CITY OF GAINESVILLE

Work Session Agenda
Thursday, December 16, 2021, 9:00 AM
Administration Building, Boardroom (3rd Floor)
300 Henry Ward Way, Gainesville, GA 30501
Mayor or Mayor Pro Tem Presides

DEPARTMENT ISSUES

Administrative Services	Resolution: Agreement Regarding Term of Municipal Court Judge	Janeann Allison
Retirement Plan A	Fiscal Year 2021 Retirement Plan A Actuarial Valuation	Jeanette Cooper
Retirement Plan A	Resolution: Restatement of Retirement Plan A Document	Ed Emerson
Finance	FY2021 Annual Comprehensive Financial Report (ACFR)	Chris Hollifield
Finance	Resolution: Fourth Quarter Budget Adjustment for Fiscal Year 2021	Kevin Hutcheson
Finance	Resolution: First Quarter Budget Adjustment for Fiscal Year 2022	Kevin Hutcheson
Finance	Resolution: FY2021 Closure of Airport Capital Projects	Matt Hamby
Finance	Resolution: FY2021 Closure of Department of Water Resources Capital Projects	Matt Hamby
Finance	Resolution: FY2021 Closure of General Government Capital Projects	Matt Hamby
Finance	Resolution: FY2021 Closure of Grant Capital Projects	Matt Hamby
Finance	Resolution: FY2021 Closure of Solid Waste Capital Projects	Matt Hamby
Finance	Resolution: FY2021 Closure of SPLOST Capital Projects	Matt Hamby
Water Resources	Resolution: Oakwood - Gainesville Intergovernmental Agreement for Sanitary Sewer Billing Services - First Amendment	Linda MacGregor
Public Works	Resolution: Intergovernmental Agreement with Hall County for I-985 Interchange Mowing	Chris Rotalsky
Public Works	Resolution: FY2022 Local Maintenance and Improvement Grant (LMIG)	Matt Tarver

CITY MANAGER ISSUES

MAYOR/COUNCIL ISSUES

Ex-Officio Report(s)

Appointment(s): Parks and Recreation Board — Danny Dunagan

CITY ATTORNEY ISSUES

CITY CLERK ISSUES

2022 Organizational Meeting Discussion — Denise Jordan

EXECUTIVE SESSION

ADJOURNMENT

Final: Tuesday, December 14, 2021, 2:00 PM

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 12/9/2021

Presenter: Janeann Allison

Item of Business: Resolution: Agreement Regarding Term of Municipal Court Judge

Meeting Date: 12/16/2021

Purpose of Request:
Per OCGA 36-32-2(a) the Municipal Court Judge must be appointed yearly. This Agreement appoints Judge Law for the January 1, 2022 - December 31, 2022 term.

History/Background:

Facts & Issues for Consideration:
Required by state law.

Department Recommendation:
Approve the resolution.

Department Director:
Janeann Allison

If funding is involved, are funds approved within the current budget?
N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
Approve Agreement Regarding Term of Municipal Court Judge	Resolution
Agreement Municipal Court Judge Term	Contract/Agreement/MOU

RESOLUTION BR-2021 - ___

Agreement Regarding Term of Municipal Court Judge

WHEREAS, the City of Gainesville's Charter adopted April 11, 2012, established the parameters for the appointment of a Municipal Court Judge; and

WHEREAS, effective July 1, 2016, the State of Georgia legislature amended OCGA 36-32-2(a) to provide specific requirement regarding the terms of Municipal Court Judges; and

WHEREAS, it is in the best interest of the City of Gainesville to approve an Agreement with the Municipal Court Judge regarding his term of office.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville hereby authorize the Mayor and/or City Manager to execute the attached Agreement Regarding Term of Municipal Court Judge.

Adopted this ___ day of __________, 2021.

____

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

____

Denise O. Jordan, City Clerk

City of Gainesville, Georgia
AGREEMENT REGARDING TERM OF MUNICIPAL COURT JUDGE

This Agreement is made as of the 1st day of January, 2022.

BETWEEN: The City of Gainesville, Georgia (hereinafter **City**)
300 Henry Ward Way
Gainesville, GA 30501

AND THE JUDGE: G. Hammond Law, III

PROJECT/SERVICE NAME: Municipal Court Judicial Term

The City and the Judge agree as set forth below:

Effective July 1, 2016, the Georgia General Assembly passed House Bill 691, which revised O.C.G.A. § 36-32-2(a), and enacted O.C.G.A. § 36-32-2.1. The City and the Judge hereby enter into this Agreement, pursuant to O.C.G.A. § 36-32-2(a), to provide that the Judge shall serve as Judge of the Gainesville Municipal Court for a term beginning on January 1, 2022, and ending on December 31, 2022. The Judge shall serve for the entire term and until a successor is appointed, or if the Judge is removed from office as is provided in O.C.G.A. § 36-32-2.1.

IN WITNESS WHEREOF, the City and the Judge have executed under seal this Agreement as of the date first above written.

APPROVED TO FORM:

____
Abbott S. Hayes, Jr.
Hulsey, Oliver & Mahar, LLP
City Attorney

THE CITY OF GAINESVILLE

____
By: C. Danny Dunagan, Jr., Mayor

____
G. Hammond Law, III

____
Attest: Denise O. Jordan, City Clerk

(CITY SEAL)
ASH/mmk/11400/W187799

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 12/9/2021

Presenter: Jeanette Cooper

Item of Business: Fiscal Year 2021 Retirement Plan A Actuarial Valuation

Meeting Date: 12/16/2021

Purpose of Request:
The purpose of this request is to present the Fiscal Year 2021 Actuarial Valuation report from Segal Consulting.

History/Background:
Retirement Plan A submits data to the actuarial firm on an annual basis for the purpose of preparing an Actuarial Valuation. The fiscal year end data was submitted to Segal Consulting in August 2021.

Facts & Issues for Consideration:
Segal Consulting presented the report to the Retirement Board on December 14, 2021. The Board accepted the report as presented and recommended presentation to the governing body.

Department Recommendation:
No action is required by the governing body.

Department Director:
Tommy Hunt

If funding is involved, are funds approved within the current budget?
N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
FY2021 Actuarial Valuation Presentation	Powerpoint Presentation
FY2021 Actuarial Valuation Report	Report

December 16, 2021

City of Gainesville Retirement Plan A

Actuarial Review as of July 1, 2021

Malichi S. Waterman, FCA, MAAA, EA
Vice President and Consulting Actuary

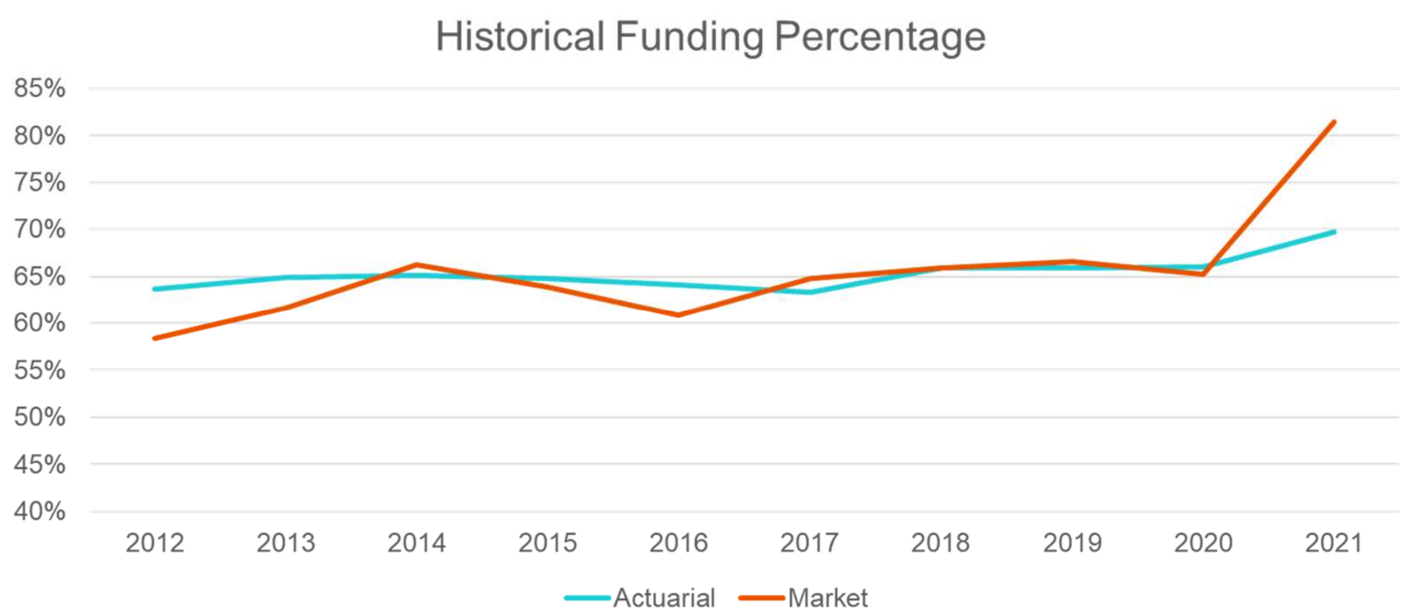
Segal

Highlights

- As of July 1, 2021, the Plan continues to meet all Georgia funding requirements as well as standards established by the Government Accounting Standards Board (GASB).
- There were no changes to assumptions, methods, or the Plan reflected in this year's valuation.
- The recommended contribution for the Fiscal Year ending June 30, 2022 is $10.5 million, or 36.69% of payroll.
- The actuarial value of assets used for funding reflects a five-year smoothing of gains and losses. As of June 30, 2021, the actuarial value of assets was 85.67% of market value, and there are $19.9 million in deferred investment gains that will be recognized in future years. The market value return for the year ended June 30, 2021 was 31.54%; the return on a smoothed actuarial basis was 11.53%. The assumed rate of return was 7.00%.
- The disclosures required for compliance with GASB Statement No. 67 Financial Reporting for Pension Plans, and Statement No. 68, Accounting and Financial Reporting for Pensions were released to the City's Finance Department on October 8, 2021.

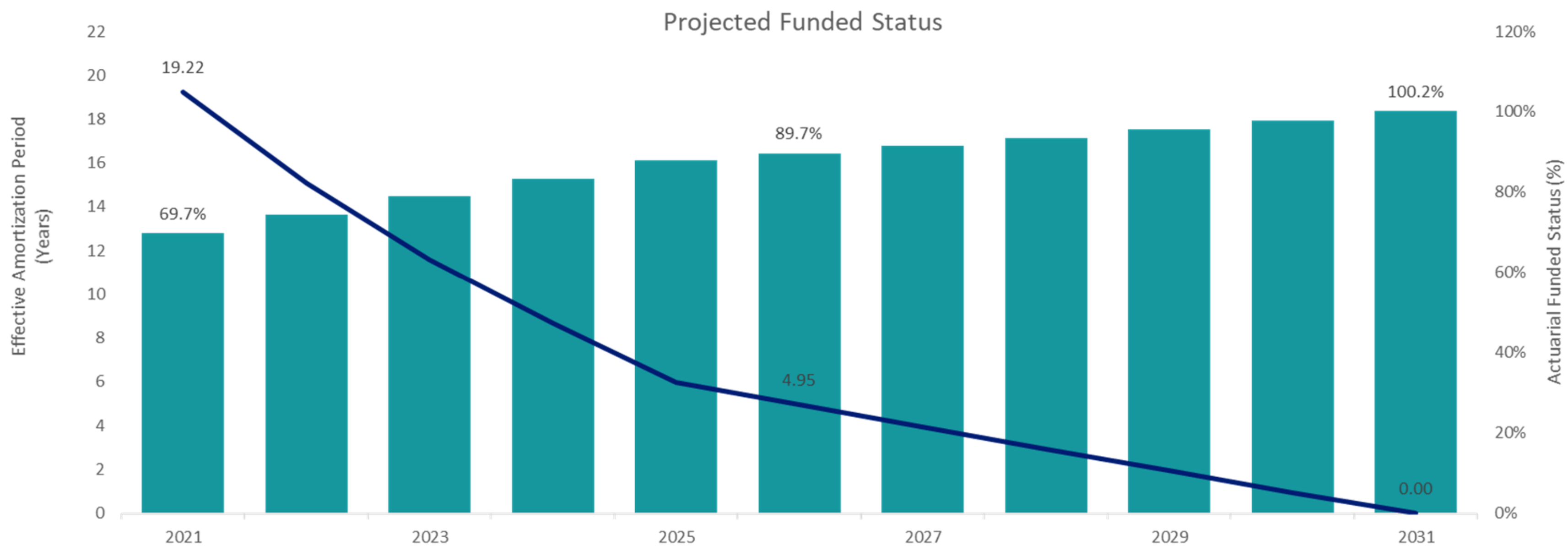
Funding

- Due to the experience gains in the past year, there was a decrease in the Recommended Contribution; if total contributions remain unchanged, funding obligations will be met for the 2020-2021 fiscal year.
- Unfunded Actuarial Accrued Liability on a market value basis decreased from $57.4 Million to $31.7 Million.
- Funded Percentage on a smoothed actuarial value basis increased from 66.0% to 69.7%.



Funding

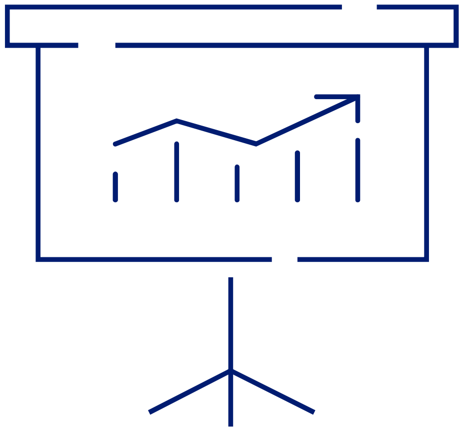
- The funding of the Plan is the joint responsibility of the employer and employees. City and employee contributions combined are 26.40% of payroll.
- Based on the current contribution level of 26.40%, the effective amortization period is 19.2 years. This decreased from 22.1 years and is well short of the maximum period of 30 years, as required under Georgia Law and current GASB standards.
- Based on the recommended contribution amount of 36.69%, the net effective period for amortizing the unfunded actuarial accrued liability for the plan is 9.2 years, down from 10.1 years in the prior valuation.



Segal 4

Projection Assumptions

- The previous slide includes projections of the Plan’s funded percentage on the smoothed actuarial value of assets. Note that using market value would result in different percentages.
- Investment gains and losses are recognized through the asset smoothing method over time. Future returns are projected to be 7.00% annually.
- All assumptions are presumed to be met in the aggregate, so that no future experience gains or losses are anticipated (other than those resulting from the smoothing of existing deferred investment gains and losses).
- No changes in plan provisions are anticipated for this purpose.



Conclusion

- The market value return on assets for the year ended June 30, 2021 was 31.54%. The smoothed actuarial return was 11.53%. The assumed rate of return was 7.00%.
- The funded ratio on an actuarial basis has increased slightly to 69.74%, and is projected to gradually improve.
- The net effective period for amortizing the unfunded actuarial accrued liability is 19.2 years, assuming contribution rates remain unchanged.
- As of today the RPA Board has made no changes to the contribution levels.
- The Plan continues to meet all Georgia funding requirements as well as standards established by the Government Accounting Standards Board (GASB).

The Small Print

- This presentation is intended for the use of interested parties of the Plan, and is a supplement to Segal Consulting's full valuation report for the Plan as of July 1, 2021.
- Please refer to the full valuation report for a full description of assumptions and plan provisions reflected in the results shown in this presentation. The report also includes more comprehensive information regarding the Plan's membership, assets, and experience during the most recent plan year.
- Projections, by their nature, are not a guarantee of future results. They are intended to serve as estimates of future financial outcomes that are based on assumptions about future experience and the information available to us at the time the modeling is undertaken and completed. The projected future results included in this presentation show how the Plan would be affected if specific investment return, salary, mortality, turnover, disability and retirement assumptions are met. Actual results may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.
- Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
- The calculations included in this presentation were completed under the supervision of Malichi S. Waterman, FCA, MAAA, EA.

Thank You

Malichi S. Waterman FCA, MAAA, EA
Vice President and Consulting Actuary
mwaterman@segalco.com

www.segalco.com

Segal

City of Gainesville Retirement Plan A

Actuarial Valuation and Review as of July 1, 2021

Segal

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Atlanta, GA 30339-4053
segalco.com
T 678.306.3100

November 3, 2021

Board of Trustees
City of Gainesville Retirement Plan A
300 Henry Ward Way
Gainesville, GA 30503-2496

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of July 1, 2021. It summarizes the actuarial data used in the valuation, analyzes the 2020-2021 year's experience, and establishes the funding requirements for fiscal 2023.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Retirement Plan. The census information and financial information on which our calculations were based was prepared by the staff of the City of Gainesville. That assistance is gratefully acknowledged.

The actuarial calculations were directed under my supervision. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in my opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Retirement Plan.

I hereby certify that the City of Gainesville Retirement Plan A has been funded in conformity with the minimum funding standards specified in Code Section 47-20-10 of the Official Code of Georgia Annotated known as the Public Retirement Systems Standards Law. This certification covers the 2020-2021 plan year.

I look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,
Segal

Malichi Waterman

Malichi S. Waterman, FCA, MAAA, ASA
Vice President and Consulting Actuary
Enrolled Actuary 20-7141

Table of Contents

Section 1: Actuarial Valuation Summary

Purpose and basis

This report was prepared by Segal to present a valuation of the City of Gainesville Retirement Plan A as of July 1, 2021. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The measurements shown in this actuarial valuation may not be applicable for other purposes. In particular, the measures herein are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The contribution requirements presented in this report are based on:

- The benefit provisions of the Retirement Plan, as administered by the Board;
- The characteristics of covered active participants, inactive vested participants, and retired participants and beneficiaries as of June 30, 2021, provided by the City;
- The assets of the Plan as of June 30, 2021, provided by the City;
- Economic assumptions regarding future salary increases and investment earnings;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. and
- The funding policy adopted by the Board.

Certain disclosure information required by GASB Statements No 67 and 68 as of June 30, 2021 for the Retirement Plan is provided in a separate report.

Valuation highlights

1. Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the unfunded actuarial accrued liability and the principal balance. The funding policy adopted by the Board meets this standard. The contribution developed under the funding policy is called the recommended contribution. This amount is the total normal cost plus the sum of the amortization payments for bases as determined under Georgia law (See page 24 for details).
2. The recommended contribution for the fiscal year ending June 30, 2022 is $10,545,041, a decrease of $45,797 from last year. The contribution as a percentage of payroll decreased from 37.16% of payroll to 36.69% of payroll.
3. Actual contributions to the Plan are set by statute, and are the joint responsibility of the employer and the employees. These statutory contributions are compared to the recommended contribution in order to assess the appropriateness of the statutory contributions. Based upon this comparison, the Board will decide what action to take, if any. City and employee contributions combined are 26.40% of payroll, which is 10.29% less than the recommended contribution. The average period for the bases in the determination of the recommended contribution is 9.2 years. The current contribution rate of 26.40% of pay is amortizing the unfunded actuarial accrued liability over an effective period of 19.2 years. The longest amortization period currently allowed by state law is 30 years. Therefore, the Plan is in compliance.
4. Actual contributions made during the fiscal year ending June 30, 2021 were $7,301,592. In the prior fiscal year, actual contributions were $7,244,616.
5. The funded ratio (the ratio of the actuarial value of assets to actuarial accrued liability) is 69.74%, compared to the prior year funded ratio of 66.02%. This ratio is one measure of funding status, and its history is a measure of funding progress. Using the market value of assets, the funded ratio is 81.40%, compared to 65.24% as of the prior valuation date. These measurements are not necessarily appropriate for assessing the sufficiency of Retirement Plan assets to cover the estimated cost of settling the Retirement Plan's benefit obligation or the need for or the amount of future contributions.
6. The employer normal cost is 11.98% of payroll and is fully covered by the 13.20% employee contribution rate.
7. The unfunded actuarial accrued liability is $51,537,437, which is a decrease of $4,615,028 since the prior valuation. When compared to an expected unfunded actuarial accrued liability of $56,067,487, this yields an actuarial gain from investment and other experience of $4,530,050, or 2.66% of actuarial accrued liability.
8. The net experience loss from sources other than investment experience was 0.20% of the actuarial accrued liability. While non-investment experience was relatively flat overall, there were gains on lower salary increases than expected which were offset by losses on lower turnover than expected.

9. The rate of return on the market value of assets was 31.54% for July 1, 2020 to June 30, 2021 plan year. The return on the actuarial value of assets was 11.53% for the same period due to the recognition of prior years' investment gains and losses. This resulted in an actuarial gain when measured against the assumed rate of return of 7.00%. This actuarial investment gain decreased the recommended contribution rate by 1.58% of pay. Given the low fixed income interest rate environment, target asset allocation and expectations of future investment returns for various classes, we advise the Board to continue to monitor actual and anticipated investment returns relative to the assumed long-term rate of return on investments of 7.00%.
10. The actuarial value of assets is 85.7% of the market value of assets. The investment experience in the past three years has only been partially recognized in the actuarial value of assets. As the deferred net gain is recognized in future years, the cost of the Plan is likely to decrease unless the net gain is offset by future experience. The recognition of the market gains of $19,862,842 will also have an impact on the future funded ratio. If the net deferred gains were recognized immediately in the actuarial value of assets, the recommended contribution would decrease from 36.69% to about 30.28% of payroll.
11. There were no actuarial assumptions changes or plan changes reflected for the first time with this valuation.
12. The Retirement Plan uses the Entry Age Cost Method with the normal cost determined on a "ultimate life" basis. This methodology allows changes in the plan of benefits for new hires to be reflected in the normal cost for current employees even though the plan of benefits for current employees is unchanged. As a result, the actuarial accrued liability increases to offset the decrease in normal cost, and the recommended contribution is less than it would be if the "ultimate life" approach was not used.
13. This report constitutes an actuarial valuation for the purpose of determining the actuarially determined contribution under the Retirement Plan's funding policy and measuring the progress of that funding policy. The Net Pension Liability (NPL) and Pension Expense under Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68, for inclusion in the plan and employer's financial statements as of as of June 30, 2021, were released to the City's Finance Department in a separate report dated October 8, 2021. The accounting disclosures utilize different methodologies from those employed in the funding valuation, as required by the GASB. However, the contributions in this valuation are used as the the actuarially determined contribution (ADC) for GASB financial reporting.
14. This actuarial report as of July 1, 2021 is based on financial and demographic data as of that date. Changes subsequent to that date are not reflected and will affect future actuarial costs of the plan. We are prepared to work with the City to model the effects of these and other subsequent developments.
15. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2021. Due to the COVID-19 pandemic, market conditions have changed significantly since the onset of the Public Health Emergency. The plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Moreover, this actuarial valuation does not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after June 30, 2021. While it is impossible to determine how the pandemic will affect market conditions and other

demographic experience of the plan in future valuations, Segal is available to prepare projections of potential outcomes upon request.

16. Since the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. Segal has not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Retirement Plan's future financial condition, but have included a brief discussion of some risks that may affect the Retirement Plan in Section 2. We recommend a more detailed assessment which would provide the Board of Trustees with a better understanding of the inherent risks.

Summary of key valuation results

Fiscal Year		2021	2020
Contributions for fiscal year beginning July 1:	• Recommended total contributions	$10,545,041	$10,590,838
	• Recommended total contributions as a percent of payroll	36.69%	37.16%
	• Actual contribution rate	26.40%	26.40%
Plan Year Beginning:		**July 1, 2021**	**July 1, 2020**
Actuarial accrued liability for plan year beginning July 1:	• Retired participants and beneficiaries	$93,213,516	$92,042,171
	• Inactive vested participants	2,165,374	1,847,310
	• Active participants	74,380,789	71,031,459
	• Inactive participants due a refund of employee contributions	541,294	336,933
	• Total	170,300,973	165,257,873
	• Normal cost including administrative expenses for plan year beginning July 1	3,352,279	3,309,810
Assets for plan year beginning July 1:	• Market value of assets (MVA)	$138,626,378	$107,814,747
	• Actuarial value of assets (AVA)	118,763,536	109,105,408
	• Actuarial value of assets as a percentage of market value of assets	85.67%	101.20%
Funded status for plan year beginning July 1:	• Unfunded actuarial accrued liability on market value of assets	$31,674,595	$57,443,126
	• Funded percentage on MVA basis	81.40%	65.24%
	• Unfunded actuarial accrued liability on actuarial value of assets	$51,537,437	$56,152,465
	• Funded percentage on AVA basis	69.74%	66.02%
Key assumptions:	• Effective amortization period on an AVA basis	19.2 years	22.1 years
	• Net investment return	7.00%	7.00%
	• Inflation rate	2.75%	2.75%
	• Payroll increase	2.75%	2.75%
Demographic data for plan year beginning July 1:	• Number of retired participants and beneficiaries	294	293
	• Number of inactive vested participants	13	11
	• Number of active participants	497	504
	• Number of inactive participants due a refund of employee contributions	55	42
	• Projected total payroll	$27,971,214	$27,736,067
	• Projected average payroll	56,280	55,032
	• Projected payroll for fiscal year	$28,740,422	$28,498,809

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by the City. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	The valuation is based on the market value of assets as of the valuation date, as provided by the City. The City uses an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan's assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results that does not mean that the previous assumptions were unreasonable.
Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

The actuarial valuation is prepared at the request of the Retirement Board. Segal is not responsible for the use or misuse of its report, particularly by any other party.
An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
Actuarial results in this report are not rounded, but that does not imply precision.
If the City is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The City should look to their other advisors for expertise in these areas.

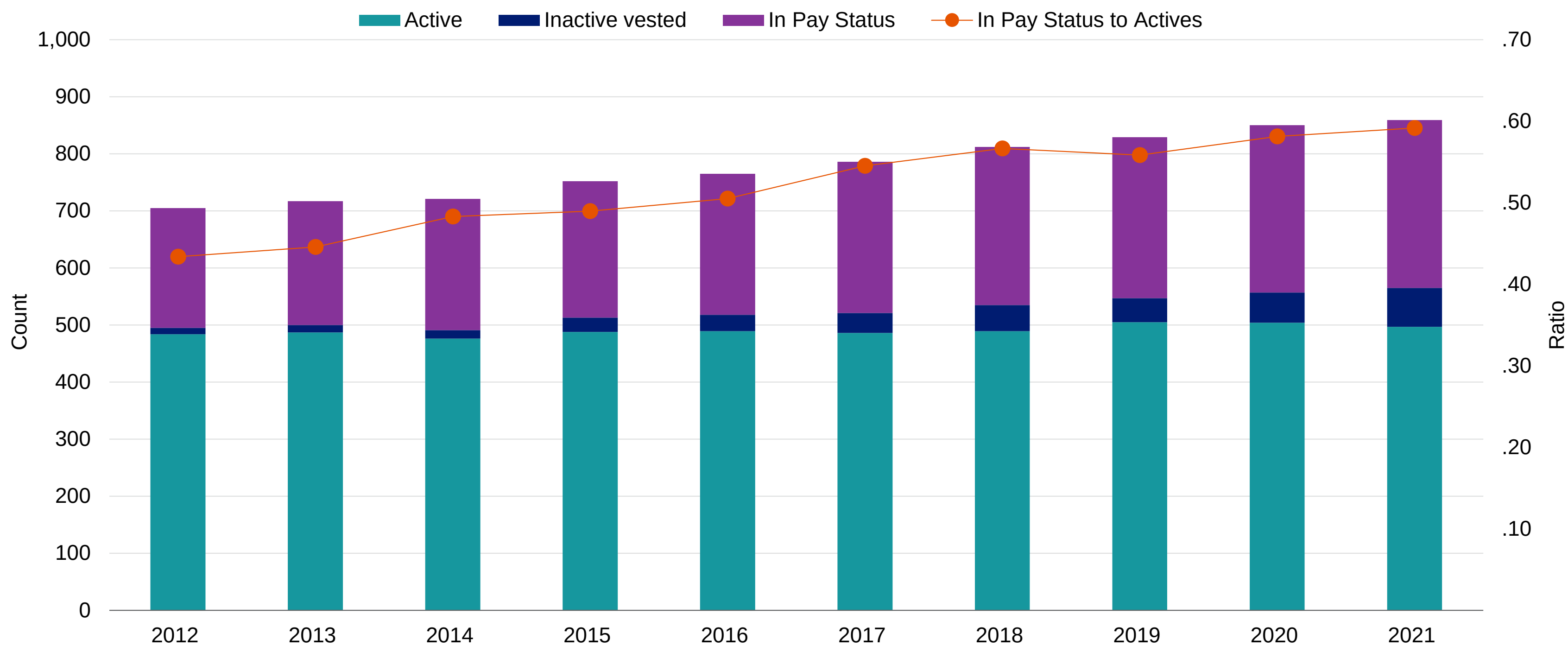
As Segal has no discretionary authority with respect to the management or assets of the Retirement Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Retirement Plan.

Section 2: Actuarial Valuation Results

Participant data

This section presents a summary of significant statistical data on covered participants. More detailed information for this valuation year and the preceding valuation can be found in *Section 3, Exhibits A, B,* and *C*.

Participant Population: 2012 – 2021



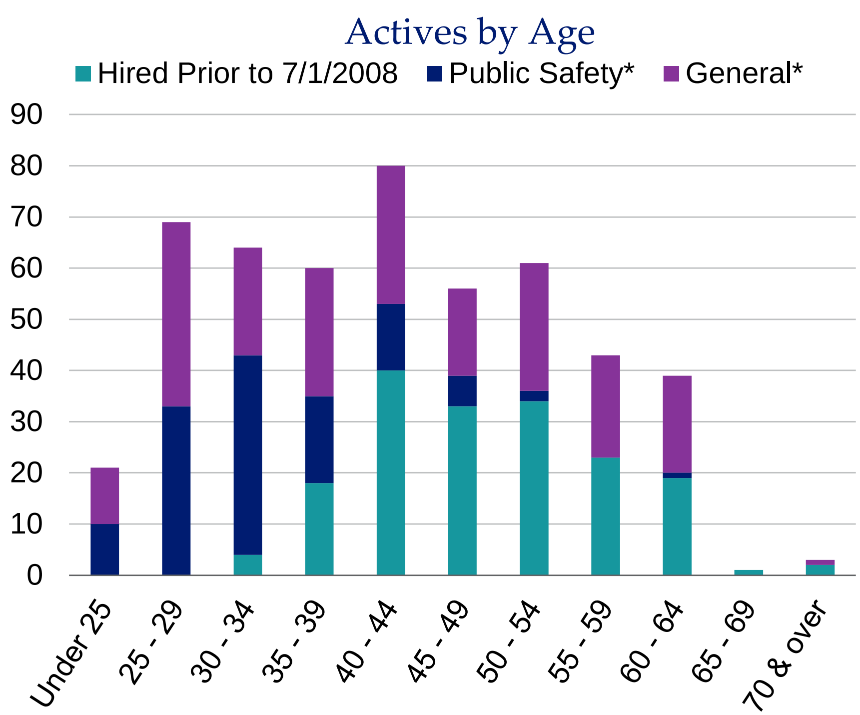
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
In Pay Status	210	217	230	239	247	265	277	282	293	294
Inactive Vested[1]	11	13	15	25	29	35	46	42	53	68
Active	484	487	476	488	489	486	489	505	504	497
Ratio	0.43	0.45	0.48	0.49	0.51	0.55	0.57	0.56	0.58	0.59

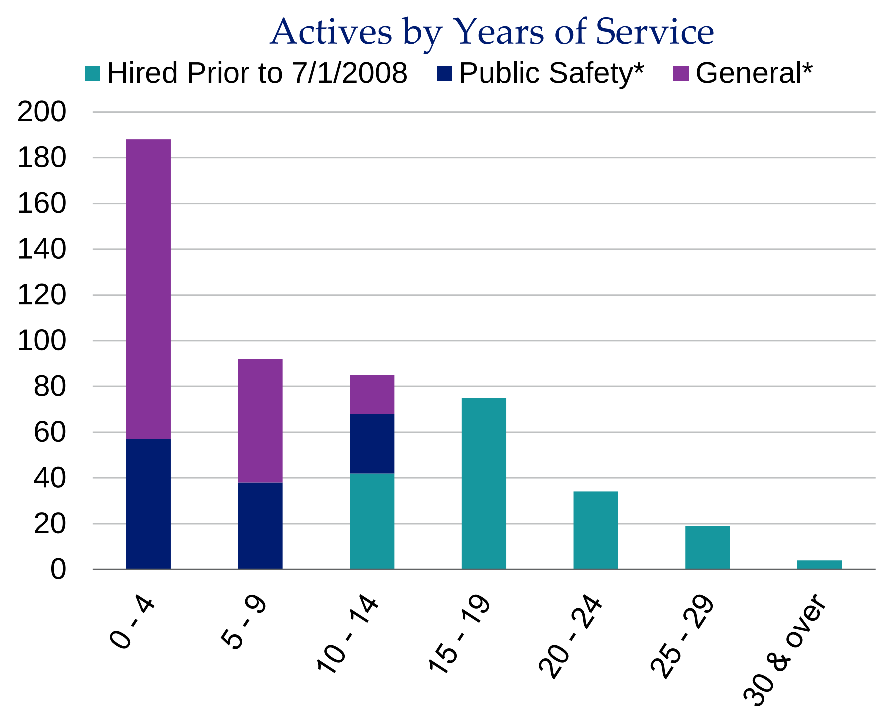
[1]Includes terminated participants due a refund of employee contributions

Active participants

As of June 30,	2021	2020	Change
Active participants	497	**504**	-1.4%
Average age	42.6	**42.2**	0.4
Average years of eligibility service	10.3	**9.8**	0.5
Average years of benefit service	9.9	**9.4**	0.5
Average compensation	56,280	**55,032**	2.3%

Distribution of Active Participants as of June 30, 2021





*Hired on or after 7/1/2008

Inactive participants

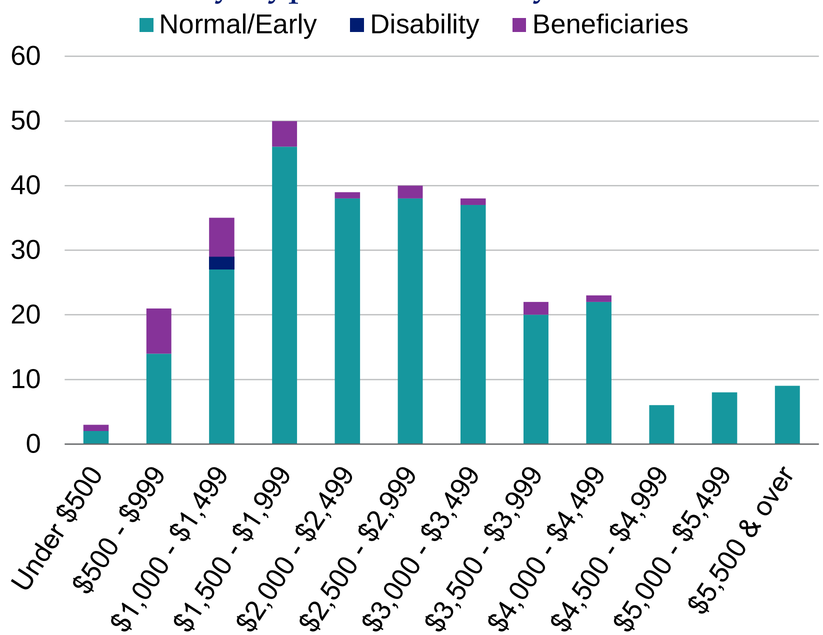
In this year's valuation, there were 13 participants with a vested right to a deferred or immediate vested benefit. In addition, there were 55 participants entitled to a return of their employee contributions.

Retired participants and beneficiaries

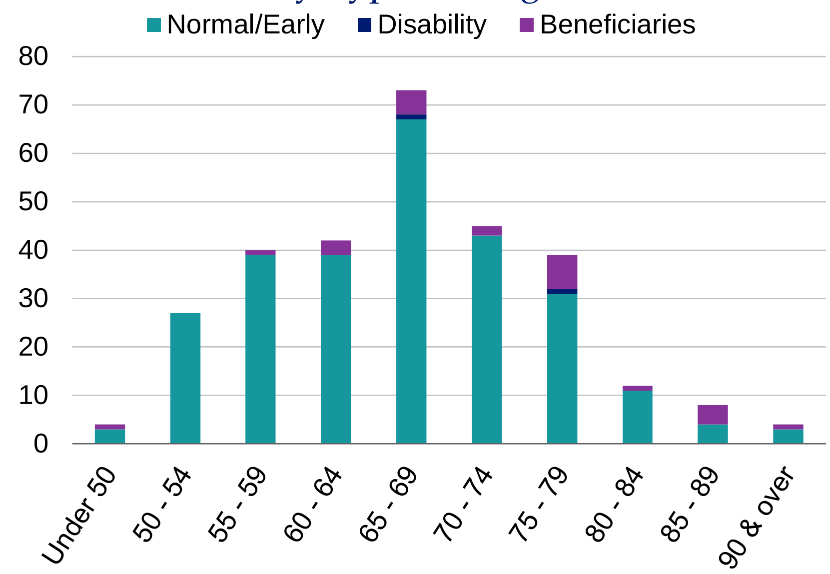
As of June 30,	2021	2020	Change
Retirees	269	**268**	0.4%
Beneficiaries	25	**25**	0.0%
Average age	67.4	**66.9**	0.5
Average amount	$2,649	**$2,607**	1.6%
Total monthly amount	$778,735	**$763,896**	1.9%

Distribution of Retired Participants and Beneficiaries as of June 30, 2021

by Type and Monthly Amount



by Type and Age



Historical plan population

Participant Data Statistics: 2012 – 2021

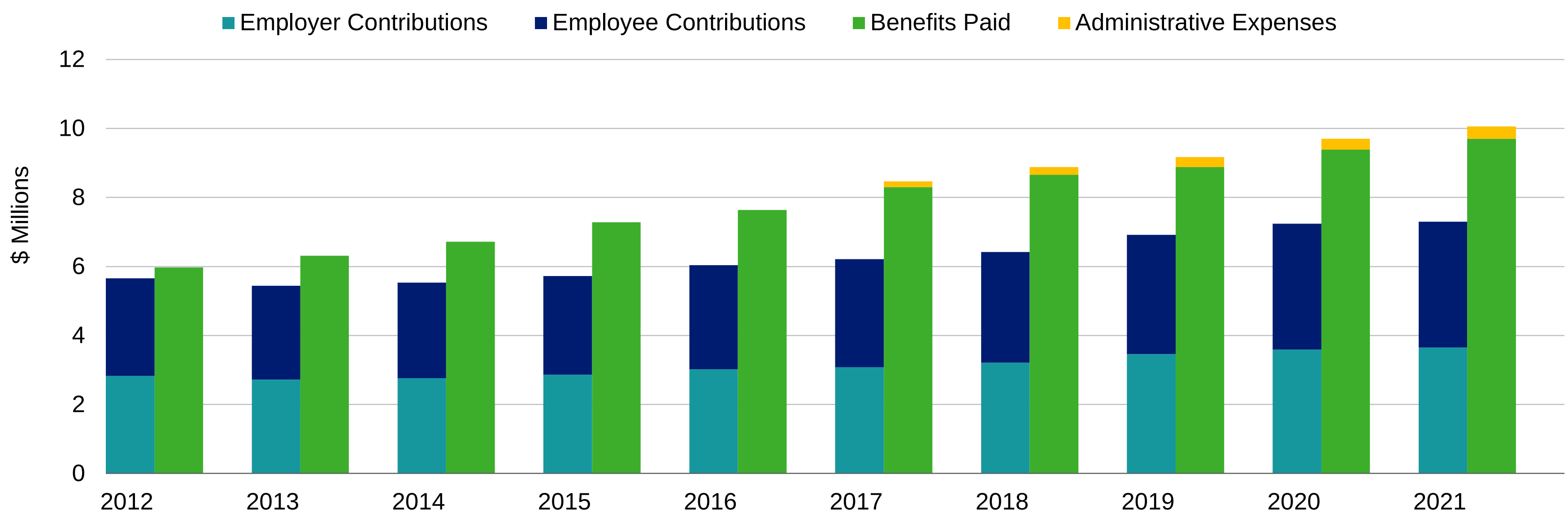
	Active Participants				Retired Participants and Beneficiaries		
Year Ended June 30	**Count**	**Average Age**	**Average Eligibility Service**	**Average Benefit Service**	**Count**	**Average Age**	**Average Monthly Amount**
2012	484	42.3	9.6	9.3	210	64.5	$2,250
2013	487	42.7	9.9	9.5	217	64.9	2,290
2014	476	42.8	10.1	9.8	230	65.3	2,308
2015	488	42.3	9.9	9.5	239	65.3	2,372
2016	489	42.7	10.0	9.6	247	65.7	2,413
2017	486	42.2	9.7	9.3	265	66.0	2,454
2018	489	41.6	9.7	9.3	277	66.3	2,501
2019	505	42.1	9.9	9.4	282	66.8	2,550
2020	504	42.2	9.8	9.4	293	66.9	2,607
2021	497	42.6	10.3	9.9	294	67.4	2,649

Financial information

Retirement plan funding anticipates that, over the long term, both contributions (less administrative expenses) and investment earnings (less investment fees) will be needed to cover benefit payments. Retirement plan assets change as a result of the net impact of these income and expense components.

Additional financial information, including a summary of transactions for the valuation year, is presented in *Section 3, Exhibits D, E* and *F*.

Comparison of Contributions Made with Benefits and Expenses Paid for Years Ended June 30, 2012 – 2021



Prior to the year ended June 30, 2017, administrative expenses were treated as an offset to investment income for valuation purposes.

The negative cash flow position means that the Retirement Plan is becoming more dependent on investment returns to meet benefit payments. This trend can be expected to continue as the retiree population grows.

Section 2: Actuarial Valuation Results

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

With the 2018 valuation, the actuarial value of assets was reset to market value, and asset method was revised to reflect a five-year smoothing method with a 20% corridor. Market value gains and losses will be recognized prospectively over a five-year period.

