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CITY OF GAINESVILLE GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2024

CITY OF GAINESVILLE, GEORGIA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

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

CITY OF GAINESVILLE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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OFFICIALS OF THE CITY OF GAINESVILLE

LEGISLATIVE BRANCH

CITY COUNCIL

Sam Couvillon	Mayor
Danny Dunagan (WARD 1)	Council Member
Zack Thompson (WARD 2)	Council Member
Barbara B. Brooks (WARD 3)	Council Member
Abigail Guzman (WARD 4)	Council Member
Juli Hayes (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
Russ Hilmandolar	Chief Information Officer



Government Finance Officers Association

Certificate of
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**City of Gainesville
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

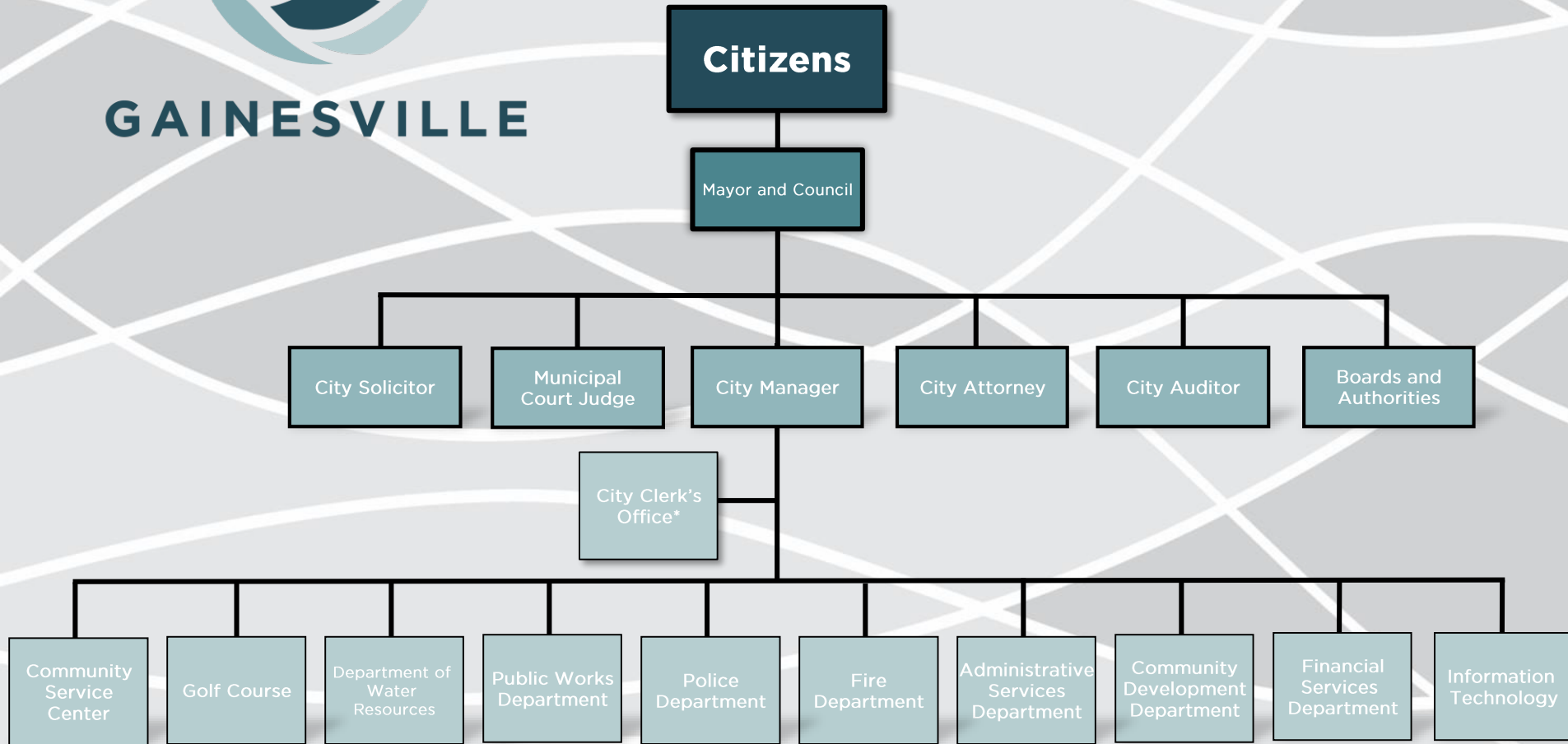
Christopher P. Morill

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

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December 6, 2024

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, 2024 (FY24). Georgia code requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. These statements are to be presented in compliance with generally accepted accounting principles (GAAP), federal and state regulations, and audited in accordance with generally accepted governmental auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we submit this report for your consideration.

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

Rushton and Company, LLC, Certified Public Accountants, has audited the City's financial statements as required by Georgia Code. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for FY24 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

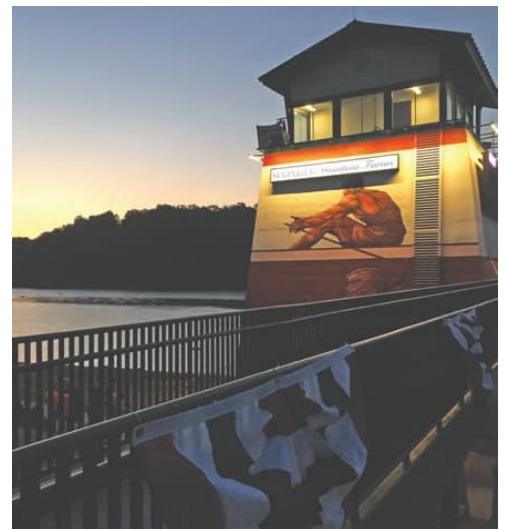
accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified (“clean”) opinion that the City’s financial statements for FY24 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 had a population of 42,296, while Hall County’s population was 203,136. Census Bureau estimates for 2024 show Gainesville and Hall County’s population at 48,829 and 221,913, 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

Gainesville is a vibrant and growing, solid and diverse community located in the foothills of the Blue Ridge Mountains. Surrounded by beautiful Lake Sidney Lanier, the area offers an unparalleled quality of life and a sound economic base for business and industry. Gainesville-Hall County is home to world-class healthcare and more than 330 manufacturing and processing facilities, as well as 60 international company locations representing 21 foreign countries. 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. Site Selection named Georgia the “#1 State for Business” for the ninth consecutive year and named Gainesville-Hall County one of the “Top Small Metro Areas in Nation for Job Creation and Investment” Area Development also rated Gainesville-Hall County among its cities for “Year-After-Year Growth” with Georgia named the “#1 Place for Business” for eight years in a row.

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. FY24 was another year of substantial capital investment from both domestic and international businesses. Firms expanding their North American business include Agilox North America (Austria), ALBAform (Czech), Boost Transport, CJ Foodville Corporation (South Korea), Cleanspace LLC (UK), Corporate Storage, Cottrell, Eskimo Cold Storage, Freedom Trans USA, Harris Products, Jinsung TEC (Korea), King’s Hawaiian, Kubota (Japan), Mars Wrigley, Mar-Jac Poultry, medmix Healthcare US Inc. (Switzerland), Syfan Logistics, XPO Logistics, and Zebra Technologies.

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.



85 Business Park Construction

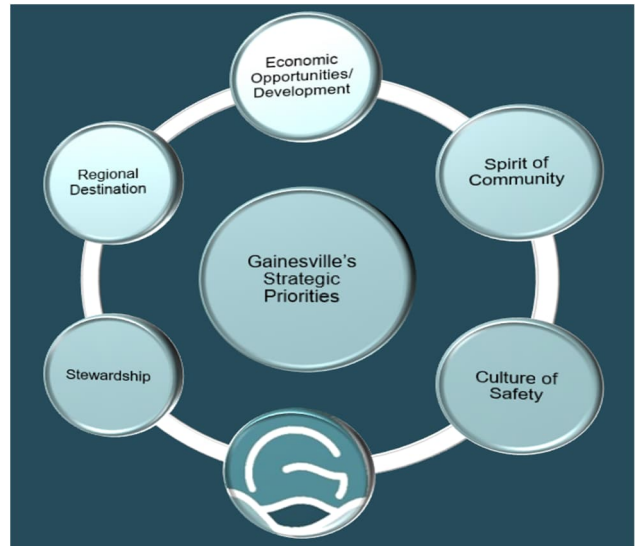
One way in particular that the City is focusing on economic and job growth is through the development of the 85 Business Park, a 1,300-acre business park located between Athens Highway and Candler Road. The City is focused on attracting companies that are environmentally clean, automation-centered, and non-heavy industrial creating better-quality jobs with better income opportunities. 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.

The Georgia Ports Authority has engaged local construction and engineering services to develop a new inland port terminal, the Blue Ridge Connector, to provide a door-to-door rail connection for container service between the Port of Savannah and Gainesville-Hall County. Carroll Daniel Construction, Simpson Trucking & Grading, and Rochester & Associates are among the local firms that will engineer and construct the new terminal. It is expected to be completed and open in 2026.

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.

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.



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.

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. Renovation of City Hall and Roosevelt Square continue 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 was renovated to create space for meetings, conferences, and special events. City Hall's central location is walking distance to 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.



Midland Greenway 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 millions in economic impact annually.

Another project that has already made 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 Boathouse began in August 2022 and was completed in 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. More improvements are budgeting in the upcoming year(s) for Phases 3 and 4 to improve the picnic area, riverwalk, trails, and boardwalk.

Gainesville's "Reclaiming Places for Healthy Spaces – Athens Street Trail and Park" project will add a new recreational trail and park amenities to the Athens Street neighborhood. More specifically, this project will increase connectivity within and from the Athens Street area to existing parks, public greenspaces, and healthcare facilities through new multiuse trail, sidewalks and pedestrian crosswalks, and other pedestrian improvements. It also will add municipal park facilities to the Athens Street area, adjacent to the Newtown and Fair Street neighborhoods. This project will bridge the Fair Street and Newtown neighborhoods to Hall County's Butler Park and Health Department as well as to the Northeast Georgia Physicians Group medical facility and Ninth District Opportunity's Head Start Pre-K program and services for parents. Additionally, this project will involve a strategic public investment that is intended to move the area towards equitable development and shared prosperity being experienced in the Downtown, Midland and Westside areas of the city. This project contains \$2.2 million of grant funds.

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 was approved to be expended in FY24. Notable general government capital improvements in FY24 included 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. No bonds were issued in FY24.

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 (COA) for Excellence in Financial Reporting to the City of Gainesville, Georgia for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the thirty-second consecutive year that the government has achieved this prestigious award. In order to be awarded a COA, 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 COA is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the COA 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, 2023. 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, 2023. The Award for Outstanding Achievement in PAFR 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 PAFR, 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 PAFR is valid for a period of one year only. The City of Gainesville has received a PAFR Award for the last ten 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 Financial Services Department staff who contributed to its preparation. Enormous thanks go to the staff of our accounting firm, Rushton and Company, CPAs 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,



Bryan Lackey
City Manager



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, 2024, 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, 2024, 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 Police 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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Gainesville, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Gainesville, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information on pages 4 through 19 and 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2024, on our consideration of the City of Gainesville, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Gainesville, Georgia's internal control over financial reporting and compliance.

Rushton, LLC

Gainesville, Georgia
December 6, 2024



THE CITY OF GAINESVILLE, GA MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

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, 2024. The purpose of this narrative is to provide objective and easily readable analysis of the City's annual financial performance, current financial position, and projections for its future stability. This narrative should also assist readers in making timely and meaningful financial decisions based on the City's financial transparency. This analytical information is designed to be read in conjunction with the Letter of Transmittal located on pages xi-xxi of this Annual Comprehensive Financial Report and with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City of Gainesville's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at June 30, 2024 by \$836.6 million (reported as *net position*). Of this amount, \$62.8 million (reported as unrestricted net position) may be used to meet the City's ongoing obligations.
- As of June 30, 2024, the City's governmental funds reported combined ending fund balances of \$110.2 million. Approximately 11.2% of this total amount, \$12.3 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 accounting used by most private-sector businesses. All of the current year's revenues and expenditures were considered regardless of when cash is received or paid.

The *Statement of Net Position* (pages 20-21) presents information on the City's total assets and deferred outflow of resources and the total liabilities and deferred inflow of resources. The difference between these is reported as net position. The City reports all of its assets and deferred outflows of resources when it acquires ownership. All of its liabilities and deferred inflow of resources are reported when they are incurred. Although 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 22), on the other hand, presents the revenues and expenditures of the City. This statement is prepared using the accrual basis of accounting mentioned earlier, where revenues are recognized when earned and expenditures are recognized when incurred, even when money may not be received or used in the current period. The difference between revenues and expenditures is reported as change in net position. The primary focus of the Statement of Activities is the net cost of various activities provided by the City and identifies the extent to which each function of the City draws from general revenues or is self-financing through fees, grants, or other sources.

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

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

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

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

In contrast to government-wide financial statements that focus on the City as a whole, the focus of fund financial statements is specific activities of the City 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 150. 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 nineteen individual governmental funds. Information for major funds is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances. The City's major governmental funds are the General Fund, Fire Services Fund, Police Services Fund, Special Purpose Local Option Sales Tax (SPLOST), and General Government Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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 23-31 of this report.

Proprietary Funds

When the City charges customers for the services it provides, whether to outside customers or to other departments of the City, 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 accounting devices 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 32-36.

Fiduciary Funds

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

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

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

Notes to the Financial Statements

The notes to the financial statements provide additional detail that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-122 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 25 and 28), which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide 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.
- Governmental funds report pension contributions and other retirement costs as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.
- 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 20-22):

City of Gainesville Statement of Net Position Fiscal Years 2024 and 2023

	Governmental Activities		Business-type Activities		Total	
	(In millions of dollars)					
	2024	2023	2024	2023	2024	2023
Current assets	\$ 124.1	\$ 126.3	\$ 182.8	\$ 181.2	\$ 306.9	\$ 307.5
Capital assets	163.3	141.5	614.8	566.6	778.1	708.1
Other noncurrent assets	1.4	1.5	5.4	5.7	6.8	7.2
Total assets	288.8	269.3	803.0	753.5	1,091.8	1,022.8
Deferred Outflows of Resources	9.5	14.0	6.2	8.5	15.7	22.5
Current liabilities	16.9	14.4	25.8	31.4	42.7	45.8
Noncurrent liabilities	101.3	108.1	113.3	110.1	214.6	218.2
Total liabilities	118.2	122.5	139.1	141.5	257.3	264.0
Deferred Inflows of Resources	6.5	7.8	7.1	8.7	13.6	16.5
Net position:						
Net investment in capital assets	114.0	106.6	517.8	468.2	631.8	574.8
Restricted	40.4	31.4	101.6	117.0	142.0	148.4
Unrestricted	19.2	15.0	43.6	26.6	62.8	41.6
Total net position	\$ 173.6	\$ 153.0	\$ 663.0	\$ 611.8	\$ 836.6	\$ 764.8

Over time, net position may serve over time as a useful indicator of a government's financial position. The City of Gainesville reported a \$20.6 million increase in net position for governmental activities, while posting a \$51.2 million increase for business-type activities. Overall, the City's net position rose \$71.8 million to close the current fiscal year with a net position of \$836.6 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, 75.5%, 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 \$57 million from previous year totals, from \$574.8 million to \$631.8 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% of total net position. Restricted net position decreased 6.4 million during the past year, from \$148.4 million to \$142 million at the end of fiscal year 2024 (FY24). 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.

The remaining 7.5% represents unrestricted net position. The statement indicates a \$62.8 million balance at the end of this fiscal year, an increase of \$21.2 million from fiscal year 2023 (FY23). 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 \$4.2 million between fiscal years 2023 and 2024, increasing the balance from \$15 million to a surplus of \$19.2 million. Business-type activities showed a \$17 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 uses the resources in business-type unrestricted net position to finance the ongoing operations of the business-type activities.

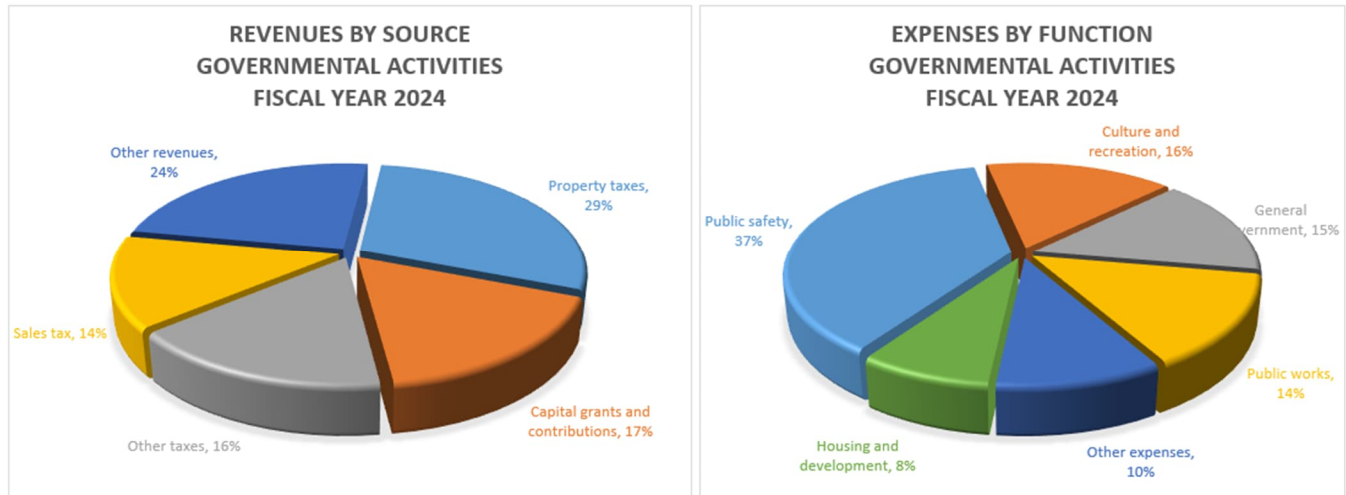
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City of Gainesville's net position changed during the fiscal year:

City of Gainesville
Changes in Net Position
Fiscal Years 2024 and 2023

	Governmental Activities		Business- type Activities		Total	
	(In millions of dollars)					
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 9.4	\$ 7.9	\$ 92.2	\$ 86.9	\$ 101.6	\$ 94.8
Operating grants and contributions	5.0	3.0	0.2	0.0	5.2	3.0
Capital grants and contributions	15.1	17.1	22.7	14.8	37.8	31.9
General revenues:						
Property taxes	26.1	14.6	0	0	26.1	14.6
Sales tax	12.1	11.4	0	0	12.1	11.4
Other taxes	14.4	14.1	0	0	14.4	14.1
Miscellaneous revenue	6.5	6.6	12.4	13.7	18.9	20.3
Total revenues	88.6	74.7	127.5	115.4	216.1	190.1
Expenses						
General government	11.0	9.8	0	0	11.0	9.8
Judicial	0.7	0.7	0	0	0.7	0.7
Public safety	26.5	24.9	0	0	26.5	24.9
Public works	10.0	8.7	0	0	10.0	8.7
Health and welfare	4.7	3.8	0	0	4.7	3.8
Culture and recreation	11.6	9.5	0	0	11.6	9.5
Housing and development	5.8	6.1	0	0	5.8	6.1
Interest on long-term debt	2.2	1.7	0	0	2.2	1.7
Water and sewer	0	0	65.8	61.2	65.8	61.2
Airport	0	0	1.1	1.0	1.1	1.0
Solid waste	0	0	3.7	3.5	3.7	3.5
Golf course	0	0	2.1	1.8	2.1	1.8
Total expenses	72.5	65.2	72.7	67.5	145.2	132.7
Indirect Cost Allocation	1.9	1.8	(1.9)	(1.8)	0	0
Increase in net position before transfers	18.0	11.3	52.9	46.1	70.9	57.4
Transfers	2.0	6.6	(2.0)	(6.6)	0	0
Increase in net position	20.0	17.9	50.9	39.5	70.9	57.4
Net position - beginning, as previously reported	153.1		611.8		764.9	0.0
Change in accounting principle	(0.4)		(0.2)		(0.6)	0.0
Error Correction	0.9		0.5		1.4	0.0
Net position - restated	153.6	135.1	612.1	572.3	765.7	707.4
Net position - ending	\$ 173.6	\$ 153.0	\$ 663.0	\$ 611.8	\$ 836.6	\$ 764.8

Governmental Activities

The following charts depict revenues and expenses of the governmental activities for the fiscal year:

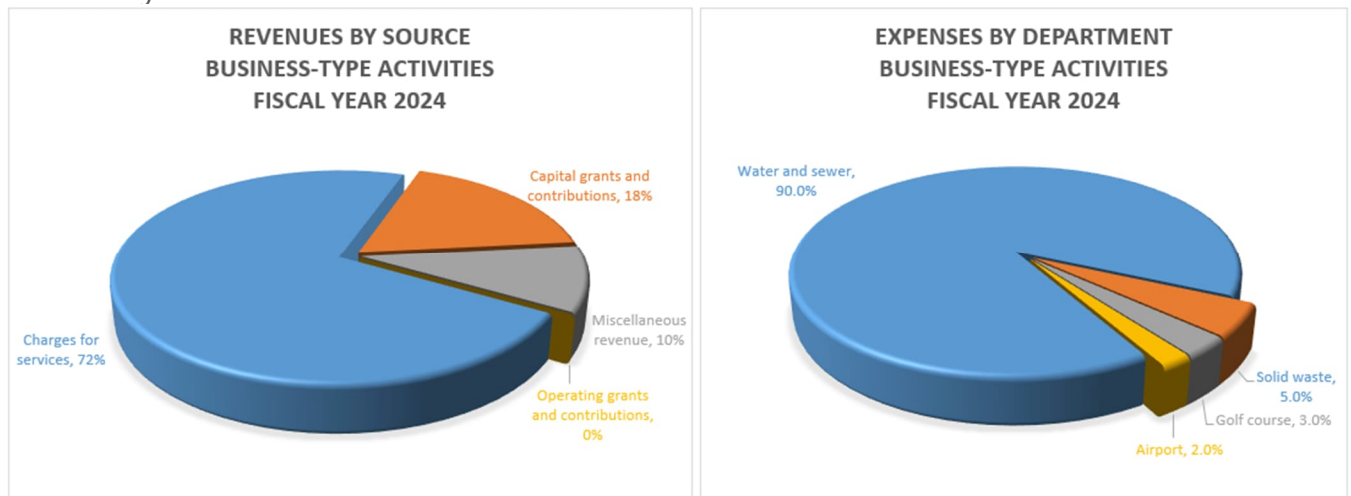


The revenue chart indicates that property taxes were the largest source of revenue for governmental activities during FY24, increasing from \$14.6 million to \$26.1 million due to increases in property values and new construction throughout the City. Most other revenue sources fluctuated just slightly from prior year totals. Capital grants and contributions totaled \$15.1 million or 17% of total revenues in FY24, a decrease of \$2 million compared to FY23. The largest sources of capital grants and contributions were SPLOST collections of \$12 million, a 4% increase over FY23. Other tax, which includes franchise, insurance premium, hotel/motel, and occupational tax, represented 16% of governmental activities revenue. Other tax totals of \$14.3 million indicate a \$0.3 million increase when compared with FY23, due to general economic growth of the community. Sales tax revenues increased by \$0.7 million and made up of 14% of total revenue, evidence of Gainesville's continued growth. Other revenues include charges for services, miscellaneous revenue, and operating grants and contributions made up 24% of total revenue, a \$3.4 million increase over FY23, mostly due to increases in federal and state grant funds and private contribution.

Overall, costs were up \$7.3 million when compared to FY23, an 11.2% increase. The chart illustrates that 37% of total governmental activities for the City of Gainesville during FY24 was in payment of Public Safety services, such as fire and police protection. Public Safety was up \$1.6 million from FY23. This 6.4% increase was mainly due to an increase in personnel costs including higher cost for insurance and increased retirement contributions. Culture and Recreation constituted 16% of total showed a significant increase of \$2.1 million in costs from the previous year, a direct result of continued capital projects for expanded facilities and programs. General government and judicial constituted 15% of total costs and showed a \$1.2 million increase from the previous fiscal year, returning to pre-FY23 levels. Public Works costs were up \$1.3 million from FY23 largely dollars spent on street resurfacing increased. Housing and Development, which made up 8% of total expenses, shows a decrease in costs of \$.3 million as expansion in the City decreased slightly from its robust FY23 level. Health and Welfare, Judicial and other expenses increased just \$1.4 million and comprised 10% of total government activities. Health and Welfare accounted for much of the increase due to expansion of successful grant-supported services.

Business-type Activities

The following charts depict revenues and expenses of the business-type activities for the fiscal year:



Business-type activities increased the City of Gainesville's net position by \$51.1 million, bringing total net position of business-type activities to \$663 million. Total revenue for business-type activities increased \$12.1 million, when compared to FY23 totals. Following are key elements of changes in business-type activities:

- Revenue relating to DWR's charges for services accounted for \$4.8 of the \$5.3 million increase, while Airport, Solid Waste and Golf revenue showed an increase of \$170,070, \$135,395 and \$210,241, respectively, compared to FY23. These 6% increases are reasonable and attributed to expansion and economic growth in the region.
- Capital Grant and Contribution revenues for business-type activities increased by \$7.9 million, returning to pre-FY23 levels. The Department of Water Resources (DWR) increase is attributable to developer growth and new infrastructure brought on to the City's system from contractors.
- Overall expenses for business-type activities were up \$5.2 million, or 7.7%. These increases stemmed primarily from increased landfill charges, higher salary expense, and higher costs for repairs and maintenance as well as DWR's expense increases for chemicals and other supplies, as well as system expansion 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 \$110.2 million. Of this amount, \$12.4 million or 11.2% 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 2025 (FY25) 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 \$12.4 million, while total fund balance reached \$19.1 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 50.3% of total General Fund expenditures, while total fund balance represents 77.6% of that same amount. Of the \$19.1 million total fund balance for the General Fund, \$6.6 million is assigned and is comprised predominantly of \$4.7 million which is assigned for budget.

The General Fund's total fund balance increased by \$0.4 million during the current fiscal year, due mostly to amounts owed by other funds. Other key factors regarding FY24 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 FY24, tax revenues increased by \$3.1 million. Other revenue changes were relatively the same except for investment income. Due to declining interest rates in the second half of FY24, investment income increased over \$2.1 million.
- Transfers to and from the General Fund decreased in FY24. Transfers in decreased to \$2.4 million as American Rescue Plan Grant Fund were depleted (as required). Transfers out of the General Fund totaled \$16.8 million from FY23's \$25.4 level. The largest transfers out were \$14.6 million for General Government Capital Projects Fund and SPLOST Capital Projects Fund to fund major capital projects.

The *Fire Services Fund* had a \$0.8 million fund balance at fiscal year-end, all of which is assigned for Public Safety. Total revenues reported were \$10.8 million mostly stemming primarily from property and motor vehicle tax collections, and up from \$8.6 million the previous year due to strong real estate valuation increases and new development. Among the fund's \$11.1 million in expenditures, \$9.4 million was paid out in personal services and employee benefits expenditures, up proportionally with modest salary increases and benefit costs from FY23's \$8.9 million.

The newly created *Police Services Fund* had a \$0.2 million fund balance at fiscal year-end, all of which is assigned for Public Safety. Total revenues reported were \$5.8 million mostly stemming primarily from property and motor vehicle tax collections. Among the fund's \$6 million in expenditures, \$4.7 million was paid out in personal services and employee benefits expenditures. There were transfers out of \$1.1 million to the SPLOST Capital Projects Fund and General Government Capital Projects Fund, mostly for vehicle fleet replacement.

