



CITY OF
GAINESVILLE
GEORGIA

FINANCIAL SERVICES

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023



CITY OF GAINESVILLE, GEORGIA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

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



GAINESVILLE

CITY OF GAINESVILLE, GEORGIA
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023



GAINESVILLE

CITY OF GAINESVILLE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended June 30, 2023

TABLE OF CONTENTS

Exhibit		PAGE
	<u>INTRODUCTORY SECTION</u>	
	Table of Contents	i-vii
	Principal Officials	viii
	Certificate of Achievement for Excellence in Financial Reporting	ix
	City of Gainesville Organizational Chart by Governmental Branch and Department	x
	Letter of Transmittal	xi-xxii
	<u>FINANCIAL SECTION</u>	
	Independent Auditor's Report.....	1-3
	Management's Discussion and Analysis.....	4-20
	Basic Financial Statements:	
	Government-wide Financial Statements:	
A-1	Statement of Net Position.....	21-22
A-2	Statement of Activities.....	23
	Fund Financial Statements:	
	Governmental Funds:	
A-3	Balance Sheet.....	24-25
A-4	Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position....	26
A-5	Statement of Revenues, Expenditures and Changes in Fund Balances.....	27-28
A-6	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	29
A-7	General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual.....	30
A-8	Fire Special Revenue Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual.....	31
A-9	American Rescue Plan Grant Special Revenue Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual.....	32
	Proprietary Funds:	
A-10	Statement of Net Position.....	33-34
A-11	Statement of Revenues, Expenses, and Changes in Net Position.....	35
A-12	Statement of Cash Flows.....	36-37
	Fiduciary Funds:	
A-13	Statement of Fiduciary Net Position.....	38
A-14	Statement of Changes in Fiduciary Net Position.....	39
	Component Units:	
A-15	Combining Statement of Net Position.....	40-41
A-16	Combining Statement of Changes in Net Position.....	42
A-17	Notes to the Financial Statements	
	1. Description of Government Unit.....	43
	2. Summary of Significant Accounting Policies.....	43-63
	3. Deposit and Investment Risk.....	64-68

CITY OF GAINESVILLE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended June 30, 2023

TABLE OF CONTENTS

Exhibit		PAGE
	FINANCIAL SECTION (continued)	
	Basic Financial Statements (continued):	
	4. Accounts Receivable.....	69
	5. Intergovernmental Receivables.....	70
	6. Property Taxes.....	70
	7. Intradepartmental Billings.....	71
	8. Interfund Receivables and Payables, and Transfers.....	71-72
	9. Capital Assets.....	73-76
	10. Leases Receivable.....	77-78
	11. Long-Term Debt.....	78-90
	12. Long-Term Liabilities.....	91-92
	13. Conduit Debt.....	92
	14. Nonspendable, Restricted, Committed, and Assigned Fund Balances.....	93
	15. Self-Insurance.....	94-95
	16. Pension Plans.....	95-109
	17. Deferred Compensation Plan.....	109
	18. Post-Employment Benefits Other Than Pensions.....	110-115
	19. Hotel/Motel Lodging Tax.....	116
	20. Major Users/Taxpayers.....	116
	21. Joint Ventures.....	116-117
	22. Related Organizations.....	117
	23. Risk Pools.....	118
	24. Commitments and Contingencies.....	118-119
	25. Tax Abatements.....	119
	26. Subsequent Events.....	120
	27. New Accounting Standards.....	121
	28. Changes in Beginning Balances.....	121-122
	Required Supplementary Information	
B-1	Schedule of Changes in the Net Pension Liability and Related Ratios - Pension Trust Fund (Pension Plan A).....	123-124
B-2	Schedule of Pension Contributions - Pension Trust Fund (Pension Plan A).....	125-126
B-2	Schedule of Investment Returns – Pension Trust Fund (Pension Plan A).....	125-126
B-3	Schedule of Changes in the Net Pension Liability and Related Ratios - GEMBS (Pension Plan B).....	127-128
B-4	Schedule of Contributions – Pension Trust Fund GMEBS (Pension Plan B).....	129-130
B-5	Schedule of Changes in the Net OPEB Liability and Related Ratios.....	131-132
B-6	Notes to the Required Supplementary Information.....	133-137
	SUPPLEMENTARY INFORMATION	
	Combining and Individual Fund Statements and Schedules:	
C-1	Combining Balance Sheet - Nonmajor Governmental Funds.....	138-139
C-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	140-141

CITY OF GAINESVILLE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended June 30, 2023

TABLE OF CONTENTS

Exhibit		PAGE
SUPPLEMENTARY INFORMATION (continued)		
Combining and Individual Fund Statements and Schedules (continued)		
C-3	Combining Statement of Net Position – Nonmajor Enterprise Funds.....	142-143
C-4	Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds.....	144
C-5	Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	145-146
C-6	Combining Statement of Net Position – Internal Service Funds.....	147
C-7	Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds.....	148
C-8	Combining Statement of Cash Flows – Internal Service Funds Nonmajor Governmental Funds.....	149
GENERAL FUND		
D-1	Comparative Balance Sheets - General Fund.....	150
D-2	Comparative Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund.....	151
D-3	Schedule of Revenues - Budget (GAAP Basis) and Actual - General Fund.....	152
D-4	Schedule of Expenditures - Budget (GAAP Basis) and Actual - General Fund.....	153-154
SPECIAL REVENUE FUNDS		
E-1	Comparative Balance Sheets - Community Service Center Special Revenue Fund.....	155
E-2	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Community Service Center Special Revenue Fund.....	156
E-3	Comparative Balance Sheets - Economic Development Special Revenue Fund.....	157
E-4	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Economic Development Special Revenue Fund.....	158
E-5	Comparative Balance Sheets - Hotel/Motel Special Revenue Fund.....	159
E-6	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Hotel/Motel Special Revenue Fund.....	160
E-7	Balance Sheet - American Rescue Plan Grant Special Revenue Fund.....	161
E-8	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - American Rescue Plan Grant Special Revenue Fund....	162
E-9	Comparative Balance Sheets - Confiscated Assets Special Revenue Fund.....	163
E-10	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Confiscated Assets Special Revenue Fund.....	164
E-11	Comparative Balance Sheets - Grants Special Revenue Fund.....	165
E-12	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Grants Special Revenue Fund.....	166
E-13	Comparative Balance Sheets - HUD Grant Special Revenue Fund.....	167

CITY OF GAINESVILLE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended June 30, 2023

TABLE OF CONTENTS

Exhibit		PAGE
SUPPLEMENTARY INFORMATION (continued)		
Combining and Individual Fund Statements and Schedules (continued)		
E-14	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - HUD Grant Special Revenue Fund.....	168
E-15	Comparative Balance Sheets - Revolving Loan Fund Special Revenue Fund.....	169
E-16	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Revolving Loan Fund Special Revenue Fund.....	170
E-17	Comparative Balance Sheets - Impact Fee Special Revenue Fund.....	171
E-18	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Impact Fee Special Revenue Fund.....	172
E-19	Comparative Balance Sheets - Tax Allocation District Special Revenue Fund.....	173
E-20	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Tax Allocation District Special Revenue Fund.....	174
E-21	Comparative Balance Sheets - Information Technology Special Revenue Fund.....	175
E-22	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Information Technology Special Revenue Fund.....	176
E-23	Comparative Balance Sheets - Cemetery Trust Special Revenue Fund.....	177
E-24	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Cemetery Trust Special Revenue Fund.....	178
E-25	Comparative Balance Sheets - Fire Special Revenue Fund.....	179
E-26	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Fire Special Revenue Fund.....	180
E-27	Comparative Balance Sheets - Police Special Revenue Fund.....	181
E-28	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Police Special Revenue Fund.....	182
E-29	Balance Sheet - Opioid Settlement Special Revenue Fund.....	183
E-30	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Opioid Settlement Special Revenue Fund.....	184
DEBT SERVICE FUND		
F-1	Comparative Balance Sheets - Debt Service Fund.....	185
F-2	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Debt Service Fund.....	186
CAPITAL PROJECTS FUNDS		
G-1	Comparative Balance Sheets - General Government Capital Projects Fund.....	187
G-2	Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances - General Government Capital Projects Fund.....	188
G-3	Comparative Balance Sheets - Special Purpose Local Option Sales Tax Capital Projects Fund.....	189
G-4	Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances - Special Purpose Local Option Sales Tax Capital Projects Fund.....	190

CITY OF GAINESVILLE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended June 30, 2023

TABLE OF CONTENTS

Exhibit		PAGE
SUPPLEMENTARY INFORMATION (continued)		
Combining and Individual Fund Statements and Schedules (continued)		
CAPITAL PROJECTS FUNDS (continued)		
G-5	Comparative Balance Sheets - Grants Capital Projects Fund.....	191
G-6	Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances - Grants Capital Projects Fund.....	192
ENTERPRISE FUNDS		
H-1	Comparative Statements of Net Position - Department of Water Resources Enterprise Fund.....	193-194
H-2	Comparative Statements of Revenues, Expenses, and Changes in Net Position - Department of Water Resources Enterprise Fund.....	195
H-3	Comparative Statements of Cash Flows - Department of Water Resources Enterprise Fund.....	196-197
H-4	Comparative Statements of Net Position - Airport Enterprise Fund.....	198
H-5	Comparative Statements of Revenues, Expenses, and Changes in Net Position - Airport Enterprise Fund.....	199
H-6	Comparative Statements of Cash Flows - Airport Enterprise Fund.....	200
H-7	Comparative Statements of Net Position - Solid Waste Enterprise Fund.....	201
H-8	Comparative Statements of Revenues, Expenses, and Changes in Net Position - Solid Waste Enterprise Fund.....	202
H-9	Comparative Statements of Cash Flows - Solid Waste Enterprise Fund.....	203
H-10	Comparative Statements of Net Position - Chattahoochee Golf Course Enterprise Fund.....	204-205
H-11	Comparative Statements of Revenues, Expenses, and Changes in Net Position - Chattahoochee Golf Course Enterprise Fund.....	206
H-12	Comparative Statements of Cash Flows - Chattahoochee Golf Course Enterprise Fund.....	207
INTERNAL SERVICE FUNDS		
I-1	Comparative Statements of Net Position - General Insurance Internal Service Fund.....	208
I-2	Comparative Statements of Revenues, Expenses, and Changes in Net Position - General Insurance Internal Service Fund.....	209
I-3	Comparative Statements of Cash Flows - General Insurance Internal Service Fund.....	210
I-4	Comparative Statements of Net Position - Employee Benefits Internal Service Fund.....	211
I-5	Comparative Statements of Revenues, Expenses, and Changes in Net Position - Employee Benefits Internal Service Fund.....	212
I-6	Comparative Statements of Cash Flows - Employee Benefits Internal Service Fund.....	213
I-7	Comparative Statements of Net Position - Vehicle Services Internal Service Fund.....	214
I-8	Comparative Statements of Revenues, Expenses, and Changes in Net Position - Vehicle Services Internal Service Fund.....	215
I-9	Comparative Statements of Cash Flows - Vehicle Services Internal Service Fund.....	216
FIDUCIARY FUNDS		
J-1	Comparative Statements of Fiduciary Net Position - Community Private-Purpose Trust Fund.....	217
J-2	Comparative Statements of Changes in Fiduciary Net Position - Community Private-Purpose Trust Fund.....	218
J-3	Comparative Statements of Fiduciary Net Position - Employees' Pension Trust Fund.....	219

CITY OF GAINESVILLE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended June 30, 2023

TABLE OF CONTENTS

Exhibit		PAGE
	SUPPLEMENTARY INFORMATION (continued)	
	Combining and Individual Fund Statements and Schedules (continued)	
	FIDUCIARY FUNDS	
J-4	Comparative Statements of Changes in Fiduciary Net Position - Employees' Pension Trust Fund.....	220
J-5	Comparative Statements of Fiduciary Net Position - Municipal Court Custodial Fund.....	221
J-6	Comparative Statements of Changes in Fiduciary Net Position - Municipal Court Custodial Fund.....	222
	COMPONENT UNITS	
K-1	Comparative Balance Sheets - Parks and Recreation.....	223
K-2	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Parks and Recreation.....	224
K-3	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Parks and Recreation - Operating Activity.....	225
K-4	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Parks and Recreation - Capital Projects Activity.....	226
K-5	Comparative Balance Sheets - Convention and Visitor's Bureau.....	227
K-6	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Convention and Visitor's Bureau.....	228
K-7	Comparative Balance Sheets - Gainesville-Hall County Land Bank.....	229
K-8	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Gainesville-Hall County Land Bank.....	230
	STATISTICAL SECTION	
	Financial Trends	
L-1	Net Position by Component – Last Ten Fiscal Years.....	231-232
L-2	Changes in Net Position – Last Ten Fiscal Years.....	233-236
L-3	Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years.....	237-238
L-4	Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	239-240
L-5	Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	241-242
L-6	General Government Tax Revenues by Source – Last Ten Fiscal Years.....	243-244
	Revenue Capacity	
L-7	Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years....	245-246
L-8	Property Tax Rates (Direct and Overlapping Governments) – Last Ten Fiscal Years.....	247-248
L-9	Principal Property Taxpayers - June 30, 2023.....	249
L-10	Property Tax Levies and Collections – Last Ten Fiscal Years (Accrual Basis of Accounting)..	250
L-11	Local Option Sales Tax Distribution Commodity Report - Hall County - June 30, 2023.....	251
L-12	Department of Water Resources Ten Largest System Customers - June 30, 2023.....	252

CITY OF GAINESVILLE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended June 30, 2023

TABLE OF CONTENTS

Exhibit		PAGE
	STATISTICAL SECTION (continued)	
	Debt Capacity	
L-13	Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	253-254
L-14	Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	255
L-15	Direct and Overlapping Governmental Activities Debt - As of June 30, 2023.....	256
L-16	Legal Debt Margin Information – Last Ten Fiscal Years.....	257-258
L-17	Pledged-Revenue Coverage - Department of Water Resources Enterprise Fund – Last Ten Fiscal Years.....	259
	Demographic and Economic Information	
L-18	Demographic and Economic Statistics – Last Ten Fiscal Years.....	260
L-19	Principal Employers/Hall County - June 30, 2023.....	261
	Operating Information	
L-20	Full-Time Equivalent City Government Employees by Function – Last Ten Fiscal Years.....	262
L-21	Operating Indicators by Function – Last Ten Fiscal Years.....	263-264
L-22	Capital Asset Statistics by Function – Last Ten Fiscal Years.....	265-266
	Miscellaneous Information	
L-23	Department of Water Resources Water Rates and Minimum Demand Charges - June 30, 2023.....	267
L-24	Department of Water Resources Water Tap/Meter, Connection and Administrative Fees - June 30, 2023.....	268
L-25	Department of Water Resources Sewer Rates and Charges - June 30, 2022.....	269
L-26	Department of Water Resources Sewer Tapping, Connection and Administrative Fees - June 30, 2023.....	270
L-27	Department of Water Resources Capital Improvements – Last Ten Fiscal Years.....	271
L-28	Schedule of Insurance Coverage - June 30, 2023.....	272
L-29	Property Value – Construction – Last Ten Calendar Years.....	273
L-30	Miscellaneous Statistics.....	274
	OTHER REPORTING SECTION	
	Single Audit Section	
	Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	275-276
	Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	277-279
M-1	Schedule of Expenditures of Federal Awards.....	280-281
M-2	Notes to the Schedule of Expenditures of Federal Awards.....	282
M-3	Schedule of Findings and Questioned Costs.....	283-284
	State Reporting Section	
N-1	Schedule of Projects Financed with Special Purpose Local Option Sales Tax.....	285

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, 2022

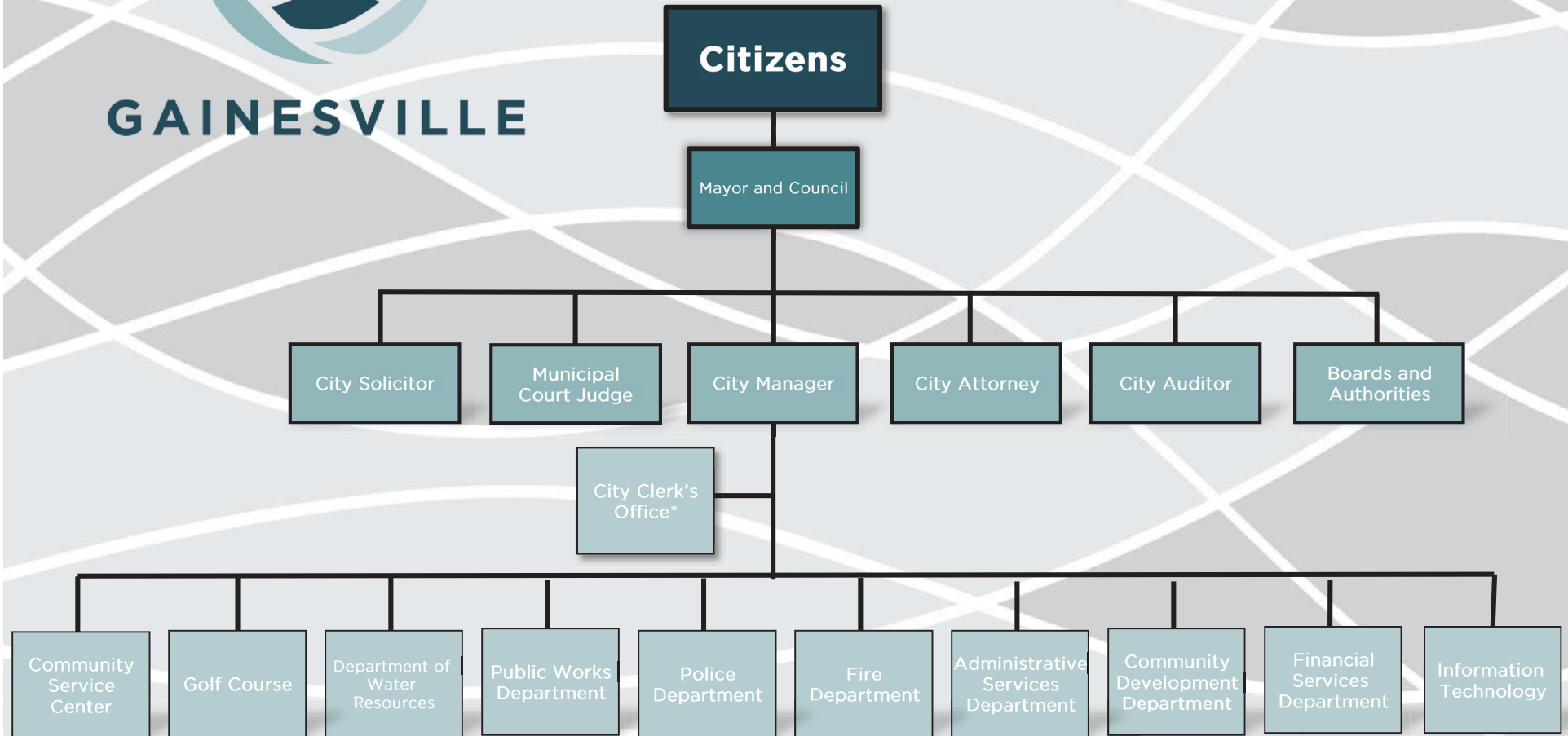
Christopher P. Morill

Executive Director/CEO



GAINESVILLE

CITY OF GAINESVILLE Organizational Chart



 = Appointed by Mayor and Council

* Division within the City Manager's Office

CITY OF
GAINESVILLE

OFFICE OF THE CITY MANAGER

PO BOX 2496 GAINESVILLE, GA 30503

☎ | 770-535-6865

F | 770-535-6896

🖱 | GAINESVILLE.ORG

December 27, 2023

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, 2023 (FY23). 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, 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 FY23 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 FY23 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 2022 show Gainesville and Hall County's population at 45,282 and 212,692, respectively, with an estimated 150,000 commuters who work and shop in the City during day-time hours. The U.S. Census Bureau has recognized Gainesville-Hall County as among the fastest growing metropolitan areas in the country. 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, sewer, and sanitation services. The City's water and sewer service is provided not only to its citizens, but also 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.



Senior Center, part of the Community Service Center

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 one of the "Best Small Places for Business and Careers," including ranking 7th in job growth. The Milliken Institute study ranked Gainesville metro area as the 10th "Best Performing Small City in America" of 2023 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 evidenced by a 61% increase in Hotel-Motel tax collections compared to pre-Pandemic collections. Local spending is also up with Local Option Sales Tax showing a 27% increase over FY22 and a 74% increase compared to pre-Pandemic collections.

In addition to the aforementioned recognitions, Gainesville-Hall County was named one of the Top Small Metros in the nation for job creation and investment by Site Selection Magazine. 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 60 international locations. According to the Greater-Hall Chamber of Commerce, Gainesville-Hall County added 1,400 new jobs and \$700 million in capital investments in a one-year period ending June 30, 2023. FY23 was another year of substantial capital investment, particularly in the manufacturing industry. An example of this is Cottrell, the largest producer of car haulers in North America, is expanding its campus and will invest \$125 million in a new 500,000-square-foot facility and add to its current workforce of 1,200 employees. Another example is Kubota Manufacturing of America's plans to add a new \$190 million manufacturing facility and employing an additional 500 workers.

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 poultry industry's economic and employment impact is expected to continue into the future as related businesses continue to grow. One upcoming expansion is from Mar-Jac Poultry who plans a \$171 million expansion of its Gainesville operations in the next 3-5 years. In addition to food-processing related companies, the overall manufacturing industry continues to be a significant employer, making up more than 24% of the Gainesville-Hall County workforce.

One factor unique to Gainesville in drawing new business to the area is Brenau University's Business Incubator. This is a public-private partnership that provides support to start-up companies, inventors, and entrepreneurs. The University of North Georgia and Lanier Technical College add to the community with partnerships with local companies and providing a well-trained and educated workforce.

One way in particular that 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. The City is focused on attracting companies that are environmentally clean, automation-centered, and non-heavy industrial creating better-quality jobs with better income opportunities. Currently five of the eighteen available lots



85 Business Park Construction

have sold. One of the companies that will be headquartered in the 85 Business Park is CJ Foodville Corporation, a South Korean company producing bread, cakes, and pastries for the world-wide popular Tous Les Jours Bakeries. They plan on a \$47 million plant that will create 285 jobs. In addition to the economic impact businesses will bring to the new industrial park, the City intends to utilize part of the acreage for preservation and incorporate the property's natural features for environmental design including nature trails. A new public works and water facility will be one of the additions, too.

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. One major Downtown project that was completed in July of 2023 is the multi-use The National development. It includes a seven-story, 130-room hotel and 157-unit apartment building. Another exciting addition to Downtown is Boot Barn Hall, the first large-scale music venue in Gainesville, and the associated Bourbon Brothers Smokehouse and Tavern restaurant. The music venue is 18,000 square feet, allowing for 1,400 general admission guests and attracts nationally known musicians. The completion and opening of the new 410-space North Parking Deck is helping support the growth and traffic these new attractions are bringing.



Pedestrian Bridge Connecting Downtown to Midtown at The Everly Apartments

Not only is Downtown thriving, but development is extending into Midtown along the Midland Greenway, part of the Highlands to Islands trail system. Several new attractions have opened in Midtown, including NoFo brewery, Grubs Market, and Remedy Distillery. In the coming year, there will be additional restaurants, retail, and residential options in Midtown. In addition to The Everly (formerly Solis) mixed-use development that opened in January 2022 with 223 apartment units and available retail space, there are additional mixed-use – living and retail – developments underway in the Midtown area. These new

developments include Solis Phase II with 180 apartments and 5,000 square feet of retail space and Midland Gainesville with a \$57 million development that includes 214 apartment units. These developments, along with The National and other planned developments are estimated to provide about 1,200 new housing units in the Downtown and Midtown areas.

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) – part of Northeast Georgia Health System (NGHS) – and a number of other 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 1,600 workers in Gainesville-Hall County, about 15% of the workforce. *Forbes* has deemed NGHS as one of Georgia's top healthcare organizations and one of the best employers in the state and nation. NGMC alone provides more than \$4.2 billion local and state economic impact. This impact on the local economy will only continue to grow with the addition of a 927,500-square-foot expansion for its Gainesville campus which is expected to be completed in 2025. The new tower will make NGMC the third-largest hospital in Georgia by bed size.

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. In the past two years, Gainesville grew by 6.2%, the highest rate of population growth among all Georgia cities its size or larger. 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 Lake Lanier and to large metropolitan areas makes Gainesville an attractive place to call home.

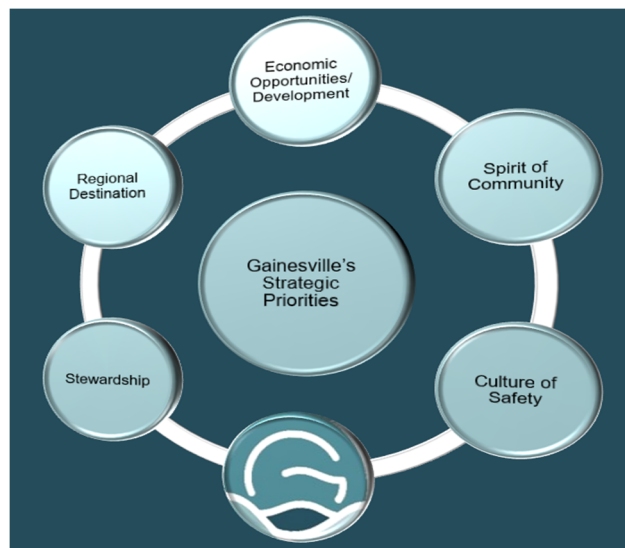
With the City's population increase and continual progress and development of multiple industries, certain services must be in place to support this growth. Gainesville's Department of Water Resources continues to support residents, current industries, and expanding developments throughout Hall County, serving over 60,000 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 strict limits, and returns the highly treated water to Lake Lanier. In addition to water treatment, the Department addresses stormwater water issues within the City limits. The Department employs highly qualified and state-certified water professionals in treatment, collection and distribution, laboratory, engineering, and other areas of expertise. In FY23 the Department managed \$55 million of capital projects to maintain and expand the systems and are investing in modern state-of-the-art equipment that is energy efficient and adds reliability to its operations.



Department of Water Resources Lift Station

Major Initiatives

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, as previously mentioned there are multiple ongoing and recently completed projects that evidence the strategic thinking and reimagining of Gainesville's Downtown and Midtown. These projects are bringing much needed residential spaces and additional retail and restaurant opportunities to the areas which support the City's economic priorities in its strategic vision. Along with the growth these economic development projects are bringing comes increased need for infrastructure support, services, and options for transportation, in addition to opportunities for community involvement.

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 add two additional restaurants that will provide visitors additional Downtown dining options.



The Lee Gilmer Airport, a popular general aviation airport, is undergoing updates to support the area growth. In conjunction with the Federal Aviation Administration and the Georgia Department of Transportation, the City's Airport is undergoing major improvements and upgrades of about \$5 million that include the repaving of the runways. These improvements will help ensure that Gainesville continues to be a regional destination and hub for businesses.

Along with economic development and the need for additional infrastructure comes the need to maintain a culture of safety. The City's Public Safety Departments are committed to increasing responsiveness and are leaders in innovative ways of protecting the City's citizens, visitors, and property. The City continues to support its Public Safety Departments by providing the best training and equipment so they can maintain quick response times and provide high-standards of protections for its citizens. Currently, a project is underway for the construction of a new public safety training facility that will only add to the training and responsiveness of the City's Police Department. Gainesville's Fire Department has a

unique challenge with the City being centered around Lake Sidney Lanier. It responds to property, homes, docks, and marinas a long the lake. The City is in the process of purchasing a Fire Rescue Boat that will allow for fast water delivery, personnel deployment, and rapid response rescue operations for residents, visitors and property in the lake and along its shoreline.

The City's strategic priority of spirit of community centers on ensuring that all who call Gainesville home are enriched and benefited by its efforts and development. One great way in the City supports its residents and visitors is through its transformative transit option. Since its launch in December 2021, the WeGo on-demand vanpool service has not only met, but surpassed all expectations, providing transportation for over ten thousand residents and visitors across Gainesville-Hall County. WeGo Powered by Via app, accessible via smartphones, has become the go-to platform for individuals looking to seamlessly book rides and foster connections with the people, places, and activities that matter most to them. WeGo has particularly gained popularity among commuters traveling to work, students heading to college campuses, and individuals navigating visits to local government offices, nonprofit organizations, or shopping destinations. The service has not only proven to be convenient, but has also established itself as an affordable and efficient means of transportation within the town. Acknowledging the rising demand, WeGo has responded proactively by extending its service hours Monday through Friday and is actively considering the introduction of Saturday services, demonstrating its commitment to meeting the evolving needs of the community. The success and adaptability of WeGo underscore its vital role in enhancing accessibility and connectivity throughout Gainesville-Hall County.



WeGo Transit Vehicle

The City is addressing connectivity and walkability in other ways, especially through Downtown and Midtown. The Highlands to Islands trail system is a multi-use trail system that connects various cities in Hall County. Downtown Gainesville connects Veterans Park and Midland Greenway, two important sections of the trail system. Gainesville's Historic City Hall building and Roosevelt Square are important part Downtown's trail system connection. Plans are currently underway for the renovation of City Hall and Roosevelt Square so these central parts of Gainesville's history can continue to play vital roles in years to come. City officials along with a group of invested citizens worked with architects to develop a plan for future use of City Hall that has been unoccupied for several years. To fill the gap in meeting space needed in Downtown, Historic City Hall is currently in the process of a \$1.5 million renovation to create space for meetings, conferences, and special events. City Hall's central location is walking distance to three hotels and convenient to many dining, retail, and entertainment options.

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 Department maintains and operates eight major facilities, 20 parks, and over 400 acres of park land. The Department continues to enhance and expand the City's parks, outdoor trail system, recreational facilities, and recreation programs. Several projects along the Midland Greenway were completed in the past year including adding lighting to the walkway and plaza areas and the opening of the dog park. Additional projects are planned in the coming year to continue to enhance the widely used Midland Greenway including the construction of stage and plaza. In addition to enhancements of the City's trail system, construction continues 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 programming and is expected to bring \$6 million in economic impact annually.



Midland Greenway Dog Park

Another project that will have a substantial impact for the City, while aligning with its strategic priority of being a regional destination, is the construction of a new multiuse Boathouse at the Lake Lanier Olympic Park Boathouse. The Olympic Park helps draw visiting athletes to the Gainesville area generating over \$5 million of economic impact annually to the community. Construction of the \$21 million Boathouse began in August 2022 and is expected to be completed by early 2024. The Boathouse will provide boat storage and fitness center on the lower level and on the upper level will feature 17,000 square feet of meeting space, a catering kitchen, and patio seating overlooking the lake. The new Boathouse is expected to double the venue's annual economic impact by drawing visiting athletes, increasing participation in regattas, and providing a beautiful place to host events along the shoreline of Lake Lanier.

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 \$275.7 million in projected expenditures through fiscal year 2028. Of this, \$51.9 million has been approved to be expended in FY24. Notable general government capital improvements in FY24 will include the following: \$415,000 for Information Technology network upgrades and security; \$924,000 for replacement Police vehicles; \$1.1 million for greenway connectivity and expansion; \$840,000 for WeGo transit vehicles; and \$1.4 million for street resurfacing projects. Compared to FY23's capital improvement budget of \$35.3 million, there was a significant increase due to major upgrades of maintenance to water and sewer facilities in FY24.



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 FY24 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 FY24. 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 through the Gainesville Redevelopment Authority 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 and serves as the foundation for the City's financial planning and control. The City's budget is adopted each year by City Council on or before June 30th at a regular Council meeting that is open to the public. The budget is balanced for each 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 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. 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.

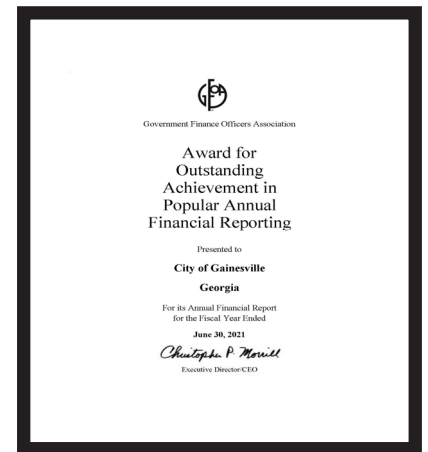
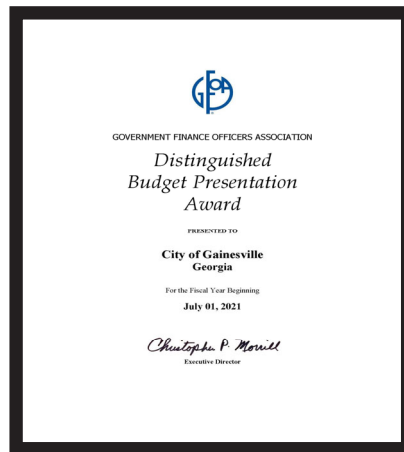
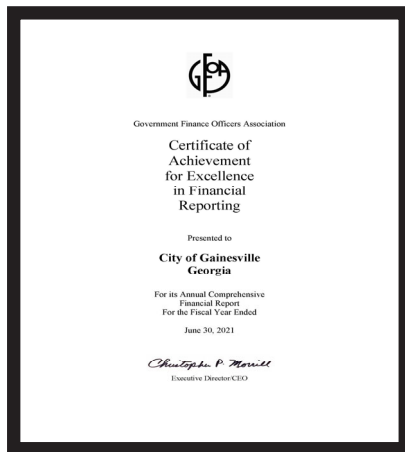
The City is permitted to issue debt in any form that does not contradict the existing constitution and laws of the State of Georgia. It will only utilize long-term debt for capital improvement projects that are too expensive to be financed from current revenue sources. The debt should be paid back within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

Awards and Acknowledgment

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, Georgia for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the thirty-second 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 comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Gainesville, Georgia, for its Annual Budget for the fiscal year beginning July 1, 2022. This was the thirtieth consecutive year the City achieved this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to the City of Gainesville, Georgia for its PAFR for the fiscal year ended June 30, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a PAFR, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Gainesville has received a Popular Award for the last nine consecutive years (fiscal years ended 2014-2022). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.



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, Mary Beth Cooper, who is the person primarily responsible for the Annual Comprehensive Financial Report preparation. Enormous thanks go to the staff of our accounting firm, Rushton, LLC (especially Chris Hollifield and Samuel 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 enable the City staff to work towards keeping and promoting the City of Gainesville as a great place to live, work, learn, and play.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bryan Lackey".

Bryan Lackey
City Manager

A handwritten signature in black ink, appearing to read "Jeremy Perry".

Jeremy Perry
Chief Financial Officer

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 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, 2023, 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, 2023, 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 judgment 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 20 and 123 through 137 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 of America, the City of Gainesville, Georgia's basic financial statements for the year ended June 30, 2022, which are not presented with the accompanying financial statements and 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 2022 financial statements are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the 2022 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 2022 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 27, 2023, 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.

Rushon, LLC

Gainesville, Georgia
December 27, 2023



GAINESVILLE



THE CITY OF GAINESVILLE, GA MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023. 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-xxii 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, 2023 by \$764.8 million (reported as *net position*). Of this amount, \$41.7 million (reported as unrestricted net position) may be used to meet the City's ongoing obligations.
- As of June 30, 2023, the City's governmental funds reported combined ending fund balances of \$113.7 million. Approximately 12.1% of this total amount, \$13.8 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. 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 basis of accounting used by most private-sector businesses. All of the current year's revenues and expenses were considered regardless of when cash is received or paid.

The **Statement of Net Position** (pages 21-22) 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 City's goal 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 23), on the other hand, presents the revenues and expenses of the City. This statement is prepared using the accrual basis of accounting mentioned earlier, where revenues are recognized when earned and expenses 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 21-23.

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 in 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 138. 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 due to 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 twenty 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), Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Fund, and General Government 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 138-141 of this report.

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

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

Proprietary Funds

When the City charges customers for the services it provides, whether to outside customers or to other departments of the City, services are generally reported in proprietary funds. The City maintains two different types of proprietary funds: Enterprise funds and Internal Service funds. Proprietary funds are prepared using the same accrual basis of accounting used in 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 (DWR) Fund, 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 service funds, they are reported as governmental activities on the government-wide statements.

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 38-39.

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 43-122 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 on 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 26 and 29), which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statements 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, among others only appear as liabilities in the government-wide statements, unless they are both due and payable.
- Capital outlay spending results in capital assets on the government-wide statements, but 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 21-23):

City of Gainesville Statement of Net Position Fiscal Years 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
			(In millions of dollars)			
	2023	2022	2023	2022	2023	2022
Current assets	\$ 126.3	\$ 85.5	\$ 181.2	\$ 153.3	\$ 307.5	\$ 238.8
Capital assets	141.5	124.6	566.6	523.2	708.1	647.8
Other noncurrent assets	1.5	1.3	5.7	6.3	7.2	7.6
Total assets	269.3	211.4	753.5	682.8	1,022.8	894.2
Deferred Outflows of Resources	14.0	11.6	8.5	6.5	22.5	18.1
Current liabilities	14.4	14.0	31.4	21.0	45.8	35.0
Noncurrent liabilities	108.1	70.1	110.1	89.5	218.2	159.6
Total liabilities	122.5	84.1	141.5	110.5	264.0	194.6
Deferred Inflows of Resources	7.8	3.9	8.7	6.6	16.5	10.5
Net position:						
Net investment in capital assets	106.6	106.8	480.7	453.9	587.3	560.7
Restricted	31.4	26.6	104.4	93.5	135.8	120.1
Unrestricted	15.0	1.6	26.7	24.9	41.7	26.5
Total net position	\$ 153.0	\$ 135.0	\$ 611.8	\$ 572.3	\$ 764.8	\$ 707.3

Over time, net position may serve over time as a useful indicator of a government's financial position. The City of Gainesville reported a \$18.0 million increase in net position for governmental activities, while posting \$39.5 million in positive growth for business-type activities. Overall, the City's net position rose \$57.5 million to close the current fiscal year with a net position of \$764.8 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, 76.7%, reflects its investment in capital assets (e.g., land, buildings, vehicles 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 \$26.6 million from previous year totals, from \$560.7 million to \$587.3 million.

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

Restricted net position comprises the second largest component, constituting 17.8% of total net position. Restricted net position experienced a \$15.7 million gain during the past year, jumping from \$120.1 million to \$135.8 million at the end of fiscal year 2023 (FY23). Restricted net position represents funds that are limited in how they may be spent; these constraints are imposed by external sources, enabling legislation, or constitutional provision.

Unrestricted net position represents 5.5% of total net position. The statement indicates a \$41.7 million balance at the end of this fiscal year, an increase of \$15.2 million from fiscal year 2022 (FY22). 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 \$13.4 million between fiscal years 2022 and 2023, increasing the balance from \$1.6 million to a surplus of \$15.0 million. Business-type activities showed a \$1.8 million increase in unrestricted net position. 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.