Determination of Actuarial Value of Assets for Year Ended June 30, 2021

			Original Amount[1]	Percent Deferred[2]	Unrecognized Amount[3]	
1	Market value of assets, June 30, 2021					$138,626,378
2	Calculation of unrecognized return					
	(a)	Year ended June 30, 2021	$26,122,397	80%	$20,897,918	
	(b)	Year ended June 30, 2020	-2,619,508	60%	-1,571,706	
	(c)	Year ended June 30, 2019	1,341,574	40%	536,630	
	(d)	Year ended June 30, 2018	N/A	20%	N/A	
	(e)	Year ended June 30, 2017	N/A	0%	N/A	
	(f)	Total unrecognized return				$19,862,842
3	Preliminary actuarial value: **(1) - (2f)**					118,763,536
4	Adjustment to be within 20% corridor					0
5	Final actuarial value of assets as of June 30, 2021: **(3) + (4)**					118,763,536
6	Actuarial value as a percentage of market value: **(5) ÷ (1)**					85.7%
7	Amount deferred for future recognition[4]: **(1) - (5)**					$19,862,842

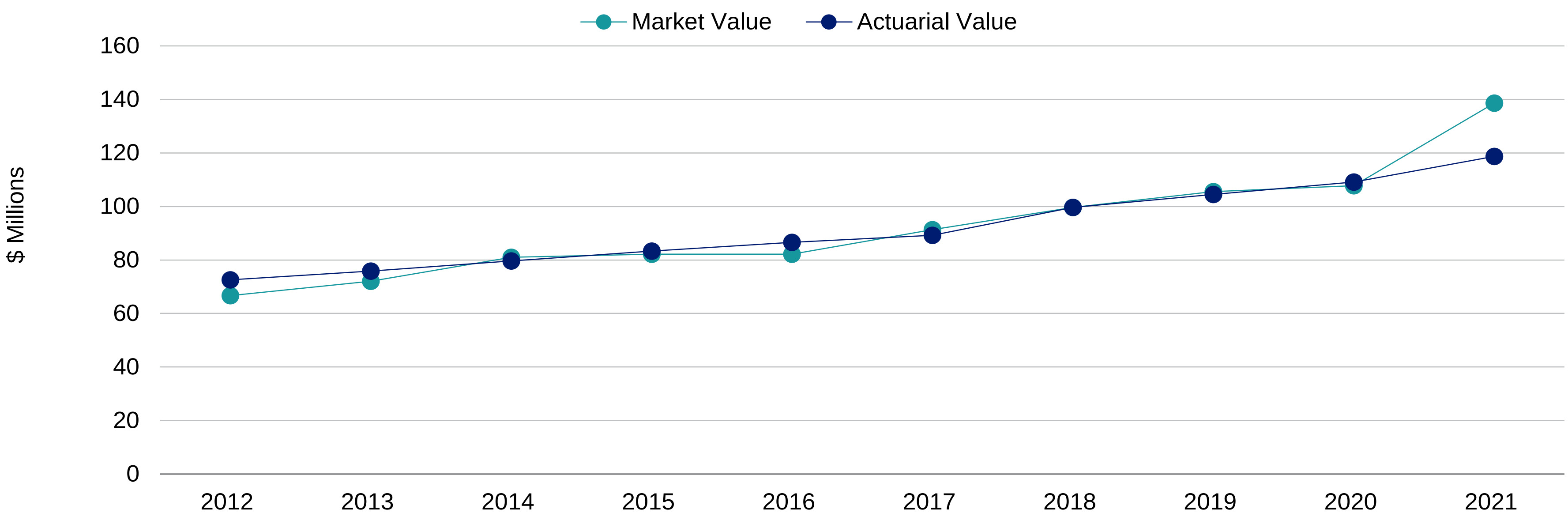
[1]Total return minus expected return on a market value basis
[2]Percent deferred applies to the current valuation year
[3]Recognition at 20% per year over five years
[4]Deferred return as of June 30, 2021 recognized in each of the next four years:

(a) Amount recognized on June 30, 2022	$4,968,892
(b) Amount recognized on June 30, 2023	4,968,892
(c) Amount recognized on June 30, 2024	4,700,578
(d) Amount recognized on June 30, 2025	5,224,480

Section 2: Actuarial Valuation Results

Both the actuarial value and market value of assets are representations of the Retirement Plan's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial asset value is significant because the Retirement Plan's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

Market Value of Assets vs. Actuarial Value of Assets



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Market Value[1]	$66.67	$72.10	$80.98	$82.17	$82.22	$91.31	$99.61	$105.59	$107.81	$138.63
Actuarial Value[1]	72.62	75.89	79.61	83.34	86.63	89.19	99.61	104.51	109.11	118.76

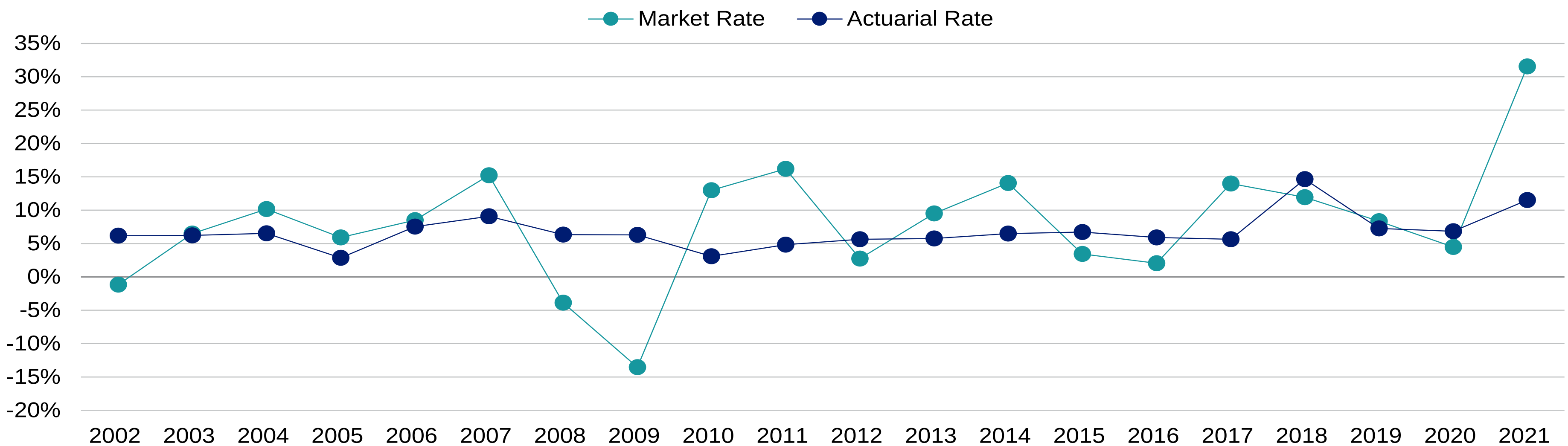
[1]In $ millions

Section 2: Actuarial Valuation Results

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial basis compared to the actual market value investment return for the last 20 years, including averages over select time periods.

As described earlier in this section, the actuarial asset valuation method gradually recognizes fluctuations in the market value rate of return. The goal of this is to stabilize the actuarial rate of return and to produce more level pension plan costs.

Market and Actuarial Rates of Return for Years Ended June 30, 2002 - 2021



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Market rate	-1.2%	6.5%	10.2%	5.9%	8.5%	15.2%	-3.9%	-13.5%	13.0%	16.2%	2.7%	9.5%	14.1%	3.4%	2.0%	14.0%	11.9%	8.4%	4.5%	31.5%
Actuarial rate	6.2%	6.2%	6.5%	2.9%	7.5%	9.1%	6.3%	6.3%	3.1%	4.8%	5.6%	5.7%	6.5%	6.7%	5.9%	5.6%	14.6%	7.3%	6.8%	11.5%
Assumed rate	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.25%	7.25%	7.0%	7.0%	7.0%

Average Rates of Return	Actuarial Value	Market Value
Most recent five-year average return:	9.18%	14.28%
Most recent ten-year average return:	7.83%	10.79%
Most recent fifteen-year average return:	7.30%	9.33%
20-year average return:	7.07%	8.80%

Actuarial experience

To calculate any recommended contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), any contribution requirement will decrease from the previous year. On the other hand, any contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience. If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

Actuarial Experience for Year Ended June 30, 2021

1	Net gain from investments[1]	$4,878,548
2	Net loss from administrative expenses	-172,307
3	Net loss from other experience	-176,191
4	Net experience gain: **1 + 2 + 3**	$4,530,050

[1]Details on next page

Investment experience

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the Retirement Plan's investment policy. The rate of return on the market value of assets was 31.54% for the year ended June 30, 2021.

For valuation purposes, the assumed rate of return on the actuarial value of assets is 7.00%. The actual rate of return on an actuarial basis for the 2020-2021 plan year was 11.53%. Since the actual return for the year was greater than the assumed return, the Retirement Plan experienced an actuarial gain during the year ended June 30, 2021 with regard to its investments.

Investment Experience

		Year Ended June 30, 2021	
		Market Value	**Actuarial Value**
1	Net investment income	$33,572,789	$12,419,286
2	Average value of assets	106,434,168	107,724,829
3	Rate of return: **1 ÷ 2**	31.54%	11.53%
4	Assumed rate of return	7.00%	7.00%
5	Expected investment income: **2 x 4**	7,450,392	7,540,738
6	Actuarial gain/(loss): **1 - 5**	$26,122,397	$4,878,548

Non-investment experience

Administrative expenses

- Administrative expenses for the year ended June 30, 2021 totaled $357,352, as compared to the assumption of $190,000. This resulted in a loss of $172,307 for the year when adjusted for timing. We have maintained the current assumption of $190,000 for the current year and may increase this assumption in a future valuation if the administrative expenses remain elevated.

Mortality experience

- Mortality experience (more or fewer than expected deaths) yields actuarial gains or losses.

Other experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among participants,
- retirement experience (earlier or later than projected),
- the number of disability retirements (more or fewer than projected), and
- salary increases (greater or smaller than projected).

The net loss from this other experience for the year ended June 30, 2021 amounted to $176,191, which is 0.1% of the actuarial accrued liability.

Liability Changes Due to Demographic Experience for Year Ended June 30, 2021

Retirement	-$185,217
Pre-retirement mortality	54,841
Disablement	17,235
Turnover	-754,967
Salary increases for active participants	939,625
Pay status experience	-143,874
New active participants	8,787
Miscellaneous	-112,621
Total	-$176,191

Actuarial assumptions

There are no assumption changes reflected in this report.

Details on actuarial assumptions and methods are in Section 4, Exhibit I.

Plan provisions

There were no changes in plan provisions since the prior valuation.

A summary of plan provisions is in Section 4, Exhibit II.

Development of Unfunded Actuarial Accrued Liability for Year Ended June 30, 2021

1	Unfunded actuarial accrued liability at beginning of year	$56,152,465
2	Normal cost at beginning of year	3,309,810
3	Total expected contributions	-7,301,592
4	Interest on 1, 2 & 3	3,906,803
5	Expected unfunded actuarial accrued liability	$56,067,487
6	Changes due to experience gains and losses	-$4,530,050
7	Unfunded actuarial accrued liability at end of year	$51,537,437

Recommended contribution

The recommended contribution for the Plan is comprised of a normal cost payment and a payment on the unfunded actuarial accrued liability. As of July 1, 2022, the recommended contribution is $10,545,041. This total amount is then divided by the projected payroll for active members to determine the funding rate of 36.69% of payroll.

The City has adopted financing periods of 15 years for experience gains and losses, 30 years for assumption and method changes, 20 years for benefit improvements affecting active employees and 10 years for benefit improvements affecting inactive employees. The current average period for the bases in the determination of the recommended contribution is 9.2 years.

The total statutory contribution rate of 26.40% of pay is amortizing the unfunded actuarial accrued liability over an effective period of 19.2 years. This is a reasonable amortization period under the funding requirements of Georgia state laws.

The contribution requirement as of July 1, 2022 is based on the data previously described, the actuarial assumptions and Plan provisions described in *Section 4*, including all changes affecting future costs adopted at the time of the actuarial valuation, actuarial gains and losses, and changes in the actuarial assumptions.

Recommended Contribution for Year Beginning July 1

		2022		2021	
		Amount	**% of Projected Payroll**	**Amount**	**% of Projected Payroll**
1	Benefit normal cost	$3,168,046	11.02%	$3,125,577	10.97%
2	Administrative expenses	184,233	0.64%	184,233	0.64%
3	Total normal cost: (1) + (2)	$3,352,279	11.66%	$3,309,810	11.61%
4	Actuarial accrued liability	$170,300,973		$165,257,873	
5	Actuarial value of assets	118,763,536		109,105,408	
6	Unfunded actuarial accrued liability: (4) - (5)	$51,537,437		$56,152,465	
7	Payment on projected unfunded actuarial accrued liability	6,563,483	22.84%	6,649,016	23.33%
8	Recommended contribution: (3) + (7), adjusted for timing[1]	$10,545,041	36.69%	$10,590,838	37.16%
9	Valuation payroll projected to fiscal year	$28,740,422		$28,498,809	

[1]Fiscal year contributions are based on the valuation liabilities and assets determined one year prior.

Reconciliation of recommended contribution

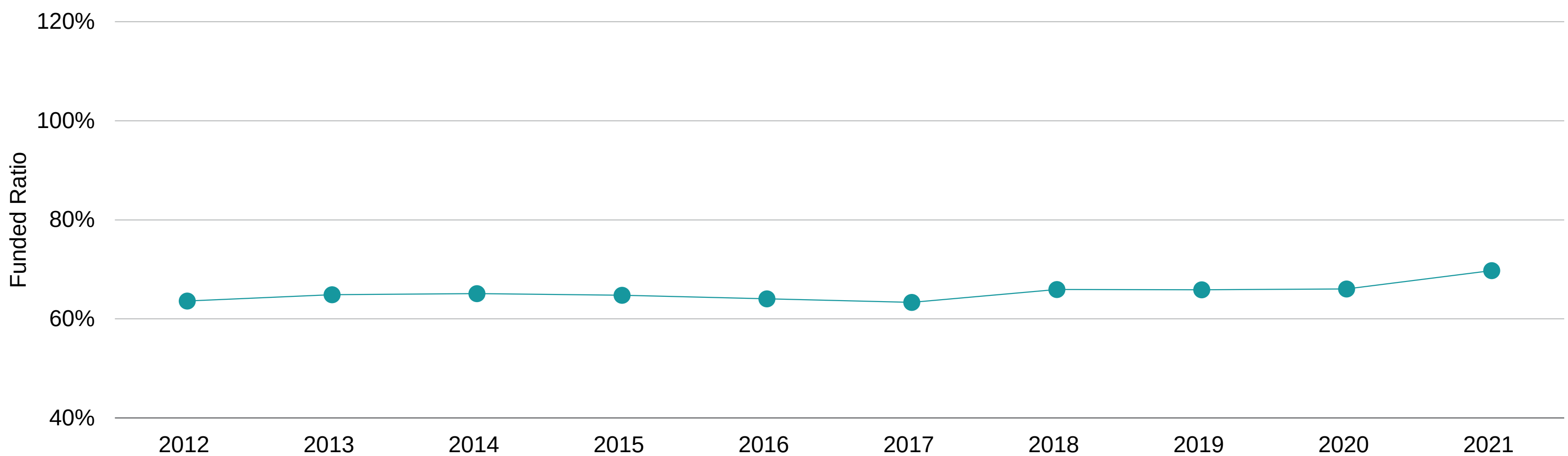
The chart below details the changes in the recommended contribution from the prior valuation to the current year's valuation.

Reconciliation of Recommended Contribution from July 1, 2021 to July 1, 2022

		Amount	% of Payroll
1	Recommended Contribution as of July 1, 2021	$10,590,838	37.16%
2	Effect of expected change in amortization payment due to payroll growth	194,452	0.68%
3	Effect of investment gain	-452,373	-1.58%
4	Effect of other gains and losses on accrued liability	32,315	0.11%
5	Net effect of other changes, including composition and number of participants	179,809	0.63%
6	Total change	-$45,797	-0.16%
7	Effect on contribution percentage from change in payroll	- -	-0.31%
8	Recommended Contribution as of July 1, 2022	$10,545,041	36.69%

Schedule of funding progress through June 30, 2021

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll* [(b) - (a)] / (c)
07/01/2012	$72,623,425	$114,189,383	$41,565,958	63.60%	$22,226,619	187.01%
07/01/2013	75,891,152	116,926,085	41,034,933	64.91%	21,482,940	191.01%
07/01/2014	79,605,608	122,275,186	42,669,578	65.10%	21,607,752	197.47%
07/01/2015	83,341,309	128,689,509	45,348,200	64.76%	22,848,470	198.47%
07/01/2016	86,628,934	135,198,456	48,569,522	64.08%	23,563,546	206.12%
07/01/2017	89,193,790	140,895,035	51,701,245	63.31%	23,784,772	217.37%
07/01/2018	99,606,816	151,137,882	51,531,066	65.90%	24,721,900	208.44%
07/01/2019	104,514,040	158,645,462	54,131,422	65.88%	26,855,193	201.57%
07/01/2020	109,105,408	165,257,873	56,152,465	66.02%	27,736,067	202.45%
07/01/2021	118,763,536	170,300,973	51,537,437	69.74%	27,971,214	184.25%



Risk

Since the actuarial valuation results are dependent on a given set of assumptions and data as of a specific date, there is a risk that emerging results may differ significantly as actual experience differs from the assumptions.

This report does not contain a detailed analysis of the potential range of future measurements, but does include a brief discussion of some risks that may affect the Retirement Plan. A more detailed assessment would provide the Board of Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing and stochastic modeling.

- Investment Risk (the risk that returns will be different than expected)

  If the actual return on market value for the next Plan Year were 1% different from the assumed (either higher or lower), the projected unfunded actuarial liability would change by 0.5%, or about $275,000, with similar changes over the next four years due to recognition under the asset smoothing method.

  Since the Plan's assets are much larger than contributions, investment performance may create volatility in contribution requirements. For example, for each 1% difference in return from the assumed return, the recommended contribution would increase or decrease by about $25,000 (0.1%% of payroll), with similar changes over the next four years due to recognition under the asset smoothing method.

  The market value rate of return over the last 20 years has ranged from a low of -13.53% to a high of 31.54%.

- Longevity Risk (the risk that mortality experience will be different than expected)

  The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the recommended contribution.

- Contribution Risk (the risk that actual contributions will be different from recommended contribution)

  The Retirement Plan's funding policy establishes a fixed contribution rate of 26.40% which is compared against the recommended contribution developed in this report. As shown in Exhibit H, the funding policy has historically been adjusted in response to significant changes in the recommended contribution. In this context, contribution risk refers to the potential effects of current and future funding policy decisions on funding outcomes. The recommended contribution is used as a benchmark for funding progress based on using reasonable amortization periods for different sources in change in the unfunded liability.

  If contributions remain at current level and future experience matches the current assumptions, we project the unfunded actuarial accrued liability will be paid off in 19.2 years rather than the Board's recommended amortization policy of 9.2 years.

- Demographic Risk (the risk that participant experience will be different than assumed)

  Examples of this risk include:
  - Actual retirements occurring earlier or later than assumed. The value of retirement plan benefits is sensitive to the rate of benefit accruals and any early retirement subsidies that apply.
  - More or less active participant turnover than assumed.
- Actual Experience Over the Last Ten Years and Implications for the Future

  Past experience can help demonstrate the sensitivity of key results to the Retirement Plan's actual experience. Over the past ten years:

  The investment gain/(loss) for a year has ranged from a loss of $4,450,612 to a gain of $26,122,397. If all investment returns were equal to the assumed return over the last ten years, the market value of assets as of the current valuation date would be approximately $111,454,386 as opposed to the actual value of $138,626,378.

  The non-investment gain(loss) for a year has ranged from a loss of $3,311,643 to a gain of $3,249,673.

  The funded percentage on the actuarial value of assets has ranged from a low of 63.6% to a high of 69.7% since 2012.
- Maturity Measures

  As pension plans mature, the cash need to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the Retirement Plan's asset allocation is aligned to meet emerging pension liabilities.

  Currently the Retirement Plan has a retiree to active participant ratio of 0.59. For the prior year benefits and expenses paid were $2,761,158 more than contributions received. As the Retirement Plan matures, more cash will be needed from the investment portfolio to meet benefit payments.

GFOA funded liability by type

The Actuarial Accrued Liability represents the present value of benefits earned, calculated using the Retirement Plan's actuarial cost method. The Actuarial Value of Assets reflects the financial resources available to liquidate the liability. The portion of the liability covered by assets reflects the extent to which accumulated plan assets are sufficient to pay future benefits, and is shown for liabilities associated with employee contributions, pensioner liabilities, and other liabilities. The Government Finance Officers Association (GFOA) recommends that the funding policy aim to achieve a funded ratio of 100 percent.

GFOA Funded Liability by Type as of June 30

	2021	2020
Actuarial accrued liability (AAL)		
• Active member contributions	$28,216,597	$26,853,876
• Retirees and beneficiaries	93,213,516	92,042,171
• Active and inactive members (employer-financed)	48,870,860	46,361,826
Total	$170,300,973	$165,257,873
Actuarial value of assets	$118,763,536	$109,105,408
Cumulative portion of AAL covered		
• Active member contributions	100.00%	100.00%
• Retirees and beneficiaries	97.14%	89.36%
• Active and inactive members (employer-financed)	0.00%	0.00%

Volatility ratios

Retirement plans are subject to volatility in the level of required contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total payroll, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of contribution volatility. This is a current measurement since it is based on the current level of assets.

The current AVR is about 5.0. This means that a 1% asset gain or loss (relative to the assumed investment return) translates to about 5.0% of one-year's payroll. Since actuarial gains and losses are amortized over 15 years, there would be roughly a 0.45% of payroll decrease/(increase) in the required contribution for each 1% asset gain or loss. The Liability Volatility Ratio (LVR), which is equal to the Actuarial Accrued Liability divided by payroll, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan's assets should track the plan's liabilities. For example, if a plan is 50% funded on a market value basis, the liability volatility ratio would be double the asset volatility ratio and the plan sponsor should expect contribution volatility to increase over time as the plan becomes better funded.

The LVR also indicates how volatile contributions will be in response to changes in the Actuarial Accrued Liability due to actual experience or to changes in actuarial assumptions. The current LVR is about 6.1. This is about 22% higher than the AVR. Therefore, we would expect that contribution volatility will increase over the long term.

Volatility Ratios for Years Ended 2002 - 2021

Year Ended June 30	Asset Volatility Risk	Liability Volatility Risk
2012	3.0	5.1
2013	3.4	5.4
2014	3.7	5.7
2015	3.6	5.6
2016	3.5	5.7
2017	3.8	5.9
2018	4.0	6.1
2019	3.9	5.9
2020	3.9	6.0
2021	5.0	6.1

State minimum requirements

The Retirement Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). This minimum contribution is determined as the sum of 1) the normal cost (including administrative expenses), 2) the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The Retirement Board has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the City contributes the recommended contribution developed under the actuarial funding policy each year, the Retirement Plan will meet applicable state funding standards.

Section 3: Supplemental Information

Exhibit A: Table of Plan Demographics

Category	Year Ended June 30 2021	2020	Change From Prior Year
Active participants in valuation:			
• Number	497	504	-1.4%
• Average age	42.6	42.2	0.4
• Average years of eligibility service	10.3	9.8	0.5
• Average years of benefit service	9.9	9.4	0.5
• Projected total payroll	$27,971,214	$27,736,067	0.8%
• Projected average payroll	56,280	55,032	2.3%
• Account balances	28,216,597	26,853,876	5.1%
• Total active vested participants	229	230	-0.4%
Inactive vested participants	13	11	18.2%
Inactive nonvested participants due a refund	55	42	31.0%
Retired participants:			
• Number in pay status	267	265	0.8%
• Average age	66.8	66.3	0.5
• Average monthly benefit	$2,749	$2,709	1.5%
Disabled participants:			
• Number in pay status	2	3	-33.3%
• Average age	71.1	69.5	1.6
• Average monthly benefit	$1,112	$1,053	5.6%
Beneficiaries:			
• Number in pay status	25	25	0.0%
• Average age	73.8	73.9	-0.1
• Average monthly benefit	$1,699	$1,709	-0.6%

Exhibit B: Participants in Active Service as of June 30, 2021 by Age, Years of Service, and Average Payroll

		Years of Service							
Age	Total	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39
Under 25	21	21	- -	- -	- -	- -	- -	- -	- -
	$42,323	$42,323	- -	- -	- -	- -	- -	- -	- -
25 - 29	69	55	14	- -	- -	- -	- -	- -	- -
	45,324	45,001	$46,592	- -	- -	- -	- -	- -	- -
30 - 34	64	31	24	9	- -	- -	- -	- -	- -
	51,524	50,708	50,313	$57,569	- -	- -	- -	- -	- -
35 - 39	60	22	10	18	10	- -	- -	- -	- -
	51,396	43,493	55,229	54,259	$59,800	- -	- -	- -	- -
40 - 44	80	18	6	22	24	10	- -	- -	- -
	60,412	47,789	57,058	62,970	64,451	$69,828	- -	- -	- -
45 - 49	56	14	6	9	12	10	5	- -	- -
	66,811	53,035	69,077	66,591	66,809	73,677	$89,328	- -	- -
50 - 54	61	11	12	11	9	9	9	- -	- -
	63,494	53,459	58,457	62,429	65,821	67,603	77,340	- -	- -
55 - 59	43	12	7	8	10	2	2	2	- -
	58,739	55,535	45,232	63,988	57,649	92,689	68,043	$66,432	- -
60 - 64	39	3	13	6	9	3	3	- -	2
	61,463	51,287	61,374	47,415	62,466	74,998	58,360	- -	$99,286
65 - 69	1	- -	- -	- -	1	- -	- -	- -	- -
	60,563	- -	- -	- -	60,563	- -	- -	- -	- -
70 & over	3	1	- -	2	- -	- -	- -	- -	- -
	47,608	58,260	- -	42,282	- -	- -	- -	- -	- -
Total	497	188	92	85	75	34	19	2	2
	$56,280	$47,670	$54,183	$59,378	$63,175	$72,172	$76,519	$66,432	$99,286

Exhibit C: Reconciliation of Participant Data

	Active Participants	Inactive Vested Participants	Inactives Due Refund	Disableds	Retired Participants	Beneficiaries	Total
Number as of July 1, 2020	**504**	**11**	**42**	**3**	**265**	**25**	**850**
• New participants	37	N/A	8[1]	N/A	N/A	N/A	45
• Terminations – with vested rights	-2	2	0	0	0	0	0
• Terminations – without vested rights	-8	N/A	8	N/A	N/A	N/A	0
• Retirements	-8	0	0	N/A	8	N/A	0
• New disabilities	0	0	0	0	N/A	N/A	0
• Return to work	0	0	0	0	0	N/A	0
• Deceased	-3	0	0	-1	-6	-1	-11
• New beneficiary	0	0	0	0	0	1	1
• Lump sum cash-outs	-23	0	-5	0	0	0	-28
• Data adjustments	0	0	2	0	0	0	2
Number as of July 1, 2021	**497**	**13**	**55**	**2**	**267**	**25**	**859**

[1]Hired, terminated within the past valuation cycle and left employee contributions in plan.

Exhibit D: Summary Statement of Income and Expenses on a Market Value Basis

	Year Ended June 30, 2021		Year Ended June 30, 2020	
Net assets at market value at the beginning of the year		$107,814,747		$105,587,299
Contribution income:				
• City contributions	$3,650,796		$3,593,741	
• Member contributions	3,650,796		3,650,875	
• Less administrative expenses	-357,352		-313,890	
Net contribution income		*$6,944,240*		*$6,930,726*
Investment income:				
• Interest, dividends and other income	$1,553,640		$1,866,032	
• Asset appreciation	32,019,149		2,819,537	
Net investment income		*$33,572,789*		*$4,685,569*
Total income available for benefits		**$40,517,029**		**$11,616,295**
Less benefit payments:				
• Benefit payments	-$9,157,128		-$8,896,838	
• Refunds	-548,270		-492,009	
Net benefit payments		*-$9,705,398*		*-$9,388,847*
Change in reserve for future benefits		**$30,811,631**		**$2,227,448**
Net assets at market value at the end of the year		**$138,626,378**		**$107,814,747**

Exhibit E: Summary Statement of Plan Assets

	June 30, 2021		June 30, 2020	
Cash equivalents		$787,194		$948,490
Investments:				
• Equities	$89,964,218		$65,943,173	
• Fixed Income	37,356,137		31,071,901	
• Other	10,542,033		9,894,048	
Total investments at market value		$137,862,388		$106,909,122
Total assets		$138,649,582		$107,857,612
Total accounts payable		-23,204		-42,865
Net assets at market value		**$138,626,378**		**$107,814,747**
Net assets at actuarial value		**$118,763,536**		**$109,105,408**

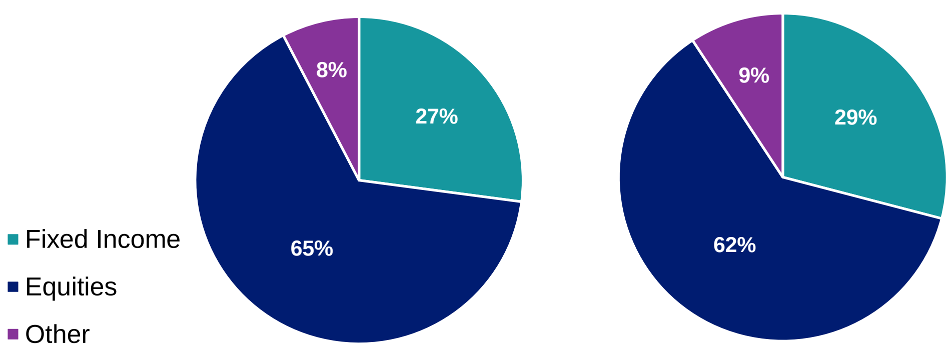


Exhibit F: Development of the Fund through June 30, 2021

Year Ended June 30	City Contributions	Employee Contributions	Net Investment Return[1]	Admin. Expenses	Benefit Payments	Market Value of Assets at Year-End	Actuarial Value of Assets at Year-End	Actuarial Value as a Percent of Market Value
2012	$2,829,095	$2,829,095	$1,779,127	$0	$5,969,131	$66,672,980	$72,623,425	108.9%
2013	2,720,450	2,720,450	6,298,042	0	6,313,184	72,098,738	75,891,152	105.3%
2014	2,766,404	2,766,404	10,066,981	0	6,715,366	80,983,161	79,605,608	98.3%
2015	2,862,539	2,862,539	2,740,115	0	7,282,407	82,165,947	83,341,309	101.4%
2016	3,021,182	3,021,182	1,651,839	0	7,642,229	82,217,921	86,628,934	105.4%
2017	3,079,855	3,132,278	11,348,553	165,260	8,301,719	91,311,628	89,193,790	97.7%
2018	3,209,624	3,209,624	10,757,165	219,595	8,661,630	99,606,816	99,606,816	100.0%
2019	3,459,466	3,459,466	8,235,138	292,750	8,880,837	105,587,299	104,514,040	99.0%
2020	3,593,741	3,650,875	4,685,569	313,890	9,388,847	107,814,747	109,105,408	101.2%
2021	3,650,796	3,650,796	33,572,789	357,352	9,705,398	138,626,378	118,763,536	85.7%

[1]On a market basis, net of investment fees. Years prior to 2017 are also net of administrative expenses.

Exhibit G: Table of Amortization Bases

Type[1]	Date Established	Initial Period	Initial Amount	Annual Payment[2]	Years Remaining	Outstanding Balance
Method Change	07/01/2005	30	$32,986,302	$3,097,924	14	$33,772,797
Experience Loss	07/01/2007	15	2,683,283	363,236	1	363,236
Experience Loss	07/01/2008	15	1,981,229	259,439	2	508,573
Plan Amendment	07/01/2008	20	2,971,384	319,344	7	1,985,990
Experience Loss	07/01/2009	15	6,539,294	828,330	3	2,387,595
Change in Asset Method	07/01/2009	30	-4,257,814	-349,803	18	-4,560,770
Experience Loss	07/01/2010	15	649,697	79,607	4	299,952
Experience Loss	07/01/2011	15	1,822,083	215,954	5	997,335
Assumption Change	07/01/2011	30	-1,863,464	-143,175	20	-2,002,045
Experience Gain	07/01/2012	15	-1,960,521	-224,758	6	-1,221,523
Plan Amendment	07/01/2012	20	455,797	42,872	11	388,253
Experience Gain	07/01/2013	15	-764,499	-84,774	7	-527,208
Experience Loss	07/01/2014	15	1,624,012	174,185	8	1,214,409
Experience Loss	07/01/2015	15	2,710,071	281,145	9	2,163,417
Experience Loss	07/01/2016	15	2,150,436	215,773	10	1,810,200
Assumption Change	07/01/2016	30	1,077,026	69,972	25	1,122,108
Experience Loss	07/01/2017	15	4,409,885	429,613	11	3,890,644
Experience Loss	07/01/2018	15	4,361,401	412,530	12	4,000,081
Assumption Change	07/01/2018	30	3,511,941	215,079	27	3,602,176
Change in Asset Method	07/01/2018	30	-6,305,493	-386,163	27	-6,467,506
Experience Loss	07/01/2019	15	4,871,842	448,478	13	4,624,398
Experience Loss	07/01/2020	15	4,726,696	423,471	14	4,616,578
Experience Gain	07/01/2021	15	-1,431,253	-124,796	15	-1,431,253
Total				**$6,563,483**		**$51,537,437**

[1]Experience gain/loss bases established on or after July 1, 2017 include the impact of resetting the credit balance to $0 and subsequent losses due to contributions lower than the recommended contribution.
[2]Level percentage of payroll.

Exhibit H: History of Contribution Rates

Fiscal Year Ended June 30	Member Percentage of Pay	City Percentage of Pay	Total Policy Percentage	Recommended Contribution Percentage
1998	9.50%	9.50%	19.00%	18.90%
1999	9.50%	9.50%	19.00%	19.60%
2000	9.50%	9.50%	19.00%	19.20%
2001	9.50%	9.50%	19.00%	19.30%
2002	9.50%	9.50%	19.00%	19.50%
2003	9.50%	9.50%	19.00%	19.80%
2004	10.50%	10.50%	21.00%	21.10%
2005	10.50%	10.50%	21.00%	22.10%
2006	10.50%	10.50%	21.00%	22.10%
2007	13.20%	13.20%	26.40%	26.40%
2008	13.20%	13.20%	26.40%	26.80%
2009	13.20%	13.20%	26.40%	26.24%
2010	13.20%	13.20%	26.40%	25.07%
2011	13.20%	13.20%	26.40%	27.26%
2012	13.20%	13.20%	26.40%	28.98%
2013	13.20%	13.20%	26.40%	29.32%
2014	13.20%	13.20%	26.40%	28.12%
2015	13.20%	13.20%	26.40%	28.97%
2016	13.20%	13.20%	26.40%	30.22%
2017	13.20%	13.20%	26.40%	30.88%
2018	13.20%	13.20%	26.40%	31.80%
2019	13.20%	13.20%	26.40%	33.96%
2020	13.20%	13.20%	26.40%	35.17%
2021	13.20%	13.20%	26.40%	35.62%
2022	13.20%	13.20%	26.40%	37.16%
2023	13.20%	13.20%	26.40%	36.69%

Exhibit I: Definition of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Actuarial Accrued Liability for Actives:	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial Accrued Liability for Retirees and Beneficiaries:	Actuarial Present Value of lifetime benefits to existing retirees and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial Cost Method:	A procedure allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Actuarial Accrued Liability that are used to determine the recommended contribution.
Actuarial Gain or Loss:	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. To the extent that actual experience differs from that assumed, Actuarial Accrued Liabilities emerge which may be the same as forecasted, or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield actuarial liabilities that are larger than projected.
Actuarially Equivalent:	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial Present Value (APV):	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. Each such amount or series of amounts is: Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.) Multiplied by the probability of the occurrence of an event (such as survival, death, disability, withdrawal, etc.) on which the payment is conditioned, and Discounted according to an assumed rate (or rates) of return to reflect the time value of money.

Actuarial Present Value of Future Benefits:	The Actuarial Present Value of benefit amounts expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The Actuarial Present Value of Future Benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund of member contributions or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial Valuation:	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan, as well as Actuariallv Determined Contributions.
Actuarial Value of Assets (AVA):	The value of the Plan's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the Actuariallv Determined Contribution.
Actuarially Determined:	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the Plan.
Actuarially Determined Contribution (ADC):	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The ADC consists of the Employer Normal Cost and the Amortization Payment.
Amortization Method:	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the Unfunded Actuarial Accrued Liability. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the Unfunded Actuarial Accrued Liability. Under the Level Percentage of Pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
Amortization Payment:	The portion of the pension plan contribution, or ADC, that is intended to pay off the Unfunded Actuarial Accrued Liability.

Assumptions or Actuarial Assumptions:	The estimates upon which the cost of the Plan is calculated, including: Investment return - the rate of investment yield that the Plan will earn over the long-term future; Mortality rates - the rate or probability of death at a given age for employees and retirees; Retirement rates - the rate or probability of retirement at a given age or service; Disability rates - the rate or probability of disability retirement at a given age; Withdrawal rates - the rate or probability at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement; Salary increase rates - the rates of salary increase due to inflation, real wage growth and merit and promotion increases.
Closed Amortization Period:	A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 20 years, it is 19 years at the end of one year, 18 years at the end of two years, etc. See Open Amortization Period.
Decrements:	Those causes/events due to which a member's status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or withdrawal.
Defined Benefit Plan:	A retirement plan in which benefits are defined by a formula based on the member's compensation, age and/or years of service.
Defined Contribution Plan:	A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan's earnings are allocated to each account, and each member's benefits are a direct function of the account balance.
Employer Normal Cost:	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Experience Study:	A periodic review and analysis of the actual experience of the Plan that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified based on recommendations from the Actuary.
Funded Ratio:	The ratio of the Actuarial Value of Assets (AVA) to the Actuarial Accrued Liability (AAL). Plans sometimes also calculate a market funded ratio, using the Market Value of Assets (MVA), rather than the AVA.

Section 3: Supplemental Information

GASB 67 and GASB 68:	Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68. These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.
Investment Return:	The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.
Net Pension Liability (NPL):	The Net Pension Liability is equal to the Total Pension Liability minus the Plan Fiduciary Net Position.
Normal Cost:	The portion of the Actuarial Present Value of Future Benefits and expenses allocated to a valuation year by the Actuarial Cost Method. Any payment with respect to an Unfunded Actuarial Accrued Liability is not part of the Normal Cost (see Amortization Payment). For pension plan benefits that are provided in part by employee contributions, Normal Cost refers to the total of member contributions and employer Normal Cost unless otherwise specifically stated.
Open Amortization Period:	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in each future year in determining the Amortization Period.
Plan Fiduciary Net Position:	Market value of assets.
Total Pension Liability (TPL):	The actuarial accrued liability under the entry age normal cost method and based on the blended discount rate as described in GASB 67 and 68.
Unfunded Actuarial Accrued Liability:	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. This value may be negative, in which case it may be expressed as a negative Unfunded Actuarial Accrued Liability, also called the Funding Surplus or an Overfunded Actuarial Accrued Liability.
Valuation Date or Actuarial Valuation Date:	The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Benefits is determined. The expected benefits to be paid in the future are discounted to this date.

Section 4: Actuarial Valuation Basis

Exhibit I: Actuarial Assumptions and Actuarial Cost Method

Rationale for Assumptions:	The investment return, inflation, and administrative expense assumptions used in the July 1, 2021 valuation were approved by the Board in October, 2018, based on the results of an actuarial study conducted by Segal. The mortality and other actuarial assumptions used in the July 1, 2021 valuation were approved by the Board in August, 2016, based on the results of an actuarial experience study for the five-year period ended June 30, 2015. An actuarial experience review was also conducted for the period July 1, 2015 to June 30, 2020. No assumption changes have been adopted as a result of this study. Current data is reviewed in conjunction with each annual valuation.
Net Investment Return:	7.00%, net of investment expenses The net investment return assumption was chosen by the Retirement Plan's Board of Trustees, with input from the actuary. This assumption is a long-term estimate derived from historical data, current and recent market expectations, and input from Plan professionals. As part of the analysis, a building block approach was used that reaflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the Retirement Plan's target asset allocation.
Administrative Expenses:	$190,000 payable mid-year, equivalent to $184,233 at the beginning of the year.
Salary Increases:	See table below

Salary Increases:

Service	Rate (%)
0-1	13.75
1-2	5.75
2-5	4.75
5-14	3.75
15-24	3.25
25+	2.75

Above rates reflect a 2.75% inflation assumption.

The salary increase assumptions are based on the City's pay plan, along with analysis completed in conjunction with an actuarial experience study for the five-year period ended June 30, 2015.

Inflation Rates:	2.75%
Payroll Growth:	2.75%
Cost-of-Living Adjustments:	0.00%

Mortality Rates:

Pre-retirement: RP-2014 Employee Mortality Table

Healthy annuitants: RP-2014 Blue Collar Healthy Annuitant Mortality Table with rates multiplied by 120%, set forward two years for males only

Disabled annuitants: RP-2014 Disabled Retiree Mortality Table

The tables above, with adjustments shown, reasonably reflect the mortality experience of the Retirement Plan as of the measurement date. The mortality tables were then adjusted to future years using generational projection under Scale MP-2015 from 2014 to reflect future mortality improvement.

