2025



Fiscal Year ended
JUNE 30, 2025

CITY OF GAINESVILLE, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF GAINESVILLE, GEORGIA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025

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

CITY OF GAINESVILLE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended June 30, 2025

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OFFICIALS OF THE CITY OF GAINESVILLE

LEGISLATIVE BRANCH

CITY COUNCIL

Sam Couvillon	Mayor
Danny Dunagan (WARD 1)	Council Member
Zack Thompson (WARD 2)	Council Member
Barbara B. Brooks (WARD 3)	Council Member
Abigail Guzman (WARD 4)	Council Member
Juli Hayes (WARD 5)	Council Member

OFFICERS OF THE COUNCIL

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

JUDICIAL BRANCH

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

EXECUTIVE BRANCH

CITY MANAGER AND DEPARTMENT DIRECTORS

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Gainesville
Georgia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

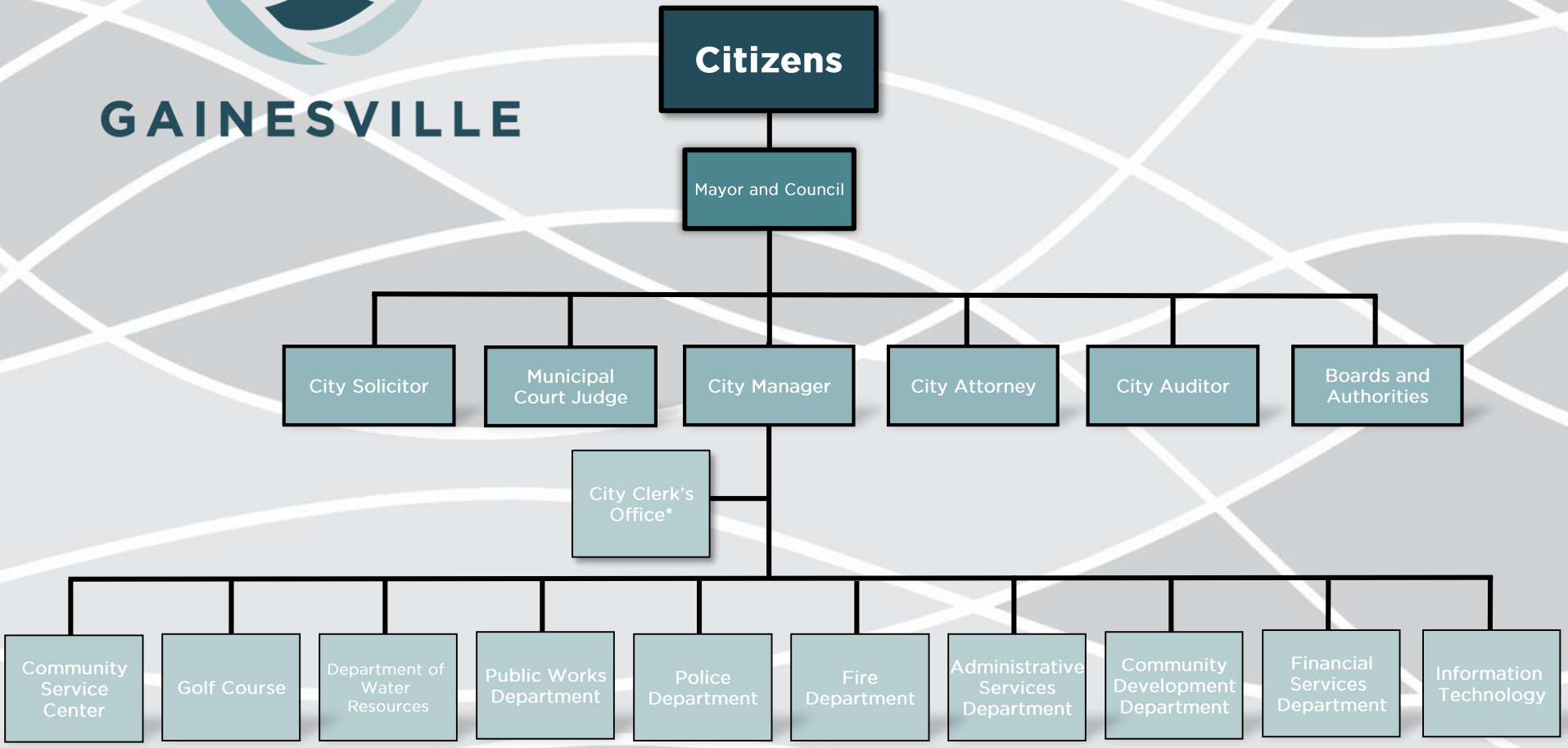
June 30, 2024

Christopher P. Morrill

Executive Director/CEO

CITY OF GAINESVILLE
Organizational Chart

GAINESVILLE



= Appointed by Mayor and Council

* Division within the City Manager's Office

CITY OF
GAINESVILLE

OFFICE OF THE CITY MANAGER

PO BOX 2496 GAINESVILLE, GA 30503
O | 770-535-6865
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| GAINESVILLE.ORG

December 1, 2025

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Gainesville (the City) for the fiscal year ended June 30, 2025 (FY25). Georgia code requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. These statements are to be presented in compliance with generally accepted accounting principles (GAAP), federal and state regulations, and audited in accordance with generally accepted governmental auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we submit this report for your consideration.

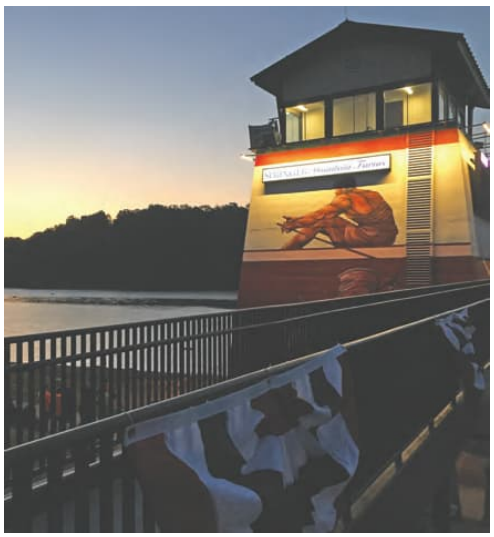
This report has been published to provide you and other interested parties with detailed information concerning the financial condition of the City. The report consists of management's representations concerning the finances of the City. This report was prepared by the staff of the Financial Services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

Rushton and Company, LLC, Certified Public Accountants, has audited the City's financial statements as required by Georgia Code. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for FY25 are free from material misstatement. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for FY25 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government



The City of Gainesville, incorporated on November 30, 1821, is located in Northeast Georgia, approximately 50 miles northeast of Atlanta. Gainesville serves as the principal city and county seat of Hall County. Bordered on the west by Lake Sidney Lanier, Hall County lies at the southern edge of the Chattahoochee National Forest and the foothills of the Blue Ridge Mountains. According to the 2025 estimates, Gainesville had a population of 50,393, reflecting an annual growth rate of 3.2% while Hall County's population was 226,559 with a growth rate of 2.09% over last year. Gainesville welcomes an estimated 150,000 commuters who work and shop in the City during day-time hours. The U.S. Census Bureau has recognized Gainesville-Hall County as among the fastest growing metropolitan areas in the country. The City is empowered to levy a property tax on real and personal property located within its boundaries. Also, the City is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

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

Under the direction of the City Manager and the Council, Gainesville provides a full range of public services, including police and fire protection; street and infrastructure maintenance; parks, recreational, and cultural programming; a municipal golf course and airport; planning, zoning, and building inspection services; and water, sewer, and sanitation utilities. The City's water and sewer systems serve not only Gainesville residents but also the majority of Hall County.

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



Senior Center, part of the Community Service Center

The Community Service Center is jointly funded by the City and Hall County. The Center is included in this report since all the employees of the Center are City employees, granting the City full administrative authority. The City also exercises fiduciary responsibility over the Employees' Pension Trust Fund associated with the Center.

Local Economy

Gainesville continues to thrive as one of the fastest-growing metropolitan areas in the nation, ranking #1 in the Milken Institute's 2025 Best-Performing Small Cities Index—its highest ranking to date after 11 consecutive years in the top ten. Gainesville also earned recognition from HGTV as one of the *'Best Up and Coming Small Cities in the U.S.*' in 2025.

Economic momentum remains strong, with more than 330 manufacturing and processing facilities and over 60 international companies representing 21 countries. Between 2020 and 2025, 64 new and expanding firms created more than 3,700 jobs and invested $1.75 billion in capital improvements in Gainesville-Hall County.

The poultry industry remains a cornerstone in Gainesville's economy and continues to attract complementary industries, including those producing poultry vaccines and advanced processing technologies. As one of the region's largest employers, the poultry sector is expected to sustain its strong economic and employment influence well into the future as related industries continue to expand.

A unique factor in Gainesville's appeal to new business is Brenau University's Business Incubator, a public-private partnership that provides support to start-up companies, inventors, and entrepreneurs. The University of North Georgia and Lanier Technical College also play vital roles in workforce development by partnering with local industries to provide highly skilled and educated labor pool.



85 Business Park

The City continues to foster economic and job growth through the development of the 85 Business Park, a 1,300-acre business park located between Athens Highway and Candler Road. The project is designed to attract companies that are environmentally sustainable, automation-focused, and non-heavy industrial, thereby creating higher-quality employment opportunities. In addition to the economic impact businesses will bring to the new industrial park, the City intends to preserve portions of the site's natural features by integrating environmental design elements such as nature trails and greenspace. In addition, the new public works and water facility is planned as part of the development.

The Georgia Ports Authority has partnered with local construction and engineering firms to develop the Blue Ridge Connector, an inland port terminal providing direct rail service between the Port of Savannah and Gainesville-Hall County. Local firms – including Carroll Daniel Construction, Simpson Trucking & Grading, and Rochester & Associates - are responsible for engineering and constructing the new terminal. As of 2025, the project is 50 percent complete and is scheduled to open in 2026, further enhancing Gainesville's logistical and economic advantages.

Beyond the industrial vitality, Gainesville-Hall County also serves as the medical hub for the 14-county Northeast Georgia region. The Northeast Georgia Medical Center (NGMC) – a flagship facility of the Northeast Georgia Health System (NGHS) – anchors a network of highly-recognized physician groups and medical facilities. The City's excellent reputation for medical excellence continues to attract top physicians and healthcare professionals. NGMC recently expanded with the opening of its 11-story Green Tower, featuring a new Emergency Department with a Pediatric section and a new rooftop helipad. This addition makes NGMC the third-largest hospital in Georgia by bed count, adding 150 inpatient beds and employing approximately 4,850 staff members. *Forbes* has recognized NGHS as one of Georgia's top healthcare organizations and one of the best employers statewide and nationally. NGMC alone generates more than $7.8 billion in combined local and state economic impact annually.

Another major employer, Kubota Manufacturing, employs over 3,500 employees and continues to expand its operations. The company opened a new Assembly Plant in 2024, expecting to add 500 employees, and in 2025 launched a Research and Development Center, projected to grow to nearly 200 employees over the next five years.

Major Initiatives

The City of Gainesville adopted its 2040 Comprehensive Plan, maintaining the Georgia PlanFirst Community designation by the Georgia Department of Community Affairs. This distinction recognizes the City's demonstrated success in implementing its Local Comprehensive Plan. Each year, the City evaluates its strategic priorities to ensure that major projects continue to reflect the needs and well-being of its residents and the broader community. Gainesville's key strategic priorities include Economic Opportunity, Spirit of Community, Culture of Safety, Stewardship, and Regional Destination.



Aligning with the City's strategic priorities, numerous ongoing and recently completed projects illustrate Gainesville's strategic focus on revitalizing its Downtown and Midtown areas. These initiatives are expanding residential options and attracting new retail and dining establishments, directly supporting the City's long-term vision for economic development. As these districts evolve, the City continues to address increased infrastructure demands, enhanced transportation options, and opportunities for greater community engagement.

A key element of Gainesville's growth strategy is maintaining a strong Culture of Safety. The City's Public Safety Departments remain committed to improving responsiveness and employing innovative approaches to protect residents, visitors, and property. Gainesville continues to invest in top-tier training and equipment to uphold high standards of protection and maintain efficient response times. Currently, the City is constructing a new public safety training facility, which will further enhance the capabilities of the Police Departments and reinforce the City's commitment to community safety.

Among Gainesville's notable development projects in FY2025 is Gainesville Township, a 2,300-unit master-planned residential community featuring pickleball courts, green space and commercial amenities. Additionally, the redevelopment of Lakeshore Mall is set to transform the property into a mixed-use development with residential units, retail, dining and outdoor community areas. Rezoning for the project was approved in early 2025, and construction is planned to begin in late 2026, with a final completion expected in 2028.



"The Coop"

The City celebrated the grand opening of the J. Melvin Cooper Youth Athletic Complex, known as 'The Coop', offering new recreation and sports facilities. The complex offers five natural turf baseball/softball fields, one synthetic turf multi-use field, walking trails, and a playground. Public spaces such as the Midland Greenway have been further enhanced through community programs, including the "Movies at Midland" series and plans for a future food truck park. The City also advanced several housing initiatives through HUD's Community Development Block Grant program, supporting neighborhood stabilization, renovation of older homes, and affordable housing opportunities.

The City's Spirit of Community priority emphasizes that all who call Gainesville home are enriched and benefited by its progress and development. A key achievement in this regard is the success of the WeGo on-demand service, launched in December 2001. Since its inception, WeGo has not only met, but surpassed all expectations, providing 100,000 unlinked trips by 2023 and averaging 480-500 rides requests. *WeGo Powered by Via* app, accessible via smartphones, has become the go-to platform for individuals looking to seamlessly book rides and foster connections with the people, places, and activities that matter most to them. WeGo has particularly gained popularity among commuters traveling to work, students heading to college campuses, and individuals navigating visits to local government offices, nonprofit organizations, or shopping destinations. The service has not only proven to be convenient but has also established itself as an affordable and efficient means of transportation within the town. Acknowledging the rising demand, WeGo has responded proactively by extending its service hours Monday through Friday, demonstrating its commitment to meeting the evolving needs of the community. The success and adaptability of WeGo underscores its vital role in enhancing accessibility and connectivity throughout Gainesville-Hall County.



WeGo Transit Vehicle

The City also continues to improve connectivity and walkability, particularly in the Downtown and Midtown corridors. The Highlands to Islands Trail System, a county-wide multiuse trail system connects Gainesville Veterans Park and Midland Greenway, two important components of the trail system. Renovation of City Hall and Roosevelt Square were completed in 2024, adding public art, building upgrades, and a more friendly layout. These upgrades preserve the historic significance and reinforce their role as central civic landmarks. Plans are also being developed to extend the Highlands to Islands Trail from the University of North Georgia's Gainesville campus to Flowery Branch.


Midland Greenway Dog Park

Access to parks and green spaces continues to play a critical role in promoting public health and the quality of life. Gainesville Parks and Recreation Department, a nationally accredited and award-winning agency, manages eight major facilities, 20 parks, and over 400 acres of park land. The Department remains dedicated to expanding the City's outdoor amenities, trail systems, and recreation programs. Recent enhancements along the Midland Greenway include upgraded lighting, plaza improvements and the opening of a new dog park, which contributed to the area earning the "Development of Excellence in the Public Realm" award from the ULI Atlanta Awards for Excellence.

Another project that has already made substantial impact for the City, while aligning with its strategic priority of being a regional destination, is the construction of a new multiuse Boathouse at the Lake Lanier Olympic Park Boathouse. The Olympic Park helps draw visiting athletes to the Gainesville area, generating over $5 million of economic impact annually to the community. Construction of the Boathouse began in August 2022 and was completed in early 2024. The Boathouse provides boat storage and a fitness center on the lower level and on the upper-level features 17,000 square feet of meeting space, a catering kitchen, and patio seating overlooking the lake. The new Boathouse is expected to double the venue's annual economic impact by drawing visiting athletes, increasing participation in regattas, and providing a beautiful place to host events along the shoreline of Lake Lanier. More improvements are budgeted in the upcoming year(s) for Phases 3 and 4 to improve the picnic area, riverwalk, trails, and boardwalk.



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

Long-Term Financial Planning

The City of Gainesville holds an impressive Aa1 bond rating by Moody's Investor Service and an AA rating by S&P Global Ratings. These strong credit ratings reflect the City's large and expanding tax base, prudent fiscal management, effective operations, and long-term financial stability. The Aa1 rating emphasizes a strong liquidity position and minimal credit risk for potential investors, enabling the City to efficiently leverage long-term debt to finance critical capital improvements.

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



GFD's Heavy Rescue Truck

The City's current five-year capital improvements plan has identified $275.7 million in projected expenditures through fiscal year 2028. In FY25, the City identified surplus revenues and expenditures savings from prior years that will be directed to high-priority capital projects. Approximately $6.43 million will be directed to the City's Capital Improvement Program, including investments in the Community Service Center Fund. These allocations reflect the City's practice of using one-time surplus funds for nonrecurring capital purchases rather than operational expenses, ensuring the long-term sustainability and financial structure. Additionally, the City's FY2025 budget provides nearly $30 million in funding for capital needs across departments.

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

The major source of funding for DWR capital projects in FY25 are loans from the Georgia Environmental Finance Authority (GEFA). Proceeds from the loans will go towards required maintenance, improvements, and expansion to serve new customers. The improvements will meet new requirements, incorporate new technology, increase efficiency, and reduce operating costs. Budgeted Fund Balance is the largest funding source for the general government in FY24. This funding source represents surplus funds from previous years and is typically used for one-time purchases. Also, Special Local Option Sales Tax (SPLOST) is a large source of funding for capital improvement projects.

When necessary, the City may issue general obligation bonds to finance improvements that exceed current revenue capacity. The FY2025 Capital Improvement Plan allocates funding to several departments including Police Services, Fire Services, Department of Water Resources, Golf Course, Park & Recreation, Community Service Center and Gainesville CVB.

Relevant Financial Policies

In accordance with Georgia statutes, the City operates under an annual budget adopted by local resolution and serves as the foundation for the City's financial planning and control. The City's budget is adopted each year by City Council on or before June 30th at a regular Council meeting that is open to the public. The budget is balanced for each budgeted fund. Total anticipated revenues and a portion of fund balance should equal the fund's anticipated expenditures. The level of legal budgetary control is maintained at the fund/department level. Department directors may request budget adjustments through the Financial Services Department, provided that the adjustment does not increase the overall budget or personal services allocation for that department.

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

The City's Investment and Cash Management policy states that the City should make investments with prudence, judgement, and care with the primary objective of safety and secondary objective of obtaining competitive market rates of return. Maximum opportunity is provided to all local financial institutions to bid and compete for City investments due to the importance of the financial institutions to the local economy. The City continues leveraging different strategies and investments to gain conservative investment earnings.

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

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

Awards and Acknowledgment

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement (COA) for Excellence in Financial Reporting to the City of Gainesville, Georgia for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the thirty-third consecutive year that the government has achieved this prestigious award. To be awarded a COA, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A COA is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the COA Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

GFOA also presented a Distinguished Budget Presentation Award to City of Gainesville, Georgia, for its Annual Budget for the fiscal year beginning July 1, 2024. This was the thirty-first consecutive year the City achieved this prestigious award. We have submitted our application for this award the year fiscal year beginning July 1, 2025. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements as GFOA determines its eligibility for another award.

GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to the City of Gainesville, Georgia for its PAFR for the fiscal year ended June 30, 2024. The Award for Outstanding Achievement in PAFR is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in PAFR, a government unit must publish a PAFR, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in PAFR is valid for a period of one year only. The City of Gainesville has received a PAFR Award for the last eleven consecutive years (fiscal years ended 2014-2024). We believe our current report for fiscal year ending June 30, 2025 continues to conform to the Popular Annual Financial Reporting requirements, and we have submitted our application to GFOA to determine its eligibility for another Award.

Beyond financial excellence, Gainesville's broader accomplishments have also received statewide acclaim. The City was honored as the 'Downtown of the Year' at the 2025 Georgia Downtown Conference, recognizing its successful revitalization, community engagement, and leadership in downtown development.

The preparation of this report could not have been accomplished without the efficient and dedicated services of our entire Financial Services Department staff who contributed to its preparation. Enormous thanks go to the staff of our accounting firm, Rushton and Company, LLC for their technical guidance and assistance to make this a quality report. Additionally, we would like to thank the City Council for their consistent support for maintaining the highest standards of professionalism in the management of the City's finances and their continued support of the City's professional staff. The Council's vision and input are the guiding factors that enable the City staff to work towards keeping and promoting the City of Gainesville as a great place to live, work, learn, and play.

Respectfully submitted,



Bryan Lackey
City Manager



Jeremy Perry
Chief Financial Officer

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Gainesville, Georgia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Gainesville, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Gainesville, Georgia, as of June 30, 2025, and the respective changes in the financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Gainesville, Georgia and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Gainesville, Georgia's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Gainesville, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, on our consideration of the City of Gainesville, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Gainesville, Georgia's internal control over financial reporting and compliance.

Rushton, LLC

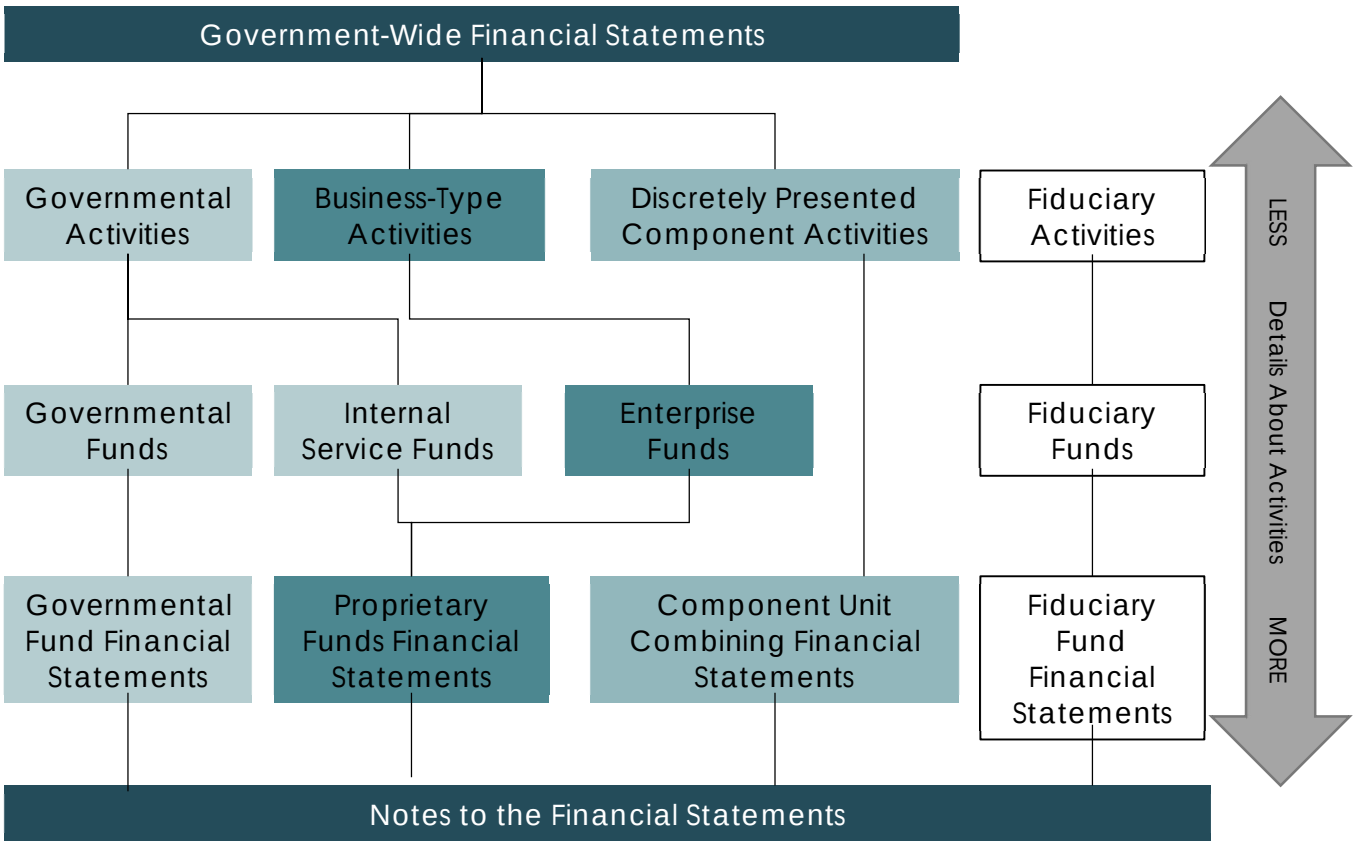
Gainesville, Georgia
December 1, 2025

It is our pleasure to present management's discussion and analysis (MD&A) to help Gainesville residents and other readers understand what the financial statements and notes in this financial report say about the City's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the management's knowledge of the City's finances.

Overview of the Financial Statements

The City's financial report contains basic financial statements. Those financial statements present the City's finances at both an overall and a detailed level. The first two—the *government-wide financial statements*—cover the City's governmental activities and business-type activities (together, the *primary government*) and discretely presented component units. (See the diagram in Figure 1.)

Figure 1. Contents of the City's Basic Financial Statements



- *Governmental activities* comprise the City's most basic functions, such as public safety, culture and recreation, public works, and community and economic development. Governmental activities primarily are financed by taxes and fees paid by City residents and businesses and grants from the State of Georgia and the federal government.

- *Business-type activities* are City services primarily financed in whole or in part with charges to customers—utilities, airport and the municipal golf course.

- *Discretely presented component units* are legally separate entities for which the City is financially accountable— the Gainesville Convention and Visitor's Bureau, Parks and Recreation, and Gainesville-Hall County Land Bank

The remaining basic financial statements present the City's finances in greater detail and include fiduciary activities. As their name implies, the *fund financial statements* disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. The City reports three groups of funds:

- *Governmental fund financial statements* report all of the governmental activities except those that involve providing services to City departments. In addition to the City's main operating fund—the general fund—those financial statements report special revenue funds to track the use the City's restricted revenues, a debt service fund to record the repayment of outstanding bonds, and a capital projects fund to account for resources used to acquire transportation infrastructure and certain other long- lived assets. The City's basic governmental fund financial statements are presented on pages 20-25 of this report.
- *Proprietary fund financial statements* report all of the business-type activities (*enterprise funds*) and the services provided to City departments (*internal service funds*). The City's proprietary fund financial statements are presented on pages 26-30.
- *Fiduciary fund financial statements* report resources for which the City acts as a trustee or custodian, including the City's Community Private-Purpose Trust, Employees' Pension Trust, and Municipal Court Custodial Fund. The resources in those funds do not belong to the City and cannot be used to provide services, which is why they are not included in the government-wide financial statements. The City's fiduciary fund financial statements are presented on pages 31-32.

Lastly, the Gainesville Convention and Visitor's Bureau, Parks and Recreation, and Gainesville-Hall County Land Bank (which are combined with nonmajor component units in a single column in the government-wide financial statements) are disaggregated in *combining financial statements* for discretely presented component units following the fund financial statements.

The next section of this financial report contains *notes to financial statements,* which delve deeper into the City's finances as reported in the financial statements. The information in the notes is as important to understanding the City's finances as the information in the financial statements. The City uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies). The notes to the financial statements can be found on pages 36-114 of this report.

Types of Information in the Financial Statements

All of the City's financial statements, except for the governmental fund financial statements, use the *economic resources measurement focus and accrual basis of accounting.* (See Figure 2.) In other words, they comprehensively report all types of financial statement elements:

- *Assets*—resources the City controls, from short-term assets like cash to long-term assets like roads and bridges
- *Liabilities*—amounts the City owes, from short-term liabilities such as salaries payable to long- term liabilities such as outstanding debt and net amounts owed to employees for pensions
- *Deferred outflows of resources* and *deferred inflows of resources*—flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related
- *Revenues and expenses*—inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the *current financial resources measurement focus and modified accrual basis of accounting* to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on the construction of a City building.

Figure 2. Types of Information Reported in the City's Financial Statements

	Financial Statements				
	Government-wide	Proprietary Fund	Fiduciary Fund	Component Unit	Governmental Fund
Types of assets and liabilities	All assets and liabilities, both financial and nonfinancial, short-term and long-term				Only current financial resources, such as cash, taxes receivable, and accounts payable
Types of Revenues/ additions	All types of revenues/additions that flow into the government during the year that relate to that year, regardless of when cash is received				Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/ deductions/ Expenditures	All types of expenses/deductions that flow out of the government during the year that relate to that year, regardless of when cash is paid				Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	All types of resources that flow into and out of the government during the year that relate to a future year				Current financial resources that flow into and out of the governmental funds during the year that relate to a future year

More detail about the measurement focuses and bases of accounting can be found in the first note to financial statements, the summary of significant accounting policies, beginning on page 36.

Analysis of the City's Finances

City of Gainesville, GA
Statement of Net Position
Fiscal Years 2024 and 2025

	Governmental Activities		Business-type Activities		Total	
	(In millions of dollars)					
	2025	2024	2025	2024	2025	2024
Current assets	$ 125.9	$ 124.1	$ 245.1	$ 182.8	$ 371.0	$ 306.9
Capital assets	147.9	163.3	668.4	614.8	816.3	778.1
Other noncurrent assets	1.2	1.4	4.9	5.4	6.1	6.8
Total assets	275.0	288.8	918.4	803.0	1,193.4	1,091.8
Deferred Outflows of Resources	12.1	9.5	8.1	6.2	20.2	15.7
Current liabilities	14.1	16.9	24.9	25.8	39.0	42.7
Noncurrent liabilities	96.6	101.3	167.3	113.3	263.9	214.6
Total liabilities	110.7	118.2	192.2	139.1	302.9	257.3
Deferred Inflows of Resources	8.3	6.5	10.3	7.1	18.6	13.6
Net position:						
Net investment in capital assets	97.7	114.0	574.0	517.8	671.7	631.8
Restricted	44.1	40.4	108.6	101.6	152.7	142.0
Unrestricted	26.4	19.2	41.4	43.6	67.8	62.8
Total net position	$ 168.2	$ 173.6	$ 724.0	$ 663.0	$ 892.2	$ 836.6

Table 1 shows that as of June 30, 2025, the City's total net position—assets and deferred outflows minus liabilities and deferred inflows—was over $892 million, an increase of $55.6 million or 6.6 percent compared with 2024. This increase is primarily due to investments in capital in the water system (business-type activities), including the unspent bond proceeds still to be invested. The increase in net position was the result of the financial performance of the business-type activities with governmental activities showing a small decrease of $5.5 million. The following sections of MD&A analyze the finances of the governmental activities and business-type activities separately.

Governmental Activities

Table 2 on the following page shows that expenses exceeded revenues in the current year, resulting in a decrease in net position. The total net position of the City's governmental activities was a decrease of $5.4 million or 3.1 percent from 2024.

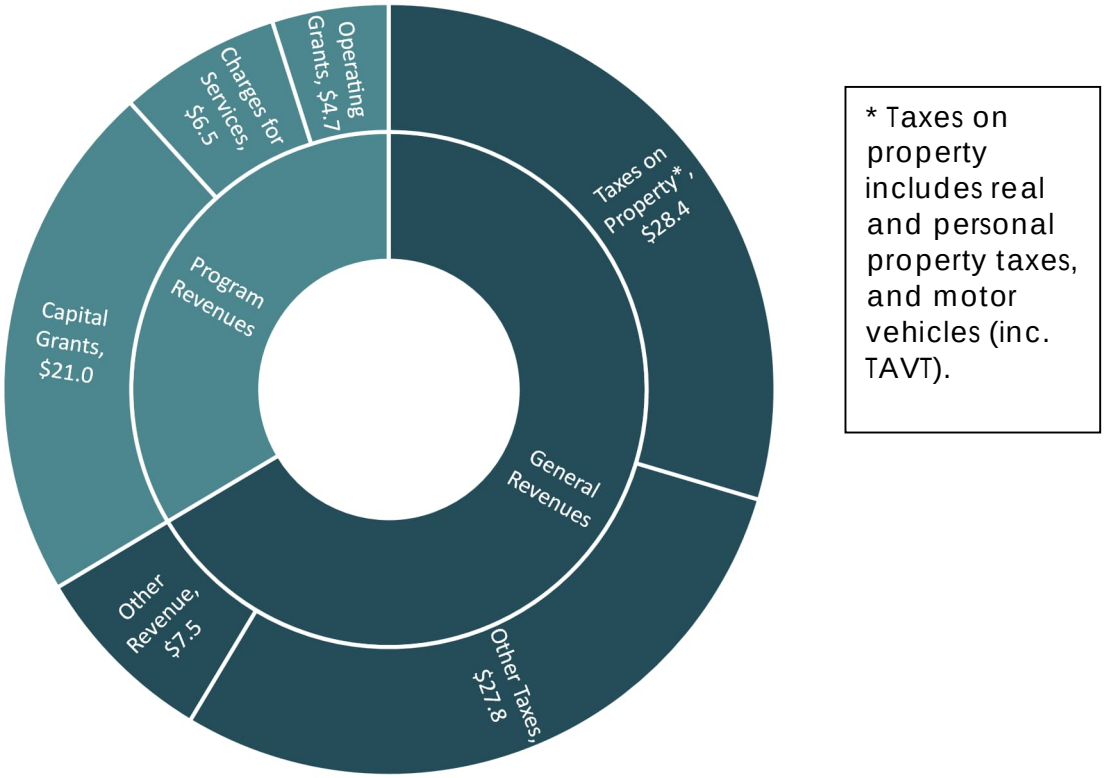
City of Gainesville
Changes in Net Position
Fiscal Years 2025 and 2024

	Governmental Activities		Business-type Activities		Total		Percentage Change
	(In millions of dollars)						
	2025	2024	2025	2024	2025	2024	2025-2024
Revenues							
Program revenues:							
Charges for services	$ 6.5	$ 9.4	$ 99.4	$ 92.2	$ 105.9	$ 101.6	4.2%
Operating grants and contributions	4.7	5.0	0.2	0.2	4.9	5.2	-5.8%
Capital grants and contributions	21.0	15.1	34.6	22.7	55.6	37.8	47.1%
General revenues:							
Property taxes	28.4	26.1	0	0	28.4	26.1	8.8%
Sales tax	12.4	12.1	0	0	12.4	12.1	2.5%
Other taxes	15.4	14.4	0	0	15.4	14.4	6.9%
Miscellaneous revenue	7.5	6.5	12.7	12.4	20.2	18.9	6.9%
Total revenues	95.9	88.6	146.9	127.5	242.8	216.1	12.4%
Expenses							
General government	13.5	11.0	0	0	13.5	11.0	22.7%
Judicial	0.8	0.7	0	0	0.8	0.7	14.3%
Public safety	26.6	26.5	0	0	26.6	26.5	0.4%
Public works	11.7	10.0	0	0	11.7	10.0	17.0%
Health and welfare	5.5	4.7	0	0	5.5	4.7	17.0%
Culture and recreation	13.1	11.6	0	0	13.1	11.6	12.9%
Housing and development	30.9	5.8	0	0	30.9	5.8	432.8%
Interest on long-term debt	2.1	2.2	0	0	2.1	2.2	-4.5%
Water and sewer	0	0	75.5	65.8	75.5	65.8	14.7%
Airport	0	0	1.4	1.1	1.4	1.1	27.3%
Solid waste	0	0	3.8	3.7	3.8	3.7	2.7%
Golf course	0	0	2.3	2.1	2.3	2.1	9.5%
Total expenses	104.2	72.5	83.0	72.7	187.2	145.2	28.9%
Indirect Cost Allocation	2.1	1.9	(2.1)	(1.9)	0	0	0.0%
Increase in net position before transfers	(6.2)	18.0	61.8	52.9	55.6	70.9	-21.6%
Transfers	0.8	2.0	(0.8)	(2.0)	0	0	0.0%
Increase in net position	(5.4)	20.0	61.0	50.9	55.6	70.9	-21.6%
Net position - beginning, as previously reported	173.6	153.1	663.0	611.8	836.6	764.9	9.4%
Change in accounting principle	0	(0.4)	0	(0.2)	0.0	(0.6)	-100.0%
Error Correction	0	0.9	0	0.5	0.0	1.4	-100.0%
Net position - restated	173.6	153.6	663.0	612.1	836.6	765.7	9.3%
Net position - ending	$ 168.2	$ 173.6	$ 724.0	$ 663.0	$ 892.2	$ 836.6	6.6%

Various events contributed to this decrease in net position; however, the 3 primary factors affecting the change in net position are as follows:

(1) Increases in intergovernmental grant revenues, particularly related to capital assets
(2) Growth in various property tax and sales tax revenues due to the strength of the national and local economies
(3) Distribution of Boathouse and related capital assets ($24 million) to a component unit from the capital projects fund.

