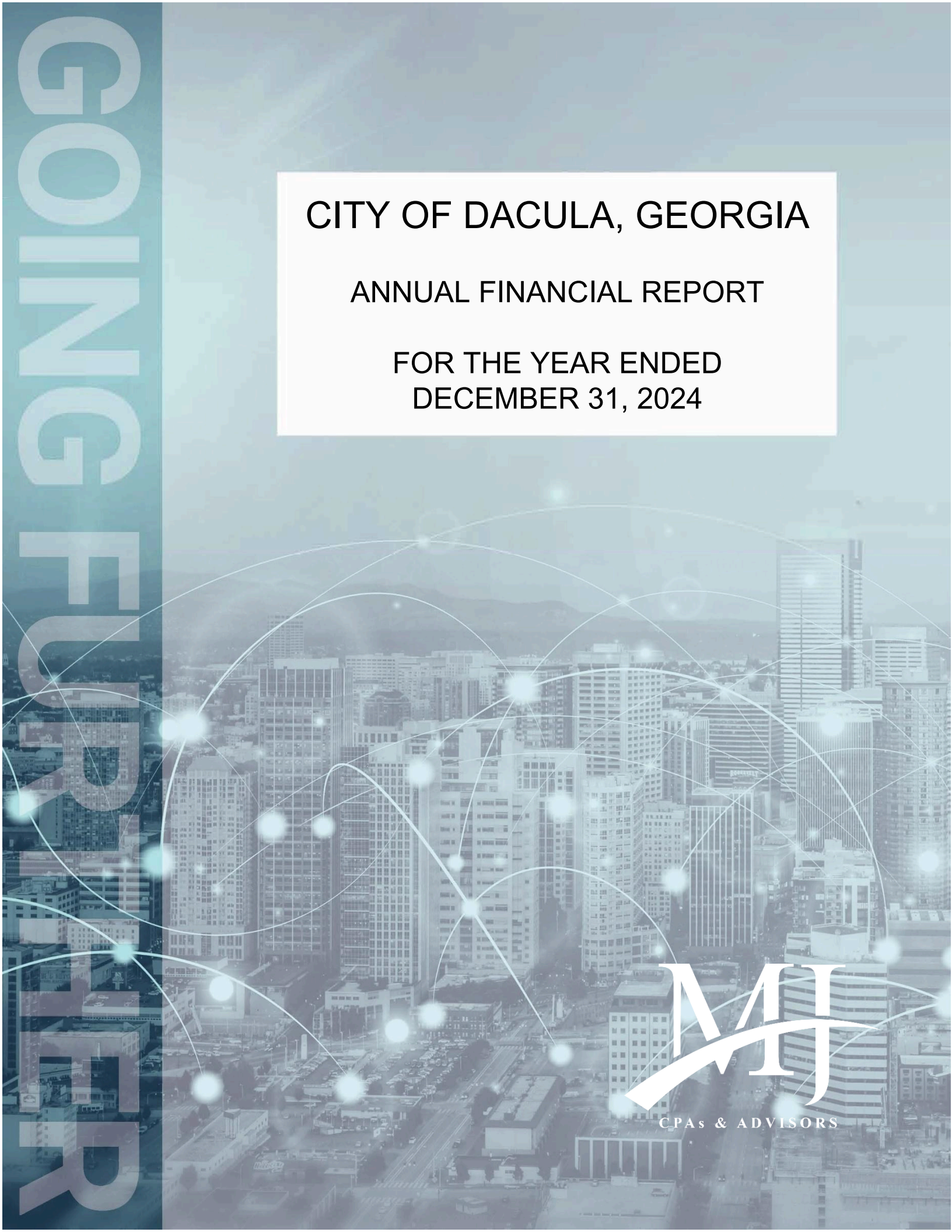
GOING FURTHER

CITY OF DACULA, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024



CPAs & ADVISORS

CITY OF DACULA, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2024



CITY OF DACULA, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2024

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CITY OF DACULA, GEORGIA
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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of City Council
City of Dacula, 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, and each major fund of the **City of Dacula, Georgia** (the "City"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City'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, and each major fund of the City of Dacula, Georgia as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Dacula, Georgia, and to meet our other 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 opinions.

Emphasis of Matter – Change in Accounting Principle

As described in Note 13 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and GASB Statement No. 101, *Compensated Absences*, as of January 1, 2024. These standards significantly changed the reporting of the City's compensated absences liabilities. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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'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 for 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'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'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, the schedule of changes in the City's net pension liability and related ratios, the schedule of City contributions, and the General Fund and ARPA Fund budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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's basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "supplementary information") are presented for purposes of additional analysis and are 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 24, 2025

CITY OF DACULA, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

As management of the City of Dacula, Georgia (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the notes to the financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent year by $39,817,640 (net position). Of this amount, $11,747,398 (*unrestricted net position)* may be used to meet the City's ongoing obligations to citizens and creditors. $21,127,994 of net position consisted of investments in capital assets, net of related debt. The remainder of net position consisted of amounts restricted by law, with $52,572 restricted for federal programs, $6,803,184 restricted for capital projects, and $86,492 restricted for public works.

- The City's total net position increased by $4,470,470 in the year ended December 31, 2024. This is compared to an increase of $3,917,765 the prior year. This increase in net position for 2024 resulted primarily from increased unrestricted net position of $1,208,296 and net investment in capital assets of $2,337,811. The City saw an increase in tax revenues, licenses and permit fees, interest income, and acquired and constructed new capital assets including land, a new garbage truck for sanitation services, a chipper truck for public works, security cameras at Maple Creek Park, and various infrastructure improvement projects for stormwater, roads, and sidewalks.

- As of the close of the current year, the City's governmental funds reported combined ending fund balances of $61,629,315. This compares to the prior year ending fund balances of $15,735,571 showing a total increase of $45,893,744 during the current year. The fund balance of the General Fund increased by $1,717,598 due to tax revenues, licenses and permits, and interest income. The fund balance for the Capital Projects Fund decreased by $197,520 due to ongoing project expenditures and no more contributions to this fund. SPLOST fund balance increased by $527,843 as revenue exceeded capital outlay. The City Core Project Fund is a new fund in fiscal year 2024 and saw an increase in fund balance of $43,802,623 due to the issuance of revenue bonds.

- At the end of the current year, the total fund balance for the General Fund was $11,531,689 or 248% of General Fund expenditures. Of this amount, $11,408,936 was unassigned, $86,492 was restricted for public works, and $36,261 was non-spendable.

- At the end of the current year, the total fund balance for the SPLOST Fund was $5,028,833. SPLOST funds are restricted for transportation projects, administrative facilities, public safety facilities and equipment, recreational facilities and equipment, and water and sewer projects.

- At the end of the current year, the total fund balance for the Capital Projects Fund was $1,213,598. These funds are restricted for parks and beautification of the City.

- At the end of the current year, the total fund balance for the City Core Project Fund was $43,802,623. The City Core Project funds are restricted for the construction of a new municipal complex, including city hall, a municipal courtroom, event space and parking, public green space, an outdoor amphitheater, a parking deck, and capitalized interest.

- At the close of the year, the assets of the City's Sanitation Fund exceeded its liabilities by $1,163,438. Of this total net position, $1,063,162 is unrestricted and available to meet the Sanitation Fund's ongoing obligations to its customers. $100,276 is invested in capital assets.

Overview of the Financial Statements

Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner like a private-sector business.

The *statement of net position* presents information on the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities)*. The governmental activities include general government, public safety, public works, recreation and parks, municipal court, and planning and zoning. The City's business-type activities include the Sanitation Fund.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

The City maintains five (5) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each major fund. The City's major funds are the General Fund, ARPA (American Rescue Plan Act) Fund, Capital Projects Fund, SPLOST Fund, and the City Core Project Fund.

The City adopts an annual appropriated budget for its General Fund and special revenue funds. A budgetary comparison statement has been provided for the General Fund and ARPA Fund to demonstrate compliance with this budget.

Proprietary Funds

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sanitation services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on the Sanitation Fund.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes provide information about the City's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability and related ratios and the Schedule of City Contributions.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Dacula, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $39,817,640 at the close of the most recent year. Table 1 below is a summary of the City's net position.

