,401</u>	<u>193,635</u>
<b>Total assets</b>	<u><u>\$ 350,925</u></u>	<u><u>\$ 354,513</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - notes receivable	\$ 172,401	\$ 193,635
<b>FUND BALANCES</b>		
Restricted for Housing and Development	<u>178,524</u>	<u>160,878</u>
<b>Total deferred inflows of resources and fund balances</b>	<u><u>\$ 350,925</u></u>	<u><u>\$ 354,513</u></u>



**CITY OF GAINESVILLE, GEORGIA**  
**REVOLVING LOAN SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	2022			2021
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Charges for services	\$ 26,337	\$ 21,868	\$ (4,469)	\$ 19,086
Investment	0	(4,222)	(4,222)	2,227
<b>Total revenues</b>	<u>26,337</u>	<u>17,646</u>	<u>(8,691)</u>	<u>21,313</u>
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Other	<u>84,819</u>	<u>0</u>	<u>84,819</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	(58,482)	17,646	76,128	21,313
Fund balances, July 1	<u>58,482</u>	<u>160,878</u>	<u>102,396</u>	<u>139,565</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 178,524</u></u>	<u><u>\$ 178,524</u></u>	<u><u>\$ 160,878</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**IMPACT FEE SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,576,023	\$ 1,037,641
Investments	<u>2,902,424</u>	<u>635,875</u>
<b>Total assets</b>	<u><u>\$ 4,478,447</u></u>	<u><u>\$ 1,673,516</u></u>
<b>FUND BALANCES</b>		
Restricted for:		
Public Safety	\$ 3,144,733	\$ 783,149
Cultural and Recreation	<u>1,333,714</u>	<u>890,367</u>
<b>Total fund balances</b>	<u><u>\$ 4,478,447</u></u>	<u><u>\$ 1,673,516</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**IMPACT FEE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	2022			2021
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Charges for services	\$ 3,905,247	\$ 4,000,348	\$ 95,101	\$ 1,361,138
Investment	4,450	(70,909)	(75,359)	12,000
<b>Total revenues</b>	<b>3,909,697</b>	<b>3,929,439</b>	<b>19,742</b>	<b>1,373,138</b>
<b>EXPENDITURES</b>				
Current				
Culture and Recreation				
Other	1,416,950	1,000,000	416,950	0
Excess (deficiency) of revenues over (under) expenditures	2,492,747	2,929,439	436,692	1,373,138
Other financing sources (uses)				
Transfers in (out)				
General Fund	(124,536)	(124,508)	28	(43,383)
SPLOST Fund	0	0	0	(291,903)
Contingency	(2,368,211)	0	2,368,211	0
Total other financing sources (uses)	(2,492,747)	(124,508)	2,368,239	(335,286)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	2,804,931	2,804,931	1,037,852
Fund balances, July 1	0	1,673,516	1,673,516	635,664
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 4,478,447</b>	<b>\$ 4,478,447</b>	<b>\$ 1,673,516</b>

**CITY OF GAINESVILLE, GEORGIA**  
**TAX ALLOCATION DISTRICT SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 790,012	\$ 1,498,395
Investments	<u>1,454,895</u>	<u>918,228</u>
<b>Total assets</b>	<u><u>\$ 2,244,907</u></u>	<u><u>\$ 2,416,623</u></u>
<b>LIABILITIES</b>		
Due to other funds	\$ 1,272,731	\$ 1,500,472
<b>FUND BALANCES</b>		
Restricted for Housing and Development	<u>972,176</u>	<u>916,151</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 2,244,907</u></u>	<u><u>\$ 2,416,623</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**TAX ALLOCATION DISTRICT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	2022			2021
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Property taxes	\$ 151,359	\$ 182,167	\$ 30,808	\$ 142,074
Intergovernmental	466,903	477,236	10,333	455,167
Investment	1,100	(47,945)	(49,045)	18,349
<b>Total revenues</b>	<u>619,362</u>	<u>611,458</u>	<u>(7,904)</u>	<u>615,590</u>
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Other	<u>508,076</u>	<u>194,176</u>	<u>313,900</u>	<u>188,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>111,286</u>	<u>417,282</u>	<u>305,996</u>	<u>426,858</u>
Other financing sources (uses)				
Transfers in (out)				
General Government Capital Projects Fund	(250,000)	(250,000)	0	(350,000)
Debt Service Fund	<u>(111,286)</u>	<u>(111,257)</u>	<u>29</u>	<u>(98,584)</u>
Total other financing sources (uses)	<u>(361,286)</u>	<u>(361,257)</u>	<u>29</u>	<u>(448,584)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(250,000)</u>	<u>56,025</u>	<u>306,025</u>	<u>(21,726)</u>
Fund balances, July 1	<u>250,000</u>	<u>916,151</u>	<u>666,151</u>	<u>937,877</u>
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 972,176</u>	<u>\$ 972,176</u>	<u>\$ 916,151</u>

**CITY OF GAINESVILLE, GEORGIA**  
**INFORMATION TECHNOLOGY SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 108,363	\$ 167,173
Investments	<u>199,561</u>	<u>102,444</u>
<b>Total assets</b>	<u><u>\$ 307,924</u></u>	<u><u>\$ 269,617</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 268	\$ 143
<b>FUND BALANCES</b>		
Restricted for Public Safety	<u>307,656</u>	<u>269,474</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 307,924</u></u>	<u><u>\$ 269,617</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**INFORMATION TECHNOLOGY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Fines, fees, and forfeitures	\$ 42,000	\$ 47,779	\$ 5,779	\$ 54,402
Investment	700	(6,300)	(7,000)	1,818
<b>Total revenues</b>	<u>42,700</u>	<u>41,479</u>	<u>(1,221)</u>	<u>56,220</u>
<b>EXPENDITURES</b>				
Current				
Public Safety				
Other	<u>42,700</u>	<u>3,297</u>	<u>39,403</u>	<u>10,315</u>
Excess (deficiency) of revenues over (under) expenditures	0	38,182	38,182	45,905
Fund balances, July 1	<u>0</u>	<u>269,474</u>	<u>269,474</u>	<u>223,569</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 307,656</u></u>	<u><u>\$ 307,656</u></u>	<u><u>\$ 269,474</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**CEMETERY TRUST SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

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	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 189,055	\$ 328,612
Investments	348,164	201,376
<b>Total assets</b>	<u>\$ 537,219</u>	<u>\$ 529,988</u>
<b>FUND BALANCES</b>		
Committed for Public Works	<u>\$ 537,219</u>	<u>\$ 529,988</u>



**CITY OF GAINESVILLE, GEORGIA**  
**CEMETERY TRUST SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Sales and services	\$ 50,000	\$ 73,552	\$ 23,552	\$ 88,150
Investment	1,500	(11,321)	(12,821)	3,633
<b>Total revenues</b>	<b>51,500</b>	<b>62,231</b>	<b>10,731</b>	<b>91,783</b>
<b>EXPENDITURES</b>				
Public Works				
Other	0	0	0	0
<b>Total expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	51,500	62,231	10,731	91,783
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	(55,000)	(55,000)	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,500)	7,231	10,731	91,783
Fund balances, July 1	3,500	529,988	526,488	438,205
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 537,219</b>	<b>\$ 537,219</b>	<b>\$ 529,988</b>

**CITY OF GAINESVILLE, GEORGIA**  
**FIRE SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 627,288	\$ 1,032,733
Investments	1,155,221	632,866
Receivable		
Accounts	663	130
Taxes	86,358	103,336
Intergovernmental	733	0
<b>Total assets</b>	<b>\$ 1,870,263</b>	<b>\$ 1,769,065</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 62,054	\$ 73,705
Intergovernmental payable	1,361	3,649
Accrued salaries	338,173	264,822
<b>Total liabilities</b>	<b>401,588</b>	<b>342,176</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	80,037	99,216
<b>FUND BALANCES</b>		
Assigned for Public Safety	1,388,638	1,327,673
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,870,263</b>	<b>\$ 1,769,065</b>

**CITY OF GAINESVILLE, GEORGIA**  
**FIRE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	2022			2021
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Property taxes	\$ 7,062,375	\$ 7,334,355	\$ 271,980	\$ 6,917,076
Motor vehicle taxes	38,763	56,256	17,493	43,666
Investment	5,600	(71,357)	(76,957)	12,873
Other	0	2,070	2,070	0
<b>Total revenues</b>	<b>7,106,738</b>	<b>7,321,324</b>	<b>214,586</b>	<b>6,973,615</b>
<b>EXPENDITURES</b>				
Current				
Public Safety				
Personal services	8,057,050	8,018,938	38,112	7,436,512
Other	1,421,550	1,335,585	85,965	1,200,008
<b>Total expenditures</b>	<b>9,478,600</b>	<b>9,354,523</b>	<b>124,077</b>	<b>8,636,520</b>
Excess (deficiency) of revenues over (under) expenditures	(2,371,862)	(2,033,199)	338,663	(1,662,905)
Other financing sources (uses)				
Transfers in (out)				
General Fund	2,111,870	2,111,870	0	2,303,304
General Government Capital Projects Fund	(105,000)	(105,000)	0	(147,000)
SPLOST Capital Projects Fund	(250)	(250)	0	0
Sales of capital assets	0	87,544	87,544	21,000
<b>Total other financing sources (uses)</b>	<b>2,006,620</b>	<b>2,094,164</b>	<b>87,544</b>	<b>2,177,304</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(365,242)	60,965	426,207	514,399
Fund balances, July 1	365,242	1,327,673	962,431	813,274
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 1,388,638</b>	<b>\$ 1,388,638</b>	<b>\$ 1,327,673</b>

**CITY OF GAINESVILLE, GEORGIA**  
**POLICE SPECIAL REVENUE FUND**  
**BALANCE SHEET**  
**June 30, 2022**

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**ASSETS**

Cash and cash equivalents	\$	112,577
Investments		207,322
Intergovernmental Receivable		<u>293</u>
<b>Total assets</b>	<b>\$</b>	<b><u><u>320,192</u></u></b>

**LIABILITIES**

Accounts payable	\$	20,707
Accrued salaries		<u>140,342</u>
<b>Total liabilities</b>		161,049

**FUND BALANCES**

Assigned for Public Safety		<u>159,143</u>
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b><u><u>320,192</u></u></b>

**CITY OF GAINESVILLE, GEORGIA**  
**POLICE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Property taxes	\$ 27,907	\$ 0	\$ (27,907)
Motor vehicle taxes	15,505	9,679	(5,826)
Investment	150	0	(150)
<b>Total revenues</b>	<b>43,562</b>	<b>9,679</b>	<b>(33,883)</b>
<b>EXPENDITURES</b>			
Current			
Public Safety			
Personal services	3,751,274	3,723,211	28,063
Other	921,350	912,019	9,331
<b>Total expenditures</b>	<b>4,672,624</b>	<b>4,635,230</b>	<b>37,394</b>
Excess (deficiency) of revenues over (under) expenditures	(4,629,062)	(4,625,551)	3,511
Other financing sources (uses)			
Transfers in (out)			
General Fund	4,771,307	4,771,306	(1)
General Insurance Internal Service Fund	13,388	13,388	0
Contingency	(155,633)	0	155,633
<b>Total other financing sources (uses)</b>	<b>4,629,062</b>	<b>4,784,694</b>	<b>155,632</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	159,143	159,143
Fund balances, July 1	0	0	0
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 159,143</b>	<b>\$ 159,143</b>



**GAINESVILLE**

## ***DEBT SERVICE FUND***

*The Debt Service Fund is used to account for the accumulation of resources and payment of general government long-term debt principal and interest from governmental resources.*

**CITY OF GAINESVILLE, GEORGIA**  
**DEBT SERVICE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 562,242	\$ 1,443,635
Investments	1,035,432	884,671
Taxes receivable	39,998	48,441
Due from other funds	1,272,731	1,500,472
Prepaid items	5,018	6,451
<b>Total assets</b>	<b>\$ 2,915,421</b>	<b>\$ 3,883,670</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - taxes	\$ 36,784	\$ 46,483
<b>FUND BALANCES</b>		
Nonspendable prepaid items	5,018	6,451
Restricted for debt service	1,205,870	2,107,961
Assigned for debt service	1,667,749	1,722,775
<b>Total fund balances</b>	<b>2,878,637</b>	<b>3,837,187</b>
<b>Total deferred inflows of resources and fund balances</b>	<b>\$ 2,915,421</b>	<b>\$ 3,883,670</b>



**CITY OF GAINESVILLE, GEORGIA**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Property taxes	\$ 2,931,176	\$ 3,041,365	\$ 110,189	\$ 2,864,715
Investment	11,306	(55,026)	(66,332)	21,784
<b>Total revenues</b>	<b>2,942,482</b>	<b>2,986,339</b>	<b>43,857</b>	<b>2,886,499</b>
<b>EXPENDITURES</b>				
Debt Service				
Principal	5,562,408	3,908,508	1,653,900	2,739,322
Interest and fiscal charges	960,425	552,100	408,325	603,648
<b>Total expenditures</b>	<b>6,522,833</b>	<b>4,460,608</b>	<b>2,062,225</b>	<b>3,342,970</b>
Excess (deficiency) of revenues over (under) expenditures	(3,580,351)	(1,474,269)	2,106,082	(456,471)
Other financing sources (uses)				
Transfers in (out)				
SPLOST Capital Projects Fund	293,692	293,692	0	0
Tax Allocation District Special Revenue Fund	107,686	111,257	3,571	98,584
Hotel/Motel Tax Special Revenue Fund	110,770	110,770	0	110,770
<b>Total other financing sources (uses)</b>	<b>512,148</b>	<b>515,719</b>	<b>3,571</b>	<b>209,354</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,068,203)	(958,550)	2,109,653	(247,117)
Fund balances, July 1	3,068,203	3,837,187	768,984	4,084,304
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 2,878,637</b>	<b>\$ 2,878,637</b>	<b>\$ 3,837,187</b>



**GAINESVILLE**

## **CAPITAL PROJECTS FUNDS**

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

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

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

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

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

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL GOVERNMENT CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,771,734	\$ 3,346,086
Investments	2,993,659	1,914,926
Intergovernmental receivable	0	122,597
Other receivable	0	288,526
<b>Total assets</b>	<b>\$ 4,765,393</b>	<b>\$ 5,672,135</b>
<b>LIABILITIES</b>		
Payables		
Accounts	\$ 790,845	\$ 281,419
Intergovernmental	47,223	0
Retainages	146,344	6,102
Due to other funds	369,985	0
<b>Total liabilities</b>	<b>1,354,397</b>	<b>287,521</b>
<b>FUND BALANCES</b>		
Restricted for capital projects:		
General Government	759,617	2,071,191
Public Safety	92,253	15,671
Health and Welfare	73,188	72,962
Assigned for capital projects:		
General Government	1,385,902	1,845,600
Public Safety	0	2,486
Public Works	1,100,036	1,376,704
<b>Total fund balances</b>	<b>3,410,996</b>	<b>5,384,614</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,765,393</b>	<b>\$ 5,672,135</b>

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL GOVERNMENT CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the fiscal years ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>		
Investment	\$ 226	\$ 255
Contributions	0	10,000
<b>Total revenues</b>	<b>226</b>	<b>10,255</b>
<b>EXPENDITURES</b>		
Capital outlay		
General Government	2,008,753	2,195,482
Public Safety	847,656	582,426
Public Works	2,351,002	904,457
Health and Welfare	0	24,701
Housing and Development	529,095	229,742
<b>Total expenditures</b>	<b>5,736,506</b>	<b>3,936,808</b>
Excess (deficiency) of revenues over (under) expenditures	(5,736,280)	(3,926,553)
Other financing sources (uses)		
Transfers in (out)		
General Fund	3,593,671	2,900,190
Fire Special Revenue Fund	105,000	147,000
Hotel/Motel Tax Fund	90,925	0
Cemetery Trust Fund	55,000	0
Tax Allocation Fund	250,000	0
Vehicle Services Fund	(39,458)	0
SPLOST Capital Projects Fund	(292,476)	(1,362,833)
Department of Water Resources Fund	0	179,158
Issuance of long-term debt	0	606,886
<b>Total other financing sources (uses)</b>	<b>3,762,662</b>	<b>2,470,401</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,973,618)	(1,456,152)
Fund balances, July 1	5,384,614	6,840,766
<b>Fund balances, June 30</b>	<b>\$ 3,410,996</b>	<b>\$ 5,384,614</b>

**CITY OF GAINESVILLE, GEORGIA**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,147,166	\$ 13,924,403
Investments	11,640,194	8,503,762
Intergovernmental receivables	1,859,180	1,438,342
<b>Total assets</b>	<b>\$ 19,646,540</b>	<b>\$ 23,866,507</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 1,348,926	\$ 758,207
Retainages payable	836,941	165,500
Accrued salaries	0	1,001
<b>Total liabilities</b>	<b>2,185,867</b>	<b>924,708</b>
<b>FUND BALANCES</b>		
Restricted for capital projects:		
Public Safety	1,195,035	608,694
Public Works	9,395,099	8,880,137
Health and Welfare	49,050	0
Culture and Recreation	5,796,261	8,742,153
Assigned for capital projects:		
Public Safety	2	79,369
Public Works	1,025,226	4,631,446
<b>Total fund balances</b>	<b>17,460,673</b>	<b>22,941,799</b>
<b>Total liabilities and fund balances</b>	<b>\$ 19,646,540</b>	<b>\$ 23,866,507</b>

**CITY OF GAINESVILLE, GEORGIA**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the fiscal years ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>		
Intergovernmental	\$ 12,321,772	\$ 9,258,235
<b>Total revenues</b>	<u>12,321,772</u>	<u>9,258,235</u>
<b>EXPENDITURES</b>		
Capital outlay		
General Government	10,506,393	2,140,607
Public Safety	1,594,752	1,595,456
Public Works	5,342,616	2,348,892
Culture and Recreation	<u>3,201,354</u>	<u>1,526,730</u>
<b>Total expenditures</b>	<u>20,645,115</u>	<u>7,611,685</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,323,343)</u>	<u>1,646,550</u>
Other financing sources (uses)		
Transfers in (out)		
General Fund	550,000	2,919,813
Impact Fee Special Revenue Fund	0	291,903
Fire Services Special Revenue Fund	250	0
Grants Capital Projects Fund	910,084	424,833
Department of Water Resources Fund	0	(50,000)
General Government Capital Projects Fund	292,476	1,362,833
Debt Service Fund	(293,692)	0
Proceeds from long-term debt	<u>1,383,099</u>	<u>0</u>
<b>Total other financing sources (uses)</b>	<u>2,842,217</u>	<u>4,949,382</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(5,481,126)</u>	<u>6,595,932</u>
Fund balances, July 1	<u>22,941,799</u>	<u>16,345,867</u>
<b>Fund balances, June 30</b>	<u><u>\$ 17,460,673</u></u>	<u><u>\$ 22,941,799</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**GRANTS CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 194,914	\$ 549,902
Investments	358,957	336,984
Intergovernmental receivables	0	260,539
<b>Total assets</b>	<b>\$ 553,871</b>	<b>\$ 1,147,425</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 0	\$ 34,099
<b>FUND BALANCES</b>		
Restricted for capital projects:		
Public Works	35,047	280,909
Assigned for capital projects:		
Public Works	518,824	832,417
<b>Total fund balances</b>	<b>553,871</b>	<b>1,113,326</b>
<b>Total liabilities and fund balances</b>	<b>\$ 553,871</b>	<b>\$ 1,147,425</b>



**CITY OF GAINESVILLE, GEORGIA**  
**GRANTS CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the fiscal years ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>		
Intergovernmental	\$ 423,052	\$ 424,834
<b>Total revenues</b>	<b>423,052</b>	<b>424,834</b>
<b>EXPENDITURES</b>		
Capital outlay		
General Government	0	34,099
Public Works	72,423	82,220
<b>Total expenditures</b>	<b>72,423</b>	<b>116,319</b>
Excess (deficiency) of revenues over (under) expenditures	350,629	308,515
Other financing sources (uses)		
Transfers in (out)		
HUD Grant Special Revenue Fund	0	50,351
SPLOST Capital Projects Funds	(910,084)	(424,833)
Tax Allocation District Special Revenue Fund	0	350,000
<b>Total other financing sources (uses)</b>	<b>(910,084)</b>	<b>(24,482)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(559,455)	284,033
Fund balances, July 1	1,113,326	829,293
<b>Fund balances, June 30</b>	<b>\$ 553,871</b>	<b>\$ 1,113,326</b>



**GAINESVILLE**

## **ENTERPRISE FUNDS**

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

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

*The Department of Water Resources Fund is presented as a major fund in the basic financial statements.*

**Airport Fund** is used to account for activities connected with the operation of the Lee Gilmer Memorial Airport.

**Solid Waste Fund** is used to account for activities connected with the collection and disposal of residential, commercial, industrial and institutional solid waste, and for the maintenance of street rights-of-way.