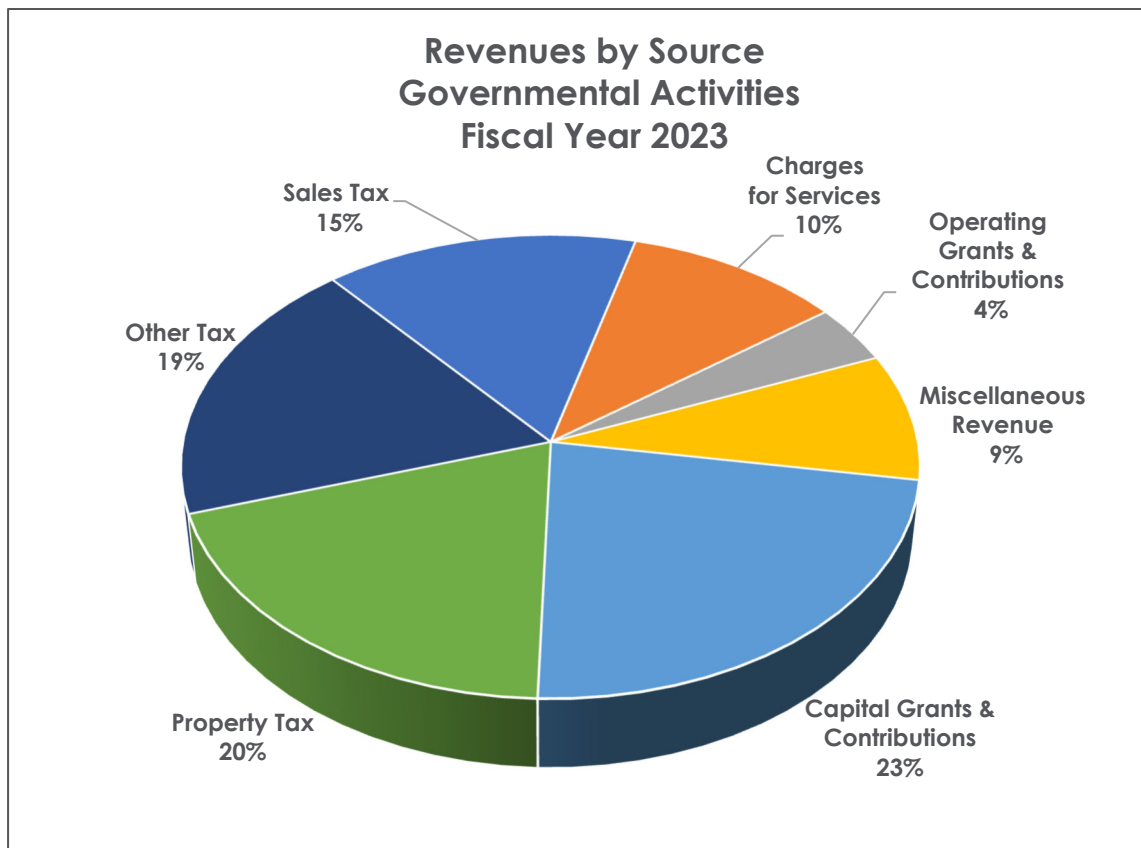
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City of Gainesville's net position changed during the fiscal year.

City of Gainesville
Changes in Net Position
Fiscal Years 2023 and 2022

	Governmental Activities		Business- type Activities		Total	
(In millions of dollars)						
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 7.9	\$ 9.3	\$ 86.9	\$ 83.0	\$ 94.8	\$ 92.3
Operating grants and contributions	3.0	2.6	0	0.0	3.0	2.6
Capital grants and contributions	17.1	21.9	14.8	18.6	31.9	40.5
General revenues:						
Property taxes	14.6	12.5	0	0	14.6	12.5
Sales tax	11.4	9.0	0	0	11.4	9.0
Other taxes	14.1	12.6	0	0	14.1	12.6
Miscellaneous revenue	6.6	(1.3)	13.7	5.4	20.3	4.1
Total revenues	74.7	66.6	115.4	107.0	190.1	173.6
Expenses						
General government	9.8	10.9	0	0	9.8	10.9
Judicial	0.7	0.7	0	0	0.7	0.7
Public safety	24.9	23.6	0	0	24.9	23.6
Public works	8.7	12.4	0	0	8.7	12.4
Health and welfare	3.8	3.2	0	0	3.8	3.2
Culture and recreation	9.5	3.7	0	0	9.5	3.7
Housing and development	6.1	5.2	0	0	6.1	5.2
Interest on long-term debt	1.7	0.5	0	0	1.7	0.5
Water and sewer	0	0	61.2	55.3	61.2	55.3
Airport	0	0	1.0	0.9	1.0	0.9
Solid waste	0	0	3.5	3.1	3.5	3.1
Golf course	0	0	1.8	1.5	1.8	1.5
Total expenses	65.2	60.2	67.5	60.8	132.7	121.0
Indirect Cost Allocation	1.8	1.7	(1.8)	(1.7)	0	0
Increase in net position before transfers						
	11.3	8.1	46.1	44.5	57.4	52.6
Transfers	6.6	9.8	(6.6)	(9.8)	0	0
Increase in net position	17.9	17.9	39.5	34.7	57.4	52.6
Net position - beginning	135.1	117.1	572.3	537.6	707.4	654.7
Net position - ending	\$ 153.0	\$ 135.0	\$ 611.8	\$ 572.3	\$ 764.8	\$ 707.3

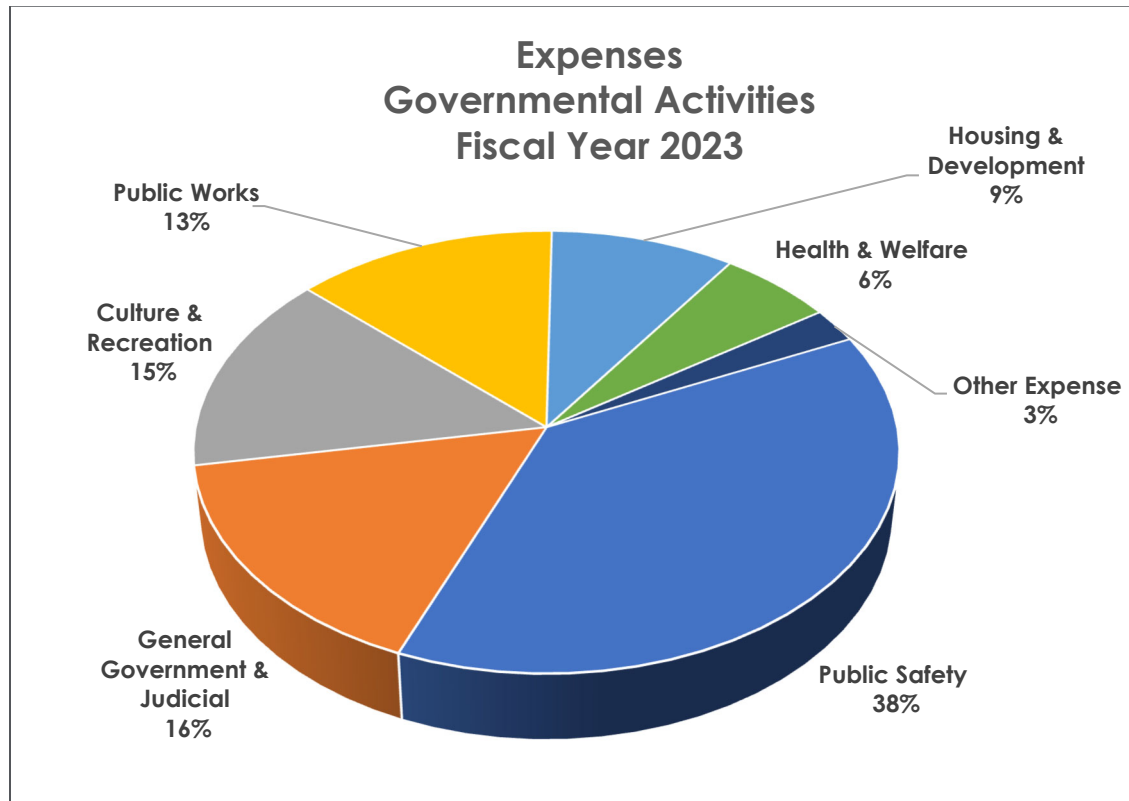
Governmental Activities

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 FY23. Capital grants and contributions totaled \$17.1 million or 23% of total revenues in FY23, a decrease of \$4.8 million compared to FY22. The largest sources of capital grants and contributions were SPLOST collections of \$11.5 million, a 3% increase over FY22. Property tax revenue comprised 20% of total revenues with collections of \$14.6 million. This is a 17% or \$2.1 million increase over FY22, predominately due to increased property values. Other tax, which includes franchise, insurance premium, hotel/motel, and occupational tax, represented 19% of governmental activities revenue. Other tax totals of \$14.1 million indicate a \$1.5 million increase when compared with FY22, due in part to increases of \$733,982 and \$685,083 in insurance premium and franchise tax collections, respectively. Charges for services, which constituted 10% of all revenue was down \$1.4 million from prior fiscal year collections. This is due to a 52% decrease in impact fee revenue due. FY22 was an extraordinary year for new development in Gainesville. FY23 impact fee revenues aligned more with average year collections. Sales tax revenues increased by \$2.4 million and made up of 15% of total revenue, evidence of Gainesville's continued growth. Miscellaneous revenue represents 9% or \$6.6 million. This is a significant increase from the prior fiscal year as miscellaneous revenue was negative due to the reporting of unrealized losses on investments. Since the change in the market, investment income and unrealized gain/losses are now showing significant gains of \$2.3 million. Operating grants and contributions made up 4% of total revenue, a \$426,972 increase over FY22, mostly due to increases in federal and state grant funds and private contributions for the Community Service Center's Meals on Wheels program.

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



Overall, costs were up \$5.0 million when compared to FY22. The expense chart illustrates that 38% of total governmental activities expense for the City of Gainesville during FY23 was in payment of Public Safety services, such as fire and police protection. Public Safety expenses were up \$1.3 million from FY22, mainly due to a 13.5% increase in personnel costs including higher cost for insurance and increased retirement contributions. General government and judicial constituted 16% of total costs and showed a \$1.1 million decrease from the previous fiscal year. This decrease is mainly due to the loss on the sale of land that occurred in FY22. Culture and Recreation constituted 15% of total expenses showed a significant increase of \$5.8 million in costs from the previous year, a direct result of \$7.9 million being spent on the construction of the new youth sports complex. Public Works costs were down \$3.7 million from FY22 largely as a result of 50% fewer dollars spent on street resurfacing. Housing and Development, which made up 9% of total expenses, shows a rise in costs of \$897,527. Health and Welfare comprised 6% of total government activities expenses spending \$599,913 more than FY22. This is mostly due to the purchase of new WeGo vehicles totaling \$458,714 paid for using grant funds provided by the Georgia Department of Transportation. Finally, 3% of total expenses in governmental activities are classified as other expenses which is comprised of interest on long-term debt. Due to the issuance of two new bonds, the interest increased by \$1.2 million.

Business-type Activities

Business-type activities increased the City of Gainesville's net position by \$39.5 million, bringing total net position of business-type activities to \$611.9 million. Following are key elements of changes in business-type activities:

- Total revenue for business-type activities slightly increased, when compared to FY22 totals; revenue relating to DWR's charges for services improved by \$3.1 million, while Solid Waste and Golf revenue showed an increase of \$143,430 and \$647,360, respectively, compared to FY22 and Airport showed a slight decrease in revenue by \$82,441
- Capital Grant and Contribution revenues for the Department of Water Resources (DWR) decreased by \$7.3 million over FY22 totals. A couple of reasons for this significant decrease is that in FY22 DWR received a \$3.4 million American Rescue Plan Act Grant and recorded \$7.0 million more in contributed capital. Of note, in FY23 three lots of land held for investment by the DWR were sold in the 85 Business Park for a gain of \$10.2 million.
- Overall expenses for business-type activities were up \$6.7 million. Solid Waste, Golf Course, Airport expenses increased year-over-year by \$460,808, \$339,785 and \$91,011, respectively. These increases stemmed primarily from increased landfill charges, higher salary expense, and higher costs for repairs and maintenance. DWR's expenses increased significantly by \$5.9 million compared to FY22. The large change is due in part to increased costs for chemicals and other supplies, but mainly due to the numerous and extensive projects the Department has underway.

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, governmental funds reported a combined ending fund balance of \$113.7 million. Of this amount, \$13.8 million or 12.1% constituted unassigned fund balance, meaning that no constraints were placed on how this money may be spent. The General Fund is the only governmental fund that can have a 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 fiscal year 2024 (FY24) budget.

The **General Fund** is the chief operating fund of the City. Again, at the end of the current fiscal year, the unassigned fund balance of the General Fund was \$13.8 million, while total fund balance reached \$18.8 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 62.8% of total General Fund

expenditures, while total fund balance represents 85.3% of that same amount. Of the \$18.8 million total fund balance for the General Fund, \$4.9 million is assigned and is comprised predominantly of \$4.7 million which is assigned for budget.

The General Fund's total fund balance decreased by \$5 million during the current fiscal year. This decrease is due to sizable contributions to City-wide capital projects. Other key factors regarding FY23 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 FY23, total tax revenue exceeded the budget by \$7.2 million; \$4.2 million of this increase was due to better than anticipated Local Option Sales tax receipts. Franchise tax revenues exceeded budget by \$1.3, followed by Motor Vehicle tax and Insurance Premium tax exceeding budget by \$862,134 and \$311,437, respectively. Licenses and Permits exceeded budget by \$772,531, while Fines, Fees and Forfeitures exceeded budget by \$194,933. Investment income revenue reflects the dramatic turn in the market compared to last year and compared to expectations. Actual revenue exceeded budget by \$932,941. Expenditures came in under budget by \$1.8 million; personal services accounted for \$819,447 of this cost reduction, attributable to savings due to unfilled positions. Public Works expenditures were \$702,932 less than budget; \$508,374 of this savings was in personal services costs, again, due to unfilled positions.
- Transfers to the General Fund totaled \$4.8 million, with \$2.4 million originating from the American Rescue Plan Grant Fund and \$2.1 million from DWR's Fund for General Fund operations. Transfers out of the General Fund totaled \$25.4 million. The largest transfers out included the following: \$11.7 million and \$2.2 million was transferred to General Government Capital Projects Fund and SPLOST Capital Projects Fund, respectively, for various projects as needed; \$5.2 million was transferred to the Police Service Fund for operations; \$3.6 million of proceeds from the sale of land that has related debt was transferred to the Debt Service Fund to cover payments; and \$1.9 million was moved to the Fire Services Fund to assist with operations. Other transfers out included \$693,991 to the Community Service Center (CSC) Fund for operating assistance, \$71,765 to the Grants Fund, and \$31,250 to the Chattahoochee Golf Course Fund.

The **Fire Services Fund** had a \$1.4 million fund balance at fiscal year-end, all of which is assigned for Public Safety. Total revenues reported were \$8.6 million mostly stemming primarily from property and motor vehicle tax collections. Among the fund's \$10.3 million in expenditures, \$8.9 million was paid out in personal services and employee benefits expenditures. There were transfers out of \$96,219 to the SPLOST Capital Projects Fund and \$30,000 to the General Government Capital Projects Fund for vehicle fleet replacement.

The **American Rescue Plan Grant Fund** includes intergovernmental revenues totaling \$2.4 million for the grant funding provided by the American Rescue Plan Act. The full grant revenue amount received was transferred to DWR Fund to cover approved expenditures.

The **Special Purpose Local Option Sales Tax Capital Projects (SPLOST) Fund** has a \$33.8 million fund balance at fiscal year-end. Of this fund balance, \$8.8 million is restricted for Public Works projects with \$4.2 million allocated to the Greenway Connectivity project, along with the transportation plan implementation and in-house paving projects. Another \$21.2 million is restricted for Culture and Recreation projects; \$20.0 million is set aside for the J. Melvin

Cooper Youth Athletic Complex ("The Coop"). The \$2.7 million fund balance assigned for Public Works includes \$872,563 for the North Parking Deck, \$515,000 for Greenway Connectivity, \$500,000 assigned to Athens Street improvements project, and \$430,749 allocated for the roadway patching program. Among the fund's \$15.1 million in expenditures, \$7.9 million was paid towards The Coop, \$2.3 million for the Storm-water Rehabilitation program, and \$776,628 for the North Parking Deck project. The largest source of revenue for the SPLOST Fund was \$11.7 million collected from the SPLOST tax revenues. The SPLOST Fund had \$16.3 million in proceeds from long-term debt. Of the \$3.9 million transfers in, \$2.2 million was transferred from the General Fund, providing \$1.3 million of additional funding for the North Parking Deck and Elachee Bridge, as well as \$500,000 for the Athens Street improvements project.

The **General Government Capital Projects Fund** has a \$33.0 million fund balance at fiscal year-end. Of this fund balance, \$8.9 million is restricted for General Government projects with \$8.2 million allocated to the construction of the new Boathouse at Lake Lanier Olympic Park and Downtown retail space project. The \$18.8 million balance in Assigned for General Government includes \$2.2 million for the Town Square Design and Improvements project and another \$7.8 million for Downtown retail space and Boathouse projects. Another \$1.9 million is assigned for Public Safety and \$1.3 million is assigned for Public Works. Also, the General Government Capital Projects Fund has a \$2.0 million Nonspendable balance which is designated for the purchase of a fire pumper and heavy rescue fire trucks. Expenditures totaled \$17.8 million, of which \$14.6 million was paid toward the construction of the new Boathouse project. Transfers in to the General Government Capital Project Fund totaled \$22.1 million, with \$11.7 million originating from the General Fund for funding of various approved capital projects. Included in the General Government Capital Projects Fund other financing sources, is \$24.8 million proceeds from long-term debt of which \$19.3 million is related to the Boathouse, \$3.1 million for the Retail Space, and \$2.0 million for Fire Vehicles.

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:

- Transfers to General Government Capital Projects was increased by \$8.6 million; \$3.0 million was associated with the Boathouse project, while another \$2.1 million allocation was recorded for the funding of new fire trucks and equipment, and \$1.5 million for the Town Square Design and Improvements project.
- Increased transfer to Debt Service Fund by \$3.6 million related to proceeds from the sell of land held for investment.
- Transfer to SPLOST Capital Projects was increased by \$1.8 million; \$1.0 million was allocated to the North Parking Deck, \$500,000 for the Athens Street improvements project, and \$250,000 additional funding of the Elachee Bridge project.
- Increased budgeted fund balance to cover FY23 reappropriations.
- Increased/decreased various expenditure budgets for adjustments as needed.

General Fund expenditures for FY23 were \$22.0 million, 92.4% of the final amended budget. There was no net over expenditures by General Fund departments. Total actual expenditures in the General Fund were lower than the final amended budget total by \$1.8 million. Personal services costs came under the final budget by \$819,355 or 4.8% due to position vacancies.

Total actual revenues exceeded the final amended budget by 40.6%, a total of \$9.7 million. The excess revenues are due mainly to tax collections that were \$7.2 million above projections.

Enterprise Funds

The City of Gainesville's enterprise funds financial statements provide the same type of information found in the government-wide financial statements just 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	\$ 19.2
Nonmajor Funds (Airport, Solid Waste, Golf Course)	7.3
Total	<u>\$ 26.5</u>

Compared with FY22, the total increase in combined net position, prior to the consolidation adjustment of internal service fund activity, indicated growth of \$39.7 million, with net investment in capital assets increasing by \$26.8 million. Overall, unrestricted net position for all four enterprise funds, again prior to the consolidation adjustment of internal service fund activity, showed a \$1.8 million increase from FY22.

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 \$708.2 million in capital assets (net of accumulated depreciation). Capital assets include vehicles and equipment, infrastructure, land, and buildings. Approximately 80.0% of this investment is related to business-type activities while only 20.0% 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 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	(In millions of dollars)					
	2023	2022	2023	2022	2023	2022
Land	\$ 26.0	\$ 26.1	\$ 32.7	\$ 32.3	\$ 58.7	\$ 58.4
Buildings	67.8	67.8	61.0	61.0	128.8	128.8
Improvements other than buildings	3.8	3.5	13.0	12.8	16.8	16.3
Vehicles and equipment	28.5	27.0	50.8	48.9	79.3	75.9
Infrastructure	40.1	39.3	607.8	604.4	647.9	643.7
Intangibles	1.3	1.3	6.1	6.1	7.4	7.4
Intangible right-to-use assets	0.8	0.6	1.3	1.3	2.1	1.9
Construction in progress	42.2	23.5	121.1	65.9	163.3	89.4
Total	210.5	189.1	893.8	832.7	1,104.3	1,021.8
Accumulated depreciation	(69.0)	(64.0)	(327.2)	(308.4)	(396.2)	(372.4)
Net Capital Assets	\$ 141.5	\$ 125.1	\$ 566.6	\$ 524.3	\$ 708.1	\$ 649.4

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

- Lake Lanier Olympic Park Boathouse renovations, \$14.2 million
- The Coop, \$7.6 million
- Stormwater rehabilitation program, \$2.1 million

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

- Flat Creek dewatering facility improvements, \$18.1 million.
- Athens Highway sanitary sewer extension, \$8.8 million.
- Gillsville Highway sanitary sewer pump station, \$5.5 million.
- Lee Gilmer Airport runway rehabilitation, \$3.6 million.

Additional information on the City of Gainesville's capital assets can be found in Note 9 on pages 73-76 of this report.

Long-term Debt

As of June 30, 2023, the City of Gainesville had long-term liabilities, net of unamortized bond premium and discount, totaling \$139.6 million. This is a \$58.8 million increase from FY22 totals. The significant increase is a result of the issuance of new debt. Two series of bonds were issued in the amount of \$37.0 million through the Gainesville Redevelopment Authority; \$34.0 million in tax-exempt bonds were issued for the construction of the Lake Lanier Olympic Park Boathouse and The Coop and \$3.0 million in taxable bonds for the construction of retail space in Downtown near the North Parking Deck. DWR also drew \$29.2 million in notes from the Georgia Environmental Finance Authority for projects to expand the City's water and sewer system.

City of Gainesville Outstanding Debt Fiscal Years 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	(In millions of dollars)					
	2023	2022	2023	2022	2023	2022
Notes from direct borrowings	\$ 3.1	\$ 1.7	\$ 37.8	\$ 8.9	\$ 40.9	\$ 10.6
Certificates of participation	0.4	0.4	0	0	0.4	0.4
Subscriptions payable	0.4	0.4	0.6	0.8	1.0	1.2
Contracts Payable	50.6	13.8	11.0	12.5	61.6	26.3
Revenue Bonds	0	0	29.9	36.2	29.9	36.2
Leases Payable	0	0	0.1	0.2	0.1	0.2
Unamortized Bond Premium	0	0	5.7	6.7	5.7	6.7
Total	\$ 54.5	16.3	\$ 85.1	\$ 65.3	\$ 139.6	81.6

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 \$697.9 million, but the City had no general obligation debt outstanding as of June 30, 2023.

Additional information on the City's long-term debt can be found in Notes 11, 12, and 13 on pages 78-92 of this report.

ECONOMIC CONDITION AND OUTLOOK

- The U.S. Census Bureau estimated the City of Gainesville's population in 2022 to be 45,282. Based on actual census data from 2020, this is a 7.1% increase in population in only two years. The U.S. Census Bureau recognize Gainesville-Hall as among the fastest growing metro areas in the country.
- Gainesville adopted a 3.656 tax millage rate for FY24. The gross property tax digest for the City of Gainesville rose from \$7.5 billion for FY23 to \$9.3 billion for FY24, which is equivalent to a 24.3% increase in the tax base.
- At the end of the first quarter of FY24, Local Option Sales Tax collections are up 25% compared to the same time period in FY23. Total General Fund revenues are also up 25% over the prior fiscal year. Departments are spending conservatively and continue to monitor their budgeted costs closely.

The factors discussed in this analysis were among the many factors taken into consideration when preparing the FY24 budget. Of the \$13.8 million fund balance in the General Fund, \$4.7 million has been appropriated for spending in the FY24 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.



GAINESVILLE

BASIC FINANCIAL STATEMENTS

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 38,877,324	\$ 18,835,462	\$ 57,712,786	\$ 3,543,884
Investments	54,152,237	29,791,751	83,943,988	4,716,858
Restricted assets				
Cash and cash equivalents	17,338,421	48,111,506	65,449,927	228,425
Investments	6,977,486	58,880,888	65,858,374	0
Receivables (net)				
Accounts	945,323	6,044,927	6,990,250	29,209
Intergovernmental	3,577,462	16,037,754	19,615,216	0
Taxes	2,151,572	0	2,151,572	92,465
Notes	84,114	0	84,114	0
Lease	128,828	589,301	718,129	0
Other	0	11,458	11,458	0
Internal balances	(178,431)	178,431	0	0
Inventories	117,944	2,655,549	2,773,493	0
Prepaid items	2,044,700	82,492	2,127,192	0
Other	121,153	0	121,153	0
Total current assets	126,338,133	181,219,519	307,557,652	8,610,841
Noncurrent assets				
Notes receivable	65,078	0	65,078	0
Lease receivable	1,231,168	3,178,018	4,409,186	0
Property held for development	196,763	2,519,973	2,716,736	269,808
Capital assets				
Non-depreciable	68,218,725	153,837,200	222,055,925	17,553,354
Depreciable/amortizable (net)	73,303,877	412,807,210	486,111,087	9,887,692
Total noncurrent assets	143,015,611	572,342,401	715,358,012	27,710,854
Total assets	269,353,744	753,561,920	1,022,915,664	36,321,695
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	0	10,707	10,707	0
Deferred outflows related to pensions	10,703,950	6,234,313	16,938,263	951,482
Deferred outflows related to other post employment benefits	3,319,390	2,231,247	5,550,637	415,552
Total deferred outflows of resources	14,023,340	8,476,267	22,499,607	1,367,034
LIABILITIES				
Current liabilities				
Payables				
Accounts	4,083,221	6,622,180	10,705,401	303,581
Retainages	2,218,851	353,022	2,571,873	16,638
Intergovernmental	125,165	1,694,142	1,819,307	130,230
Sales tax	0	16,324	16,324	11,472
Deposits	198,935	48,280	247,215	0
Interest	285,288	29,860	315,148	0
Accrued salaries	372,223	256,438	628,661	76,952
Unearned revenue	1,544	0	1,544	19,408
Compensated absences	1,548,113	867,551	2,415,664	162,527
Claims reserve	1,759,052	0	1,759,052	0
Lease/subscription payable	237,289	260,708	497,997	0
Contracts payable	2,062,808	1,551,588	3,614,396	0
Certificates of participation payable	325,625	0	325,625	0
Notes payable	918,648	754,500	1,673,148	0
Other liabilities	225,366	61,150	286,516	22,962

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Current liabilities				
Liabilities payable from restricted assets				
Payables				
Accounts	\$ 0	\$ 5,290,449	\$ 5,290,449	\$ 0
Retainages	0	4,272,239	4,272,239	0
Customer deposits	0	2,427,173	2,427,173	0
Interest	0	187,125	187,125	0
Bonds payable	0	6,688,739	6,688,739	0
Total current liabilities	14,362,128	31,381,468	45,743,596	743,770
Noncurrent liabilities				
Compensated absences	172,012	96,394	268,406	18,058
Net pension liability	43,275,188	25,010,253	68,285,441	1,851,731
Net OPEB liability	13,666,879	9,144,390	22,811,269	1,313,517
Lease/subscription payable	143,908	469,203	613,111	0
Contracts payable	48,497,252	9,426,116	57,923,368	0
Certificates of participation payable	123,328	0	123,328	0
Notes payable	2,229,262	37,071,125	39,300,387	0
Bonds payable	0	28,931,933	28,931,933	0
Total noncurrent liabilities	108,107,829	110,149,414	218,257,243	3,183,306
Total liabilities	122,469,957	141,530,882	264,000,839	3,927,076
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	73,092	518,496	591,588	49,166
Deferred inflows related to other post employment benefits	6,383,674	4,430,841	10,814,515	819,046
Deferred inflows related to leases	1,372,240	3,721,051	5,093,291	0
Total deferred inflows of resources	7,829,006	8,670,388	16,499,394	868,212
NET POSITION				
Net investment in capital assets	106,636,895	480,712,252	587,349,147	27,422,801
Restricted for:				
Public Safety	5,054,785	0	5,054,785	0
Public Works	19,150	0	19,150	0
Health and Welfare	2,084,020	0	2,084,020	0
Culture and Recreation	509,958	0	509,958	28,425
Housing and Development	2,142,385	0	2,142,385	0
Debt Service	1,080,380	3,487,142	4,567,522	0
Capital Outlay	20,537,451	100,954,394	121,491,845	1,725,700
Unrestricted	15,013,097	26,683,129	41,696,226	3,716,515
Total net position	\$ 153,078,121	\$ 611,836,917	\$ 764,915,038	\$ 32,893,441



GAINESVILLE

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2023

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities						
General Government	\$ 9,795,955	\$ (1,808,744)	\$ 1,007,585	\$ 65,533	\$ 500,000	\$ (6,414,093)
Judicial	690,774	0	0	0	0	(690,774)
Public Safety	24,855,967	0	1,820,068	564,720	3,000	(22,468,179)
Public Works	8,723,597	0	328,518	45,116	14,732,015	6,382,052
Health and Welfare	3,820,462	0	1,742,830	1,845,770	717,715	485,853
Culture and Recreation	9,545,794	0	0	8,762	200,000	(9,337,032)
Housing and Development	6,139,635	0	3,013,793	518,737	960,353	(1,646,752)
Interest on long-term debt	1,640,686	0	0	0	0	(1,640,686)
Total governmental activities	65,212,870	(1,808,744)	7,912,794	3,048,638	17,113,083	(35,329,611)
Business-type activities						
Department of						
Water Resources	61,182,395	1,452,731	80,946,872	0	11,326,777	29,638,523
Airport	980,595	209,561	1,026,308	0	3,490,742	3,326,894
Solid Waste	3,514,926	146,452	3,197,533	0	0	(463,845)
Golf Course	1,845,883	0	1,710,966	0	0	(134,917)
Total business-type activities	67,523,799	1,808,744	86,881,679	0	14,817,519	32,366,655
Total primary government	132,736,669	0	94,794,473	3,048,638	31,930,602	(2,962,956)
Component Units						
Communication and Tourism						
Housing and Development	1,770,075	0	113,948	685,228	0	(970,899)
Parks and Recreation						
Culture and Recreation	7,728,001	0	2,126,357	23,601	9,278,848	3,700,805
Land Bank						
Housing and Development	2,119	0	0	0	0	(2,119)
Total Component Units	9,500,195	0	2,240,305	708,829	9,278,848	2,727,787
			Governmental Activities	Business-Type Activities	Total	Component Units
Change in net position						
Net (expense) revenue			\$ (35,329,611)	\$ 32,366,655	\$ (2,962,956)	\$ 2,727,787
General revenues						
Taxes						
Property			14,620,844	0	14,620,844	6,067,265
Intangibles			280,719	0	280,719	0
Franchise			5,389,998	0	5,389,998	0
Occupational			1,474,759	0	1,474,759	0
Insurance premium			3,557,708	0	3,557,708	0
Alcoholic beverages			1,444,683	0	1,444,683	0
Hotel/Motel			1,920,290	0	1,920,290	0
Local option sales			11,367,923	0	11,367,923	0
Investment			2,268,298	3,017,794	5,286,092	125,078
Payments from City of Gainesville			0	0	0	2,337,448
Gain on sale of property held for development			0	10,609,895	10,609,895	0
Gain on sale of assets			3,649,326	6,999	3,656,325	0
Miscellaneous			706,439	115,728	822,167	48,534
Transfers			6,635,321	(6,635,321)	0	0
Total general revenues and transfers			53,316,308	7,115,095	60,431,403	8,578,325
Change in net position			17,986,697	39,481,750	57,468,447	11,306,112
Net position - beginning, restated			135,091,424	572,355,167	707,446,591	21,587,329
Net position - ending			\$ 153,078,121	\$ 611,836,917	\$ 764,915,038	\$ 32,893,441

CITY OF GAINESVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	Fire	American Rescue Plan Grant
ASSETS			
Cash and cash equivalents	\$ 7,005,026	\$ 650,912	\$ 0
Investments	9,763,699	912,313	0
Restricted assets			
Cash and cash equivalents	0	0	0
Investments	0	0	0
Receivables (net)			
Accounts	232,961	736	0
Intergovernmental	135,335	532	0
Taxes	1,789,181	130,255	0
Notes	0	0	0
Lease	1,359,996	0	0
Prepaid items	116	0	0
Due from other funds	623,338	0	0
Property held for development	0	0	0
Total assets	\$ 20,909,652	\$ 1,694,748	\$ 0
LIABILITIES			
Payables			
Accounts	\$ 368,506	\$ 50,210	\$ 0
Retainages	0	0	0
Intergovernmental	97,261	0	0
Accrued salaries	211,850	82,349	0
Unearned revenue	1,544	0	0
Due to other funds	0	0	0
Due to others	90,758	0	0
Total liabilities	769,919	132,559	0
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue -			
Taxes	17,202	122,679	0
Notes receivable	0	0	0
Fines, fees, and forfeitures	0	0	0
Leases	1,372,240	0	0
Total deferred inflows of resources	1,389,442	122,679	0
FUND BALANCES			
Nonspendable	116	0	0
Restricted	0	0	0
Committed	50,008	0	0
Assigned	4,898,370	1,439,510	0
Unassigned	13,801,797	0	0
Total fund balances	18,750,291	1,439,510	0
Total liabilities, deferred inflows of resources, and fund balances	\$ 20,909,652	\$ 1,694,748	\$ 0

SPLOST	General Government Capital Projects	Nonmajor Governmental Funds	Totals
\$ 9,009,532	\$ 9,489,311	\$ 10,548,814	\$ 36,703,595
12,627,669	13,300,125	14,502,179	51,105,985
10,653,033	6,685,388	0	17,338,421
2,551,747	4,425,739	0	6,977,486
0	0	527,706	761,403
1,761,852	0	1,669,931	3,567,650
0	0	232,136	2,151,572
0	0	149,192	149,192
0	0	0	1,359,996
0	2,028,000	3,584	2,031,700
0	0	1,171,169	1,794,507
0	0	196,763	196,763
<u>\$ 36,603,833</u>	<u>\$ 35,928,563</u>	<u>\$ 29,001,474</u>	<u>\$ 124,138,270</u>
\$ 1,635,387	\$ 1,428,169	\$ 106,186	\$ 3,588,458
1,137,916	1,080,935	0	2,218,851
0	27,904	0	125,165
0	0	71,280	365,479
0	0	0	1,544
0	369,985	1,424,522	1,794,507
0	0	134,608	225,366
<u>2,773,303</u>	<u>2,906,993</u>	<u>1,736,596</u>	<u>8,319,370</u>
0	0	51,883	191,764
0	0	149,192	149,192
0	0	454,768	454,768
0	0	0	1,372,240
<u>0</u>	<u>0</u>	<u>655,843</u>	<u>2,167,964</u>
0	2,028,000	3,584	2,031,700
31,112,550	9,042,267	10,555,170	50,709,987
0	0	617,515	667,523
2,717,980	21,951,303	15,432,766	46,439,929
0	0	0	13,801,797
<u>33,830,530</u>	<u>33,021,570</u>	<u>26,609,035</u>	<u>113,650,936</u>
<u>\$ 36,603,833</u>	<u>\$ 35,928,563</u>	<u>\$ 29,001,474</u>	<u>\$ 124,138,270</u>



GAINESVILLE

CITY OF GAINESVILLE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2023

Total fund balance - total governmental funds		\$ 113,650,936
--	--	-----------------------

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 and amortization		141,522,602
--	--	-------------

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	\$ 191,764	
Fines, fees, and forfeitures	454,768	
Notes receivable	149,192	795,724

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

These are:

Contract payable	\$ (50,560,060)	
Notes payable	(3,147,910)	
Certificates of participation payable	(448,953)	
Lease/subscription payable	(381,197)	
Interest payable	(285,288)	
Compensated absences	(1,720,125)	
Net pension liability	(43,275,188)	
Net OPEB liability	(13,666,879)	(113,485,600)

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	\$ 10,703,950
Deferred outflows related to other post-employment benefits	3,319,390

Deferred inflows of resources:

Deferred inflows related to pensions	(73,092)
Deferred inflows related to other post-employment benefits	(6,383,674)

7,566,574

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	\$ 3,235,757	
Less internal balance resulting from allocation of internal service fund activities allocated to business-type activities	(178,431)	
Less capital assets included above	(62,963)	
Add compensated absences included above	33,522	3,027,885

Net position of governmental activities		\$ 153,078,121
---	--	-----------------------

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2023

	General	Fire	American Rescue Plan Grant
REVENUES			
Taxes	\$ 25,682,553	\$ 8,486,107	\$ 0
Licenses and permits	1,683,250	0	0
Fines, fees and forfeitures	1,150,228	0	0
Charges for services	3,241,552	0	0
Intergovernmental	448,976	0	2,427,753
Investment	820,324	82,934	0
Contributions	22,158	0	0
Other	622,792	0	0
Total revenues	33,671,833	8,569,041	2,427,753
EXPENDITURES			
Current			
General Government	6,600,717	0	0
Judicial	662,769	0	0
Public Safety	6,681,868	10,272,562	0
Public Works	5,683,984	0	0
Health and Welfare	20,000	0	0
Culture and Recreation	0	0	0
Housing and Development	2,331,026	0	0
Debt service			
Principal	0	0	0
Interest and other charges	0	0	0
Capital outlay	0	0	0
Total expenditures	21,980,364	10,272,562	0
Excess (deficiency) of revenues over (under) expenditures	11,691,469	(1,703,521)	2,427,753
Other financing sources (uses)			
Transfers in	4,754,112	1,877,020	0
Transfers out	(25,379,507)	(126,219)	(2,427,753)
Proceeds from long-term debt	273,308	0	0
Sales of capital assets	3,645,734	3,592	0
Total other financing sources (uses)	(16,706,353)	1,754,393	(2,427,753)
Net changes in fund balances	(5,014,884)	50,872	0
Fund balances, July 1	23,765,175	1,388,638	0
Fund balances, June 30	\$ 18,750,291	\$ 1,439,510	\$ 0

SPLOST	General Government Capital Projects	Nonmajor Governmental Funds	Totals
\$ 0	\$ 0	\$ 5,830,485	\$ 39,999,145
0	0	0	1,683,250
0	0	215,072	1,365,300
0	0	3,238,242	6,479,794
11,698,096	0	5,284,076	19,858,901
0	0	1,232,527	2,135,785
0	524,500	294,321	840,979
0	0	83,647	706,439
<u>11,698,096</u>	<u>524,500</u>	<u>16,178,370</u>	<u>73,069,593</u>
0	0	1,124	6,601,841
0	0	0	662,769
0	0	5,759,884	22,714,314
0	0	20,400	5,704,384
0	0	4,102,618	4,122,618
0	0	1,158,000	1,158,000
0	0	2,961,473	5,292,499
0	0	2,745,995	2,745,995
0	0	1,448,820	1,448,820
<u>15,144,311</u>	<u>17,817,214</u>	<u>0</u>	<u>32,961,525</u>
<u>15,144,311</u>	<u>17,817,214</u>	<u>18,198,314</u>	<u>83,412,765</u>
<u>(3,446,215)</u>	<u>(17,292,714)</u>	<u>(2,019,944)</u>	<u>(10,343,172)</u>
3,832,386	22,061,292	10,432,366	42,957,176
(293,692)	0	(7,831,607)	(36,058,778)
16,277,378	24,841,996	0	41,392,682
0	0	2,575	3,651,901
<u>19,816,072</u>	<u>46,903,288</u>	<u>2,603,334</u>	<u>51,942,981</u>
16,369,857	29,610,574	583,390	41,599,809
<u>17,460,673</u>	<u>3,410,996</u>	<u>26,025,645</u>	<u>72,051,127</u>
<u>\$ 33,830,530</u>	<u>\$ 33,021,570</u>	<u>\$ 26,609,035</u>	<u>\$ 113,650,936</u>