Table 1
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
Assets:	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Current and other assets	$ 62,755,574	$ 17,389,455	$ 1,202,909	$ 1,096,591	$ 63,958,483	$ 18,486,046
Capital assets	22,682,604	18,767,714	364,375	125,346	23,046,979	18,893,060
Total assets	85,438,178	36,157,169	1,567,284	1,221,937	87,005,462	37,379,106
Deferred outflows of resources	114,450	153,626	45,780	108,955	$ 160,230	$ 262,581
Liabilities:						
Current liabilities	1,595,115	1,553,202	287,002	37,435	1,882,117	1,590,637
Long-term liabilities	45,134,758	385,017	95,202	273,062	45,229,960	658,079
Total liabilities	46,729,873	1,938,219	382,204	310,497	47,112,077	2,248,716
Deferred inflows of resources	168,553	26,796	67,422	19,005	235,975	45,801
Net position:						
Net investment in capital assets	21,027,718	18,664,837	100,276	125,346	21,127,994	18,790,183
Restricted	6,942,248	6,033,096	-	-	6,942,248	6,033,096
Unrestricted *	10,684,236	9,647,847	1,063,162	876,044	11,747,398	10,523,891
Total net position	$ 38,654,202	$ 34,345,780	$ 1,163,438	$ 1,001,390	$ 39,817,640	$ 35,347,170

* 2023 figure adjusted to reflect the impact of GASB Statement No. 101 implementation

A portion of the City's net position ($21,127,994 or 53.06%) reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment, less any related debt used to acquire those assets that is still outstanding). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. $6,942,248 (17.44%) of the City's net position is restricted for federal programs, capital projects, and public works. The remaining portion of the City's net position ($11,747,398 or 29.50%) is unrestricted. Unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current year, the City is able to report positive balances in all three categories of net position, for the City as a whole. The unrestricted net position of the primary government increased by $1,208,296 in 2024 from the previous year's balance of $10,539,102 to a net balance of $11,747,398.

Analysis of the City's Operations and Changes in Net Position

The schedule below presents a summary of the City's operations for the years ended December 31, 2024 and 2023. Governmental activities during the current year increased the City's net position by $4,308,422 for the year ended December 31, 2024. Business-type activities increased the City's net position by $162,048 for the year ended December 31, 2024.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	$ 774,140	$ 438,973	$ 738,148	$ 692,570	$ 1,512,288	$ 1,131,543
Operating grants and contributions	-	-	-	-	-	-
Capital grants and contributions	3,546,208	2,918,012	-	-	3,546,208	2,918,012
General revenues:						
Property taxes	2,558,608	2,277,148	-	-	2,558,608	2,277,148
Franchise taxes	768,645	392,204	-	-	768,645	392,204
Insurance premium taxes	657,596	612,000	-	-	657,596	612,000
Business taxes	160,472	232,117	-	-	160,472	232,117
Alcoholic beverage taxes	233,457	230,240	-	-	233,457	230,240
Miscellaneous income	3,596	152,421	-	-	3,596	152,421
Unrestricted investment earnings	845,483	10,488	38,570	-	884,053	10,488
Gain on sale of capital assets		-	-	-	-	-
Total revenues	9,548,205	7,263,603	776,718	692,570	10,324,923	7,956,173
Expenses:						
General government	1,488,253	1,184,274	-	-	1,488,253	1,184,274
Public safety	278,539	249,734	-	-	278,539	249,734
Public works	1,515,146	1,395,125	-	-	1,515,146	1,395,125
Recreation and parks	136,494	38,363	-	-	136,494	38,363
Judicial/Municipal court	8,720	15,256	-	-	8,720	15,256
Planning and zoning	526,189	413,009	-	-	526,189	413,009
Interest and fiscal charges	1,286,442	-	-	-	1,286,442	-
Sanitation	-	-	614,670	742,647	614,670	742,647
Total expenses	5,239,783	3,295,761	614,670	742,647	5,854,453	4,038,408
Transfers:						
Transfers in	-	118,822	-	-	-	118,822
Transfers out	-	-	-	(118,822)	-	(118,822)
Total Transfers	-	118,822	-	(118,822)	-	-
Change in net position	4,308,422	4,086,664	162,048	(168,899)	4,470,470	3,917,765
Net position, beginning of year	34,357,602	30,270,938	1,004,779	1,173,678	35,362,381	31,444,616
Adjustment - change in accounting principle	(11,822)	-	(3,389)	-	(15,211)	-
Net position, beginning of year, as adjusted	34,345,780	-	1,001,390	-	35,347,170	-
Net position - end of year	$ 38,654,202	$ 34,357,602	$ 1,163,438	$ 1,004,779	$ 39,817,640	$ 35,362,381

Governmental Activities

Revenue. Charges for Services of $774,140 increased by $335,167 primarily due to an increase in planning and development related permit revenue from 2023 to 2024. Building permits and other fees vary from year to year based on the types of development, construction progress, and the volume of development activity. The majority of charges for services come from the Planning and Development department. The remaining charges for services mostly come from alcohol licenses and municipal court fines for ordinance violations. Capital Grants and Contributions of $3,546,208 increased by $628,196, due to an increase in SPLOST proceeds, an increase in the spending of ARPA

funds on infrastructure improvements, and Local Road Assistance funds from the Georgia Department of Transportation provided in addition to the annual Local Maintenance and Improvement Grant (LMIG). Capital grants and contributions comprise 37.1% of total governmental revenue in 2024 compared to 40.2% in 2023. Property taxes provided 26.8% of the City's total governmental revenue for the year 2024 as compared with 31.4% in the year 2023. This percentage decrease in property tax revenue is due to the increase in revenue from Capital Grants and Contributions, Charges for Services, and Interest income. Overall, governmental revenues increased by $2,284,602 or 31.5% while overall governmental expenses increased by $1,944,022 or 59%. The increase in revenues was primarily due to increases in planning and zoning permit fees from new development, Capital Grants which the details are discussed above, interest income from new investments of idle cash, and property tax revenue caused by increases in home values and new development. The increase in expenses was primarily due to capital projects funded with SPLOST proceeds, revenue bond proceeds, and government grants as well as bond issuance costs and accrued interest expense on long-term debt. The projects included infrastructure improvements in Brookton Place Subdivision, on McMillan Road, on Whisper Way, and for the City Core Project.

Expenses The total expense for the governmental activities was $5,239,783 in 2024, an increase of $1,944,022 or 59% compared to 2023. Public works accounts for the largest portion of governmental expenses. Total public works expenses were $1,515,146 or 28.9% of total governmental expenses. General government expenses accounted for the second largest portion of governmental expenses and represented $1,488,253 or 28.4% of total governmental expenses. Interest and fiscal charges are the third largest portion of governmental expenses at $1,286,442 and represented 24.6% of total governmental expenses.

Business-Type Activities

Revenues. Total revenues for the Sanitation Fund increased by $84,148 from 2023 to 2024. The General Fund typically subsidizes the Sanitation Fund, but the increase in fees for the service set back in 2022, and the increase in customers over the past few years due to growth, has helped lower the amount of funds needed from the General Fund. In the current year, the Sanitation Fund did not receive any transfers in from the General Fund. The City also moved its idle operating funds to investments with higher returns, which increased interest income.

Expenses. Total expenses for the Sanitation Fund were $614,670 in the current year compared to $742,647 in the prior year. The decrease was mainly due to two factors. One being that retirement contributions were down significantly due to a large decrease in the Net Pension Liability. The other main factor was that no garbage cans or recycling bins were purchased in 2024 as the City's inventory was sufficient.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's 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 year.

At the end of the current year, the City's governmental funds reported combined ending fund balances of $61,629,315. Of this amount, $11,408,936 or 18.5% constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is made of $50,184,118 of restricted fund balance due to external limitations on its use, and $36,261 of non-spendable. These restricted uses include: 1) capital projects funded by SPLOST funds ($5,028,833), 2) parks, recreation, and beautification projects funded by an endowment fund ($1,213,598), 3) federal programs ($52,572) funded by the American Rescue Plan Act, 4) road infrastructure funded by the Georgia Department of Transportation's Local Maintenance and Improvement Grant ($86,492), and 5) the City Core Project, which includes the construction of a new city hall, municipal courtroom, outdoor green space, an amphitheater, and parking deck which is being funded with the Urban Redevelopment Agency of Dacula Revenue Bonds, Series 2024 ($43,802,623). The non-spendable fund balance portion of $36,261 is for prepaid items, mostly prepaid insurance.

General Fund – The General Fund is the central operating fund of the City. At the end of the current year, the fund balance of the General Fund was $11,531,689 of which $11,408,936 was unassigned, $86,492 was restricted, and $36,261 was non-spendable. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Total fund balance of $11,531,689 represents approximately 248.5% of total General Fund expenditures compared to 236.4% for the prior year while

unassigned fund balance of $11,408,936 represents approximately 245.8% of total General Fund expenditures compared to 235.6% of the prior year. Fund balance of the City's General Fund increased by $1,717,598 during the current year primarily due to increased tax revenue, licenses and permit fees, and interest income.