Annuitant Mortality Rates:

	Rate (%)			
	Healthy[1]		Disabled[1]	
Age	**Male**	**Female**	**Male**	**Female**
55	0.83	0.48	2.34	1.45
60	1.18	0.69	2.66	1.70
65	1.80	1.05	3.17	2.09
70	2.84	1.68	4.03	2.82
75	4.60	2.76	5.43	4.10
80	7.64	4.58	7.66	6.10
85	12.84	7.80	11.33	9.04
90	21.32	13.42	17.30	13.27

[1] *Rates shown do not include generational projection.*

Mortality and Disability Rates before Retirement:

	Rate (%)		
	Mortality[1]		Disability
Age	Male	Female	Male and Female
20	0.04	0.02	0.02
25	0.05	0.02	0.03
30	0.05	0.02	0.03
35	0.05	0.03	0.03
40	0.06	0.04	0.04
45	0.10	0.07	0.05
50	0.17	0.11	0.08
55	0.28	0.17	0.15
60	0.47	0.24	0.30

[1] *Rates shown do not include generational projection.*

On the Job Disability:

Employees hired prior to July 1, 2008:	100% of disabilities
General Employees hired on or after July 1, 2008:	30% of disabilities
Public Safety Employees hired on or after July 1, 2008:	80% of disabilities

Termination Rates Before Retirement:

Age	Employees hired prior to July 1, 2008	General Employees hired on or after July 1, 2008	Years of Service	Public Safety Employees hired on or after July 1, 2008
20	24.61%	29.51%	0-1	18.00%
25	15.00	22.48	1-2	16.00
30	8.15	16.28	2-3	14.00
35	5.07	12.64	3-4	12.00
40	4.04	10.07	4-5	10.00
45	3.24	8.07	5-6	8.00
50	2.58	6.44	6-7	6.00
55	2.03	5.06	7-10	4.00
60	1.55	3.86	11-19	2.00
65	1.13	2.81	20+	0.00

Retirement Rates:

Employees hired before July 1, 2008		General Employees hired on or after July 1, 2008		Public Safety Employees hired on or after July 1, 2008	
Age	**Rate%**	**Age**	**Rate%**	**Age**	**Rate%**
40-49	15.0	55-59	5.0	50-54	0
50-59	12.5	60-64	30.0	55-59	10.0
60	15.0	65	100.0	60-64	30.0
61	20.0			65	100.0
62	40.0				
63	35.0				
64	20.0				
65-69	35.0				
70	100.0				

Note: Rates are increased an additional 30% at age when participant first becomes eligible for unreduced benefits.

Section 4: Actuarial Valuation Basis

Retirement Age for Inactive Vested Participants:	Earliest eligibility for Normal Retirement, but not before age 60
Weighted Average Retirement Age:	Age 58.8, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the July 1, 2021 actuarial valuation.
Form of payment:	Life annuity
Percent Married:	90%
Age of Spouse:	Females two years younger than males
Unknown Data for Participants:	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Actuarial Value of Assets:	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value. Set to market value on July 1, 2018.
Actuarial Cost Method:	Entry Age Actuarial Cost Method. Entry Age is the age at the time the participant commenced employment. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined as if the current benefit accrual rate had always been in effect.
Change in Actuarial Assumptions:	There have been no changes in actuarial assumptions since the last valuation.

Exhibit II: Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year:	July 1 through June 30
Plan Status:	Ongoing
Normal Retirement:	
Employees hired prior to July 1, 2008	
Eligibility Requirement	The later of age 60 and the completion of 10 years of service, or any age and the completion of 25 years of service, if earlier. (If hired on or after age 55, participant is eligible for Normal Retirement after 5 years of participation.)
Amount	• 3% of Average Monthly Compensation times years of service (maximum 99%)
Average Monthly Compensation	• Based on total compensation for the 60 consecutive completed service months that yield the highest average
Employees hired on or after July 1, 2008	
Eligibility Requirement	
General Employees	• The later of age 65 and the completion of 10 years of service, or age 60 and the completion of 25 years of service, if earlier
Public Safety Employees	• The later of age 65 and the completion of 10 years of service, or age 50 and the completion of 25 years of service, if earlier
Amount	• 2.5% of Average Monthly Compensation times years of service (maximum 82.5%)
Average Monthly Compensation	• Based on total compensation for the 60 consecutive completed service months that yield the highest average.on tot compensation for the 60 consecutive completed service months that yield the highest average.

Early Retirement:	
Employees hired before July 1, 2008	
Eligibility Requirement	• Any age and the completion of 20 years of service
Amount	• Normal pension accrued reduced by 2% for each year by which the benefit commencement date precedes the nor retirement date
Employees hired on or after July 1, 2008	
Eligibility Requirement	• Any age and the completion of 20 years of service
Amount	• Normal pension accrued reduced by 5% for each year by which the benefit commencement date precedes the nor retirement date
Disability:	
Employees hired before July 1, 2008	
Eligibility Requirement	• Any age and one year of credited service, and either eligible for benefits under the Social Security Act or determin to be disabled by the Pension Board
Amount	• 50% of average monthly compensation, but not less than the unreduced normal pension accrued
Employees hired on or after July 1, 2008	
On-the-job	
Eligibility Requirement	• Any age and one year of credited service, and either eligible for benefits under the Social Security Act or determin to be disabled by the Pension Board
Amount	• 50% of average monthly compensation, but not less than the unreduced normal pension accrued
Not-on-the-job	
Eligibility Requirement	• Any age and 10 years of credited service, and either eligible for benefits under the Social Security Act or determin to be disabled by the Pension Board
Amount	• The unreduced normal pension accrued
Termination Benefits:	
Within the first ten years of eligibility service (five years if hired on or after age 55)	• The participant's contributions will be returned without interest.
After ten years of eligibility service	• The participant who terminates employment prior to their Normal Retirement Date and elects to leave contributions the fund shall receive a monthly benefit to commence at age 60. The benefit payable is based on credited service average monthly compensation as of the date of termination.

Pre-Retirement Death Benefit:	
A. Less than 25 years of Eligibility Service	
Requirement	• Death prior to termination of employment and completion of at least 10 years but less than 25 years of eligib service.
Amount	• 50% of accrued Normal Retirement benefit payable.
B. At least 25 years of Eligibility Service	
Requirement	• Death prior to termination of employment and after completion of at least 25 years of eligibility service.
Amount	• The amount of pension computed as if the decedent had retired under the normal retirement provision and e 100% Joint and Survivor option. Note: For all participants, the minimum death benefit is equal to the participant’s contributions converted to a actuarially equivalent life time pension.
Post-Retirement Death Benefits:	• If married, pension benefits are paid in the form of a joint and survivor annuity (One hundred, seventy-five, o percent) unless this form is rejected by the participant and spouse. If not rejected, the benefit amount otherw payable is reduced to reflect the joint and survivor coverage. If not rejected, and the spouse predeceases th employee, the employee’s benefit amount will subsequently be increased to the unreduced amount payable joint and survivor coverage been rejected. If rejected, or if not married, benefits are payable for the life of the employee, or in any other available optional form elected by the employee in an actuarially equivalent amou
Participation:	• Any person who performs a service for the City of Gainesville, Georgia who is not covered by Social Securit eligible to participate. Independent contractors, “leased employees” and temporary, casual or part-time emp not eligible to participate in this plan.
Contributions:	• Each participant contributes 13.2% of pay. The City contributes 13.2% as well, for a total of 26.4%.
Changes in Plan Provisions:	There have been no changes in plan provisions since the last valuation.

9384297v3/10417.001

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 12/7/2021

Presenter: Ed Emerson

Item of Business: Resolution: Restatement of Retirement Plan A Document

Meeting Date: 12/16/2021

Purpose of Request:
To amend and restate the Retirement Plan A Document.

History/Background:
The Gainesville Employee Pension Plan A Board of Trustees met on November 9, 2021 to address needed changes to the Retirement Plan A Document. The proposed changes will address several federal statutes that have become law since the last time the plan was restated in 2001.

The Retirement Plan A was last restated effective as of January 1, 2001, and has been amended 26 times. It is recommended that the Plan be amended and restated into an updated Plan document with an effective date of January 1, 2022.

Facts & Issues for Consideration:
The Retirement Plan A Board has consulted with Ed Emmerson (Plan Attorney) and Malichi Waterman (Plan Actuary), whom agree that the Plan can support the proposed changes.

Department Recommendation:
The Pension Board, with the advice of legal counsel, recommends that the Plan be amended and restated in its entirety to incorporate prior amendments to the Plan, to update the Plan for applicable law changes (including the Setting Every Community Up for Retirement Enhancement Act of 2019 (the "SECURE Act")), and to make other miscellaneous changes to the Plan. The Restatement also makes conforming changes to the Plan for consistency with Plan operations, including removing out-dated or inoperative Plan provisions.

Department Director:
Tommy Hunt, Chairman

If funding is involved, are funds approved within the current budget?
N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
Restatement of Retirement Plan A Document	Resolution
Retirement Plan A - Summary of 2021 Restatement	Backup Material
Retirement Plan A Document 2021 Restatement - Clean Draft	Backup Material
Retirement Plan A Document 2021 Restatement - Marked Draftt	Backup Material

Pension Board Recommendations Backup Material

RESOLUTION BR-2021 - ___

Restatement of Retirement Plan A Plan Document

WHEREAS, the City of Gainesville (the “City”) maintains the City of Gainesville, Georgia, Retirement Plan A (the “Plan”), which was last amended and restated effective as of January 1, 2001; and

WHEREAS, the City wishes to amend and restate the Plan in its entirety to incorporate prior amendments to the Plan, to update the Plan for applicable law changes (including the Setting Every Community Up for Retirement Enhancement Act of 2019 (the “SECURE Act”), and to make other miscellaneous changes to the Plan.

NOW, THEREFORE, **BE IT RESOLVED THAT**, pursuant to Article XI of the Plan, the governing body for the City of Gainesville hereby amend and restate the Plan in its entirely substantially in the form attached hereto, effective generally as of January 1, 2022.

BE IT FURTHER RESOLVED THAT, the Mayor, the Retirement Plan A Pension Board, and such other representatives of the City as may be appropriate are authorized and designated to execute any and all documents, letters, consents and other instruments necessary to effectuate the foregoing resolutions, including, without limitation, the execution of the Plan restatement described above.

BE IT FURTHER RESOLVED THAT, except as specifically amended hereby, the Plan shall remain in full force and effect.

Adopted this _____ day of __________________, 2021.

____

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

____

Denise O. Jordan, City Clerk

CITY OF GAINESVILLE, GEORGIA
RETIREMENT PLAN A

Summary of Draft Plan Restatement

Retirement Plan A (the "Plan") was last restated effective as of January 1, 2001, and has been amended 26 times. It is recommended that the Plan be amended and restated into an updated Plan document with an effective date of January 1, 2022 (the "Restatement"). Below is a summary of the material changes made by draft Restatement:

I. Incorporation of Prior Amendments, Law Changes and Conforming Changes.

The Pension Board, with the advice of legal counsel, recommends that the Plan be amended and restated in its entirety to incorporate prior amendments to the Plan, to update the Plan for applicable law changes (including the Setting Every Community Up for Retirement Enhancement Act of 2019 (the "SECURE Act")), and to make other miscellaneous changes to the Plan. The Restatement also makes other conforming changes to the Plan for consistency with Plan operations, including removing out-dated or inoperative Plan provisions.

II. Summary of New/Amended Provisions.

- *Custodian/Custodial Agreement*. The Restatement in applicable sections clarifies that the Plan may have a custodian and a custodial agreement, as is currently in place with Wells Fargo/Principal.

- *Interest Rate for Repayment of Refund*. Section 3.04(b) of the Restatement clarifies that the interest rate used for the repayment of a refund to restore Eligibility Service is the absolute return objective for the Plan determined by the Pension Board at the time of the employee's reemployment.

- *Minimum Required Distribution Age*. Section 4.07 of the Restatement was updated for the SECURE Act law changes, which increased the minimum required distribution age from age 70½ to age 72.

- *Normal Retirement Eligibility.* The Restatement changes the normal retirement pension eligibility requirements for all employees.

- *Early Retirement Factor Reduction*. Section 5.03 of the Restatement was modified to lower the early retirement reduction factor used from 5% to 1.65% for each year that the pension commencement date precedes the participant's normal retirement date. Also, Section 5.03 was modified to provide that in no event can a participant's benefit be reduced for early retirement to less than 40% of the participant's accrued benefit.

- *Lump Sum Distribution for Vested Participants*. Section 5.08 was added to the Restatement to reflect that a vested participant, who has otherwise qualified a pension, may elect to take a single lump sum distribution equal to his or her

Participant Contributions in lieu of receiving the applicable monthly pension benefit from the Plan.

- *Elected Pension Board Member Term*. Section 8.01(b) of the Restatement updates the term for elected Pension Board members to four years to reflect current practice.

- *Pension Board Input on COLAs*. Section 8.03(j) of the Restatement adds a provision for the Pension Board to work with City Management, the Actuary, and the Pension Board's investment consultant to consider cost-of-living adjustments, if any, for retirees as part of the annual budget process.

- *Governing Law Savings Clause*. Section 9.03 of the Restatement adds a savings clause for federal and state law applicable to the Plan.

- *Corrections; Contributions Made in Error; Recovery of Mistaken Payments*. Section 9.06 was added to the Restatement to provide clear authority for the Pension Board to make corrections in accordance with IRS guidance, to correct contributions made in error, and to correct and recoup overpayments made to participants or beneficiaries.

CITY OF GAINESVILLE, GEORGIA

PLAN A

As Amended and Restated
Effective as of
January 1, 2022

Plan Document Amended:	08-01-95	City Council Resolution BR-95-44
	08-06-96	City Council Resolution BR-96-41
	04-20-99	City Council Resolution BR-99-21
	05-20-03	City Council Resolution BR-2003-25
	10-21-03	City Council Resolution BR-2003-60
	09-21-04	City Council Resolution BR-2004-49
	11-16-04	City Council Resolution BR-2004-63
	03-17-05	City Council Resolution BR-2005-13
	05-16-06	City Council Resolution BR-2006-22
	05-16-06	City Council Resolution BR-2006-23
	07-01-06	City Council Resolution BR-2006-29
	11-07-06	City Council Resolution BR-2006-49
	12-19-06	City Council Resolution BR-2006-62
	06-17-08	City Council Resolution BR-2008-39
	01-06-09	City Council Resolution BR-2009-04
	07-05-11	City Council Resolution BR-2011-18
	10-18-11	City Council Resolution BR-2011-27
	10-18-11	City Council Resolution BR-2011-28
	12-06-11	City Council Resolution BR-2011-33
	12-06-11	City Council Resolution BR-2011-34
	12-17-13	City Council Resolution BR-2013-55
	04-01-14	City Council Resolution BR-2014-07
	09-02-14	City Council Resolution BR-2014-31
	09-02-14	City Council Resolution BR-2014-32
	10-20-15	City Council Resolution BR-2015-53
	09-06-16	City Council Resolution BR-2016-37
	12-__-21	City Council Resolution BR-2021-__

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ARTICLE I

Purpose

In order to create a retirement fund for the payment of benefits to certain salaried employees of the City of Gainesville, Georgia, on February 24, 1941, the General Assembly of Georgia established the City of Gainesville, Georgia, Retirement System, known effective July 1, 1994, as Retirement Plan A (the "Plan"). The Plan has been subsequently amended by ordinances from time to time.

The City Council has decided to amend and restate the Plan, as set forth herein, effective as of January 1, 2022 (the "Effective Date") (unless a different effective date is stipulated by a particular provision), to make clarifying and desirable revisions to facilitate the administration of the Plan.

The Plan and Trust are intended to meet the requirements of Sections 401(a) and 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as applied to a governmental plan (as defined in Code Section 414(d)).

Except as otherwise specifically provided in this Plan, the provisions of this Plan shall apply only to an Employee who terminates employment on or after the Effective Date. The benefit payable to or on behalf of a Participant included under the Plan in accordance with the following provisions shall not be affected by the terms of any amendment to the Plan adopted after such Participant's employment terminates, unless the amendment expressly provides otherwise.

The amendments to the Plan contained herein continue the Plan as originally established and set forth in the provisions of the Charter of the City of Gainesville. The Charter of the City of Gainesville was amended, effective July 1, 1994, to authorize the continuation of the Plan, but will no longer contain the provisions of the Plan. Instead, by separate ordinance the City of Gainesville is authorizing the restatement of the Plan under the terms contained herein.

There is no intention in amending the Plan to adversely affect, modify, or eliminate any pension benefits previously accrued or payable under the Plan before the Effective Date of this amendment, and all such benefits are preserved, whether or not such benefits are specifically set forth in the Plan, as amended. To the extent that any such pension benefits are not described in the Plan, as amended, reference is to be made to those provisions of the Charter of the City of Gainesville, prior to its amendment on July 1, 1994, which provided for such pension benefits.

ARTICLE II

Definitions

Words and phrases appearing in this Plan shall have the respective meanings set forth in this Article, unless the context clearly indicates to the contrary.

2.01 **Accrued Benefit**: The amount that would be payable at Normal Retirement Date, determined in accordance with Section 5.01, considering the Participant's Average Monthly Compensation and Credited Service, not to exceed thirty-three (33) years, at the date of determination.

2.02 **Actuarial (or Actuarially) Equivalent:** Equality in the value of the aggregate amount expected to be received under different forms of payment, based on the 1984 Unisex Pension Mortality Table, with interest at eight percent (8%) per annum.

2.03 **Actuary:** The individual enrolled actuary or firm of one or more enrolled actuaries selected by the Employer, with the advice of the Pension Board, to provide actuarial services in connection with the administration of the Plan.

2.04 **Average Monthly Compensation:** The arithmetic average of the total Compensation of a Participant during the sixty (60) consecutive completed months of Credited Service in which Compensation was the highest subject to the following:

(a) For a Participant who terminates employment and is reemployed by the Employer, the period(s) prior to and following such break(s)-in-service shall be considered consecutive.

(b) In the case of a Participant who has not completed sixty (60) such consecutive months at date of determination, Average Monthly Compensation shall be determined by averaging the completed months of Compensation received by such Participant from the Employer during his entire period of Credited Service.

2.05 **Beneficiary:** The person, persons, entity or entities designated by (1) a Participant or (2) an Eligible Spouse, pursuant to the provisions of Section 6.02, or (3) operation of the Plan pursuant to Section 6.07 to receive any benefits payable under the Plan as a result of the Participant's or Eligible Spouse's, as applicable, death.

2.06 **Board (or Pension Board):** The persons appointed pursuant to Article VIII to administer the Plan and the Fund in accordance with said Article.

2.07 **Code:** The Internal Revenue Code of 1986 and amendments thereto.

2.08 **Compensation**: The remuneration paid, during the period considered as Credited Service, to a Participant by the Employer for personal services as defined by Code Section 3401(a), as reported as wages on the Participant's Federal Income Tax Withholding statement (Form W-2), plus any deferrals made by the Participant pursuant to Code Section 125, 402(g)(3), 401(k), 414(h) or 457. In determining the limit on a Participant's Compensation under Code Section 401(a)(17) (the "Compensation Limitation"), the following rules shall apply:

(a) Compensation Limitation for an Eligible Participant: Notwithstanding the preceding, in no event shall Compensation for the twelve (12) month period used to determine Average Monthly Compensation for an "Eligible Participant" exceed the greater of (1) $235,840 or (2) effective January 1, 1996, $200,000, as increased in accordance with Treasury Department regulations (under Code Section 401(a)(17)) to reflect cost-of-living adjustments. For purposes of this Section 2.08(a), an Eligible Participant is an Employee who first became a Participant in the Plan during a Plan Year beginning before January 1, 1996.

(b) Compensation Limitation for a Non-Eligible Participant: Notwithstanding the preceding, in no event shall Compensation for the twelve (12) month period used to determine Average Monthly Compensation for a "Non-Eligible Participant" exceed the dollar limitation determined pursuant to Code Section 401(a)(17). For purposes of this Section 2.08(b), a Non-Eligible Participant is an Employee who first becomes a Participant in the Plan during a Plan Year beginning on or after January 1, 1996.

(c) Cost-of-Living Adjustments for the Compensation Limitations: For all purposes of this Plan, the Compensation Limitation shall be increased automatically as permitted by Treasury Department regulations to reflect cost-of-living adjustments. As a result of such an adjustment, the Compensation Limitation in effect on January 1 of a calendar year shall be effective for the twelve (12) month period, used to determine a Participant's Average Monthly Compensation, beginning in the calendar year and shall apply only to a Participant's Compensation for that twelve (12) month period and Compensation for any prior year shall be subject to the applicable Compensation Limitation in effect for that prior year.

(d) Severance Payments: For all purposes of the Plan, effective July 1, 2007, Compensation shall not include any amounts paid to the Employee after 2 ½ months after the end of the calendar year in which the Employee has a severance from employment. Amounts paid within 2 ½ months after the end of the Plan Year in which the Employee has a severance from employment that represent leave cash-outs, nonqualified deferred compensation or payments for regular compensation for services during the Employee's period of employment that would have been paid to the Employee prior to severance from employment if the Employee had continued in employment with the Employer, shall be included. Compensation shall not include any amounts paid at any time after severance from employment if the amounts constitute severance pay or parachute payments, which are payments other than leave cash-outs, nonqualified deferred compensation, or for regular compensation for services during the Employee's period of employment that would have been paid to the Employee prior to severance from employment.

2.09 **Credited Service**: The period of an Employee's employment considered in accordance with Section 3.03 in the determination of the amount of benefits payable to or on behalf of the Employee.

2.10 **Disability**: A physical or mental condition, which totally and presumably permanently prevents a Participant from engaging in any gainful employment. For the determination of an occupational disability, the Participant must submit evidence of eligibility for Worker's Compensation as a result of the Disability. For the determination of a non-occupational disability, the Participant must submit evidence of receipt of a Social Security Disability Insurance Benefit under the Social Security Act; provided, however, if a Participant is not covered by Social Security, either through the Employer or through any other employer, the Pension Board shall determine his Disability in accordance with the provisions of the following:

(a) Whenever such a Participant not covered by Social Security files an application for a Disability Retirement Pension with the Pension Board, the Participant shall submit therewith a signed certificate from a licensed practicing physician of Georgia certifying to the Disability of such Participant. Promptly thereafter, the Pension Board shall order the Participant to be examined by a second physician to be named by the Board who likewise shall certify the physical ability or disability of the Participant. The fees and expenses of such second physician shall be paid for by the Pension Board. In the event the certificates of the respective physicians generally agree upon Disability, such facts shall be conclusive as to the physical condition of the Participant and the Pension Board shall grant a Disability Retirement Pension in accordance with Section 4.05. In the event the certificates of the aforesaid physicians disagree as to whether the Participant is disabled, then under these circumstances that question shall be submitted to a third physician selected by the Pension Board. The medical opinion of the third physician, after examination of the Participant and consultation with the other two physicians, shall decide such question. The fees and expenses of the third physician shall be shared equally by the Participant and the Pension Board.

(b) Notwithstanding any other provision of this Section, no Participant shall qualify for a Disability Retirement Pension if the Pension Board determines that his Disability results from (i) self-addiction to alcohol or narcotics, (ii) an injury suffered while engaged in a felonious or criminal act or enterprise or (iii) service in the Armed Forces of the United States which entitles the Participant to a veteran's disability pension; but this provision shall not prevent the Participant from qualifying for a Pension under another provision of the Plan.

(c) The Pension Board may adopt such rules as it deems necessary to administer the provisions of this Section 2.10 and such rules shall be applied uniformly and consistently to all Participants in similar circumstances.

2.11 **Early Retirement Date:** The date upon which the Participant has both terminated employment and completed twenty (20) or more years of Eligibility Service, but less than that amount of Eligibility Service required to reach Normal Retirement Age.

2.12 **Effective Date:** Effective Date means July 1, 1994, the original effective date of the Plan Document. The Effective Date of the Plan as amended and restated herein, is January 1, 2022, unless otherwise specifically provided.

2.13 **Eligibility Service:** The period of an Employee's employment considered in accordance with Section 3.02 in the determination of his eligibility for benefits under the Plan pursuant to the provisions of Article IV and his vested percentage pursuant to the provisions of Section 5.04.

2.14 **Eligible Spouse:** The person to whom the Participant is legally married under the laws of the State of Georgia for at least one (1) year prior to death. Spouse shall not include domestic partners or other similar relationships that are not denominated as marriage.

2.15 **Employee:** Any person who, on or after the Effective Date, performs a service for the benefit of the Employer, who is not covered by Social Security through the Employer, and who is eligible to participate in the Plan pursuant to Article III. The City Manager of the City of Gainesville, Georgia, shall be eligible to participate in this Plan at his discretion.

For new Employees hired on and after July 1, 2008, Employees shall be classified according to the following positions:

General Employee - shall mean any person who is employed by the Employer as a full-time Employee in a job other than as a Public Safety Employee.

Public Safety Employee - shall mean any person who is employed by the Employer as a Peace Officer or Firefighter. Peace Officer shall mean a full-time employee whose job description meets the definition of the Official Code of Georgia for Peace Officer as identified in Chapter 35.8.2(8)(A) and whose job description requires that they obtain certification as a Peace Officer through the Georgia Peace Officers Standards and Training Council Act as identified in the Official Code of Georgia Chapter 35.8-8 et.seq. as a condition of continued employment. Firefighter shall mean a full-time employee whose job description meets the definition of State Certified Firefighter as identified by the Georgia Firefighter Standards & Training Council and whose job description requires that they obtain certification as a Firefighter through the Georgia Firefighter Standards & Training Council as a condition of continued employment.

The classification of “full-time employee” status shall mean employed in a position, which is utilized on a continuing, year round basis for 40 or more hours per week, or at a minimum, 32 hours per week.

2.16 **Employer:** City of Gainesville, Georgia.

2.17 **Ineligible Employee:** Any person who performs a service for the Employer, who is covered by Social Security through the Employer.

2.18 **Normal Retirement Age:**

(a) For Employees hired before July 1, 2008 - The earlier of a Participant's (i) attainment of age sixty (60) or (ii) completion of twenty-five (25) years of Eligibility Service; provided, however, for an Employee who becomes a Participant in the Plan on or after his fifty-fifth (55th) birthday, such Employee's Normal Retirement Age shall be his age on the fifth (5th) anniversary of his date of participation.

(b) For Employees hired on and after July 1, 2008 –

(i) General Employees – The Participant's attainment of age sixty (60) and ten (10) years of Eligibility Service.

(ii) Public Safety Employees – The earlier of a Participant's (A) attainment of age sixty (60) and completion of ten (10) years of Eligibility Service or (B) attainment of age fifty (50) and completion of twenty-five (25) years of Eligibility Service.

2.19 **Normal Retirement Date:** The date upon which a participant reaches his Normal Retirement Age.

2.20 **Participant**: An Employee participating in the Plan in accordance with the provisions of Section 3.01, including former Employees who are entitled to or are receiving a Pension under the Plan.

2.21 **Participant Contributions**: Mandatory contributions made by the Participant in accordance with Section 7.02.

2.22 **Pension:** A series of monthly amounts which are payable to a person who is entitled to receive benefits under the Plan.

2.23 **Plan:** City of Gainesville, Georgia, Retirement Plan A, the Plan set forth herein, as amended from time to time.

2.24 **Plan Year (or Year):** The twelve (12) month period commencing on July 1 and ending on June 30.

2.25 **Retirement**: Termination of employment for reasons other than death after a Participant has fulfilled all requirements for a Normal, Delayed, Disability or Early Retirement Pension. Retirement shall be considered as commencing on the day immediately following a Participant's last day of employment.

2.26 **Single Life Income**: The monthly benefit payable over the lifetime of the Participant. Upon the Participant's death, there shall be no survivor benefits paid, except as provided in Section 6.04.

2.27 **Spouse**: The person to whom the Participant is legally married under the laws of the applicable state or foreign domestic relations laws. Spouse shall not include domestic partners or other similar relationships that are not denominated as marriage.

2.28 **Trust (or Trust Fund):** The fund known as the City of Gainesville, Georgia, Employees' Retirement Trust (also known as "Fund A"), maintained in accordance with the terms of the trust agreement or custodial agreement, as applicable and as may be amended from time to time, which constitutes a part of the Plan.

2.29 **Trustee/Custodian:** The corporate trustee or custodian appointed by the Pension Board pursuant to Section 7.03 of the Plan to administer the Trust.

ARTICLE III

Participation and Service

3.01 **Participation:** An Employee who was included under the prior provisions of the Plan as of the Effective Date shall continue to participate in accordance with the provisions of this amended and restated Plan. Any other Employee shall become a Participant as of his employment date with the Employer, and shall make Participant Contributions to the Plan. After a termination of employment, a rehired Employee's subsequent participation in the Plan shall be subject to the provisions of Section 3.04. Notwithstanding the foregoing, the following individuals will not be eligible to participate in the Plan:

(a) Any individual who is an Employee solely by means of being a "leased employee" under Section 414(n)(2) of the Code.

(b) Temporary, casual, and part-time Employees.

(c) Independent Contractors.

For the purposes of the Plan, a leased employee under Section 414(n)(2) is any person (other than an employee of the recipient) who pursuant to an agreement between the recipient and any other person ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with Code Section 414(n)(6) on a substantially full-time basis for a period of at least one (1) year, and such services are performed under the primary direction or control by the recipient.

3.02 **Eligibility Service**: A Participant's eligibility for benefits under the Plan pursuant to the provisions of Article IV and his vested percentage pursuant to the provisions of Section 5.04 shall be based upon his Eligibility Service. Subject to the provisions of Sections 3.04 and 3.05, a Participant's Eligibility Service shall be equal to his length of employment with the Employer, both as an Employee and as an Ineligible Employee including any period of absence for activated military service from his date of employment to his date of Retirement, death, or other termination of employment. Subject to the provisions of Section 3.04, a Participant's total Eligibility Service shall be determined by aggregating all individual periods of Eligibility Service, whether or not completed consecutively.

Notwithstanding the preceding, any Employee who was not eligible to join the Plan for periods prior to January 1, 1988, because his date of employment with the Employer was on or after his attainment of the age of fifty-five (55) and who completes an hour of service with the Employer on or after January 1, 1988, shall receive Eligibility Service for such period of employment.

Notwithstanding the preceding, any Employee who is a Participant in the Plan, and who voluntarily elected to convert accrued sick and reserve sick bank leave toward retirement credit effective January 1, 2012, shall at retirement first receive credit toward Eligibility Service to reduce years of service or age related penalty or to reach early retirement eligibility, with any remaining balance subsequently applied toward years of Credited Service which will add to and increase a Participant's total period of Credited Service. Any such credit for converted accrued sick and reserve sick bank leave use for Eligibility Service may not be used to increase a Participant's total period of Credited Service.

3.03 **Credited Service:** The amount of a Participant's Pension benefits under the Plan shall be based upon his Credited Service. Subject to the provisions of Sections 3.04 and 3.05 and 7.02, a Participant's Credited Service shall be equal to his length of employment with the Employer as an Employee from his date of employment to his date of Retirement, death, or other termination of employment. Credited Service shall not include a period of time in which an Employee failed to make Participant Contributions to the Plan except for periods of unpaid leave of less than twelve 12 continuous months. Subject to the provisions of Section 3.04, a Participant's total Credited Service shall be determined by aggregating all individual periods of Credited Service, whether or not completed consecutively.

Notwithstanding the preceding, for any Employee who was not eligible to join the Plan for periods prior to January 1, 1988, because his date of employment with the Employer was on or after his attainment of the age of fifty-five (55) and who completes an hour of service with the Employer on or after January 1, 1988, the following provisions shall apply:

(a) he shall not receive Credited Service for such period of employment;

(b) he shall not be required or permitted to make Participant Contributions to the Plan for such period of employment prior to January 1, 1988; and

(c) his Compensation prior to January 1, 1988 shall not be considered in computing any Pension which may be payable under the Plan to him or on his behalf.

Notwithstanding the preceding, any Employee who is a Participant in the Plan, and who voluntarily elected to convert accrued sick and reserve sick bank leave toward retirement credit effective January 1, 2012, shall at retirement first receive credit toward Eligibility Service to reduce years of service or age related penalty or to reach early retirement eligibility, with any remaining balance subsequently applied toward years of Credited Service which will add to and increase a Participant's total period of Credited Service. Any such credit for converted accrued sick and reserve sick bank leave use for Eligibility Service may not be used to increase a Participant's total period of Credited Service.

3.04 **Participation and Service Upon Reemployment**: Upon the reemployment of an Employee after termination of employment, the following rules shall apply:

(a) Participation: Upon the reemployment of an Employee, he shall become a Participant in the Plan as of his reemployment date, and shall make Participant Contributions to the Plan.

(b) Eligibility Service: Upon the reemployment of an Employee, any Eligibility Service attributable to his prior period of employment shall not be canceled and shall be reinstated as of the date of his reparticipation; provided, however, if a Participant has received a refund of his Participant Contributions, either prior to or on or after July 1, 1994, in accordance with the provisions of Section 4.04, 4.05 or 4.06 and returns to employment with the Employer as an Employee on or after July 1, 1994, any Eligibility Service attributable to such Participant Contributions shall be canceled, unless the Participant repays the amount of the refund plus "Interest", for the period of time such funds were not in the plan, in order to restore his Eligibility Service attributable to such Participant Contributions. Such repayment must be made within the one (1) year period following the Employee's date of reemployment. For purposes of this Section 3.04(b), Interest shall mean the rate as determined periodically by the Pension Board (which currently is the absolute return objective determined by the Pension Board at the time of the Employee's reemployment).

(c) Credited Service: Upon the reemployment of an Employee, any Credited Service attributable to his prior period of employment shall not be canceled and shall be reinstated as of the date of his reparticipation; provided, however, if a Participant has received a refund of his Participant Contributions in accordance with the provisions of Section 4.04, 4.05 or 4.06 and returns to employment with the Employer as an Employee, any Credited Service attributable to such Participant Contributions shall be canceled unless the Participant repays the amount of the refund plus "Interest", for the period of time such funds were not in the plan, in order to restore his Credited Service attributable to such Participant Contributions. Such repayment must be made within the one (1) year period following the Employee's date of reemployment. For purposes of this Section 3.04(c), Interest shall mean the rate as determined periodically by the Pension Board.

(d) Repayment of Fund. Any amounts the reemployed Participant repays to the Plan to restore Eligibility and Credited Service shall be treated as after-tax contributions unless such amounts are directly transferred from another qualified plan, an IRA, a governmental 457(b) plan or a 403(b) plan.

(e) Reemployment on and after July 1, 2008:

If an Employee's reemployment occurs on or after July 1, 2008 and the Employee received a refund of his Participant Contributions at the time of his termination, if the Participant makes a repayment to the Plan, in accordance with subsections (a) through (c) of this Section, any Eligibility Service and Credited Service earned prior to July 1, 2008 that is reinstated in accordance with this Section shall be used to determine the Employee's Accrued Benefit based on the benefit formula in effect.

If an Employee's reemployment occurs on or after July 1, 2008 and the Employee did not elect a refund of his Participant Contributions at the time of his termination, his Accrued Benefit earned prior to his earlier termination of employment shall be frozen as of that termination date. The Participant's Accrued Benefit earned after reemployment with the Employer on or after July 1, 2008 shall be determined based on the benefit formula in effect as of his reemployment date. The Participant shall be entitled to the total of the combined benefit amounts attributable to the two periods of employment.

(f) If an Employee's termination of employment is due to the expiration of short-term disability benefits from the Employer and the Employee is rehired and returns to work for the Employer within 12 months of his initial termination of employment date, the Employee shall be allowed to participate in this Plan as though no separation of employment occurred, for the purpose of determining the criteria for his eligibility for benefits and the amount of benefits payable under the Plan. This paragraph shall apply only if the employee did not elect a refund of his Participant contributions and provided the employee had completed ten (10) or more years of Eligibility Service at the time of the disability.

3.05 **Change in Job or Salary Status:** In the case of an Employee's transfer to the status of Ineligible Employee, the following rules shall apply while he is an Ineligible Employee:

(a) If the Employee has not attained his Normal Retirement Age as of the date of transfer to the status of Ineligible Employee,

(i) he shall continue to receive Eligibility Service while an Ineligible Employee, but not Credited Service;

(ii) he shall cease to have any right to make Participant Contributions to the Plan;

(iii) he shall not be entitled to receive a refund of his mandatory Participant Contributions (whether after-tax or Employer Pick-Up Contributions);

(iv) he shall not be entitled to receive any Pension payments until actual Retirement or other termination of employment.

(b) If the Employee has attained his Normal Retirement Age as of the date of transfer to the status of Ineligible Employee,

(i) he shall cease to have any right to make Participant Contributions to the Plan;

(ii) he shall not be entitled to receive any Pension payments until actual Retirement; and

(iii) any Pension payable to him or on his behalf upon his subsequent Retirement or death shall be calculated based upon his Average Monthly Compensation and Credited Service up to the date of transfer, with the resulting Pension increased to its Actuarial Equivalent at his actual Retirement date or death.

(c) In the case of an Ineligible Employee's transfer to the status of an Employee, the following rules shall apply:

(i) he shall receive only Eligibility Service while an Ineligible Employee, but both Credited Service and Eligibility Service while an Employee;

(ii) he shall not be required or permitted to make Participant Contributions to the Plan during his period of employment as an Ineligible Employee;

(iii) his Compensation as an Ineligible Employee shall not be considered in computing any Pension which may be payable to him or on his behalf under the Plan; and

(iv) he shall not be entitled to receive any Pension payments until actual Retirement or other termination of employment.

(v) if the Employee had previously been an eligible Employee before becoming an Ineligible Employee and transfers back to the status of Eligible Employee on or after July 1, 2008, the Participant’s Accrued Benefit prior to his transfer back to the status of Eligible Employee shall be frozen as of the date he transfers to the status as an Ineligible Employee. The Participant’s Accrued Benefit earned after his transfer back to status as an eligible Employee, shall be determined based upon the benefit formula in effect as of his date of transfer back to the status of eligible Employee. The Participant shall be entitled to the total of the combined benefit amounts attributable to the two periods of time in which he had the status of eligible Employee.

(vi) if the Employee had previously been an Ineligible Employee before becoming an eligible Employee, then the following rules shall apply, subject to the reemployment and transfer rules set forth in Sections 3.04(e) and 3.05(c):

(A) such individual shall become a Participant in the Plan under Section 3.01 as of the date he becomes an eligible Employee;

(B) if the individual becomes an eligible Employee before July 1, 2008, the individual's Normal Retirement Age shall be determined in accordance with Section 2.18(a) and the individual's Accrued Benefit shall be determined based on the Normal Retirement Pension formula set forth in Section 5.01(a).

(C) if the individual becomes an eligible Employee on or after July 1, 2008, the individual's Normal Retirement Age shall be determined in accordance with Section 2.18(b) and the individual's Accrued Benefit shall be determined based upon the Normal Retirement Pension formula set forth in Section 5.01(b).

3.06 <u>Transfers Between General Employee Status and Public Safety Status</u>

In the event an Employee transfers job classifications for the Employer, all the Employee's years of Eligibility Service shall be combined for the purpose of determining the Employee's eligibility for pension benefits, as set forth in Article IV. For the purpose of determining the amount of the Employee's pension, as set forth in Article V, the benefit shall be determined in separate components and added together, as follows:

(a) the benefit amount based on the Credited Service earned as a General Employee, plus

(b) the benefit amount attributable to the Credited Service earned as a Public Safety Employee.

<u>ARTICLE IV</u>

Requirements for Retirement Benefits

4.01 **<u>Normal Retirement:</u>** A Participant shall be eligible for a Normal Retirement Pension if his employment is terminated on the date he attains his Normal Retirement Age. Payment of a Normal Retirement Pension shall commence as of the first day of the month coinciding with or next following the date of Retirement.

4.02 **<u>Delayed Retirement:</u>** Subject to the provisions of Section 6.05, if a Participant continues in the Employer's employ after his Normal Retirement Date, his participation in the Plan shall continue, but no Pension payments shall be made during the period of continued employment. Payment of a Delayed Retirement Pension shall commence on the first day of the month coinciding with or next following the Participant's actual Retirement.

4.03 **<u>Early Retirement:</u>** A Participant shall be eligible for an Early Retirement Pension if his employment is terminated on or after his Early Retirement Date and prior to his

Normal Retirement Date. Payment of an Early Retirement Pension shall commence on the first day of the month coinciding with or next following the Participant's Normal Retirement Date. However, if such a retired Participant requests the Board to authorize the commencement of his Early Retirement Pension as of his Early Retirement Date, his Pension shall commence on the first day of the month coinciding with or next following his Early Retirement Date, but the amount thereof shall be reduced as provided in Section 5.03.

4.04 **Deferred Vested Termination**: A Participant shall be eligible for a Deferred Vested Pension in accordance with the provisions of Section 5.04 if his employment is terminated before Retirement and after he has completed ten (10) or more years of Eligibility Service and he elects to leave his Participant Contributions in the Plan. Payment of a Deferred Vested Pension shall commence as of the first day of the calendar month coinciding with or immediately following the date the Participant attains Normal Retirement Age; provided however, subject to the provisions of Section 3.04, a Participant who elects to receive a refund of his Participant Contributions as of the date of his termination of employment or any subsequent date prior to the commencement of his Deferred Vested Pension, shall forfeit his rights to such Pension.

4.05 **Disability Retirement:**

(a) Eligibility for Disability Retirement.

(i) For Disability Occurring Before July 1, 2008: A Participant shall be eligible for a Disability Retirement Pension if his employment is terminated prior to his Normal Retirement Date by reason of Disability after he has completed at least one (1) year of Credited Service. Payment of a Disability Retirement Pension shall commence as of the first day of the month following the date the Participant terminates employment due to Disability.

(ii) For Participants Terminating on and after July 1, 2008 as a result of a Disability:

(A) Occupational Disability - A Participant shall be eligible for a Occupational Disability Retirement Pension if his employment is terminated prior to his Normal Retirement Date by reason of Disability sustained in the performance of his duties as an Employee, after he has completed at least one (1) year of Credited Service. Payment of an Occupational Disability Retirement Pension shall commence as of the first day of the month following the date the Participant terminates employment due to Disability.