The *Special Purpose Local Option Sales Tax Capital Projects (SPLOST) Fund* has a \$34.5 million fund balance at fiscal year-end. Of this fund balance, \$9.7 million is restricted for Public Safety projects with \$7.0 million allocated to the construction of the new Public Safety Training Complex project. Another \$13.7 million is restricted for Culture and Recreation projects; \$11.9 million is set aside for the J. Melvin Cooper Youth Athletic Complex ("The Coop"). In addition, \$7.7 million is restricted for Public Works projects with \$2.8 million allocated to the Greenway Connectivity project. The \$3.3 million fund balance assigned for

Public Works includes \$1.0 million for the Greenway Connectivity project, \$872,563 for the North Parking Deck, \$500,00 for Athens Street Improvements, \$371,306 assigned to Green Hill Circle Connector project, and \$317,145 allocated for the Elachee Bridge Enhancements project. Among the fund's \$17.1 million in expenditures, \$10.1 million was paid towards The Coop, \$1.2 million for City Hall Renovations, and \$1.2 million for the In-House Paving program. The largest source of revenue for the SPLOST Fund was \$12.0 million collected from the SPLOST tax revenues. Of the \$6.1 million transfers in, \$4.4 million was transferred from the Impact Fee Fund, providing additional funding for the Public Safety Training Complex project.

The *General Government Capital Projects Fund* has a \$30.6 million fund balance at fiscal year-end. Of this fund balance, \$1.1 million is restricted for General Government projects. The \$26.9 million balance in Assigned for General Government projects includes \$4.9 million allocated to the Town Square design and improvements project, \$2.7 million for City Campus improvements, as well as \$4.3 million for the construction of the Boathouse at Lake Lanier Olympic Park and Downtown retail space project. Another \$2.1 million is assigned for Public Safety and \$1.6 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 \$21.8 million, of which \$8.4 million was paid toward the construction of the new Boathouse project. Another \$3.6 million was paid towards the Downtown retail space project and \$3.5 million towards the Midland parking deck. Transfers in to the General Government Capital Project Fund totaled \$18.2 million, with \$13.1 million originating from the General Fund for funding of various approved capital projects and \$3.5 million from the Economic Development Fund for the purchase of land parcel.

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 \$8.1 million; \$2.5 million was associated with the Town Square Design and Improvements project, while another \$1.3 million allocation was recorded for City Campus Improvements, and \$1.0 million for the funding of new Day Center project.
- Increased transfer to Department of Water Resources Capital Projects Fund by \$2.1 million providing additional funding for the Trailhead Enhancements project.
- Increased budgeted fund balance to cover FY24 reappropriations.
- Increased/decreased various expenditure budgets for adjustments as needed.

General Fund expenditures for FY24 were \$24.6 million, 94.9% 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 \$1.3 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 31.3%, a total of \$9.3 million. The excess revenues are due mainly to tax collections that were \$5.2 million above projections resulting from the City's conservative estimations.

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	\$ 40.3
Nonmajor Funds (Airport, Solid Waste, Golf Course)	3.1
Total	<u>\$ 43.4</u>

Compared with FY23, the total increase in combined net position, prior to the consolidation adjustment of internal service fund activity, indicated growth of \$50.9 million, with net investment in capital assets increasing by \$37.1 million. Overall, unrestricted net position for all four enterprise funds, again prior to the consolidation adjustment of internal service fund activity, showed a \$16.9 million increase from FY23.

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 \$778.1 million in capital assets (net of accumulated depreciation). Capital assets include vehicles and equipment, infrastructure, land, and buildings. Approximately 79.0% of this investment is related to business-type activities while only 21.0% 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 2024 and 2023

	Governmental Activities		Business-type Activities		Total	
	(In millions of dollars)					
	2024	2023	2024	2023	2024	2023
Land	\$ 29.9	\$ 25.9	\$ 32.9	\$ 32.7	\$ 62.8	\$ 58.4
Buildings	82.5	67.8	60.9	61.0	143.4	128.8
Improvements other than buildings	7.5	3.8	13.2	13.0	20.7	16.3
Vehicles and equipment	33.2	28.5	53.7	50.8	86.9	75.9
Infrastructure	43.2	40.1	643.0	607.8	686.2	647.9
Intangibles	1.6	1.3	6.1	6.1	7.7	7.4
Intangible right-to-use assets	1.5	0.8	1.6	1.3	3.1	2.1
Construction in progress	38.5	42.2	148.1	121.1	186.6	163.3
Total	237.9	210.4	959.5	893.8	1,197.4	1,100.1
Accumulated depreciation	(74.6)	(69.0)	(344.7)	(327.2)	(419.3)	(396.2)
Net Capital Assets	\$ 163.3	\$ 141.4	\$ 614.8	\$ 566.6	\$ 778.1	\$ 703.9

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

- The Coop, \$10.1 million
- Lake Lanier Olympic Park Boathouse renovations, \$8.4 million
- Downtown retail space, \$3.6 million
- Midland parking deck, \$3.5 million

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

- Flat Creek dewatering facility improvements, \$9.9 million
- Gillsville Highway sanitary sewer pump station, \$6.8 million
- FY23 Water Main improvements, \$4.7 million
- Linwood Water Reclamation Facility sludge press and holding tank, \$4.2 million

Additional information on the City of Gainesville's capital assets can be found in Note 9 on pages 72-75 of this report.

Long-term Debt

As of June 30, 2024, the City of Gainesville had long-term liabilities, net of unamortized bond premium and discount, totaling \$141.9 million. This is a \$2.3 million increase from FY23 totals. The significant increase is a result of the issuance of new debt draws of \$14.9 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 2024 and 2023

	Governmental Activities		Business-type Activities		Total	
	(In millions of dollars)					
	2024	2023	2024	2023	2024	2023
Notes from direct borrowings	\$ 2.6	\$ 3.1	\$ 51.5	\$ 37.8	\$ 54.1	\$ 40.9
Certificates of participation	-	0.4	-	-	-	0.4
Subscriptions payable	0.5	0.2	0.4	0.6	0.9	0.8
Contracts Payable	48.5	50.6	9.4	11.0	57.9	61.6
Revenue Bonds	-	-	24.3	29.9	24.3	29.9
Leases Payable	-	-	0.1	0.1	0.1	0.1
Unamortized Bond Premium	-	-	4.6	5.7	4.6	5.7
Total	\$ 51.6	54.3	\$ 90.3	\$ 85.1	\$ 141.9	139.4

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 \$864 million, but the City had no general obligation debt outstanding as of June 30, 2024.

Additional information on the City's long-term debt can be found in Notes 11, 12, and 13 on pages 77-91 of this report.

ECONOMIC CONDITION AND OUTLOOK

- The U.S. Census Bureau estimated the City of Gainesville's population in 2024 to be 47,265. Based on actual census data from 2020, this is a 11.7% increase in population in three 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 billion for FY23 to \$8.6 billion for FY24, which is equivalent to a 22.9% increase in the tax base.
- At the end of the first quarter of FY24, Local Option Sales Tax collections are up 7% compared to the same time period in FY23. Total General Fund revenues are also up 15.3% 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 \$19.1 million fund balance in the General Fund, \$6.6 million has been appropriated for spending in the FY25 budget.

OTHER INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 48,948,996	\$ 26,005,893	\$ 74,954,889	\$ 3,468,407
Investments	58,779,377	34,794,617	93,573,994	4,513,528
Restricted assets				
Cash and cash equivalents	7,893,326	51,722,015	59,615,341	218,965
Investments	0	55,580,608	55,580,608	0
Receivables (net)				
Accounts	1,196,427	6,897,873	8,094,300	39,876
Intergovernmental	2,420,109	3,413,556	5,833,665	0
Taxes	2,172,744	0	2,172,744	116,977
Notes	82,781	0	82,781	0
Lease	129,577	635,003	764,580	0
Other	0	81,039	81,039	0
Internal balances	(175,211)	175,211	0	0
Inventories	126,748	2,981,922	3,108,670	0
Prepaid items	2,343,383	485,554	2,828,937	0
Other	132,744	0	132,744	0
Total current assets	124,051,001	182,773,291	306,824,292	8,357,753
Noncurrent assets				
Notes receivable	59,135	0	59,135	0
Lease receivable	1,181,285	2,956,424	4,137,709	0
Property held for development	196,763	2,393,408	2,590,171	269,808
Capital assets				
Non-depreciable	68,340,756	180,923,231	249,263,987	32,442,408
Depreciable/amortizable (net)	94,971,961	433,921,090	528,893,051	11,007,751
Total noncurrent assets	164,749,900	620,194,153	784,944,053	43,719,967
Total assets	288,800,901	802,967,444	1,091,768,345	52,077,720
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	0	5,121	5,121	0
Deferred outflows related to pensions	7,094,924	4,635,000	11,729,924	446,435
Deferred outflows related to other post employment benefits	2,413,067	1,584,566	3,997,633	271,030
Total deferred outflows of resources	9,507,991	6,224,687	15,732,678	717,465
LIABILITIES				
Current liabilities				
Payables				
Accounts	4,828,902	2,019,103	6,848,005	1,299,252
Retainages	2,056,934	0	2,056,934	253,332
Intergovernmental	191,702	1,714,669	1,906,371	21,868
Sales tax	0	19,175	19,175	13,099
Deposits	216,184	48,280	264,464	900
Interest	314,535	5,470	320,005	0
Accrued salaries	505,039	317,516	822,555	109,500
Unearned revenue	15,953	0	15,953	34,883
Compensated absences	2,472,181	1,276,220	3,748,401	244,426
Claims reserve	1,793,323	0	1,793,323	0
Lease/subscription payable	132,433	239,587	372,020	0
Contracts payable	3,289,799	1,556,588	4,846,387	0
Notes payable	832,518	1,270,951	2,103,469	0
Other liabilities	228,031	65,258	293,289	26,004

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2024

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
Current liabilities				
Liabilities payable from restricted assets				
Payables				
Accounts	\$ 0	\$ 3,483,043	\$ 3,483,043	\$ 0
Retainages	0	4,308,227	4,308,227	0
Customer deposits	0	2,435,531	2,435,531	0
Interest	0	160,350	160,350	0
Bonds payable	0	6,850,417	6,850,417	0
Total current liabilities	16,877,534	25,770,385	42,647,919	2,003,264
Noncurrent liabilities				
Compensated absences	274,687	141,802	416,489	27,159
Net pension liability	40,594,847	24,055,068	64,649,915	1,474,623
Net OPEB liability	13,080,947	8,726,333	21,807,280	1,220,086
Lease/subscription payable	383,179	249,621	632,800	0
Contracts payable	45,233,792	7,869,528	53,103,320	0
Notes payable	1,729,953	50,274,188	52,004,141	0
Bonds payable	0	22,042,239	22,042,239	0
Total noncurrent liabilities	101,297,405	113,358,779	214,656,184	2,721,868
Total liabilities	118,174,939	139,129,164	257,304,103	4,725,132
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	231,551	86,503	318,054	92,848
Deferred inflows related to other post employment benefits	5,019,655	3,457,600	8,477,255	601,540
Deferred inflows related to leases	1,279,305	3,530,565	4,809,870	0
Total deferred inflows of resources	6,530,511	7,074,668	13,605,179	694,388
NET POSITION				
Net investment in capital assets	113,957,589	517,797,849	631,755,438	42,101,094
Restricted for:				
Public Safety	2,076,989	0	2,076,989	0
Public Works	19,150	0	19,150	0
Health and Welfare	2,347,843	0	2,347,843	0
Culture and Recreation	757,074	0	757,074	18,965
Housing and Development	3,701,207	0	3,701,207	0
Debt Service	897,269	3,744,618	4,641,887	0
Capital Outlay	30,624,271	97,840,912	128,465,183	113,148
Unrestricted	19,222,050	43,604,920	62,826,970	5,142,458
Total net position	\$ 173,603,442	\$ 662,988,299	\$ 836,591,741	\$ 47,375,665

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2024

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	\$ 11,046,169	\$ (1,949,905)	\$ 1,139,253	\$ 2,652,555	\$ 0	\$ (5,304,456)
Judicial	706,695	0	0	0	0	(706,695)
Public Safety	26,504,440	0	2,080,339	395,999	1,500	(24,026,602)
Public Works	10,017,538	0	322,758	0	13,025,376	3,330,596
Health and Welfare	4,679,251	0	3,113,430	1,817,488	425,441	677,108
Culture and Recreation	11,578,009	0	0	0	14,978	(11,563,031)
Housing and Development	5,786,871	0	2,760,850	179,583	1,615,441	(1,230,997)
Interest on long-term debt	2,232,166	0	0	0	0	(2,232,166)
Total governmental activities	72,551,139	(1,949,905)	9,416,630	5,045,625	15,082,736	(41,056,243)
Business-type activities						
Department of						
Water Resources	65,834,885	1,599,302	85,752,900	221,178	21,615,109	40,155,000
Airport	1,069,509	208,306	1,196,378	0	1,050,576	969,139
Solid Waste	3,659,373	142,297	3,332,928	0	0	(468,742)
Golf Course	2,129,540	0	1,921,207	0	0	(208,333)
Total business-type activities	72,693,307	1,949,905	92,203,413	221,178	22,665,685	40,447,064
Total primary government	145,244,446	0	101,620,043	5,266,803	37,748,421	(609,179)
Component Units						
Communication and Tourism						
Housing and Development	2,139,008	0	259,714	1,105,394	13,762	(760,138)
Parks and Recreation						
Culture and Recreation	7,576,183	0	2,284,867	164,988	11,439,211	6,312,883
Land Bank						
Housing and Development	347,812	0	0	75,500	0	(272,312)
Total Component Units	10,063,003	0	2,544,581	1,345,882	11,452,973	5,280,433
			Governmental Activities	Business-Type Activities	Total	Component Units
Change in net position						
Net (expense) revenue			\$ (41,056,243)	\$ 40,447,064	\$ (609,179)	\$ 5,280,433
General revenues						
Taxes						
Property			26,056,454	0	26,056,454	7,367,277
Intangibles			257,350	0	257,350	0
Franchise			5,169,658	0	5,169,658	0
Occupational			1,502,095	0	1,502,095	0
Insurance premium			3,755,911	0	3,755,911	0
Alcoholic beverages			1,485,585	0	1,485,585	0
Hotel/Motel			2,228,365	0	2,228,365	0
Local option sales			12,136,997	0	12,136,997	0
Investment			5,491,721	8,439,592	13,931,313	403,455
Payments from City of Gainesville			0	0	0	1,389,655
Gain on sale of property held for development			0	3,754,576	3,754,576	0
Gain on sale of assets			101,304	43,487	144,791	0
Miscellaneous			972,622	133,325	1,105,947	39,170
Transfers			1,956,263	(1,956,263)	0	0
Total general revenues and transfers			61,114,325	10,414,717	71,529,042	9,199,557
Change in net position			20,058,082	50,861,781	70,919,863	14,479,990
Net position - beginning, as previously reported			153,078,121	611,836,917	764,915,038	32,893,441
Error correction			876,351	502,783	1,379,134	28,655
Change in accounting principle			(409,112)	(213,182)	(622,294)	(26,421)
Net position - beginning, restated			153,545,360	612,126,518	765,671,878	32,895,675
Net position - ending			\$ 173,603,442	\$ 662,988,299	\$ 836,591,741	\$ 47,375,665

CITY OF GAINESVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	<u>General</u>	<u>Fire</u>	<u>Police</u>
ASSETS			
Cash and cash equivalents	\$ 8,207,397	\$ 446,052	\$ 125,351
Investments	9,926,363	546,115	153,471
Restricted assets			
Cash and cash equivalents	0	0	0
Receivables (net)			
Accounts	246,998	934	461
Intergovernmental	49,672	979	537
Taxes	1,667,280	170,795	71,939
Notes	0	0	0
Lease	1,310,862	0	0
Prepaid items	68,093	24,934	39,521
Due from other funds	111,434	0	0
Property held for development	0	0	0
Total assets	<u><u>\$ 21,588,099</u></u>	<u><u>\$ 1,189,809</u></u>	<u><u>\$ 391,280</u></u>
LIABILITIES			
Payables			
Accounts	\$ 629,759	\$ 112,536	\$ 25,798
Retainages	0	0	0
Intergovernmental	167,999	3,159	5,190
Accrued salaries	258,178	136,727	69,043
Unearned revenue	7,144	0	0
Due to other funds	0	0	0
Due to others	93,014	0	0
Total liabilities	<u>1,156,094</u>	<u>252,422</u>	<u>100,031</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue -			
Taxes	35,222	159,766	66,239
Notes receivable	0	0	0
Fines, fees, and forfeitures	0	0	0
Leases	1,279,305	0	0
Total deferred inflows of resources	<u>1,314,527</u>	<u>159,766</u>	<u>66,239</u>
FUND BALANCES			
Nonspendable	68,093	24,934	39,521
Restricted	0	0	0
Committed	47,560	0	0
Assigned	6,616,114	752,687	185,489
Unassigned	12,385,711	0	0
Total fund balances	<u>19,117,478</u>	<u>777,621</u>	<u>225,010</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 21,588,099</u></u>	<u><u>\$ 1,189,809</u></u>	<u><u>\$ 391,280</u></u>

<u>SPLOST</u>	<u>General Government Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ 13,933,975	\$ 12,496,528	\$ 11,574,204	\$ 46,783,507
17,059,802	15,299,892	13,142,824	56,128,467
4,546,987	3,346,339	0	7,893,326
0	0	764,100	1,012,493
1,813,123	0	510,669	2,374,980
0	0	262,730	2,172,744
0	0	141,916	141,916
0	0	0	1,310,862
0	2,028,000	5,661	2,166,209
0	0	920,023	1,031,457
0	0	196,763	196,763
<u>\$ 37,353,887</u>	<u>\$ 33,170,759</u>	<u>\$ 27,518,890</u>	<u>\$ 121,212,724</u>
\$ 2,142,297	\$ 1,273,284	\$ 441,148	\$ 4,624,822
728,709	1,328,225	0	2,056,934
0	15,354	0	191,702
0	0	34,404	498,352
0	0	5,500	12,644
0	0	1,031,457	1,031,457
0	0	135,017	228,031
<u>2,871,006</u>	<u>2,616,863</u>	<u>1,647,526</u>	<u>8,643,942</u>
0	0	64,165	325,392
0	0	141,916	141,916
0	0	667,507	667,507
0	0	0	1,279,305
<u>0</u>	<u>0</u>	<u>873,588</u>	<u>2,414,120</u>
0	2,028,000	5,661	2,166,209
31,096,162	1,169,863	9,845,272	42,111,297
0	475,168	705,834	1,228,562
3,386,719	26,880,865	14,445,846	52,267,720
0	0	(4,837)	12,380,874
<u>34,482,881</u>	<u>30,553,896</u>	<u>24,997,776</u>	<u>110,154,662</u>
<u>\$ 37,353,887</u>	<u>\$ 33,170,759</u>	<u>\$ 27,518,890</u>	<u>\$ 121,212,724</u>

CITY OF GAINESVILLE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2024

Total fund balance - total governmental funds		\$ 110,154,662
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Amounts reported for governmental activities in the statement of net position are different because:

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

These are:

Capital assets, net of accumulated depreciation and amortization		163,312,717
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Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are unavailable in the funds.

These are:

Property and sales tax	\$ 325,392	
Fines, fees, and forfeitures	667,507	
Notes receivable	141,916	1,134,815

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

These are:

Contract payable	\$ (48,523,591)	
Notes payable	(2,562,471)	
Lease/subscription payable	(515,612)	
Interest payable	(314,535)	
Compensated absences	(2,746,868)	
Net pension liability	(40,594,847)	
Net OPEB liability	(13,080,947)	(108,338,871)

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

These are:

Deferred outflows of resources:

Deferred outflows related to pensions	\$ 7,094,924
Deferred outflows related to other post-employment benefits	2,413,067

Deferred inflows of resources:

Deferred inflows related to pensions	(231,551)
Deferred inflows related to other post-employment benefits	(5,019,655)

4,256,785

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	\$ 3,362,181	
Less internal balance resulting from allocation of internal service fund activities allocated to business-type activities	(175,211)	
Less capital assets included above	(142,518)	
Add compensated absences included above	38,882	3,083,334

Net position of governmental activities		\$ 173,603,442
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CITY OF GAINESVILLE, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2024

	General	Fire	Police
REVENUES			
Taxes	\$ 28,818,188	\$ 10,647,415	\$ 5,808,092
Licenses and permits	1,231,450	0	0
Fines, fees and forfeitures	1,516,786	0	0
Charges for services	3,544,147	0	0
Intergovernmental	372,594	0	0
Investment	2,979,609	127,048	37,114
Contributions	0	1,500	0
Other	376,284	241	19,280
Total revenues	38,839,058	10,776,204	5,864,486
EXPENDITURES			
Current			
General Government	7,957,909	0	0
Judicial	681,543	0	0
Public Safety	7,096,537	11,125,644	5,842,073
Public Works	6,124,471	0	0
Health and Welfare	22,500	0	0
Culture and Recreation	124,447	0	0
Housing and Development	2,224,057	0	0
Debt service	391,455	0	150,646
Capital outlay	0	0	0
Total expenditures	24,622,919	11,125,644	5,992,719
Excess (deficiency) of revenues over (under) expenditures	14,216,139	(349,440)	(128,233)
Other financing sources (uses)			
Transfers in	2,457,028	0	1,106,874
Transfers out	(16,844,401)	(315,000)	(1,132,400)
Issuance of long-term debt	507,532	0	203,951
Sales of capital assets	30,890	2,551	38,928
Total other financing sources (uses)	(13,848,951)	(312,449)	217,353
Net changes in fund balances	367,188	(661,889)	89,120
Fund balances, July 1, as previously reported	18,750,290	1,439,510	
Change within financial reporting entity (major to nonmajor fund)	0	0	135,890
Fund balances, July 1, restated	18,750,290	1,439,510	135,890
Fund balances, June 30	\$ 19,117,478	\$ 777,621	\$ 225,010

SPLOST	General Government Capital Projects	Nonmajor Governmental Funds	Totals
\$ 0	\$ 0	\$ 7,173,369	\$ 52,447,064
0	0	0	1,231,450
0	0	350,814	1,867,600
0	0	2,587,941	6,132,088
12,470,091	0	7,061,714	19,904,399
0	0	2,134,524	5,278,295
0	828,044	357,093	1,186,637
0	0	576,817	972,622
<u>12,470,091</u>	<u>828,044</u>	<u>20,242,272</u>	<u>89,020,155</u>
0	0	0	7,957,909
0	0	0	681,543
0	0	499,167	24,563,421
0	0	518	6,124,989
0	0	6,000,885	6,023,385
0	0	800,000	924,447
0	0	2,312,272	4,536,329
0	0	5,751,623	6,293,724
<u>17,147,819</u>	<u>21,781,786</u>	<u>0</u>	<u>38,929,605</u>
<u>17,147,819</u>	<u>21,781,786</u>	<u>15,364,465</u>	<u>96,035,352</u>
<u>(4,677,728)</u>	<u>(20,953,742)</u>	<u>4,877,807</u>	<u>(7,015,197)</u>
6,089,214	18,184,228	2,344,557	30,181,901
(759,135)	(202,850)	(8,949,415)	(28,203,201)
0	504,689	165,895	1,382,067
0	0	85,786	158,155
<u>5,330,079</u>	<u>18,486,067</u>	<u>(6,353,177)</u>	<u>3,518,922</u>
<u>652,351</u>	<u>(2,467,675)</u>	<u>(1,475,370)</u>	<u>(3,496,275)</u>
33,830,530	33,021,571	26,609,036	113,650,937
0	0	(135,890)	0
<u>33,830,530</u>	<u>33,021,571</u>	<u>26,473,146</u>	<u>113,650,937</u>
<u>\$ 34,482,881</u>	<u>\$ 30,553,896</u>	<u>\$ 24,997,776</u>	<u>\$ 110,154,662</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, 2024

Net change in fund balances - total governmental funds **\$ (3,496,275)**

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	\$ 27,661,126	
Depreciation/amortization	<u>(6,452,774)</u>	21,208,352

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	\$ (1,856,912)	
Related accumulated depreciation	<u>767,847</u>	(1,089,065)

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	\$ 1,881,970	
Related accumulated depreciation	<u>(41,438)</u>	1,840,532

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	\$ (82,889)	
Related accumulated depreciation	<u>82,889</u>	0

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue. 339,091

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	\$ 4,152,062	
Issuance of debt	(1,382,067)	
Net change in interest payable	<u>(29,139)</u>	2,740,856

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	\$ 2,878,392	
Cost of benefits earned net of employee contributions	<u>(4,845,245)</u>	(1,966,853)

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	\$ 789,604	
Cost of benefits earned net of employee contributions	<u>254,020</u>	1,043,624

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		(617,631)
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Internal service funds are used by management to charge the cost of certain activities, such as risk management and vehicle maintenance, to individual funds. Net revenue (expense) of internal service funds is reported with governmental activities.