Figure 3 – Governmental Activities Revenues by Source
(in millions of dollars)



Overall, governmental activities revenues increased $7.3 million.

Capital grants and contributions increased nearly $6 million with over half of that increase due to improved SPLOST proceeds from overall economic growth.

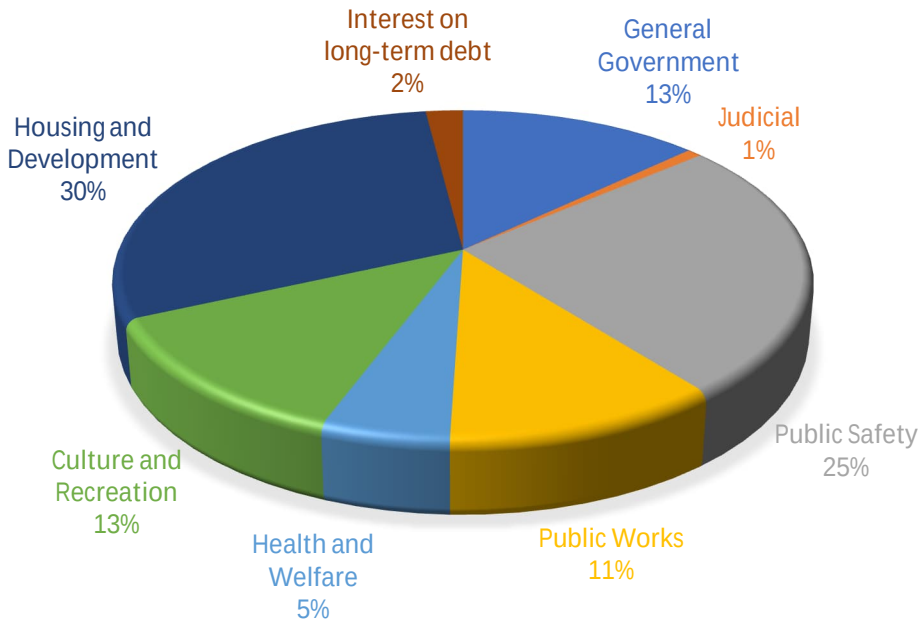
Property taxes increased $2.3 million. The City approved a millage rate rollback on real property; meaning the increase was attributed to increases in valuations from new development and transferred (resold) property.

Miscellaneous revenues increased by $1 million due to improved investment results from higher interest rates.

Franchise fees from Georgia Power ($.6 million) and insurance premium taxes ($.3 million) also contributed significantly to the increase due to the overall increase in consumer spending for those two items.

Figure 4 – Governmental Activities Expenses by Function

* During FY25, there was a large transfer out of Housing and Development to the Convention and Visitors Bureau for the Boathouse. This is causing this function to be higher than normal; consequently, making the other functions lower than normal.



Overall governmental expenditures increased by $31.7 million with the majority of that increase due to a transfer (expense) of completed property. Housing and development expenses increased $25.2 million mostly due to the one-time transfer of the Boathouse (along with related furniture, parking and security improvements) of $23.8 million to the Convention and Visitors Bureau.

General government expenses increased $2.5 million mostly due to investments in Information Technology, increased costs for Public Lands & Buildings, and moving Public Relations to governmental activities.

Public Works expenses also increased with higher resurfacing and street repairs.

Governmental Funds

The City maintains five major funds individually in the governmental fund financial statements and an additional fourteen nonmajor funds. The City's major governmental funds are the General Fund, Fire Services Fund, Police Services Fund, Special Purpose Local Option Sales Tax (SPLOST), and General Government Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements on pages 135-138 of this report. Most of the discussion regarding governmental activities is equally applicable to the finances of the major governmental funds. However, governmental fund financial statements

focus on the short-term view of the City's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

There are often significant differences between the totals of the governmental fund and government-wide financial statements due to the different accounting methods used to prepare them and the narrower scope of the governmental fund statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided after each statement. Those five major funds are shown in Table 3 and are discussed in more detail below.

Table 3
Revenues, Expenditures, and Changes in Major Fund Balances
(amounts expressed in millions)

	General		Fire		Police		SPLOST		General Governmental Capital Projects	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Total revenues	$41.48	$38.84	$11.63	$10.78	$ 6.38	$ 5.86	$17.13	$12.47	$ 1.27	$ 0.83
Total expenditures	28.10	24.62	12.85	11.13	5.93	5.99	18.02	17.15	12.42	21.78
Excess (deficiency) of revenues over (under) expenditures	13.38	14.22	(1.22)	(0.35)	0.45	(0.13)	(0.89)	(4.68)	(11.15)	(20.95)
Other financing sources (uses)										
Transfers in	3.89	2.45	1.14	0.00	0.41	1.11	1.29	6.09	14.57	18.18
Transfers out	(17.58)	(16.84)	(0.38)	(0.32)	(0.89)	(1.13)	(3.35)	(0.76)	(0.03)	(0.20)
Issuance of long-term debt	0.66	0.51	0.00	0.00	0.00	0.20	0.00	0.00	1.73	0.50
Sales of capital assets	0.06	0.03	0.01	0.01	0.02	0.04	0.00	0.00	0.00	0.00
Total other financing sources (uses)	(12.97)	(13.85)	0.77	(0.31)	(0.46)	0.22	(2.06)	5.33	16.27	18.48
Net changes in fund balances	0.41	0.37	(0.45)	(0.66)	(0.01)	0.09	(2.95)	0.65	5.12	(2.47)
Fund balances, July 1, as previously reported	19.12	18.75	0.78	1.44	0.23	0.00	34.48	33.83	30.55	33.02
Change within financial reporting entity (major to nonmajor fund)	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00
Fund balances, July 1, restated	19.12	18.75	0.78	1.44	0.23	0.14	34.48	33.83	30.55	33.02
Fund balances, June 30	$19.53	$19.12	$ 0.33	$ 0.78	$ 0.22	$ 0.23	$31.53	$34.48	$35.67	$30.55

General Fund

Other than situations mentioned previously, General Fund, Fire Services, Police Services, and SPLOST revenues were relatively stable. The same was true of expenditures in the General Fund, Police Services, and SPLOST Fund, again other than situations previously mentioned.

Fire Services Special Revenue Fund

Fire Services Fund expenditures increased $1.7 million due to higher personnel costs from staffing closer to fully employed.

Police Services Special Revenue Fund

Police Services Fund remained stable during the year with no unusual or material variances in revenues or expenditures.

SPLOST Capital Projects Fund

SPLOST Capital Projects Fund remained stable during the year with no unusual or material variances in revenues or expenditures.

General Government Capital Projects Fund

General Government Capital Project Fund expenditures decreased by $9.36 million as several major capital projects wrapped up (or nearly wrapped up) in the prior year such as the Boathouse project discussed above.

Business-type Activities and Enterprise Funds

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

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

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

The City's proprietary fund financial statements are presented on pages 26-30.

Table 4
Department of Water Resources (DWR) Revenues and Expenses
(amounts expressed in millions)

	Department of Water Resources (DWR)	
	2025	2024
Total operating revenues	$ 92.77	$ 85.85
Total operating expenditures	73.77	66.04
Operating Income (loss)	19.00	19.81
Noncapital Subssidies		
Transfers out	(3.86)	(1.50)
Total noncapital subsidies	(3.86)	(1.50)
Other Nonoperating Revenues (Expenses)		
Investment revenue	12.17	8.21
Interest expense	(2.51)	(1.39)
Intergovernmental revenue	0.20	0.22
Gain on sale of property held for development		3.27
Debt issue costs	(0.79)	
Gain (loss) on sale of capital assets	(0.29)	0.06
Capital Transfers in	0.05	
Capital contributions	32.07	21.62
Total nonoperating revenues (expenses)	40.90	31.99
Increase (decrease) in fund net position	56.04	50.30
Total fund net position, July 1, as previously reported	642.58	591.88
Error Correction		0.49
Change in accouting principle		(0.09)
Total fund net position, July 1, as restated	642.58	592.28
Total fund net position, June 30	$ 698.62	$ 642.58

Department of Water Resources (DWR)Fund

The DWR Fund net position increased $56 million in FY25 following $50 million in FY24. Operational income was relatively stable with a $.81 million decrease. There were no sale of property held for development in FY25 so that resulted in a decrease of $3.27 million. However, nonoperating revenues offset that and then some due to $10.45 million in increases over last year in capital contributions from developers and other new customers into the water system.

Significant capital asset and long-term financing activity

The discussion thus far has only touched upon certain significant transactions and events during 2025 with respect to capital assets and long-term debt. Overall, the carrying value of capital assets—original cost minus accumulated depreciation—increased 4.9 percent over 2024 from $778.1 million to $816.3 million. The City's governmental activities had $38.5 million in its beginning balance of construction in progress with another $8 million in capital projects expenditures during 2025. Of those amounts, the City put $32.7 million into operation during the year and, therefore, reclassified that amount to the other capital asset classifications of infrastructure and buildings and

improvements. This resulted in an ending balance of construction in progress of $13.7 million. The City's business-type activities had $148.1 million in its beginning balance of construction in progress with another $44.2 million in capital projects expenditures during 2025. Of those amounts, the City put $30 million into operation during the year and, therefore, reclassified that amount to the other capital asset classifications of infrastructure and buildings and improvements. This resulted in an ending balance of construction in progress of $162.3 million. Many of the completed and ongoing capital projects are a part of the city-wide infrastructure programs.

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

- The Coop
- Downtown retail space
- Public Safety Training Complex
- City Campus Improvements

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

- Hancock Facility Relocation
- Flat Creek Blowers and Diffuser
- Flat Creek Water Reclamation Facility Primary Clarifiers
- Sardis Rd Connector Utilities Relocation

Additional information and schedules on the City of Gainesville's capital assets can be found in Note 9 on pages 66-70 of this report.

As of June 30, 2025, the City of Gainesville had long-term liabilities, net of unamortized bond premium and discount, totaling $263.8 million. In FY2025, the City Council approved legislation authorizing the City to issue $70.1 million in water and sewerage revenue bonds (the "Series 2024 Bonds") to refund older, more-expensive bonds as well as finance infrastructure improvements to the water and sewerage system, which is the primary reason that business-type activities long-term liabilities increased 47.7 percent overall. Slightly more than half of the addition to long-term liabilities by those bonds was offset by a reduction in 2014 bonded debt outstanding due to a series of bond calls and refundings that was completed in FY2025. Another significant increase is a result of the issuance of new debt draws in notes from the Georgia Environmental Finance Authority for projects to expand the City's water and sewer system.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City of Gainesville is $941 million, but the City had no general obligation debt outstanding as of June 30, 2025.

Additional information and schedules on the City's long-term debt can be found in Notes 11, 12, and 13 on pages 73-86 of this report.

Currently known facts, decisions, or conditions

The City is aware of four developments that will have an impact on the City's finances in the future and were therefore incorporated into next year's budget:

(1) Overall inflationary pressures – Typically, the budget includes normal inflationary increases for rising costs. The FY26 proposed General Fund budget factors in a 3.26% increase over FY25.
(2) Information Technology demands – Rising costs for IT needs continue. In addition to budgeting for higher service and security costs, there's also a position added for the department.
(3) Ongoing needs or capital investment – In addition to normal SPLOST and Proprietary Fund Projects, the budget also includes $4.3 million for general capital for projects including, but not limited to, city buildings improvements, roadway, sidewalk and intersection improvements, Public Safety Training Complex.
(4) Increases in insurance claims and premiums – The City has experienced a recent increase in liability, workers comp, and health claims. The increases are distributed across all departments, and will be monitored closely throughout FY26.

Economic Condition and Outlook

- The U.S. Census Bureau estimated the City of Gainesville's population in 2025 to be 47,712. Based on actual census data from 2020, this is a 15.1% increase in population in five years. The U.S. Census Bureau recognize Gainesville-Hall as among the fastest growing metro areas in the country.

- Gainesville adopted a 3.656 tax millage rate for FY25. The gross property tax digest for the City of Gainesville rose from $7.2 billion for FY24 to $8 billion for FY25, which is equivalent to a 10.51% increase in the tax base.

- Sales driven revenues has leveled out considerably from growth over the previous few years. Sales tax revenue (LOST), for example, grew 2.5% from FY24 to FY25.

The factors discussed in this analysis were among the many factors taken into consideration when preparing the FY26 budget. Of the $19.5 million fund balance in the General Fund, $4.49 million has been appropriated for spending in the FY26 budget.

Other information

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

BASIC FINANCIAL STATEMENTS

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 34,423,373	$ 18,174,021	$ 52,597,394	$ 1,706,520
Investments	80,114,736	45,270,287	125,385,023	4,368,861
Restricted assets				
Cash and cash equivalents	0	39,505,663	39,505,663	218,965
Investments	0	131,941,400	131,941,400	0
Interest receivable	0	68,713	68,713	0
Receivables (net)				
Accounts	949,194	4,895,738	5,844,932	82,383
Intergovernmental	3,735,972	1,036,194	4,772,166	0
Taxes	2,207,783	0	2,207,783	127,683
Notes	84,114	0	84,114	0
Lease	132,324	562,072	694,396	0
Other	0	15,144	15,144	0
Internal balances	(300,574)	300,574	0	0
Inventories	117,038	2,816,498	2,933,536	0
Prepaid items	4,275,111	561,722	4,836,833	49,026
Other	124,444	0	124,444	0
Total current assets	125,863,515	245,148,026	371,011,541	6,553,438
Noncurrent assets				
Notes receivable	52,385	0	52,385	0
Lease receivable	1,048,961	2,397,576	3,446,537	0
Property held for development	118,995	2,393,408	2,512,403	287,333
Capital assets				
Non-depreciable	44,688,221	195,162,429	239,850,650	42,443,726
Depreciable/amortizable (net)	103,211,080	473,277,371	576,488,451	38,664,598
Total noncurrent assets	149,119,642	673,230,784	822,350,426	81,395,657
Total assets	274,983,157	918,378,810	1,193,361,967	87,949,095
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	9,075,006	6,069,595	15,144,601	550,653
Deferred outflows related to other post employment benefits	3,067,486	2,046,296	5,113,782	376,917
Total deferred outflows of resources	12,142,492	8,115,891	20,258,383	927,570
LIABILITIES				
Current liabilities				
Payables				
Accounts	2,977,377	2,026,599	5,003,976	616,158
Retainages	145,711	0	145,711	0
Intergovernmental	97,653	1,826,573	1,924,226	3,000
Sales tax	0	17,485	17,485	14,153
Deposits	232,183	48,280	280,463	3,530
Interest	295,840	4,977	300,817	0
Accrued salaries	638,299	409,900	1,048,199	129,826
Unearned revenue	7,479	0	7,479	28,338
Compensated absences	2,865,395	1,402,430	4,267,825	306,494
Claims reserve	1,707,127	0	1,707,127	0
Leases payable	0	67,748	67,748	0
Subscriptions payable	203,602	236,795	440,397	0
Contracts payable	3,286,213	1,561,588	4,847,801	0
Notes payable	1,414,165	2,495,988	3,910,153	0
Other liabilities	236,093	75,119	311,212	21,114

See accompanying notes to the financial statements.

Exhibit A-1, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Current liabilities				
Liabilities payable from restricted assets				
Payables				
Accounts	$ 0	$ 4,158,000	$ 4,158,000	$ 0
Retainages	0	2,001,307	2,001,307	0
Customer deposits	0	2,491,433	2,491,433	0
Interest	0	448,887	448,887	0
Bonds payable	0	5,614,437	5,614,437	0
Total current liabilities	14,107,137	24,887,546	38,994,683	1,122,613
Noncurrent liabilities				
Compensated absences	318,377	155,826	474,203	34,054
Net pension liability	39,137,759	23,629,526	62,767,285	1,390,261
Net OPEB liability	13,173,821	8,791,862	21,965,683	1,235,114
Leases payable	0	216,131	216,131	0
Subscriptions payable	397,906	38,547	436,453	0
Contracts payable	41,482,775	6,307,940	47,790,715	0
Notes payable	2,046,404	55,213,669	57,260,073	0
Bonds payable	0	72,965,882	72,965,882	0
Total noncurrent liabilities	96,557,042	167,319,383	263,876,425	2,659,429
Total liabilities	110,664,179	192,206,929	302,871,108	3,782,042
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	0	2,696,766	2,696,766	0
Deferred inflows related to pensions	1,504,578	757,098	2,261,676	248,134
Deferred inflows related to other post employment benefits	5,664,288	3,912,428	9,576,716	705,843
Deferred inflows related to leases	1,136,802	2,890,183	4,026,985	0
Total deferred inflows of resources	8,305,668	10,256,475	18,562,143	953,977
NET POSITION				
Net investment in capital assets	97,659,728	574,025,433	671,685,161	80,908,137
Restricted for:				
Public Safety	2,620,983	0	2,620,983	0
Public Works	19,150	0	19,150	0
Health and Welfare	2,442,340	0	2,442,340	0
Culture and Recreation	438,432	0	438,432	18,965
Housing and Development	4,573,365	0	4,573,365	0
Debt Service	270,644	3,008,605	3,279,249	0
Capital Outlay	33,763,565	105,579,529	139,343,094	71,744
Unrestricted	26,367,595	41,417,730	67,785,325	3,141,800
Total net position	$ 168,155,802	$ 724,031,297	$ 892,187,099	$ 84,140,646

See accompanying notes to the financial statements.

Exhibit A-1, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2025

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government						
Governmental activities						
General Government	$ 13,559,468	$ (2,110,590)	$ 1,155,292	$ 1,268,384	$ 0	$ (9,025,202)
Judicial	824,136	0	0	0	0	(824,136)
Public Safety	26,605,671	0	1,683,812	473,298	2,450,902	(21,997,659)
Public Works	11,680,255	0	239,231	0	14,666,387	3,225,363
Health and Welfare	5,461,705	0	1,780,592	2,656,435	276,863	(747,815)
Culture and Recreation	13,112,014	0	0	0	860,000	(12,252,014)
Housing and Development	30,924,538	0	1,659,849	259,552	2,728,295	(26,276,842)
Interest on long-term debt	2,094,718	0	0	0	0	(2,094,718)
Total governmental activities	104,262,505	(2,110,590)	6,518,776	4,657,669	20,982,447	(69,993,023)
Business-type activities						
Department of Water Resources	75,480,458	1,759,047	92,616,748	200,000	32,068,418	47,645,661
Airport	1,377,851	208,620	1,246,605	0	2,558,727	2,218,861
Solid Waste	3,837,297	142,923	3,443,575	0	0	(536,645)
Golf Course	2,264,239	0	2,077,867	2,500	0	(183,872)
Total business-type activities	82,959,845	2,110,590	99,384,795	202,500	34,627,145	49,144,005
Total primary government	187,222,350	0	105,903,571	4,860,169	55,609,592	(20,849,018)
Component Units						
Communication and Tourism Housing and Development	3,149,410	0	542,163	0	24,192,982	21,585,735
Parks and Recreation Culture and Recreation	10,248,245	0	2,271,964	4,900	13,005,748	5,034,367
Land Bank Housing and Development	380,733	0	0	100,000	0	(280,733)
Total Component Units	13,778,388	0	2,814,127	104,900	37,198,730	26,339,369

	Governmental Activities	Business-Type Activities	Total	Component Units
Change in net position				
Net (expense) revenue	$ (69,993,023)	$ 49,144,005	$ (20,849,018)	$ 26,339,369
General revenues				
Taxes				
Property	28,423,579	0	28,423,579	7,952,476
Intangibles	301,014	0	301,014	0
Franchise	5,729,199	0	5,729,199	0
Occupational	1,528,067	0	1,528,067	0
Insurance premium	4,040,330	0	4,040,330	0
Alcoholic beverages	1,495,995	0	1,495,995	0
Hotel/Motel	2,292,257	0	2,292,257	0
Local option sales	12,351,268	0	12,351,268	0
Investment	7,167,766	12,456,406	19,624,172	367,748
Payments from City of Gainesville	0	0	0	2,005,874
Gain on sale of assets	71,620	3,416	75,036	0
Miscellaneous	388,505	194,954	583,459	99,514
Transfers	755,783	(755,783)	0	0
Total general revenues and transfers	64,545,383	11,898,993	76,444,376	10,425,612
Change in net position	(5,447,640)	61,042,998	55,595,358	36,764,981
Net position - beginning, as previously reported	173,603,442	662,988,299	836,591,741	47,375,665
Net position - ending	$ 168,155,802	$ 724,031,297	$ 892,187,099	$ 84,140,646

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General	Fire	Police
ASSETS			
Cash and cash equivalents	$ 5,575,238	$ 145,234	$ 85,400
Investments	12,790,051	340,289	200,097
Receivables (net)			
Accounts	240,108	1,491	2,840
Intergovernmental	111,398	748	410
Taxes	1,676,460	186,435	83,464
Notes	0	0	0
Lease	1,181,285	0	0
Prepaid items	256,178	68,561	28,746
Due from other funds	329,011	0	0
Property held for development	0	0	0
Total assets	$ 22,159,729	$ 742,758	$ 400,957
LIABILITIES			
Payables			
Accounts	$ 910,644	$ 85,995	$ 30,904
Retainages	0	0	0
Intergovernmental	89,362	0	3,660
Accrued salaries	341,185	163,424	77,512
Unearned revenue	7,479	0	0
Due to other funds	0	0	0
Due to others	109,696	0	0
Total liabilities	1,458,366	249,419	112,076
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue -			
Taxes	36,349	166,459	72,515
Notes receivable	0	0	0
Fines, fees, and forfeitures	0	0	0
Grants	0	0	0
Leases	1,136,802	0	0
Total deferred inflows of resources	1,173,151	166,459	72,515
FUND BALANCES			
Nonspendable	300,661	68,561	28,746
Restricted	0	0	0
Committed	64,762	0	0
Assigned	4,487,541	258,319	187,620
Unassigned	14,675,248	0	0
Total fund balances	19,528,212	326,880	216,366
Total liabilities, deferred inflows of resources, and fund balances	$ 22,159,729	$ 742,758	$ 400,957

See accompanying notes to the financial statements.

Exhibit A-3, continued

SPLOST	General Government Capital Projects	Nonmajor Governmental Funds	Totals
$ 9,061,395	$ 9,754,425	$ 8,193,451	$ 32,815,143
21,231,214	22,855,012	18,905,761	76,322,424
0	0	669,671	914,110
2,092,424	0	1,524,241	3,729,221
0	0	261,424	2,207,783
0	0	136,499	136,499
0	0	0	1,181,285
0	3,778,787	11,182	4,143,454
0	0	911,587	1,240,598
0	0	118,995	118,995
$ 32,385,033	$ 36,388,224	$ 30,732,811	$ 122,809,512
$ 741,404	$ 680,305	$ 345,547	$ 2,794,799
110,554	35,157	0	145,711
0	4,631	0	97,653
0	0	46,204	628,325
0	0	0	7,479
0	0	1,240,598	1,240,598
0	0	126,397	236,093
851,958	720,093	1,758,746	5,150,658
0	0	66,388	341,711
0	0	136,499	136,499
0	0	616,154	616,154
0	0	1,067,465	1,067,465
0	0	0	1,136,802
0	0	1,886,506	3,298,631
0	3,778,787	11,182	4,187,937
29,397,524	2,387,430	9,344,452	41,129,406
0	1,487,760	726,816	2,279,338
2,135,551	28,014,154	17,154,073	52,237,258
0	0	(148,964)	14,526,284
31,533,075	35,668,131	27,087,559	114,360,223
$ 32,385,033	$ 36,388,224	$ 30,732,811	$ 122,809,512

See accompanying notes to the financial statements.

Exhibit A-3, continued

CITY OF GAINESVILLE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2025

Total fund balance - total governmental funds		$ 114,360,223
Amounts reported for governmental activities in the statement of net position are different because:		
Some assets are not financial resources and, therefore, are not reported in the funds. These are:		
Capital assets, net of accumulated depreciation and amortization		147,899,301
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are unavailable in the funds. These are:		
Property and sales tax	$ 341,711	
Fines, fees, and forfeitures	616,154	
Notes receivable	136,499	
Grants	1,067,465	2,161,829
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are:		
Contract payable	$ (44,768,988)	
Notes payable	(3,460,569)	
Subscriptions payable	(601,508)	
Interest payable	(295,840)	
Compensated absences	(3,183,772)	
Net pension liability	(39,137,759)	
Net OPEB liability	(13,173,821)	(104,622,257)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:		
Deferred outflows of resources:		
Deferred outflows related to pensions	$ 9,075,006	
Deferred outflows related to other post-employment benefits	3,067,486	
Deferred inflows of resources:		
Deferred inflows related to pensions	(1,504,578)	
Deferred inflows related to other post-employment benefits	(5,664,288)	4,973,626
Internal service funds are used by management to charge the costs of certain activities, such as risk management, employee benefits, and vehicle maintenance, to individual funds. Assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
Internal service funds net position	$ 3,783,783	
Less internal balance resulting from allocation of internal service fund activities allocated to business-type activities	(300,574)	
Less capital assets included above	(152,087)	
Add compensated absences included above	51,958	3,383,080
Net position of governmental activities		$ 168,155,802

See accompanying notes to the financial statements.

Exhibit A-4

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2025

	General	Fire	Police
REVENUES			
Taxes	$ 30,161,303	$ 11,522,616	$ 6,312,005
Licenses and permits	1,142,666	0	0
Fines, fees and forfeitures	1,475,200	0	0
Charges for services	3,712,246	0	0
Intergovernmental	461,869	0	0
Investment	4,239,202	103,244	56,697
Contributions	0	0	0
Other	296,484	400	6,934
Total revenues	41,488,970	11,626,260	6,375,636
EXPENDITURES			
Current			
General Government	9,813,754	0	0
Judicial	737,576	0	0
Public Safety	7,255,008	12,844,279	5,862,340
Public Works	7,167,006	0	0
Health and Welfare	19,844	0	0
Culture and Recreation	0	0	0
Housing and Development	2,576,779	0	0
Debt service	534,839	0	64,215
Capital outlay	0	0	0
Total expenditures	28,104,806	12,844,279	5,926,555
Excess (deficiency) of revenues over (under) expenditures	13,384,164	(1,218,019)	449,081
OTHER FINANCING SOURCES (USES)			
Transfers in	3,892,648	1,139,778	407,080
Transfers out	(17,581,355)	(375,000)	(888,400)
Issuance of long-term debt	657,016	0	0
Sales of capital assets	58,261	2,500	23,594
Total other financing sources (uses)	(12,973,430)	767,278	(457,726)
Net changes in fund balances	410,734	(450,741)	(8,645)
Fund balances, July 1	19,117,478	777,621	225,011
Fund balances, June 30	$ 19,528,212	$ 326,880	$ 216,366

See accompanying notes to the financial statements.

Exhibit A-5, continued

SPLOST	General Government Capital Projects	Nonmajor Governmental Funds	Totals
$ 0	$ 0	$ 8,135,941	$ 56,131,865
0	0	0	1,142,666
0	0	259,965	1,735,165
0	0	1,513,374	5,225,620
17,131,817	0	6,668,246	24,261,932
0	0	2,082,792	6,481,935
0	1,268,385	242,484	1,510,869
0	0	84,687	388,505
17,131,817	1,268,385	18,987,489	96,878,557
0	0	0	9,813,754
0	0	0	737,576
0	0	225,694	26,187,321
0	0	1,096,341	8,263,347
0	0	6,482,190	6,502,034
0	0	850,000	850,000
0	0	3,864,231	6,441,010
0	0	6,180,984	6,780,038
18,025,765	12,422,901	0	30,448,666
18,025,765	12,422,901	18,699,440	96,023,746
(893,948)	(11,154,516)	288,049	854,811
1,290,443	14,565,929	4,978,085	26,273,963
(3,346,301)	(27,794)	(3,240,405)	(25,459,255)
0	1,730,616	64,054	2,451,686
0	0	0	84,355
(2,055,858)	16,268,751	1,801,734	3,350,749
(2,949,806)	5,114,235	2,089,783	4,205,560
34,482,881	30,553,896	24,997,776	110,154,663
$ 31,533,075	$ 35,668,131	$ 27,087,559	$ 114,360,223

See accompanying notes to the financial statements.

Exhibit A-5, continued

CITY OF GAINESVILLE, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2025

Net change in fund balances - total governmental funds		$ 4,205,560
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	$ 16,869,060	
Depreciation/amortization	(7,484,819)	9,384,241
In the statement of activities, the loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources.		
Cost of assets disposed	$ (2,192,811)	
Related accumulated depreciation	1,234,634	(958,177)
Transfers in and out of capital assets increase and decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		
Cost of assets	$ 15,200	
Related accumulated depreciation	(6,080)	9,120
Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		
Cost of assets	$ 262,806	
Related accumulated depreciation	(5,214)	257,592
Distributions of capital assets to component units decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		
Cost of assets	$ (24,106,192)	
Related accumulated depreciation/amortization	0	(24,106,192)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue.		1,027,014
The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues. Further, governmental funds report bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of net position.		
Debt principal repayments	$ 5,222,295	
Issuance of debt	(2,451,686)	
Net change in interest payable	18,695	2,789,304
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Pension contributions	$ 3,164,821	
Cost of benefits earned net of employee contributions	(1,014,672)	2,150,149
Other post-employment benefits are reported in the statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
OPEB contributions	$ 791,970	
Cost of benefits earned net of employee contributions	(854,639)	(62,669)
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Compensated absences		(436,904)
Internal service funds are used by management to charge the cost of certain activities, such as risk management and vehicle maintenance, to individual funds. Net revenue (expense) of internal service funds is reported with governmental activities.		
Change in net position of internal service funds	$ 421,602	
Add depreciation expense included above	27,345	
Subtract change in compensated absences included above	6,652	
Subtract capital additions included above	(27,794)	
Subtract capital asset transfers included above	(9,120)	
Add consolidation of internal service fund activities allocated to business-type activities	(125,363)	293,322
Change in net position of governmental activities		$ (5,447,640)

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
ASSETS				
Current assets				
Cash and cash equivalents	$ 15,622,840	$ 2,551,181	$ 18,174,021	$ 1,608,230
Investments	39,372,640	5,897,647	45,270,287	3,792,312
Restricted assets				
Cash and cash equivalents	39,429,655	76,008	39,505,663	0
Investments	131,941,400	0	131,941,400	0
Interest receivable	68,713	0	68,713	0
Receivables (net)				
Accounts	4,518,137	377,601	4,895,738	35,084
Intergovernmental	809,426	226,768	1,036,194	6,751
Lease	0	562,072	562,072	0
Other	799	14,345	15,144	0
Inventories	2,816,498	0	2,816,498	117,038
Prepaid items	561,722	0	561,722	131,657
Other assets	0	0	0	124,444
Total current assets	235,141,830	9,705,622	244,847,452	5,815,516
Noncurrent assets				
Lease receivable	0	2,397,576	2,397,576	0
Property held for development	2,383,568	9,840	2,393,408	0
Capital assets				
Non-depreciable	190,779,115	4,383,314	195,162,429	0
Depreciable/amortizable (net)	458,618,427	14,658,944	473,277,371	152,087
Total noncurrent assets	651,781,110	21,449,674	673,230,784	152,087
Total assets	886,922,940	31,155,296	918,078,236	5,967,603
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	5,800,663	268,932	6,069,595	0
Deferred outflows related to other post employment benefits	1,794,854	251,442	2,046,296	0
Total deferred outflow of resources	7,595,517	520,374	8,115,891	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,857,369	169,230	2,026,599	182,578
Intergovernmental	1,779,673	46,900	1,826,573	0
Deposits	0	48,280	48,280	232,183
Sales tax	0	17,485	17,485	0
Interest	1,192	3,785	4,977	0
Accrued salaries	361,207	48,693	409,900	9,974
Compensated absences	1,114,198	288,232	1,402,430	46,762
Claims reserve	0	0	0	1,707,127
Leases payable	0	67,748	67,748	0
Subscriptions payable	236,795	0	236,795	0
Contracts payable	1,261,588	300,000	1,561,588	0
Note payable	2,495,988	0	2,495,988	0
Other liabilities	0	75,119	75,119	0

See accompanying notes to the financial statements.