**Chattahoochee Golf Course Fund** is used to account for activities connected with the operation of a public golf course owned by the City of Gainesville, Georgia.

**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 13,135,013	\$ 28,159,357
Investments	28,429,371	18,626,410
Receivables		
Accounts (net)	3,907,352	4,444,559
Intergovernmental	3,003,486	1,746,698
Other	8,127	13
Due from other funds	0	10,017,622
Inventories	2,189,401	1,790,335
Prepaid items	130,612	945
<b>Total current assets</b>	<b>50,803,362</b>	<b>64,785,939</b>
<b>Restricted assets</b>		
Extension and Renewal		
Cash and cash equivalents	31,570,872	45,732,763
Investments	58,141,280	28,012,275
Debt Redemption		
Cash and cash equivalents	3,978,756	9,064,340
Customer Deposits		
Cash and cash equivalents	2,307,513	2,241,146
<b>Total restricted assets</b>	<b>95,998,421</b>	<b>85,050,524</b>
<b>Noncurrent assets</b>		
Property held for development	2,971,111	3,458,816
Capital assets		
Land	28,761,453	28,761,453
Nondepreciable intangibles	2,853,619	2,853,619
Land improvements	2,287,902	2,287,902
Buildings	52,952,245	52,966,422
Distribution system	592,400,577	577,291,825
Vehicles and equipment	42,612,068	42,880,451
Depreciable intangibles	6,138,328	6,625,515
Construction in progress	65,481,169	43,304,456
Accumulated depreciation	(285,790,520)	(271,515,380)
<b>Total noncurrent assets</b>	<b>510,667,952</b>	<b>488,915,079</b>
<b>Total assets</b>	<b>657,469,735</b>	<b>638,751,542</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on refunding	0	22,574
Deferred outflows related to pensions	3,750,003	1,923,845
Deferred outflows related to other post employment benefits	2,190,257	2,284,999
<b>Total deferred outflows of resources</b>	<b>5,940,260</b>	<b>4,231,418</b>

**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables		
Accounts	\$ 1,284,738	\$ 1,700,668
Intergovernmental	1,381,120	1,249,610
Unearned revenue	0	5,540,210
Accrued salaries	563,680	540,776
Compensated absences	684,289	717,314
Contracts payable	1,261,588	1,261,588
<b>Total current liabilities</b>	<b>5,175,415</b>	<b>11,010,166</b>
<b>Current liabilities payable from restricted assets</b>		
Payables		
Accounts	2,687,477	2,720,767
Retainages	2,175,424	1,133,450
Customer deposits	2,307,513	2,241,146
Interest payable	226,500	279,957
Revenue bonds payable	7,348,739	16,013,739
<b>Total liabilities payable from restricted assets</b>	<b>14,745,653</b>	<b>22,389,059</b>
<b>Noncurrent liabilities</b>		
Compensated absences	76,032	79,702
Net pension liability	20,271,021	9,958,868
Net OPEB liability	11,607,021	11,271,010
Contracts payable	10,092,704	11,354,292
Notes payable	7,734,375	1,766,224
Revenue bonds payable	35,620,672	42,969,411
<b>Total noncurrent liabilities</b>	<b>85,401,825</b>	<b>77,399,507</b>
<b>Total liabilities</b>	<b>105,322,893</b>	<b>110,798,732</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	1,135,226	8,471,767
Deferred inflows related to other post employment benefits	1,453,559	2,119,601
<b>Total deferred inflows of resources</b>	<b>2,588,785</b>	<b>10,591,368</b>
<b>NET POSITION</b>		
Net investment in capital assets	440,786,848	412,776,416
Restricted for:		
Capital outlay	89,701,165	72,686,804
Debt service	3,752,256	8,784,383
Unrestricted	21,258,048	27,345,257
<b>Total net position</b>	<b>\$ 555,498,317</b>	<b>\$ 521,592,860</b>

**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**For the fiscal years ended June 30, 2022 and 2021**

	2022	2021
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Water sales	\$ 39,208,113	\$ 38,511,069
Sewer charges	34,875,835	33,982,613
Tap fees	2,053,412	2,108,997
Other	1,661,751	1,524,789
Other	450,461	144,005
<b>Total operating revenues</b>	<b>78,249,572</b>	<b>76,271,473</b>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	22,073,899	24,465,086
Personal services	15,549,945	11,730,999
Depreciation	16,771,646	16,517,130
<b>Total operating expenses</b>	<b>54,395,490</b>	<b>52,713,215</b>
Operating income (loss)	23,854,082	23,558,258
Non-operating revenues (expenses)		
Investment revenue	(1,658,124)	1,910,906
Interest expense	(2,009,550)	(2,484,150)
Debt issue costs	0	(605,000)
Distribution of capital asset to the Governmental Activities	0	(19,617)
Gain on sale of property held for development	5,052,506	0
Gain (loss) on sale of capital assets	17,170	(41,649)
<b>Total non-operating revenues (expenses)</b>	<b>1,402,002</b>	<b>(1,239,510)</b>
Net income (loss) before capital contributions and transfers	25,256,084	22,318,748
Capital contributions		
Connection fees	6,904,881	6,243,545
Capital contributions	11,707,493	6,795,796
<b>Total capital contributions</b>	<b>18,612,374</b>	<b>13,039,341</b>
Net income (loss) before transfers	43,868,458	35,358,089
Transfers in (out)		
General Fund	(3,376,797)	(3,361,432)
General Governmental Capital Project Fund	0	(179,158)
American Rescue Plan Grant Special Revenue Fund	3,431,418	730,702
Economic Development Special Revenue Fund	(10,017,622)	0
SPLOST Capital Projects Fund	0	50,000
<b>Total transfers in (out)</b>	<b>(9,963,001)</b>	<b>(2,759,888)</b>
Change in net position	33,905,457	32,598,201
Net position, July 1	521,592,860	488,994,659
<b>Net position, June 30</b>	<b>\$ 555,498,317</b>	<b>\$ 521,592,860</b>

**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 77,137,784	\$ 74,369,266
Payments to suppliers	(23,934,295)	(22,655,424)
Payments to employees	(14,649,571)	(14,055,362)
Other receipts	450,461	144,006
Net cash provided (used) by operating activities	39,004,379	37,802,486
<b>Cash flows from non-capital financing activities:</b>		
Payments to other funds	(3,376,797)	(3,540,590)
<b>Cash flows from capital and related financing activities:</b>		
Connection fees	6,904,881	6,243,545
Receipts of capital contributions	230,000	5,462
Receipts from other funds	3,431,418	780,702
Interest paid	(2,063,008)	(2,608,935)
Acquisition of capital assets	(24,058,093)	(14,903,489)
Payment of capital related accounts payable	(1,662,533)	(3,069,863)
Payment of capital related retainages payable	(1,133,450)	0
Payment of debt issue costs	0	(605,000)
Proceeds from sale of capital assets	130,857	142,792
Proceeds from notes payable	5,968,151	1,766,224
Principal payments - bonds	(14,965,000)	(14,615,000)
Net cash provided (used) by capital and related financing activities	(27,216,777)	(26,863,562)
<b>Cash flows from investing activities:</b>		
Receipts of investment revenue	551,564	6,546,130
Proceeds from sale of investments	36,778,270	90,822,962
Purchase of investments	(79,946,091)	(83,924,692)
Net cash provided (used) by investing activities	(42,616,257)	13,444,400
Net increase (decrease) in cash and cash equivalents	(34,205,452)	20,842,734
Cash and cash equivalents, July 1	85,197,606	64,354,872
<b>Cash and cash equivalents, June 30</b>	<b>\$ 50,992,154</b>	<b>\$ 85,197,606</b>

**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 23,854,082	\$ 23,558,258
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	16,771,646	16,517,130
(Increase) decrease in accounts receivable	535,859	37,785
(Increase) decrease in intergovernmental receivables	(1,263,553)	(1,774,307)
(Increase) decrease in inventory	(399,066)	70,012
(Increase) decrease in prepaid items	(129,663)	4,758
(Increase) decrease in deferred outflows of resources	(1,731,416)	(441,699)
Increase (decrease) in accounts payable	(1,463,177)	1,408,967
Increase (decrease) in intergovernmental payables	131,510	325,925
Increase (decrease) in deposits payable	66,367	(21,680)
Increase (decrease) in accrued salaries and benefits	(13,791)	(70,196)
Increase (decrease) in net pension liability	10,312,153	(9,015,375)
Increase (decrease) in deferred inflows of resources	(8,002,583)	5,689,633
Increase (decrease) in net OPEB liability	336,011	1,513,275
Total adjustments	<u>15,150,297</u>	<u>14,244,228</u>
Net cash provided (used) by operating activities	<u>\$ 39,004,379</u>	<u>\$ 37,802,486</u>
<b>Cash and cash equivalents reconciliation:</b>		
Cash and cash equivalents	\$ 13,135,013	\$ 28,159,357
Extension and Renewal		
Cash and cash equivalents	31,570,872	45,732,763
Debt Redemption		
Cash and cash equivalents	3,978,756	9,064,340
Customer Deposits		
Cash and cash equivalents	<u>2,307,513</u>	<u>2,241,146</u>
Total cash and cash equivalents	<u>\$ 50,992,154</u>	<u>\$ 85,197,606</u>
<b>Noncash investing, capital, and financing activities:</b>		
Contributions of capital assets from individuals totaled \$10,215,905 and \$5,534,208 for the fiscal years ended June 30, 2022 and 2021, respectively.		
Acquisition of capital assets through accounts payable totaled \$2,676,489 and \$1,662,533 for the fiscal years ended June 30, 2022 and 2021, respectively.		
Acquisition of capital assets through retainage payable totaled \$2,175,424 and \$1,133,450 for the fiscal years ended June 30, 2022 and 2021, respectively.		
Forgiveness of contracts payable through capital contributions totaled \$1,261,588 and \$1,261,588 for the fiscal years ended June 30, 2022 and 2021, respectively.		



**CITY OF GAINESVILLE, GEORGIA**  
**AIRPORT ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 596,773	\$ 878,000
Investments	1,099,020	538,044
Receivables		
Accounts	11,845	16,429
Intergovernmental	9,150	9,150
Lease	500,243	495,635
Total current assets	<u>2,217,031</u>	<u>1,937,258</u>
<b>Noncurrent assets</b>		
Lease receivable	3,140,393	3,640,637
Capital assets		
Land	636,298	636,298
Land improvements	15,175,793	14,588,775
Buildings	6,689,172	6,689,172
Vehicles and equipment	552,684	560,984
Intangibles	0	118,000
Construction in progress	380,548	605,738
Accumulated depreciation	(14,500,783)	(14,020,381)
Total noncurrent assets	<u>12,074,105</u>	<u>12,819,223</u>
<b>Total assets</b>	<u>14,291,136</u>	<u>14,756,481</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	22,427	9,880
Deferred outflows related to other post employment benefits	10,519	10,913
<b>Total deferred outflows of resources</b>	<u>32,946</u>	<u>20,793</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables		
Accounts	17,829	18,853
Customer deposits	48,280	48,280
Accrued salaries	3,321	2,959
Compensated absences	8,335	6,908
Total current liabilities	<u>77,765</u>	<u>77,000</u>
<b>Noncurrent liabilities</b>		
Compensated absences	926	768
Net pension liability	125,289	54,691
Net OPEB liability	55,711	54,316
Total noncurrent liabilities	<u>181,926</u>	<u>109,775</u>
<b>Total liabilities</b>	<u>259,691</u>	<u>186,775</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	5,189	57,547
Deferred inflows related to other post employment benefits	7,027	9,790
Deferred inflows related to leases	3,555,945	4,094,224
<b>Total deferred inflows of resources</b>	<u>3,568,161</u>	<u>4,161,561</u>
<b>NET POSITION</b>		
Investment in capital assets	8,933,712	9,178,586
Unrestricted	1,562,518	1,250,352
<b>Total net position</b>	<u>\$ 10,496,230</u>	<u>\$ 10,428,938</u>

**CITY OF GAINESVILLE, GEORGIA**  
**AIRPORT ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**For the fiscal years ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Fuel sales	\$ 57,324	\$ 45,000
Rent	1,051,887	1,047,177
Other	10,228	(338)
	<u>1,119,439</u>	<u>1,091,839</u>
Total operating revenues		
	<u>1,119,439</u>	<u>1,091,839</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	405,109	411,328
Personal services	86,296	63,495
Depreciation	606,702	623,929
	<u>1,098,107</u>	<u>1,098,752</u>
Total operating expenses		
	<u>1,098,107</u>	<u>1,098,752</u>
Operating income (loss)	<u>21,332</u>	<u>(6,913)</u>
Non-operating revenues (expenses)		
Investment revenue	(35,247)	7,443
Interest expense	(1,038)	(1,038)
Intergovernmental revenue	0	69,000
Gain (loss) on sale of capital assets	245	10,672
	<u>(36,040)</u>	<u>86,077</u>
Total non-operating revenues (expenses)		
	<u>(36,040)</u>	<u>86,077</u>
Net income (loss) before transfers	(14,708)	79,164
Transfers in (out)		
American Rescue Plan Grant Special Revenue Fund	82,000	0
	<u>82,000</u>	<u>0</u>
Change in net position	<u>67,292</u>	<u>79,164</u>
Net position, July 1 (Original)	10,428,938	10,394,018
Prior period adjustment	0	(44,244)
	<u>0</u>	<u>(44,244)</u>
Net position, July 1 (Restated)	<u>10,428,938</u>	<u>10,349,774</u>
<b>Net position, June 30</b>	<u><u>\$ 10,496,230</u></u>	<u><u>\$ 10,428,938</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**AIRPORT ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 1,071,152	\$ 1,055,387
Payments to suppliers	(406,133)	(413,051)
Payments to employees	(79,630)	(70,863)
Other receipts	<u>10,228</u>	<u>553</u>
Net cash provided (used) by operating activities	<u>595,617</u>	<u>572,026</u>
<b>Cash flows from capital and related financing activities:</b>		
Receipts from other governments	0	319,000
Proceeds from sale of capital assets	245	17,272
Interest paid	(1,038)	(1,038)
Receipts from other funds	82,000	0
Acquisition of capital assets	<u>(361,828)</u>	<u>(328,621)</u>
Net cash provided (used) by capital and related financing activities	<u>(280,621)</u>	<u>6,613</u>
<b>Cash flows from investing activities:</b>		
Receipts of investment revenue	7,002	7,443
Proceeds from sale of investments	467,125	1,047,772
Purchase of investments	<u>(1,070,350)</u>	<u>(1,178,144)</u>
Net cash provided (used) by investing activities	<u>(596,223)</u>	<u>(122,929)</u>
Net increase (decrease) in cash and cash equivalents	(281,227)	455,710
Cash and cash equivalents, July 1	<u>878,000</u>	<u>422,290</u>
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 596,773</u></u>	<u><u>\$ 878,000</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	<u>\$ 21,332</u>	<u>\$ (6,913)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	606,702	623,929
(Increase) decrease in accounts receivable	4,584	9,532
(Increase) decrease in leases receivable	495,636	494,950
(Increase) decrease in deferred outflows of resources	(12,153)	(1,920)
Increase (decrease) in accounts payable	(1,024)	(1,723)
Increase (decrease) in accrued payroll liabilities	1,947	8,263
Increase (decrease) in net pension liability	70,598	(46,830)
Increase (decrease) in deferred inflows of resources	(593,400)	(514,468)
Increase (decrease) in net OPEB liability	<u>1,395</u>	<u>7,206</u>
Total adjustments	<u>574,285</u>	<u>578,939</u>
Net cash provided by operating activities	<u><u>\$ 595,617</u></u>	<u><u>\$ 572,026</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,137,360	\$ 2,177,506
Investments	2,094,210	1,334,270
Accounts receivable (net)	219,010	180,811
Total current assets	3,450,580	3,692,587
<b>Noncurrent assets</b>		
Capital assets		
Buildings	25,051	25,051
Vehicles and equipment	4,697,157	2,974,616
Accumulated depreciation	(2,043,763)	(1,595,729)
Total capital assets (net of accumulated depreciation)	2,678,445	1,403,938
<b>Total assets</b>	6,129,025	5,096,525
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	192,413	145,742
Deferred outflows related to other post employment benefits	247,231	258,238
<b>Total deferred outflows of resources</b>	439,644	403,980
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables		
Accounts	40,481	16,350
Interest	31,785	0
Intergovernmental	50,095	26,553
Accrued salaries	50,741	49,043
Compensated absences	45,814	65,382
Notes payable	285,649	0
Total current liabilities	504,565	157,328
<b>Noncurrent liabilities</b>		
Compensated absences	5,090	7,265
Notes payable	913,688	0
Net pension liability	371,008	360,195
Net OPEB liability	1,283,961	1,244,922
Total noncurrent liabilities	2,573,747	1,612,382
<b>Total liabilities</b>	3,078,312	1,769,710
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	229,136	195,859
Deferred inflows related to other post employment benefits	152,779	230,161
<b>Total deferred inflows of resources</b>	381,915	426,020
<b>NET POSITION</b>		
Net investment in capital assets	1,479,108	1,403,938
Unrestricted	1,629,334	1,900,837
<b>Total net position</b>	\$ 3,108,442	\$ 3,304,775