Change in net position of internal service funds	\$ 132,849	
Add depreciation expense included above	23,295	
Subtract change in compensated absences included above	(1,063)	
Subtract capital additions included above	(102,850)	
Add consolidation of internal service fund activities allocated to business-type activities	<u>3,220</u>	55,451

Change in net position of governmental activities	<u>\$ 20,058,082</u>	
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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, 2024

	Budget		Actual	Variance with
	Original	Final		Final Budget
REVENUES				
Taxes	\$ 20,471,069	\$ 23,598,069	\$ 28,818,188	\$ 5,220,119
Licenses and permits	912,445	912,445	1,231,450	319,005
Fines, fees and forfeitures	955,295	955,295	1,516,786	561,491
Charges for services	3,415,816	3,415,816	3,544,147	128,331
Intergovernmental	312,788	312,788	372,594	59,806
Investment	195,035	195,035	2,979,609	2,784,574
Other	175,842	176,592	376,284	199,692
Total revenues	26,438,290	29,566,040	38,839,058	9,273,018
EXPENDITURES				
Current				
General Government				
Mayor and Council	552,067	575,588	342,482	233,106
City Manager's Office	1,184,870	1,293,963	1,201,336	92,627
Finance	1,685,123	1,816,171	1,772,197	43,974
Information Technologies	1,444,708	1,927,773	1,824,579	103,194
Human Resources	1,274,566	1,332,566	1,311,774	20,792
Public Lands and Buildings	1,316,526	1,194,276	1,154,461	39,815
Public Relations	354,403	377,403	351,080	26,323
Judicial				
Municipal Court	740,509	740,509	681,543	58,966
Public Safety				
Police	7,214,873	7,277,444	7,096,537	180,907
Public Works				
Engineering	1,516,451	1,516,451	1,469,008	47,443
Traffic	1,703,241	1,714,741	1,712,123	2,618
Street Maintenance	2,331,149	2,331,149	2,068,121	263,028
Storm Water	101,878	101,878	80,783	21,095
Cemetery	882,309	885,599	794,436	91,163
Culture and Recreations				
Payments to other agencies	0	124,447	124,447	0
Health and Welfare				
Payments to other agencies	22,500	22,500	22,500	0
Housing and Development				
Planning	1,081,904	1,153,404	1,120,054	33,350
Inspection	561,649	491,698	473,323	18,375
Code Enforcement	585,941	584,391	529,977	54,414
Payments to other agencies	100,703	100,704	100,703	1
Debt Service	0	391,455	391,455	0
Total expenditures	24,655,370	25,954,110	24,622,919	1,331,191
Excess (deficiency) of revenues over (under) expenditures	1,782,920	3,611,930	14,216,139	10,604,209
Other financing sources (uses)				
Transfers in (out)				
Transfers in	3,868,196	1,905,196	2,457,028	551,832
Transfers out	(9,800,857)	(17,950,224)	(16,844,401)	1,105,823
Contingency	(618,866)	0	0	0
Sales of capital assets	51,887	51,887	30,890	(20,997)
Issuance of long-term debt	0	0	507,532	507,532
Total other financing sources (uses)	(6,499,640)	(15,993,141)	(13,848,951)	2,144,190
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(4,716,720)	(12,381,211)	367,188	12,748,399
Fund balances, July 1	4,716,720	12,381,211	18,750,290	6,369,079
Fund balances, June 30	\$ 0	\$ 0	\$ 19,117,478	\$ 19,117,478

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, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 10,331,609	\$ 10,331,609	\$ 10,592,622	\$ 261,013
Motor vehicle	58,960	58,960	54,793	(4,167)
Contributions	0	0	1,500	1,500
Investment	10,600	10,600	127,048	116,448
Other	0	0	241	241
Total revenues	<u>10,401,169</u>	<u>10,401,169</u>	<u>10,776,204</u>	<u>375,035</u>
EXPENDITURES				
Current				
Public Safety				
Personal Services	9,514,415	9,473,559	9,426,199	47,360
Other	1,842,577	1,883,433	1,699,445	183,988
Total expenditures	<u>11,356,992</u>	<u>11,356,992</u>	<u>11,125,644</u>	<u>231,348</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(955,823)</u>	<u>(955,823)</u>	<u>(349,440)</u>	<u>606,383</u>
Other financing sources (uses)				
Transfers in (out)				
Transfers in	1,105,823	1,105,823	0	(1,105,823)
Transfers out	(315,000)	(315,000)	(315,000)	0
Sales of capital assets	<u>0</u>	<u>0</u>	<u>2,551</u>	<u>2,551</u>
Total other financing sources (uses)	<u>790,823</u>	<u>790,823</u>	<u>(312,449)</u>	<u>(1,103,272)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(165,000)</u>	<u>(165,000)</u>	<u>(661,889)</u>	<u>(496,889)</u>
Fund balances, July 1	<u>165,000</u>	<u>165,000</u>	<u>1,439,510</u>	<u>1,274,510</u>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 777,621</u>	<u>\$ 777,621</u>

CITY OF GAINESVILLE, GEORGIA
POLICE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 5,524,658	\$ 5,656,658	\$ 5,778,506	\$ 121,848
Motor vehicle	31,771	31,771	29,586	(2,185)
Investment	150	150	37,114	36,964
Other	0	0	19,280	19,280
Total revenues	<u>5,556,579</u>	<u>5,688,579</u>	<u>5,864,486</u>	<u>175,907</u>
EXPENDITURES				
Current				
Public Safety				
Personal Services	4,325,937	4,650,449	4,650,449	0
Other	1,018,815	1,485,214	1,191,624	293,590
Debt Service	0	150,646	150,646	0
Total expenditures	<u>5,344,752</u>	<u>6,286,309</u>	<u>5,992,719</u>	<u>293,590</u>
Excess (deficiency) of revenues over (under) expenditures	<u>211,827</u>	<u>(597,730)</u>	<u>(128,233)</u>	<u>469,497</u>
Other financing sources (uses)				
Transfers in (out)				
Transfers in	920,573	1,027,447	1,106,874	79,427
Transfers out	(1,132,400)	(1,132,400)	(1,132,400)	0
Sales of capital assets	0	0	38,928	38,928
Issuance of long-term debt	0	0	203,951	203,951
Total other financing sources (uses)	<u>(211,827)</u>	<u>(104,953)</u>	<u>217,353</u>	<u>322,306</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>(702,683)</u>	<u>89,120</u>	<u>791,803</u>
Fund balances, July 1	<u>0</u>	<u>702,683</u>	<u>135,890</u>	<u>(566,793)</u>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 225,010</u>	<u>\$ 225,010</u>

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

	Business-Type Activities			Governmental
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
ASSETS				
Current assets				
Cash and cash equivalents	\$ 23,617,060	\$ 2,388,833	\$ 26,005,893	\$ 2,165,489
Investments	31,871,913	2,922,704	34,794,617	2,650,910
Restricted assets				
Cash and cash equivalents	51,722,015	0	51,722,015	0
Investments	55,580,608	0	55,580,608	0
Receivables (net)				
Accounts	6,552,961	344,912	6,897,873	183,934
Intergovernmental	3,413,556	0	3,413,556	45,129
Lease	0	635,003	635,003	0
Other	77,835	3,204	81,039	0
Inventories	2,981,922	0	2,981,922	126,748
Prepaid items	485,554	0	485,554	177,174
Other assets	0	0	0	132,744
Total current assets	176,303,424	6,294,656	182,598,080	5,482,128
Noncurrent assets				
Lease receivable	0	2,956,424	2,956,424	0
Property held for development	2,383,568	9,840	2,393,408	0
Capital assets				
Non-depreciable	179,439,040	1,484,191	180,923,231	0
Depreciable/amortizable (net)	417,543,306	16,377,784	433,921,090	142,518
Total noncurrent assets	599,365,914	20,828,239	620,194,153	142,518
Total assets	775,669,338	27,122,895	802,792,233	5,624,646
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	0	5,121	5,121	0
Deferred outflows related to pensions	4,348,381	286,619	4,635,000	0
Deferred outflows related to other post employment benefits	1,385,198	199,368	1,584,566	0
Total deferred outflow of resources	5,733,579	491,108	6,224,687	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,888,776	130,327	2,019,103	204,080
Intergovernmental	1,673,338	41,331	1,714,669	0
Deposits	0	48,280	48,280	216,184
Sales tax	0	19,175	19,175	0
Interest	1,363	4,107	5,470	0
Accrued salaries	278,427	39,089	317,516	6,687
Compensated absences	1,024,957	251,263	1,276,220	34,994
Unearned revenue	0	0	0	3,309
Claims reserve	0	0	0	1,793,323
Lease/subscription payable	199,885	39,702	239,587	0
Contracts payable	1,261,588	295,000	1,556,588	0
Note payable	1,111,763	159,188	1,270,951	0
Other liabilities	0	65,258	65,258	0

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

	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	\$ 3,483,043	\$ 0	\$ 3,483,043	\$ 0
Retainages	4,308,227	0	4,308,227	0
Customer deposits	2,435,531	0	2,435,531	0
Interest	160,350	0	160,350	0
Revenue bonds payable	6,850,417	0	6,850,417	0
Total current liabilities	24,677,665	1,092,720	25,770,385	2,258,577
Noncurrent liabilities				
Compensated absences	113,884	27,918	141,802	3,888
Net pension liability	23,217,251	837,817	24,055,068	0
Net OPEB liability	7,646,108	1,080,225	8,726,333	0
Lease/subscription payable	201,106	48,515	249,621	0
Contracts payable	7,569,528	300,000	7,869,528	0
Notes payable	50,274,188	0	50,274,188	0
Revenue bonds payable	22,042,239	0	22,042,239	0
Total noncurrent liabilities	111,064,304	2,294,475	113,358,779	3,888
Total liabilities	135,741,969	3,387,195	139,129,164	2,262,465
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	28,973	57,530	86,503	0
Deferred inflows related to other post employment benefits	3,049,968	407,632	3,457,600	0
Deferred inflows related to leases	0	3,530,565	3,530,565	0
Total deferred inflows of resources	3,078,941	3,995,727	7,074,668	0
NET POSITION				
Net investment in capital assets	500,773,158	17,024,691	517,797,849	142,518
Restricted for:				
Capital outlay	97,777,471	63,441	97,840,912	0
Debt service	3,744,618	0	3,744,618	0
Unrestricted	40,286,760	3,142,949	43,429,709	3,219,663
Total net position	\$ 642,582,007	\$ 20,231,081	662,813,088	\$ 3,362,181
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			175,211	
Net position of business-type activities			<u>\$ 662,988,299</u>	

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2024

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
OPERATING REVENUES				
Charges for sales and services	\$ 85,752,900	\$ 6,450,513	\$ 92,203,413	\$ 0
Interfund services provided	0	0	0	15,303,226
Other	103,019	30,306	133,325	174,242
Total operating revenues	85,855,919	6,480,819	92,336,738	15,477,468
OPERATING EXPENSES				
Costs of sales and services	30,914,968	2,616,492	33,531,460	14,948,548
Personal services	18,531,005	2,742,235	21,273,240	514,122
Depreciation	16,594,386	1,806,638	18,401,024	23,295
Total operating expenses	66,040,359	7,165,365	73,205,724	15,485,965
Operating income (loss)	19,815,560	(684,546)	19,131,014	(8,497)
Non-operating revenues (expenses)				
Investment revenue	8,210,250	229,342	8,439,592	163,783
Interest expense	(1,389,601)	(43,660)	(1,433,261)	0
Intergovernmental revenue	221,178	0	221,178	0
Gain on sale of property held for development	3,270,971	483,605	3,754,576	0
Distribution of capital assets to				
Governmental Activities	(1,007)	0	(1,007)	0
Gain (loss) on sale of capital assets	57,704	(14,217)	43,487	0
Total non-operating revenues (expenses)	10,369,495	655,070	11,024,565	163,783
Income (loss) before capital contributions and transfers	30,185,055	(29,476)	30,155,579	155,286
Capital contributions				
Intergovernmental revenue	0	1,050,576	1,050,576	0
Connection fees	5,932,425	0	5,932,425	0
Capital contributions	15,682,684	0	15,682,684	0
Total capital contributions	21,615,109	1,050,576	22,665,685	0
Income (loss) before transfers	51,800,164	1,021,100	52,821,264	155,286
Transfers in (out)				
Transfers in	0	138,413	138,413	102,850
Transfers out	(1,494,676)	(600,000)	(2,094,676)	(125,287)
Total transfers in (out)	(1,494,676)	(461,587)	(1,956,263)	(22,437)
Change in net position	50,305,488	559,513	50,865,001	132,849
Net position, July 1, as previously reported	591,879,212	19,779,274	611,658,486	3,235,756
Error correction	490,207	12,576	502,783	0
Change in accounting principle	(92,900)	(120,282)	(213,182)	(6,424)
Net position, July 1, restated	592,276,519	19,671,568	611,948,087	3,229,332
Net position, June 30	\$ 642,582,007	\$ 20,231,081	\$ 662,813,088	\$ 3,362,181
Change in net position - enterprise funds			\$ 50,865,001	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(3,220)	
Change in net position - business-type activities			<u>\$ 50,861,781</u>	

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2024

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
Cash flows from operating activities:				
Receipts from customers	\$ 84,848,415	\$ 6,429,407	\$ 91,277,822	\$ 0
Receipts from interfund services provided	0	0	0	15,271,205
Payments to suppliers	(32,661,878)	(2,705,938)	(35,367,816)	(15,372,281)
Payments to employees	(18,283,858)	(2,717,108)	(21,000,966)	(515,242)
Other receipts	103,019	30,306	133,325	174,242
Net cash provided (used) by operating activities	34,005,698	1,036,667	35,042,365	(442,076)
Cash flows from non-capital financing activities:				
Receipts from other funds	0	138,413	138,413	0
Payments to other funds	(1,494,676)	(600,000)	(2,094,676)	(125,287)
Net cash provided (used) by non-capital financing activities	(1,494,676)	(461,587)	(1,956,263)	(125,287)
Cash flows from capital and related financing activities:				
Connection fees	5,932,425	0	5,932,425	0
Receipts from other governments	12,537,862	4,550,468	17,088,330	0
Receipts from other funds	0	0	0	102,850
Proceeds from sale of capital assets	144,923	4,503	149,426	0
Interest paid	(1,416,513)	(62,327)	(1,478,840)	0
Acquisition of capital assets	(42,341,551)	(1,624,373)	(43,965,924)	(102,850)
Payment of capital related accounts payable	(5,597,501)	(3,343,462)	(8,940,963)	0
Payment of capital related retainages payable	(4,272,239)	(353,022)	(4,625,261)	0
Issuance of notes payable	11,744,444	0	11,744,444	0
Principal payments - contracts payable	0	(290,000)	(290,000)	0
Principal payments - leases payable	0	(38,042)	(38,042)	0
Principal payments - subscriptions payable	(553,580)	0	(553,580)	0
Principal payments - bonds	(5,640,000)	0	(5,640,000)	0
Principal payments - notes payable	(462,808)	(754,500)	(1,217,308)	0
Net cash provided (used) by capital and related financing activities	(29,924,538)	(1,910,755)	(31,835,293)	0
Cash flows from investing activities:				
Receipts of investment revenue	5,235,579	169,544	5,405,123	119,555
Proceeds from sale of property held for development	3,367,667	513,474	3,881,141	0
Purchase of investments	(51,055,720)	(1,463,570)	(52,519,290)	(1,307,498)
Proceeds from sale of investments	50,717,597	2,045,560	52,763,157	1,747,067
Net cash provided (used) by investing activities	8,265,123	1,265,008	9,530,131	559,124
Net increase (decrease) in cash and cash equivalents	10,851,607	(70,667)	10,780,940	(8,239)
Cash and cash equivalents, July 1	64,487,468	2,459,500	66,946,968	2,173,728
Cash and cash equivalents, June 30	\$ 75,339,075	\$ 2,388,833	\$ 77,727,908	\$ 2,165,489

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2024

	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)	\$ 19,815,560	\$ (684,546)	\$ 19,131,014	\$ (8,497)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	16,594,386	1,806,638	18,401,024	23,295
(Increase) decrease in accounts receivable	(914,659)	(9,684)	(924,343)	(14)
(Increase) decrease in intergovernmental receivables	1,816	0	1,816	(35,317)
(Increase) decrease in leases receivable	0	175,892	175,892	0
(Increase) decrease in inventory	(326,373)	0	(326,373)	(8,804)
(Increase) decrease in prepaid items	(403,062)	0	(403,062)	(164,174)
(Increase) decrease in other assets	0	0	0	(11,591)
(Increase) decrease in deferred outflows of resources	(364,301)	194,138	(170,163)	0
Increase (decrease) in accounts payable	(1,133,562)	2,326	(1,131,236)	(290,683)
Increase (decrease) in intergovernmental payables	116,087	(95,560)	20,527	0
Increase (decrease) in sales tax payable	0	2,852	2,852	0
Increase (decrease) in accrued salaries and benefits	244,676	57,297	301,973	(1,120)
Increase (decrease) in deposits payable	8,358	0	8,358	17,249
Increase (decrease) in unearned revenue	0	0	0	3,309
Increase (decrease) in claims reserve	0	0	0	34,271
Increase (decrease) in net pension liability	1,596,640	(37,903)	1,558,737	0
Increase (decrease) in deferred inflows of resources	(862,485)	(328,217)	(1,190,702)	0
Increase (decrease) in net OPEB liability	(367,383)	(50,674)	(418,057)	0
Increase (decrease) in other liabilities	0	4,108	4,108	0
Total adjustments	14,190,138	1,721,213	15,911,351	(433,579)
Net cash provided (used) by operating activities	\$ 34,005,698	\$ 1,036,667	\$ 35,042,365	\$ (442,076)
Cash and cash equivalents reconciliation:				
Cash and cash equivalents	\$ 23,617,060	\$ 2,388,833	\$ 26,005,893	\$ 2,165,489
Restricted assets				
Cash and cash equivalents	51,722,015	0	51,722,015	0
Total cash and cash equivalents	\$ 75,339,075	\$ 2,388,833	\$ 77,727,908	\$ 2,165,489

Noncash investing, capital, and financing activities:

Contributions of capital assets from individuals totaled \$14,421,096.
Acquisition of capital assets through accounts payable totaled \$3,661,715.
Acquisition of capital assets through retainage payable totaled \$4,308,227.
Acquisition of capital assets through subscription arrangements totaled \$350,919.
Increase of notes payable through intergovernmental receivables totaled \$3,192,378.
Forgiveness of contracts payable through capital contributions totaled \$1,261,588.

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2024

	Community Private-Purpose Trust Fund	Employees' Pension Trust Fund	Municipal Court Custodial Fund
ASSETS			
Cash and cash equivalents	\$ 28,958	\$ 2,754,568	\$ 122,734
Investments, at fair value			
Mutual funds			
Equity	0	84,510,280	0
Fixed income	0	30,342,773	0
Real estate	0	14,240,049	0
Accounts receivable	414	0	0
Total assets	29,372	131,847,670	122,734
LIABILITIES			
Accounts payable	0	91,890	0
Due to other agencies	0	0	43,015
Total liabilities	0	91,890	43,015
NET POSITION			
Restricted for:			
Pensions	0	131,755,780	0
Employee assistance	29,372	0	0
Individuals, organizations, and other governments	0	0	79,719
Total net position	\$ 29,372	\$ 131,755,780	\$ 79,719

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the fiscal year ended June 30, 2024

	Community Private-Purpose Trust Fund	Employees' Pension Trust Fund	Municipal Court Custodial Fund
ADDITIONS			
Contributions			
Employer contributions	\$ 0	\$ 4,490,768	\$ 0
Employee contributions	0	4,493,878	0
Employee donations	49,128	0	0
Fines and forfeitures collected for other governments	0	0	126,201
	<u>49,128</u>	<u>8,984,646</u>	<u>126,201</u>
Total contributions and donations			
Investment Income			
Net appreciation (depreciation) in fair value of investments	0	6,298,728	0
Interest	3,456	247,107	0
Dividends	0	4,199,858	0
Investment expense	0	(452,825)	0
	<u>3,456</u>	<u>10,292,868</u>	<u>0</u>
Net investment income (loss)			
	<u>52,584</u>	<u>19,277,514</u>	<u>126,201</u>
Total additions (reductions)			
DEDUCTIONS			
Benefits	0	11,010,272	0
Refunds	0	833,931	0
Distributions for assistance	75,789	0	0
Distributions of fines and forfeitures to other governments	0	0	113,427
	<u>75,789</u>	<u>11,844,203</u>	<u>113,427</u>
Total deductions			
Change in net position	<u>(23,205)</u>	<u>7,433,311</u>	<u>12,774</u>
Net position, July 1, as previously reported	52,577	117,197,600	66,945
Error correction	0	7,124,869	0
	<u>52,577</u>	<u>124,322,469</u>	<u>66,945</u>
Net position, July 1, restated			
Net position, June 30	<u>\$ 29,372</u>	<u>\$ 131,755,780</u>	<u>\$ 79,719</u>

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2024

	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	\$ 2,788,371	\$ 680,036	\$ 0	\$ 3,468,407
Restricted assets				
Cash and cash equivalents	218,965	0	0	218,965
Investments	3,681,303	832,225	0	4,513,528
Receivables				
Accounts	24,502	15,374	0	39,876
Taxes	116,977	0	0	116,977
Total current assets	6,830,118	1,527,635	0	8,357,753
Noncurrent assets				
Property held for development	0	0	269,808	269,808
Capital assets				
Non-depreciable	32,429,653	12,755	0	32,442,408
Depreciable (net)	8,604,364	2,403,387	0	11,007,751
Total noncurrent assets	41,034,017	2,416,142	269,808	43,719,967
Total assets	47,864,135	3,943,777	269,808	52,077,720
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	262,942	183,493	0	446,435
Deferred outflows related to other post employment benefits	235,284	35,746	0	271,030
Total deferred outflows of resources	498,226	219,239	0	717,465
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,231,036	68,216	0	1,299,252
Retainage	253,332	0	0	253,332
Intergovernmental	0	0	21,868	21,868
Sales tax	13,099	0	0	13,099
Deposits	0	900	0	900
Unearned revenue	10,560	24,323	0	34,883
Accrued salaries	95,695	13,805	0	109,500
Compensated absences	203,056	41,370	0	244,426
Other liabilities	26,004	0	0	26,004
Total current liabilities	1,832,782	148,614	21,868	2,003,264
Noncurrent liabilities				
Compensated absences	22,562	4,597	0	27,159
Net pension liability	377,177	1,097,446	0	1,474,623
Net OPEB liability	1,135,205	84,881	0	1,220,086
Total noncurrent liabilities	1,534,944	1,186,924	0	2,721,868
Total liabilities	3,367,726	1,335,538	21,868	4,725,132

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2024

	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	\$ 30,725	\$ 62,123	\$ 0	\$ 92,848
Deferred inflows related to other post employment benefits	551,932	49,608	0	601,540
Total deferred inflows of resources	582,657	111,731	0	694,388
NET POSITION				
Net investment in capital assets	39,684,952	2,416,142	0	42,101,094
Restricted for cultural and recreation	18,965	0	0	18,965
Restricted for capital outlay	113,148	0	0	113,148
Unrestricted	4,594,913	299,605	247,940	5,142,458
Total net position	\$ 44,411,978	\$ 2,715,747	\$ 247,940	\$ 47,375,665

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
COMPONENT UNITS
For the fiscal year ended June 30, 2024

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Gainesville Hall County Land Bank	Total Component Units
Expenses				
Culture and Recreation	\$ 7,576,183	\$ 0	\$ 0	\$ 7,576,183
Housing and Development	0	2,139,008	347,812	2,486,820
Total expenses	7,576,183	2,139,008	347,812	10,063,003
Program revenues				
Charges for services	2,284,867	259,714	0	2,544,581
Operating grants and contributions	164,988	1,105,394	75,500	1,345,882
Capital grants and contributions	11,439,211	13,762	0	11,452,973
Total program revenues	13,889,066	1,378,870	75,500	15,343,436
Net (expense) revenue	6,312,883	(760,138)	(272,312)	5,280,433
General revenues				
Property taxes	7,367,277	0	0	7,367,277
Investment	340,387	63,068	0	403,455
Payments from City of Gainesville	0	1,389,655	0	1,389,655
Miscellaneous	9,296	29,874	0	39,170
Total general revenues	7,716,960	1,482,597	0	9,199,557
Change in net position	14,029,843	722,459	(272,312)	14,479,990
Net position, July 1, as previously reported	30,406,172	1,967,017	520,252	32,893,441
Error correction	0	28,655	0	28,655
Change in accounting principle	(24,037)	(2,384)	0	(26,421)
Net position, July 1, restated	30,382,135	1,993,288	520,252	32,895,675
Net position, June 30	\$ 44,411,978	\$ 2,715,747	\$ 247,940	\$ 47,375,665

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 units discussed below are included in the City's reporting entity because of the significance of their 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 E-1 to E-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 E-5 and E-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 E-7 and E-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.

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.

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 for 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 in accordance with GASB Statement No. 101, *Compensated Absences*. 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 (i.e., 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.

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 AAAf/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 AAAf/S1 by Fitch. The weighted average maturity at the end of the current fiscal year was 33 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was \$66,826,150.

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 Bloomberg Barclays U.S. Aggregate Bond Index. At the end of the current fiscal year, the duration for the index was 6.1 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	\$ 3,197,347	9.62	N/A
PIMCO Investment Grade Credit Fund	5,378,964	7.98	N/A
PIMCO Total Return Fund	10,450,605	5.48	N/A
	<u>\$ 19,026,916</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, 2024

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	\$ 70,915,956	\$ 0	\$ 70,915,956
U.S. treasury notes	64,995,113	0	0	64,995,113
Municipal bond securities	0	13,243,533	0	13,243,533
Total investments measured at fair value	\$ 64,995,113	\$ 84,159,489	\$ 0	\$ 149,154,602
Investments not subject to level disclosure:				
Georgia Fund 1 (classified as cash equivalent)				66,826,150
Total Investments				\$ 215,980,752

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.

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.

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	\$ 2,145,969	\$ 0	\$ 2,145,969
U.S. treasury notes	1,966,800	0	0	1,966,800
Municipal bond securities	0	400,759	0	400,759
Total investments measured at fair value	\$ 1,966,800	\$ 2,546,728	\$ 0	\$ 4,513,528

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.

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

3. Deposit and Investment Risk (continued)

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 - equities	\$ 77,470,082	\$ 0	\$ 0	\$ 77,470,082
Mutual Funds - debt	30,342,773	0	0	30,342,773
Mutual Funds - real estate	14,240,049	0	0	14,240,049
Private equity investments	0	0	7,040,198	7,040,198
Total investments measured at fair value	\$ 122,052,904	\$ 0	\$ 7,040,198	\$ 129,093,102

Mutual funds comprised of corporate stock securities, corporate and municipal bond securities, and real estate investment trusts classified as Level 1 of the hierarchy are valued using prices quoted in active markets. Mutual funds comprised of private equity investments classified as Level 3 of the hierarchy are valued using unobservable inputs and models based on assumptions such as growth and discount rates.

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
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4. Accounts Receivable

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

Primary Government:

Major Funds

General Fund		\$ 246,998
Fire Special Revenue Fund		934
Police Special Revenue Fund		461
Department of Water Resources Enterprise Fund	\$ 7,900,254	
Less: Allowance for Uncollectibles	<u>(1,347,293)</u>	6,552,961

Nonmajor Funds

Special Revenue Funds		
Community Service Center	8,372	
Cemetery Trust	6,730	
Opioid Settlement	706,882	
Grants	<u>42,116</u>	764,100
Enterprise Funds		
Airport	22,673	
Solid Waste	337,172	
Less: Allowance for Uncollectibles	(91,742)	
Golf Course	<u>76,809</u>	344,912
Internal Service Funds		
General Insurance	29,153	
Employee Benefits	<u>154,781</u>	183,934
Total Primary Government		<u><u>\$ 8,094,300</u></u>

Component Units:

City of Gainesville Parks and Recreation	\$ 24,502
Gainesville Convention and Visitor's Bureau	<u>15,374</u>
Total Component Units	<u><u>\$ 39,876</u></u>

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

5. Intergovernmental Receivables

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

Primary Government:

Major Funds

General Fund	\$	49,672
Fire Special Revenue Fund		979
Police Special Revenue Fund		537
SPLOST Capital Projects Fund		1,813,123
Department of Water Resources Fund		3,413,556

Nonmajor Funds

Special Revenue Funds		
Community Service Center	\$ 344,095	
Grants	49,990	
HUD Grant	<u>116,584</u>	510,669
Internal Service Funds		
Vehicle Services		<u>45,129</u>
Total Primary Government		<u><u>\$ 5,833,665</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 2024, based upon the assessments of January 1, 2023, and the levy date of June 20, 2023, were billed on September 15, 2023, and due on December 1, 2023. 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 \$337,092 of intradepartmental billings for water and sewer usage for the current fiscal year.

8. Interfund Receivables, Payables, and Transfers

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 111,434
Nonmajor Governmental	Nonmajor Governmental	920,023
		<u>\$ 1,031,457</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, 2024

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	Police	\$ 1,000,000
	SPLOST	1,592,000
	General Government Capital Projects	13,056,815
	Nonmajor Governmental	1,075,586
	Nonmajor Enterprise	120,000
Fire	General Government Capital Projects	315,000
Police	General Government Capital Projects	1,132,400
SPLOST	Nonmajor Governmental	759,135
General Government Capital Projects	SPLOST	100,000
	Internal Service	102,850
Department of Water Resources	General	1,494,676
Internal Service	Police	106,874
	Nonmajor Enterprise	18,413
Nonmajor Governmental	General	362,352
	SPLOST	4,397,214
	General Government Capital Projects	3,680,013
	Nonmajor Governmental	509,836
Nonmajor Enterprise	General	600,000
		<u>\$ 30,423,164</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, 2024

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	\$ 25,851,431	\$ 3,886,373	\$ 0	\$ 29,737,804
Easements	132,500	0	0	132,500
Construction in progress	42,234,794	17,910,887	(21,675,229)	38,470,452
Total non-depreciable assets	68,218,725	21,797,260	(21,675,229)	68,340,756
Depreciable/amortizable assets				
Buildings	67,756,575	14,924,909	(144,239)	82,537,245
Land improvements	3,784,979	3,742,008	0	7,526,987
Vehicles and equipment	28,517,287	5,554,220	(859,304)	33,212,203
Intangibles	1,265,160	317,799	0	1,582,959
Infrastructure	40,136,338	3,067,843	0	43,204,181
Intangible right-to-use assets				
Software	585,031	878,028	0	1,463,059
Total depreciable/amortizable assets	142,045,370	28,484,807	(1,003,543)	169,526,634
Less accumulated depreciation/amortization				
Buildings	(26,231,933)	(1,730,192)	144,239	(27,817,886)
Land improvements	(2,471,264)	(176,597)	0	(2,647,861)
Vehicles and equipment	(19,851,953)	(2,932,986)	706,496	(22,078,443)
Intangibles	(1,193,001)	(11,270)	0	(1,204,271)
Infrastructure	(18,867,782)	(1,332,887)	0	(20,200,669)
Intangible right-to-use assets				
Software	(295,263)	(310,280)	0	(605,543)
Total accumulated depreciation/amortization	(68,911,196)	(6,494,212)	850,735	(74,554,673)
Total depreciable/amortizable assets, net	73,134,174	21,990,595	(152,808)	94,971,961
Governmental activities capital assets, net	<u>\$ 141,352,899</u>	<u>\$ 43,787,855</u>	<u>\$ (21,828,037)</u>	<u>\$ 163,312,717</u>

Beginning balances of the Governmental activities have been restated to correct intangible right-to-use assets in the amount of (\$258,531) and associated accumulated amortization in the amount of (\$88,828)

Decreases in construction in progress for the governmental activities consist of projects placed in service in the amount of \$20,738,971 and projects abandoned in the amount of \$936,258.

