CITY OF DALLAS, GEORGIA

ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended
June 30, 2021

Kendall Smith
City Manager

By Authority of
Mayor and City Council

This Page Intentionally Left Blank.

CITY OF DALLAS, GEORGIA
Annual Financial Report
June 30, 2021

TABLE OF CONTENTS

FINANCIAL SECTION	Page
Independent Auditor's Report	1
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet – Governmental Funds	10
Reconciliation of the Balance Sheet of the Governmental Funds to the Stament of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – General Fund – Budget and Actual	14
Statement of Revenues, Expenditures, and Change in Fund Balance – Confiscated Drug Special Revenue Fund – Budget and Actual	15
Statement of Revenues, Expenditures, and Change in Fund Balance – Hotel/Motel Tax Special Revenue Fund – Budget and Actual	16
Statement of Revenues, Expenditures, and Change in Fund Balance – Subdivision Infrastructure Special Revenue Fund – Budget and Actual	17
Statement of Net Position – Proprietary Funds	18
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	19
Statement of Cash Flows – Proprietary Funds	20
Notes to the Financial Statements	21
Required Supplementary Information:	
Schedule of Changes in the Net Pension Liability and Related Ratios	42
Schedule of Required Contributions - Pension Plan	43
Schedule of Changes in the Net OPEB Liability and Related Ratios	44
Schedule of Required Contributions - Other Post-employment Benefit Plan	45
Other Schedules:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance 2017 SPLOST Capital Projects Fund - Budget and Actual From Inception	48
COMPLIANCE SECTION	
Independent Auditor's Report On Internal Control Over Financial Reporting and On Compliance And Other Matters Based On an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*	51
Schedules of Special Purpose Local Options Sales Tax Expenditures–SPLOST 2017	53

This Page Intentionally Left Blank.

FINANCIAL SECTION

This Page Intentionally Left Blank.

P.O. BOX 473
CARTERSVILLE, GA 30120
(770) 382-3361
FAX (770) 386-8382
WWW.WCPAS.COM

WILLIAMSON & CO., CPA's
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

LLOYD WILLIAMSON
CHRISTIAN HATCH

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Council
Of the City of Dallas, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Dallas, Georgia as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion

As of the date of the audit report, the actuarial report that is relied upon for Other Post Employment Benefit (OPEB) Plan balances and disclosures was not available. These items are required by *GASB 75 Accounting and Reporting for Post-Employment Benefits Other Than Pensions*. The City's Net OPEB Liability and Deferred Outflows and Inflows associated with the OPEB Plan typically experience material fluctuations from year to year which could have a material effect on the Proprietary Fund's and the City-wide liabilities, deferred outflows and inflows, and ultimately net position.

Qualified Opinions

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the City of Dallas, Georgia, as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Net Pension Liability and Related Ratios on page 42, the Schedule of Contributions - Pension Plan on page 43, the Schedule of Changes in Net OPEB Liability and Related Ratios on page 44, and the Schedule of Contributions - Other Post-employment Benefits on page 45, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis, that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dallas' basic financial statements. The Individual Fund Schedule and Schedule of Special Purpose Local Option Sales Tax Expenditures, as required by the Georgia code section OCGA §48-8-121, are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

The Individual Fund Schedule and the Schedule of Special Purpose Local Option Sales Tax Expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain limited 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 Individual Fund Schedule and the Schedule of Special Purpose Local Option Sales Tax Expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2022, on our consideration of the City of Dallas, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dallas, State Georgia's internal control over financial reporting and compliance.

Williamson and Company

Williamson and Company
Certified Public Accountants
Cartersville, Georgia
March 23, 2022

This Page Intentionally Left Blank.

BASIC FINANCIAL STATEMENTS

This Page Intentionally Left Blank.

CITY OF DALLAS, GEORGIA
Statement of Net Position
June 30, 2021

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	$ 7,223,169	$ 2,741,561	$ 9,964,730
Receivables, Net	786,092	1,075,749	1,861,841
Internal Balances	370,192	(370,191)	1
Inventory	-	163,501	163,501
Prepaid Expenses	227,539	56,569	284,108
Land and Construction in Progress	6,231,846	16,075,329	22,307,175
Other Capital Assets, Net	16,710,738	37,022,344	53,733,082
Total Assets	31,549,576	56,764,862	88,314,438
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Plan	238,587	85,712	324,299
Pension Plan	871,941	378,691	1,250,632
Total Deferred Outflows of Resources	1,110,528	464,403	1,574,931
LIABILITIES			
Accounts Payable	254,637	1,839,503	2,094,140
Accrued Liabilities	48,290	11,899	60,189
Accrued Interest Payable	-	113,228	113,228
Retainage Payable	-	144,770	144,770
Unreleased Funds	32,078	-	32,078
Customer Deposits	306,843	735,501	1,042,344
Net OPEB Liability	338,031	121,438	459,469
Net Pension Liability	1,790,067	777,442	2,567,509
Noncurrent Liabilities			
Due Within One Year	231,592	1,520,884	1,752,476
Due In More Than One Year	518,648	35,218,145	35,736,793
Total Liabilities	3,520,186	40,482,810	44,002,996
DEFERRED INFLOWS OF RESOURCES			
OPEB Plan	248,284	89,196	337,480
Pension Plan	40,385	17,540	57,925
Total Deferred Inflows of Resources	288,669	106,736	395,405
NET POSITION			
Net Investment in Capital Assets	22,332,176	16,422,324	38,754,500
Restricted for:			
Drug Enforcement Activities	19,142	-	19,142
Capital Projects	3,420,094	-	3,420,094
Unrestricted	3,079,837	217,395	3,297,232
Total Net Position	$ 28,851,249	$ 16,639,719	$ 45,490,968

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

CITY OF DALLAS, GEORGIA
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	$ 1,689,533	$ 323,331	$ 772,569	$ 508,025
Municipal Court	375,675	527,086	-	-
Public Safety	3,929,414	46,112	2,463	395,130
Public Works	2,171,726	101,542	126,439	560,631
Community Development	8,875	89,340	-	-
Theater	503,519	60,676	-	-
Civic Center	113,897	-	-	-
Parks	931,000	143,237	3,000	566,177
Marshal	203,577	-	-	-
Interest on Long-term Debt	163	-	-	-
Total Governmental Activities	9,927,379	1,291,324	904,471	2,029,963
Business-type Activities:				
Water & Sewer	6,343,974	8,109,413	-	109,812
Solid Waste	660,573	748,284	-	-
Total Business-type Activities	7,004,547	8,857,697	-	109,812
Total Primary Government	$ 16,931,926	$ 10,149,021	$ 904,471	$ 2,139,775

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities	Business-type Activities	Totals
Primary Government:			
Governmental Activities:			
General Government	$ (85,608)		$ (85,608)
Municipal Court	151,411		151,411
Public Safety	(3,485,709)		(3,485,709)
Public Works	(1,383,114)		(1,383,114)
Community Development	80,465		80,465
Theater	(442,843)		(442,843)
Civic Center	(113,897)		(113,897)
Parks	(218,586)		(218,586)
Marshal	(203,577)		(203,577)
Interest on Long-term Debt	(163)		(163)
Total Governmental Activities	(5,701,621)		(5,701,621)
Business-type Activities:			
Water & Sewer		1,875,251	1,875,251
Solid Waste		87,711	87,711
Total Business-type Activities		1,962,962	1,962,962
Total Primary Government			(3,738,659)
General Revenues:			
Taxes:			
Property	1,916,749	-	1,916,749
Sales Tax	2,728,496	-	2,728,496
Hotel/Motel	14,393	-	14,393
Business Occupation	302,822	-	302,822
Financial Institution Tax	22,523	-	22,523
Insurance Premium	923,743	-	923,743
Alcohol Tax	218,278	-	218,278
Franchise	830,162	-	830,162
Excise	31,240	-	31,240
Transfer Tax	3,390	-	3,390
Intangible	38,221	-	38,221
Miscellaneous	40,288	5,504	45,792
Total General Revenues and Transfers	7,070,305	5,504	7,075,809
Gain on Asset Disposal	4,001	13,071	17,072
Change in Net Position	1,372,685	1,981,537	3,337,150
Net Position - Beginning	27,478,564	14,658,182	42,136,746
Net Position - Ending	$ 28,851,249	$ 16,639,719	$ 45,473,896