**CITY OF GAINESVILLE, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**For the fiscal years ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 3,054,103	\$ 2,972,679
Other	12,586	22,998
<b>Total operating revenues</b>	<b>3,066,689</b>	<b>2,995,677</b>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	537,031	855,894
Costs of sales and services - landfill	556,096	387,371
Personal services	1,543,782	1,450,867
Depreciation	489,833	319,167
<b>Total operating expenses</b>	<b>3,126,742</b>	<b>3,013,299</b>
Operating income (loss)	(60,053)	(17,622)
Non-operating revenues (expenses)		
Investment revenue	(72,673)	27,028
Interest expense	(73,828)	0
Intergovernmental revenue	0	341,880
Gain (loss) on sale of capital assets	10,221	112,475
<b>Total non-operating revenues (expenses)</b>	<b>(136,280)</b>	<b>481,383</b>
Change in net position	(196,333)	463,761
Net position, July 1	3,304,775	2,841,014
<b>Net position, June 30</b>	<b>\$ 3,108,442</b>	<b>\$ 3,304,775</b>

**CITY OF GAINESVILLE, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 3,015,904	\$ 2,988,947
Payments to suppliers	(1,045,454)	(1,559,522)
Payments to employees	(1,593,744)	(1,572,947)
Other receipts	12,586	22,998
	<u>389,292</u>	<u>(120,524)</u>
<b>Cash flows from noncapital and related financing activities:</b>		
Receipts from other governments	0	341,880
	<u>0</u>	<u>341,880</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	(1,764,339)	(431,852)
Proceeds from sale of capital assets	10,220	113,058
Interest paid	(42,043)	0
Proceeds from notes payable	1,654,828	0
Principal payments - notes payable	(455,491)	0
	<u>(596,825)</u>	<u>(318,794)</u>
<b>Cash flows from investing activities:</b>		
Receipts of investment revenue	14,753	27,028
Proceeds from sale of investments	890,651	2,598,323
Purchase of investments	(1,738,017)	(2,173,141)
	<u>(832,613)</u>	<u>452,210</u>
Net increase (decrease) in cash and cash equivalents	(1,040,146)	354,772
Cash and cash equivalents, July 1	2,177,506	1,822,734
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 1,137,360</u></u>	<u><u>\$ 2,177,506</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (60,053)	\$ (17,622)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	489,833	319,167
(Increase) decrease in accounts receivable	(38,199)	16,269
(Increase) decrease in deferred outflows of resources	(10,581)	(88,842)
Increase (decrease) in accounts payable	24,131	(342,810)
Increase (decrease) in intergovernmental payable	23,542	26,553
Increase (decrease) in accrued payroll liabilities	(20,045)	(20,589)
Increase (decrease) in net pension liability	10,813	(244,180)
Increase (decrease) in deferred inflows of resources	(69,188)	58,585
Increase (decrease) in net OPEB liability	39,039	172,945
	<u>449,345</u>	<u>(102,902)</u>
Total adjustments	<u>449,345</u>	<u>(102,902)</u>
Net cash used by operating activities	<u><u>\$ 389,292</u></u>	<u><u>\$ (120,524)</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 26,043	\$ 267,777
Investments	45,287	163,207
Accounts receivable		
Accounts	34,783	6,007
Other	431,067	220
Total current assets	537,180	437,211
<b>Noncurrent assets</b>		
Property held for development	59,403	128,596
Right-to-use leased assets		
Equipment	192,602	0
Accumulated amortization	(32,100)	0
Capital assets		
Land	49,084	49,084
Land improvements	7,339,250	5,399,594
Buildings	1,294,197	1,294,197
Vehicles and equipment	1,056,414	959,917
Construction in progress	0	1,169,323
Accumulated depreciation	(5,824,393)	(5,521,684)
Total noncurrent assets	4,134,457	3,479,027
<b>Total assets</b>	4,671,637	3,916,238
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refunding	16,293	21,879
Deferred outflows related to pensions	46,106	40,232
Deferred outflows related to other post employment benefits	52,202	54,561
<b>Total deferred outflows of resources</b>	114,601	116,672
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables		
Accounts	57,839	349,688
Sales tax	14,293	1,608
Retainage	0	91,111
Interest	4,366	4,703
Accrued salaries	33,163	21,611
Compensated absences	33,778	29,247
Lease payable	36,451	0
Contracts payable	280,000	275,000
Other liabilities	52,789	49,435
Total current liabilities	512,679	822,403
<b>Noncurrent liabilities</b>		
Compensated absences	3,753	3,250
Net pension liability	1,177	52,511
Net OPEB liability	279,948	271,583
Lease payable	126,258	0
Contracts payable	885,000	1,165,000
Total noncurrent liabilities	1,296,136	1,492,344
<b>Total liabilities</b>	1,808,815	2,314,747

**CITY OF GAINESVILLE, GEORGIA**  
**CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	\$ 56,335	\$ 9,701
Deferred inflows related to other post employment benefits	32,368	48,950
<b>Total deferred inflows of resources</b>	<b>88,703</b>	<b>58,651</b>
<b>NET POSITION</b>		
Net investment in capital assets	2,747,152	1,665,604
Restricted for capital outlay	52,803	47,803
Unrestricted	88,765	(53,895)
<b>Total net position</b>	<b>\$ 2,888,720</b>	<b>\$ 1,659,512</b>



**CITY OF GAINESVILLE, GEORGIA**  
**CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**For the fiscal years ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Greens fees	\$ 630,988	\$ 605,004
Cart fees	325,523	302,992
Handicap fees	21,920	20,600
Practice range	85,175	78,710
Contributions	5,000	7,500
Rent revenue	9,550	9,200
Other	919	13,475
<b>Total operating revenues</b>	<b>1,079,075</b>	<b>1,037,481</b>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	493,274	439,075
Personal services	633,326	532,911
Depreciation	334,809	312,647
<b>Total operating expenses</b>	<b>1,461,409</b>	<b>1,284,633</b>
Operating income (loss)	<b>(382,334)</b>	<b>(247,152)</b>
Non-operating revenues (expenses)		
Investment revenue	(69)	2,909
Interest expense	(44,689)	(45,474)
Gain on sale of property held for development	1,615,940	0
<b>Total non-operating revenues (expenses)</b>	<b>1,571,182</b>	<b>(42,565)</b>
Net income (loss) before transfers	1,188,848	(289,717)
Transfers in (out)		
General Fund	40,360	1,279,082
Change in net position	1,229,208	989,365
Net position, July 1	1,659,512	670,147
<b>Net position, June 30</b>	<b>\$ 2,888,720</b>	<b>\$ 1,659,512</b>

**CITY OF GAINESVILLE, GEORGIA**  
**CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 1,047,515	\$ 1,048,928
Payments to suppliers	(798,255)	(444,527)
Payments to employees	(633,172)	(556,705)
Other receipts	15,469	13,475
Net cash provided (used) by operating activities	<u>(368,443)</u>	<u>61,171</u>
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	40,360	0
Net cash provided (used) by non-capital financing activities	<u>40,360</u>	<u>0</u>
<b>Cash flows from capital and related financing activities:</b>		
Interest paid	(39,439)	(40,753)
Principal payments - contracts payable	(275,000)	(265,000)
Principal payments - leases payable	(29,893)	0
Proceeds from leases payable	192,602	0
Receipts from other funds	0	1,279,082
Payment of capital related retainages payable	(91,111)	0
Acquisition of capital assets	(1,042,947)	(899,550)
Net cash provided (used) by capital and related financing activities	<u>(1,285,788)</u>	<u>73,779</u>
<b>Cash flows from investing activities:</b>		
Receipts of investment revenue	14	2,909
Proceeds from sale of property held for development	1,254,286	0
Proceeds from sale of investments	117,920	317,825
Purchase of investments	(83)	(337,763)
Net cash provided (used) by operating activities	<u>1,372,137</u>	<u>(17,029)</u>
Net increase (decrease) in cash and cash equivalents	(241,734)	117,921
Cash and cash equivalents, July 1	267,777	149,856
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 26,043</u></u>	<u><u>\$ 267,777</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (382,334)	\$ (247,152)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	334,809	312,647
(Increase) decrease in accounts receivable	(28,776)	34,249
(Increase) decrease in deferred outflows of resources	(3,515)	(33,477)
Increase (decrease) in accounts payable	(308,335)	(5,173)
Increase (decrease) in sales tax payable	12,685	(9,327)
Increase (decrease) in accrued salaries and benefits	16,586	(2,709)
Increase (decrease) in other liabilities	3,354	(279)
Increase (decrease) in net OPEB liability	8,365	36,030
Increase (decrease) in deferred inflows of resources	30,052	(28,390)
Increase (decrease) in net pension liability	(51,334)	4,752
Total adjustments	<u>13,891</u>	<u>308,323</u>
Net cash provided (used) by operating activities	<u><u>\$ (368,443)</u></u>	<u><u>\$ 61,171</u></u>

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

Acquisition of capital assets through accounts payable totaled \$16,486 and \$304,191 for the fiscal years ended June 30, 2022 and 2021, respectively.

Acquisition of capital assets through retainage payable totaled \$0 and \$91,111 for the fiscal years ended June 30, 2022 and 2021, respectively.

## **INTERNAL SERVICE FUNDS**

*These funds are used to account for the financing of goods and services provided to the departments of the government on a cost reimbursement basis.*

**General Insurance Fund** - *This fund is used to account for property, liability, and workers' compensation insurance provided to the City departments.*

**Employee Benefits Fund** - *This fund is used to account for the cost of providing life and health insurance benefits to City employees and participating dependents.*

**Vehicle Services Fund** - *This fund is used to account for the cost of providing maintenance and repairs on all City owned vehicles.*

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL INSURANCE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 626,150	\$ 1,201,710
Investments	1,153,125	736,417
Accounts receivable	1,760	0
Other assets	99,675	77,450
<b>Total assets</b>	<u>1,880,710</u>	<u>2,015,577</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	1,760	104,868
Claims reserves	1,193,468	1,191,498
<b>Total liabilities</b>	<u>1,195,228</u>	<u>1,296,366</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 685,482</u>	<u>\$ 719,211</u>

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL INSURANCE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**For the fiscal years ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>OPERATING REVENUES</b>		
Interfund services provided	\$ 1,565,150	\$ 1,175,481
Other	58,378	10,978
<b>Total operating revenue</b>	<b>1,623,528</b>	<b>1,186,459</b>
<b>OPERATING EXPENSES</b>		
Costs of services		
Insurance	1,101,416	1,001,419
Claims	279,185	(1,150)
Administrative fees	210,817	186,190
<b>Total operating expenses</b>	<b>1,591,418</b>	<b>1,186,459</b>
Operating income (loss)	32,110	0
Non-operating revenues (expenses)		
Investment revenue (expense)	(33,728)	15,773
Net income (loss) before transfers	(1,618)	15,773
Transfers in (out)		
General Fund	(18,723)	0
Police Service Fund	(13,388)	0
<b>Total transfers in (out)</b>	<b>(32,111)</b>	<b>0</b>
Change in net position	(33,729)	15,773
Net position, July 1	719,211	703,438
<b>Net position, June 30</b>	<b>\$ 685,482</b>	<b>\$ 719,211</b>

**CITY OF GAINESVILLE, GEORGIA**  
**GENERAL INSURANCE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Receipts from interfund services provided	\$ 1,563,390	\$ 1,180,884
Payments to suppliers	(1,714,781)	(1,525,504)
Other receipts	<u>58,378</u>	<u>10,978</u>
Net cash provided (used) by operating activities	<u>(93,013)</u>	<u>(333,642)</u>
<b>Cash flows from non-capital financing activities:</b>		
Payments to other funds	<u>(32,111)</u>	<u>0</u>
<b>Cash flows from investing activities:</b>		
Investment revenue	7,603	15,773
Proceeds from sale of investments	492,038	1,434,078
Purchase of investments	<u>(950,077)</u>	<u>(1,062,361)</u>
Net cash provided (used) by investing activities	<u>(450,436)</u>	<u>387,490</u>
Net increase (decrease) in cash and cash equivalents	(575,560)	53,848
Cash and cash equivalents, July 1	<u>1,201,710</u>	<u>1,147,862</u>
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 626,150</u></u>	<u><u>\$ 1,201,710</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	<u>\$ 32,110</u>	<u>\$ 0</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	(1,760)	5,403
(Increase) decrease in other assets	(22,225)	43,215
Increase (decrease) in accounts payable	(103,108)	103,987
Increase (decrease) in claims reserve	<u>1,970</u>	<u>(486,247)</u>
Total adjustments	<u>(125,123)</u>	<u>(333,642)</u>
Net cash provided (used) by operating activities	<u><u>\$ (93,013)</u></u>	<u><u>\$ (333,642)</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**EMPLOYEE BENEFITS FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,244,485	\$ 2,777,979
Investments	2,291,856	1,702,452
Accounts receivable	1,814	40,850
Prepaid items	13,000	13,000
<b>Total assets</b>	<b>3,551,155</b>	<b>4,534,281</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	90,238	67,464
Deposits payable	182,004	154,202
Claims reserves	575,938	805,486
<b>Total liabilities</b>	<b>848,180</b>	<b>1,027,152</b>
<b>NET POSITION</b>		
Unrestricted	<b>\$ 2,702,975</b>	<b>\$ 3,507,129</b>

**CITY OF GAINESVILLE, GEORGIA**  
**EMPLOYEE BENEFITS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**For the fiscal years ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>OPERATING REVENUES</b>		
Interfund services provided	\$ 9,484,841	\$ 9,551,863
<b>OPERATING EXPENSES</b>		
Costs of services		
Insurance	1,528,759	1,885,896
Claims	6,553,061	7,204,056
Wellness program	1,616,997	1,819,479
Administrative fees	523,165	402,670
<b>Total operating expenses</b>	<b>10,221,982</b>	<b>11,312,101</b>
Operating income (loss)	(737,141)	(1,760,238)
Non-operating revenues (expenses)		
Investment revenue (expense)	(67,013)	45,067
Net income (loss) before transfers	(804,154)	(1,715,171)
Transfers in (out)		
General Fund	0	13,700
Change in net position	(804,154)	(1,701,471)
Net position, July 1	3,507,129	5,208,600
<b>Net position, June 30</b>	<b>\$ 2,702,975</b>	<b>\$ 3,507,129</b>



**CITY OF GAINESVILLE, GEORGIA**  
**EMPLOYEE BENEFITS FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Receipts from interfund services provided	\$ 9,523,877	\$ 9,517,576
Payments to suppliers	<u>(10,400,954)</u>	<u>(11,061,144)</u>
Net cash provided (used) by operating activities	<u>(877,077)</u>	<u>(1,543,568)</u>
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	<u>0</u>	<u>13,700</u>
<b>Cash flows from investing activities:</b>		
Investment revenue	15,178	45,067
Proceeds from sale of investments	921,792	3,315,144
Purchase of investments	<u>(1,593,387)</u>	<u>(1,975,084)</u>
Net cash provided (used) by investing activities	<u>(656,417)</u>	<u>1,385,127</u>
Net increase (decrease) in cash and cash equivalents	(1,533,494)	(144,741)
Cash and cash equivalents, July 1	<u>2,777,979</u>	<u>2,922,720</u>
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 1,244,485</u></u>	<u><u>\$ 2,777,979</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	<u>\$ (737,141)</u>	<u>\$ (1,760,238)</u>
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	39,036	(34,287)
(Increase) decrease in prepaid items	0	(10,722)
Increase (decrease) in accounts payable	22,774	4,408
Increase (decrease) in deposits payable	27,802	5,798
Increase (decrease) in claims reserve	<u>(229,548)</u>	<u>251,473</u>
Total adjustments	<u>(139,936)</u>	<u>216,670</u>
Net cash provided (used) by operating activities	<u><u>\$ (877,077)</u></u>	<u><u>\$ (1,543,568)</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**VEHICLE SERVICES FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 125,614	\$ 222,668
Investments	230,781	136,269
Intergovernmental receivables	46,247	8,386
Inventory	124,952	96,613
Total current assets	527,594	463,936
<b>Capital assets</b>		
Buildings	266,254	266,254
Vehicles and equipment	532,849	512,702
Accumulated depreciation	(705,087)	(692,765)
Capital assets (net of accumulated depreciation)	94,016	86,191
<b>Total assets</b>	621,610	550,127
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	167,182	101,515
Accrued salaries	17,210	14,874
Compensated absences	27,803	24,671
Total current liabilities	212,195	141,060
<b>Noncurrent liabilities</b>		
Compensated absences	3,089	2,741
<b>Total liabilities</b>	215,284	143,801
<b>NET POSITION</b>		
Investment in capital assets	94,016	86,191
Unrestricted	312,310	320,135
<b>Total net position</b>	\$ 406,326	\$ 406,326