(B) Non-Occupational Disability - A Participant shall be eligible for a Non-Occupational Disability Retirement Pension if his employment is terminated prior to his Normal Retirement Date by reason of a non-occupational Disability, after he has completed at least ten (10) years of Credited Service. Payment of a Non-Occupational Disability Retirement Pension shall commence as of the first day of the month following the date the Participant terminates employment due to Disability.

(b) The Pension Board shall have the right at intervals of not less than one year, prior to a Participant's Normal Retirement Date, to require proof of continuing Disability, such as to require the Participant to submit proof of receipt of Social Security Disability Benefits or, in absence of that, to require an examination of any Participant receiving a Disability Retirement Pension; provided, however, for purposes of this Section 4.05, a Participant's Normal Retirement Date shall be no earlier than his sixty-fifth (65th) birthday for General Employees and fifty-fifth (55^{th}) birthday for Public Safety Employees. In the event such Participant is found not to be suffering from a Disability, the Pension Board shall, after hearing evidence thereon and giving the Participant opportunity to be heard, discontinue such Participant's Disability Retirement Pension. In the event such Participant receiving a Disability Retirement Pension refuses to submit to a physical examination after thirty (30) days notice to report for such examination or to supply proof of continuing Disability, the Pension Board shall discontinue payments of the Disability Retirement Pension until he submits to such examination or supplies such proof, and the Participant shall be deemed to have forfeited his Pension during the time of refusal.

(c) Following certification that a Participant's Disability has ceased, in accordance with the foregoing provisions of the preceding paragraph, the following rules shall apply:

(i) Such Participant shall not be prevented from qualifying for a Pension under another provision of the Plan based only upon his Eligibility Service, Credited Service and Compensation prior to his Disability Retirement if he does not reemploy following cessation of his Disability;

(ii) Any such Participant shall not receive Eligibility Service or Credited Service for his period of Disability and any Pension payments received during his Disability period shall be disregarded; and

(iii) If such Participant had completed at least ten (10), but less than twenty (20) years of Eligibility Service as of his Disability Retirement, he shall be entitled to elect to receive a lump sum payment equal to the difference, if any, between the amount of his Participant Contributions as of his Disability Retirement and the amount of Disability Retirement Pension payments he received.

4.06 **Termination Prior to being Vested:** A Participant who terminates Employment prior to the completion of ten (10) years of Eligibility service and prior to Retirement shall be entitled to a refund of his Participant Contributions in accordance with the provisions of Section 5.06.

4.07 Commencement of Benefits:

(a) Notwithstanding any other provision of the Plan to the contrary, distributions from the Plan shall conform with a good faith interpretation of Code Section 401(a)(9) and the regulations thereunder as applicable to governmental plans within the meaning of Code Section 414(d) and shall be implemented in accordance with the grandfathering provisions of such regulations applicable to annuity option distributions in effect on April 17, 2002. These distribution requirements override any distribution options or provisions elsewhere in the Plan that are inconsistent with these requirements and are incorporated by reference herein.

(b) Benefits must begin by the later of April 1 of the calendar year following the calendar year in which the Participant reaches age 72 (or 70½ if the Participant attained age 70½ before January 1, 2020) or April 1 of the calendar year in which the Participant retires. If a Participant fails to apply for retirement benefits by the Required Beginning Date, the Plan shall begin distribution of the benefit as required by Code Section 401(a)(9).

(c) The Participant’s entire interest must be distributed, over the Participant’s life or the lives of the Participant and a designated Beneficiary, or over a period not extending beyond the life expectancy of the Participant or the life expectancy of the Participant and his designated Beneficiary. The life expectancy of a Participant, the Participant’s spouse or the Participant’s designated Beneficiary may not be recalculated after the initial determination for purposes of determining benefits.

(d) If a Participant dies after the required distribution of benefits has begun, the remaining portion of the Participant’s interest must be distributed at least as rapidly as under the method of distribution before the Participant's death and no longer than the remaining period over which the distribution commenced. If a Participant dies before required distribution of the Participant 's benefits has begun the Participant’s entire interest must be either distributed in accordance with federal regulations over the life or the life expectancy of the designated Beneficiary, with the distributions beginning no later than December 31 of the calendar year immediately following the calendar year of the Participant’s death or distributed by December 31 of the calendar year containing the fifth anniversary of the Participant’s death.

(e) The death and disability benefits provided by the Plan are limited by the incidental benefit rule set forth in Code Section 401(a)(9)(G) of the Internal Revenue Code and Treasury Regulations Section 1.401(b)(1)(i) or any successor regulation thereto.

ARTICLE V

Amount of Retirement Benefits

5.01 Normal Retirement Pension:

(a) For Employees hired before July 1, 2008: Subject to the provisions of Section 5.07, the monthly amount of the Normal Retirement Pension on a Single Life Income basis shall equal three percent (3.0%) of the Participant's Average Monthly Compensation multiplied by his Credited Service not to exceed thirty-three (33) years.

(b) For Employees hired on and after July 1, 2008 – Subject to the provisions of Section 5.07, the monthly amount of the Normal Retirement Pension on a Single Life Income basis shall equal two and one-half percent (2.5%) of the Participant's Average Monthly Compensation multiplied by his Credited Service not to exceed thirty-three (33) years.

5.02 Delayed Retirement Pension: A Participant who retires after his Normal Retirement Date shall be entitled to a monthly Delayed Retirement Pension on a Single Life Income basis, subject to the provisions of Section 5.07, equal to the monthly Pension computed in accordance with section 5.01 based upon the Participant's Credited Service, not to exceed thirty-three (33) years, and Average Monthly Compensation at his actual Retirement date.

5.03 Early Retirement Pension: Subject to the provisions of Section 5.07, the monthly amount of the Early Retirement Pension on a Single Life Income basis payable at the Participant's Early Retirement Date shall be equal to his Accrued Benefit reduced as follows:

(a) For Employees hired prior to July 1, 2008: If payment of an Early Retirement Pension commences prior to the Participant's Normal Retirement Date, the amount of the Pension shall be reduced by two percent (2%) for each year (adjusted proportionately for fractions of a year) that the Pension commencement date precedes the Participant's Normal Retirement Date; provided, however, notwithstanding Section 3.04, (1) if a Participant received a refund of his Participant Contributions, in accordance with the provisions of Section 4.04, 4.05, or 4.06, prior to July 1, 1994, and (2) has returned to employment with the Employer as an Employee prior to July 1, 1994, and (3) has failed to repay the amount of the refund plus interest in accordance with Section 3.04 (c), the amount of the Pension shall instead be reduced to its Actuarial Equivalent as of the Pension commencement date.

(b) For Employees hired on and after July 1, 2008: If payment of an Early Retirement Pension commences prior to the Participant's Normal Retirement Date, the amount of the Pension shall be reduced by one and sixty-five hundredths percent (1.65%) for each year (adjusted proportionately for fractions of a year) that the Pension commencement date precedes the Participant's Normal Retirement Date.

Notwithstanding the foregoing, in the event a Participant has achieved the requirements for an Early Retirement Pension as defined in Section 2.11, the Participant's benefit cannot be reduced to less than forty percent (40%) of the Participant's Accrued Benefit.

5.04 **Deferred Vested Pension:** Subject to the provisions of Section 5.07, the monthly amount of the Deferred Vested Pension on a Single Life Income basis, commencing as of the first day of the month coinciding with or immediately following the date the Participant attains Normal Retirement Age, in accordance with Section 4.04, shall be equal to a percentage of the Participant's Accrued Benefit at termination of employment. Such percentage shall be based on the Participant's years of Credited Service, in accordance with the following schedule:

Years of Credited Service	Vested Percentage
Less than 10	0%
10 or more	100%

5.05 **Disability Retirement Pension**:

(a) For Disability Occurring before July 1, 2008: Subject to the provisions of Section 5.07, the monthly amount of the Disability Retirement Pension on a Single Life Income basis payable as of the first day of the month following the date the Participant terminates employment due to Disability, in accordance with Section 4.05, shall be equal to the greater of the amounts determined under Subparagraphs (i) or (ii) as follows:

(i) The Participant's Accrued Benefit at Disability Retirement, unreduced for early commencement; or

(ii) An amount equal to fifty percent (50%) of his Average Monthly Compensation as of his termination of employment due to Disability.

(b) For Occupational Disability Occurring on and after July 1, 2008: Subject to the provisions of Section 5.07, the monthly amount of the Disability Retirement Pension on a Single Life Income basis payable as of the first day of the month following the date the Participant terminates employment due to Disability, in accordance with Section 4.05, shall be equal to the greater of the amounts determined under Subparagraphs (i) or (ii) as follows:

(i) The Participant's Accrued Benefit at Disability Retirement, unreduced for early commencement; or

(ii) An amount equal to fifty percent (50%) of his Average Monthly Compensation as of his termination of employment due to Disability.

(c) For Non-occupational Disability Occurring on and after July 1, 2008: Subject to the provisions of Section 5.07, the monthly amount of the Disability Retirement Pension on a Single Life Income basis payable as of the first day of the month following the date the Participant terminates employment due to Disability, in accordance with Section 4.05, shall be equal to the Participant's Accrued Benefit at Disability Retirement, unreduced for early commencement.

5.06 Non-Vested Termination Benefit: The amount of a cash distribution payable in a single lump sum to a Participant who terminates employment prior to the completion of ten (10) years of Eligibility Service and prior to Retirement shall be equal to his Participant Contributions as of the date of his termination of employment. Such distribution shall be made to the Participant as soon as practical following his termination of employment.

5.07 Maximum Pensions:

(a) Anything contained in the Plan to the contrary notwithstanding, a Pension computed under Article V shall be limited to the Maximum Permissible Amount under Code Section 415(b) and the regulations thereunder, as applicable to a governmental plan (as defined in Code Section 414(d)), which are hereby incorporated by reference.

(b) As used in this Section, the terms have the following meaning:

(1) Compensation means, for purposes of applying the limitations of Code Section 415 and for no other purpose, a Participant’s wages as defined in Code Section 3401(a) (wages subject to income tax withholding at the source) but without regard to exceptions contained in Code Section 3401(a) for wages based on the nature or location of the employment or the services performed. For Limitation Years beginning on or after December 31, 1997, for purposes of applying the limitations of Code Section 415, compensation shall include amounts that would otherwise be included in compensation but for an election under Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k) and 457(b). For Limitation Years beginning after December 31, 2000, compensation will also include any elective amounts that are not includible in the Participant’s gross income by reason of Code Section 132(f) (related to qualified transportation plans).

(A) For Limitation Years beginning on and after January 1, 2007, compensation for the Limitation Year will also include compensation paid by the later of 2½ months after the Participant’s severance from employment or the end of the Limitation Year that includes the date of the Participant’s severance from employment if:

(i) the payment is regular compensation for services during the Participant's regular working hours or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar payments and absent a severance from employment, the payment would have been paid to the Participant while he or she continued in employment with the Employer; or

(ii) the payment is for unused accrued bona fide sick, vacation, or other leave that the Participant would have been able to use if employment had continued.

(B) Compensation also includes back pay, within the meaning of Treasury Regulation Section 1.415 (c)-2(g)(8) for the Limitation Year to which the back pay relates, to the extent the back pay represents wages and compensation that would otherwise be included in the definition.

(c) In no event shall a Participant's Annual Benefit payable in any Limitation Year from the Plan be greater than the limit applicable at the annuity starting date, as increased in subsequent years pursuant to Code Section 415(d) and regulations thereunder. If the form of benefit without regard to the automatic benefit increases feature is not a straight life annuity, then the preceding sentence is applied by reducing the Code Section 415(b) limit applicable at the annuity starting date to an actuarially equivalent amount (determined using the assumption specified in Treasury Regulation Section 1.415(b)-1(c)(2)(ii)) that takes into account the death benefit under the form of benefit.

(d) Effective for distributions in Limitation Years beginning after December 31, 2003, the determination of actuarial equivalence for Non-Annuity Benefit Forms shall be made in accordance with the following:

(1) For Limitation Years beginning before July 1, 2007, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount: (A) the interest rate and the mortality table (or other tabular factor) specified in this title for adjusting benefits in the same form; and (B) a 5 percent interest rate assumption and the Applicable Mortality Table defined herein for that annuity starting date.

(2) For Limitation Years beginning on or after July 1, 2007, the actuarially equivalent straight life annuity is equal to the greater of (A) the annual amount of the straight life annuity (if any) payable to the Participant under the Plan commencing at the same annuity starting

date as the Participant's form of benefit; and (B) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using a 5 percent interest rate assumption and the Applicable Mortality Table defined in Section 2.02 of the Plan for that annuity starting date.

5.08 **Lump Sum Distribution for Vested Participants:** Notwithstanding any provision in the Plan to the contrary, a Participant, who has otherwise qualified for a Normal Retirement Pension, Delayed Retirement Pension, Early Retirement Pension or a Deferred Vested Pension, may elect to take a single lump sum distribution equal to his Participant Contributions as of the date of his termination of employment in lieu of receiving the applicable monthly pension benefit. In such case, the Participant shall not be entitled to any other benefit under the Plan any funds contributed to the Plan by the City or investment gains shall remain in the Plan.

ARTICLE VI

Manner of Payment and Other Benefits

6.01 **Optional Form of Benefit Payments:** By filing a written election with the Pension Board prior to the date Pension payments commence, a Participant who has a Spouse and who is entitled to a Normal, Delayed or Early Retirement Pension or a Deferred Vested Pension may elect to receive a Pension payable in accordance with a "Joint and Survivor Option' in an Actuarially Equivalent amount, in lieu of the Pension to which he may otherwise become entitled.

Under the Joint and Survivor Option, such a Participant who has a Spouse may elect to receive a reduced Pension payable during the joint lives of the Participant and his Spouse so that, following the death of the Participant, payment of the Pension in an amount equal to one-hundred, seventy-five or fifty percent (100, 75 or 50 %) (as elected by the Participant) of the Participant's reduced Pension shall continue to be made to his Spouse, if surviving, with the last payment to be made as of the first day of the month in which the death of his Spouse occurs.

Effective January 1, 2012, at the time of his retirement, a Participant who chooses a Joint & Survivor Option will be covered by a "Pop Up" provision. This "Pop Up" provision, upon the death of a designated Spouse prior to the Participant's death, will cause the Participant's benefit to revert to the Normal, Delayed, or Early retirement benefit chosen at the time of retirement, with no reduction for the Joint & Survivor Option. The cost of this "Pop Up" provision is included in Joint & Survivor Option and will not result in any increase in the reduction of the Participant and Spouse's benefits. It shall be the responsibility of the Participant to notify the Plan in writing, through the City Administrative Services, of the death of a designated Spouse for the purposes of exercising the "Pop Up" provision. Notification shall include a death certificate. Effective as of the first day of the month following the death of the designated Spouse, the pension benefit will revert from the amount the Participant was receiving under the Joint & Survivor Option to the amount he would have been entitled to on a Single Life Income basis. However, if the Participant fails to furnish the Plan with proper proof of the designated Spouse's death within a one (1) year period of such death, then said increase shall not become effective until the first day of the month following the date such proof is submitted. The pension payment will be recalculated and adjusted during the next regular payment cycle after notification requirements have been met. If the designated Spouse predeceases the Participant, all payments will cease upon the death of the Participant and no further benefits will accrue to his estate or beneficiaries.

Except as provided in Section 6.02(b), the election by a Participant of this Joint and Survivor Option shall be null and void if either the Participant or his Spouse should die prior to the receipt of the first Pension payment. After Pension payments have commenced, no future elections or revocations of this optional form shall be permitted. Notwithstanding the preceding sentence, in the limited circumstances of a same-sex married Participant who was legally married prior to the date of his or her retirement and commenced Pension payments prior to June 26, 2015, a one-time, thirty (30) day window will be offered for the same-sex married Participant to retroactively elect the Joint and Survivor Option, in a time and manner prescribed by the Pension Board. By filing a written election with the Pension Board, such same-sex married Participant may elect the Joint and Survivor Option, with such election to be retroactively effective to the Participant's retirement date. Any same-sex married Participant making the retroactive Joint and Survivor Option election must repay the Plan for any overpayments of benefits the Participant received as a result of the change in the form of the retired Participant's benefit payments, as determined by the Actuary. Any retroactive election of the Joint and Survivor Option will be determined with the Joint and Survivor Option that was in place at the time of the Participant's retirement, such that same-sex married Participants who retired prior to October 18, 2011 will not be covered by the "Pop Up" provision and will instead receive a benefit awarded using the pre-"Pop Up" mortality tables.

The Pension Board may, at its discretion, direct the Custodian to pay all Participants' Normal, Delayed or Early Retirement Pension or Delayed Vested Pension in a single lump-sum distribution, if the lump-sum Actuarial Equivalent of the Participant's interest in his vested Accrued Benefit is not greater that $5,000. Provided, however, effective July 1, 2006, no distribution shall be made from the Plan without consent of the Participant.

6.02 **Death Before Retirement or Termination:** Upon the death of a Participant before termination of employment, any benefits payable shall be determined in accordance with the following:

(a) In the event that the Participant dies before termination of employment and after he has completed at least ten (10), but less than twenty-five (25) years of Eligibility Service, or after he has attained his Normal Retirement Age and has less than twenty-five (25) years of Eligibility Service, his Eligible Spouse shall receive a Pension for life. Such Pension shall be equal to fifty percent (50%) of the Pension calculated pursuant to the provisions of Section 5.01, based upon the Participant's Average Monthly Compensation and Credited Service as of the date of his death; provided, however, if the Actuarial Equivalent lump sum value of such Pension payable to the Eligible Spouse is less than the aggregate amount of the Participant Contributions as of the date of the Participant's death, then the monthly Pension payable to the Eligible Spouse shall be equal to the amount of such Participant Contributions converted to an Actuarially Equivalent monthly lifetime Pension for the Eligible Spouse. The Eligible Spouse's Pension shall commence as of the first day of the month coinciding with or next following the Participant's death and shall continue for the Eligible Spouse's lifetime.

(b) In the event that the Participant dies before termination of employment and after he has completed at least twenty-five (25) years of Eligibility Service, his Eligible Spouse shall receive a Pension for life. Such Pension shall be equal to the amount the Eligible Spouse would have been entitled to receive had the Participant retired on the date immediately preceding death and commenced to receive a Normal or Delayed Retirement Pension, whichever is applicable, under either Section 5.01 or 5.02 and the one hundred percent (100%) Joint and Survivor Option provisions of Section 6.01. Such Pension shall be based upon the Participant's Average Monthly Compensation and Credited Service, not to exceed thirty-three (33) years, as of the date of his death; provided, however, if the Actuarial Equivalent lump sum value of such Pension payable to the Eligible Spouse is less than the aggregate amount of the Participant Contributions as of the date of the Participant's death, then the monthly Pension payable to the Eligible Spouse shall be equal to the amount of such Participant Contributions converted to an Actuarially Equivalent monthly lifetime Pension for the Eligible Spouse. The Eligible Spouse's Pension shall commence as of the first day of the month coinciding with or next following the Participant's death and shall continue for the Eligible Spouse's lifetime.

(c) Should an Eligible Spouse entitled to a Pension under Section 6.02(a) or 6.02(b) die without having received Pension payments totaling a sum at least equal to the amount of the Participant Contributions as of the date of the Participant's death, then the difference between the amount of such Participant Contributions and the amount of Pension payments received by the Eligible Spouse shall be paid to the Eligible Spouse's Beneficiary. Such amount shall be paid to the Beneficiary as soon as practical following the Eligible Spouse's death. The Beneficiary shall elect to receive such an amount either in regular monthly installments in the same amount the Eligible Spouse was receiving (with an adjustment to the last payment to equal the balance to be paid) or in a single lump sum; provided, however, if the Beneficiary is not a natural person, such amount shall be paid in a single lump sum.

(d) If a Participant who has no Eligible Spouse or who has not completed at least ten (10) years of Eligibility Service or attained his Normal Retirement Age should die before termination of employment, his Beneficiary shall be entitled to a refund of his Participant Contributions as of the date of his death payable in a single lump sum. Payment to the Beneficiary shall be made as soon as practical following the Participant's death.

6.03 **Death After Termination of Employment and Before Pension Payments Commence:** If a Participant who has terminated employment with entitlement to a Deferred Vested Pension and who has not forfeited his rights to such Pension, pursuant to the provisions of Section 4.04, dies before Pension payments commence, his Beneficiary shall receive a refund of the Participant Contributions as of the date of his death. Such refund, payable in a single lump sum, shall be made as soon as practical following the Participant's death.

6.04 **Death After Pension Payments Commence:** Should a retired Participant die after Pension payments commence on a Single Life Income basis without having received Pension payments totaling a sum at least equal to the amount of his Participant Contributions as of the date of his death, then the difference between the amount of such Participant Contributions and the amount of Pension payments received by the Participant shall be paid to his Beneficiary as soon as practical following the Participant's death. The Beneficiary shall elect to receive such amount either in regular monthly installments in the same amount as the Participant was receiving (with an adjustment to the last payment to equal the balance to be paid) or in a single lump sum; provided, however, if the Beneficiary is not a natural person, such amount shall be paid in a lump sum.

Should a retired Participant and his Spouse die after Pension payments commence in the form of a Joint and Survivor Option under Section 6.01 without having received Pension payments totaling the amount of Participant Contributions as of the date of the Participant's death, then the difference between the amount of such Participant Contributions and the amount of Pension payments received shall be paid to the Beneficiary of the last to die of the Participant and his Spouse. Such amount shall be paid to such Beneficiary as soon as practical following the death of the survivor. The Beneficiary shall elect to receive such amount either in regular monthly installments in the same amount the survivor was receiving (with an adjustment to the last payment to equal the balance to be paid) or in a single lump sum; provided, however, if such Beneficiary is not a natural person, such amount shall be paid in a lump sum.

6.05 **Reemployment After Pension Payments Commence:** If, prior to Normal Retirement Date and after Pension payments have commenced, a Participant returns to employment with the Employer as an Employee or as an Ineligible Employee, Pension payments shall cease and the Pension payable upon the Participant's subsequent Retirement or death shall be reduced by the Actuarial Equivalent of any Pension payments he received prior to his Normal Retirement Date. If a former Participant who is receiving a Pension hereunder is reemployed as an Employee or as an Ineligible Employee on or after his Normal Retirement Date, Pension payments shall cease; provided, however, subject to the provisions of Section 5.07, upon the Participant's subsequent Retirement or death any Pension payable to him or on his behalf shall be equal to the Pension he was receiving upon his reemployment, plus the greater of (a) the Pension he was receiving upon his reemployment increased from the date of the last Pension payment to its Actuarial Equivalent as of the subsequent Pension commencement date, or (b) any additional Pension accrued under the provisions of Section 5.02 during his reemployment.

Notwithstanding the above, if a Participant who is receiving a Pension under the Plan returns to work for the Employer at least six months after Pension payments commence, in a part-time status in a Non Plan A position, such Participant shall not be required to cease payment of his Pension. Such part-time employment shall not be counted as Eligibility Service under the Plan and such Participant shall accrue no further benefits under the Plan during such part-time employment.

6.06 **Nonalienation of Benefits:** Except with respect to federal and/or state income tax, benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, execution, or levy of any kind, either voluntary or involuntary, including any such liability which is for alimony or other payments or for property settlement for the support of a spouse or former spouse or for any other relative of the Employee, prior to actually being received by the person entitled to the benefit under the terms of the Plan; and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to benefits payable hereunder, shall be void. The Pension Fund shall not in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements or torts of any person entitled to benefits hereunder. The Plan does not honor domestic relations orders.

6.07 **Designation of Beneficiary:** Designation of a Beneficiary or Beneficiaries under the Plan shall be governed by the following rules:

(a) Designation Procedure: Each Participant or Eligible Spouse or Spouse entitled to benefits pursuant to Section 6.02, 6.03, or 6.04 as applicable, from time to time may designate any person or persons (who may be designated primarily, contingently or successively and who may be an entity other than a natural person) as his Beneficiary or Beneficiaries to whom his Plan benefits are paid if he dies before receipt of all such benefits. Each Beneficiary designation shall be in the form prescribed by the Board. Each Beneficiary designation filed with the Board will cancel all Beneficiary designations previously filed with the Board. The revocation of a Beneficiary designation, no matter how effected, shall not require the consent of any designated Beneficiary. If a Participant becomes divorced from his spouse, any prior designation of such spouse as a Beneficiary shall be void as of the date of the divorce unless the Participant redesignates his former spouse as a Beneficiary after the date of his divorce.

(b) Lack of Designation: In the event that any Participant or former Participant or Eligible Spouse or Spouse entitled to benefits pursuant to Section 6.02, 6.03, or 6.04, as applicable, fails to designate a Beneficiary in the manner provided above, or if the Beneficiary designated by such deceased person dies before him or before complete distribution of the benefits such benefits shall be paid in accordance with the following order of priority:

(i) To the Participant's spouse, or if there be none surviving,

(ii) To the estate of the Participant, Beneficiary, Eligible Spouse or Spouse, as applicable.

(c) Nothing in this Section 6.07 shall be interpreted so as to require a benefit for such Beneficiary, except as set forth elsewhere in the Plan.

6.08 **State Law Forfeiture Provisions**: Notwithstanding any provision of the Plan to the contrary, the Plan shall be subject to the reduction and forfeiture provisions contained on O.C.G.A. Title 47, Chapter 1, Article 2 and benefits hereunder shall be reduced or forfeited in accordance with such provisions if and when applicable.

6.09 **Medical Insurance Coverage for Retirees**: Upon retirement, a Participant may elect, at the Participant's expense, to participate in the medical insurance program of the Employer by choosing such coverage as may be available to retirees at the time of his retirement, which may include Individual or Family coverage. The option for available coverage in the medical insurance plan and the type of such coverage must be made at the time of retirement. No coverage may be added after retirement, and any coverage which is dropped may not be reinstated. Notwithstanding the preceding sentence, in the limited circumstances of a same-sex married Participant who was legally married prior to the date of his or her retirement and prior to June 26, 2015, a one-time, thirty (30) day window will be offered for the same-sex married Participant to elect to change from Individual coverage to Family coverage, in a time and manner prescribed by the Employer.

Notwithstanding the provisions of Section 6.06, a retired Participant who is receiving a Pension as of July 1, 1994, or who is entitled to begin receiving a Pension under the provisions of Article IV and elects to participate in the medical insurance program of the Employer shall have his premiums for medical insurance deducted on a post–tax basis from his Pension.

Authorization for deduction of such premiums shall be made in accordance with Section 8.06. Any amounts deducted from the retired Participant's Pension pursuant to this Section 6.09 shall be transmitted by the Custodian to the Employer on behalf of such retiree for payment of his medical insurance premiums.

6.10 **Rollovers**:

(a) General Rule. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Participant's election under this Article, a Participant may elect, at the time and in the manner prescribed by the Employer, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Participant, in a direct rollover.

(b) Definitions.

(i) Eligible Rollover Distribution: An Eligible Rollover Distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include (A) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated Beneficiary, or for a specified period of ten (10) years or more; (B) any distribution to the extent such distribution is required under Code Section 401(a)(9); and (C) the portion of any distribution that is a hardship distribution under Code Section 401(k). A Participant may not elect a direct rollover with respect to an Eligible Rollover Distribution during the Plan Year that is less than $200. If the Distributee elects to have only a portion of an Eligible Rollover Distribution paid to an Eligible Retirement Plan, that portion must be equal to at least $500. Notwithstanding anything contained herein to the contrary, the portion of a distribution that is not includible in the gross income because it represents after-tax amounts shall constitute an Eligible Rollover Distribution, but before January 1, 2007, such portion may be transferred only to an individual retirement account or annuity in Code Section 408(a) or (b) or to a qualified defined contribution plan described in Code Section 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of the distribution that is includible in gross income and the portion that is not so includible. Effective for distributions on and after January 1, 2007, after-tax amounts also may be rolled over to a defined benefit plan described in Code Section 401(a) or an annuity described in Code Section 403(b), provided in either case that the recipient agrees to separately account for amounts so transferred, including separately accounting for the portion of the distribution that is includible in gross income and the portion that is not so includible.

(ii) Eligible Retirement Plan: An Eligible Retirement Plan is, in the case of an Eligible Rollover Distribution to the Participant or Participant's surviving spouse, an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), a qualified trust described in Code Section 401(a), an annuity contract described in Code Section 403(b) that accepts the Participant's Eligible Rollover Distribution and an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision or agency or instrumentality of a state and which agrees to separately account for amounts transferred to such plan from this Plan, provided that such account, annuity, contract, plan or trust accepts the Distributee's Eligible Rollover Distribution. Effective as of January 1, 2008, "Eligible Retirement Plan" shall include a Roth IRA established under Section 408A of the Code.

Effective as of January 1, 2010, in the case of an Eligible Rollover distribution to a Beneficiary other than the Participant's surviving spouse, "Eligible Retirement Plan" shall mean (i) an individual retirement account described in Code Section 408(a), (ii) an individual retirement annuity described in Code Section 408(b), or (iii) as of January 1, 2008, a Roth IRA established under Code Section 408A, which shall be treated as an inherited IRA.

(iii) Distributee: A Distributee includes the Participant, former Participant, surviving spouse or effective January 1, 2010, a non-spouse Beneficiary of the Participant.

(iv) Direct Rollover: A Direct Rollover is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

(c) Effective January 1, 2008, notwithstanding any other provisions of the Plan to the contrary, a nonspouse designated Beneficiary may rollover the distribution only to an individual retirement account or individual retirement annuity established for the purpose of receiving the distribution, and the account or annuity will be treated as an "inherited" individual retirement account or annuity.

6.11 Qualified Military Service:

(a) Definitions. For purposes of this Section, the following definitions shall apply:

(1) Differential Wage Payments mean any payments that are made by the Employer to a Participant for any period during which the Participant is performing Military Service for more than 30 days and represents all or part of the Compensation that the Participant would have received from the Employer if he or she were performing services for the Employer.

(2) Military Service means the period of a Participant's active duty for training and service in the Army, Navy, Air Force or Marines of the United States of America, the Army National Guard and the Air national Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President in time of war or national emergency.

(3) Qualified Military Service means Military Service during which the Participant is entitled to reemployment rights under Chapter 43 Title 38 of the United States Code.

(4) USERRA means the Uniform Service Employment and Reemployment Rights Act of 1994.

(d) USERRA. Notwithstanding any provision of the Plan to the contrary, contributions, benefits and service credit with respect to Qualified Military Service will be provided in accordance with Code Section 414(u) and USERRA. Plan Participants who are reemployed in accordance with the requirements of USERRA shall be treated as not having a Break in Service during such Qualified Military Service and such periods of Qualified Military Service shall be counted for purposes of vesting and for benefit accrual, to the extent provided in Section 7.02(c) of the Plan.

(e) Death During Military Service. Effective January 1, 2007, if a Participant dies during a period of Qualified Military Service, the Participant shall be treated as having returned to employment with the Employer on the day before his death and died the next day for purposes of any survivor benefits including pre-retirement survivor benefits and any accelerated vesting. Such Participant shall receive service for vesting purposes for the period of Qualified Military Service but shall not receive Credited Service for benefit accrual during such period.

(f) Compensation. For purposes of this Section, a Participant's Compensation during the period of Qualified Military Service shall be treated as equivalent to the Compensation he or she would have received during such period but for the period of Qualified Military Service. Such determination shall be based on the rate of pay the Employee would have received during that time; provided however if the Compensation the Employee would have received is not reasonably certain, Compensation for this purpose shall equal the Employee's average compensation during the 12 month period immediately preceding the Qualified Military Service (or, if shorter, the period of employment immediately preceding the Qualified Military Service).

(g) Differential Wage Payments. If the Employer pays Differential Wage Payments to the Participant while on Qualified Military Leave, such payments shall be treated as Compensation under the Plan for purposes of benefit accrual and for purposes of Code Section 415 and Section 4.7 of the Plan.

ARTICLE VII

Plan Financing

7.01 Method of Funding: The City of Gainesville shall, through the City Council, appropriate from its funds and pay into the Trust Fund each pay period a sum of money equal to thirteen and two tenths percent (13.2%) of the total payroll cost for all Employees for such pay period.

It shall be the duty of the City Council of the City of Gainesville each year to cause a study by the Actuary and investigation of the Trust Fund to be made and a written report with respect thereto made to the Pension Board with specific recommendations for such changes as may be necessary. The Pension Board shall make such report a public record and available for inspection. If such report reveals that the appropriations herein provided are insufficient to maintain the Plan on a sound basis, it shall be the duty of the City Council to appropriate such additional sums as would be necessary to maintain the Trust Fund and the Plan on a sound financial basis. Should the Actuary find that a lesser appropriation by the aforesaid would maintain the Trust Fund on a sound financial basis, then the City of Gainesville is authorized, upon approval of the Pension Board, to decrease its

contribution to the percentage of such total payroll found by the Actuary to be sufficient to maintain the Plan and Trust Fund on such financial basis.
Whenever additional benefits are recommended, the Pension Board will first determine the requirement for additional funding, if any, and shall recommend the method of obtaining the funding as part of the overall additional benefits recommendation. No additional benefits shall be provided for which funding, if applicable, is not designated by the City Council at the time benefits are approved.

Forfeitures arising under this Plan because of severance of employment before a Participant becomes eligible for a Pension, or for any other reason, shall be applied to reduce the cost of the Plan and not to increase the benefits otherwise payable to Participants.

7.02 Participant Contributions:

(a) After-tax Contributions. Effective prior to July 1, 2006, the Employer, each pay period, levied upon the Compensation of each and every Employee on an after-tax basis, an assessment of the percentage of Compensation as provided in prior Plan documents, which assessment was deducted from the Compensation of each Employee by the Chief Financial Services Officer or other officer in charge of the payment of such Compensation.

(b) Employer pick-up contributions. Effective on and after July 1, 2006, the Employer shall contribute to the Plan, as of each pay period on behalf of and to the credit of each Plan Participant, a mandatory pre-tax Participant Contribution of thirteen and two tenths of one percent (13.2%) of Compensation. These Employer Pick-Up Contributions are mandatory and no Participant shall be entitled under any circumstances to receive such contributions in cash in lieu of having them contributed to the Trust by the Employer in accordance with the preceding sentence. Such contributions shall be made pursuant to Section 414(h) of the Code and shall be treated as Employer contributions in determining their federal income tax treatment under the Code. Employer Pick-Up Contributions made on behalf of Plan Participants shall be included in the Compensation of such individuals when determining their Accrued Benefit and except as otherwise provided above, such contributions shall be considered Participant Contributions and 100% vested for all purposes under the Plan.

(c) Military Leave. Employer contributions required under Section 7.01 and Participant Contributions required under this Section 7.02 on behalf of activated military personnel who return to work with the City after qualified military service under the Uniform Services Employment and Reemployment Rights Act (“USERRA”) shall be postponed until the affected Employee returns to active, full time City employment. The Employee shall be provided with the opportunity to deposit the applicable percentage(s) of Compensation that would have been afforded him during any period of absence due to active military duty. Any such make-up Participant Contributions shall be made by the Employee during a period which does not exceed the lesser of three (3) times the Employee’s period of absence for military service or five (5) years, and which begins on the later of (a) the

Employee's date of reemployment and (b) the date that the Employer notifies the Employee of the right to make make-up contributions under this Section 7.02. Upon deposit of these funds, the City will provide an in-kind contribution equal to that of the Employee. Provided, however, that the first twelve (12) consecutive months, or any portion thereof, of activated military leave periods shall be considered Credited Service for the Employee with no requirement for make up contributions for that period of time. If the Employee elects not to make up Participant contributions the employee shall receive credit only for Eligibility Service for the period of time out on active military duty until the time the employee returns to active, full time City employment.

7.03 **Assets of Trust Fund:** All contributions made by the Employer and all Participant Contributions under this Plan shall be deposited in the Trust Fund. The Chief Financial Services Officer of the City of Gainesville shall be the custodian of the funds and shall keep such funds separate and apart from other funds of the City of Gainesville until deposited with the Custodian into the Trust Fund A. Except as otherwise provided in Section 7.01, all assets of the Trust Fund, including investment income, shall be retained for the exclusive benefit of Participants and their Beneficiaries, and shall be used to pay benefits to such persons and shall not revert to or inure to the benefit of the Employer. All administrative expenses, actuarial fees and costs incurred by the Trust Fund shall be paid out of the Trust Fund.

7.04 **Investments:** The Pension Board shall select and enter into a contract with one or more investment managers for the investment and general financial management of the Trust Fund. The Pension Board shall have the power and authority to establish the investment powers and limitations of the investment manager(s). Such powers and limitations shall be included in the contract with the investment manager(s) or in an amendment thereto, and such contract and all amendments thereto shall first be approved by the City Council of the City of Gainesville, by proper resolution before becoming effective as a contract.

ARTICLE VIII

Administration

8.01 **Appointment of Pension Board:** The general administration and responsibility for the proper operation of the Plan, and for making effective the provisions of the Plan is hereby vested in a Pension Board consisting of seven (7) members. Said seven (7) members shall pass upon all applications and all business pertaining to the Plan and all rights and privileges of the Participants and Beneficiaries hereunder.

(a) Composition of Board: The composition of the said Board shall be as follows:

(i) One member from the Employees of the Police Department of the Employer.

(ii) One member from the Employees of the Fire Department of the Employer.

(iii) One member from the Employees of the Public Utilities Department of the Employer.

(iv) One member from all other Employees of the Employer which excludes Fire, Police and Public Utilities Department employees.

(v) One member to be at large from all Employees of the Employer.

(vi) One member to be at large from all retired Employees receiving a Pension from the Plan.

(vii) One member shall be the City Clerk by virtue of office.

(b) Election of Members: Each and every Participant who is qualified shall be entitled to vote in an election for a Pension Board member to represent them in the membership as enumerated in Subparagraph (a) of this Section 8.01. All persons who are qualified to vote at said election shall be notified in person or by writing five (5) days in advance by the Retirement Manager. The Pension Board shall establish procedures for the conduct of elections with provisions for, but not limited to, absentee voting and establishment of voting hours. The Retirement Manager shall preside at the election of said member and a majority of those voting shall elect.

The term of office of each of said Board members, except the City Clerk, shall commence on the first Monday after his election and continue for a period of four (4) years, and until his successor shall be elected and qualified. An election shall be held, in the manner hereinbefore described, at the expiration of the term of office of each Board member, except the City Clerk, for the purpose of electing his successor; and election for each member, except the City Clerk, shall be compulsory every two (2) years.

(c) The following individuals, or their designees, shall serve as ex-officio members and shall have voice but not vote at Board meetings.

(i) City Manager (or his designee)

(ii) Chief Financial Services Officer

(iii) Administrative Services Director

(iv) Any member of City staff that the Board shall designate, due to the nature of their responsibilities as they relate to the administration of the Plan, with the term of such designation to be at the discretion of the Board.

(d) Compensation: All members of the Pension Board shall serve without compensation.

8.02 **Claims Procedure:** The Pension Board shall make all determinations as to the right of any person to a benefit. If any application for payment of a benefit under the Plan shall be denied, the Pension Board shall notify the claimant within ninety (90) days (forty-five (45) days in the case of a disability claim) after receipt of the claim except as provided herein, setting forth the specific reason therefor and afford such claimant a reasonable opportunity for a full and fair review of the decision denying his claim. The Pension Board under special circumstances is permitted an additional 90 days (sixty (60) days in the case of a disability claim) in which to notify the Participant of its decision provided that the Pension Board gives written notification to the Participant within the original determination period indicating the reason for the extension and the date when it expects to render a decision. For a disability claim, the Pension Board shall also provide an explanation of any additional information needed from the Participant and allowance of an additional forty-five (45) days for the Participant to provide this additional information. Notice of such denial shall set forth, in addition to the specific reasons for the denial, reference to pertinent provisions of the Plan, such additional information as may be relevant to denial of the claim, an explanation of the claims review procedure and advice that such claimant may request the opportunity to review pertinent Plan documents and submit a statement of issues and comments. For a Disability claim, the notice will include the guideline(s) used in reviewing the claim (or a statement that guidelines were relied upon in reviewing the claim and that the Participant can obtain a copy of these guidelines free of charge), and an explanation of the clinical judgment used in reviewing the claim (or a statement that the Participant can obtain this explanation free of charge). A request for review must be filed by the Participant within sixty (60) days (one hundred eighty (180) days in the case of a disability claim) following notice of denial of his claim. Upon request for a review of such denial, the Pension Board shall take appropriate steps to review its decision in light of any further information or comments submitted by such claimant. The Pension Board may, in its discretion, hold a hearing at which such claimant shall be entitled to present the basis of his claim for review and at which he may be represented by counsel. The Pension Board shall render a decision within sixty (60) days (forty-five (45) days in the case of a disability claim) after the claimant's request for review (which may be extended to 120 days {ninety (90) days in the case of a disability claim} if circumstances so require) and shall advise the claimant in writing of its decision on such review, specifying its reasons therefor and identifying appropriate provisions of the Plan.

Any Participant dissatisfied with the action of the Board shall have the right of appeal to the Superior Court of Hall County, Georgia, within thirty (30) days from the date of such action by said Board, but said Participant shall defray all expenses of appeal from an action by said Board.

8.03 **Other Pension Board Powers and Duties:** The Board shall have such powers as may be necessary to discharge its duties hereunder, including, but not limited to the following:

(a) The exclusive right to construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner, and time of payment of any benefits hereunder, such determinations to be final, binding and conclusive;

(b) To establish and maintain Credited Service records of all Participants in the Plan;

(c) To prescribe procedures to be followed by Participants or Beneficiaries filing applications for benefits;

(d) To prepare and distribute, in such manner as the Board determines to be appropriate, information explaining the Plan;

(e) To receive from the Employer and from Participants such information as shall be necessary for the proper administration of the Plan;

(f) To furnish the Employer, upon request, such annual reports with respect to the administration of the Plan as are reasonable and appropriate;

(g) To receive and review the periodic evaluation of the Plan made by the Actuary;

(h) To appoint or employ individuals to assist in the administration of the Plan and the Trust Fund and any other agents it deems advisable, including actuarial, investment, and legal counsel;

(i) To periodically review and adopt job classification listings of Plan A positions based upon submissions made by the Human Resources Department; and

(j) To work with City Management, the Actuary, and the Board's investment consultant to consider cost-of-living adjustments, if any, for retirees as part of the annual budget process.