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

9. Capital Assets (continued)

	Balance Beginning	Increases	Decreases	Balance Ending
Business-type activities				
Non-depreciable assets				
Land	\$ 29,864,693	\$ 0	\$ 0	\$ 29,864,693
Easements	2,853,620	151,900	0	3,005,520
Construction in progress	121,118,887	48,282,883	(21,348,752)	148,053,018
Total non-depreciable assets	153,837,200	48,434,783	(21,348,752)	180,923,231
Depreciable/amortizable assets				
Buildings	60,960,667	25,750	(75,000)	60,911,417
Land improvements	12,988,441	211,982	0	13,200,423
Vehicles and equipment	50,840,764	3,573,781	(743,798)	53,670,747
Intangibles	6,138,328	0	0	6,138,328
Infrastructure	607,782,291	35,425,689	(195,064)	643,012,916
Intangible right-to-use assets				
Software	1,112,296	353,419	0	1,465,715
Vehicles and equipment	192,602	0	0	192,602
Total depreciable/amortizable assets	740,015,389	39,590,621	(1,013,862)	778,592,148
Less accumulated depreciation/amortization				
Buildings	(20,350,420)	(1,335,053)	75,000	(21,610,473)
Land improvements	(8,137,480)	(688,014)	0	(8,825,494)
Vehicles and equipment	(29,335,247)	(3,245,256)	742,790	(31,837,713)
Intangibles	(3,252,075)	(192,765)	0	(3,444,840)
Infrastructure	(265,570,638)	(12,535,738)	120,355	(277,986,021)
Intangible right-to-use assets				
Software	(491,696)	(365,678)	0	(857,374)
Vehicles and equipment	(70,623)	(38,520)	0	(109,143)
Total accumulated depreciation/amortization	(327,208,179)	(18,401,024)	938,145	(344,671,058)
Total depreciable/amortizable assets, net	412,807,210	21,189,597	(75,717)	433,921,090
Business-type activities capital assets, net	\$ 566,644,410	\$ 69,624,380	\$ (21,424,469)	\$ 614,844,321

Decreases in construction in progress for the business-type activities consist of projects placed in service in the amount of \$21,317,523 and projects abandoned in the amount of \$31,229.

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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	\$ (12,755)	\$ 5,275,055
Construction in progress	12,265,544	15,532,349	(643,295)	27,154,598
Total non-depreciable assets	17,553,354	15,532,349	(656,050)	32,429,653
Depreciable assets				
Buildings	9,406,565	42,865	0	9,449,430
Land improvements	7,608,497	727,662	0	8,336,159
Vehicles and equipment	2,538,181	356,772	(145,996)	2,748,957
Intangibles	39,665	0	0	39,665
Infrastructure	3,120,059	0	0	3,120,059
Total depreciable assets	22,712,967	1,127,299	(145,996)	23,694,270
Less accumulated depreciation				
Buildings	(6,791,810)	(114,354)	0	(6,906,164)
Land improvements	(3,810,464)	(464,449)	0	(4,274,913)
Vehicles and equipment	(1,355,392)	(326,386)	145,996	(1,535,782)
Intangibles	(39,666)	0	0	(39,666)
Infrastructure	(2,209,803)	(123,578)	0	(2,333,381)
Total accumulated depreciation	(14,207,135)	(1,028,767)	145,996	(15,089,906)
Total depreciable assets, net	8,505,832	98,532	0	8,604,364
Parks & Recreation Component Unit capital assets, net	<u>\$ 26,059,186</u>	<u>\$ 15,630,881</u>	<u>\$ (656,050)</u>	<u>\$ 41,034,017</u>
Convention and Visitor's Bureau Component Unit				
Non-depreciable assets				
Land	\$ 0	\$ 12,755	\$ 0	\$ 12,755
Depreciable assets				
Buildings	2,145,177	481,015	0	2,626,192
Land improvements	86,853	472,368	0	559,221
Vehicles and equipment	107,691	237,791	0	345,482
Total depreciable assets	2,339,721	1,191,174	0	3,530,895
Less accumulated depreciation				
Buildings	(860,552)	(74,122)	0	(934,674)
Land improvements	(19,410)	(7,935)	0	(27,345)
Vehicles and equipment	(77,899)	(87,590)	0	(165,489)
Total accumulated depreciation	(957,861)	(169,647)	0	(1,127,508)
Total depreciable assets, net	1,381,860	1,021,527	0	2,403,387
Convention and Visitor's Bureau Component Unit capital assets, net	<u>\$ 1,381,860</u>	<u>\$ 1,034,282</u>	<u>\$ 0</u>	<u>\$ 2,416,142</u>

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

9. Capital Assets (continued)

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

Primary Government

Governmental activities

General Government	\$ 2,481,746
Public Safety	1,709,670
Public Works	1,318,734
Health and Welfare	750,909
Housing and Development	168,420
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>23,295</u>

Total depreciation/amortization expense for governmental activities \$ 6,452,774

Business-type activities

Department of Water Resources	\$ 16,594,386
Airport	645,136
Solid Waste	614,752
Golf Course	<u>546,750</u>

Total depreciation/amortization expense for business-type activities \$ 18,401,024

Component Units

Parks and Recreation	\$ 886,477
Convention and Visitor's Bureau	\$ 88,603

	<u>Primary Government</u>		<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Parks and Recreation</u>	<u>Convention and Visitor's Bureau</u>
Current year depreciation/amortization expense	\$ 6,452,774	\$ 18,401,024	\$ 886,477	\$ 88,603
Prior accumulated depreciation on assets through transfer from other funds	41,438	0	142,290	81,044
Additions to accumulated depreciation/amortization	<u>\$ 6,494,212</u>	<u>\$ 18,401,024</u>	<u>\$ 1,028,767</u>	<u>\$ 169,647</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 \$880,844. 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 \$861,568. The City recognized lease revenue of \$109,366 and interest revenue of \$10,634 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 \$430,018. Due to a correction in terms of the lease, the lease receivable was increased by \$49,780 to account for an incremental increase in payments each year of the lease. The lessee is required to make monthly fixed payments of \$2,500 with a 3% incremental increase annually. 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 \$417,737. The City recognized lease revenue of \$17,546 and interest revenue of \$12,529 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, 2024. At the end of the current year, the value of the lease receivable is \$3,591,427. The lessees are required to make monthly payments ranging from \$132 to \$8,590. The interest rates on the leases range from 0.18% to 2.92%. The value of the deferred inflow of resources at the end of the current year is \$3,530,565. The City recognized lease revenue of \$594,482 and interest revenue of \$37,881 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 \$6,321 to \$7,317 through March 2028, interest at 0.8330%, \$26,671 outstanding.
- \$38,625 meeting software subscription due in annual installments ranging from \$6,725 to \$7,785 through January 2028, interest at 2.7020%, \$27,085 outstanding.
- \$23,849 capital asset tracking software subscription due in annual installments of \$6,000, interest at 0.4260%, \$0 outstanding. This subscription was terminated during the current fiscal year.

11. Long-Term Debt (continued)

Leases/Subscriptions, continued

Governmental Activities (continued)

- \$26,387 privileged access management software subscription due in annual installments of \$6,000 through September 2024, interest at 0.3150%, \$6,000 outstanding.
- \$78,288 evidence management software subscription due in annual installments of \$12,384 through March 2024, interest at 0.4570%, \$0 outstanding. This obligation was paid in full in during the current fiscal year.
- \$375,631 evidence management software subscription due in annual installments of \$126,165 through March 2024, interest at 0.4570%, \$0 outstanding. This obligation was paid in full in during the current fiscal year.
- \$146,509 agenda and meeting software subscription due in annual installments of \$30,639 through January 2029, interest at 2.2820%, \$140,381 outstanding.
- \$84,548 debt management software subscription due in annual installments ranging from \$16,500 to \$20,000 through June 2028, interest at 2.6560%, \$71,548 outstanding.
- \$117,228 license plate reader software subscription due in annual installments of \$18,500 through November 2030, interest at 3.4510%, \$98,728 outstanding.
- \$78,897 building access software subscription until April 2029. The subscription was paid up front resulting in no obligation due at the end of the current fiscal year.
- \$100,416 data storage software subscription until November 2026. The subscription was paid up front resulting in no obligation due at the end of the current fiscal year.
- \$165,895 security camera software subscription due in annual installments of \$28,272 through November 2028, interest at 2.9780%, \$129,500 outstanding.
- \$25,885 policy management software subscription due in annual installments of \$8,186 through June 2026, interest at 2.8480%, \$15,699 outstanding.

11. Long-Term Debt (continued)

Leases/Subscriptions, continued

Governmental Activities (continued)

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
2025	\$ 132,433	\$ 13,239	\$ 145,672
2026	108,892	10,504	119,396
2027	104,178	7,616	111,794
2028	107,645	4,868	112,513
2029	44,741	2,031	46,772
2030-2031	17,723	617	18,340
Totals	<u>\$ 515,612</u>	<u>\$ 38,875</u>	<u>\$ 554,487</u>

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%, \$88,217 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%, \$380,986 outstanding.

11. Long-Term Debt (continued)

Leases/Subscriptions, continued

Business-type Activities (continued)

- \$95,657 laboratory information management system software subscription due in annual installments of \$34,203 through April 2024, interest at 2.1843%, \$0 outstanding. This obligation was paid in full in during the current fiscal year.
- \$30,549 SCADA and telemetry software subscription due in annual installments of \$10,544 through September 2026, interest at 3.5910%, \$20,005 outstanding.
- \$82,620 SCADA and telemetry software subscription until June 2026. This subscription was paid up front resulting in no obligation due at the end of the current fiscal year.
- \$23,076 SCADA and telemetry software subscription until June 2026. This subscription was paid up front resulting in no obligation due at the end of the current fiscal year.
- \$93,396 SCADA and telemetry software subscription until June 2026. This subscription was paid up front resulting in no obligation due at the end of the current fiscal year.
- \$22,413 SCADA and telemetry software subscription until May 2027. This subscription was paid up front resulting in no obligation due at the end of the current fiscal year.

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
2025	\$ 239,587	\$ 5,462	\$ 245,049
2026	242,541	2,508	245,049
2027	7,080	38	7,118
Totals	\$ 489,208	\$ 8,008	\$ 497,216

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% (\$24,300,000 outstanding).

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

Year Ending June 30,	Principal	Interest	Total
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	\$ 24,300,000	\$ 2,736,000	\$ 27,036,000

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 \$27,036,000. Principal and interest paid for the current year was \$5,640,000 and \$1,365,000, respectively. Water and sewer operating revenue totaled \$85,855,919 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 \$0 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.

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.

11. Long-Term Debt (continued)

Contracts Payable, continued

Governmental Activities (continued)

On September 25, 2012, the Gainesville Redevelopment Authority issued \$8,950,000 in the Series 2012B Revenue Refunding and Improvement Bonds, with an interest rate 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.

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.

11. Long-Term Debt (continued)

Contracts Payable, continued

Governmental Activities (continued)

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.

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.

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

Year Ending			
June 30,	Principal	Interest	Total
2025	\$ 3,289,799	\$ 1,961,258	\$ 5,251,057
2026	3,151,175	1,839,259	4,990,434
2027	3,120,518	1,721,574	4,842,092
2028	3,262,065	1,601,637	4,863,702
2029	1,810,017	1,498,362	3,308,379
2030-2034	10,420,084	6,124,184	16,544,268
2035-2039	10,595,084	3,736,853	14,331,937
2040-2044	12,874,849	1,372,161	14,247,010
Totals	<u>\$ 48,523,591</u>	<u>\$ 19,855,288</u>	<u>\$ 68,378,879</u>

11. Long-Term Debt (continued)

Contracts Payable, continued

Business-type Activities

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

On June 1, 2015, the Gainesville Redevelopment Authority issued \$11,230,000 in the Series 2015 Revenue Refunding Bonds, with an interest rate of 2.556%. An intergovernmental agreement 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.

11. Long-Term Debt (continued)

Contracts Payable, continued

Business-type Activities (continued)

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

Year Ending June 30,	Principal	Interest	Total
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	1,261,588	0	1,261,588
2030-2034	2,523,176	0	2,523,176
Totals	<u>\$ 9,426,116</u>	<u>\$ 15,547</u>	<u>\$ 9,441,663</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. This obligation was paid in full during the current year. 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 (continued)

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 \$569,970 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 \$1,659,293 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.

In June 2024, the City entered into a financed purchase agreement with De Lage Landen Public Finance LLC, for the purchase of a Palo Alto Firewall Network Upgrade. The amount of the agreement was \$504,689, interest at 3.049% for a term of three years. The outstanding balance was \$333,208 at year end. The agreement is collateralized by the network. 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 network.

11. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

Governmental Activities (continued)

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 832,518	\$ 100,878	\$ 933,396
2026	861,675	71,721	933,396
2027	424,026	41,417	465,443
2028	444,252	21,191	465,443
Totals	\$ 2,562,471	\$ 235,207	\$ 2,797,678

Business-Type Activities

The City entered into two direct borrowing agreements with 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 \$51,841,035 on these agreements. At the end of the current fiscal year, one of the agreements was fully drawn down with an outstanding balance due of \$22,037,192 while the other is still in drawdown phase. The amortization schedule below does not include the agreement still in drawdown phase. At the end of the current fiscal year, the outstanding balance is \$29,348,760. 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.

The City entered into a direct borrowing agreement with the Georgia Environmental Finance Authority in the amount of \$200,000 for testing for lead in the City's water and sewer system. This note is 100% forgivable at the earlier of February 2025 or when the note is fully disbursed. At the end of the current fiscal year, the City has drawn \$7,725 on this agreement.

11. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

Business-Type Activities (continued)

In July 2021, the City entered into a financed purchase agreement with KS State Bank 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. This obligation was paid in full during the current year. 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 State Bank 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 \$159,187 at year end. The agreement is collateralized by the vehicles. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable or the City will be required to return the vehicles.

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,270,951	\$ 33,798	\$ 1,304,749
2026	1,113,209	26,540	1,139,749
2027	1,114,657	25,092	1,139,749
2028	1,116,107	23,642	1,139,749
2029	1,117,559	22,190	1,139,749
2030-2034	5,609,639	89,108	5,698,747
2035-2039	5,646,218	52,528	5,698,746
2040-2044	5,208,039	15,813	5,223,852
Totals	<u>\$ 22,196,379</u>	<u>\$ 288,711</u>	<u>\$ 22,485,090</u>

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
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12. Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Notes from direct borrowings	\$ 3,147,910	\$ 504,689	\$ (1,090,128)	\$ 2,562,471	\$ 832,518
Certificates of participation	448,953	0	(448,953)	0	0
Subscriptions payable	214,746	877,378	(576,512)	515,612	132,433
Contracts payable	50,560,060	0	(2,036,469)	48,523,591	3,289,799
Compensated absences	2,129,237	617,631	0	2,746,868	2,472,181
Total governmental activities	<u>\$ 56,500,906</u>	<u>\$ 1,999,698</u>	<u>\$ (4,152,062)</u>	<u>\$ 54,348,542</u>	<u>\$ 6,726,931</u>
Business-type activities					
Revenue bonds	\$ 29,940,000	\$ 0	\$ (5,640,000)	\$ 24,300,000	\$ 5,800,000
Unamortized bond premium	5,680,672	0	(1,088,016)	4,592,656	1,050,417
Leases payable	126,258	0	(38,042)	88,216	39,072
Subscriptions payable	603,653	350,919	(553,580)	400,992	200,515
Contracts payable	10,977,704	0	(1,551,588)	9,426,116	1,556,588
Notes from direct borrowings	37,825,625	14,936,822	(1,217,308)	51,545,139	1,270,951
Compensated absences	1,178,131	239,891	0	1,418,022	1,276,220
Total business-type activities	<u>\$ 86,332,043</u>	<u>\$ 15,527,632</u>	<u>\$ (10,088,534)</u>	<u>\$ 91,771,141</u>	<u>\$ 11,193,763</u>
Component Units					
City of Gainesville					
Parks and Recreation					
Compensated absences	\$ 170,296	\$ 55,322	\$ 0	\$ 225,618	\$ 203,056
Gainesville Convention and Visitor's Bureau					
Compensated absences	36,710	9,257	0	45,967	41,370
Total Component Units	<u>\$ 207,006</u>	<u>\$ 64,579</u>	<u>\$ 0</u>	<u>\$ 271,585</u>	<u>\$ 244,426</u>

Beginning debt balances have been restated for the implementation of GASB Statement No. 101, *Compensated Absences* and to correct the reporting of subscriptions payable. See Note 28 for additional details.

The additions noted for compensated absences reflect the net change for the period.

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.

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 \$2,232,166 and \$1,433,261, respectively.

The City is subject to a legal debt margin of 10% of total assessed property value. The City's net assessed value is \$8,631,056,249. The City has \$0 of outstanding general obligation debt. The City has a total of \$863,105,625 (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 10 series of Revenue Bonds outstanding. The current aggregate principal amount payable for the series totaled \$440,291,996. The original issue amounts totaled \$455,007,034.

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

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

	General	Fire	Police	SPLOST	General Government Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid items	\$ 68,093	\$ 24,934	\$ 39,521	\$ 0	\$ 2,028,000	\$ 5,661	\$ 2,166,209
Restricted for:							
Police facilities and equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 925,235	\$ 925,235
Fire facilities and equipment	0	0	0	0	0	327,151	327,151
Opioid remediation efforts	0	0	0	0	0	157,096	157,096
Streets facilities and equipment	0	0	0	0	0	19,150	19,150
Community Service Center operations	0	0	0	0	0	2,347,843	2,347,843
Recreation facilities and equipment	0	0	0	0	0	757,074	757,074
Neighborhood improvements	0	0	0	0	0	272,817	272,817
Midtown development	0	0	0	0	0	3,286,474	3,286,474
Capital projects	0	0	0	31,096,162	1,169,863	604,792	32,870,817
Debt service	0	0	0	0	0	1,147,640	1,147,640
	<u>0</u>	<u>0</u>	<u>0</u>	<u>31,096,162</u>	<u>1,169,863</u>	<u>9,845,272</u>	<u>42,111,297</u>
Committed for:							
Cemetery improvements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 702,333	\$ 702,333
Energy efficiency retrofits	47,560	0	0	0	0	3,501	51,061
Capital projects	0	0	0	0	475,168	0	475,168
	<u>47,560</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>475,168</u>	<u>705,834</u>	<u>1,228,562</u>
Assigned for:							
Fire operations	\$ 0	\$ 752,687	\$ 0	\$ 0	\$ 0	\$ 0	\$ 752,687
Police operations	0	0	185,489	0	0	0	185,489
Community Service Center operations	0	0	0	0	0	3,171,071	3,171,071
Economic development	0	0	0	0	0	6,067,275	6,067,275
Tourism and City promotion	0	0	0	0	0	845,403	845,403
Budget	6,616,114	0	0	0	0	0	6,616,114
Capital projects	0	0	0	3,386,719	26,880,865	518,824	30,786,408
Debt service	0	0	0	0	0	3,843,273	3,843,273
	<u>6,616,114</u>	<u>752,687</u>	<u>185,489</u>	<u>3,386,719</u>	<u>26,880,865</u>	<u>14,445,846</u>	<u>52,267,720</u>

15. Self-Insurance

General Insurance

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

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

15. Self-Insurance (continued)

General Insurance Internal Service Fund

Balance, beginning of year	\$ 1,166,640
Current year claims and changes in estimate	347,134
Claim payments	(170,185)
Balance, end of year	<u>\$ 1,343,589</u>

Employee Benefits Internal Service Fund

Balance, beginning of year	\$ 592,412
Current year claims and changes in estimate	5,910,785
Claim payments	(6,053,463)
Balance, end of year	<u>\$ 449,734</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, 2024, the date of the most recent actuarial valuation, participants consist of the following:

Retirees and beneficiaries currently receiving benefits	320
Terminated vested participants entitled to but not yet receiving benefits	88
Active participants	<u>511</u>
Total number of participants	<u><u>919</u></u>

Benefits Provided. Employees hired before July 1, 2008, are eligible for normal retirement upon completion of twenty-five years of service or age 60 with at least five years of service. The normal retirement benefit payable for life is 3.0% of the average monthly salary for the highest consecutive five years of service multiplied by the years of service, not to exceed thirty-three years. Benefits vest after ten years of service. An early retirement option is available upon completion of twenty years of service. However, benefits are reduced by 2% for each year the commencement date precedes the normal retirement date. Public safety employees hired on or after July 1, 2008, are eligible for normal retirement upon age 50 and completion of twenty-five years of service or age 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
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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 \$64,652,274. 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, 2024. For the current fiscal year, the City recognized pension expense of \$7,052,988.

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	\$ 65,323	\$ 3,777,349	\$ 3,842,672
Interest	218,280	12,621,706	12,839,986
Differences between expected and actual experience	101,180	5,850,614	5,951,794
Benefit payments	(201,351)	(11,642,852)	(11,844,203)
Net change in Total Pension Liability	183,432	10,606,817	10,790,249
Total Pension Liability, Balances as of June 30, 2023	3,856,712	181,651,093	185,507,805
Total Pension Liability, Balances as of June 30, 2024	<u>\$ 4,040,144</u>	<u>\$ 192,257,910</u>	<u>\$ 196,298,054</u>
Plan fiduciary net position			
Contributions - city	\$ 76,343	\$ 4,414,425	\$ 4,490,768
Contributions - member	76,396	4,417,482	4,493,878
Net investment income	183,852	10,630,958	10,814,810
Benefit payments	(201,351)	(11,642,852)	(11,844,203)
Administrative expenses	(7,698)	(445,127)	(452,825)
Net changes in fiduciary net position	127,542	7,374,886	7,502,428
Plan Fiduciary Net Position, Balances as of June 30, 2023	2,612,863	121,640,489	124,253,352
Plan Fiduciary Net Position, Balances as of June 30, 2024	2,740,405	129,015,375	131,755,780
Changes in participant fund allocation	(202,295)	202,295	0
Employer's Net Pension Liability	<u>\$ 1,097,444</u>	<u>\$ 63,444,830</u>	<u>\$ 64,542,274</u>
Plan fiduciary net position as a percentage of the total pension liability	67.12%	67.12%	67.12%
Covered payroll	\$ 578,475	\$ 33,442,495	\$ 34,020,970
Employer's Net pension liability as a percentage of covered payroll	189.71%	189.71%	189.71%

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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	\$ 124,438	\$ 0	\$ 7,193,943	\$ 0	\$ 7,318,381	\$ 0
Changes in participant fund allocation	0	(62,123)	282,013	(219,889)	282,013	(282,012)
Net difference between projected and actual earnings on pension plan investments	59,055	0	3,413,856	0	3,472,911	0
Totals	<u>\$ 183,493</u>	<u>\$ (62,123)</u>	<u>\$ 10,889,812</u>	<u>\$ (219,889)</u>	<u>\$ 11,073,305</u>	<u>\$ (282,012)</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
2025	\$ 21,868	\$ 1,922,474	\$ 1,944,342
2026	77,196	6,786,462	6,863,658
2027	13,941	1,225,594	1,239,535
2028	8,365	735,393	743,758
Totals	<u>\$ 121,370</u>	<u>\$ 10,669,923</u>	<u>\$ 10,791,293</u>

16. Pension Plans (continued)

Pension Plan A (continued)

Actuarial Assumptions. The total pension liability in the July 1, 2024 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	\$ 1,485,447	\$ 1,097,446	\$ 772,381
City	85,893,806	63,444,828	44,661,796
Net Pension Liability	<u>\$ 87,379,253</u>	<u>\$ 64,542,274</u>	<u>\$ 45,434,177</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 A-13 and A14). 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, 2024, the date of the most recent actuarial valuation, participants consist of the following:

Retirees and beneficiaries currently receiving benefits	79
Terminated vested participants entitled to but not yet receiving benefits	48
Active participants	<u>131</u>
Total number of participants	<u><u>258</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 \$426,373 or 4.51% 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
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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 \$1,582,264. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. For the current fiscal year, the City recognized pension expense of \$676,155. 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 Unit	City	Totals
Total Pension Liability			
Service Cost	\$ 38,153	\$ 111,878	\$ 150,031
Interest	179,934	527,620	707,554
Differences between expected and actual experience	57,650	169,046	226,696
Benefit payments	(173,003)	(507,297)	(680,300)
Net change in Total Pension Liability	102,734	301,247	403,981
Total Pension Liability, Balances as of June 30, 2023	2,488,134	7,295,934	9,784,068
Total Pension Liability, Balances as of June 30, 2024	<u>\$ 2,590,868</u>	<u>\$ 7,597,181</u>	<u>\$ 10,188,049</u>
Plan fiduciary net position			
Contributions	75,383	221,044	296,427
Net investment income	270,498	793,190	1,063,688
Benefit payments	(173,003)	(507,297)	(680,300)
Administrative expenses	(7,917)	(23,214)	(31,131)
Net changes in fiduciary net position	164,961	483,723	648,684
Plan Fiduciary Net Position, Balances as of June 30, 2023	2,023,529	5,933,572	7,957,101
Plan Fiduciary Net Position, Balances as of June 30, 2024	<u>\$ 2,188,490</u>	<u>\$ 6,417,295</u>	<u>\$ 8,605,785</u>
	(25,199)	25,199	0
Employer's Net Pension Liability	<u>\$ 377,179</u>	<u>\$ 1,205,085</u>	<u>\$ 1,582,264</u>
Plan fiduciary net position as a percentage of the total pension liability	84.47%	84.47%	84.47%
Covered payroll	\$ 1,401,733	\$ 4,478,528	\$ 5,880,261
Net pension liability as a percentage of covered payroll	26.91%	26.91%	26.91%

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
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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	\$ 84,170	\$ (30,725)	\$ 268,927	\$ (98,165)	\$ 353,097	\$ (128,890)
Net difference between projected and actual earnings on pension plan investments	93,060	0	297,334	0	390,394	0
Contributions subsequent to the measurement date	85,712	0	273,851	0	359,563	0
Totals	<u>\$ 262,942</u>	<u>\$ (30,725)</u>	<u>\$ 840,112</u>	<u>\$ (98,165)</u>	<u>\$ 1,103,054</u>	<u>\$ (128,890)</u>

The \$359,563 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, 2025. 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
2025	\$ 37,016	\$ 118,270	\$ 155,286
2026	35,000	111,826	146,826
2027	97,953	312,967	410,920
2028	(23,464)	(74,967)	(98,431)
Totals	<u>\$ 146,505</u>	<u>\$ 468,096</u>	<u>\$ 614,601</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 March 31, 2023, 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%	6.91%
International equity	20%	7.21%
Global fixed income	5%	1.67%
Domestic fixed income	20%	1.61%
Real estate	10%	3.61%
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	\$ 672,975	\$ 377,177	\$ 172,777
City	1,973,360	1,205,087	506,631
Net Pension Liability	<u>\$ 2,646,335</u>	<u>\$ 1,582,264</u>	<u>\$ 679,408</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	\$ 3,842,670	\$ 150,034	\$ 3,992,704
Interest	12,839,986	707,554	13,547,540
Member contributions	(4,493,878)	0	(4,493,878)
Projected earnings on plan investments	(8,581,801)	(571,533)	(9,153,334)
Expensed portion of current-period differences between expected and actual experience	1,190,359	56,674	1,247,033
Expensed portion of current-period differences between actual and projected earnings on plan investments	(446,602)	(98,431)	(545,033)
Administrative expense	452,825	31,131	483,956
Recognition of deferred inflows and outflows as pension expense	2,249,429	400,726	2,650,155
Pension expense (income)	<u>\$ 7,052,988</u>	<u>\$ 676,155</u>	<u>\$ 7,729,143</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 \$23,000 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 \$42,260,146. Plan members made voluntary contributions of \$531,791 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 internally by the Human Resources Department. The City has established provisions, which assign the authority to the City Council members to establish and amend the benefit provisions of the plan.