Exhibit A-7, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
LIABILITIES				
Current liabilities				
Liabilities payable from restricted assets:				
Payables				
Accounts	$ 4,158,000	$ 0	$ 4,158,000	$ 0
Retainages	2,001,307	0	2,001,307	0
Customer deposits	2,491,433	0	2,491,433	0
Interest	448,887	0	448,887	0
Revenue bonds payable	5,614,437	0	5,614,437	0
Total current liabilities	23,822,074	1,065,472	24,887,546	2,178,624
Noncurrent liabilities				
Compensated absences	123,800	32,026	155,826	5,196
Net pension liability	23,008,104	621,422	23,629,526	0
Net OPEB liability	7,704,246	1,087,616	8,791,862	0
Leases payable	0	216,131	216,131	0
Subscriptions payable	38,547	0	38,547	0
Contracts payable	6,307,940	0	6,307,940	0
Notes payable	55,213,669	0	55,213,669	0
Revenue bonds payable	72,965,882	0	72,965,882	0
Total noncurrent liabilities	165,362,188	1,957,195	167,319,383	5,196
Total liabilities	189,184,262	3,022,667	192,206,929	2,183,820
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	2,696,766	0	2,696,766	0
Deferred inflows related to pensions	566,653	190,445	757,098	0
Deferred inflows related to other post employment benefits	3,453,500	458,928	3,912,428	0
Deferred inflows related to leases	0	2,890,183	2,890,183	0
Total deferred inflows of resources	6,716,919	3,539,556	10,256,475	0
NET POSITION				
Net investment in capital assets	555,567,054	18,458,379	574,025,433	152,087
Restricted for:				
Capital outlay	105,503,521	76,008	105,579,529	0
Debt service	3,008,605	0	3,008,605	0
Unrestricted	34,538,096	6,579,060	41,117,156	3,631,696
Total net position	$ 698,617,276	$ 25,113,447	723,730,723	$ 3,783,783
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			300,574	
Net position of business-type activities			$ 724,031,297	

See accompanying notes to the financial statements.

Exhibit A-7, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2025

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
OPERATING REVENUES				
Charges for sales and services	$ 92,616,748	$ 6,768,047	$ 99,384,795	$ 0
Interfund services provided	0	0	0	18,335,543
Other	151,850	43,104	194,954	208,423
Total operating revenues	92,768,598	6,811,151	99,579,749	18,543,966
OPERATING EXPENSES				
Costs of sales and services	34,932,979	2,684,748	37,617,727	17,576,994
Personal services	20,575,027	3,055,360	23,630,387	608,853
Depreciation and amortization	18,263,670	2,052,103	20,315,773	27,345
Total operating expenses	73,771,676	7,792,211	81,563,887	18,213,192
Operating income (loss)	18,996,922	(981,060)	18,015,862	330,774
NONCAPITAL SUBSIDIES				
Contributions	0	2,500	2,500	0
Transfers out	(3,857,432)	0	(3,857,432)	0
Total noncapital subsidies	(3,857,432)	2,500	(3,854,932)	0
Operating income (loss) and noncapital subsidies	15,139,490	(978,560)	14,160,930	330,774
OTHER NONOPERATING REVENUES (EXPENSES)				
Investment revenue	12,170,857	285,549	12,456,406	149,753
Interest expense	(2,505,961)	(38,719)	(2,544,680)	0
Intergovernmental revenue	200,000	2,558,727	2,758,727	0
Gain (loss) on sale of capital assets	(293,399)	3,416	(289,983)	0
Capital contributions	24,815,146	0	24,815,146	0
Connection fees	7,253,272	0	7,253,272	0
Debt issue costs	(793,832)	0	(793,832)	0
Transfers in - restricted for capital assets	49,696	3,061,073	3,110,769	36,914
Transfers out - restricted for capital assets	0	(9,120)	(9,120)	(95,839)
Total other non-operating revenues (expenses)	40,895,779	5,860,926	46,756,705	90,828
Change in net position	56,035,269	4,882,366	60,917,635	421,602
Net position, July 1	642,582,007	20,231,081	662,813,088	3,362,181
Net position, June 30	$ 698,617,276	$ 25,113,447	$ 723,730,723	$ 3,783,783

Change in net position - enterprise funds	$ 60,917,635
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	125,363
Change in net position - business-type activities	$ 61,042,998

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2025

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
Cash flows from operating activities:				
Receipts from customers	$ 94,784,510	$ 6,728,269	$ 101,512,779	$ 0
Receipts from interfund services provided	0	0	0	18,519,462
Payments to suppliers	(34,786,727)	(2,644,760)	(37,431,487)	(17,605,166)
Payments to employees	(21,464,825)	(3,063,859)	(24,528,684)	(592,490)
Other receipts	151,850	43,104	194,954	208,423
Net cash provided (used) by operating activities	38,684,808	1,062,754	39,747,562	530,229
Cash flows from non-capital financing activities:				
Operating subsidies received - contributions	0	2,500	2,500	0
Operating subsidies provided - transfers out	(3,857,432)	0	(3,857,432)	0
Net cash provided (used) by non-capital financing activities	(3,857,432)	2,500	(3,854,932)	0
Cash flows from capital and related financing activities:				
Connection fees	7,253,272	0	7,253,272	0
Receipts from individuals	150,000	0	150,000	0
Receipts from other governments	3,413,556	2,331,959	5,745,515	0
Receipts from other funds	49,696	3,061,073	3,110,769	36,914
Payments to other funds	0	0	0	(95,839)
Proceeds from sale of capital assets	133,229	4,725	137,954	0
Interest paid	(2,217,595)	(33,920)	(2,251,515)	0
Acquisition of capital assets	(41,235,874)	(2,932,759)	(44,168,633)	(36,914)
Payment of capital related accounts payable	(3,661,715)	0	(3,661,715)	0
Payment of capital related retainages payable	(4,308,227)	0	(4,308,227)	0
Payment of debt issurance costs	(793,832)	0	(793,832)	0
Issuance of notes payable	6,826,043	0	6,826,043	0
Issuance of bonds payable	77,790,681	0	77,790,681	0
Principal payments - contracts payable	0	(295,000)	(295,000)	0
Principal payments - leases payable	0	(114,394)	(114,394)	0
Principal payments - subscriptions payable	(235,800)	0	(235,800)	0
Principal payments - bonds	(24,300,000)	0	(24,300,000)	0
Principal payments - notes payable	(1,111,763)	(159,188)	(1,270,951)	0
Net cash provided (used) by capital and related financing activities	17,751,671	1,862,496	19,614,167	(95,839)
Cash flows from investing activities:				
Receipts of investment revenue	8,136,212	209,926	8,346,138	103,427
Purchase of investments	(171,862,847)	(7,707,544)	(179,570,391)	(3,545,844)
Proceeds from sale of investments	90,861,008	4,808,224	95,669,232	2,450,768
Net cash provided (used) by investing activities	(72,865,627)	(2,689,394)	(75,555,021)	(991,649)
Net increase (decrease) in cash and cash equivalents	(20,286,580)	238,356	(20,048,224)	(557,259)
Cash and cash equivalents, July 1	75,339,075	2,388,833	77,727,908	2,165,489
Cash and cash equivalents, June 30	$ 55,052,495	$ 2,627,189	$ 57,679,684	$ 1,608,230

See accompanying notes to the financial statements.

Exhibit A-9, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2025

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 18,996,922	$ (981,060)	$ 18,015,862	$ 330,774
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation and amortization	18,263,670	2,052,103	20,315,773	27,345
(Increase) decrease in accounts receivable	2,066,367	(32,689)	2,033,678	148,850
(Increase) decrease in intergovernmental receivables	45,493	0	45,493	38,378
(Increase) decrease in leases receivable	0	631,779	631,779	0
(Increase) decrease in other receivables	0	3,204	3,204	0
(Increase) decrease in inventory	165,424	0	165,424	9,710
(Increase) decrease in prepaid items	(76,168)	(14,345)	(90,513)	45,517
(Increase) decrease in other assets	0	0	0	8,300
(Increase) decrease in deferred outflows of resources	(1,861,938)	(34,387)	(1,896,325)	0
Increase (decrease) in accounts payable	(49,339)	38,903	(10,436)	(21,502)
Increase (decrease) in intergovernmental payables	106,335	5,569	111,904	0
Increase (decrease) in sales tax payable	0	(1,690)	(1,690)	0
Increase (decrease) in accrued salaries and benefits	181,937	50,681	232,618	16,363
Increase (decrease) in deposits payable	55,902	0	55,902	15,999
Increase (decrease) in unearned revenue	0	0	0	(3,309)
Increase (decrease) in claims reserve	0	0	0	(86,196)
Increase (decrease) in net pension liability	(209,147)	(216,395)	(425,542)	0
Increase (decrease) in deferred inflows of resources	941,212	(456,171)	485,041	0
Increase (decrease) in net OPEB liability	58,138	7,391	65,529	0
Increase (decrease) in other liabilities	0	9,861	9,861	0
Total adjustments	19,687,886	2,043,814	21,731,700	199,455
Net cash provided (used) by operating activities	$ 38,684,808	$ 1,062,754	$ 39,747,562	$ 530,229
Cash and cash equivalents reconciliation:				
Cash and cash equivalents	$ 15,622,840	$ 2,551,181	$ 18,174,021	$ 1,608,230
Restricted assets				
Cash and cash equivalents	39,429,655	76,008	39,505,663	0
Total cash and cash equivalents	$ 55,052,495	$ 2,627,189	$ 57,679,684	$ 1,608,230

Noncash investing, capital, and financing activities:

Contributions of capital assets from individuals totaled $23,403,558.
Acquisition of capital assets through accounts payable totaled $4,354,604.
Acquisition of capital assets through retainage payable totaled $2,001,307.
Acquisition of capital assets through subscription arrangements totaled $110,150.
Acquisition of capital assets through lease arrangements totaled $310,056.
Increase of notes payable through intergovernmental receivables totaled $809,426.
Forgiveness of contracts payable through capital contributions totaled $1,261,588.
Forgiveness of notes payable through intergovernmental revenue totaled $200,000.
Increase in deferred gain on refunding through issuance of bonds totaled $3,803,018.

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2025

	Community Private-Purpose Trust Fund	Employees' Pension Trust Fund	Municipal Court Custodial Fund
ASSETS			
Cash and cash equivalents	$ 29,826	$ 2,210,513	$ 61,710
Investments, at fair value			
Mutual funds			
Equity	0	91,657,742	0
Fixed income	0	24,855,875	0
Real estate	0	10,874,997	0
Private equity	0	12,188,126	0
Total assets	29,826	141,787,253	61,710
LIABILITIES			
Accounts payable	0	73,281	0
Due to other agencies	0	0	30,947
Total liabilities	0	73,281	30,947
NET POSITION			
Restricted for:			
Pensions	0	141,713,972	0
Employee assistance	29,826	0	0
Individuals, organizations, and other governments	0	0	30,763
Total net position	$ 29,826	$ 141,713,972	$ 30,763

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the fiscal year ended June 30, 2025

	Community Private-Purpose Trust Fund	Employees' Pension Trust Fund	Municipal Court Custodial Fund
ADDITIONS			
Contributions			
Employer contributions	$ 0	$ 4,991,654	$ 0
Employee contributions	0	4,991,654	0
Employee donations	70,537	0	0
Fines and forfeitures collected for other governments	0	0	112,733
Total contributions and donations	70,537	9,983,308	112,733
Investment Income			
Net appreciation (depreciation) in fair value of investments	0	6,100,570	0
Interest	2,368	85,743	0
Dividends	0	6,618,796	0
Investment expense	0	(501,980)	0
Net investment income (loss)	2,368	12,303,129	0
Total additions (reductions)	72,905	22,286,437	112,733
DEDUCTIONS			
Benefits	0	11,622,362	0
Refunds	0	705,883	0
Distributions for assistance	72,451	0	0
Distributions of fines and forfeitures to other governments	0	0	161,689
Total deductions	72,451	12,328,245	161,689
Change in net position	454	9,958,192	(48,956)
Net position, July 1, as previously reported	29,372	131,755,780	79,719
Net position, June 30	$ 29,826	$ 141,713,972	$ 30,763

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2025

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Gainesville Hall County Land Bank	Total Component Units
ASSETS				
Current assets				
Cash and cash equivalents	$ 1,341,036	$ 305,161	$ 60,323	$ 1,706,520
Restricted assets				
Cash and cash equivalents	218,965	0	0	218,965
Investments	3,653,859	715,002	0	4,368,861
Receivables				
Accounts	43,416	38,967	0	82,383
Taxes	127,683	0	0	127,683
Prepaid items	45,652	3,374	0	49,026
Total current assets	5,430,611	1,062,504	60,323	6,553,438
Noncurrent assets				
Property held for development	0	0	287,333	287,333
Capital assets				
Non-depreciable	42,430,971	12,755	0	42,443,726
Depreciable (net)	12,411,828	26,252,770	0	38,664,598
Total noncurrent assets	54,842,799	26,265,525	287,333	81,395,657
Total assets	60,273,410	27,328,029	347,656	87,949,095
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	218,979	331,674	0	550,653
Deferred outflows related to other post employment benefits	320,340	56,577	0	376,917
Total deferred outflows of resources	539,319	388,251	0	927,570
LIABILITIES				
Current liabilities				
Payables				
Accounts	505,575	110,583	0	616,158
Intergovernmental	3,000	0	0	3,000
Sales tax	14,153	0	0	14,153
Deposits	0	3,530	0	3,530
Unearned revenue	400	27,938	0	28,338
Accrued salaries	111,783	18,043	0	129,826
Compensated absences	246,469	60,025	0	306,494
Other liabilities	21,114	0	0	21,114
Total current liabilities	902,494	220,119	0	1,122,613
Noncurrent liabilities				
Compensated absences	27,385	6,669	0	34,054
Net pension liability	125,734	1,264,527	0	1,390,261
Net OPEB liability	1,147,277	87,837	0	1,235,114
Total noncurrent liabilities	1,300,396	1,359,033	0	2,659,429
Total liabilities	2,202,890	1,579,152	0	3,782,042

See accompanying notes to the financial statements.

Exhibit A-12, continued

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2025

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Gainesville Hall County Land Bank	Total Component Units
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	$ 225,436	$ 22,698	$ 0	$ 248,134
Deferred inflows related to other post employment benefits	635,717	70,126	0	705,843
Total deferred inflows of resources	861,153	92,824	0	953,977
NET POSITION				
Net investment in capital assets	54,642,612	26,265,525	0	80,908,137
Restricted for cultural and recreation	18,965	0	0	18,965
Restricted for capital outlay	71,744	0	0	71,744
Unrestricted	3,015,365	(221,221)	347,656	3,141,800
Total net position	$ 57,748,686	$ 26,044,304	$ 347,656	$ 84,140,646

See accompanying notes to the financial statements.

Exhibit A-12, continued

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
COMPONENT UNITS
For the fiscal year ended June 30, 2025

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Gainesville Hall County Land Bank	Total Component Units
Expenses				
Culture and Recreation	$ 10,248,245	$ 0	$ 0	$ 10,248,245
Housing and Development	0	3,149,410	380,733	3,530,143
Total expenses	10,248,245	3,149,410	380,733	13,778,388
Program revenues				
Charges for services	2,271,964	542,163	0	2,814,127
Operating grants and contributions	4,900	0	100,000	104,900
Capital grants and contributions	13,005,748	24,192,982	0	37,198,730
Total program revenues	15,282,612	24,735,145	100,000	40,117,757
Net (expense) revenue	5,034,367	21,585,735	(280,733)	26,339,369
General revenues				
Property taxes	7,952,476	0	0	7,952,476
Investment	303,579	64,169	0	367,748
Payments from City of Gainesville	0	1,625,425	380,449	2,005,874
Miscellaneous	46,286	53,228	0	99,514
Total general revenues	8,302,341	1,742,822	380,449	10,425,612
Change in net position	13,336,708	23,328,557	99,716	36,764,981
Net position, July 1	44,411,978	2,715,747	247,940	47,375,665
Net position, June 30	$ 57,748,686	$ 26,044,304	$ 347,656	$ 84,140,646

See accompanying notes to the financial statements.

1. Description of Government Unit

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

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

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

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

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

City of Gainesville Parks and Recreation Board

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

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

Gainesville Convention and Visitor's Bureau

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

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Gainesville Convention and Visitor's Bureau, continued

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

Gainesville-Hall County Land Bank

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

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

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements

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

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

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements

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

The City reports the following major governmental funds:

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

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

Governmental Fund Types

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

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

Proprietary Fund Types

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

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Fiduciary Fund Types

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

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

Component Units

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

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

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Interfund Activity

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out or [when required] as subsidies. In accordance with GASB 103, Subsidies are defined as (a) Resources received from another party or fund (1) for which the proprietary fund does not provide goods and services to the other party or fund and (2) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise; (b) Resources provided to another party or fund (1) for which the other party or fund does not provide goods and services to the proprietary fund and (2) that are recoverable through the proprietary fund's current or future pricing policies; or (c) all other transfers..

While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting

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

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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

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

F. Revenues and Expenditures/Expenses

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

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

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses, continued

Proprietary funds and internal service funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses are revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are (a) subsidies received and provided, (b) contributions to permanent and term endowments, (c) revenues and expenses related to financing, (d) resources from the disposal of capital assets and inventory, and (e) investment income and expenses. Revenues or expenses that otherwise would be classified as nonoperating in most proprietary fund financial statements should be classified as operating revenues or operating expenses if those transactions constitute the proprietary fund's principal ongoing operations.

Proprietary fund subsidies are defined as (a) Resources received from another party or fund (1) for which the proprietary fund does not provide goods and services to the other party or fund and (2) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise; (b) Resources provided to another party or fund (1) for which the other party or fund does not provide goods and services to the proprietary fund and (2) that are recoverable through the proprietary fund's current or future pricing policies; or (c) all other transfers.

G. Budgets and Budgetary Accounting

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

The budget process begins each year with a budget priority-setting workshop in which members of the City Council indicate various issues of importance to be considered in the budget. Once the priorities are established, the Budget Officer prepares estimates of both the current and proposed fiscal year revenue for all funds. Expenditure estimates for the current and proposed fiscal year are initially prepared by the respective department directors. All budget estimates are then reviewed by the City Manager, who makes the final decisions regarding the proposed budget.

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting, continued

The proposed budget is then presented to the City Council and interested citizens during public hearings. These hearings are publicized in the local newspaper at least one week before the first hearing, and the budget document is made available for public inspection during this period. The final proposed budget is then adopted by the City Council on or before June 30 during a regular Council meeting, which is also open to the public.

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

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

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

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

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

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

I. Intergovernmental Receivables

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

J. Inventories

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

K. Prepaid Items

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

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

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

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

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

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

Capital assets held for sale are separately disclosed in the footnotes. A capital asset is a capital asset held for sale if (a) the City has decided to pursue the sale of the asset and (b) it is probable (likely to occur) that the sale will be finalized within one year of the financial statement date. In addition, capital asset held for sale are still reported within the appropriate major class of capital asset. Additionally, the City discloses capital assets held for sale in notes to financial statements, with separate disclosure of historical cost and accumulated depreciation (or amortization), by major class of asset. Also disclosed is the carrying amount of debt for which any capital assets held for sale are pledged as collateral, for each major class of asset. This disclosure of capital assets held for sale should is made for both governmental activities and business-type activities, when it exists.

M. Deferred Outflows/Inflows of Resources

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

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

2. Summary of Significant Accounting Policies (continued)

N. Net Position Flow Assumption

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

O. Fund Balance Flow Assumption

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

P. Leases Receivable

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

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

2. Summary of Significant Accounting Policies (continued)

Q. Restricted Assets and Restricted Net Position

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

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

R. Fund Balances – Governmental Funds

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

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

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

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds, continued

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

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

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

2. Summary of Significant Accounting Policies (continued)

S. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused paid time off (PTO) benefits which will be paid to the employees upon separation from City service in accordance with GASB Statement No. 101, *Compensated Absences*. Accumulated unpaid PTO amounts are accrued when incurred by the City in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement) and is expected to be liquidated with expendable available financial resources.

T. Long-Term Obligations

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

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

U. Capital Contributions

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

2. Summary of Significant Accounting Policies (continued)

V. Pensions

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

W. Use of Estimates in the Preparation of the Financial Statements

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

3. Deposit and Investment Risk

Custodial credit risk – Deposits

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

3. Deposit and Investment Risk (continued)

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

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

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

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

The City participates in the State of Georgia Local Government Investment Pool (Georgia Fund 1). The City policy limits investments in Georgia Fund 1 to 50% of the City's investments. Assets in this pool are invested in the Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Fitch's criteria for AAAf/S1 rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability.

3. Deposit and Investment Risk (continued)

The Georgia Fund 1 is rated AAAf/S1 by Fitch. The weighted average maturity at the end of the current fiscal year was 51 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was $66,727,056.

Investment policies – Employees' Pension Trust Fund

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

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

City policy requires that fixed income portfolio should bear an average credit quality of "A" or higher. Investments in Collateralized Mortgage Obligations shall be limited to 15% of the fair value of the investment manager's total portfolio. No more than 5% (at cost) of an investment manager's total fixed income portfolio shall be invested in the securities of any single corporate issuer. There is no limit imposed on investments in fixed income securities issued directly by the US government or any agency or instrumentality thereof. Investments in corporate fixed income securities shall be limited to securities issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia. The duration of the fixed income portfolio should be less than 135% of the duration of the Bloomberg U.S. Aggregate Bond Index. At the end of the current fiscal year, the duration for the index was 5.9 years.

3. Deposit and Investment Risk (continued)

Investment policies – Employees' Pension Trust Fund (continued)

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

Investment		Fair Value	Average Maturity (in years)	Standard and Poor's Credit Rating
Blackrock Systematic Multi-Strategy Fund	$	6,282,191	2.45	N/A
PIMCO Income Fund		3,440,968	7.29	N/A
PIMCO Investment Grade Credit Fund		5,757,495	6.65	N/A
PIMCO Total Return Fund		9,375,221	4.09	N/A
	$	24,855,875		

Foreign currency risk

The City has no investments denominated in a foreign currency.

Investments

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

3. Deposit and Investment Risk (continued)

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

Investment	Fair Value Measurement			
	Level 1	Level 2	Level 3	Fair Value
Federal agency securities	$ 0	$ 78,624,011	$ 0	$ 78,624,011
U.S. treasury notes	72,018,469	0	0	72,018,469
Municipal bond securities	0	39,956,887	0	39,956,887
Total investments measured at fair value	$ 72,018,469	$ 118,580,898	$ 0	$ 190,599,367
Investments not subject to level disclosure:				
Georgia Fund 1 (classified as cash equivalent)				66,727,056
Total Investments				$ 257,326,423

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

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

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

Investment	Fair Value Measurement			
	Level 1	Level 2	Level 3	Fair Value
Federal agency securities	$ 0	$ 1,710,846	$ 0	$ 1,710,846
U.S. treasury notes	1,567,110	0	0	1,567,110
Municipal bond securities	0	1,090,905	0	1,090,905
Total investments measured at fair value	$ 1,567,110	$ 2,801,751	$ 0	$ 4,368,861

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

3. Deposit and Investment Risk (continued)

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

Investment	Fair Value Measurement			
	Level 1	Level 2	Level 3	Fair Value
Mutual Funds - equities	$ 91,657,742	$ 0	$ 0	$ 91,657,742
Mutual Funds - debt	24,855,875	0	0	24,855,875
Mutual Funds - real estate	10,874,997	0	0	10,874,997
Private equity investments	0	0	12,188,126	12,188,126
Total investments measured at fair value	$ 127,388,614	$ 0	$ 12,188,126	$ 139,576,740

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

4. Accounts Receivable

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

Primary Government:		
Major Funds		
General Fund		$ 240,108
Fire Special Revenue Fund		1,491
Police Special Revenue Fund		2,840
Department of Water Resources Enterprise Fund	$ 4,925,893	
Less: Allowance for Uncollectibles	(407,756)	4,518,137
Nonmajor Funds		
Special Revenue Funds		
Cemetery Trust	600	
Opioid Settlement	669,071	669,671
Enterprise Funds		
Airport	21,922	
Solid Waste	271,150	
Less: Allowance for Uncollectibles	(25,010)	
Golf Course	109,539	377,601
Internal Service Funds		
General Insurance	30,522	
Employee Benefits	4,562	35,084
Total Primary Government		$ 5,844,932
Component Units:		
City of Gainesville Parks and Recreation		$ 43,416
Gainesville Convention and Visitor's Bureau		38,967
Total Component Units		$ 82,383

5. Intergovernmental Receivables

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

Primary Government:		
Major Funds		
General Fund		$ 111,398
Fire Special Revenue Fund		748
Police Special Revenue Fund		410
SPLOST Capital Projects Fund		2,092,424
Department of Water Resources Enterprise Fund		809,426
Nonmajor Funds		
Special Revenue Funds		
Community Service Center	$ 1,333,408	
Grants	1,073	
HUD Grant	189,760	1,524,241
Enterprise Funds		
Airport		226,768
Internal Service Funds		
Vehicle Services		6,751
Total Primary Government		$ 4,772,166

6. Property Taxes

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for fiscal year 2025, based upon the assessments of January 1, 2024, and the levy date of July 2, 2024, were billed on September 10, 2024, and due on December 1, 2024. Tax liens are issued 90 days after the due date. The City of Gainesville bills and collects its own property taxes with property tax collections appearing as revenues to the respective funds (General, Fire, Police, Tax Allocation District, Debt Service, and Parks and Recreation Component Unit) according to the tax rates set by City Council.

7. Intradepartmental Billings

Total operating revenues and total operating expenses in the Department of Water Resources Enterprise Fund includes $313,226 of intradepartmental billings for water and sewer usage for the current fiscal year.

8. Interfund Receivables, Payables, and Transfers

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

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	$ 329,011
Nonmajor Governmental	Nonmajor Governmental	911,587
		$ 1,240,598

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

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

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

A summary of interfund transfers is as follows:

Transfer Out Fund	Transfer In Fund	Amount
General	Fire	$ 1,139,778
	Police	360,937
	SPLOST	825,000
	General Government Capital Projects	8,475,363
	Nonmajor Governmental	3,719,204
	Nonmajor Enterprise	3,061,073
Fire	General Government Capital Projects	375,000
Police	General Government Capital Projects	888,400
SPLOST	Nonmajor Governmental	759,135
	General Government Capital Projects	2,587,166
General Government Capital Projects	Internal Service	27,794
Department of Water Resources	General	3,857,432
Internal Service	Police	46,143
	Department of Water Resources	49,696
Nonmajor Governmental	General	35,216
	SPLOST	465,443
	General Government Capital Projects	2,240,000
	Nonmajor Governmental	499,746
Nonmajor Enterprise	Internal Service	9,120
		$ 29,421,646

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

Note: In a prior fiscal year, the City transferred funding into the SPLOST fund. At that time, the City was concerned about cost overruns and wanted to progress on schedule with approved projects. It was unknown at the time if the funds would be repaid so the transaction was recorded as a transfer. During FY25, the City determined the funds could be repaid while still completing the project so the money was returned, again recorded as a transfer. No sales tax dollars were transferred out of the SPLOST fund.

9. Capital Assets

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

	Balance Beginning	Increases	Decreases	Balance Ending
Governmental activities				
Non-depreciable assets				
Land	$ 29,737,804	$ 1,099,512	$ 0	$ 30,837,316
Easements	132,500	0	0	132,500
Construction in progress	38,470,452	7,977,901	(32,729,948)	13,718,405
Total non-depreciable assets	68,340,756	9,077,413	(32,729,948)	44,688,221
Depreciable/amortizable assets				
Buildings	82,537,245	0	(18,162)	82,519,083
Land improvements	7,526,987	5,596,423	(5,065)	13,118,345
Vehicles and equipment	33,212,203	3,745,371	(900,512)	36,057,062
Intangibles	1,582,959	0	0	1,582,959
Infrastructure	43,204,181	5,858,739	0	49,062,920
Intangible right-to-use assets				
Leases - Land	0	275,000	0	275,000
Software	1,463,059	448,070	(499,266)	1,411,863
Total depreciable/amortizable assets	169,526,634	15,923,603	(1,423,005)	184,027,232
Less accumulated depreciation/amortization				
Buildings	(27,817,886)	(2,090,783)	18,162	(29,890,507)
Land improvements	(2,647,861)	(561,387)	5,065	(3,204,183)
Vehicles and equipment	(22,078,443)	(3,135,791)	712,141	(24,502,093)
Intangibles	(1,204,271)	(43,050)	0	(1,247,321)
Infrastructure	(20,200,669)	(1,302,427)	0	(21,503,096)
Intangible right-to-use assets				
Leases - Land	0	(5,729)	0	(5,729)
Software	(605,543)	(356,946)	499,266	(463,223)
Total accumulated depreciation/amortization	(74,554,673)	(7,496,113)	1,234,634	(80,816,152)
Total depreciable/amortizable assets, net	94,971,961	8,427,490	(188,371)	103,211,080
Governmental activities capital assets, net	$ 163,312,717	$ 17,504,903	$ (32,918,319)	$ 147,899,301

As of June 30, 2025, the City has capital assets included in governmental activities vehicles and equipment with a historical cost of $161,656 and accumulated depreciation of $161,656 that is being held for sale. The City intends to sell these capital assets within the next fiscal year.

Decreases in construction in progress for the governmental activities consist of projects placed in service in the amount of $7,853,950, projects distributed to component units in the amount of $24,106,192, and projects abandoned in the amount of $769,806.

9. Capital Assets (continued)

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

Governmental activities		
General Government	$	3,433,357
Judicial		18,567
Public Safety		1,594,929
Public Works		1,474,124
Health and Welfare		884,479
Housing and Development		52,018
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		27,345
Current year depreciation/amortization expense		7,484,819
Prior accumulated depreciation on assets transferred in from other funds		6,080
Prior accumulated depreciation on assets contributed from component units		5,214
Additions to accumulated depreciation/amortization	$	7,496,113

*Depreciation and amortization of capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets.

9. Capital Assets (continued)

	Balance Beginning	Increases	Decreases	Balance Ending
Business-type activities				
Non-depreciable assets				
Land	$ 29,864,693	$ 0	$ 0	$ 29,864,693
Easements	3,005,520	0	0	3,005,520
Construction in progress	148,053,018	44,217,574	(29,978,376)	162,292,216
Total non-depreciable assets	180,923,231	44,217,574	(29,978,376)	195,162,429
Depreciable/amortizable assets				
Buildings	60,911,417	259,584	0	61,171,001
Land improvements	13,200,423	208,588	0	13,409,011
Vehicles and equipment	53,670,747	9,042,098	(753,642)	61,959,203
Intangibles	6,138,328	0	0	6,138,328
Infrastructure	643,012,916	50,003,862	(503,590)	692,513,188
Intangible right-to-use assets				
Software	1,465,715	110,150	(95,657)	1,480,208
Leases - Vehicles and equipment	192,602	310,056	(192,602)	310,056
Total depreciable/amortizable assets	778,592,148	59,934,338	(1,545,491)	836,980,995
Less accumulated depreciation/amortization				
Buildings	(21,610,473)	(1,329,956)	0	(22,940,429)
Land improvements	(8,825,494)	(706,407)	0	(9,531,901)
Vehicles and equipment	(31,837,713)	(3,653,553)	818,008	(34,673,258)
Intangibles	(3,444,840)	(189,148)	0	(3,633,988)
Infrastructure	(277,986,021)	(14,001,718)	240,105	(291,747,634)
Intangible right-to-use assets				
Software	(857,374)	(377,124)	95,657	(1,138,841)
Leases - Vehicles and equipment	(109,143)	(57,867)	129,437	(37,573)
Total accumulated depreciation/amortization	(344,671,058)	(20,315,773)	1,283,207	(363,703,624)
Total depreciable/amortizable assets, net	433,921,090	39,618,565	(262,284)	473,277,371
Business-type activities capital assets, net	$ 614,844,321	$ 83,836,139	$ (30,240,660)	$ 668,439,800

As of June 30, 2025, the City has capital assets included in business-type activities vehicles and equipment with a historical cost of $194,703 and accumulated depreciation of $194,703 that is being held for sale. The City intends to sell these capital assets within the next fiscal year.

Decreases in construction in progress for the business-type activities consist of projects placed in service in the amount of $29,843,662 and projects abandoned in the amount of $134,714.

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

Business-type activities	
Department of Water Resources	$ 18,263,670
Airport	866,030
Solid Waste	600,539
Golf Course	585,534
Current year depreciation/amortization expense	$ 20,315,773

9. Capital Assets (continued)

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

	Balance Beginning	Increases	Decreases	Balance Ending
Parks & Recreation Component Unit				
Non-depreciable assets				
Land	$ 5,275,055	$ 0	$ (28,858)	$ 5,246,197
Construction in progress	27,154,598	12,893,360	(2,863,184)	37,184,774
Total non-depreciable assets	32,429,653	12,893,360	(2,892,042)	42,430,971
Depreciable assets				
Buildings	9,449,430	197,174	0	9,646,604
Land improvements	8,336,159	786,918	0	9,123,077
Vehicles and equipment	2,748,957	2,265,856	(56,462)	4,958,351
Intangibles	39,665	0	0	39,665
Infrastructure	3,120,059	1,879,340	0	4,999,399
Total depreciable assets	23,694,270	5,129,288	(56,462)	28,767,096
Less accumulated depreciation				
Buildings	(6,906,164)	(131,643)	0	(7,037,807)
Land improvements	(4,274,913)	(530,035)	0	(4,804,948)
Vehicles and equipment	(1,535,782)	(476,512)	56,462	(1,955,832)
Intangibles	(39,666)	0	0	(39,666)
Infrastructure	(2,333,381)	(183,634)	0	(2,517,015)
Total accumulated depreciation	(15,089,906)	(1,321,824)	56,462	(16,355,268)
Total depreciable assets, net	8,604,364	3,807,464	0	12,411,828
Parks & Recreation Component Unit capital assets, net	$ 41,034,017	$ 16,700,824	$ (2,892,042)	$ 54,842,799
Convention and Visitor's Bureau Component Unit				
Non-depreciable assets				
Land	$ 12,755	$ 0	$ 0	$ 12,755
Depreciable assets				
Buildings	2,626,192	22,457,523	0	25,083,715
Land improvements	559,221	0	(105,892)	453,329
Vehicles and equipment	250,482	990,920	(5,214)	1,236,188
Infrastructure	95,000	741,102	0	836,102
Total depreciable assets	3,530,895	24,189,545	(111,106)	27,609,334
Less accumulated depreciation				
Buildings	(934,674)	(81,172)	0	(1,015,846)
Land improvements	(27,345)	(44,583)	0	(71,928)
Vehicles and equipment	(165,489)	(99,015)	5,214	(259,290)
Infrastructure	0	(9,500)	0	(9,500)
Total accumulated depreciation	(1,127,508)	(234,270)	5,214	(1,356,564)
Total depreciable assets, net	2,403,387	23,955,275	(105,892)	26,252,770
Convention and Visitor's Bureau Component Unit capital assets, net	$ 2,416,142	$ 23,955,275	$ (105,892)	$ 26,265,525

9. Capital Assets (continued)

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

Component Units		
Parks and Recreation	$	1,157,245
Convention and Visitor's Bureau		150,917
Current year depreciation expense for component units		1,308,162
Prior accumulated depreciation on assets contributed from the primary government		247,932
Additions to accumulated depreciation	$	1,556,094

10. Leases

Leases Receivable

Governmental Activities

During the fiscal year ended June 30, 2021, the City entered into lease as lessor for the use of the City's Georgia Mountain Center building. The lease is for 139 months, and the City will receive monthly payments of $10,000. The City recognized $110,610 in lease revenue and $10,116 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the City's receivable for lease payments was $770,234. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the deferred inflow of resources was $748,904.