ARPA (American Rescue Plan Act) Fund – The ARPA Fund was created in 2021 due to the Federal American Rescue Plan Act Grant administered to provide economic relief during the Coronavirus pandemic. The City received an APRA Grant Award of $2,371,321. As of December 31, 2024, the City recorded an unearned revenue liability from this award in the amount of $516,368 and recorded revenue of $811,274 and interest revenue of $43,200. Total expenditures in 2024 were $811,274.

SPLOST Fund (Special Purpose Local Option Sales Tax) – The SPLOST Fund contains the activity of sales tax proceeds that started in 2017 and renewed in 2023, both of which are for a six-year SPLOST Tax. The SPLOST Fund balance at year-end 2024 of $5,028,833 increased by $527,843 from 2023 due to revenue exceeding expenditures. Revenue from the SPLOST tax increased in 2024 by $213,358. The fund balance is restricted for capital outlay for facilities, infrastructure, and equipment.

Capital Projects Fund – The capital projects fund accounts for the funds provided by the former Mayor Mr. Willbanks' Estate. The total fund balance for the capital projects fund at year end was $1,213,598, which is restricted for expenditures on parks, recreation, and beautification projects. The City received no contributions in 2024 and expects no more contributions for the remainder of the life of this fund.

City Core Project Fund – The City Core Project Fund was created in 2024 to account for the inflows and outflows of resources for the City Core Project, which includes the construction of a new city hall, municipal courtroom, outdoor greenspace, an amphitheater, a parking deck, bond issuance costs, and capitalized interest. This project is being funded with revenue bonds, interest income on idle funds, and transfers in from the Capital Projects Fund. The fund balance at year end was $43,802,623, which is restricted to the construction of the above-mentioned assets.

Proprietary Funds. The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The City maintains one enterprise fund that accounts for the activities of the City that are operated in a business fashion. The City maintains an enterprise fund for its sanitation services.

Sanitation Fund - Sanitation fees are billed on the City property tax bills and are collected by the City annually. The Sanitation Fund increased its net position by $162,048 in 2024. This increase in net position is attributable to an increase in sanitation fees from new customers, increase in interest income from new investments, a decrease in retirement contributions from a reduction in the Net Pension Liability, and a decrease in materials purchases due to a sufficient inventory of garbage cans and recycling bins. No transfers in from the General Fund were needed for 2024.

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Table 3 below compares governmental fund revenues and expenditures for 2024 and 2023.

Table 3
Governmental Revenues, Expenditures, and Changes in Fund Balances

	Governmental Funds	
	2024	**2023**
Revenues:		
Taxes	$ 4,375,242	$ 3,729,042
Licenses and permits	748,844	383,956
Intergovernmental	3,353,842	2,825,060
Fines and forfeitures	24,117	18,928
Charges for services	1,179	36,089
Interest income	1,037,849	10,852
Contributions	-	92,588
Miscellaneous	3,596	152,421
Total Revenue	9,544,669	7,248,936
Expenditures:		
General government	3,460,969	2,195,227
Public safety	279,125	234,293
Public works	3,270,200	2,182,809
Recreation and parks	292,216	1,475,362
Judicial/municipal court	8,720	15,256
Planning and zoning	517,083	414,070
Debt Service	720,193	-
Total Expenditures	8,548,506	6,517,017
Excess of revenues over expenditures	996,163	731,919
Other financing sources (uses):		
Transfers out	-	-
Transfers in	-	118,822
Proceeds from sale of capital assets	825	235,436
Proceeds from the issuance of bonds	43,410,000	-
Premium on bonds issued	1,486,756	-
Total other financing sources	44,897,581	354,258
Net change in fund balances	45,893,744	1,086,177
Fund balances, beginning of year	15,735,571	14,649,394
Fund balances, end of year	$ 61,629,315	$ 15,735,571

General Fund Budgetary Highlights

The City's budget is prepared according to Georgia law. A comparison of actual revenues and expenditures compared to budgeted amounts are presented in the financial statements for the General Fund and ARPA Fund. General Fund revenue was $283,271 more than budgeted mainly due to higher-than-expected collection of taxes. General Fund expenditures were $1,111,462 less than budgeted mostly explained by a vacancy of the Director of Finance for the last four months of the fiscal year, an unused contingency account in case of emergencies, the timing of planning and zoning department costs associated with new developments, and a public works project related to right-of-way maintenance that is moving slower than originally expected due to factors outside of the City's control. Legal services, insurance on City property, and repairs and maintenance expenditures were also all less than expected. ARPA revenue was $39,474 more than what was budgeted, while ARPA expenditures were $3,726 less than the budgeted amount.

Capital Assets and Long-Term Debt

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2024, amounts to $23,046,979 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, vehicles, land improvements, and infrastructure such as streets, sidewalks, and stormwater systems. Table 4 below summarizes capital assets of the City.

Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Construction in progress	$ 1,929,683	$ 69,895	$ -	$ -	$ 1,929,683	$ 69,895
Land	5,824,016	4,760,789	-	-	5,824,016	4,760,789
Buildings and improvements	2,337,791	2,337,791	-	-	2,337,791	2,337,791
Infrastructure	14,143,080	12,771,916	-	-	14,143,080	12,771,916
Furniture and equipment	458,839	410,735	-	-	458,839	410,735
Vehicles	367,744	271,685	900,506	636,408	1,268,250	908,093
Land Improvements	1,319,816	1,319,816	-	-	1,319,816	1,319,816
Less accumulated depreciation	(3,698,365)	(3,174,913)	(536,131)	(511,062)	(4,234,496)	(3,685,975)
Total	$ 22,682,604	$ 18,767,714	$ 364,375	$ 125,346	$ 23,046,979	$ 18,893,060

The City's total investment in capital assets increased from $18,893,060 to $23,046,979 in 2024. The City spent an additional $3,230,952 on construction in progress (CIP) and transferred a total of $1,371,164 of construction in progress (CIP) to Infrastructure for several projects completed in 2024. As of December 31, 2024, there was $952,139 of construction projects in progress that are scheduled to be completed in 2024 and another $977,544 invested in the City Core Project, which is estimated to be complete in 2027 or 2028.

During fiscal year 2024, the City purchased $48,104 of equipment, which included additional security cameras at Maple Creek Park, two new laptops for the Marshal vehicles, and a new server for new code enforcement software also for the Marshal's department. The City purchased three pieces of property related to the City Core Project. The City added a new chipper truck for the Public Works department that cost $108,539. The transfers out of CIP discussed above included road improvements to the Brookton Place subdivision as well as stormwater system improvements off Whisper Way and Superior Drive.

Long-Term Debt and Obligations. The City's long-term debt and obligations can be found in Note 7 in the notes to the financial statements of this report. The City's compensated absences for governmental activities increased by $6,825 while the compensated absences for business-type activities decreased by $2,916 from 2023 to 2024. The City also issued revenue bonds during the year which included a premium on those bonds. The City's long-term debt is summarized in the table on the following page. Compensated absences for 2023 are stated at adjusted amounts for implementation of GASB 101.

Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Compensated absences	$ 21,406	$ 14,581	$ 473	$ 3,389	$ 21,879	$ 17,970
Revenue bonds	43,410,000	-	-	-	43,410,000	-
Bond premium	1,486,756	-	-	-	1,486,756	-
Net pension liability	238,002	385,017	95,202	273,062	333,204	658,079
Long-term liabilities	$ 45,156,164	$ 399,598	$ 95,675	$ 276,451	$ 45,251,839	$ 676,049

Economic Factors and Next Year's Budgets and Rates

The City considered the current year results as well as other factors in preparing the City's budget for 2025. The budget for 2025 reflects total revenues and expenditures of $75,408,581 for all funds. Capital project funds make up $68,388,262 of that, which is budgeted by project length where funds are not earned or expended in a single year. The 2025 General Fund appropriations are less than 2024 mostly due to less reliance from the Sanitation Fund and no capital asset purchase for the public works department. Many other government expenditures are expected to rise slightly as the cost of goods and services are expected to increase.

In November of 2022, Gwinnett County voters approved a referendum for a six-year Special Purpose Local Option Sales Tax restricted for capital construction of streets, sidewalks, administrative facility acquisition/improvement, parks and recreation facility and equipment, public safety facilities and equipment, and water and sewer improvements with the City estimated to receive $9,620,184 over six years. To date the actual tax collected by the City is averaging 106.6% of the original estimate.

The net tax digest valuation for the City is estimated to increase by approximately 12% in 2025 and the City tentatively plans to keep the property tax millage rate stable at 4.557 mills. The valuation increase is due to a combination of property reassessments and new development. The City has experienced a significant increase in development projects over the past few years. As these projects are completed, we expect continued increases in our property tax digest and tax revenues.