There is no stand-alone financial report issued for the OPEB plan.

At July 1, 2022, the date of the most recent actuarial valuation, the plan consisted of 797 participants. The numbers below have been updated for the measurement date of June 30, 2023:

Retirees and beneficiaries currently receiving benefits	163
Vested terminated members entitled to but not yet receiving benefits	0
Active participants	<u>626</u>
Total number of participants	<u><u>789</u></u>

Benefits Provided. City employees become eligible after 20 years of service. Benefits valued herein are for retiree medical and prescription drug. Life insurance, vision, and dental are optional, paid in full by retirees and are not valued here. Coverage is for the retiree’s lifetime for retirees hired before 2002, but ceases at age 65 if hired after 2001; spouses have the same coverage provisions. Retirees hired before July 1, 2008, or those with 25 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 City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy. The City’s contributions for the current fiscal year totaled \$2,282,586 or 6.62% 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 \$23,027,366. The net OPEB liability was measured as of June 30, 2023, 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, 2023. During the current fiscal year, the City recognized OPEB expense (revenue) of (\$475,722). The Governmental Activities’ net OPEB liability is liquidated by the General Fund, Community Service Center Special Revenue Fund, Fire Special Revenue Fund, and Police Special Revenue Fund.

CITY OF GAINESVILLE, GEORGIA
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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	\$ 109,847	\$ 1,142,735	\$ 1,252,582
Interest	74,244	784,064	858,308
Differences between expected and actual experience	32,322	341,341	373,663
Change in assumptions	(112,398)	(1,186,989)	(1,299,387)
Benefit payments	(197,445)	(2,085,141)	(2,282,586)
Net change in Total Pension Liability	(93,430)	(1,003,990)	(1,097,420)
Total OPEB Liability, Balances as of June 30, 2023	1,313,516	22,811,270	24,124,786
Total OPEB Liability, Balances as of June 30, 2024	<u>\$ 1,220,086</u>	<u>\$ 21,807,280</u>	<u>\$ 23,027,366</u>
Plan fiduciary net position			
Contributions	197,445	2,085,141	2,282,586
Benefit payments	(197,445)	(2,085,141)	(2,282,586)
Net changes in fiduciary net position	0	0	0
Plan Fiduciary Net Position, Balances as of June 30, 2023	0	0	0
Plan Fiduciary Net Position, Balances as of June 30, 2024	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Employer's Net Pension Liability	<u>\$ 1,220,086</u>	<u>\$ 21,807,280</u>	<u>\$ 23,027,366</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 1,823,962	\$ 32,643,015	\$ 34,466,977
Plan net OPEB liability as a percentage of covered employee payroll	66.89%	66.81%	66.81%

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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	\$ 106,984	\$ (42,973)	\$ 1,479,553	\$ (469,561)	\$ 1,586,537	\$ (512,534)
Change of assumptions or other inputs	77,004	(558,567)	1,126,185	(8,007,694)	1,203,189	(8,566,261)
Contributions subsequent to the measurement date	87,042	0	1,391,895	0	1,478,937	0
Totals	\$ 271,030	\$ (601,540)	\$ 3,997,633	\$ (8,477,255)	\$ 4,268,663	\$ (9,078,795)

The \$1,478,937 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
2025	\$ (40,256)	\$ (566,071)	\$ (606,327)
2026	(48,959)	(688,446)	(737,405)
2027	(102,506)	(1,441,413)	(1,543,919)
2028	(102,506)	(1,441,413)	(1,543,919)
2029	(114,545)	(1,610,710)	(1,725,255)
Thereafter	(8,780)	(123,464)	(132,244)
Totals	\$ (417,552)	\$ (5,871,517)	\$ (6,289,069)

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, based upon service
Actuarial cost method	Entry age cost method
Discount rate	4.13%, 3.54% 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	Mortality rates were based on sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Tables, 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 4.13%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2023.

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 (3.13%) or one percentage-point higher (5.13%) 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 3.13%	Current Rate 4.13%	1% Increase 5.13%
Component Units	\$ 1,411,871	\$ 1,220,086	\$ 1,158,544
City	25,267,923	21,807,280	20,734,179
Net OPEB Liability	<u>\$ 26,679,794</u>	<u>\$ 23,027,366</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	\$ 1,141,347	\$ 1,220,086	\$ 1,436,341
City	20,426,420	21,808,778	25,705,860
Net OPEB Liability	<u>\$ 21,567,767</u>	<u>\$ 23,028,864</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 an 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	\$ 2,228,365	
Disbursements for tourism and visitor programs	\$ 1,764,655	79.2% of tax receipts

The City transferred \$235,770 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 38 percent of the water sales and sewer charges from the system in current fiscal year.

21. Joint Ventures

The City of Gainesville participates in two 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 \$101,632 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 \$105,370 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. During the current fiscal year, the City paid \$54,271.24 in dues. Membership in a regional commission (RC) is required by the Official Code of Georgia Annotated (O.C.G.A.) 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. O.C.G.A. § 50-8-39 provides upon ceasing operations that the government members are liable for any debts or obligations of the 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 \$20,000 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	\$ 77,084
Nonmajor governmental funds	491,679	0
	<u>\$ 491,679</u>	<u>\$ 77,084</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	\$ 104,211,556	\$ 39,305,728
Improvements to recreational facilities	26,310,952	14,722,599
City buildings and facilities improvements	24,700,978	3,417,272
Improvements to roadways & sidewalks	5,237,458	2,062,203
Totals	<u>\$ 160,460,944</u>	<u>\$ 59,507,802</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 \$539,009.

26. Subsequent Events

On October 22, 2024, the City issued \$70.1 million in water and sewerage revenue bonds (the "Series 2024 Bonds") to provide moneys to (a) finance, in whole or in part, the cost of certain improvements to the water and sewerage system of Gainesville (the "System"); (b) refund the City's Water and Sewerage Revenue Bonds, Series 2014 maturing on and after November 15, 2025; and (c) pay the costs of issuing the Series 2024 Bonds. The Series 2024 Bonds bear interest at rates from 3.000 to 5.000 percent, will mature over the next 22 years, and are payable from the Net Revenues of the System.

27. New Accounting Standards

The City implemented GASB Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2023. The implementation of this new standard had no impact on the City's net position.

The City implemented GASB Statement No. 101, *Compensated Absences*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after December 15, 2023. The implementation of this new standard decreased the City's beginning net position in the amount of \$623,298. See Note 28 for additional details.

28. Changes in Beginning Balances

Changes To or Within Financial Reporting Entity

Police Fund

The City changed the presentation of the Police Fund from nonmajor fund presentation to major fund presentation during the current fiscal year.

28. Changes in Beginning Balances (continued)

Changes in Accounting Principles

Governmental Activities

To implement GASB Statement No. 101, *Compensated Absences*, the City adjusted beginning net position in the Governmental Activities. The implementation of this standard decreased beginning net position in the amount of \$409,112.

Business-Type Activities

To implement GASB Statement No. 101, *Compensated Absences*, the City adjusted beginning net position in the Business-Type Activities. The implementation of this standard decreased beginning net position in the amount of \$214,186. See the detail for each proprietary fund in the chart below.

Component Units

To implement GASB Statement No. 101, *Compensated Absences*, the City adjusted beginning net position in the Component Units. The implementation of this standard decreased beginning net position in the amount of \$26,421. See the detail for each Component Unit in the chart below.

Correction of an Error

Governmental Activities

The City adjusted beginning net position to remove an intangible right-to-use asset and related subscription liability. To correct this error the City increased beginning net position in the amount of \$3,359.

28. Changes in Beginning Balances (continued)

Correction of an Error, continued

Governmental Activities (Continued)

The City adjusted beginning net position to correct the balances of pension liabilities, pension related deferred inflows of resources, and pension related outflow of resources. To correct this error the City increased beginning net position in the Governmental Activities in the amount of \$872,992.

The total net increase to beginning net position in the Governmental Activities was \$876,351.

Business-Type Activities

The City adjusted beginning net position to correct the balances of pension liabilities, pension related deferred inflows of resources, and pension related outflow of resources. To correct this error the City increased beginning net position in the Business-Type Activities in the amount of \$502,783. See the details of this correction of an error for each proprietary fund in the chart below.

Fiduciary Funds

Employees' Pension Trust Fund

The City adjusted the beginning net position in Employees' Pension Trust Fund to correct the balance of the investments. To correct this error the City increased beginning net position in the Employees' Pension Trust Fund in the amount of \$7,124,869.

CITY OF GAINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

28. Changes in Beginning Balances (continued)

Correction of an Error, continued

Component Units

The City adjusted beginning net position to correct the balances of pension liabilities, pension related deferred inflows of resources, and pension related outflow of resources. To correct this error the City increased beginning net position in the Gainesville Convention and Visitor's Bureau Component Unit in the amount of \$28,655.

A summary of the changes in beginning balances is presented below:

	Beginning As Previously Reported	Change in Accounting Principle	Error Correction	Changes to or within Reporting Entity	Ending As Restated
Government-Wide					
Governmental Activities	\$ 153,078,121	\$ (409,112)	\$ 876,351	\$ 0	\$ 153,545,360
Business-Type Activities	611,836,917	(213,182)	502,783	0	612,126,518
Total Primary Government	\$ 764,915,038	\$ (622,294)	\$ 1,379,134	\$ 0	\$ 765,671,878
Governmental Funds					
Major Fund					
Police	\$ 0	\$ 0	\$ 0	\$ 135,890	\$ 135,890
Nonmajor Funds	26,609,036	0	0	(135,890)	26,473,146
	\$ 26,609,036	\$ 0	\$ 0	\$ 0	\$ 26,609,036
Proprietary Funds					
Major Fund					
Department of Water Resources	\$ 591,879,212	\$ (92,900)	\$ 490,207	\$ 0	\$ 592,276,519
Nonmajor					
Airport	13,849,079	(2,650)	2,976	0	13,849,405
Solid Waste	2,697,599	(8,081)	9,600	0	2,699,118
Chattahoochee Golf Course	3,232,596	(109,551)	0	0	3,123,045
Total Proprietary Funds	\$ 611,658,486	\$ (213,182)	\$ 502,783	\$ 0	\$ 611,948,087
Fiduciary Fund					
Employees' Pension Trust	\$ 117,197,600	\$ 0	\$ 7,124,869	\$ 0	\$ 124,322,469
Component Units					
City of Gainesville Park and Recreation	\$ 30,406,172	\$ (24,037)	\$ 0	\$ 0	\$ 30,382,135
Gainesville Convention and Visitor's Bureau	1,967,017	(2,384)	28,655	0	1,993,288
Gainesville Hall County Land Bank	520,252	0	0	0	520,252
Total Component Units	\$ 32,893,441	\$ (26,421)	\$ 28,655	\$ 0	\$ 32,895,675
Internal Service Fund					
Vehicle Services Fund	\$ 406,326	\$ (6,424)	\$ 0	\$ 0	\$ 399,902

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, 2024
(Unaudited)

	Fiscal Year End			
	2024	2023	2022	2021
Total pension liability				
Service cost	\$ 3,842,672	\$ 3,746,586	\$ 3,891,771	\$ 3,831,533
Interest	12,839,986	12,496,286	11,552,275	11,215,733
Change of benefit terms	0	0	4,237,614	0
Differences between expected and actual experience	5,951,794	274,113	5,218,288	40,859
Changes of assumptions	0	0	0	0
Benefit payments, including refunds of employee contributions	(11,844,203)	(11,561,933)	(10,975,839)	(9,705,398)
Net change in total pension liability	10,790,249	4,955,052	13,924,109	5,382,727
Total pension liability - beginning	185,507,805	180,552,753	166,628,644	161,245,917
Total pension liability - ending (a)	\$ 196,298,054	\$ 185,507,805	\$ 180,552,753	\$ 166,628,644
Plan fiduciary net position				
Contributions - employer	\$ 4,490,768	\$ 4,227,917	\$ 3,851,093	\$ 3,650,796
Contributions - employee	4,493,878	4,227,917	3,851,092	3,650,796
Net investment income	10,814,810	6,184,515	(13,327,037)	33,572,789
Benefit payments, including refunds of employee contributions	(11,844,203)	(11,561,933)	(10,975,839)	(9,705,398)
Administrative expense	(452,825)	(450,737)	(400,013)	(357,352)
Net change in fiduciary net position	7,502,428	2,627,679	(17,000,704)	30,811,631
Plan fiduciary net position - beginning	124,253,352	121,625,673	138,626,377	107,814,746
Plan fiduciary net position - ending (b)	\$ 131,755,780	\$ 124,253,352	\$ 121,625,673	\$ 138,626,377
Net pension liability (asset) - ending : (a) - (b)	\$ 64,542,274	\$ 61,254,453	\$ 58,927,080	\$ 28,002,267
Plan's fiduciary net position as a percentage of the total pension liability	67.12%	66.98%	67.36%	83.19%
Covered payroll	\$ 34,020,970	\$ 32,029,674	\$ 29,174,939	\$ 27,657,545
Net pension liability as a percentage of covered payroll	189.71%	191.24%	201.98%	101.25%

Note: 2023 balances have been restated to correct an error in reporting

Fiscal Year End					
2020	2019	2018	2017	2016	2015
\$ 3,679,859	\$ 3,457,259	\$ 3,272,080	\$ 3,292,073	\$ 3,650,560	\$ 3,522,833
10,739,335	10,187,578	9,800,092	9,366,300	9,061,392	8,576,549
0	0	0	0	0	0
1,781,943	3,149,640	2,438,030	1,826,638	586,393	1,827,514
0	0	3,438,994	0	(246,666)	0
(9,388,847)	(8,880,837)	(8,661,630)	(8,301,719)	(7,642,229)	(7,282,407)
6,812,290	7,913,640	10,287,566	6,183,292	5,409,450	6,644,489
154,433,627	146,519,987	136,232,421	130,049,129	124,639,679	117,995,190
<u>\$ 161,245,917</u>	<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>
\$ 3,593,741	\$ 3,459,466	\$ 3,209,624	\$ 3,079,855	\$ 3,021,182	\$ 2,862,539
3,650,875	3,459,466	3,209,624	3,132,277	3,021,182	2,862,539
4,685,569	8,235,138	10,757,165	11,348,553	1,794,845	2,909,159
(9,388,847)	(8,880,837)	(8,661,630)	(8,301,719)	(7,642,229)	(7,282,407)
(313,890)	(292,750)	(219,596)	(165,260)	(143,004)	(169,045)
2,227,448	5,980,483	8,295,187	9,093,706	51,976	1,182,785
105,587,298	99,606,815	91,311,628	82,217,922	82,165,946	80,983,161
<u>\$ 107,814,746</u>	<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>\$ 53,431,171</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>
66.86%	68.37%	67.98%	67.03%	63.22%	65.92%
\$ 27,658,144	\$ 26,208,076	\$ 24,315,333	\$ 23,729,379	\$ 22,887,742	\$ 21,685,902
193.18%	186.38%	192.94%	189.30%	208.98%	195.86%

CITY OF GAINESVILLE, GEORGIA
PENSION TRUST FUND (PENSION PLAN A)
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2024
(Unaudited)

	Fiscal Year End			
	2024	2023	2022	2021
Actuarially determined contribution	\$ 7,329,310	\$ 6,317,124	\$ 6,739,746	\$ 6,177,506
Contributions in relation to the actuarially determined contribution	(4,490,768)	(4,227,917)	(3,851,093)	(3,650,796)
Contribution deficiency (excess)	<u>\$ 2,838,542</u>	<u>\$ 2,089,207</u>	<u>\$ 2,888,653</u>	<u>\$ 2,526,710</u>
Covered payroll	\$ 34,020,970	\$ 32,029,674	\$ 29,174,939	\$ 27,657,545
Contributions as a percentage of covered payroll	13.20%	13.20%	13.20%	13.20%

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, 2024
(Unaudited)

	Fiscal Year End			
	2024	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	7.000%	7.000%	7.000%	7.000%

Fiscal Year End					
2020	2019	2018	2017	2016	2015
\$ 5,283,686	\$ 4,859,686	\$ 4,509,116	\$ 4,170,598	\$ 3,736,793	\$ 3,579,097
(3,593,741)	(3,459,466)	(3,209,624)	(3,079,855)	(3,021,182)	(2,862,539)
<u>\$ 1,689,945</u>	<u>\$ 1,400,220</u>	<u>\$ 1,299,492</u>	<u>\$ 1,090,743</u>	<u>\$ 715,611</u>	<u>\$ 716,558</u>
\$ 27,248,632	\$ 26,208,076	\$ 24,315,333	\$ 23,729,379	\$ 22,887,742	\$ 21,685,902
13.19%	13.20%	13.20%	12.98%	13.20%	13.20%

Fiscal Year End					
2020	2019	2018	2017	2016	2015
7.123%	7.408%	7.353%	7.765%	7.660%	7.835%

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, 2024
(Unaudited)

	Fiscal Year End			
	2024	2023	2022	2021
Total pension liability				
Service cost	\$ 150,031	\$ 170,259	\$ 152,474	\$ 141,811
Interest	707,554	712,399	671,629	643,328
Differences between expected and actual experience	226,696	(257,780)	354,865	205,644
Changes of assumptions	0	0	0	0
Benefit payments, including refunds of employee contributions	(680,300)	(660,378)	(627,520)	(607,882)
Other changes	0	0	0	0
Net change in total pension liability	403,981	(35,500)	551,448	382,901
Total pension liability - beginning	9,784,068	9,819,568	9,268,120	8,885,219
Total pension liability - ending (a)	\$ 10,188,049	\$ 9,784,068	\$ 9,819,568	\$ 9,268,120
Plan fiduciary net position				
Contributions - employer	\$ 296,427	\$ 406,195	\$ 326,237	\$ 251,615
Net investment income	1,063,688	(1,551,571)	1,944,363	727,493
Benefit payments, including refunds of employee contributions	(680,300)	(660,378)	(627,520)	(607,882)
Administrative expense	(31,131)	(31,879)	(32,005)	(30,264)
Net change in plan fiduciary net position	648,684	(1,837,633)	1,611,075	340,962
Plan fiduciary net position - beginning	7,957,101	9,794,734	8,183,659	7,842,697
Plan fiduciary net position - ending (b)	\$ 8,605,785	\$ 7,957,101	\$ 9,794,734	\$ 8,183,659
Net pension liability (asset) - ending : (a) - (b)	\$ 1,582,264	\$ 1,826,967	\$ 24,834	\$ 1,084,461
Plan's fiduciary net position as a percentage of the total pension liability	84.47%	81.33%	99.75%	88.30%
Covered payroll	\$ 5,880,261	\$ 5,151,267	\$ 5,863,528	\$ 5,576,338
Net pension liability as a percentage of covered payroll	26.91%	35.47%	0.42%	19.45%

Fiscal Year End					
2020	2019	2018	2017	2016	2015
\$ 140,424	\$ 152,472	\$ 179,299	\$ 175,050	\$ 178,348	\$ 168,281
592,594	589,263	572,572	549,573	535,078	532,517
430,086	(168,376)	(74,578)	12,775	(102,827)	(142,791)
233,040	0	0	0	0	0
(543,490)	(490,307)	(469,718)	(411,541)	(435,594)	(415,541)
0	0	119,050	0	0	(99,394)
852,654	83,052	326,625	325,857	175,005	43,072
8,032,565	7,949,513	7,622,888	7,297,031	7,122,026	7,078,954
<u>\$ 8,885,219</u>	<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>
\$ 287,034	\$ 313,655	\$ 350,507	\$ 314,938	\$ 371,738	\$ 393,721
226,653	717,673	968,510	1,745,662	48,579	396,786
(543,490)	(490,307)	(469,718)	(411,541)	(435,594)	(415,541)
(29,933)	(32,702)	(33,775)	(20,454)	(23,058)	(18,652)
(59,736)	508,319	815,524	1,628,605	(38,335)	356,314
7,902,433	7,394,114	6,578,590	4,949,985	4,988,320	4,632,006
<u>\$ 7,842,697</u>	<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>\$ 1,042,522</u>	<u>\$ 130,132</u>	<u>\$ 555,399</u>	<u>\$ 1,044,298</u>	<u>\$ 2,347,046</u>	<u>\$ 2,133,706</u>
88.27%	98.38%	93.01%	86.30%	67.84%	70.04%
\$ 5,074,389	\$ 4,330,598	\$ 4,862,847	\$ 5,080,284	\$ 4,890,737	\$ 4,779,243
20.54%	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, 2024
(Unaudited)

	Fiscal Year End			
	2024	2023	2022	2021
Actuarially determined contribution	\$ 399,556	\$ 360,679	\$ 326,237	\$ 262,989
Contributions in relation to the actuarially determined contribution	(426,373)	(357,809)	(320,966)	(241,073)
Contribution deficiency (excess)	<u>\$ (26,817)</u>	<u>\$ 2,870</u>	<u>\$ 5,271</u>	<u>\$ 21,916</u>
Covered payroll	\$ 9,463,238	\$ 8,871,656	\$ 6,325,246	\$ 6,002,098
Contributions as a percentage of covered payroll	4.51%	4.03%	5.07%	4.02%

Fiscal Year End					
2020	2019	2018	2017	2016	2015
\$ 295,049	\$ 319,859	\$ 324,651	\$ 319,859	\$ 324,651	\$ 347,773
(321,704)	(293,203)	(324,651)	(319,859)	(324,651)	(347,773)
<u>\$ (26,655)</u>	<u>\$ 26,656</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 5,793,589	\$ 5,602,873	\$ 5,099,054	\$ 5,179,922	\$ 5,272,975	\$ 4,845,902
5.55%	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, 2024
(Unaudited)

	Fiscal Year End		
	2024	2023	2022
Total OPEB liability			
Service cost	\$ 1,252,582	\$ 1,209,757	\$ 1,164,587
Interest	858,308	764,883	754,602
Change of benefit terms	0	0	0
Differences between expected and actual experience	373,663	(717,551)	1,054,726
Changes in assumptions	(1,299,387)	(10,433,508)	214,625
Benefit payments, including refunds of member contributions	(2,282,586)	(1,791,036)	(2,141,466)
Net change in total OPEB liability	(1,097,420)	(10,967,455)	1,047,074
Total OPEB liability - beginning	24,124,786	35,092,241	34,045,167
Total OPEB liability - ending (a)	\$ 23,027,366	\$ 24,124,786	\$ 35,092,241
Plan fiduciary net position			
Contributions - employer	\$ 2,282,586	\$ 1,791,036	\$ 2,141,466
Benefit payments, including refunds of member contributions	(2,282,586)	(1,791,036)	(2,141,466)
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)	\$ 23,027,366	\$ 24,124,786	\$ 35,092,241
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 34,466,977	\$ 33,544,503	\$ 31,447,516
Plan net OPEB liability as a percentage of covered employee payroll	66.81%	71.92%	111.59%

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

Fiscal Year End			
2021	2020	2019	2018
\$ 1,006,649	\$ 971,234	\$ 1,565,644	\$ 1,789,852
1,025,437	1,114,961	1,344,332	1,123,997
0	(568,876)	0	0
1,826,158	329,053	(103,835)	666,587
3,012,924	457,416	(9,336,059)	(3,515,374)
(2,216,046)	(1,505,738)	(1,727,236)	(1,729,093)
4,655,122	798,050	(8,257,154)	(1,664,031)
29,390,045	28,591,995	36,849,149	38,513,180
\$ 34,045,167	\$ 29,390,045	\$ 28,591,995	\$ 36,849,149
\$ 2,216,046	\$ 1,505,738	\$ 1,727,236	\$ 1,729,093
(2,216,046)	(1,505,738)	(1,727,236)	(1,729,093)
0	0	0	0
0	0	0	0
\$ 0	\$ 0	\$ 0	\$ 0
\$ 34,045,167	\$ 29,390,045	\$ 28,591,995	\$ 36,849,149
0.00%	0.00%	0.00%	0.00%
\$ 30,605,855	\$ 31,755,811	\$ 29,628,098	\$ 27,547,554
111.24%	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, 2024, 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, 2025.

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, 2024, 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, 2025.

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.

OPEB Plan

1. Valuation Date

The actuarially determined contribution rates are determined as of June 30, 2023, 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 = 4.13%

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, 2024

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, 2023 measurement:

The effective discount rate for June 30, 2023 was 4.13%. For June 30, 2022 it was 3.54%.

COMBINING STATEMENTS

Nonmajor Governmental Funds

Nonmajor Enterprise Funds

Internal Service Funds

NONMAJOR GOVERNMENTAL FUNDS

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.

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.

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.

Debt Service Fund – This fund is used to account for the accumulation of resources and payment of general government long-term debt principal and interest from governmental resources.