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, 2023

Net change in fund balances - total governmental funds	\$ 41,599,809
---	----------------------

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	\$ 22,827,558	
Depreciation/amortization	<u>(5,696,162)</u>	17,131,396

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

Cost of assets disposed	\$ (1,182,581)	
Related accumulated depreciation	<u>927,325</u>	(255,256)

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	\$ 52,708	
Related accumulated depreciation	<u>(52,708)</u>	0

Distributions of capital assets to component units decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Cost of assets	\$ (411,351)	
Related accumulated depreciation	<u>0</u>	(411,351)

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. 482,035

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	\$ 3,084,172	
Debt proceeds	(41,392,682)	
Net change in interest payable	<u>(190,661)</u>	(38,499,171)

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	\$ 2,777,247	
Cost of benefits earned net of employee contributions	<u>(5,732,745)</u>	(2,955,498)

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

OPEB contributions	\$ 1,235,528	
Cost of benefits earned net of employee contributions	<u>259,660</u>	1,495,188

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		(206,985)
----------------------	--	-----------

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	\$ (559,026)	
Add depreciation expense included above	31,053	
Add change in compensated absences included above	2,628	
Add consolidation of internal service fund activities allocated to business-type activities	<u>131,875</u>	(393,470)
Change in net position of governmental activities		<u><u>\$ 17,986,697</u></u>

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 16,505,918	\$ 18,504,418	\$ 25,682,553	\$ 7,178,135
Licenses and permits	910,719	910,719	1,683,250	772,531
Fines, fees and forfeitures	955,295	955,295	1,150,228	194,933
Charges for services	3,164,364	3,164,364	3,241,552	77,188
Intergovernmental	331,499	331,499	448,976	117,477
Investment	(112,617)	(112,617)	820,324	932,941
Contributions	0	0	22,158	22,158
Other	175,840	187,703	622,792	435,089
Total revenues	21,931,018	23,941,381	33,671,833	9,730,452
EXPENDITURES				
Current				
General Government				
Mayor and Council	1,268,232	1,268,232	408,220	860,012
City Manager's Office	1,009,417	1,039,304	1,050,734	(11,430)
Finance	1,553,055	1,531,968	1,506,926	25,042
Information Technologies	1,410,293	1,460,293	1,453,517	6,776
Human Resources	1,169,251	1,169,251	1,142,433	26,818
Public Lands and Buildings	1,168,295	1,118,295	1,038,887	79,408
Judicial				
Municipal Court	700,298	700,298	662,769	37,529
Public Safety				
Police	6,821,121	6,712,786	6,681,868	30,918
Public Works				
Engineering	1,350,800	1,368,562	1,370,661	(2,099)
Traffic	1,594,293	1,619,058	1,546,307	72,751
Street Maintenance	2,175,282	2,157,520	1,894,426	263,094
Storm Water	463,744	463,744	139,969	323,775
Cemetery	770,757	778,032	732,621	45,411
Health and Welfare				
Payments to other agencies	20,000	20,000	20,000	0
Housing and Development				
Planning	981,028	973,545	973,580	(35)
Inspection	528,252	528,252	479,508	48,744
Code Enforcement	555,980	563,463	569,453	(5,990)
Payments to other agencies	308,577	308,577	308,485	92
Total expenditures	23,848,675	23,781,180	21,980,364	1,800,816
Excess (deficiency) of revenues over (under) expenditures	(1,917,657)	160,201	11,691,469	11,531,268
Other financing sources (uses)				
Transfers in (out)				
Transfers in	8,733,221	5,915,183	4,754,112	(1,161,071)
Transfers out	(10,953,601)	(26,669,821)	(25,379,507)	1,290,314
Contingency	(629,000)	(629,000)	0	629,000
Sales of capital assets	51,887	3,649,887	3,645,734	(4,153)
Proceeds from long term debt	0	0	273,308	273,308
Total other financing sources (uses)	(2,797,493)	(17,733,751)	(16,706,353)	1,027,398
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(4,715,150)	(17,573,550)	(5,014,884)	12,558,666
Fund balances, July 1	4,715,150	17,573,550	23,765,175	6,191,625
Fund balances, June 30	\$ 0	\$ 0	\$ 18,750,291	\$ 18,750,291

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, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 8,037,521	\$ 8,037,521	\$ 8,451,363	\$ 413,842
Motor vehicle	54,804	54,804	34,744	(20,060)
Investment	5,600	5,600	82,934	77,334
Total revenues	<u>8,097,925</u>	<u>8,097,925</u>	<u>8,569,041</u>	<u>471,116</u>
EXPENDITURES				
Current				
Public Safety				
Personal Services	8,598,060	8,807,010	8,850,980	(43,970)
Other	1,639,565	1,446,148	1,421,582	24,566
Total expenditures	<u>10,237,625</u>	<u>10,253,158</u>	<u>10,272,562</u>	<u>(19,404)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,139,700)</u>	<u>(2,155,233)</u>	<u>(1,703,521)</u>	<u>451,712</u>
Other financing sources (uses)				
Transfers in (out)				
Transfers in	1,877,020	1,877,020	1,877,020	0
Transfers out	(126,219)	(126,219)	(126,219)	0
Sales of capital assets	<u>0</u>	<u>0</u>	<u>3,592</u>	<u>3,592</u>
Total other financing sources (uses)	<u>1,750,801</u>	<u>1,750,801</u>	<u>1,754,393</u>	<u>3,592</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(388,899)</u>	<u>(404,432)</u>	<u>50,872</u>	<u>455,304</u>
Fund balances, July 1	<u>388,899</u>	<u>404,432</u>	<u>1,388,638</u>	<u>984,206</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,439,510</u></u>	<u><u>\$ 1,439,510</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, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 2,427,753	\$ 2,427,753	\$ 2,427,753	\$ 0
EXPENDITURES				
Current				
Public Safety				
Personal services	0	0	0	0
Excess (deficiency) of revenues over (under) expenditures	2,427,753	2,427,753	2,427,753	0
Other financing sources (uses)				
Transfers out	(2,427,753)	(2,427,753)	(2,427,753)	0
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
Fund balances, June 30	\$ 0	\$ 0	\$ 0	\$ 0

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
ASSETS				
Current assets				
Cash and cash equivalents	\$ 16,375,961	\$ 2,459,501	\$ 18,835,462	\$ 2,173,729
Investments	26,346,855	3,444,896	29,791,751	3,046,252
Restricted assets				
Cash and cash equivalents	48,111,506	0	48,111,506	0
Investments	58,880,888	0	58,880,888	0
Receivables (net)				
Accounts	5,709,379	335,548	6,044,927	183,920
Intergovernmental	12,537,862	3,499,892	16,037,754	9,812
Lease	0	589,301	589,301	0
Other	8,574	2,884	11,458	0
Inventories	2,655,549	0	2,655,549	117,944
Prepaid items	82,492	0	82,492	13,000
Other assets	0	0	0	121,153
Total current assets	170,709,066	10,332,022	181,041,088	5,665,810
Noncurrent assets				
Lease receivable	0	3,178,018	3,178,018	0
Property held for development	2,480,264	39,709	2,519,973	0
Capital assets				
Non-depreciable	148,786,010	5,051,190	153,837,200	0
Depreciable/amortizable (net)	399,795,440	13,011,770	412,807,210	62,963
Total noncurrent assets	551,061,714	21,280,687	572,342,401	62,963
Total assets	721,770,780	31,612,709	753,383,489	5,728,773
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	0	10,707	10,707	0
Deferred outflows related to pensions	5,781,634	452,679	6,234,313	0
Deferred outflows related to other post employment benefits	1,953,494	277,753	2,231,247	0
Total deferred outflow of resources	7,735,128	741,139	8,476,267	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	3,150,717	3,471,463	6,622,180	494,763
Intergovernmental	1,557,251	136,891	1,694,142	0
Retainage	0	353,022	353,022	0
Deposits	0	48,280	48,280	198,935
Sales tax	0	16,324	16,324	0
Interest	1,500	28,360	29,860	0
Accrued salaries	223,160	33,278	256,438	6,744
Compensated absences	770,879	96,672	867,551	30,170
Claims reserve	0	0	0	1,759,052
Lease/subscription payable	222,666	38,042	260,708	0
Contracts payable	1,261,588	290,000	1,551,588	0
Note payable	0	754,500	754,500	0
Other liabilities	0	61,150	61,150	0

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
LIABILITIES				
Current liabilities				
Liabilities payable from restricted assets:				
Payables				
Accounts	\$ 5,290,449	\$ 0	\$ 5,290,449	\$ 0
Retainages	4,272,239	0	4,272,239	0
Customer deposits	2,427,173	0	2,427,173	0
Interest	187,125	0	187,125	0
Revenue bonds payable	6,688,739	0	6,688,739	0
Total current liabilities	26,053,486	5,327,982	31,381,468	2,489,664
Noncurrent liabilities				
Compensated absences	85,653	10,741	96,394	3,352
Net pension liability	24,071,650	938,603	25,010,253	0
Net OPEB liability	8,013,491	1,130,899	9,144,390	0
Lease/subscription payable	380,986	88,217	469,203	0
Contracts payable	8,831,116	595,000	9,426,116	0
Notes payable	36,911,937	159,188	37,071,125	0
Revenue bonds payable	28,931,933	0	28,931,933	0
Total noncurrent liabilities	107,226,766	2,922,648	110,149,414	3,352
Total liabilities	133,280,252	8,250,630	141,530,882	2,493,016
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	441,203	77,293	518,496	0
Deferred inflows related to other post employment benefits	3,905,241	525,600	4,430,841	0
Deferred inflows related to leases	0	3,721,051	3,721,051	0
Total deferred inflows of resources	4,346,444	4,323,944	8,670,388	0
NET POSITION				
Net investment in capital assets	468,260,016	12,452,236	480,712,252	62,963
Restricted for:				
Capital outlay	100,890,953	63,441	100,954,394	0
Debt service	3,487,142	0	3,487,142	0
Unrestricted	19,241,101	7,263,597	26,504,698	3,172,794
Total net position	\$ 591,879,212	\$ 19,779,274	611,658,486	\$ 3,235,757
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			178,431	
Net position of business-type activities			\$ 611,836,917	

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2023

	Business-Type Activities			Governmental Activities
	Department of	Nonmajor		Internal
	Water Resources	Enterprise Funds	Totals	Service
OPERATING REVENUES				
Charges for sales and services	\$ 80,946,872	\$ 5,934,807	\$ 86,881,679	\$ 0
Interfund services provided	0	0	0	15,811,789
Other	76,332	39,396	115,728	420,685
Total operating revenues	81,023,204	5,974,203	86,997,407	16,232,474
OPERATING EXPENSES				
Costs of sales and services	26,098,751	2,354,776	28,453,527	16,059,604
Personal services	17,502,804	2,470,468	19,973,272	489,771
Depreciation	17,259,807	1,791,433	19,051,240	31,053
Total operating expenses	60,861,362	6,616,677	67,478,039	16,580,428
Operating income (loss)	20,161,842	(642,474)	19,519,368	(347,954)
Non-operating revenues (expenses)				
Investment revenue	2,934,255	83,539	3,017,794	52,006
Interest expense	(1,641,889)	(80,740)	(1,722,629)	0
Intergovernmental revenue	0	3,490,742	3,490,742	0
Gain on sale of property held for development	10,206,589	403,306	10,609,895	0
Gain (loss) on sale of capital assets	3,110	3,889	6,999	0
Total non-operating revenues (expenses)	11,502,065	3,900,736	15,402,801	52,006
Income (loss) before capital contributions and transfers	31,663,907	3,258,262	34,922,169	(295,948)
Capital contributions				
Connection fees	5,132,734	0	5,132,734	0
Capital contributions	6,194,043	0	6,194,043	0
Total capital contributions	11,326,777	0	11,326,777	0
Income (loss) before transfers	42,990,684	3,258,262	46,248,946	(295,948)
Transfers in (out)				
Transfers in	214,959	31,250	246,209	0
Transfers out	(6,877,900)	(3,630)	(6,881,530)	(263,078)
Total transfers in (out)	(6,662,941)	27,620	(6,635,321)	(263,078)
Change in net position	36,327,743	3,285,882	39,613,625	(559,026)
Net position, July 1, restated	555,551,469	16,493,392	572,044,861	3,794,783
Net position, June 30	\$ 591,879,212	\$ 19,779,274	\$ 611,658,486	\$ 3,235,757
Change in net position - enterprise funds			\$ 39,613,625	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(131,875)	
Change in net position - business-type activities			<u>\$ 39,481,750</u>	

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2023

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
Cash flows from operating activities:				
Receipts from customers	\$ 69,729,683	\$ 5,905,812	\$ 75,635,495	\$ 0
Receipts from interfund services provided	0	0	0	15,667,878
Payments to suppliers	(24,792,709)	(2,231,281)	(27,023,990)	(15,831,914)
Payments to employees	(17,577,223)	(2,601,764)	(20,178,987)	(497,608)
Other receipts	76,332	38,934	115,266	420,685
Net cash provided (used) by operating activities	27,436,083	1,111,701	28,547,784	(240,959)
Cash flows from non-capital financing activities:				
Receipts from other funds	0	27,620	27,620	0
Payments to other funds	(6,877,900)	0	(6,877,900)	(263,078)
Net cash provided (used) by non-capital financing activities	(6,877,900)	27,620	(6,850,280)	(263,078)
Cash flows from capital and related financing activities:				
Connection fees	5,132,734	0	5,132,734	0
Receipts of capital contributions	1,700,000	0	1,700,000	0
Receipts from other funds	214,959	0	214,959	0
Proceeds from sale of capital assets	56,771	3,889	60,660	0
Interest paid	(1,681,869)	(82,945)	(1,764,814)	0
Acquisition of capital assets	(44,217,477)	(470,698)	(44,688,175)	0
Payment of capital related accounts payable	(2,676,489)	(16,486)	(2,692,975)	0
Payment of capital related retainages payable	(2,175,424)	0	(2,175,424)	0
Proceeds from notes payable	29,177,562	0	29,177,562	0
Principal payments - contracts payable	0	(280,000)	(280,000)	0
Principal payments - leases payable	0	(36,450)	(36,450)	0
Principal payments - subscriptions payable	(219,496)	0	(219,496)	0
Principal payments - bonds	(6,300,000)	0	(6,300,000)	0
Principal payments - notes payable	0	(285,649)	(285,649)	0
Net cash provided (used) by capital and related financing activities	(20,988,729)	(1,168,339)	(22,157,068)	0
Cash flows from investing activities:				
Receipts of investment revenue	2,958,699	119,487	3,078,186	86,291
Proceeds from sale of property held for development	10,697,436	851,183	11,548,619	0
Purchase of investments	(33,622,723)	(1,609,290)	(35,232,013)	(572,265)
Proceeds from sale of investments	33,892,447	1,366,963	35,259,410	1,167,491
Net cash provided (used) by operating activities	13,925,859	728,343	14,654,202	681,517
Net increase (decrease) in cash and cash equivalents	13,495,313	699,325	14,194,638	177,480
Cash and cash equivalents, July 1	50,992,154	1,760,176	52,752,330	1,996,249
Cash and cash equivalents, June 30	\$ 64,487,467	\$ 2,459,501	\$ 66,946,968	\$ 2,173,729

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2023

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 20,161,842	\$ (642,474)	\$ 19,519,368	\$ (347,954)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	17,259,807	1,791,433	19,051,240	31,053
(Increase) decrease in accounts receivable	(1,738,200)	(69,910)	(1,808,110)	(180,346)
(Increase) decrease in intergovernmental receivables	(9,598,650)	0	(9,598,650)	36,435
Increase) decrease in leases receivable	0	(126,683)	(126,683)	0
(Increase) decrease in inventory	(466,148)	0	(466,148)	
(Increase) decrease in prepaid items	48,120	0	48,120	7,008
(Increase) decrease in other assets	0	0	0	(21,478)
(Increase) decrease in deferred outflows of resources	(1,794,868)	(159,534)	(1,954,402)	0
Increase (decrease) in accounts payable	1,547,939	28,338	1,576,277	235,583
Increase (decrease) in intergovernmental payables	176,131	86,796	262,927	0
Increase (decrease) in sales tax payable	0	2,030	2,030	0
Increase (decrease) in accrued salaries and benefits	(244,309)	(44,230)	(288,539)	(7,837)
Increase (decrease) in deposits payable	119,660	0	119,660	16,931
Increase (decrease) in claims reserve	0	0	0	(10,354)
Increase (decrease) in net pension liability	3,800,629	441,129	4,241,758	0
Increase (decrease) in deferred inflows of resources	1,757,659	285,165	2,042,824	0
Increase (decrease) in net OPEB liability	(3,593,529)	(488,720)	(4,082,249)	0
Increase (decrease) in other liabilities	0	8,361	8,361	0
Total adjustments	7,274,241	1,754,175	9,028,416	106,995
Net cash provided (used) by operating activities	\$ 27,436,083	\$ 1,111,701	\$ 28,547,784	\$ (240,959)
Cash and cash equivalents reconciliation:				
Cash and cash equivalents	\$ 16,375,961	\$ 2,459,501	\$ 18,835,462	\$ 2,173,729
Restricted assets				
Cash and cash equivalents	48,111,506	0	48,111,506	0
Total cash and cash equivalents	\$ 64,487,467	\$ 2,459,501	\$ 66,946,968	\$ 2,173,729

Noncash investing, capital, and financing activities:

Contributions of capital assets from individuals totaled \$3,232,456.
Acquisition of capital assets through accounts payable totaled \$8,940,963.
Acquisition of capital assets through retainage payable totaled \$4,625,261.
Forgiveness of contracts payable through capital contributions totaled \$1,261,588.

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2023

	Community Private-Purpose Trust Fund	Employees' Pension Trust Fund	Municipal Court Custodial Fund
ASSETS			
Cash and cash equivalents	\$ 38,459	\$ 7,164,783	\$ 107,001
Investments, at fair value			
Mutual funds			
Equity	0	76,325,137	0
Fixed income	0	17,957,060	0
Real estate	0	15,812,544	0
Accounts receivable	15,618	0	0
Total assets	54,077	117,259,524	107,001
LIABILITIES			
Accounts payable	1,500	61,924	0
Due to other agencies	0	0	40,056
Total liabilities	1,500	61,924	40,056
NET POSITION			
Restricted for:			
Pensions	0	117,197,600	0
Employee assistance	52,577	0	0
Individuals, organizations, and other governments	0	0	66,945
Total net position	\$ 52,577	\$ 117,197,600	\$ 66,945

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the fiscal year ended June 30, 2023

	Community Private-Purpose Trust Fund	Employees' Pension Trust Fund	Municipal Court Custodial Fund
ADDITIONS			
Contributions			
Employer contributions	\$ 0	\$ 4,227,917	\$ 0
Employee contributions	0	4,227,917	0
Employee donations	47,827	0	0
Fines and forfeitures collected for other governments	0	0	87,440
	<u>47,827</u>	<u>8,455,834</u>	<u>87,440</u>
Total contributions and donations			
Investment Income			
Net appreciation (depreciation) in fair value of investments	0	(3,819,618)	0
Interest	1,118	378,399	0
Dividends	0	2,569,982	0
Investment expense	0	(450,738)	0
	<u>1,118</u>	<u>(1,321,975)</u>	<u>0</u>
Net investment income (loss)			
Total additions (reductions)	<u>48,945</u>	<u>7,133,859</u>	<u>87,440</u>
DEDUCTIONS			
Benefits	0	10,673,118	0
Refunds	0	888,815	0
Distributions for assistance	23,497	0	0
Distributions of fines and forfeitures to other governments	0	0	77,577
	<u>23,497</u>	<u>11,561,933</u>	<u>77,577</u>
Total deductions			
Change in net position	25,448	(4,428,074)	9,863
Net position, July 1	27,129	121,625,674	57,082
Net position, June 30	<u>\$ 52,577</u>	<u>\$ 117,197,600</u>	<u>\$ 66,945</u>

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2023

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Gainesville Hall County Land Bank	Total Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 2,443,654	\$ 719,556	\$ 380,674	\$ 3,543,884
Restricted assets				
Cash and cash equivalents	228,425	0	0	228,425
Investments	3,704,549	1,012,309	0	4,716,858
Receivables				
Accounts	18,688	10,521	0	29,209
Taxes	92,465	0	0	92,465
Total current assets	6,487,781	1,742,386	380,674	8,610,841
Noncurrent assets				
Property held for development	0	0	269,808	269,808
Capital assets				
Non-depreciable	17,553,354	0	0	17,553,354
Depreciable (net)	8,505,832	1,381,860	0	9,887,692
Total noncurrent assets	26,059,186	1,381,860	269,808	27,710,854
Total assets	32,546,967	3,124,246	650,482	36,321,695
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	457,460	494,022	0	951,482
Deferred outflows related to other post employment benefits	347,961	67,591	0	415,552
Total deferred outflows of resources	805,421	561,613	0	1,367,034
LIABILITIES				
Current liabilities				
Payables				
Accounts	236,435	67,146	0	303,581
Retainage	16,638	0	0	16,638
Intergovernmental	0	0	130,230	130,230
Sales tax	11,472	0	0	11,472
Unearned revenue	5,750	13,658	0	19,408
Accrued salaries	63,765	13,187	0	76,952
Compensated absences	131,633	30,894	0	162,527
Other liabilities	22,562	400	0	22,962
Total current liabilities	488,255	125,285	130,230	743,770
Noncurrent liabilities				
Compensated absences	14,626	3,432	0	18,058
Net pension liability	464,606	1,387,125	0	1,851,731
Net OPEB liability	1,208,050	105,467	0	1,313,517
Total noncurrent liabilities	1,687,282	1,496,024	0	3,183,306
Total liabilities	2,175,537	1,621,309	130,230	3,927,076

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2023

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Gainesville Hall County Land Bank	Total Component Units
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	\$ 49,166	\$ 0	\$ 0	\$ 49,166
Deferred inflows related to other post employment benefits	721,513	97,533	0	819,046
Total deferred inflows of resources	770,679	97,533	0	868,212
NET POSITION				
Net investment in capital assets	26,040,941	1,381,860	0	27,422,801
Restricted for cultural and recreation	28,425	0	0	28,425
Restricted for capital outlay	1,725,700	0	0	1,725,700
Unrestricted	2,611,106	585,157	520,252	3,716,515
Total net position	\$ 30,406,172	\$ 1,967,017	\$ 520,252	\$ 32,893,441

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
COMPONENT UNITS
For the fiscal year ended June 30, 2023

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Gainesville Hall County Land Bank	Total Component Units
Expenses				
Culture and Recreation	\$ 7,728,001	\$ 0	\$ 0	\$ 7,728,001
Housing and Development	0	1,770,075	2,119	1,772,194
Total expenses	7,728,001	1,770,075	2,119	9,500,195
Program revenues				
Charges for services	2,126,357	113,948	0	2,240,305
Operating grants and contributions	23,601	685,228	0	708,829
Capital grants and contributions	9,278,848	0	0	9,278,848
Total program revenues	11,428,806	799,176	0	12,227,982
Net (expense) revenue	3,700,805	(970,899)	(2,119)	2,727,787
General revenues				
Property taxes	6,067,265	0	0	6,067,265
Investment	114,657	10,421	0	125,078
Payments from City of Gainesville	0	1,939,655	397,793	2,337,448
Miscellaneous	16,832	31,702	0	48,534
Total general revenues	6,198,754	1,981,778	397,793	8,578,325
Change in net position	9,899,559	1,010,879	395,674	11,306,112
Net position, July 1	20,506,613	956,138	124,578	21,587,329
Net position, June 30	\$ 30,406,172	\$ 1,967,017	\$ 520,252	\$ 32,893,441



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.

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

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.

The City has recorded intangible right-to-use assets as a result of implementing GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The assets are initially measured at an amount equal to the initial measurement of the related lease or subscription liability plus any payments made prior to the lease or subscription term, less lease or subscription incentives, and plus ancillary charges necessary to place the lease or subscription into service. The intangible right-to-use assets are amortized on a straight-line basis over the shorter of the estimated useful life of the underlying asset or life of the related lease or subscription.

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/amortized using the straight-line method over the estimated useful lives or lease/subscription term of the respective assets ranging as follows:

	Useful Life	Capitalization
	in Years	Threshold
Buildings	10 to 60	\$ 20,000
Sewer lines	40 to 50	\$ 25,000
Water lines	50	\$ 25,000
Water and sewer treatment facilities	60	\$ 25,000
Roads	30 to 50	\$ 300,000
Storm drains	25 to 40	\$ 100,000
Sidewalks	25 to 30	\$ 75,000
Bridges/culverts	40 to 50	\$ 250,000
Bike paths	20 to 30	\$ 75,000
Parking lots	15 to 35	\$ 75,000
Traffic signals	15 to 25	\$ 100,000
Airport runways	20 to 40	\$ 150,000
Equipment	5 to 20	\$ 20,000
Vehicles	5 to 15	\$ 20,000
Furniture and fixtures	3 to 8	\$ 20,000
Intangibles	3 to 15	\$ 20,000
Computer software	3 to 5	\$ 50,000
Intangible right-to-use assets		
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. 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.

2. Summary of Significant Accounting Policies (continued)

Q. Restricted Assets and Restricted Net Position, continued

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.

R. Fund Balances – Governmental Funds

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds, continued

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.

S. 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.

2. Summary of Significant Accounting Policies (continued)

T. 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.

U. 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.

V. 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.

2. Summary of Significant Accounting Policies (continued)

W. 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.

X. 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.

3. Deposit and Investment Risk (continued)

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 Fitch's criteria for AAAs/S1 rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability.

The Georgia Fund 1 is rated AAAs/S1 by Fitch. The weighted average maturity at the end of the current fiscal year was 28 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$30,849,837.

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.

Investment	Fair Value	Average Maturity (in years)	Standard and Poor's Credit Rating
PIMCO Income Fund	\$ 9,752,602	4.54	N/A
PIMCO Investment Grade Credit Fund	3,044,199	10.47	N/A
PIMCO Total Return Fund	5,158,649	8.07	N/A
	<u>\$ 17,955,450</u>		

Foreign currency risk

The City has no investments denominated in a foreign currency.

Investments

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

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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	\$ 55,014,119	\$ 0	\$ 55,014,119
U.S. treasury notes	71,658,408	0	0	71,658,408
Mortgage-backed securities	0	8,313,908	0	8,313,908
Municipal bond securities	0	14,815,927	0	14,815,927
Total investments measured at fair value	\$ 71,658,408	\$ 78,143,954	\$ 0	\$ 149,802,362
Investments not subject to level disclosure:				
Georgia Fund 1 (classified as cash equivalent)				30,849,837
Total Investments				\$ 180,652,199

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
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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	\$ 1,816,866	\$ 0	\$ 1,816,866
U.S. treasury notes	2,136,118	0	0	2,136,118
Mortgage-backed securities	0	274,571	0	274,571
Municipal bond securities	0	489,303	0	489,303
Total investments measured at fair value	\$ 2,136,118	\$ 2,580,740	\$ 0	\$ 4,716,858

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	\$ 17,957,060	\$ 0	\$ 17,957,060
Mutual Funds - corporate stocks	76,325,137	0	0	76,325,137
Mutual Funds - real estate	0	0	15,812,544	15,812,544
Total investments measured at fair value	\$ 76,325,137	\$ 17,957,060	\$ 15,812,544	\$ 110,094,741

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

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

4. Accounts Receivable

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

Primary Government:

Major Funds

General Fund		\$ 232,961
Fire Special Revenue Fund		736
Department of Water Resources Enterprise Fund	\$ 7,035,421	
Less: Allowance for Uncollectibles	<u>(1,326,042)</u>	5,709,379

Nonmajor Funds

Special Revenue Funds		
Community Service Center	2,270	
Opioid Settlement	461,688	
Grants	<u>63,748</u>	527,706

Enterprise Funds

Airport	23,935	
Solid Waste	322,540	
Less: Allowance for Uncollectibles	<u>(89,863)</u>	
Golf Course	<u>78,936</u>	335,548

Internal Service Funds

General Insurance	7,275	
Employee Benefits	<u>176,645</u>	183,920

Total Primary Government		<u><u>\$ 6,990,250</u></u>
--------------------------	--	----------------------------

Component Units:

City of Gainesville Parks and Recreation	\$ 18,688
Gainesville Convention and Visitor's Bureau	<u>10,521</u>
Total Component Units	<u><u>\$ 29,209</u></u>

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

5. Intergovernmental Receivables

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

Primary Government:

Major Funds

General Fund	\$	135,335
Fire Special Revenue Fund		532
SPLOST Capital Projects Fund		1,761,852
Department of Water Resources Fund		12,537,862

Nonmajor Funds

Special Revenue Funds		
Community Service Center	\$	693,582
Grants		82,528
HUD Grant		107,921
Tax Allocation District		785,649
Police		251
		<u>1,669,931</u>
Enterprise funds		
Airport		3,499,892
Internal Service Funds		
Vehicle Services		<u>9,812</u>
Total Primary Government		<u><u>\$ 19,615,216</u></u>

6. Property Taxes

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for fiscal year 2023, based upon the assessments of January 1, 2022, and the levy date of June 21, 2022, were billed on September 8, 2022, and due on December 1, 2022. 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 \$212,910 of intradepartmental billings for water and sewer usage for the current fiscal year.

8. Interfund Receivables, Payables, and Transfers

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	General Government Capital Projects	\$ 369,985
	Nonmajor Governmental	253,353
Nonmajor Governmental	Nonmajor Governmental	1,171,169
		<u>\$ 1,794,507</u>

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

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

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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

A summary of interfund transfers is as follows:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
General	Fire	\$ 1,877,020
	SPLOST	2,190,000
	General Government Capital Projects	11,701,292
	Nonmajor Governmental	9,579,945
	Nonmajor Enterprise	31,250
American Rescue Plan Grant	General	2,427,753
Fire	SPLOST	96,219
	General Government Capital Projects	30,000
SPLOST	Nonmajor Governmental	293,692
Department of Water Resources	General	2,075,977
	General Government Capital Projects	4,800,000
	Nonmajor Governmental	1,923
Internal Service	General	7,275
	Department of Water Resources	214,959
	Nonmajor Governmental	40,844
Nonmajor Governmental	General	243,107
	SPLOST	1,546,167
	General Government Capital Projects	5,530,000
	Nonmajor Governmental	512,332
Nonmajor Enterprise	Nonmajor Governmental	3,630
		<u>\$ 43,203,385</u>

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

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

9. Capital Assets

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

	Balance Beginning	Increases	Decreases	Balance Ending
Governmental activities				
Non-depreciable assets				
Land	\$ 26,086,816	\$ 0	\$ (235,385)	\$ 25,851,431
Easements	132,500	0	0	132,500
Construction in progress	23,505,541	20,119,226	(1,389,973)	42,234,794
Total non-depreciable assets	49,724,857	20,119,226	(1,625,358)	68,218,725
Depreciable/amortizable assets				
Buildings	67,756,575	0	0	67,756,575
Land improvements	3,517,286	267,693	0	3,784,979
Vehicles and equipment	27,043,779	2,420,704	(947,196)	28,517,287
Intangibles	1,265,160	0	0	1,265,160
Infrastructure	39,358,383	777,955	0	40,136,338
Intangible right-to-use assets				
Vehicles and equipment	570,253	273,309	0	843,562
Total depreciable/amortizable assets	139,511,436	3,739,661	(947,196)	142,303,901
Less accumulated depreciation/amortization				
Buildings	(24,523,187)	(1,708,746)	0	(26,231,933)
Land improvements	(2,320,537)	(150,727)	0	(2,471,264)
Vehicles and equipment	(18,442,878)	(2,336,400)	927,325	(19,851,953)
Intangibles	(1,181,731)	(11,270)	0	(1,193,001)
Infrastructure	(17,566,753)	(1,301,029)	0	(18,867,782)
Intangible right-to-use assets				
Vehicles and equipment	(143,393)	(240,698)	0	(384,091)
Total accumulated depreciation/amortization	(64,178,479)	(5,748,870)	927,325	(69,000,024)
Total depreciable/amortizable assets, net	75,332,957	(2,009,209)	(19,871)	73,303,877
Governmental activities capital assets, net	\$ 125,057,814	\$ 18,110,017	\$ (1,645,229)	\$ 141,522,602

Beginning balances of the Governmental activities have been restated for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The restatement totaled \$426,860. The restatement was comprised of \$570,253 costs of intangible right-to-use assets and accumulated amortization of \$143,393.

Decreases in construction in progress for the governmental activities consist of projects placed in service in the amount of \$978,622 and a project distributed to Gainesville Convention and Visitor's Bureau Component Unit in the amount of \$411,351.

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

9. Capital Assets (continued)

	Balance Beginning	Increases	Decreases	Balance Ending
Business-type activities				
Non-depreciable assets				
Land	\$ 29,446,835	\$ 425,341	\$ (7,483)	\$ 29,864,693
Easements	2,853,620	0	0	2,853,620
Construction in progress	65,861,716	55,523,128	(265,957)	121,118,887
Total non-depreciable assets	98,162,171	55,948,469	(273,440)	153,837,200
Depreciable/amortizable assets				
Buildings	60,960,667	0	0	60,960,667
Land improvements	12,841,900	146,541	0	12,988,441
Vehicles and equipment	48,918,324	2,237,133	(314,693)	50,840,764
Intangibles	6,138,328	0	0	6,138,328
Infrastructure	604,361,622	3,420,669	0	607,782,291
Intangible right-to-use assets				
Vehicles and equipment	1,304,898	0	0	1,304,898
Total depreciable/amortizable assets	734,525,739	5,804,343	(314,693)	740,015,389
Less accumulated depreciation/amortization				
Buildings	(18,995,326)	(1,355,094)	0	(20,350,420)
Land improvements	(7,458,825)	(678,655)	0	(8,137,480)
Vehicles and equipment	(26,501,978)	(3,147,962)	314,693	(29,335,247)
Intangibles	(3,058,587)	(193,488)	0	(3,252,075)
Infrastructure	(252,144,746)	(13,425,892)	0	(265,570,638)
Intangible right-to-use assets				
Vehicles and equipment	(265,992)	(296,327)	0	(562,319)
Total accumulated depreciation/amortization	(308,425,454)	(19,097,418)	314,693	(327,208,179)
Total depreciable/amortizable assets, net	426,100,285	(13,293,075)	0	412,807,210
Business-type activities capital assets, net	\$ 524,262,456	\$ 42,655,394	\$ (273,440)	\$ 566,644,410

Beginning balances of the Business-type activities have been restated for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* and combining of GASB Statement No. 87, *Leases* intangible right-to-use assets schedule into the capital asset schedule. The restatement totaled \$1,038,906. The restatement was comprised of \$1,304,898 costs of intangible right-to-use assets and accumulated amortization of \$265,992.

Beginning balances of the Business-type activities have been restated to reclassify assets to the correct classification. These adjustments had no net effect on total beginning net capital assets for the Business-type activities.

Decreases in construction in progress for the business-type activities consist of projects placed in service in the amount of \$265,957.

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

9. Capital Assets (continued)

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

	Balance Beginning	Increases	Decreases	Balance Ending
Parks & Recreation Component Unit				
Non-depreciable assets				
Land	\$ 5,287,810	\$ 0	\$ 0	\$ 5,287,810
Construction in progress	3,177,529	9,097,612	(9,597)	12,265,544
Total non-depreciable assets	8,465,339	9,097,612	(9,597)	17,553,354
Depreciable assets				
Buildings	9,176,848	229,717	0	9,406,565
Land improvements	7,110,679	497,818	0	7,608,497
Vehicles and equipment	2,448,765	295,498	(206,082)	2,538,181
Intangibles	39,665	0	0	39,665
Infrastructure	3,120,059	0	0	3,120,059
Total depreciable assets	21,896,016	1,023,033	(206,082)	22,712,967
Less accumulated depreciation				
Buildings	(6,682,050)	(109,760)	0	(6,791,810)
Land improvements	(3,398,899)	(411,565)	0	(3,810,464)
Vehicles and equipment	(1,408,335)	(153,139)	206,082	(1,355,392)
Intangibles	(39,666)	0	0	(39,666)
Infrastructure	(2,086,226)	(123,577)	0	(2,209,803)
Total accumulated depreciation	(13,615,176)	(798,041)	206,082	(14,207,135)
Total depreciable assets, net	8,280,840	224,992	0	8,505,832
Parks & Recreation Component Unit capital assets, net	\$ 16,746,179	\$ 9,322,604	\$ (9,597)	\$ 26,059,186
Convention and Visitor's Bureau Component Unit				
Depreciable assets				
Buildings	\$ 1,795,280	\$ 411,351	\$ (61,454)	\$ 2,145,177
Land Improvements	86,853	0	0	86,853
Vehicles and equipment	82,691	25,000	0	107,691
Total depreciable assets	1,964,824	436,351	(61,454)	2,339,721
Less accumulated depreciation				
Buildings	(856,911)	(65,095)	61,454	(860,552)
Land Improvements	(11,475)	(7,935)	0	(19,410)
Vehicles and equipment	(75,427)	(2,472)	0	(77,899)
Total accumulated depreciation	(943,813)	(75,502)	61,454	(957,861)
Convention and Visitor's Bureau Component Unit capital assets, net	\$ 1,021,011	\$ 360,849	\$ 0	\$ 1,381,860

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

9. Capital Assets (continued)

Depreciation/amortization expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 2,329,050
Public Safety	1,529,632
Public Works	1,195,269
Health and Welfare	441,069
Housing and Development	170,089
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>31,053</u>

Total depreciation/amortization expense for governmental activities	<u><u>\$ 5,696,162</u></u>
---	----------------------------

Business-type activities

Department of Water Resources	\$ 17,259,807
Airport	650,594
Solid Waste	600,473
Golf Course	<u>540,366</u>

Total depreciation/amortization expense for business-type activities	<u><u>\$ 19,051,240</u></u>
--	-----------------------------

Component Units

Parks and Recreation	\$ 798,401
Convention and Visitor's Bureau	75,502

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Current year depreciation/amortization expense	\$ 5,696,162	\$ 19,051,240
Prior accumulated depreciation on on assets contributed from individuals		46,178
Prior accumulated depreciation on assets through transfer from enterprise funds	<u>52,708</u>	<u>0</u>
Additions to accumulated depreciation/amortization	<u><u>\$ 5,748,870</u></u>	<u><u>\$ 19,097,418</u></u>

10. 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 \$990,211. 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 \$974,232. The City recognized lease revenue of \$119,264 and interest revenue of \$12,796 on the lease during the current fiscal year.

During the fiscal year ended June 30, 2023, the City entered into a 60-month lease as Lessor for the use of real property in the City limits. An initial lease receivable was recorded in the amount of \$399,785. 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 \$369,785. The lessee is required to make monthly fixed payments of \$2,500. The lease has an interest rate of 2.8500%. The value of the deferred inflow of resources at the end of the current year is \$398,008. The City recognized lease revenue of \$1,777 and interest revenue of \$703 on the lease during the current fiscal year.