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2021

	General	Special Revenue Confiscated Drug	Special Revenue Hotel/Motel Tax	Special Revenue Subdivision Infrastructure	Capital Projects-SPLOST 2017	Total Governmental Funds
ASSETS						
Cash	$ 3,910,620	$ 18,832	$ 4,615	$ 180,650	$ 3,108,452	$ 7,223,169
Receivables (Net):						
Accounts	20,453	-	-	-	-	20,453
Taxes	384,399	-	1,444	-	-	385,843
Intergovernmental	60,174	-	-	-	319,622	379,796
Due from Other Funds	401,012	310	-	14,058	19,610	434,990
Prepaid Items	227,539	-	-	-	-	227,539
Total Assets	$ 5,004,197	$ 19,142	$ 6,059	$ 194,708	$ 3,447,684	$ 8,671,790
LIABILITIES						
Liabilities:						
Accounts Payable	$ 225,267	$ -	$ 1,780	$ -	$ 27,590	$ 254,637
Accrued Liabilities	48,290	-	-	-	-	48,290
Due to Other Funds	61,634	-	-	3,164	-	64,798
Unreleased Funds	32,078	-	-	-	-	32,078
Deposits Payable	306,843	-	-	-	-	306,843
Total Liabilities	674,112	-	1,780	3,164	27,590	706,646
DEFERRED INFLOWS OF RESOURCES						
Unearned Revenue	40,466	-	-	-	-	40,466
Total Deferred Inflows of Resources	40,466	-	-	-	-	40,466
FUND BALANCES						
Fund Balance:						
Nonspendable:						
Prepaid Items	227,539	-	-	-	-	227,539
Restricted						
Drug Enforcement Activities	-	19,142	-	-	-	19,142
Capital Projects	-	-	-	-	3,420,094	3,420,094
Committed						
Tourism	-	-	4,279	-	-	4,279
Subdivision Infrastructure	-	-	-	191,544	-	191,544
Unassigned	4,062,080	-	-	-	-	4,062,080
Total Fund Balances	4,289,619	19,142	4,279	191,544	3,420,094	7,924,678
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 5,004,197	$ 19,142	$ 6,059	$ 194,708	$ 3,447,684	$ 8,671,790

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position
June 30, 2021

Fund Balances - Total Governmental Funds		$ 7,924,678
Amounts reported for governmental activities in the		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.		
Governmental Capital Assets	37,901,649	
Less Accumulated Depreciation	(14,959,065)	22,942,584
Unearned revenue in the fund financial statements represents a portion of property tax billed but uncollected and is eliminated in the Statement of Net Position		40,466
A portion of pension plan contributions and other changes in the City's pension plan are for future use and are considered deferred outflows and inflows of resources.		
Deferred Outflows of Pension Resources	871,941	
Deferred Inflows of Pension Resources	(40,385)	831,556
A portion of OPEB plan contributions and other changes in the City's OPEB plan are for future use and are considered deferred outflows and inflows of resources.		
Deferred Outflow of OPEB Resources	238,587	
Deferred Inflow of OPEB Resources	(248,284)	(9,697)
Some liabilities are not due and payable in the current period and, therefore are not reported in the funds.		
Net Pension Liability	(1,790,067)	
Net OPEB Liability	(338,031)	(2,128,098)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Lease Payable	(93,108)	
Note Payable	(517,300)	
Compensated Absences	(139,832)	(750,240)
Net Position of Governmental Activities		$28,851,249

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General	Special Revenue Confiscated Drug	Special Revenue Hotel/ Motel	Special Revenue Subdivision Infrastructure	Capital Projects SPLOST 2017	Total Governmental Funds
REVENUES						
Taxes	$ 7,024,504	$ -	$ 14,393	$ -	$ -	$ 7,038,897
Licenses and Permits	137,685	-	-	-	-	137,685
Intergovernmental	1,027,861	-	-	-	1,881,573	2,909,434
Fines and Forfeitures	527,086	10,628	-	-	-	537,714
Charges for Services	518,647	-	-	96,558	-	615,205
Miscellaneous	65,288	-	-	-	-	65,288
Total Revenues	9,301,071	10,628	14,393	96,558	1,881,573	11,304,223
EXPENDITURES						
Current:						
General Government	1,472,888	-	6,375	-	-	1,479,263
Municipal Court	373,503	-	-	-	-	373,503
Public Safety	3,728,967	5,275	-	-	109,755	3,843,997
Public Works	2,007,752	-	-	-	11,727	2,019,479
Community Development	187,680	-	-	-	-	187,680
Theater	427,142	-	-	-	-	427,142
Civic Center	61,978	-	-	-	-	61,978
Parks	1,085,285	-	-	-	-	1,085,285
Marshal	189,420	-	-	-	-	189,420
Capital Outlay						
Public Safety	-	-	-	-	48,737	48,737
Public Works	-	-	-	-	168,204	168,204
Parks	-	-	-	-	154,321	154,321
Debt Service:						
Principal	7,404	-	-	-	-	7,404
Interest	163	-	-	-	-	163
Total Expenditures	9,542,182	5,275	6,375	-	492,744	10,046,576
Excess (Deficiency) of Revenues Over (Under) Expenditures	(241,111)	5,353	8,018	96,558	1,388,829	1,257,647
OTHER FINANCING SOURCES (USES)						
Proceeds From Capital Lease	93,108	-	-	-	-	93,108
Proceeds From Note Issuance	517,300	-	-	-	-	517,300
Transfers - In	9,924	-	-	-	-	9,924
Transfers - Out	-	-	(9,924)	-	-	(9,924)
Proceeds From Disposal of Capital Assets	4,001	-	-	-	-	4,001
Total Other Financing Sources (Uses)	624,333	-	(9,924)	-	-	614,409
Net Change in Fund Balances	383,222	5,353	(1,906)	96,558	1,388,829	1,872,056
Fund Balance - Beginning of Year	3,906,397	13,789	6,185	94,986	2,031,265	6,052,622
Fund Balance - End of Year	$ 4,289,619	$ 19,142	$ 4,279	$ 191,544	$ 3,420,094	$ 7,924,678

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, 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 June 30, 2021

Net Change in Fund Balances - Total Governmental Funds		$ 1,872,056
Amounts reported for governmental activities in the Statement of Activities are different because:		
Govenmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. For the current period, these amounts are:		
Expenditures for Capital Assets	1,669,378	
Less Current Period Depreciation Expense	(1,373,908)	295,470
Unearned revenue in the fund financial statements represents property tax billed but uncollected and is eliminated in the governmental activities.		(8,160)
Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured before the contributions are made. Pension expenses, which are the changes in net pension adjusted for changes in deferred outflows and inflows of resources related to the pension plan are reported in the Statement of Activities.		
Pension Expense		(201,183)
Repayment of principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Repayment of Lease Principal		7,404
Some other financing sources are reported in the Statement of Revenues, Expenditures, and Changes ini Fund Balance, but not in the Statement of Activities.		
Note Payable Proceeds	(517,300)	
Capital Lease Proceeds	(93,108)	(610,408)
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 the governmental funds.		
Change in Compensated Absences		17,506
Change in Net Position of Governmental Activities		$ 1,372,685

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS GEORGIA
Statement of Revenues, Expenditures, and Change in Fund Balance
General Fund - Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 6,182,200	$ 6,182,200	$ 7,024,504	$ 842,304
Licenses and Permits	114,850	114,850	137,685	22,835
Intergovernmental	2,654,731	2,654,731	1,027,861	(1,626,870)
Fines and Forfeitures	437,000	437,000	527,086	90,086
Charges for Services	180,700	180,700	518,647	337,947
Miscellaneous	19,550	19,550	65,288	45,738
Total Revenues	9,589,031	9,589,031	9,301,071	(287,960)
EXPENDITURES				
Current:				
General Government	1,723,719	1,723,719	1,472,888	250,831
Municipal Court	367,648	373,623	373,503	120
Public Safety	3,416,824	3,643,179	3,728,967	(85,788)
Public Works	2,075,407	2,075,407	2,007,752	67,655
Community Development	237,704	237,704	187,680	50,024
Theater	496,162	496,162	427,142	69,020
Civic Center	45,611	62,111	61,978	133
Parks	2,510,876	2,262,046	1,085,285	1,176,761
Marshal	250,084	250,084	189,420	60,664
Debt Service:				
Principal	15,000	15,000	7,404	7,596
Interest	250	250	163	87
Total Expenditures	11,139,285	11,139,285	9,542,182	1,597,103
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,550,254)	(1,550,254)	(241,111)	1,309,143
OTHER FINANCING SOURCES				
Proceeds From Capital Lease	-	-	93,108	93,108
Proceeds From Note Issuance	-	-	517,300	517,300
Proceeds From Disposal of Capital Assets	4,500	4,500	4,001	(499)
Transfers In	110,000	110,000	9,924	(100,076)
Appropriated Use of Fund Balance	1,435,754	1,435,754	-	(1,435,754)
Total Other Financing Sources	1,550,254	1,550,254	624,333	(925,921)
Net Change in Fund Balance	-	-	383,222	383,222
Fund Balance - Beginning of Year	3,906,397	3,906,397	3,906,397	-
Fund Balance - End of Year	$ 3,906,397	$ 3,906,397	$ 4,289,619	$ 383,222