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

CITY OF GAINESVILLE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

	Special Revenue						
	Community Service Center	Hotel/Motel Tax	Economic Development	Confiscated Assets	Grants	HUD Grant	Revolving Loan
ASSETS							
Cash and cash equivalents	\$ 2,834,670	\$ 293,120	\$ 2,641,520	\$ 217,055	\$ 300	\$ 0	\$ 97,206
Investments	2,608,415	358,876	3,234,096	100,441	0	0	119,011
Receivables (net)							
Accounts	8,372	0	0	0	42,116	0	0
Intergovernmental	344,095	0	0	0	49,990	116,584	0
Taxes	0	193,407	0	0	0	0	0
Notes	0	0	0	0	0	0	141,916
Due from other funds	0	0	0	0	0	0	0
Prepaid items	0	0	0	3,511	0	0	0
Property held for development	0	0	196,763	0	0	0	0
Total assets	\$ 5,795,552	\$ 845,403	\$ 6,072,379	\$ 321,007	\$ 92,406	\$ 116,584	\$ 358,133
LIABILITIES							
Payables							
Accounts	\$ 243,465	\$ 0	\$ 5,104	\$ 1,244	\$ 1,228	\$ 15,183	\$ 0
Accrued salaries	33,173	0	0	0	0	1,231	0
Unearned revenue	0	0	0	0	5,500	0	0
Due to other funds	0	0	0	0	67,864	43,570	0
Due to others	0	0	0	135,017	0	0	0
Total liabilities	276,638	0	5,104	136,261	74,592	59,984	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	141,916
Total deferred inflows of resources	0	0	0	0	0	0	141,916
FUND BALANCES							
Nonspendable	0	0	0	3,511	0	0	0
Restricted	2,347,843	0	0	181,235	19,150	56,600	216,217
Committed	0	0	0	0	3,501	0	0
Assigned	3,171,071	845,403	6,067,275	0	0	0	0
Unassigned	0	0	0	0	(4,837)	0	0
Total fund balances	5,518,914	845,403	6,067,275	184,746	17,814	56,600	216,217
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,795,552	\$ 845,403	\$ 6,072,379	\$ 321,007	\$ 92,406	\$ 116,584	\$ 358,133

Special Revenue							Total Nonmajor Governmental Funds
Impact Fee	Tax Allocation District	Information Technology	Opioid Settlement	Cemetery Trust	Debt Service	Grants Capital Projects	
\$ 638,163	\$ 1,891,129	\$ 184,056	\$ 52,924	\$ 312,724	\$ 1,906,189	\$ 505,148	\$ 11,574,204
781,322	2,315,368	225,345	64,797	382,879	2,333,806	618,468	13,142,824
0	0	0	706,882	6,730	0	0	764,100
0	0	0	0	0	0	0	510,669
0	0	0	0	0	69,323	0	262,730
0	0	0	0	0	0	0	141,916
0	0	0	0	0	920,023	0	920,023
0	0	0	0	0	2,150	0	5,661
0	0	0	0	0	0	0	196,763
<u>\$ 1,419,485</u>	<u>\$ 4,206,497</u>	<u>\$ 409,401</u>	<u>\$ 824,603</u>	<u>\$ 702,333</u>	<u>\$ 5,231,491</u>	<u>\$ 1,123,616</u>	<u>\$ 27,518,890</u>
\$ 0	\$ 0	\$ 661	\$ 0	\$ 0	\$ 174,263	\$ 0	\$ 441,148
0	0	0	0	0	0	0	34,404
0	0	0	0	0	0	0	5,500
0	920,023	0	0	0	0	0	1,031,457
0	0	0	0	0	0	0	135,017
0	920,023	661	0	0	174,263	0	1,647,526
0	0	0	0	0	64,165	0	64,165
0	0	0	667,507	0	0	0	667,507
0	0	0	0	0	0	0	141,916
0	0	0	667,507	0	64,165	0	873,588
0	0	0	0	0	2,150	0	5,661
1,419,485	3,286,474	408,740	157,096	0	1,147,640	604,792	9,845,272
0	0	0	0	702,333	0	0	705,834
0	0	0	0	0	3,843,273	518,824	14,445,846
0	0	0	0	0	0	0	(4,837)
1,419,485	3,286,474	408,740	157,096	702,333	4,993,063	1,123,616	24,997,776
<u>\$ 1,419,485</u>	<u>\$ 4,206,497</u>	<u>\$ 409,401</u>	<u>\$ 824,603</u>	<u>\$ 702,333</u>	<u>\$ 5,231,491</u>	<u>\$ 1,123,616</u>	<u>\$ 27,518,890</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, 2024

	Special Revenue						
	Community Service Center	Hotel/Motel Tax	Economic Development	Confiscated Assets	Grants	HUD Grant	Revolving Loan
REVENUES							
Taxes	\$ 0	\$ 2,228,365	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines, fees, and forfeitures	0	0	0	138,026	0	0	0
Charges for services	310,219	0	0	0	0	0	7,895
Intergovernmental	4,689,046	0	0	0	45,570	141,395	0
Investment	196,046	28,066	395,624	10,525	0	0	10,428
Contributions	200,502	0	0	0	156,591	0	0
Other	86,657	0	490,160	0	0	0	0
Total revenues	5,482,470	2,256,431	885,784	148,551	202,161	141,395	18,323
EXPENDITURES							
Current							
Public Safety	0	0	0	286,478	207,762	0	0
Public Works	0	0	0	0	0	0	0
Health and Welfare	6,000,885	0	0	0	0	0	0
Culture and Recreation	0	0	0	0	0	0	0
Housing and Development	0	1,389,655	68,467	0	0	140,536	0
Debt service	37,836	0	0	0	0	0	0
Total expenditures	6,038,721	1,389,655	68,467	286,478	207,762	140,536	0
Excess (deficiency) of revenues over (under) expenditures	(556,251)	866,776	817,317	(137,927)	(5,601)	859	18,323
Other financing sources (uses)							
Transfers in	1,075,586	0	0	0	0	0	0
Transfers out	0	(610,770)	(3,500,013)	0	0	0	0
Proceeds from sale of capital assets	0	0	0	85,786	0	0	0
Issuance of long-term debt	165,895	0	0	0	0	0	0
Total other financing sources (uses)	1,241,481	(610,770)	(3,500,013)	85,786	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	685,230	256,006	(2,682,696)	(52,141)	(5,601)	859	18,323
Fund balances, July 1, as previously reported	4,833,684	589,397	8,749,971	236,887	23,415	55,741	197,894
Change with the financial reporting entity (nonmajor fund to major fund)	0	0	0	0	0	0	0
Fund balances, July 1, restated	4,833,684	589,397	8,749,971	236,887	23,415	55,741	197,894
Fund balances, June 30	\$ 5,518,914	\$ 845,403	\$ 6,067,275	\$ 184,746	\$ 17,814	\$ 56,600	\$ 216,217

Impact Fee	Special Revenue						Grants Capital Projects	Total Nonmajor Governmental Funds
	Formerly Nonmajor Police	Tax Allocation District	Information Technology	Opioid Settlement	Cemetery Trust	Debt Service		
\$ 0		\$ 667,766	\$ 0	\$ 0	\$ 0	\$ 4,277,238	\$ 0	\$ 7,173,369
0		0	55,692	157,096	0	0	0	350,814
2,170,886		0	0	0	98,941	0	0	2,587,941
0		1,615,441	0	0	0	0	570,262	7,061,714
181,256		112,159	16,789	0	29,378	1,154,253	0	2,134,524
0		0	0	0	0	0	0	357,093
0		0	0	0	0	0	0	576,817
2,352,142		2,395,366	72,481	157,096	128,319	5,431,491	570,262	20,242,272
0		0	4,927	0	0	0	0	499,167
0		0	0	0	0	0	518	518
0		0	0	0	0	0	0	6,000,885
800,000		0	0	0	0	0	0	800,000
0		713,614	0	0	0	0	0	2,312,272
0		0	0	0	0	5,713,787	0	5,751,623
800,000		713,614	4,927	0	0	5,713,787	518	15,364,465
1,552,142		1,681,752	67,554	157,096	128,319	(282,296)	569,744	4,877,807
0		0	0	0	0	1,268,971	0	2,344,557
(4,663,796)		(134,836)	0	0	(40,000)	0	0	(8,949,415)
0		0	0	0	0	0	0	85,786
0		0	0	0	0	0	0	165,895
(4,663,796)		(134,836)	0	0	(40,000)	1,268,971	0	(6,353,177)
(3,111,654)		1,546,916	67,554	157,096	88,319	986,675	569,744	(1,475,370)
4,531,139	135,890	1,739,558	341,186	0	614,014	4,006,388	553,872	26,609,036
0	(135,890)	0	0	0	0	0	0	(135,890)
4,531,139		1,739,558	341,186	0	614,014	4,006,388	553,872	26,473,146
<u>\$ 1,419,485</u>		<u>\$ 3,286,474</u>	<u>\$ 408,740</u>	<u>\$ 157,096</u>	<u>\$ 702,333</u>	<u>\$ 4,993,063</u>	<u>\$ 1,123,616</u>	<u>\$ 24,997,776</u>

NONMAJOR ENTERPRISE FUNDS

***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
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2024

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 955,210	\$ 1,001,590	\$ 432,033	\$ 2,388,833
Investments	1,169,492	1,226,032	527,180	2,922,704
Receivables				
Accounts (net)	22,673	245,430	76,809	344,912
Lease	635,003	0	0	635,003
Other	0	0	3,204	3,204
Total current assets	2,782,378	2,473,052	1,039,226	6,294,656
Noncurrent assets				
Lease receivable	2,956,424	0	0	2,956,424
Property held for development	0	0	9,840	9,840
Capital assets				
Non-depreciable	1,433,798	0	50,393	1,484,191
Depreciable/amortizable (net)	11,516,013	1,701,769	3,160,002	16,377,784
Total noncurrent assets	15,906,235	1,701,769	3,220,235	20,828,239
Total assets	18,688,613	4,174,821	4,259,461	27,122,895
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	0	0	5,121	5,121
Deferred outflows related to pensions	26,983	201,987	57,649	286,619
Deferred outflows related to other post employment benefits	7,122	163,819	28,427	199,368
Total deferred outflows of resources	34,105	365,806	91,197	491,108
LIABILITIES				
Current liabilities				
Payables				
Accounts	51,737	21,534	57,056	130,327
Intergovernmental	0	41,331	0	41,331
Deposits	48,280	0	0	48,280
Sales tax	0	0	19,175	19,175
Interest	0	1,449	2,658	4,107
Accrued salaries	1,422	22,147	15,520	39,089
Compensated absences	12,085	71,918	167,260	251,263
Lease payable	0	0	39,702	39,702
Contracts payable	0	0	295,000	295,000
Notes payable	0	159,188	0	159,188
Other liabilities	0	0	65,258	65,258
Total current liabilities	113,524	317,567	661,629	1,092,720

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2024

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
Noncurrent liabilities				
Compensated absences	\$ 1,343	\$ 7,991	\$ 18,584	\$ 27,918
Net pension liability	137,609	617,512	82,696	837,817
Net OPEB liability	39,753	872,228	168,244	1,080,225
Lease payable	0	0	48,515	48,515
Contracts payable	0	0	300,000	300,000
Total noncurrent liabilities	178,705	1,497,731	618,039	2,294,475
Total liabilities	292,229	1,815,298	1,279,668	3,387,195
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	0	50,794	6,736	57,530
Deferred inflows related to other post employment benefits	13,146	319,277	75,209	407,632
Deferred inflows related to leases	3,530,565	0	0	3,530,565
Total deferred inflows of resources	3,543,711	370,071	81,945	3,995,727
NET POSITION				
Net investment in capital assets	12,949,811	1,542,581	2,532,299	17,024,691
Restricted for capital outlay	0	0	63,441	63,441
Unrestricted	1,936,967	812,677	393,305	3,142,949
Total net position	<u>\$ 14,886,778</u>	<u>\$ 2,355,258</u>	<u>\$ 2,989,045</u>	<u>\$ 20,231,081</u>

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2024

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for sales and services	\$ 1,196,378	\$ 3,332,928	\$ 1,921,207	\$ 6,450,513
Other	270	15,387	14,649	30,306
Total operating revenues	1,196,648	3,348,315	1,935,856	6,480,819
OPERATING EXPENSES				
Costs of sales and services	537,172	1,408,579	670,741	2,616,492
Personal services	95,507	1,763,486	883,242	2,742,235
Depreciation	645,136	614,752	546,750	1,806,638
Total operating expenses	1,277,815	3,786,817	2,100,733	7,165,365
Operating income (loss)	(81,167)	(438,502)	(164,877)	(684,546)
Non-operating revenues (expenses)				
Investment revenue	68,271	109,495	51,576	229,342
Interest expense	0	(14,853)	(28,807)	(43,660)
Gain on sale of property held for development	0	0	483,605	483,605
Gain (loss) on sale of capital assets	(18,720)	0	4,503	(14,217)
Total non-operating revenues (expenses)	49,551	94,642	510,877	655,070
Income (loss) before capital contributions and transfers	(31,616)	(343,860)	346,000	(29,476)
Capital contributions				
Intergovernmental revenue	1,050,576	0	0	1,050,576
Income (loss) before transfers	1,018,960	(343,860)	346,000	1,021,100
Transfers in (out)				
Transfers in	18,413	0	120,000	138,413
Transfers out	0	0	(600,000)	(600,000)
Total transfers in (out)	18,413	0	(480,000)	(461,587)
Change in net position	1,037,373	(343,860)	(134,000)	559,513
Net position, July 1, as previously reported	13,849,079	2,697,599	3,232,596	19,779,274
Error correction	2,976	9,600	0	12,576
Change in accounting principle	(2,650)	(8,081)	(109,551)	(120,282)
Net position, July 1, restated	13,849,405	2,699,118	3,123,045	19,671,568
Net position, June 30	\$ 14,886,778	\$ 2,355,258	\$ 2,989,045	\$ 20,231,081

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2024

	<u>Airport</u>	<u>Solid Waste</u>	<u>Chattahoochee Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
Cash flows from operating activities:				
Receipts from customers	\$ 1,183,046	\$ 3,320,175	\$ 1,926,186	\$ 6,429,407
Payments to suppliers	(531,006)	(1,513,313)	(661,619)	(2,705,938)
Payments to employees	(95,482)	(1,772,130)	(849,496)	(2,717,108)
Other receipts	270	15,387	14,649	30,306
	<u>556,828</u>	<u>50,119</u>	<u>429,720</u>	<u>1,036,667</u>
Net cash provided (used) by operating activities				
Cash flows from non-capital financing activities:				
Receipts from other funds	18,413	0	120,000	138,413
Payments to other funds	0	0	(600,000)	(600,000)
	<u>18,413</u>	<u>0</u>	<u>(480,000)</u>	<u>(461,587)</u>
Net cash provided (used) by non-capital financing activities				
Cash flows from capital and related financing activities:				
Receipts from other governments	4,550,468	0	0	4,550,468
Proceeds from sale of capital assets	0	0	4,503	4,503
Interest paid	0	(38,423)	(23,904)	(62,327)
Acquisition of capital assets	(1,200,057)	(203,168)	(221,148)	(1,624,373)
Payment of capital related accounts payable	(3,343,462)	0	0	(3,343,462)
Payment of capital related retainages payable	(353,022)	0	0	(353,022)
Principal payments - contracts payable	0	0	(290,000)	(290,000)
Principal payments - leases payable	0	0	(38,042)	(38,042)
Principal payments - notes payable	0	(754,500)	0	(754,500)
	<u>(346,073)</u>	<u>(996,091)</u>	<u>(568,591)</u>	<u>(1,910,755)</u>
Net cash provided (used) by capital and related financing activities				
Cash flows from investing activities:				
Receipts of investment revenue	50,185	80,409	38,950	169,544
Proceeds from sale of property held for development	0	0	513,474	513,474
Purchase of investments	(717,103)	(471,114)	(275,353)	(1,463,570)
Proceeds from sale of investments	632,104	1,062,287	351,169	2,045,560
	<u>(34,814)</u>	<u>671,582</u>	<u>628,240</u>	<u>1,265,008</u>
Net cash provided (used) by investing activities				
Net increase (decrease) in cash and cash equivalents	194,354	(274,390)	9,369	(70,667)
Cash and cash equivalents, July 1	760,856	1,275,980	422,664	2,459,500
Cash and cash equivalents, June 30	<u>\$ 955,210</u>	<u>\$ 1,001,590</u>	<u>\$ 432,033</u>	<u>\$ 2,388,833</u>

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2024

	<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)	<u>\$ (81,167)</u>	<u>\$ (438,502)</u>	<u>\$ (164,877)</u>	<u>\$ (684,546)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	645,136	614,752	546,750	1,806,638
(Increase) decrease in accounts receivable	1,262	(12,753)	1,807	(9,684)
(Increase) decrease in leases receivable	175,892	0	0	175,892
(Increase) decrease in deferred outflows of resources	(3,302)	158,898	38,542	194,138
Increase (decrease) in accounts payable	6,166	(9,174)	5,334	2,326
Increase (decrease) in intergovernmental payable	0	(95,560)	0	(95,560)
Increase (decrease) in sales tax payable	0	0	2,852	2,852
Increase (decrease) in accrued salaries and benefits	1,673	20,127	35,497	57,297
Increase (decrease) in other liabilities	0	0	4,108	4,108
Increase (decrease) in net pension liability	8,410	(45,630)	(683)	(37,903)
Increase (decrease) in deferred inflows of resources	(195,659)	(104,033)	(28,525)	(328,217)
Increase (decrease) in net OPEB liability	<u>(1,583)</u>	<u>(38,006)</u>	<u>(11,085)</u>	<u>(50,674)</u>
Total adjustments	<u>637,995</u>	<u>488,621</u>	<u>594,597</u>	<u>1,721,213</u>
Net cash provided (used) by operating activities	<u><u>\$ 556,828</u></u>	<u><u>\$ 50,119</u></u>	<u><u>\$ 429,720</u></u>	<u><u>\$ 1,036,667</u></u>

INTERNAL SERVICE FUNDS

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
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2024

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
ASSETS				
Current assets				
Cash and cash equivalents	\$ 807,812	\$ 1,235,990	\$ 121,687	\$ 2,165,489
Investments	989,028	1,513,262	148,620	2,650,910
Receivables				
Accounts	29,153	154,781	0	183,934
Intergovernmental	0	0	45,129	45,129
Inventory	0	0	126,748	126,748
Prepays	164,174	13,000	0	177,174
Other assets	132,744	0	0	132,744
Total current assets	2,122,911	2,917,033	442,184	5,482,128
Noncurrent assets				
Depreciable capital assets (net)	0	0	142,518	142,518
Total assets	2,122,911	2,917,033	584,702	5,624,646
LIABILITIES				
Current liabilities				
Payables				
Accounts	7,256	57,593	139,231	204,080
Deposits	0	216,184	0	216,184
Accrued salaries	0	0	6,687	6,687
Compensated absences	0	0	34,994	34,994
Unearned revenue	0	3,309	0	3,309
Claims reserves	1,343,589	449,734	0	1,793,323
Total current liabilities	1,350,845	726,820	180,912	2,258,577
Noncurrent liabilities				
Compensated absences	0	0	3,888	3,888
Total liabilities	1,350,845	726,820	184,800	2,262,465
NET POSITION				
Investment in capital assets	0	0	142,518	142,518
Unrestricted	772,066	2,190,213	257,384	3,219,663
Total net position	\$ 772,066	\$ 2,190,213	\$ 399,902	\$ 3,362,181

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2024

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
OPERATING REVENUES				
Interfund services provided	\$ 2,077,302	\$ 10,544,691	\$ 2,681,233	\$ 15,303,226
Other	170,586	0	3,656	174,242
Total operating revenues	2,247,888	10,544,691	2,684,889	15,477,468
OPERATING EXPENSES				
Costs of services	2,122,601	10,575,625	2,250,322	14,948,548
Personal services	0	0	514,122	514,122
Depreciation	0	0	23,295	23,295
Total operating expenses	2,122,601	10,575,625	2,787,739	15,485,965
Operating income (loss)	125,287	(30,934)	(102,850)	(8,497)
Non-operating revenues (expenses)				
Investment revenue	62,842	100,941	0	163,783
Net income (loss) before transfers	188,129	70,007	(102,850)	155,286
Transfers in (out)				
Transfers in	0	0	102,850	102,850
Transfers out	(125,287)	0	0	(125,287)
Total transfers in (out)	(125,287)	0	102,850	(22,437)
Change in net position	62,842	70,007	0	132,849
Net position, July 1, as previously reported	709,224	2,120,206	406,326	3,235,756
Change in accounting principle	0	0	(6,424)	(6,424)
Net position, July 1, restated	709,224	2,120,206	399,902	3,229,332
Net position, June 30	\$ 772,066	\$ 2,190,213	\$ 399,902	\$ 3,362,181

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2024

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
Cash flows from operating activities:				
Receipts from interfund services provided	\$ 2,055,425	\$ 10,569,864	\$ 2,645,916	\$ 15,271,205
Payments to suppliers	(2,121,406)	(11,066,252)	(2,184,623)	(15,372,281)
Payments to employees	0	0	(515,242)	(515,242)
Other receipts	170,586	0	3,656	174,242
Net cash provided (used) by operating activities	104,605	(496,388)	(50,293)	(442,076)
Cash flows from non-capital financing activities:				
Payments to other funds	(125,287)	0	0	(125,287)
Cash flows from capital and related financing activities:				
Receipts from other funds	0	0	102,850	102,850
Acquisition of capital assets	0	0	(102,850)	(102,850)
Net cash provided (used) by capital and related financing activities	0	0	0	0
Cash flows from investing activities:				
Receipts of investment revenue	45,469	74,086	0	119,555
Proceeds from sale of investments	605,767	1,027,170	114,130	1,747,067
Purchase of investments	(553,375)	(678,302)	(75,821)	(1,307,498)
Net cash provided (used) by investing activities	97,861	422,954	38,309	559,124
Net increase (decrease) in cash and cash equivalents	77,179	(73,434)	(11,984)	(8,239)
Cash and cash equivalents, July 1	730,633	1,309,424	133,671	2,173,728
Cash and cash equivalents, June 30	\$ 807,812	\$ 1,235,990	\$ 121,687	\$ 2,165,489
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 125,287	\$ (30,934)	\$ (102,850)	\$ (8,497)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	0	0	23,295	23,295
(Increase) decrease in accounts receivable	(21,878)	21,864	0	(14)
(Increase) decrease in intergovernmental receivables	0	0	(35,317)	(35,317)
(Increase) decrease in inventory	0	0	(8,804)	(8,804)
(Increase) decrease in prepaids	(164,174)	0	0	(164,174)
(Increase) decrease in other assets	(11,591)	0	0	(11,591)
Increase (decrease) in accounts payable	12	(365,198)	74,503	(290,683)
Increase (decrease) in deposits payable	0	17,249	0	17,249
Increase (decrease) in unearned revenue	0	3,309	0	3,309
Increase (decrease) in accrued salaries and benefits	0	0	(1,120)	(1,120)
Increase (decrease) in claims reserve	176,949	(142,678)	0	34,271
Total adjustments	(20,682)	(465,454)	52,557	(433,579)
Net cash provided (used) by operating activities	\$ 104,605	\$ (496,388)	\$ (50,293)	\$ (442,076)

SPECIAL REVENUE FUNDS

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.

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.

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
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2024

	Final Budget	Actual	Variance
REVENUES			
Charges for services	\$ 298,202	\$ 310,219	\$ 12,017
Intergovernmental	4,282,329	4,689,046	406,717
Investment	15,000	196,046	181,046
Contributions	201,500	200,502	(998)
Other	87,070	86,657	(413)
Total revenues	4,884,101	5,482,470	598,369
EXPENDITURES			
Current			
Health and Welfare			
Personal services	2,759,365	2,203,940	555,425
Other	2,203,470	1,940,321	263,149
Capital outlay	2,295,532	1,856,624	438,908
Debt service	37,836	37,836	0
Total expenditures	7,296,203	6,038,721	1,257,482
Excess (deficiency) of revenues over (under) expenditures	(2,412,102)	(556,251)	1,855,851
Other financing sources (uses)			
Transfers in (out)			
General Fund	1,075,586	1,075,586	0
Issuance of long-term debt	0	165,895	165,895
Total other financing sources (uses)	1,075,586	1,241,481	165,895
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,336,516)	685,230	2,021,746
Fund balance, July 1	1,336,516	4,833,684	3,497,168
Fund balances, June 30	\$ 0	\$ 5,518,914	\$ 5,518,914

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, 2024

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	\$ 2,000,000	\$ 2,228,365	\$ 228,365
Investment	425	28,066	27,641
Total revenues	2,000,425	2,256,431	256,006
EXPENDITURES			
Current			
Housing and Development			
Other	1,389,655	1,389,655	0
Excess (deficiency) of revenues over (under) expenditures	610,770	866,776	256,006
Other financing sources (uses)			
Transfers in (out)			
Debt Service Fund	(375,000)	(375,000)	0
General Fund	(235,770)	(235,770)	0
Total other financing sources (uses)	(610,770)	(610,770)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	256,006	256,006
Fund balances, July 1	0	589,397	589,397
Fund balances, June 30	\$ 0	\$ 845,403	\$ 845,403

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, 2024

	Final Budget	Actual	Variance
REVENUES			
Investment	\$ 19,450	\$ 395,624	\$ 376,174
Other		490,160	490,160
Total revenues	19,450	885,784	866,334
EXPENDITURES			
Current			
Housing and Development			
Other	73,000	68,467	4,533
Excess (deficiency) of revenues over (under) expenditures	(53,550)	817,317	870,867
Other financing sources (uses)			
Transfers in (out)			
General Government Capital Project Fund	(3,500,013)	(3,500,013)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,553,563)	(2,682,696)	870,867
Fund balances, July 1	3,553,563	8,749,971	5,196,408
Fund balances, June 30	\$ 0	\$ 6,067,275	\$ 6,067,275

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, 2024

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	\$ 30,000	\$ 138,026	\$ 108,026
Investment	1,000	10,525	9,525
Total revenues	31,000	148,551	117,551
EXPENDITURES			
Current			
Public Safety			
Other	202,380	187,461	14,919
Capital outlay	99,017	99,017	0
Total expenditures	301,397	286,478	14,919
Excess (deficiency) of revenues over (under) expenditures	(270,397)	(137,927)	132,470
Other financing sources (uses)			
Sales of capital assets	0	85,786	85,786
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(270,397)	(52,141)	218,256
Fund balance, July 1	270,397	236,887	(33,510)
Fund balances, June 30	\$ 0	\$ 184,746	\$ 184,746

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, 2024

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 49,970	\$ 45,570	\$ (4,400)
Contributions	0	156,591	156,591
Total revenues	<u>49,970</u>	<u>202,161</u>	<u>152,191</u>
EXPENDITURES			
Current			
Public Safety	<u>207,762</u>	<u>207,762</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	(157,792)	(5,601)	152,191
Fund balance, July 1	<u>157,792</u>	<u>23,415</u>	<u>(134,377)</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 17,814</u></u>	<u><u>\$ 17,814</u></u>

CITY OF GAINESVILLE, GEORGIA
HUD GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2024

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 1,930,109	\$ 141,395	\$ (1,788,714)
EXPENDITURES			
Current			
Housing and Development			
Personal services	421,015	71,960	349,055
Other	1,509,094	68,576	1,440,518
Total expenditures	1,930,109	140,536	1,789,573
Excess (deficiency) of revenues over (under) expenditures	0	859	859
Fund balances, July 1	0	55,741	55,741
Fund balances, June 30	\$ 0	\$ 56,600	\$ 56,600

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, 2024

	Final Budget	Actual	Variance
REVENUES			
Charges for services	\$ 2,000	\$ 7,895	\$ 5,895
Investment	4,300	10,428	6,128
Total revenues	6,300	18,323	12,023
EXPENDITURES			
Current			
Housing and Development			
Other	6,300	0	6,300
Excess (deficiency) of revenues over (under) expenditures	0	18,323	18,323
Fund balances, July 1	0	197,894	197,894
Fund balances, June 30	\$ 0	\$ 216,217	\$ 216,217

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, 2024

	Final Budget	Actual	Variance
REVENUES			
Charges for services	\$ 1,982,750	\$ 2,170,886	\$ 188,136
Investment	4,450	181,256	176,806
Total revenues	1,987,200	2,352,142	364,942
EXPENDITURES			
Current			
Culture and Recreation			
Other	1,359,450	800,000	559,450
Excess (deficiency) of revenues over (under) expenditures	627,750	1,552,142	924,392
Other financing sources (uses)			
Transfers in (out)			
General Fund	(126,582)	(126,582)	0
SPLOST Fund	(4,397,214)	(4,397,214)	0
General Government Capital Projects Fund	(140,000)	(140,000)	0
Total other financing sources (uses)	(4,663,796)	(4,663,796)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(4,036,046)	(3,111,654)	924,392
Fund balances, July 1	4,036,046	4,531,139	495,093
Fund balances, June 30	\$ 0	\$ 1,419,485	\$ 1,419,485