The City will not be receiving any additional ARPA funds or any additional contributions from the former Mayor Mr. Wilbanks' Estate. As of December 31, 2024, the City still has much of the cash collected from these sources and has capital improvement projects planned over the next few years, which includes sewer improvements, gateway signage, and beautification/landscaping for the City Core Project.

The City saw an increase of $45,596 in the Insurance Premium Tax on insurance companies from 2023 to 2024. The increase in revenue is expected to remain for future years as the cost of insurance premiums are continuing to increase. The City's revenue from occupational taxes and alcohol licenses are expected to grow steadily over the next few years as development and business investments in the City continue to increase. In 2024, the City moved idle cash to Georgia Fund 1 and saw an increase of $1,026,997 in interest income. Interest income is expected to remain a significant contributor of revenue for the City as the cash reserves remain stable and interest rates remain high.

The City will continue to monitor actual revenues and expenses and the economic environments, including the laws and regulations, that have an impact on those revenues and expenses. The City's goal is to keep the cost of government operations as low as it can without sacrificing the quality of services needed and desired by its citizens.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Dacula
PO Box 400
Dacula, GA 30019

CITY OF DACULA, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government		
ASSETS	**Governmental Activities**	**Business-Type Activities**	**Total**
Cash and cash equivalents	$ 17,894,405	$ 1,164,221	$ 19,058,626
Taxes receivables	573,433	-	573,433
Intergovernmental receivable	338,813	-	338,813
Accounts receivable	-	38,688	38,688
Other receivable	148	-	148
Restricted cash and cash equivalents	43,912,514	-	43,912,514
Prepaid items	36,261	-	36,261
Capital assets:			
Nondepreciable	7,753,699	-	7,753,699
Depreciable, net of accumulated depreciation	14,928,905	364,375	15,293,280
Total assets	85,438,178	1,567,284	87,005,462
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	114,450	45,780	160,230
Total deferred outflows of resources	114,450	45,780	160,230
LIABILITIES			
Accounts payable	101,190	274,176	375,366
Contracts payable	235,209	-	235,209
Retainage payable	79,878	-	79,878
Accrued liabilities	601,687	12,353	614,040
Unearned revenues	555,745	-	555,745
Compensated absences due within one year	21,406	473	21,879
Bond payable due in more than one year	44,896,756	-	44,896,756
Net pension liability due in more than one year	238,002	95,202	333,204
Total liabilities	46,729,873	382,204	47,112,077
DEFERRED INFLOWS OF RESOURCES			
Pension related items	168,553	67,422	235,975
Total deferred inflows of resources	168,553	67,422	235,975
Net investment in capital assets	21,027,718	100,276	21,127,994
Restricted for federal programs	52,572	-	52,572
Restricted for public works	86,492	-	86,492
Restricted for capital projects	6,803,184	-	6,803,184
Unrestricted	10,684,236	1,063,162	11,747,398
Total net position	$ 38,654,202	$ 1,163,438	$ 39,817,640

The accompanying notes are an integral part of these financial statements.

CITY OF DACULA, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 1,488,253	$ 98,706	$ -	$ -	$ (1,389,547)	$ -	$ (1,389,547)
Public safety	278,539	-	-	-	(278,539)	-	(278,539)
Public works	1,515,146	-	-	3,546,208	2,031,062	-	2,031,062
Recreation and parks	136,494	-	-	-	(136,494)	-	(136,494)
Judicial/municipal court	8,720	24,117	-	-	15,397	-	15,397
Planning and zoning	526,189	651,317	-	-	125,128	-	125,128
Interest and fiscal charges	1,286,442	-	-	-	(1,286,442)	-	(1,286,442)
Total governmental activities	5,239,783	774,140	-	3,546,208	(919,435)	-	(919,435)
Business-type activities:							
Sanitation	614,670	738,148	-	-	-	123,478	123,478
Total business-type activities	614,670	738,148	-	-	-	123,478	123,478
Total primary government	$ 5,854,453	$ 1,512,288	$ -	$ 3,546,208	(919,435)	123,478	(795,957)
General revenues:							
Property taxes					2,558,608	-	2,558,608
Franchise taxes					768,645	-	768,645
Insurance premium taxes					657,596	-	657,596
Business and occupational taxes					160,472	-	160,472
Alcoholic beverage taxes					233,457	-	233,457
Unrestricted investment earnings					845,483	38,570	884,053
Miscellaneous					3,596	-	3,596
Total general revenues					5,227,857	38,570	5,266,427
Change in net position					4,308,422	162,048	4,470,470
Net position, beginning of year					34,357,602	1,004,779	35,362,381
Adjustment - change in accounting principle					(11,822)	(3,389)	(15,211)
Net position, beginning of year, as adjusted					34,345,780	1,001,390	35,347,170
Net position, end of year					$ 38,654,202	$ 1,163,438	$ 39,817,640

The accompanying notes are an integral part of these financial statements.

CITY OF DACULA, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

ASSETS	General Fund	ARPA Fund	Capital Projects Fund	SPLOST Fund	City Core Project Fund	Total Governmental Funds
Cash and cash equivalents	$ 11,269,028	$ 568,940	$ 1,269,138	$ 4,787,299	$ -	$ 17,894,405
Taxes receivables	573,433	-	-	-	-	573,433
Intergovernmental receivable	-	-	-	338,813	-	338,813
Other receivables	148	-	-	-	-	148
Restricted cash and cash equivalents	-	-	-	-	43,912,514	43,912,514
Prepaid items	36,261	-	-	-	-	36,261
Due from other funds	-	-	-	3,040	-	3,040
Total assets	$ 11,878,870	$ 568,940	$ 1,269,138	$ 5,129,152	$ 43,912,514	$ 62,758,614
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 101,190	$ -	$ -	$ -	-	$ 101,190
Contracts payable	37,285	-	38,388	49,645	109,891	235,209
Retainage payable	12,052	-	17,152	50,674	-	79,878
Accrued liabilities	35,438	-	-	-	-	35,438
Unearned revenue	39,377	516,368	-	-	-	555,745
Due to other funds	3,040	-	-	-	-	3,040
Total liabilities	228,382	516,368	55,540	100,319	109,891	1,010,500
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	118,799	-	-	-	-	118,799
Total deferred inflows of resources	118,799	-	-	-	-	118,799
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaid items	36,261	-	-	-	-	36,261
Restricted:						
Federal programs	-	52,572	-	-	-	52,572
Public works	86,492	-	-	-	-	86,492
Capital projects	-	-	1,213,598	5,028,833	43,802,623	50,045,054
Unassigned	11,408,936	-	-	-	-	11,408,936
Total fund balances	11,531,689	52,572	1,213,598	5,028,833	43,802,623	61,629,315
Total liabilities, deferred inflows of resources, and fund balances	$ 11,878,870	$ 568,940	$ 1,269,138	$ 5,129,152	$ 43,912,514	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	22,682,604
Some receivables are not available to pay for current-period expenditures and, therefore, are unavailable in the governmental funds.	118,799
The net pension liability, and related deferred inflows and outflows of resources related to the City's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.	(292,105)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(45,484,411)
Net position of governmental activities	$ 38,654,202

The accompanying notes are an integral part of these financial statements.

CITY OF DACULA, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	ARPA Fund	Capital Projects Fund	SPLOST Fund	City Core Project Fund	Total Governmental Funds
Revenues						
Taxes	$ 4,375,242	$ -	$ -	$ -	$ -	$ 4,375,242
Licenses and permits	748,844	-	-	-	-	748,844
Intergovernmental	796,185	811,274	-	1,746,383	-	3,353,842
Fines and forfeitures	24,117	-	-	-	-	24,117
Charges for services	1,179	-	-	-	-	1,179
Interest income	409,019	43,200	422	192,366	392,842	1,037,849
Miscellaneous	3,596	-	-	-	-	3,596
Total revenues	6,358,182	854,474	422	1,938,749	392,842	9,544,669
Expenditures						
Current:						
General government	2,483,306	-	-	210,881	766,782	3,460,969
Public safety	233,659	-	-	45,466	-	279,125
Public works	1,326,005	811,274	-	1,132,921	-	3,270,200
Recreation and parks	72,636	-	197,942	21,638	-	292,216
Judicial/municipal court	8,720	-	-	-	-	8,720
Planning and zoning	517,083	-	-	-	-	517,083
Debt service - bond issuance costs:	-	-	-	-	720,193	720,193
Total expenditures	4,641,409	811,274	197,942	1,410,906	1,486,975	8,548,506
Excess (deficiency) of revenues over expenditures	1,716,773	43,200	(197,520)	527,843	(1,094,133)	996,163
Other financing sources:						
Proceeds from the issuance of bonds	-	-	-	-	43,410,000	43,410,000
Premium on bonds issued	-	-	-	-	1,486,756	1,486,756
Proceeds from sale of capital assets	825	-	-	-	-	825
Total other financing sources	825	-	-	-	44,896,756	44,897,581
Net change in fund balances	1,717,598	43,200	(197,520)	527,843	43,802,623	45,893,744
Fund balances, beginning of year	9,814,091	9,372	1,411,118	4,500,990	-	15,735,571
Fund balances, end of year	$ 11,531,689	$ 52,572	$ 1,213,598	$ 5,028,833	$ 43,802,623	$ 61,629,315

The accompanying notes are an integral part of these financial statements.