10. Leases Receivable (continued)

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. Various lease modifications were made to several of these leases during the fiscal year ending June 30, 2023. At the end of the current year, the value of the lease receivable is \$3,767,319. 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 \$3,721,051. The City recognized lease revenue of \$554,150 and interest revenue of \$35,761 on the leases during the current fiscal year.

11. Long-Term Debt

Leases/Subscriptions

Governmental Activities

The City entered into an agreement to subscribe to certain software. The subscription agreements qualify subscriptions under GASB Statement No. 96, *Subscription-Based Information Technology Agreements*, and have been recorded at the present value of the future minimum subscription payments at their inception. Subscription liabilities are comprised of the following individual subscriptions at the end of the current fiscal year:

- \$47,139 agenda and meeting software subscription due in annual installments ranging from \$6,020 to \$7,317 through March 2028, interest at 0.8330%, \$32,421 outstanding.
- \$38,625 meeting software subscription due in annual installments ranging from \$6,405 to \$7,785 through January 2028, interest at 2.7020%, \$32,609 outstanding.
- \$23,849 capital asset tracking software subscription due in annual installments of \$6,000 through February 2025, interest at 0.4260%, \$11,949 outstanding.

11. Long-Term Debt (continued)

Leases/Subscriptions, continued

Governmental Activities

- \$18,961 budget software subscription due in annual installments of \$9,500 through October 2022, interest at 0.2760%. This obligation was paid in full during the current fiscal year.
- \$26,387 privileged access management software subscription due in annual installments of \$6,000 through September 2024, interest at 0.3150%, \$11,962 outstanding.
- \$131,537 data storage software subscription due in annual installments of \$45,000 through March 2025, interest at 2.6560%, \$86,537 outstanding.
- \$103,146 cloud platform software subscription due in annual installments of \$35,287 through February 2025, interest at 2.6560%, \$67,859 outstanding.
- \$78,288 evidence management software subscription due in annual installments of \$12,384 through March 2024, interest at 0.4570%, \$12,328 outstanding.
- \$375,631 evidence management software subscription due in annual installments of \$126,165 through March 2024, interest at 0.4570%, \$125,532 outstanding.

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 237,289	\$ 5,933	\$ 243,222
2025	102,302	3,031	105,333
2026	12,957	741	13,698
2027	13,871	512	14,383
2028	14,778	265	15,043
Totals	<u>\$ 381,197</u>	<u>\$ 10,482</u>	<u>\$ 391,679</u>

11. Long-Term Debt (continued)

Leases/Subscriptions, continued

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 4.2800%, \$126,259 outstanding.

The City entered into an agreement to subscribe to certain software. The subscription agreements qualify subscriptions under GASB Statement No. 96, *Subscription-Based Information Technology Agreements*, and have been recorded at the present value of the future minimum subscription payments at their inception. Subscription liabilities are comprised of the following individual subscriptions at the end of the current fiscal year:

- \$1,016,639 mapping and analytics software subscription due in annual installments of \$191,800 through December 2025, interest at 0.4570%, \$570,180 outstanding.
- \$95,657 laboratory information management system software subscription due in annual installments of \$34,203 through April 2024, interest at 2.1843%, \$33,472 outstanding.

The following is a schedule of future minimum lease/subscription payments together with the present value of the net minimum lease/subscription payments for the business-type activities at the end of the current fiscal year:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 260,708	\$ 8,000	\$ 268,708
2025	229,761	4,744	234,505
2026	232,362	2,143	234,505
2027	7,080	25	7,105
Totals	\$ 729,911	\$ 14,912	\$ 744,823

11. Long-Term Debt (continued)

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% (\$29,940,000 outstanding).

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

Year Ending June 30,	Principal	Interest	Total
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	3,860,000	282,250	4,142,250
2029	3,715,000	92,875	3,807,875
Totals	<u>\$ 29,940,000</u>	<u>\$ 4,092,000</u>	<u>\$ 34,032,000</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 \$34,031,800. Principal and interest paid for the current year was \$6,300,000 and \$1,654,500, respectively. Water and sewer operating revenue totaled \$81,023,205 for the current year.

11. 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 \$448,953 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:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 325,625	\$ 0	\$ 325,625
2025	123,328	0	123,328
Totals	\$ 448,953	\$ 0	\$ 448,953

11. 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.

11. Long-Term Debt (continued)

Contracts Payable, continued

Governmental Activities

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.

On September 20, 2022, the Gainesville Redevelopment Authority issued \$33,970,000 in the Series 2022A Tax-Exempt Revenue Bonds, with interest rates of 5.250-5.000%. 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 a multi-field recreation facility known as "The Coop" and a building known as "The Boathouse", 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.

11. Long-Term Debt (continued)

Contracts Payable, continued

Governmental Activities

On September 20, 2022, the Gainesville Redevelopment Authority issued \$3,065,000 in the Series 2022B Taxable Revenue Bonds, with interest rates of 4.600-5.250%. 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 renovation of certain retail space, 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.

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.

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

11. Long-Term Debt (continued)

Contracts Payable, continued

Business-type Activities

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.

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 2,062,808	\$ 2,055,924	\$ 4,118,732
2025	3,292,808	1,961,259	5,254,067
2026	3,150,418	1,839,255	4,989,673
2027	3,118,030	1,721,574	4,839,604
2028	3,261,327	1,601,637	4,862,964
2029-2033	9,951,521	6,594,749	16,546,270
2034-2038	10,581,521	4,194,424	14,775,945
2039-2043	12,426,627	1,883,683	14,310,310
2044	2,715,000	58,693	2,773,693
Totals	\$ 50,560,060	\$ 21,911,198	\$ 72,471,258

11. Long-Term Debt (continued)

Contracts Payable, continued

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

Year Ending June 30,	Principal	Interest	Total
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	1,261,588	0	1,261,588
2029-2031	3,784,764	0	3,784,764
Totals	<u>\$ 10,977,704</u>	<u>\$ 34,797</u>	<u>\$ 11,012,501</u>

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 \$273,433 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.

11. 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 \$846,477 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.

In November 2022, the City entered into a financed purchase agreement with PNC Equipment Finance, LLC, for the purchase of a 2023 Pierce Arrow XT Tandem Axle Heavy Rescue Truck and a 2023 Pierce Arrow XT Pumper Truck. The amount of the agreement was \$2,028,000, interest at Prime Rate plus one percent (1.00%), for a term of five years. The outstanding balance was \$2,028,000 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.

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 918,648	\$ 123,298	\$ 1,041,946
2025	668,416	90,719	759,135
2026	692,569	66,565	759,134
2027	424,026	41,417	465,443
2028	444,251	21,191	465,442
Totals	\$ 3,147,910	\$ 343,190	\$ 3,491,100

11. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

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 \$36,911,937 on these agreements. At the end of the current fiscal year, the notes are still in drawdown phase (\$36,911,937 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.

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 \$626,077 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 \$287,611 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.

11. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

Business-Type Activities

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 754,500	\$ 38,423	\$ 792,923
2025	159,188	5,812	165,000
Totals	<u>\$ 913,688</u>	<u>\$ 44,235</u>	<u>\$ 957,923</u>

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

12. Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Notes from direct borrowings	\$ 1,655,281	\$ 2,028,000	\$ (535,371)	\$ 3,147,910	\$ 918,648
Certificates of participation	404,592	369,985	(325,624)	448,953	325,625
Subscriptions payable	358,258	273,308	(250,369)	381,197	237,289
Contracts payable	13,811,479	38,721,389	(1,972,808)	50,560,060	2,062,808
Compensated absences	1,513,139	1,568,811	(1,361,825)	1,720,125	1,548,113
Total governmental activities	<u>\$ 17,742,749</u>	<u>\$ 42,961,493</u>	<u>\$ (4,445,997)</u>	<u>\$ 56,258,245</u>	<u>\$ 5,092,483</u>
Business-type activities					
Revenue bonds	\$ 36,240,000	\$ 0	\$ (6,300,000)	\$ 29,940,000	\$ 5,640,000
Unamortized bond premium	6,729,411	0	(1,048,739)	5,680,672	1,048,739
Leases payable	162,709	0	(36,451)	126,258	38,042
Subscriptions payable	823,148		(219,495)	603,653	222,666
Contracts payable	12,519,292	0	(1,541,588)	10,977,704	1,551,588
Notes from direct borrowings	8,933,712	29,177,562	(285,649)	37,825,625	754,500
Compensated absences	858,017	878,144	(772,216)	963,945	867,551
Total business-type activities	<u>\$ 66,266,289</u>	<u>\$ 30,055,706</u>	<u>\$ (10,204,138)</u>	<u>\$ 86,117,857</u>	<u>\$ 10,123,086</u>
Component Units					
City of Gainesville					
Parks and Recreation					
Compensated absences	\$ 107,558	\$ 135,503	\$ (96,802)	\$ 146,259	\$ 131,633
Gainesville Convention and Visitor's Bureau					
Compensated absences	24,376	31,889	(21,939)	34,326	30,894
Total Component Units	<u>\$ 131,934</u>	<u>\$ 167,392</u>	<u>\$ (118,741)</u>	<u>\$ 180,585</u>	<u>\$ 162,527</u>

Beginning debt balances have been restated for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

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.

12. Long-Term Liabilities (continued)

Total interest incurred and expensed in the governmental activities and the business-type activities for the current fiscal year was \$1,640,686 and \$1,722,629, respectively.

The City is subject to a legal debit margin of 10% of total assessed property value. The City's net assessed value is \$6,978,634,243. The City has \$0 of outstanding general obligation debt. The City has a total of \$697,863,424 (100%) of outstanding legal debt margin remaining.

13. Conduit Debt

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

At the end of the current fiscal year, there were 9 series of Revenue Bonds outstanding. The current aggregate principal amount payable for the series totaled \$394,996,348. The original issue amounts totaled \$444,767,034.

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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

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

	General	Fire	SPLOST	General Government Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid items	\$ 116	\$ 0	\$ 0	\$ 2,028,000	\$ 3,584	\$ 2,031,700
Restricted for:						
Police facilities and equipment	0	0	0	0	1,978,164	1,978,164
Fire facilities and equipment	0	0	0	0	2,621,853	2,621,853
Streets facilities and equipment	0	0	0	0	19,150	19,150
Community Service Center operations	0	0	0	0	2,084,020	2,084,020
Recreation facilities and equipment	0	0	0	0	509,958	509,958
Neighborhood improvements	0	0	0	0	288,682	288,682
Midtown development	0	0	0	0	1,739,558	1,739,558
Capital projects	0	0	31,112,550	9,042,267	0	40,154,817
Debt service	0	0	0	0	1,313,785	1,313,785
	0	0	31,112,550	9,042,267	10,555,170	50,709,987
Committed for:						
Cemetery improvements	0	0	0	0	614,014	614,014
Tree replacement	50,008	0	0	0	0	50,008
Energy efficiency retrofits	0	0	0	0	3,501	3,501
	50,008	0	0	0	617,515	667,523
Assigned for:						
Fire operations	0	1,439,510	0	0	0	1,439,510
Police operations	0	0	0	0	135,890	135,890
Community Service Center operations	0	0	0	0	2,749,664	2,749,664
Economic development	0	0	0	0	8,749,971	8,749,971
Tourism and City promotion	0	0	0	0	589,397	589,397
Budget	4,716,722	0	0	0	0	4,716,722
Capital projects	181,648	0	2,717,980	21,951,303	518,824	25,369,755
Debt service	0	0	0	0	2,689,020	2,689,020
	4,898,370	1,439,510	2,717,980	21,951,303	15,432,766	46,439,929

15. Self-Insurance

General Insurance

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

As part of the newly established self-insurance program, the City has utilized the services of a broker and a third-party administrator. The broker and third-party administrator assist to determine the self-insurance funding requirements using data from the City's claim history. The third-party administrator files claims, and forms required by the State of Georgia and provides risk control services. The City has also established excess workers' compensation coverage with Midwest Employers Casualty to assist with claims exceeding \$750,000.

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
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

15. Self-Insurance (continued)

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
General Insurance Internal Service Fund		
Balance, beginning of year	\$ 1,193,468	\$ 1,191,498
Current year claims and changes in estimate	353,942	281,155
Claim payments	<u>(380,770)</u>	<u>(279,185)</u>
Balance, end of year	<u><u>\$ 1,166,640</u></u>	<u><u>\$ 1,193,468</u></u>
Employee Benefits Internal Service Fund		
Balance, beginning of year	\$ 575,938	\$ 805,486
Current year claims and changes in estimate	7,954,773	6,323,513
Claim payments	<u>(7,938,299)</u>	<u>(6,553,061)</u>
Balance, end of year	<u><u>\$ 592,412</u></u>	<u><u>\$ 575,938</u></u>

16. Pension Plans

Defined Benefit Pension Plans

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

Pension Plan A

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

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

16. Pension Plans (continued)

Pension Plan A (continued)

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

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

At July 1, 2023, 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.

16. 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:

<u>Asset Class</u>	<u>Target Allocation</u>
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 7.00 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

16. Pension Plans (continued)

Pension Plan A (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the City reported a net pension liability of \$68,310,205. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. For the current fiscal year, the City recognized pension expense of \$8,448,150.

The components of the net pension liability for the City and CVB Component Unit are as follows:

Changes in the Net Pension Liability	CVB Component Unit	City	Total
Total Pension Liability			
Service Cost	\$ 77,892	\$ 3,668,694	\$ 3,746,586
Interest	259,798	12,236,488	12,496,286
Differences between expected and actual experience	5,699	268,414	274,113
Benefit payments	(240,373)	(11,321,560)	(11,561,933)
Net change in Total Pension Liability	103,016	4,852,036	4,955,052
Total Pension Liability, Balances as of June 30, 2022	3,753,696	176,799,057	180,552,753
Total Pension Liability, Balances as of June 30, 2023	<u>\$ 3,856,712</u>	<u>\$ 181,651,093</u>	<u>\$ 185,507,805</u>
Plan fiduciary net position			
Contributions - city	\$ 87,898	\$ 4,140,019	\$ 4,227,917
Contributions - member	87,898	4,140,019	4,227,917
Net investment income	(18,113)	(853,124)	(871,237)
Benefit payments	(240,373)	(11,321,560)	(11,561,933)
Administrative expenses	(9,371)	(441,366)	(450,737)
Net changes in fiduciary net position	(92,061)	(4,336,012)	(4,428,073)
Plan Fiduciary Net Position, Balances as of June 30, 2022	2,528,600	119,097,073	121,625,673
Plan Fiduciary Net Position, Balances as of June 30, 2023	2,436,539	114,761,061	117,197,600
Changes in participant fund allocation	(33,048)	33,048	0
Employer's Net Pension Liability	<u>\$ 1,387,125</u>	<u>\$ 66,923,080</u>	<u>\$ 68,310,205</u>
Plan fiduciary net position as a percentage of the total pension liability	63.18%	63.18%	63.18%
Covered payroll	\$ 650,403	\$ 31,379,271	\$ 32,029,674
Employer's Net pension liability as a percentage of covered payroll	213.27%	213.27%	213.27%

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

16. Pension Plans (continued)

Pension Plan A (continued)

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

	CVB Component Unit		City		Totals	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 91,084	\$ 0	\$ 4,394,446	\$ 0	\$ 4,485,530	\$ 0
Changes in participant fund allocation	175,003	0	254,294	(429,297)	429,297	(429,297)
Net difference between projected and actual earnings on pension plan investments	227,935	0	10,996,830	0	11,224,765	0
Totals	<u>\$ 494,022</u>	<u>\$ 0</u>	<u>\$ 15,645,570</u>	<u>\$ (429,297)</u>	<u>\$ 16,139,592</u>	<u>\$ (429,297)</u>

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

Fiscal Year	CVB Component Unit	City	Total
2024	\$ 115,110	\$ 3,545,469	\$ 3,660,579
2025	82,128	2,529,607	2,611,735
2026	236,820	7,294,231	7,531,051
2027	59,964	1,846,966	1,906,930
Totals	<u>\$ 494,022</u>	<u>\$ 15,216,273</u>	<u>\$ 15,710,295</u>

16. Pension Plans (continued)

Pension Plan A (continued)

Actuarial Assumptions. The total pension liability in the July 1, 2023 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, 2022 and the July 1, 2023 valuations were based on the results of an actuarial experience study for the period of July 1, 2010 through June 30, 2015, and a subsequent review of economic assumptions as of July 1, 2018.

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

16. Pension Plans (continued)

Pension Plan A (continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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:

	1% Decrease 6.0%	Current Rate 7.0%	1% Increase 8.0%
CVB Component Unit	\$ 1,870,155	\$ 1,387,125	\$ 1,043,442
City	88,084,311	66,923,080	49,146,127
Net Pension Liability	<u>\$ 89,954,466</u>	<u>\$ 68,310,205</u>	<u>\$ 50,189,569</u>

16. Pension Plans (continued)

Pension Plan A (continued)

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.

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

16. Pension Plans (continued)

Pension Plan B (continued)

At January 1, 2023, the date of the most recent actuarial valuation, participants consist of the following:

Retirees and beneficiaries currently receiving benefits	78
Terminated vested participants entitled to but not yet receiving benefits	47
Active participants	<u>123</u>
Total number of participants	<u><u>248</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.

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 \$357,809 or 4.03% 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.

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

16. Pension Plans (continued)

Pension Plan B (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 \$1,826,967. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. For the current fiscal year, the City recognized pension expense of \$535,581. 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:

Changes in the Net Pension Liability	Parks and Recreation Component	City	Totals
Total Pension Liability			
Service Cost	\$ 43,298	\$ 126,961	\$ 170,259
Interest	181,166	531,233	712,399
Differences between expected and actual experience	(65,555)	(192,225)	(257,780)
Benefit payments	(167,937)	(492,441)	(660,378)
Net change in Total Pension Liability	(9,028)	(26,472)	(35,500)
Total Pension Liability, Balances as of June 30, 2022	2,497,163	7,322,405	9,819,568
Total Pension Liability, Balances as of June 30, 2023	<u>\$ 2,488,135</u>	<u>\$ 7,295,933</u>	<u>\$ 9,784,068</u>
Plan fiduciary net position			
Contributions	103,297	302,898	406,195
Net investment income	(394,572)	(1,156,999)	(1,551,571)
Benefit payments	(167,937)	(492,441)	(660,378)
Administrative expenses	(8,106)	(23,773)	(31,879)
Net changes in fiduciary net position	(467,318)	(1,370,315)	(1,837,633)
Plan Fiduciary Net Position, Balances as of June 30, 2022	2,490,847	7,303,887	9,794,734
Plan Fiduciary Net Position, Balances as of June 30, 2023	<u>\$ 2,023,529</u>	<u>\$ 5,933,572</u>	<u>\$ 7,957,101</u>
Employer's Net Pension Liability	<u>\$ 464,606</u>	<u>\$ 1,362,361</u>	<u>\$ 1,826,967</u>
Plan fiduciary net position as a percentage of the total pension liability	81.33%	81.33%	81.33%
Covered payroll	\$ 1,309,991	\$ 3,841,276	\$ 5,151,267
Net pension liability as a percentage of covered payroll	35.47%	35.47%	35.47%

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

16. Pension Plans (continued)

Pension Plan B (continued)

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

	Parks and Recreation Component Unit		City		Totals	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 96,940	\$ (49,166)	\$ 284,254	\$ (144,169)	\$ 381,194	\$ (193,335)
Change of assumptions	11,853	0	34,755	0	46,608	0
Changes in participant fund allocation	16,997	0	1,125	(18,122)	18,122	(18,122)
Net difference between projected and actual earnings on pension plan investments	255,464	0	749,098	0	1,004,562	0
Contributions subsequent to the measurement date	76,206	0	223,461	0	299,667	0
Totals	<u>\$ 457,460</u>	<u>\$ (49,166)</u>	<u>\$ 1,292,693</u>	<u>\$ (162,291)</u>	<u>\$ 1,750,153</u>	<u>\$ (211,457)</u>

The \$299,667 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, 2024. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year	Parks and Recreation Component Unit	City	Totals
2024	\$ 107,404	\$ 293,322	\$ 400,726
2025	52,812	144,231	197,043
2026	50,545	138,038	188,583
2027	121,327	331,350	452,677
Totals	<u>\$ 332,088</u>	<u>\$ 906,941</u>	<u>\$ 1,239,029</u>

16. Pension Plans (continued)

Pension Plan B (continued)

Actuarial Assumptions. The total pension liability in the January 1, 2023 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	10 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, 2023 valuation were based on the results of an actuarial experience study conducted during the period of November and December 2019.

16. Pension Plans (continued)

Pension Plan B (continued)

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.

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, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.40%
International equity	20%	6.80%
Global fixed income	5%	0.46%
Domestic fixed income	20%	0.40%
Real estate	10%	3.90%
Total	<u>100%</u>	

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.

16. Pension Plans (continued)

Pension Plan B (continued)

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

	1% Decrease 6.375%	Current Rate 7.375%	1% Increase 8.375%
Park and Recreation Component Unit	\$ 715,268	\$ 464,606	\$ 237,789
City	2,145,805	1,362,361	713,368
Net Pension Liability	<u>\$ 2,861,073</u>	<u>\$ 1,826,967</u>	<u>\$ 951,157</u>

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.

Pension expense

	Pension Plan A	Pension Plan B	Total
Service cost	\$ 3,746,586	\$ 170,259	\$ 3,916,845
Interest	12,496,286	712,399	13,208,685
Member contributions	(4,227,917)	0	(4,227,917)
Projected earnings on plan investments	(8,389,308)	(711,813)	(9,101,121)
Expensed portion of current-period differences between expected and actual experience	54,823	(64,445)	(9,622)
Expensed portion of current-period differences between actual and projected earnings on plan investments	1,852,109	452,676	2,304,785
Administrative expense	450,737	31,879	482,616
Recognition of deferred inflows and outflows as pension expense	<u>2,464,834</u>	<u>(55,374)</u>	<u>2,409,460</u>
Pension expense (income)	<u>\$ 8,448,150</u>	<u>\$ 535,581</u>	<u>\$ 8,983,731</u>

16. Pension Plans (continued)

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.

17. 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.

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 \$38,344,417. Plan members made voluntary contributions of \$510,637 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.

18. 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

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

Retirees and beneficiaries currently receiving benefits	171
Vested terminated members entitled to but not yet receiving benefits	0
Active participants	626
Total number of participants	<u>797</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.

18. 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 \$1,731,036 or 5.34% 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 \$24,124,786. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined from actuarial valuations using data as of July 1, 2022 and measured by an actuarial valuation as of June 30, 2022. During the current fiscal year, the City recognized OPEB expense (revenue) of (\$479,728). The Governmental Activities’ net OPEB liability is liquidated by the General Fund, Community Service Center Special Revenue Fund, and Fire Special Revenue Fund.

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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

The components of the net OPEB liability are as follows:

	Component Units	City	Totals
Total OPEB Liability			
Service Cost	\$ 104,645	\$ 1,105,112	\$ 1,209,757
Interest	66,163	698,720	764,883
Differences between expected and actual experience	(62,069)	(655,482)	(717,551)
Change in assumptions	(902,505)	(9,531,003)	(10,433,508)
Benefit payments	(154,925)	(1,636,111)	(1,791,036)
Net change in Total Pension Liability	(948,691)	(10,018,764)	(10,967,455)
Total OPEB Liability, Balances as of June 30, 2022	2,262,208	32,830,033	35,092,241
Total OPEB Liability, Balances as of June 30, 2023	<u>\$ 1,313,517</u>	<u>\$ 22,811,269</u>	<u>\$ 24,124,786</u>
Plan fiduciary net position			
Contributions	154,926	1,636,110	1,791,036
Benefit payments	(154,926)	(1,636,110)	(1,791,036)
Net changes in fiduciary net position	0	0	0
Plan Fiduciary Net Position, Balances as of June 30, 2022	0	0	0
Plan Fiduciary Net Position, Balances as of June 30, 2023	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Employer's Net Pension Liability	<u>\$ 1,313,517</u>	<u>\$ 22,811,269</u>	<u>\$ 24,124,786</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 1,826,389	\$ 31,718,114	\$ 33,544,503
Plan net OPEB liability as a percentage of covered employee payroll	71.92%	71.92%	71.92%

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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

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

	Component Units		City		Totals	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 131,234	\$ (53,174)	\$ 1,740,132	\$ (579,174)	\$ 1,871,366	\$ (632,348)
Change of assumptions or other inputs	128,856	(765,872)	1,683,381	(10,235,341)	1,812,237	(11,001,213)
Contributions subsequent to the measurement date	155,462	0	2,127,124	0	2,282,586	0
Totals	\$ 415,552	\$ (819,046)	\$ 5,550,637	\$ (10,814,515)	\$ 5,966,189	\$ (11,633,561)

The \$2,282,586 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, 2024. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year	Component Units	City	Totals
2024	\$ (172,565)	\$ (2,281,800)	\$ (2,454,365)
2025	(33,332)	(440,748)	(474,080)
2026	(42,548)	(562,610)	(605,158)
2027	(99,254)	(1,312,418)	(1,411,672)
2028	(99,254)	(1,312,418)	(1,411,672)
Thereafter	(112,003)	(1,481,008)	(1,593,011)
Totals	\$ (558,956)	\$ (7,391,002)	\$ (7,949,958)

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

Actuarial Assumptions. The total OPEB 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	3.00% to 14.25%, including inflation
Actuarial cost method	Entry age level
Discount rate	3.54%, 2.16% in previous year
Healthcare cost trend rates	Pre-65 Medical: 7.00% trending down to 4.50% by 2032 Medicare Advantage: 4.50%. Pre-65 Prescription Drug: 7.00% trending down to 4.50% by 2032. Administrative Expenses: 13.50%, then 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, 2022 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.

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

Development of Long-Term Rate. Since the City funds this plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax-exempt general obligation bonds. Specifically, the chosen rate is 3.54%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2022.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (2.54%) or one percentage-point higher (4.54%) 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:

	1% Decrease 2.54%	Current Rate 3.54%	1% Increase 4.54%
Component Units	\$ 1,452,628	\$ 1,313,517	\$ 1,191,987
City	25,227,166	22,811,269	20,700,736
Net OPEB Liability	<u>\$ 26,679,794</u>	<u>\$ 24,124,786</u>	<u>\$ 21,892,723</u>

	1% Decrease in Health Care Cost Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in Health Care Cost Trend Rates
Component Units	\$ 1,174,295	\$ 1,313,517	\$ 1,477,804
City	20,393,472	22,811,269	25,664,397
Net OPEB Liability	<u>\$ 21,567,767</u>	<u>\$ 24,124,786</u>	<u>\$ 27,142,201</u>

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.

19. 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	\$ 1,920,290	
Disbursements for tourism and visitor programs	\$ 2,350,425	122.40% of tax receipts

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

20. Major Users/Taxpayers

The ten major taxpayers of the City for the current fiscal year represent approximately 11 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 39 percent of the water sales and sewer charges from the system in current fiscal year.

21. Joint Ventures

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

The 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 \$134,194 in personnel costs for one police officer assigned to the OCDETF Strike Force Group One Task Force.

21. Joint Ventures (continued)

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 \$120,957 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.

22. Related Organizations

The City of Gainesville Housing Authority is considered a related organization to the City of Gainesville. The City appoints members to the Authority but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Gainesville. The City received \$85,048 as payment-in-lieu-of-taxes during the current fiscal year.

23. Risk Pools

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

24. Commitments and Contingencies

Commitments

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

	<u>Restricted</u>	<u>Assigned</u>
General Fund	\$ 0	\$ 38,933
Nonmajor governmental funds	26,706	0
	<u>\$ 26,706</u>	<u>\$ 38,933</u>

24. 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:

Project	Amount Expended to Date	Remaining Commitment
Expansion of the water and sewer distribution system	\$ 75,736,082	\$ 56,499,286
Improvements to airport terminal	800,513	416,227
Improvements to recreational facilities	7,023,577	7,240,941
City buildings and facilities improvements	28,462,250	10,710,540
Improvements to roadways & sidewalks	1,565,807	900,816
Totals	<u>\$ 113,588,229</u>	<u>\$ 75,767,810</u>

Contingencies

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

25. Tax Abatements

The City is subject to tax incentives granted by the Gainesville and Hall County Development Authority (the "Authority"), an entity created by the State of Georgia and activated by the City of Gainesville and the Board of Commissioners of Hall County, Georgia. The authority can enter into agreements with companies for industrial projects to encourage the creation of jobs and new capital investment through an "Investment Assistance Program." Each agreement, negotiated on an individual basis, provides a property tax benefit to the company through a schedule of discounted valuation that reduces the fair market value of real and personal property and requires the company to enter into a sale-leaseback transaction with the Authority. The incentives may be granted to new and existing industrial businesses meeting an established set of criteria established by the Investment Assistance Committee. In return for a property tax benefit, a company is required to commit to creating jobs and capital investment within a defined period as part of a performance and accountability agreement with the Authority that includes provisions for the company to pay back a prorated portion of the benefit if they fail to meet the performance criteria by a specified date. For the City of Gainesville's current fiscal year, the cumulative property tax not collected by the City due to abatement programs was \$372,736.

26. Subsequent Events

In July 2023, the City sold three lots formerly part of the Chattahoochee Golf Course for \$513,475 (a gain of \$483,917).

In September 2023, the City purchased property for \$385,750 for the purpose of extending the Midland Greenway from the Engine 209 Train Park to the Athens Street neighborhood.

In September 2023, the City, through Hall Area Transit, received \$272,872 from the Georgia Department of Transportation (GDOT) for the purchase of an additional transit vehicle and to make improvements to the Hall Area Transit Building.

In October of 2023, the City accepted a loan of \$200,000 with 100% principal forgiveness from the Drinking Water State Revolving Fund, administered by Georgia Environmental Finance Authority. The purpose of this loan is to comply with the US Environmental Protection Agency's Lead and Copper Rule which requires public water systems to complete an inventory of existing water service line materials by October 2024.

In October 2023, the City sold a lot in the 85 Business Park for \$3,382,725 (a gain of \$3,286,030).

In October 2023, the City received a contract for grant funds in the amount of \$2,538,760 from the Federal Aviation Administration and \$304,767 from GDOT for the rehabilitation of taxiways at the Lee Gilmer Memorial Airport.

In November 2023, the City, through its Midtown Tax Allocation District (TAD), approved TAD funding for up to \$350,000 for the construction of an office building, recreation deck, and retention pond in the Midtown TAD.

27. New Accounting Standards

The City implemented GASB Statement No. 91, *Conduit Debt*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after December 15, 2021. The implementation of this new standard had no impact on the City's net position.

The City implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the City's net position.

The City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. See Note 28 for the effect of this implementation.

The City implemented GASB Statement No. 99, *Omnibus 2022*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the City's net position.

28. Changes in Beginning Balances

Governmental Activities

To implement GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the City recorded an initial subscription liability and intangible right-to-use assets in the amount of \$843,562 on July 1, 2021. This adjustment restated beginning net position in the amount of \$68,600.

28. Changes in Beginning Balances (continued)

Business-type Activities

Department of Water Resources Enterprise Fund

To implement GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the City recorded an initial subscription liability and intangible right-to-use assets in the amount of \$1,112,296 on July 1, 2021. This adjustment restated beginning net position in the amount of \$53,152.

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, 2023
(Unaudited)

	Fiscal Year End			
	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 3,746,586	\$ 3,891,771	\$ 3,831,533	\$ 3,679,859
Interest	12,496,286	11,552,275	11,215,733	10,739,335
Change of benefit terms	0	4,237,614	0	0
Differences between expected and actual experience	274,113	5,218,288	40,859	1,781,943
Changes of assumptions	0	0	0	0
Benefit payments, including refunds of employee contributions	(11,561,933)	(10,975,839)	(9,705,398)	(9,388,847)
Net change in total pension liability	4,955,052	13,924,109	5,382,727	6,812,290
Total pension liability - beginning	180,552,753	166,628,644	161,245,917	154,433,627
Total pension liability - ending (a)	\$ 185,507,805	\$ 180,552,753	\$ 166,628,644	\$ 161,245,917
Plan fiduciary net position				
Contributions - employer	\$ 4,227,917	\$ 3,851,093	\$ 3,650,796	\$ 3,593,741
Contributions - employee	4,227,917	3,851,092	3,650,796	3,650,875
Net investment income	(871,237)	(13,327,037)	33,572,789	4,685,569
Benefit payments, including refunds of employee contributions	(11,561,933)	(10,975,839)	(9,705,398)	(9,388,847)
Administrative expense	(450,737)	(400,013)	(357,352)	(313,890)
Net change in fiduciary net position	(4,428,073)	(17,000,704)	30,811,631	2,227,448
Plan fiduciary net position - beginning	121,625,673	138,626,377	107,814,746	105,587,298
Plan fiduciary net position - ending (b)	\$ 117,197,600	\$ 121,625,673	\$ 138,626,377	\$ 107,814,746
Net pension liability (asset) - ending : (a) - (b)	\$ 68,310,205	\$ 58,927,080	\$ 28,002,267	\$ 53,431,171
Plan's fiduciary net position as a percentage of the total pension liability	63.18%	67.36%	83.19%	66.86%
Covered payroll	\$ 32,029,674	\$ 29,174,939	\$ 27,657,545	\$ 27,658,144
Net pension liability as a percentage of covered payroll	213.27%	201.98%	101.25%	193.18%

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, 2023
(Unaudited)

	Fiscal Year End			
	2023	2022	2021	2020
Actuarially determined contribution	\$ 6,317,124	\$ 6,739,746	\$ 6,177,506	\$ 5,283,686
Contributions in relation to the actuarially determined contribution	(4,227,917)	(3,851,093)	(3,650,796)	(3,593,741)
Contribution deficiency (excess)	<u>\$ 2,089,207</u>	<u>\$ 2,888,653</u>	<u>\$ 2,526,710</u>	<u>\$ 1,689,945</u>
Covered payroll	\$ 32,029,674	\$ 29,174,939	\$ 27,657,545	\$ 27,248,632
Contributions as a percentage of covered payroll	13.20%	13.20%	13.20%	13.19%

Note: 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, 2023
(Unaudited)

	Fiscal Year End			
	2023	2022	2021	2020
Annual money-weighted rate of return, net of investment expense	7.000%	7.000%	7.000%	7.123%

Fiscal Year End					
2019	2018	2017	2016	2015	2014
\$ 4,859,686 (3,459,466)	\$ 4,509,116 (3,209,624)	\$ 4,170,598 (3,079,855)	\$ 3,736,793 (3,021,182)	\$ 3,579,097 (2,862,539)	\$ 3,703,299 (2,766,404)
<u>\$ 1,400,220</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%

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, 2023
(Unaudited)

	Fiscal Year End			
	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 170,259	\$ 152,474	\$ 141,811	\$ 140,424
Interest	712,399	671,629	643,328	592,594
Differences between expected and actual experience	(257,780)	354,865	205,644	430,086
Changes of assumptions	0	0	0	233,040
Benefit payments, including refunds of employee contributions	(660,378)	(627,520)	(607,882)	(543,490)
Other changes	0	0	0	0
Net change in total pension liability	(35,500)	551,448	382,901	852,654
Total pension liability - beginning	9,819,568	9,268,120	8,885,219	8,032,565
Total pension liability - ending (a)	\$ 9,784,068	\$ 9,819,568	\$ 9,268,120	\$ 8,885,219
Plan fiduciary net position				
Contributions - employer	\$ 406,195	\$ 326,237	\$ 251,615	\$ 287,034
Net investment income	(1,551,571)	1,944,363	727,493	226,653
Benefit payments, including refunds of employee contributions	(660,378)	(627,520)	(607,882)	(543,490)
Administrative expense	(31,879)	(32,005)	(30,264)	(29,933)
Net change in plan fiduciary net position	(1,837,633)	1,611,075	340,962	(59,736)
Plan fiduciary net position - beginning	9,794,734	8,183,659	7,842,697	7,902,433
Plan fiduciary net position - ending (b)	\$ 7,957,101	\$ 9,794,734	\$ 8,183,659	\$ 7,842,697
Net pension liability (asset) - ending : (a) - (b)	\$ 1,826,967	\$ 24,834	\$ 1,084,461	\$ 1,042,522
Plan's fiduciary net position as a percentage of the total pension liability	81.33%	99.75%	88.30%	88.27%
Covered payroll	\$ 5,151,267	\$ 5,863,528	\$ 5,576,338	\$ 5,074,389
Net pension liability as a percentage of covered payroll	35.47%	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, 2023
(Unaudited)

	Fiscal Year End			
	2023	2022	2021	2020
Actuarially determined contribution	\$ 360,679	\$ 326,237	\$ 262,989	\$ 295,049
Contributions in relation to the actuarially determined contribution	<u>(357,809)</u>	<u>(320,966)</u>	<u>(241,073)</u>	<u>(321,704)</u>
Contribution deficiency (excess)	<u>\$ 2,870</u>	<u>\$ 5,271</u>	<u>\$ 21,916</u>	<u>\$ (26,655)</u>
Covered payroll	\$ 8,871,656	\$ 6,325,246	\$ 6,002,098	\$ 5,793,589
Contributions as a percentage of covered payroll	4.03%	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.

Fiscal Year End				
2019	2018	2017	2016	2015
\$ 319,859	\$ 324,651	\$ 319,859	\$ 324,651	\$ 347,773
(293,203)	(324,651)	(319,859)	(324,651)	(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, 2023
(Unaudited)

	Fiscal Year End		
	2023	2022	2021
Total OPEB liability			
Service cost	\$ 1,209,757	\$ 1,164,587	\$ 1,006,649
Interest	764,883	754,602	1,025,437
Change of benefit terms	0	0	0
Differences between expected and actual experience	(717,551)	1,054,726	1,826,158
Changes in assumptions	(10,433,508)	214,625	3,012,924
Benefit payments, including refunds of member contributions	(1,791,036)	(2,141,466)	(2,216,046)
Net change in total OPEB liability	(10,967,455)	1,047,074	4,655,122
Total OPEB liability - beginning	35,092,241	34,045,167	29,390,045
Total OPEB liability - ending (a)	\$ 24,124,786	\$ 35,092,241	\$ 34,045,167
Plan fiduciary net position			
Contributions - employer	\$ 1,791,036	\$ 2,141,466	\$ 2,216,046
Benefit payments, including refunds of member contributions	(1,791,036)	(2,141,466)	(2,216,046)
Net change in plan fiduciary net position	0	0	0
Plan fiduciary net position - beginning	0	0	0
Plan fiduciary net position - ending (b)	\$ 0	\$ 0	\$ 0
Net OPEB liability (asset) - ending : (a) - (b)	\$ 24,124,786	\$ 35,092,241	\$ 34,045,167
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 33,544,503	\$ 31,447,516	\$ 30,605,855
Plan net OPEB liability as a percentage of covered employee payroll	71.92%	111.59%	111.24%

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

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
<u>\$ 29,390,045</u>	<u>\$ 28,591,995</u>	<u>\$ 36,849,149</u>
\$ 1,505,738	\$ 1,727,236	\$ 1,729,093
(1,505,738)	(1,727,236)	(1,729,093)
0	0	0
0	0	0
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>\$ 29,390,045</u>	<u>\$ 28,591,995</u>	<u>\$ 36,849,149</u>
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, 2023, 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, 2024.

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

None to report.

4. Changes of Assumptions

None to report.

GMEBS (Pension Plan B)

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2023, 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, 2024.