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, 2024

	Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 668,336	\$ 667,766	\$ (570)
Intergovernmental	1,669,768	1,615,441	(54,327)
Investment	1,100	112,159	111,059
Total revenues	2,339,204	2,395,366	56,162
EXPENDITURES			
Current			
Housing and Development			
Other	2,664,684	713,614	1,951,070
Excess (deficiency) of revenues over (under) expenditures	(325,480)	1,681,752	2,007,232
Other financing sources (uses)			
Transfers in (out)			
Debt Service Fund	(134,836)	(134,836)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(460,316)	1,546,916	2,007,232
Fund balances, July 1	460,316	1,739,558	1,279,242
Fund balances, June 30	\$ 0	\$ 3,286,474	\$ 3,286,474

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, 2024

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	\$ 41,560	\$ 55,692	\$ 14,132
Investment	700	16,789	16,089
Total revenues	42,260	72,481	30,221
EXPENDITURES			
Current			
Public Safety			
Other	42,260	4,927	37,333
Excess (deficiency) of revenues over (under) expenditures	0	67,554	67,554
Fund balances, July 1	0	341,186	341,186
Fund balances, June 30	\$ 0	\$ 408,740	\$ 408,740

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, 2024

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	\$ 117,000	\$ 157,096	\$ 40,096
Total revenues	<u>117,000</u>	<u>157,096</u>	<u>40,096</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	117,000	157,096	40,096
Other financing sources (uses)			
Transfers in (out)			
General Fund	<u>(117,000)</u>	<u>0</u>	<u>117,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	157,096	157,096
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 157,096</u></u>	<u><u>\$ 157,096</u></u>

CITY OF GAINESVILLE, GEORGIA
CEMETERY TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2024

	Final Budget	Actual	Variance
REVENUES			
Sales and services	\$ 60,000	\$ 98,941	\$ 38,941
Investment	1,500	29,378	27,878
Total revenues	61,500	128,319	66,819
EXPENDITURES			
Public Works			
Other	0	0	0
Total expenditures	0	0	0
Excess (deficiency) of revenues over (under) expenditures	61,500	128,319	66,819
Other financing sources (uses)			
Transfers in (out)			
General Government			
Capital Projects Fund	(65,000)	(40,000)	25,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,500)	88,319	91,819
Fund balances, July 1	3,500	614,014	610,514
Fund balances, June 30	\$ 0	\$ 702,333	\$ 702,333

Debt Service Fund

This 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
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2024

	Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 4,152,477	\$ 4,277,238	\$ 124,761
Investment	11,208	1,154,253	1,143,045
Total revenues	4,163,685	5,431,491	1,267,806
EXPENDITURES			
Debt Service			
Principal	4,525,752	3,514,079	1,011,673
Interest and fiscal charges	2,202,981	2,199,708	3,273
Total expenditures	6,728,733	5,713,787	1,014,946
Excess (deficiency) of revenues over (under) expenditures	(2,565,048)	(282,296)	2,282,752
Other financing sources (uses)			
Transfers in (out)			
SPLOST Capital Projects Fund	759,135	759,135	0
Tax Allocation District Special Revenue Fund	134,836	134,836	0
Hotel/Motel Tax Special Revenue Fund	375,000	375,000	0
General Government Capital Projects Fund	174,263	0	(174,263)
Total other financing sources (uses)	1,443,234	1,268,971	(174,263)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,121,814)	986,675	2,108,489
Fund balances, July 1	1,121,814	4,006,388	2,884,574
Fund balances, June 30	\$ 0	\$ 4,993,063	\$ 4,993,063

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)
BALANCE SHEET
June 30, 2024

ASSETS

Cash and cash equivalents	\$	2,788,371
Investments		3,681,303
Receivables		
Accounts		24,502
Property tax		116,977
Restricted assets		
Cash and cash equivalents		218,965
Total assets	\$	6,830,118

LIABILITIES

Payables		
Accounts	\$	1,231,036
Sales tax		13,099
Retainage		253,332
Accrued salaries		95,695
Unearned revenue		10,560
Other		26,004
Total liabilities		1,629,726

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes		108,697
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FUND BALANCES

Restricted for:		
H H Dean Park		18,965
Capital projects		113,148
Committed for:		
Park Foundation		25,000
Development Fund		200,000
Facilities and Maintenance		100,000
Children at Play Fund		10,000
Assigned for Culture and Recreation		4,624,582
Total fund balances		5,091,695
Total liabilities, deferred inflows of resources, and fund balances	\$	6,830,118

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, 2024

	Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 7,112,228	\$ 7,345,281	\$ 233,053
Charges for sales and services			
Recreation Division	193,750	170,547	(23,203)
Lanier Point/Ivey Watson	230,400	235,120	4,720
Youth Sports Booster Club	130,750	138,480	7,730
Gainesville Civic Center	368,500	531,972	163,472
Frances Meadows Community Center	1,014,000	1,208,748	194,748
Intergovernmental	931,088	931,088	0
Contributions	34,847	36,347	1,500
Investment	26,245	340,387	314,142
Other	13,700	9,296	(4,404)
Total revenues	10,055,508	10,947,266	891,758
EXPENDITURES			
Current			
Culture and recreation			
Administration Division	1,097,359	920,913	176,446
Recreation Division	563,167	481,109	82,058
Parks Division	1,626,018	1,535,968	90,050
Maintenance Shop	173,595	154,128	19,467
Lanier Point/Ivey Watson	350,828	347,513	3,315
Youth Sports Booster Club	217,140	185,733	31,407
Gainesville Civic Center	787,290	724,005	63,285
Frances Meadows Center	2,229,935	2,220,252	9,683
Capital outlay	7,567,720	5,350,686	2,217,034
Total expenditures	14,613,052	11,920,307	2,692,745
Excess (deficiency) of revenues over (under) expenditures	(4,557,544)	(973,041)	3,584,503
Other financing sources (uses)			
Sale of capital assets	0	20,276	20,276
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(4,557,544)	(952,765)	3,604,779
Fund balances, July 1	4,557,544	6,044,460	1,486,916
Fund balances, June 30	\$ 0	\$ 5,091,695	\$ 5,091,695

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, 2024

	Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 7,112,228	\$ 7,345,281	\$ 233,053
Charges for sales and services			
Recreation Division	193,750	170,547	(23,203)
Lanier Point/Ivey Watson	230,400	235,120	4,720
Youth Sports Booster Club	130,750	138,480	7,730
Gainesville Civic Center	368,500	531,972	163,472
Frances Meadows Center	1,014,000	1,208,748	194,748
Intergovernmental	9,088	9,088	0
Investment	26,245	340,387	314,142
Contributions	34,847	36,347	1,500
Other	13,700	9,294	(4,406)
Total revenues	9,133,508	10,025,264	891,756
EXPENDITURES			
Current			
Culture and recreation			
Administrative services	1,097,359	920,913	176,446
Recreational services	563,167	481,109	82,058
Park services	1,626,018	1,520,990	105,028
Maintenance shop	173,595	154,128	19,467
Lanier Point/Ivey Watson	350,828	347,513	3,315
Booster Club	217,140	185,733	31,407
Civic Center	787,290	724,005	63,285
Frances Meadows Center	2,229,935	2,220,249	9,686
Total expenditures	7,045,332	6,554,640	490,692
Excess (deficiency) of revenues over (under) expenditures	2,088,176	3,470,624	1,382,448
Other financing sources (uses)			
Transfers in (out)			
Capital Projects Activity	(4,350,000)	(4,350,000)	0
Sales of capital assets	0	20,276	20,276
Total other financing sources (uses)	(4,350,000)	(4,329,724)	20,276
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,261,824)	<u>\$ (859,100)</u>	<u>\$ 1,402,724</u>
Fund balances, July 1	2,261,824		
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, 2024

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 922,000	\$ 922,000	\$ 0
EXPENDITURES			
Current			
Culture and recreation			
Capital outlay	7,567,720	5,365,665	2,202,055
Excess (deficiency) of revenues over (under) expenditures	(6,645,720)	(4,443,665)	2,202,055
Other financing sources (uses)			
Transfers in (out)			
Operating Activity	4,350,000	4,350,000	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,295,720)	\$ (93,665)	\$ 2,202,055
Fund balances, July 1	2,295,720		
Fund balances, June 30	\$ 0		

CITY OF GAINESVILLE, GEORGIA
CONVENTION AND VISITOR'S BUREAU (A COMPONENT UNIT)
BALANCE SHEET
June 30, 2024

ASSETS

Cash and cash equivalents	\$	680,036
Investments		832,225
Accounts receivable		<u>15,374</u>
Total assets	\$	<u>1,527,635</u>

LIABILITIES

Accounts payable	\$	68,216
Accrued salaries		13,805
Other liabilities		900
Unearned revenue		<u>24,323</u>
Total liabilities		<u>107,244</u>

FUND BALANCES

Restricted for Housing and Development		5,255
Assigned for:		
Housing and Development		<u>1,415,136</u>
Total fund balances		<u>1,420,391</u>
Total liabilities and fund balances	\$	<u>1,527,635</u>

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, 2024

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 1,389,655	\$ 1,389,655	\$ 0
Charges for sales and services	59,891	231,173	171,282
Investment revenue	4,800	63,068	58,268
Contributions	16,792	409,379	392,587
Rental revenue	24,000	28,541	4,541
Other	10,000	29,874	19,874
Total revenues	1,505,138	2,151,690	646,552
EXPENDITURES			
Current			
Housing and Development			
Personal services	791,548	791,548	0
Other	1,354,373	1,587,747	(233,374)
Total expenditures	2,145,921	2,379,295	(233,374)
Excess (deficiency) of revenues over (under) expenditures	(640,783)	(227,605)	413,178
Fund balances, July 1	640,783	1,647,996	1,007,213
Fund balances, June 30	\$ 0	\$ 1,420,391	\$ 1,420,391

CITY OF GAINESVILLE, GEORGIA
GAINESVILLE-HALL COUNTY LAND BANK (A COMPONENT UNIT)
BALANCE SHEET
June 30, 2024

ASSETS

Property held for development	\$ 269,808
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LIABILITIES

Due to primary government	\$ 21,868
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FUND BALANCES

Assigned for Housing and Development	247,940
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Total liabilities and fund balances	\$ 269,808
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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, 2024

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 60,000	\$ 75,500	\$ 15,500
Total revenues	<u>60,000</u>	<u>75,500</u>	<u>15,500</u>
EXPENDITURES			
Current			
Housing and Development			
Other	407,793	347,812	59,981
Total expenditures	<u>407,793</u>	<u>347,812</u>	<u>59,981</u>
Excess (deficiency) of revenues over (under) expenditures	(347,793)	(272,312)	75,481
Fund balances, July 1	<u>347,793</u>	<u>520,252</u>	<u>172,459</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 247,940</u></u>	<u><u>\$ 247,940</u></u>

STATISTICAL SECTION

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.....	171-184
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.....	185-192
These tables/schedules contain information that may assist the reader in assessing the viability of the City's most significant revenue sources.	
Debt Capacity.....	193-199
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.....	200-201
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.....	202-206
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.....	207-214
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			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 78,338,733	\$ 78,415,202	\$ 77,972,132	\$ 85,186,895
Restricted	6,827,434	12,149,291	14,551,356	20,319,574
Unrestricted	(14,451,203)	(17,773,240)	(15,275,584)	(15,504,902)
Total governmental activities net position	<u>\$ 70,714,964</u>	<u>\$ 72,791,253</u>	<u>\$ 77,247,904</u>	<u>\$ 90,001,567</u>
Business-type activities				
Net investment in capital assets	\$ 303,250,676	\$ 314,735,292	\$ 330,315,818	\$ 356,428,961
Restricted	50,230,260	62,960,499	70,511,931	71,639,180
Unrestricted	12,067,163	12,598,780	19,773,475	17,937,185
Total business-type activities net position	<u>\$ 365,548,099</u>	<u>\$ 390,294,571</u>	<u>\$ 420,601,224</u>	<u>\$ 446,005,326</u>
Primary government				
Net investment in capital assets	\$ 381,589,409	\$ 393,150,494	\$ 408,287,950	\$ 441,615,856
Restricted	57,057,694	75,109,790	85,063,287	91,958,754
Unrestricted	(2,384,040) ⁽¹⁾	(5,174,460) ⁽¹⁾	4,497,891 ⁽¹⁾	2,432,283
Total primary government net position	<u>\$ 436,263,063</u>	<u>\$ 463,085,824</u>	<u>\$ 497,849,128</u>	<u>\$ 536,006,893</u>

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

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 85,297,394	\$ 90,462,073	\$ 96,131,153	\$ 106,806,030	\$ 106,636,895	\$ 113,957,589
20,966,754	24,133,297	27,732,529	26,614,795	31,428,129	40,423,803
(7,332,782)	(8,799,994)	(6,773,564)	1,601,999	15,013,097	19,222,050
<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>	<u>\$ 173,603,442</u>
\$ 374,995,209	\$ 402,469,168	\$ 425,024,543	\$ 453,946,820	\$ 468,176,819	\$ 517,797,849
74,904,467	75,163,386	81,518,990	93,506,224	116,976,970	101,585,530
25,220,109	26,528,099	31,035,026	24,848,971	26,683,129	43,604,920
<u>\$ 475,119,785</u>	<u>\$ 504,160,653</u>	<u>\$ 537,578,559</u>	<u>\$ 572,302,015</u>	<u>\$ 611,836,918</u>	<u>\$ 662,988,299</u>
\$ 460,292,603	\$ 492,931,241	\$ 521,155,696	\$ 560,752,850	\$ 574,813,714	\$ 631,755,438
95,871,221	99,296,683	109,251,519	120,121,019	148,405,099	142,009,333
17,887,327	17,728,105	24,261,462	26,450,970	41,696,226	62,826,970
<u>\$ 574,051,151</u>	<u>\$ 609,956,029</u>	<u>\$ 654,668,677</u>	<u>\$ 707,324,839</u>	<u>\$ 764,915,039</u>	<u>\$ 836,591,741</u>

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

Expenses	Fiscal Year			
	2015	2016	2017	2018
Governmental activities:				
General Government	\$ 3,675,464	\$ 4,368,490	\$ 6,429,519 ⁽¹⁾	\$ 7,228,783
Judicial	486,947	523,970	544,083	544,453
Public Safety	17,460,335	19,480,809	18,168,500 ⁽²⁾	19,918,725
Public Works	8,745,852	10,317,369	7,199,267 ⁽¹⁾	6,908,200
Health and Welfare	2,765,034	2,591,485	2,726,152	2,416,453
Culture and Recreation	440,482	436,250	348,180	415,439
Housing and Development	2,136,524	2,406,705	3,769,857 ⁽²⁾	2,683,936
Interest on long-term debt	1,198,530	533,058	619,743	509,730
Total governmental activities expenses	36,909,168	40,658,136	39,805,301	40,625,719
Business-type activities:				
Water and Sewer	46,183,666	47,333,997	46,270,110	52,940,044 ⁽⁴⁾
Airport	1,045,716	1,109,029	1,526,612	1,091,970
Solid Waste	2,072,012	2,210,416	2,195,951	2,274,033
Golf Course	1,287,229	1,290,865	1,304,992	1,356,195
Total business-type activities expenses	50,588,623	51,944,307	51,297,665	57,662,242
Total primary government expenses	\$ 87,497,791	\$ 92,602,443	\$ 91,102,966	\$ 98,287,961
Indirect Costs				
Governmental activities:				
General Government	(1,394,235)	(1,376,788)	(1,370,895)	(1,398,722)
Business-type activities:				
Water and Sewer	1,038,222	1,020,775	1,014,882	1,042,707
Airport	209,561	209,561	209,561	209,563
Solid Waste	146,452	146,452	146,452	146,452
Total Business-type activities indirect cost	1,394,235	1,376,788	1,370,895	1,398,722
Total primary government indirect cost	\$ 0	\$ 0	\$ 0	\$ 0
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	\$ 723,777	\$ 719,185	\$ 748,458	\$ 762,256
Public Safety	1,930,830	1,735,868	1,944,818	1,680,375
Public Works	129,956	134,580	219,680	198,769
Health and Welfare	134,570	144,162	106,322	93,300
Housing and Development	1,057,304	1,216,162	2,259,780 ⁽³⁾	1,858,414 ⁽³⁾
Operating grants and contributions	2,577,766	2,782,085	3,602,699	4,397,910
Capital grants and contributions	2,322,290	6,087,822	7,932,793	12,067,786
Total governmental activities program revenues	8,876,493	12,819,864	16,814,550	21,058,810
Business-Type activities:				
Charges for services:				
Water and Sewer	64,315,416	66,596,028	71,521,460	71,963,509
Airport	897,226	925,009	919,344	931,143
Solid Waste	2,462,485	2,619,559	2,769,222	2,887,724
Golf Course	983,932	1,034,234	1,089,431	1,061,026
Operating grants and contributions	0	0	0	0
Capital grants and contributions	8,445,809	9,142,616	9,020,084	9,519,821
Total business-type activities program revenues	77,104,868	80,317,446	85,319,541	86,363,223
Total primary government program revenues	\$ 85,981,361	\$ 93,137,310	\$ 102,134,091	\$ 107,422,033

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					
2019	2020	2021	2022	2023	2024
\$ 7,672,674	\$ 7,171,633	\$ 7,647,641	\$ 10,946,609	\$ 9,795,955	\$ 11,046,169
556,125	617,082	556,743	651,673	690,774	706,695
19,889,133	20,338,623	17,735,745	23,588,972	24,855,967	26,504,440
11,350,947	7,973,739	9,727,865	12,380,025	8,723,597	10,017,538
2,484,051	2,649,162	3,137,292	3,220,549	3,820,462	4,679,251
628,343	3,622,553	1,957,824	3,661,245	9,545,794 ⁽⁸⁾	11,578,009
3,481,766	4,162,912	4,264,670	5,242,108	6,139,635	5,786,871
652,514	688,833	589,483	547,859	1,640,686	2,232,166
46,715,553	47,224,537	45,617,263	60,239,040	65,212,870	72,551,139
54,113,056 ⁽⁴⁾	54,006,176	55,179,213	55,337,045	61,182,395	65,834,885
1,296,607	1,103,436	890,229	889,584	980,595	1,069,509
2,400,048	2,852,637	2,866,847	3,054,118	3,514,926	3,659,373
1,307,389	1,387,413	1,330,107	1,506,098	1,845,883	2,129,540
59,117,100	59,349,662	60,266,396	60,786,845	67,523,799	72,693,307
\$ 105,832,653	\$ 106,574,199	\$ 105,883,659	\$ 121,025,885	\$ 132,736,669	\$ 145,244,446
(1,444,339)	(1,643,584)	(1,646,319)	(1,707,364)	(1,808,744)	(1,949,905)
1,088,326	1,287,571	1,290,306	1,351,351	1,452,731	1,599,302
209,561	209,561	209,561	209,561	209,561	208,306
146,452	146,452	146,452	146,452	146,452	142,297
1,444,339	1,643,584	1,646,319	1,707,364	1,808,744	1,949,905
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 794,308	\$ 792,355	\$ 867,964	\$ 1,138,304	\$ 1,007,585	\$ 1,139,253
1,740,436	1,211,250	1,437,516	1,555,112	1,820,068	2,080,339
216,335	224,940	324,790	302,985	328,518	322,758
93,394	62,333	29,568	1,337,702	1,742,830	3,113,430
1,808,750	1,554,688	2,000,571	4,935,499	3,013,793	2,760,850
2,637,112	3,306,440	6,209,389 ⁽⁵⁾	2,621,666	3,048,638	5,045,625
9,548,057	8,054,209	11,833,470 ⁽⁶⁾	21,880,646 ⁽⁷⁾	17,113,083 ⁽⁷⁾	15,082,736
16,838,392	15,206,215	22,703,268	33,771,914	28,074,515	29,544,991
74,135,037	73,915,527	76,119,056	77,799,111	80,946,873	85,752,900
975,041	996,677	1,045,854	1,109,211	1,026,770	1,196,378
2,965,987	2,969,641	2,972,679	3,054,103	3,197,533	3,332,928
1,063,022	1,144,461	1,007,306	1,063,606	1,710,966	1,921,207
0	0	410,880	0	0	221,178
10,348,687	10,479,300	13,047,753	18,612,374	14,817,519	22,665,685
89,487,774	89,505,606	94,603,528	101,638,405	101,699,661	115,090,276
\$ 106,326,166	\$ 104,711,821	\$ 117,306,796	\$ 135,410,319	\$ 129,774,176	\$ 144,635,267

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

	Fiscal Year			
	2015	2016	2017	2018
Net (expense)/revenue				
Governmental activities	\$ (26,638,440)	\$ (26,461,484)	\$ (21,619,856)	\$ (18,168,187)
Business-type activities	25,122,010	26,996,351	32,650,981	27,302,259
Total primary government net (expense)/revenue	(1,516,430)	534,867	11,031,125	9,134,072
General revenues and other changes in net position				
Governmental activities:				
Taxes				
Property	8,654,493	9,409,584	9,808,840	10,457,466
Intangibles	133,186	129,075	190,764	213,556
Franchise	4,371,358	4,381,245	4,501,181	4,208,097
Occupational	1,268,021	1,368,983	1,373,680	1,394,517
Insurance premium	1,823,481	1,948,090	2,203,406	2,346,272
Alcoholic beverages	1,067,611	1,129,284	1,166,259	1,152,257
Hotel/Motel	828,925	911,847	929,035	965,036
Local option sales	5,094,727	5,281,804	5,439,313	5,885,171
Investment earnings	142,917	72,796	2,001,892 ⁽²⁾	481,963
Gain on sale of assets	0	605	574,310	887,411
Miscellaneous	122,294	183,512	373,513	441,322
Special Item-loss on demolition of building	0	0	(6,491,937) ⁽³⁾	0
Transfers	2,395,089	3,720,948	4,006,251	3,920,070
Total governmental activities	25,902,102	28,537,773	26,076,507	32,353,138
Business-type activities				
Investment earnings	775,365	1,274,329	1,399,356	2,184,898
Gain on sale of assets	17,322	5,120	154,692	325,018
Miscellaneous	156,932	191,620	107,875	128,941
Transfers	(2,395,089)	(3,720,948)	(4,006,251)	(3,920,070)
Total business-type activities	(1,445,470)	(2,249,879)	(2,344,328)	(1,281,213)
Total primary government	24,456,632	26,287,894	23,732,179	31,071,925
Change in net position				
Governmental activities	(736,338)	2,076,289	4,456,651	14,184,951
Business-type activities	23,676,540	24,746,472	30,306,653	26,021,046
Total primary government	\$ 22,940,202	\$ 26,822,761	\$ 34,763,304	\$ 40,205,997

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					
2019	2020	2021	2022	2023	2024
\$ (28,432,822)	\$ (30,374,738)	\$ (21,267,676)	\$ (24,759,762)	\$ (35,329,611)	\$ (41,056,243)
28,926,335	28,507,679	32,690,813	39,144,196	32,367,118	40,447,064
493,513	(1,867,059)	11,423,137	14,384,434	(2,962,493)	(609,179)
13,975,315	14,321,981	15,778,590	12,546,447	14,620,844	26,056,454
179,964	250,731	345,278	378,473	280,719	257,350
4,507,256	4,540,980	4,382,992	4,704,915	5,389,998	5,169,658
1,418,919	1,375,576	1,461,195	1,451,302	1,474,759	1,502,095
2,433,437	2,591,703	2,733,401	2,823,726	3,557,708	3,755,911
1,160,672	1,207,300	1,299,136	1,368,292	1,444,683	1,485,585
1,053,683	1,191,436	1,295,305	1,837,797	1,920,290	2,228,365
6,235,875	6,847,210	7,670,332	8,990,656	11,367,923	12,136,997
2,421,542 ⁽⁴⁾	1,411,125	(4,382,463) ⁽⁵⁾	(1,835,458)	2,268,298	5,491,721
60,948	55,689	194,590	131,194	3,649,326 ⁽⁷⁾	101,304
337,490	282,974	283,639	447,676	706,439	972,622
0	0	0	0	0	0
3,577,520	3,162,043	1,500,423	9,840,641	6,635,321	1,956,263
37,362,621	37,238,748	32,562,418	42,685,661	53,316,308	61,114,325
3,625,899	3,521,550	1,948,286	(1,766,113)	3,017,794	8,439,592
53,525	15,172	81,498	6,696,082 ⁽⁶⁾	10,616,894 ⁽⁶⁾	3,798,063
86,220	158,510	197,732	488,744	115,266	133,325
(3,577,520)	(3,162,043)	(1,500,423)	(9,840,641)	(6,635,321)	(1,956,263)
188,124	533,189	727,093	(4,421,928)	7,114,633	10,414,717
37,550,745	37,771,937	33,289,511	38,263,733	60,430,941	71,529,042
8,929,799	6,864,010	11,294,742	17,925,899	17,986,697	20,058,082
29,114,459	29,040,868	33,417,906	34,722,268	39,481,751	50,861,781
\$ 38,044,258	\$ 35,904,878	\$ 44,712,648	\$ 52,648,167	\$ 57,468,448	\$ 70,919,863

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
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
2024	26,056,454	257,350	5,169,658	1,502,095

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
\$ 1,823,481	\$ 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
3,755,911	1,485,585	2,228,365	12,136,997	52,592,415

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

	Fiscal Year			
	2015	2016	2017	2018
General fund				
Nonspendable	\$ 475,231	\$ 321,639	\$ 295,256	\$ 260,058
Committed	5,848	4,957	4,957	4,957
Assigned	2,457,217	4,216,717	3,966,341	3,912,390
Unassigned	8,065,121	7,480,831	7,660,281	9,087,006
Total general fund	<u>\$ 11,003,417</u>	<u>\$ 12,024,144</u>	<u>\$ 11,926,835</u>	<u>\$ 13,264,411</u>
All other governmental funds				
Nonspendable	\$ 99,367	\$ 81,390	\$ 67,377	\$ 44,754
Restricted	6,868,770	11,805,659	14,227,632	20,027,515
Committed	221,019	244,531	275,253	298,141
Assigned	11,591,868	10,803,666	13,953,838	14,696,448
Unassigned	0	0	0	0
Total all other governmental funds	<u>\$ 18,781,024</u>	<u>\$ 22,935,246</u>	<u>\$ 28,524,100</u>	<u>\$ 35,066,858</u>

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 225,794	\$ 13,851	\$ 1,491	\$ 1,622	\$ 116	\$ 68,093
4,957	14,738	7,388	30,850	50,008	47,560
3,604,326	3,404,718	4,140,909	4,762,964	4,898,370	6,616,114
9,873,498	13,359,919	14,412,619	18,969,739	13,801,797	12,385,711
<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>	<u>\$ 19,117,478</u>
\$ 43,321	\$ 37,620	\$ 36,276	\$ 5,018	\$ 2,031,584	\$ 2,098,116
20,714,683	23,313,865	27,492,411	26,378,289	50,709,987	42,111,297
385,580	443,073	533,489	540,720	617,515	1,181,002
23,161,259	17,466,102	15,803,669	21,361,925	41,541,559	45,651,606
0	0	0	0	0	(4,837)
<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>	<u>\$ 91,037,184</u>