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
Statement of Revenues, Expenditures, and Change in Fund Balance
Confiscated Drug Special Revenue Fund - Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines and Forfeitures	$ 3,000	$ 3,000	$ 10,628	$ 7,628
Miscellaneous	15,000	15,000	-	(15,000)
Total Revenues	18,000	18,000	10,628	(7,372)
EXPENDITURES				
Current				
Public Safety	18,000	18,000	5,275	12,725
Total Expenditures	18,000	18,000	5,275	12,725
Excess of Revenues Over Expenditures	-	-	5,353	5,353
Net Change in Fund Balance	-	-	5,353	5,353
Fund Balance - Beginning of Year	13,789	13,789	13,789	-
Fund Balance - End of Year	$ 13,789	$ 13,789	$ 19,142	$ 5,353

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
Statement of Revenues, Expenditures, and Change in Fund Balance
Hotel/Motel Tax Special Revenue Fund - Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 13,000	$ 13,000	$ 14,393	$ 1,393
Total Revenues	13,000	13,000	14,393	1,393
EXPENDITURES				
General Government	13,000	13,000	6,375	6,625
Total Expenditures	13,000	13,000	6,375	6,625
Excess of Revenues Over Expenditures	-	-	8,018	8,018
OTHER FINANCING SOURCES (USES)				
Transfers - In (Out)	-	-	(9,924)	9,924
Net Change in Fund Balance	-	-	(1,906)	8,018
Fund Balance - Beginning of Year	6,185	6,185	6,185	-
Fund Balance - End of Year	$ 6,185	$ 6,185	$ 4,279	$ 8,018

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA

Statement of Revenues, Expenditures, and Change in Fund Balance
Subdivision Infrastructure Special Revenue Fund - Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Charges for Services	$ 62,500	$ 62,500	$ 96,558	$ 34,058
Total Revenues	62,500	62,500	96,558	34,058
EXPENDITURES				
Public Works	31,250	31,250	-	31,250
Total Expenditures	31,250	31,250	-	31,250
Excess of Revenues Over Expenditures	31,250	31,250	96,558	65,308
Net Change in Fund Balance	31,250	31,250	96,558	65,308
Fund Balance - Beginning of Year	94,986	94,986	94,986	-
Fund Balance - End of Year	$ 126,236	$ 126,236	$ 191,544	$ 65,308

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2021

	Water and Sewer	Solid Waste	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 2,736,932	$ 4,629	$ 2,741,561
Accounts Receivable - Net	984,165	91,584	1,075,749
Due From Other Funds	45,157	64,492	109,649
Inventory	163,501	-	163,501
Prepaid Items	49,020	7,549	56,569
Total Current Assets	3,978,775	168,254	4,147,029
Noncurrent Assets:			
Capital Assets:			
Land	555,711	-	555,711
Construction in Progress	15,519,618	-	15,519,618
Buildings	16,772,985	37,270	16,810,255
Machinery & Equipment	2,457,834	614,475	3,072,309
Utility System - Water	7,824,676	-	7,824,676
Utility System - Sewer	25,207,217	-	25,207,217
Less Accumulated Depreciation	(15,742,904)	(149,209)	(15,892,113)
Total Capital Assets	52,595,137	502,536	53,097,673
Total Noncurrent Assets	52,595,137	502,536	53,097,673
Total Assets	56,573,912	670,790	57,244,702
Deferred Outflows of Resources			
OPEB Plan	70,794	14,918	85,712
Pension Plan	308,656	70,035	378,691
Total Deferred Outflows	379,450	84,953	464,403
Liabilities			
Current Liabilities:			
Accounts Payable	1,825,973	13,530	1,839,503
Accrued Liabilities	10,048	1,851	11,899
Due to Other Funds	81,992	397,848	479,840
Net Pension Liability	633,661	143,781	777,442
Net OPEB Liability	100,302	21,136	121,438
Accrued Interest Payable	113,228	-	113,228
Retainage Payable	144,770	-	144,770
Customer Deposits	725,967	9,534	735,501
Compensated Absences	12,479	3,284	15,763
Bond Premium	80,689	-	80,689
Bond Payable	565,000	-	565,000
Note Payable	859,432	-	859,432
Total Current Liabilities	5,153,541	590,964	5,744,505
Noncurrent Liabilities:			
Compensated Absences	34,360	13,557	47,917
Bond Premium	362,232	-	362,232
Bond Payable	5,155,000	-	5,155,000
Note Payable	29,652,996	-	29,652,996
Total Noncurrent Liabilities	35,204,588	13,557	35,218,145
Total Liabilities	40,358,129	604,521	40,962,650
Deferred Inflows of Resources			
OPEB Plan	73,672	15,524	89,196
Pension Plan	14,296	3,244	17,540
Total Deferred Inflows of Resources	87,968	18,768	106,736
Net Position			
Net Investment in Capital Assets	15,919,788	502,536	16,422,324
Unrestricted	587,477	(370,082)	217,395
Total Net Position	$ 16,507,265	$ 132,454	$ 16,639,719

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Water and Sewer	Solid Waste	Total
Operating Revenues			
Charges for Services	$ 8,080,445	$ 698,582	$ 8,779,027
Fees	28,968	49,702	78,670
Other Revenues	4,715	789	5,504
Total Operating Revenues	8,114,128	749,073	8,863,201
Operating Expenses			
Cost of Sales and Services	1,777,233	252,471	2,029,704
Salaries, Wages, and Employee Benefits	1,652,998	362,509	2,015,507
Cost of Water Purchased	1,229,071	-	1,229,071
Depreciation Expense	1,348,942	45,593	1,394,535
Total Operating Expenses	6,008,244	660,573	6,668,817
Operating Income	2,105,884	88,500	2,194,384
Nonoperating Revenues (Expenses)			
Gain on Asset Disposal	13,071	-	13,071
Interest Expense	(335,730)	-	(335,730)
Total Nonoperating Revenues (Expenses)	(322,659)	-	(322,659)
Income Before Capital Contributions	1,783,225	88,500	1,871,725
Capital Contributions	109,812	-	109,812
Change in Net Position	1,893,037	88,500	1,981,537
Net Position - Beginning	14,614,228	43,954	14,658,182
Net Position - Ending	$ 16,507,265	$ 132,454	$ 16,639,719

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Water and Sewer	Solid Waste	Total
Cash Flows From Operations			
Receipts from Customers and Users	$ 8,032,902	$ 754,937	$ 8,787,839
Payments to Suppliers	(2,927,988)	(251,466)	(3,179,454)
Payments to/for Employees	(1,572,933)	(323,312)	(1,896,245)
Net Cash Provided by Operating Activities	3,531,981	180,159	3,712,140
Cash Flows from Noncapital Financing Activities			
Payments from Other Funds	34,985	227,149	262,134
Payments to Other Funds	-	(183,995)	(183,995)
Net Cash Provided by (Used in) Noncapital Financing Activities	34,985	43,154	78,139
Cash Flows from Capital and Related Financing Activities			
Proceeds from Sale of Assets	13,071	-	13,071
Capital Contribution	109,812	-	109,812
Proceeds from Note Issuance	5,539,171	-	5,539,171
Principal Payments - Notes	(425,722)	-	(425,722)
Principal Payments - Bonds	(550,000)	-	(550,000)
Acquisition and Construction of Capital Assets	(6,568,978)	(239,319)	(6,808,297)
Interest Paid	(315,481)	-	(315,481)
Net Cash Used in Capital and Related Financing Activities	(2,198,127)	(239,319)	(2,437,446)
Net Increase (Decrease) in Cash	1,368,839	(16,006)	1,352,833
Cash - July 1	1,368,093	20,635	1,388,728
Cash - June 30	$ 2,736,932	$ 4,629	$ 2,741,561
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	$ 2,105,884	$ 88,500	$ 2,194,384
Adjustments to Reconcile from Operating Income to Net Cash Provided (Used) by Operating Activities			
Depreciation	1,348,942	45,593	1,394,535
Premium Amortization	(87,668)	-	(87,668)
(Increase) Decrease in Assets and Deferred Outflows of Resources			
Accounts Receivable	(175,097)	6,145	(168,952)
Inventory	(62,535)	-	(62,535)
Prepaid	(7,879)	(1,665)	(9,544)
Deferred Outflow of Resources	(41,209)	(28,401)	(69,610)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources			
Accounts Payable	779,346	2,672	782,018
Accrued Liabilities	(11,741)	(1,508)	(13,249)
Accrued Interest	20,249	-	20,249
Retainage Payable	(562,388)	-	(562,388)
Customer Deposits	93,063	(281)	92,782
Compensated Absences Payable	8,204	3,518	11,722
Net Pension Liability	116,690	63,303	179,993
Deferred Inflow of Resources	8,120	2,283	10,403
Net Cash Provided by Operating Activities	$ 3,531,981	$ 180,159	$ 3,712,140
Noncash Capital Activities			
Acquisition of Capital Assets	$ (1,684,090)	$ -	$ (1,684,090)
Accounts Payable	1,539,320	-	1,539,320
Retainage Payable	144,770	-	144,770
Net Noncash Capital Activities	$ -	$ -	$ -

The accompanying notes are an integral part of this financial statement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police), streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. As required by generally accepted accounting principles, certain potential component units are considered for inclusion in the financial report because of the significance of the City's influence over their operation or finances. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). In accordance with the above criteria, the City does not include any component units.