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 10 years

GMEBS (Pension Plan B), continued

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

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

Net investment rate of return = 7.375%

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

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = 65

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

3. Changes in Benefits

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

4. Changes of Assumptions

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

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

OPEB Plan

1. Valuation Date

The actuarially determined contribution rates are determined as of June 30, 2022, based on the most recent valuation date, one year prior to the end of the fiscal year in which contributions are reported.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry age level 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 = 3.54%

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.

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

OPEB Plan, continued

3. Changes in Benefits

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

4. Changes of Assumptions

Changes reflected in the June 30, 2022 measurement:

The effective discount rate for June 30, 2022 was 3.54%. For June 30, 2021 it was 2.16%.

Healthcare and administrative costs were updated to reflect the most recent claims experience. Over 65 medical and prescription costs reflect premiums charged at Aetna, following the change in provider from Cigna.

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 using just the ultimate 4.50% rate.

The actuarial factors used to estimate individual retiree and spouse costs by age and by gender were updated. The new factors are based on a review of historical claims experience by age, gender, and status (active vs. retired) from Segal's claims data warehouse.

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.

COMBINING STATEMENTS

Nonmajor Governmental Funds

Nonmajor Enterprise Funds

Internal Service Funds

CITY OF GAINESVILLE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue						
	Community Service Center	Hotel/Motel Tax	Economic Development	Confiscated Assets	Grants	HUD Grant	Revolving Loan
ASSETS							
Cash and cash equivalents	\$ 1,771,321	\$ 171,856	\$ 3,561,485	\$ 233,595	\$ 70,479	\$ 0	\$ 82,401
Investments	2,470,940	240,872	4,991,743	138,740	16,241	0	115,493
Receivables (net)							
Accounts	2,270	0	0	0	63,748	0	0
Intergovernmental	693,582	0	0	0	82,528	107,921	0
Taxes	0	176,669	0	0	0	0	0
Notes	0	0	0	0	0	0	149,192
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
Total assets	\$ 4,938,113	\$ 589,397	\$ 8,749,991	\$ 372,335	\$ 232,996	\$ 107,921	\$ 347,086
LIABILITIES							
Payables							
Accounts	\$ 78,820	\$ 0	\$ 20	\$ 840	\$ 14,219	\$ 863	\$ 0
Accrued salaries	25,609	0	0	0	0	1,414	0
Due to other funds	0	0	0	0	195,363	49,903	0
Due to others	0	0	0	134,608	0	0	0
Total liabilities	104,429	0	20	135,448	209,582	52,180	0
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue -							
Taxes	0	0	0	0	0	0	0
Fines, fees, and forfeitures	0	0	0	0	0	0	0
Notes receivable	0	0	0	0	0	0	149,192
Total deferred inflows of resources	0	0	0	0	0	0	149,192
FUND BALANCES							
Nonspendable	0	0	0	0	0	0	0
Restricted	2,084,020	0	0	236,887	19,913	55,741	197,894
Committed	0	0	0	0	3,501	0	0
Assigned	2,749,664	589,397	8,749,971	0	0	0	0
Total fund balances	4,833,684	589,397	8,749,971	236,887	23,414	55,741	197,894
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,938,113	\$ 589,397	\$ 8,749,991	\$ 372,335	\$ 232,996	\$ 107,921	\$ 347,086

Special Revenue								Total
Impact Fee	Police	Tax Allocation District	Information Technology	Opioid Settlement	Cemetery Trust	Debt Service	Grants Capital Projects	Nonmajor Governmental Funds
\$ 1,887,211 2,645,095	\$ 79,549 111,495	\$ 884,863 1,240,215	\$ 142,182 199,280	\$ 0 0	\$ 255,670 358,344	\$ 1,177,575 1,650,477	\$ 230,627 323,244	\$ 10,548,814 14,502,179
0	0	0	0	461,688	0	0	0	527,706
0	251	785,649	0	0	0	0	0	1,669,931
0	0	0	0	0	0	55,467	0	232,136
0	0	0	0	0	0	0	0	149,192
0	0	0	0	0	0	1,171,169	0	1,171,169
0	0	0	0	0	0	3,584	0	3,584
0	0	0	0	0	0	0	0	196,763
<u>\$ 4,532,306</u>	<u>\$ 191,295</u>	<u>\$ 2,910,727</u>	<u>\$ 341,462</u>	<u>\$ 461,688</u>	<u>\$ 614,014</u>	<u>\$ 4,058,272</u>	<u>\$ 553,871</u>	<u>\$ 29,001,474</u>
\$ 0	\$ 11,148	\$ 0	\$ 276	\$ 0	\$ 0	\$ 0	\$ 0	\$ 106,186
0	44,257	0	0	0	0	0	0	71,280
1,167	0	1,171,169	0	6,920	0	0	0	1,424,522
0	0	0	0	0	0	0	0	134,608
<u>1,167</u>	<u>55,405</u>	<u>1,171,169</u>	<u>276</u>	<u>6,920</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,736,596</u>
0	0	0	0	0	0	51,883	0	51,883
0	0	0	0	454,768	0	0	0	454,768
0	0	0	0	0	0	0	0	149,192
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>454,768</u>	<u>0</u>	<u>51,883</u>	<u>0</u>	<u>655,843</u>
0	0	0	0	0	0	3,584	0	3,584
4,531,139	0	1,739,558	341,186	0	0	1,313,785	35,047	10,555,170
0	0	0	0	0	614,014	0	0	617,515
0	135,890	0	0	0	0	2,689,020	518,824	15,432,766
<u>4,531,139</u>	<u>135,890</u>	<u>1,739,558</u>	<u>341,186</u>	<u>0</u>	<u>614,014</u>	<u>4,006,389</u>	<u>553,871</u>	<u>26,609,035</u>
<u>\$ 4,532,306</u>	<u>\$ 191,295</u>	<u>\$ 2,910,727</u>	<u>\$ 341,462</u>	<u>\$ 461,688</u>	<u>\$ 614,014</u>	<u>\$ 4,058,272</u>	<u>\$ 553,871</u>	<u>\$ 29,001,474</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, 2023

	Special Revenue						
	Community Service Center	Hotel/Motel Tax	Economic Development	Confiscated Assets	Grants	HUD Grant	Revolving Loan
REVENUES							
Taxes	\$ 0	\$ 1,920,290	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines, fees, and forfeitures	0	0	0	63,070	0	0	0
Charges for services	244,316	0	0	0	0	0	24,078
Intergovernmental	3,776,440	0	0	0	207,233	494,236	0
Investment	42,276	13,019	74,518	3,438	0	0	2,592
Contributions	159,702	0	0	0	134,619	0	0
Other	83,615	0	0	0	0	0	0
Total revenues	4,306,349	1,933,309	74,518	66,508	341,852	494,236	26,670
EXPENDITURES							
Current							
General Government	0	0	0	0	1,124	0	0
Public Safety	0	0	0	123,889	329,649	0	0
Public Works	0	0	0	0	20,400	0	0
Health and Welfare	4,102,618	0	0	0	0	0	0
Culture and Recreation	0	0	0	0	28,000	0	0
Housing and Development	0	1,939,655	72,104	0	39,997	491,328	7,300
Debt service:							
Principal	0	0	0	0	0	0	0
Interest and fiscal charges	0	0	0	0	0	0	0
Total expenditures	4,102,618	1,939,655	72,104	123,889	419,170	491,328	7,300
Excess (deficiency) of revenues over (under) expenditures	203,731	(6,346)	2,414	(57,381)	(77,318)	2,908	19,370
Other financing sources (uses)							
Transfers in	693,991	0	3,598,000	0	77,318	0	0
Transfers out	0	(410,770)	(5,500,000)	0	0	0	0
Sale of capital assets	2,575	0	0	0	0	0	0
Total other financing sources (uses)	696,566	(410,770)	(1,902,000)	0	77,318	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	900,297	(417,116)	(1,899,586)	(57,381)	0	2,908	19,370
Fund balances, July 1	3,933,387	1,006,513	10,649,557	294,268	23,414	52,833	178,524
Fund balances, June 30	\$ 4,833,684	\$ 589,397	\$ 8,749,971	\$ 236,887	\$ 23,414	\$ 55,741	\$ 197,894

Special Revenue								Total Nonmajor Governmental Funds
Impact Fee	Police	Tax Allocation District	Information Technology	Opioid Settlement	Cemetery Trust	Debt Service	Grants Capital Projects	
\$ 0	\$ 15,442	\$ 399,514	\$ 0	\$ 0	\$ 0	\$ 3,495,239	\$ 0	\$ 5,830,485
0	0	0	40,082	111,920	0	0	0	215,072
1,910,088	0	960,353	0	0	99,407	0	0	3,238,242
0	0	0	0	0	0	0	806,167	5,284,076
72,750	0	(8,792)	4,066	0	7,388	1,021,272	0	1,232,527
0	0	0	0	0	0	0	0	294,321
0	0	0	0	0	0	32	0	83,647
1,982,838	15,442	1,351,075	44,148	111,920	106,795	4,516,543	806,167	16,178,370
0	0	0	0	0	0	0	0	1,124
0	5,295,728	0	10,618	0	0	0	0	5,759,884
0	0	0	0	0	0	0	0	20,400
0	0	0	0	0	0	0	0	4,102,618
1,130,000	0	0	0	0	0	0	0	1,158,000
0	0	411,089	0	0	0	0	0	2,961,473
0	0	0	0	0	0	2,745,995	0	2,745,995
0	0	0	0	0	0	1,448,820	0	1,448,820
1,130,000	5,295,728	411,089	10,618	0	0	4,194,815	0	18,198,314
852,838	(5,280,286)	939,986	33,530	111,920	106,795	321,728	806,167	(2,019,944)
0	5,257,033	0	0	0	0	806,024	0	10,432,366
(800,146)	0	(172,604)	0	(111,920)	(30,000)	0	(806,167)	(7,831,607)
0	0	0	0	0	0	0	0	2,575
(800,146)	5,257,033	(172,604)	0	(111,920)	(30,000)	806,024	(806,167)	2,603,334
52,692	(23,253)	767,382	33,530	0	76,795	1,127,752	0	583,390
4,478,447	159,143	972,176	307,656	0	537,219	2,878,637	553,871	26,025,645
\$ 4,531,139	\$ 135,890	\$ 1,739,558	\$ 341,186	\$ 0	\$ 614,014	\$ 4,006,389	\$ 553,871	\$ 26,609,035

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2023

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 760,856	\$ 1,275,980	\$ 422,665	\$ 2,459,501
Investments	1,066,407	1,788,119	590,370	3,444,896
Receivables				
Accounts (net)	23,935	232,677	78,936	335,548
Intergovernmental	3,499,892	0	0	3,499,892
Lease	589,301	0	0	589,301
Other	0	0	2,884	2,884
Total current assets	5,940,391	3,296,776	1,094,855	10,332,022
Noncurrent assets				
Lease receivable	3,178,018	0	0	3,178,018
Property held for development	0	0	39,709	39,709
Capital assets				
Non-depreciable	5,000,797	0	50,393	5,051,190
Depreciable/amortizable (net)	7,412,813	2,113,353	3,485,604	13,011,770
Total noncurrent assets	15,591,628	2,113,353	3,575,706	21,280,687
Total assets	21,532,019	5,410,129	4,670,561	31,612,709
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	0	0	10,707	10,707
Deferred outflows related to pensions	33,137	340,498	79,044	452,679
Deferred outflows related to other post employment benefits	9,572	222,607	45,574	277,753
Total deferred outflows of resources	42,709	563,105	135,325	741,139
LIABILITIES				
Current liabilities				
Payables				
Accounts	3,389,033	30,708	51,722	3,471,463
Intergovernmental	0	136,891	0	136,891
Deposits	48,280	0	0	48,280
Sales tax	0	0	16,324	16,324
Interest	0	25,019	3,341	28,360
Retainage	353,022	0	0	353,022
Accrued salaries	1,266	20,218	11,794	33,278
Compensated absences	8,335	48,267	40,070	96,672
Lease payable	0	0	38,042	38,042
Contracts payable	0	0	290,000	290,000
Notes payable	0	754,500	0	754,500
Other liabilities	0	0	61,150	61,150
Total current liabilities	3,799,936	1,015,603	512,443	5,327,982

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2023

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
Noncurrent liabilities				
Compensated absences	\$ 926	\$ 5,363	\$ 4,452	\$ 10,741
Net pension liability	144,081	711,143	83,379	938,603
Net OPEB liability	41,336	910,234	179,329	1,130,899
Lease payable	0	0	88,217	88,217
Contracts payable	0	0	595,000	595,000
Notes payable	0	159,188	0	159,188
Total noncurrent liabilities	186,343	1,785,928	950,377	2,922,648
Total liabilities	3,986,279	2,801,531	1,462,820	8,250,630
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	1,486	66,351	9,456	77,293
Deferred inflows related to other post employment benefits	16,833	407,753	101,014	525,600
Deferred inflows related to leases	3,721,051	0	0	3,721,051
Total deferred inflows of resources	3,739,370	474,104	110,470	4,323,944
NET POSITION				
Net investment in capital assets	8,717,126	1,199,665	2,535,445	12,452,236
Restricted for capital outlay	0	0	63,441	63,441
Unrestricted	5,131,953	1,497,934	633,710	7,263,597
Total net position	\$ 13,849,079	\$ 2,697,599	\$ 3,232,596	\$ 19,779,274

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2023

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for sales and services	\$ 1,026,308	\$ 3,197,533	\$ 1,710,966	\$ 5,934,807
Other	0	16,111	23,285	39,396
Total operating revenues	1,026,308	3,213,644	1,734,251	5,974,203
OPERATING EXPENSES				
Costs of sales and services	448,139	1,404,638	501,999	2,354,776
Personal services	91,423	1,612,872	766,173	2,470,468
Depreciation	650,594	600,473	540,366	1,791,433
Total operating expenses	1,190,156	3,617,983	1,808,538	6,616,677
Operating income (loss)	(163,848)	(404,339)	(74,287)	(642,474)
Non-operating revenues (expenses)				
Investment revenue	25,955	40,521	17,063	83,539
Interest expense	0	(43,395)	(37,345)	(80,740)
Intergovernmental revenue	3,490,742	0	0	3,490,742
Gain on sale of property held for development	0	0	403,306	403,306
Gain (loss) on sale of capital assets	0	0	3,889	3,889
Total non-operating revenues (expenses)	3,516,697	(2,874)	386,913	3,900,736
Income (loss) before transfers	3,352,849	(407,213)	312,626	3,258,262
Transfers in (out)				
Transfers in	0	0	31,250	31,250
Transfers out	0	(3,630)	0	(3,630)
Total transfers in (out)	0	(3,630)	31,250	27,620
Change in net position	3,352,849	(410,843)	343,876	3,285,882
Net position, July 1	10,496,230	3,108,442	2,888,720	16,493,392
Net position, June 30	\$ 13,849,079	\$ 2,697,599	\$ 3,232,596	\$ 19,779,274

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2023

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from customers	\$ 1,053,103	\$ 3,183,866	\$ 1,668,843	\$ 5,905,812
Payments to suppliers	(420,397)	(1,327,615)	(483,269)	(2,231,281)
Payments to employees	(92,721)	(1,705,533)	(803,510)	(2,601,764)
Other receipts	(462)	16,111	23,285	38,934
Net cash provided (used) by operating activities	539,523	166,829	405,349	1,111,701
Cash flows from non-capital financing activities:				
Receipts from other governments	0	(3,630)	31,250	27,620
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets	0	0	3,889	3,889
Interest paid	0	(50,161)	(32,784)	(82,945)
Acquisition of capital assets	(434,008)	(35,381)	(1,309)	(470,698)
Payment of capital related accounts payable	0	0	(16,486)	(16,486)
Principal payments - contracts payable	0	0	(280,000)	(280,000)
Principal payments - leases payable	0	0	(36,450)	(36,450)
Principal payments - notes payable	0	(285,649)	0	(285,649)
Net cash provided (used) by capital and related financing activities	(434,008)	(371,191)	(363,140)	(1,168,339)
Cash flows from investing activities:				
Receipts of investment revenue	39,021	64,435	16,031	119,487
Proceeds from sale of property held for development	0	0	851,183	851,183
Purchase of investments	(402,862)	(427,705)	(778,723)	(1,609,290)
Proceeds from sale of investments	422,409	709,882	234,672	1,366,963
Net cash provided (used) by investing activities	58,568	346,612	323,163	728,343
Net increase (decrease) in cash and cash equivalents	164,083	138,620	396,622	699,325
Cash and cash equivalents, July 1	596,773	1,137,360	26,043	1,760,176
Cash and cash equivalents, June 30	\$ 760,856	\$ 1,275,980	\$ 422,665	\$ 2,459,501

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2023

	<u>Airport</u>	<u>Solid Waste</u>	<u>Chattahoochee Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (163,848)	\$ (404,339)	\$ (74,287)	\$ (642,474)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	650,594	600,473	540,366	1,791,433
(Increase) decrease in accounts receivable	(12,090)	(13,667)	(44,153)	(69,910)
(Increase) decrease in leases receivable	(126,683)	0	0	(126,683)
(Increase) decrease in deferred outflows of resources	(9,763)	(123,461)	(26,310)	(159,534)
Increase (decrease) in accounts payable	27,742	(9,773)	10,369	28,338
Increase (decrease) in intergovernmental payable	0	86,796	0	86,796
Increase (decrease) in sales tax payable	0	0	2,030	2,030
Increase (decrease) in accrued salaries and benefits	(2,055)	(27,797)	(14,378)	(44,230)
Increase (decrease) in other liabilities	0	0	8,361	8,361
Increase (decrease) in net pension liability	18,792	340,135	82,202	441,129
Increase (decrease) in deferred inflows of resources	171,209	92,189	21,767	285,165
Increase (decrease) in net OPEB liability	(14,375)	(373,727)	(100,618)	(488,720)
Total adjustments	703,371	571,168	479,636	1,754,175
Net cash provided (used) by operating activities	\$ 539,523	\$ 166,829	\$ 405,349	\$ 1,111,701

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled \$3,343,462.

Acquisition of capital assets through retainage payable totaled \$353,022.

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
ASSETS				
Current assets				
Cash and cash equivalents	\$ 730,633	\$ 1,309,424	\$ 133,672	\$ 2,173,729
Investments	1,024,047	1,835,276	186,929	3,046,252
Receivables				
Accounts	7,275	176,645	0	183,920
Intergovernmental	0	0	9,812	9,812
Inventory	0	0	117,944	117,944
Prepays	0	13,000	0	13,000
Other assets	121,153	0	0	121,153
Total current assets	1,883,108	3,334,345	448,357	5,665,810
Noncurrent assets				
Depreciable capital assets (net)	0	0	62,963	62,963
Total assets	1,883,108	3,334,345	511,320	5,728,773
LIABILITIES				
Current liabilities				
Payables				
Accounts	7,244	422,791	64,728	494,763
Deposits	0	198,935	0	198,935
Accrued salaries	0	0	6,744	6,744
Compensated absences	0	0	30,170	30,170
Claims reserves	1,166,640	592,412	0	1,759,052
Total current liabilities	1,173,884	1,214,138	101,642	2,489,664
Noncurrent liabilities				
Compensated absences	0	0	3,352	3,352
Total liabilities	1,173,884	1,214,138	104,994	2,493,016
NET POSITION				
Investment in capital assets	0	0	62,963	62,963
Unrestricted	709,224	2,120,207	343,363	3,172,794
Total net position	\$ 709,224	\$ 2,120,207	\$ 406,326	\$ 3,235,757

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2023

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
OPERATING REVENUES				
Interfund services provided	\$ 1,697,349	\$ 11,396,951	\$ 2,717,489	\$ 15,811,789
Other	420,685	0	0	420,685
Total operating revenues	2,118,034	11,396,951	2,717,489	16,232,474
OPERATING EXPENSES				
Costs of services	1,854,955	12,007,984	2,196,665	16,059,604
Personal services	0	0	489,771	489,771
Depreciation	0	0	31,053	31,053
Total operating expenses	1,854,955	12,007,984	2,717,489	16,580,428
Operating income (loss)	263,079	(611,033)	0	(347,954)
Non-operating revenues (expenses)				
Investment revenue	23,741	28,265	0	52,006
Net income (loss) before transfers	286,820	(582,768)	0	(295,948)
Transfers in (out)				
Transfers out	(263,078)	0	0	(263,078)
Change in net position	23,742	(582,768)	0	(559,026)
Net position, July 1	685,482	2,702,975	406,326	3,794,783
Net position, June 30	\$ 709,224	\$ 2,120,207	\$ 406,326	\$ 3,235,757

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2023

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
Cash flows from operating activities:				
Receipts from interfund services provided	\$ 1,691,834	\$ 11,222,120	\$ 2,753,924	\$ 15,667,878
Payments to suppliers	(1,897,777)	(11,642,026)	(2,292,111)	(15,831,914)
Payments to employees	0	0	(497,608)	(497,608)
Other receipts	420,685	0	0	420,685
Net cash provided (used) by operating activities	214,742	(419,906)	(35,795)	(240,959)
Cash flows from non-capital financing activities:				
Payments to other funds	(263,078)	0	0	(263,078)
Cash flows from investing activities:				
Receipts of investment revenue	32,236	54,055	0	86,291
Proceeds from sale of investments	404,809	686,414	76,268	1,167,491
Purchase of investments	(284,226)	(255,624)	(32,415)	(572,265)
Net cash provided (used) by investing activities	152,819	484,845	43,853	681,517
Net increase (decrease) in cash and cash equivalents	104,483	64,939	8,058	177,480
Cash and cash equivalents, July 1	626,150	1,244,485	125,614	1,996,249
Cash and cash equivalents, June 30	\$ 730,633	\$ 1,309,424	\$ 133,672	\$ 2,173,729
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 263,079	\$ (611,033)	\$ 0	\$ (347,954)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	0	0	31,053	31,053
(Increase) decrease in accounts receivable	(5,515)	(174,831)	0	(180,346)
(Increase) decrease in intergovernmental receivables	0	0	36,435	36,435
(Increase) decrease in inventory	0	0	7,008	7,008
(Increase) decrease in other assets	(21,478)	0	0	(21,478)
Increase (decrease) in accounts payable	5,484	332,553	(102,454)	235,583
Increase (decrease) in deposits payable	0	16,931	0	16,931
Increase (decrease) in accrued salaries and benefits	0	0	(7,837)	(7,837)
Increase (decrease) in claims reserve	(26,828)	16,474	0	(10,354)
Total adjustments	(48,337)	191,127	(35,795)	106,995
Net cash provided (used) by operating activities	<u>\$ 214,742</u>	<u>\$ (419,906)</u>	<u>\$ (35,795)</u>	<u>\$ (240,959)</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, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 7,005,026	\$ 7,983,467
Investments	9,763,699	14,549,812
Receivables (net)		
Accounts	232,961	138,447
Intergovernmental	135,335	147,904
Taxes	1,789,181	1,489,614
Lease	1,359,996	1,098,348
Prepaid items	116	1,622
Due from other funds	623,338	565,348
Total assets	\$ 20,909,652	\$ 25,974,562
LIABILITIES		
Payables		
Accounts	\$ 368,506	\$ 396,923
Intergovernmental	97,261	49,315
Due to others	90,758	76,180
Accrued salaries	211,850	575,206
Unearned revenue	1,544	400
Total liabilities	769,919	1,098,024
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - taxes	17,202	24,467
Leases	1,372,240	1,086,896
Total deferred inflows of resources	1,389,442	1,111,363
FUND BALANCES		
Nonspendable:		
Prepaid items	116	1,622
Leases	0	11,452
Committed for Housing and Development	50,008	30,850
Assigned for:		
Public Works	181,648	172,814
Budget	4,716,722	4,590,150
Unassigned	13,801,797	18,958,287
Total fund balances	18,750,291	23,765,175
Total liabilities, deferred inflows of resources, and fund balances	\$ 20,909,652	\$ 25,974,562

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2023 and 2022

	2023	2022
REVENUES		
Taxes	\$ 25,682,553	\$ 21,712,587
Licenses and permits	1,683,250	1,558,221
Fines, fees and forfeitures	1,150,228	1,308,434
Charges for services	3,241,552	3,089,266
Intergovernmental	448,976	354,570
Investment	820,324	(909,749)
Contributions	22,158	0
Other	622,792	375,460
Total revenues	33,671,833	27,488,789
EXPENDITURES		
Current		
General Government	6,600,717	5,794,452
Judicial	662,769	604,469
Public Safety	6,681,868	5,923,610
Public Works	5,683,984	5,401,454
Health and Welfare	20,000	15,000
Housing and Development	2,331,026	2,190,942
Total expenditures	21,980,364	19,929,927
Excess (deficiency) of revenues over (under) expenditures	11,691,469	7,558,862
Other financing sources (uses)		
Transfers in (out)		
Community Service Center Fund	(693,991)	(703,749)
Tax Allocation District Fund	71,041	0
Grants Special Revenue Fund	(71,765)	(70,767)
Fire Fund	(1,877,020)	(2,111,870)
Impact Fee Fund	60,146	124,508
Police Service Fund	(5,216,189)	(4,771,306)
American Rescue Plan Act Fund	2,427,753	5,128,469
Opioid Settlement Fund	111,920	0
SPLOST Capital Projects Fund	(2,190,000)	(550,000)
General Government Capital Projects Fund	(11,701,292)	(3,593,671)
Debt Service Fund	(3,598,000)	0
Department of Water Resources Fund	2,075,977	3,376,797
Chattahoochee Golf Course Fund	(31,250)	(40,360)
General Insurance Internal Service Fund	7,275	18,723
Sales of capital assets	3,645,734	709,054
Proceeds from long-term debt	273,308	121,272
Total other financing sources (uses)	(16,706,353)	(2,362,900)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(5,014,884)	5,195,962
Fund balances, July 1	23,765,175	18,569,213
Fund balances, June 30	\$ 18,750,291	\$ 23,765,175

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Current year levy	\$ 8,550	\$ 0	\$ (8,550)	\$ 0
Prior years' levies	26,052	21,554	(4,498)	44,705
Motor vehicle/TAVT tax	1,229,183	2,091,317	862,134	1,901,977
Cost, penalties, and interest	22,974	53,892	30,918	48,540
Total general property taxes	1,286,759	2,166,763	880,004	1,995,222
Intangibles tax	179,964	280,719	100,755	378,474
Franchise tax	4,121,279	5,389,998	1,268,719	4,704,915
Insurance premium tax	3,246,271	3,557,708	311,437	2,823,726
Occupational tax	1,353,514	1,474,759	121,245	1,451,302
Alcohol tax	1,140,237	1,444,683	304,446	1,368,292
Local option sales tax	7,176,394	11,367,923	4,191,529	8,990,656
Total taxes	18,504,418	25,682,553	7,178,135	21,712,587
Licenses and permits	910,719	1,683,250	772,531	1,558,221
Fines, fees and forfeitures	955,295	1,150,228	194,933	1,308,434
Charges for services	3,164,364	3,241,552	77,188	3,089,266
Intergovernmental	331,499	448,976	117,477	354,570
Investment	(112,617)	820,324	932,941	(909,749)
Contributions	0	22,158	22,158	0
Other				
Rents	135,230	104,961	(30,269)	129,269
Miscellaneous	52,473	517,831	465,358	246,191
Total other	187,703	622,792	435,089	375,460
Total revenues	<u>\$ 23,941,381</u>	<u>\$ 33,671,833</u>	<u>\$ 9,730,452</u>	<u>\$ 27,488,789</u>

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	\$ 307,902	\$ 268,694	\$ 39,208	\$ 252,434
Other	960,330	139,526	820,804	165,385
Total Mayor and Council	1,268,232	408,220	860,012	417,819
City Manager's Office				
Personal services	833,352	842,040	(8,688)	736,148
Other	205,952	208,694	(2,742)	181,529
Total City Manager's Office	1,039,304	1,050,734	(11,430)	917,677
Finance				
Personal services	1,271,242	1,289,069	(17,827)	1,200,885
Other	260,726	217,857	42,869	256,420
Total Finance	1,531,968	1,506,926	25,042	1,457,305
Information Technologies				
Personal services	963,586	877,074	86,512	745,840
Other	496,707	576,443	(79,736)	409,416
Total Information Technologies	1,460,293	1,453,517	6,776	1,155,256
Human Resources				
Personal services	857,848	853,363	4,485	696,326
Other	311,403	289,070	22,333	241,612
Total Human Resources	1,169,251	1,142,433	26,818	937,938
Public Lands and Buildings				
Personal services	512,971	511,242	1,729	425,296
Other	605,324	527,645	77,679	483,161
Total Public Lands and Buildings	1,118,295	1,038,887	79,408	908,457
Total General Government	7,587,343	6,600,717	986,626	5,794,452
Judicial				
Municipal Court				
Personal services	586,177	555,727	30,450	516,806
Other	114,121	107,042	7,079	87,663
Total Judicial	700,298	662,769	37,529	604,469
Public Safety				
Police				
Personal services	5,829,241	5,661,319	167,922	4,997,897
Other	883,545	1,020,549	(137,004)	925,713
Total Police	6,712,786	6,681,868	30,918	5,923,610
Total Public Safety	6,712,786	6,681,868	30,918	5,923,610

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
Public Works				
Engineering				
Personal services	\$ 1,251,295	\$ 1,264,976	\$ (13,681)	\$ 1,003,525
Other	117,267	105,685	11,582	89,905
Total Engineering	1,368,562	1,370,661	(2,099)	1,093,430
Traffic				
Personal services	551,547	554,271	(2,724)	514,920
Other	1,067,511	992,036	75,475	970,765
Total Traffic	1,619,058	1,546,307	72,751	1,485,685
Street Maintenance				
Personal services	1,511,179	1,300,979	210,200	1,268,513
Other	646,341	593,447	52,894	554,642
Total Street Maintenance	2,157,520	1,894,426	263,094	1,823,155
Storm Water				
Personal services	368,595	64,934	303,661	289,650
Other	95,149	75,035	20,114	58,064
Total Storm Water	463,744	139,969	323,775	347,714
Cemetery				
Personal services	511,289	500,191	11,098	457,981
Other	266,743	232,430	34,313	193,489
Total Cemetery	778,032	732,621	45,411	651,470
Total Public Works	6,386,916	5,683,984	702,932	5,401,454
Health and Welfare				
Payments to other agencies	20,000	20,000	0	15,000
Housing and Development				
Planning				
Personal services	833,208	847,759	(14,551)	781,219
Other	140,337	125,821	14,516	125,906
Total Planning	973,545	973,580	(35)	907,125
Inspection				
Personal services	449,656	421,870	27,786	428,582
Other	78,596	57,638	20,958	62,634
Total Inspection	528,252	479,508	48,744	491,216
Code Enforcement				
Personal services	439,509	445,734	(6,225)	384,289
Other	123,954	123,719	235	100,657
Total Code Enforcement	563,463	569,453	(5,990)	484,946
Economic Development				
Payments to other agencies	308,577	308,485	92	307,655
Total Housing and Development	2,373,837	2,331,026	42,811	2,190,942
Total expenditures	\$ 23,781,180	\$ 21,980,364	\$ 1,800,816	\$ 19,929,927

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.*

Opioid Settlement Fund – *This fund is used to account for the City's share of opioid settlement payment funds that are restricted for opioid remediation efforts.*

CITY OF GAINESVILLE, GEORGIA
COMMUNITY SERVICE CENTER SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 1,771,321	\$ 1,307,909
Investments	2,470,940	2,403,192
Receivables		
Accounts	2,270	1,161
Intergovernmental	693,582	393,332
Total assets	\$ 4,938,113	\$ 4,105,594
LIABILITIES		
Accounts payable	\$ 78,820	\$ 102,709
Accrued salaries	25,609	69,498
Total liabilities	104,429	172,207
FUND BALANCES		
Restricted for Health and Welfare	2,084,020	1,473,052
Assigned for Health and Welfare	2,749,664	2,460,335
Total fund balances	4,833,684	3,933,387
Total liabilities and fund balances	\$ 4,938,113	\$ 4,105,594

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 194,600	\$ 244,316	\$ 49,716	\$ 183,916
Intergovernmental	3,844,866	3,776,440	(68,426)	2,313,177
Investment	15,000	42,276	27,276	(80,389)
Contributions	170,100	159,702	(10,398)	108,040
Other	82,870	83,615	745	70,146
Total revenues	4,307,436	4,306,349	(1,087)	2,594,890
EXPENDITURES				
Current				
Health and Welfare				
Personal services	2,158,749	1,937,780	220,969	1,617,253
Other	1,605,121	1,651,734	(46,613)	1,355,258
Capital outlay	1,595,998	513,104	1,082,894	103,549
Total expenditures	5,359,868	4,102,618	1,257,250	3,076,060
Excess (deficiency) of revenues over (under) expenditures	(1,052,432)	203,731	1,256,163	(481,170)
Other financing sources (uses)				
Transfers in (out)				
General Fund	693,991	693,991	0	703,749
Sale of capital assets	0	2,575	2,575	18,039
Total other financing sources (uses)	693,991	696,566	2,575	721,788
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(358,441)	900,297	1,258,738	240,618
Fund balance, July 1	358,441	3,933,387	3,574,946	3,692,769
Fund balances, June 30	\$ 0	\$ 4,833,684	\$ 4,833,684	\$ 3,933,387

CITY OF GAINESVILLE, GEORGIA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 3,561,485	\$ 3,679,313
Investments	4,991,743	6,775,867
Property held for development	196,763	196,763
Total assets	\$ 8,749,991	\$ 10,651,943
LIABILITIES		
Accounts payable	\$ 20	\$ 2,386
Total liabilities	20	2,386
FUND BALANCES		
Assigned for Housing and Development	8,749,971	10,649,557
Total liabilities and fund balances	\$ 8,749,991	\$ 10,651,943

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Investment	\$ 19,450	\$ 74,518	\$ 55,068	\$ (456,820)
EXPENDITURES				
Current				
Housing and Development				
Other	73,000	72,104	896	11,218
Excess (deficiency) of revenues over (under) expenditures	(53,550)	2,414	55,964	(468,038)
Other financing sources (uses)				
Transfers in (out)				
Department of Water Resources Fund	3,598,000	3,598,000	0	10,017,622
General Government Capital Project Fund	(5,500,000)	(5,500,000)	0	0
Contingency	1,955,550	0	1,955,550	0
Total other financing sources (uses)	53,550	(1,902,000)	1,955,550	10,017,622
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(1,899,586)	(1,899,586)	9,549,584
Fund balances, July 1	0	10,649,557	10,649,557	1,099,973
Fund balances, June 30	\$ 0	\$ 8,749,971	\$ 8,749,971	\$ 10,649,557

CITY OF GAINESVILLE, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 171,856	\$ 296,749
Investments	240,872	546,495
Taxes receivable	176,669	163,269
Total assets	\$ 589,397	\$ 1,006,513
FUND BALANCES		
Assigned for Housing and Development	\$ 589,397	\$ 1,006,513

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/motel taxes	\$ 2,350,000	\$ 1,920,290	\$ (429,710)	\$ 1,837,797
Investment	425	13,019	12,594	(17,849)
Total revenues	<u>2,350,425</u>	<u>1,933,309</u>	<u>(417,116)</u>	<u>1,819,948</u>
EXPENDITURES				
Current				
Housing and Development				
Other	<u>1,939,655</u>	<u>1,939,655</u>	<u>0</u>	<u>1,149,940</u>
Excess (deficiency) of revenues over (under) expenditures	<u>410,770</u>	<u>(6,346)</u>	<u>(417,116)</u>	<u>670,008</u>
Other financing sources (uses)				
Transfers in (out)				
Debt Service Fund	(410,770)	(410,770)	0	(110,770)
General Government				
Capital Projects Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>(90,925)</u>
Total other financing sources (uses)	<u>(410,770)</u>	<u>(410,770)</u>	<u>0</u>	<u>(201,695)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>(417,116)</u>	<u>(417,116)</u>	<u>468,313</u>
Fund balances, July 1	<u>0</u>	<u>1,006,513</u>	<u>1,006,513</u>	<u>538,200</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 589,397</u></u>	<u><u>\$ 589,397</u></u>	<u><u>\$ 1,006,513</u></u>

CITY OF GAINESVILLE, GEORGIA
AMERICAN RESCUE PLAN GRANT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 0	\$ 854,358
Investments	0	1,573,395
Total assets	\$ 0	\$ 2,427,753
LIABILITIES		
Unearned revenue	\$ 0	\$ 2,427,753

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 2,427,753	\$ 2,427,753	\$ 0	\$ 8,836,672
EXPENDITURES				
Current				
Public Safety				
Personal services	0	0	0	194,784
Excess (deficiency) of revenues over (under) expenditures	2,427,753	2,427,753	0	8,641,888
Other financing sources (uses)				
Transfers in (out)				
Department of Water Resources Fund	(2,427,753)	(2,427,753)	0	(8,641,888)
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
Fund balances, June 30	\$ 0	\$ 0	\$ 0	\$ 0

CITY OF GAINESVILLE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 233,595	\$ 332,378
Investments	<u>138,740</u>	<u>201,993</u>
Total assets	<u><u>\$ 372,335</u></u>	<u><u>\$ 534,371</u></u>
LIABILITIES		
Accounts payable	\$ 840	\$ 17,408
Due to others	<u>134,608</u>	<u>222,695</u>
Total liabilities	135,448	240,103
FUND BALANCES		
Restricted for Public Safety	<u>236,887</u>	<u>294,268</u>
Total liabilities and fund balances	<u><u>\$ 372,335</u></u>	<u><u>\$ 534,371</u></u>

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 0	\$ 63,070	\$ 63,070	\$ 198,899
Investment	0	3,438	3,438	(5,870)
Total revenues	<u>0</u>	<u>66,508</u>	<u>66,508</u>	<u>193,029</u>
EXPENDITURES				
Current				
Public Safety				
Other	173,507	82,299	91,208	136,533
Capital outlay	41,591	41,590	1	66,256
Total expenditures	<u>215,098</u>	<u>123,889</u>	<u>91,209</u>	<u>202,789</u>
Excess (deficiency) of revenues over (under) expenditures	(215,098)	(57,381)	157,717	(9,760)
Other financing sources (uses)				
Sales of capital assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,500</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(215,098)	(57,381)	157,717	30,740
Fund balance, July 1	<u>215,098</u>	<u>294,268</u>	<u>79,170</u>	<u>263,528</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 236,887</u></u>	<u><u>\$ 236,887</u></u>	<u><u>\$ 294,268</u></u>

CITY OF GAINESVILLE, GEORGIA
GRANTS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 70,479	\$ 300
Investments	16,241	0
Receivables		
Accounts	63,748	134,147
Intergovernmental	82,528	84,330
Total assets	\$ 232,996	\$ 218,777
LIABILITIES		
Accounts payable	\$ 14,219	\$ 0
Due to other funds	195,363	195,363
Total liabilities	209,582	195,363
FUND BALANCES		
Restricted for		
Public Safety	763	763
Public Works	19,150	19,150
Committed for Housing and Development	3,501	3,501
Total fund balances	23,414	23,414
Total liabilities and fund balances	\$ 232,996	\$ 218,777