During the fiscal year ended June 30, 2023, the City entered into a lease as the lessor for the use of real property in the City limits. The lease is for 60 months, and the City will receive monthly payments beginning at $2,500 with a 3% incremental increase annually. In the year ending June 30, 2025 the City received monthly payments of $2,575 and recognized $18,967 in lease revenue and $12,791 in interest revenue related to this lease. As of June 30, 2025, the City's receivable for lease payments was $411,051. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the deferred inflow of resources was $387,898.

10. Leases (continued)

Leases Receivable, continued

Business-type Activities

During prior fiscal years, the City entered into multiple leases as lessor for the use of hangars and land at the City's airport. The leases vary in length from 90 to 208 months and the City receives monthly payments in the range of $162 - $8,590. The City recognized $631,779 in lease revenue and $42,792 in interest revenue during the current fiscal year related to these leases. As of June 30, 2025, the City's receivable for lease payments was $2,959,648. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the deferred inflow of resources was $2,890,183.

Leases Payable

Governmental Activities

During the current fiscal year, the City entered into a ten-year ground lease with an option to extend an additional ten years. Per the lease agreement, an upfront payment of $275,000 was made with no additional required payments. Therefore, there was no associated liability on June 30, 2025. The value of the right-to-use asset at June 30, 2025 was $275,000 and had accumulated amortization of $5,729.

Business-type Activities

During the current fiscal year, the City entered into a 48-month lease as lessee for the acquisition and use of 64 golf carts. An initial lease liability was recorded in the amount of $106,781. As of June 30, 2025, the value of the lease liability was $96,390. The City is required to make monthly principal and interest payments of $2,423. The lease has an interest rate of 4.30%. The value of the right-to-use asset at June 30, 2025 was $106,781 and had accumulated amortization of $12,682.

10. Leases (continued)

Leases Payable, continued

Business-type Activities (continued)

During the current fiscal year, the City entered into a 49-month lease as lessee for the acquisition and use of 65 golf carts. An initial lease liability was recorded in the amount of $203,275. As of June 30, 2025, the value of the lease liability was $187,489. The City is required to make monthly principal and interest payments of $5,720. The lease has an interest rate of 15.61%. The value of the right-to-use asset at June 30, 2025 was $203,275 and had accumulated amortization of $24,891.

The future principal and interest lease payments for business-type activities as of June 30, 2025, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 67,748	$ 29,965	$ 97,713
2027	75,961	21,752	97,713
2028	85,415	12,298	97,713
2029	54,755	2,245	57,000
	$ 283,879	$ 66,260	$ 350,139

11. Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Notes from direct borrowings	$ 2,562,471	$ 1,730,616	$ (832,518)	$ 3,460,569	$ 1,414,165
Leases payable	0	275,000	(275,000)	0	0
Subscriptions payable	515,612	446,070	(360,174)	601,508	203,602
Contracts payable	48,523,591	0	(3,754,603)	44,768,988	3,286,213
Compensated absences	2,746,868	436,904	0	3,183,772	2,865,395
Total governmental activities	$ 54,348,542	$ 2,888,590	$ (5,222,295)	$ 52,014,837	$ 7,769,375
Business-type activities					
Revenue bonds	$ 24,300,000	$ 70,100,000	$ (24,300,000)	$ 70,100,000	$ 4,720,000
Unamortized bond premium	4,592,656	7,690,681	(3,803,018)	8,480,319	894,437
Leases payable	88,216	310,057	(114,395)	283,878	67,748
Subscriptions payable	400,992	110,150	(235,800)	275,342	236,795
Contracts payable	9,426,116	0	(1,556,588)	7,869,528	1,561,588
Notes from direct borrowings	51,545,139	7,635,469	(1,470,951)	57,709,657	2,495,988
Compensated absences	1,418,022	140,234	0	1,558,256	1,402,430
Total business-type activities	$ 91,771,141	$ 85,986,591	$ (31,480,752)	$ 146,276,980	$ 11,378,986
Component Units					
City of Gainesville Parks and Recreation					
Compensated absences	$ 225,618	$ 48,235	$ 0	$ 273,853	$ 246,469
Gainesville Convention and Visitor's Bureau					
Compensated absences	45,967	20,728	0	66,695	60,025
Total Component Units	$ 271,585	$ 68,963	$ 0	$ 340,548	$ 306,494

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

Revenue bond discounts/premiums are amortized over the life of the related debt using the straight-line method. Compensated absences are liquidated by those funds that have salary and wage expenditures.

Total interest incurred and expensed in the governmental activities during the current fiscal year was $2,094,718. Total interest incurred and expensed in the business-type activities for the current fiscal year was $2,544,680, of which $193,823 was for interest not arising from debt borrowing activities (e.g. retainage).

11. Long-Term Liabilities (continued)

The City is subject to a legal debit margin of 10% of total assessed property value. The City's net assessed value is $9,409,649,563. The City has $0 of outstanding general obligation debt. The City has a total of $940,964,956 (100%) of outstanding legal debt margin remaining.

12. Long-Term Debt

Subscriptions

Governmental Activities

The City has entered into noncancellable subscription-based information technology agreements (SBITAs) for the right-to-use information technology software. The SBITAs include software associated with agenda/meeting management, building access, cyber security, data storage, debt tracking, evidence management, license plate readers, and security cameras. The required annual subscription payments due range from $6,000 to $80,000 and have interest rates ranging from 0.315% to 3.451%. During the fiscal year ending June 30, 2025, the City paid a total of $360,173 in principal and $13,239 in interest for the SBITAs and had an ending the SBITA liability totaling $601,508. The value of the related subscription right-to-use asset as of June 30, 2025 was $1,411,863 and had accumulated amortization of $463,223.

Business-type Activities

The City has entered into noncancellable SBITAs. The SBITAs include software associated with analytics, laboratory information management, mapping, and telemetry. The required annual subscription payments due range from $10,544 to $191,800 and have interest rates ranging from 0.457% to 3.591%. During the fiscal year ending June 30, 2025, the City paid a total of $235,800 in principal and $2,459 in interest for the SBITAs and had an ending liability totaling $275,342. The value of the related subscription right-to-use asset as of June 30, 2025 was $1,480,208 and had accumulated amortization of $1,138,841.

12. Long-Term Debt (continued)

Subscriptions, continued

The future minimum principal and interest subscription payments together with the present value of the net minimum payments as of June 30, 2025, were as follows:

Year Ending June 30	Governmental Activities		Business - Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 203,602	$ 16,778	$ 236,795	$ 3,260	$ 440,397	$ 20,038
2027	201,694	11,185	38,547	1,050	240,241	12,235
2028	120,444	5,655	0	0	120,444	5,655
2029	57,928	2,430	0	0	57,928	2,430
2030	17,840	617	0	0	17,840	617
	$ 601,508	$ 36,665	$ 275,342	$ 4,310	$ 876,850	$ 40,975

Revenue Bonds

Business-type Activities

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

- $70,100,000 in Water and Sewerage Revenue Bonds Series 2024 due in annual installments of $1,905,000 to $5,175,000 through November 15, 2046 with an interest of 5.00% ($70,100,000 outstanding).

12. Long-Term Debt (continued)

Revenue Bonds, continued

Business-type Activities (continued)

In the current fiscal year, the City issued $70,100,000 in Water and Sewerage Revenue Bonds, Series 2024 ("Series 2024"), for a term of 22 years with an interest rate of 5%. Proceeds from the Series 2024 were used to make certain improvements to the City's water and sewerage system, to refund the City's Water and Sewerage Refunding Revenue Bonds Series 2014 ("refunded bonds"), and to pay expenses necessary to accomplish the issuance of the Series 2024 bonds. The net proceeds of $18,899,839 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds. The 2014 Series is considered defeased and the liability for those bonds has been removed from the statement of net position. The net carrying amount of the old debt exceeded the reacquisition price by $3,249,892. This amount is reported as a deferred inflow of resources and will be amortized as reduction to interest expense over the remaining life of the refunded debt, which had a shorter remaining life than the refunding debt. The advanced refunding reduced the City's total debt service payments by $1,495,459 and to obtain an economic gain of $1,465,158.

Series 2024 revenue bonds are collateralized by operating income from the water and sewerage system of the City of Gainesville, Georgia. Upon the occurrence of an event of default, all outstanding principal and accrued interest on the Series 2024 revenue bonds may be declared immediately due and payable. Total principal and interest outstanding on the bonds as of June 30, 2025 is $109,172,550. There was no principal paid in the current fiscal year. Interest paid for the current year was $1,954,946.

The bonds are payable solely from the water and sewer operating income and are payable through the fiscal year ending June 30, 2047. The pledged revenue amounts as of June 30, 2025 are as follows:

Pledged Revenue	Expenses	Net Revenue	Debt Service Requirement	Coverage
$ 112,192,727	$ 55,508,006	$ 56,684,721	$ 6,870,000	8.25

12. Long-Term Debt (continued)

Certificates of Participation

Governmental Activities

The City has entered into an agreement to participate in a pooled program sponsored by the Georgia Municipal Association. Certificates of Participation in the amount of $150,126,000 were issued in connection with the program, with the City's pro rata share of the principal being $1,166,000. At the end of the current fiscal year, the City has a balance of $0 of the certificate proceeds for the purpose of financing the acquisition of equipment. The remaining balance of the certificate proceeds is held in trust pursuant to the certificate and is not considered legal debt of the City.

Contracts Payable

Governmental Activities

The City has entered into intergovernmental agreements with the Gainesville Redevelopment Authority ("the Authority") to issue bonds where the bond proceeds are used for acquisition, construction, and development of major capital assets or for refunding of a previously issued series for the City of Gainesville. Under the agreement, the Authority leases the capital assets to the City. In return, the City will make payments to the trustee for the bonds on behalf of the Authority sufficient to pay the principal and interest on the bonds. In conjunction with the issuance of the bonds, the City conveys title of the assets to the Authority. The City will continue to operate, maintain, repair, and have use of the capital assets. The terms of these agreements range from 13 years to 22 years.

12. Long-Term Debt (continued)

Contracts Payable, continued

Governmental Activities (continued)

The contracts payable outstanding for governmental activities at June 30, 2025, are as follows:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
Main Street Parking Deck, Series 2009A	$ 6,230,000	3.00% - 5.00%	2026	$ 175,000
Correction Facility Land and Building, Series 2012B	8,950,000	2.00% - 3.25%	2028	1,745,000
Refunding of 2007 Aquatic Center, Series 2015	2,620,000	2.56%	2028	2,620,000
Parking Deck Expansion, Series 2018	4,695,000	3.99%	2034	3,310,000
Sports Complex and Boathouse, Series 2022A	33,970,000	4.00% - 5.00%	2044	32,925,000
Downtown Retail Space, Series 2022B	2,975,000	4.60% - 5.25%	2044	2,975,000
Unamortized Discount, Series 2009A				107
Unamortized Discount, Series 2012B				2,938
Unamortized Premium, Series 2022A				992,990
Unamortized Premium, Series 2022B				29,043
Total contracts payable, governmental activities				$ 44,768,988

Following are the details for the use of the proceeds for each series:

- The Main Street Parking Deck, Series 2009A bond proceeds of the Authority issue were applied to construct and equip the 2009A Project, which includes the construction of the Main Street Parking Deck.

- The Corrections Facility Land and Building, Series 2012B bond proceeds of the Authority issue were applied toward the purchase of land and buildings currently being used as a corrections facility within a designated redevelopment area and refunding of the Series 2004B Lee Gilmer Memorial Airport Project bonds.

- The Refunding the 2007 Frances Meadows Aquatic Center Bonds, Series 2015 bond proceeds of the Authority issue were applied for refunding all of the Authority's Nontaxable Revenue Bonds Series 2007(Frances Meadows Project) and paying the cost of issuing the Series 2015 Bonds.

12. Long-Term Debt (continued)

Contracts Payable, continued

Governmental Activities (continued)

- The Parking Deck Expansion, Series 2018 bond proceeds of the Authority issue were applied toward the construction of two additional floors for parking in the original Main Street Parking Deck and the construction, installation, and equipment for a pocket park adjacent to the Main Street Parking Deck.

- The Sports Complex and the Boathouse, Series 2022A bond proceeds of the Authority issue were applied toward the construction of a multi-field recreation facility known as "The Coop" and a building known as "The Boathouse."

- The Downtown Retail Space, Series 2022 bond proceeds of the Authority issue were applied toward the renovation of certain retail space in Downtown.

Business-type Activities

For business-type activities, the City entered into an intergovernmental agreement with Hall County, Georgia for the operation of the Hall County Water System and acquisition of related assets. Also, the City has entered into an intergovernmental agreement with the Authority to issue bonds where the bond proceeds are used for refunding of a previously issued series for the City of Gainesville related to the Golf Course. The terms of these agreements range from 11 years to 25 years.

The contracts payable outstanding for business-type activities at June 30, 2025, are as follows:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
Hall County Water System, 2007	$ 31,539,701	0.00%	2031	$ 7,569,528
Refunding of 2005 Golf Course, Series 2015	2,715,000	2.56%	2026	300,000
Total contracts payable, business-type activities				$ 7,869,528

12. Long-Term Debt (continued)

Contracts Payable, continued

Business-type Activities (continued)

Following are the details of the use of the proceeds for each series:

- In the 2007 agreement with Hall County, GA, the City received $34,781,050 in capital assets, $156,739 in intergovernmental receivables from White County, Georgia, and assumed $3,398,088 in notes payable and accrued interest. Hall County will transfer 1/25th of the system value, $1,261,588, annually, beginning January 17, 2007, to offset the payment. If the agreement is terminated prior to the end of the term, Hall County will pay the City for all costs associated with capital improvements made to the system after January 17, 2006, plus the percentage change in the Consumer Price Index since January 17, 2006. Hall County will also pay the City for the portion of the system already transferred at the time of termination.

- The proceeds of the Refunding of 2005 Golf Course Bond, Series 2015 were used towards refunding all of the Authority's Nontaxable Revenue Bonds, Series 2005 (Golf Course Project) and paying the cost of issuing the Series 2015 Bonds. In return, the City will make payments to the trustee for the bonds, on behalf of the Authority, sufficient to pay the principal and interest on the bonds. The City will continue to operate, maintain, repair and have use of the Golf Course.

12. Long-Term Debt (continued)

Notes from Direct Borrowings

Governmental Activities

The City has entered in to various financed purchase agreements for the purchase of fire vehicles and IT network upgrades. The agreements are collateralized by the vehicles and the network. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable or the City will be required to return the associated capital assets.

The notes from direct borrowings outstanding for governmental activities at June 30, 2025, are as follows:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
2021 Pierce Arrow XT Pumper Trucks (2)	$ 1,383,099	2.03%	2026	$ 287,848
2023 Pierce Arrow XT Rescue Truck & Pumper Truck	2,028,000	4.77%	2028	1,272,998
2025 Pierce Ascendant Rear Axle Ladder Truck	1,730,616	4.35%	2028	1,730,617
Palo Alto Firewall Network Upgrade	504,689	3.05%	2026	169,106
Total direct borrowings, governmental activities				$ 3,460,569

Following are the details of each note from direct borrowing:

- In July 2021, the City entered into a financed purchase agreement with PNC Equipment Finance, LLC, for the purchase of two 2021 Pierce Arrow XT Pumper Trucks. The amount of the agreement was $1,383,099 with a term of five years. The amount of principal and interest paid during the current year was $282,121 and $11,570, respectively. The agreement is collateralized by the vehicles. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable or the City will be required to return the vehicles.

12. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

Governmental Activities (continued)

- In November 2022, the City entered into a financed purchase agreement with PNC Equipment Finance, LLC, for the purchase of a 2023 Pierce Arrow XT Tandem Axle Heavy Rescue Truck and a 2023 Pierce Arrow XT Pumper Truck. The amount of the agreement was $2,028,000 with a term of five years. The amount of principal and interest paid during the current year was $386,294 and $79,148, respectively. The agreement is collateralized by the vehicles. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable or the City will be required to return the vehicles.

- In June 2024, the City entered into a financed purchase agreement with De Lage Landen Public Finance LLC, for the purchase of a Palo Alto Firewall Network Upgrade. The amount of the agreement was $504,689 with a term of three years. The amount of principal and interest paid during the current year was $164,103 and $10,160, respectively. The agreement is collateralized by the network. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable or the City will be required to return the network.

- In June 2025, the City entered into a financed purchase agreement with PNC Equipment Finance, LLC, for the purchase of a 2025 Pierce 107' Ascendant Single Rear Axle Ladder Truck. The amount of the agreement was $1,730,616 with a term of three years. There were no principal or interest payments during the current fiscal year. The agreement is collateralized by the vehicles. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable or the City will be required to return the vehicles.

12. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

Business-Type Activities

The City has entered into multiple direct borrowing agreements for the expansion of the City's water and sewerage system and a financed purchase agreement for the purchase of Solid Waste vehicles. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. The direct borrowing agreements and obligations are secured by revenues on taxes, fees and charges collected by the City. The financed purchase agreement is secured by the vehicles and upon default the vehicle would be returned.

The notes from direct borrowings outstanding for business-type activities at June 30, 2025, are as follows:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
GEFA Note CW2020-022	$ 28,000,000	0.13%	2045	$ 28,000,000
GEFA Note CW2020-023	22,500,000	0.13%	2044	20,925,428
GEFA Note DW2020-032	10,000,000	0.13%	TBD	8,784,229
GEFA Note DWLS2022138	200,000	0.00%	2025	0
2022 Solid Waste Side Loaders	550,433	3.06%	2025	0
Total direct borrowings, business -type activities				$ 57,709,657

12. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

Business-Type Activities (continued)

Following are the details of each note from direct borrowing:

- The City entered into 3 direct borrowing agreements, identified as CW2020-022, CW2020-023, and DW2020-032, with the Georgia Environmental Finance Authority in the amount of $60,500,000 for expansion of the City's water and sewer system. Monthly installments of principal and interest are due beginning on the first day of the calendar month following the date that the loan is fully disbursed (the Amortization Commencement Date) for 239 months. As of June 30, 2025 the City has drawn $59,284,228 on these agreements. One of the notes, DW2020-032, was still in the drawdown phase as of June 30, 2025 ($8,784,229 outstanding with $1,215,772 remaining to be drawn) and therefore, is not included in the presentation of debt service requirements. During the current fiscal year, the City made principal and interest payments for these GEFA notes totaling $1,111,763 and $67,458, respectively. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes, fees and charges collected by the City.

- The City entered into a direct borrowing agreement with the Georgia Environmental Finance Authority in the amount of $200,000 for testing for lead in the City's water and sewer system identified as DWLS2022138. The note is 100% forgivable at the earlier of February 2025 or when the note is fully disbursed. As of June 30, 2025, the City had fully drawn down the note and had been officially forgiven.

- On April 1, 2022, the City entered into a financed purchase agreement with KS StateBank for the purchase of two 2022 Mack Side Loader Trucks. The amount of the agreement was $550,433 for a term of four years. During the current fiscal year, the City made principal and interest payments of $159,188 and $5,812, respectively, and the obligation was paid in full.

12. Long-Term Debt (continued)

The debt service requirements for the City's revenue bonds, contracts payable, and notes from direct borrowings are as follows:

	Governmental Activities			
Year Ending	Contracts Payable		Notes from Direct Borrowings	
June 30,	Principal	Interest	Principal	Interest
2026	$ 3,286,213	$ 1,839,259	$ 1,414,165	$ 147,003
2027	3,236,184	1,721,574	1,000,550	92,665
2028	3,359,909	1,601,637	1,045,854	47,361
2029	1,887,087	1,498,362	0	0
2030	1,952,527	1,412,935	0	0
2031-2035	10,324,149	5,640,356	0	0
2036-2040	10,537,345	3,285,380	0	0
2041-2045	10,185,574	894,526	0	0
Totals	$ 44,768,988	$ 17,894,029	$ 3,460,569	$ 287,029

	Business-Type Activities					
Year Ending	Revenue Bonds		Contracts Payable		Notes from Direct Borrowings	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 4,720,000	$ 3,348,900	$ 1,561,588	$ 3,919	$ 2,495,988	$ 62,116
2027	5,175,000	3,101,525	1,261,588	0	2,499,234	58,870
2028	3,855,000	2,875,775	1,261,588	0	2,502,485	55,619
2029	3,715,000	2,686,525	1,261,588	0	2,505,741	52,363
2030	1,905,000	2,565,075	1,261,588	0	2,509,000	49,104
2031-2035	10,850,000	11,379,000	1,261,588	0	12,594,040	196,480
2036-2040	13,845,000	8,306,875	0	0	12,676,163	114,357
2041-2045	17,670,000	4,385,500	0	0	11,142,777	33,098
2046-2047	8,365,000	423,375	0	0	0	0
Totals	$ 70,100,000	$ 39,072,550	$ 7,869,528	$ 3,919	$ 48,925,428	$ 622,007

Year Ending	Total Governmental Activities		Total Business-Type Activities		Total Primary Government	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 4,700,378	$ 1,986,262	$ 8,777,576	$ 3,414,935	$ 13,477,954	$ 5,401,197
2027	4,236,734	1,814,239	8,935,822	3,160,395	13,172,556	4,974,634
2028	4,405,763	1,648,998	7,619,073	2,931,394	12,024,836	4,580,392
2029	1,887,087	1,498,362	7,482,329	2,738,888	9,369,416	4,237,250
2030	1,952,527	1,412,935	5,675,588	2,614,179	7,628,115	4,027,114
2031-2035	10,324,149	5,640,356	24,705,628	11,575,480	35,029,777	17,215,836
2036-2040	10,537,345	3,285,380	26,521,163	8,421,232	37,058,508	11,706,612
2041-2045	10,185,574	894,526	28,812,777	4,418,598	38,998,351	5,313,124
2046-2047	0	0	8,365,000	423,375	8,365,000	423,375
Totals	$ 48,229,557	$ 18,181,058	$ 126,894,956	$ 39,698,476	$ 175,124,513	$ 57,879,534

13. Conduit Debt

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

At the end of the current fiscal year, there were 8 series of Revenue Bonds outstanding. The current aggregate principal amount payable for the series totaled $443,851,880. The original issue amounts totaled $457,092,034.

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

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

	General	Fire	Police	SPLOST	General Government Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid items	$ 256,178	$ 68,561	$ 28,746	$ 0	$ 3,778,787	$ 11,182	$ 4,143,454
Leases	44,483	0	0	0	0	0	44,483
	300,661	68,561	28,746	0	3,778,787	11,182	4,187,937
Restricted for:							
Police facilities and equipment	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,236,626	$ 1,236,626
Fire facilities and equipment	0	0	0	0	0	568,088	568,088
Opioid remediation efforts	0	0	0	0	0	200,215	200,215
Streets facilities and equipment	0	0	0	0	0	19,150	19,150
Community Service Center operations	0	0	0	0	0	1,374,875	1,374,875
Recreation facilities and equipment	0	0	0	0	0	438,432	438,432
Neighborhood improvements	0	0	0	0	0	234,464	234,464
Midtown development	0	0	0	0	0	4,202,402	4,202,402
Capital projects	0	0	0	29,397,524	2,387,430	570,103	32,355,057
Debt service	0	0	0	0	0	500,097	500,097
	0	0	0	29,397,524	2,387,430	9,344,452	41,129,406
Committed for:							
Cemetery improvements	$ 0	$ 0	$ 0	$ 0	$ 0	$ 723,315	$ 723,315
Energy efficiency retrofits	64,762	0	0	0	0	3,501	68,263
Capital projects	0	0	0	0	1,487,760	0	1,487,760
	64,762	0	0	0	1,487,760	726,816	2,279,338
Assigned for:							
Fire operations	$ 0	$ 258,319	$ 0	$ 0	$ 0	$ 0	$ 258,319
Police operations	0	0	187,620	0	0	0	187,620
Community Service Center operations	0	0	0	0	0	2,842,780	2,842,780
Economic development	0	0	0	0	0	9,619,101	9,619,101
Tourism and City promotion	0	0	0	0	0	464,636	464,636
Budget	4,299,000	0	0	0	0	0	4,299,000
Capital projects	188,541	0	0	2,135,551	28,014,154	45,051	30,383,297
Debt service	0	0	0	0	0	4,182,505	4,182,505
	4,487,541	258,319	187,620	2,135,551	28,014,154	17,154,073	52,237,258

15. Self-Insurance

General Insurance

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

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

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

Health Insurance

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

Liabilities

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

15. Self-Insurance (continued)

General Insurance Internal Service Fund		
Balance, beginning of year	$	1,343,589
Current year claims and changes in estimate		323,088
Claim payments		(590,163)
Balance, end of year	$	1,076,514
Employee Benefits Internal Service Fund		
Balance, beginning of year	$	449,734
Current year claims and changes in estimate		(7,660,074)
Claim payments		7,840,953
Balance, end of year	$	630,613

16. Pension Plans

Defined Benefit Pension Plans

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

Pension Plan A

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

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

16. Pension Plans (continued)

Pension Plan A (continued)

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

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

At July 1, 2024, the date of the most recent actuarial valuation, participants consist of the following:

Retirees and beneficiaries currently receiving benefits	322
Terminated vested participants entitled to but not yet receiving benefits	94
Active participants	508
Total number of participants	924

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

16. Pension Plans (continued)

Pension Plan A (continued)

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

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

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

Asset Class	Target Allocation
Domestic Equity	55%
Fixed Income (core)	35%
Real Estate	10%
Totals	100%

Rate of return. For the current fiscal year, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.00 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

16. Pension Plans (continued)

Pension Plan A (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the City reported a net pension liability of $63,691,765. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. For the current fiscal year, the City recognized pension expense of $1,673,166. The Governmental Activities' net pension liability is liquidated by the General Fund, Community Service Center Special Revenue Fund, Fire Special Revenue Fund and Police Special Revenue Fund.

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

Changes in the Net Pension Liability	CVB Component Unit	City	Total
Total Pension Liability			
Service Cost	$ 21,343	$ 1,051,348	$ 1,072,691
Interest	68,200	3,358,958	3,427,158
Differences between expected and actual experience	80,735	3,976,299	4,057,034
Benefit payments	(61,018)	(3,005,235)	(3,066,253)
Net change in Total Pension Liability	109,260	5,381,370	5,490,630
Total Pension Liability, Balances as of June 30, 2024	4,040,144	192,257,910	196,298,054
Total Pension Liability, Balances as of June 30, 2025	$ 4,149,404	$ 197,639,280	$ 201,788,684
Plan fiduciary net position			
Contributions - city	$ 22,151	$ 1,090,957	$ 1,113,108
Contributions - member	22,151	1,090,957	1,113,108
Net investment income	145,813	7,181,453	7,327,266
Benefit payments	(61,018)	(3,005,235)	(3,066,253)
Administrative expenses	(2,907)	(143,183)	(146,090)
Net changes in fiduciary net position	126,190	6,214,949	6,341,139
Plan Fiduciary Net Position, Balances as of June 30, 2024	2,740,405	129,015,375	131,755,780
Plan Fiduciary Net Position, Balances as of June 30, 2025	2,866,595	135,230,324	138,096,919
Changes in participant fund allocation	(18,284)	18,284	0
Employer's Net Pension Liability	$ 1,264,525	$ 62,427,240	$ 63,691,765
Plan fiduciary net position as a percentage of the total pension liability	68.44%	68.44%	68.44%
Covered payroll	$ 691,524	$ 34,139,233	$ 34,830,757
Employer's Net pension liability as a percentage of covered payroll	182.86%	182.86%	182.86%

16. Pension Plans (continued)

Pension Plan A (continued)

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

	CVB Component Unit		City		Totals	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 208,943	$ 0	$ 10,315,118	$ 0	$ 10,524,061	$ 0
Changes in participant fund allocation	46,718	0	484,638	(531,356)	531,356	(531,356)
Contributions subsequent to the measurement date	76,013	0	3,752,614	0	3,828,627	0
Net difference between projected and actual earnings on pension plan investments	0	(22,698)	0	(1,120,634)	0	(1,143,332)
Totals	$ 331,674	$ (22,698)	$ 14,552,370	$ (1,651,990)	$ 14,884,044	$ (1,674,688)

The $3,828,627 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year	CVB Component Unit	City	Total
2026	$ 73,995	$ 2,905,549	$ 2,979,544
2027	130,702	5,132,299	5,263,001
2028	22,871	898,091	920,962
2029	9,020	354,171	363,191
Thereafter	(3,625)	(142,344)	(145,969)
Totals	$ 232,963	$ 9,147,766	$ 9,380,729

16. Pension Plans (continued)

Pension Plan A (continued)

Actuarial Assumptions. The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The mortality and economic actuarial assumptions used in the July 1, 2024 valuation was based on the results of an actuarial experience study for the period of July 1, 2010 through June 30, 2015, and a subsequent review of economic assumptions as of July 1, 2018.

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

16. Pension Plans (continued)

Pension Plan A (continued)

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

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

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

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

	1% Decrease 6.0%	Current Rate 7.0%	1% Increase 8.0%
CVB Component Unit	$ 1,740,520	$ 1,264,525	$ 872,161
City	85,722,801	62,427,240	42,955,012
Net Pension Liability	$ 87,463,321	$ 63,691,765	$ 43,827,173

16. Pension Plans (continued)

Pension Plan A (continued)

Plan Fiduciary Net Position. The financial statements of this plan are included as an employee pension trust fund within this report (Exhibits A-13 and A14). There is no separately issued stand-alone financial report for this pension plan.

Pension Plan B

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

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

The annual report and more detailed information regarding the plan can be obtained at www.gacities.com

16. Pension Plans (continued)

Pension Plan B (continued)

At January 1, 2025, the date of the most recent actuarial valuation, participants consist of the following:

Retirees and beneficiaries currently receiving benefits	82
Terminated vested participants entitled to but not yet receiving benefits	47
Active participants	125
Total number of participants	254

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

Contributions. Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The City's contributions for the current fiscal year totaled $466,289 or 6.25% of covered payroll. The administrative expenses set by contract with GMEBS are in addition to the state-required annual funding requirement. The Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy.

16. Pension Plans (continued)

Pension Plan B (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the City reported a net pension liability of $465,781. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. For the current fiscal year, the City recognized pension expense of $298,777. The Governmental Activities' net pension liability is liquidated by the General Fund, Community Service Center Special Revenue Fund, Fire Special Revenue Fund and Police Special Revenue Fund.

The components of the net pension liability are as follows:

Changes in the Net Pension Liability	Parks and Recreation Component Unit	City	Totals
Total Pension Liability			
Service Cost	$ 47,296	$ 127,911	$ 175,207
Interest	199,563	539,717	739,280
Differences between expected and actual experience	113,889	308,014	421,903
Benefit payments	(183,086)	(495,154)	(678,240)
Net change in Total Pension Liability	177,662	480,488	658,150
Total Pension Liability, Balances as of June 30, 2024	2,590,868	7,597,181	10,188,049
Total Pension Liability, Balances as of June 30, 2025	$ 2,768,530	$ 8,077,669	$ 10,846,199
Plan fiduciary net position			
Contributions	125,871	340,418	466,289
Net investment income	543,529	1,469,982	2,013,511
Benefit payments	(183,086)	(495,154)	(678,240)
Administrative expenses	(7,269)	(19,658)	(26,927)
Net changes in fiduciary net position	479,045	1,295,588	1,774,633
Plan Fiduciary Net Position, Balances as of June 30, 2024	2,188,490	6,417,295	8,605,785
Plan Fiduciary Net Position, Balances as of June 30, 2025	2,667,535	7,712,883	10,380,418
Employer's Net Pension Liability	$ 100,995	$ 364,786	$ 465,781
Plan fiduciary net position as a percentage of the total pension liability	96.35%	95.48%	95.71%
Covered payroll	$ 1,371,303	$ 4,953,039	$ 6,324,342
Net pension liability as a percentage of covered payroll	7.36%	7.36%	7.36%

16. Pension Plans (continued)

Pension Plan B (continued)

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

	Parks and Recreation Component Unit		City		Totals	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 135,173	$ (17,396)	$ 365,576	$ (47,049)	$ 500,749	$ (64,445)
Net difference between projected and actual earnings on pension plan investments	0	(208,040)	0	(562,637)	0	(770,677)
Contributions subsequent to the measurement date	83,806	0	226,655	0	310,461	0
Totals	$ 218,979	$ (225,436)	$ 592,231	$ (609,686)	$ 811,210	$ (835,122)

The $310,461 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year	Parks and Recreation Component Unit	City	Totals
2026	$ (6,810)	$ (18,417)	$ (25,227)
2027	64,481	174,386	238,867
2028	(73,016)	(197,468)	(270,484)
2029	(74,918)	(202,611)	(277,529)
Totals	$ (90,263)	$ (244,110)	$ (334,373)

16. Pension Plans (continued)

Pension Plan B (continued)

Actuarial Assumptions. The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	2.25% plus service-based merit increases
Cost of living adjustments	0.00%
Net investment rate of return	7.375%
Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar
Remaining amortization period	10 years

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

The mortality and economic actuarial assumptions used in the January 1, 2025 valuation were based on the results of an actuarial experience study conducted during the period of November and December 2019.

16. Pension Plans (continued)

Pension Plan B (continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.60%
International equity	20%	7.03%
Global fixed income	5%	3.70%
Domestic fixed income	20%	2.70%
Real estate	10%	3.40%
Total	100%	

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

16. Pension Plans (continued)

Pension Plan B (continued)

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

	1% Decrease 6.375%	Current Rate 7.375%	1% Increase 8.375%
Park and Recreation Component Unit	$ 433,477	$ 125,736	$ (135,017)
City	1,172,339	340,045	(365,154)
Net Pension Liability	$ 1,605,816	$ 465,781	$ (500,171)

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

Pension expense

	Pension Plan A	Pension Plan B	Total
Service cost	$ 1,072,695	$ 175,207	$ 1,247,902
Interest	3,427,158	739,280	4,166,438
Member contributions	(1,113,108)	0	(1,113,108)
Projected earnings on plan investments	(2,297,098)	(625,868)	(2,922,966)
Expensed portion of current-period differences between expected and actual experience	851,354	105,475	956,829
Expensed portion of current-period differences between actual and projected earnings on plan investments	(413,925)	(277,527)	(691,452)
Administrative expense	146,090	26,924	173,014
Recognition of deferred inflows and outflows as pension expense	0	155,286	155,286
Pension expense (income)	$ 1,673,166	$ 298,777	$ 1,971,943

16. Pension Plans (continued)

Other Plans

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

17. Deferred Compensation Plan

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

Under the terms of the Plan, employees may defer a portion of their salary through voluntary contributions to the Plan. Employees may defer the lesser of 100 percent of their annual salary or up to $23,500 of their salary, the maximum allowable by federal law. The City does not contribute to the Plan.