The Board shall have no power to add to or subtract from, or modify any of the terms of the Plan nor to change or add to any benefits provided by the Plan, nor to waive or fail to apply any requirement of eligibility for a Pension under the Plan.

8.04 **<u>Rules and Decisions:</u>** The Board may adopt such rules as it deems necessary, desirable or appropriate. All rules and decisions of the Board shall be uniformly and consistently applied to all Participants in similar circumstances. When making a determination or calculation, the Board shall be entitled to rely upon the information furnished by a Participant or Beneficiary, the Employer, the legal counsel of the Employer or the Actuary.

8.05 **<u>Board Procedures:</u>** Subject to any rules adopted by the Pension Board, if the Pension Board shall operate in accordance with the following procedures:

(a) <u>Vacancy:</u> If a vacancy occurs in the office of Board member, an election shall be held for such unexpired term within thirty (30) days and in the same manner as the office was previously filled; provided, however, that during such vacancy the action of the five (5) remaining members of the Board shall be binding in all business which they may transact.

(b) Attendance: Attendance of Board members at all Board meetings shall be compulsory. Any member who neglects the duties of his office may be removed by the Board.

(c) Oath: Each board member other than the City Clerk, shall before assuming the duties of his office, take an oath of office before the City Clerk, that so far as it devolves upon him he will diligently and honestly administer the affairs of the said Board, and that he will not knowingly or willfully violate or permit to be violated any of the provisions of the law applicable to the Plan. Such oath shall be subscribed to by the Board member making it, and certified by the said Clerk, and filed in the Clerk's office. A similar oath shall be made by the City Clerk before the mayor or other executive head of the City of Gainesville, which oath shall be subscribed to by the City Clerk before the mayor and other executive head of the city, and filed in the office of said mayor or other executive head of said City.

(d) Quorum: When the Board is composed of an even number of voting members, one-half of the number of Board Members plus one shall constitute a quorum. When the Board is composed of an odd number of voting members, one-half of the number of Board Members, rounded up, shall constitute a quorum. A quorum of said Pension Board shall be necessary for the transaction of any business or the conduct of any hearings before said Board.

(e) Majority Vote: A majority vote of the members of the Pension Board present shall be required for a motion to carry.

8.06 **Authorization of Benefits Payments**: Money shall be withdrawn from the Trust Fund only upon warrants executed by the person or persons selected by a majority of the Pension Board and in amounts authorized by a majority of the Pension Board members.

8.07 **Application and Forms for Pension**: The Board may require a Participant or Beneficiary to complete and file with the Board an application for a Pension, and all other forms approved by the Board, and to furnish all pertinent information requested by the Board. The Board may rely upon all such information so furnished it, including the Participant's or Beneficiary's current mailing address.

8.08 **Facility of Payment:** Whenever, in the opinion of the Board, a person entitled to receive any payment of a benefit or installment thereof hereunder is under a legal disability or is incapacitated in any way so as to be unable to manage his financial affairs, the Board may direct that any benefit due him, unless claim shall have been made for the benefit by a duly appointed legal representative, be paid to his spouse, a child, a parent or other blood relative or to a person with whom he resides. Any payment of a benefit or installment thereof made in accordance with the provisions of this Section shall be a complete discharge of any liability for the making of such payment under the provisions of the Plan.

ARTICLE IX

Miscellaneous

9.01 **Nonguarantee of Employment:** Nothing contained in this Plan shall be construed as a contract of employment between the Employer and any Employee, or as a right of any Employee to be continued in the employment of the Employer, or as a limitation of the right of the Employer to discharge any of its Employees, with or without cause.

9.02 **Rights to Fund Assets:** No Employee shall have any right to, or interest in, any assets of the Trust Fund upon termination of his employment or otherwise, except as provided from time to time under the Plan, and then only to the extent of the benefits payable under the Plan to such Employee out of the assets of the Trust Fund. All payments of benefits as provided for in the Plan shall be made solely out of the assets of the Trust Fund.

9.03 **Governing Law:** The Plan shall be governed by Federal law to the extent applicable, and to the extent not applicable, by the laws of the State of Georgia, including the conformity to Federal law provisions in Article 6 of Title 47 of the Official Code of Georgia, O.C.G.A. Section 47-1-80 et seq. (which are hereby incorporated herein by reference), and the Public Retirement Systems Standards Law, O.C.G.A. Section 47-20-1 et seq. It is the intent of the City that this Plan be maintained as a qualified governmental pension plan under the applicable provisions of the Internal Revenue Code, and any ambiguities in the construction hereof shall be interpreted in order to effectuate such intent.

9.04 **Construction:** The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender, and the singular may include the plural, unless the context clearly indicates to the contrary. The words "hereof, "herein', "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Plan, not to any particular provision or Section. Article and Section headings are included for convenience of reference and are not intended to add to, or subtract from the terms of the Plan.

9.05 **Vesting upon Normal Retirement:** Notwithstanding anything to the contrary in the Plan, a Participant's Accrued Benefit shall be 100% vested upon attainment of Normal Retirement Age.

9.06 **Corrections; Contributions Made in Error; Recovery of Mistaken Payments:** The Pension Board may correct errors and, so far as practicable, may adjust any benefit or credit or payment accordingly or take any other remedial action required or permitted to comply with any remedial or correction program promulgated by the Internal Revenue Service (IRS), including without limitation the Employee Plans Compliance Resolution System or any successor guidance, or otherwise provided pursuant to applicable law. In the event Employer contributions or Participant Contributions are made in error, the Pension Board shall refund such contributions to the Employer or Employee; provided however, the Pension Board and Employer may agree to treat Employer contributions made in error as a credit to be applied against the Employer's next contribution obligation. If the benefit paid to a Participant or Beneficiary under the Plan is determined by the Pension Board to be in excess of the amount of the benefit to which the Participant or Beneficiary may receive under the Code and/or the terms of the Plan (the "Overpayment"), the Pension Board shall take reasonable actions as it may consider necessary in order to recoup the Overpayment from the Participant or Beneficiary to whom the Overpayment was erroneously paid, including (i) requiring the Overpayment to be repaid to the Plan, (ii) reducing future benefits that are (or may be) payable to the Participant or Beneficiary under the Plan, (iii) using any combination of the methods described in (i) or (ii) above, and/or (iv) taking any other steps that the Pension Board considers necessary and appropriate to recoup the Overpayment to the extent permitted by applicable law and IRS guidance.

ARTICLE X

Termination

10.01 **Right to Terminate:** The Employer, through the City Council, may terminate the Plan at any time and may direct and require the Pension Board to liquidate the Trust Fund; provided the assets of the Trust Fund are sufficient to cover all benefit liabilities under the Plan. If the Plan is terminated at any time, the rights of each Participant to the benefits accrued to the date of termination shall be fully vested regardless of the Participant's age and years of Eligibility Service as of the date of termination of the Plan.

10.02 **Manner of Distribution:** Any distribution after termination of the Plan shall be made in the form of nontransferable annuity contracts or under any other method as recommended by the Pension Board to the City Council.

10.03 **Residual Amounts:** Upon termination of the Plan and notwithstanding any other provision of the Plan, if any, surplus assets remain after the satisfaction of all liabilities of the Plan and arising out of erroneous actuarial computation, then such surplus shall be allocated among the Participants actively employed on the Plan termination date in proportion to the Actuarial Equivalent value of their Accrued Benefits. For the purpose of this Section 10.03, the terms "liabilities" and "erroneous actuarial computation" shall be as defined in Treasury Regulations Section 1.401-2 or in any successor guidance.

10.04 **Full Vesting:** Upon termination of the Plan or upon complete discontinuance of contributions under the Plan, the rights of all Employees to benefits accrued to the date of such termination or discontinuance, to the extent then funded or the amounts credited to the employee's accounts are nonforfeitable.

ARTICLE XI

Amendments

The City Council reserves the right at any time and from time to time to amend the Plan. Any amendment to the Plan may be initiated by independent action of the City Council of the City of Gainesville or by recommendation from the Pension Board, but shall not be effective until approved by the City Council.

CITY OF GAINESVILLE, GEORGIA

PLAN A

As Amended and Restated
Effective as of
January 1, 2022~~01~~

Plan Document Amended:	08-01-95	City Council Resolution BR-95-44
	08-06-96	City Council Resolution BR-96-41
	04-20-99	City Council Resolution BR-99-21
	05-20-03	City Council Resolution BR-2003-25
	10-21-03	City Council Resolution BR-2003-60
	09-21-04	City Council Resolution BR-2004-49
	11-16-04	City Council Resolution BR-2004-63
	03-17-05	City Council Resolution BR-2005-13
	05-16-06	City Council Resolution BR-2006-22
	05-16-06	City Council Resolution BR-2006-23
	07-01-06	City Council Resolution BR-2006-29
	11-07-06	City Council Resolution BR-2006-49
	12-19-06	City Council Resolution BR-2006-62
	06-17-08	City Council Resolution BR-2008-39
	01-06-09	City Council Resolution BR-2009-04
	07-05-11	City Council Resolution BR-2011-18
	10-18-11	City Council Resolution BR-2011-27
	10-18-11	City Council Resolution BR-2011-28
	12-06-11	City Council Resolution BR-2011-33
	12-06-11	City Council Resolution BR-2011-34
	12-17-13	City Council Resolution BR-2013-55
	04-01-14	City Council Resolution BR-2014-07
	09-02-14	City Council Resolution BR-2014-31
	09-02-14	City Council Resolution BR-2014-32
	10-20-15	City Council Resolution BR-2015-53
	09-06-16	City Council Resolution BR-2016-37
	12-__-21	City Council Resolution BR-2021-__

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ARTICLE I

Purpose

In order to create a retirement fund for the payment of benefits to certain salaried employees of the City of Gainesville, Georgia, on February 24, 1941, the General Assembly of Georgia established the City of Gainesville, Georgia, Retirement System, known effective July 1, 1994, as Retirement Plan A (the "Plan"). The Plan has been subsequently amended by ordinances from time to time.

~~A trust maintained in accordance with the terms of the Trust Agreement, known as the City of Gainesville, Georgia, Employees' Retirement Trust Agreement (the "Trust"), was adopted by the City Council to carry out the funding of the Plan. The Trust forms a part of the Plan.~~

The City Council has decided to amend and restate the Plan, as set forth herein, effective as of ~~July 1, 1994~~January 1, 2022 (the "Effective Date") (unless a different effective date is stipulated by a particular provision), to make clarifying and desirable revisions to facilitate the administration of the Plan.

The Plan and Trust are intended to meet the requirements of Sections 401(a) and 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as applied to a governmental plan (as defined in Code Section 414(d)).

Except as otherwise specifically provided in this Plan, the provisions of this Plan shall apply only to an Employee who terminates employment on or after the Effective Date. The benefit payable to or on behalf of a Participant included under the Plan in accordance with the following provisions shall not be affected by the terms of any amendment to the Plan adopted after such Participant's employment terminates, unless the amendment expressly provides otherwise.

The amendments to the Plan contained herein continue the Plan as originally established and set forth in the provisions of the Charter of the City of Gainesville. The Charter of the City of Gainesville ~~is being~~was amended, effective July 1, 1994, to authorize the continuation of the Plan, but will no longer contain the provisions of the Plan. Instead, by separate ordinance the City of Gainesville is authorizing the restatement of the Plan under the terms contained herein.

There is no intention in amending the Plan to adversely affect, modify, or eliminate any pension benefits previously accrued or payable under the Plan before the Effective Date of this amendment, and all such benefits are preserved, whether or not such benefits are specifically set forth in the Plan, as amended. To the extent that any such pension benefits are not described in the Plan, as amended, reference is to be made to those provisions of the Charter of the City of Gainesville, prior to its amendment on July 1, 1994, which provided for such pension benefits.

ARTICLE II

Definitions

Words and phrases appearing in this Plan shall have the respective meanings set forth in this Article, unless the context clearly indicates to the contrary.

2.01 **Accrued Benefit**: The amount that would be payable at Normal Retirement Date, determined in accordance with Section 5.01, considering the Participant's Average Monthly Compensation and Credited Service, not to exceed thirty-three (33) years, at the date of determination.

2.02 **Actuarial (or Actuarially) Equivalent:** Equality in the value of the aggregate amount expected to be received under different forms of payment, based on the 1984 Unisex Pension Mortality Table, with interest at eight percent (8%) per annum.

2.03 **Actuary:** The individual enrolled actuary or firm of one or more enrolled actuaries selected by the Employer, with the advice of the Pension Board, to provide actuarial services in connection with the administration of the Plan.

2.04 **Average Monthly Compensation:** The arithmetic average of the total Compensation of a Participant during the sixty (60) consecutive completed months of Credited Service in which Compensation was the highest subject to the following:

(a) For a Participant who terminates employment and is reemployed by the Employer, the period(s) prior to and following such break(s)-in-service shall be considered consecutive.

(b) In the case of a Participant who has not completed sixty (60) such consecutive months at date of determination, Average Monthly Compensation shall be determined by averaging the completed months of Compensation received by such Participant from the Employer during his entire period of Credited Service.

2.05 **Beneficiary:** The person, persons, entity or entities designated by (1) a Participant or (2) an Eligible Spouse, pursuant to the provisions of Section 6.02, or (3) operation of the Plan pursuant to Section 6.07 to receive any benefits payable under the Plan as a result of the Participant's or Eligible Spouse's, as applicable, death.

2.06 **Board (or Pension Board):** The persons appointed pursuant to Article VIII to administer the Plan and the Fund in accordance with said Article.

2.07 **Code:** The Internal Revenue Code of 1986 and amendments thereto.

2.08 **Compensation**: The remuneration paid, during the period considered as Credited Service, to a Participant by the Employer for personal services as defined by Code Section 3401(a), as reported as wages on the Participant's Federal Income Tax Withholding statement (Form W-2), plus any deferrals made by the Participant pursuant to Code Section 125, 402(g)(3), 401(k), 414(h) or 457. In determining the limit on a Participant's Compensation under Code Section 401(a)(17) (the "Compensation Limitation"), the following rules shall apply:

(a) Compensation Limitation for an Eligible Participant: Notwithstanding the preceding, in no event shall Compensation for the twelve (12) month period used to determine Average Monthly Compensation for an "Eligible Participant" exceed the greater of (1) $235,840 or (2) effective January 1, 1996, $200,000, as increased in accordance with Treasury Department regulations (under Code Section 401(a)(17)) to reflect cost-of-living adjustments. For purposes of this Section 2.08(a), an Eligible Participant is an Employee who first became a Participant in the Plan during a Plan Year beginning before January 1, 1996.

(b) Compensation Limitation for a Non-Eligible Participant: Notwithstanding the preceding, in no event shall Compensation for the twelve (12) month period used to determine Average Monthly Compensation for a "Non-Eligible Participant" exceed the dollar limitation determined pursuant to Code Section 401~~l~~(a)(17). For purposes of this Section 2.08(b), a Non-Eligible Participant is an Employee who first becomes a Participant in the Plan during a Plan Year beginning on or after January 1, 1996.

(c) Cost-of-Living Adjustments for the Compensation Limitations: For all purposes of this Plan, the Compensation Limitation shall be increased automatically as permitted by Treasury Department regulations to reflect cost-of-living adjustments. As a result of such an adjustment, the Compensation Limitation in effect on January 1 of a calendar year shall be effective for the twelve (12) month period, used to determine a Participant's Average Monthly Compensation, beginning in the calendar year and shall apply only to a Participant's Compensation for that twelve (12) month period and Compensation for any prior year shall be subject to the applicable Compensation Limitation in effect for that prior year.

(d) Severance Payments: For all purposes of the Plan, effective July 1, 2007, Compensation shall not include any amounts paid to the Employee after 2 ½ months after the end of the calendar year in which the Employee has a severance from employment. Amounts paid within 2 ½ months after the end of the Plan Year in which the Employee has a severance from employment that represent leave cash-outs, nonqualified deferred compensation or payments for regular compensation for services during the Employee's period of employment that would have been paid to the Employee prior to severance from employment if the Employee had continued in employment with the Employer, shall be included. Compensation shall not include any amounts paid at any time after severance from employment if the amounts constitute severance pay or parachute payments, which are payments other than leave cash-outs, nonqualified deferred compensation, or for regular compensation for services during the Employee's period of employment that would have been paid to the Employee prior to severance from employment.

2.09 **Credited Service**: The period of an Employee's employment considered in accordance with Section 3.03 in the determination of the amount of benefits payable to or on behalf of the Employee.

2.10 **Disability**: A physical or mental condition, which totally and presumably permanently prevents a Participant from engaging in any gainful employment. For the determination of an occupational disability, the Participant must submit evidence of eligibility for Worker's Compensation as a result of the Disability. For the determination of a non-occupational disability, the Participant must submit evidence of receipt of a Social Security Disability Insurance Benefit under the Social Security Act; provided, however, if a Participant is not covered by Social Security, either through the Employer or through any other employer, the Pension Board shall determine his Disability in accordance with the provisions of the following:

(a) Whenever such a Participant not covered by Social Security files an application for a Disability Retirement Pension with the Pension Board, the Participant shall submit therewith a signed certificate from a licensed practicing physician of Georgia certifying to the Disability of such Participant. Promptly thereafter, the Pension Board shall order the Participant to be examined by a second physician to be named by the Board who likewise shall certify the physical ability or disability of the Participant. The fees and expenses of such second physician shall be paid for by the Pension Board. In the event the certificates of the respective physicians generally agree upon Disability, such facts shall be conclusive as to the physical condition of the Participant and the Pension Board shall grant a Disability Retirement Pension in accordance with Section 4.05. In the event the certificates of the aforesaid physicians disagree as to whether the Participant is disabled, then under these circumstances that question shall be submitted to a third physician selected by the Pension Board. The medical opinion of the third physician, after examination of the Participant and consultation with the other two physicians, shall decide such question. The fees and expenses of the third physician shall be shared equally by the Participant and the Pension Board.

(b) Notwithstanding any other provision of this Section, no Participant shall qualify for a Disability Retirement Pension if the Pension Board determines that his Disability results from (i) self-addiction to alcohol or narcotics, (ii) an injury suffered while engaged in a felonious or criminal act or enterprise or (iii) service in the Armed Forces of the United States which entitles the Participant to a veteran's disability pension; but this provision shall not prevent the Participant from qualifying for a Pension under another provision of the Plan.

(c) The Pension Board may adopt such rules as it deems necessary to administer the provisions of this Section 2.10 and such rules shall be applied uniformly and consistently to all Participants in similar circumstances.

2.11 **Early Retirement Date:** The date upon which the Participant has both terminated employment and completed twenty (20) or more years of Eligibility Service, but less than that amount of Eligibility Service required to reach Normal Retirement Age.

2.12 **Effective Date:** Effective Date means July 1, 1994, the original effective date of the Plan Document. The Effective Date of the Plan as amended and restated herein, is January 1, ~~2001~~2022, unless otherwise specifically provided.

2.13 **Eligibility Service:** The period of an Employee's employment considered in accordance with Section 3.02 in the determination of his eligibility for benefits under the Plan pursuant to the provisions of Article IV and his vested percentage pursuant to the provisions of Section 5.04.

2.14 **Eligible Spouse:** The person to whom the Participant is legally married under the laws of the State of Georgia for at least one (1) year prior to death. Spouse shall not include domestic partners or other similar relationships that are not denominated as marriage.

2.15 **Employee:** Any person who, on or after the Effective Date, performs a service for the benefit of the Employer, who is not covered by Social Security through the Employer, and who is eligible to participate in the Plan pursuant to Article III. The City Manager of the City of Gainesville, Georgia, shall be eligible to participate in this Plan at his discretion.

For new Employees hired on and after July 1, 2008, Employees shall be classified according to the following positions:

General Employee - shall mean any person who is employed by the Employer as a full-time Employee in a job other than as a Public Safety Employee.

Public Safety Employee - shall mean any person who is employed by the Employer as a Peace Officer or Firefighter. Peace Officer shall mean a full-time employee whose job description meets the definition of the Official Code of Georgia for Peace Officer as identified in Chapter 35.8.2(8)(A) and whose job description requires that they obtain certification as a Peace Officer through the Georgia Peace Officers Standards and Training Council Act as identified in the Official Code of Georgia Chapter 35.8-8 et.seq. as a condition of continued employment. Firefighter shall mean a full-time employee whose job description meets the definition of State Certified Firefighter as identified by the Georgia Firefighter Standards & Training Council and whose job description requires that they obtain certification as a Firefighter through the Georgia Firefighter Standards & Training Council as a condition of continued employment.

The classification of “full-time employee” status shall mean employed in a position, which is utilized on a continuing, year round basis for 40 or more hours per week, or at a minimum, 32 hours per week.

2.16 **Employer:** City of Gainesville, Georgia.

2.17 **Ineligible Employee:** Any person who performs a service for the Employer, who is covered by Social Security through the Employer.

2.18 **Normal Retirement Age:**

(a) For Employees hired before July 1, 2008 - The earlier of a Participant's (i) attainment of age sixty (60) or (ii) completion of twenty-five (25) years of Eligibility Service; provided, however, for an Employee who becomes a Participant in the Plan on or after his fifty-fifth (55th) birthday, such Employee's Normal Retirement Age shall be his age on the fifth (5th) anniversary of his date of participation.

(b) For Employees hired on and after July 1, 2008 –

(i) General Employees – The earlier of a Participant's (A) attainment of age sixty~~-five~~ (6~~5~~0) and ten (10) years of Eligibility Service~~ or (B) attainment of age sixty (60) and completion of twenty-five (25) years of Eligibility Service~~.

~~-~~(ii) Public Safety Employees – The earlier of a Participant's (A) attainment of age sixty~~-five~~ (60~~5~~) and completion of ten (10) years of Eligibility Service or (B) attainment of age fifty (50) and completion of twenty-five (25) years of Eligibility Service.

2.19 **Normal Retirement Date:** The date upon which a participant reaches his Normal Retirement Age.

2.20 **Participant**: An Employee participating in the Plan in accordance with the provisions of Section 3.01, including former Employees who are entitled to or are receiving a Pension under the Plan.

2.21 **Participant Contributions**: Mandatory contributions made by the Participant in accordance with Section 7.02.

2.22 **Pension:** A series of monthly amounts which are payable to a person who is entitled to receive benefits under the Plan.

2.23 **Plan:** City of Gainesville, Georgia, Retirement Plan A, the Plan set forth herein, as amended from time to time.

2.24 **Plan Year (or Year):** The twelve (12) month period commencing on July 1 and ending on June 30.

2.25 **Retirement**: Termination of employment for reasons other than death after a Participant has fulfilled all requirements for a Normal, Delayed, Disability or Early Retirement Pension. Retirement shall be considered as commencing on the day immediately following a Participant's last day of employment.

2.26 **Single Life Income**: The monthly benefit payable over the lifetime of the Participant. Upon the Participant's death, there shall be no survivor benefits paid, except as provided in Section 6.04.

2.27 **Spouse**: The person to whom the Participant is legally married under the laws of the applicable state or foreign domestic relations laws~~State of Georgia~~. Spouse shall not include domestic partners or other similar relationships that are not denominated as marriage.

2.28 **Trust (or Trust Fund):** The fund known as the City of Gainesville, Georgia, Employees' Retirement Trust (also known as "Fund A"), maintained in accordance with the terms of the trust agreement or custodial agreement, as applicable and as may be amended from time to time, which constitutes a part of the Plan.

2.29 **Trustee/Custodian:** The ~~Corporation~~ corporate trustee or custodian appointed by the Pension Board pursuant to Section ~~7.04~~7.03 of the Plan to administer the Trust.

ARTICLE III

Participation and Service

3.01 **Participation:** An Employee who was included under the prior provisions of the Plan as of the Effective Date shall continue to participate in accordance with the provisions of this amended and restated Plan. Any other Employee shall become a Participant as of his employment date with the Employer, and shall make Participant Contributions to the Plan. After a termination of employment, a rehired Employee's subsequent participation in the Plan shall be subject to the provisions of Section 3.04. Notwithstanding the foregoing, the following individuals will not be eligible to participate in the Plan:

(a) Any individual who is an Employee solely by means of being a "leased employee" under Section 414(n)(2) of the Code.

(b) Temporary, casual, and part-time Employees.

(c) Independent Contractors.

For the purposes of the Plan, a leased employee under Section 414(n)(2) is any person (other than an employee of the recipient) who pursuant to an agreement between the recipient and any other person ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with Code ~~§~~ Section 414(n)(6) on a substantially full-time basis for a period of at least one (1) year, and such services are performed under the primary direction or control by the recipient.

3.02 **Eligibility Service**: A Participant's eligibility for benefits under the Plan pursuant to the provisions of Article IV and his vested percentage pursuant to the provisions of Section 5.04 shall be based upon his Eligibility Service. Subject to the provisions of

Sections 3.04 and 3.05, a Participant's Eligibility Service shall be equal to his length of employment with the Employer, both as an Employee and as an Ineligible Employee including any period of absence for activated military service from his date of employment to his date of Retirement, death, or other termination of employment. Subject to the provisions of Section 3.04, a Participant's total Eligibility Service shall be determined by aggregating all individual periods of Eligibility Service, whether or not completed consecutively.

Notwithstanding the preceding, any Employee who was not eligible to join the Plan for periods prior to January 1, 1988, because his date of employment with the Employer was on or after his attainment of the age of fifty-five (55) and who completes an hour of service with the Employer on or after January 1, 1988, shall receive Eligibility Service for such period of employment.

Notwithstanding the preceding, any Employee who is a Participant in the Plan, and who voluntarily elected to convert accrued sick and reserve sick bank leave toward retirement credit effective January 1, 2012, shall at retirement first receive credit toward Eligibility Service to reduce years of service or age related penalty or to reach early retirement eligibility, with any remaining balance subsequently applied toward years of Credited Service which will add to and increase a Participant’s total period of Credited Service. Any such credit for converted accrued sick and reserve sick bank leave use for Eligibility Service may not be used to increase a Participant’s total period of Credited Service.

3.03 **Credited Service:** The amount of a Participant's Pension benefits under the Plan shall be based upon his Credited Service. Subject to the provisions of Sections 3.04 and 3.05 and 7.02, a Participant's Credited Service shall be equal to his length of employment with the Employer as an Employee from his date of employment to his date of Retirement, death, or other termination of employment. Credited Service shall not include a period of time in which an Employee failed to make Participant Contributions to the Plan except for periods of unpaid leave of less than twelve 12 continuous months. Subject to the provisions of Section 3.04, a Participant's total Credited Service shall be determined by aggregating all individual periods of Credited Service, whether or not completed consecutively.

Notwithstanding the preceding, for any Employee who was not eligible to join the Plan for periods prior to January 1, 1988, because his date of employment with the Employer was on or after his attainment of the age of fifty-five (55) and who completes an hour of service with the Employer on or after January 1, 1988, the following provisions shall apply:

(a) he shall not receive Credited Service for such period of employment;

(b) he shall not be required or permitted to make Participant Contributions to the Plan for such period of employment prior to January 1, 1988; and

(c) his Compensation prior to January 1, 1988 shall not be considered in computing any Pension which may be payable under the Plan to him or on his behalf.

Notwithstanding the preceding, any Employee who is a Participant in the Plan, and who voluntarily elected to convert accrued sick and reserve sick bank leave toward retirement credit effective January 1, 2012, shall at retirement first receive credit toward Eligibility Service to reduce years of service or age related penalty or to reach early retirement eligibility, with any remaining balance subsequently applied toward years of Credited Service which will add to and increase a Participant's total period of Credited Service. Any such credit for converted accrued sick and reserve sick bank leave use for Eligibility Service may not be used to increase a Participant's total period of Credited Service.

3.04 **Participation and Service Upon Reemployment**: Upon the reemployment of an Employee after termination of employment, the following rules shall apply:

(a) Participation: Upon the reemployment of an Employee, he shall become a Participant in the Plan as of his reemployment date, and shall make Participant Contributions to the Plan.

(b) Eligibility Service: Upon the reemployment of an Employee, any Eligibility Service attributable to his prior period of employment shall not be canceled and shall be reinstated as of the date of his reparticipation; provided, however, if a Participant has received a refund of his Participant Contributions, either prior to or on or after July 1, 1994, in accordance with the provisions of Section 4.04, 4.05 or 4.06 and returns to employment with the Employer as an Employee on or after July 1, 1994, any Eligibility Service attributable to such Participant Contributions shall be canceled, unless the Participant repays the amount of the refund plus "Interest", for the period of time such funds were not in the plan, in order to restore his Eligibility Service attributable to such Participant Contributions. Such repayment must be made within the one (1) year period following the Employee's date of reemployment. For purposes of this Section 3.04(b), Interest shall mean the rate as determined periodically by the Pension Board (which currently is the absolute return objective determined by the Pension Board at the time of the Employee's reemployment).

(c) Credited Service: Upon the reemployment of an Employee, any Credited Service attributable to his prior period of employment shall not be canceled and shall be reinstated as of the date of his reparticipation; provided, however, if a Participant has received a refund of his Participant Contributions in accordance with the provisions of Section 4.04, 4.05 or 4.06 and returns to employment with the Employer as an Employee, any Credited Service attributable to such Participant Contributions shall be canceled unless the Participant repays the amount of the refund plus "Interest", for the period of time such funds were not in the plan, in order to restore his Credited Service attributable to such Participant Contributions. Such repayment must be made within the one (1) year period following the Employee's date of reemployment. For purposes of this Section 3.04(c), Interest shall mean the rate as determined periodically by the Pension Board.

(d) Repayment of Fund. Any amounts the reemployed Participant repays to the Plan to restore Eligibility and Credited Service shall be treated as after-tax contributions unless such amounts are directly transferred from another qualified plan, an IRA, a governmental 457(b) plan or a 403(b) plan.

(e) Reemployment on and after July 1, 2008:

If an Employee's reemployment occurs on or after July 1, 2008 and the Employee received a refund of his Participant Contributions at the time of his termination, if the Participant makes a repayment to the Plan, in accordance with subsections (a) through (c) of this Section, any Eligibility Service and Credited Service earned prior to July 1, 2008 that is reinstated in accordance with this Section shall be used to determine the Employee's Accrued Benefit based on the benefit formula in effect.

If an Employee's reemployment occurs on or after July 1, 2008 and the Employee did not elect a refund of his Participant Contributions at the time of his termination, his Accrued Benefit earned prior to his earlier termination of employment shall be frozen as of that termination date. The Participant's Accrued Benefit earned after reemployment with the Employer on or after July 1, 2008 shall be determined based on the benefit formula in effect as of his reemployment date. The Participant shall be entitled to the total of the combined benefit amounts attributable to the two periods of employment.

(f) If an Employee's termination of employment is due to the expiration of short-term disability benefits from the Employer and the Employee is rehired and returns to work for the Employer within 12 months of his initial termination of employment date, the Employee shall be allowed to participate in this Plan as though no separation of employment occurred, for the purpose of determining the criteria for his eligibility for benefits and the amount of benefits payable under the Plan. This paragraph shall apply only if the employee did not elect a refund of his Participant contributions and provided the employee had completed ten (10) or more years of Eligibility Service at the time of the disability.

3.05 Change in Job or Salary Status: In the case of an Employee's transfer to the status of Ineligible Employee, the following rules shall apply while he is an Ineligible Employee:

(a) If the Employee has not attained his Normal Retirement Age as of the date of transfer to the status of Ineligible Employee,

(i) he shall continue to receive Eligibility Service while an Ineligible Employee, but not Credited Service;

(ii) he shall cease to have any right to make Participant Contributions to the Plan;

(iii) he shall not be entitled to receive a refund of his mandatory Participant Contributions (whether after-tax or Employer Pick-Up Contributions);

(iv) he shall not be entitled to receive any Pension payments until actual Retirement or other termination of employment.

(b) If the Employee has attained his Normal Retirement Age as of the date of transfer to the status of Ineligible Employee,

(i) he shall cease to have any right to make Participant Contributions to the Plan;

(ii) he shall not be entitled to receive any Pension payments until actual Retirement; and

(iii) any Pension payable to him or on his behalf upon his subsequent Retirement or death shall be calculated based upon his Average Monthly Compensation and Credited Service up to the date of transfer, with the resulting Pension increased to its Actuarial Equivalent at his actual Retirement date or death.

(c) In the case of an Ineligible Employee's transfer to the status of an Employee, the following rules shall apply:

(i) he shall receive only Eligibility Service while an Ineligible Employee, but both Credited Service and Eligibility Service while an Employee;

(ii) he shall not be required or permitted to make Participant Contributions to the Plan during his period of employment as an Ineligible Employee;

(iii) his Compensation as an Ineligible Employee shall not be considered in computing any Pension which may be payable to him or on his behalf under the Plan; and

(iv) he shall not be entitled to receive any Pension payments until actual Retirement or other termination of employment.

(v) if the Employee had previously been an eligible Employee before becoming an Ineligible Employee and transfers back to the status of Eligible Employee on or after July 1, 2008, the Participant's Accrued Benefit prior to his transfer back to the status of Eligible Employee shall be frozen as of the date he transfers to the status as an Ineligible Employee. The Participant's Accrued Benefit earned after his transfer back to status as an eligible Employee, shall be determined based upon the benefit formula in effect as of his date of transfer back to the status of eligible Employee. The Participant shall be entitled to the total of the combined benefit amounts attributable to the two periods of time in which he had the status of eligible Employee.

(vi) if the Employee had previously been an Ineligible Employee before becoming an eligible Employee, then the following rules shall apply, subject to the reemployment and transfer rules set forth in Sections 3.04(e) and 3.05(c):

(A) such individual shall become a Participant in the Plan under Section 3.01 as of the date he becomes an eligible Employee;

(B) if the individual becomes an eligible Employee before July 1, 2008, the individual's Normal Retirement Age shall be determined in accordance with Section 2.18(a) and the individual's Accrued Benefit shall be determined based on the Normal Retirement Pension formula set forth in Section 5.01(a).

(C) if the individual becomes an eligible Employee on or after July 1, 2008, the individual's Normal Retirement Age shall be determined in accordance with Section 2.18(b) and the individual's Accrued Benefit shall be determined based upon the Normal Retirement Pension formula set forth in Section 5.01(b).

3.06 Transfers Between General Employee Status and Public Safety Status

In the event an Employee transfers job classifications for the Employer, all the Employee's years of Eligibility Service shall be combined for the purpose of determining the Employee's eligibility for pension benefits, as set forth in Article IV. For the purpose of determining the amount of the Employee's pension, as set forth in Article V, the benefit shall be determined in separate components and added together, as follows:

(a) the benefit amount based on the Credited Service earned as a General Employee, plus

(b) the benefit amount attributable to the Credited Service earned as a Public Safety Employee.

ARTICLE IV

Requirements for Retirement Benefits

4.01 Normal Retirement: A Participant shall be eligible for a Normal Retirement Pension if his employment is terminated on the date he attains his Normal Retirement Age. Payment of a Normal Retirement Pension shall commence as of the first day of the month coinciding with or next following the date of Retirement.

4.02 Delayed Retirement: Subject to the provisions of Section 6.05, if a Participant continues in the Employer's employ after his Normal Retirement Date, his participation in the Plan shall continue, but no Pension payments shall be made during the period of continued employment. Payment of a Delayed Retirement Pension shall commence on the first day of the month coinciding with or next following the Participant's actual Retirement.

4.03 Early Retirement: A Participant shall be eligible for an Early Retirement Pension if his employment is terminated on or after his Early Retirement Date and prior to his Normal Retirement Date. Payment of an Early Retirement Pension shall commence on the first day of the month coinciding with or next following the Participant's Normal Retirement Date. However, if such a retired Participant requests the Board to authorize the commencement of his Early Retirement Pension as of his Early Retirement Date, his Pension shall commence on the first day of the month coinciding with or next following his Early Retirement Date, but the amount thereof shall be reduced as provided in Section 5.03.

4.04 Deferred Vested Termination: A Participant shall be eligible for a Deferred Vested Pension in accordance with the provisions of Section 5.04 if his employment is terminated before Retirement and after he has completed ten (10) or more years of Eligibility Service and he elects to leave his Participant Contributions in the Plan. Payment of a Deferred Vested Pension shall commence as of the first day of the calendar month coinciding with or immediately following the date the Participant attains Normal Retirement Age; provided however, subject to the provisions of Section 3.04, a Participant who elects to receive a refund of his Participant Contributions as of the date of his termination of employment or any subsequent date prior to the commencement of his Deferred Vested Pension, shall forfeit his rights to such Pension.

4.05 Disability Retirement:

(a) Eligibility for Disability Retirement.

(i) For Disability Occurring Before July 1, 2008: A Participant shall be eligible for a Disability Retirement Pension if his employment is terminated prior to his Normal Retirement Date by reason of Disability after he has completed at least one (1) year of Credited Service. Payment of a Disability Retirement Pension shall commence as of the first day of the month following the date the Participant terminates employment due to Disability.

(ii) For Participants Terminating on and after July 1, 2008 as a result of a Disability:

(A) Occupational Disability - A Participant shall be eligible for a Occupational Disability Retirement Pension if his employment is terminated prior to his Normal Retirement Date by reason of Disability sustained in the performance of his duties as an Employee, after he has completed at least one (1) year of Credited Service. Payment of an Occupational Disability Retirement Pension shall commence as of the first day of the month following the date the Participant terminates employment due to Disability.

(B) Non-Occupational Disability - A Participant shall be eligible for a Non-Occupational Disability Retirement Pension if his employment is terminated prior to his Normal Retirement Date by reason of a non-occupational Disability, after he has completed at least ten (10) years of Credited Service. Payment of a Non-Occupational Disability Retirement Pension shall commence as of the first day of the month following the date the Participant terminates employment due to Disability.

(b) The Pension Board shall have the right at intervals of not less than one year, prior to a Participant's Normal Retirement Date, to require proof of continuing Disability, such as to require the Participant to submit proof of receipt of Social Security Disability Benefits or, in absence of that, to require an examination of any Participant receiving a Disability Retirement Pension; provided, however, for purposes of this Section 4.05, a Participant's Normal Retirement Date shall be no earlier than his sixty-fifth (65th) birthday for General Employees and fifty-fifth (55^{th}) birthday for Public Safety Employees. In the event such Participant is found not to be suffering from a Disability, the Pension Board shall, after hearing evidence thereon and giving the Participant opportunity to be heard, discontinue such Participant's Disability Retirement Pension. In the event such Participant receiving a Disability Retirement Pension refuses to submit to a physical examination after thirty (30) days notice to report for such examination or to supply proof of continuing Disability, the Pension Board shall discontinue payments of the Disability Retirement Pension until he submits to such examination or supplies such proof, and the Participant shall be deemed to have forfeited his Pension during the time of refusal.

(c) Following certification that a Participant's Disability has ceased, in accordance with the foregoing provisions of the preceding paragraph, the following rules shall apply:

(i) Such Participant shall not be prevented from qualifying for a Pension under another provision of the Plan based only upon his Eligibility Service, Credited Service and Compensation prior to his Disability Retirement if he does not reemploy following cessation of his Disability;

(ii) Any such Participant shall not receive Eligibility Service or Credited Service for his period of Disability and any Pension payments received during his Disability period shall be disregarded; and

(iii) If such Participant had completed at least ten (10), but less than twenty (20) years of Eligibility Service as of his Disability Retirement, he shall be entitled to elect to receive a lump sum payment equal to the difference, if any, between the amount of his Participant Contributions as of his Disability Retirement and the amount of Disability Retirement Pension payments he received.

4.06 **Termination Prior to being Vested:** A Participant who terminates Employment prior to the completion of ten (10) years of Eligibility service and prior to Retirement shall be entitled to a refund of his Participant Contributions in accordance with the provisions of Section 5.06.

4.07 Commencement of Benefits:

(a) Notwithstanding any other provision of the Plan to the contrary, distributions from the Plan shall conform with a good faith interpretation of Code Section 401(a)(9) and the regulations thereunder as applicable to governmental plans within the meaning of Code Section 414(d) and shall be implemented in accordance with the grandfathering provisions of such regulations applicable to annuity option distributions in effect on April 17, 2002~~1~~. These distribution requirements override any distribution options or provisions elsewhere in the Plan that are inconsistent with these requirements and are incorporated by reference herein.

(b) Benefits must begin by the later of April 1 of the calendar year following the calendar year in which the Participant reaches age 72 (or 70½ if the Participant attained age 70½ before January 1, 2020) ~~70½ years of age~~ or April 1 of the calendar year in which the Participant retires. If a Participant fails to apply for retirement benefits by the Required Beginning Date, the Plan shall begin distribution of the benefit as required by Code Section 401(a)(9). ~~Notwithstanding the foregoing, for any Participant who has attained or will attain age 70½ on or before December 31, 1998, and has a benefit under the Plan as of December 31, 1996, the Required Beginning Date shall be April 1 following the calendar year in which the Participant attains age 70½, regardless of whether the Participant is then employed by the Employer.~~

(c) The Participant's entire interest must be distributed, over the Participant's life or the lives of the Participant and a designated Beneficiary, or over a period not extending beyond the life expectancy of the Participant or the life expectancy of the Participant and his designated Beneficiary. The life expectancy of a Participant, the Participant's spouse or the Participant's designated Beneficiary may not be recalculated after the initial determination for purposes of determining benefits.

(d) If a Participant dies after the required distribution of benefits has begun, the remaining portion of the Participant's interest must be distributed at least as rapidly as under the method of distribution before the Participant's death and no longer than the remaining period over which the distribution commenced. If a Participant dies before required distribution of the Participant 's benefits has begun the Participant's entire interest must be either distributed in accordance with federal regulations over the life or the life expectancy of the designated Beneficiary, with the distributions beginning no later than December 31 of the calendar year immediately following the calendar year of the Participant's death or distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(e) The death and disability benefits provided by the Plan are limited by the incidental benefit rule set forth in Code Section 401(a)(9)(G) of the Internal Revenue Code and Treasury Regulations Section 1.401(b)(1)(i) or any successor regulation thereto.