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 249,060	\$ 207,233	\$ (41,827)	\$ 44,717
Contributions	126,000	134,619	8,619	94,150
Total revenues	375,060	341,852	(33,208)	138,867
EXPENDITURES				
Current				
General Government	1,410	1,124	286	0
Public Safety	337,300	329,649	7,651	209,634
Public Works	24,000	20,400	3,600	0
Culture and Recreation	28,000	28,000	0	0
Housing and Development	40,000	39,997	3	0
Total expenditures	430,710	419,170	11,540	209,634
Excess (deficiency) of revenues over (under) expenditures	(55,650)	(77,318)	(21,668)	(70,767)
Other financing sources (uses)				
Transfers in (out)				
General Fund	55,650	71,765	16,115	70,767
Solid Waste Fund		3,630	3,630	0
Department of Water Resources Fund	0	1,923	1,923	0
Total other financing sources (uses)	55,650	77,318	21,668	70,767
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	0
Fund balance, July 1	0	23,414	23,414	23,414
Fund balances, June 30	\$ 0	\$ 23,414	\$ 23,414	\$ 23,414

CITY OF GAINESVILLE, GEORGIA
HUD GRANT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 0	\$ 17,494
Investments	0	32,216
Intergovernmental receivables	107,921	6,782
	<hr/>	<hr/>
Total assets	\$ 107,921	\$ 56,492
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	\$ 863	\$ 802
Accrued salaries	1,414	2,857
Due to other funds	49,903	0
	<hr/>	<hr/>
Total liabilities	52,180	3,659
	<hr/>	<hr/>
FUND BALANCES		
Restricted for Housing and Development	55,741	52,833
	<hr/>	<hr/>
Total liabilities and fund balances	\$ 107,921	\$ 56,492
	<hr/>	<hr/>

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 2,493,160	\$ 494,236	\$ (1,998,924)	\$ 549,595
EXPENDITURES				
Current				
Housing and Development				
Personal services	326,882	128,293	198,589	69,766
Other	2,514,071	363,035	2,151,036	479,829
Total expenditures	2,840,953	491,328	2,349,625	549,595
Excess (deficiency) of revenues over (under) expenditures	(347,793)	2,908	350,701	0
Other financing sources (uses)				
Sales of capital assets	0	0	0	(40,522)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(347,793)	2,908	350,701	(40,522)
Fund balances, July 1	347,793	52,833	(294,960)	93,355
Fund balances, June 30	\$ 0	\$ 55,741	\$ 55,741	\$ 52,833

CITY OF GAINESVILLE, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 82,401	\$ 62,825
Investments	115,493	115,699
Notes receivable	<u>149,192</u>	<u>172,401</u>
Total assets	<u><u>\$ 347,086</u></u>	<u><u>\$ 350,925</u></u>
 DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - notes receivable	\$ 149,192	\$ 172,401
 FUND BALANCES		
Restricted for Housing and Development	<u>197,894</u>	<u>178,524</u>
Total deferred inflows of resources and fund balances	<u><u>\$ 347,086</u></u>	<u><u>\$ 350,925</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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 27,000	\$ 24,078	\$ (2,922)	\$ 21,868
Investment	0	2,592	2,592	(4,222)
Total revenues	27,000	26,670	(330)	17,646
EXPENDITURES				
Current				
Housing and Development				
Other	27,000	7,300	19,700	0
Excess (deficiency) of revenues over (under) expenditures	0	19,370	19,370	17,646
Fund balances, July 1	0	178,524	178,524	160,878
Fund balances, June 30	\$ 0	\$ 197,894	\$ 197,894	\$ 178,524

CITY OF GAINESVILLE, GEORGIA
IMPACT FEE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 1,887,211	\$ 1,576,023
Investments	2,645,095	2,902,424
Total assets	\$ 4,532,306	\$ 4,478,447
LIABILITIES		
Due to other funds	\$ 1,167	\$ 0
FUND BALANCES		
Restricted for:		
Public Safety	4,021,181	3,144,733
Cultural and Recreation	509,958	1,333,714
Total fund balances	4,531,139	4,478,447
Total liabilities and fund balances	\$ 4,532,306	\$ 4,478,447

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 1,982,750	\$ 1,910,088	\$ (72,662)	\$ 4,000,348
Investment	4,450	72,750	68,300	(70,909)
Total revenues	<u>1,987,200</u>	<u>1,982,838</u>	<u>(4,362)</u>	<u>3,929,439</u>
EXPENDITURES				
Current				
Culture and Recreation				
Other	<u>2,081,950</u>	<u>1,130,000</u>	<u>951,950</u>	<u>1,000,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(94,750)</u>	<u>852,838</u>	<u>947,588</u>	<u>2,929,439</u>
Other financing sources (uses)				
Transfers in (out)				
General Fund	(60,147)	(60,146)	1	(124,508)
SPLOST Fund	(740,000)	(740,000)	0	0
Contingency	<u>894,897</u>	<u>0</u>	<u>(894,897)</u>	<u>0</u>
Total other financing sources (uses)	<u>94,750</u>	<u>(800,146)</u>	<u>(894,896)</u>	<u>(124,508)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>52,692</u>	<u>52,692</u>	<u>2,804,931</u>
Fund balances, July 1	<u>0</u>	<u>4,478,447</u>	<u>4,478,447</u>	<u>1,673,516</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 4,531,139</u></u>	<u><u>\$ 4,531,139</u></u>	<u><u>\$ 4,478,447</u></u>

CITY OF GAINESVILLE, GEORGIA
TAX ALLOCATION DISTRICT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 884,863	\$ 790,012
Investments	1,240,215	1,454,895
Intergovernmental receivable	<u>785,649</u>	<u>0</u>
Total assets	<u><u>\$ 2,910,727</u></u>	<u><u>\$ 2,244,907</u></u>
 LIABILITIES		
Due to other funds	\$ 1,171,169	\$ 1,272,731
 FUND BALANCES		
Restricted for Housing and Development	<u>1,739,558</u>	<u>972,176</u>
Total liabilities and fund balances	<u><u>\$ 2,910,727</u></u>	<u><u>\$ 2,244,907</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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	\$ 151,359	\$ 399,514	\$ 248,155	\$ 182,167
Intergovernmental	466,903	960,353	493,450	477,236
Investment	1,100	(8,792)	(9,892)	(47,945)
Total revenues	619,362	1,351,075	731,713	611,458
EXPENDITURES				
Current				
Housing and Development				
Other	440,634	411,089	29,545	194,176
Excess (deficiency) of revenues over (under) expenditures	178,728	939,986	761,258	417,282
Other financing sources (uses)				
Transfers in (out)				
General Fund	(71,042)	(71,042)	0	0
General Government Capital Projects Fund	0	0	0	(250,000)
Debt Service Fund	(107,686)	(101,562)	6,124	(111,257)
Total other financing sources (uses)	(178,728)	(172,604)	6,124	(361,257)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	767,382	767,382	56,025
Fund balances, July 1	0	972,176	972,176	916,151
Fund balances, June 30	\$ 0	\$ 1,739,558	\$ 1,739,558	\$ 972,176

CITY OF GAINESVILLE, GEORGIA
INFORMATION TECHNOLOGY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 142,182	\$ 108,363
Investments	199,280	199,561
Total assets	\$ 341,462	\$ 307,924
LIABILITIES		
Accounts payable	\$ 276	\$ 268
FUND BALANCES		
Restricted for Public Safety	341,186	307,656
Total liabilities and fund balances	\$ 341,462	\$ 307,924

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 41,560	\$ 40,082	\$ (1,478)	\$ 47,779
Investment	700	4,066	3,366	(6,300)
Total revenues	<u>42,260</u>	<u>44,148</u>	<u>1,888</u>	<u>41,479</u>
EXPENDITURES				
Current				
Public Safety				
Other	<u>44,760</u>	<u>10,618</u>	<u>34,142</u>	<u>3,297</u>
Excess (deficiency) of revenues over (under) expenditures	(2,500)	33,530	36,030	38,182
Fund balances, July 1	<u>2,500</u>	<u>307,656</u>	<u>305,156</u>	<u>269,474</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 341,186</u></u>	<u><u>\$ 341,186</u></u>	<u><u>\$ 307,656</u></u>

CITY OF GAINESVILLE, GEORGIA
CEMETERY TRUST SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 255,670	\$ 189,055
Investments	358,344	348,164
Total assets	\$ 614,014	\$ 537,219
FUND BALANCES		
Committed for Public Works	\$ 614,014	\$ 537,219

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Sales and services	\$ 50,000	\$ 99,407	\$ 49,407	\$ 73,552
Investment	1,500	7,388	5,888	(11,321)
Total revenues	<u>51,500</u>	<u>106,795</u>	<u>55,295</u>	<u>62,231</u>
EXPENDITURES				
Public Works				
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	51,500	106,795	55,295	62,231
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	<u>(55,000)</u>	<u>(30,000)</u>	<u>25,000</u>	<u>(55,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,500)	76,795	80,295	7,231
Fund balances, July 1	<u>3,500</u>	<u>537,219</u>	<u>533,719</u>	<u>529,988</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 614,014</u></u>	<u><u>\$ 614,014</u></u>	<u><u>\$ 537,219</u></u>

CITY OF GAINESVILLE, GEORGIA
FIRE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 650,912	\$ 627,288
Investments	912,313	1,155,221
Receivable		
Accounts	736	663
Taxes	130,255	86,358
Intergovernmental	532	733
Total assets	\$ 1,694,748	\$ 1,870,263
LIABILITIES		
Accounts payable	\$ 50,210	\$ 62,054
Intergovernmental payable	0	1,361
Accrued salaries	82,349	338,173
Total liabilities	132,559	401,588
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	122,679	80,037
FUND BALANCES		
Assigned for Public Safety	1,439,510	1,388,638
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,694,748	\$ 1,870,263

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	\$ 8,037,521	\$ 8,451,363	\$ 413,842	\$ 7,334,356
Motor vehicle taxes	54,804	34,744	(20,060)	56,256
Investment	5,600	82,934	77,334	(71,357)
Other	0	0	0	2,070
Total revenues	8,097,925	8,569,041	471,116	7,321,325
EXPENDITURES				
Current				
Public Safety				
Personal services	8,807,010	8,850,980	(43,970)	8,018,938
Other	1,446,148	1,421,582	24,566	1,335,585
Total expenditures	10,253,158	10,272,562	(19,404)	9,354,523
Excess (deficiency) of revenues over (under) expenditures	(2,155,233)	(1,703,521)	451,712	(2,033,198)
Other financing sources (uses)				
Transfers in (out)				
General Fund	1,877,020	1,877,020	0	2,111,870
General Government Capital Projects Fund	(30,000)	(30,000)	0	(105,000)
SPLOST Capital Projects Fund	(96,219)	(96,219)	0	(250)
Sales of capital assets	0	3,592	3,592	87,544
Total other financing sources (uses)	1,750,801	1,754,393	3,592	2,094,164
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(404,432)	50,872	455,304	60,966
Fund balances, July 1	404,432	1,388,638	984,206	1,327,672
Fund balances, June 30	\$ 0	\$ 1,439,510	\$ 1,439,510	\$ 1,388,638

CITY OF GAINESVILLE, GEORGIA
POLICE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 79,549	\$ 112,577
Investments	111,495	207,322
Intergovernmental receivable	251	293
Total assets	\$ 191,295	\$ 320,192
LIABILITIES		
Accounts payable	\$ 11,148	\$ 20,707
Accrued salaries	44,257	140,342
Total liabilities	55,405	161,049
FUND BALANCES		
Assigned for Public Safety	135,890	159,143
Total liabilities and fund balances	\$ 191,295	\$ 320,192

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	\$ 37,487	\$ 0	\$ (37,487)	\$ 0
Motor vehicle taxes	25,867	15,442	(10,425)	9,679
Investment	150	0	(150)	0
Total revenues	63,504	15,442	(48,062)	9,679
EXPENDITURES				
Current				
Public Safety				
Personal services	4,307,952	4,340,360	(32,408)	3,723,211
Other	1,131,457	955,368	176,089	1,321,481
Total expenditures	5,439,409	5,295,728	143,681	5,044,692
Excess (deficiency) of revenues over (under) expenditures	(5,375,905)	(5,280,286)	95,619	(5,035,013)
Other financing sources (uses)				
Transfers in (out)				
General Fund	5,216,189	5,216,189	0	4,771,306
General Insurance Internal Service Fund	40,844	40,844	0	13,388
Proceeds from long-term debt	0	0	0	409,462
Contingency	118,872	0	(118,872)	0
Total other financing sources (uses)	5,375,905	5,257,033	(118,872)	5,194,156
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(23,253)	(23,253)	159,143
Fund balances, July 1	0	159,143	159,143	0
Fund balances, June 30	\$ 0	\$ 135,890	\$ 135,890	\$ 159,143

CITY OF GAINESVILLE, GEORGIA
OPIOID SETTLEMENT SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2023

ASSETS

Accounts receivable	\$ 461,688
---------------------	------------

LIABILITIES

Due to other funds	\$ 6,920
--------------------	----------

DEFERRED INFLOWS OF RESOURCES

Unavailable fines, fees, and forfeitures	454,768
--	---------

Total liabilities and deferred inflows of resources	\$ 461,688
--	-------------------

CITY OF GAINESVILLE, GEORGIA
OPIOID SETTLEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	\$ 125,000	\$ 111,920	\$ (13,080)
Total revenues	<u>125,000</u>	<u>111,920</u>	<u>(13,080)</u>
EXPENDITURES			
Current			
Public Safety			
Other	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	125,000	111,920	(13,080)
Other financing sources (uses)			
Transfers in (out)			
General Fund	<u>(125,000)</u>	<u>(111,920)</u>	<u>13,080</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>



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, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 1,177,575	\$ 562,242
Investments	1,650,477	1,035,432
Taxes receivable	55,467	39,998
Due from other funds	1,171,169	1,272,731
Prepaid items	3,584	5,018
Total assets	\$ 4,058,272	\$ 2,915,421
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - taxes	\$ 51,883	\$ 36,784
FUND BALANCES		
Nonspendable prepaid items	3,584	5,018
Restricted for debt service	1,313,785	1,205,870
Assigned for debt service	2,689,020	1,667,749
Total fund balances	4,006,389	2,878,637
Total deferred inflows of resources and fund balances	\$ 4,058,272	\$ 2,915,421

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	\$ 3,337,734	\$ 3,495,239	\$ 157,505	\$ 3,041,365
Investment	10,129	1,021,272	1,011,143	(55,026)
Other	304,765	32	(304,733)	0
Total revenues	3,652,628	4,516,543	863,915	2,986,339
EXPENDITURES				
Debt Service				
Principal	4,256,726	2,745,995	1,510,731	3,908,508
Interest and fiscal charges	1,449,312	1,448,820	492	552,100
Total expenditures	5,706,038	4,194,815	1,511,223	4,460,608
Excess (deficiency) of revenues over (under) expenditures	(2,053,410)	321,728	2,375,138	(1,474,269)
Other financing sources (uses)				
Transfers in (out)				
SPLOST Capital Projects Fund	293,692	293,692	0	293,692
Tax Allocation District Special Revenue Fund	107,686	101,562	(6,124)	111,257
Hotel/Motel Tax Special Revenue Fund	410,770	410,770	0	110,770
Total other financing sources (uses)	812,148	806,024	(6,124)	515,719
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,241,262)	1,127,752	2,369,014	(958,550)
Fund balances, July 1	1,241,262	2,878,637	1,637,375	3,837,187
Fund balances, June 30	\$ 0	\$ 4,006,389	\$ 4,006,389	\$ 2,878,637



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, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 9,489,311	\$ 1,771,734
Investments	13,300,125	2,993,659
Prepaid items	2,028,000	0
Restricted assets		
Cash and cash equivalents	6,685,388	0
Investments	4,425,739	0
Total assets	\$ 35,928,563	\$ 4,765,393
LIABILITIES		
Payables		
Accounts	\$ 1,428,169	\$ 790,845
Intergovernmental	27,904	47,223
Retainages	1,080,935	146,344
Due to other funds	369,985	369,985
Total liabilities	2,906,993	1,354,397
FUND BALANCES		
Nonspendable prepaid items	2,028,000	0
Restricted for capital projects:		
General Government	8,870,514	759,617
Public Safety	98,565	92,253
Health and Welfare	73,188	73,188
Assigned for capital projects:		
General Government	18,783,146	1,385,902
Public Safety	1,904,947	0
Public Works	1,263,210	1,100,036
Total fund balances	33,021,570	3,410,996
Total liabilities and fund balances	\$ 35,928,563	\$ 4,765,393

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, 2023 and 2022

	2023	2022
REVENUES		
Investment	\$ 0	\$ 225
Contributions	524,500	0
Total revenues	524,500	225
EXPENDITURES		
Capital outlay		
General Government	15,450,013	2,008,753
Public Safety	834,614	847,656
Public Works	1,268,380	2,351,002
Housing and Development	264,207	529,095
Total expenditures	17,817,214	5,736,506
Excess (deficiency) of revenues over (under) expenditures	(17,292,714)	(5,736,281)
Other financing sources (uses)		
Transfers in (out)		
General Fund	11,701,292	3,593,671
Fire Special Revenue Fund	30,000	105,000
Hotel/Motel Tax Fund	0	90,925
Cemetery Trust Fund	30,000	55,000
Tax Allocation Fund	0	250,000
Economic Development Fund	5,500,000	0
Vehicle Services Fund	0	(39,458)
SPLOST Capital Projects Fund	0	(292,476)
Department of Water Resources Fund	4,800,000	0
Issuance of long-term debt	24,841,996	0
Total other financing sources (uses)	46,903,288	3,762,662
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	29,610,574	(1,973,619)
Fund balances, July 1	3,410,996	5,384,615
Fund balances, June 30	\$ 33,021,570	\$ 3,410,996

CITY OF GAINESVILLE, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 9,009,532	\$ 6,147,166
Investments	12,627,669	11,640,194
Intergovernmental receivables	1,761,852	1,859,180
Restricted assets		
Cash and cash equivalents	10,653,033	0
Investments	2,551,747	0
Total assets	\$ 36,603,833	\$ 19,646,540
LIABILITIES		
Accounts payable	\$ 1,635,387	\$ 1,348,926
Retainages payable	1,137,916	836,941
Total liabilities	2,773,303	2,185,867
FUND BALANCES		
Restricted for capital projects:		
Public Safety	1,061,157	1,195,035
Public Works	8,845,328	9,395,099
Health and Welfare	6,923	49,050
Culture and Recreation	21,199,142	5,796,261
Assigned for capital projects:		
Public Safety	28,202	2
Public Works	2,689,778	1,025,226
Total fund balances	33,830,530	17,460,673
Total liabilities and fund balances	\$ 36,603,833	\$ 19,646,540

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, 2023 and 2022

	2023	2022
REVENUES		
Intergovernmental	\$ 11,698,096	\$ 12,321,772
Total revenues	11,698,096	12,321,772
EXPENDITURES		
Capital outlay		
General Government	1,474,539	10,506,393
Public Safety	106,800	1,594,752
Public Works	4,764,776	5,342,616
Culture and Recreation	8,798,196	3,201,354
Total expenditures	15,144,311	20,645,115
Excess (deficiency) of revenues over (under) expenditures	(3,446,215)	(8,323,343)
Other financing sources (uses)		
Transfers in (out)		
General Fund	2,190,000	550,000
Impact Fee Special Revenue Fund	740,000	0
Fire Services Special Revenue Fund	96,219	250
Grants Capital Projects Fund	806,167	910,084
General Government Capital Projects Fund	0	292,476
Debt Service Fund	(293,692)	(293,692)
Proceeds from long-term debt	16,277,378	1,383,099
Total other financing sources (uses)	19,816,072	2,842,217
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	16,369,857	(5,481,126)
Fund balances, July 1	17,460,673	22,941,799
Fund balances, June 30	\$ 33,830,530	\$ 17,460,673

CITY OF GAINESVILLE, GEORGIA
GRANTS CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 230,627	\$ 194,914
Investments	<u>323,244</u>	<u>358,957</u>
Total assets	<u><u>\$ 553,871</u></u>	<u><u>\$ 553,871</u></u>
FUND BALANCES		
Restricted for capital projects:		
Public Works	\$ 35,047	\$ 35,047
Assigned for capital projects:		
Public Works	<u>518,824</u>	<u>518,824</u>
Total fund balances	<u><u>\$ 553,871</u></u>	<u><u>\$ 553,871</u></u>

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, 2023 and 2022

	2023	2022
REVENUES		
Intergovernmental	\$ 806,167	\$ 423,053
Total revenues	806,167	423,053
EXPENDITURES		
Capital outlay		
Public Works	0	72,423
Total expenditures	0	72,423
Excess (deficiency) of revenues over (under) expenditures	806,167	350,630
Other financing sources (uses)		
Transfers in (out)		
SPLOST Capital Projects Funds	(806,167)	(910,084)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(559,454)
Fund balances, July 1	553,871	1,113,325
Fund balances, June 30	\$ 553,871	\$ 553,871



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, 2023 and 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 16,375,961	\$ 13,135,013
Investments	26,346,855	28,429,371
Receivables		
Accounts (net)	5,709,379	3,907,352
Intergovernmental	12,537,862	3,003,486
Other	8,574	8,127
Inventories	2,655,549	2,189,401
Prepaid items	82,492	130,612
Total current assets	63,716,672	50,803,362
Restricted assets		
Extension and Renewal		
Cash and cash equivalents	42,010,066	31,570,872
Investments	58,880,888	58,141,280
Debt Redemption		
Cash and cash equivalents	3,674,267	3,978,756
Customer Deposits		
Cash and cash equivalents	2,427,173	2,307,513
Total restricted assets	106,992,394	95,998,421
Noncurrent assets		
Property held for development	2,480,264	2,971,111
Capital assets		
Land	29,179,311	28,761,453
Nondepreciable intangibles	2,853,619	2,853,619
Land improvements	2,287,902	2,287,902
Buildings	52,952,245	52,952,245
Distribution system	595,821,246	592,400,577
Vehicles and equipment	44,499,127	42,612,068
Depreciable intangibles	6,138,328	6,138,328
Construction in progress	116,753,080	65,481,169
Intangible right-to-use assets	1,112,296	1,112,296
Accumulated depreciation/amortization	(303,015,704)	(286,024,411)
Total noncurrent assets	551,061,714	511,546,357
Total assets	721,770,780	658,348,140
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	5,781,634	3,750,003
Deferred outflows related to other post employment benefits	1,953,494	2,190,257
Total deferred outflows of resources	7,735,128	5,940,260

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2023 and 2022

	2023	2022
LIABILITIES		
Current liabilities		
Payables		
Accounts	\$ 3,150,717	\$ 1,284,738
Intergovernmental	1,557,251	1,381,120
Accrued salaries	223,160	563,680
Compensated absences	770,879	684,289
Interest payable	1,500	2,105
Subscription payable	222,666	219,496
Contracts payable	1,261,588	1,261,588
Total current liabilities	7,187,761	5,397,016
Current liabilities payable from restricted assets		
Payables		
Accounts	5,290,449	2,687,477
Retainages	4,272,239	2,175,424
Customer deposits	2,427,173	2,307,513
Interest payable	187,125	226,500
Revenue bonds payable	6,688,739	7,348,739
Total liabilities payable from restricted assets	18,865,725	14,745,653
Noncurrent liabilities		
Compensated absences	85,653	76,032
Net pension liability	24,071,650	20,271,021
Net OPEB liability	8,013,491	11,607,021
Contracts payable	8,831,116	10,092,704
Subscription payable	380,986	603,652
Notes payable	36,911,937	7,734,375
Revenue bonds payable	28,931,933	35,620,672
Total noncurrent liabilities	107,226,766	86,005,477
Total liabilities	133,280,252	106,148,146
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	441,203	1,135,226
Deferred inflows related to other post employment benefits	3,905,241	1,453,559
Total deferred inflows of resources	4,346,444	2,588,785
NET POSITION		
Net investment in capital assets	468,260,016	440,786,848
Restricted for:		
Capital outlay	100,890,953	89,701,165
Debt service	3,487,142	3,752,256
Unrestricted	19,241,101	21,311,200
Total net position	\$ 591,879,212	\$ 555,551,469

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, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Charges for sales and services		
Water sales	\$ 41,437,964	\$ 39,208,115
Sewer charges	36,327,461	34,875,835
Tap fees	1,308,831	2,053,412
Other	1,872,616	1,661,751
Other	76,332	450,461
Total operating revenues	81,023,204	78,249,574
OPERATING EXPENSES		
Costs of sales and services	26,098,751	21,782,626
Personal services	17,502,804	15,549,945
Depreciation	17,259,807	17,005,538
Total operating expenses	60,861,362	54,338,109
Operating income (loss)	20,161,842	23,911,465
Non-operating revenues (expenses)		
Investment revenue	2,934,255	(1,658,124)
Interest expense	(1,641,889)	(2,013,781)
Gain on sale of property held for development	10,206,589	5,052,506
Gain (loss) on sale of capital assets	3,110	17,170
Total non-operating revenues (expenses)	11,502,065	1,397,771
Net income (loss) before capital contributions and transfers	31,663,907	25,309,236
Capital contributions		
Connection fees	5,132,734	6,904,881
Capital contributions	6,194,043	11,707,493
Total capital contributions	11,326,777	18,612,374
Net income (loss) before transfers	42,990,684	43,921,610
Transfers in (out)		
General Fund	(2,075,977)	(3,376,797)
General Governmental Capital Project Fund	(4,800,000)	0
American Rescue Plan Grant Special Revenue Fund	0	3,431,418
Grants Special Revenue Fund	(1,923)	0
Economic Development Sepecial Revenue Fund	0	(10,017,622)
General Insurance Internal Service Fund	214,959	0
Total transfers in (out)	(6,662,941)	(9,963,001)
Change in net position	36,327,743	33,958,609
Net position, July 1 (Restated)	555,551,469	521,592,860
Net position, June 30	\$ 591,879,212	\$ 555,551,469

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Receipts from customers	\$ 69,729,683	\$ 77,137,784
Payments to suppliers	(24,792,709)	(23,643,020)
Payments to employees	(17,577,223)	(14,649,571)
Other receipts	76,332	450,461
	<u>27,436,083</u>	<u>39,295,654</u>
Net cash provided (used) by operating activities		
Cash flows from non-capital financing activities:		
Payments to other funds	(6,877,900)	(3,376,797)
	<u>(6,877,900)</u>	<u>(3,376,797)</u>
Cash flows from capital and related financing activities:		
Connection fees	5,132,734	6,904,881
Receipts of capital contributions	1,700,000	230,000
Receipts from other funds	214,959	3,431,418
Interest paid	(1,681,869)	(2,065,135)
Acquisition of capital assets	(44,217,477)	(25,170,389)
Payment of capital related accounts payable	(2,676,489)	(1,662,533)
Payment of capital related retainages payable	(2,175,424)	(1,133,450)
Proceeds from sale of capital assets	56,771	130,857
Proceeds from subscriptions payable	0	1,112,296
Principal payments - subscriptions payable	(219,496)	(289,148)
Proceeds from notes payable	29,177,562	5,968,151
Principal payments - bonds	(6,300,000)	(14,965,000)
	<u>(20,988,729)</u>	<u>(27,508,052)</u>
Net cash provided (used) by capital and related financing activities		
Cash flows from investing activities:		
Receipts of investment revenue	2,958,699	551,564
Proceeds from sale of property held for development	10,697,436	0
Proceeds from sale of investments	33,892,447	36,778,270
Purchase of investments	(33,622,723)	(79,946,091)
	<u>13,925,859</u>	<u>(42,616,257)</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	13,495,313	(34,205,452)
Cash and cash equivalents, July 1	50,992,154	85,197,606
Cash and cash equivalents, June 30	<u><u>\$ 64,487,467</u></u>	<u><u>\$ 50,992,154</u></u>

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2023 and 2022

	2023	2022
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 20,161,842	\$ 23,911,465
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	17,259,807	17,005,538
(Increase) decrease in accounts receivable	(1,738,200)	535,859
(Increase) decrease in intergovernmental receivables	(9,598,650)	(1,263,553)
(Increase) decrease in inventory	(466,148)	(399,066)
(Increase) decrease in prepaid items	48,120	(129,663)
(Increase) decrease in deferred outflows of resources	(1,794,868)	(1,731,416)
Increase (decrease) in accounts payable	1,547,939	(1,463,177)
Increase (decrease) in intergovernmental payables	176,131	131,510
Increase (decrease) in deposits payable	119,660	66,367
Increase (decrease) in accrued salaries and benefits	(244,309)	(13,791)
Increase (decrease) in net pension liability	3,800,629	10,312,153
Increase (decrease) in deferred inflows of resources	1,757,659	(8,002,583)
Increase (decrease) in net OPEB liability	(3,593,529)	336,011
Total adjustments	7,274,241	15,384,189
Net cash provided (used) by operating activities	\$ 27,436,083	\$ 39,295,654
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	\$ 16,375,961	\$ 13,135,013
Extension and Renewal		
Cash and cash equivalents	42,010,066	31,570,872
Debt Redemption		
Cash and cash equivalents	3,674,267	3,978,756
Customer Deposits		
Cash and cash equivalents	2,427,173	2,307,513
Total cash and cash equivalents	\$ 64,487,467	\$ 50,992,154

Noncash investing, capital, and financing activities:

Contributions of capital assets from individuals totaled \$3,232,455 and \$10,215,905 for the fiscal years ended June 30, 2023 and 2022, respectively.

Acquisition of capital assets through accounts payable totaled \$5,597,501 and \$2,676,489 for the fiscal years ended June 30, 2023 and 2022, respectively.

Acquisition of capital assets through retainage payable totaled \$4,272,239 and \$2,175,424 for the fiscal years ended June 30, 2023 and 2022, respectively.

Forgiveness of contracts payable through capital contributions totaled \$1,261,588 and \$1,261,588 for the fiscal years ended June 30, 2023 and 2023, respectively.

CITY OF GAINESVILLE, GEORGIA
AIRPORT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 760,856	\$ 596,773
Investments	1,066,407	1,099,020
Receivables		
Accounts	23,935	11,845
Intergovernmental	3,499,892	9,150
Lease	589,301	500,243
Total current assets	<u>5,940,391</u>	<u>2,217,031</u>
Noncurrent assets		
Lease receivable	3,178,018	3,140,393
Capital assets		
Land	636,298	636,298
Land improvements	3,361,288	3,214,747
Buildings	6,689,172	6,689,172
Infrastructure	11,961,046	11,961,046
Vehicles and equipment	552,684	552,684
Construction in progress	4,364,499	380,548
Accumulated depreciation	(15,151,377)	(14,500,783)
Total noncurrent assets	<u>15,591,628</u>	<u>12,074,105</u>
Total assets	<u>21,532,019</u>	<u>14,291,136</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	33,137	22,427
Deferred outflows related to other post employment benefits	9,572	10,519
Total deferred outflows of resources	<u>42,709</u>	<u>32,946</u>
LIABILITIES		
Current liabilities		
Payables		
Accounts	3,389,033	17,829
Customer deposits	48,280	48,280
Retainage	353,022	0
Accrued salaries	1,266	3,321
Compensated absences	8,335	8,335
Total current liabilities	<u>3,799,936</u>	<u>77,765</u>
Noncurrent liabilities		
Compensated absences	926	926
Net pension liability	144,081	125,289
Net OPEB liability	41,336	55,711
Total noncurrent liabilities	<u>186,343</u>	<u>181,926</u>
Total liabilities	<u>3,986,279</u>	<u>259,691</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	1,486	5,189
Deferred inflows related to other post employment benefits	16,833	7,027
Deferred inflows related to leases	3,721,051	3,555,945
Total deferred inflows of resources	<u>3,739,370</u>	<u>3,568,161</u>
NET POSITION		
Net investment in capital assets	8,717,126	8,933,712
Unrestricted	5,131,953	1,562,518
Total net position	<u>\$ 13,849,079</u>	<u>\$ 10,496,230</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, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Charges for sales and services		
Fuel sales	\$ 53,138	\$ 57,324
Rent	973,170	1,051,887
Other	0	10,228
Total operating revenues	<u>1,026,308</u>	<u>1,119,439</u>
OPERATING EXPENSES		
Costs of sales and services	448,139	405,109
Personal services	91,423	86,296
Depreciation	650,594	606,702
Total operating expenses	<u>1,190,156</u>	<u>1,098,107</u>
Operating income (loss)	<u>(163,848)</u>	<u>21,332</u>
Non-operating revenues (expenses)		
Investment revenue	25,955	(35,247)
Intergovernmental revenue	3,490,742	0
Interest expense	0	(1,038)
Gain (loss) on sale of capital assets	0	245
Total non-operating revenues (expenses)	<u>3,516,697</u>	<u>(36,040)</u>
Net income (loss) before transfers	3,352,849	(14,708)
Transfers in (out)		
American Rescue Plan Grant Special Revenue Fund	<u>0</u>	<u>82,000</u>
Change in net position	3,352,849	67,292
Net position, July 1 (Restated)	<u>10,496,230</u>	<u>10,428,938</u>
Net position, June 30	<u><u>\$ 13,849,079</u></u>	<u><u>\$ 10,496,230</u></u>

CITY OF GAINESVILLE, GEORGIA
AIRPORT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Receipts from customers	\$ 1,053,103	\$ 1,071,152
(Payments to) receipts from suppliers	(420,397)	(406,133)
Payments to employees	(92,721)	(79,630)
Other receipts (payments)	(462)	10,228
	<u>539,523</u>	<u>595,617</u>
Net cash provided (used) by operating activities		
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	0	245
Interest paid	0	(1,038)
Receipts from other funds	0	82,000
Acquisition of capital assets	(434,008)	(361,828)
	<u>(434,008)</u>	<u>(280,621)</u>
Net cash provided (used) by capital and related financing activities		
Cash flows from investing activities:		
Receipts of investment revenue	39,021	7,002
Proceeds from sale of investments	422,409	467,125
Purchase of investments	(402,862)	(1,070,350)
	<u>58,568</u>	<u>(596,223)</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	164,083	(281,227)
Cash and cash equivalents, July 1	596,773	878,000
Cash and cash equivalents, June 30	<u><u>\$ 760,856</u></u>	<u><u>\$ 596,773</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (163,848)	\$ 21,332
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	650,594	606,702
(Increase) decrease in accounts receivable	(12,090)	4,584
(Increase) decrease in leases receivable	(126,683)	495,636
(Increase) decrease in deferred outflows of resources	(9,763)	(12,153)
Increase (decrease) in accounts payable	27,742	(1,024)
Increase (decrease) in accrued payroll liabilities	(2,055)	1,947
Increase (decrease) in net pension liability	18,792	70,598
Increase (decrease) in deferred inflows of resources	171,209	(593,400)
Increase (decrease) in net OPEB liability	(14,375)	1,395
	<u>703,371</u>	<u>574,285</u>
Total adjustments		
Net cash provided by operating activities	<u><u>\$ 539,523</u></u>	<u><u>\$ 595,617</u></u>
Noncash investing, capital, and financing activities:		
Acquisition of capital assets through accounts payable totaled \$3,343,462 and \$0 for the fiscal years ended June 30, 2023 and 2022, respectively.		
Acquisition of capital assets through retainage payable totaled \$353,022 and \$0 for the fiscal years ended June 30, 2023 and 2022, respectively.		