**CITY OF GAINESVILLE, GEORGIA**  
**VEHICLE SERVICES FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**For the fiscal years ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>OPERATING REVENUES</b>		
Interfund services provided	\$ 2,510,641	\$ 1,961,072
Other	245	1,805
<b>Total operating revenues</b>	<b>2,510,886</b>	<b>1,962,877</b>
<b>OPERATING EXPENSES</b>		
Costs of services	2,087,772	1,529,920
Personal services	434,090	396,468
Depreciation	31,634	36,549
<b>Total operating expenses</b>	<b>2,553,496</b>	<b>1,962,937</b>
Operating income (loss)	(42,610)	(60)
Non-operating revenues (expenses)		
Gain (loss) on sale of capital assets	3,151	60
Net income (loss) before transfers	(39,459)	0
Transfers in (out)		
General Government Capital Projects Fund	39,459	0
Change in net position	0	0
Net position, July 1	406,326	406,326
<b>Net position, June 30</b>	<b>\$ 406,326</b>	<b>\$ 406,326</b>

**CITY OF GAINESVILLE, GEORGIA**  
**VEHICLE SERVICES FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Receipts from interfund services provided	\$ 2,472,780	\$ 1,953,032
Payments to suppliers	(2,050,444)	(1,512,003)
Payments to employees	(428,274)	(400,400)
Other receipts	245	1,805
	<u>(5,693)</u>	<u>42,434</u>
Net cash provided (used) by operating activities		
<b>Cash flows from capital and related financing activities:</b>		
Receipts from other funds	39,459	0
Acquisition of capital assets	(39,459)	0
Sale of capital assets	3,151	60
	<u>3,151</u>	<u>60</u>
Net cash provided (used) by capital and related financing activities		
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	99,653	265,365
Purchase of investments	(194,165)	(246,346)
	<u>(94,512)</u>	<u>19,019</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	(97,054)	61,513
Cash and cash equivalents, July 1	222,668	161,155
<b>Cash and cash equivalents, June 30</b>	<u><u>\$ 125,614</u></u>	<u><u>\$ 222,668</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (42,610)	\$ (60)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation expense	31,634	36,549
(Increase) decrease in intergovernmental receivables	(37,861)	(8,040)
(Increase) decrease in inventory	(28,339)	(8,571)
Increase (decrease) in accounts payable	65,667	26,488
Increase (decrease) in accrued salaries and benefits	5,816	(3,932)
	<u>36,917</u>	<u>42,494</u>
Total adjustments		
Net cash provided (used) by operating activities	<u><u>\$ (5,693)</u></u>	<u><u>\$ 42,434</u></u>

## **FIDUCIARY FUNDS**

*These funds are used to account for assets held by the City as a trustee or custodian to be expended or invested in accordance with the conditions of a trust or in its custodial capacity.*

### **Trust Funds**

**Community Private-Purpose Trust Fund** - *This is a private-purpose trust fund whereby City of Gainesville employees make voluntary donations to provide assistance to local families and individuals in need, as well as contribute funding to both local and national nonprofit agencies.*

**Employees' Pension Trust Fund** - *This is a pension trust fund used to account for a single employer retirement system administered by the City for the benefit of its eligible employees.*

### **Custodial Fund**

**Municipal Court Custodial Fund** – *This fund is used to account, on a temporary basis, for fines collected by the Municipal Court that ultimately are disbursed to other parties.*

**CITY OF GAINESVILLE, GEORGIA**  
**COMMUNITY PRIVATE-PURPOSE TRUST FUND**  
**COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION**  
**June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 27,129	\$ 36,852
<b>NET POSITION</b>		
Restricted for employee assistance	<u>\$ 27,129</u>	<u>\$ 36,852</u>

**CITY OF GAINESVILLE, GEORGIA**  
**COMMUNITY PRIVATE-PURPOSE TRUST FUND**  
**COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**For the fiscal years ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ADDITIONS</b>		
Employee donations	\$ 46,590	\$ 49,830
Investment revenue	4	6
<b>Total additions</b>	<u>46,594</u>	<u>49,836</u>
<b>DEDUCTIONS</b>		
Distributions for assistance	<u>56,317</u>	<u>41,068</u>
Change in net position	(9,723)	8,768
Net position, July 1	<u>36,852</u>	<u>28,084</u>
<b>Net position, June 30</b>	<u><u>\$ 27,129</u></u>	<u><u>\$ 36,852</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**EMPLOYEES' PENSION TRUST FUND**  
**COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,371,402	\$ 787,194
Investments		
Mutual funds		
Equity	79,453,785	101,661,888
Fixed income	19,394,978	25,658,466
Real estate	18,438,867	10,542,034
<b>Total assets</b>	<b>121,659,032</b>	<b>138,649,582</b>
<b>LIABILITIES</b>		
Accounts payable	33,358	23,205
<b>NET POSITION</b>		
Restricted for pensions	\$ 121,625,674	\$ 138,626,377



**CITY OF GAINESVILLE, GEORGIA**  
**EMPLOYEES' PENSION TRUST FUND**  
**COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**For the fiscal years ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ADDITIONS</b>		
Contributions		
Employer contributions	\$ 3,851,093	\$ 3,650,796
Employee contributions	<u>3,851,093</u>	<u>3,650,796</u>
Total contributions	<u>7,702,186</u>	<u>7,301,592</u>
Investment Income		
Net appreciation (depreciation) in fair value of investments	(15,252,487)	32,019,149
Interest	325	85
Dividends	1,925,125	1,553,555
Investment expense	<u>(400,013)</u>	<u>(357,352)</u>
Net investment income (loss)	<u>(13,727,050)</u>	<u>33,215,437</u>
<b>Total additions (reductions)</b>	<u>(6,024,864)</u>	<u>40,517,029</u>
<b>DEDUCTIONS</b>		
Benefits	9,750,012	9,157,128
Refunds	<u>1,225,827</u>	<u>548,270</u>
<b>Total deductions</b>	<u>10,975,839</u>	<u>9,705,398</u>
Change in net position	(17,000,703)	30,811,631
Net position, July 1	<u>138,626,377</u>	<u>107,814,746</u>
<b>Net position, June 30</b>	<u><u>\$ 121,625,674</u></u>	<u><u>\$ 138,626,377</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**MUNICIPAL COURT CUSTODIAL FUND**  
**COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION**  
**June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 83,032	\$ 108,718
<b>LIABILITIES</b>		
Due to others	<u>25,950</u>	<u>24,033</u>
<b>NET POSITION</b>		
Restricted for individuals, organizations, and other governments	<u>\$ 57,082</u>	<u>\$ 84,685</u>

**CITY OF GAINESVILLE, GEORGIA**  
**MUNICIPAL COURT CUSTODIAL FUND**  
**COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**For the fiscal years ended June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ADDITIONS</b>		
Fines and forfeitures collected for other governments	\$ 106,533	\$ 109,916
<b>DEDUCTIONS</b>		
Distributions of fines and forfeitures to other governments	<u>134,136</u>	<u>35,238</u>
Change in net position	(27,603)	74,678
Net position, July 1	<u>84,685</u>	<u>10,007</u>
<b>Net position, June 30</b>	<u><u>\$ 57,082</u></u>	<u><u>\$ 84,685</u></u>



**GAINESVILLE**

## **COMPONENT UNITS**

**Parks and Recreation** - *This component unit is used to account for the government's share of tax revenues legally restricted for operation and maintenance of the government's recreation facilities and parks.*

**Gainesville Convention and Visitor's Bureau** - *This component unit's primary purpose is to promote tourism, conventions, and trade shows, as well as showcase the City of Gainesville as a whole.*

**Gainesville-Hall County Land Bank** - *This component unit's primary purpose is to acquire tax delinquent properties for future sale and development.*

**CITY OF GAINESVILLE, GEORGIA**  
**PARKS AND RECREATION (A COMPONENT UNIT)**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,975,250	\$ 2,675,411
Investments	4,006,984	1,806,965
Receivables		
Accounts	9,961	11,417
Property tax	63,875	68,849
Restricted assets		
Cash and cash equivalents	228,425	228,423
<b>Total assets</b>	<b>\$ 6,284,495</b>	<b>\$ 4,791,065</b>
<b>LIABILITIES</b>		
Payables		
Accounts	\$ 400,672	\$ 169,879
Sales tax	16,103	11,690
Intergovernmental	0	5,429
Accrued salaries	172,109	137,829
Unearned revenue	8,000	0
Other	19,524	13,281
<b>Total liabilities</b>	<b>616,408</b>	<b>338,108</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	59,025	66,185
<b>FUND BALANCES</b>		
Restricted for:		
H H Dean Park	28,425	28,425
Capital projects	1,160,467	123,835
Committed for:		
Booster Club	48,617	78,905
Development Fund	200,000	200,000
Facilities and Maintenance	50,000	20,000
Children at Play Fund	10,000	10,000
Assigned for Culture and Recreation	4,111,553	3,925,607
<b>Total fund balances</b>	<b>5,609,062</b>	<b>4,386,772</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 6,284,495</b>	<b>\$ 4,791,065</b>

**CITY OF GAINESVILLE, GEORGIA**  
**PARKS AND RECREATION (A COMPONENT UNIT)**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	2022			2021
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Property taxes	\$ 5,082,877	\$ 5,285,073	\$ 202,196	\$ 4,177,050
Charges for sales and services				
Recreation Division	147,400	191,656	44,256	138,637
Lanier Point/Ivey Watson	134,400	176,614	42,214	146,412
Youth Sports Booster Club	99,800	109,014	9,214	117,577
Gainesville Civic Center	292,500	437,337	144,837	209,341
Allen Creek Soccer Complex	5,500	5,724	224	450
Frances Meadows Community Center	908,000	955,139	47,139	723,238
Intergovernmental	1,180,051	1,105,051	(75,000)	200,000
Contributions	31,500	31,500	0	403,744
Investment	57,500	(137,029)	(194,529)	33,295
Other	12,000	8,726	(3,274)	6,261
<b>Total revenues</b>	<b>7,951,528</b>	<b>8,168,805</b>	<b>217,277</b>	<b>6,156,005</b>
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Administration Division	1,400,493	1,181,065	219,428	1,121,432
Recreation Division	447,288	359,361	87,927	328,185
Parks Division	1,451,157	1,341,256	109,901	1,083,676
Maintenance Shop	148,195	142,303	5,892	131,746
Lanier Point/Ivey Watson	245,111	257,331	(12,220)	208,037
Youth Sports Booster Club	190,697	137,755	52,942	104,842
Gainesville Civic Center	740,409	685,569	54,840	655,576
Allen Creek Soccer Complex	52,496	38,828	13,668	36,132
Frances Meadows Center	1,881,259	1,812,192	69,067	1,685,366
Capital outlay	2,981,881	1,017,854	1,964,027	43,356
<b>Total expenditures</b>	<b>9,538,986</b>	<b>6,973,514</b>	<b>2,565,472</b>	<b>5,398,348</b>
Excess (deficiency) of revenues over (under) expenditures	(1,587,458)	1,195,291	2,782,749	757,657
Other financing sources (uses)				
Sale of capital assets	0	26,999	26,999	10,315
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,587,458)	1,222,290	2,809,748	767,972
Fund balances, July 1	1,587,458	4,386,772	2,799,314	3,618,800
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 5,609,062</b>	<b>\$ 5,609,062</b>	<b>\$ 4,386,772</b>

**CITY OF GAINESVILLE, GEORGIA**  
**PARKS AND RECREATION (A COMPONENT UNIT)**  
**OPERATING ACTIVITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	2022			2021
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Property taxes	\$ 5,082,877	\$ 5,285,073	\$ 202,196	\$ 4,177,050
Charges for sales and services				
Recreation Division	147,400	191,656	44,256	138,637
Lanier Point/Ivey Watson	134,400	176,614	42,214	146,412
Youth Sports Booster Club	99,800	109,014	9,214	117,577
Gainesville Civic Center	292,500	437,337	144,837	209,341
Allen Creek Soccer Complex	5,500	5,724	224	450
Frances Meadows Center	908,000	955,139	47,139	723,238
Intergovernmental	0	0	0	200,000
Investment	57,500	(137,029)	(194,529)	33,295
Contributions	31,500	31,500	0	403,744
Other	12,000	8,724	(3,276)	6,261
<b>Total revenues</b>	<b>6,771,477</b>	<b>7,063,752</b>	<b>292,275</b>	<b>6,156,005</b>
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Administrative services	1,400,493	1,181,065	219,428	1,121,432
Recreational services	447,288	359,361	87,927	328,185
Park services	1,451,157	1,341,256	109,901	1,083,676
Maintenance shop	148,195	142,303	5,892	131,746
Lanier Point/Ivey Watson	245,111	257,331	(12,220)	208,037
Booster Club	190,697	137,755	52,942	104,842
Civic Center	740,409	685,569	54,840	655,576
Allen Creek Soccer Complex	52,496	38,828	13,668	36,132
Frances Meadows Center	1,881,259	1,812,190	69,069	1,685,366
<b>Total expenditures</b>	<b>6,557,105</b>	<b>5,955,658</b>	<b>601,447</b>	<b>5,354,992</b>
Excess (deficiency) of revenues over (under) expenditures	214,372	1,108,094	893,722	801,013
Other financing sources (uses)				
Transfers in (out)				
Capital Projects Activity	(1,700,000)	(1,575,000)	125,000	44,809
Sales of capital assets	0	26,999	26,999	10,315
<b>Total other financing sources (uses)</b>	<b>(1,700,000)</b>	<b>(1,548,001)</b>	<b>151,999</b>	<b>55,124</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,485,628)	\$ (439,907)	\$ 1,045,721	\$ 856,137
Fund balances, July 1	1,485,628			
<b>Fund balances, June 30</b>	<b>\$ 0</b>			



**CITY OF GAINESVILLE, GEORGIA**  
**PARKS AND RECREATION (A COMPONENT UNIT)**  
**CAPITAL PROJECTS ACTIVITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Intergovernmental	\$ 1,180,051	\$ 1,105,051	\$ (75,000)	\$ 0
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Capital outlay	2,981,881	1,017,854	1,964,027	43,356
Excess (deficiency) of revenues over (under) expenditures	(1,801,830)	87,197	1,889,027	(43,356)
Other financing sources (uses)				
Transfers in (out)				
Operating Activity	1,700,000	1,575,000	(125,000)	(44,809)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(101,830)	<u>\$ 1,662,197</u>	<u>\$ 1,764,027</u>	<u>\$ (88,165)</u>
Fund balances, July 1	101,830			
<b>Fund balances, June 30</b>	<u>\$ 0</u>			

**CITY OF GAINESVILLE, GEORGIA**  
**CONVENTION AND VISITOR'S BUREAU (A COMPONENT UNIT)**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 333,380	\$ 427,322
Investments	613,404	261,682
Accounts receivable	23,294	7,625
Prepaid items	1,500	0
<b>Total assets</b>	<b>\$ 971,578</b>	<b>\$ 696,629</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 94,990	\$ 78,389
Accrued salaries	33,037	27,422
Other liabilities	400	1,350
Unearned revenue	6,505	2,455
<b>Total liabilities</b>	<b>134,932</b>	<b>109,616</b>
<b>FUND BALANCES</b>		
Nonspendable	1,500	0
Restricted for Housing and Development	5,255	5,255
Assigned for:		
Housing and Development	829,891	581,758
<b>Total fund balances</b>	<b>836,646</b>	<b>587,013</b>
<b>Total liabilities and fund balances</b>	<b>\$ 971,578</b>	<b>\$ 696,629</b>

**CITY OF GAINESVILLE, GEORGIA**  
**CONVENTION AND VISITOR'S BUREAU (A COMPONENT UNIT)**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Intergovernmental	\$ 1,149,940	\$ 1,149,940	\$ 0	\$ 775,815
Charges for sales and services	67,700	64,378	(3,322)	38,503
Investment revenue	800	(10,550)	(11,350)	6,287
Contributions	233,627	251,202	17,575	236,207
Rental revenue	24,000	26,904	2,904	27,204
Other	6,000	86,679	80,679	80,967
<b>Total revenues</b>	<b>1,482,067</b>	<b>1,568,553</b>	<b>86,486</b>	<b>1,164,983</b>
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Personal services	732,697	727,822	4,875	697,982
Other	663,349	591,098	72,251	690,631
<b>Total expenditures</b>	<b>1,396,046</b>	<b>1,318,920</b>	<b>77,126</b>	<b>1,388,613</b>
Excess (deficiency) of revenues over (under) expenditures	86,021	249,633	163,612	(223,630)
Fund balances, July 1	(86,021)	587,013	673,034	810,643
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 836,646</b>	<b>\$ 836,646</b>	<b>\$ 587,013</b>

**CITY OF GAINESVILLE, GEORGIA**  
**GAINESVILLE-HALL COUNTY LAND BANK (A COMPONENT UNIT)**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 0	\$ 495
Property held for development	<u>254,808</u>	<u>74,505</u>
<b>Total assets</b>	<u><u>\$ 254,808</u></u>	<u><u>\$ 75,000</u></u>
<b>LIABILITIES</b>		
Due to other funds	\$ 130,230	\$ 0
<b>FUND BALANCES</b>		
Assigned for Housing and Development	<u>124,578</u>	<u>75,000</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 254,808</u></u>	<u><u>\$ 75,000</u></u>

**CITY OF GAINESVILLE, GEORGIA**  
**GAINESVILLE-HALL COUNTY LAND BANK (A COMPONENT UNIT)**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
**(With comparative actual amounts for the year ended June 30, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 0	\$ 75,000
<b>Total revenues</b>	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>75,000</u>
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Other	50,000	422	49,578	0
<b>Total expenditures</b>	<u>50,000</u>	<u>422</u>	<u>49,578</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	49,578	49,578	75,000
Fund balances, July 1	<u>0</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 124,578</u></u>	<u><u>\$ 124,578</u></u>	<u><u>\$ 75,000</u></u>



**GAINESVILLE**

## ***STATISTICAL SECTION***



**GAINESVILLE**



**CITY OF GAINESVILLE, GEORGIA**  
**Introduction to the Statistical Section**  
*(Unaudited)*

This part of the City of Gainesville's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information reveals about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends.....</b>	<b>223-236</b>
These tables/schedules contain trend information designed to assist the reader in understanding how the City has performed from a financial perspective over time.	
<b>Revenue Capacity.....</b>	<b>237-244</b>
These tables/schedules contain information that may assist the reader in assessing the viability of the City's most significant revenue sources.	
<b>Debt Capacity.....</b>	<b>245-251</b>
These tables/schedules present information designed to assist the reader in analyzing the affordability of the City's current levels of outstanding debt, and the City's ability to issue additional debt in the future.	
<b>Demographic and Economic Information.....</b>	<b>252-253</b>
These tables/schedules offer demographic, economic and statistical information intended to assist the reader in understanding the environment in which the City's financial activities take place.	
<b>Operating Information.....</b>	<b>254-258</b>
These tables/schedules contain service and infrastructure data to assist the reader in understanding how the information in the City's financial report relates to the services the government provides and the activities it performs.	
<b>Miscellaneous Information.....</b>	<b>259-266</b>
These tables/schedules present various data relevant to the overall City and are intended to supply the reader with additional information regarding the City's facilities and services, as well as provide data that is required by bond covenants.	