ARTICLE V

Amount of Retirement Benefits

5.01 Normal Retirement Pension:

(a) For Employees hired before July 1, 2008: Subject to the provisions of Section 5.07, the monthly amount of the Normal Retirement Pension on a Single Life Income basis shall equal three percent (3.0%) of the Participant's Average Monthly Compensation multiplied by his Credited Service not to exceed thirty-three (33) years.

(b) For Employees hired on and after July 1, 2008 – Subject to the provisions of Section 5.07, the monthly amount of the Normal Retirement Pension on a Single Life Income basis shall equal two and one-half percent (2.5%) of the Participant's Average Monthly Compensation multiplied by his Credited Service not to exceed thirty-three (33) years.

5.02 Delayed Retirement Pension: A Participant who retires after his Normal Retirement Date shall be entitled to a monthly Delayed Retirement Pension on a Single Life Income basis, subject to the provisions of Section 5.07, equal to the monthly Pension computed in accordance with section 5.01 based upon the Participant's Credited Service, not to exceed thirty-three (33) years, and Average Monthly Compensation at his actual Retirement date.

5.03 Early Retirement Pension: Subject to the provisions of Section 5.07, the monthly amount of the Early Retirement Pension on a Single Life Income basis payable at the Participant's Early Retirement Date shall be equal to his Accrued Benefit reduced as follows:

(a) For Employees hired prior to July 1, 2008: If payment of an Early Retirement Pension commences prior to the Participant's Normal Retirement Date, the amount of the Pension shall be reduced by two percent (2%) for each year (adjusted proportionately for fractions of a year) that the Pension commencement date precedes the Participant's Normal Retirement Date; provided, however, notwithstanding Section 3.04, (1) if a Participant received a refund of his Participant Contributions, in accordance with the provisions of Section 4.04, 4.05, or 4.06, prior to July 1, 1994, and (2) has returned to employment with the Employer as an Employee prior to July 1, 1994, and (3) has failed to repay the amount of the refund plus interest in accordance with Section 3.04 (c), the amount of the Pension shall instead be reduced to its Actuarial Equivalent as of the Pension commencement date.

(b) For Employees hired on and after July 1, 2008: If payment of an Early Retirement Pension commences prior to the Participant's Normal Retirement Date, the amount of the Pension shall be reduced by ~~five~~ one and sixity-five hundredths percent (1.655%) for each year (adjusted proportionately for fractions of a year) that the Pension commencement date precedes the Participant's Normal Retirement Date.

Notwithstanding the foregoing, in the event a Participant has achieved the requirements for an Early Retirement Pension as defined in Section 2.11, the Participant's benefit cannot be reduced to less than forty percent (40%) of the Participant's Accrued Benefit.

5.04 **Deferred Vested Pension:** Subject to the provisions of Section 5.07, the monthly amount of the Deferred Vested Pension on a Single Life Income basis, commencing as of the first day of the month coinciding with or immediately following the date the Participant attains Normal Retirement Age, in accordance with Section 4.04, shall be equal to a percentage of the Participant's Accrued Benefit at termination of employment. Such percentage shall be based on the Participant's years of Credited Service, in accordance with the following schedule:

Years of Credited Service	Vested Percentage
Less than 10	0%
10 or more	100%

5.05 **Disability Retirement Pension:**

(a) For Disability Occurring before July 1, 2008: Subject to the provisions of Section 5.07, the monthly amount of the Disability Retirement Pension on a Single Life Income basis payable as of the first day of the month following the date the Participant terminates employment due to Disability, in accordance with Section 4.05, shall be equal to the greater of the amounts determined under Subparagraphs (i) or (ii) as follows:

(i) The Participant's Accrued Benefit at Disability Retirement, unreduced for early commencement; or

(ii) An amount equal to fifty percent (50%) of his Average Monthly Compensation as of his termination of employment due to Disability.

(b) For Occupational Disability Occurring on and after July 1, 2008: Subject to the provisions of Section 5.07, the monthly amount of the Disability Retirement Pension on a Single Life Income basis payable as of the first day of the month following the date the Participant terminates employment due to Disability, in accordance with Section 4.05, shall be equal to the greater of the amounts determined under Subparagraphs (i) or (ii) as follows:

(i) The Participant's Accrued Benefit at Disability Retirement, unreduced for early commencement; or

(ii) An amount equal to fifty percent (50%) of his Average Monthly Compensation as of his termination of employment due to Disability.

(c) For Non-occupational Disability Occurring on and after July 1, 2008: Subject to the provisions of Section 5.07, the monthly amount of the Disability Retirement Pension on a Single Life Income basis payable as of the first day of the month following the date the Participant terminates employment due to Disability, in accordance with Section 4.05, shall be equal to the Participant's Accrued Benefit at Disability Retirement, unreduced for early commencement.

5.06 Non-Vested Termination Benefit: The amount of a cash distribution payable in a single lump sum to a Participant who terminates employment prior to the completion of ten (10) years of Eligibility Service and prior to Retirement shall be equal to his Participant Contributions as of the date of his termination of employment. Such distribution shall be made to the Participant as soon as practical following his termination of employment.

5.07 Maximum Pensions:

(a) Anything contained in the Plan to the contrary notwithstanding, a Pension computed under Article V shall be limited to the Maximum Permissible Amount under Code Section 415(b) and the regulations thereunder, as applicable to a governmental plan (as defined in Code Section 414(d)), which are hereby incorporated by reference.

(b) As used in this Section, the terms have the following meaning:

(1) ‘Compensation’ means, for purposes of applying the limitations of Code Section 415 and for no other purpose, a Participant’s wages as defined in Code Section 3401(a) (wages subject to income tax withholding at the source) but without regard to exceptions contained in Code Section 3401(a) for wages based on the nature or location of the employment or the services performed. For Limitation Years beginning on or after December 31, 1997, for purposes of applying the limitations of Code Section 415, compensation shall include amounts that would otherwise be included in compensation but for an election under Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k) and 457(b). For Limitation Years beginning after December 31, 2000, compensation will also include any elective amounts that are not includible in the Participant’s gross income by reason of Code Section 132(f) (related to qualified transportation plans).

(A) For Limitation Years beginning on and after January 1, 2007, compensation for the Limitation Year will also include compensation paid by the later of 2½ months after the Participant’s severance from employment or the end of the Limitation Year that includes the date of the Participant’s severance from employment if:

(i) the payment is regular compensation for services during the Participant's regular working hours or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar payments and absent a severance from employment, the payment would have been paid to the Participant while he or she continued in employment with the Employer; or

(ii) the payment is for unused accrued bona fide sick, vacation, or other leave that the Participant would have been able to use if employment had continued.

(B) Compensation also includes back pay, within the meaning of Treasury Regulation Section 1.415 (c)-2(g)(8) for the Limitation Year to which the back pay relates, to the extent the back pay represents wages and compensation that would otherwise be included in the definition.

(c) In no event shall a Participant's Annual Benefit payable in any Limitation Year from the Plan be greater than the limit applicable at the annuity starting date, as increased in subsequent years pursuant to Code Section 415(d) and regulations thereunder. If the form of benefit without regard to the automatic benefit increases feature is not a straight life annuity, then the preceding sentence is applied by reducing the Code Section 415(b) limit applicable at the annuity starting date to an actuarially equivalent amount (determined using the assumption specified in Treasury Regulation Section 1.415(b)-1(c)(2)(ii)) that takes into account the death benefit under the form of benefit.

(d) Effective for distributions in Limitation Years beginning after December 31, 2003, the determination of actuarial equivalence for Non-Annuity Benefit Forms shall be made in accordance with the following:

(1) For Limitation Years beginning before July 1, 2007, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount: (A) the interest rate and the mortality table (or other tabular factor) specified in this title for adjusting benefits in the same form; and (B) a 5 percent interest rate assumption and the Applicable Mortality Table defined herein for that annuity starting date.

(2) For Limitation Years beginning on or after July 1, 2007, the actuarially equivalent straight life annuity is equal to the greater of (A) the annual amount of the straight life annuity (if any) payable to the Participant under the Plan commencing at the same annuity starting

date as the Participant's form of benefit; and (B) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using a 5 percent interest rate assumption and the Applicable Mortality Table defined in Section 2.02 of the Plan for that annuity starting date."

5.08 Lump Sum Distribution for Vested Participants: Notwithstanding any provision in the Plan to the contrary, a Participant, who has otherwise qualified for a Normal Retirement Pension, Delayed Retirement Pension, Early Retirement Pension or a Deferred Vested Pension, may elect to take a single lump sum distribution equal to his Participant Contributions as of the date of his termination of employment in lieu of receiving the applicable monthly pension benefit. In such case, the Participant shall not be entitled to any other benefit under the Plan any funds contributed to the Plan by the City or investment gains shall remain in the Plan.

ARTICLE VI

Manner of Payment and Other Benefits

6.01 Optional Form of Benefit Payments: By filing a written election with the Pension Board prior to the date Pension payments commence, a Participant who has a Spouse and who is entitled to a Normal, Delayed or Early Retirement Pension or a Deferred Vested Pension may elect to receive a Pension payable in accordance with a "Joint and Survivor Option' in an Actuarially Equivalent amount, in lieu of the Pension to which he may otherwise become entitled.

Under the Joint and Survivor Option, such a Participant who has a Spouse may elect to receive a reduced Pension payable during the joint lives of the Participant and his Spouse so that, following the death of the Participant, payment of the Pension in an amount equal to one-hundred, seventy-five or fifty percent (100, 75 or 50 %) (as elected by the Participant) of the Participant's reduced Pension shall continue to be made to his Spouse, if surviving, with the last payment to be made as of the first day of the month in which the death of his Spouse occurs.

Effective January 1, 2012, a~~A~~t the time of his retirement, a Participant who chooses a Joint & Survivor Option will be covered by a "Pop Up" provision. This "Pop Up" provision, upon the death of a designated Spouse prior to the Participant's death, will cause the Participant's benefit to revert to the Normal, Delayed, or Early retirement benefit chosen at the time of retirement, with no reduction for the Joint & Survivor Option. The cost of this "Pop Up" provision is included in Joint & Survivor Option and will not result in any increase in the reduction of the Participant and Spouse's benefits. It shall be the responsibility of the Participant to notify the Plan in writing, through the City ~~Clerk~~ Administrative Services, of the death of a designated Spouse for the purposes of exercising the "Pop Up" provision. Notification shall include a death certificate. Effective as of the first day of the month following the death of the designated Spouse, the pension benefit will revert from the amount the Participant was receiving under the Joint & Survivor Option to the amount he would have been entitled to on a Single Life Income basis. However, if the Participant fails to furnish the Plan with proper proof of the designated Spouse's death within a one (1) year period of such death, then said increase shall not become effective until the first day of the month following the date such proof is submitted. The pension payment will be recalculated and adjusted during the next regular payment cycle after notification requirements have been met. If the designated Spouse predeceases the Participant, all payments will cease upon the death of the Participant and no further benefits will accrue to his estate or beneficiaries.

Except as provided in Section 6.02(b), the election by a Participant of this Joint and Survivor Option shall be null and void if either the Participant or his Spouse should die prior to the receipt of the first Pension payment. After Pension payments have commenced, no future elections or revocations of this optional form shall be permitted. Notwithstanding the preceding sentence, in the limited circumstances of a same-sex married Participant who was legally married prior to the date of his or her retirement and commenced Pension payments prior to June 26, 2015, a one-time, thirty (30) day window will be offered for the same-sex married Participant to retroactively elect the Joint and Survivor Option, in a time and manner prescribed by the Pension Board. By filing a written election with the Pension Board, such same-sex married Participant may elect the Joint and Survivor Option, with such election to be retroactively effective to the Participant's retirement date. Any same-sex married Participant making the retroactive Joint and Survivor Option election must repay the Plan for any overpayments of benefits the Participant received as a result of the change in the form of the retired Participant's benefit payments, as determined by the Actuary. Any retroactive election of the Joint and Survivor Option will be determined with the Joint and Survivor Option that was in place at the time of the Participant's retirement, such that same-sex married Participants who retired prior to October 18, 2011 will not be covered by the "Pop Up" provision and will instead receive a benefit awarded using the pre-"Pop Up" mortality tables.

The Pension Board may, at its discretion, direct the ~~Trustee~~ Custodian to pay all Participants' Normal, Delayed or Early Retirement Pension or Delayed Vested Pension in a single lump-sum distribution, if the lump-sum Actuarial Equivalent of the Participant's interest in his vested Accrued Benefit is not greater that $5,000. Provided, however, effective July 1, 2006, no distribution shall be made from the Plan without consent of the Participant.

6.02 **<u>Death Before Retirement or Termination:</u>** Upon the death of a Participant before termination of employment, any benefits payable shall be determined in accordance with the following:

(a) In the event that the Participant dies before termination of employment and after he has completed at least ten (10), but less than twenty-five (25) years of Eligibility Service, or after he has attained his Normal Retirement Age and has less than twenty-five (25) years of Eligibility Service, his Eligible Spouse shall receive a Pension for life. Such Pension shall be equal to fifty percent (50%) of the Pension calculated pursuant to the provisions of Section 5.01, based upon the Participant's Average Monthly Compensation and Credited Service as of the date of his death; provided, however, if the Actuarial Equivalent lump sum value of such Pension payable to the Eligible Spouse is less than the aggregate amount of the Participant Contributions as of the date of the Participant's death, then the monthly Pension payable to the Eligible Spouse shall be equal to the amount of such Participant Contributions converted to an Actuarially Equivalent monthly lifetime Pension for the Eligible Spouse. The Eligible Spouse's Pension shall commence as of the first day of the month coinciding with or next following the Participant's death and shall continue for the Eligible Spouse's lifetime.

(b) In the event that the Participant dies before termination of employment and after he has completed at least twenty-five (25) years of Eligibility Service, his Eligible Spouse shall receive a Pension for life. Such Pension shall be equal to the amount the Eligible Spouse would have been entitled to receive had the Participant retired on the date immediately preceding death and commenced to receive a Normal or Delayed Retirement Pension, whichever is applicable, under either Section 5.01 or 5.02 and the one hundred percent (100%) Joint and Survivor Option provisions of Section 6.01. Such Pension shall be based upon the Participant's Average Monthly Compensation and Credited Service, not to exceed thirty-three (33) years, as of the date of his death; provided, however, if the Actuarial Equivalent lump sum value of such Pension payable to the Eligible Spouse is less than the aggregate amount of the Participant Contributions as of the date of the Participant's death, then the monthly Pension payable to the Eligible Spouse shall be equal to the amount of such Participant Contributions converted to an Actuarially Equivalent monthly lifetime Pension for the Eligible Spouse. The Eligible Spouse's Pension shall commence as of the first day of the month coinciding with or next following the Participant's death and shall continue for the Eligible Spouse's lifetime.

(c) Should an Eligible Spouse entitled to a Pension under Section 6.02(a) or 6.02(b) die without having received Pension payments totaling a sum at least equal to the amount of the Participant Contributions as of the date of the Participant's death, then the difference between the amount of such Participant Contributions and the amount of Pension payments received by the Eligible Spouse shall be paid to the Eligible Spouse's Beneficiary. Such amount shall be paid to the Beneficiary as soon as practical following the Eligible Spouse's death. The Beneficiary shall elect to receive such an amount either in regular monthly installments in the same amount the Eligible Spouse was receiving (with an adjustment to the last payment to equal the balance to be paid) or in a single lump sum; provided, however, if the Beneficiary is not a natural person, such amount shall be paid in a single lump sum.

(d) If a Participant who has no Eligible Spouse or who has not completed at least ten (10) years of Eligibility Service or attained his Normal Retirement Age should die before termination of employment, his Beneficiary shall be entitled to a refund of his Participant Contributions as of the date of his death payable in a single lump sum. Payment to the Beneficiary shall be made as soon as practical following the Participant's death.

6.03 **Death After Termination of Employment and Before Pension Payments Commence:** If a Participant who has terminated employment with entitlement to a Deferred Vested Pension and who has not forfeited his rights to such Pension, pursuant to the provisions of Section 4.04, dies before Pension payments commence, his Beneficiary shall receive a refund of the Participant Contributions as of the date of his death. Such refund, payable in a single lump sum, shall be made as soon as practical following the Participant's death.

6.04 **Death After Pension Payments Commence:** Should a retired Participant die after Pension payments commence on a Single Life Income basis without having received Pension payments totaling a sum at least equal to the amount of his Participant Contributions as of the date of his death, then the difference between the amount of such Participant Contributions and the amount of Pension payments received by the Participant shall be paid to his Beneficiary as soon as practical following the Participant's death. The Beneficiary shall elect to receive such amount either in regular monthly installments in the same amount as the Participant was receiving (with an adjustment to the last payment to equal the balance to be paid) or in a single lump sum; provided, however, if the Beneficiary is not a natural person, such amount shall be paid in a lump sum.

Should a retired Participant and his Spouse die after Pension payments commence in the form of a Joint and Survivor Option under Section 6.01 without having received Pension payments totaling the amount of Participant Contributions as of the date of the Participant's death, then the difference between the amount of such Participant Contributions and the amount of Pension payments received shall be paid to the Beneficiary of the last to die of the Participant and his Spouse. Such amount shall be paid to such Beneficiary as soon as practical following the death of the survivor. The Beneficiary shall elect to receive such amount either in regular monthly installments in the same amount the survivor was receiving (with an adjustment to the last payment to equal the balance to be paid) or in a single lump sum; provided, however, if such Beneficiary is not a natural person, such amount shall be paid in a lump sum.

6.05 **Reemployment After Pension Payments Commence:** If, prior to Normal Retirement Date and after Pension payments have commenced, a Participant returns to employment with the Employer as an Employee or as an Ineligible Employee, Pension payments shall cease and the Pension payable upon the Participant's subsequent Retirement or death shall be reduced by the Actuarial Equivalent of any Pension payments he received prior to his Normal Retirement Date. If a former Participant who is receiving a Pension hereunder is reemployed as an Employee or as an Ineligible Employee on or after his Normal Retirement Date, Pension payments shall cease; provided, however, subject to the provisions of Section 5.07, upon the Participant's subsequent Retirement or death any Pension payable to him or on his behalf shall be equal to the Pension he was receiving upon his reemployment, plus the greater of (a) the Pension he was receiving upon his reemployment increased from the date of the last Pension payment to its Actuarial Equivalent as of the subsequent Pension commencement date, or (b) any additional Pension accrued under the provisions of Section 5.02 during his reemployment.

Notwithstanding the above, if a Participant who is receiving a Pension under the Plan returns to work for the Employer at least six months after Pension payments commence, in a part-time status in a Non Plan A position, such Participant shall not be required to cease payment of his Pension. Such part-time employment shall not be counted as Eligibility Service under the Plan and such Participant shall accrue no further benefits under the Plan during such part-time employment.

6.06 **Nonalienation of Benefits:** Except with respect to federal and/or state income tax, benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, execution, or levy of any kind, either voluntary or involuntary, including any such liability which is for alimony or other payments or for property settlement for the support of a spouse or former spouse or for any other relative of the Employee, prior to actually being received by the person entitled to the benefit under the terms of the Plan; and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to benefits payable hereunder, shall be void. The Pension Fund shall not in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements or torts of any person entitled to benefits hereunder. The Plan does not honor domestic relations orders.

6.07 **Designation of Beneficiary:** Designation of a Beneficiary or Beneficiaries under the Plan shall be governed by the following rules:

(a) Designation Procedure: Each Participant or Eligible Spouse or Spouse entitled to benefits pursuant to Section 6.02, 6.03, or 6.04 as applicable, from time to time may designate any person or persons (who may be designated primarily, contingently or successively and who may be an entity other than a natural person) as his Beneficiary or Beneficiaries to whom his Plan benefits are paid if he dies before receipt of all such benefits. Each Beneficiary designation shall be in the form prescribed by the Board. Each Beneficiary designation filed with the Board will cancel all Beneficiary designations previously filed with the Board. The revocation of a Beneficiary designation, no matter how effected, shall not require the consent of any designated Beneficiary. If a Participant becomes divorced from his spouse, any prior designation of such spouse as a Beneficiary shall be void as of the date of the divorce unless the Participant redesignates his former spouse as a Beneficiary after the date of his divorce.

(b) Lack of Designation: In the event that any Participant or former Participant or Eligible Spouse or Spouse entitled to benefits pursuant to Section 6.02, 6.03, or 6.04, as applicable, fails to designate a Beneficiary in the manner provided above, or if the Beneficiary designated by such deceased person dies before him or before complete distribution of the benefits such benefits shall be paid in accordance with the following order of priority:

(i) To the Participant's spouse, or if there be none surviving,

(ii) To the estate of the Participant, Beneficiary, Eligible Spouse or Spouse, as applicable.

(c) Nothing in this Section 6.07 shall be interpreted so as to require a benefit for such Beneficiary, except as set forth elsewhere in the Plan.

6.08 ~~–~~**State Law Forfeiture Provisions**: ~~This plan~~Notwithstanding any provision of the Plan to the contrary, the Plan shall be subject to the ~~forfeiter~~ reduction and forfeiture provisions contained on O.C.G.A. Title 47, Chapter 1, Article 2 and benefits hereunder shall be reduced or forfeited in accordance with such provisions if and when applicable.

6.09 **Medical Insurance Coverage for Retirees**: Upon retirement, a Participant may elect, at the Participant's expense, to participate in the medical insurance program of the Employer by choosing such coverage as may be available to retirees at the time of his retirement, which may include Individual or Family coverage. The option for available coverage in the medical insurance plan and the type of such coverage must be made at the time of retirement. No coverage may be added after retirement, and any coverage which is dropped may not be reinstated. Notwithstanding the preceding sentence, in the limited circumstances of a same-sex married Participant who was legally married prior to the date of his or her retirement and prior to June 26, 2015, a one-time, thirty (30) day window will be offered for the same-sex married Participant to elect to change from Individual coverage to Family coverage, in a time and manner prescribed by the Employer.

Notwithstanding the provisions of Section 6.06, a retired Participant who is receiving a Pension as of July 1, 1994, or who is entitled to begin receiving a Pension under the provisions of Article IV and elects to participate in the medical insurance program of the Employer shall have his premiums for medical insurance deducted on a post–tax basis from his Pension.

Authorization for deduction of such premiums shall be made in accordance with Section 8.06. Any amounts deducted from the retired Participant's Pension pursuant to this Section 6.09 shall be transmitted by the ~~Trustee~~ Custodian to the Employer on behalf of such retiree for payment of his medical insurance premiums.

6.10 **Rollovers**:

(a) General Rule. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Participant's election under this Article, a Participant may elect, at the time and in the manner prescribed by the Employer, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Participant, in a direct rollover.

(b) Definitions.

(i) Eligible Rollover Distribution: An Eligible Rollover Distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include (A) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated Beneficiary, or for a specified period of ten (10) years or more; (B) any distribution to the extent such distribution is required under Code Section 401(a)(9); and (C) the portion of any distribution that is a hardship distribution under Code Section 401(k). A Participant may not elect a direct rollover with respect to an Eligible Rollover Distribution during the Plan Year that is less than $200. If the Distributee elects to have only a portion of an Eligible Rollover Distribution paid to an Eligible Retirement Plan, that portion must be equal to at least $500. Notwithstanding anything contained herein to the contrary, the portion of a distribution that is not includible in the gross income because it represents after-tax amounts shall constitute an Eligible Rollover Distribution, but before January 1, 2007, such portion may be transferred only to an individual retirement account or annuity in Code Section 408(a) or (b) or to a qualified defined contribution plan described in Code Section 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of the distribution that is includible in gross income and the portion that is not so includible. Effective for distributions on and after January 1, 2007, after-tax amounts also may be rolled over to a defined benefit plan described in Code Section 401(a) or an annuity described in Code Section 403(b), provided in either case that the recipient agrees to separately account for amounts so transferred, including separately accounting for the portion of the distribution that is includible in gross income and the portion that is not so includible.

(ii) Eligible Retirement Plan: An Eligible Retirement Plan is, in the case of an Eligible Rollover Distribution to the Participant or Participant's surviving spouse, an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), a qualified trust described in Code Section 401(a), an annuity contract described in Code Section 403(b) that accepts the Participant's Eligible Rollover Distribution and an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision or agency or instrumentality of a state and which agrees to separately account for amounts transferred to such plan from this Plan, provided that such account, annuity, contract, plan or trust accepts the Distributee's Eligible Rollover Distribution. Effective as of January 1, 2008, "Eligible Retirement Plan" shall include a Roth IRA established under Section 408A of the Code.

Effective as of January 1, 2010, in the case of an Eligible Rollover distribution to a Beneficiary other than the Participant's surviving spouse, "Eligible Retirement Plan" shall mean (i) an individual retirement account described in Code Section 408(a), (ii) an individual retirement annuity described in Code Section 408(b), or (iii) as of January 1, 2008, a Roth IRA established under Code Section 408A, which shall be treated as an inherited IRA.

(iii) Distributee: A Distributee includes the Participant, former Participant, surviving spouse or effective January 1, 2010, a non-spouse Beneficiary of the Participant.

(iv) Direct Rollover: A Direct Rollover is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

(c) Effective January 1, 2008, notwithstanding any other provisions of the Plan to the contrary, a nonspouse designated Beneficiary may rollover the distribution only to an individual retirement account or individual retirement annuity established for the purpose of receiving the distribution, and the account or annuity will be treated as an "inherited" individual retirement account or annuity.

6.11 Qualified Military Service:

(a) Definitions. For purposes of this Section, the following definitions shall apply:

(1) Differential Wage Payments mean any payments that are made by the Employer to a Participant for any period during which the Participant is performing Military Service for more than 30 days and represents all or part of the Compensation that the Participant would have received from the Employer if he or she were performing services for the Employer.

(2) Military Service means the period of a Participant's active duty for training and service in the Army, Navy, Air Force or Marines of the United States of America, the Army National Guard and the Air national Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President in time of war or national emergency.

(3) Qualified Military Service means Military Service during which the Participant is entitled to reemployment rights under Chapter 43 Title 38 of the United States Code.

(4) USERRA means the Uniform Service Employment and Reemployment Rights Act of 1994.

(d) USERRA. Notwithstanding any provision of the Plan to the contrary, contributions, benefits and service credit with respect to Qualified Military Service will be provided in accordance with Code Section 414(u) and USERRA. Plan Participants who are reemployed in accordance with the requirements of USERRA shall be treated as not having a Break in Service during such Qualified Military Service and such periods of Qualified Military

Service shall be counted for purposes of vesting and for benefit accrual, to the extent provided in Section 7.02(c) of the Plan.

(e) Death During Military Service. Effective January 1, 2007, if a Participant dies during a period of Qualified Military Service, the Participant shall be treated as having returned to employment with the Employer on the day before his death and died the next day for purposes of any survivor benefits including pre-retirement survivor benefits and any accelerated vesting. Such Participant shall receive service for vesting purposes for the period of Qualified Military Service but shall not receive Credited Service for benefit accrual during such period.

(f) Compensation. For purposes of this Section, a Participant's Compensation during the period of Qualified Military Service shall be treated as equivalent to the Compensation he or she would have received during such period but for the period of Qualified Military Service. Such determination shall be based on the rate of pay the Employee would have received during that time; provided however if the Compensation the Employee would have received is not reasonably certain, Compensation for this purpose shall equal the Employee's average compensation during the 12 month period immediately preceding the Qualified Military Service (or, if shorter, the period of employment immediately preceding the Qualified Military Service).

(g) Differential Wage Payments. If the Employer pays Differential Wage Payments to the Participant while on Qualified Military Leave, such payments shall be treated as Compensation under the Plan for purposes of benefit accrual and for purposes of Code Section 415 and Section 4.7 of the Plan.

ARTICLE VII

Plan Financing

7.01 **Method of Funding:** The City of Gainesville shall, through the City Council, appropriate from its funds and pay into the Trust Fund each pay period a sum of money equal to thirteen and two tenths percent (13.2%) of the total payroll cost for all Employees for such pay period.

It shall be the duty of the City Council of the City of Gainesville each year to cause a study by the Actuary and investigation of the Trust Fund to be made and a written report with respect thereto made to the Pension Board with specific recommendations for such changes as may be necessary. The Pension Board shall make such report a public record and available for inspection. If such report reveals that the appropriations herein provided are insufficient to maintain the Plan on a sound basis, it shall be the duty of the City Council to appropriate such additional sums as would be necessary to maintain the Trust Fund and the Plan on a sound financial basis. Should the Actuary find that a lesser appropriation by the aforesaid would maintain the Trust Fund on a sound financial basis, then the City of

Gainesville is authorized, upon approval of the Pension Board, to decrease its contribution to the percentage of such total payroll found by the Actuary to be sufficient to maintain the Plan and Trust Fund on such financial basis.
Whenever additional benefits are recommended, the Pension Board will first determine the requirement for additional funding, if any, and shall recommend the method of obtaining the funding as part of the overall additional benefits recommendation. No additional benefits shall be provided for which funding, if applicable, is not designated by the City Council at the time benefits are approved.

Forfeitures arising under this Plan because of severance of employment before a Participant becomes eligible for a Pension, or for any other reason, shall be applied to reduce the cost of the Plan and not to increase the benefits otherwise payable to Participants.

7.02 Participant Contributions:

(a) After-tax Contributions. Effective prior to July 1, 2006, the Employer, each pay period, levied upon the Compensation of each and every Employee on an after-tax basis, an assessment of the percentage of Compensation as provided in prior Plan documents, which assessment was deducted from the Compensation of each Employee by the Chief Financial Services Officer or other officer in charge of the payment of such Compensation.

(b) Employer pick-up contributions. Effective on and after July 1, 2006, the Employer shall contribute to the Plan, as of each pay period on behalf of and to the credit of each Plan Participant, a mandatory pre-tax Participant Contribution of thirteen and two tenths of one percent (13.2%) of Compensation. These Employer Pick-Up Contributions are mandatory and no Participant shall be entitled under any circumstances to receive such contributions in cash in lieu of having them contributed to the Trust by the Employer in accordance with the preceding sentence. Such contributions shall be made pursuant to Section 414(h) of the Code and shall be treated as Employer contributions in determining their federal income tax treatment under the Code. Employer Pick-Up Contributions made on behalf of Plan Participants shall be included in the Compensation of such individuals when determining their Accrued Benefit and except as otherwise provided above, such contributions shall be considered Participant Contributions and 100% vested for all purposes under the Plan.

(c) Military Leave. Employer contributions required under Section 7.01 and Participant Contributions required under this Section 7.02 on behalf of activated military personnel who return to work with the City after qualified military service under the Uniform Services Employment and Reemployment Rights Act (“USERRA”) shall be postponed until the affected Employee returns to active, full time City employment. The Employee shall be provided with the opportunity to deposit the applicable percentage(s) of Compensation that would have been afforded him during any period of absence due to active military duty. Any such make-up Participant Contributions shall be made by the Employee during a period which does not exceed the lesser of three (3) times the Employee’s period of absence for military service or five (5) years, and which begins on the later of (a) the Employee's date of reemployment and (b) the date that the Employer notifies the Employee of the right to make make-up contributions under this Section 7.02. Upon deposit of these funds, the City will provide an in-kind contribution equal to that of the Employee. Provided, however, that the first twelve (12) consecutive months, or any portion thereof, of activated military leave periods shall be considered Credited Service for the Employee with no requirement for make up contributions for that period of time. If the Employee elects not to make up Participant contributions the employee shall receive credit only for Eligibility Service for the period of time out on active military duty until the time the employee returns to active, full time City employment.

7.03 **Assets of Trust Fund:** All contributions made by the Employer and all Participant Contributions under this Plan shall be deposited in the Trust Fund. The Chief Financial Services Officer of the City of Gainesville shall be the custodian of the funds and shall keep such funds separate and apart from other funds of the City of Gainesville until deposited with the ~~Trustee~~ Custodian into the Trust Fund A. Except as otherwise provided in Section 7.01, all assets of the Trust Fund, including investment income, shall be retained for the exclusive benefit of Participants and their Beneficiaries, and shall be used to pay benefits to such persons and shall not revert to or inure to the benefit of the Employer. All administrative expenses, actuarial fees and costs incurred by the Trust Fund shall be paid out of the Trust Fund.

7.04 **Investments:** The Pension Board shall select and enter into a contract with one or more investment managers for the investment and general financial management of the Trust Fund. The Pension Board shall have the power and authority to establish the investment powers and limitations of the investment manager(s). Such powers and limitations shall be included in the contract with the investment manager(s) or in an amendment thereto, and such contract and all amendments thereto shall first be approved by the City Council of the City of Gainesville, by proper resolution before becoming effective as a contract.

ARTICLE VIII

Administration

8.01 **Appointment of Pension Board:** The general administration and responsibility for the proper operation of the Plan, and for making effective the provisions of the Plan is hereby vested in a Pension Board consisting of seven (7) members. Said seven (7) members shall pass upon all applications and all business pertaining to the Plan and all rights and privileges of the Participants and Beneficiaries hereunder.

(a) Composition of Board: The composition of the said Board shall be as follows:

(i) One member from the Employees of the Police Department of the Employer.

(ii) One member from the Employees of the Fire Department of the Employer.

(iii) One member from the Employees of the Public Utilities Department of the Employer.

(iv) One member from all other Employees of the Employer which excludes Fire, Police and Public Utilities Department employees.

(v) One member to be at large from all Employees of the Employer.

(vi) One member to be at large from all retired Employees receiving a Pension from the Plan.

(vii) One member shall be the City Clerk by virtue of office.

(b) Election of Members: Each and every Participant who is qualified shall be entitled to vote in an election for a Pension Board member to represent them in the membership as enumerated in Subparagraph (a) of this Section 8.01. All persons who are qualified to vote at said election shall be notified in person or by writing five (5) days in advance by the ~~City Clerk~~Retirement Manager. The Pension Board shall establish procedures for the conduct of elections with provisions for, but not limited to, absentee voting and establishment of voting hours. The City Clerk shall preside at the election of said member and a majority of those voting shall elect.

The term of office of each of said Board members, except the City Clerk, shall commence on the first Monday after his election and continue for a period of four~~two~~ (4~~2~~) years, and until his successor shall be elected and qualified. An election shall be held, in the manner hereinbefore described, at the expiration of the term of office of each Board member, except the City Clerk, for the purpose of electing his successor; and election for each member, except the City Clerk, shall be compulsory every two (2) years.

(c) The following individuals, or their designees, shall serve as ex-officio members and shall have voice but not vote at B~~b~~oard meetings.

(i) City Manager (or his designee)

(ii) Chief Financial Services Officer

~~(ii)~~(iii) Administrative Services Director

~~(iii)~~(iv) Any member of City staff that the Board shall designate, due to the nature of their responsibilities as they relate to the administration of the Plan, with the term of such designation to be at the discretion of the Board.

(d) Compensation: All members of the Pension Board shall serve without compensation.

8.02 **Claims Procedure:** The Pension Board shall make all determinations as to the right of any person to a benefit. If any application for payment of a benefit under the Plan shall be denied, the Pension Board shall notify the claimant within ninety (90) days (forty-five (45) days in the case of a disability claim) after receipt of the claim except as provided herein, setting forth the specific reason therefor and afford such claimant a reasonable opportunity for a full and fair review of the decision denying his claim. The Pension Board under special circumstances is permitted an additional 90 days (sixty (60) days in the case of a disability claim) in which to notify the Participant of its decision provided that the Pension Board gives written notification to the Participant within the original determination period indicating the reason for the extension and the date when it expects to render a decision. For a disability claim, the Pension Board shall also provide an explanation of any additional information needed from the Participant and allowance of an additional forty-five (45) days for the Participant to provide this additional information. Notice of such denial shall set forth, in addition to the specific reasons for the denial, reference to pertinent provisions of the Plan, such additional information as may be relevant to denial of the claim, an explanation of the claims review procedure and advice that such claimant may request the opportunity to review pertinent Plan documents and submit a statement of issues and comments. For a Disability claim, the notice will include the guideline(s) used in reviewing the claim (or a statement that guidelines were relied upon in reviewing the claim and that the Participant can obtain a copy of these guidelines free of charge), and an explanation of the clinical judgment used in reviewing the claim (or a statement that the Participant can obtain this explanation free of charge). A request for review must be filed by the Participant within sixty (60) days (one hundred eighty (180) days in the case of a disability claim) following notice of denial of his claim. Upon request for a review of such denial, the Pension Board shall take appropriate steps to review its decision in light of any further information or comments submitted by such claimant. The Pension Board may, in its discretion, hold a hearing at which such claimant shall be entitled to present the basis of his claim for review and at which he may be represented by counsel. The Pension Board shall render a decision within sixty (60) days (forty-five (45) days in the case of a disability claim) after the claimant's request for review (which may be extended to 120 days {ninety (90) days in the case of a disability claim} if circumstances so require) and shall advise the claimant in writing of its decision on such review, specifying its reasons therefor and identifying appropriate provisions of the Plan.

Any Participant dissatisfied with the action of the Board shall have the right of appeal to the Superior Court of Hall County, Georgia, within thirty (30) days from the date of such action by said Board, but said Participant shall defray all expenses of appeal from an action by said Board.

8.03 **Other Pension Board Powers and Duties:** The Board shall have such powers as may be necessary to discharge its duties hereunder, including, but not limited to the following:

(a) The exclusive right to construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner, and time of payment of any benefits hereunder, such determinations to be final, binding and conclusive;

(b) To establish and maintain Credited Service records of all Participants in the Plan;

(c) To prescribe procedures to be followed by Participants or Beneficiaries filing applications for benefits;

(d) To prepare and distribute, in such manner as the Board determines to be appropriate, information explaining the Plan;

(e) To receive from the Employer and from Participants such information as shall be necessary for the proper administration of the Plan;

(f) To furnish the Employer, upon request, such annual reports with respect to the administration of the Plan as are reasonable and appropriate;

(g) To receive and review the periodic evaluation of the Plan made by the Actuary;

(h) To appoint or employ individuals to assist in the administration of the Plan and the Trust Fund and any other agents it deems advisable, including actuarial, investment, and legal counsel;~~ and~~

(i) To periodically review and adopt job classification listings of Plan A positions based upon submissions made by the Human Resources Department; and

(j) To work with City Management, the Actuary, and the Board's investment consultant to consider cost-of-living adjustments, if any, for retirees as part of the annual budget process.

The Board shall have no power to add to or subtract from, or modify any of the terms of the Plan nor to change or add to any benefits provided by the Plan, nor to waive or fail to apply any requirement of eligibility for a Pension under the Plan.

8.04 **Rules and Decisions:** The Board may adopt such rules as it deems necessary, desirable or appropriate. All rules and decisions of the Board shall be uniformly and consistently applied to all Participants in similar circumstances. When making a determination or calculation, the Board shall be entitled to rely upon the information furnished by a Participant or Beneficiary, the Employer, the legal counsel of the Employer or the Actuary.

8.05 **Board Procedures:** Subject to any rules adopted by the Pension Board, ~~T~~the Pension Board shall operate in accordance with the following procedures:

(a) Vacancy: If a vacancy occurs in the office of Board member, an election shall be held for such unexpired term within thirty (30) days and in the same manner as the office was previously filled; provided, however, that during such vacancy the action of the five (5) remaining members of the Board shall be binding in all business which they may transact.

(b) Attendance: Attendance of Board members at all Board meetings shall be compulsory. Any member who neglects the duties of his office may be removed by the Board.

(c) Oath: Each board member other than the City Clerk, shall before assuming the duties of his office, take an oath of office before the City Clerk, that so far as it devolves upon him he will diligently and honestly administer the affairs of the said Board, and that he will not knowingly or willfully violate or permit to be violated any of the provisions of the law applicable to the Plan. Such oath shall be subscribed to by the Board member making it, and certified by the said Clerk, and filed in the Clerk's office. A similar oath shall be made by the City Clerk before the mayor or other executive head of the City of Gainesville, which oath shall be subscribed to by the City Clerk before the mayor and other executive head of the city, and filed in the office of said mayor or other executive head of said City.

(d) Quorum: When the Board is composed of an even number of voting members, one-half of the number of Board Members plus one shall constitute a quorum. When the Board is composed of an odd number of voting members, one-half of the number of Board Members, rounded up, shall constitute a quorum. A quorum of said Pension Board shall be necessary for the transaction of any business or the conduct of any hearings before said Board.

(e) Majority Vote: A majority vote of the members of the Pension Board present shall be required for a motion to carry.

8.06 Authorization of Benefits Payments: Money shall be withdrawn from the Trust Fund only upon warrants executed by the person or persons selected by a majority of the Pension Board and in amounts authorized by a majority of the Pension Board members.

8.07 Application and Forms for Pension: The Board may require a Participant or Beneficiary to complete and file with the Board an application for a Pension, and all other forms approved by the Board, and to furnish all pertinent information requested by the Board. The Board may rely upon all such information so furnished it, including the Participant's or Beneficiary's current mailing address.

8.08 Facility of Payment: Whenever, in the opinion of the Board, a person entitled to receive any payment of a benefit or installment thereof hereunder is under a legal disability or is incapacitated in any way so as to be unable to manage his financial affairs, the Board may direct that any benefit due him, unless claim shall have been made for the benefit by a duly appointed legal representative, be paid to his spouse, a child, a parent or other blood relative or to a person with whom he resides. Any payment of a benefit or installment thereof made in accordance with the provisions of this Section shall be a complete discharge of any liability for the making of such payment under the provisions of the Plan.

ARTICLE IX

Miscellaneous

9.01 Nonguarantee of Employment: Nothing contained in this Plan shall be construed as a contract of employment between the Employer and any Employee, or as a right of any Employee to be continued in the employment of the Employer, or as a limitation of the right of the Employer to discharge any of its Employees, with or without cause.

9.02 Rights to Fund Assets: No Employee shall have any right to, or interest in, any assets of the Trust Fund upon termination of his employment or otherwise, except as provided from time to time under the Plan, and then only to the extent of the benefits payable under the Plan to such Employee out of the assets of the Trust Fund. All payments of benefits as provided for in the Plan shall be made solely out of the assets of the Trust Fund.