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

During the fiscal year, the City contributed $0 to the plan based on covered salaries of $50,802,538. Plan members made voluntary contributions of $573,523 to the plan.

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

18. Post-Employment Benefits Other Than Pensions

Plan Description. The City of Gainesville Other Postemployment Benefits Plan (the "OPEB Plan") is a defined benefit postretirement health care and prescription drug plan. The OPEB plan is administered internally by the Human Resources Department. The City has established provisions, which assign the authority to the City Council members to establish and amend the benefit provisions of the plan.

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

At January 1, 2025, the date of the most recent actuarial valuation, the plan consisted of 806 participants. The numbers below have been updated for the measurement date of September 30, 2024:

Retirees and beneficiaries currently receiving benefits	147
Vested terminated members entitled to but not yet receiving benefits	0
Active participants	659
Total number of participants	806

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

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

Contributions. The City has not elected to advance fund the OPEB Plan, but rather maintains the OPEB Plan on a "pay-as-you-go" basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy. The City's contributions for the current fiscal year totaled $1,478,936 or 3.54% of covered employee payroll.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. At the end of the current fiscal year, the City reported a net OPEB liability of $23,200,797. The net OPEB liability was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined from actuarial valuations using data as of September 30, 2024 and measured by an actuarial valuation as of January 1, 2025. During the current fiscal year, the City recognized OPEB expense of $1,987,283. The Governmental Activities' net OPEB liability is liquidated by the General Fund, Community Service Center Special Revenue Fund, Fire Special Revenue Fund, and Police Special Revenue Fund.

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

The components of the net OPEB liability are as follows:

	Component Units	City	Totals
Total OPEB Liability			
Service Cost	$ 131,788	$ 1,389,177	$ 1,520,965
Interest	106,535	1,122,984	1,229,519
Differences between expected and actual experience	(301,487)	(3,177,968)	(3,479,455)
Change in assumptions	206,338	2,175,000	2,381,338
Benefit payments	(128,146)	(1,350,790)	(1,478,936)
Net change in Total Pension Liability	15,028	158,403	173,431
Total OPEB Liability, Balances as of June 30, 2024	1,220,086	21,807,280	23,027,366
Total OPEB Liability, Balances as of June 30, 2025	$ 1,235,114	$ 21,965,683	$ 23,200,797
Plan fiduciary net position			
Contributions	128,146	1,350,790	1,478,936
Benefit payments	(128,146)	(1,350,790)	(1,478,936)
Net changes in fiduciary net position	0	0	0
Plan Fiduciary Net Position, Balances as of June 30, 2024	0	0	0
Plan Fiduciary Net Position, Balances as of June 30, 2025	$ 0	$ 0	$ 0
Employer's Net Pension Liability	$ 1,235,114	$ 21,965,683	$ 23,200,797
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	$ 2,221,007	$ 39,499,127	$ 41,720,134
Plan net OPEB liability as a percentage of covered employee payroll	55.61%	55.61%	55.61%

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

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

	Component Units		City		Totals	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 58,180	$ (292,508)	$ 965,108	$ (3,099,910)	$ 1,023,288	$ (3,392,418)
Change of assumptions or other inputs	201,092	(413,335)	2,434,192	(6,476,802)	2,635,284	(6,890,137)
Contributions subsequent to the measurement date	117,645	0	1,714,482	0	1,832,127	0
Totals	$ 376,917	$ (705,843)	$ 5,113,782	$ (9,576,712)	$ 5,490,699	$ (10,282,555)

The $1,832,127 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year	Component Units	City	Totals
2026	$ (60,290)	$ (833,989)	$ (894,279)
2027	(114,663)	(1,586,130)	(1,700,793)
2028	(114,663)	(1,586,130)	(1,700,793)
2029	(126,888)	(1,755,241)	(1,882,129)
2030	(19,491)	(269,625)	(289,116)
Thereafter	(10,576)	(146,297)	(156,873)
Totals	$ (446,571)	$ (6,177,412)	$ (6,623,983)

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

Actuarial Assumptions. The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected salary increases	3.00% to 14.25%, including inflation, based upon service
Actuarial cost method	Entry age cost method
Discount rate	4.13%, 3.54% in previous year
Healthcare cost trend rates	Pre-65 Medical: 7.00% trending down to 4.50% by 2032 Medicare Advantage: 4.50%. Pre-65 Prescription Drug: 7.00% trending down to 4.50% by 2032. Administrative Expenses: 13.50%, then 3.00%
Mortality rates	Mortality rates were based on sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Tables, with rates multiplied by 1.25.

The actuarial assumptions used in the September 30, 2024 valuation were based on the results of an actuarial experience study for Plan A for the period July 1, 2015 to June 30, 2020 and for Plan B for the period January 1, 2015 to June 30, 2019.

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

Development of Long-Term Rate. Since the City funds this plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax-exempt general obligation bonds. Specifically, the chosen rate is 4.06%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of September 30, 2024.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (3.06%) or one percentage-point higher (5.06%) than the current rate. Also, shown is the Net OPEB Liability as if it were calculated using healthcare cost trend rates that were on percentage point lower or on percentage point higher than the current healthcare trend rates:

	1% Decrease 3.06%	Current Rate 4.06%	1% Increase 5.06%
Component Units	$ 1,374,493	$ 1,235,114	$ 1,116,151
City	24,444,454	21,965,683	19,850,006
Net OPEB Liability	$ 25,818,947	$ 23,200,797	$ 20,966,157

	1% Decrease in Health Care Cost Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in Health Care Cost Trend Rates
Component Units	$ 1,081,088	$ 1,235,114	$ 1,423,905
City	19,226,442	21,965,683	25,323,212
Net OPEB Liability	$ 20,307,530	$ 23,200,797	$ 26,747,117

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

19. Hotel/Motel Lodging Tax

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

Lodging Tax Receipts	$	2,292,257	
Disbursements for tourism and visitor programs	$	2,000,425	87.3% of tax receipts

The City transferred $700,000 of Hotel/Motel receipts to the General Governmental Capital Projects Fund during the current year.

20. Major Users/Taxpayers

The ten major taxpayers of the City for the current fiscal year represent approximately 11 percent of the current year tax levy. The ten largest taxpayers are comprised of various types of entities including manufacturing and food processing.

The ten major customers of the water and sewer system are primarily from the poultry and food processing industry. The major users represent approximately 38 percent of the water sales and sewer charges from the system in current fiscal year.

21. Joint Ventures

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

The Organized Crime Drug Enforcement Task Force (OCDETF) Strike Force Group One Task Force disrupts illicit drug traffic, gathers, and reports intelligence related to drug trafficking, and conducts both undercover and traditional investigations to effectively prosecute cases in court. The Drug Enforcement Agency is responsible for the funding and reporting for the OCDETF Strike Force Group One Task Force. During the current fiscal year, the City paid $115,021 in personnel costs for one police officer assigned to the OCDETF Strike Force Group One Task Force.

21. Joint Ventures (continued)

The Safe Streets Task Force Identifies and targets for prosecution criminal enterprises affecting northeast Georgia, such as organized crime groups responsible for drug trafficking, money laundering and crimes of violence. The Federal Bureau of Investigation is responsible for the funding and reporting for the Safe Streets Task Force. During the current fiscal year, the City paid $105,699 in personnel costs for one police officer assigned to the Safe Streets Task Force.

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues. During the current fiscal year, the City paid $57,803 in dues. Membership in a regional commission (RC) is required by the Official Code of Georgia Annotated (O.C.G.A.) Section (§) 50-8-34, which provides for the organizational structure of the RCs in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. O.C.G.A. § 50-8-39 provides upon ceasing operations that the government members are liable for any debts or obligations of the RC. A copy of the GMRC financial statements can be obtained from GMRC, 1310 West Ridge Road, Gainesville, GA 30501.

22. Related Organizations

The City of Gainesville Housing Authority is considered a related organization to the City of Gainesville. The City appoints members to the Authority but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Gainesville. The City received $63,567 as payment-in-lieu-of-taxes during the current fiscal year.

23. Risk Pools

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

24. Commitments and Contingencies

Commitments

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

	Restricted	Assigned
General Fund	$ 0	$ 308,660
Nonmajor governmental funds	25,050	0
	$ 25,050	$ 308,660

24. Commitments and Contingencies (continued)

Commitments, continued

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

Project	Amount Expended to Date	Remaining Commitment
Expansion of the water and sewer distribution system	$ 58,198,208	$ 80,211,541
Improvements to airport terminal	2,497,417	502,887
Improvements to recreational facilities	377,280	561,602
City buildings and facilities improvements	8,179,889	5,914,369
Improvements to roadways & sidewalks	3,366,135	3,235,092
Totals	$ 72,618,929	$ 90,425,491

Contingencies

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

25. Tax Abatements

The City is subject to tax incentives granted by the Gainesville and Hall County Development Authority (the "Authority"), an entity created by the State of Georgia and activated by the City of Gainesville and the Board of Commissioners of Hall County, Georgia. The authority can enter into agreements with companies for industrial projects to encourage the creation of jobs and new capital investment through an "Investment Assistance Program." Each agreement, negotiated on an individual basis, provides a property tax benefit to the company through a schedule of discounted valuation that reduces the market value of real and personal property and requires the company to enter into a sale-leaseback transaction with the Authority. The incentives may be granted to new and existing industrial businesses meeting an established set of criteria established by the Investment Assistance Committee. In return for a property tax benefit, a company is required to commit to creating jobs and capital investment within a defined period as part of a performance and accountability agreement with the Authority that includes provisions for the company to pay back a prorated portion of the benefit if they fail to meet the performance criteria by a specified date. For the City of Gainesville's current fiscal year, the cumulative property tax not collected by the City due to abatement programs was $447,274.

26. Deficit Equity Balances

At the end of the current fiscal year, the HUD Grant Special Revenue Fund has a deficit fund balance of $142,687. This is due to the increase in payments to others in the current fiscal year. The City plans to liquidate this deficit fund balance through future revenue recognition.

27. New Accounting Standards

The City implemented GASB Statement No. 102, *Certain Risk Disclosures,* effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2024. The implementation of this new standard had no impact on the City's net position.

The City implemented GASB Statement No. 103, *Financial Reporting Model Improvements,* effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2025. The implementation of this new standard had no impact on the City's net position.

The City implemented GASB Statement No. 104, *Disclosure of Certain Capital Assets,* effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2025. The implementation of this new standard had no impact on the City's net position.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2025

	Budget		Variance with Original Budget - over (under)		Variance with Final Budget - over (under)
	Original	Final	Final Budget	Actual	Actual
REVENUES					
Taxes	$ 23,384,703	$ 23,384,703	$ 0	$ 30,161,303	$ 6,776,600
Licenses and permits	912,445	912,445	0	1,142,666	230,221
Fines, fees and forfeitures	955,295	955,295	0	1,475,200	519,905
Charges for services	3,579,886	3,579,886	0	3,712,246	132,360
Intergovernmental	312,788	312,788	0	461,869	149,081
Investment	3,595,035	3,595,035	0	4,239,202	644,167
Other	175,840	175,840	0	296,484	120,644
Total revenues	32,915,992	32,915,992	0	41,488,970	8,572,978
EXPENDITURES					
Current					
General Government					
Mayor and Council	610,391	600,891	9,500	505,423	95,468
City Manager's Office	1,550,213	1,577,584	(27,371)	1,577,584	0
Finance	1,957,294	1,977,735	(20,441)	1,895,334	82,401
Information Technologies	1,663,699	2,101,810	(438,111)	2,101,810	0
Human Resources	1,463,278	1,540,521	(77,243)	1,469,335	71,186
Public Lands and Buildings	1,523,020	2,058,842	(535,822)	1,840,584	218,258
Public Relations	415,610	431,910	(16,300)	423,684	8,226
Judicial					
Municipal Court	811,565	777,440	34,125	737,576	39,864
Public Safety					
Police	7,918,744	8,003,010	(84,266)	7,255,008	748,002
Public Works					
Engineering	1,639,031	1,652,781	(13,750)	1,608,400	44,381
Traffic	1,787,369	2,064,574	(277,205)	2,023,571	41,003
Street Maintenance	2,897,944	2,772,944	125,000	2,622,086	150,858
Storm Water	100,732	100,732	0	37,230	63,502
Cemetery	963,902	941,002	22,900	875,719	65,283
Health and Welfare					
Payments to other agencies	23,125	23,125	0	19,844	3,281
Housing and Development					
Planning	1,382,340	1,378,872	3,468	1,305,114	73,758
Inspection	587,490	539,490	48,000	502,030	37,460
Code Enforcement	630,580	638,098	(7,518)	627,183	10,915
Payments to other agencies	142,452	142,452	0	142,452	0
Debt Service	0	535,794	(535,794)	534,839	955
Total expenditures	28,068,779	29,859,607	(1,790,828)	28,104,806	1,754,801
Excess (deficiency) of revenues over (under) expenditures	4,847,213	3,056,385	(1,790,828)	13,384,164	10,327,779
Other financing sources (uses)					
Transfers in (out)					
Transfers in	3,915,182	3,915,182	0	3,892,648	(22,534)
Transfers out	(11,277,372)	(12,875,635)	(1,598,263)	(17,581,355)	(4,705,720)
Contingency	(618,866)	(618,866)	0	0	618,866
Sales of capital assets	51,887	51,887	0	58,261	6,374
Issuance of long-term debt	0	351,125	351,125	657,016	305,891
Total other financing sources (uses)	(7,929,169)	(9,176,307)	(1,247,138)	(12,973,430)	(3,797,123)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,081,956)	(6,119,922)	(3,037,966)	410,734	6,530,656
Fund balances, July 1	3,081,956	6,119,922	3,037,966	19,117,478	12,997,556
Fund balances, June 30	$ 0	$ 0	$ 0	$ 19,528,212	$ 19,528,212

See accompanying notes to required supplementary information.

Exhibit B-1

CITY OF GAINESVILLE, GEORGIA
FIRE SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2025

	Budget		Variance with Original Budget and Final Budget	Actual	Variance with Final Budget and Actual
	Original	Final			
REVENUES					
Property taxes	$ 11,003,907	$ 11,003,907	$ 0	$ 11,469,102	$ 465,195
Motor vehicle	60,978	60,978	0	53,514	(7,464)
Investment	100,600	100,600	0	103,244	2,644
Other	0	0	0	400	400
Total revenues	11,165,485	11,165,485	0	11,626,260	460,775
EXPENDITURES					
Current					
Public Safety					
Personal Services	11,047,304	11,119,554	(72,250)	11,119,513	41
Other	1,965,323	1,893,073	72,250	1,724,766	168,307
Total expenditures	13,012,627	13,012,627	0	12,844,279	168,348
Excess (deficiency) of revenues over (under) expenditures	(1,847,142)	(1,847,142)	0	(1,218,019)	629,123
Other financing sources (uses)					
Transfers in (out)					
Transfers in	1,139,778	1,139,778	0	1,139,778	0
Transfers out	(375,000)	(375,000)	0	(375,000)	0
Sales of capital assets	0	0	0	2,500	2,500
Total other financing sources (uses)	764,778	764,778	0	767,278	2,500
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,082,364)	(1,082,364)	0	(450,741)	631,623
Fund balances, July 1	1,082,364	1,082,364	0	777,621	(304,743)
Fund balances, June 30	$ 0	$ 0	$ 0	$ 326,880	$ 326,880

See accompanying notes to required supplementary information.

CITY OF GAINESVILLE, GEORGIA
POLICE SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2025

	Budget		Variance with Original Budget and Final Budget	Actual	Variance with Final Budget and Actual
	Original	Final			
REVENUES					
Property taxes	$ 5,990,008	$ 5,990,008	$ 0	$ 6,282,672	$ 292,664
Motor vehicle	33,423	33,423	0	29,333	(4,090)
Investment	49,650	49,650	0	56,697	7,047
Other	0	0	0	6,934	6,934
Total revenues	6,073,081	6,073,081	0	6,375,636	302,555
EXPENDITURES					
Current					
Public Safety					
Personal Services	4,519,002	4,838,552	(319,550)	4,836,424	2,128
Other	1,170,677	1,094,200	76,477	1,025,916	68,284
Debt Service	0	64,215	(64,215)	64,215	0
Total expenditures	5,689,679	5,996,967	(307,288)	5,926,555	70,412
Excess (deficiency) of revenues over (under) expenditures	383,402	76,114	(307,288)	449,081	372,967
Other financing sources (uses)					
Transfers in (out)					
Transfers in	407,080	407,080	0	407,080	0
Transfers out	(888,400)	(888,400)	0	(888,400)	0
Sales of capital assets	0	0	0	23,594	23,594
Total other financing sources (uses)	(481,320)	(481,320)	0	(457,726)	23,594
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(97,918)	(405,206)	(307,288)	(8,645)	396,561
Fund balances, July 1	97,918	405,206	307,288	225,011	(180,195)
Fund balances, June 30	$ 0	$ 0	$ 0	$ 216,366	$ 216,366

See accompanying notes to required supplementary information.

CITY OF GAINESVILLE, GEORGIA
PENSION TRUST FUND (PENSION PLAN A)
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2025
(Unaudited)

	Fiscal Year End			
	2025	**2024**	**2023**	**2022**
Total pension liability				
Service cost	$ 1,072,691	$ 3,842,672	$ 3,746,586	$ 3,891,771
Interest	3,427,158	12,839,986	12,496,286	11,552,275
Change of benefit terms	0	0	0	4,237,614
Differences between expected and actual experience	4,057,034	5,951,794	274,113	5,218,288
Changes of assumptions	0	0	0	0
Benefit payments, including refunds of employee contributions	(3,066,253)	(11,844,203)	(11,561,933)	(10,975,839)
Net change in total pension liability	5,490,630	10,790,249	4,955,052	13,924,109
Total pension liability - beginning	196,298,054	185,507,805	180,552,753	166,628,644
Total pension liability - ending (a)	$ 201,788,684	$ 196,298,054	$ 185,507,805	$ 180,552,753
Plan fiduciary net position				
Contributions - employer	$ 1,113,108	$ 4,490,768	$ 4,227,917	$ 3,851,093
Contributions - employee	1,113,108	4,493,878	4,227,917	3,851,092
Net investment income	7,327,266	10,814,810	6,184,515	(13,327,037)
Benefit payments, including refunds of employee contributions	(3,066,253)	(11,844,203)	(11,561,933)	(10,975,839)
Administrative expense	(146,090)	(452,825)	(450,737)	(400,013)
Net change in fiduciary net position	6,341,139	7,502,428	2,627,679	(17,000,704)
Plan fiduciary net position - beginning	131,755,780	124,253,352	121,625,673	138,626,377
Plan fiduciary net position - ending (b)	$ 138,096,919	$ 131,755,780	$ 124,253,352	$ 121,625,673
Net pension liability (asset) - ending : (a) - (b)	$ 63,691,765	$ 64,542,274	$ 61,254,453	$ 58,927,080
Plan's fiduciary net position as a percentage of the total pension liability	68.44%	67.12%	66.98%	67.36%
Covered payroll	$ 34,830,757	$ 34,020,970	$ 32,029,674	$ 29,174,939
Net pension liability as a percentage of covered payroll	182.86%	189.71%	191.24%	201.98%

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

See accompanying notes to required supplementary information.

Fiscal Year End						
2021	2020	2019	2018	2017	2016
$ 3,831,533	$ 3,679,859	$ 3,457,259	$ 3,272,080	$ 3,292,073	$ 3,650,560
11,215,733	10,739,335	10,187,578	9,800,092	9,366,300	9,061,392
0	0	0	0	0	0
40,859	1,781,943	3,149,640	2,438,030	1,826,638	586,393
0	0	0	3,438,994	0	(246,666)
(9,705,398)	(9,388,847)	(8,880,837)	(8,661,630)	(8,301,719)	(7,642,229)
5,382,727	6,812,290	7,913,640	10,287,566	6,183,292	5,409,450
161,245,917	154,433,627	146,519,987	136,232,421	130,049,129	124,639,679
$ 166,628,644	$ 161,245,917	$ 154,433,627	$ 146,519,987	$ 136,232,421	$ 130,049,129
$ 3,650,796	$ 3,593,741	$ 3,459,466	$ 3,209,624	$ 3,079,855	$ 3,021,182
3,650,796	3,650,875	3,459,466	3,209,624	3,132,277	3,021,182
33,572,789	4,685,569	8,235,138	10,757,165	11,348,553	1,794,845
(9,705,398)	(9,388,847)	(8,880,837)	(8,661,630)	(8,301,719)	(7,642,229)
(357,352)	(313,890)	(292,750)	(219,596)	(165,260)	(143,004)
30,811,631	2,227,448	5,980,483	8,295,187	9,093,706	51,976
107,814,746	105,587,298	99,606,815	91,311,628	82,217,922	82,165,946
$ 138,626,377	$ 107,814,746	$ 105,587,298	$ 99,606,815	$ 91,311,628	$ 82,217,922
$ 28,002,267	$ 53,431,171	$ 48,846,329	$ 46,913,172	$ 44,920,793	$ 47,831,207
83.19%	66.86%	68.37%	67.98%	67.03%	63.22%
$ 27,657,545	$ 27,658,144	$ 26,208,076	$ 24,315,333	$ 23,729,379	$ 22,887,742
101.25%	193.18%	186.38%	192.94%	189.30%	208.98%

See accompanying notes to required supplementary information.

CITY OF GAINESVILLE, GEORGIA
PENSION TRUST FUND (PENSION PLAN A)
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2025
(Unaudited)

	Fiscal Year End			
	2025	**2024**	**2023**	**2022**
Actuarially determined contribution	$ 2,938,143	$ 7,329,310	$ 6,317,124	$ 6,739,746
Contributions in relation to the actuarially determined contribution	(1,113,108)	(4,490,768)	(4,227,917)	(3,851,093)
Contribution deficiency (excess)	$ 1,825,035	$ 2,838,542	$ 2,089,207	$ 2,888,653
Covered payroll	$ 34,830,757	$ 34,020,970	$ 32,029,674	$ 29,174,939
Contributions as a percentage of covered payroll	3.20%	13.20%	13.20%	13.20%

Note: The above recommended contribution is the City's portion.
The Fund has accumulated a Georgia Minimum Funding Credit Balance, which has been used to offset any shortfall of the recommended contribution.
The Plan changed the measurement date to September 30 during fiscal year 2025. Therefore, the contributions above for 2025 are for the period July 1, 2024 to September 1, 2024

CITY OF GAINESVILLE, GEORGIA
PENSION TRUST FUND (PENSION PLAN A)
SCHEDULE OF INVESTMENTS RETURNS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2025
(Unaudited)

	Fiscal Year End			
	2025	**2024**	**2023**	**2022**
Annual money-weighted rate of return, net of investment expense	7.000%	7.000%	7.000%	7.000%

See accompanying notes to required supplementary information.

Fiscal Year End						
2021	2020	2019	2018	2017	2016
$ 6,177,506	$ 5,283,686	$ 4,859,686	$ 4,509,116	$ 4,170,598	$ 3,736,793
(3,650,796)	(3,593,741)	(3,459,466)	(3,209,624)	(3,079,855)	(3,021,182)
$ 2,526,710	$ 1,689,945	$ 1,400,220	$ 1,299,492	$ 1,090,743	$ 715,611
$ 27,657,545	$ 27,248,632	$ 26,208,076	$ 24,315,333	$ 23,729,379	$ 22,887,742
13.20%	13.19%	13.20%	13.20%	12.98%	13.20%

Fiscal Year End					
2021	2020	2019	2018	2017	2016
7.000%	7.123%	7.408%	7.353%	7.765%	7.660%

See accompanying notes to required supplementary information.

CITY OF GAINESVILLE, GEORGIA
GMEBS (PENSION PLAN B)
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2025
(Unaudited)

	Fiscal Year End			
	2025	**2024**	**2023**	**2022**
Total pension liability				
Service cost	$ 175,207	$ 150,031	$ 170,259	$ 152,474
Interest	739,280	707,554	712,399	671,629
Differences between expected and actual experience	421,903	226,696	(257,780)	354,865
Changes of assumptions	0	0	0	0
Benefit payments, including refunds of employee contributions	(678,240)	(680,300)	(660,378)	(627,520)
Other changes	0	0	0	0
Net change in total pension liability	658,150	403,981	(35,500)	551,448
Total pension liability - beginning	10,188,049	9,784,068	9,819,568	9,268,120
Total pension liability - ending (a)	$ 10,846,199	$ 10,188,049	$ 9,784,068	$ 9,819,568
Plan fiduciary net position				
Contributions - employer	$ 466,289	$ 296,427	$ 406,195	$ 326,237
Net investment income	2,013,511	1,063,688	(1,551,571)	1,944,363
Benefit payments, including refunds of employee contributions	(678,240)	(680,300)	(660,378)	(627,520)
Administrative expense	(26,927)	(31,131)	(31,879)	(32,005)
Net change in plan fiduciary net position	1,774,633	648,684	(1,837,633)	1,611,075
Plan fiduciary net position - beginning	8,605,785	7,957,101	9,794,734	8,183,659
Plan fiduciary net position - ending (b)	$ 10,380,418	$ 8,605,785	$ 7,957,101	$ 9,794,734
Net pension liability (asset) - ending : (a) - (b)	$ 465,781	$ 1,582,264	$ 1,826,967	$ 24,834
Plan's fiduciary net position as a percentage of the total pension liability	95.71%	84.47%	81.33%	99.75%
Covered payroll	$ 6,324,342	$ 5,880,261	$ 5,151,267	$ 5,863,528
Net pension liability as a percentage of covered payroll	7.36%	26.91%	35.47%	0.42%

See accompanying notes to required supplementary information.

	Fiscal Year End					
	2021	2020	2019	2018	2017	2016
	$ 141,811	$ 140,424	$ 152,472	$ 179,299	$ 175,050	$ 178,348
	643,328	592,594	589,263	572,572	549,573	535,078
	205,644	430,086	(168,376)	(74,578)	12,775	(102,827)
	0	233,040	0	0	0	0
	(607,882)	(543,490)	(490,307)	(469,718)	(411,541)	(435,594)
	0	0	0	119,050	0	0
	382,901	852,654	83,052	326,625	325,857	175,005
	8,885,219	8,032,565	7,949,513	7,622,888	7,297,031	7,122,026
	$ 9,268,120	$ 8,885,219	$ 8,032,565	$ 7,949,513	$ 7,622,888	$ 7,297,031
	$ 251,615	$ 287,034	$ 313,655	$ 350,507	$ 314,938	$ 371,738
	727,493	226,653	717,673	968,510	1,745,662	48,579
	(607,882)	(543,490)	(490,307)	(469,718)	(411,541)	(435,594)
	(30,264)	(29,933)	(32,702)	(33,775)	(20,454)	(23,058)
	340,962	(59,736)	508,319	815,524	1,628,605	(38,335)
	7,842,697	7,902,433	7,394,114	6,578,590	4,949,985	4,988,320
	$ 8,183,659	$ 7,842,697	$ 7,902,433	$ 7,394,114	$ 6,578,590	$ 4,949,985
	$ 1,084,461	$ 1,042,522	$ 130,132	$ 555,399	$ 1,044,298	$ 2,347,046
	88.30%	88.27%	98.38%	93.01%	86.30%	67.84%
	$ 5,576,338	$ 5,074,389	$ 4,330,598	$ 4,862,847	$ 5,080,284	$ 4,890,737
	19.45%	20.54%	3.00%	11.42%	20.56%	47.99%

See accompanying notes to required supplementary information.

CITY OF GAINESVILLE, GEORGIA
GMEBS (PENSION PLAN B)
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2025
(Unaudited)

	Fiscal Year End			
	2025	**2024**	**2023**	**2022**
Actuarially determined contribution	$ 429,051	$ 399,556	$ 360,679	$ 326,237
Contributions in relation to the actuarially determined contribution	(466,289)	(426,373)	(357,809)	(320,966)
Contribution deficiency (excess)	$ (37,238)	$ (26,817)	$ 2,870	$ 5,271
Covered payroll	$ 7,464,974	$ 9,463,238	$ 8,871,656	$ 6,325,246
Contributions as a percentage of covered payroll	6.25%	4.51%	4.03%	5.07%

See accompanying notes to required supplementary information.

Fiscal Year End						
2021	2020	2019	2018	2017	2016
$ 262,989	$ 295,049	$ 319,859	$ 324,651	$ 319,859	$ 324,651
(241,073)	(321,704)	(293,203)	(324,651)	(319,859)	(324,651)
$ 21,916	$ (26,655)	$ 26,656	$ 0	$ 0	$ 0
$ 6,002,098	$ 5,793,589	$ 5,602,873	$ 5,099,054	$ 5,179,922	$ 5,272,975
4.02%	5.55%	5.23%	6.37%	6.17%	6.16%

See accompanying notes to required supplementary information.

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2025
(Unaudited)

	Fiscal Year End		
	2025	**2024**	**2023**
Total OPEB liability			
Service cost	$ 1,520,965	$ 1,252,582	$ 1,209,757
Interest	1,229,519	858,308	764,883
Change of benefit terms	0	0	0
Differences between expected and actual experience	(3,479,455)	373,663	(717,551)
Changes in assumptions	2,381,338	(1,299,387)	(10,433,508)
Benefit payments, including refunds of member contributions	(1,478,936)	(2,282,586)	(1,791,036)
Net change in total OPEB liability	173,431	(1,097,420)	(10,967,455)
Total OPEB liability - beginning	23,027,366	24,124,786	35,092,241
Total OPEB liability - ending (a)	$ 23,200,797	$ 23,027,366	$ 24,124,786
Plan fiduciary net position			
Contributions - employer	$ 1,478,936	$ 2,282,586	$ 1,791,036
Benefit payments, including refunds of member contributions	(1,478,936)	(2,282,586)	(1,791,036)
Net change in plan fiduciary net position	0	0	0
Plan fiduciary net position - beginning	0	0	0
Plan fiduciary net position - ending (b)	$ 0	$ 0	$ 0
Net OPEB liability (asset) - ending : (a) - (b)	$ 23,200,797	$ 23,027,366	$ 24,124,786
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll (projected)	$ 41,720,134	$ 34,466,977	$ 33,544,503
Plan net OPEB liability as a percentage of covered employee payroll	55.61%	66.81%	71.92%

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

See accompanying notes to required supplementary information.

Fiscal Year End					
2022	2021	2020	2019	2018
$ 1,164,587	$ 1,006,649	$ 971,234	$ 1,565,644	$ 1,789,852
754,602	1,025,437	1,114,961	1,344,332	1,123,997
0	0	(568,876)	0	0
1,054,726	1,826,158	329,053	(103,835)	666,587
214,625	3,012,924	457,416	(9,336,059)	(3,515,374)
(2,141,466)	(2,216,046)	(1,505,738)	(1,727,236)	(1,729,093)
1,047,074	4,655,122	798,050	(8,257,154)	(1,664,031)
34,045,167	29,390,045	28,591,995	36,849,149	38,513,180
$ 35,092,241	$ 34,045,167	$ 29,390,045	$ 28,591,995	$ 36,849,149
$ 2,141,466	$ 2,216,046	$ 1,505,738	$ 1,727,236	$ 1,729,093
(2,141,466)	(2,216,046)	(1,505,738)	(1,727,236)	(1,729,093)
0	0	0	0	0
0	0	0	0	0
$ 0	$ 0	$ 0	$ 0	$ 0
$ 35,092,241	$ 34,045,167	$ 29,390,045	$ 28,591,995	$ 36,849,149
0.00%	0.00%	0.00%	0.00%	0.00%
$ 31,447,516	$ 30,605,855	$ 31,755,811	$ 29,628,098	$ 27,547,554
111.59%	111.24%	92.55%	96.50%	133.77%

See accompanying notes to required supplementary information.

Budgetary Comparison Schedules

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

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

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

Budgetary Comparison Schedules (continued)

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

1. Original budget compared to final budget

During the year, there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. Revenues were practically the same for both budgets. However, there was a need to make amendments to account for small deviations from the original budget experienced throughout the year. Generally, the movement of the appropriations between departments was not significant, and several departments were unchanged. The majority (82%) of the changes were due to land purchases, higher than anticipated IT expenses, and debt service.

2. Final budget compared to actual results

The most significant differences between estimated revenues and actual revenues were due to increased tax collections ($6,776,600) due to both a rise in property valuations as well as stronger retail taxes collected. Other differences included fines, fees and forfeitures exceeding the budget by $519,905 due to stronger collections and enforcement; as well was $644,167 increase over the budget for investment income due to interest rates not dropping as soon as anticipated during the year.

Pension Trust Fund (Pension Plan A)

1. Valuation Date

The actuarially determined contribution rate was determined as of July 1, 2024, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2026.

The 09/30/2024 Measurement Date is covering 3 months due to the adoption of a new measurement date during the current fiscal year.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry Age Normal

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

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

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

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

Inflation rate = 2.75%

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

Cost of living adjustments = 0.00%

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

Pension Trust Fund (Pension Plan A), continued

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

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

3. Changes in Benefits

None to report.

4. Changes of Assumptions

None to report.

GMEBS (Pension Plan B)

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2025, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2026.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 10 years

GMEBS (Pension Plan B), continued

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

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

Net investment rate of return = 7.375%

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

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = 65

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

3. Changes in Benefits

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

4. Changes of Assumptions

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

OPEB Plan

1. Valuation Date

The actuarially determined contribution rates are determined as of January 1, 2025, based on the most recent valuation date, one year prior to the end of the fiscal year in which contributions are reported.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry age level percent of pay

Amortization method = Open 30 years, level percent of payroll

Remaining amortization period = 30 years

Asset valuation method = Fair value

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

Projected payroll increases = 2.75%

Inflation = 2.50%

Funding discount rate = 2.16%

Discount rate = 4.06%

Retirement age = 65

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

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

OPEB Plan, continued

3. Changes in Benefits

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

4. Changes of Assumptions

Changes reflected in the June 30, 2025 measurement:

The effective discount rate for June 30, 2025 was 4.06%. For June 30, 2024 it was 4.13%.

The reporting period ending June 30, 2025 reflects a 15-month measurement period.