CITY OF GAINESVILLE, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,275,980	\$ 1,137,360
Investments	1,788,119	2,094,210
Accounts receivable (net)	232,677	219,010
Total current assets	3,296,776	3,450,580
Noncurrent assets		
Capital assets		
Buildings	25,051	25,051
Vehicles and equipment	4,732,539	4,697,157
Accumulated depreciation	(2,644,237)	(2,043,763)
Total capital assets (net of accumulated depreciation)	2,113,353	2,678,445
Total assets	5,410,129	6,129,025
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	340,498	192,413
Deferred outflows related to other post employment benefits	222,607	247,231
Total deferred outflows of resources	563,105	439,644
LIABILITIES		
Current liabilities		
Payables		
Accounts	30,708	40,481
Interest	25,019	31,785
Intergovernmental	136,891	50,095
Accrued salaries	20,218	50,741
Compensated absences	48,267	45,814
Notes payable	754,500	285,649
Total current liabilities	1,015,603	504,565
Noncurrent liabilities		
Compensated absences	5,363	5,090
Notes payable	159,188	913,688
Net pension liability	711,143	371,008
Net OPEB liability	910,234	1,283,961
Total noncurrent liabilities	1,785,928	2,573,747
Total liabilities	2,801,531	3,078,312
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	66,351	229,136
Deferred inflows related to other post employment benefits	407,753	152,779
Total deferred inflows of resources	474,104	381,915
NET POSITION		
Net investment in capital assets	1,199,665	1,479,108
Unrestricted	1,497,934	1,629,334
Total net position	\$ 2,697,599	\$ 3,108,442

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, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Charges for sales and services	\$ 3,197,533	\$ 3,054,103
Other	16,111	12,586
Total operating revenues	3,213,644	3,066,689
OPERATING EXPENSES		
Costs of sales and services	810,912	537,031
Costs of sales and services - landfill	593,726	556,096
Personal services	1,612,872	1,543,782
Depreciation	600,473	489,833
Total operating expenses	3,617,983	3,126,742
Operating income (loss)	(404,339)	(60,053)
Non-operating revenues (expenses)		
Investment revenue	40,521	(72,673)
Interest expense	(43,395)	(73,828)
Gain (loss) on sale of capital assets	0	10,221
Total non-operating revenues (expenses)	(2,874)	(136,280)
Net income (loss) before transfers	(407,213)	(196,333)
Transfers in (out)		
Grants Special Revenue Fund	(3,630)	0
Change in net position	(410,843)	(196,333)
Net position, July 1	3,108,442	3,304,775
Net position, June 30	\$ 2,697,599	\$ 3,108,442

CITY OF GAINESVILLE, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Receipts from customers	\$ 3,183,866	\$ 3,015,904
Payments to suppliers	(1,327,615)	(1,045,454)
Payments to employees	(1,705,533)	(1,593,744)
Other receipts	16,111	12,586
	<u>166,829</u>	<u>389,292</u>
Net cash provided (used) by operating activities		
Cash flows from noncapital and related financing activities:		
Payments to other funds	(3,630)	0
	<u>(3,630)</u>	<u>0</u>
Net cash provided (used) by non-capital financing activities		
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(35,381)	(1,764,339)
Proceeds from sale of capital assets	0	10,220
Interest paid	(50,161)	(42,043)
Proceeds from notes payable	0	1,654,828
Principal payments - notes payable	(285,649)	(455,491)
	<u>(371,191)</u>	<u>(596,825)</u>
Net cash provided (used) by capital and related financing activities		
Cash flows from investing activities:		
Receipts of investment revenue	64,435	14,753
Proceeds from sale of investments	709,882	890,651
Purchase of investments	(427,705)	(1,738,017)
	<u>346,612</u>	<u>(832,613)</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	138,620	(1,040,146)
Cash and cash equivalents, July 1	<u>1,137,360</u>	<u>2,177,506</u>
Cash and cash equivalents, June 30	<u><u>\$ 1,275,980</u></u>	<u><u>\$ 1,137,360</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (404,339)	\$ (60,053)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	600,473	489,833
(Increase) decrease in accounts receivable	(13,667)	(38,199)
(Increase) decrease in deferred outflows of resources	(123,461)	(10,581)
Increase (decrease) in accounts payable	(9,773)	24,131
Increase (decrease) in intergovernmental payable	86,796	23,542
Increase (decrease) in accrued payroll liabilities	(27,797)	(20,045)
Increase (decrease) in net pension liability	340,135	10,813
Increase (decrease) in deferred inflows of resources	92,189	(69,188)
Increase (decrease) in net OPEB liability	(373,727)	39,039
	<u>571,168</u>	<u>449,345</u>
Total adjustments		
Net cash used by operating activities	<u><u>\$ 166,829</u></u>	<u><u>\$ 389,292</u></u>

CITY OF GAINESVILLE, GEORGIA
CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 422,665	\$ 26,043
Investments	590,370	45,287
Accounts receivable		
Accounts	78,936	34,783
Other	2,884	431,067
Total current assets	<u>1,094,855</u>	<u>537,180</u>
Noncurrent assets		
Property held for development	39,709	59,403
Capital assets		
Land	49,084	49,084
Land improvements	7,339,250	7,339,250
Buildings	1,294,197	1,294,197
Vehicles and equipment	1,056,414	1,056,414
Construction in progress	1,309	0
Intangible right-to-use assets		
Equipment	192,602	192,602
Accumulated depreciation/amortization	(6,396,859)	(5,856,493)
Total noncurrent assets	<u>3,575,706</u>	<u>4,134,457</u>
Total assets	<u>4,670,561</u>	<u>4,671,637</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	10,707	16,293
Deferred outflows related to pensions	79,044	46,106
Deferred outflows related to other post employment benefits	45,574	52,202
Total deferred outflows of resources	<u>135,325</u>	<u>114,601</u>
LIABILITIES		
Current liabilities		
Payables		
Accounts	51,722	57,839
Sales tax	16,324	14,293
Interest	3,341	4,366
Accrued salaries	11,794	33,163
Compensated absences	40,070	33,778
Lease payable	38,042	36,451
Contracts payable	290,000	280,000
Other liabilities	61,150	52,789
Total current liabilities	<u>512,443</u>	<u>512,679</u>
Noncurrent liabilities		
Compensated absences	4,452	3,753
Net pension liability	83,379	1,177
Net OPEB liability	179,329	279,948
Lease payable	88,217	126,258
Contracts payable	595,000	885,000
Total noncurrent liabilities	<u>950,377</u>	<u>1,296,136</u>
Total liabilities	<u>1,462,820</u>	<u>1,808,815</u>

CITY OF GAINESVILLE, GEORGIA
CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2023 and 2022

	2023	2022
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	\$ 9,456	\$ 56,335
Deferred inflows related to other post employment benefits	101,014	32,368
Total deferred inflows of resources	110,470	88,703
NET POSITION		
Net investment in capital assets	2,535,445	2,747,152
Restricted for capital outlay	63,441	52,803
Unrestricted	633,710	88,765
Total net position	\$ 3,232,596	\$ 2,888,720

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, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Charges for sales and services		
Greens fees	\$ 1,028,161	\$ 630,988
Cart fees	540,020	325,523
Handicap fees	24,000	21,920
Practice range	118,785	85,175
Contributions	0	5,000
Rent revenue	12,300	9,550
Other	10,985	919
Total operating revenues	1,734,251	1,079,075
OPERATING EXPENSES		
Costs of sales and services	501,999	493,274
Personal services	766,173	633,326
Depreciation	540,366	334,809
Total operating expenses	1,808,538	1,461,409
Operating income (loss)	(74,287)	(382,334)
Non-operating revenues (expenses)		
Investment revenue	17,063	(69)
Interest expense	(37,345)	(44,689)
Gain (loss) on sale of capital assets	3,889	0
Gain on sale of property held for development	403,306	1,615,940
Total non-operating revenues (expenses)	386,913	1,571,182
Net income (loss) before transfers	312,626	1,188,848
Transfers in (out)		
General Fund	31,250	40,360
Change in net position	343,876	1,229,208
Net position, July 1	2,888,720	1,659,512
Net position, June 30	\$ 3,232,596	\$ 2,888,720

CITY OF GAINESVILLE, GEORGIA
CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Receipts from customers	\$ 1,668,843	\$ 1,047,515
Payments to suppliers	(483,269)	(798,255)
Payments to employees	(803,510)	(633,172)
Other receipts	23,285	15,469
Net cash provided (used) by operating activities	405,349	(368,443)
Cash flows from non-capital financing activities:		
Receipts from other funds	31,250	40,360
Net cash provided (used) by non-capital financing activities	31,250	40,360
Cash flows from capital and related financing activities:		
Interest paid	(32,784)	(39,439)
Principal payments - contracts payable	(280,000)	(275,000)
Principal payments - leases payable	(36,450)	(29,893)
Proceeds from leases payable	0	192,602
Payment of capital related accounts payable	(16,486)	0
Payment of capital related retainages payable	0	(91,111)
Proceeds from sale of capital assets	3,889	0
Acquisition of capital assets	(1,309)	(1,042,947)
Net cash provided (used) by capital and related financing activities	(363,140)	(1,285,788)
Cash flows from investing activities:		
Receipts of investment revenue	16,031	14
Proceeds from sale of property held for development	851,183	1,254,286
Proceeds from sale of investments	234,672	117,920
Purchase of investments	(778,723)	(83)
Net cash provided (used) by operating activities	323,163	1,372,137
Net increase (decrease) in cash and cash equivalents	396,622	(241,734)
Cash and cash equivalents, July 1	26,043	267,777
Cash and cash equivalents, June 30	\$ 422,665	\$ 26,043
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (74,287)	\$ (382,334)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	540,366	334,809
(Increase) decrease in accounts receivable	(44,153)	(28,776)
(Increase) decrease in deferred outflows of resources	(26,310)	(3,515)
Increase (decrease) in accounts payable	10,369	(308,335)
Increase (decrease) in sales tax payable	2,030	12,685
Increase (decrease) in accrued salaries and benefits	(14,378)	16,586
Increase (decrease) in other liabilities	8,361	3,354
Increase (decrease) in net OPEB liability	(100,618)	8,365
Increase (decrease) in deferred inflows of resources	21,767	30,052
Increase (decrease) in net pension liability	82,202	(51,334)
Total adjustments	479,636	13,891
Net cash provided (used) by operating activities	\$ 405,349	\$ (368,443)
Noncash investing, capital, and financing activities:		
Acquisition of capital assets through accounts payable totaled \$0 and \$16,486 for the fiscal years ended June 30, 2023 and 2022, 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, 2023 and 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 730,633	\$ 626,150
Investments	1,024,047	1,153,125
Accounts receivable	7,275	1,760
Other assets	121,153	99,675
Total assets	1,883,108	1,880,710
LIABILITIES		
Current liabilities		
Accounts payable	7,244	1,760
Claims reserves	1,166,640	1,193,468
Total liabilities	1,173,884	1,195,228
NET POSITION		
Unrestricted	\$ 709,224	\$ 685,482

CITY OF GAINESVILLE, GEORGIA
GENERAL INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Interfund services provided	\$ 1,697,349	\$ 1,565,150
Other	420,685	58,378
Total operating revenue	2,118,034	1,623,528
OPERATING EXPENSES		
Costs of services		
Insurance	1,204,221	1,101,416
Claims	380,770	279,185
Administrative fees	269,964	210,817
Total operating expenses	1,854,955	1,591,418
Operating income (loss)	263,079	32,110
Non-operating revenues (expenses)		
Investment revenue (expense)	23,741	(33,728)
Net income (loss) before transfers	286,820	(1,618)
Transfers in (out)		
General Fund	(7,275)	(18,723)
Police Service Fund	(40,844)	(13,388)
Department of Water Resources Fund	(214,959)	0
Total transfers in (out)	(263,078)	(32,111)
Change in net position	23,742	(33,729)
Net position, July 1	685,482	719,211
Net position, June 30	\$ 709,224	\$ 685,482

CITY OF GAINESVILLE, GEORGIA
GENERAL INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Receipts from interfund services provided	\$ 1,691,834	\$ 1,563,390
Payments to suppliers	(1,897,777)	(1,714,781)
Other receipts	420,685	58,378
	<u>214,742</u>	<u>(93,013)</u>
Net cash provided (used) by operating activities		
Cash flows from non-capital financing activities:		
Payments to other funds	(263,078)	(32,111)
	<u>(263,078)</u>	<u>(32,111)</u>
Cash flows from investing activities:		
Investment revenue	32,236	7,603
Proceeds from sale of investments	404,809	492,038
Purchase of investments	(284,226)	(950,077)
	<u>152,819</u>	<u>(450,436)</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	104,483	(575,560)
Cash and cash equivalents, July 1	<u>626,150</u>	<u>1,201,710</u>
Cash and cash equivalents, June 30	<u><u>\$ 730,633</u></u>	<u><u>\$ 626,150</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 263,079	\$ 32,110
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	(5,515)	(1,760)
(Increase) decrease in other assets	(21,478)	(22,225)
Increase (decrease) in accounts payable	5,484	(103,108)
Increase (decrease) in claims reserve	(26,828)	1,970
	<u>(48,337)</u>	<u>(125,123)</u>
Total adjustments		
Net cash provided (used) by operating activities	<u><u>\$ 214,742</u></u>	<u><u>\$ (93,013)</u></u>

CITY OF GAINESVILLE, GEORGIA
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,309,424	\$ 1,244,485
Investments	1,835,276	2,291,856
Accounts receivable	176,645	1,814
Prepaid items	13,000	13,000
Total assets	3,334,345	3,551,155
LIABILITIES		
Current liabilities		
Accounts payable	422,791	90,238
Deposits payable	198,935	182,004
Claims reserves	592,412	575,938
Total liabilities	1,214,138	848,180
NET POSITION		
Unrestricted	\$ 2,120,207	\$ 2,702,975

CITY OF GAINESVILLE, GEORGIA
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Interfund services provided	\$ 11,396,951	\$ 9,484,841
OPERATING EXPENSES		
Costs of services		
Insurance	1,669,180	1,528,759
Claims	7,938,299	6,553,061
Wellness program	1,996,349	1,616,997
Administrative fees	404,156	523,165
Total operating expenses	12,007,984	10,221,982
Operating income (loss)	(611,033)	(737,141)
Non-operating revenues (expenses)		
Investment revenue (expense)	28,265	(67,013)
Change in net position	(582,768)	(804,154)
Net position, July 1	2,702,975	3,507,129
Net position, June 30	\$ 2,120,207	\$ 2,702,975

CITY OF GAINESVILLE, GEORGIA
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Receipts from interfund services provided	\$ 11,222,120	\$ 9,523,877
Payments to suppliers	(11,642,026)	(10,400,954)
Net cash provided (used) by operating activities	(419,906)	(877,077)
Cash flows from investing activities:		
Investment revenue	54,055	15,178
Proceeds from sale of investments	686,414	921,792
Purchase of investments	(255,624)	(1,593,387)
Net cash provided (used) by investing activities	484,845	(656,417)
Net increase (decrease) in cash and cash equivalents	64,939	(1,533,494)
Cash and cash equivalents, July 1	1,244,485	2,777,979
Cash and cash equivalents, June 30	\$ 1,309,424	\$ 1,244,485
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (611,033)	\$ (737,141)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	(174,831)	39,036
Increase (decrease) in accounts payable	332,553	22,774
Increase (decrease) in deposits payable	16,931	27,802
Increase (decrease) in claims reserve	16,474	(229,548)
Total adjustments	191,127	(139,936)
Net cash provided (used) by operating activities	\$ (419,906)	\$ (877,077)

CITY OF GAINESVILLE, GEORGIA
VEHICLE SERVICES FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 133,672	\$ 125,614
Investments	186,929	230,781
Intergovernmental receivables	9,812	46,247
Inventory	117,944	124,952
Total current assets	448,357	527,594
Capital assets		
Buildings	266,254	266,254
Vehicles and equipment	532,849	532,849
Accumulated depreciation	(736,140)	(705,087)
Capital assets (net of accumulated depreciation)	62,963	94,016
Total assets	511,320	621,610
LIABILITIES		
Current liabilities		
Accounts payable	64,728	167,182
Accrued salaries	6,744	17,210
Compensated absences	30,170	27,803
Total current liabilities	101,642	212,195
Noncurrent liabilities		
Compensated absences	3,352	3,089
Total liabilities	104,994	215,284
NET POSITION		
Investment in capital assets	62,963	94,016
Unrestricted	343,363	312,310
Total net position	\$ 406,326	\$ 406,326

CITY OF GAINESVILLE, GEORGIA
VEHICLE SERVICES FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Interfund services provided	\$ 2,717,489	\$ 2,510,641
Other	0	245
Total operating revenues	2,717,489	2,510,886
OPERATING EXPENSES		
Costs of services	2,196,665	2,087,772
Personal services	489,771	434,090
Depreciation	31,053	31,634
Total operating expenses	2,717,489	2,553,496
Operating income (loss)	0	(42,610)
Non-operating revenues (expenses)		
Gain (loss) on sale of capital assets	0	3,151
Net income (loss) before transfers	0	(39,459)
Transfers in (out)		
General Government Capital Projects Fund	0	39,459
Change in net position	0	0
Net position, July 1	406,326	406,326
Net position, June 30	\$ 406,326	\$ 406,326

CITY OF GAINESVILLE, GEORGIA
VEHICLE SERVICES FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Receipts from interfund services provided	\$ 2,753,924	\$ 2,472,780
Payments to suppliers	(2,292,111)	(2,050,444)
Payments to employees	(497,608)	(428,274)
Other receipts	0	245
Net cash provided (used) by operating activities	(35,795)	(5,693)
Cash flows from capital and related financing activities:		
Receipts from other funds	0	39,459
Acquisition of capital assets	0	(39,459)
Sale of capital assets	0	3,151
Net cash provided (used) by capital and related financing activities	0	3,151
Cash flows from investing activities:		
Proceeds from sale of investments	76,268	99,653
Purchase of investments	(32,415)	(194,165)
Net cash provided (used) by investing activities	43,853	(94,512)
Net increase (decrease) in cash and cash equivalents	8,058	(97,054)
Cash and cash equivalents, July 1	125,614	222,668
Cash and cash equivalents, June 30	\$ 133,672	\$ 125,614
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 0	\$ (42,610)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation expense	31,053	31,634
(Increase) decrease in intergovernmental receivables	36,435	(37,861)
(Increase) decrease in inventory	7,008	(28,339)
Increase (decrease) in accounts payable	(102,454)	65,667
Increase (decrease) in accrued salaries and benefits	(7,837)	5,816
Total adjustments	(35,795)	36,917
Net cash provided (used) by operating activities	\$ (35,795)	\$ (5,693)

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, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 38,459	\$ 27,129
Accounts receivable	15,618	0
Total assets	54,077	27,129
LIABILITIES		
Accounts payable	1,500	0
NET POSITION		
Restricted for employee assistance	\$ 52,577	\$ 27,129

CITY OF GAINESVILLE, GEORGIA
COMMUNITY PRIVATE-PURPOSE TRUST FUND
COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal years ended June 30, 2023 and 2022

	2023	2022
ADDITIONS		
Employee donations	\$ 47,827	\$ 46,590
Investment revenue	1,118	4
Total additions	48,945	46,594
DEDUCTIONS		
Distributions for assistance	23,497	56,317
Change in net position	25,448	(9,723)
Net position, July 1	27,129	36,852
Net position, June 30	\$ 52,577	\$ 27,129

CITY OF GAINESVILLE, GEORGIA
EMPLOYEES' PENSION TRUST FUND
COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 7,164,783	\$ 4,371,402
Investments		
Mutual funds		
Equity	76,325,137	79,453,785
Fixed income	17,957,060	19,394,978
Real estate	15,812,544	18,438,867
Total assets	117,259,524	121,659,032
LIABILITIES		
Accounts payable	61,924	33,358
NET POSITION		
Restricted for pensions	\$ 117,197,600	\$ 121,625,674

CITY OF GAINESVILLE, GEORGIA
EMPLOYEES' PENSION TRUST FUND
COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal years ended June 30, 2023 and 2022

	2023	2022
ADDITIONS		
Contributions		
Employer contributions	\$ 4,227,917	\$ 3,851,093
Employee contributions	4,227,917	3,851,093
Total contributions	8,455,834	7,702,186
Investment Income		
Net appreciation (depreciation) in fair value of investments	(3,819,618)	(15,252,487)
Interest	378,399	325
Dividends	2,569,982	1,925,125
Investment expense	(450,738)	(400,013)
Net investment income (loss)	(1,321,975)	(13,727,050)
Total additions (reductions)	7,133,859	(6,024,864)
DEDUCTIONS		
Benefits	10,673,118	9,750,012
Refunds	888,815	1,225,827
Total deductions	11,561,933	10,975,839
Change in net position	(4,428,074)	(17,000,703)
Net position, July 1	121,625,674	138,626,377
Net position, June 30	\$ 117,197,600	\$ 121,625,674

CITY OF GAINESVILLE, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	<u>\$ 107,001</u>	<u>\$ 83,032</u>
LIABILITIES		
Due to others	<u>40,056</u>	<u>25,950</u>
NET POSITION		
Restricted for individuals, organizations, and other governments	<u>\$ 66,945</u>	<u>\$ 57,082</u>

CITY OF GAINESVILLE, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Fines and forfeitures collected for other governments	\$ 87,440	\$ 106,533
DEDUCTIONS		
Distributions of fines and forfeitures to other governments	<u>77,577</u>	<u>134,136</u>
Change in net position	9,863	(27,603)
Net position, July 1	<u>57,082</u>	<u>84,685</u>
Net position, June 30	<u><u>\$ 66,945</u></u>	<u><u>\$ 57,082</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, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 2,443,654	\$ 1,975,250
Investments	3,704,549	4,006,984
Receivables		
Accounts	18,688	9,961
Property tax	92,465	63,875
Restricted assets		
Cash and cash equivalents	228,425	228,425
Total assets	\$ 6,487,781	\$ 6,284,495
LIABILITIES		
Payables		
Accounts	\$ 236,435	\$ 400,672
Sales tax	11,472	16,103
Retainage	16,638	0
Accrued salaries	63,765	172,109
Unearned revenue	5,750	8,000
Other	22,562	19,524
Total liabilities	356,622	616,408
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	86,700	59,025
FUND BALANCES		
Restricted for:		
H H Dean Park	28,425	28,425
Capital projects	1,725,700	1,160,467
Committed for:		
Booster Club	0	48,617
Development Fund	200,000	200,000
Facilities and Maintenance	90,000	50,000
Children at Play Fund	10,000	10,000
Assigned for Culture and Recreation	3,990,334	4,111,553
Total fund balances	6,044,459	5,609,062
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,487,781	\$ 6,284,495

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	\$ 5,793,774	\$ 6,039,590	\$ 245,816	\$ 5,285,073
Charges for sales and services				
Recreation Division	184,800	212,607	27,807	191,656
Lanier Point/Ivey Watson	208,400	207,186	(1,214)	176,614
Youth Sports Booster Club	104,200	135,474	31,274	109,014
Gainesville Civic Center	305,500	553,780	248,280	437,337
Allen Creek Soccer Complex	0	0	0	5,724
Frances Meadows Community Center	931,825	1,017,310	85,485	955,139
Intergovernmental	2,800,000	1,205,000	(1,595,000)	1,105,051
Contributions	23,000	23,601	601	31,500
Investment	36,000	114,657	78,657	(137,029)
Other	17,900	16,834	(1,066)	8,726
Total revenues	10,405,399	9,526,039	(879,360)	8,168,805
EXPENDITURES				
Current				
Culture and recreation				
Administration Division	2,133,013	1,217,418	915,595	1,181,065
Recreation Division	522,952	519,760	3,192	359,361
Parks Division	1,572,767	1,449,023	123,744	1,341,256
Maintenance Shop	156,653	151,608	5,045	142,303
Lanier Point/Ivey Watson	311,903	305,868	6,035	257,331
Youth Sports Booster Club	200,483	179,644	20,839	137,755
Gainesville Civic Center	793,809	742,332	51,477	685,569
Allen Creek Soccer Complex	0	0	0	38,828
Frances Meadows Center	2,015,714	1,977,379	38,335	1,812,192
Capital outlay	4,995,482	2,574,760	2,420,722	1,017,854
Total expenditures	12,702,776	9,117,792	3,584,984	6,973,514
Excess (deficiency) of revenues over (under) expenditures	(2,297,377)	408,247	2,705,624	1,195,291
Other financing sources (uses)				
Sale of capital assets	36,486	27,150	(9,336)	26,999
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,260,891)	435,397	2,696,288	1,222,290
Fund balances, July 1	2,260,891	5,609,062	3,348,171	4,386,772
Fund balances, June 30	\$ 0	\$ 6,044,459	\$ 6,044,459	\$ 5,609,062

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	\$ 5,793,774	\$ 6,039,590	\$ 245,816	\$ 5,285,073
Charges for sales and services				
Recreation Division	184,800	212,607	27,807	191,656
Lanier Point/Ivey Watson	208,400	207,186	(1,214)	176,614
Youth Sports Booster Club	104,200	135,474	31,274	109,014
Gainesville Civic Center	305,500	553,780	248,280	437,337
Allen Creek Soccer Complex	0	0	0	5,724
Frances Meadows Center	931,825	1,017,310	85,485	955,139
Intergovernmental	1,670,000	0	(1,670,000)	0
Investment	36,000	114,657	78,657	(137,029)
Contributions	23,000	23,601	601	31,500
Other	17,900	16,831	(1,069)	8,724
Total revenues	9,275,399	8,321,036	(954,363)	7,063,752
EXPENDITURES				
Current				
Culture and recreation				
Administrative services	2,133,013	1,217,418	915,595	1,181,065
Recreational services	522,952	519,760	3,192	359,361
Park services	1,572,767	1,449,023	123,744	1,341,256
Maintenance shop	156,653	151,608	5,045	142,303
Lanier Point/Ivey Watson	311,903	305,868	6,035	257,331
Booster Club	200,483	179,644	20,839	137,755
Civic Center	793,809	742,332	51,477	685,569
Allen Creek Soccer Complex	0	0	0	38,828
Frances Meadows Center	2,015,714	1,977,376	38,338	1,812,190
Total expenditures	7,707,294	6,543,029	1,164,265	5,955,658
Excess (deficiency) of revenues over (under) expenditures	1,568,105	1,778,007	209,902	1,108,094
Other financing sources (uses)				
Transfers in (out)				
Capital Projects Activity	(1,928,777)	(1,928,777)	0	(1,575,000)
Sales of capital assets	36,486	27,150	(9,336)	26,999
Total other financing sources (uses)	(1,892,291)	(1,901,627)	(9,336)	(1,548,001)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(324,186)	<u>\$ (123,620)</u>	<u>\$ 200,566</u>	<u>\$ (439,907)</u>
Fund balances, July 1	324,186			
Fund balances, June 30	\$ 0			

CITY OF GAINESVILLE, GEORGIA
PARKS AND RECREATION (A COMPONENT UNIT)
CAPITAL PROJECTS ACTIVITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 1,130,000	\$ 1,205,000	\$ 75,000	\$ 1,105,051
EXPENDITURES				
Current				
Culture and recreation				
Capital outlay	4,995,482	2,574,760	2,420,722	1,017,854
Excess (deficiency) of revenues over (under) expenditures	(3,865,482)	(1,369,760)	2,495,722	87,197
Other financing sources (uses)				
Transfers in (out)				
Operating Activity	1,928,777	1,928,777	0	1,575,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,936,705)	\$ 559,017	\$ 2,495,722	\$ 1,662,197
Fund balances, July 1	1,936,705			
Fund balances, June 30	\$ 0			

CITY OF GAINESVILLE, GEORGIA
CONVENTION AND VISITOR'S BUREAU (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 719,556	\$ 333,380
Investments	1,012,309	613,404
Accounts receivable	10,521	23,294
Prepaid items	0	1,500
Total assets	\$ 1,742,386	\$ 971,578
LIABILITIES		
Accounts payable	\$ 67,146	\$ 94,990
Accrued salaries	13,187	33,037
Other liabilities	400	400
Unearned revenue	13,658	6,505
Total liabilities	94,391	134,932
FUND BALANCES		
Nonspendable	0	1,500
Restricted for Housing and Development	5,255	5,255
Assigned for:		
Housing and Development	1,642,740	829,891
Total fund balances	1,647,995	836,646
Total liabilities and fund balances	\$ 1,742,386	\$ 971,578

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 1,939,655	\$ 1,939,655	\$ 0	\$ 1,149,940
Charges for sales and services	59,891	87,043	27,152	64,378
Investment revenue	800	10,421	9,621	(10,550)
Contributions	225,818	273,877	48,059	251,202
Rental revenue	24,000	26,904	2,904	26,904
Other	6,000	31,702	25,702	86,679
Total revenues	2,256,164	2,369,602	113,438	1,568,553
EXPENDITURES				
Current				
Housing and Development				
Personal services	879,729	885,049	(5,320)	727,822
Other	1,403,435	673,204	730,231	591,098
Total expenditures	2,283,164	1,558,253	724,911	1,318,920
Excess (deficiency) of revenues over (under) expenditures	(27,000)	811,349	838,349	249,633
Fund balances, July 1	27,000	836,646	809,646	587,013
Fund balances, June 30	\$ 0	\$ 1,647,995	\$ 1,647,995	\$ 836,646

CITY OF GAINESVILLE, GEORGIA
GAINESVILLE-HALL COUNTY LAND BANK (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 380,674	\$ 0
Property held for development	269,808	254,808
Total assets	\$ 650,482	\$ 254,808
LIABILITIES		
Due to other funds	\$ 130,230	\$ 130,230
FUND BALANCES		
Assigned for Housing and Development	520,252	124,578
Total liabilities and fund balances	\$ 650,482	\$ 254,808

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, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 397,793	\$ 397,793	\$ 0	\$ 50,000
Total revenues	<u>397,793</u>	<u>397,793</u>	<u>0</u>	<u>50,000</u>
EXPENDITURES				
Current				
Housing and Development				
Other	397,793	2,119	395,674	422
Total expenditures	<u>397,793</u>	<u>2,119</u>	<u>395,674</u>	<u>422</u>
Excess (deficiency) of revenues over (under) expenditures	0	395,674	395,674	49,578
Fund balances, July 1	<u>0</u>	<u>124,578</u>	<u>124,578</u>	<u>75,000</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 520,252</u></u>	<u><u>\$ 520,252</u></u>	<u><u>\$ 124,578</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.

<u>Contents</u>	<u>Pages</u>
Financial Trends.....	231-244
These tables/schedules contain trend information designed to assist the reader in understanding how the City has performed from a financial perspective over time.	
Revenue Capacity.....	245-252
These tables/schedules contain information that may assist the reader in assessing the viability of the City's most significant revenue sources.	
Debt Capacity.....	253-259
These tables/schedules present information designed to assist the reader in analyzing the affordability of the City's current levels of outstanding debt, and the City's ability to issue additional debt in the future.	
Demographic and Economic Information.....	260-261
These tables/schedules offer demographic, economic and statistical information intended to assist the reader in understanding the environment in which the City's financial activities take place.	
Operating Information.....	262-266
These tables/schedules contain service and infrastructure data to assist the reader in understanding how the information in the City's financial report relates to the services the government provides and the activities it performs.	
Miscellaneous Information.....	267-274
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			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 80,039,885	\$ 78,338,733	\$ 78,415,202	\$ 77,972,132
Restricted	4,642,578	6,827,434	12,149,291	14,551,356
Unrestricted	10,217,825	(14,451,203)	(17,773,240)	(15,275,584)
Total governmental activities net position	<u>\$ 94,900,288</u>	<u>\$ 70,714,964</u>	<u>\$ 72,791,253</u>	<u>\$ 77,247,904</u>
Business-type activities				
Net investment in capital assets	\$ 295,579,225	\$ 303,250,676	\$ 314,735,292	\$ 330,315,818
Restricted	43,776,271	50,230,260	62,960,499	70,511,931
Unrestricted	18,915,019	12,067,163	12,598,780	19,773,475
Total business-type activities net position	<u>\$ 358,270,515</u>	<u>\$ 365,548,099</u>	<u>\$ 390,294,571</u>	<u>\$ 420,601,224</u>
Primary government				
Net investment in capital assets	\$ 375,619,110	\$ 381,589,409	\$ 393,150,494	\$ 408,287,950
Restricted	48,418,849	57,057,694	75,109,790	85,063,287
Unrestricted	29,132,844	(2,384,040) ⁽¹⁾	(5,174,460) ⁽¹⁾	4,497,891
Total primary government net position	<u>\$ 453,170,803</u>	<u>\$ 436,263,063</u>	<u>\$ 463,085,824</u>	<u>\$ 497,849,128</u>

Note (1): GASB 67/68: Accounting and Financial Reporting for Pensions was implemented in FY15.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 85,186,895	\$ 85,297,394	\$ 90,462,073	\$ 96,131,153	\$ 106,806,030	\$ 106,636,895
20,319,574	20,966,754	24,133,297	27,732,529	26,614,795	31,428,129
(15,504,902)	(7,332,782)	(8,799,994)	(6,773,564)	1,601,999	15,013,097
<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>	<u>\$ 153,078,121</u>
\$ 356,428,961	\$ 374,995,209	\$ 402,469,168	\$ 425,024,543	\$ 453,946,820	\$ 480,712,252
71,639,180	74,904,467	75,163,386	81,518,990	93,506,224	104,441,536
17,937,185	25,220,109	26,528,099	31,035,026	24,848,971	26,683,129
<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>	<u>\$ 611,836,917</u>
\$ 441,615,856	\$ 460,292,603	\$ 492,931,241	\$ 521,155,696	\$ 560,752,850	\$ 587,349,147
91,958,754	95,871,221	99,296,683	109,251,519	120,121,019	135,869,665
2,432,283	17,887,327	17,728,105	24,261,462	26,450,970	41,696,226
<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>	<u>\$ 764,915,038</u>

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

Expenses	Fiscal Year			
	2014	2015	2016	2017
Governmental activities:				
General Government	\$ 3,933,108	\$ 3,675,464	\$ 4,368,490	\$ 6,429,519 ⁽¹⁾
Judicial	510,221	486,947	523,970	544,083
Public Safety	18,460,345	17,460,335	19,480,809	18,168,500 ⁽²⁾
Public Works	8,900,466	8,745,852	10,317,369	7,199,267 ⁽¹⁾
Health and Welfare	3,173,758	2,765,034	2,591,485	2,726,152
Culture and Recreation	224,853	440,482	436,250	348,180
Housing and Development	1,591,303	2,136,524	2,406,705	3,769,857 ⁽²⁾
Interest on long-term debt	883,628	1,198,530	533,058	619,743
Total governmental activities expenses	<u>37,677,682</u>	<u>36,909,168</u>	<u>40,658,136</u>	<u>39,805,301</u>
Business-type activities:				
Water and Sewer	47,020,782	46,183,666	47,333,997	46,270,110
Airport	1,014,521	1,045,716	1,109,029	1,526,612
Solid Waste	1,965,935	2,072,012	2,210,416	2,195,951
Golf Course	1,234,260	1,287,229	1,290,865	1,304,992
Total business-type activities expenses	<u>51,235,498</u>	<u>50,588,623</u>	<u>51,944,307</u>	<u>51,297,665</u>
Total primary government expenses	<u>\$ 88,913,180</u>	<u>\$ 87,497,791</u>	<u>\$ 92,602,443</u>	<u>\$ 91,102,966</u>
Indirect Costs				
Governmental activities:				
General Government	(1,390,442)	(1,394,235)	(1,376,788)	(1,370,895)
Business-type activities:				
Water and Sewer	1,034,429	1,038,222	1,020,775	1,014,882
Airport	209,561	209,561	209,561	209,561
Solid Waste	146,452	146,452	146,452	146,452
Total Business-type activities indirect cost	<u>1,390,442</u>	<u>1,394,235</u>	<u>1,376,788</u>	<u>1,370,895</u>
Total primary government indirect cost	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	\$ 674,536	\$ 723,777	\$ 719,185	\$ 748,458
Public Safety	1,639,954	1,930,830	1,735,868	1,944,818
Public Works	90,135	129,956	134,580	219,680
Health and Welfare	423,368	134,570	144,162	106,322
Housing and Development	661,299	1,057,304	1,216,162	2,259,780 ⁽³⁾
Culture and Recreation	0	0	0	0
Operating grants and contributions	2,813,369	2,577,766	2,782,085	3,602,699
Capital grants and contributions	2,044,189	2,322,290	6,087,822	7,932,793
Total governmental activities program revenues	<u>8,346,850</u>	<u>8,876,493</u>	<u>12,819,864</u>	<u>16,814,550</u>
Business-Type activities:				
Charges for services:				
Water and Sewer	58,759,620	64,315,416	66,596,028	71,521,460
Airport	944,120	897,226	925,009	919,344
Solid Waste	2,369,815	2,462,485	2,619,559	2,769,222
Golf Course	992,168	983,932	1,034,234	1,089,431
Operating grants and contributions	0	0	0	0
Capital grants and contributions	8,646,783	8,445,809	9,142,616	9,020,084
Total business-type activities program revenues	<u>71,712,506</u>	<u>77,104,868</u>	<u>80,317,446</u>	<u>85,319,541</u>
Total primary government program revenues	<u>\$ 80,059,356</u>	<u>\$ 85,981,361</u>	<u>\$ 93,137,310</u>	<u>\$ 102,134,091</u>

Note (1): Effective FY17, PLB expenses were included in General Government, in prior years these expenses were charged to Public Works.

Note (2): Effective FY17, Code Enforcement expenses were included in Housing and Development, in prior years these expenses were charged to Public Safety.

Note (3): Level Two SPLOST funds from Hall County.

Note (4): Significant increase due to large repair and maintenance expenses for Water and Sewer.

Note (5): Significant increase due to \$1.9 million in CARES assistance; \$730,702 in American Rescue Plan grants.

Note (6): Significant increase due to \$1 million in transportation grants; substantial increase in SPLOST proceeds.

Note (7): Significant increase due to \$8.5 million in American Rescue Plan Grant; substantial increase in SPLOST proceeds.

Note (8): Significant increase due to \$7.6 million spent towards the J. Melvin Cooper Youth Sports Complex.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 7,228,783	\$ 7,672,674	\$ 7,171,633	\$ 7,647,641	\$ 10,946,609	\$ 9,795,955
544,453	556,125	617,082	556,743	651,673	690,774
19,918,725	19,889,133	20,338,623	17,735,745	23,588,972	24,855,967
6,908,200	11,350,947	7,973,739	9,727,865	12,380,025	8,723,597
2,416,453	2,484,051	2,649,162	3,137,292	3,220,549	3,820,462
415,439	628,343	3,622,553	1,957,824	3,661,245	9,545,794 ⁽⁸⁾
2,683,936	3,481,766	4,162,912	4,264,670	5,242,108	6,139,635
509,730	652,514	688,833	589,483	547,859	1,640,686
40,625,719	46,715,553	47,224,537	45,617,263	60,239,040	65,212,870
52,940,044 ⁽⁴⁾	54,113,056 ⁽⁴⁾	54,006,176	55,179,213	55,337,045	61,182,395
1,091,970	1,296,607	1,103,436	890,229	889,584	980,595
2,274,033	2,400,048	2,852,637	2,866,847	3,054,118	3,514,926
1,356,195	1,307,389	1,387,413	1,330,107	1,506,098	1,845,883
57,662,242	59,117,100	59,349,662	60,266,396	60,786,845	67,523,799
\$ 98,287,961	\$ 105,832,653	\$ 106,574,199	\$ 105,883,659	\$ 121,025,885	\$ 132,736,669
(1,398,722)	(1,444,339)	(1,643,584)	(1,646,319)	(1,707,364)	(1,808,744)
1,042,707	1,088,326	1,287,571	1,290,306	1,351,351	1,452,731
209,563	209,561	209,561	209,561	209,561	209,561
146,452	146,452	146,452	146,452	146,452	146,452
1,398,722	1,444,339	1,643,584	1,646,319	1,707,364	1,808,744
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 762,256	\$ 794,308	\$ 792,355	\$ 867,964	\$ 1,138,304	\$ 1,007,585
1,680,375	1,740,436	1,211,250	1,437,516	1,555,112	1,820,068
198,769	216,335	224,940	324,790	302,985	328,518
93,300	93,394	62,333	29,568	1,337,702	1,742,830
1,858,414 ⁽³⁾	1,808,750	1,554,688	2,000,571	4,935,499	3,013,793
0	0	0	0	0	0
4,397,910	2,637,112	3,306,440	6,209,389 ⁽⁵⁾	2,621,666	3,048,638
12,067,786	9,548,057	8,054,209	11,833,470 ⁽⁶⁾	21,880,646 ⁽⁷⁾	17,113,083
21,058,810	16,838,392	15,206,215	22,703,268	33,771,914	28,074,515
71,963,509	74,135,037	73,915,527	76,119,056	77,799,111	80,946,873
931,143	975,041	996,677	1,045,854	1,109,211	1,026,770
2,887,724	2,965,987	2,969,641	2,972,679	3,054,103	3,197,533
1,061,026	1,063,022	1,144,461	1,007,306	1,063,606	1,710,966
0	0	0	410,880	0	0
9,519,821	10,348,687	10,479,300	13,047,753	18,612,374	14,817,519
86,363,223	89,487,774	89,505,606	94,603,528	101,638,405	101,699,661
\$ 107,422,033	\$ 106,326,166	\$ 104,711,821	\$ 117,306,796	\$ 135,410,319	\$ 129,774,176

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

	Fiscal Year			
	2014	2015	2016	2017
Net (expense)/revenue				
Governmental activities	\$ (27,940,390)	\$ (26,638,440)	\$ (26,461,484)	\$ (21,619,856)
Business-type activities	19,086,566	25,122,010	26,996,351	32,650,981
Total primary government net (expense)/revenue	(8,853,824)	(1,516,430)	534,867	11,031,125
General revenues and other changes in net position				
Governmental activities:				
Taxes				
Property	8,363,877	8,654,493	9,409,584	9,808,840
Intangibles	105,044	133,186	129,075	190,764
Franchise	4,014,946	4,371,358	4,381,245	4,501,181
Occupational	1,263,534	1,268,021	1,368,983	1,373,680
Insurance premium	1,743,745	1,823,481	1,948,090	2,203,406
Alcoholic beverages	1,022,245	1,067,611	1,129,284	1,166,259
Hotel/Motel	715,260	828,925	911,847	929,035
Local option sales	4,983,807	5,094,727	5,281,804	5,439,313
Investment earnings	246,266	142,917	72,796	2,001,892 ⁽²⁾
Gain on sale of assets	0	0	605	574,310
Miscellaneous	1,017,590 ⁽¹⁾	122,294	183,512	373,513
Special Item-loss on demolition of building	0	0	0	(6,491,937) ⁽³⁾
Transfers	3,407,947	2,395,089	3,720,948	4,006,251
Total governmental activities	26,884,261	25,902,102	28,537,773	26,076,507
Business-type activities				
Investment earnings	292,577	775,365	1,274,329	1,399,356
Gain on sale of assets	53,471	17,322	5,120	154,692
Miscellaneous	1,095,243	156,932	191,620	107,875
Transfers	(3,407,947)	(2,395,089)	(3,720,948)	(4,006,251)
Total business-type activities	(1,966,656)	(1,445,470)	(2,249,879)	(2,344,328)
Total primary government	24,917,605	24,456,632	26,287,894	23,732,179
Change in net position				
Governmental activities	(1,056,129)	(736,338)	2,076,289	4,456,651
Business-type activities	17,119,910	23,676,540	24,746,472	30,306,653
Total primary government	\$ 16,063,781	\$ 22,940,202	\$ 26,822,761	\$ 34,763,304

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.

Note (7): Includes a gain of \$3.6 million for the sale of the Main Street lot.