9.03 Governing Law: The Plan shall be governed by Federal law to the extent applicable, and to the extent not applicable, by the laws of the State of Georgia~~.~~, including the conformity to Federal law provisions in Article 6 of Title 47 of the Official Code of Georgia, O.C.G.A. Section 47-1-80 et seq. (which are hereby incorporated herein by reference), and the Public Retirement Systems Standards Law, O.C.G.A. Section 47-20-1 et seq. It is the intent of the City that this Plan be maintained as a qualified governmental pension plan under the applicable provisions of the Internal Revenue Code, and any ambiguities in the construction hereof shall be interpreted in order to effectuate such intent.

9.04 Construction: The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender, and the singular may include the plural, unless the context clearly indicates to the contrary. The words "hereof, "herein', "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Plan, not to any particular provision or Section. Article and Section headings are included for convenience of reference and are not intended to add to, or subtract from the terms of the Plan.

9.05 Vesting upon Normal Retirement: Notwithstanding anything to the contrary in the Plan, a Participant's Accrued Benefit shall be 100% vested upon attainment of Normal Retirement Age.

9.06 Corrections; Contributions Made in Error; Recovery of Mistaken Payments: The Pension Board may correct errors and, so far as practicable, may adjust any benefit or credit or payment accordingly or take any other remedial action required or permitted to comply with any remedial or correction program promulgated by the Internal Revenue Service (IRS), including without limitation the Employee Plans Compliance Resolution System or any successor guidance, or otherwise provided pursuant to applicable law. In the event Employer contributions or Participant

Contributions are made in error, the Pension Board shall refund such contributions to the Employer or Employee; provided however, the Pension Board and Employer may agree to treat Employer contributions made in error as a credit to be applied against the Employer's next contribution obligation. If the benefit paid to a Participant or Beneficiary under the Plan is determined by the Pension Board to be in excess of the amount of the benefit to which the Participant or Beneficiary may receive under the Code and/or the terms of the Plan (the "Overpayment"), the Pension Board shall take reasonable actions as it may consider necessary in order to recoup the Overpayment from the Participant or Beneficiary to whom the Overpayment was erroneously paid, including (i) requiring the Overpayment to be repaid to the Plan, (ii) reducing future benefits that are (or may be) payable to the Participant or Beneficiary under the Plan, (iii) using any combination of the methods described in (i) or (ii) above, and/or (iv) taking any other steps that the Pension Board considers necessary and appropriate to recoup the Overpayment to the extent permitted by applicable law and IRS guidance.

ARTICLE X

Termination

10.01 **Right to Terminate:** The Employer, through the City Council, may terminate the Plan at any time and may direct and require the Pension Board to ~~instruct the Trustee to~~ liquidate the Trust Fund; provided the assets of the Trust Fund are sufficient to cover all benefit liabilities under the Plan. If the Plan is terminated at any time, the rights of each Participant to the benefits accrued to the date of termination shall be fully vested regardless of the Participant's age and years of Eligibility Service as of the date of termination of the Plan.

10.02 **Manner of Distribution:** Any distribution after termination of the Plan shall be made in the form of nontransferable annuity contracts or under any other method as recommended by the Pension Board to the City Council.

10.03 **Residual Amounts:** Upon termination of the Plan and notwithstanding any other provision of the Plan, if any, surplus assets remain after the satisfaction of all liabilities of the Plan and arising out of erroneous actuarial computation, then such surplus shall be allocated among the Participants actively employed on the Plan termination date in proportion to the Actuarial Equivalent value of their Accrued Benefits. For the purpose of this Section 10.03, the terms "liabilities" and "erroneous actuarial computation" shall be as defined in Treasury Regulations Section 1.401-2 ~~of the Regulations under the Code, as amended,~~ or in any ~~comparable Sections of Regulations under subsequent amendments to such Code or under any successor Code~~ successor guidance.

10.04 **Full Vesting:** Upon termination of the Plan or upon complete discontinuance of contributions under the Plan, the rights of all Employees to benefits accrued to the date of such termination or discontinuance, to the extent then funded or the amounts credited to the employee's accounts are nonforfeitable.

ARTICLE XI

Amendments

The City Council reserves the right at any time and from time to time to amend the Plan. Any amendment to the Plan may be initiated by independent action of the City Council of the City of Gainesville or by recommendation from the Pension Board, but shall not be effective until approved by the City Council.

CITY OF
GAINESVILLE

PUBLIC WORKS

Memo

TO: Bryan Lackey
FROM: Tommy Hunt
SUBJECT: Retirement Plan A Changes
DATE: December 7, 2021
CC: City of Gainesville Plan A Board of Trustees, Janeann Allison, Jeremy Perry

As a result of many years of planning and consideration, the Gainesville Employee Pension Plan A Board of Trustees had a meeting on November 9th, 2021 to discuss plan document changes and to recommend a cost of living increase for retirees. The plan document changes will address several federal statutes that have become law since the last time the plan was restated in 2001. These changes also address penalties for early retirement. The following motions were voted on and approved by the board with a unanimous vote:

- Restate the Plan Document – This is a legal best practice. It is recommended to ask the City Council to restate the plan document once every 10 years.
- Modify the Plan Document to reflect policy changes, federal statutes and plan changes.
- Recommend the following plan document changes:
    - Early Retirement Reductions set at 1.65% per year for each year of eligible service or age that the Pension commencement date precedes the Participant's Normal Retirement Date.
    - Change Normal Retirement Eligibility to 10 years of service for employees who have reached their normal retirement age. This change would also reduce the Public Safety employees required eligibility service years to 10 if they have reached 60 years of age.
    - In the event a plan participant has achieved the requirements for an Early Retirement Pension as defined in plan section 2.11, the benefit cannot be reduced to less than forty percent (40%) of the participant's accrued benefit.
    - Add a provision to the Plan Document that allows the Gainesville Employee Pension Plan Board of Trustees to work with plan consultants, and City Management to consider a COLA for retirees annually as part of the budget process.
- Recommend a single instance 3% cost of living increase for all retirees and survivor benefit recipients that have an approved monthly benefit as of November 9th, 2021. The change in benefit to be effective as of February 1st, 2022.

These changes will have an increased cost to the plan. The Board has consulted with Jeremy Perry (City of Gainesville's CFO), Ed Emmerson (Plan Attorney) and Malichi Waterman (Plan Actuary). All parties agree that the plan can support the additional expenses related to these changes.

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 12/13/2021

Presenter: Chris Hollifield

Item of Business: FY2021 Annual Comprehensive Financial Report (ACFR)

Meeting Date: 12/16/2021

Purpose of Request:
Chris Hollifield of Rushton and Company will present the results from the FY2021 audit and review the highlights of the 2021 Annual Comprehensive Financial Report.

History/Background:
Upon completion of the annual audit, results are reported to the governing body at a Work Session.

Facts & Issues for Consideration:
Hard copies of the ACFR document will be distributed to the governing body when they become available. An electronic copy of the document will be available on the City's website.

Department Recommendation:
N/A

Department Director:
Jeremy Perry

If funding is involved, are funds approved within the current budget?
N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
FY2021 Audit Presentation	Powerpoint Presentation
FY2021 Annual Comprehensive Financial Report	Report

Audit Report Presentation
For the fiscal year ended June 30, 2021

GAINESVILLE

December 16, 2021

AUDIT OPINION – P.1-3

City of Gainesville's Responsibilities

The financial statements are the responsibility of the City of Gainesville, Georgia's management.

Rushton's Responsibilities

As independent auditors for the City of Gainesville, Georgia, our responsibility is to express opinions on the fair presentation of the financial statements.

Auditing Standards

We audited the City's financial statements in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States.

Unmodified Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the City of Gainesville, Georgia, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows for the fiscal year then ended.

Government-wide Statements

These statements provide the reader with information on the City as a whole, using the full accrual basis of accounting. Columns for the governmental activities, the business-type activities, and the component units.

Two statements:

Statement of Net Position – Pages 19 - 20

- Presents the assets, liabilities, and residual net position of the City

Statement of Activities – Page 21

- Presents the results of operations of the City

Net Position – Last 5 Fiscal Years

Fiscal Year	Net Investment in Capital Assets	Restricted Net Position	Unrestricted Net Position	Total Net Position	Revenues over Expenses
2017	$ 408,287,950	$ 85,063,287	$ 4,497,891	$ 497,849,128	$ 26,822,761
2018	441,615,856	91,958,754	2,432,283	536,006,893	40,205,997
2019	460,292,603	95,871,221	17,887,327	574,051,151	38,044,258
2020	492,931,241	99,296,683	17,728,105	609,956,029	35,904,878
2021	521,155,696	109,251,519	24,261,462	654,668,677	44,712,648

Notes: - Changes in actuarial assumptions reduced the OPEB liability in FY 2019 which increased the unrestricted net position.

General Fund – Pages 139 - 143

Revenues

- Increased $4,435,742, 15.99%
  - Local Option Sales Taxes increased $1,461,958
  - Motor Vehicle Tax and TAVT increased $736,414
  - Licenses and permits increased $220,841
  - Intergovernmental increased $1,887,079

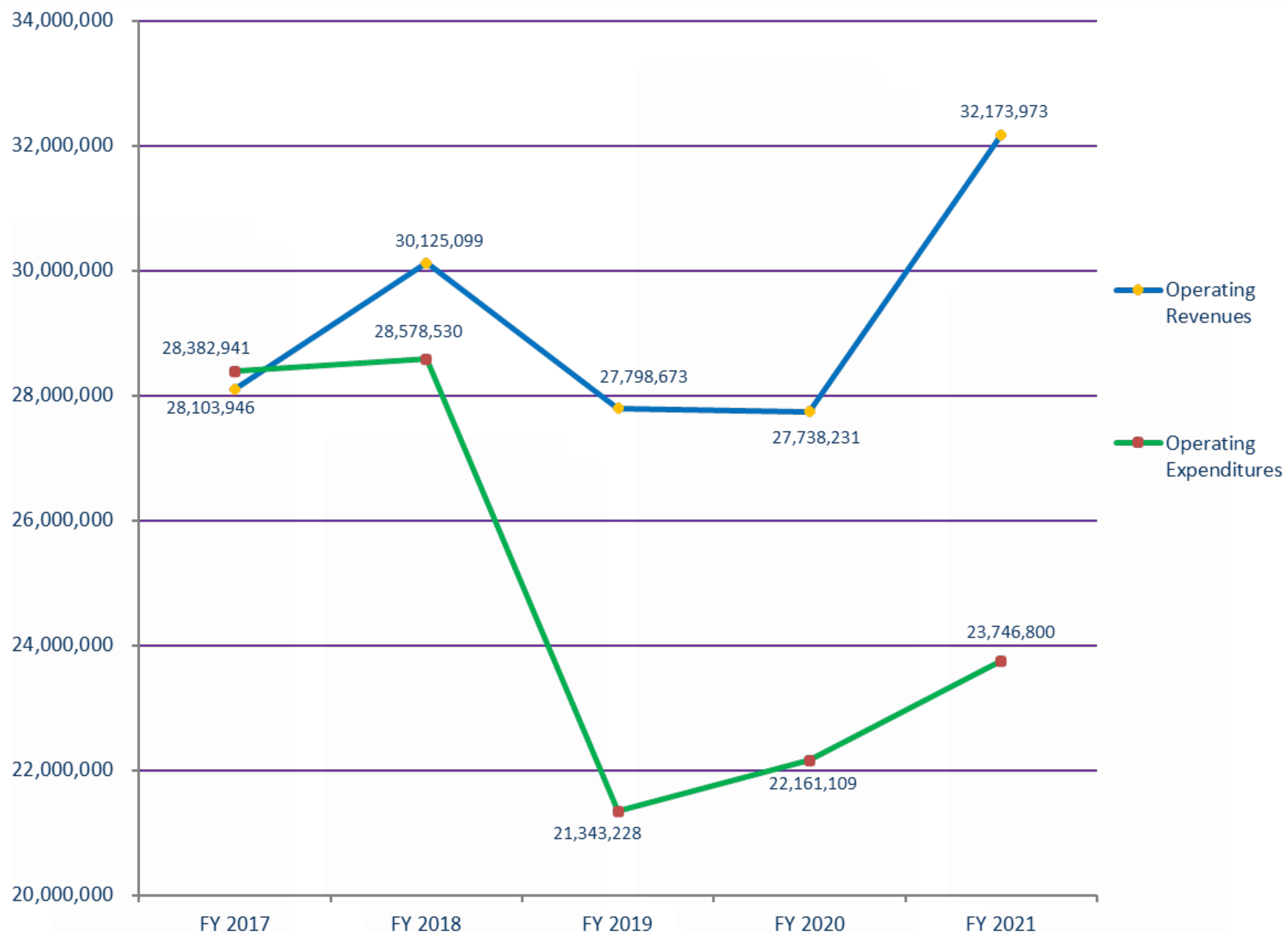
Expenditures

- Increased $1,585,691, 7.16%
  - Information Technologies increased $432,870, due to replacement of the cybersecurity firewall
  - Public Land and Buildings increased $96,695
  - Police increased $146,131
  - Traffic increased $193,524
  - Payment to other agencies increased $248,995, due to payment to Parks and Recreation for lost revenues with CARES Act funds

Unassigned Fund Balance

- FY 2021, $14,412,619, 42.44% of expenditures/transfers
- FY 2020, $13,359,919, 47.02% of expenditures/transfers

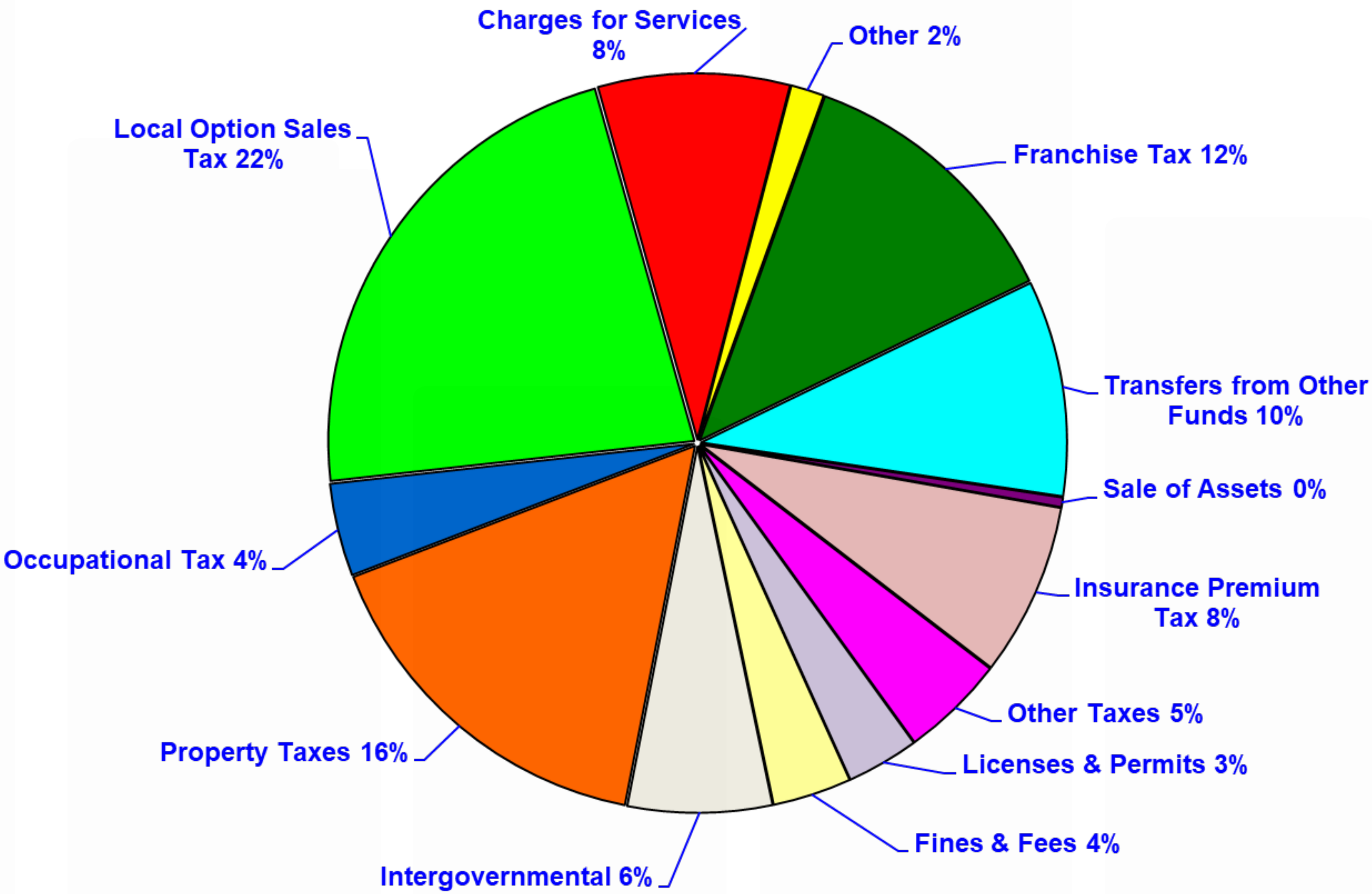
General Fund – Last 5 Fiscal Years



Note: decrease in expenditures due to creation of the Fire Fund in FY 2019

RUSHTON

General Fund – Revenues by Source



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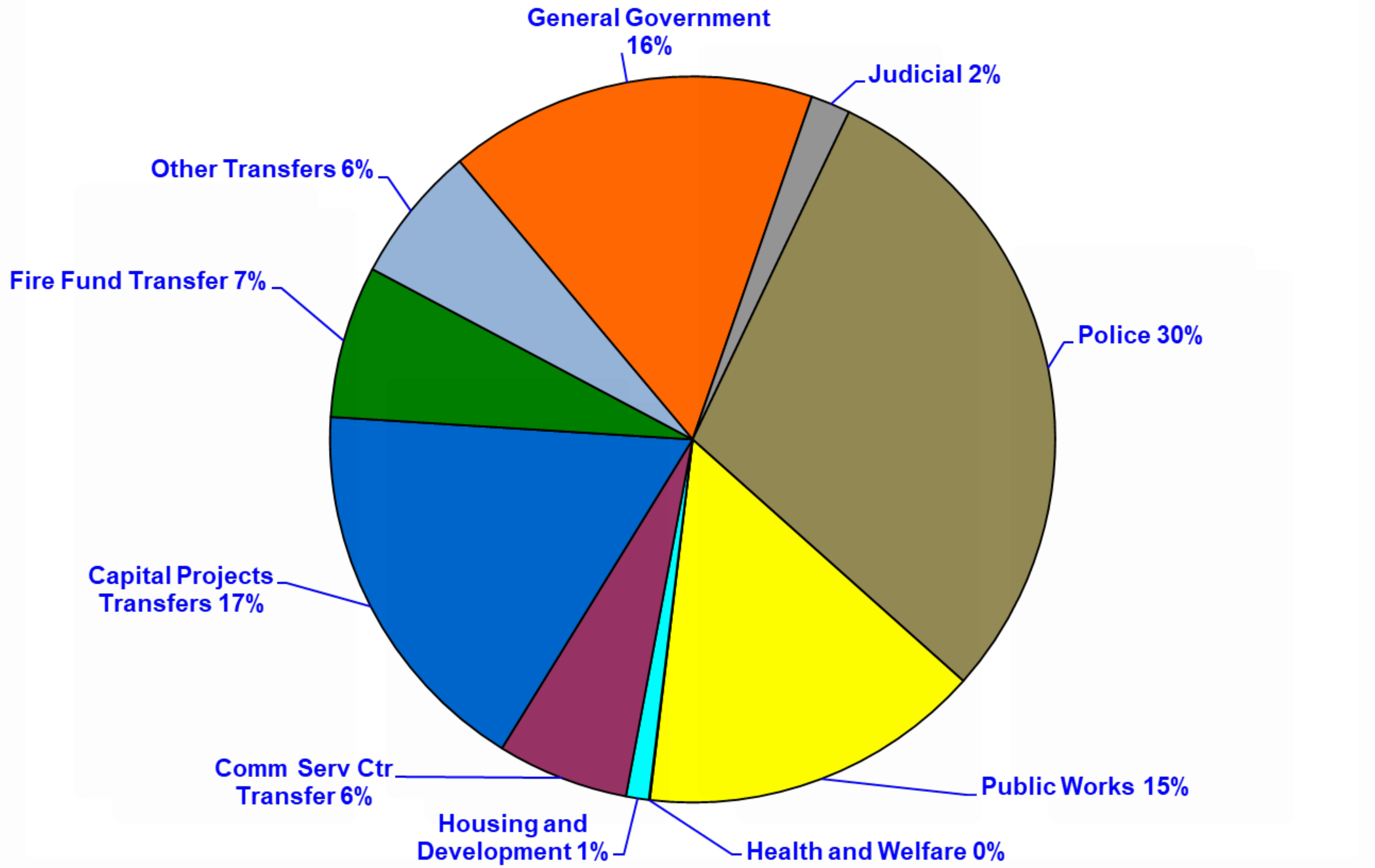
General Fund – Expenditures by Function



Department of Water Resources Fund
Pages 178 - 182

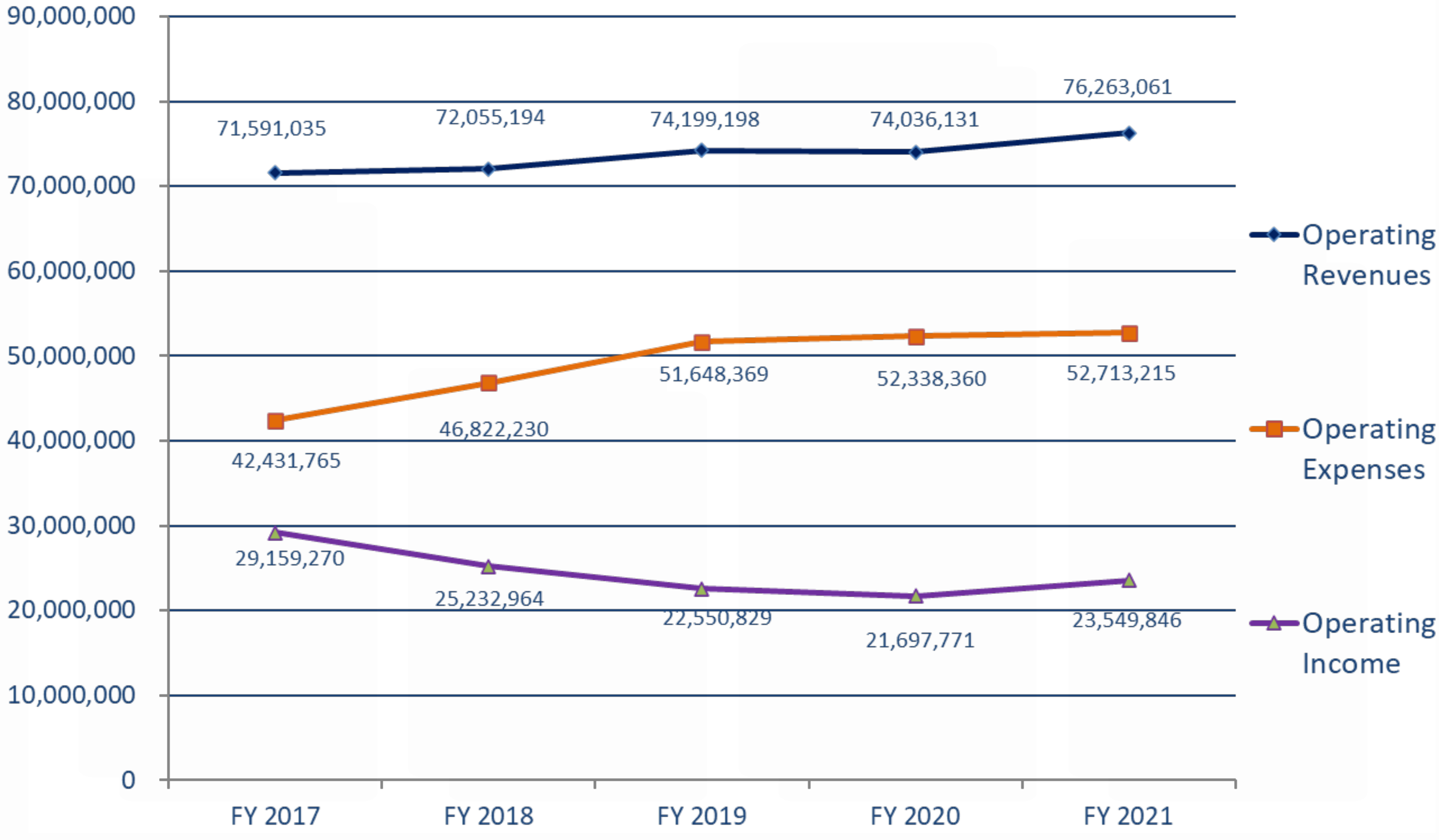
Operating Revenue

- Increased $2,226,930, 3.01%
  - Water consumption increased by 3.29%
  - Sewer consumption increased by 5.33%
  - Number of customers increased by 504
  - Customer late fee revenue increased $137,159, 33.33%, late fees suspended in FY 20 during COVID-19 downturn

Operating Expenses

- Increased $374,855, 0.72%
  - Cost of Services increased $1,467,135
  - Personal Services decreased $1,815,094
  - Depreciation increased $722,814

Department of Water Resources Fund Operating Revenues and Expenses Last 5 Fiscal Years



RUSHTON

Report on Internal Control and Other Matters P. 258-259

In accordance with *Government Auditing Standards*, we have issued our report on our consideration of the City of Gainesville's internal controls and our tests of compliance.

This report describes the scope of our testing of internal control and compliance, and the results of that testing, but is not intended to provide an opinion on the internal control or compliance.

Report on Compliance and Internal Controls over Major Programs – P. 260-261

In accordance with Uniform Guidance, we have issued our report on our consideration of the City of Gainesville's compliance with requirements applicable to each major program and on internal control over compliance.

This report describes the scope of our testing of compliance requirements and internal controls over major programs, and the results of that testing. We are required to express an opinion on the City's compliance with requirements; our opinion is unmodified. This report is not intended to provide an opinion on the internal control.

Current and Future Reporting Changes

GASB 84

The Governmental Accounting Standards Board (GASB) has issued Statement No. 84, *Fiduciary Activities*. Effective for City of Gainesville for fiscal year 2021.

The statement establishes guidance regarding the identification of fiduciary activities and a financial reporting model for fiduciary activities for state and local governments. The statement requires governments to report fiduciary activities in specific fiduciary fund types.

The statement requires fiduciary activities to be reported in financial statement of fiduciary net position and a statement of changes in fiduciary net position.

Current and Future Reporting Changes

GASB 87

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*. Effective for City of Gainesville for fiscal year 2022.

The statement establishes a single approach to accounting for and reporting leases for state and local governments. The statement requires governments to recognize certain lease assets and liabilities that previously were classified as operating leases.

Current and Future Reporting Changes

GASB 91

The Governmental Accounting Standards Board (GASB) has issued Statement No. 91, *Conduit Debt Obligations*. Effective for City of Gainesville for fiscal year 2023.

The statement establishes a single method of reporting conduit debt obligations and eliminates diversity in accounting for (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement eliminates the option to allow issuers to recognize conduit debt obligations and improves the required note disclosures.

Current and Future Reporting Changes

GASB 96

The Governmental Accounting Standards Board (GASB) has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. Effective for City of Gainesville for fiscal year 2023.

The statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for end-users (governments). The statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*.

J. Chris Hollifield, CPA
chollifield@rushton.cpa

Samuel Latimer, CPA, CFE
slatimer@rushton.cpa

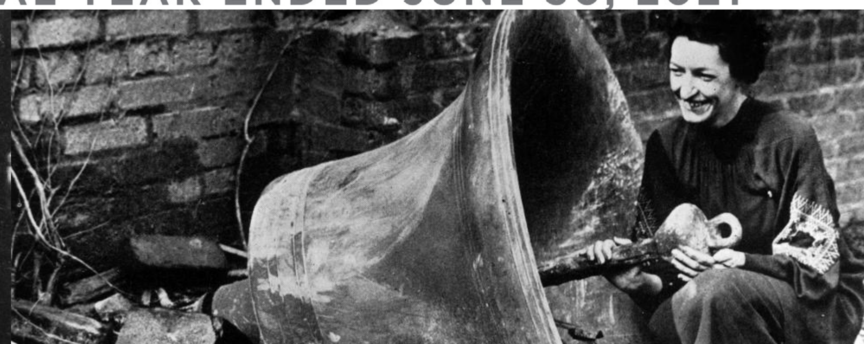
www.Rushton.cpa
770.287.7800

RUSHTON

CITY OF
GAINESVILLE
GEORGIA

FINANCIAL SERVICES

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021



CITY OF GAINESVILLE, GEORGIA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

GAINESVILLE

CITY OF GAINESVILLE, GEORGIA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

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

GAINESVILLE

CITY OF GAINESVILLE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended June 30, 2021

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OFFICIALS OF THE CITY OF GAINESVILLE

LEGISLATIVE BRANCH

CITY COUNCIL

Danny Dunagan	Mayor
Sam Couvillon (WARD 1)	Council Member
Zack Thompson (WARD 2)	Council Member
Barbara B. Brooks (WARD 3)	Council Member
George Wangemann (WARD 4)	Council Member
Juli Clay (WARD 5)	Council Member

OFFICERS OF THE COUNCIL

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

JUDICIAL BRANCH

G. Hammond Law, III	Municipal Court Judge and Administrative Hearing Officer
Anne M. Bishop	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
Jerome Yarbrough	Chief of Fire
Kate Mattison	Director of Parks and Recreation
Jay Parrish	Chief of Police
Linda MacGregor	Director of Water Resources
Chris Rotalsky	Director of Public Works
Jonathan Reich	Director of Information Technology

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

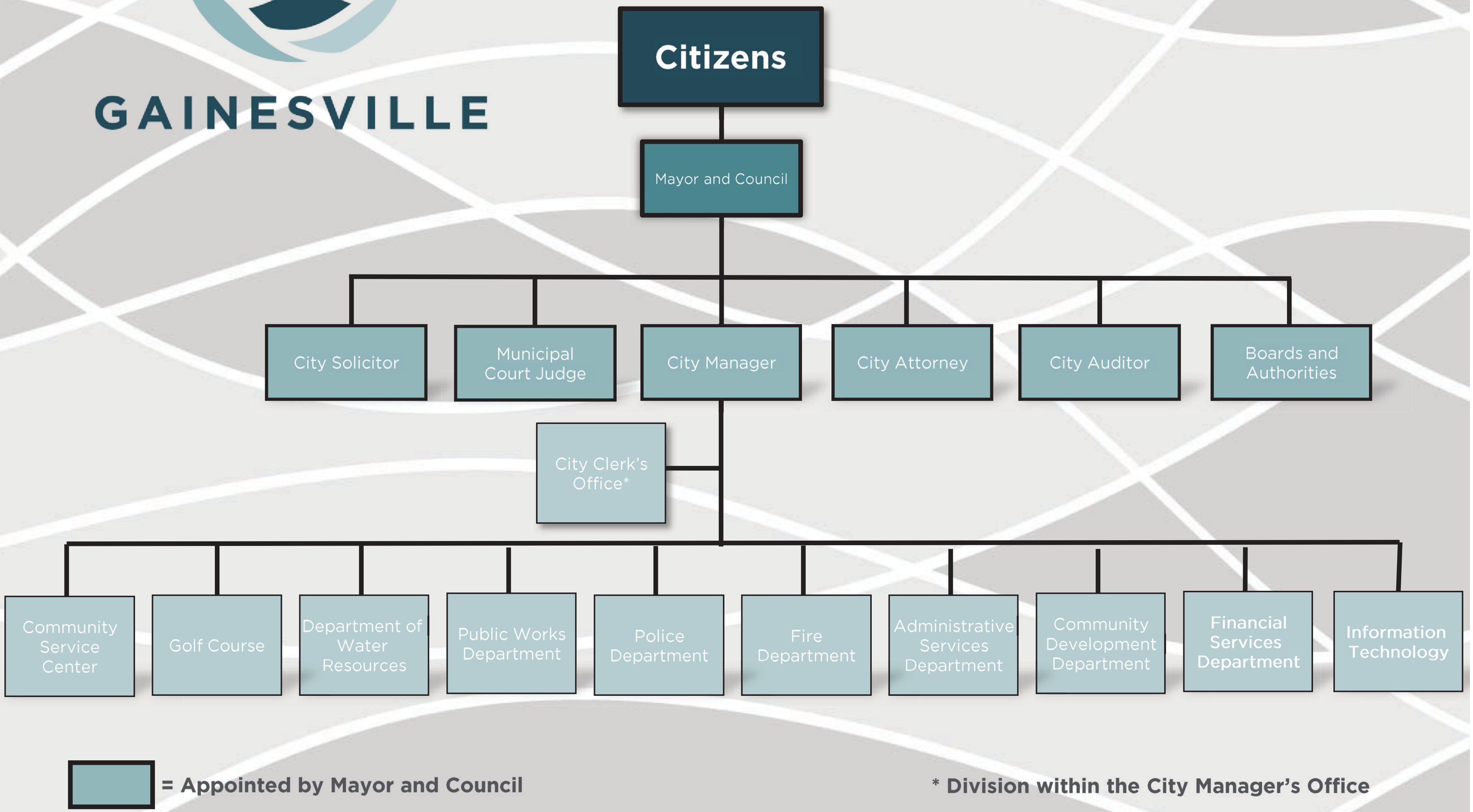
City of Gainesville
Georgia

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Executive Director/CEO

CITY OF GAINESVILLE
Organizational Chart



CITY OF
GAINESVILLE
OFFICE OF THE CITY MANAGER

PO BOX 2496 GAINESVILLE, GA 30503
O | 770-535-6865
F | 770-535-6896
| GAINESVILLE.ORG

November 25, 2021

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, 2021 (FY21). Georgia code requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. These statements are to be presented in compliance with generally accepted accounting principles (GAAP), federal and state regulations, and audited in accordance with generally accepted governmental auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we submit this report for your consideration.

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

Rushton and Company, LLC, Certified Public Accountants, has audited the City's financial statements as required by Georgia Code. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for FY21 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 FY21 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

The City of Gainesville, incorporated on November 30, 1821, is located in Northeast Georgia, approximately 50 miles northeast of Atlanta. Gainesville is the principal city and county seat of Hall County. Bordered on the west by Lake Sidney Lanier, Hall County lies at the southern edge of the Chattahoochee National Forest and the foothills of the Blue Ridge Mountains. According to the 2020 U.S. Census, Gainesville has a population of 42,296, while Hall County's population is 203,136, with over 150,000 people either living or employed in the City during workday hours. 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 board. The City Manager is the chief executive officer of the City and is responsible for enforcement of laws and ordinances, as well as appointments and supervision of the various department directors of the municipal government. An organizational chart of The City's current structure of operation is included in the introductory section.

The City, under the guidance of the City Manager and the Council, provides a full range of services: police and fire protection; the maintenance of streets and infrastructure; parks, recreational activities, and cultural events; municipal golf course; municipal airport; planning, zoning, and building inspection services; water and sewer services. The City's water and sewer service is provided to its citizens and to most of Hall County.

The ACFR includes all funds of the primary government (i.e. City of Gainesville as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Gainesville Parks and Recreation, Gainesville Convention and Visitors Bureau (Gainesville CVB), and the Land Bank Authority all meet the current guidelines of GASB Statement No. 14, and therefore, are included as component units in the ACFR as part of the City's reporting entity. City Council appoints the Board members and exercises budgetary review for all component units. In addition, the Council establishes a designated tax levy for Gainesville Parks and Recreation. These agencies serve both the residents of the City and Hall County with their program activities. All information on these legally separate entities can be found in the Notes to the Financial Statements.

The Community Service Center is jointly funded by the City and Hall County. Since all of the Center employees of the Center are City employees and the City is, therefore, able to establish its authority over the Center, it is included in this report. In addition, the City exercises fiduciary responsibility over the Employees' Pension Trust Fund for the Center.

Local Economy

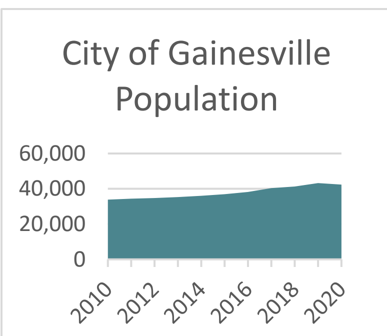
As the regional employment center for Northeast Georgia, Gainesville-Hall County holds the distinction of being rated by Forbes Magazine as a "Best Small Places for Business and Careers" for the last 6 years. The Milliken Institute study ranked Gainesville metro area as the 9th Best Performing Small City in America of 2021 when considering job creation, output growth, and wage gains. In addition to Forbes Magazine and the Milliken Institute, Gainesville-Hall County was ranked 6th by Site Selection Magazine for metro areas with a population up to 200,000 based on accumulation of major capital investments. The COVID-19 pandemic created challenges for the Gainesville metro area, particularly in regards to strains placed on healthcare providers, the hospitality industry and small business. Despite these challenges, developments in 2020 indicate the City has had a better than average economic performance compared to other metro Atlanta areas according to the Greater Hall Chamber of Commerce.

The Gainesville community continues to see impressive growth in both manufacturing and retail sectors. According to the Greater Hall Chamber of Commerce, FY21 was another year of substantial capital investment, particularly in the manufacturing industry. More than 460 new jobs are anticipated from the 12 new and expanding firms planned for the Gainesville-Hall area. This comes with $200 million in new capital investment. New corporate facilities announced include international companies Amazon, Alfrex, Dongwon Tech and Geveko Markings. Area manufacturing expansions planned include Kubota, Fox Factory, and Cottrell Trailers. There are other capital investment projects already planned for the near future which will support continued job growth in coming years.

Gainesville continues to earn its nickname of "Poultry Capital of the World" with its robust and growing poultry industry. Companies such as Soulshine Farms and Cantrell-Gainco have relocated to larger facilities and are hiring more than 100 employees to accommodate the growth. The poultry industry has drawn other spinoff industries to the area, including those that manufacture poultry processing equipment. The food processing and manufacturing industry continues to be a significant employer, making up about 25% of the Gainesville-Hall County workforce.

Gainesville serves as the regional financial and retail hub for Northeast Georgia. The Historic Downtown Square continues to flourish with popular restaurants and a mix of both trendy and traditional retail establishments found along its brick-lined sidewalks. Main Street Gainesville's successful record of attracting visitors Downtown to shop, eat, and enjoy the quaint atmosphere helps generate foot traffic and commerce for local merchants. The potential for long-term growth and development can be seen in the great transformation that is happening in Downtown Gainesville. Three major projects are underway for mixed use – living and retail – with a new parking deck under construction to help support the growth and traffic these new attractions will bring.

In addition to the aforementioned robust business activity, Gainesville-Hall County holds the privilege of being the medical nucleus for the 14 county Northeast Georgia area with a top ranked hospital, Northeast Georgia Medical Center (NGMC), and a number of highly-recognized physician group practices. The excellent reputation of the City's medical facilities has drawn some of the finest physicians to the Gainesville area with healthcare employing about 14,725 workers in Gainesville-Hall County. NGMC has earned the recognition as Georgia's top hospital for the fifth consecutive year by CareChex, a national healthcare ratings agency. The healthcare industry is a major contributor to Gainesville's economy as evidenced by the Georgia Hospital Association crediting NGMC with contributing more than $3.2 billion to local and state economy in 2019. NGMC's economic contribution to the local economy will only continue to grow as it has recently announced a 927,500-square-foot expansion for its Gainesville campus.



Impressive growth in the Gainesville area is also reflected in recent years' Census data. According to 2020 Census totals, the City recognized a 27% population increase over the past decade. With an estimated 40.7% of the City's population listed as Hispanic or Latino per 2020 Census numbers, the City takes great pride in and embraces its cultural diversity. Gainesville-Hall County expects to see continued growth in the future. The sense of community found in Gainesville, combined with a multitude of beautiful parks and recreational activities, along with easy access to large metropolitan areas makes Gainesville an attractive place to call home.

Major Initiatives

Each year the City assesses its strategic priorities as it looks into the future and center on the needs and wellbeing of the citizens and the community at large. There are five strategic priorities: economic development, infrastructure improvements, internal operation, leisure services, and quality of life.

Aligning with the City's strategic priorities, there are multiple construction projects ongoing in the Downtown area that evidence the strategic thinking and reimagining of Gainesville's Downtown. These projects will bring much needed residential spaces and additional retail and restaurant opportunities to the Downtown area which align with the City's economic priorities in its strategic vision. One of these projects is the Gainesville Renaissance, which will be a mixed-use development, will include retail and restaurant space, Brenau University educational space, and eight luxury condominiums. Also, Gainesville Renaissance project will add greenspace to Downtown through a park that will be added to run between its building and the Hall County Courthouse connecting it to Roosevelt Square. The project is currently under construction on the Downtown Square and has a projected completion date of late 2021.

Solis Gainesville is another mixed-use development that is underway and is connected to Downtown by the pedestrian bridge over Jesse Jewell Parkway. Solis will feature three buildings totaling 220 apartments and 10,000 square feet of space for retail and restaurants. It is slated to be completed by mid-2022.

Rendering of Solis Gainesville development in Downtown

The largest of the Downtown projects is The National, a $50 million multi-use development with the idea of it being a live-work-play community. Located just off the Downtown Square, The National has plans to include a 144-unit apartment building and a 130-room, seven-story hotel with an underground parking deck and outdoor plaza of greenspace separating the two buildings. In addition, the development is planning a 30,000 square-foot building designed for conventions and a private dining club. The National is projected to be completed as early as 2023.