Source: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial report for the relevant year.

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

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 74,015,737	\$ 80,039,885	\$ 78,338,733	\$ 78,415,202
Restricted	12,560,215	4,642,578	6,827,434	12,149,291
Unrestricted	9,380,465	10,217,825	(14,451,203)	(17,773,240)
Total governmental activities net position	<u>\$ 95,956,417</u>	<u>\$ 94,900,288</u>	<u>\$ 70,714,964</u>	<u>\$ 72,791,253</u>
Business-type activities				
Net investment in capital assets	\$ 282,968,294	\$ 295,579,225	\$ 303,250,676	\$ 314,735,292
Restricted	28,713,968	43,776,271	50,230,260	62,960,499
Unrestricted	29,468,343	18,915,019	12,067,163	12,598,780
Total business-type activities net position	<u>\$ 341,150,605</u>	<u>\$ 358,270,515</u>	<u>\$ 365,548,099</u>	<u>\$ 390,294,571</u>
Primary government				
Net investment in capital assets	\$ 356,984,031	\$ 375,619,110	\$ 381,589,409	\$ 393,150,494
Restricted	41,274,183	48,418,849	57,057,694	75,109,790
Unrestricted	38,848,808	29,132,844	(2,384,040) <sup>(1)</sup>	(5,174,460)
Total primary government net position	<u>\$ 437,107,022</u>	<u>\$ 453,170,803</u>	<u>\$ 436,263,063</u>	<u>\$ 463,085,824</u>

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 77,972,132	\$ 85,186,895	\$ 85,297,394	\$ 90,462,073	\$ 96,131,153	\$ 106,806,030
14,551,356	20,319,574	20,966,754	24,133,297	27,732,529	26,614,795
(15,275,584)	(15,504,902)	(7,332,782)	(8,799,994)	(6,773,564)	1,601,999
<u>\$ 77,247,904</u>	<u>\$ 90,001,567</u>	<u>\$ 98,931,366</u>	<u>\$ 105,795,376</u>	<u>\$ 117,090,118</u>	<u>\$ 135,022,824</u>
\$ 330,315,818	\$ 356,428,961	\$ 374,995,209	\$ 402,469,168	\$ 425,024,543	\$ 453,946,820
70,511,931	71,639,180	74,904,467	75,163,386	81,518,990	93,506,224
19,773,475	17,937,185	25,220,109	26,528,099	31,035,026	24,848,971
<u>\$ 420,601,224</u>	<u>\$ 446,005,326</u>	<u>\$ 475,119,785</u>	<u>\$ 504,160,653</u>	<u>\$ 537,578,559</u>	<u>\$ 572,302,015</u>
\$ 408,287,950	\$ 441,615,856	\$ 460,292,603	\$ 492,931,241	\$ 521,155,696	\$ 560,752,850
85,063,287	91,958,754	95,871,221	99,296,683	109,251,519	120,121,019
4,497,891	2,432,283	17,887,327	17,728,105	24,261,462	26,450,970
<u>\$ 497,849,128</u>	<u>\$ 536,006,893</u>	<u>\$ 574,051,151</u>	<u>\$ 609,956,029</u>	<u>\$ 654,668,677</u>	<u>\$ 707,324,839</u>

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

Expenses	Fiscal Year			
	2013	2014	2015	2016
Governmental activities:				
General Government	\$ 4,376,553	\$ 3,933,108	\$ 3,675,464	\$ 4,368,490
Judicial	450,165	510,221	486,947	523,970
Public Safety	16,423,939	18,460,345	17,460,335	19,480,809
Public Works	7,480,636	8,900,466	8,745,852	10,317,369
Health and Welfare	2,686,449	3,173,758	2,765,034	2,591,485
Culture and Recreation	1,686,715	224,853	440,482	436,250
Housing and Development	1,104,631	1,591,303	2,136,524	2,406,705
Interest on long-term debt	1,201,196	883,628	1,198,530	533,058
Total governmental activities expenses	<u>35,410,284</u>	<u>37,677,682</u>	<u>36,909,168</u>	<u>40,658,136</u>
Business-type activities:				
Water and Sewer	45,332,806	47,020,782	46,183,666	47,333,997
Airport	983,083	1,014,521	1,045,716	1,109,029
Solid Waste	1,866,955	1,965,935	2,072,012	2,210,416
Golf Course	1,193,905	1,234,260	1,287,229	1,290,865
Total business-type activities expenses	<u>49,376,749</u>	<u>51,235,498</u>	<u>50,588,623</u>	<u>51,944,307</u>
Total primary government expenses	<u>\$ 84,787,033</u>	<u>\$ 88,913,180</u>	<u>\$ 87,497,791</u>	<u>\$ 92,602,443</u>
<b>Indirect Costs</b>				
Governmental activities:				
General Government	(1,369,231)	(1,390,442)	(1,394,235)	(1,376,788)
Business-type activities:				
Water and Sewer	1,086,686	1,034,429	1,038,222	1,020,775
Airport	200,000	209,561	209,561	209,561
Solid Waste	82,545	146,452	146,452	146,452
Total Business-type activities indirect cost	<u>1,369,231</u>	<u>1,390,442</u>	<u>1,394,235</u>	<u>1,376,788</u>
Total primary government indirect cost	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General Government	814,922	674,536	723,777	719,185
Public Safety	1,800,569	1,639,954	1,930,830	1,735,868
Public Works	37,070	90,135	129,956	134,580
Health and Welfare	440,824	423,368	134,570	144,162
Housing and Development	703,972	661,299	1,057,304	1,216,162
Culture and Recreation	159,336	0	0	0
Operating grants and contributions	2,744,521	2,813,369	2,577,766	2,782,085
Capital grants and contributions	1,419,674 <sup>(1)</sup>	2,044,189	2,322,290	6,087,822
Total governmental activities program revenues	<u>8,120,888</u>	<u>8,346,850</u>	<u>8,876,493</u>	<u>12,819,864</u>
Business-Type activities:				
Charges for services:				
Water and Sewer	56,832,305	58,759,620	64,315,416	66,596,028
Airport	913,459	944,120	897,226	925,009
Solid Waste	2,272,930	2,369,815	2,462,485	2,619,559
Golf Course	1,006,129	992,168	983,932	1,034,234
Operating grants and contributions	0	0	0	0
Capital grants and contributions	3,546,989	8,646,783	8,445,809	9,142,616
Total business-type activities program revenues	<u>64,571,812</u>	<u>71,712,506</u>	<u>77,104,868</u>	<u>80,317,446</u>
Total primary government program revenues	<u>\$ 72,692,700</u>	<u>\$ 80,059,356</u>	<u>\$ 85,981,361</u>	<u>\$ 93,137,310</u>

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

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

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

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

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

Note (6): Significant increase due to \$1.9 million in CARES assistance; \$730,702 in American Rescue Plan grants.

Note (7): Significant increase due to \$1 million in transportation grants; substantial increase in SPLOST proceeds.

Note (8): Significant increase due to \$8.5 million in American Rescue Plan Grant; substantial increase in SPLOST proceeds.

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 6,429,519 <sup>(3)</sup>	\$ 7,228,783	\$ 7,672,674	\$ 7,171,633	\$ 7,647,641	\$ 10,946,609
544,083	544,453	556,125	617,082	556,743	651,673
18,168,500 <sup>(4)</sup>	19,918,725	19,889,133	20,338,623	17,735,745	23,588,972
7,199,267 <sup>(3)</sup>	6,908,200	11,350,947	7,973,739	9,727,865	12,380,025
2,726,152	2,416,453	2,484,051	2,649,162	3,137,292	3,220,549
348,180	415,439	628,343	3,622,553	1,957,824	3,661,245
3,769,857 <sup>(4)</sup>	2,683,936	3,481,766	4,162,912	4,264,670	5,242,108
619,743	509,730	652,514	688,833	589,483	547,859
<u>39,805,301</u>	<u>40,625,719</u>	<u>46,715,553</u>	<u>47,224,537</u>	<u>45,617,263</u>	<u>60,239,040</u>
46,270,110	52,940,044 <sup>(5)</sup>	54,113,056 <sup>(5)</sup>	54,006,176	55,179,213	55,337,045
1,526,612	1,091,970	1,296,607	1,103,436	890,229	889,584
2,195,951	2,274,033	2,400,048	2,852,637	2,866,847	3,054,118
1,304,992	1,356,195	1,307,389	1,387,413	1,330,107	1,506,098
<u>51,297,665</u>	<u>57,662,242</u>	<u>59,117,100</u>	<u>59,349,662</u>	<u>60,266,396</u>	<u>60,786,845</u>
<u>\$ 91,102,966</u>	<u>\$ 98,287,961</u>	<u>\$ 105,832,653</u>	<u>\$ 106,574,199</u>	<u>\$ 105,883,659</u>	<u>\$ 121,025,885</u>
(1,370,895)	(1,398,722)	(1,444,339)	(1,643,584)	(1,646,319)	(1,707,364)
1,014,882	1,042,707	1,088,326	1,287,571	1,290,306	1,351,351
209,561	209,563	209,561	209,561	209,561	209,561
146,452	146,452	146,452	146,452	146,452	146,452
<u>1,370,895</u>	<u>1,398,722</u>	<u>1,444,339</u>	<u>1,643,584</u>	<u>1,646,319</u>	<u>1,707,364</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
748,458	762,256	794,308	792,355	867,964	1,138,304
1,944,818	1,680,375	1,740,436	1,211,250	1,437,516	1,555,112
219,680	198,769	216,335	224,940	324,790	302,985
106,322	93,300	93,394	62,333	29,568	1,337,702
2,259,780 <sup>(2)</sup>	1,858,414 <sup>(2)</sup>	1,808,750	1,554,688	2,000,571	4,935,499
0	0	0	0	0	0
3,602,699	4,397,910	2,637,112	3,306,440	6,209,389 <sup>(6)</sup>	2,621,666
7,932,793	12,067,786	9,548,057	8,054,209	11,833,470 <sup>(7)</sup>	21,880,646 <sup>(8)</sup>
<u>16,814,550</u>	<u>21,058,810</u>	<u>16,838,392</u>	<u>15,206,215</u>	<u>22,703,268</u>	<u>33,771,914</u>
71,521,460	71,963,509	74,135,037	73,915,527	76,119,056	77,799,111
919,344	931,143	975,041	996,677	1,045,854	1,109,211
2,769,222	2,887,724	2,965,987	2,969,641	2,972,679	3,054,103
1,089,431	1,061,026	1,063,022	1,144,461	1,007,306	1,063,606
0	0	0	0	410,880	0
<u>9,020,084</u>	<u>9,519,821</u>	<u>10,348,687</u>	<u>10,479,300</u>	<u>13,047,753</u>	<u>18,612,374</u>
<u>85,319,541</u>	<u>86,363,223</u>	<u>89,487,774</u>	<u>89,505,606</u>	<u>94,603,528</u>	<u>101,638,405</u>
<u>\$ 102,134,091</u>	<u>\$ 107,422,033</u>	<u>\$ 106,326,166</u>	<u>\$ 104,711,821</u>	<u>\$ 117,306,796</u>	<u>\$ 135,410,319</u>

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

	Fiscal Year			
	2013	2014	2015	2016
Net (expense)/revenue				
Governmental activities	\$ (25,920,165)	\$ (27,940,390)	\$ (26,638,440)	\$ (26,461,484)
Business-type activities	13,825,832	19,086,566	25,122,010	26,996,351
Total primary government net (expense)/revenue	(12,094,333)	(8,853,824)	(1,516,430)	534,867
<b>General revenues and other changes in net position</b>				
Governmental activities:				
Taxes				
Property	7,825,290	8,363,877	8,654,493	9,409,584
Intangibles	80,720	105,044	133,186	129,075
Franchise	4,092,271	4,014,946	4,371,358	4,381,245
Occupational	1,199,374	1,263,534	1,268,021	1,368,983
Insurance premium	1,684,119	1,743,745	1,823,481	1,948,090
Alcoholic beverages	979,409	1,022,245	1,067,611	1,129,284
Hotel/Motel	591,793	715,260	828,925	911,847
Local option sales	5,300,279	4,983,807	5,094,727	5,281,804
Investment earnings	448,728	246,266	142,917	72,796
Gain on sale of assets	67,897	0	0	605
Miscellaneous	1,057,074 <sup>(1)</sup>	1,017,590 <sup>(1)</sup>	122,294	183,512
Special Item-loss on demolition of building	0	0	0	0
Transfers	5,122,095	3,407,947	2,395,089	3,720,948
Total governmental activities	28,449,049	26,884,261	25,902,102	28,537,773
Business-type activities				
Investment earnings	334,347	292,577	775,365	1,274,329
Gain on sale of assets	12,331	53,471	17,322	5,120
Miscellaneous	1,042,459	1,095,243	156,932	191,620
Transfers	(5,122,095)	(3,407,947)	(2,395,089)	(3,720,948)
Total business-type activities	(3,732,958)	(1,966,656)	(1,445,470)	(2,249,879)
Total primary government	24,716,091	24,917,605	24,456,632	26,287,894
<b>Change in net position</b>				
Governmental activities	2,528,884	(1,056,129)	(736,338)	2,076,289
Business-type activities	10,092,874	17,119,910	23,676,540	24,746,472
Total primary government	\$ 12,621,758	\$ 16,063,781	\$ 22,940,202	\$ 26,822,761

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

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

Note (3): Demolition of jail facility.

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

Note (5): Negative investment earnings is due to the loss on the sale of Jesse Jewell property in September 2020.

Note (6): Includes a gain of \$5 million for the sale of a lot at the 85 Business Park.

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (21,619,856)	\$ (18,168,187)	\$ (28,432,822)	\$ (30,374,738)	\$ (21,267,676)	\$ (24,759,762)
32,650,981	27,302,259	28,926,335	28,507,679	32,690,813	39,144,196
11,031,125	9,134,072	493,513	(1,867,059)	11,423,137	14,384,434
9,808,840	10,457,466	13,975,315	14,321,981	15,778,590	12,546,447
190,764	213,556	179,964	250,731	345,278	378,473
4,501,181	4,208,097	4,507,256	4,540,980	4,382,992	4,704,915
1,373,680	1,394,517	1,418,919	1,375,576	1,461,195	1,451,302
2,203,406	2,346,272	2,433,437	2,591,703	2,733,401	2,823,726
1,166,259	1,152,257	1,160,672	1,207,300	1,299,136	1,368,292
929,035	965,036	1,053,683	1,191,436	1,295,305	1,837,797
5,439,313	5,885,171	6,235,875	6,847,210	7,670,332	8,990,656
2,001,892 <sup>(2)</sup>	481,963	2,421,542 <sup>(4)</sup>	1,411,125	(4,382,463) <sup>(5)</sup>	(1,835,458)
574,310	887,411	60,948	55,689	194,590	131,194
373,513	441,322	337,490	282,974	283,639	447,676
(6,491,937) <sup>(3)</sup>	0	0	0	0	0
4,006,251	3,920,070	3,577,520	3,162,043	1,500,423	9,840,641
26,076,507	32,353,138	37,362,621	37,238,748	32,562,418	42,685,661
1,399,356	2,184,898	3,625,899	3,521,550	1,948,286	(1,766,113)
154,692	325,018	53,525	15,172	81,498	6,696,082 <sup>(6)</sup>
107,875	128,941	86,220	158,510	197,732	488,744
(4,006,251)	(3,920,070)	(3,577,520)	(3,162,043)	(1,500,423)	(9,840,641)
(2,344,328)	(1,281,213)	188,124	533,189	727,093	(4,421,928)
23,732,179	31,071,925	37,550,745	37,771,937	33,289,511	38,263,733
4,456,651	14,184,951	8,929,799	6,864,010	11,294,742	17,925,899
30,306,653	26,021,046	29,114,459	29,040,868	33,417,906	34,722,268
\$ 34,763,304	\$ 40,205,997	\$ 38,044,258	\$ 35,904,878	\$ 44,712,648	\$ 52,648,167

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Intangible Tax</b>	<b>Franchise Tax</b>	<b>Occupational Tax</b>
2013	7,825,290	80,720	4,092,271	1,199,374
2014	8,363,877 <sup>(1)</sup>	105,044	4,014,946	1,263,534
2015	8,654,493	133,186	4,371,358	1,268,021
2016	9,409,584	129,075	4,381,245	1,368,983
2017	9,808,840	190,764	4,501,181	1,373,680
2018	10,457,466	213,556	4,208,097	1,394,517
2019	13,975,315	179,964	4,507,256	1,418,919
2020	14,321,981	250,731	4,540,980	1,375,576
2021	15,778,590	345,278	4,382,992	1,461,195
2022	12,546,447 <sup>(3)</sup>	378,473	4,704,915	1,451,302

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

Note (2): Effective 07/01/2019, the City increased the levy of Hotel/Motel lodging tax from 6% to 8%.

Note (3): In fiscal year 2022, there was a 1.0 tax millage credit to taxpayers. This credit is not included in the total direct tax rate.