COMBINING STATEMENTS

Nonmajor Governmental Funds

Nonmajor Enterprise Funds

Internal Service Funds

NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF GAINESVILLE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	Special Revenue						
	Community Service Center	Hotel/Motel Tax	Economic Development	Confiscated Assets	Grants	HUD Grant	Revolving Loan
ASSETS							
Cash and cash equivalents	$ 1,276,807	$ 83,259	$ 2,841,934	$ 185,925	$ 4,787	$ 0	$ 70,135
Investments	2,983,351	195,080	6,658,766	152,766	10,514	0	164,329
Receivables (net)							
Accounts	0	0	0	0	0	0	0
Intergovernmental	1,333,408	0	0	0	1,073	189,760	0
Taxes	0	186,297	0	0	0	0	0
Notes	0	0	0	0	0	0	136,499
Due from other funds	0	0	0	0	0	0	0
Prepaid items	5,398	0	0	5,067	0	0	0
Property held for development	0	0	118,995	0	0	0	0
Total assets	$ 5,598,964	$ 464,636	$ 9,619,695	$ 343,758	$ 16,374	$ 189,760	$ 370,963
LIABILITIES							
Payables							
Accounts	$ 262,242	$ 0	$ 594	$ 0	$ 0	$ 3,436	$ 0
Accrued salaries	46,204	0	0	0	0	0	0
Due to other funds	0	0	0	0	0	329,011	0
Due to others	0	0	0	126,397	0	0	0
Total liabilities	308,446	0	594	126,397	0	332,447	0
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue -							
Taxes	0	0	0	0	0	0	0
Grants	1,067,465	0	0	0	0	0	0
Fines, fees, and forfeitures	0	0	0	0	0	0	0
Notes receivable	0	0	0	0	0	0	136,499
Total deferred inflows of resources	1,067,465	0	0	0	0	0	136,499
FUND BALANCES							
Nonspendable	5,398	0	0	5,067	0	0	0
Restricted	1,374,875	0	0	212,294	19,150	0	234,464
Committed	0	0	0	0	3,501	0	0
Assigned	2,842,780	464,636	9,619,101	0	0	0	0
Unassigned	0	0	0	0	(6,277)	(142,687)	0
Total fund balances	4,223,053	464,636	9,619,101	217,361	16,374	(142,687)	234,464
Total liabilities, deferred inflows of resources, and fund balances	$ 5,598,964	$ 464,636	$ 9,619,695	$ 343,758	$ 16,374	$ 189,760	$ 370,963

Special Revenue							Total Nonmajor Governmental Funds
Impact Fee	Tax Allocation District	Information Technology	Opioid Settlement	Cemetery Trust	Debt Service	Grants Capital Projects	
$ 470,594	$ 1,529,742	$ 137,008	$ 55,778	$ 216,185	$ 1,125,406	$ 195,891	$ 8,193,451
1,102,619	3,584,247	321,016	130,691	506,530	2,636,870	458,982	18,905,761
0	0	0	669,071	600	0	0	669,671
0	0	0	0	0	0	0	1,524,241
0	0	0	0	0	75,127	0	261,424
0	0	0	0	0	0	0	136,499
0	0	0	0	0	911,587	0	911,587
0	0	0	0	0	717	0	11,182
0	0	0	0	0	0	0	118,995
$ 1,573,213	$ 5,113,989	$ 458,024	$ 855,540	$ 723,315	$ 4,749,707	$ 654,873	$ 30,732,811
$ 0	$ 0	$ 385	$ 39,171	$ 0	$ 0	$ 39,719	$ 345,547
0	0	0	0	0	0	0	46,204
0	911,587	0	0	0	0	0	1,240,598
0	0	0	0	0	0	0	126,397
0	911,587	385	39,171	0	0	39,719	1,758,746
0	0	0	0	0	66,388	0	66,388
0	0	0	0	0	0	0	1,067,465
0	0	0	616,154	0	0	0	616,154
0	0	0	0	0	0	0	136,499
0	0	0	616,154	0	66,388	0	1,886,506
0	0	0	0	0	717	0	11,182
1,573,213	4,202,402	457,639	200,215	0	500,097	570,103	9,344,452
0	0	0	0	723,315	0	0	726,816
0	0	0	0	0	4,182,505	45,051	17,154,073
0	0	0	0	0	0	0	(148,964)
1,573,213	4,202,402	457,639	200,215	723,315	4,683,319	615,154	27,087,559
$ 1,573,213	$ 5,113,989	$ 458,024	$ 855,540	$ 723,315	$ 4,749,707	$ 654,873	$ 30,732,811

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2025

	Special Revenue						
	Community Service Center	**Hotel/Motel Tax**	**Economic Development**	**Confiscated Assets**	**Grants**	**HUD Grant**	**Revolving Loan**
REVENUES							
Taxes	$ 0	$ 2,292,257	$ 0	$ 0	$ 0	$ 0	$ 0
Fines, fees, and forfeitures	0	0	0	126,881	0	0	0
Charges for services	322,849	0	0	0	0	0	6,375
Intergovernmental	3,081,091	0	0	0	25,429	245,552	0
Investment	261,556	27,401	1,115,899	7,889	0	0	11,872
Contributions	200,466	0	0	0	42,018	0	0
Other	84,687	0	0	0	0	0	0
Total revenues	3,950,649	2,319,658	1,115,899	134,770	67,447	245,552	18,247
EXPENDITURES							
Current							
Public Safety	0	0	0	102,155	60,607	0	0
Public Works	0	0	0	0	0	0	0
Health and Welfare	6,482,190	0	0	0	0	0	0
Culture and Recreation	0	0	0	0	0	0	0
Housing and Development	0	1,625,425	64,073	0	14,000	444,839	0
Debt service	41,858	0	0	0	0	0	0
Total expenditures	6,524,048	1,625,425	64,073	102,155	74,607	444,839	0
Excess (deficiency) of revenues over (under) expenditures	(2,573,399)	694,233	1,051,826	32,615	(7,160)	(199,287)	18,247
Other financing sources (uses)							
Transfers in	1,213,484	0	2,500,000	0	5,720	0	0
Transfers out	0	(1,075,000)	0	0	0	0	0
Issuance of long-term debt	64,054	0	0	0	0	0	0
Total other financing sources (uses)	1,277,538	(1,075,000)	2,500,000	0	5,720	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,295,861)	(380,767)	3,551,826	32,615	(1,440)	(199,287)	18,247
Fund balances, July 1	5,518,914	845,403	6,067,275	184,746	17,814	56,600	216,217
Fund balances, June 30	$ 4,223,053	$ 464,636	$ 9,619,101	$ 217,361	$ 16,374	$ (142,687)	$ 234,464

Special Revenue							
Impact Fee	Tax Allocation District	Information Technology	Opioid Settlement	Cemetery Trust	Debt Service	Grants Capital Projects	Total Nonmajor Governmental Funds
$ 0	$ 1,146,972	$ 0	$ 0	$ 0	$ 4,696,712	$ 0	$ 8,135,941
0	0	50,794	82,290	0	0	0	259,965
1,119,291	0	0	0	64,859	0	0	1,513,374
0	2,728,295	0	0	0	0	587,879	6,668,246
79,653	181,301	21,866	0	36,123	339,232	0	2,082,792
0	0	0	0	0	0	0	242,484
0	0	0	0	0	0	0	84,687
1,198,944	4,056,568	72,660	82,290	100,982	5,035,944	587,879	18,987,489
0	0	23,761	39,171	0	0	0	225,694
0	0	0	0	0	0	1,096,341	1,096,341
0	0	0	0	0	0	0	6,482,190
850,000	0	0	0	0	0	0	850,000
0	1,715,894	0	0	0	0	0	3,864,231
0	0	0	0	0	6,139,126	0	6,180,984
850,000	1,715,894	23,761	39,171	0	6,139,126	1,096,341	18,699,440
348,944	2,340,674	48,899	43,119	100,982	(1,103,182)	(508,462)	288,049
0	0	0	0	0	1,258,881	0	4,978,085
(195,216)	(1,424,746)	0	0	(80,000)	(465,443)	0	(3,240,405)
0	0	0	0	0	0	0	64,054
(195,216)	(1,424,746)	0	0	(80,000)	793,438	0	1,801,734
153,728	915,928	48,899	43,119	20,982	(309,744)	(508,462)	2,089,783
1,419,485	3,286,474	408,740	157,096	702,333	4,993,063	1,123,616	24,997,776
$ 1,573,213	$ 4,202,402	$ 457,639	$ 200,215	$ 723,315	$ 4,683,319	$ 615,154	$ 27,087,559

NONMAJOR ENTERPRISE FUNDS

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Airport Fund *is used to account for activities connected with the operation of the Lee Gilmer Memorial Airport.*

Solid Waste Fund *is used to account for activities connected with the collection and disposal of residential, commercial, industrial and institutional solid waste, and for the maintenance of street rights-of-way.*

Chattahoochee Golf Course Fund *is used to account for activities connected with the operation of a public golf course owned by the City of Gainesville, Georgia.*

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2025

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
ASSETS				
Current assets				
Cash and cash equivalents	$ 677,944	$ 667,635	$ 1,205,602	$ 2,551,181
Investments	1,588,448	1,563,829	2,745,370	5,897,647
Restricted assets				
Cash and cash equivalents	0	0	76,008	76,008
Receivables				
Accounts (net)	21,922	246,140	109,539	377,601
Intergovernmental	226,768	0	0	226,768
Lease	562,072	0	0	562,072
Prepaid items	0	6,996	7,349	14,345
Total current assets	3,077,154	2,484,600	4,143,868	9,705,622
Noncurrent assets				
Lease receivable	2,397,576	0	0	2,397,576
Property held for development	0	0	9,840	9,840
Capital assets				
Non-depreciable	4,236,802	0	146,512	4,383,314
Depreciable/amortizable (net)	10,649,983	1,092,110	2,916,851	14,658,944
Total noncurrent assets	17,284,361	1,092,110	3,073,203	21,449,674
Total assets	20,361,515	3,576,710	7,217,071	31,155,296
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	29,173	164,681	75,078	268,932
Deferred outflows related to other post employment benefits	8,858	202,007	40,577	251,442
Total deferred outflows of resources	38,031	366,688	115,655	520,374
LIABILITIES				
Current liabilities				
Payables				
Accounts	37,772	35,610	95,848	169,230
Intergovernmental	0	46,900	0	46,900
Deposits	48,280	0	0	48,280
Sales tax	0	0	17,485	17,485
Interest	0	0	3,785	3,785
Accrued salaries	1,783	27,571	19,339	48,693
Compensated absences	15,407	83,523	189,302	288,232
Lease payable	0	0	67,748	67,748
Contracts payable	0	0	300,000	300,000
Other liabilities	0	0	75,119	75,119
Total current liabilities	103,242	193,604	768,626	1,065,472

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2025

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
Noncurrent liabilities				
Compensated absences	$ 1,712	$ 9,280	$ 21,034	$ 32,026
Net pension liability	129,456	448,858	43,108	621,422
Net OPEB liability	39,999	877,648	169,969	1,087,616
Lease payable	0	0	216,131	216,131
Total noncurrent liabilities	171,167	1,335,786	450,242	1,957,195
Total liabilities	274,409	1,529,390	1,218,868	3,022,667
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	4,718	108,434	77,293	190,445
Deferred inflows related to other post employment benefits	14,855	356,894	87,179	458,928
Deferred inflows related to leases	2,890,183	0	0	2,890,183
Total deferred inflows of resources	2,909,756	465,328	164,472	3,539,556
NET POSITION				
Net investment in capital assets	14,886,785	1,092,110	2,479,484	18,458,379
Restricted for capital outlay	0	0	76,008	76,008
Unrestricted	2,328,596	856,570	3,393,894	6,579,060
Total net position	$ 17,215,381	$ 1,948,680	$ 5,949,386	$ 25,113,447

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2025

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for sales and services	$ 1,246,605	$ 3,443,575	$ 2,077,867	$ 6,768,047
Other	106	16,829	26,169	43,104
Total operating revenues	1,246,711	3,460,404	2,104,036	6,811,151
OPERATING EXPENSES				
Costs of sales and services	617,180	1,431,972	635,596	2,684,748
Personal services	103,261	1,943,346	1,008,753	3,055,360
Depreciation and amortization	866,030	600,539	585,534	2,052,103
Total operating expenses	1,586,471	3,975,857	2,229,883	7,792,211
Operating income (loss)	(339,760)	(515,453)	(125,847)	(981,060)
NONCAPITAL SUBSIDIES				
Contributions	0	0	2,500	2,500
Operating income (loss) and noncapital subsidies	(339,760)	(515,453)	(123,347)	(978,560)
OTHER NONOPERATING REVENUES (EXPENSES)				
Investment revenue	109,636	122,358	53,555	285,549
Intergovernmenetal revenue	2,558,727	0	0	2,558,727
Interest expense	0	(4,363)	(34,356)	(38,719)
Gain (loss) on sale of capital assets	0	0	3,416	3,416
Transfers in - restricted for capital assets	0	0	3,061,073	3,061,073
Transfers out - restricted for capital assets	0	(9,120)	0	(9,120)
Total other non-operating revenues (expenses)	2,668,363	108,875	3,083,688	5,860,926
Change in net position	2,328,603	(406,578)	2,960,341	4,882,366
Net position, July 1	14,886,778	2,355,258	2,989,045	20,231,081
Net position, June 30	$ 17,215,381	$ 1,948,680	$ 5,949,386	$ 25,113,447

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2025

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from customers	$ 1,238,753	$ 3,442,865	$ 2,046,651	$ 6,728,269
Payments to suppliers	(631,145)	(1,419,323)	(594,292)	(2,644,760)
Payments to employees	(104,615)	(1,993,887)	(965,357)	(3,063,859)
Other receipts	106	16,829	26,169	43,104
Net cash provided (used) by operating activities	503,099	46,484	513,171	1,062,754
Cash flows from non-capital financing activities:				
Operating subsidies received - contributions	0	0	2,500	2,500
Cash flows from capital and related financing activities:				
Receipts from other funds	0	0	3,061,073	3,061,073
Receipts from other governments	2,331,959	0	0	2,331,959
Proceeds from sale of capital assets	0	0	4,725	4,725
Interest paid	0	(5,812)	(28,108)	(33,920)
Acquisition of capital assets	(2,803,004)	0	(129,755)	(2,932,759)
Principal payments - contracts payable	0	0	(295,000)	(295,000)
Principal payments - leases payable	0	0	(114,394)	(114,394)
Principal payments - notes payable	0	(159,188)	0	(159,188)
Net cash provided (used) by capital and related financing activities	(471,045)	(165,000)	2,498,541	1,862,496
Cash flows from investing activities:				
Receipts of investment revenue	79,549	90,645	39,732	209,926
Purchase of investments	(1,677,397)	(1,576,733)	(4,453,414)	(7,707,544)
Proceeds from sale of investments	1,288,528	1,270,649	2,249,047	4,808,224
Net cash provided (used) by investing activities	(309,320)	(215,439)	(2,164,635)	(2,689,394)
Net increase (decrease) in cash and cash equivalents	(277,266)	(333,955)	849,577	238,356
Cash and cash equivalents, July 1	955,210	1,001,590	432,033	2,388,833
Cash and cash equivalents, June 30	$ 677,944	$ 667,635	$ 1,281,610	$ 2,627,189

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2025

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (339,760)	$ (515,453)	$ (125,847)	$ (981,060)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation and amortization	866,030	600,539	585,534	2,052,103
(Increase) decrease in accounts receivable	751	(710)	(32,730)	(32,689)
(Increase) decrease in leases receivable	631,779	0	0	631,779
(Increase) decrease in other receivables	0	0	3,204	3,204
(Increase) decrease in prepaid items	0	(6,996)	(7,349)	(14,345)
(Increase) decrease in deferred outflows of resources	(3,926)	(882)	(29,579)	(34,387)
Increase (decrease) in accounts payable	(13,965)	14,076	38,792	38,903
Increase (decrease) in intergovernmental payable	0	5,569	0	5,569
Increase (decrease) in sales tax payable	0	0	(1,690)	(1,690)
Increase (decrease) in accrued salaries and benefits	4,052	18,318	28,311	50,681
Increase (decrease) in other liabilities	0	0	9,861	9,861
Increase (decrease) in net pension liability	(8,153)	(168,654)	(39,588)	(216,395)
Increase (decrease) in deferred inflows of resources	(633,955)	95,257	82,527	(456,171)
Increase (decrease) in net OPEB liability	246	5,420	1,725	7,391
Total adjustments	842,859	561,937	639,018	2,043,814
Net cash provided (used) by operating activities	$ 503,099	$ 46,484	$ 513,171	$ 1,062,754
Cash and cash equivalents reconciliation:				
Cash and cash equivalents	$ 677,944	$ 667,635	$ 1,205,602	$ 2,551,181
Restricted assets				
Cash and cash equivalents	0	0	76,008	76,008
Total cash and cash equivalents	$ 677,944	$ 667,635	$ 1,281,610	$ 2,627,189

Noncash investing, capital, and financing activities:

Acquisition of capital assets through lease arrangements totaled $310,056.

INTERNAL SERVICE FUNDS

General Insurance Fund *- This fund is used to account for property, liability, and workers' compensation insurance provided to the City departments.*

Employee Benefits Fund *- This fund is used to account for the cost of providing life and health insurance benefits to City employees and participating dependents.*

Vehicle Services Fund *- This fund is used to account for the cost of providing maintenance and repairs on all City owned vehicles.*

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2025

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 573,466	$ 946,021	$ 88,743	$ 1,608,230
Investments	1,343,656	2,241,429	207,227	3,792,312
Receivables				
Accounts	30,522	4,562	0	35,084
Intergovernmental	0	0	6,751	6,751
Inventory	0	0	117,038	117,038
Prepaid items	109,101	15,928	6,628	131,657
Other assets	124,444	0	0	124,444
Total current assets	2,181,189	3,207,940	426,387	5,815,516
Noncurrent assets				
Depreciable capital assets (net)	0	0	152,087	152,087
Total assets	2,181,189	3,207,940	578,474	5,967,603
LIABILITIES				
Current liabilities				
Payables				
Accounts	0	66,476	116,102	182,578
Deposits	0	232,183	0	232,183
Accrued salaries	0	0	9,974	9,974
Compensated absences	0	0	46,762	46,762
Claims reserve	1,076,514	630,613	0	1,707,127
Total current liabilities	1,076,514	929,272	172,838	2,178,624
Noncurrent liabilities				
Compensated absences	0	0	5,196	5,196
Total liabilities	1,076,514	929,272	178,034	2,183,820
NET POSITION				
Investment in capital assets	0	0	152,087	152,087
Unrestricted	1,104,675	2,278,668	248,353	3,631,696
Total net position	$ 1,104,675	$ 2,278,668	$ 400,440	$ 3,783,783

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2025

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
OPERATING REVENUES				
Interfund services provided	$ 2,565,341	$ 12,988,188	$ 2,782,014	$ 18,335,543
Other	203,383	0	5,040	208,423
Total operating revenues	2,768,724	12,988,188	2,787,054	18,543,966
OPERATING EXPENSES				
Costs of services	2,405,811	12,983,951	2,187,232	17,576,994
Personal services	0	0	608,853	608,853
Depreciation	0	0	27,345	27,345
Total operating expenses	2,405,811	12,983,951	2,823,430	18,213,192
Operating income (loss)	362,913	4,237	(36,376)	330,774
OTHER NONOPERATING REVENUES (EXPENSES)				
Investment revenue	65,535	84,218	0	149,753
Transfers in - restricted for capital assets	0	0	36,914	36,914
Transfers out - restricted for capital assets	(95,839)	0	0	(95,839)
Total other nonoperating revenues (expenses)	(30,304)	84,218	36,914	90,828
Change in net position	332,609	88,455	538	421,602
Net position, July 1	772,066	2,190,213	399,902	3,362,181
Net position, June 30	$ 1,104,675	$ 2,278,668	$ 400,440	$ 3,783,783

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2025

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
Cash flows from operating activities:				
Receipts from interfund services provided	$ 2,563,972	$ 13,135,098	$ 2,820,392	$ 18,519,462
Payments to suppliers	(2,616,769)	(12,781,118)	(2,207,279)	(17,605,166)
Payments to employees	0	0	(592,490)	(592,490)
Other receipts	203,383	0	5,040	208,423
Net cash provided (used) by operating activities	150,586	353,980	25,663	530,229
Cash flows from capital and related financing activities:				
Payments to other funds	(95,839)	0	0	(95,839)
Receipts from other funds	0	0	36,914	36,914
Acquisition of capital assets	0	0	(36,914)	(36,914)
Net cash provided (used) by capital and related financing activities	(95,839)	0	0	(95,839)
Cash flows from investing activities:				
Receipts of investment revenue	42,352	61,075	0	103,427
Proceeds from sale of investments	1,087,688	1,198,905	164,175	2,450,768
Purchase of investments	(1,419,133)	(1,903,929)	(222,782)	(3,545,844)
Net cash provided (used) by investing activities	(289,093)	(643,949)	(58,607)	(991,649)
Net increase (decrease) in cash and cash equivalents	(234,346)	(289,969)	(32,944)	(557,259)
Cash and cash equivalents, July 1	807,812	1,235,990	121,687	2,165,489
Cash and cash equivalents, June 30	$ 573,466	$ 946,021	$ 88,743	$ 1,608,230
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 362,913	$ 4,237	$ (36,376)	$ 330,774
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	0	0	27,345	27,345
(Increase) decrease in accounts receivable	(1,369)	150,219	0	148,850
(Increase) decrease in intergovernmental receivables	0	0	38,378	38,378
(Increase) decrease in inventory	0	0	9,710	9,710
(Increase) decrease in prepaids	55,073	(2,928)	(6,628)	45,517
(Increase) decrease in other assets	8,300	0	0	8,300
Increase (decrease) in accounts payable	(7,256)	8,883	(23,129)	(21,502)
Increase (decrease) in deposits payable	0	15,999	0	15,999
Increase (decrease) in unearned revenue	0	(3,309)	0	(3,309)
Increase (decrease) in accrued salaries and benefits	0	0	16,363	16,363
Increase (decrease) in claims reserve	(267,075)	180,879	0	(86,196)
Total adjustments	(212,327)	349,743	62,039	199,455
Net cash provided (used) by operating activities	$ 150,586	$ 353,980	$ 25,663	$ 530,229

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF GAINESVILLE, GEORGIA
COMMUNITY SERVICE CENTER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 292,401	$ 322,849	$ 30,448
Intergovernmental	5,134,332	3,081,091	(2,053,241)
Investment	230,000	261,556	31,556
Contributions	200,500	200,466	(34)
Other	85,720	84,687	(1,033)
Total revenues	5,942,953	3,950,649	(1,992,304)
EXPENDITURES			
Current			
Health and Welfare			
Personal services	3,347,986	2,593,894	754,092
Other	2,426,467	2,195,596	230,871
Capital outlay	1,806,054	1,692,700	113,354
Debt service	41,858	41,858	0
Total expenditures	7,622,365	6,524,048	1,098,317
Excess (deficiency) of revenues over (under) expenditures	(1,679,412)	(2,573,399)	(893,987)
Other financing sources (uses)			
Transfers in (out)			
General Fund	1,213,484	1,213,484	0
Issuance of long-term debt	0	64,054	64,054
Total other financing sources (uses)	1,213,484	1,277,538	64,054
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(465,928)	(1,295,861)	(829,933)
Fund balance, July 1	465,928	5,518,914	5,052,986
Fund balances, June 30	$ 0	$ 4,223,053	$ 4,223,053

CITY OF GAINESVILLE, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	$ 2,000,000	$ 2,292,257	$ 292,257
Investment	26,425	27,401	976
Total revenues	2,026,425	2,319,658	293,233
EXPENDITURES			
Current			
Housing and Development			
Other	1,645,425	1,625,425	20,000
Excess (deficiency) of revenues over (under) expenditures	381,000	694,233	313,233
Other financing sources (uses)			
Transfers in (out)			
Debt Service Fund	(375,000)	(375,000)	0
General Government Capital Projects Fund	(700,000)	(700,000)	0
Total other financing sources (uses)	(1,075,000)	(1,075,000)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(694,000)	(380,767)	313,233
Fund balances, July 1	694,000	845,403	151,403
Fund balances, June 30	$ 0	$ 464,636	$ 464,636

CITY OF GAINESVILLE, GEORGIA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Investment	$ 323,000	$ 1,115,899	$ 792,899
EXPENDITURES			
Current			
Housing and Development			
Other	323,000	64,073	258,927
Excess (deficiency) of revenues over (under) expenditures	0	1,051,826	533,972
Other financing sources (uses)			
Transfers in (out)			
General Fund	0	2,500,000	(2,500,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	3,551,826	3,551,826
Fund balances, July 1	0	6,067,275	6,067,275
Fund balances, June 30	$ 0	$ 9,619,101	$ 9,619,101

CITY OF GAINESVILLE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	$ 95,000	$ 126,881	$ 31,881
Investment	6,000	7,889	1,889
Total revenues	101,000	134,770	33,770
EXPENDITURES			
Current			
Public Safety			
Other	186,321	102,155	84,166
Excess (deficiency) of revenues over (under) expenditures	(85,321)	32,615	117,936
Fund balance, July 1	85,321	184,746	99,425
Fund balances, June 30	$ 0	$ 217,361	$ 217,361

CITY OF GAINESVILLE, GEORGIA
GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 12,000	$ 25,429	$ 13,429
Contributions	90,000	42,018	(47,982)
Total revenues	102,000	67,447	(34,553)
EXPENDITURES			
Current			
Public Safety	94,000	60,607	33,393
Housing and Development	14,000	14,000	0
Total expenditures	108,000	74,607	33,393
Excess (deficiency) of revenues over (under) expenditures	(6,000)	(7,160)	(1,160)
Other financing sources (uses)			
Transfers in (out)			
General Fund	6,000	5,720	(280)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(1,440)	(1,440)
Fund balance, July 1	0	17,814	17,814
Fund balances, June 30	$ 0	$ 16,374	$ 16,374

CITY OF GAINESVILLE, GEORGIA
HUD GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 1,057,648	$ 245,552	$ (812,096)
EXPENDITURES			
Current			
Housing and Development			
Personal services	247,679	1,081	246,598
Other	913,501	443,758	469,743
Total expenditures	1,161,180	444,839	716,341
Excess (deficiency) of revenues over (under) expenditures	(103,532)	(199,287)	(95,755)
Fund balances, July 1	103,532	56,600	(46,932)
Fund balances, June 30	$ 0	$ (142,687)	$ (142,687)

CITY OF GAINESVILLE, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 8,500	$ 6,375	$ (2,125)
Investment	15,000	11,872	(3,128)
Total revenues	23,500	18,247	(5,253)
EXPENDITURES			
Current			
Housing and Development			
Other	23,500	0	23,500
Excess (deficiency) of revenues over (under) expenditures	0	18,247	18,247
Fund balances, July 1	0	216,217	216,217
Fund balances, June 30	$ 0	$ 234,464	$ 234,464

CITY OF GAINESVILLE, GEORGIA
IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 1,982,750	$ 1,119,291	$ (863,459)
Investment	66,450	79,653	13,203
Total revenues	2,049,200	1,198,944	(850,256)
EXPENDITURES			
Current			
Culture and Recreation			
Other	1,825,450	850,000	975,450
Excess (deficiency) of revenues over (under) expenditures	223,750	348,944	125,194
Other financing sources (uses)			
Transfers in (out)			
General Fund	(63,750)	(35,216)	28,534
General Government Capital Projects Fund	(160,000)	(160,000)	0
Total other financing sources (uses)	(223,750)	(195,216)	28,534
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	153,728	153,728
Fund balances, July 1	0	1,419,485	1,419,485
Fund balances, June 30	$ 0	$ 1,573,213	$ 1,573,213

CITY OF GAINESVILLE, GEORGIA
TAX ALLOCATION DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Property taxes	$ 992,337	$ 1,146,972	$ 154,635
Intergovernmental	2,466,440	2,728,295	261,855
Investment	169,100	181,301	12,201
Total revenues	3,627,877	4,056,568	428,691
EXPENDITURES			
Current			
Housing and Development			
Other	3,785,357	1,715,894	2,069,463
Excess (deficiency) of revenues over (under) expenditures	(157,480)	2,340,674	2,498,154
Other financing sources (uses)			
Transfers in (out)			
General Government Capital Projects Fund	(1,300,000)	(1,300,000)	0
Debt Service Fund	(134,836)	(124,746)	10,090
Total other financing sources (uses)	(1,434,836)	(1,424,746)	10,090
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,592,316)	915,928	2,508,244
Fund balances, July 1	1,592,316	3,286,474	1,694,158
Fund balances, June 30	$ 0	$ 4,202,402	$ 4,202,402

CITY OF GAINESVILLE, GEORGIA
INFORMATION TECHNOLOGY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	$ 41,560	$ 50,794	$ 9,234
Investment	17,700	21,866	4,166
Total revenues	59,260	72,660	13,400
EXPENDITURES			
Current			
Public Safety			
Other	36,398	23,761	12,637
Capital outlay	22,862	0	22,862
Total expenditures	59,260	23,761	35,499
Excess (deficiency) of revenues over (under) expenditures	0	48,899	48,899
Fund balances, July 1	0	408,740	408,740
Fund balances, June 30	$ 0	$ 457,639	$ 457,639

CITY OF GAINESVILLE, GEORGIA
OPIOID SETTLEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	$ 90,000	$ 82,290	$ (7,710)
Total revenues	90,000	82,290	(7,710)
EXPENDITURES			
Current			
Public Safety			
Other	171	171	0
Capital outlay	39,829	39,000	829
Total expenditures	40,000	39,171	829
Excess (deficiency) of revenues over (under) expenditures	50,000	43,119	(6,881)
Other financing sources (uses)			
Transfers in (out)			
General Fund	(50,000)	0	50,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	43,119	43,119
Fund balances, July 1	0	157,096	157,096
Fund balances, June 30	$ 0	$ 200,215	$ 200,215

CITY OF GAINESVILLE, GEORGIA
CEMETERY TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Sales and services	$ 60,000	$ 64,859	$ 4,859
Investment	30,000	36,123	6,123
Total revenues	90,000	100,982	10,982
EXPENDITURES			
Public Works			
Other	0	0	0
Total expenditures	0	0	0
Excess (deficiency) of revenues over (under) expenditures	90,000	100,982	10,982
Other financing sources (uses)			
Transfers in (out)			
General Government			
Capital Projects Fund	(105,000)	(80,000)	25,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(15,000)	20,982	35,982
Fund balances, July 1	15,000	702,333	687,333
Fund balances, June 30	$ 0	$ 723,315	$ 723,315

Debt Service Fund

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

CITY OF GAINESVILLE, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Property taxes	$ 4,571,618	$ 4,696,712	$ 125,094
Investment	196,208	339,232	143,024
Total revenues	4,767,826	5,035,944	268,118
EXPENDITURES			
Debt Service			
Principal	3,933,415	4,037,518	(104,103)
Interest and fiscal charges	2,048,780	2,101,608	(52,828)
Total expenditures	5,982,195	6,139,126	(156,931)
Excess (deficiency) of revenues over (under) expenditures	(1,214,369)	(1,103,182)	111,187
Other financing sources (uses)			
Transfers in (out)			
SPLOST Capital Projects Fund	759,135	759,135	0
Tax Allocation District Special Revenue Fund	134,836	124,746	(10,090)
Hotel/Motel Tax Special Revenue Fund	375,000	375,000	0
General Government Capital Projects Fund	0	(465,443)	(465,443)
Contingency	(54,602)	0	54,602
Total other financing sources (uses)	1,214,369	793,438	(420,931)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(309,744)	(309,744)
Fund balances, July 1	0	4,993,063	4,993,063
Fund balances, June 30	$ 0	$ 4,683,319	$ 4,683,319

COMPONENT UNITS

Parks and Recreation *- This component unit is used to account for the government's share of tax revenues legally restricted for operation and maintenance of the government's recreation facilities and parks.*

Gainesville Convention and Visitor's Bureau *- This component unit's primary purpose is to promote tourism, conventions, and trade shows, as well as showcase the City of Gainesville as a whole.*

Gainesville-Hall County Land Bank *- This component unit's primary purpose is to acquire tax delinquent properties for future sale and development.*

CITY OF GAINESVILLE, GEORGIA
PARKS AND RECREATION (A COMPONENT UNIT)
BALANCE SHEET
June 30, 2025

ASSETS		
Cash and cash equivalents	$	1,341,036
Investments		3,653,859
Receivables		
Accounts		43,416
Property tax		127,683
Prepaid items		45,652
Restricted assets		
Cash and cash equivalents		218,965
Total assets	$	5,430,611
LIABILITIES		
Payables		
Accounts	$	505,575
Intergovernmental		3,000
Sales tax		14,153
Accrued salaries		111,783
Unearned revenue		400
Other		21,114
Total liabilities		656,025
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes		113,389
FUND BALANCES		
Nonspendable		45,652
Restricted for:		
H H Dean Park		18,965
Capital projects		71,744
Committed for:		
Park Foundation		3,550
Development Fund		200,000
Facilities and Maintenance		125,000
Children at Play Fund		10,000
Assigned for Culture and Recreation		4,186,286
Total fund balances		4,661,197
Total liabilities, deferred inflows of resources, and fund balances	$	5,430,611

CITY OF GAINESVILLE, GEORGIA
PARKS AND RECREATION (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Property taxes	$ 7,467,839	$ 7,947,784	$ 479,945
Charges for sales and services			
Recreation Division	202,683	162,969	(39,714)
Lanier Point/Ivey Watson	330,490	348,132	17,642
Youth Sports Booster Club	122,640	112,625	(10,015)
Gainesville Civic Center	383,065	546,914	163,849
Frances Meadows Community Center	1,075,130	1,101,324	26,194
Intergovernmental	1,700,000	850,000	(850,000)
Contributions	4,900	4,900	0
Investment	235,322	303,579	68,257
Other	39,466	46,284	6,818
Total revenues	11,561,535	11,424,511	(137,024)
EXPENDITURES			
Current			
Culture and recreation			
Administration Division	1,252,858	1,132,746	120,112
Recreation Division	695,499	552,680	142,819
Parks Division	2,067,102	2,792,721	(725,619)
Maintenance Shop	174,736	171,384	3,352
Lanier Point/Ivey Watson	512,664	498,818	13,846
Youth Sports Booster Club	230,269	206,036	24,233
Gainesville Civic Center	902,258	806,488	95,770
Frances Meadows Center	2,324,468	2,235,482	88,986
Capital outlay	5,872,053	3,458,934	2,413,119
Total expenditures	14,031,907	11,855,289	2,176,618
Excess (deficiency) of revenues over (under) expenditures	(2,470,372)	(430,778)	2,039,594
Other financing sources (uses)			
Sale of capital assets	3,000	280	(2,720)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,467,372)	(430,498)	2,036,874
Fund balances, July 1	2,467,372	5,091,695	2,624,323
Fund balances, June 30	$ 0	$ 4,661,197	$ 4,661,197