Related Organization: The Housing Authority of the City of Dallas is a related organization that has not been included in the reporting entity. The Authority provides low-income housing to eligible families in the City. The Authority's Board consists of six members that are appointed by the Dallas City Council. The City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for the Authority.

The more significant of the City's accounting policies are described below.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements, each of which present different views of the City. The government-wide and fund financial statements categorize primary activities as either governmental or business-type.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, permits and fines, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Fund financial statements emphasize major funds in either the governmental, proprietary, and fiduciary (if any) funds. Non-major funds (if any) are reported as a separate column in the fund financial statements.

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

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, licenses, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

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

D. Fund Types and Major Funds

Major Governmental Funds:

These are the funds through which most governmental functions typically are financed. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. The funds included in this category are the:

General Fund - This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Funds - These funds are used to account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or capital projects). The City has elected to present three special revenue funds: Confiscated Drug Fund, Hotel/Motel Tax Fund, and the Subdivision Infrastructure Fund as major funds. The Confiscated Drug Fund accounts for cash received from the confiscation or sale of capital assets acquired through confiscations. The Hotel/Motel Tax Fund accounts for tax proceeds from the City's hotel/motel tax revenue. The Subdivision Infrastructure Fund accounts for revenues and expenditures associated with compliance improvements made at various real estate developments within the City.

Capital Projects Funds - These funds are used to account for projects funded by grants and the special purpose local option sales tax. The City maintains one SPLOST capital project fund, the 2017 SPLOST Capital Projects Fund.

Major Proprietary Funds:

Proprietary funds are used to account for operations for which a fee is charged to external users for goods or services and the activity is intended to be self-supporting.

Water/Sewer Fund and Sanitation Fund - The City reports the water and sewer, and sanitation funds as major proprietary funds. 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 are charges to customers for sales and services. The water and sewer fund recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds and various other functions of the

government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Amounts reported as program revenues include charges to customers for good, services or privileges provided, operating grants and contributions, and capital grants and contributions, including any special assessments. General revenues include all taxes. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting.

E. Stewardship, Compliance, and Accountability

Budgetary Data:

Formal budgetary accounting is employed as a management control for all funds of the City. Annual operating budgets are adopted each fiscal year through passage of annual budget ordinance and amended as required and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principles basis. Budgetary control is exercised at the department level and expenditures may not legally exceed appropriations at this level. No supplemental budgetary appropriations were necessary during the current year. All unencumbered budget appropriations lapse at the end of each fiscal year.

The general and special revenue funds legally adopt an annual budget. The department heads may amend their budget, so long as the total department level budget does not change. The Capital Projects Funds adopt a project length budget.

Deposits with Financial Institutions:

State statutes require that the City's deposits in excess of insured amounts be collateralized by securities held in the name of the City by the trust department of a bank that does not hold the collateralized deposits.

F. Cash

Cash consists of amounts in demand deposits that are insured or collateralized as required by law.

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. Estimated unbilled revenues from the enterprise fund are recognized at the end of each year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

H. Internal Balances/Transfers

Due To/From Other Funds - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

I. Inventories/Prepaid Expenses

Inventories for all governmental funds are recorded as expenditures when purchased; however, material amounts, if any, of inventories are reported as assets of the respective fund. Inventories of the enterprise fund, if any, are valued at the lower of cost (first-in, first-out) or market. Prepaid expenses are certain payments to vendors that reflect costs applicable to future accounting periods and are recorded as prepaid items in both government wide and fund balance statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather when purchased.

J. Other Assets

Other assets held are recorded and accounted for at cost.

K. Capital Assets

The City's property, buildings, equipment and infrastructure (streets, bridges, curbs, sidewalks, drainage systems, lighting system, etc) with useful lives of more than one year and a cost greater than $5,000 are capitalized and depreciated. The assets are reported in the applicable government or business-type activity columns in the government-wide financial statements, and by fund in the statement of net position for proprietary funds.

Property, plant, and equipment are stated at cost. When cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation of exhaustible capital assets used by enterprise funds is charged as an expense against operations, and accumulated depreciation is reported on its balance sheet. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed.

The City's infrastructure consists of acquisitions of general infrastructure assets made after the implementation of GASB 34 on June 15, 2003.

L. Long-Term Debt and Bond Issuance Cost

Long-term obligations of the City are reported as a liability in the government-wide and proprietary fund financial statements. Outstanding debt and other obligations are reported as a liability in the government-wide and proprietary financial statements. Bond discounts and premiums for proprietary funds are capitalized and amortized over the term of the respective bonds using a method that approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable; premiums are presented as an increase of the face amount of bonds payable. In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City of Dallas has two types of items that qualify for reporting in this category. They are deferred costs related to the City's pension and OPEB plans reported in the government-wide and proprietary funds statements of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At the government-wide and proprietary fund level the City recognizes deferred inflows for changes in the value of the City's pension and OPEB plans. At the governmental fund level, deferred inflows of resources are recognized for unearned property tax income.

N. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are

considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

O. Fund Balance Flow Assumption

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

P. Compensated Absences

Full-time, permanent employees are granted vacation and sick leave benefits. Vested or accumulated vacation leave is accrued in the government-wide and proprietary financial statements and governmental funds only report the portion expected to be liquidated within the current year. Governmental funds report compensated absences only when employees are no longer employed with the City. Vacation leave is calculated based on an employee's anniversary date. For governmental activities, compensated absences are liquated by the General Fund. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

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 Dallas' Retirement Plan (the Plan) and additions or deductions from 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.

R. Fund Equity/Net Position

Fund equity at the governmental fund reporting level is classified as "Fund Balance". Fund equity for all other reporting is classified as "Net Position".

Fund Balance - represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications based 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 (for example, 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 action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

- *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. Intent would be expressed by the City Council itself or the Council would delegate the authority to assign fund balance to management.

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

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 fund balance, it is the City's policy to use fund balance in the following order: committed, assigned and unassigned.

Net Position – represents the different between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net Investment in Capital Assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any unspent borrowings for the acquisition, construction of capital assets. Net Position may be reported as restricted or unrestricted.

S. Property Taxes

Property taxes are levied when the digest is received from Paulding County (usually in October), based on the assessed value of property, which is 40% of estimated (appraised) market value. A re-valuation of all real property must be made if State criteria are not met regarding recent sales and assessed values. The City bills and collects its own property taxes.

Property taxes are recognized as revenue when they are levied because they are considered to be both measurable and available. Proper allowances are made for estimated uncollectible accounts and delinquent accounts.

NOTE 2. CASH AND INVESTMENTS

The City's cash and investments are considered to be cash on hand, demand deposits and certificates of deposit. Investments are stated at fair value (the City has no investments other than cash.)

Primary Government:

Cash as of June 30, 2021, is classified in the financial statements as follows:

Cash Balances as of June 30, 2021 are classified in the financial statements as follows:

Statement of Net Position:	
Cash	$6,837,446
Restricted Cash	3,127,284
Total Cash	$9,964,730

At year-end, the book balance of the City's deposits was $9,964,730, including restricted cash of $3,127,284 and the bank balance was $10,690,380. The bank balance is insured or collateralized by securities held by the City or by its agent in the City's name (category 2).

NOTE 3. RECEIVABLES

Accounts receivable consists of amounts due from customers for charges related to providing water/sewer and sanitation services. Accounts receivable also consist of amounts due from other customers. Taxes due consist of property tax and local option sales taxes.

Amounts due as of June 30, 2021, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Motel Tax Fund	Projects Fund	Water Sewer Fund	Sanitation Fund	Total
Recievables:						
Accounts	$ 20,453	$ -	$ -	$ 1,271,364	$ 173,855	$ 1,465,672
Taxes	401,205	1,444	-	-	-	402,649
Intergovernmental	60,174	-	319,622	-	-	379,796
Total	481,832	1,444	319,622	1,271,364	173,855	2,248,117
Less: Allowance for Uncollectibles	(16,806)	-	-	(287,199)	(82,271)	(386,276)
Net Total Receivables	$ 465,026	$ 1,444	$ 319,622	$ 984,165	$ 91,584	$ 1,861,841

Property tax is levied upon receipt of the digest from Paulding County and based upon the assessed value at January 1, 2020. Taxes were levied October 20, 2020 and due by December 20, 2020. The billings are considered past due 60 days after the tax billing date, at which time the applicable property is subject to lien and penalties and interest begins to accrue. Generally, liens may attach to property for unpaid taxes on January 1st of the subsequent year.

Assessed values are established by the Paulding County Tax Assessor's office and are currently calculated at 40% of the market value. The gross assessed value of real and personal property at January 1, 2020 was $390,612,696.

Based on the 2020 millage levy of 4.17, a property owner would pay $4.17 per $1,000 of assessed valuation.