<b>Insurance Premium Tax</b>	<b>Alcoholic Beverages Tax</b>	<b>Hotel/Motel Tax</b>	<b>Local Option Sales Tax</b>	<b>Total</b>
1,684,119	979,409	591,793	5,300,279	21,753,255
1,743,745	1,022,245	715,260	4,983,807 <sup>(1)</sup>	22,212,458
1,823,481	1,067,611	828,925	5,094,727	23,241,802
1,948,090	1,129,284	911,847	5,281,804	24,559,912
2,203,406	1,166,259	929,035	5,439,313	25,612,478
2,346,272	1,152,257	965,036	5,885,171	26,622,372
2,433,437	1,160,672	1,053,683	6,235,875	30,965,121
2,591,703	1,207,300	1,191,436 <sup>(2)</sup>	6,847,210	32,326,917
2,733,401	1,299,136	1,295,305	7,670,332	34,966,229
2,823,726	1,368,292	1,837,797	8,990,656	34,101,608

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

	Fiscal Year			
	2013	2014	2015	2016
General fund				
Nonspendable	\$ 367,035	\$ 352,744	\$ 475,231	\$ 321,639
Committed	6,583	6,208	5,848	4,957
Assigned	2,321,338	3,295,367	2,457,217	4,216,717
Unassigned	6,565,665	7,012,974	8,065,121	7,480,831
Total general fund	<u>\$ 9,260,621</u>	<u>\$ 10,667,293</u>	<u>\$ 11,003,417</u>	<u>\$ 12,024,144</u>
All other governmental funds				
Nonspendable	\$ 130,769	\$ 132,816	\$ 99,367	\$ 81,390
Restricted	6,385,355	4,174,002	6,868,770	11,805,659
Committed	174,187	174,285	221,019	244,531
Assigned	16,162,739	12,850,447	11,591,868	10,803,666
Total all other governmental funds	<u>\$ 22,853,050</u>	<u>\$ 17,331,550</u>	<u>\$ 18,781,024</u>	<u>\$ 22,935,246</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 295,256	\$ 260,058	\$ 225,794	\$ 13,851	\$ 1,491	\$ 1,622
4,957	4,957	4,957	14,738	7,388	30,850
3,966,341	3,912,390	3,604,326	3,404,718	4,140,909	4,762,964
7,660,281	9,087,006	9,873,498	13,359,919	14,412,619	18,969,739
<u>\$ 11,926,835</u>	<u>\$ 13,264,411</u>	<u>\$ 13,708,575</u>	<u>\$ 16,793,226</u>	<u>\$ 18,562,407</u>	<u>\$ 23,765,175</u>
\$ 67,377	\$ 44,754	\$ 43,321	\$ 37,620	\$ 36,276	\$ 5,018
14,227,632	20,027,515	20,714,683	23,313,865	27,492,411	26,378,289
275,253	298,141	385,580	443,073	533,489	540,720
13,953,838	14,696,448	23,161,259	17,466,102	15,803,669	21,361,925
<u>\$ 28,524,100</u>	<u>\$ 35,066,858</u>	<u>\$ 44,304,843</u>	<u>\$ 41,260,660</u>	<u>\$ 43,865,845</u>	<u>\$ 48,285,952</u>

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

	Fiscal Year			
	2013	2014	2015	2016
<b>Revenues</b>				
Taxes	\$ 21,798,180	\$ 22,193,025	\$ 23,263,514	\$ 24,610,752
Licenses and permits	727,631	768,827	1,008,077	1,020,055
Fines, fees and forfeitures	1,663,768	1,635,471	1,778,770	1,735,869
Charges for services	2,910,952	3,004,541	3,331,778	3,589,559
Intergovernmental	4,067,439	3,959,460	4,689,473	7,821,598
Interest	52,479	41,823	126,712	54,687
Contributions	96,754	96,860	147,384	105,628
Other	1,057,730 <sup>(1)</sup>	1,017,595 <sup>(1)</sup>	122,291	183,516
Total revenues	<u>32,374,933</u>	<u>32,717,602</u>	<u>34,467,999</u>	<u>39,121,664</u>
<b>Expenditures</b>				
General Government	3,287,366	3,228,407	3,431,244	3,550,990
Judicial	421,756	460,849	465,915	470,043
Public Safety	14,617,996	14,934,311	15,462,822	16,187,899
Public Works	4,325,418	4,491,711	4,672,187	4,994,225
Health and Welfare	2,529,431	3,391,256	2,968,229	2,737,379
Culture and Recreation	592,617	165,000	433,682	400,000
Housing and Development	1,639,307	2,082,930	2,148,470	2,438,677
Debt Service				
Principal	7,349,754	8,382,841	10,111,549 <sup>(2)</sup>	1,222,585
Interest	1,266,876	964,579	1,386,912	538,091
Capital Outlay	9,500,033	2,128,323	3,829,201	5,141,709
Total expenditures	<u>45,530,554</u>	<u>40,230,207</u>	<u>44,910,211</u>	<u>37,681,598</u>
Excess of revenues over (under) expenditures	<u>(13,155,621)</u>	<u>(7,512,605)</u>	<u>(10,442,212)</u>	<u>1,440,066</u>
<b>Other financing sources (uses)</b>				
Transfers in	21,464,150	7,477,632	10,698,274	7,835,912
Transfers out	(16,413,039)	(4,112,658)	(7,435,982)	(4,149,965)
Proceeds from long-term debt	8,220,268	0	8,917,392	0
Sale of capital assets	70,410	32,803	48,126	48,936
Total other financing sources (uses)	<u>13,341,789</u>	<u>3,397,777</u>	<u>12,227,810</u>	<u>3,734,883</u>
Net change in fund balances	<u>\$ 186,168</u>	<u>\$ (4,114,828)</u>	<u>\$ 1,785,598</u>	<u>\$ 5,174,949</u>
Debt service as a percentage of noncapital expenditures	23.6%	24.7%	27.1%	5.0%

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

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

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

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

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

Note (6): Proceeds from debt borrowing for Downtown Parking Deck Expansion.

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

Note (8): Negative investment earnings is due to the loss on the sale of Jesse Jewell property in September 2020.

Note (9): Proceeds from debt borrowing related to police vehicles and equipment.

Note (10): Negative investment earnings is a result of the requirement of accounting for unrealized gains and losses even while our intention is to avoid selling investments at an actual loss.

Note (11): Proceeds from debt borrowing related to fire trucks.

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 25,624,333	\$ 26,666,787	\$ 30,938,519	\$ 31,964,390	\$ 35,225,876	\$ 34,174,206
1,304,203	1,143,187	1,192,531	920,559	1,141,400	1,558,221
1,944,818	1,680,375	1,740,436	1,211,250	1,437,515	1,555,112
4,295,317	3,883,589	4,262,070	4,556,020	5,073,599	7,846,186
9,388,179	11,639,676	3,141,267	10,750,219	17,821,664	24,843,556
1,975,871 <sup>(3)</sup>	406,995	8,027,081	1,237,851	(4,446,697) <sup>(8)</sup>	(1,737,532) <sup>(10)</sup>
171,116	214,150	169,302	116,123	150,031	202,190
373,513	441,324	337,486	282,974	283,639	447,676
45,077,350	46,076,083	49,808,692	51,039,386	56,687,027	68,889,615
5,997,537 <sup>(4)</sup>	5,115,043	5,240,953	5,059,059	5,592,696	5,684,456
521,707	523,018	536,900	604,290	599,394	604,469
16,466,971 <sup>(5)</sup>	17,713,931	18,420,807	20,357,172	18,928,273	20,512,590
4,436,888 <sup>(4)</sup>	5,032,748	4,787,746	4,923,409	5,312,540	5,401,454
2,895,919	2,690,223	2,853,579	3,329,651	4,437,077	3,091,060
234,283	245,982	626,120	2,655,373	503,214	1,000,000
3,438,904 <sup>(5)</sup>	2,404,326	2,926,127	3,825,055	4,239,575	4,095,873
3,928,813	1,462,303	2,176,859	1,754,003	2,739,322	3,908,508
523,047	517,843	630,248	662,008	603,648	552,100
8,377,243	7,334,797	10,543,374	12,806,208	11,664,812	26,454,044
46,821,312	43,040,214	48,742,713	55,976,228	54,620,551	71,304,554
(1,743,962)	3,035,869	1,065,979	(4,936,842)	2,066,476	(2,414,939)
10,656,899	9,950,013	14,065,057	12,452,124	15,342,010	32,700,324
(6,627,648)	(6,029,944)	(10,487,538)	(9,290,081)	(13,874,903)	(22,867,031)
2,437,264	10,932	4,933,489 <sup>(6)</sup>	1,748,231 <sup>(7)</sup>	606,886 <sup>(9)</sup>	1,383,099 <sup>(11)</sup>
768,992	913,464	105,162	67,036	233,897	814,615
7,235,507	4,844,465	8,616,170	4,977,310	2,307,890	12,031,007
\$ 5,491,545	\$ 7,880,334	\$ 9,682,149	\$ 40,468	\$ 4,374,366	\$ 9,616,068
11.5%	5.4%	6.5%	5.4%	7.3%	8.4%

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Intangibles Tax</b>	<b>Franchise Tax</b>	<b>Insurance Premium Tax</b>
2013	7,870,215	80,720	4,092,271	1,684,119
2014	8,344,444 <sup>(1)</sup>	105,044	4,014,946	1,743,745
2015	8,676,206	133,186	4,371,358	1,823,481
2016	9,460,424	129,075	4,381,245	1,948,090
2017	9,823,521	190,764	4,501,181	2,203,406
2018	10,506,185	213,556	4,208,097	2,346,272
2019	13,953,114	179,964	4,507,256	2,433,437
2020	14,278,872	250,731	4,540,980	2,591,703
2021	15,722,924	345,278	4,382,992	2,733,401
2022	12,623,731 <sup>(3)</sup>	378,473	4,704,915	2,823,726

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

Note (2): Effective 07/01/2019, the City increased the levy of Hotel/Motel lodging tax from 6% to 8%.

Note (3): In fiscal year 2022, there was a 1.0 tax millage credit to taxpayers. This credit is not included in the total direct tax rate.

<b>Occupational Tax</b>	<b>Alcoholic Beverages Tax</b>	<b>Hotel/Motel Tax</b>	<b>Local Option Sales Tax</b>	<b>Total</b>
1,199,374	979,409	591,793	5,300,279	21,798,180
1,263,534	1,022,245	715,260	4,983,807 <sup>(1)</sup>	22,193,025
1,268,021	1,067,611	828,925	5,094,727	23,263,515
1,368,983	1,129,284	911,847	5,281,804	24,610,752
1,373,680	1,166,259	929,035	5,439,313	25,627,159
1,394,517	1,152,257	965,036	5,885,171	26,671,091
1,418,919	1,160,672	1,053,683	6,235,875	30,942,920
1,375,576	1,207,300	1,191,436 <sup>(2)</sup>	6,527,792	31,964,390
1,461,195	1,299,136	1,295,305	7,670,332	34,910,563
1,451,302	1,368,292	1,837,797	8,990,656	34,178,892

**CITY OF GAINESVILLE, GEORGIA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year Ended June 30	Real Property	Personal Property			Digest Adjustments
		Inventory/ Business Property	Motor Vehicles	Utilities	
2013	\$ 2,483,471,963	\$ 891,542,860	\$ 159,990,090	\$ 72,487,558	\$ (336,283,393)
2014	2,398,619,850	969,047,745	172,898,560	74,816,730	(336,173,382)
2015	2,567,954,515	1,069,907,483	185,665,960	68,523,120	(312,134,457)
2016	2,953,976,780	1,055,500,805	122,903,835 <sup>(2)</sup>	86,348,763	(298,500,191)
2017	3,036,116,245	1,102,797,493	87,802,225 <sup>(2)</sup>	79,112,033	(329,203,623)
2018	3,414,339,560	1,176,119,518	65,383,400 <sup>(2)</sup>	67,319,268	(343,066,757)
2019	3,809,200,370	1,302,230,195	51,130,100 <sup>(2)</sup>	73,295,630	(372,366,269)
2020	4,121,300,263	1,347,377,733	42,885,448 <sup>(2)</sup>	78,163,115	(377,476,436)
2021	4,588,293,083	1,429,275,298	41,489,130 <sup>(2)</sup>	81,177,865	(425,521,182)
2022	4,797,932,580	1,531,908,243	32,730,223 <sup>(2)</sup>	84,577,220	(438,560,459)

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

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

Note (2): Effective March 1, 2013, the Title Ad Valorem Tax was enacted, imposing a one-time tax on new vehicle purchases. Over time, motor vehicle taxes should progressively decline.

Note (3): In fiscal year 2022, there was a 1.0 tax millage credit to taxpayers. This credit is not included in the total direct tax rate.



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<b>Exemption Adjustments</b>	<b>Total Taxable Assessed Value<sup>(1)</sup></b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
\$ (800,000)	\$ 3,270,409,078	3.060	\$ 3,270,409,078	100%
(1,234,240)	3,277,975,263	3.060	3,277,975,263	100%
(1,486,210)	3,578,430,411	3.020	3,578,430,411	100%
(1,902,555)	3,918,327,437	2.980	3,918,327,437	100%
(2,210,476)	3,974,413,897	2.980	3,974,413,897	100%
(2,937,666)	4,377,157,323	2.864	4,377,157,323	100%
(3,556,440)	4,859,933,586	3.364	4,859,933,586	100%
(4,266,505)	5,207,983,618	3.322	5,207,983,618	100%
(5,043,556)	5,709,670,638	3.240	5,709,670,638	100%
(5,832,172)	6,002,755,635	3.656 <sup>(3)</sup>	6,002,755,635	100%

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

Tax Year	Fiscal Year	City of Gainesville					Total City Millage
		Operating Millage	Recreation Millage	Debt Service Millage	Fire Service Millage	Police Service Millage	
2012	2013	1.770	0.790	0.500	0.000	0.000	3.060
2013	2014	1.770	0.790	0.500	0.000	0.000	3.060
2014	2015	1.750	0.780	0.490	0.000	0.000	3.020
2015	2016	1.630	0.750	0.600	0.000	0.000	2.980
2016	2017	1.630	0.750	0.600	0.000	0.000	2.980
2017	2018	1.545	0.750	0.569	0.000	0.000	2.864
2018	2019	0.795	0.750	0.569	1.250 <sup>(4)</sup>	0.000	3.364
2019	2020	0.771	0.750	0.551	1.250	0.000	3.322
2020	2021	0.730	0.750	0.510	1.250	0.000	3.240
2021	2022	0.500	0.896	0.510	1.250	0.500 <sup>(5)</sup>	3.656

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

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

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

Note (3): On June 20, 2017, the City Council approved the updated 2017 Service Delivery Strategy. Within the Service Delivery Strategy, it is agreed that the delivery of emergency medical services within Hall County and the City of Gainesville does not result in any overlapping or duplication of services. As a result, the Emergency Services Special Tax District, along with General M&O, is included with Hall County millage rate.

Note (4): The City of Gainesville created a separate millage rate for Fire Services in Fiscal Year 2019.

Note (5): The City of Gainesville created a separate millage rate for Police Services in Fiscal Year 2022.

Overlapping Rates							
Gainesville City Schools			State of Georgia	Hall County			Total Direct & Overlapping Rates
Operating Millage	Debt Service Millage	Total School Millage		Operating Millage	Emergency Service Millage <sup>(4)</sup>	Total County Millage	
7.590	0.000	7.590	0.250	6.250	0.000	6.250	17.150
7.590	0.000	7.590	0.150	6.250	0.000	6.250	17.050
7.590	0.000	7.590	0.150	5.989	0.000	5.989	16.749
6.890	0.000	6.890	0.050	5.735	0.000	5.735	15.655
6.850	0.000	6.850	0.000	5.716	0.000	5.716	15.546
6.850	0.000	6.850	0.000	6.700	0.000	6.700	16.414
6.850	0.000	6.850	0.000	5.360	0.571	5.931	16.145
6.614	0.000	6.614	0.000	5.098	0.571	5.669	15.605
6.614	0.000	6.614	0.000	4.853	0.571	5.424	15.278
6.395	0.000	6.395	0.000	4.636	0.571	5.207	15.258

**CITY OF GAINESVILLE, GEORGIA**  
**PRINCIPAL TAXPAYERS**  
**June 30, 2022**

Taxpayer	Fiscal Year 2022			Fiscal Year 2013		
	Taxable Assessed Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value <sup>(2)</sup>	Rank	Percentage of Total Taxable Assessed Value
Kubota Manufacturing of America Corporation/ Kubota USA, Inc.	\$ 51,018,543	1	0.85%	\$ 111,268,993	1	3.40%
Cargill, Inc.	85,086,240	2	1.43%	82,374,019	2	2.52%
Mid-America Apartments LP	79,541,050	3	1.33%	20,353,778	10	0.62%
Marel Inc	37,499,127	4	0.63%		NR*	
Centennial New Holland LLC	60,499,200	5	1.01%		NR*	
Ace Hardware	58,822,359	6	0.99%	50,618,969	4	1.55%
Fieldale Corp	55,606,107	7	0.93%	41,840,187	3	1.28%
Pilgrims Pride	29,027,559	8	0.49%	27,285,186	8	0.83%
The Mill at New Holland LLC	48,845,700	9	0.82%		NR*	
Georgia Power	48,166,921	10	0.81%		NR*	
ZF Industries, Inc				50,160,057	5	1.53%
SAPA Extruder Inc				27,744,455	6	0.85%
Inland Western Gainesville Village (Shopping Center)				21,401,715	7	0.65%
Alkermes Gainesville				27,847,684		0.85%
Total	<u>\$ 554,112,806</u>		<u>9.28%</u>	<u>\$ 460,895,043</u>		<u>14.09%</u>

Source: Tax Year 2021 and 2012 Hall County Tax Commissioner's Digest - Gainesville District.

Note (1): Taxable assessed valuation for principal taxpayers is equal to the gross assessed value less motor vehicle tax and the applicable freeport exemption. Selection is based on the taxpayers with the largest assessed valuation.

Note (2): For fiscal years 2013-2021, taxable assessed valuation for principal taxpayers is equal to the gross assessed value, excluding the freeport exemption and motor vehicle tax. Selection is based on the taxpayers with the largest assessed valuation.