CITY OF GAINESVILLE, GEORGIA
PARKS AND RECREATION (A COMPONENT UNIT)
OPERATING ACTIVITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Property taxes	$ 7,467,839	$ 7,947,784	$ 479,945
Charges for sales and services			
Recreation Division	202,683	162,969	(39,714)
Lanier Point/Ivey Watson	330,490	348,132	17,642
Youth Sports Booster Club	122,640	112,625	(10,015)
Gainesville Civic Center	383,065	546,914	163,849
Frances Meadows Center	1,075,130	1,101,324	26,194
Intergovernmental	850,000	0	(850,000)
Investment	235,322	303,579	68,257
Contributions	4,900	4,900	0
Other	39,466	46,284	6,818
Total revenues	10,711,535	10,574,511	(137,024)
EXPENDITURES			
Current			
Culture and recreation			
Administrative services	1,252,858	1,132,746	120,112
Recreational services	695,499	552,680	142,819
Park services	2,067,102	1,932,721	134,381
Maintenance shop	174,736	171,384	3,352
Lanier Point/Ivey Watson	512,664	498,818	13,846
Booster Club	230,269	206,036	24,233
Civic Center	902,258	806,488	95,770
Frances Meadows Center	2,324,468	2,235,482	88,986
Total expenditures	8,159,854	7,536,355	623,499
Excess (deficiency) of revenues over (under) expenditures	2,551,681	3,038,156	486,475
Other financing sources (uses)			
Transfers in (out)			
Capital Projects Activity	(2,820,000)	(2,820,000)	0
Sales of capital assets	3,000	280	(2,720)
Total other financing sources (uses)	(2,817,000)	(2,819,720)	(2,720)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(265,319)	$ 218,436	$ 483,755
Fund balances, July 1	265,319		
Fund balances, June 30	$ 0		

CITY OF GAINESVILLE, GEORGIA
PARKS AND RECREATION (A COMPONENT UNIT)
CAPITAL PROJECTS ACTIVITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 850,000	$ 850,000	$ 0
EXPENDITURES			
Current			
Culture and recreation			
Capital outlay	5,872,053	4,318,934	1,553,119
Excess (deficiency) of revenues over (under) expenditures	(5,022,053)	(3,468,934)	1,553,119
Other financing sources (uses)			
Transfers in (out)			
Operating Activity	2,820,000	2,820,000	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,202,053)	$ (648,934)	$ 1,553,119
Fund balances, July 1	2,202,053		
Fund balances, June 30	$ 0		

CITY OF GAINESVILLE, GEORGIA
CONVENTION AND VISITOR'S BUREAU (A COMPONENT UNIT)
BALANCE SHEET
June 30, 2025

ASSETS		
Cash and cash equivalents	$	305,158
Investments		715,002
Accounts receivable		38,967
Prepaid items		3,374
Total assets	$	1,062,501
LIABILITIES		
Accounts payable	$	110,583
Accrued salaries		18,043
Other liabilities		3,530
Unearned revenue		27,938
Total liabilities		160,094
FUND BALANCES		
Nonspendable		3,374
Restricted for Housing and Development		5,255
Assigned for:		
Housing and Development		893,778
Total fund balances		902,407
Total liabilities and fund balances	$	1,062,501

CITY OF GAINESVILLE, GEORGIA
CONVENTION AND VISITOR'S BUREAU (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 1,625,425	$ 1,625,425	$ 0
Charges for sales and services	324,891	508,083	183,192
Investment revenue	59,800	64,169	4,369
Contributions	56,292	86,790	30,498
Rental revenue	27,500	34,080	6,580
Other	6,000	53,228	47,228
Total revenues	2,099,908	2,371,775	271,867
EXPENDITURES			
Current			
Housing and Development			
Personal services	1,259,816	1,079,978	179,838
Other	1,870,207	1,809,781	60,426
Total expenditures	3,130,023	2,889,759	240,264
Excess (deficiency) of revenues over (under) expenditures	(1,030,115)	(517,984)	512,131
Fund balances, July 1	1,030,115	1,420,391	390,276
Fund balances, June 30	$ 0	$ 902,407	$ 902,407

CITY OF GAINESVILLE, GEORGIA
GAINESVILLE-HALL COUNTY LAND BANK (A COMPONENT UNIT)
BALANCE SHEET
June 30, 2025

ASSETS		
Cash and cash equivalents	$	60,323
Property held for development		287,333
Total assets	$	347,656
FUND BALANCES		
Assigned for Housing and Development	$	347,656

CITY OF GAINESVILLE, GEORGIA
GAINESVILLE-HALL COUNTY LAND BANK (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 100,000	$ 100,000	$ 0
Contributions	380,449	380,449	0
Total revenues	480,449	480,449	0
EXPENDITURES			
Current			
Housing and Development			
Capital Outlay	380,449	0	380,449
Other	480,449	380,733	99,716
Total expenditures	860,898	380,733	480,165
Excess (deficiency) of revenues over (under) expenditures	(380,449)	99,716	480,165
Fund balances, July 1	380,449	247,940	(132,509)
Fund balances, June 30	$ 0	$ 347,656	$ 347,656

STATISTICAL SECTION

CITY OF GAINESVILLE, GEORGIA

Introduction to the Statistical Section

(Unaudited)

This part of the City of Gainesville's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information reveals about the City's overall financial health.

Contents **Pages**

Financial Trends……168-181

These tables/schedules contain trend information designed to assist the reader in understanding how the City has performed from a financial perspective over time.

Revenue Capacity……182-189

These tables/schedules contain information that may assist the reader in assessing the viability of the City's most significant revenue sources.

Debt Capacity……190-196

These tables/schedules present information designed to assist the reader in analyzing the affordability of the City's current levels of outstanding debt, and the City's ability to issue additional debt in the future.

Demographic and Economic Information……197-198

These tables/schedules offer demographic, economic and statistical information intended to assist the reader in understanding the environment in which the City's financial activities take place.

Operating Information……199-203

These tables/schedules contain service and infrastructure data to assist the reader in understanding how the information in the City's financial report relates to the services the government provides and the activities it performs.

Miscellaneous Information……204-211

These tables/schedules present various data relevant to the overall City and are intended to supply the reader with additional information regarding the City's facilities and services, as well as provide data that is required by bond covenants.

Source: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial report for the relevant year.

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

	Fiscal Year			
	2016	**2017**	**2018**	**2019**
Governmental activities				
Net investment in capital assets	$ 78,415,202	$ 77,972,132	$ 85,186,895	$ 85,297,394
Restricted	12,149,291	14,551,356	20,319,574	20,966,754
Unrestricted	(17,773,240)	(15,275,584)	(15,504,902)	(7,332,782)
Total governmental activities net position	$ 72,791,253	$ 77,247,904	$ 90,001,567	$ 98,931,366
Business-type activities				
Net investment in capital assets	$ 314,735,292	$ 330,315,818	$ 356,428,961	$ 374,995,209
Restricted	62,960,499	70,511,931	71,639,180	74,904,467
Unrestricted	12,598,780	19,773,475	17,937,185	25,220,109
Total business-type activities net position	$ 390,294,571	$ 420,601,224	$ 446,005,326	$ 475,119,785
Primary government				
Net investment in capital assets	$ 393,150,494	$ 408,287,950	$ 441,615,856	$ 460,292,603
Restricted	75,109,790	85,063,287	91,958,754	95,871,221
Unrestricted	(5,174,460) (1)	4,497,891 (1)	2,432,283	17,887,327
Total primary government net position	$ 463,085,824	$ 497,849,128	$ 536,006,893	$ 574,051,151

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

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 90,462,073	$ 96,131,153	$ 106,806,030	$ 106,636,895	$ 113,957,589	$ 97,659,728
24,133,297	27,732,529	26,614,795	31,428,129	40,423,803	44,128,479
(8,799,994)	(6,773,564)	1,601,999	15,013,097	19,222,050	26,367,595
$ 105,795,376	$ 117,090,118	$ 135,022,824	$ 153,078,121	$ 173,603,442	$ 168,155,802
$ 402,469,168	$ 425,024,543	$ 453,946,820	$ 468,176,819	$ 517,797,849	$ 574,025,433
75,163,386	81,518,990	93,506,224	116,976,970	101,585,530	108,588,134
26,528,099	31,035,026	24,848,971	26,683,129	43,604,920	41,417,730
$ 504,160,653	$ 537,578,559	$ 572,302,015	$ 611,836,918	$ 662,988,299	$ 724,031,297
$ 492,931,241	$ 521,155,696	$ 560,752,850	$ 574,813,714	$ 631,755,438	$ 671,685,161
99,296,683	109,251,519	120,121,019	148,405,099	142,009,333	152,716,613
17,728,105	24,261,462	26,450,970	41,696,226	62,826,970	67,785,325
$ 609,956,029	$ 654,668,677	$ 707,324,839	$ 764,915,039	$ 836,591,741	$ 892,187,099

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

	Fiscal Year			
Expenses	**2016**	**2017**	**2018**	**2019**
Governmental activities:				
General Government	$ 4,368,490	$ 6,429,519 (1)	$ 7,228,783	$ 7,672,674
Judicial	523,970	544,083	544,453	556,125
Public Safety	19,480,809	18,168,500 (2)	19,918,725	19,889,133
Public Works	10,317,369	7,199,267 (1)	6,908,200	11,350,947
Health and Welfare	2,591,485	2,726,152	2,416,453	2,484,051
Culture and Recreation	436,250	348,180	415,439	628,343
Housing and Development	2,406,705	3,769,857 (2)	2,683,936	3,481,766
Interest on long-term debt	533,058	619,743	509,730	652,514
Total governmental activities expenses	40,658,136	39,805,301	40,625,719	46,715,553
Business-type activities:				
Water and Sewer	47,333,997	46,270,110	52,940,044 (4)	54,113,056 (4)
Airport	1,109,029	1,526,612	1,091,970	1,296,607
Solid Waste	2,210,416	2,195,951	2,274,033	2,400,048
Golf Course	1,290,865	1,304,992	1,356,195	1,307,389
Total business-type activities expenses	51,944,307	51,297,665	57,662,242	59,117,100
Total primary government expenses	$ 92,602,443	$ 91,102,966	$ 98,287,961	$ 105,832,653
Indirect Costs				
Governmental activities:				
General Government	(1,376,788)	(1,370,895)	(1,398,722)	(1,444,339)
Business-type activities:				
Water and Sewer	1,020,775	1,014,882	1,042,707	1,088,326
Airport	209,561	209,561	209,563	209,561
Solid Waste	146,452	146,452	146,452	146,452
Total Business-type activities indirect cost	1,376,788	1,370,895	1,398,722	1,444,339
Total primary government indirect cost	$ 0	$ 0	$ 0	$ 0
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	$ 719,185	$ 748,458	$ 762,256	$ 794,308
Public Safety	1,735,868	1,944,818	1,680,375	1,740,436
Public Works	134,580	219,680	198,769	216,335
Health and Welfare	144,162	106,322	93,300	93,394
Housing and Development	1,216,162	2,259,780 (3)	1,858,414 (3)	1,808,750
Operating grants and contributions	2,782,085	3,602,699	4,397,910	2,637,112
Capital grants and contributions	6,087,822	7,932,793	12,067,786	9,548,057
Total governmental activities program revenues	12,819,864	16,814,550	21,058,810	16,838,392
Business-Type activities:				
Charges for services:				
Water and Sewer	66,596,028	71,521,460	71,963,509	74,135,037
Airport	925,009	919,344	931,143	975,041
Solid Waste	2,619,559	2,769,222	2,887,724	2,965,987
Golf Course	1,034,234	1,089,431	1,061,026	1,063,022
Operating grants and contributions	0	0	0	0
Capital grants and contributions	9,142,616	9,020,084	9,519,821	10,348,687
Total business-type activities program revenues	80,317,446	85,319,541	86,363,223	89,487,774
Total primary government program revenues	$ 93,137,310	$ 102,134,091	$ 107,422,033	$ 106,326,166

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

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

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

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

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

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

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

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

Note (9): Significant increase due to $24.1 million of assets related to the Boathouse project distributed to the CVB Component Unit.

Fiscal Year						
2020	2021	2022	2023	2024	2025	
$ 7,171,633	$ 7,647,641	$ 10,946,609	$ 9,795,955	$ 11,046,169	$ 13,559,468	
617,082	556,743	651,673	690,774	706,695	824,136	
20,338,623	17,735,745	23,588,972	24,855,967	26,504,440	26,605,671	
7,973,739	9,727,865	12,380,025	8,723,597	10,017,538	11,680,255	
2,649,162	3,137,292	3,220,549	3,820,462	4,679,251	5,461,705	
3,622,553	1,957,824	3,661,245	9,545,794 [8]	11,578,009	13,112,014	
4,162,912	4,264,670	5,242,108	6,139,635	5,786,871	30,924,538 [9]	
688,833	589,483	547,859	1,640,686	2,232,166	2,094,718	
47,224,537	45,617,263	60,239,040	65,212,870	72,551,139	104,262,505	
54,006,176	55,179,213	55,337,045	61,182,395	65,834,885	75,480,458	
1,103,436	890,229	889,584	980,595	1,069,509	1,377,851	
2,852,637	2,866,847	3,054,118	3,514,926	3,659,373	3,837,297	
1,387,413	1,330,107	1,506,098	1,845,883	2,129,540	2,264,239	
59,349,662	60,266,396	60,786,845	67,523,799	72,693,307	82,959,845	
$ 106,574,199	$ 105,883,659	$ 121,025,885	$ 132,736,669	$ 145,244,446	$ 187,222,350	
(1,643,584)	(1,646,319)	(1,707,364)	(1,808,744)	(1,949,905)	(2,110,590)	
1,287,571	1,290,306	1,351,351	1,452,731	1,599,302	1,759,047	
209,561	209,561	209,561	209,561	208,306	208,620	
146,452	146,452	146,452	146,452	142,297	142,923	
1,643,584	1,646,319	1,707,364	1,808,744	1,949,905	2,110,590	
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	
$ 792,355	$ 867,964	$ 1,138,304	$ 1,007,585	$ 1,139,253	$ 1,155,292	
1,211,250	1,437,516	1,555,112	1,820,068	2,080,339	1,683,812	
224,940	324,790	302,985	328,518	322,758	239,231	
62,333	29,568	1,337,702	1,742,830	3,113,430	1,780,592	
1,554,688	2,000,571	4,935,499	3,013,793	2,760,850	1,659,849	
3,306,440	6,209,389 [5]	2,621,666	3,048,638	5,045,625	4,657,669	
8,054,209	11,833,470 [6]	21,880,646 [7]	17,113,083	15,082,736	20,982,447	
15,206,215	22,703,268	33,771,914	28,074,515	29,544,991	32,158,892	
73,915,527	76,119,056	77,799,111	80,946,873	85,752,900	92,616,748	
996,677	1,045,854	1,109,211	1,026,770	1,196,378	1,246,605	
2,969,641	2,972,679	3,054,103	3,197,533	3,332,928	3,443,575	
1,144,461	1,007,306	1,063,606	1,710,966	1,921,207	2,077,867	
0	410,880	0	0	221,178	202,500	
10,479,300	13,047,753	18,612,374	14,817,519	22,665,685	34,627,145	
89,505,606	94,603,528	101,638,405	101,699,661	115,090,276	134,214,440	
$ 104,711,821	$ 117,306,796	$ 135,410,319	$ 129,774,176	$ 144,635,267	$ 166,373,332	

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

	Fiscal Year			
	2016	**2017**	**2018**	**2019**
Net (expense)/revenue				
Governmental activities	$ (26,461,484)	$ (21,619,856)	$ (18,168,187)	$ (28,432,822)
Business-type activities	26,996,351	32,650,981	27,302,259	28,926,335
Total primary government net (expense)/revenue	534,867	11,031,125	9,134,072	493,513
General revenues and other changes in net position				
Governmental activities:				
Taxes				
Property	9,409,584	9,808,840	10,457,466	13,975,315
Intangibles	129,075	190,764	213,556	179,964
Franchise	4,381,245	4,501,181	4,208,097	4,507,256
Occupational	1,368,983	1,373,680	1,394,517	1,418,919
Insurance premium	1,948,090	2,203,406	2,346,272	2,433,437
Alcoholic beverages	1,129,284	1,166,259	1,152,257	1,160,672
Hotel/Motel	911,847	929,035	965,036	1,053,683
Local option sales	5,281,804	5,439,313	5,885,171	6,235,875
Investment earnings	72,796	2,001,892 (1)	481,963	2,421,542 (3)
Gain on sale of assets	605	574,310	887,411	60,948
Miscellaneous	183,512	373,513	441,322	337,490
Special Item-loss on demolition of building	0	(6,491,937) (2)	0	0
Transfers	3,720,948	4,006,251	3,920,070	3,577,520
Total governmental activities	28,537,773	26,076,507	32,353,138	37,362,621
Business-type activities				
Investment earnings	1,274,329	1,399,356	2,184,898	3,625,899
Gain on sale of assets	5,120	154,692	325,018	53,525
Miscellaneous	191,620	107,875	128,941	86,220
Transfers	(3,720,948)	(4,006,251)	(3,920,070)	(3,577,520)
Total business-type activities	(2,249,879)	(2,344,328)	(1,281,213)	188,124
Total primary government	26,287,894	23,732,179	31,071,925	37,550,745
Change in net position				
Governmental activities	2,076,289	4,456,651	14,184,951	8,929,799
Business-type activities	24,746,472	30,306,653	26,021,046	29,114,459
Total primary government	$ 26,822,761	$ 34,763,304	$ 40,205,997	$ 38,044,258

Note (1): Includes proceeds from the sale of Gainesville Business Park property.

Note (2): Demolition of jail facility.

Note (3): $2.4 million is comprised of $1.0 million from the sale of business park property, and $1.4 million in higher returns on invested cash.

Note (4): Negative investment earnings is due to the loss on the sale of Jesse Jewell property in September 2020.

Note (5): Includes a gain of $5 million for the sale of a lot at the 85 Business Park.

Note (6): Includes a gain of $3.6 million for the sale of the Main Street lot.

Note (7): Includes gains of $10.2 million for the sale of three lots at the 85 Business Park.

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ (30,374,738)	$ (21,267,676)	$ (24,759,762)	$ (35,329,611)	$ (41,056,243)	$ (69,993,023)
28,507,679	32,690,813	39,144,196	32,367,118	40,447,064	49,144,005
(1,867,059)	11,423,137	14,384,434	(2,962,493)	(609,179)	(20,849,018)
14,321,981	15,778,590	12,546,447	14,620,844	26,056,454	28,423,579
250,731	345,278	378,473	280,719	257,350	301,014
4,540,980	4,382,992	4,704,915	5,389,998	5,169,658	5,729,199
1,375,576	1,461,195	1,451,302	1,474,759	1,502,095	1,528,067
2,591,703	2,733,401	2,823,726	3,557,708	3,755,911	4,040,330
1,207,300	1,299,136	1,368,292	1,444,683	1,485,585	1,495,995
1,191,436	1,295,305	1,837,797	1,920,290	2,228,365	2,292,257
6,847,210	7,670,332	8,990,656	11,367,923	12,136,997	12,351,268
1,411,125	(4,382,463) [4]	(1,835,458)	2,268,298	5,491,721	7,167,766
55,689	194,590	131,194	3,649,326 [6]	101,304	71,620
282,974	283,639	447,676	706,439	972,622	388,505
0	0	0	0	0	0
3,162,043	1,500,423	9,840,641	6,635,321	1,956,263	755,783
37,238,748	32,562,418	42,685,661	53,316,308	61,114,325	64,545,383
3,521,550	1,948,286	(1,766,113)	3,017,794	8,439,592	12,456,406
15,172	81,498	6,696,082 [5]	10,616,894 [7]	3,798,063	3,416
158,510	197,732	488,744	115,266	133,325	194,954
(3,162,043)	(1,500,423)	(9,840,641)	(6,635,321)	(1,956,263)	(755,783)
533,189	727,093	(4,421,928)	7,114,633	10,414,717	11,898,993
37,771,937	33,289,511	38,263,733	60,430,941	71,529,042	76,444,376
6,864,010	11,294,742	17,925,899	17,986,697	20,058,082	(5,447,640)
29,040,868	33,417,906	34,722,268	39,481,751	50,861,781	61,042,998
$ 35,904,878	$ 44,712,648	$ 52,648,167	$ 57,468,448	$ 70,919,863	$ 55,595,358

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

Fiscal Year	Property Tax	Intangible Tax	Franchise Tax	Occupational Tax
2016	$ 9,409,584	$ 129,075	$ 4,381,245	$ 1,368,983
2017	9,808,840	190,764	4,501,181	1,373,680
2018	10,457,466	213,556	4,208,097	1,394,517
2019	13,975,315	179,964	4,507,256	1,418,919
2020	14,321,981	250,731	4,540,980	1,375,576
2021	15,778,590	345,278	4,382,992	1,461,195
2022	12,546,447 (2)	378,473	4,704,915	1,451,302
2023	14,620,844 (2)	280,719	5,389,998	1,474,759
2024	26,056,454	257,350	5,169,658	1,502,095
2025	28,423,579	301,014	5,729,199	4,040,330

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

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

Insurance Premium Tax	Alcoholic Beverages Tax	Hotel/Motel Tax		Local Option Sales Tax	Total
$ 1,948,090	$ 1,129,284	$ 911,847		$ 5,281,804	$ 24,559,912
2,203,406	1,166,259	929,035		5,439,313	25,612,478
2,346,272	1,152,257	965,036		5,885,171	26,622,372
2,433,437	1,160,672	1,053,683		6,235,875	30,965,121
2,591,703	1,207,300	1,191,436	(1)	6,847,210	32,326,917
2,733,401	1,299,136	1,295,305		7,670,332	34,966,229
2,823,726	1,368,292	1,837,797		8,990,656	34,101,608
3,557,708	1,444,683	1,920,290		11,367,923	40,056,924
3,755,911	1,485,585	2,228,365		12,136,997	52,592,415
1,528,067	1,495,995	2,292,257		12,351,268	56,161,709

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

	Fiscal Year			
	2016	**2017**	**2018**	**2019**
General fund				
Nonspendable	$ 321,639	$ 295,256	$ 260,058	$ 225,794
Committed	4,957	4,957	4,957	4,957
Assigned	4,216,717	3,966,341	3,912,390	3,604,326
Unassigned	7,480,831	7,660,281	9,087,006	9,873,498
Total general fund	$ 12,024,144	$ 11,926,835	$ 13,264,411	$ 13,708,575
All other governmental funds				
Nonspendable	$ 81,390	$ 67,377	$ 44,754	$ 43,321
Restricted	11,805,659	14,227,632	20,027,515	20,714,683
Committed	244,531	275,253	298,141	385,580
Assigned	10,803,666	13,953,838	14,696,448	23,161,259
Total all other governmental funds	0	0	0	0
	$ 22,935,246	$ 28,524,100	$ 35,066,858	$ 44,304,843

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 13,851	$ 1,491	$ 1,622	$ 116	$ 68,093	$ 300,661
14,738	7,388	30,850	50,008	47,560	64,762
3,404,718	4,140,909	4,762,964	4,898,370	6,616,114	4,487,541
13,359,919	14,412,619	18,969,739	13,801,797	12,385,711	14,675,248
$ 16,793,226	$ 18,562,407	$ 23,765,175	$ 18,750,291	$ 19,117,478	$ 19,528,212
$ 37,620	$ 36,276	$ 5,018	$ 2,031,584	$ 2,098,116	$ 3,887,276
23,313,865	27,492,411	26,378,289	50,709,987	42,111,297	41,129,406
443,073	533,489	540,720	617,515	1,181,002	2,214,576
17,466,102	15,803,669	21,361,925	41,541,559	45,651,606	47,749,717
0	0	0	0	(4,837)	(148,964)
$ 41,260,660	$ 43,865,845	$ 48,285,952	$ 94,900,645	$ 91,037,184	$ 94,832,011

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

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Taxes	$ 24,610,752	$ 25,624,333	$ 26,666,787	$ 30,938,519
Licenses and permits	1,020,055	1,304,203	1,143,187	1,192,531
Fines, fees and forfeitures	1,735,869	1,944,818	1,680,375	1,740,436
Charges for services	3,589,559	4,295,317	3,883,589	4,262,070
Intergovernmental	7,821,598	9,388,179	11,639,676	3,141,267
Interest	54,687	1,975,871 (1)	406,995	8,027,081
Contributions	105,628	171,116	214,150	169,302
Other	183,516	373,513	441,324	337,486
Total revenues	39,121,664	45,077,350	46,076,083	49,808,692
Expenditures				
General Government	3,550,990	5,997,537 (2)	5,115,043	5,240,953
Judicial	470,043	521,707	523,018	536,900
Public Safety	16,187,899	16,466,971 (3)	17,713,931	18,420,807
Public Works	4,994,225	4,436,888 (2)	5,032,748	4,787,746
Health and Welfare	2,737,379	2,895,919	2,690,223	2,853,579
Culture and Recreation	400,000	234,283	245,982	626,120
Housing and Development	2,438,677	3,438,904 (3)	2,404,326	2,926,127
Debt Service	1,760,676	4,451,860	1,980,146	2,807,107
Capital Outlay	5,141,709	8,377,243	7,334,797	10,543,374
Total expenditures	37,681,598	46,821,312	43,040,214	48,742,713
Excess of revenues over (under) expenditures	1,440,066	(1,743,962)	3,035,869	1,065,979
Other financing sources (uses)				
Transfers in	7,835,912	10,656,899	9,950,013	14,065,057
Transfers out	(4,149,965)	(6,627,648)	(6,029,944)	(10,487,538)
Proceeds from long-term debt	0	2,437,264	10,932	4,933,489 (4)
Sale of capital assets	48,936	768,992	913,464	105,162
Total other financing sources (uses)	3,734,883	7,235,507	4,844,465	8,616,170
Net change in fund balances	$ 5,174,949	$ 5,491,545	$ 7,880,334	$ 9,682,149
Debt service as a percentage of noncapital expenditures	5.0%	11.5%	5.4%	6.5%

Note (1): Includes sale of investment property at Gainesville Business Park.

Note (2): Effective FY17, PLB expenses were included in General Government; in prior years these expenses were charged to Public Works.

Note (3): Effective FY17, Code Enforcement expenses were included in Housing and Development; in prior years these expenses were charged to Public Safety.

Note (4): Proceeds from debt borrowing for Downtown Parking Deck Expansion.

Note (5): Proceeds from debt borrowing related to Fire Truck purchase.

Note (6): Negative investment earnings is due to the loss on the sale of Jesse Jewell property in September 2020.

Note (7): Proceeds from debt borrowing related to police vehicles and equipment.

Note (8): Negative investment earnings is a result of the requirement of accounting for unrealized gains and losses even while our intention is to avoid selling investments at an actual loss.

Note (9): Proceeds from debt borrowing related to fire trucks.

Note (10): Proceeds from debt borrowing of $37 million for the Lake Lanier Olympic Park Boathouse, J. Melvin Cooper Youth Sports Complex, and retail space at the North Parking Deck.

Note (11): Includes a gain of $3.6 million for the sale of the Main Street lot.

Fiscal Year						
2020	2021	2022	2023	2024	2025
$ 31,964,390	$ 35,225,876	$ 34,174,206	$ 39,999,145	$ 52,447,064	$ 56,131,865
920,559	1,141,400	1,558,221	1,683,250	1,231,450	1,142,666
1,211,250	1,437,515	1,555,112	1,365,300	1,867,600	1,735,165
4,556,020	5,073,599	7,846,186	6,479,794	6,132,088	5,225,620
10,750,219	17,821,664	24,843,556	19,858,901	19,904,399	24,261,932
1,237,851	(4,446,697) (6)	(1,737,532) (8)	2,135,785	5,278,295	6,481,935
116,123	150,031	202,190	840,979	1,186,637	1,510,869
282,974	283,639	447,676	706,439	972,622	388,505
51,039,386	56,687,027	68,889,615	73,069,593	89,020,155	96,878,557
5,059,059	5,592,696	5,684,456	6,601,841	7,957,909	9,813,754
604,290	599,394	604,469	662,769	681,543	737,576
20,357,172	18,928,273	20,512,590	22,714,314	24,563,421	26,187,321
4,923,409	5,312,540	5,401,454	5,704,384	6,124,989	8,263,347
3,329,651	4,437,077	3,091,060	4,122,618	6,023,385	6,502,034
2,655,373	503,214	1,000,000	1,158,000	924,447	850,000
3,825,055	4,239,575	4,095,873	5,292,499	4,536,329	6,441,010
2,416,011	3,342,970	4,460,608	4,194,815	6,293,724	6,780,038
12,806,208	11,664,812	26,454,044	32,961,525	38,929,605	30,448,666
55,976,228	54,620,551	71,304,554	83,412,765	96,035,352	96,023,746
(4,936,842)	2,066,476	(2,414,939)	(10,343,172)	(7,015,197)	854,811
12,452,124	15,342,010	32,700,324	42,957,176	30,181,901	26,273,963
(9,290,081)	(13,874,903)	(22,867,031)	(36,058,778)	(28,203,201)	(25,459,255)
1,748,231 (5)	606,886 (7)	1,383,099 (9)	41,392,682 (10)	1,382,067	2,451,686
67,036	233,897	814,615	3,651,901 (11)	158,155	84,355
4,977,310	2,307,890	12,031,007	51,942,981	3,518,922	3,350,749
$ 40,468	$ 4,374,366	$ 9,616,068	$ 41,599,809	$ (3,496,275)	$ 4,205,560
5.4%	7.3%	8.4%	6.9%	9.2%	8.6%

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

Fiscal Year	Property Tax	Intangibles Tax	Franchise Tax	Insurance Premium Tax
2016	$ 9,460,424	$ 129,075	$ 4,381,245	$ 1,948,090
2017	9,823,521	190,764	4,501,181	2,203,406
2018	10,506,185	213,556	4,208,097	2,346,272
2019	13,953,114	179,964	4,507,256	2,433,437
2020	14,278,872	250,731	4,540,980	2,591,703
2021	15,722,924	345,278	4,382,992	2,733,401
2022	12,623,731 (2)	378,473	4,704,915	2,823,726
2023	14,570,777 (2)	280,719	5,389,998	3,557,708
2024	25,911,103	257,350	5,169,658	3,755,911
2025	28,393,735	301,014	5,729,199	4,040,330

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

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

Occupational Tax	Alcoholic Beverages Tax	Hotel/Motel Tax		Local Option Sales Tax	Total
$ 1,368,983	$ 1,129,284	$ 911,847		$ 5,281,804	$ 24,610,752
1,373,680	1,166,259	929,035		5,439,313	25,627,159
1,394,517	1,152,257	965,036		5,885,171	26,671,091
1,418,919	1,160,672	1,053,683		6,235,875	30,942,920
1,375,576	1,207,300	1,191,436	(1)	6,527,792	31,964,390
1,461,195	1,299,136	1,295,305		7,670,332	34,910,563
1,451,302	1,368,292	1,837,797		8,990,656	34,178,892
1,474,759	1,444,683	1,920,290		11,367,923	40,006,857
1,502,095	1,485,585	2,228,365		12,136,997	52,447,064
1,528,067	1,495,995	2,292,257		12,351,268	56,131,865

CITY OF GAINESVILLE, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended June 30	Real Property	Personal Property			Digest Adjustments
		Inventory/ Business Property	Motor Vehicles	Utilities	
2016	$ 2,953,976,780	$ 1,055,500,805	$ 122,903,835 (2)	$ 86,348,763	$ (298,500,191)
2017	3,036,116,245	1,102,797,493	87,802,225 (2)	79,112,033	(329,203,623)
2018	3,414,339,560	1,176,119,518	65,383,400 (2)	67,319,268	(343,066,757)
2019	3,809,200,370	1,302,230,195	51,130,100 (2)	73,295,630	(372,366,269)
2020	4,121,300,263	1,347,377,733	42,885,448 (2)	78,163,115	(377,476,436)
2021	4,588,293,083	1,429,275,298	41,489,130 (2)	81,177,865	(425,521,182)
2022	4,797,932,580	1,531,908,243	32,730,223 (2)	84,577,220	(438,560,459)
2023	5,611,039,445	1,761,835,920	46,242,053 (2)	88,394,778	(521,264,557)
2024	7,215,024,165	1,984,943,385	47,824,555 (2)	87,030,263	(703,766,119)
2025	7,973,519,580	2,000,894,435	49,413,240 (2)	91,190,500	(694,251,862)

Source: Hall County Tax Commissioner's Digest - Gainesville District.

Note (1): The total assessed value amounts are based on the original tax digest prior to additions, deletions, and corrections to accounts. The adjusted assessed value is used to calculate the tax levy amount on the Property Tax Levies and Collections (See Exhibit F-10), in order to indicate a more fair presentation of taxes billed and collected. All property is assessed as of January 1st of each year.

Note (2): Effective March 1, 2013, the Title Ad Valorem Tax was enacted, imposing a one-time tax on new vehicle purchases. Over time, motor vehicle taxes should progressively decline.

Note (3): In fiscal years 2022 and 2023, there was a 1.0 tax millage credit to taxpayers. This credit is not included in the total direct tax rate.

Exemption Adjustments	Total Taxable Assessed Value[1]	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
$ (1,902,555)	$ 3,918,327,437	2.980	$ 3,918,327,437	100%
(2,210,476)	3,974,413,897	2.980	3,974,413,897	100%
(2,937,666)	4,377,157,323	2.864	4,377,157,323	100%
(3,556,440)	4,859,933,586	3.364	4,859,933,586	100%
(4,266,505)	5,207,983,618	3.322	5,207,983,618	100%
(5,043,556)	5,709,670,638	3.240	5,709,670,638	100%
(5,832,172)	6,002,755,635	3.656 [3]	6,002,755,635	100%
(7,613,396)	6,978,634,243	3.656 [3]	6,978,634,243	100%
(8,901,480)	8,622,154,769	3.656	8,622,154,769	100%
(11,116,330)	9,409,649,563	3.656	9,409,649,563	100%

CITY OF GAINESVILLE, GEORGIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

		City of Gainesville					
Tax Year	Fiscal Year	Operating Millage	Recreation Millage	Debt Service Millage	Fire Service Millage	Police Service Millage	Total City Millage
2015	2016	1.630	0.750	0.600	0.000	0.000	2.980
2016	2017	1.630	0.750	0.600	0.000	0.000	2.980
2017	2018	1.545	0.750	0.569	0.000	0.000	2.864
2018	2019	0.795	0.750	0.569	1.250 (4)	0.000	3.364
2019	2020	0.771	0.750	0.551	1.250	0.000	3.322
2020	2021	0.730	0.750	0.510	1.250	0.000	3.240
2021	2022	0.500	0.896	0.510	1.250	0.500 (5)	3.656
2022	2023	0.397	0.896	0.510	1.259	0.594	3.656
2023	2024	0.239	0.896	0.510	1.299	0.712	3.656
2024	2025	0.239	0.896	0.510	1.299	0.712	3.656

Source: City of Gainesville Tax Office and Hall County Tax Commissioners Office.