Current tax collections of $1,599,479 for the fiscal year ended June 30, 2021 were 98.51% percent of the tax levy.

All property taxes are recognized in compliance with NCGAI-3 (Revenue Recognition-Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due, and receivable within the current period and collected no longer than 60 days after the close of the current period.

Enterprise accounts receivable consists of billed and unbilled services to utility customers at June 30, 2021. The allowance for uncollectible accounts represents approximately 26.8% of water/sewer and approximately 42.5% of sanitation total outstanding utility billings.

Capital projects fund receivable consists of current special purpose local option sales tax collected from Paulding County after fiscal year end.

NOTE 4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services, goods, short-term non-operating subsidies, and other miscellaneous transactions between funds. This activity is similar to lending/borrowing arrangements and outstanding balances at year-end are presented as "due to/from other funds". Balances between governmental or proprietary funds are netted when presented in the government-wide statements and reported as "internal balances".

As of June 30, 2021, interfund receivables and payables that resulted from various interfund transactions were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Sanitation	$ 397,848
General Fund	Infrastructure	3,164
		$ 401,012
Confiscated Asset	General Fund	$ 310
Subdivision Infrastructure	General Fund	$ 14,058
Capital Projects - 2017	General Fund	$ 2,110
Capital Projects - 2017	Water	17,500
		$ 19,610
Water and Sewer	General Fund	$ 45,157
Sanitation	Water	$ 64,492

Transfers and Payments:

Routine transfers and payments between funds are to subsidize operations and to fund capital projects and capital acquisitions. For the year ended June 30, 2021, interfund transfers were as follows:

Source Fund	Transfer to Fund	Amount
Hotel/Motel Tax	General Fund	$ 9,924
		$ 9,924

NOTE 5. CAPITAL ASSETS

The following table provides a summary of capital asset activity for governmental activities:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Nondepreciable Capital Assets				
Land	$ 4,108,271	$ -	$ -	$ 4,108,271
Construction In Progress	980,617	1,142,958	-	2,123,575
Total Nondepreciable Capital Assets	5,088,888	1,142,958	-	6,231,846
Depreciable Capital Assets				
Buildings and Improvements	10,432,571	149,665	-	10,582,236
Machinery and Equipment	4,688,354	330,335	(17,738)	5,000,951
Infrastructure	16,040,196	46,420	-	16,086,616
Total Depreciable Capital Assets	31,161,121	526,420	(17,738)	31,669,803
Less Accumulated Depreciation For:				
Buildings and Improvements	(3,521,096)	(329,944)	-	(3,851,040)
Machinery and Equipment	(3,720,569)	(314,570)	17,738	(4,017,401)
Infrastructure	(6,361,230)	(729,394)	-	(7,090,624)
Total Accumulated Depreciation	(13,602,895)	(1,373,908)	17,738	(14,959,065)
Total Depreciable Capital Assets, Net	17,558,226	(847,488)	-	16,710,738
Total Capital Assets, Net	$22,647,114	$ 295,470	$ -	$22,942,584

Depreciation expense was allocated across governmental activities as follows:

General Government	$ 47,699
Municipal Court	2,172
Public Safety	190,460
Public Works	799,714
Theater	91,377
Civic Center	51,919
Parks	176,410
Marshal	14,157
Total Depreciation Expense	$1,373,908

The following table provides a summary of capital asset activity for business-type activities:

Business-type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Nondepreciable Capital Assets				
Land	$ 555,711	$ -	$ -	$ 555,711
Construction In Progress	11,765,610	6,488,970	(2,734,962)	15,519,618
Total Nondepreciable Capital Assets	12,321,321	6,488,970	(2,734,962)	16,075,329
Depreciable Capital Assets				
Buildings and Improvements	16,810,255	-	-	16,810,255
Machinery and Equipment	2,797,485	296,980	(22,156)	3,072,309
Distribution and Collection Systems	30,279,431	17,500	2,734,962	33,031,893
Total Depreciable Capital Assets	49,887,171	314,480	2,712,806	52,914,457
Less Accumulated Depreciation For:				
Buildings and Improvements	(1,642,152)	(425,696)	-	(2,067,848)
Machinery and Equipment	(1,795,685)	(194,068)	22,156	(1,967,597)
Distribution and Collection Systems	(11,081,897)	(774,771)	-	(11,856,668)
Total Accumulated Depreciation	(14,519,734)	(1,394,535)	22,156	(15,892,113)
Total Depreciable Capital Assets, Net	35,367,437	(1,080,055)	2,734,962	37,022,344
Total Capital Assets, Net	$47,688,758	$ 5,408,915	$ -	$ 53,097,673

Depreciation Expense for Water/Sewer was $1,348,942 for the year ended June 30, 2021.

Estimated useful lives used to compute depreciation are:

Infrastructure	10-20 years
Machinery and Equipment	5-10 years
Buildings and Improvements	30-40 years
Water Lines and Meters	10-40 years
Sewer Lines	40 years

NOTE 6. LEASES

Operating Leases

On June 30, 2015, the City entered into an operating lease agreement with Tyler Technologies for the lease of Tyler's computer software products. This lease qualifies as an operating lease for accounting purposes (title will not transfer at end of lease). This operating lease gives the City access to Tyler's general ledger reporting software, utility billing software, municipal fines software, property tax software, and business licenses software, all used in the daily activities of the City. The City agreed to pay a yearly subscription fee of $40,361 for these services.

Capital Leases

On January 15, 2019, the City executed an agreement with Ally Bank whereby funds were appropriated. The lease agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value. The lease was paid in 7 quarterly installments of $3,783 bearing interest at 5.94% and matured during fiscal 2021. Depreciation expense on the leased equipment for the year ended June 30, 2021 was $4,920.

On March 15, 2021, the City executed lease payable with Americredit Financial Services for the purchase of a 2021 GMC Sierra for the police department. The lease agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of future minimum lease payments. Payments will be made in quarterly installments of $5,283 bearing interest at 4.644%. The lease will mature in fiscal 2023. Depreciation expense on the leased equipment for the year ended June 30, 2021 was $0.

On June 28, 2021, the City executed lease payable with Americredit Financial Services for the purchase of two 2021 Chevrolet Tahoe's for the police department. The lease agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of future minimum lease payments. Payments will be made in quarterly installments of $6,651 bearing interest at 4.517%. The lease will mature in fiscal 2024. Depreciation expense on the leased equipment for the year ended June 30, 2021 was $0.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 for the governmental capital leases are as follows:

Year Ending June 30	
2022	$ 37,170
2023	37,170
2024	25,236
Total Minimum Lease Payments	99,576
Less Amount Representing Interest	(6,468)
Total	$ 93,108

Assets under capital lease at year end and accumulated depreciation are as follows:

Governmental Activities:	
Police Vehicles	$ 105,042
Less Accumulated Depreciation	-
Net Asset Value of Leased Assets	$105,042

NOTE 7. LONG-TERM DEBT

Governmental Activities

Note Payable

In July 2020, the City entered into an loan agreement with Georgia Transportation Infrastructure Bank through the State Road and Tollway Authority for the West Skyline View road repair project. Amount borrowed was $517,300 bearing interest at 1.56%. The monthly payment on the note is $4,858. It is scheduled to mature in fiscal 2031.

The following schedule presents debt service requirements to maturity for the note payable with the Georgia Transportation Infrastructure Bank.

Year Ending June 30	Principal	Interest	Total
2022	$ 48,338	$ 7,555	$ 55,893
2023	48,918	6,975	55,893
2024	49,670	6,223	55,893
2025	50,468	5,425	55,893
2026	51,261	4,632	55,893
2027-2031	268,645	10,820	279,465
Totals	$ 517,300	$ 41,630	$ 558,930

Business-type Activities

Refunding Revenue Bonds:

The City issued bonds where revenues from the business-type activities are used to pay debt service.

Paulding County Industrial Building Authority Refunding Revenue Bonds (City of Dallas W & S project) Series 2016:

On August 1, 2016, the City of Dallas issued $8,165,000 in Refunding Revenue Bonds. These bonds will mature in the year 2030 and have interest rates of 2% to 4%. The bond issue of $8,165,000, plus premiums of $884,996 less bond issuance cost of $217,876 provided net proceeds of $8,832,120. A portion of the issue was used to refund $2,922,120 of outstanding GEFA loans and refund $5,910,000 of outstanding Series 2010 Bonds. These proceeds were deposited into an escrow account, where they were transferred immediately to the agencies that held the City's outstanding GEFA loans and Series 2010 Bonds. As a result, the GEFA loans and Series 2010 Bonds are considered defeased, and the liability for these portions has been removed from the proprietary fund and government-wide Statement of Net Position. The City gained a net present value benefit of $702,218 with the refunding bond issuance.