\* Not Ranked

**CITY OF GAINESVILLE, GEORGIA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Adjustments Made After Tax Levy <sup>(1)</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 9,294,659	\$ 332,991	\$ 9,333,018	96.94%	\$ 294,632	\$ 9,627,650	100.00%
2014	9,272,596	265,161	9,363,036	98.17%	174,721	9,537,757	100.00%
2015	10,039,209	(89,507)	9,762,578	98.12%	187,124	9,949,702	100.00%
2016	11,053,043	(190,646)	10,829,944	99.70%	32,453	10,862,397	100.00%
2017	11,346,349	(17,136)	11,280,816	99.57%	38,703	11,319,519	99.91%
2018	12,156,116	184,571	12,212,440	98.96%	120,363	12,332,803	99.94%
2019	14,041,006	1,972,178	15,894,676	99.26%	100,991	15,995,667	99.89%
2020	16,878,797	233,396	16,892,628	98.72%	190,460	17,083,088	99.83%
2021	18,101,892	57,243	17,951,673	98.86%	184,821	18,136,494	99.88%
2022 <sup>(2)</sup>	15,631,750	46,224	15,550,090	99.18%	0	15,550,090	99.18%

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

Note (1): Adjustments made after tax billing within the fiscal year of the levy.

Note (2): Fiscal year 2022 tax levy and collections includes a credit of 1.0 millage.

**CITY OF GAINESVILLE, GEORGIA**  
**LOCAL OPTION SALES TAX DISTRIBUTION COMMODITY REPORT - HALL COUNTY**  
**June 30, 2022**

Commodity	2021			2011		
	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
Food	\$ 8,821,435	1	18.78%	\$ 4,751,778	1	18.32%
Other Retail	7,867,070	2	16.75%	3,276,988	3	12.63%
General Merchandise	5,928,193	3	12.62%	3,675,855	2	14.17%
Wholesale	5,069,350	4	10.79%	3,246,059	4	12.51%
Miscellaneous Services	4,363,928	5	9.29%	1,987,066	7	7.66%
Home	4,344,232	6	9.25%	1,427,981	8	5.50%
Manufacturer	2,665,943	7	5.68%	1,123,663	9	4.33%
Utility	2,473,311	8	5.27%	2,536,506	6	9.78%
Auto	2,399,202	9	5.11%	3,011,216	5	11.61%
Other Services	2,245,215	10	4.78%	418,923	10	1.61%
Accommodations	483,943	11	1.03%	416,200	11	1.60%
Construction	311,926	12	0.66%	72,347	12	0.28%
Total	<u>\$ 46,973,748</u>		<u>100.00%</u>	<u>\$ 25,944,582</u>		<u>100.00%</u>

Source: Information provided by Georgia Department of Revenue - Local Government Services.  
This information is reported on a calendar year basis.

Note (1): Data is not available for City of Gainesville; Hall County totals are reported on this schedule.

**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES TEN LARGEST SYSTEM CUSTOMERS**  
**JUNE 30, 2022**

<b>Customer</b>	<b>Type of Business</b>	<b>Total Water Billings</b>	<b>Total Sewer Billings</b>	<b>Total Billings</b>	<b>Percentage of System Revenues</b>
Fieldale Farms Corporation	Manufacturer - Poultry Products	\$ 2,530,136	\$ 6,934,170	\$ 9,464,306	12.78%
Pilgrim's Pride	Manufacturer - Poultry Products	1,498,574	4,342,555	5,841,129	7.88%
Mar-Jac Poultry, Inc.	Manufacturer - Poultry Products	1,402,472	3,801,397	5,203,869	7.02%
NE GA Health Systems	Health Care	555,954	885,315	1,441,269	1.95%
Gold Creek LLC	Manufacturer - Poultry Products	420,639	861,707	1,282,346	1.73%
John Soules Acquisitions LLC/ Pro View Foods	Manufacturer - Poultry Products	261,854	765,538	1,027,392	1.39%
Hall County Commissioners	Local Government	144,648	727,780	872,428	1.18%
Cargill, Inc.	Manufacturer - Soybean Products	345,677	517,656	863,333	1.17%
Shasta Beverages Inc.	Manufacturer- Beverages	322,249	461,676	783,925	1.06%
Fox Factory, Inc.	Manufacturer - Transportation Equipment	186,041	420,361	606,402	0.82%
Total		<u>\$ 7,668,244</u>	<u>\$ 19,718,155</u>	<u>\$ 27,386,399</u>	<u>36.97%</u>

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

**CITY OF GAINESVILLE, GEORGIA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Notes from Direct Borrowings	Certificates of Participation Payable	Contracts Payable <sup>(1)</sup>	Leases Payable
2013	\$ 0	\$ 0	\$ 0	\$ 29,451,699	\$ 0
2014	0	0	0	20,872,774	0
2015	0	0	0	21,998,379	0
2016	0	0	0	20,766,180	0
2017	0	0	0	19,267,230	0
2018	0	0	0	17,808,355	0
2019	0	0	0	20,557,481	0
2020	0	0	0	20,544,205	0
2021	0	0	0	18,404,265	0
2022	0	1,655,281	404,592	13,811,479	0

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

Note (1): Due to the implementation of GASB 87 in FY22, debt categorized as Capital leases prior to FY22 is now categorized as Contracts Payable. Only debt determined to be leases by GASB 87 standards will be categorized as Leases.

Note (2): See the Schedule of Demographic and Economic Statistics on Exhibit L-18 for personal income and population data.

Note (3): The decrease in notes payable is due to a Series 2014 Water Sewer Bond Refunding which refunded the total amount of the GEFA notes payable and \$5,900,000 of the Series 2005 Water Sewer Bonds.



Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita <sup>(2)</sup>
Water & Sewer Bonds	Notes From Direct Borrowings	Certificates of Participation Payable	Contracts Payable <sup>(1)</sup>	Leases Payable <sup>(1)</sup>			
\$ 80,918,760	\$ 0	\$ 0	\$ 130,088,453	\$ 0	\$ 240,458,912	21.60%	6,913
72,356,947	0	0	121,634,444	0	214,864,165	18.44%	6,047
155,139,294	0	0	25,093,735 <sup>(3)</sup>	0	202,231,408	16.41%	5,570
139,039,842	0	0	23,412,672	0	183,218,694	13.34%	4,733
122,548,109	0	0	21,471,610	0	163,286,949	10.85%	4,082
105,559,369	0	0	19,525,547	0	142,893,271	9.06%	3,541
88,310,630	0	0	17,559,484	0	126,427,595	7.40%	3,049
74,646,890	0	0	15,582,468	0	110,773,563	5.86%	2,562
58,983,150	0	0	15,822,104	0	93,209,519	4.84%	2,204
42,969,411	8,933,712	0	12,519,292	162,709	80,456,476	3.80%	1,853

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Estimated Actual Taxable Value of Property<sup>(1)</sup></b>	<b>Per Capita<sup>(2)</sup></b>
2013	0	0.00%	0
2014	0	0.00%	0
2015	0	0.00%	0
2016	0	0.00%	0
2017	0	0.00%	0
2018	0	0.00%	0
2019	0	0.00%	0
2020	0	0.00%	0
2021	0	0.00%	0
2022	0	0.00%	0

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

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

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

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

**CITY OF GAINESVILLE, GEORGIA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2022**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Available</b>	<b>Estimated Share of Overlapping Debt</b>
Debt repaid with property taxes:			
Gainesville City Schools	\$ 107,305,234	100%	\$ 107,305,234
Hall County	13,303,971	24% <sup>(2)</sup>	3,182,310
Subtotal, overlapping debt <sup>(1)</sup>			110,487,544
City of Gainesville direct debt			15,871,352
Total direct and overlapping debt			<u>\$ 126,358,896</u>

Source: Debt outstanding data provided by Gainesville City Schools and Hall County Finance Offices.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Gainesville. The process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Note (1): The outstanding debt reported from overlapping authorities includes bonds, notes, contracts, and certificates of participation payable as reported on their Governmental Activities Sheet.

Note (2): The amount of debt attributed to the City is based upon the assessed value of property in the City as a percentage of the total assessed value of property in the County assuming that the County assessed property at 100% of its value like the City.

**CITY OF GAINESVILLE, GEORGIA**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

	Fiscal Year			
	2013	2014	2015	2016
Debt Limit	\$ 327,040,908	\$ 327,797,526	\$ 357,843,041	\$ 391,832,744
Total net debt applicable to limit	0	0	0	0
Legal debt margin	<u>\$ 327,040,908</u>	<u>\$ 327,797,526</u>	<u>\$ 357,843,041</u>	<u>\$ 391,832,744</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 397,441,390	\$ 437,715,732	\$ 485,993,359	\$ 520,798,362	\$ 570,967,064	\$ 600,275,563
0	0	0	0	0	0
<u>\$ 397,441,390</u>	<u>\$ 437,715,732</u>	<u>\$ 485,993,359</u>	<u>\$ 520,798,362</u>	<u>\$ 570,967,064</u>	<u>\$ 600,275,563</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2022**

Total assessed value of taxable property	\$ 6,002,755,635
Debt limit (10% of total assessed value)	600,275,563
Debt applicable to limit:	
General obligation debt	0
Less: Amount set aside for repayment of general obligation debt	0
Total net debt applicable to limit	<u>0</u>
Legal debt margin	<u>\$ 600,275,563</u>

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

Fiscal Year	Department of Water Resources Revenue Bonds					
	Gross Revenue <sup>(1)</sup>	Less: Operating Expenses <sup>(2)</sup>	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	\$ 59,662,895	\$ 23,442,197	\$ 36,220,698	\$ 7,955,000	\$ 3,768,351	3.09
2014	62,860,604	26,083,825	36,776,779	8,360,000	3,368,156	3.14
2015	68,485,989	24,660,926	43,825,063	8,740,000	4,396,256	3.34
2016	72,032,080	26,866,263	45,165,817	8,140,000	6,271,250	3.13
2017	77,874,539	27,479,460	50,395,079	15,940,000 <sup>(3)</sup>	5,658,796	2.33
2018	78,352,405	31,721,037	46,631,368	16,200,000	3,142,934	2.41
2019	82,054,845	36,314,032	45,740,813	12,615,000	2,770,244	2.97
2020	81,187,601	36,544,044	44,643,557	14,615,000	2,449,024	2.62
2021	84,417,512	36,196,085	48,221,427	14,965,000	2,025,828	2.84
2022	83,496,329	37,623,844	45,872,485	6,300,000	1,654,500	5.77

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

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

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

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

<b>Fiscal Year</b>	<b>City of Gainesville Population<sup>(a)</sup></b>	<b>Estimated City of Gainesville Personal Income (amounts expressed in thousands)<sup>(b)</sup></b>	<b>Hall County Per Capita Personal Income<sup>(c)</sup></b>	<b>Gainesville City Public School Enrollment<sup>(d)</sup></b>	<b>Hall County Unemployment Rate<sup>(e)</sup></b>
2013	34,786	\$ 1,113,187	\$ 32,001	7,702	7.6%
2014	35,533	1,165,092	32,789	7,983	6.4%
2015	36,306	1,232,407	33,945	8,056	4.8%
2016	38,712	1,373,928	35,491	7,973	4.2%
2017	40,000	1,505,480	37,637	7,997	4.2%
2018	40,359	1,576,624	39,065	8,069	3.5%
2019	41,464	1,709,105	41,219	8,068	3.1%
2020	43,232	1,889,282	43,701	7,725	5.7%
2021	42,296	1,927,682	45,576	7,896	3.0%
2022	43,417	2,116,970	48,759	8,068	2.1%

Source (a): Fiscal years 2012-2013 are estimates. Fiscal years 2014-2019 and 2022 is based on Population Estimates Program. Fiscal year 2021 is based on 2020 Census provided by the U.S. Census Bureau.

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

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

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

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

**CITY OF GAINESVILLE, GEORGIA**  
**PRINCIPAL EMPLOYERS/HALL COUNTY**  
**June 30, 2022**

<b>Employer</b>	<b>2022</b>			<b>2013</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Northeast Georgia Medical Center	9,239	1	9.98%	5,200	1	6.29%
Gold Creek Foods	3,035 <sup>(2)</sup>	2	3.28%			
Kubota Manufacturing of America	2,535	3	2.74%	960	5	1.16%
Fieldale Farms Corporation	2,370	4	2.56%	2,400	2	2.90%
Pilgrim's Pride	1,760	5	1.90%	1,600	3	1.94%
Fox Factory	1,300	6	1.40%			
Mar-Jac	1,280	7	1.38%	1,250	4	1.51%
ZF Gainesville, LLC	1,200	8	1.30%			
Cottrell, Inc.	1,100	9	1.19%			
Mars Wrigley	950	10	1.03%	700	8	0.85%
Perdue Farms				950	6	1.15%
Victory Processing LLC				900	7	1.09%
Wal-Mart Super Center				690	9	0.84%
The Longstreet Clinic				620	10	0.75%
Koch Foods, Inc.						
Total	<u>24,769</u>		<u>26.76%</u>	<u>15,270</u>		<u>18.77%</u>

Source: Greater Hall Chamber of Commerce.

Note (1): Excludes governmental and educational employers.

Note (2): Gold Creek Foods acquired Foundation Food Group in 2021.

\* Not Ranked



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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Primary government</b>										
General Government	51	50	51	51	53	52	53	57	57	58
Judicial	10	10	10	10	10	10	10	10	10	10
Public Safety										
Police	113	114	114	114	116	117	118	120	120	121
Fire	103	103	103	103	103	103	103	103	103	104
Code Enforcement	5	4	4	4	4	5	6	6	6	6
Public Works	53	53	55	55	59	60	60	57	57	57
Health and Welfare	37	32	32	32	40	40	43	41	42	50
Housing and Development	13	13	13	13	13	13	13	13	13	15
Vehicle Services	6	6	6	6	6	6	6	6	6	6
Water and Sewer	229	230	233	233	233	234	234	234	234	234
Solid Waste	24	24	24	24	24	24	25	25	25	26
Golf Course	4	4	4	4	4	5	5	5	5	5
<b>Total primary government</b>	<b>648</b>	<b>643</b>	<b>649</b>	<b>649</b>	<b>665</b>	<b>669</b>	<b>676</b>	<b>677</b>	<b>678</b>	<b>692</b>
<b>Component unit</b>										
City of Gainesville										
Parks and Recreation										
Culture and Recreation	37	38	39	39	37	37	38	44	43	43
Gainesville Convention and Visitor's Bureau										
Housing and Development	0	0	4 <sup>(1)</sup>	4	4	4	4	7	11	10
<b>Total Component units</b>	<b>37</b>	<b>38</b>	<b>43</b>	<b>43</b>	<b>41</b>	<b>41</b>	<b>42</b>	<b>51</b>	<b>54</b>	<b>53</b>
<b>Total employees</b>	<b>685</b>	<b>681</b>	<b>692</b>	<b>692</b>	<b>706</b>	<b>710</b>	<b>718</b>	<b>728</b>	<b>732</b>	<b>745</b>

Source: Annual City of Gainesville Budget Document.

Note (1) Gainesville Convention and Visitor's Bureau became a component unit in FY15.

**CITY OF GAINESVILLE, GEORGIA**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Function	Fiscal Year			
	2013	2014	2015	2016
Police				
Number of citations issued	11,353	11,622	9,734	12,060
Number of calls for service	62,744	60,380	70,534	68,007
Fire				
Number of calls answered	7,031	7,174	7,814	8,108
Number of inspections conducted	1,325	1,862	2,019	3,850
Highways and streets				
Square feet of sidewalks replaced	4,500	11,727	8,217	2,562
Linear feet curb and gutter installed	211	544	241	329
Sanitation				
Refuse collected (tons)	4,857	4,989	5,374	5,791
Recyclables collected (tons)	759	794	772	697
Culture and Recreation				
Enrolled in youth athletics	1,398	1,424	1,181	1,388
Civic Center/Cabin rentals	1,223	1,169	1,230	991
Water System (MGD -Millions of Gallons per Day)				
Number of service connections	47,892	53,676	55,274	50,950
Daily average consumption in gallons	16.74 MGD	16.74 MGD	16.74 MGD	17.40 MGD
Sewer System (MGD -Millions of Gallons per Day)				
Number of service connections	9,157	10,977	11,580	10,020
Daily average treatment in gallons	8.50 MGD	8.90 MGD	8.00 MGD	9.1 MGD

Source: Various City Departments.

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

Note (2): Civic Center rentals were down due primarily to closure for renovations from February 2021-March 2021.

Note (3): Significant decrease in calls for service due to change in reporting standards of calls by Police Department.

Note (4): Civic Center rentals are up due to more meeting rooms created in FY21 renovations and surge of use after COVID.

Fiscal Year					
2017	2018	2019	2020 <sup>(1)</sup>	2021	2022
13,431	11,606	11,340	8,200	8,888	7,657
68,952	83,252	100,750	91,075	85,643	55,369 <sup>(3)</sup>
8,592	8,550	10,317	12,094	12,154	12,752
3,543	3,764	3,672	2,820	2,232	2,052
2,360	1,951	8,210	6,065	6,940	6,340
227	50	660	113	536	499
6,392	6,763	7,621	7,719	8,561	8,894
858	820	859	711	746	712
2407	2,366	2,371	1,918	2,602	2,476
879	1,213	1,424	982	727 <sup>(2)</sup>	2,369 <sup>(4)</sup>
54,572	55,638	56,934	57,878	59,273	60,397
18.69 MGD	18.75 MGD	19.03 MGD	19.27 MGD	19.40 MGD	19.70 MGD
10,687	11,101	11,445	11,788	12,140	13,016
9 MGD	10.0 MGD	11.4 MGD	11.5 MGD	11.7 MGD	11.2 MGD

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

	2013	2014	2015	2016
<b>Function</b>				
Public safety				
Number of police stations	2	2	2	2
Number of fire stations	4	4	4	4
Solid Waste				
Collection Trucks	10	12	13	13
Highways and streets				
Miles of streets	136	140	140	141
Miles of storm sewers	20.47	20.49	20.52	20.81
Number of street lights	2,700	2,676	2,639	2,679
Culture and Recreation				
Community/Civic Centers	2	2	2	2
Parks	22	22	22	22
Park acreage	450+	450+	450+	454+
Golf courses	1	1	1	1
Swimming pools	5	4	4	4
Baseball/Softball fields	11	10	10	10
Soccer fields	10	10	10	10
Multipurpose fields	1	2	2	2
Tennis courts	16	15	15	15
Water and Sewerage System-Gainesville and Hall County (MGD - Millions of Gallons per Day)				
Water System:				
Miles of water mains	1,344	1,355	1,363	1,372
Number of fire hydrants	8,735	8,772	8,838	8,885
Number of water treatment plants	2	2	2	2
Maximum daily capacity of treatment plants in gallons	35 MGD	35 MGD	35 MGD	35 MGD
Sewer System:				
Miles of sanitary sewers	286	289	291	294
Number of wastewater treatment plants	2	2	2	2
Maximum daily capacity of treatment plants in gallons	17 MGD	17 MGD	17 MGD	17 MGD

Source: Various City Departments.