Note (8): Includes gains of \$10.2 million for the sale of three lots at the 85 Business Park.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ (18,168,187)	\$ (28,432,822)	\$ (30,374,738)	\$ (21,267,676)	\$ (24,759,762)	\$ (35,329,611)
27,302,259	28,926,335	28,507,679	32,690,813	39,144,196	32,367,118
9,134,072	493,513	(1,867,059)	11,423,137	14,384,434	(2,962,493)
10,457,466	13,975,315	14,321,981	15,778,590	12,546,447	14,620,844
213,556	179,964	250,731	345,278	378,473	280,719
4,208,097	4,507,256	4,540,980	4,382,992	4,704,915	5,389,998
1,394,517	1,418,919	1,375,576	1,461,195	1,451,302	1,474,759
2,346,272	2,433,437	2,591,703	2,733,401	2,823,726	3,557,708
1,152,257	1,160,672	1,207,300	1,299,136	1,368,292	1,444,683
965,036	1,053,683	1,191,436	1,295,305	1,837,797	1,920,290
5,885,171	6,235,875	6,847,210	7,670,332	8,990,656	11,367,923
481,963	2,421,542 ⁽⁴⁾	1,411,125	(4,382,463) ⁽⁵⁾	(1,835,458)	2,268,298
887,411	60,948	55,689	194,590	131,194	3,649,326 ⁽⁷⁾
441,322	337,490	282,974	283,639	447,676	706,439
0	0	0	0	0	0
3,920,070	3,577,520	3,162,043	1,500,423	9,840,641	6,635,321
32,353,138	37,362,621	37,238,748	32,562,418	42,685,661	53,316,308
2,184,898	3,625,899	3,521,550	1,948,286	(1,766,113)	3,017,794
325,018	53,525	15,172	81,498	6,696,082 ⁽⁶⁾	10,616,894 ⁽⁸⁾
128,941	86,220	158,510	197,732	488,744	115,266
(3,920,070)	(3,577,520)	(3,162,043)	(1,500,423)	(9,840,641)	(6,635,321)
(1,281,213)	188,124	533,189	727,093	(4,421,928)	7,114,633
31,071,925	37,550,745	37,771,937	33,289,511	38,263,733	60,430,941
14,184,951	8,929,799	6,864,010	11,294,742	17,925,899	17,986,697
26,021,046	29,114,459	29,040,868	33,417,906	34,722,268	39,481,751
\$ 40,205,997	\$ 38,044,258	\$ 35,904,878	\$ 44,712,648	\$ 52,648,167	\$ 57,468,448

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

Fiscal Year	Property Tax	Intangible Tax	Franchise Tax	Occupational Tax
2014	8,363,877	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 ⁽²⁾	378,473	4,704,915	1,451,302
2023	14,620,844 ⁽²⁾	280,719	5,389,998	1,474,759

Note (1): Effective 07/01/2019, the City increased the levy of Hotel/Motel lodging tax from 6% to 8%.

Note (2): In fiscal years 2022 and 2023, there was a 1.0 tax millage credit to taxpayers. This credit is not included in the total direct tax rate.

Insurance Premium Tax	Alcoholic Beverages Tax	Hotel/Motel Tax	Local Option Sales Tax	Total
1,743,745	1,022,245	715,260	4,983,807	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 ⁽¹⁾	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
3,557,708	1,444,683	1,920,290	11,367,923	40,056,924

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

	Fiscal Year			
	2014	2015	2016	2017
General fund				
Nonspendable	\$ 352,744	\$ 475,231	\$ 321,639	\$ 295,256
Committed	6,208	5,848	4,957	4,957
Assigned	3,295,367	2,457,217	4,216,717	3,966,341
Unassigned	7,012,974	8,065,121	7,480,831	7,660,281
Total general fund	<u>\$ 10,667,293</u>	<u>\$ 11,003,417</u>	<u>\$ 12,024,144</u>	<u>\$ 11,926,835</u>
All other governmental funds				
Nonspendable	\$ 132,816	\$ 99,367	\$ 81,390	\$ 67,377
Restricted	4,174,002	6,868,770	11,805,659	14,227,632
Committed	174,285	221,019	244,531	275,253
Assigned	12,850,447	11,591,868	10,803,666	13,953,838
Total all other governmental funds	<u>\$ 17,331,550</u>	<u>\$ 18,781,024</u>	<u>\$ 22,935,246</u>	<u>\$ 28,524,100</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 260,058	\$ 225,794	\$ 13,851	\$ 1,491	\$ 1,622	\$ 116
4,957	4,957	14,738	7,388	30,850	50,008
3,912,390	3,604,326	3,404,718	4,140,909	4,762,964	4,898,370
9,087,006	9,873,498	13,359,919	14,412,619	18,969,739	13,801,797
<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>	<u>\$ 18,750,291</u>
\$ 44,754	\$ 43,321	\$ 37,620	\$ 36,276	\$ 5,018	\$ 2,031,584
20,027,515	20,714,683	23,313,865	27,492,411	26,378,289	50,709,987
298,141	385,580	443,073	533,489	540,720	617,515
14,696,448	23,161,259	17,466,102	15,803,669	21,361,925	41,541,559
<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>	<u>\$ 94,900,645</u>

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes	\$ 22,193,025	\$ 23,263,514	\$ 24,610,752	\$ 25,624,333
Licenses and permits	768,827	1,008,077	1,020,055	1,304,203
Fines, fees and forfeitures	1,635,471	1,778,770	1,735,869	1,944,818
Charges for services	3,004,541	3,331,778	3,589,559	4,295,317
Intergovernmental	3,959,460	4,689,473	7,821,598	9,388,179
Interest	41,823	126,712	54,687	1,975,871 ⁽³⁾
Contributions	96,860	147,384	105,628	171,116
Other	1,017,595 ⁽¹⁾	122,291	183,516	373,513
Total revenues	<u>32,717,602</u>	<u>34,467,999</u>	<u>39,121,664</u>	<u>45,077,350</u>
Expenditures				
General Government	3,228,407	3,431,244	3,550,990	5,997,537 ⁽⁴⁾
Judicial	460,849	465,915	470,043	521,707
Public Safety	14,934,311	15,462,822	16,187,899	16,466,971 ⁽⁵⁾
Public Works	4,491,711	4,672,187	4,994,225	4,436,888 ⁽⁴⁾
Health and Welfare	3,391,256	2,968,229	2,737,379	2,895,919
Culture and Recreation	165,000	433,682	400,000	234,283
Housing and Development	2,082,930	2,148,470	2,438,677	3,438,904 ⁽⁵⁾
Debt Service				
Principal	8,382,841	10,111,549 ⁽²⁾	1,222,585	3,928,813
Interest	964,579	1,386,912	538,091	523,047
Capital Outlay	2,128,323	3,829,201	5,141,709	8,377,243
Total expenditures	<u>40,230,207</u>	<u>44,910,211</u>	<u>37,681,598</u>	<u>46,821,312</u>
Excess of revenues over (under) expenditures	<u>(7,512,605)</u>	<u>(10,442,212)</u>	<u>1,440,066</u>	<u>(1,743,962)</u>
Other financing sources (uses)				
Transfers in	7,477,632	10,698,274	7,835,912	10,656,899
Transfers out	(4,112,658)	(7,435,982)	(4,149,965)	(6,627,648)
Proceeds from long-term debt	0	8,917,392	0	2,437,264
Sale of capital assets	32,803	48,126	48,936	768,992
Total other financing sources (uses)	<u>3,397,777</u>	<u>12,227,810</u>	<u>3,734,883</u>	<u>7,235,507</u>
Net change in fund balances	<u>\$ (4,114,828)</u>	<u>\$ 1,785,598</u>	<u>\$ 5,174,949</u>	<u>\$ 5,491,545</u>
Debt service as a percentage of noncapital expenditures	24.7%	27.1%	5.0%	11.5%

Note (1): 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.

Note (12): Proceeds from debt borrowing of \$37 million for the Lake Lanier Olympic Park Boathouse, J. Melvin Cooper Youth Sports Complex, and retail space at the North Parking Deck.

Note (13): Includes a gain of \$3.6 million for the sale of the Main Street lot.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 26,666,787	\$ 30,938,519	\$ 31,964,390	\$ 35,225,876	\$ 34,174,206	\$ 39,999,145
1,143,187	1,192,531	920,559	1,141,400	1,558,221	1,683,250
1,680,375	1,740,436	1,211,250	1,437,515	1,555,112	1,365,300
3,883,589	4,262,070	4,556,020	5,073,599	7,846,186	6,479,794
11,639,676	3,141,267	10,750,219	17,821,664	24,843,556	19,858,901
406,995	8,027,081	1,237,851	(4,446,697) ⁽⁸⁾	(1,737,532) ⁽¹⁰⁾	2,135,785
214,150	169,302	116,123	150,031	202,190	840,979
441,324	337,486	282,974	283,639	447,676	706,439
<u>46,076,083</u>	<u>49,808,692</u>	<u>51,039,386</u>	<u>56,687,027</u>	<u>68,889,615</u>	<u>73,069,593</u>
5,115,043	5,240,953	5,059,059	5,592,696	5,684,456	6,601,841
523,018	536,900	604,290	599,394	604,469	662,769
17,713,931	18,420,807	20,357,172	18,928,273	20,512,590	22,714,314
5,032,748	4,787,746	4,923,409	5,312,540	5,401,454	5,704,384
2,690,223	2,853,579	3,329,651	4,437,077	3,091,060	4,122,618
245,982	626,120	2,655,373	503,214	1,000,000	1,158,000
2,404,326	2,926,127	3,825,055	4,239,575	4,095,873	5,292,499
1,462,303	2,176,859	1,754,003	2,739,322	3,908,508	2,745,995
517,843	630,248	662,008	603,648	552,100	1,448,820
7,334,797	10,543,374	12,806,208	11,664,812	26,454,044	32,961,525
<u>43,040,214</u>	<u>48,742,713</u>	<u>55,976,228</u>	<u>54,620,551</u>	<u>71,304,554</u>	<u>83,412,765</u>
<u>3,035,869</u>	<u>1,065,979</u>	<u>(4,936,842)</u>	<u>2,066,476</u>	<u>(2,414,939)</u>	<u>(10,343,172)</u>
9,950,013	14,065,057	12,452,124	15,342,010	32,700,324	42,957,176
(6,029,944)	(10,487,538)	(9,290,081)	(13,874,903)	(22,867,031)	(36,058,778)
10,932	4,933,489 ⁽⁶⁾	1,748,231 ⁽⁷⁾	606,886 ⁽⁹⁾	1,383,099 ⁽¹¹⁾	41,392,682 ⁽¹²⁾
913,464	105,162	67,036	233,897	814,615	3,651,901 ⁽¹³⁾
<u>4,844,465</u>	<u>8,616,170</u>	<u>4,977,310</u>	<u>2,307,890</u>	<u>12,031,007</u>	<u>51,942,981</u>
<u>\$ 7,880,334</u>	<u>\$ 9,682,149</u>	<u>\$ 40,468</u>	<u>\$ 4,374,366</u>	<u>\$ 9,616,068</u>	<u>\$ 41,599,809</u>
5.4%	6.5%	5.4%	7.3%	8.4%	5.4%

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

Fiscal Year	Property Tax	Intangibles Tax	Franchise Tax	Insurance Premium Tax
2014	8,344,444 ⁽¹⁾	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 ⁽³⁾	378,473	4,704,915	2,823,726
2023	14,570,777 ⁽³⁾	280,719	5,389,998	3,557,708

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 years 2022 and 2023, there was a 1.0 tax millage credit to taxpayers. This credit is not included in the total direct tax rate.

Occupational Tax	Alcoholic Beverages Tax	Hotel/Motel Tax	Local Option Sales Tax	Total
1,263,534	1,022,245	715,260	4,983,807 ⁽¹⁾	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 ⁽²⁾	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
1,474,759	1,444,683	1,920,290	11,367,923	40,006,857

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	
2014	2,398,619,850	969,047,745	172,898,560	74,816,730	(336,173,382)
2015	2,567,954,515	1,069,907,483	185,665,960	68,523,120	(312,134,457)
2016	2,953,976,780	1,055,500,805	122,903,835 ⁽²⁾	86,348,763	(298,500,191)
2017	3,036,116,245	1,102,797,493	87,802,225 ⁽²⁾	79,112,033	(329,203,623)
2018	3,414,339,560	1,176,119,518	65,383,400 ⁽²⁾	67,319,268	(343,066,757)
2019	3,809,200,370	1,302,230,195	51,130,100 ⁽²⁾	73,295,630	(372,366,269)
2020	4,121,300,263	1,347,377,733	42,885,448 ⁽²⁾	78,163,115	(377,476,436)
2021	4,588,293,083	1,429,275,298	41,489,130 ⁽²⁾	81,177,865	(425,521,182)
2022	4,797,932,580	1,531,908,243	32,730,223 ⁽²⁾	84,577,220	(438,560,459)
2023	5,611,039,445	1,761,835,920	46,242,053 ⁽²⁾	88,394,778	(521,264,557)

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 years 2022 and 2023, there was a 1.0 tax millage credit to taxpayers. This credit is not included in the total direct tax rate.

Exemption Adjustments	Total Taxable Assessed Value⁽¹⁾	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
(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 ⁽³⁾	6,002,755,635	100%
(7,613,396)	6,978,634,243	3.656 ⁽³⁾	6,978,634,243	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	
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 ⁽⁴⁾	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 ⁽⁵⁾	3.656
2022	2023	0.397	0.896	0.510	1.259	0.594	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 ⁽³⁾	Total County Millage	
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
6.195	0.000	6.195	0.000	4.141	0.571	4.712	14.563

CITY OF GAINESVILLE, GEORGIA
PRINCIPAL TAXPAYERS
June 30, 2023

Taxpayer	Fiscal Year 2023			Fiscal Year 2014		
	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Total Taxable Assessed Value
Kubota Manufacturing of America Corporation/ Kubota USA, Inc.	\$ 96,763,260	1	1.40%	\$ 79,816,415	1	2.43%
Cargill, Inc.	93,168,836	2	1.34%	56,791,330	2	1.73%
ZF Industries, Inc	78,996,617	3	1.14%	33,418,830	4	1.02%
Centennial New Holland, LLC	84,280,533	4	1.22%		NR*	
Mid-America Apartments LP	79,541,050	5	1.15%		NR*	
Marel Inc	79,044,454	6	1.14%		NR*	
Fox Industries	78,373,689	7	1.13%		NR*	
SIF West Park Gainesville, LLC	75,005,000	8	1.08%		NR*	
Fieldale Corp	69,132,843	9	1.00%	43,202,055	3	1.32%
Pilgrims Pride	30,901,848	10	0.45%	29,750,054	6	0.91%
Georgia Power				31,818,851	5	0.97%
Ace Hardware				27,851,723	7	0.85%
I M S Gear				23,780,548	8	0.73%
Merial Select				22,507,929	9	0.69%
SAPA Extruder Inc				21,740,320	10	0.66%
Total	<u>\$ 765,208,130</u>		<u>11.04%</u>	<u>\$ 370,678,055</u>		<u>11.31%</u>

Source: Tax Year 2022 and 2013 Hall County Tax Commissioner's Digest - Gainesville District.

Note (1): 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 ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
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	(26,784)	11,280,816	99.66%	38,749	11,319,565	100.00%
2018	12,156,116	184,524	12,212,440	98.96%	120,412	12,332,852	99.94%
2019	14,041,006	1,972,018	15,894,676	99.26%	101,250	15,995,926	99.89%
2020	16,878,797	232,626	16,892,628	98.72%	194,662	17,087,290	99.86%
2021	18,101,892	55,550	17,951,673	98.87%	187,777	18,139,450	99.90%
2022 ⁽²⁾	15,631,750	47,706	15,550,090	99.17%	110,844	15,660,934	99.88%
2023 ⁽²⁾	18,188,652	30,523	18,010,140	98.85%	0	18,010,140	98.85%

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 years 2022 and 2023 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, 2023

Commodity	2022			2012		
	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
Food	\$ 9,706,244	1	18.33%	\$ 4,983,836	1	18.41%
Other Retail	8,939,944	2	16.88%	3,329,663	4	12.30%
Wholesale	6,670,862	3	12.60%	3,411,215	3	12.60%
General Merchandise	6,450,483	4	12.18%	3,831,917	2	14.16%
Miscellaneous Services	4,671,464	5	8.82%	2,020,530	7	7.47%
Home	4,540,759	6	8.57%	1,496,236	8	5.53%
Manufacturer	3,061,710	7	5.78%	1,115,970	9	4.12%
Utility	2,694,804	8	5.09%	2,340,726	6	8.65%
Other Services	2,647,798	9	5.00%	730,563	10	2.70%
Auto	2,489,167	10	4.70%	3,317,020	5	12.26%
Accommodations	629,705	11	1.19%	412,692	11	1.52%
Construction	454,679	12	0.86%	75,426	12	0.28%
Total	<u>\$ 52,957,619</u>		<u>100.00%</u>	<u>\$ 27,065,794</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: 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, 2023

Customer	Type of Business	Total Water Billings	Total Sewer Billings	Total Billings	Percentage of System Revenues
Fieldale Farms Corporation	Manufacturer - Poultry Products	\$ 2,440,398	\$ 6,745,522	\$ 9,185,920	11.81%
Pilgrim's Pride	Manufacturer - Poultry Products	1,670,074	4,480,125	6,150,199	7.91%
Mar-Jac Poultry, Inc.	Manufacturer - Poultry Products	1,615,552	4,378,037	5,993,589	7.71%
Gold Creek LLC	Manufacturer - Poultry Products	831,748	1,715,329	2,547,077	3.28%
NE GA Health Systems	Health Care	601,340	982,370	1,583,710	2.04%
Hall County Commissioners	Local Government	158,103	801,723	959,826	1.23%
Fox Factory, Inc.	Manufacturer - Transportation Equipment	248,022	685,541	933,563	1.20%
John Soules Acquisitions LLC Pro View Foods	Manufacturer - Poultry Products	223,735	654,190	877,925	1.13%
Cargill, Inc.	Manufacturer - Soybean Products	345,252	459,085	804,337	1.03%
Shasta Beverages Inc.	Manufacturer- Beverages	297,389	268,814	566,203	0.73%
Total		<u>\$ 8,431,613</u>	<u>\$ 21,170,736</u>	<u>\$ 29,602,349</u>	<u>38.07%</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 ⁽¹⁾	Leases Payable ⁽¹⁾	Subscriptions Payable ⁽²⁾
2014	\$ 0	\$ 0	\$ 0	\$ 20,872,774	\$ 0	\$ 0
2015	0	0	0	21,998,379	0	0
2016	0	0	0	20,766,180	0	0
2017	0	0	0	19,267,230	0	0
2018	0	0	0	17,808,355	0	0
2019	0	0	0	20,557,481	0	0
2020	0	0	0	20,544,205	0	0
2021	0	0	0	18,404,265	0	0
2022	0	1,655,281	404,592	13,811,479	0	0
2023	0	3,147,910	448,953	50,560,060	0	381,197

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

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): GASB 96 was implemented in FY23 to report subscription-based IT arrangements.

Note (3): See the Schedule of Demographic and Economic Statistics on Exhibit L-18 for personal income and population data.

Note (4): 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

Business-Type Activities								
Water & Sewer Bonds	Notes From Direct Borrowings	Certificates of Participation Payable	Contracts Payable ⁽¹⁾	Leases Payable ⁽¹⁾	Subscriptions Payable ⁽²⁾	Total Primary Government	Percentage of Personal Income ⁽³⁾	Per Capita ⁽³⁾
\$ 72,356,947	\$ 0	\$ 0	\$ 121,634,444	\$ 0	\$ 0	\$ 214,864,165	18.44%	6,047
155,139,294	0	0	25,093,735 ⁽⁴⁾	0	0	202,231,408	16.41%	5,570
139,039,842	0	0	23,412,672	0	0	183,218,694	13.34%	4,733
122,548,109	0	0	21,471,610	0	0	163,286,949	10.85%	4,082
105,559,369	0	0	19,525,547	0	0	142,893,271	9.06%	3,541
88,310,630	0	0	17,559,484	0	0	126,427,595	7.40%	3,049
74,646,890	0	0	15,582,468	0	0	110,773,563	5.86%	2,562
58,983,150	0	0	15,822,104	0	0	93,209,519	4.84%	2,204
42,969,411	8,933,712	0	12,519,292	162,709	0	80,456,476	3.80%	1,853
29,940,000	37,825,625	0	10,977,704	126,258	603,653	134,011,360	5.15%	2,959

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

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property⁽¹⁾	Per Capita⁽²⁾
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
2023	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, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Available	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Gainesville City Schools	\$ 103,158,395	100%	\$ 103,158,395
Hall County	12,687,979	22% ⁽²⁾	2,769,600
Subtotal, overlapping debt ⁽¹⁾			105,927,995
City of Gainesville direct debt			54,538,120
Total direct and overlapping debt			<u>\$ 160,466,115</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			
	2014	2015	2016	2017
Debt Limit	\$ 327,797,526	\$ 357,843,041	\$ 391,832,744	\$ 397,441,390
Total net debt applicable to limit	0	0	0	0
Legal debt margin	<u>\$ 327,797,526</u>	<u>\$ 357,843,041</u>	<u>\$ 391,832,744</u>	<u>\$ 397,441,390</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					
2018	2019	2020	2021	2022	2023
\$ 437,715,732	\$ 485,993,359	\$ 520,798,362	\$ 570,967,064	\$ 600,275,563	\$ 697,863,424
0	0	0	0	0	0
<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>	<u>\$ 697,863,424</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2023

Total assessed value of taxable property	\$ 6,978,634,243
Debt limit (10% of total assessed value)	697,863,424
Debt applicable to limit:	
General obligation debt	0
Less: Amount set aside for repayment	
of general obligation debt	<u>0</u>
Total net debt applicable to limit	<u>0</u>
Legal debt margin	<u>\$ 697,863,424</u>

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

Department of Water Resources Revenue Bonds							
Fiscal Year	Gross Revenue ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
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	14,560,000	6,271,250	2.17	
2017	77,874,539	27,479,460	50,395,079	15,325,000 ⁽³⁾	4,016,548	2.61	
2018	78,352,405	31,721,037	46,631,368	15,940,000	3,658,820	2.38	
2019	82,054,845	36,314,032	45,740,813	16,200,000	3,142,934	2.36	
2020	81,187,601	36,544,044	44,643,557	12,615,000	2,770,244	2.90	
2021	84,417,512	36,196,085	48,221,427	14,615,000	2,449,024	2.83	
2022	83,496,329	37,623,844	45,872,485	14,965,000	2,025,828	2.70	
2023	89,090,194	43,601,555	45,488,639	6,300,000	1,654,500	5.72	

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

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

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

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

Fiscal Year	City of Gainesville Population^(a)	Estimated City of Gainesville Personal Income (amounts expressed in thousands)^(b)	Hall County Per Capita Personal Income^(c)	Gainesville City Public School Enrollment^(d)	Hall County Unemployment Rate^(e)
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%
2023	45,282	2,599,911	57,416	8,129	2.5%

Source (a): Fiscal years 2014-2019 and 2022-2023 are 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, 2023

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northeast Georgia Medical Center	9,239	1	8.72%	5,200	1	6.09%
Kubota Manufacturing of America	3,313	2	3.13%	1,250	5	1.46%
Gold Creek Foods	3,100 ⁽²⁾	3	2.93%			
Fieldale Farms Corporation	2,370	4	2.24%	2,400	2	2.81%
Pilgrim's Pride	1,760	5	1.66%	1,600	3	1.88%
Fox Factory	1,700	6	1.61%			
Mar-Jac	1,300	7	1.23%	1,250	4	1.46%
ZF Gainesville, LLC	1,200	8	1.13%			
Cottrell, Inc.	1,100	9	1.04%			
Mars Wrigley	950	10	0.90%	750	7	0.88%
Victory Processing LLC				790	6	0.93%
Wal-Mart				690	8	0.81%
The Longstreet Clinic, P.C.				620	9	0.73%
KIK Gainesville				580	10	0.68%
Total	<u>26,032 ⁽¹⁾</u>		<u>24.58%</u>	<u>15,130</u>		<u>17.73%</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.

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary government										
General Government	50	51	51	53	52	53	57	57	58	59
Judicial	10	10	10	10	10	10	10	10	10	10
Public Safety										
Police	114	114	114	116	117	118	120	120	121	121
Fire	103	103	103	103	103	103	103	103	104	108
Code Enforcement	4	4	4	4	5	6	6	6	6	6
Public Works	53	55	55	59	60	60	57	57	57	57
Health and Welfare	32	32	32	40	40	43	41	42	50	49
Housing and Development	13	13	13	13	13	13	13	13	15	15
Vehicle Services	6	6	6	6	6	6	6	6	6	6
Water and Sewer	230	233	233	233	234	234	234	234	234	237
Solid Waste	24	24	24	24	24	25	25	25	26	26
Golf Course	4	4	4	4	5	5	5	5	5	5
Total primary government	643	649	649	665	669	676	677	678	692	699
Component unit										
City of Gainesville										
Parks and Recreation										
Culture and Recreation	38	39	39	37	37	38	44	43	43	48
Gainesville Convention and Visitor's Bureau										
Housing and Development	0	4 ⁽¹⁾	4	4	4	4	7	11	10	11
Total Component units	38	43	43	41	41	42	51	54	53	59
Total employees	681	692	692	706	710	718	728	732	745	758

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			
	2014	2015	2016	2017
Police				
Number of citations issued	11,622	9,734	12,060	13,431
Number of calls for service	60,380	70,534	68,007	68,952
Fire				
Number of calls answered	7,174	7,814	8,108	8,592
Number of inspections conducted	1,862	2,019	3,850	3,543
Highways and streets				
Square feet of sidewalks replaced	11,727	8,217	2,562	2,360
Linear feet curb and gutter installed	544	241	329	227
Sanitation				
Refuse collected (tons)	4,989	5,374	5,791	6,392
Recyclables collected (tons)	794	772	697	858
Culture and Recreation				
Enrolled in youth athletics	1,424	1,181	1,388	2407
Civic Center/Cabin rentals	1,169	1,230	991	879
Water System (MGD -Millions of Gallons per Day)				
Number of service connections	53,676	55,274	50,950	54,572
Daily average consumption in gallons	16.74 MGD	16.74 MGD	17.40 MGD	18.69 MGD
Sewer System (MGD -Millions of Gallons per Day)				
Number of service connections	10,977	11,580	10,020	10,687
Daily average treatment in gallons	8.90 MGD	8.00 MGD	9.1 MGD	9 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.

Note (5): Significant increase in calls for service due to overall agency increase and return to normal expectations prior to the COVID pandemic.

Fiscal Year					
2018	2019	2020 ⁽¹⁾	2021	2022	2023
11,606	11,340	8,200	8,888	7,657	7,532
83,252	100,750	91,075	85,643	55,369 ⁽³⁾	99,030 ⁽⁵⁾
8,550	10,317	12,094	12,154	12,752	13,049
3,764	3,672	2,820	2,232	2,052	3,729
1,951	8,210	6,065	6,940	6,340	3,535
50	660	113	536	499	226
6,763	7,621	7,719	8,561	8,894	9,073
820	859	711	746	712	591
2,366	2,371	1,918	2,602	2,476	2,359
1,213	1,424	982	727 ⁽²⁾	2,369 ⁽⁴⁾	1,564
55,638	56,934	57,878	59,273	60,397	62,299
18.75 MGD	19.03 MGD	19.27 MGD	19.40 MGD	19.70 MGD	20.50 MGD
11,101	11,445	11,788	12,140	13,016	13,537
10.0 MGD	11.4 MGD	11.5 MGD	11.7 MGD	11.2 MGD	11.5 MGD

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

Function	Fiscal Year			
	2014	2015	2016	2017
Public safety				
Number of police stations	2	2	2	2
Number of fire stations	4	4	4	4
Solid Waste				
Collection Trucks	12	13	13	13
Highways and streets				
Miles of streets	140	140	141	143
Miles of storm sewers	20.49	20.52	20.81	21.68
Number of street lights	2,676	2,639	2,679	2,668
Culture and Recreation				
Community/Civic Centers	2	2	2	2
Parks	22	22	22	22
Park acreage	450+	450+	454+	454+
Golf courses	1	1	1	1
Swimming pools	4	4	4	4
Baseball/Softball fields	10	10	10	10
Soccer fields	10	10	10	10
Multipurpose fields	2	2	2	2
Tennis courts	15	15	15	15
Water and Sewerage System-Gainesville and Hall County (MGD - Millions of Gallons per Day)				
Water System:				
Miles of water mains	1,355	1,363	1,372	1,390
Number of fire hydrants	8,772	8,838	8,885	9,096
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	289	291	294	301
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.

Note (6): Hall County took over full operation of Allen Creek Soccer Complex.

Fiscal Year					
2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
4	4	4	4	4	4
14	9	9	10	12	12
147	149	149	149	149	149
24.18	69.00	69.00	50.20 ⁽²⁾	50.20	50.20
2,769	2,825	2,849	2,813	2,909	3,045
2	2	2	2	2	2
22	21	22	22	21 ⁽³⁾	20 ⁽⁶⁾
454+	458+	547+ ⁽¹⁾	547+	494+ ⁽³⁾	405 ⁽⁶⁾
1	1	1	1	1	1
4	4	4	4	4	4
10	9	9	9	9	9
10	10	10	10	11 ⁽⁴⁾	3 ⁽⁶⁾
2	2	2	2	2	2
15	15	15	15	14 ⁽⁵⁾	14
1,383	1,411	1,438	1,450	1,461	1,465
9,557	9,728	9,620	9,796	9,831	9,968
2	2	2	2	2	2
35 MGD	35 MGD	35 MGD	35 MGD	35 MGD	35 MGD
306	318	317	329	330	331
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, 2023

Water Rates (Monthly Charges):

	Inside City Limits	Outside City Limits
Account Servicing Fee	\$ 6.41	\$ 6.41
Quantity Used Per Month In 1,000 Gallons		
Rates per 1,000 Gallons	\$ 3.44	\$ 6.67

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, 2023

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, 2023

Sewer Rates (Monthly Charges by Volume):

	Inside City Limits	Outside City Limits	Oakwood
Commodity charge			
Per 1,000 gallons	\$ 10.26	\$ 10.26	\$ 10.47

Industrial Surcharges:

<u>Pollutant</u>	<u>Concentration (mg/l)</u>	<u>Surcharge (dollars per mg/l per 1,000 gallons)</u>
BOD	251-500	\$ 0.0025
	501-700	0.0067
	701-900	0.0076
	Over 900	0.0150
Suspended Solids	251-500	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 \$6.41 inside the City and \$6.41 outside the City. In addition, sewer only customers pay an additional fee per 1,000 gallons. The rates are \$10.26 for inside City customers, \$10.26 for outside City customers, and \$10.47 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, 2023

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
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
2023	55,002,712	25,800,143	29,202,569

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, 2023

	<u>Amount</u>	
Property Coverage		
Blanket building and contents (\$25,000 deductible)	Replacement Cost ⁽¹⁾	
Flood (\$50,000 deductible)	\$ 5,000,000	
Equipment Breakdown (\$25,000 deductible/72 Hours)	\$ 250,000	
Automobile (\$5,000 deductible)	Actual cash value	
Inland Marine (Contractor's Equipment) (\$2,500 deductible)	Agreed Value (\$7,829,274)	
EDP Equipment (\$25,000 deductible)	Replacement Cost (\$50,000)	
Casualty		
General Liability ⁽²⁾		
Personal and advertising injury (\$10,000 deductible)	\$ 1,000,000	per occurrence
Products-completed operations (\$10,000 deductible)	\$ 3,000,000	per occurrence
Law enforcement (\$10,000 deductible)	\$ 1,000,000	per occurrence
Public official (\$15,000 deductible) ⁽³⁾	\$ 1,000,000	per occurrence
Employee benefits (\$1,000 deductible)	\$ 1,000,000	per occurrence
Employment Practices Liability benefits (\$25,000 deductible) ⁽³⁾	\$ 1,000,000	per occurrence
Automobile Liability		
Single limit liability (\$10,000 deductible)	\$ 1,000,000	
Umbrella \$4,000,000 limit \$10,000. SIR		
Public Employee Dishonesty (\$1,000 deductible)	\$ 500,000	
Airport Liability (\$1,000 deductible) (Includes TRIA)	\$ 10,000,000	

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

Note (1): Maximum property limit of \$369,595,014

Note (2): Aggregate annual amount of \$3,000,000 for General Liability, Law Enforcement Liability, Public Officials Liability, and Employment Practices Liability.

Note (3): Retro date 7/1/2000 applies.

CITY OF GAINESVILLE, GEORGIA
PROPERTY VALUE - CONSTRUCTION
LAST TEN CALENDAR YEARS

Hall County

	Number of Residential Permits		Total Estimated Value	Number of Commercial Permits	Total Estimated Value
	Single Family	Multi-Family ⁽¹⁾ / Number of Units			
2013	264	0	\$ 47,710,100	26	\$ 132,020,900 ⁽³⁾
2014	341	0	67,877,695	17	7,685,100
2015	352	0	75,544,500	25	34,139,300
2016	410	0	91,138,400	20	15,171,000
2017	548	0	118,793,900	28	16,236,000
2018	581	0	135,819,495	28	20,823,000
2019	557	0	133,313,550	94	86,935,000
2020	621	0	146,316,400	103	173,141,800 ⁽⁴⁾
2021	968	0	263,580,392	126	96,969,600
2022	795	0	255,207,449	125	169,337,500

City of Gainesville

	Number of Residential Permits		Total Estimated Value	Number of Commercial Permits	Total Estimated Value
	Single Family	Multi-Family ⁽¹⁾ / Number of Units			
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 ⁽⁵⁾	31	58,129,477
2017	412	4/96	70,021,683	31	234,766,657 ⁽⁶⁾
2018	288	96/708	63,131,144	24	40,504,564
2019	255	11/270	72,202,283	20	119,554,968 ⁽⁷⁾
2020	134	8/308	61,949,585	20	41,372,919
2021	323	13/410	114,696,050	37	115,216,218 ⁽⁸⁾
2022	164	15/751	171,262,636 ⁽⁹⁾	31	496,621,165 ⁽⁹⁾

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.

Note (9): Cost of construction up due to inflation.

CITY OF GAINESVILLE, GEORGIA
MISCELLANEOUS STATISTICS

Source: Various city departments and local institutions

Date of Incorporation	1821
Form of Government	Council/Manager
City Population ⁽¹⁾	45,282
Hall County Population, including City ⁽¹⁾	212,692
Area of City in square miles	35.31
Number of full time employees	656

Government facilities and services:

Public Safety:

ISO Fire Classification	Class I
Number of fire personnel and officers	102
Number of police personnel and officers	118
Number of police patrol units	70

Facilities and services not included in the reporting entity:

Public Education:

Number of elementary schools	6
Number of elementary school instructors	278
Number of middle schools	2
Number of middle school instructors	115
Number of secondary schools	1
Number of secondary school instructors	142
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): 2022 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, 2023, 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 27, 2023.

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.

Rushon, LLC

Gainesville, Georgia
December 27, 2023

**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, 2023. 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, 2023.

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 27, 2023



GAINESVILLE

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2023

Federal Grant/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development			
CDBG - Entitlement Grants Cluster			
Community Development Block Grant/Entitlement Grants	14.218	N/A	\$ 489,487
COVID-19			4,750
Total CDBG - Entitlement Grants Cluster			<u>494,237</u>
U.S. Department of Justice			
Bulletproof Vest Partnership Program	16.607	N/A	8,229
Equitable Sharing Program	16.922	N/A	<u>71,890</u>
Total U.S. Department of Justice			<u>80,119</u>
U.S. Department of Transportation			
Passed through the Georgia Department of Transportation:			
Airport Improvement Program	20.106	T006971	<u>3,061,267</u>
Federal Transit Cluster			
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507	T006843	37,775
		T006844	643,742
COVID-19		T006844	313,875
Total Federal Transit Cluster			<u>995,392</u>
Total U.S. Department of Transportation			<u>4,056,659</u>
U.S. Department of Treasury			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>2,427,753</u>
U.S. Environmental Protection Agency			
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	11,651,028
		CW2020-023	<u>16,816,586</u>
Total Clean Water State Revolving Fund Cluster			<u>28,467,614</u>
Drinking Water State Revolving Fund (DWSRF) Cluster			
Capitalization Grants for Drinking Water			
State Revolving Funds	66.468	DW2020-032	<u>709,949</u>
Total U.S. Environmental Protection Agency			<u>29,177,563</u>

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2023

Federal Grant/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Number	Total Federal Expenditures
U.S. Department of Health and Human Services			
Aging Cluster			
Passed through Legacy Link, Inc.:			
Special Programs for the Aging - Title III, Part C			
Nutrition Services	93.045	Gainesville - Title III, C1	\$ 214,239
COVID-19		Gainesville - Title III, C1	85,777
		Gainesville - Title III, C2	268,113
COVID-19		Gainesville - Title III, C2	170,996
			<u>739,125</u>
Nutrition Services Incentive Program	93.053	Gainesville - NSIP	<u>99,284</u>
Total Aging Cluster of Programs			838,409
Passed through Legacy Link, Inc.:			
Social Services Block Grant	93.667	Gainesville - SSBG	<u>24,924</u>
Total U.S. Department of Health and Human Services			<u>863,333</u>
U.S. Department of Homeland Security			
Passed through the Georgia Emergency Management Agency:			
Disaster Grants - Public Assistance			
(Presidentially Declared Disasters)	97.036	FEMA-4579-DR-GA	<u>28,658</u>
Total Expenditures of Federal Awards			<u><u>\$ 37,128,322</u></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, 2023

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, 2023

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>	
20.106 Airport Improvement Program	
21.027 Covid-19 Coronavirus State and Local Fiscal Recovery Funds	
<u>Clean Water State Revolving Fund (CWSRF) Cluster</u>	
66.458 Capitalization Grants for Clean Water State Revolving Funds	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$1,113,850
Auditee qualified as low-risk auditee?	Yes

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2023

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, 2023

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST VII					
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	106,800	1,568,019
Roads, Bridges, Stormwater	12,914,482	13,688,132	13,781,150	1,111,090	14,892,240
Youth Sports Athletic Complex	6,750,000	7,154,363	1,582,066	20,531	1,602,597
Park Improvements	250,000	264,976	411,352	0	411,352
Total SPLOST VII	<u>\$ 25,414,482</u>	<u>\$ 26,936,952</u>	<u>\$ 23,224,681</u>	<u>\$ 1,238,421</u>	<u>\$ 24,463,102</u>
SPLOST VIII					
Roads, Streets, Bridges, Sidewalks, and Related Improvements	\$ 15,000,000	\$ 15,000,000	\$ 2,843,525	\$ 4,392,319	\$ 7,235,844
Parks and Recreation Facilities and Equipment	9,164,541	9,164,541	3,675,661	8,735,537	12,411,198
Public Safety Facilities and Equipment	8,500,000	8,500,000	2,188,305	295,097	2,483,402
Downtown Parking Deck	4,000,000	4,000,000	12,598,578	776,629	13,375,207
Total SPLOST VIII	<u>\$ 36,664,541</u>	<u>\$ 36,664,541</u>	<u>\$ 21,306,069</u>	<u>\$ 14,199,582</u>	<u>\$ 35,505,651</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