The following schedule presents debt service requirements to maturity for Water/Sewer Refunding Revenue Series 2016 Bonds:

Year Ending June 30	Principal	Interest	Amortization of Bond Premium
2022	$ 565,000	$ 190,750	$ 80,689
2023	575,000	173,800	73,518
2024	600,000	156,550	66,222
2025	610,000	138,550	58,608
2026	630,000	120,250	50,866
2027-2030	2,740,000	267,176	113,018
Total	$ 5,720,000	$ 1,047,076	$ 442,921

Note Payable:

In December 2013 the City executed a note payable with the Georgia Environmental Finance Authority (GEFA) for waste-water treatment plant improvements. The loan closed in fiscal 2016 for $18,294,186. Debt service on the loan began June 1, 2016 in the monthly amount of $88,395 including interest calculated at 1.4%. At June 30, 2021, the City owed $14,700,958 on the note.

The following schedule presents debt service requirements to maturity for the City's GEFA note.

Year Ending December 31	Principal	Interest	Total
2022	$ 859,432	$ 201,306	$ 1,060,738
2023	872,555	188,183	1,060,738
2024	884,850	175,888	1,060,738
2025	897,318	163,420	1,060,738
2026	909,961	150,777	1,060,738
2027-2031	4,745,779	557,911	5,303,690
2032-2036	5,089,679	214,011	5,303,690
2037	441,384	1,589	442,973
Totals	$14,700,958	$1,653,085	$16,354,043

In August 2018 the City executed a note payable with the Georgia Environmental Finance Authority (GEFA) for expansion of the Pumpkinvine Creek Water Pollution Control Plant. The total amount approved for the loan was $17,120,000. The agreement also included an Appalachian Regional Commission grant for an additional $600,000 to be used on the expansion. As of June 30, 2021 the project was in progress and the City had drawn $15,811,470 of the available funds to be paid back. Upon completion, the note will amortize over 20 years including interest calculated at 1.25%.

The City's long-term debt transactions for the year ended June 30, 2021 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 157,338	$ 152,431	$ (169,937)	$ 139,832	$ 139,832
Note Payable	-	517,300	-	517,300	48,338
Capitalized Leases	7,404	93,108	(7,404)	93,108	43,422
Total Governmental Activities	$ 164,742	$ 762,839	$ (177,341)	$ 750,240	$ 231,592
Business-type Activities:					
Compensated Absences	$ 51,956	$ 27,487	$ (15,763)	$ 63,680	$ 15,763
Notes Payable	25,398,979	5,539,171	(425,722)	30,512,428	859,432
Bond Premium	530,589	-	(87,668)	442,921	80,689
Bond Payable	6,270,000	-	(550,000)	5,720,000	565,000
Total Business-type Activities	$32,251,524	$ 5,566,658	$(1,079,153)	$36,739,029	$ 1,520,884

The liabilities for compensated absences are liquidated proportionally by the general, water/sewer, and solid waste funds.

NOTE 8. PENSION PLAN

Plan Description

The City has a non-contributory defined benefit plan covering all full time employees and elected officials. The plan, the City of Dallas Retirement Plan, is administered by the Georgia Municipal Employees Benefit System (GMEBS) a statewide, agent multiple employer defined benefit plan. GMEBS policy direction and oversight for the fund is provided by a 15-member board comprised of elected and appointed municipal officials from among the fund's membership. GMEBS handles all administrative and investment functions relative to the plan. The Georgia Municipal Employees Benefit System issues a publicly available annual financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the Georgia Municipal Employees Benefit System, C/O Georgia Municipal Association – Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303.

The plan provides pension benefits, death and disability benefits for all employees and elected officials at the time of employment/service (no waiting period). The City continues to have the authority to establish, amend or discontinue the Plan. The City does not require employees to contribute to the Plan in order become a member of the Plan and receive pension benefits. The Plan is fully funded by the City of Dallas' (employers) contributions. Employees are vested after 5 years of service and elected officials are vested in the Plan immediately. Members may retire at age 65 with 5 years of service or take an early retirement at age 55 with 10 years of service. Benefits are calculated at 1.0% to 1.75% of the average monthly earnings for the period of the five highest years prior to retirement.

Funding Policy and Pension Cost

The City's funding policy for the plan is to contribute an amount equal to the actuarial recommended contribution each year. These contributions are determined under the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1981 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. The amortization periods, if applicable, are closed for this plan year.

The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section §47-20-10). According to the actuarial valuation dated January 1, 2020, the estimated minimum annual contribution under these funding standards is $314,407. The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution. Since the City's policy is to pay the actuarial recommended contribution amount proposed by GMEBS in each year, the Plan will meet applicable funding standards. Under the same actuarial valuation, the recommended contribution to the plan for the year ended June 30, 2021 was $401,760 ($0 employee and $401,760 employer), or 13.27% of annual covered payroll. The City's contribution to the Plan as of June 30, 2021 was $401,760, which was equal to 100 percent of the recommended contribution for the year.

As of January 1, 2020 the plan membership includes the following categories of participants:

Retirees and beneficiaries currently receiving benefits	29
Inactive participants with vested rights	13
Vested active participants	41
Not vested participants	32
Total	115

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of January 1, 2021, along with the Total Pension Liability (TPL) and Fiduciary Net Position (FNP) used to calculate the NPL. These actuarial assumptions are based on the results of an actuarial measurement date of September 30, 2020.

Changes in Net Pension Liability

	(TPL) Total Pension Liability (a)	(FNP) Fiduciary Net Position (b)	(NPL) Net Position Liability (a) - (b)
Balances at September 30, 2019	$ 6,822,852	$ 4,694,238	$ 2,128,614
Changes for the year:			
Service cost	159,221	-	159,221
Interest	500,930	-	500,930
Differences between expected and actual experience	410,219	-	410,219
Contributions- employer	-	313,068	(313,068)
Contributions- employees	-	-	-
Net Investment income	-	451,425	(451,425)
Benefit payments, including refunds of employee contributions	(379,612)	(379,612)	-
Administrative expense	-	(16,934)	16,934
Other	116,084	-	116,084
Net changes	806,842	367,947	438,895
Balances at September 30, 2020	$ 7,629,694	$ 5,062,185	$ 2,567,509

Sensitivity of the NPL to Changes in Discount Rate

1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
$ 3,502,540	$ 2,567,509	$ 1,785,695

Significant Actuarial Assumptions:

Actuarial Assumptions:	
Net Investment Rate of Return	7.375% per year
Projected Salary Increase	2.25% plus service based merit increases
Inflation Rate	2.25%
Post Retirement Benefit Increase	N/A
Actuarial Methods:	
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed Level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years
Actuarial Value of Assets	Roll forward prior year's actuarial value with contributions, disbursements, and expected return on investments, plus (minus) 10% of investment gains (losses) at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Mortality Rate	Mortality assumptions are based on the results of an actuarial experience study for the period January 1, 2015 to June 30, 2019.

According to the January 1, 2021 actuarial report, the City recognized $691,422 in pension expense for the June 30, 2021 reporting year.

The following table shows the recognized deferred outflows/inflows of resources related to the City's pensions plan as of June 30, 2021:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	$ 628,941	$ -
Changes of assumptions	320,371	-
Net differences between projected and actual earnings on pension plan investments	-	(57,925)
Deferred outflows after measurement date	301,320	-
Total as of June 30, 2021	$ 1,250,632	$ (57,925)

City contributions subsequent to the measurement date of $301,320 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

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 Ended June 30:	
2022	$225,525
2023	214,440
2024	211,908
2025	171,146
2026	68,370
Thereafter	-

Net Investment Return

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 pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset collection as of March 31, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45%	6.40%
International Equity	20%	7.05%
Real Estate	10%	4.50%
Global Fixed Income	5%	1.25%
Domestic Fixed Income	20%	1.15%
Cash	0%	
	100%	

NOTE 9. SPECIAL PURPOSE LOCAL OPTION SALES TAX

On May 24, 2016, Paulding County voters passed a continuation for a special one percent sales and use tax be imposed in Paulding County for a period of time not to exceed twenty-four calendar quarters. Actual collection of the tax began on April 1, 2017 and will be in effect until March 31, 2023. The City of Dallas' distributive share of the revenue is projected to be $8,030,000 and used for street and road improvements, recreational facility capital outlay projects, and public safety capital outlay projects and City Hall and public/ administrative buildings.

NOTE 10. RISK MANAGEMENT

At year-end there were no legal actions taken by or against the City that would have an adverse effect on the City's financial condition. The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has joined with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for its property and liability insurance, and the Worker's

Compensation Self-Insurance Fund (WCSIF) for injuries to employees. Both are public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, cooperate with the pools' agents and attorneys, follow loss reduction procedures established by the funds and to promptly report all incidents which could result in the funds being required to pay any claim for loss. The City is also to allow the pools' agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds. The funds are to defend and protect its members against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceedings defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

During the past three fiscal years, the costs of any settlements have not exceeded insurance coverage.