Note (1): Property tax rate is per $1,000 assessed value.

Note (2): The City of Gainesville taxes on 100% of assessed value.
Hall County taxes on 40% of assessed value.

Note (3): On June 20, 2017, the City Council approved the updated 2017 Service Delivery Strategy. Within the Service Delivery Strategy, it is agreed that the delivery of emergency medical services within Hall County and the City of Gainesville does not result in any overlapping or duplication of services. As a result, the Emergency Services Special Tax District, along with General M&O, is included with Hall County millage rate.

Note (4): The City of Gainesville created a separate millage rate for Fire Services in Fiscal Year 2019.

Note (5): The City of Gainesville created a separate millage rate for Police Services in Fiscal Year 2022.

Overlapping Rates							
Gainesville City Schools				Hall County			Total Direct & Overlapping Rates
Operating Millage	Debt Service Millage	Total School Millage	State of Georgia	Operating Millage	Emergency Service Millage [3]	Total County Millage	
6.890	0.000	6.890	0.050	5.735	0.000	5.735	15.655
6.850	0.000	6.850	0.000	5.716	0.000	5.716	15.546
6.850	0.000	6.850	0.000	6.700	0.000	6.700	16.414
6.850	0.000	6.850	0.000	5.360	0.571	5.931	16.145
6.614	0.000	6.614	0.000	5.098	0.571	5.669	15.605
6.614	0.000	6.614	0.000	4.853	0.571	5.424	15.278
6.395	0.000	6.395	0.000	4.636	0.571	5.207	15.258
6.195	0.000	6.195	0.000	4.141	0.571	4.712	14.563
6.195	0.000	6.195	0.000	3.440	0.571	4.011	13.862
6.195	0.00	6.195	0.00	3.234	0.571	3.805	13.656

CITY OF GAINESVILLE, GEORGIA
PRINCIPAL TAXPAYERS
June 30, 2025

Taxpayer	Fiscal Year 2025 Taxable Assessed Value[(1)]	Rank	Percentage of Total Taxable Assessed Value	Fiscal Year 2016 Taxable Assessed Value[(1)]	Rank	Percentage of Total Taxable Assessed Value
Kubota Manufacturing of America Corp	$ 249,747,897	1	2.91%	$ 141,460,665	1	3.61%
Mid-America Apartments LP	151,800,000	2	1.77%		NR*	
Cottrell Inc	137,698,051	3	1.61%		NR*	
Cargill, Inc.	181,300,455	4	2.11%	110,895,420	2	2.83%
53 West Apartments, LLC/II	95,124,277	5	1.11%		NR*	
Centennial New Holland, LLC	77,400,000	6	0.90%		NR*	
Georgia Power	64,795,487	7	0.76%	33,929,549	8	0.87%
Passco Mill At New Holland	64,720,271	8	0.75%		NR*	
LPC Gainesville 85 LP	57,104,500	9	0.67%		NR*	
SIF West Park Gainesville, LLC	53,230,800	10	0.62%		NR*	
ZF Industries, Inc.				75,636,788	3	1.93%
ACE Hardware Corporation				47,747,157	4	1.22%
Fieldale Farms Corporation				46,320,226	5	1.18%
Merial Select				37,824,477	6	0.96%
Pilgrims Pride				37,324,408	7	0.95%
SAPA Extruder Inc.				33,080,326	9	0.84%
Alkermes Gainesville LLC				32,955,495	10	0.84%
Total	$ 1,132,921,738		13.21%	$ 597,174,511		15.23%

Source: Tax Year 2024 and 2015 Hall County Tax Commissioner's Digest - Gainesville District.

* Not Ranked

CITY OF GAINESVILLE, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Adjustments Made After Tax Levy [1]	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2016	$ 11,053,043	$ (190,646)	$ 10,829,944	99.70%	$ 32,453	$ 10,862,397	100.00%
2017	11,346,349	(26,784)	11,280,816	99.66%	38,749	11,319,565	100.00%
2018	12,156,116	176,736	12,212,440	99.02%	120,412	12,332,852	100.00%
2019	14,041,006	1,987,954	15,894,676	99.16%	102,218	15,996,894	99.80%
2020	16,878,797	232,302	16,892,628	98.72%	196,207	17,088,835	99.87%
2021	18,101,892	55,003	17,951,673	98.87%	191,242	18,142,915	99.92%
2022 [2]	15,631,750	46,174	15,550,090	99.18%	118,074	15,668,164	99.94%
2023 [2]	18,188,652	(56,750)	18,010,140	99.33%	100,956	18,111,096	99.89%
2024	31,028,527	(715,562)	30,090,866	99.27%	179,213	30,270,080	99.86%
2025	33,886,481	(276,711)	33,293,709	99.06%	0	33,293,709	99.06%

Source: City of Gainesville Tax Office

Note (1): Adjustments made after intial tax billing

Note (2): Fiscal years 2022 and 2023 tax levy and collections includes a credit of 1.0 millage.

CITY OF GAINESVILLE, GEORGIA
LOCAL OPTION SALES TAX DISTRIBUTION COMMODITY REPORT - HALL COUNTY
June 30, 2025

Commodity	2024 Total Distributed	2024 Rank	2024 % of Total	2015 Total Distributed	2015 Rank	2015 % of Total
Food	$ 10,889,972	1	18.75%	$ 6,472,209	1	21.98%
Other Retail	9,955,615	2	17.14%	3,648,926	4	12.39%
Wholesale	7,432,533	3	12.79%	4,018,552	3	13.65%
General Merchandise	6,874,676	4	11.83%	4,319,460	2	14.67%
Miscellaneous Services	5,166,218	5	8.89%	2,461,380	5	8.36%
Home Furnishing	4,390,654	6	7.56%	2,224,109	6	7.55%
Manufacturer	3,668,537	7	6.31%	1,589,367	8	5.40%
Utility	3,042,342	8	5.24%	2,200,900	7	1.71%
Other Services	2,978,409	9	5.13%	503,442	11	7.47%
Auto	2,258,081	10	3.89%	1,281,914	9	4.35%
Construction	723,302	11	1.25%	178,841	12	0.61%
Accommodations	713,066	12	1.23%	547,976	10	1.86%
Total	$ 58,093,404		100.00%	$ 29,447,076		100.00%

Source: Information provided by Georgia Department of Revenue - Local Government Services.
This information is reported on a calendar year basis.

Note: Data is not available for City of Gainesville; Hall County totals are reported on this schedule.

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES TEN LARGEST SYSTEM CUSTOMERS
JUNE 30, 2025

Customer	Type of Business	Total Water Billings	Total Sewer Billings	Total Billings	Percentage of System Revenues
FIELDALE FARMS CORP	Manufacturer - Poultry Products	$ 3,224,621	$ 7,293,422	$ 10,518,043	12.94%
MAR JAC POULTRY INC.	Manufacturer - Poultry Products	1,836,628	5,271,373	7,108,001	8.75%
PILGRIMS PRIDE	Manufacturer - Poultry Products	1,771,341	5,448,178	7,219,519	8.88%
GOLD CREEK PROCESSING, LLC	Manufacturer - Poultry Products	940,738	1,826,478	2,767,216	3.41%
NE GEORGIA MEDICAL CTR	Health Care	662,360	1,035,688	1,698,048	2.09%
CARGILL INC	Manufacturer - Soybean Products	424,623	422,473	847,096	1.04%
ISLAND MANAGEMENT COMPANY	Resort	368,657	-	368,657	0.45%
SHASTA BEVERAGES INC	Manufacturer-Beverages	302,982	412,445	715,427	0.88%
WRIGLEY WM JR CO	Manufacturer-Confectionery Products	300,096	-	300,096	0.37%
HALL CO BD OF ED	Education	282,629	268,474	551,103	0.68%
Total		$ 10,114,675	$ 21,978,531	$ 32,093,206	39.49%

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

CITY OF GAINESVILLE, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Governmental Activities					
Fiscal Year	General Obligation Bonds	Notes from Direct Borrowings	Certificates of Participation Payable	Contracts Payable[1]	Leases Payable[1]	Subscriptions Payable[2]
2016	$ 0	$ 0	$ 0	$ 20,766,180	$ 0	$ 0
2017	0	0	0	19,267,230	0	0
2018	0	0	0	17,808,355	0	0
2019	0	0	0	20,557,481	0	0
2020	0	0	0	20,544,205	0	0
2021	0	0	0	18,404,265	0	0
2022	0	1,655,281	404,592	13,811,479	0	0
2023	0	3,147,910	448,953	50,560,060	0	381,197
2024	0	2,562,471	0	48,523,593	0	515,612
2025	0	3,460,569	0	44,768,988	0	601,508

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

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

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

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

Business-Type Activities								
Water & Sewer Bonds	Notes From Direct Borrowings	Certificates of Participation Payable	Contracts Payable[1]	Leases Payable[1]	Subscriptions Payable[2]	Total Primary Government	Percentage of Personal Income[3]	Per Capita[3]
$ 139,039,842	$ 0	$ 0	$ 23,412,672	$ 0	$ 0	$ 183,218,694	13.34%	4,733
122,548,109	0	0	21,471,610	0	0	163,286,949	10.85%	4,082
105,559,369	0	0	19,525,547	0	0	142,893,271	9.06%	3,541
88,310,630	0	0	17,559,484	0	0	126,427,595	7.40%	3,049
74,646,890	0	0	15,582,468	0	0	110,773,563	5.86%	2,562
58,983,150	0	0	15,822,104	0	0	93,209,519	4.84%	2,204
42,969,411	8,933,712	0	12,519,292	162,709	0	80,456,476	3.80%	1,853
35,620,672	37,825,625	0	10,977,704	126,258	603,653	139,692,032	5.37%	3,085
28,892,655	51,545,140	0	9,426,116	88,217	400,991	141,954,795	5.23%	3,003
78,580,319	57,709,657	0	7,869,528	283,879	275,342	193,549,790	6.76%	4,057

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

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property[1]	Per Capita[2]
2016	0	0.00%	0
2017	0	0.00%	0
2018	0	0.00%	0
2019	0	0.00%	0
2020	0	0.00%	0
2021	0	0.00%	0
2022	0	0.00%	0
2023	0	0.00%	0
2024	0	0.00%	0
2025	0	0.00%	0

Source: Hall County Tax Commissioner's Digest - Gainesville District.

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

Note (1): See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Exhibit F-7 for property value data.

Note (2): Population data can be found in the Schedule of Demographic and Economic Statistics on Exhibit F-18.

CITY OF GAINESVILLE, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Available	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Gainesville City Schools	$ 107,248,057	100%	$ 107,248,057
Hall County	6,591,561	22% [2]	1,470,370
Subtotal, overlapping debt[1]			108,718,427
City of Gainesville direct debt			48,831,065
Total direct and overlapping debt			$ 157,549,492

Source: Debt outstanding data provided by Gainesville City Schools and Hall County Finance Offices.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Gainesville. The process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Note (1): The outstanding debt reported from overlapping authorities includes bonds, notes, contracts, and certificates of participation payable as reported on their Governmental Activities Sheet.

Note (2): The amount of debt attributed to the City is based upon the assessed value of property in the City as a percentage of the total assessed value of property in the County assuming that the County assessed property at 100% of its value like the City.

CITY OF GAINESVILLE, GEORGIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	**2017**	**2018**	**2019**
Debt Limit	$ 391,832,744	$ 397,441,390	$ 437,715,732	$ 485,993,359
Total net debt applicable to limit	0	0	0	0
Legal debt margin	$ 391,832,744	$ 397,441,390	$ 437,715,732	$ 485,993,359
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Note: Under state finance law, the City of Gainesville's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Fiscal Year						
2020	2021	2022	2023	2024	2025
$ 520,798,362	$ 570,967,064	$ 600,275,563	$ 697,863,424	$ 863,105,625	$ 940,964,956
0	0	0	0	0	0
$ 520,798,362	$ 570,967,064	$ 600,275,563	$ 697,863,424	$ 863,105,625	$ 940,964,956
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2025

Total assessed value of taxable property	$ 9,409,649,563
Debt limit (10% of total assessed value)	940,964,956
Debt applicable to limit:	
General obligation debt	0
Less: Amount set aside for repayment of general obligation debt	0
Total net debt applicable to limit	0
Legal debt margin	$ 940,964,956

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

	Department of Water Resources Revenue Bonds					
Fiscal Year	Gross Revenue[1]	Less: Operating Expenses[2]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2016	$ 72,032,080	$ 26,866,263	$ 45,165,817	$ 14,560,000	$ 6,271,250	2.17
2017	77,874,539	27,479,460	50,395,079	15,325,000 [3]	4,016,548	2.61
2018	78,352,405	31,721,037	46,631,368	15,940,000	3,658,820	2.38
2019	82,054,845	36,314,032	45,740,813	16,200,000	3,142,934	2.36
2020	81,187,601	36,544,044	44,643,557	12,615,000	2,770,244	2.90
2021	84,417,512	36,196,085	48,221,427	14,615,000	2,449,024	2.83
2022	83,496,329	37,623,844	45,872,485	14,965,000	2,025,828	2.70
2023	89,090,194	43,601,555	45,488,639	6,300,000	1,654,500	5.72
2024	99,998,594	49,445,973	50,552,621	5,640,000	1,356,000	7.23
2025	112,192,727	55,508,006	56,684,721	5,800,000	1,070,000	8.25

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

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

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

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

Fiscal Year	City of Gainesville Population[(a)]	Estimated City of Gainesville Personal Income (amounts expressed in thousands)[(b)]	Hall County Per Capita Personal Income[(c)]	Gainesville City Public School Enrollment[(d)]	Hall County Unemployment Rate[(e)]
2016	38,712	1,373,928	35,491	7,973	4.2%
2017	40,000	1,505,480	37,637	7,997	4.2%
2018	40,359	1,576,624	39,065	8,069	3.5%
2019	41,464	1,709,105	41,219	8,068	3.1%
2020	43,232	1,889,282	43,701	7,725	5.7%
2021	42,296	1,927,682	45,576	7,896	3.0%
2022	43,417	2,116,970	48,759	8,068	2.1%
2023	45,282	2,599,911	57,416	8,129	2.4%
2024	47,265	2,713,767	57,416	8,260	3.1%
2025	47,712	2,864,438	60,036	8,183	3.0%

Source (a): Fiscal years 2016-2019 and 2022-2025 are based on Population Estimates Program. Fiscal year 2021 is based on 2020 Census provided by the U.S. Census Bureau.

Source (b): Based on City population multiplied by Hall County per capita personal income.

Source (c): Bureau of Economic Analysis, U.S. Department of Commerce; information is provided on Hall County only for most recent available data.

Source (d): Gainesville City Schools, September enrollment.

Source (e): Georgia Department of Labor, Gainesville MSA unemployment rate.

CITY OF GAINESVILLE, GEORGIA
PRINCIPAL EMPLOYERS/HALL COUNTY
June 30, 2025

	2025			2016		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Northeast Georgia Medical Center	11,417	1	11.17%	7,100	1	8.38%
Gold Creek Foods	4,000 (2)	2	3.91%		9	
Hall County School System	3,650	3	3.57%	1,600		1.89%
Kubota Manufacturing of America	3,540	4	3.46%		6	
Fieldale Farms Corporation	2,375	5	2.32%	2,500	2	2.95%
Pilgrim's Pride	1,760	6	1.72%	1,450	4	1.71%
Hall County Government	1,752	7	1.71%			
Fox Factory	1,600	8	1.57%			
Mar-Jac	1,300	9	1.27%	1,250	7	1.47%
ZF Gainesville, LLC	1,200	10	1.17%		3	
Victory Processing LLC				1,310	5	1.47%
Cottrell, Inc.				985	8	1.00%
Wal-Mart				972	10	0.98%
Total	32,594 (1)		31.88%	17,167		19.86%

Source: Greater Hall Chamber of Commerce.

Note (1): Excludes governmental and educational employers.

Note (2): Gold Creek Foods acquired Foundation Food Group in 2021.

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
Primary government										
General Government	51	53	52	53	57	57	58	59	44	61
Judicial	10	10	10	10	10	10	10	10	6	10
Public Safety										
Police	114	116	117	118	120	120	121	121	101	120
Fire	103	103	103	103	103	103	104	108	107	116
Code Enforcement	4	4	5	6	6	6	6	6	5	6
Public Works	55	59	60	60	57	57	57	57	58	58
Health and Welfare	32	40	40	43	41	42	50	49	25	62
Housing and Development	13	13	13	13	13	13	15	15	14	19
Vehicle Services	6	6	6	6	6	6	6	6	5	6
Water and Sewer	233	233	234	234	234	234	234	237	228	246
Solid Waste	24	24	24	25	25	25	26	26	23	26
Golf Course	4	4	5	5	5	5	5	5	7	7
Total primary government	649	665	669	676	677	678	692	699	623	737
Component unit										
City of Gainesville Parks and Recreation Culture and Recreation	39	37	37	38	44	43	43	48	45	52
Gainesville Convention and Visitor's Bureau										
Housing and Development	4	4	4	4	7	11	10	11	11	12
Total Component units	43	41	41	42	51	54	53	59	56	64
Total employees	692	706	710	718	728	732	745	758	679	801

Source: Annual City of Gainesville Budget Document.

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

	Fiscal Year			
	2016	2017	2018	2019
Function				
Police				
Number of citations issued	12,060	13,431	11,606	11,340
Number of calls for service	68,007	68,952	83,252	100,750
Fire				
Number of calls answered	8,108	8,592	8,550	10,317
Number of inspections conducted	3,850	3,543	3,764	3,672
Highways and streets				
Square feet of sidewalks replaced	2,562	2,360	1,951	8,210
Linear feet curb and gutter installed	329	227	50	660
Sanitation				
Refuse collected (tons)	5,791	6,392	6,763	7,621
Recyclables collected (tons)	697	858	820	859
Culture and Recreation				
Enrolled in youth athletics	1,388	2,407	2,366	2,371
Civic Center/Cabin rentals	991	879	1,213	1,424
Water System				
Number of service connections	50,950	54,572	55,638	56,934
Daily average demand in millions of gallons	17.40	18.69	18.75	19.03
Maximum daily demand in millions of gallons	25.31	24.06	23.17	25.33
Sewer System				
Number of service connections	10,020	10,687	11,101	11,445
Daily average treatment in millions of gallons	9.10	9.00	10.00	11.40

Source: Various City Departments.

Note (1): Some indicators are skewed due to the COVID shutdown that occurred March 2020-June 2020.

Note (2): Civic Center rentals were down due primarily to closure for renovations from February 2021-March 2021.

Note (3): Significant decrease in calls for service due to change in reporting standards of calls by Police Department.

Note (4): Civic Center rentals are up due to more meeting rooms created in FY21 renovations and surge of use after COVID.

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

Fiscal Year					
2020 (1)	2021	2022	2023	2024	2025
8,200	8,888	7,657	7,532	9,406	7,938
91,075	85,643	55,369 (3)	99,030 (5)	40,698	83,753
12,094	12,154	12,752	13,049	16,083	20,130
2,820	2,232	2,052	3,729	4,978	6,696
6,065	6,940	6,340	3,535	4,860	6,590
113	536	499	226	296	745
7,719	8,561	8,894	9,073	8,624	8,854
711	746	712	591	678	580
1,918	2,602	2,476	2,359	2,614	2,349
982	727 (2)	2,369 (4)	1,564	1,572	1,580
57,878	59,273	60,397	62,299	63,437	64,979
19.27	19.40	19.70	20.50	21.44	22.13
25.00	24.82	26.91	27.72	29.05	30.36
11,788	12,140	13,016	13,537	14,012	14,504
11.50	11.70	11.20	11.50	12.00	12.58

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

	Fiscal Year			
	2016	2017	2018	2019
Function				
Public safety				
Number of police stations	2	2	1	1
Number of fire stations	4	4	4	4
Solid Waste				
Collection Trucks	13	13	14	9
Highways and streets				
Miles of streets	141	143	147	149
Miles of storm sewers	20.81	21.68	24.18	69.00
Number of street lights	2,679	2,668	2,769	2,825
Culture and Recreation				
Community/Civic Centers	2	2	2	2
Parks	22	22	22	21
Park acreage	454+	454+	454+	458+
Golf courses	1	1	1	1
Swimming pools	4	4	4	4
Baseball/Softball fields	10	10	10	9
Soccer fields	10	10	10	10
Multipurpose fields	2	2	2	2
Tennis courts	15	15	15	15
Pickleball courts				
Water and Sewerage System-Gainesville and Hall County				
(- Millions of Gallons per Day)				
Water System:				
Miles of water mains	1,372	1,390	1,383	1,411
Number of fire hydrants	8,885	9,096	9,557	9,728
Number of water treatment plants	2	2	2	2
Maximum daily capacity of treatment plants in million gallons	35	35	35	35
Sewer System:				
Miles of sanitary sewers	294	301	306	318
Number of wastewater treatment plants	2	2	2	2
Maximum daily capacity of treatment plants in gallons	17	17	17	17

Source: Various City Departments.

Note (1): Property Addition for Youth Athletic Complex and Skate Park.

Note (2): A reevaluation of inventory was completed in FY21. The decrease is due to the removal of state and county inventory.

Note (3): Removed Clarks Bridge Park and Southside Park.

Note (4): Added 1 new field at Myrtle Street Park.

Note (5): Removed 1 court at Roper Park which will be turned into a sports court for multi-purpose use.

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

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

Fiscal Year					
2020	2021	2022	2023	2024	2025
1	1	1	1	1	2
4	4	4	4	4	4
9	10	12	12	16	12
149	149	149	149	154	152
69.00	50.20 (2)	50.20	50.20	58.60	60.80
2,849	2,813	2,909	3,045	3,058	3,073
2	2	2	2	2	2
22	22	21 (3)	20 (6)	20	20
547+ (1)	547+	494+ (3)	405 (6)	405	405
1	1	1	1	1	1
4	4	4	4	4	4
9	9	9	9	8	13
10	10	11 (4)	3 (6)	3	4
2	2	2	2	2	3
15	15	14 (5)	14	13 (7)	13
				6 (7)	6
1,438	1,450	1,461	1,465	1,478	1,490
9,620	9,796	9,831	9,968	10,068	10,283
2	2	2	2	2	2
35	35	35	35	35	35
317	329	330	331	349	364
2	2	2	2	2	2
17	17	17	17	17	17

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES
WATER RATES AND MINIMUM DEMAND CHARGES
JUNE 30, 2025

Water Rates (Monthly Charges):

	Inside City Limits	Outside City Limits
Account Servicing Fee	$ 6.65	$ 6.65
Quantity Used Per Month In 1,000 Gallons		
Rates per 1,000 Gallons	$ 3.65	$ 6.94

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

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES
WATER TAP/METER, CONNECTION AND ADMINISTRATIVE FEES
JUNE 30, 2025

Inside and Outside City Limits:

Tap Size (Meter Inches)	Tap and Meter	Connection Fee	Administrative Fee	Total
3/4 inch	$ 1,073	$ 1,726	$ 51	$ 2,850
1 inch	1,600	4,765	143	6,508
2 inch	3,600	15,248	457	19,305
3 inch	Actual cost	30,496	915	N/A
4 inch	Actual cost	47,650	1,430	N/A
6 inch	Actual cost	95,300	2,859	N/A
8 inch	Actual cost	152,480	4,574	N/A

The water connection and administrative fees shall be in addition to the cost of the meter and water and sewer tapping fees.

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

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES
SEWER RATES AND CHARGES
JUNE 30, 2025

Sewer Rates (Monthly Charges by Volume):

	Inside City Limits	Outside City Limits	Oakwood
Commodity charge			
Per 1,000 gallons	$ 10.65	$ 10.65	$ 10.86

Industrial Surcharges:

Pollutant	**Concentration** (mg/l)	**Surcharge** (dollars per mg/l per 1,000 gallons)
BOD	251-500	$ 0.0025
	501-700	0.0067
	701-900	0.0076
	Over 900	0.0150
Suspended Solids	251-500	0.0019
	501-700	0.0047
	701-900	0.0052
	Over 900	0.0096
Oil and Grease	101-125	0.0067
	126-150	0.0160
	151-175	0.0187
	Over 175	0.0374
Phosphorus	7-11	0.0294
	12-15	0.0655
	16-20	0.0775
	Over 20	0.1497
Nitrogen	40-75	0.0067
	76-100	0.0174
	101-135	0.0214
	Over 135	0.0428

Accounts billed for sewer only shall pay a monthly account servicing fee of $6.65 inside the City and $6.65 outside the City. In addition, sewer only customers pay an additional fee per 1,000 gallons. The rates are $10.65 for inside City customers, $10.65 for outside City customers, and $1086 for Oakwood customers.

Residential sewer charges are based on 95% of monthly metered water consumption.

Non-residential sewer charges are based on 100% of monthly water meter readings.

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

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES
SEWER TAPPING, CONNECTION AND ADMINISTRATIVE FEES
JUNE 30, 2025

Sewer Tapping Fees:

For a six inch (6") service line serving a single dwelling or commercial unit the cost is $900.

Service lines over 6" shall be charged an additional fee at actual cost per inch.

Sewer Connection and Administrative Fees:

Size of Sewer (Meter Inches)	Connection	Administrative
3/4 inch	$ 3,570	$ 107
1 inch	9,683	290
2 inch	30,984	930
3 inch	61,968	1,859
4 inch	96,825	2,905
6 inch	193,650	5,810
8 inch	309,840	9,295

The sewer connection and administrative fees shall be in addition to the cost of the meter and water and sewer tapping fees.

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

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES CAPITAL IMPROVEMENTS
LAST TEN FISCAL YEARS

Year	Total Cost of Capital Improvements	Funding Sources: System Revenues and Capital Contributions	Funding Sources: Debt Proceeds and Investment Earnings
2016	$ 8,136,724	$ 4,840,617	$ 4,915,428
2017	13,052,152	8,136,724	13,080,866
2018	26,133,018	13,052,152	(9,881,982)
2019	16,251,036	26,133,018	11,436,734
2020	27,687,770	16,251,036	(6,824,858)
2021	20,862,911	27,687,770	1,167,597
2022	29,993,180	24,025,030	5,968,150
2023	55,002,712	25,800,143	29,202,569
2024	52,963,432	38,520,725	14,442,707
2025	51,917,819	42,243,144	9,674,675

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

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF INSURANCE COVERAGE
6/30/2025

	Amount	
Property Coverage		
Blanket building and contents ($25,000 deductible)	Replacement Cost [1]	
Flood ($50,000 deductible)	$ 5,000,000	
Equipment Breakdown ($25,000 deductible/72 Hours)	$ 250,000	
Automobile ($5,000 deductible)	Actual cash value	
Inland Marine (Contractor's Equipment) ($2,500 deductible)	Agreed Value	($8,495,828)
EDP Equipment ($25,000 deductible)	Replacement Cost	($50,000)
Casualty		
General Liability [2]		
Personal and advertising injury ($10,000 deductible)	$ 1,000,000	per occurrence
Products-completed operations ($10,000 deductible)	$ 3,000,000	per occurrence
Law enforcement ($10,000 deductible)	$ 1,000,000	per occurrence
Public official ($15,000 deductible) [3]	$ 1,000,000	per occurrence
Employee benefits ($1,000 deductible)	$ 1,000,000	per occurrence
Employment Practices Liability benefits ($25,000 deductible) [3]	$ 1,000,000	per occurrence
Automobile Liability		
Single limit liability ($10,000 deductible)	$ 1,000,000	
Umbrella $4,000,000 limit $10,000. SIR		
Public Employee Dishonesty ($1,000 deductible)	$ 500,000	
Airport Liability ($1,000 deductible) (Includes TRIA)	$ 10,000,000	

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

Note (1): Maximum property limit of $400,278,264

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

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

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

	Number of Residential Permits		Total Estimated Value	Number of Commercial Permits	Total Estimated Value
	Single Family	Multi-Family[1]/ Number of Units			
2015	405	8/34	$ 76,109,044	21	$ 37,344,159
2016	435	19/556	118,707,947 [2]	31	58,129,477
2017	412	4/96	70,021,683	31	234,766,657 [3]
2018	288	96/708	63,131,144	24	40,504,564
2019	255	11/270	72,202,283	20	119,554,968 [4]
2020	134	8/308	61,949,585	20	41,372,919
2021	323	13/410	114,696,050	37	115,216,218 [5]
2022	164	15/751	171,262,636 [6]	31	496,621,165 [6]
2023	268	0	51,797,368	47	183,126,539
2024	341	11/436	68,306,223	39	110,647,233

Source: City Zoning Department.

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

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

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

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

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

Note (6): Cost of construction up due to inflation.

CITY OF GAINESVILLE, GEORGIA
MISCELLANEOUS STATISTICS
Source: Various city departments and local institutions

Date of Incorporation	1821
Form of Government	Council/Manager
City Population[(1)]	47,712
Hall County Population, including City[(1)]	221,745
Area of City in square miles	35.58
Number of full time employees	704

Government facilities and services:

Public Safety:	
ISO Fire Classification	Class I
Number of fire personnel and officers	108
Number of police personnel and officers	109
Number of police patrol units	53

Facilities and services not included in the reporting entity:

Public Education:	
Number of elementary schools	6
Number of elementary school teachers	290
Number of middle schools	2
Number of middle school teachers	113
Number of secondary schools	2
Number of secondary school teachers	142
Number of technical institutions (in Hall County, outside City)	1
Number of universities	2
Hospitals:	
Number of hospitals	1
Number of patient beds	653

Bond Rating (Moody's):

General Obligation Bonds	Aa1
Revenue Bonds	Aa1

Note (1): 2023 estimates based on 2020 census data from the United States Census Bureau.

SINGLE AUDIT SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Gainesville, Georgia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Gainesville, Georgia's basic financial statements and have issued our report thereon dated December 1, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

City of Gainesville, Georgia's Response to Findings

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

Purpose of This Report

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

Rushton, LLC

Gainesville, Georgia
December 1, 2025

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Gainesville, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Gainesville, Georgia's major federal programs for the year ended June 30, 2025. The City of Gainesville, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Gainesville, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Gainesville, Georgia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Gainesville, Georgia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Gainesville, Georgia's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Gainesville, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Gainesville, Georgia's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Gainesville, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City of Gainesville, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Gainesville, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rushton, LLC

Gainesville, Georgia
December 1, 2025

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2025

Federal Grant/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development			
CDBG - Entitlement Grants Cluster			
Community Development Block Grant/Entitlement Grants	14.218	N/A	$ 245,552
U.S. Department of Justice			
Bulletproof Vest Partnership Program	16.607	N/A	5,720
Equitable Sharing Program	16.922	N/A	59,879
Total U.S. Department of Justice			65,599
U.S. Department of Transportation			
Passed through the Georgia Department of Transportation:			
Airport Improvement Program	20.106	T008709	2,268,952
Federal Transit Cluster			
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507	T008397	1,174,457
		T009154	877,896
Total Federal Transit Cluster			2,052,353
Total U.S. Department of Transportation			4,321,305
U.S. Environmental Protection Agency			
Passed through Georgia Environmental Finance Authority:			
Clean Water State Revolving Fund	66.458	CW2020-022	1,646,951
Drinking Water State Revolving Fund	66.468	DW2020-032	4,150,313
		DWLSL2022138	192,275
			4,342,588
Total U.S. Environmental Protection Agency			5,989,539
U.S. Department of Health and Human Services			
Aging Cluster			
Passed through Legacy Link, Inc.:			
Special Programs for the Aging - Title III, Part C			
Nutrition Services	93.045	Gainesville - Title III, C1	312,255
		Gainesville - Title III, C2	210,779
COVID-19		Gainesville - Title III, C2	17,715
			540,749
Nutrition Services Incentive Program	93.053	Gainesville - NSIP	84,538
Total Aging Cluster of Programs			625,287
Passed through Legacy Link, Inc.:			
Social Services Block Grant	93.667	Gainesville - SSBG	111,528
Total U.S. Department of Health and Human Services			736,815
Total Expenditures of Federal Awards			$ 11,358,810

See accompanying notes to schedule of expenditures of federal awards and schedule of findings and questioned costs.

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Gainesville, Georgia, under programs for the federal government for the current fiscal year. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The City of Gainesville, Georgia has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

4. Payments to Subrecipients

For the current year, the City of Gainesville, Georgia did not pass federal funds through to subrecipients.

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Noncompliance material to financial statements noted?	None reported

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported
Identification of major programs:	
20.507 Federal Transit Formula Grants	
66.468 Drinking Water State Revolving Fund	
Dollar threshold used to distinguish Between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

2. Financial Statement Findings

A. Current Year Audit Findings

None Reported

B. *Prior Year Audit Findings Follow-Ups*

2024-001

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

Corrected

3. Federal Award Findings and Questioned Costs

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

STATE REPORTING SECTION

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2025

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST VII					
Public Safety Fire Station	$ 4,000,000	$ 4,368,262	$ 5,988,894	$ 0	$ 5,988,894
Public Safety Fire Vehicle	1,500,000	1,461,219	1,568,019	0	1,568,019
Roads, Bridges, Stormwater	12,914,482	13,688,132	15,042,860	327,057	15,369,917
Youth Sports Athletic Complex	6,750,000	7,154,363	7,928,107	0	7,928,107
Park Improvements	250,000	264,976	418,990	0	418,990
Total SPLOST VII	$ 25,414,482	$ 26,936,952	$ 30,946,870	$ 327,057	$ 31,273,927
SPLOST VIII					
Roads, Streets, Bridges, Sidewalks, and Related Improvements	$ 15,000,000	$ 20,212,797	$ 12,301,402	$ 2,506,974	$ 14,808,376
Parks and Recreation Facilities and Equipment	9,164,541	13,105,980	17,425,012	12,262,015	29,687,027
Public Safety Facilities and Equipment	8,500,000	8,797,736	3,659,204	3,666,200	7,325,404
Downtown Parking Deck	4,000,000	6,000,000	13,543,219	22,654	13,565,873
Total SPLOST VIII	$ 36,664,541	$ 48,116,514	$ 46,928,837	$ 18,457,843	$ 65,386,680
Reimburse General Fund for prior year transfer into SPLOST Fund for parking deck project				2,000,000	
Reimburse General Fund for prior year transfer into SPLOST Fund for a road project				587,166	
Total expenditures and transfers out of the SPLOST Capital Projects Fund				$ 21,372,066	

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



GAINESVILLE