CITY OF DACULA, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

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

Net change in fund balances - total governmental funds	$	45,893,744
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		3,914,890
The issuance of long-term debt provides current financial resources to governmental funds, but the activity increases long-term liabilities in the statement of net position.		(44,896,756)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		3,536
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(606,992)
Change in net position - governmental activities	$	4,308,422

The accompanying notes are an integral part of these financial statements.

CITY OF DACULA, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2024

ASSETS	Sanitation Fund
CURRENT ASSETS	
Cash and cash equivalents	$ 1,164,221
Accounts receivable	38,688
Total current assets	1,202,909
NONCURRENT ASSETS	
Capital assets, net of accumulated depreciation	364,375
Total noncurrent assets	364,375
Total assets	1,567,284
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	45,780
Total deferred outflows of resources	45,780
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	274,176
Accrued liabilities	12,353
Compensated absences	473
Total current liabilities	287,002
NONCURRENT LIABILITIES	
Net pension liability	95,202
Total noncurrent liabilities	95,202
Total liabilities	382,204
DEFERRED INFLOWS OF RESOURCES	
Pension related items	67,422
Total deferred inflows of resources	67,422
NET POSITION	
Investment in capital assets	100,276
Unrestricted	1,063,162
Total net position	$ 1,163,438

The accompanying notes are an integral part of these financial statements.

CITY OF DACULA, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Sanitation Fund
OPERATING REVENUE	
Sanitation fees	$ 734,541
Other charges	3,607
Total operating revenues	738,148
OPERATING EXPENSES	
Personnel services	337,495
Contractual services	217,562
Materials and supplies	34,544
Depreciation	25,069
Total operating expenses	614,670
Operating income	123,478
NONOPERATING REVENUES	
Interest income	38,570
Total nonoperating revenues	38,570
Change in net position	162,048
Net position, beginning	1,004,779
Adjustment - change in accounting principle	(3,389)
Net position, beginning of year, as adjusted	1,001,390
Net position, ending	$ 1,163,438

The accompanying notes are an integral part of these financial statements.

CITY OF DACULA, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Sanitation Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 767,750
Payments to employees	(403,763)
Payments to vendors and suppliers	(266,934)
Net cash provided by operating activities	97,053
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	38,571
Net cash provided by investing activities	38,571
Net change in cash	135,624
Cash, beginning of year	1,028,597
Cash, end of year	$ 1,164,221
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 123,478
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	25,069
Change in assets and liabilities:	
Decrease in accounts receivables	29,602
Decrease in accounts payable	(15,439)
Increase in accrued expenses	3,823
Decrease in compensated absences	(2,916)
Decrease in due to other funds	(296)
Decrease in net pension liability and related deferred inflows and outflows - net	(66,268)
Net cash provided by operating activities	$ 97,053
Noncash capital and related financing activities:	
Capital related accounts payable	$ 264,098

The accompanying notes are an integral part of these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City, which was incorporated in 1905, operates under a Mayor/Council/City Manager form of government and provides the following services as authorized by its charter to its citizens: general and administrative services, public safety and judicial, public works, recreation parks, planning and zoning, and sanitation utility services. The City Manager is the head of the administrative branch of government and is responsible for the day-to-day operations of the City government. The legislative authority of the City is vested in the Mayor and four (4) members of the City Council.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City and its component unit. In determining how to define the reporting entity, management has considered all potential component units by applying the criteria set forth in GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units", and GASB Statement No. 61, "The Financial Reporting Entity." Based on the criteria, the City has one entity that qualifies as a blended component unit.

Blended Component Unit – The City of Dacula's Urban Redevelopment Agency (the "URA" and "City Core Project Fund") has been included as a blended component unit in the accompanying financial statements. The URA was activated by resolution to exercise the urban redevelopment plan powers as defined in the Urban Redevelopment Law of the City. The URA operates under a five-member board consisting of the Mayor and City Council. Any debt issued by the URA is expected to be repaid with City resources. Separate financial statements for the Agency are not prepared. The City reports the URA ("City Core Project Fund") as a capital projects fund.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Government-wide financial statements do not provide information by fund but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes, intergovernmental and other general revenues, are reported separately from business-type activities, which rely to a significant extent, on fees and charges for support. The statement of net position includes noncurrent assets and deferred outflows of resources and noncurrent liabilities and deferred inflows of resources. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to 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. Taxes and other items not considered program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as is the proprietary fund financial statements. 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due. Property taxes, alcoholic beverage taxes, franchise taxes, licenses and permits, intergovernmental grants, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period, if the available criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, “Accounting and Financial Reporting for Non-exchange Transactions”, the corresponding assets (receivables) in nonexchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. In accordance with GASB Statement No. 34, major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to another fund are accounted for in this fund. General operating expenditures and capital improvement costs that are not paid through other funds are paid from the General Fund.

The **ARPA Fund** accounts for federally restricted grant monies received under the American Rescue Plan Act.

The **Capital Projects Fund** accounts for the acquisition and construction of capital assets, other than those accounted for in specific funds. The fund also accounts for the financial resources of donations received from the City's former Mayor as stated in his last will and testament.

The **SPLOST Fund** accounts for the acquisition of capital assets or construction of major projects financed by special purpose local option sales tax proceeds.

The **City Core Project Fund** accounts for resources accumulated and expended by the City and to provide financing for the City related to the City's urban redevelopment projects.

The City reports the following major proprietary fund:

The **Sanitation Fund** accounts for the provision of sanitation services to the residents and businesses of the City. All activities necessary to provide such services are accounted for in the fund, including, but not limited to administration, operation, financing and billing, and collections.

The proprietary fund distinguishes operating revenues and expenses from nonoperating 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 enterprise fund is charges for goods and services provided. Operating expenses of the enterprise fund includes the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets

Annual appropriated budgets are adopted for General Fund and special revenue funds. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets for governmental funds are adopted on a modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America, for governmental funds. All appropriations lapse at year end. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not employed by the City. A project length budget is adopted for all capital projects funds.

E. Cash, Investments and Restricted Cash

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value as determined by quoted market prices. Investments, if any, are stated at fair value with unrealized holding gains and losses reported as a component of interest income. The City also has restricted cash related to unspent bond proceeds from long-term debt issued in the City Core Project Fund. These proceeds are held to be disbursed as costs are incurred on capital projects.

F. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year, as well as all other outstanding balances between funds is reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

G. Receivables

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

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

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

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	40
Infrastructure	40
Furniture and equipment	5-15
Vehicles	5-15
Land improvements	15-40

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, drainage, sidewalks, etc. The City implemented the provisions of GASB Statement No. 34 for the year ended December 31, 2004. The City was not required to retroactively report infrastructure assets in governmental activities.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2024, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

J. Compensated Absences

The liability for compensated absences reported in the governmental activities consists of an estimate for the time to be used for sick leave. Sick leave is accumulated and in accordance with GASB Statement No. 101. Any liability accrued for unpaid vacation is liquidated at the end of each year, and thus no unpaid vacation is subject to accrual. Full-time, permanent employees can accumulate up to one hundred and sixty (160) hours of sick leave. Full-time, permanent employees are eligible to be paid for unused sick leave after twenty (20) years of service up to 160 hours.

K. 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 (if any) are deferred and amortized over the life of the bonds using the effective interest method. Bonds payables are reported net of the applicable bond premium or discounts. Bond issuance costs are expensed when incurred.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types report the face amount of debt issued and any related premiums or discounts as other financing sources and debt issuance costs and debt service payments as expenditures.

L. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets, deferred inflows of resources, and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal vote of the City Council through the adoption of a resolution. The same formal action is required to subsequently remove or modify a commitment of fund balance.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Through resolution, the City Council has authorized the City's finance director to assign fund balances. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular governmental fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

M. Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the Fund Equity section. All other net position is reported as unrestricted. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

N. Deferred Outflows/Inflows of Resources

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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City's unavailable revenue, which arises under a modified accrual basis of accounting, and therefore, qualifies for reporting in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Deferred Outflows/Inflows of Resources (Continued)

The City also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability. Deferred outflows of resources represent a consumption of net assets that applies to future period(s). Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. Changes in actuarial assumptions, which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a ten-year period. Additionally, any contributions made by the City to the pension plan before fiscal year end, but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

O. Management Estimates

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

P. Interfund Transactions

Interfund services provided and used in the fund financial statements are accounted for as revenue, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. 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 of Dacula Retirement Plan (the "Plan"), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds." The details of this $45,484,411 difference are as follows:

Bonds payable, net	$ (44,896,756)
Accrued interest	(566,249)
Compensated absences	(21,406)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (45,484,411)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this $3,914,890 difference are as follows:

Capital outlays	$ 4,450,822
Depreciation expense	(535,932)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ 3,914,890

Another element of that reconciliation explains that "the issuance of long-term debt provides current financial resources to governmental funds, but the activity increases long-term liabilities in statement of net position." The details of this $44,896,756 difference are as follows:

Revenue bonds issuance	$ (43,410,000)
Premium on revenue bonds	(1,486,756)
Net adjustment to reduce *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ (44,896,756)

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds." The details of this $606,992 difference are as follows:

Change in compensated absences	$ (6,825)
Accrued interest	(566,249)
Change in net pension liability and related deferred inflows and outflows	(33,918)
Net adjustment to reduce *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ (606,992)

NOTE 3. LEGAL COMPLIANCE - BUDGETS

A. Budget

The City of Dacula, Georgia employs the following procedures in establishing its annual budget:

1. Prior to January 1, the Mayor and City Council members prepare a proposed budget for the fiscal year commencing January 1.
2. Public hearings are held to obtain taxpayers' comments.
3. The budget is legally enacted through the passage of a resolution.
4. All revisions to the budget must be submitted to the City Council for approval.
5. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the General Fund and special revenue fund. An operating budget is prepared for the enterprise fund for planning, control, cost allocation, and evaluation purposes, but are not formally reported within the general ledger.
6. Budgetary appropriations lapse at the end of the fiscal year.

Encumbrance accounting is not used by the City.

NOTE 4. CASH AND INVESTMENTS

Total deposits as of December 31, 2024 are summarized as follows:

Statement of Net Position:		
Cash and cash equivalents	$	19,058,626
Restricted cash and cash equivalents		43,912,514
	$	62,971,140
Cash deposited with financial institutions	$	2,730,882
Local government investment pool - Georgia Fund 1		60,240,258
Total cash and cash equivalents	$	62,971,140

Custodial Credit Risk – Deposits: State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either: (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of December 31, 2024, the financial institutions holding all of the City's deposits were participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. As of December 31, 2024, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by state statutes.

NOTE 4. CASH AND INVESTMENTS (CONTINUED)

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Fitch's criteria for AAAf-rated money market funds and is regulated by the Georgia Office of the State Treasurer. 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 per share). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair value as of year end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation. As of December 31, 2024, the weighted average maturity of the pool was 27 days.

Interest rate risk: The City's investment policy is to invest in instruments allowed by state law, and that interest rate risk shall be minimized by structing investment portfolios such that securities mature to meet ongoing cash requirements. Unless matched to a specific cash flow, the City will not directly invest in maturities maturing more than five (5) years from the date of purchase. As of December 31, 2024, the City had no investments balances that were exposed to interest rate.

Credit risk: State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of December 31, 2024, the City had no investments balances that were exposed to credit risk.

Fair value measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of 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; Level 3 inputs are significant unobservable inputs. At December 31, 2024 the City has no investments and no hierarchy disclosure is presented.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose the investment in the Georgia Fund 1 within the fair value hierarchy.

NOTE 5. RECEIVABLES

The value of all real and business personal property located in the City is assessed (appraised) by the Gwinnett County Board of Assessors and billed and collected by the City. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the state, county, and/or city. The City levies property taxes on in the first week of August of each year and the taxes are due on December 1, with a lien date of April 1.

Property taxes are recorded as receivables and deferred at the time the tax levy is billed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible within sixty days following the close of the year, and therefore susceptible to accrual in accordance with GAAP, have been recognized as revenue.

Receivables at December 31, 2024, for the City's individual major funds are as follows:

	General	SPLOST	Sanitation
Receivables:			
Taxes	$ 573,433	$ -	$ -
Accounts	148	-	38,688
Intergovernmental	-	338,813	-
Net total receivable	$ 573,581	$ 338,813	$ 38,688

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, is as follows:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	$ 69,895	$ 3,230,952	$ (1,371,164)	$ 1,929,683
Land	4,760,789	1,063,227	-	5,824,016
Total	4,830,684	4,294,179	(1,371,164)	7,753,699
Capital assets, being depreciated:				
Buildings	2,337,791	-	-	2,337,791
Infrastructure	12,771,916	-	1,371,164	14,143,080
Furniture and equipment	410,735	48,104	-	458,839
Vehicles	271,685	108,539	(12,480)	367,744
Land improvements	1,319,816	-	-	1,319,816
Total	17,111,943	156,643	1,358,684	18,627,270
Less accumulated depreciation for:				
Buildings	(650,673)	(58,445)	-	(709,118)
Infrastructure	(1,970,172)	(337,594)	-	(2,307,766)
Furniture and equipment	(265,391)	(50,933)	-	(316,324)
Vehicles	(226,331)	(30,318)	12,480	(244,169)
Land improvements	(62,346)	(58,642)	-	(120,988)
Total	(3,174,913)	(535,932)	12,480	(3,698,365)
Total capital assets, being depreciated, net	13,937,030	(379,289)	1,371,164	14,928,905
Governmental activities capital assets, net	$ 18,767,714	$ 3,914,890	$ -	$ 22,682,604
Business-type activities:				
Capital assets, being depreciated:				
Vehicles	$ 636,408	$ 264,098	$ -	$ 900,506
Total	636,408	264,098	-	900,506
Less accumulated depreciation for:				
Vehicles	(511,062)	(25,069)	-	(536,131)
Total	(511,062)	(25,069)	-	(536,131)
Business-type activities capital assets, net	$ 125,346	$ 239,029	$ -	$ 364,375

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 48,492
Public safety	21,357
Public works	397,734
Recreation and parks	63,766
Planning and zoning	4,583
Total depreciation expense - governmental activities	$ 535,932
Business-type activities:	
Sanitation	$ 25,069

NOTE 7. LONG-TERM DEBT

Long-term liability and obligations activity for the year ended December 31, 2024, was as follows:

	Adjusted Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	$ -	$ 43,410,000	$ -	$ 43,410,000	$ -
Bond premium	-	1,486,756	-	1,486,756	-
Compensated absences *	14,581	6,825	-	21,406	21,406
Governmental activities long-term liabilities	$ 14,581	$ 44,903,581	$ -	$ 44,918,162	$ 21,406
Business-type activities:					
Compensated absences *	$ 3,389	$ -	$ (2,916)	$ 473	$ 473
Business-type activities long-term liabilities	$ 3,389	$ -	$ (2,916)	$ 473	$ 473

* The change in compensated absences liabilities is presented as a net change.

Compensated Absences. Beginning balances of the compensated absences liabilities have been adjusted due to the implementation of GASB Statement No. 101 by the City. See Note 13. The entire compensated absences amount is reported as a current liability based on historical usage as determined by City management.

Revenue Bonds. In August 2024, the City's Urban Redevelopment Agency (i.e. City Core Project Fund) issued Series 2024 Revenue Bonds in an aggregate principal amount of $43,410,000 and original issuance premium of $1,486,756. The bonds were issued for the purpose of financing: (1) the cost of acquiring, constructing and installing an urban redevelopment project consisting of a new municipal complex, including city hall, a municipal courtroom, event space and parking, an outdoor amphitheater, public green space and a public parking deck, (2) capitalized interest, and (3) paying the costs of issuing the Bonds. The Bonds are payable semiannually on February 1 and August 1 of each year and are scheduled to mature in August 2056. The interest rate on the bonds ranges from 4.125% to 5.00%.

NOTE 7. LONG-TERM DEBT (CONTINUED)

The debt service to maturity on the revenue bonds is as follows:

Year ending December 31,	Principal	Interest	Total
2025	$ -	$ 1,709,637	$ 1,709,637
2026	-	1,960,094	1,960,094
2027	-	1,960,094	1,960,094
2028	-	1,960,094	1,960,094
2029	-	1,960,094	1,960,094
2030-2034	3,620,000	9,370,969	12,990,969
2035-2039	4,970,000	8,304,969	13,274,969
2040-2044	6,815,000	6,846,844	13,661,844
2045-2049	9,650,000	4,943,159	14,593,159
2050-2054	12,540,000	2,611,675	15,151,675
2055-2056	5,815,000	249,794	6,064,794
	$ 43,410,000	$ 41,877,423	$ 85,287,423

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2024, is as follows:

Due to/from other funds are as follows:

Receivable Fund	Payable Fund	Amount
SPLOST Fund	General Fund	$ 3,040

All interfund balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balance between the SPLOST Fund and General Fund is due to expenditures that the City ultimately charged to the General Fund.