NOTE 11. RESTRICTED ASSETS AND RESTRICTED NET POSITION

Restricted Assets

The City is required to establish and maintain cash accounts to comply with external legal requirements. The capital project SPLOST cash funds are restricted for specified capital projects or improvements approved by each voter referendum. The Confiscated Funds Cash is restricted for monies used in law enforcement activities.

At June 30, 2021, the balances in the restricted cash accounts are as follows:

Governmental Activities:

Confiscated Funds	$ 18,832
Capital Projects	3,108,452
Total Restricted Assets	$3,127,284

Restricted Net Position

Restrictions are used to indicate that a portion of the fund balance/net position is not available for appropriation or is legally segregated for specific future use. The City uses the following restrictions:

Governmental Funds:

Restricted for Capital Project Activities - Created to segregate money received from federal or state sources that restrict the funds eligible for capital construction projects.

Restricted for Law Enforcement Activities - Created to segregate money received from federal or state sources that restrict use for law enforcement purposes only.

NOTE 12. HOTEL MOTEL TAX

The City of Dallas levies a 5 percent hotel/motel tax. The City is required to distribute 2% to the Paulding County Chamber of Commerce and 3% back to the City for the purpose of promoting tourism. For the year ended June 30, 2021, the City recognized $14,393 in Hotel/Motel tax revenue and distributed $6,375 to the Chamber and transferred $9,924 to the General Fund for operating purposes.

NOTE 13. POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan Description: In addition to providing pension benefits, the City of Dallas offers certain health care benefits to qualified retired employees through an Other Post Employment Benefit (OPEB) plan called the City of Dallas OPEB Plan. The plan is administered by the Georgia Municipal Employees Benefit System (GMEBS) a statewide, agent multiple employer defined benefit plan. GMEBS policy direction and oversight for the fund is provided by a 15-member board comprised of elected and appointed municipal officials from among the fund's membership. GMEBS handles all administrative and investment functions relative to the plan. The City continues to have the authority to establish, amend or discontinue the Plan. Employees are not required to contribute to the Plan.

Benefits Provided: All current employees and future employees who are at least fifty years of age and have at least 30 years of service may be eligible for post-employment health care benefits. The health care benefits offered to the participants will be paid for until the participant reaches 65. Benefits are payable to a surviving spouse until they are Medicare eligible. The plan is administered by Georgia Municipal Association statewide, agent multiple-employer type plan.

Contributions: As established by GMEBS, the City of Dallas OPEB Plan is maintained on a pre-funded basis, that is the annual contributions made by the City are based on an actuarially determined contribution rate. Contributions to the City of Dallas OPEB plan was $68,080 for the year ended June 30, 2021. Active employees are not required to contribute to the fund.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the City reported a net OPEB liability of $459,468. The net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2019. An expected total OPEB liability as of June 30, 2020 was determined using standard roll-forward techniques. The plan's actuarially calculated deferred inflows and outflows as of June 30, 2021 were not available as of the issuance of the audit report.

At June 30, 2020 and 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	$ 132,996	$ 91,399
Changes of assumptions	148,750	235,482
Net differences between projected and actual earnings on OPEB plan investments	-	10,599
Plan contributions after measurement date	42,553	-
Total	$ 324,299	$ 337,480

Funding Policy: The information provided for the City of Dallas' Other Post-employment Benefit Plan is based on an actuarial report with a measurement date of June 30, 2020.

Discount Rate: The discount rate used to measure the total OPEB liability at June 30, 2020 was 7.375%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Sensitivity of the City's net OPEB liability to changes in the discount rate: The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 7.375%, as well as what the City's net OPEB 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 discount rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Net OPEB Liability	$ 561,673	$ 459,468	$ 369,982

Sensitivity of the City's net OPEB liability to changes in the healthcare cost trend rates: The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	$ 344,922	$ 459,468	$ 595,981

The Georgia Municipal Employees Benefit System issues a publicly available annual financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the Georgia Municipal Employees Benefit System, C/O Georgia Municipal Association – Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303.

NOTE 14. JOINT VENTURE

The City of Dallas is a member of the Northwest Georgia Regional Commission. The Northwest Georgia Regional Commission was created under the laws of the State of Georgia and cities and counties in the area served by the Northwest Georgia Regional Commission are required to be members. The membership of this commission includes 15 counties and 49 municipalities. The City has no equity interest in this commission nor does the City materially contribute to the continued existence of this commission. The Official Code of Georgia Annotated Section §50-8-39.1 states that in the event the Northwest Georgia Regional Commission ceases operation, the membership can be assessed for any debt or obligation of the Northwest Georgia Regional Commission. Separate financial statements may be obtained from: Northwest Georgia Regional Commission 1 Jackson Hill Drive, Rome, Georgia 30162-1798.

NOTE 15. CONSTRUCTION COMMITMENTS

The City's contracted construction commitments in progress as of June 30, 2021 are as follows:

Governmental Activities

The City has a two-phase project for the improvement of historical land marks and recreational areas in the City limits. The Dallas Battlefield Project incurred costs of $330,695 in fiscal 2021 and as of the year ended June 30, 2021, total costs incurred on this project totaled $1,113,368.

Business-type Activities

The City Wastewater Treatment Plant Improvements and Expansion project was in progress at year end also. These projects are being funded by a loan the City acquired through Georgia Environmental Finance Authority. This project incurred costs of $5,859,936 in fiscal 2021 and as of the year ended June 30, 2021, total project length costs incurred on this project totaled $17,995,510.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DALLAS, GEORGIA

Required Supplementary Information

Schedule of Changes in the Net Pension Liability and Related Ratios

For the Previous Ten Fiscal Periods

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Pension Liability										
Service Cost	$ 159,221	$ 146,979	$ 117,073	$ 123,488	$ 103,962	$ 100,970	$ 105,543	*	*	*
Interest	500,930	434,920	406,467	365,409	330,730	309,722	311,303	*	*	*
Benefit Changes	-	-	-	-	-	-	-	*	*	*
Differences Between Expected and Actual Experienc	410,219	293,332	114,976	227,732	188,281	33,666	33,719	*	*	*
Changes of Assumptions	-	-	-	-	-	-	(296,941)	*	*	*
Benefit Payments, Including Refunds	(379,612)	(315,243)	(262,854)	(177,131)	(173,872)	(172,704)	(175,340)	*	*	*
Other	116,084	453,286	-	90,896	-	-	-	*	*	*
Net Change in Total Pension Liability	806,842	1,013,274	375,662	630,394	449,101	271,654	(21,716)	*	*	*
Total Pension Liability - Beginning	6,822,852	5,809,578	5,433,916	4,803,522	4,354,421	4,082,767	4,104,483	*	*	*
Total Pension Liability - Ending	$7,629,694	$6,822,852	$5,809,578	$5,433,916	$4,803,522	$4,354,421	$4,082,767	*	*	*
Plan Net Position										
Contributions - Employer	$ 313,068	$ 326,688	$ 245,367	$ 231,992	$ 220,416	$ 266,499	$ 267,755	*	*	*
Contributions - Member	-	-	-	-	-	-	-	*	*	*
Net Investment Income	451,425	138,023	414,403	543,326	358,415	31,198	308,529	*	*	*
Benefit Payments, Including Refunds	(379,612)	(315,243)	(262,854)	(177,131)	(173,872)	(172,704)	(175,340)	*	*	*
Administrative Expense	(16,934)	(14,542)	(14,975)	(15,795)	(9,011)	(10,120)	(8,051)	*	*	*
Other	-	-	-	-	-	-	-	*	*	*
Net Change in Plan Net Position	367,947	134,926	381,941	582,392	395,948	114,873	392,893	*	*	*
Plan Net Position - Beginning	4,694,238	4,559,312	4,177,371	3,594,979	3,199,031	3,084,158	2,691,265	*	*	*
Plan Net Position - Ending	$5,062,185	$4,694,238	$4,559,312	$4,177,371	$3,594,979	$3,199,031	$3,084,158	*	*	*
Net Pension Liability - Ending	$2,567,509	$2,128,614	$1,250,266	$1,256,545	$1,208,543	$1,155,390	$ 998,609	*	*	*
Total Pension Liability	$7,629,694	$6,822,852	$5,809,578	$5,433,916	$4,803,522	$4,354,421	$4,082,767	*	*	*
Plan Net Position	5,062,185	4,694,238	4,559,312	4,177,371	3,594,979	3,199,031	3,084,158	*	*	*
Net Pension Liability	$2,567,509	$2,128,614	$1,250,266	$1,256,545	$1,208,543	$1,155,390	$ 998,609	*	*	*
Ratio of Plan Net Position to Total Pension Liability	66.35%	68.80%	78.48%	76.88%	74.84%	73.47%	75.54%	*	*	*
Covered Employee Payroll	$3,511,983	$2,994,223	$3,113,621	$2,481,289	$2,311,355	$2,004,326	$1,827,030	*	*	*
Net Pension Liability as a Percentage of Covered Employee Payroll	73.11%	71.09%	40.15%	50.64%	52.29%	57.64%	54.66%	*	*	*

This schedule is to be built prospectively. Historical information prior to 2015 is not required.