Note (1): Property Addition for Youth Athletic Complex and Skate Park.

Note (2): A reevaluation of inventory was completed in FY21. The decrease is due to the removal of state and county inventory.

Note (3): Removed Clarks Bridge Park and Southside Park.

Note (4): Added 1 new field at Myrtle Street Park.

Note (5): Removed 1 court at Roper Park which will be turned into a sports court for multi-purpose use.

2017	2018	2019	2020	2021	2022
2	1	1	1	1	1
4	4	4	4	4	4
13	14	9	9	10	12
143	147	149	149	149	149
21.68	24.18	69.00	69.00	50.20 <sup>(2)</sup>	50.20
2,668	2,769	2,825	2,849	2,813	2,909
2	2	2	2	2	2
22	22	21	22	22	21 <sup>(3)</sup>
454+	454+	458+	547+ <sup>(1)</sup>	547+	494+ <sup>(3)</sup>
1	1	1	1	1	1
4	4	4	4	4	4
10	10	9	9	9	9
10	10	10	10	10	11 <sup>(4)</sup>
2	2	2	2	2	2
15	15	15	15	15	14 <sup>(5)</sup>
1,390	1,383	1,411	1,438	1,450	1,461
9,096	9,557	9,728	9,620	9,796	9,831
2	2	2	2	2	2
35 MGD	35 MGD	35 MGD	35 MGD	35 MGD	35 MGD
301	306	318	317	329	330
2	2	2	2	2	2
17 MGD	17 MGD	17 MGD	17 MGD	17 MGD	17 MGD

**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES**  
**WATER RATES AND MINIMUM DEMAND CHARGES**  
**JUNE 30, 2022**

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**Water Rates (Monthly Charges):**

	Inside City Limits	Outside City Limits
Account Servicing Fee	\$ 10.07	\$ 10.07
Quantity Used Per Month In 1,000 Gallons		
Rates per 1,000 Gallons	\$ 3.44	\$ 6.54

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

**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES**  
**WATER TAP/METER, CONNECTION AND ADMINISTRATIVE FEES**  
**JUNE 30, 2022**

**Inside and Outside City Limits:**

<u>Tap Size (Meter Inches)</u>	<u>Tap and Meter</u>	<u>Connection Fee</u>	<u>Administrative Fee</u>	<u>Total</u>
3/4 inch	\$ 1,073	\$ 1,726	\$ 51	\$ 2,850
1 inch	1,600	4,765	143	6,508
2 inch	3,600	15,248	457	19,305
3 inch	Actual cost	30,496	915	N/A
4 inch	Actual cost	47,650	1,430	N/A
6 inch	Actual cost	95,300	2,859	N/A
8 inch	Actual cost	152,480	4,574	N/A

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

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

**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES**  
**SEWER RATES AND CHARGES**  
**JUNE 30, 2022**

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

	Inside City Limits	Outside City Limits	Oakwood
Commodity charge Per 1,000 gallons	\$ 10.07	\$ 10.07	\$ 10.27

**Industrial Surcharges:**

<u>Pollutant</u>	<u>Concentration (mg/l)</u>	<u>Surcharge (dollars per mg/l per 1,000 gallons)</u>
BOD	250-500	\$ 0.0025
	501-700	0.0067
	701-900	0.0076
	Over 900	0.0150
Suspended Solids	250-500	0.0019
	501-700	0.0047
	701-900	0.0052
	Over 900	0.0096
Oil and Grease	101-125	0.0067
	126-150	0.0160
	151-175	0.0187
	Over 175	0.0374
Phosphorus	7-11	0.0294
	12-15	0.0655
	16-20	0.0775
	Over 20	0.1497
Nitrogen	40-75	0.0067
	76-100	0.0174
	101-135	0.0214
	Over 135	0.0428

Accounts billed for sewer only shall pay a monthly account servicing fee of \$6.29 inside the City and \$6.29 outside the City. In addition, sewer only customers pay an additional fee per 1,000 gallons. The rates are \$10.07 for inside City customers, \$10.07 for outside City customers, and \$10.27 for Oakwood customers.

Residential sewer charges are based on 95% of monthly metered water consumption.

Non-residential sewer charges are based on 100% of monthly water meter readings.

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



**CITY OF GAINESVILLE, GEORGIA**  
**DEPARTMENT OF WATER RESOURCES**  
**SEWER TAPPING, CONNECTION AND ADMINISTRATIVE FEES**  
**JUNE 30, 2022**

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**Sewer Tapping Fees:**

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

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

**Sewer Connection and Administrative Fees:**

<u>Size of Sewer (Meter Inches)</u>	<u>Connection</u>	<u>Administrative</u>
3/4 inch	\$ 3,570	\$ 107
1 inch	9,683	290
2 inch	30,984	930
3 inch	61,968	1,859
4 inch	96,825	2,905
6 inch	193,650	5,810
8 inch	309,840	9,295

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

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

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

Year	Total Cost of Capital Improvements	Funding Sources	
		System Revenues and Capital Contributions	Debt Proceeds and Investment Earnings
2013	\$ 10,633,627	\$ 10,633,627	\$ 0
2014	7,643,488	7,643,488	0
2015	4,840,617	4,840,617	0
2016	8,136,724	8,136,724	0
2017	13,052,152	13,052,152	0
2018	26,133,018	26,133,018	0
2019	16,251,036	16,251,036	0
2020	27,687,770	27,687,770	0
2021	20,862,911	19,695,314	1,167,597
2022	29,993,180	24,025,030	5,968,150

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

**CITY OF GAINESVILLE, GEORGIA**  
**SCHEDULE OF INSURANCE COVERAGE**  
**June 30, 2022**

	<u>Amount</u>	
<b>Property Coverage</b>		
Blanket building and contents (\$25,000 deductible)	Replacement Cost <sup>(1)</sup>	
Flood (\$50,000 deductible)	\$ 5,000,000	
Equipment Breakdown (\$25,000 deductible/72 Hours)	\$ 250,000	
Automobile (Fire Trucks 1994 or newer) (\$5,000 deductible)	Actual cash value	(\$5,439,935)
Inland Marine (Contractor's Equipment) (\$2,500 deductible)	Agreed Value	(\$5,059,592)
EDP Equipment (\$25,000 deductible)	Replacement Cost	(\$50,000)
<b>Casualty</b>		
General Liability <sup>(2)</sup>		
Personal and advertising injury (\$10,000 deductible)	\$ 1,000,000	per occurrence
Products-completed operations (\$10,000 deductible)	\$ 3,000,000	per occurrence
Law enforcement (\$10,000 deductible)	\$ 1,000,000	per occurrence
Public official (\$15,000 deductible) <sup>(3)</sup>	\$ 1,000,000	per occurrence
Employee benefits (\$1,000 deductible)	\$ 1,000,000	per occurrence
Employment Practices Liability benefits (\$25,000 deductible) <sup>(3)</sup>	\$ 1,000,000	per occurrence
Automobile Liability		
Single limit liability (\$10,000 deductible)	\$ 1,000,000	
<b>Public Employee Dishonesty</b> (\$1,000 deductible)	\$ 500,000	
<b>Airport Liability</b> (\$1,000 deductible) (Includes TRIA)	\$ 10,000,000	

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

Note (1): Maximum property limit of \$292,343,859

Note (2): Aggregate annual amount of \$3,000,000 for General Liability, Law Enforcement Liability, Public Officials Liability, and Employment Practices Liability.

Note (3): Retro date 7/1/2000 applies.

**CITY OF GAINESVILLE, GEORGIA**  
**PROPERTY VALUE - CONSTRUCTION**  
**LAST TEN CALENDAR YEARS**

**Hall County**

	Number of Residential Permits		Total Estimated Value	Number of Commercial Permits	Total Estimated Value
	Single Family	Multi-Family <sup>(1)</sup> / Number of Units			
2012	167	0	\$ 28,447,800	17	\$ 3,873,000 <sup>(2)</sup>
2013	264	0	47,710,100	26	132,020,900 <sup>(3)</sup>
2014	341	0	67,877,695	17	7,685,100
2015	352	0	75,544,500	25	34,139,300
2016	410	0	91,138,400	20	15,171,000
2017	548	0	118,793,900	28	16,236,000
2018	581	0	135,819,495	28	20,823,000
2019	557	0	133,313,550	94	86,935,000
2020	621	0	146,316,400	103	173,141,800 <sup>(4)</sup>
2021	968	0	263,580,392	126	96,969,600

**City of Gainesville**

	Number of Residential Permits		Total Estimated Value	Number of Commercial Permits	Total Estimated Value
	Single Family	Multi-Family <sup>(1)</sup> / Number of Units			
2012	122	2/88	\$ 29,873,617	7	\$ 18,033,377 <sup>(2)</sup>
2013	262	2/4	47,189,890	14	57,498,595
2014	266	12/3	46,952,571	23	67,932,217
2015	405	8/34	76,109,044	21	37,344,159
2016	435	19/556	118,707,947 <sup>(5)</sup>	31	58,129,477
2017	412	4/96	70,021,683	31	234,766,657 <sup>(6)</sup>
2018	288	96/708	63,131,144	24	40,504,564
2019	255	11/270	72,202,283	20	119,554,968 <sup>(7)</sup>
2020	134	8/308	61,949,585	20	41,372,919
2021	323	13/410	114,696,050	37	115,216,218 <sup>(8)</sup>

Source: Hall County Building and Zoning Department.

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

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

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

Note (4): Includes Cherokee Bluff Middle School and Agile Cold ATL.

Note (5): Totals reflect an increase in multi-family housing projects and single-family dwelling permits.

Note (6): Includes \$175 million for construction of Enota Elementary.

Note (7): Includes Fox Factory, NEGA Health and Geveko Markings Inc.

Note (8): Includes Gainesville Middle School, Gainesville High School Activity Center, and Courtyard Marriott.

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

*Source: Various city departments and local institutions*

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Date of Incorporation	1821
Form of Government	Council/Manager
City Population <sup>(1)</sup>	43,417
Hall County Population, including City <sup>(1)</sup>	207,369
Area of City in square miles	35.36
Number of full time employees	631

**Government facilities and services:**

**Public Safety:**

ISO Fire Classification	Class I
Number of fire personnel and officers	104
Number of police personnel and officers	104
Number of police patrol units	102

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

**Public Education:**

Number of elementary schools	6
Number of elementary school instructors	271
Number of middle schools	2
Number of middle school instructors	110
Number of secondary schools	1
Number of secondary school instructors	127
Number of technical institutions (in Hall County, outside City)	1
Number of universities	2

**Hospitals:**

Number of hospitals	1
Number of patient beds	557

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

General Obligation Bonds	Aa1
Revenue Bonds	Aa1

Note (1): 2021 estimates based on 2020 census data from the United States Census Bureau.



**GAINESVILLE**

***SINGLE AUDIT SECTION***



**GAINESVILLE**



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

Honorable Mayor and  
Members of the City Council  
City of Gainesville, Georgia

We have audited, in accordance with 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Gainesville, Georgia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Gainesville, Georgia's basic financial statements and have issued our report thereon dated December 14, 2022.

**Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Gainesville, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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*.

## City of Gainesville, Georgia's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Gainesville, Georgia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Gainesville, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion the response.

### 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 City of Gainesville, Georgia'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.

*Rushton, LLC*

Gainesville, Georgia  
December 14, 2022

**Independent Auditor's Report on Compliance for Each Major Program and on  
Internal Control over Compliance Required by the Uniform Guidance**

Honorable Mayor and  
Members of the City Council  
City of Gainesville, Georgia

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Gainesville, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Gainesville, Georgia's major federal programs for the year ended June 30, 2022. The City of Gainesville, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Gainesville, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Gainesville, Georgia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Gainesville, Georgia's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Gainesville, Georgia's federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Gainesville, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Gainesville, Georgia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Gainesville, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Gainesville, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Gainesville, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Ruskton, LLC*

Gainesville, Georgia  
December 14, 2022



**GAINESVILLE**

**CITY OF GAINESVILLE, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the fiscal year ended June 30, 2022**

<b>Federal Grant/Pass-Through Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass- Through Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. Department of Housing and Urban Development</b>			
CDBG - Entitlement Grants Cluster			
Community Development Block Grant/Entitlement Grants	14.218	N/A	\$ 540,257
COVID-19			9,338
Total CDBG - Entitlement Grants Cluster			549,595
<b>U.S. Department of Justice</b>			
Equitable Sharing Program	16.922	N/A	92,823
<b>U.S. Department of Transportation</b>			
Passed through the Georgia Department of Transportation:			
Airport Improvement Program	20.106	T007828	59,000
COVID-19		T007664	23,000
			82,000
Federal Transit Cluster			
Federal Transit Formula Grants	20.507	T006843	342,209
COVID-19		T006115	599,583
Total Federal Transit Cluster			941,792
Highway Safety Cluster			
Passed through Hall County, Georgia:			
State and Community Highway Safety	20.600	GA-2021-F.A.S.T. 402PT-040	4,408
<b>Total U.S. Department of Transportation</b>			<b>1,028,200</b>
<b>U.S. Department of Treasury</b>			
Passed through the Georgia Governor's			
Office of Planning and Budget:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	14453-CRF	194,784
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	8,559,888
<b>Total U.S. Department of Treasury</b>			<b>8,754,672</b>
<b>U.S. Environmental Protection Agency</b>			
Passed through Georgia Environmental Finance Authority:			
Clean Water State Revolving Fund (CWSRF) Cluster			
Capitalization Grants for Clean Water			
State Revolving Funds	66.458	CW2020-022	3,328,459
		CW2020-023	2,055,801
Total Clean Water State Revolving Fund Cluster			5,384,260
Drinking Water State Revolving Fund (DWSRF) Cluster			
Capitalization Grants for Drinking Water			
State Revolving Funds	66.468	DW2020-032	583,891
<b>Total U.S. Environmental Protection Agency</b>			<b>5,968,151</b>

**CITY OF GAINESVILLE, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the fiscal year ended June 30, 2022**

<b>Federal Grant/Pass-Through Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass- Through Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. Department of Health and Human Services</b>			
Aging Cluster			
Passed through Legacy Link, Inc.:			
Special Programs for the Aging - Title III, Part C			
Nutrition Services	93.045	Gainesville - Title III, C1	\$ 178,049
		Gainesville - Title III, C2	125,911
COVID-19		Gainesville - Title III, C2	93,336
			<u>397,296</u>
Nutrition Services Incentive Program	93.053	Gainesville - NSIP	101,355
Total Aging Cluster of Programs			<u>498,651</u>
Passed through Legacy Link, Inc.:			
Social Services Block Grant	93.667	Gainesville - SSBG	24,923
<b>Total U.S. Department of Health and Human Services</b>			<u>523,574</u>
<b>U.S. Department of Homeland Security</b>			
Passed through the Georgia Emergency Management Agency:			
Disaster Grants - Public Assistance			
(Presidentially Declared Disasters)	97.036	FEMA-4579-DR-GA	1,607
Homeland Security Grant Program	97.067	SHO18-009	21,142
		SHO19-072	16,988
			<u>38,130</u>
<b>Total U.S. Department of Homeland Security</b>			<u>39,737</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 16,956,752</u>

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



**CITY OF GAINESVILLE, GEORGIA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the fiscal year ended June 30, 2022**

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**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Gainesville, Georgia, under programs for the federal government for the current fiscal year. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement

**3. Indirect Cost Rate**

The City of Gainesville, Georgia has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

**4. Payments to Subrecipients**

For the current year, the City of Gainesville, Georgia did not pass federal funds through to subrecipients.

**CITY OF GAINESVILLE, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the fiscal year ended June 30, 2022**

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

**A. Financial Statements**

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

**B. Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported
Identification of major programs:	
<u>Federal Transit Cluster</u>	
20.507 Federal Transit Formula Grants	
21.027 Covid-19 Coronavirus State and Local Fiscal Recovery Funds	
<u>Drinking Water State Revolving Fund Cluster</u>	
66.468 Capitalization Grants for Drinking Water State Revolving Funds	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**CITY OF GAINESVILLE, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the fiscal year ended June 30, 2022**

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**2. Financial Statement Findings**

**A. Current Year Audit Findings**

None reported

**B. Prior Year Audit Findings Follow-Ups**

None reported

**3. Federal Award Findings and Questioned Costs**

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.



**GAINESVILLE**

***STATE REPORTING SECTION***

**CITY OF GAINESVILLE, GEORGIA**  
**SCHEDULE OF PROJECTS FINANCED WITH SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX**  
**For the fiscal year ended June 30, 2022**

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b>SPLOST VII</b>					
Public Safety Fire Station	\$ 4,000,000	\$ 4,368,262	\$ 5,988,894	\$ 0	\$ 5,988,894
Public Safety Fire Vehicle	1,500,000	1,461,219	1,461,219	0	1,461,219
Roads, Bridges, Stormwater	12,914,482	13,688,132	11,081,023	2,700,127	13,781,150
Youth Sports Athletic Complex	6,750,000	7,154,363	1,349,858	232,208	1,582,066
Park Improvements	250,000	264,976	72,194	339,158	411,352
Total SPLOST VII	<u>\$ 25,414,482</u>	<u>\$ 26,936,952</u>	<u>\$ 19,953,188</u>	<u>\$ 3,271,493</u>	<u>\$ 23,224,681</u>
<b>SPLOST VIII</b>					
Roads, Streets, Bridges, Sidewalks, and Related Improvements	\$ 15,000,000	\$ 15,000,000	\$ 84	\$ 2,843,441	\$ 2,843,525
Parks and Recreation Facilities and Equipment	9,164,541	9,164,541	1,246,624	2,429,037	3,675,661
Public Safety Facilities and Equipment	8,500,000	8,500,000	299,861	1,888,444	2,188,305
Downtown Parking Deck	4,000,000	4,000,000	2,092,186	10,506,392	12,598,578
Total SPLOST VIII	<u>\$ 36,664,541</u>	<u>\$ 36,664,541</u>	<u>\$ 3,638,755</u>	<u>\$ 17,667,314</u>	<u>\$ 21,306,069</u>

\* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.



**GAINESVILLE**





**GAINESVILLE**