NOTE 9. DEFINED BENEFIT PENSION PLAN

Plan Description

The City, as authorized by the Mayor and City Council, has established a defined benefit pension plan (the "City of Dacula Retirement Plan") covering all full-time employees. The City Council in its role as the Plan Sponsor, has the sole authority to amend the provisions, including specific benefit provisions and contribution requirements of the Plan as provided by the Plan document. The City's pension Plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472 or on the internet at www.gmanet.com.

As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by the Mayor and City Council, the Plan provides pension benefits and death and disability benefits for Plan members and beneficiaries. All employees who work at least thirty (30) hours a week are eligible to participate immediately upon hire, including elected officials. Benefits vest after seven years of service. A City employee who retires at age 65 with five (5) years of service is entitled to benefits of 2.25% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he or she has a minimum of twenty-five (25) years total credited service to receive full benefits. Employees of the City are not required to make contributions to the Plan.

At July 1, 2024, the date of the most recent actuarial valuation, there were 35 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	6
Terminated vested participants not yet receiving benefits	6
Active participants - vested	6
Active participants - nonvested	17
Total	35

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the recommended contribution described below. For year 2024, the City's contribution rate was 12.77% of covered payroll. The City makes all contributions to the Plan. For year 2024, the City's contribution to the Plan was $128,736.

Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, with update procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2024.

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	2.25%
Salary increases	3.0 - 8.5%, including inflation
Investment rate of return	7.375%

Mortality rates for the July 1, 2024 valuation were based on the sex-distinct, Pri-2012 Head-Count Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 for healthy retirees and beneficiaries and the sex-distinct, Pri-2012 Head-Count Weighted Disabled Retiree Mortality Table with rates multiplied by 1.25 for disabled participants.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – June 30, 2019.

Cost-of-living adjustments were assumed to be 0.00%.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2024 are summarized in the table below:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.91%
International equity	20	7.21
Domestic fixed income	20	1.61
Real estate	10	3.61
Global fixed income	5	1.67
Cash	—	
Total	100%	

* Rates shown are net of the 2.25% assumed rate of inflation

Discount rate. The discount rate used to measure the total pension liability was 7.375%, this was the same 7.375% rate used in the prior year. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all the projected benefit payments to determine the total pension liability.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the net pension liability of the City. The changes in the components of the net pension liability of the City for the year ended December 31, 2024, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/23	$ 1,951,135	$ 1,293,056	$ 658,079
Changes for the year:			
Service cost	57,853	-	57,853
Interest	143,816	-	143,816
Differences between expected and actual experience	(182,100)	-	(182,100)
Contributions—employer	-	131,022	(131,022)
Net investment income	-	218,543	(218,543)
Benefit payments	(117,880)	(117,880)	-
Administrative expense	-	(5,121)	5,121
Net changes	(98,311)	226,564	(324,875)
Balances at 12/31/24	$ 1,852,824	$ 1,519,620	$ 333,204

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

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 602,655	$ 333,204	$ 113,991

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Sensitivity of the net pension liability to changes in the discount rate (Continued). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2024 and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2024, the City recognized pension expense of $96,387. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 55,773	$ (187,320)
Change of assumptions	7,904	-
Net difference between projected and actual earnings on pension plan investments	-	(48,655)
City contributions subsequent to the measurement date	96,553	-
Total	$ 160,230	$ (235,975)

City contributions subsequent to the measurement date of $96,553 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2025	$ 45,997
2026	10,057
2027	26,090
2028	59,804
2029	30,350
Total	$ 172,298

NOTE 10. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and, are accordingly, paid by Gwinnett County. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 229 Peachtree Street NE, Suite 100, Atlanta, Georgia 30303.

NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries insurance for all risks of loss, including general liability and errors and omission coverage through a private insurance company. The City carries commercial insurance for risks of loss related to property, general liability, equipment, automobiles, and crime to cover torts, theft of, and damage to assets, injuries, errors and omissions, and natural disasters. Significant losses are covered by the commercial insurance underlying these programs.

There have been no significant reductions of insurance coverage from coverage in the prior year, and settled claims have not exceeded the coverages in the last three years.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in certain legal actions in claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant

Construction Commitments

At December 31, 2024, the City has outstanding construction commitments of approximately $1,304,419 on various construction projects.

NOTE 13. ACCOUNTING CHANGES

Change in Accounting Principle

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, the City is required to reevaluate the accounting treatment of compensated absences. Also, in conjunction with the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*, the City is required to reevaluate its reporting of a Change in Accounting Principle by adjusting net position for the effect of a newly adopted accounting principle on prior periods. Therefore, in conjunction with the implementation of GASB Statements No. 101 and 100, the following adjustment was required to the beginning net position of governmental activities, and the Sanitation Fund and business-type activities.

	Governmental Activities
Beginning net position, as previously reported	$ 34,357,602
Adjusted due to implementation of GASB No. 101 and implementation of GASB No. 100	(11,822)
Beginning net position, as adjusted	$ 34,345,780

	Sanitation Fund
Beginning net position, as previously reported	$ 1,004,779
Adjusted due to implementation of GASB No. 101 and implementation of GASB No. 100	(3,389)
Beginning net position, as adjusted	$ 1,001,390

	Business-Type Activities
Beginning net position, as previously reported	$ 1,004,779
Adjusted due to implementation of GASB No. 101 and implementation of GASB No. 100	(3,389)
Beginning net position, as adjusted	$ 1,001,390

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DACULA, GEORGIA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 3,394,700	$ 3,881,300	$ 4,375,242	$ 493,942
Licenses and permits	451,000	1,093,850	748,844	(345,006)
Intergovernmental	82,500	709,761	796,185	86,424
Fines and forfeitures	20,000	20,000	24,117	4,117
Interest income	250,000	370,000	409,019	39,019
Charges for services	-	-	1,179	1,179
Miscellaneous	-	-	3,596	3,596
Total revenues	4,198,200	6,074,911	6,358,182	283,271
Expenditures				
Current:				
General government:				
City council	60,448	52,448	41,161	11,287
City administrator	196,558	196,597	187,934	8,663
Mayor	20,918	20,918	15,731	5,187
Elections	3,500	3,500	3,250	250
Finance	1,045,163	2,231,795	1,572,376	659,419
Legal	80,500	80,500	56,759	23,741
Human resources and business services	455,650	423,490	386,507	36,983
City hall	272,000	267,000	219,588	47,412
Total general government	2,134,737	3,276,248	2,483,306	792,942
Public safety	285,661	260,551	233,659	26,892
Public works	827,892	1,442,047	1,326,005	116,042
Recreation and parks	97,100	94,000	72,636	21,364
Judicial/municipal court	18,460	12,960	8,720	4,240
Planning and zoning	486,135	667,065	517,083	149,982
Total expenditures	3,849,985	5,752,871	4,641,409	1,111,462
Excess of revenues over expenditures	348,215	322,040	1,716,773	1,394,733
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	825	825	-
Transfers out	(348,215)	(322,865)	-	322,865
Total other financing sources (uses)	(348,215)	(322,040)	825	322,865
Net change in fund balances	-	-	1,717,598	1,717,598
Fund balances, beginning of year	9,814,091	9,814,091	9,814,091	-
Fund balances, end of year	$ 9,814,091	$ 9,814,091	$ 11,531,689	$ 1,717,598

CITY OF DACULA, GEORGIA

ARPA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 744,700	$ 775,000	$ 811,274	$ 36,274
Interest income	7,500	40,000	43,200	3,200
Total revenues	752,200	815,000	854,474	39,474
EXPENDITURES				
Current:				
Public works	752,200	815,000	811,274	3,726
Total expenditures	752,200	815,000	811,274	3,726
Net change in fund balances	-	-	43,200	43,200
FUND BALANCES, beginning of year	9,372	9,372	9,372	-
FUND BALANCES, end of year	$ 9,372	$ 9,372	$ 52,572	$ 43,200