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

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Taxes	\$ 23,263,514	\$ 24,610,752	\$ 25,624,333	\$ 26,666,787
Licenses and permits	1,008,077	1,020,055	1,304,203	1,143,187
Fines, fees and forfeitures	1,778,770	1,735,869	1,944,818	1,680,375
Charges for services	3,331,778	3,589,559	4,295,317	3,883,589
Intergovernmental	4,689,473	7,821,598	9,388,179	11,639,676
Interest	126,712	54,687	1,975,871 ⁽³⁾	406,995
Contributions	147,384	105,628	171,116	214,150
Other	122,291	183,516	373,513	441,324
Total revenues	<u>34,467,999</u>	<u>39,121,664</u>	<u>45,077,350</u>	<u>46,076,083</u>
Expenditures				
General Government	3,431,244	3,550,990	5,997,537 ⁽⁴⁾	5,115,043
Judicial	465,915	470,043	521,707	523,018
Public Safety	15,462,822	16,187,899	16,466,971 ⁽⁵⁾	17,713,931
Public Works	4,672,187	4,994,225	4,436,888 ⁽⁴⁾	5,032,748
Health and Welfare	2,968,229	2,737,379	2,895,919	2,690,223
Culture and Recreation	433,682	400,000	234,283	245,982
Housing and Development	2,148,470	2,438,677	3,438,904 ⁽⁵⁾	2,404,326
Debt Service	11,498,461 ⁽²⁾	1,760,676	4,451,860	1,980,146
Capital Outlay	3,829,201	5,141,709	8,377,243	7,334,797
Total expenditures	<u>44,910,211</u>	<u>37,681,598</u>	<u>46,821,312</u>	<u>43,040,214</u>
Excess of revenues over (under) expenditures	<u>(10,442,212)</u>	<u>1,440,066</u>	<u>(1,743,962)</u>	<u>3,035,869</u>
Other financing sources (uses)				
Transfers in	10,698,274	7,835,912	10,656,899	9,950,013
Transfers out	(7,435,982)	(4,149,965)	(6,627,648)	(6,029,944)
Proceeds from long-term debt	8,917,392	0	2,437,264	10,932
Sale of capital assets	48,126	48,936	768,992	913,464
Total other financing sources (uses)	<u>12,227,810</u>	<u>3,734,883</u>	<u>7,235,507</u>	<u>4,844,465</u>
Net change in fund balances	<u>\$ 1,785,598</u>	<u>\$ 5,174,949</u>	<u>\$ 5,491,545</u>	<u>\$ 7,880,334</u>
Debt service as a percentage of noncapital expenditures	27.1%	5.0%	11.5%	5.4%

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					
2019	2020	2021	2022	2023	2024
\$ 30,938,519	\$ 31,964,390	\$ 35,225,876	\$ 34,174,206	\$ 39,999,145	\$ 52,447,064
1,192,531	920,559	1,141,400	1,558,221	1,683,250	1,231,450
1,740,436	1,211,250	1,437,515	1,555,112	1,365,300	1,867,600
4,262,070	4,556,020	5,073,599	7,846,186	6,479,794	6,132,088
3,141,267	10,750,219	17,821,664	24,843,556	19,858,901	19,904,399
8,027,081	1,237,851	(4,446,697) ⁽⁸⁾	(1,737,532) ⁽¹⁰⁾	2,135,785	5,278,295
169,302	116,123	150,031	202,190	840,979	1,186,637
337,486	282,974	283,639	447,676	706,439	972,622
49,808,692	51,039,386	56,687,027	68,889,615	73,069,593	89,020,155
5,240,953	5,059,059	5,592,696	5,684,456	6,601,841	7,957,909
536,900	604,290	599,394	604,469	662,769	681,543
18,420,807	20,357,172	18,928,273	20,512,590	22,714,314	24,563,421
4,787,746	4,923,409	5,312,540	5,401,454	5,704,384	6,124,989
2,853,579	3,329,651	4,437,077	3,091,060	4,122,618	6,023,385
626,120	2,655,373	503,214	1,000,000	1,158,000	924,447
2,926,127	3,825,055	4,239,575	4,095,873	5,292,499	4,536,329
2,807,107	2,416,011	3,342,970	4,460,608	4,194,815	6,293,724
10,543,374	12,806,208	11,664,812	26,454,044	32,961,525	38,929,605
48,742,713	55,976,228	54,620,551	71,304,554	83,412,765	96,035,352
1,065,979	(4,936,842)	2,066,476	(2,414,939)	(10,343,172)	(7,015,197)
14,065,057	12,452,124	15,342,010	32,700,324	42,957,176	30,181,901
(10,487,538)	(9,290,081)	(13,874,903)	(22,867,031)	(36,058,778)	(28,203,201)
4,933,489 ⁽⁶⁾	1,748,231 ⁽⁷⁾	606,886 ⁽⁹⁾	1,383,099 ⁽¹¹⁾	41,392,682 ⁽¹²⁾	1,382,067
105,162	67,036	233,897	814,615	3,651,901 ⁽¹³⁾	158,155
8,616,170	4,977,310	2,307,890	12,031,007	51,942,981	3,518,922
\$ 9,682,149	\$ 40,468	\$ 4,374,366	\$ 9,616,068	\$ 41,599,809	\$ (3,496,275)
6.5%	5.4%	7.3%	8.4%	6.9%	9.2%

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
2015	\$ 8,676,206	\$ 133,186	\$ 4,371,358	\$ 1,823,481
2016	9,460,424	129,075	4,381,245	1,948,090
2027	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 ⁽²⁾	378,473	4,704,915	2,823,726
2023	14,570,777 ⁽²⁾	280,719	5,389,998	3,557,708
2024	25,911,103	257,350	5,169,658	1,502,095

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.

Occupational Tax	Alcoholic Beverages Tax	Hotel/Motel Tax	Local Option Sales Tax	Total
\$ 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 ⁽¹⁾	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
3,755,911	1,485,585	2,228,365	12,136,997	52,447,064

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 ⁽²⁾	Utilities	
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	86,348,763	(298,500,191)
2017	3,036,116,245	1,102,797,493	87,802,225	79,112,033	(329,203,623)
2018	3,414,339,560	1,176,119,518	65,383,400	67,319,268	(343,066,757)
2019	3,809,200,370	1,302,230,195	51,130,100	73,295,630	(372,366,269)
2020	4,121,300,263	1,347,377,733	42,885,448	78,163,115	(377,476,436)
2021	4,588,293,083	1,429,275,298	41,489,130	81,177,865	(425,521,182)
2022	4,797,932,580	1,531,908,243	32,730,223	84,577,220	(438,560,459)
2023	5,611,039,445	1,761,835,920	46,242,053	88,394,778	(521,264,557)
2024	7,215,024,165	1,984,943,385	47,824,555	87,030,263	(703,766,119)

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
\$	(1,486,210)	\$ 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%
	(8,901,480)	8,622,154,769	3.656	8,622,154,769	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	
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
2023	2024	0.239	0.896	0.510	1.299	0.712	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	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
6.195	0.000	6.195	0.000	3.440	0.571	4.011	13.862

CITY OF GAINESVILLE, GEORGIA
PRINCIPAL TAXPAYERS
June 30, 2024

Taxpayer	Fiscal Year 2024			Fiscal Year 2015		
	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Total Taxable Assessed Value
Mid-America Apartments LP	\$ 151,800,000	1	1.77%		NR*	
53 West Apartments, LLC	\$ 133,402,200	2	1.55%		NR*	
Cargill, Inc.	120,070,428	3	1.40%	\$ 59,583,854	2	1.67%
Kubota	110,469,435	4	1.29%	86,630,214	1	2.42%
ZF Industries, Inc	91,224,164	5	1.06%	40,541,613	4	1.13%
Centennial New Holland, LLC	84,280,533	6	0.98%		NR*	
Fieldale Corp	75,394,972	7	0.88%	48,130,385	3	1.32%
Passco Mill At New Holland	64,720,271	8	0.75%		NR*	
Gold Creek Acquisitions/Corporate	58,007,795	9	0.68%		NR*	
SIF West Park Gainesville, LLC	53,230,800	10	0.62%		NR*	
Georgia Power				31,475,624	5	0.88%
Ace Hardware				26,053,798	6	0.73%
SAPA Extruder Inc				24,376,515	7	0.68%
Bell South Communications				21,463,135	8	0.60%
Inland Western Gainesville Village				21,401,715	9	0.60%
Medical Arts Properties				21,140,313	10	0.59%
Total	<u>\$ 942,600,598</u>		<u>10.97%</u>	<u>\$ 380,797,166</u>		<u>10.62%</u>

Source: Tax Year 2023 and 2014 Hall County Tax Commissioner's Digest - Gainesville District.

* 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		Collections in Subsequent Years	Total Collections to Date	
			Fiscal Year of the Levy			Amount	Percentage of Levy
			Amount	Percentage			
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	1,889,622	15,894,676	99.77%	19,096	15,913,772	99.89%
2020	16,878,797	6,194	16,892,628	100.05%	(31,547)	16,861,081	99.86%
2021	18,101,892	(154)	17,951,673	99.17%	134,386	18,086,059	99.91%
2022	(2) 15,631,750	55,010	15,550,090	99.13%	125,017	15,675,107	99.93%
2023	(2) 18,188,652	(8,007)	18,010,140	99.06%	145,147	18,155,287	99.86%
2024	30,764,883	(342,938)	30,097,983	98.94%		30,097,983	98.94%

Source: City of Gainesville Tax Office

Note (1): Adjustments made after initial tax billing

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, 2024

Commodity	2023			2014		
	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
Food	\$ 10,320,323	1	18.24%	\$ 5,881,974	1	20.91%
Other Retail	9,440,728	2	16.68%	3,491,639	4	12.41%
Wholesale	7,075,498	3	12.50%	4,323,669	2	15.37%
General Merchandise	6,663,127	4	11.78%	4,105,441	3	14.59%
Miscellaneous Services	4,980,510	5	8.80%	2,450,490	5	8.71%
Home Furnishing	4,381,597	6	7.74%	1,961,217	7	6.97%
Manufacturer	3,627,590	7	6.41%	1,431,868	8	5.09%
Other Services	3,392,529	8	6.00%	594,724	10	7.82%
Utility	3,007,713	9	5.32%	2,199,013	6	2.11%
Auto	2,450,499	10	4.33%	1,018,740	9	3.62%
Accommodations	626,186	11	1.11%	532,598	11	1.89%
Construction	616,550	12	1.09%	138,888	12	0.49%
Total	<u>\$ 56,582,850</u>		<u>100.00%</u>	<u>\$ 28,130,261</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, 2024

Customer	Type of Business	Total Water Billings	Total Sewer Billings	Total Billings	Percentage of System Revenues
FIELDALE FARMS CORP	Manufacturer - Poultry Products	\$ 2,921,591	\$ 6,639,214	\$ 9,560,805	11.76%
PILGRIMS PRIDE	Manufacturer - Poultry Products	1,777,958	5,016,804	6,794,762	8.36%
MAR JAC POULTRY INC.	Manufacturer - Poultry Products	1,804,699	4,915,972	6,720,671	8.27%
GOLD CREEK PROCESSING, LLC	Manufacturer - Poultry Products	810,175	1,599,302	2,409,477	2.96%
NE GEORGIA MEDICAL CTR	Health Care	620,513	978,319	1,598,832	1.97%
JOHN SOULES AQUISITIONS LLC dba PRO VIEW FOODS	Manufacturer - Poultry Products	285,285	833,320	1,118,605	1.38%
CARGILL INC	Manufacturer - Soybean Products	411,148	385,535	796,683	0.98%
HALL COUNTY COMMISSIONERS	Local Government	125,423	669,978	795,401	0.98%
SHASTA BEVERAGES INC	Manufacturer- Beverages	294,628	319,801	614,429	0.76%
HALL CO BD OF ED	Education	282,510	273,183	555,693	0.68%
Total		<u>\$ 9,333,930</u>	<u>\$ 21,631,428</u>	<u>\$ 30,965,358</u>	<u>38.10%</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⁾
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
2024	0	2,562,471	0	48,523,591	0	515,612

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

Note (1): Due to the implementation of GASB 87 in FY22, debt categorized as Capital leases prior to FY22 is now categorized as Contracts Payable. Only debt determined to be leases by GASB 87 standards will be categorized as Leases.

Note (2): GASB 96 was implemented in FY23 to report subscription-based IT arrangements.

Note (3): See the Schedule of Demographic and Economic Statistics on Exhibit F-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 Series 2005 Water Sewer Bonds.

Water & Sewer Bonds	Business-Type Activities					Total Primary Government	Percentage of Personal Income ⁽³⁾	Per Capita ⁽³⁾
	Notes From Direct Borrowings	Certificates of Participation Payable	Contracts Payable ⁽¹⁾	Leases Payable ⁽¹⁾	Subscriptions Payable ⁽²⁾			
\$ 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
35,620,672	37,825,625	0	10,977,704	126,258	603,653	139,692,032	5.37%	3,085
28,892,656	51,545,139	0	9,426,116	88,216	400,992	141,954,795	5.23%	3,003

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⁾
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
2024	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, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Available</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Gainesville City Schools	\$ 109,365,471	100%	\$ 109,365,471
Hall County	10,247,076	22% ⁽²⁾	2,236,787
Subtotal, overlapping debt ⁽¹⁾			111,602,258
City of Gainesville direct debt			51,577,206
Total direct and overlapping debt			<u>\$ 163,179,464</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			
	2015	2016	2017	2018
Debt Limit	\$ 357,843,041	\$ 391,832,744	\$ 397,441,390	\$ 437,715,732
Total net debt applicable to limit	0	0	0	0
Legal debt margin	<u>\$ 357,843,041</u>	<u>\$ 391,832,744</u>	<u>\$ 397,441,390</u>	<u>\$ 437,715,732</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					
2019	2020	2021	2022	2023	2024
\$ 485,993,359	\$ 520,798,362	\$ 570,967,064	\$ 600,275,563	\$ 697,863,424	\$ 863,105,625
0	0	0	0	0	0
\$ 485,993,359	\$ 520,798,362	\$ 570,967,064	\$ 600,275,563	\$ 697,863,424	\$ 863,105,625
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2024

Total assessed value of taxable property	\$ 8,631,056,249
Debt limit (10% of total assessed value)	863,105,625
Debt applicable to limit:	
General obligation debt	0
Less: Amount set aside for repayment	
of general obligation debt	0
Total net debt applicable to limit	0
Legal debt margin	\$ 863,105,625

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	
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	89,090,193	43,601,555	45,488,638	6,300,000	1,654,500	5.72
2024	99,998,594	49,445,973	50,552,621	5,640,000	1,356,000	7.23

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)
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	2.4%
2024	47,265	2,713,767	57,416	8,260	3.1%

Source (a): Fiscal years 2014-2019 and 2022-2024 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 for most recent available data.

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, 2024

<u>Employer</u>	<u>2024</u>			<u>2015</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Northeast Georgia Medical Center	9,239	1	9.04%	7,100	1	8.38%
Gold Creek Foods	4,000 ⁽²⁾	2	3.91%			
Kubota Manufacturing of America	3,579	3	3.50%	1,600	3	1.89%
Hall County School System	3,500	4	3.42%			
Fieldale Farms Corporation	2,375	5	2.32%	2,500	2	2.95%
Pilgrim's Pride	1,760	6	1.72%	1,450	4	1.71%
Hall County Government	1,752	7	1.71%			
Fox Factory	1,700	8	1.66%			
Mar-Jac	1,300	9	1.27%	1,250	5	1.47%
ZF Gainesville, LLC	1,200	10	1.17%			
Victory Processing LLC				1,250	6	1.47%
Cottrell, Inc.				850	7	1.00%
Wal-Mart				830	8	0.98%
Pro View Foods, LLC				750	9	0.88%
Wrigley Manufacturing Company, LLC				750	10	0.88%
Total	<u>30,405</u> ⁽¹⁾		<u>29.74%</u>	<u>18,330</u>		<u>21.63%</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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Primary government										
General Government	51	51	53	52	53	57	57	58	59	44
Judicial	10	10	10	10	10	10	10	10	10	6
Public Safety										
Police	114	114	116	117	118	120	120	121	121	101
Fire	103	103	103	103	103	103	103	104	108	107
Code Enforcement	4	4	4	5	6	6	6	6	6	5
Public Works	55	55	59	60	60	57	57	57	57	58
Health and Welfare	32	32	40	40	43	41	42	50	49	25
Housing and Development	13	13	13	13	13	13	13	15	15	14
Vehicle Services	6	6	6	6	6	6	6	6	6	5
Water and Sewer	233	233	233	234	234	234	234	234	237	228
Solid Waste	24	24	24	24	25	25	25	26	26	23
Golf Course	4	4	4	5	5	5	5	5	5	7
Total primary government	649	649	665	669	676	677	678	692	699	623
Component unit										
City of Gainesville										
Parks and Recreation										
Culture and Recreation	39	39	37	37	38	44	43	43	48	45
Gainesville Convention and Visitor's Bureau										
Housing and Development	4	4	4	4	4	7	11	10	11	11
Total Component units	43	43	41	41	42	51	54	53	59	56
Total employees	692	692	706	710	718	728	732	745	758	679

Source: Annual City of Gainesville Budget Document.

CITY OF GAINESVILLE, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year			
	2015	2016	2017	2018
Police				
Number of citations issued	9,734	12,060	13,431	11,606
Number of calls for service	70,534	68,007	68,952	83,252
Fire				
Number of calls answered	7,814	8,108	8,592	8,550
Number of inspections conducted	2,019	3,850	3,543	3,764
Highways and streets				
Square feet of sidewalks replaced	8,217	2,562	2,360	1,951
Linear feet curb and gutter installed	241	329	227	50
Sanitation				
Refuse collected (tons)	5,374	5,791	6,392	6,763
Recyclables collected (tons)	772	697	858	820
Culture and Recreation				
Enrolled in youth athletics	1,181	1,388	2,407	2,366
Civic Center/Cabin rentals	1,230	991	879	1,213
Water System (-Millions of Gallons per Day)				
Number of service connections	55,274	50,950	54,572	55,638
Daily average consumption in millions of gallons	16.74	17.40	18.69	18.75
Sewer System (-Millions of Gallons per Day)				
Number of service connections	11,580	10,020	10,687	11,101
Daily average treatment in gallons	8.00	9.10	9.00	10.00

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					
2019	2020 (1)	2021	2022	2023	2024
11,340	8,200	8,888	7,657	7,532	9,406
100,750	91,075	85,643	55,369 ⁽³⁾	99,030 ⁽⁵⁾	40,698
10,317	12,094	12,154	12,752	13,049	16,083
3,672	2,820	2,232	2,052	3,729	4,978
8,210	6,065	6,940	6,340	3,535	4,860
660	113	536	499	226	296
7,621	7,719	8,561	8,894	9,073	8,624
859	711	746	712	591	678
2,371	1,918	2,602	2,476	2,359	2,614
1,424	982	727 ⁽²⁾	2,369 ⁽⁴⁾	1,564	1,572
56,934	57,878	59,273	60,397	62,299	63,437
19.03	19.27	19.40	19.70	20.50	21.44
11,445	11,788	12,140	13,016	13,537	14,012
11.40	11.50	11.70	11.20	11.50	12.00

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

	2015	2016	2017	2018
Function				
Public safety				
Number of police stations	2	2	2	1
Number of fire stations	4	4	4	4
Solid Waste				
Collection Trucks	13	13	13	14
Highways and streets				
Miles of streets	140	141	143	147
Miles of storm sewers	20.52	20.81	21.68	24.18
Number of street lights	2,639	2,679	2,668	2,769
Culture and Recreation				
Community/Civic Centers	2	2	2	2
Parks	22	22	22	22
Park acreage	450+	454+	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
Pickleball courts				
Water and Sewerage System-Gainesville and Hall County (- Millions of Gallons per Day)				
Water System:				
Miles of water mains	1,363	1,372	1,390	1,383
Number of fire hydrants	8,838	8,885	9,096	9,557
Number of water treatment plants	2	2	2	2
Maximum daily capacity of treatment plants in million gallons	35	35	35	35
Sewer System:				
Miles of sanitary sewers	291	294	301	306
Number of wastewater treatment plants	2	2	2	2
Maximum daily capacity of treatment plants in gallons	17	17	17	17

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.

Note (7): Some tennis courts were converted to pickleball courts.

2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
4	4	4	4	4	4
9	9	10	12	12	16
149	149	149	149	149	154
69.00	69.00	50.20 (2)	50.20	50.20	58.60
2,825	2,849	2,813	2,909	3,045	3,058
2	2	2	2	2	2
21	22	22	21 (3)	20 (6)	20
458+	547+ (1)	547+	494+ (3)	405 (6)	405
1	1	1	1	1	1
4	4	4	4	4	4
9	9	9	9	9	8
10	10	10	11 (4)	3 (6)	3
2	2	2	2	2	2
15	15	15	14 (5)	14	13 (7)
					6 (7)
1,411	1,438	1,450	1,461	1,465	1,478
9,728	9,620	9,796	9,831	9,968	10,068
2	2	2	2	2	2
35	35	35	35	35	35
318	317	329	330	331	349
2	2	2	2	2	2
17	17	17	17	17	17

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES
WATER RATES AND MINIMUM DEMAND CHARGES
JUNE 30, 2024

Water Rates (Monthly Charges):

	Inside City Limits	Outside City Limits
Account Servicing Fee	\$ 6.53	\$ 6.53
Quantity Used Per Month In 1,000 Gallons		
Rates per 1,000 Gallons	\$ 3.58	\$ 6.80

Note: Inclusion of this information is intended 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, 2024

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: Inclusion of this information is intended 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, 2024

Sewer Rates (Monthly Charges by Volume):

	Inside City Limits	Outside City Limits	Oakwood
Commodity charge Per 1,000 gallons	\$ 10.45	\$ 10.45	\$ 10.66

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 \$6.53 inside the City and \$6.53 outside the City. In addition, sewer only customers pay an additional fee per 1,000 gallons. The rates are \$10.45 for inside City customers, \$10.45 for outside City customers, and \$10.66 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: Inclusion of this information is intended 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, 2024

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: Inclusion of this information is intended 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
2015	\$ 4,840,617	\$ 7,643,488	\$ 3,296,107
2016	8,136,724	4,840,617	4,915,428
2017	13,052,152	8,136,724	13,080,866
2018	26,133,018	13,052,152	(9,881,982)
2019	16,251,036	26,133,018	11,436,734
2020	27,687,770	16,251,036	(6,824,858)
2021	20,862,911	27,687,770	1,167,597
2022	29,993,180	24,025,030	5,968,150
2023	55,002,712	25,800,143	29,202,569
2024	52,963,432	38,520,725	14,442,707

Note: Inclusion of this information is intended 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
6/30/2024

	<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 (\$8,495,828)	
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 \$400,278,264

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

Year	Number of Residential Permits		Total Estimated Value	Number of Commercial Permits	Total Estimated Value
	Single Family	Multi-Family ⁽¹⁾ / Number of Units			
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 ⁽²⁾	31	58,129,477
2017	412	4/96	70,021,683	31	234,766,657 ⁽³⁾
2018	288	96/708	63,131,144	24	40,504,564
2019	255	11/270	72,202,283	20	119,554,968 ⁽⁴⁾
2020	134	8/308	61,949,585	20	41,372,919
2021	323	13/410	114,696,050	37	115,216,218 ⁽⁵⁾
2022	164	15/751	171,262,636 ⁽⁶⁾	31	496,621,165 ⁽⁶⁾
2023	268	0	51,797,368	47	183,126,539

Source: City Zoning Department.

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

Note (2): Totals reflect an increase in multi-family housing projects and single-family dwelling permits.

Note (3): Includes \$175 million for construction of Enota Elementary.

Note (4): Includes Fox Factory, NEGA Health and Geveko Markings Inc.

Note (5): Includes Gainesville Middle School, Gainesville High School Activity Center, and Courtyard Marriott.

Note (6): 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⁾	47,265
Hall County Population, including City ⁽¹⁾	221,913
Area of City in square miles	35.41
Number of full time employees	679

Government facilities and services:

Public Safety:

ISO Fire Classification	Class I
Number of fire personnel and officers	106
Number of police personnel and officers	103
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 teachers	280
Number of middle schools	2
Number of middle school teachers	116
Number of secondary schools	2
Number of secondary school teachers	149
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): 2023 estimates based on 2020 census data from the United States Census Bureau.

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 *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, 2024, 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 6, 2024.

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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Gainesville, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Gainesville, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Gainesville, Georgia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Gainesville, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion the response.

Purpose of This Report

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

Rushton, LLC

Gainesville, Georgia
December 6, 2024

**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, 2024. 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, 2024.

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.

Rushton, LLC

Gainesville, Georgia
December 6, 2024

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2024

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	\$ 141,394
U.S. Department of Justice			
Bulletproof Vest Partnership Program	16.607	N/A	5,600
Equitable Sharing Program	16.922	N/A	172,761
Total U.S. Department of Justice			178,361
U.S. Department of Transportation			
Passed through the Georgia Department of Transportation:			
Airport Improvement Program	20.106	T006971	478,889
Federal Transit Cluster			
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507	T007055	1,445,129
		T006844	498,541
COVID-19		T007055	209,460
Total Federal Transit Cluster			2,153,130
Total U.S. Department of Transportation			2,632,019
U.S. Environmental Protection Agency			
Passed through Georgia Environmental Finance Authority:			
Capitalization Grants for Clean Water State Revolving Funds	66.458	CW2020-022	10,503,045
		CW2020-023	2,754,019
			13,257,064
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW2020-032	1,672,035
		DWLSL2022138	7,725
			1,679,760
Total U.S. Environmental Protection Agency			14,936,824

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2024

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	\$ 273,751
COVID-19		Gainesville - Title III, C1	67,058
		Gainesville - Title III, C2	202,111
COVID-19		Gainesville - Title III, C2	48,758
			<u>591,678</u>
Nutrition Services Incentive Program	93.053	Gainesville - NSIP	84,537
Total Aging Cluster of Programs			<u>676,215</u>
Passed through Legacy Link, Inc.:			
Social Services Block Grant	93.667	Gainesville - SSBG	64,416
Total U.S. Department of Health and Human Services			<u>740,631</u>
Total Expenditures of Federal Awards			<u><u>\$ 18,629,229</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, 2024

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, 2024

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?	Yes
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:	
66.458 Capitalization Grants for Clean Water State Revolving Funds	
Dollar threshold used to distinguish	
Between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2024

2. Financial Statement Findings

A. Current Year Audit Findings

2024-001

Condition: A material restatement was required for the correction of an error regarding the beginning balances of pension related investments, deferred outflows of resources, liabilities and net position.

Criteria: Properly designed internal controls should prevent material misstatements to the financial statements.

Effect: Failure to properly apply internal control policies and procedures led to financial statements that were materially misstated.

Cause: New investments were recorded as a loss instead of additional investments.

Recommendation: Management should update policies and procedures to include approval of investment transactions by the Chief Financial Officer.

Management Response: Management concurs with this finding. Management discovered and corrected the prior period balance during the current fiscal year. The City's finance department also updated policies and procedures to include approval of investment transactions by the Chief Financial Officer.

B. Prior Year Audit Findings Follow-Ups

None reported

3. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

STATE REPORTING SECTION

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2024

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	1,568,019	0	1,568,019
Roads, Bridges, Stormwater	12,914,482	13,688,132	14,892,240	150,620	15,042,860
Youth Sports Athletic Complex	6,750,000	7,154,363	1,602,597	6,325,510	7,928,107
Park Improvements	250,000	264,976	411,352	7,638	418,990
Total SPLOST VII	<u>\$ 25,414,482</u>	<u>\$ 26,936,952</u>	<u>\$ 24,463,102</u>	<u>\$ 6,483,768</u>	<u>\$ 30,946,870</u>
SPLOST VIII					
Roads, Streets, Bridges, Sidewalks, and Related Improvements	\$ 15,000,000	\$ 13,404,398	\$ 7,235,844	\$ 5,065,558	\$ 12,301,402
Parks and Recreation Facilities and Equipment	9,164,541	13,105,980	12,411,198	5,013,814	17,425,012
Public Safety Facilities and Equipment	8,500,000	7,006,834	2,483,402	1,175,802	3,659,204
Downtown Parking Deck	4,000,000	4,000,000	13,375,207	168,012	13,543,219
Total SPLOST VIII	<u>\$ 36,664,541</u>	<u>\$ 37,517,212</u>	<u>\$ 35,505,651</u>	<u>\$ 11,423,186</u>	<u>\$ 46,928,837</u>

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.



GAINESVILLE

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