CITY OF DALLAS, GEORGIA
Required Supplementary Information
Schedule of Contributions - Pension Plan
For the Previous Ten Fiscal Periods

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially Determined Contribution	$ 401,760	$ 326,577	$ 294,052	$ 261,811	$ 222,052	$ 219,871	$ 282,041	*	*	*
Contributions in Relation to the Actuarially Determined Contribution	401,760	326,577	294,052	261,811	222,052	219,871	282,041	*	*	*
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*	*	*
Covered Employee Payroll	$2,994,223	$3,113,621	$2,481,289	$2,311,355	$2,004,326	$ 1,827,030	*	*	*	*
Contributions As a Percentage of Covered Employee Payroll	13.42%	10.49%	11.85%	11.33%	11.08%	12.03%	*	*	*	*

* Historical information prior to implementation of GASB 67/68 not required.

Notes to Schedule:

Methods and Assumptions Used to Determine Contribution Rates

Valuation Date:	The actuarially determined contribution rate was determined January 1, 2020 with an interest rate adjustment to the fiscal year.
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 11 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary to be within 20% of market value.
Cost of Living Adjustments	0.00%
Salary Increases	2.25% plus age and service based merit increases
Investment Rate of Return	7.375% net pension plan investment expense, including inflation
Retirement Age	Normal - 65-55; Early - 55
Mortality	The mortality and economic actuarial assumptions used in the June 1, 2016 valuation were approved by the Board in December 2014 based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014 conducted by Segal Consulting.

CITY OF DALLAS, GEORGIA
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Previous Ten Fiscal Periods

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB Liability										
Service Cost	**	$ 33,227	$ 40,968	$ 45,810	*	*	*	*	*	*
Interest	**	65,671	50,541	45,126	*	*	*	*	*	*
Benefit Changes	**	-	6,469	-	*	*	*	*	*	*
Differences Between Expected and Actual Experience	**	(104,457)	(49,017)	10,804	*	*	*	*	*	*
Changes of Assumptions	**	170,003	(49,254)	(51,820)	*	*	*	*	*	*
Benefit Payments, Including Refunds	**	(20,844)	(63,202)	(21,246)	*	*	*	*	*	*
Other	**	-	-	-						
Net Change in Total OPEB Liability	**	143,600	(63,495)	28,674	*	*	*	*	*	*
Total OPEB Liability - Beginning	996,405	852,805	916,300	887,626	*	*	*	*	*	*
Total OPEB Liability - Ending	**	$ 996,405	$ 852,805	$ 916,300	*	*	*	*	*	*
Plan Net Position										
Contributions - Employer	**	$ 82,469	$ 42,553	$ 39,916	*	*	*	*	*	*
Contributions - Member	**	-	-	-	*	*	*	*	*	*
Net Investment Income	**	30,027	41,544	54,426	*	*	*	*	*	*
Benefit Payments, Including Refunds	**	(20,844)	(63,202)	(21,246)	*	*	*	*	*	*
Administrative Expense	**	(1,212)	(432)	(767)	*	*	*	*	*	*
Other	**	-	-	-	*	*	*	*	*	*
Net Change in Plan Net Position	**	90,440	20,463	72,329	*	*	*	*	*	*
Plan Net Position - Beginning	536,937	446,497	426,034	353,705	*	*	*	*	*	*
Plan Net Position - Ending	**	$ 536,937	$ 446,497	$ 426,034	*	*	*	*	*	*
Net OPEB Liability - Ending	**	$ 459,468	$ 406,308	$ 490,266	*	*	*	*	*	*
Total OPEB Liability	**	$ 996,405	$ 852,805	$ 916,300	*	*	*	*	*	*
Plan Net Position	**	536,937	446,497	426,034	*	*	*	*	*	*
Net OPEB Liability	**	$ 459,468	$ 406,308	$ 490,266	*	*	*	*	*	*
Ratio of Plan Net Position to Total OPEB Liability	**	53.89%	52.36%	46.50%	*	*	*	*	*	*
Covered Employee Payroll	**	$ 2,352,538	$ 2,289,575	$ 2,004,326	*	*	*	*	*	*
Net OPEB Liability as a Percentage of Covered Employee Payroll	**	19.53%	17.75%	24.46%	*	*	*	*	*	*

*This schedule is to be built prospectively. Historical information prior to 2018 is not required.

**The actuarial valuation report that presents the changes in net OPEB liability and related ratios was not available as of the issuance of the audit report. See the "Basis for Qualified Opinion" section of the Independent Auditor's Report on page 2.

CITY OF DALLAS, GEORGIA
Required Supplementary Information
Schedule of Contributions - Other Post-employment Benefit Plan
For the Previous Ten Fiscal Periods

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially Determined Contribution	**	$ 77,722	$ 68,080	$ 42,553	$ 39,916	*	*	*	*	*
Contributions in Relation to the Actuarially Determined Contribution	**	82,469	42,553	42,553	39,916	*	*	*	*	*
Contribution Deficiency (Excess)	**	$ (4,747)	$ 25,527	$ -	$ -	*	*	*	*	*
Covered Employee Payroll	**	$ 2,352,538	$2,289,575	$2,004,326	$ 2,004,326	*	*	*	*	*
Contributions As a Percentage of Covered Employee Payroll	**	3.51%	1.86%	2.12%	1.99%	*	*	*	*	*

* Historical information prior to implementation of GASB 74/75 not required.

**The actuarial valuation report that presents the actuarially determined contribution and covered payroll was not available as of the issuance of the audit report.
See the "Basis for Qualified Opinion" section of the Independent Auditor's Report on page 2.

This Page Intentionally Left Blank.

OTHER SUPPLEMENTARY INFORMATION

CITY OF DALLAS, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
2017 SPLOST Capital Projects - Budget and Actual
From Inception and for the Year Ended June 30, 2021

	Actual			Project Authorization
	Prior Years	Current Year	Total to Date	
REVENUES				
Interegovernmental	$ 4,317,463	$ 1,881,573	$ 6,199,036	$ 8,030,000
Total Revenues	4,317,463	1,881,573	6,199,036	8,030,000
EXPENDITURES				
Current				
General Government	234	-	234	234
Public Safety	184,634	109,755	294,389	294,389
Public Works	88,448	11,727	100,175	100,175
Parks	9,883	-	9,883	9,883
Marshall	8,455	-	8,455	8,455
Capital Outlays				
General Government	-	-	-	2,167,866
Public Safety	237,129	48,737	285,866	1,349,056
Public Works	763,290	168,204	931,494	2,067,925
Parks	955,570	154,321	1,109,891	1,997,617
Marshall	34,400	-	34,400	34,400
Total Expenditures	2,282,043	492,744	2,774,787	8,030,000
Excess of Revenues Over Expenditures	2,035,420	1,388,829	3,424,249	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	(4,155)	-	(4,155)	-
Total Other Financing Sources (Uses)	(4,155)	-	(4,155)	-
Net Change in Fund Balance	$ 2,031,265	1,388,829	$ 3,420,094	$ -
Fund Balance - Beginning of Year		2,031,265		
Fund Balance - End of Year		$ 3,420,094		

COMPLIANCE SECTION

This Page Intentionally Left Blank.

P.O. BOX 473
CARTERSVILLE, GA 30120
(770) 382-3361
FAX (770) 386-8382
WWW.WCPAS.COM

WILLIAMSON & CO., CPA's
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

LLOYD WILLIAMSON
CHRISTIAN HATCH

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*

The Honorable Mayor and Council of the
City of Dallas, 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 Dallas, Georgia, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the City of Dallas, Georgia's basic financial statements, and have issued our report thereon dated March 23, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Dallas, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Dallas, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Dallas, Georgia's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

We noted certain matters that we reported to management of the City of Dallas in a separate letter dated March 23, 2022.

Williamson and Company
Certified Public Accountants
Cartersville, Georgia
March 23, 2022

CITY OF DALLAS, GEORGIA
Schedule of Special Purpose Local Option Sales Tax Expenditures
For the Year Ended June 30, 2021

SPLOST 2017

	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Roads and Streets	$ 2,168,100	$ 2,168,100	$ 791,771	$ 179,931	$ 971,702
Other Projects					
Public Safety					
Facilities			-	29,427	29,427
Vehicles			175,186	-	175,186
Equipment			349,399	129,065	478,464
Total Public Safety	1,686,300	1,686,300	524,585	158,492	683,077
Recreation					
Facilities			107,573	-	107,573
Land and Improvements			787,337	97,022	884,359
Athletic Fields			-	-	-
Equipment			70,543	57,299	127,842
Total Recreation	2,007,500	2,007,500	965,453	154,321	1,119,774
Administration					
Buildings	2,168,100	2,168,100	234	-	234
Total For All Projects	$ 8,030,000	$ 8,030,000	$ 2,282,043	$ 492,744	$ 2,774,787

This SPLOST schedule has been prepared on the modified accrual basis of accounting.