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2024	2023	2022	2021	2020
Total pension liability					
Service cost	$ 57,853	$ 54,133	$ 38,760	$ 39,160	$ 29,457
Interest on total pension liability	143,816	140,998	140,122	133,482	118,634
Differences between expected and actual experience	(182,100)	(29,263)	(32,122)	76,721	181,192
Benefit payments, including refunds of employee contributions	(117,880)	(144,874)	(155,635)	(162,231)	(154,303)
Other	-	-	-	-	47,421
Net change in total pension liability	(98,311)	20,994	(8,875)	87,132	222,401
Total pension liability - beginning	1,951,135	1,930,141	1,939,016	1,851,884	1,629,483
Total pension liability - ending (a)	$ 1,852,824	$ 1,951,135	$ 1,930,141	$ 1,939,016	$ 1,851,884
Plan fiduciary net position					
Contributions - employer	$ 131,022	$ 130,150	$ 118,574	$ 94,439	$ 77,459
Net investment income	218,543	(92,353)	83,029	441,225	(72,734)
Benefit payments, including refunds of member contributions	(117,880)	(144,874)	(155,635)	(162,231)	(154,303)
Administrative expenses	(5,121)	(7,290)	(5,899)	(5,588)	(6,043)
Net change in plan fiduciary net position	226,564	(114,367)	40,069	367,845	(155,621)
Plan fiduciary net position - beginning	1,293,056	1,407,423	1,367,354	999,509	1,155,130
Plan fiduciary net position - ending (b)	$ 1,519,620	$ 1,293,056	$ 1,407,423	$ 1,367,354	$ 999,509
City's net pension liability - ending (a) - (b)	$ 333,204	$ 658,079	$ 522,718	$ 571,662	$ 852,375
Plan fiduciary net position as a percentage of the total pension liability	82.02%	66.27%	72.92%	70.52%	53.97%
Covered payroll	$ 950,191	$ 798,171	$ 763,659	$ 585,745	$ 463,895
City's net pension liability as a percentage of covered payroll	35.07%	82.45%	68.45%	97.60%	183.74%

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	$ 25,292	$ 25,581	$ 17,299	$ 30,203	$ 22,541
Interest on total pension liability	113,780	109,168	108,373	109,707	101,240
Differences between expected and actual experience	70,235	69,986	29,474	(48,584)	80,867
Changes of assumptions		-	(2,249)	-	(31,938)
Benefit payments, including refunds of employee contributions	(143,205)	(145,619)	(139,659)	(77,424)	(49,493)
Other	-	22,839	-	-	-
Net change in total pension liability	66,102	81,955	13,238	13,902	123,217
Total pension liability - beginning	1,563,381	1,481,426	1,468,188	1,454,286	1,331,069
Total pension liability - ending (a)	$ 1,629,483	$ 1,563,381	$ 1,481,426	$ 1,468,188	$ 1,454,286
Plan fiduciary net position					
Contributions - employer	$ 64,784	$ 60,199	$ 78,438	$ 71,899	$ 82,704
Net investment income	41,401	139,351	132,826	3,083	95,100
Benefit payments, including refunds of member contributions	(143,205)	(145,619)	(139,659)	(77,424)	(49,493)
Administrative expenses	(5,779)	(5,644)	(5,809)	(3,658)	(3,203)
Net change in plan fiduciary net position	(42,799)	48,287	65,796	(6,100)	125,108
Plan fiduciary net position - beginning	1,197,929	1,149,642	1,083,846	1,089,946	964,838
Plan fiduciary net position - ending (b)	$ 1,155,130	$ 1,197,929	$ 1,149,642	$ 1,083,846	$ 1,089,946
City's net pension liability - ending (a) - (b)	$ 474,353	$ 365,452	$ 331,784	$ 384,342	$ 364,340
Plan fiduciary net position as a percentage of the total pension liability	70.89%	76.62%	77.60%	73.82%	74.95%
Covered payroll	$ 424,789	$ 384,142	$ 578,009	$ 596,959	$ 579,081
City's net pension liability as a percentage of covered payroll	111.67%	95.13%	57.40%	64.38%	62.92%

CITY OF DACULA, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS

	2024	2023	2022	2021	2020
Actuarially determined contribution	$ 128,736	$ 131,784	$ 121,752	$ 109,392	$ 89,455
Contributions in relation to the actuarially determined contribution	128,736	131,784	121,752	109,392	89,455
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,008,397	$ 930,789	$ 753,965	$ 766,890	$ 525,363
Contributions as a percentage of covered payroll	12.77%	14.16%	16.15%	14.26%	17.03%

	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 73,460	$ 61,892	$ 59,635	$ 84,706	$ 67,630
Contributions in relation to the actuarially determined contribution	73,460	61,892	59,635	84,706	67,630
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 443,405	$ 418,583	$ 372,661	$ 646,458	$ 579,126
Contributions as a percentage of covered payroll	16.57%	14.79%	16.00%	13.10%	11.68%

Notes to the Schedule of City Contributions:

(1) Actuarial Assumptions used to determine contributions:

Valuation Date	July 1, 2024
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost-of-Living Adjustment	0.00%
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.

SUPPLEMENTARY INFORMATION

CITY OF DACULA, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2024

PROJECT	ORIGINAL ESTIMATED COST	REVISED ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENT COMPLETE
2017 SPLOST:						
Transportation (roads, streets, bridges, and related facilities and equipment)	$ 3,514,507	$ 4,374,279	$ 1,787,675	$ 1,044,649	$ 2,832,324	64.75 %
Recreational facilities and equipment	244,145	303,871	44,864	21,638	66,502	21.88
Public safety facilities and equipment	170,980	212,808	131,647	45,466	177,113	83.23
Water and sewer capital improvements	237,390	295,464	166,300	88,339	254,639	86.18
Administrative facilities	718,115	893,791	571,890	210,814	782,704	87.57
Total SPLOST	$ 4,885,137	$ 6,080,214	$ 2,702,376	$ 1,410,906	$ 4,113,282	
2023 SPLOST:						
Transportation (roads, streets, bridges, drainage sidewalks, stormwater, and related facilities and equipment)	$ 3,078,458	$ 3,078,458	$ -	$ -	$ -	0.00 %
Recreational facilities and equipment	192,224	192,224	-	-	-	0.00
Public safety facilities and equipment	288,606	288,606	-	-	-	0.00
Water and sewer capital improvements	1,443,208	1,443,208	-	-	-	0.00
Administrative facilities	4,617,688	4,617,688	-	-	-	0.00
Total SPLOST	$ 9,620,184	$ 9,620,184	$ -	$ -	$ -	

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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 City Council
City of Dacula, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Dacula, Georgia (the "City"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 24, 2025. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections*, and Statement No. 101, *Compensated Absences*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 24, 2025

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Members
of City Council
City of Dacula, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Dacula, Georgia's (the "City") 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's major federal programs for the year ended December 31, 2024. The City'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 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 December 31, 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 (GAAS); 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 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'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'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'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 GAAS, 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's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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'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'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'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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 24, 2025

CITY OF DACULA, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Agency or Pass-Through Grantor Number	Total Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Gwinnett County Georgia			
Community Development Block Grants/Entitlement Grants Cluster:			
Community Development Block Grants/Entitlement Grants	14.218	B-18-UC-13-0004	$ 90,663
Community Development Block Grants/Entitlement Grants	14.218	B-19-UC-13-0004	252,379
Community Development Block Grants/Entitlement Grants	14.218	B-20-UC-13-0004	60
Community Development Block Grants/Entitlement Grants	14.218	B-21-UC-13-0004	75,004
Community Development Block Grants/Entitlement Grants	14.218	B-22-UC-13-0004	107,070
Total Community Development Block Grants/Entitlement Grants Cluster			525,176
Total U.S. Department of Housing and Urban Development			525,176
U.S. DEPARTMENT OF TREASURY			
Passed Through the State of Georgia			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	1505-0271	811,274
Total U.S. Department of Treasury			811,274
Total Expenditures of Federal Awards			$ 1,336,450

See note to Schedule of Expenditures of Federal Awards.

CITY OF DACULA, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred.

In instances where the grant agreement requires the City to match grant awards with local funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

The City did not utilize the 10% de minimus indirect cost rate.

Federal grant programs which are administered through state agencies (pass-through awards) have been included in this report. These programs are operated according to federal regulations promulgated by the federal agency providing the funding.

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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The City did not pass any federal awards through to subrecipients.

CITY OF DACULA, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	____ yes	__X__ no
Significant deficiencies identified?	____ yes	__X__ none reported
Noncompliance material to financial statements noted?	____ yes	__X__ no

Federal Awards

Internal Control over major federal programs:		
Material weakness(es) identified?	_____ yes	__X__ no
Significant deficiency(ies) identified?	_____ yes	__X__ 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 2 CFR 200.516(a)?	_____ yes	__X__ no

Identification of major program:

Name of Federal Program or Cluster	Federal Assistance Listing Number
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	_____ yes	__X__ no

CITY OF DACULA, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported

CITY OF DACULA, GEORGIA

STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

No audit findings were reported for the year ended December 31, 2023.