All of these large development projects will include direct access to the Downtown Square and convenient access to the Highlands to Islands trail system. All of the potential amenities brought with adding restaurant, retail, business, residential, and greenspace will continue to highlight Downtown Gainesville as the economic epicenter of the City and the surrounding area. The development and growth will also increase pedestrian and vehicle traffic Downtown. To enhance a pedestrian-friendly environment, streetscaping improvements of $2.9 million are underway to beautify Downtown and the nearby surrounding area by adding new trees, decorative streetlights, benches, and brick accents to some sidewalks. To accommodate the additional vehicle traffic, the City is in the process of building a third parking deck in Downtown; this will add 400 additional parking spaces to and create easy access to Downtown shopping and dining. The parking deck is expected to be ready by spring 2022.

An important aspect to any community is enhancing the health and wellbeing of its citizens' by creating access to recreation and greenspace. While some of the Downtown development projects will add small pieces of greenspace, Gainesville Parks and Recreation continues to enhance and expand the City's parks and outdoor trail system. The most significant expansion of its trail system involves the Midtown Greenway - part of the Highlands to Islands trail system that connects to different cities in Hall County. Approximately $2 million of SPLOST VIII funds will be used for improvements including a large paver plaza, playground, boardwalk, lighting, amphitheater, seating and more.

In addition to enhancements of the City's trail system, a new $20 million Youth Athletic Complex is in the planning phase that, due to the City's growth, addresses the need of adequate field space for youth programs. The complex will be located on the eastern outskirts of Gainesville in an underserved area. While the complex will provide multipurpose fields, ball fields, playgrounds and walking trail to all the residents of the City and surrounding area, it will specifically provide this area's underserved population with access to health and wellness opportunities. The Youth Athletic Complex is expected to increase recreational program revenue by 35% and generate an additional $4 million in economic impact from tournaments in the first year of operation.

Rendering of Lake Lanier Olympic Park Boathouse renovation and expansion

Another project that will have a substantial impact for the City is the renovation and expansion of the Lake Lanier Olympic Park Boathouse. This year Lake Lanier Olympic Park celebrated the 25th anniversary of hosting the rowing and canoe/kayak events of the 1996 Olympic Games and is the only venue from the Atlanta Olympics that is still used for its original purpose. Some of the improvements to the Park have already been completed, including the construction of the Olympic Rings Plaza with the Rings as its centerpiece. The current Boathouse, built in 1994 for the 1996 Olympic Games, is used by local clubs who help uphold the Olympic legacy and help draw visiting athletes to the

Gainesville area generating over $4 million annually to the community. The Boathouse is in need of a full renovation. This renovation is imperative to the revival and continuation of the recreation and business tourism industry in Gainesville. The new and expanded Boathouse includes plans for space for large conferences, a catering kitchen, and indoor/outdoor space for special events. While the renovation costs of the Boathouse are estimated at $18.7 million, the improvements are expected to draw visiting athletes and increased participation in regattas that have the potential of doubling the venue's annual economic impact.

Long-Term Financial Planning

During FY21, the City of Gainesville underwent a bond rating review with Moody's Investor Service. The City's bond rating was upgraded from Aa2 to Aa1. This is significant as it is a reflection of the City's large and growing tax base, conservative fiscal management, operating effectiveness, and long-term overall financial stability. The Aa1 rating emphasizes a strong liquidity position and low-level credit risk the City poses to potential investors and, therefore, will allow the city to utilize long-term debt to provide resources to finance needed capital improvements.

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

The City's current five-year capital improvements plan has identified $233.4 million in projected expenditures through fiscal year 2026. Of this, $126 million has been approved to be expended in FY22. Compared to FY21's budget of $35 million, this is a large increase. The significant increase in the capital improvements budget is due to Department of Water Resources' major upgrades and maintenance to water and sewer facilities. Notable general government capital improvements in FY22 will include the following: $175,000 for proposed network upgrades with a focus on reducing cyber risk; $670,000 for replacement police vehicles; and $1.3 million for street resurfacing projects.

The major source of funding for DWR capital projects in FY22 are newly acquired loans from the Georgia Environmental Finance Authority (GEFA). Proceeds from the loans will go towards required maintenance, expansion to serve new customers, and improvements. The improvements will meet new requirements, incorporate new technology, increase efficiency, and reduce operating costs.

Another major source of funding for the City's capital projects are bond proceeds. If necessary, the City may choose to issue general obligation bonds for capital improvement projects that are too expensive to be financed from current revenue sources. A new bond issue is anticipated during FY22. The funds from this new bond issue will go towards two of the major-initiative projects previously mentioned above – The Youth Athletic Complex and the Lake Lanier Olympic Park Boathouse. General obligation bonds are expected to be issued in the amounts of $13 million and $18.7 million, respectively, for related costs.

Relevant Financial Policies

In accordance with Georgia statutes, the City operates under an annual budget adopted by local resolution. The annual budget serves as the foundation for the City's financial planning and control. The City's budget is adopted by City Council on or before June 30 at a regular Council meeting that is open to the public. The budget is balanced for each and every 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 budget adjustment does not increase the overall budget or personal services allocation for that department.

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

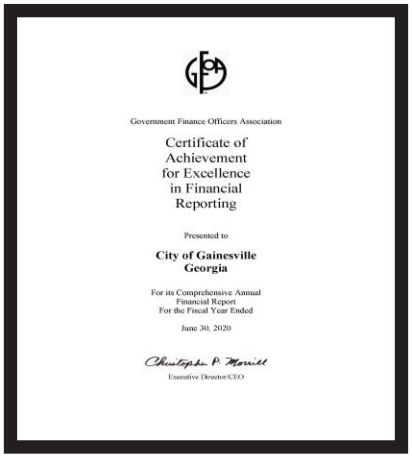
The City's Investment and Cash Management policy states that the City should make investments with prudence, judgement, and care with the primary objective of safety as well as the secondary objective of obtaining competitive market rates of return. Maximum opportunity is provided to all local financial institutions to bid and compete for City investments due to the importance of the financial institutions to the local economy. Due to declining interest rates, the City's interest earnings were considerably less in FY21 compared to FY20. However, the City continued leveraging different strategies and investments to gain conservative investment earnings.

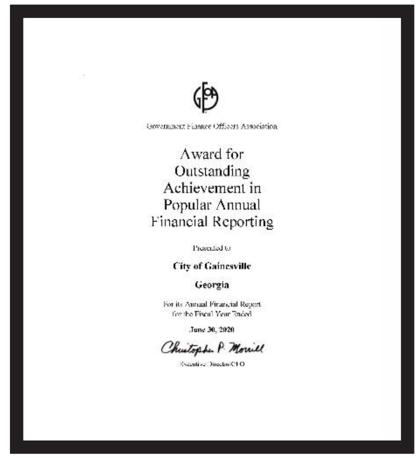
Awards and Acknowledgment

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gainesville for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. This was the thirtieth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual report, conforming to program standards and satisfying both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA presented a Distinguished Budget Presentation Award to the City of Gainesville for its annual budget for the fiscal year beginning July 1, 2020. This was the twenty-eighth consecutive year the City achieved this eminent award. In order to receive this honor, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. A Distinguished Budget Presentation Award is valid for a period of one year only. We believe our current budget continues to conform to the standards of the Distinguished Budget Presentation Award Program's requirements, and we are submitting it to GFOA to determine its eligibility for another award.

The GFOA presented an Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to the City of Gainesville for its PAFR submitted for the fiscal year ended June 30, 2020. This was the seventh year the government achieved this esteemed award. The PAFR award was established to encourage governments to produce a high quality report based on ACFR information that would be easily understandable to the general public and other interested parties without a background in public finance. The Popular Annual Financial Reporting Award is valid for a period of one year only. The City intends to submit a PAFR for the fiscal year ending June 30, 2021.





The preparation of this report could not have been accomplished without the efficient and dedicated services of our entire staff of the Financial Services Group, who contributed to its preparation. Special recognition is given to the City's Deputy CFO of Audit and Financial Operations, Beverly Williams, who is the person primarily responsible for the Annual Comprehensive Annual Report preparation. Enormous thanks go to the staff of our accounting firm, Rushton and Company, CPAs (especially Chris Hollifield and Sam Latimer) for their technical guidance and assistance to make this a quality report.

Additionally, we would like to thank the City Council for their consistent support for maintaining the highest standards of professionalism in the management of the City's finances and their continued support of the City's professional staff. The Council's vision and input are the guiding factors that enables the City staff to work toward keeping and enhancing the City of Gainesville as a great place to live, work, learn, and play.

Respectfully submitted,

Bryan Lackey	Jeremy Perry
City Manager	Chief Financial Officer

GAINESVILLE

RUSHTON
ACCOUNTING & BUSINESS ADVISORS | CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

Report on the Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons of the General Fund, Fire Special Revenue Fund, and Economic Development Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 18 and 107 through 126 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.

Other 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 introductory section, combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

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 the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Gainesville, Georgia's basic financial statements for the year ended June 30, 2020, which are not presented with the accompanying financial statements. In our report dated November 20, 2020, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gainesville, Georgia's basic financial statements as a whole. The individual fund financial statements and schedules, related to the 2020 financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 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 2020 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2021, 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 and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and, not to provide an opinion on 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

Certified Public Accountants

Gainesville, Georgia
November 25, 2021

GAINESVILLE

GAINESVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Gainesville, it is our pleasure to present this narrative discussion and analysis of the City of Gainesville's financial performance, providing an overview of the activities for the fiscal year ended June 30, 2021. The purpose of this narrative is to provide objective and easily readable analysis of the City's annual financial performance, current financial position, and projections for its future stability. This narrative should also assist readers in making timely and meaningful financial decisions based on the City's financial transparency. This analytical information is designed to be read in conjunction with the Letter of Transmittal located on pages xi-xix of this Annual Comprehensive Financial Report and with the City's financial statements, which follow this section.

Financial Highlights

- The City of Gainesville's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at June 30, 2021 by $654.7 million (reported as *net position*). Of this amount, $24.3 million (reported as *unrestricted net position*) may be used to meet the City's ongoing obligations.

- As of June 30, 2021, the City's governmental funds reported combined ending fund balances of $62.4 million. Approximately 23.1% of this total amount, $14.4 million, is unassigned fund balance in the General Fund that is available for spending at the City Council's discretion.

More detailed information regarding these activities and funds begins on page 9.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to the City's basic financial statements that are composed of three elements: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the City as a whole)

The focus of the government-wide financial statements is the overall financial position and activities of the City of Gainesville. It is designed to provide readers with an overview of the City's financial activities in a manner similar to a private business enterprise.

The City's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These two statements report information about the City of Gainesville using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The ***Statement of Net Position*** (pages 19-20) presents information on the City's total assets and deferred outflow of resources and the total liabilities and deferred inflow of resources. The difference between these is reported as net position. The City reports all of its assets and deferred outflows of resources when it acquires ownership over the elements. All of its liabilities and deferred inflow of resources are reported when they are incurred. Although the purpose of the City is not to accumulate net position, in general, as this amount increases it indicates that the financial position of the City is improving over time.

The ***Statement of Activities*** (page 21), on the other hand, presents the revenues and expenses of the City. This statement is prepared using the accrual basis of accounting mentioned earlier, where revenues are recognized when earned and expenses when incurred, even when money may not be received or used in the current period. The difference between revenues and expense is reported as change in net position. The primary focus of the Statement of Activities is the net cost of various activities provided by the City and identifies the extent to which each function of the City draws from general revenues or is self-financing through fees, grants, or other sources.

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

- ***Governmental activities*** – Most of the City's basic services are reported under this category, including police, fire, public works, and general administration. Sales tax, property taxes, and intergovernmental revenues finance most of these services.

- ***Business-type activities*** – The City charges fees to customers to assist in covering all or most of the cost for certain services it provides. The City's water and sewer system and garbage collection fees are reported in this category.

- ***Discretely Presented Component Units*** – Component units are legally separate organizations for which the elected officials of the City are financially accountable. Gainesville Parks and Recreation, Gainesville Convention and Visitor's Bureau (Gainesville CVB), and the Land Bank Authority, although legally separate, function for all practical purposes as departments of the City of Gainesville. Therefore, these component units have been included as an integral part of the primary government.

The City's government-wide financial statements are presented on pages 19-21.

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

The focus of fund financial statements is specific activities of the City and its most significant funds, rather than the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's non-major funds can be found beginning on page 127. The City's funds are divided into three broad categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

- ***Governmental Funds*** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on the short-term view of the City's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

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

  The City of Gainesville maintains eighteen individual governmental funds. Information for major funds is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances. The City's major funds are the General Fund, Fire Services Fund, Economic Development Fund, and the Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Fund.

  Data from the other fourteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 127-130 of this report.

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

  The City's basic governmental fund financial statements are presented on pages 22-30 of this report.

- ***Proprietary Funds*** – When the City charges customers for the services it provides – whether to outside customers or to other departments of the City – these services are generally reported in proprietary funds. The City maintains two different types of proprietary funds: Enterprise funds and Internal Service funds. These proprietary funds are prepared using the same accrual basis of accounting as 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 uses enterprise funds to account for its Water and Sewer system, which is considered a major fund, for its Solid Waste functions, Lee Gilmer Airport, and Chattahoochee Golf Course.

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

  The City's proprietary fund financial statements are presented on pages 31-35.

- ***Fiduciary Funds*** **–** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Gainesville's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

  Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements.

  The City's fiduciary fund financial statements are presented on pages 36-37.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-106 of this report.

Other Supplementary Information

Following the basic financial statements is other supplementary information; this includes combining financial statements for non-major governmental, proprietary, and fiduciary funds. These funds are combined by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

Other Supplementary Information includes two schedules (pages 24 and 27), which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.

- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statement but are reported as deferred revenue on the fund statements.

- Internal service funds are reported as governmental activities on the government-wide statements but are reported as proprietary funds in the fund financial statements.

- Long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements, unless they are due and payable.

- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.

- Bond and note proceeds result in liabilities on the government-wide statements but are recorded as other financing sources on the governmental fund financial statements.

- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

- Transfers of capital assets between governmental activities and business-type activities are not recorded in the governmental fund financial statements.

Overview of the City's Financial Position and Operations

The City's overall financial position and operations for this fiscal year are summarized as follows based on the information included in the government-wide financial statements (see pages 19-21):

City of Gainesville
Statement of Net Position
Fiscal Years 2021 and 2020

(In millions of dollars)

	Governmental Activities		Business Type Activities		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Current assets	$ 77.1	$ 69.6	$ 156.0	$ 140.7	$ 233.1	$ 210.3
Capital assets	115.6	112.4	503.0	495.6	618.6	608.0
Total assets	192.7	182.0	659.0	636.3	851.7	818.3
Deferred Outflows of Resources	8.2	7.8	4.8	4.2	13.0	12.0
Current liabilities	15.7	9.7	34.4	27.1	50.1	36.8
Noncurrent liabilities	51.8	68.6	80.6	104.0	132.4	172.6
Total liabilities	67.5	78.3	115.0	131.1	182.5	209.4
Deferred Inflows of Resources	16.4	5.7	11.1	5.3	27.5	11.0
Net position:						
Net investment in capital assets	96.1	90.4	425.0	402.5	521.1	492.9
Restricted	27.7	24.2	81.6	75.0	109.3	99.2
Unrestricted	(6.7)	(8.8)	31.0	26.6	24.3	17.8
Total net position	$ 117.1	$ 105.8	$ 537.6	$ 504.1	$ 654.7	$ 609.9

Net position may serve over time as a useful indicator of a government's financial position. The City of Gainesville reported a $11.3 million increase in net position for governmental activities, while posting $33.5 million in positive growth for business-type activities. Overall, the City's net position rose $44.8 million to close the current fiscal year with a net position of $654.7 million. However, much of the net position is restricted as to the purpose for which it can be used or is invested in capital assets.

The largest portion of the City of Gainesville's net position (79.6%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt outstanding that was needed to construct or acquire the assets. The net investment in capital assets increased by $28.2 million from previous year totals, from $492.9 million to $521.1 million.

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

Restricted net position comprises the next largest component, constituting 16.7% of total net position. Restricted net position experienced a $10.01 million gain during the past year, jumping from $99.2 million to $109.3 million at the end of fiscal year 2021. Restricted net position represents amounts that are subject to limitation in the manner that funds may be spent; these constraints are imposed by external sources, enabling legislation, or constitutional provision.

The remaining balance (3.7%) represents unrestricted net position. The statement reveals a $24.3 million balance at the end of this fiscal year, an increase of $6.5 million from fiscal year 2020. A positive unrestricted net position from the City results from the City having currently available resources that are greater than long-term commitments.

Unrestricted net position for governmental activities increased by $2.1 million between fiscal years 2020 and 2021, decreasing the deficit balance from $8.8 million to $6.7 million. Business-type activities showed a $4.4 million growth in unrestricted net position. The total unrestricted net position is comprised of the business-type activities funds only, and it should be noted that these resources cannot be used to add to the net asset surplus in governmental activities. The City generally can only use the resources in business-type unrestricted net position to finance the ongoing operations of the business-type activities.

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

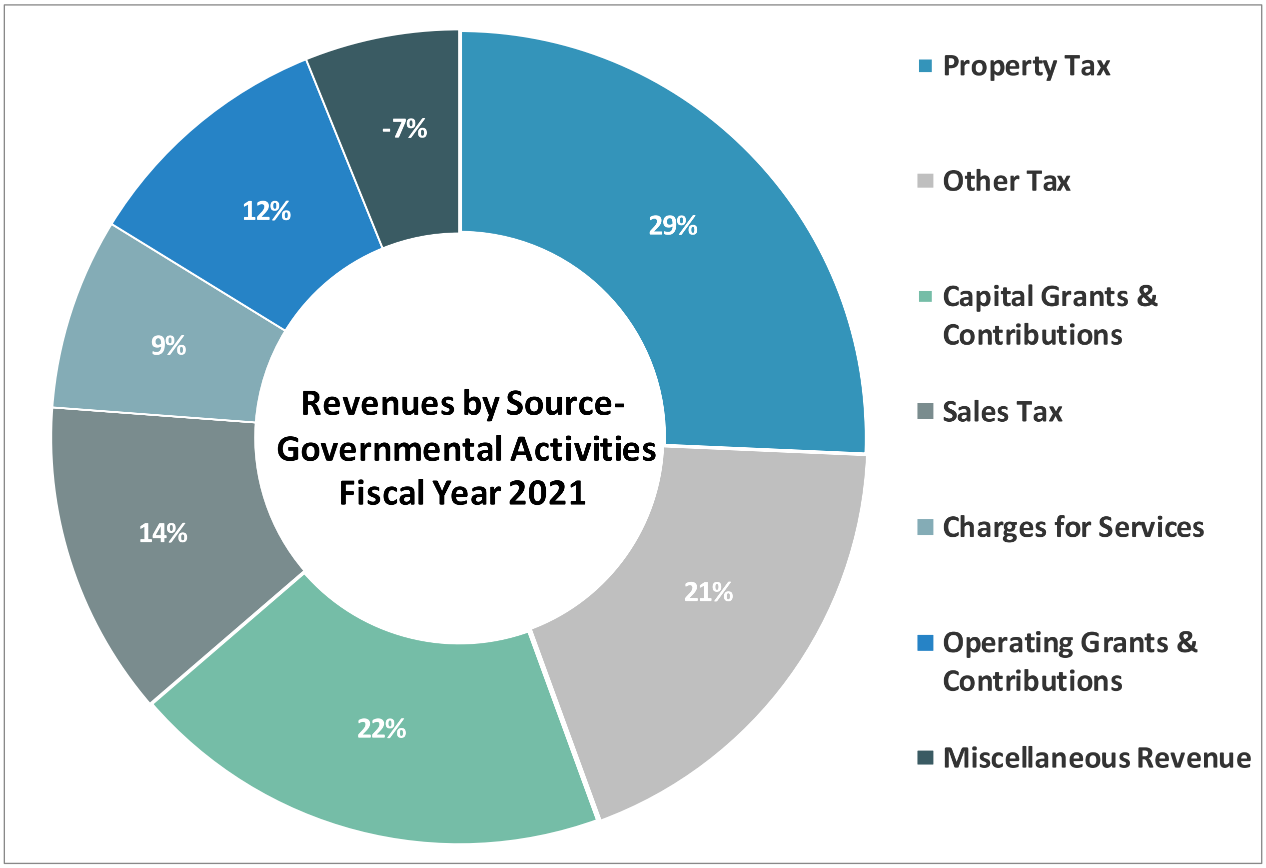
City of Gainesville
Changes in Net Position
Fiscal Years 2021 and 2020

(In millions of dollars)

	Governmental Activities		Business Type Activities		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Revenues						
Program revenues:						
Charges for services	$ 4.7	$ 3.8	$ 81.1	$ 79.0	$ 85.8	$ 82.8
Operating grants and contributions	6.2	3.3	0.4	-	6.6	3.3
Capital grants and contributions	11.8	8.1	13.1	10.5	24.9	18.6
General revenues:						
Property taxes	15.8	14.3	-	-	15.8	14.3
Sales tax	7.7	6.9	-	-	7.7	6.9
Other taxes	11.5	11.1	-	-	11.5	11.1
Miscellaneous revenue	(3.9)	1.7	2.2	3.7	(1.7)	5.4
Total revenues	53.8	49.2	96.8	93.2	150.6	142.4
Expenses						
General government	7.6	7.1	-	-	7.6	7.1
Judicial	0.6	0.6	-	-	0.6	0.6
Public safety	17.7	20.3	-	-	17.7	20.3
Public works	9.7	8.0	-	-	9.7	8.0
Health and welfare	3.1	2.6	-	-	3.1	2.6
Culture and recreation	2.0	3.6	-	-	2.0	3.6
Housing and development	4.3	4.1	-	-	4.3	4.1
Interest on long-term debt	0.6	0.7	-	-	0.6	0.7
Water and sewer	-	-	55.2	54.0	55.2	54.0
Airport	-	-	0.9	1.1	0.9	1.1
Solid waste	-	-	2.8	2.9	2.8	2.9
Golf course	-	-	1.3	1.4	1.3	1.4
Total expenses	45.6	47.0	60.2	59.4	105.8	106.4
Indirect Cost Allocation	1.6	1.6	(1.6)	(1.6)	-	-
Increase in net position before transfers	9.8	3.7	35.0	32.2	44.8	35.9
Transfers	1.5	3.2	(1.5)	(3.2)	-	-
Increase in net position	11.3	6.9	33.5	29.0	44.8	35.9
Net position - beginning	105.8	98.9	504.1	475.1	609.9	574.0
Net position - ending	$ 117.1	$ 105.8	$ 537.6	$ 504.1	$ 654.7	$ 609.9

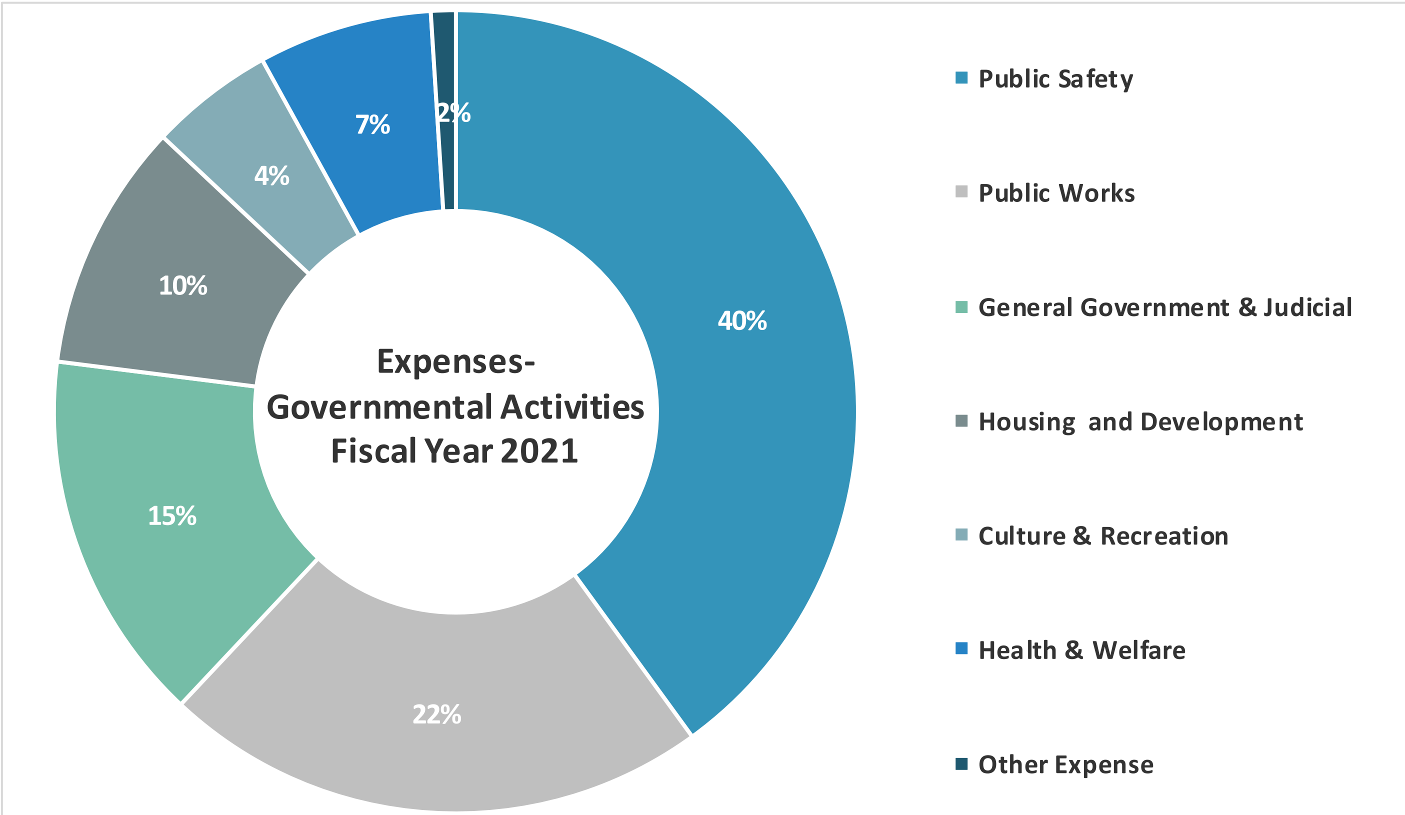
Governmental Activities

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



The revenue chart indicates that Property Tax collections were the largest source of revenue for governmental activities during the fiscal year 2021. Property Tax, which made up 29% of total revenue, surpassed fiscal year 2020 collections by $1.5 million. This increase is comprised of an $801,165 and $748,093 rise in both real and personal property tax collections and Title Ad Valorem (TAVT) tax. Capital Grants and Contributions, which garnered 22% of total collections, experienced a $3.7 million jump from fiscal year 2020 totals; this jump is due in part to the City receiving a $1.0 million transportation WeGo grant and a substantial increase in SPLOST receipts. Other tax, which includes franchise, insurance premium, hotel/motel, and occupational tax, represented 21% of governmental activities revenue. Other tax totals specify a $359,581 upsurge when compared with fiscal year 2020, due in part to increases of $141,698 and $103,869 in insurance premium and hotel/motel tax collections respectively. Sales tax revenues increased by $823,122 and made up 14% of total revenue. This increase resulted from an $818,543 surge in local option sales tax collections. Operating Grants and Contributions generated 12% of total revenue, exceeding fiscal year 2020 by $2.9 million. This upturn is due mainly to the CARES Act funding that was received in fiscal year 2021, including a $1.9 million Coronavirus Relief Fund Grant and the $730,702 American Rescue Plan Act Grant. Charges for Services, which constituted 9% of all revenue, showed an $814,843 upswing from previous year collections. This can be attributed primarily to a $279,689 surge in impact fees, a $172,617 growth in Municipal Court Fines, and a $160,961 increase in building permits. Miscellaneous revenue represents -0.7%, or -$3.9 million, due to the $4.9 million loss on the sale of property at 100 Jesse Jewell Parkway.

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



The expense chart illustrates that 40% of total governmental activities expense for the City of Gainesville during fiscal year 2021 was in payment of Public Safety services, such as fire and police protection, followed by Public Works, which constituted 22% of total costs. Overall, costs were down $1.4 million when compared to fiscal year 2020. Public Safety expenses are down $2.6 million from fiscal year 2020 totals, due to a significant increase in investment income on Plan A investments, resulting in a decrease to total Plan A net pension liability and expense. Public Works costs are up $1.7 million from the previous year, due predominantly to a $1.2 million increase in street maintenance. General Government and Judicial expenses, which make up 15% of total outlay, show a $412,934 incline from the previous year due to increased repair and maintenance costs as well as purchased services. Housing and Development, which made up 10% of total expenses; increased $101,758 from fiscal year 2020, due in part to cost associated with the Davis Street Cottages construction project. Culture and Recreation, which encompassed 4% of total expenses, showed a $1.6 million decrease in costs from the previous year after completion construction of the new Skate Park.

Business-type Activities

Business-type activities increased the City of Gainesville's net position by $33.4 million, expanding total net position to $537.5 million. Key elements involving business-type activities are as follows:

- Total revenue for business-type activities increased, when compared with fiscal year 2020 totals; Department of Water Resources proceeds increased by $2.2 million, while Golf revenue showed a $137,155 decrease from fiscal year 2020 collections.

- Capital Grant and Contribution revenues increased by $2.6 million over fiscal year 2020 totals, primarily due to a $2.9 million upsurge in Department of Water Resources capital contributions, offset by a $313,383 reduction in Airport Intergovernmental Revenues. Fiscal year 2020 Airport Intergovernmental Revenues were related to Airport Terminal Building improvements.

- Overall expenses for business-type activities were up $912,052, primarily from a $1.2 million increase in Department of Water Resource expenses. This upswing was due to increased landfill charges, upgraded water treatment processes, and increased supply cost due to widespread material shortages. Airport and Chattahoochee Golf Course showed decreases of $213,207 and $57,306 respectively.

Financial Analysis of the City's Funds

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

Governmental Funds – The focus of the City of Gainesville's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the City completed this year, its governmental funds reported a combined ending fund balance of $62.4 million. Of this amount, $14.4 million or 23.1% constitutes unassigned fund balance, meaning that no constraints have been placed on how this money may be spent. The General Fund is the only governmental fund that can have positive unassigned fund balance. The remainder of fund balance is either nonspendable, restricted by a third party, committed to be spent in a specified matter by formal resolution, or assigned for a specific purpose, including the 2022 budget.

The **General Fund** is the chief operating fund of the City. Again, at the end of the current fiscal year, the unassigned fund balance of the General Fund was $14.4 million, while total fund balance reached $18.6 million. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 60.7% of total General Fund expenditures, while total fund balance represents 78.2% of that same amount. Of the $18.6 million total fund balance for the general fund, $4.1 million is assigned and is comprised predominantly of $4.0 million which is assigned for budget.

The General Fund's fund balance increased by $1.8 million during the current fiscal year. This was due to better than projected revenue proceeds, combined with maintaining costs below budget. Other key factors regarding fiscal year 2021 activity are as follows:

Total tax revenue exceeded the budget by $7.3 million; $3.9 million of this increase was due to better than anticipated Local Option Sales tax receipts. Motor Vehicle/TAVT tax revenues exceeded budget by $1.2 million, followed by $582,287 and $544,872 increases in Insurance Premium and Alcoholic Beverage tax respectively. Fines, Fees and Forfeiture revenues also exceeded budget by $493,662, while Licenses and Permits increased by $594,007. Investment income revenue totals show a decline of $302,336 reflecting the current trend of interest rates. Expenditures came in under budget by $968,148; personal services accounted for $483,922 of this cost reduction, attributable to savings due to unfilled positions. Public Works expense was $420,648 less than budget; $283,489 of this savings was in personal services costs, again, due to unfilled positions.

Transfers to the General Fund totaled $3.4 million, with majority originating from Department of Water Resources for General Fund operations. Transfers out of the General Fund totaled $10.2 million; $2.9 million was transferred to General Government Capital Projects for various projects as needed; $2.9 million was transferred to the SPLOST Capital Project fund which included $2.7 million for the Parking Deck construction, $100,000 for the Sidewalk Program and $75,000 for the Intelligent Transportation System. $2.3 million was moved to the Fire Services fund in relation to Insurance Premium tax collected; $1.3 million was relocated to the Chattahoochee Golf Course and $761,163 was transmitted to the Community Service Center (CSC), providing aid with CSC operating costs.

The **Fire Services Fund** has a $1.3 million fund balance at fiscal year-end, all of which is assigned for Public Safety. Total revenues came to $7.0 million mostly stemming from property and motor vehicle tax collections. Among the fund's $8.6 million in expenditures, $7.4 million was paid out in personal services expense. As mentioned previously, the Fire Services Fund received $2.3 million in transfers from the General Fund related to Insurance Premium Tax. Transfers out of $147,000 were recorded to the General Government Capital Project fund for the Fleet Replacement project.

The **Economic Development Fund** has a $1.1 million fund balance at fiscal year-end, all of which is assigned for Housing and Development. Investment Income showed a decrease of $4.9 million due to the loss from the sale of the 110 Jesse Jewell Parkway property. Expenditures totaled $135,345, of which $98,118 went toward professional services, including the $40,000 payment toward the FY21 Brenau Business Incubator.

Special Purpose Local Option Sales Tax Capital Projects (SPLOST) Fund has a $22.9 million fund balance at fiscal year-end. Of this fund balance, $8.8 million is restricted for Public Works projects; of which $2.7 million is allocated to the New Parking Deck project, along with the Transportation Plan Implementation, Storm- water Rehabilitation Program and In-House Paving projects. Another $8.8 million is restricted for Culture and Recreation projects; of which $6.6 million is set aside for the Youth Sports Complex Center, and $1.8 million is for the Midtown Greenway Project. The $608,694 restricted for Public Safety has been allocated for the purchase of two Fleet Replacement Pumpers, while the $79,369 assigned is set aside for the relocation of Fire Station #2. The $4.6 million balance assigned for Public Works includes $4.2 million for the new Parking Deck project, $280,005 for Roadway Patching projects, along with $83,783 allocated for the ITS Communication project. Among the fund's $7.6 million in expenditures was $2.1 million paid toward the new Parking Deck Design, $1.3 million for the Fire Station #2 relocation, $1.2 million for Civic Center Renovations, and $522,073 for the ITS Communications project. The largest source of revenue for the SPLOST Fund was $9.3 million collected from the SPLOST tax revenues. Of the $4.9 million transfers in, $2.9 million was transferred from the General Fund, providing $2.7 million funding for the Parking Deck, as well as $100,000 of additional funding for the Sidewalk Program and $75,000 for the Intelligent Transportation System.

General Fund Budget Highlights

The original budget for the General Fund was amended by various appropriations approved after the beginning of the fiscal year. In addition, Council approved several adjustments to prevent budget overages. The following highlights the differences between the original and the final budget amount:

- Increased Transfer to SPLOST Capital Projects by $2.9 million for funding of the North Parking Deck.

- Increased Transfer to Chattahoochee Golf Course by $1.0 million for assistance with the Golf Course Renovations.

- Transfer to General Government Capital Projects was increased by $1.7 million; $804,624 was associated with the corridor improvements on Park Hill Drive and access upgrades to the City Campus, while another $906,961 allocation was recorded for the City Administration Building HVAC improvements and network advancements.

- Increased budgeted fund balance to cover fiscal year 2021 reappropriations.

- Increased/decreased various expenditure budgets for adjustments as needed.

General Fund expenditures for fiscal year 2021 were $23.7 million, 96.1% of the final amended budget. There were no net overexpenditures by General Fund departments. Total actual expenditures in the General Fund were lower than the final amended budget total by $968,148. Personal services costs came under the final budget by $483,922.

Total actual revenues exceeded the final amended budget by a total of $10.1 million; this is due mainly to tax collections that were $7.3 million above projections.

Enterprise Funds

The City of Gainesville's enterprise funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the City's four enterprise funds, prior to the adjustment to reflect the consolidation of internal service fund activities related to enterprise funds, totaled as follows:

▪ Department of Water Resources	$27,345,257
▪ Nonmajor Funds (Airport, Solid Waste, Golf Course)	3,096,107
Total	$30,441,364

Prior to the consolidation adjustment of internal service fund activity, the total increase in combined net position indicated growth of $34.1 million, with net investment in capital assets increasing by $22.6 million. Overall, unrestricted net position for all four enterprise funds showed a $5.2 million increase from fiscal year 2020.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Capital Assets and Debt Administration

Capital Assets – The City of Gainesville has invested $618.5 million in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, buildings, and machinery and equipment. Approximately 81.3% of this investment is related to business-type activities while only 18.7% relates to governmental activities.

Capital assets held by the City at the end of the current fiscal year are summarized as follows:

City of Gainesville
Capital Assets (net of accumulated depreciation)
Fiscal Years 2021 and 2020

	Governmental Activities		Business Type Activities		Total	
	(In millions of dollars)					
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Land and easements	$ 27.8	$ 27.5	35.9	$ 34.9	$ 63.7	$ 62.4
Buildings	68.9	58.8	61.0	60.9	129.9	119.7
Improvements other than buildings	3.4	3.4	10.3	10.1	13.7	13.5
Vehicles and equipment	26.0	25.5	47.4	42.9	73.4	68.4
Infrastructure	42.0	41.9	589.3	581.3	631.3	623.2
Intangibles	3.1	3.1	6.7	6.1	9.8	9.2
Construction in progress	10.1	14.1	45.0	35.7	55.1	49.8
Total	181.3	174.3	795.6	771.9	976.9	946.2
Accumulated depreciation	(65.7)	(62.0)	(292.7)	(276.2)	(358.4)	(338.2)
Net Capital Assets	$ 115.6	$ 112.3	$ 502.9	$ 495.7	$ 618.5	$ 608.0

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

- Downtown Parking Deck Upgrade, $2.1 million
- Fire Station #2 Relocation, $1.3 million
- Administration Renovation, $1.2 million

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

- Hancock Facility Relocation, $5.1 million
- Spout Springs Road Utilities Relocation, $2.6 million
- Lift Station Improvements, $2.1 million
- Midtown Greenway Stormwater Improvements, $1.8 million

Additional information on the City of Gainesville's capital assets can be found in Note 9 on pages 68-70 of this report.

Long-term debt – At June 30, 2021, the City of Gainesville had $93.3 million in bonds, notes, and capital leases outstanding, net of unamortized bond premium and discount. This is a $17.5 million decline from last year's totals. The decrease in debt was due to payments made to reduce bonds, notes, and capital leases outstanding.

City of Gainesville
Outstanding Debt
Fiscal Years 2021 and 2020

(In millions of dollars)

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Capital Leases	$ 18.4	$ 20.5	$ 14.1	$ 15.6	$ 32.5	$ 36.1
Revenue Bonds	-	-	51.2	65.8	51.2	65.8
Notes Payable	-	-	1.8	-	1.8	-
Unamortized Bond Premium	-	-	7.8	8.9	7.8	8.9
Total	$ 18.4	$ 20.5	$ 74.9	$ 90.3	$ 93.3	$ 110.8

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 $571.0 million and the City has no general obligation debt outstanding.

Additional information on the City's long-term debt can be found in Notes 10, 11, 12, and 13 on pages 73-80 of this report.

Economic Condition and Outlook

- According to the 2020 Census, the population for Gainesville is 42,296. This is a 25.1% uptick from the 2010 census count of 33,804.

- Gainesville adopted a 3.656 tax millage rate for fiscal year 2022. In addition, a 1.00 mill Gainesville COVID Relief Credit was extended to City residents in fiscal year 2022. The gross property tax digest for the City of Gainesville rose from $6.1 billion for fiscal year 2021 to $6.4 billion for fiscal year 2022, which computes to a 4.9% increase in the tax base.

- Local Option Sales Tax collections, along with other fees, are tracking ahead of budget at the end of the first quarter of fiscal year 2022. Departments are spending conservatively and continue to monitor their 2022 budgeted costs closely.

The factors discussed in this analysis were among the many factors taken into consideration when preparing the 2022 budget. Of the $18.6 million fund balance in the General Fund, $4.0 million has been appropriated for spending in the 2022 fiscal budget.

Contacting the City's Financial Services Group

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

GAINESVILLE

BASIC FINANCIAL STATEMENTS

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government			
	Governmental Activities	**Business-type Activities**	**Total**	**Component Units**
ASSETS				
Current assets				
Cash and cash equivalents	$ 50,126,115	$ 31,482,640	$ 81,608,755	$ 3,103,228
Investments	31,028,336	20,661,931	51,690,267	2,143,152
Restricted assets				
Cash and cash equivalents	0	57,038,249	57,038,249	228,423
Investments	0	28,012,275	28,012,275	0
Receivables (net)				
Accounts	478,113	4,644,642	5,122,755	19,042
Intergovernmental	4,184,893	1,755,848	5,940,741	0
Taxes	1,641,530	0	1,641,530	68,849
Notes	102,420	0	102,420	0
Other	0	13	13	0
Internal balances	(10,611,284)	10,611,284	0	0
Inventories	126,438	1,790,335	1,916,773	0
Prepaid items	7,942	945	8,887	0
Other	77,450	0	77,450	0
Total current assets	77,161,953	155,998,162	233,160,115	5,562,694
Noncurrent assets				
Notes receivable	91,215	0	91,215	0
Capital assets				
Non-depreciable	38,033,739	80,967,383	119,001,122	6,823,994
Depreciable (net)	77,475,255	422,009,247	499,484,502	7,928,071
Total noncurrent assets	115,600,209	502,976,630	618,576,839	14,752,065
Total assets	192,762,162	658,974,792	851,736,954	20,314,759
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	0	44,453	44,453	0
Deferred outflows related to pensions	4,361,236	2,119,699	6,480,935	660,737
Deferred outflows related to other post employment benefits	3,873,282	2,608,711	6,481,993	502,039
Total deferred outflows of resources	8,234,518	4,772,863	13,007,381	1,162,776
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,780,600	2,085,559	3,866,159	248,268
Retainages	171,602	91,111	262,713	0
Intergovernmental	78,535	1,276,163	1,354,698	5,429
Sales tax	0	1,608	1,608	11,690
Deposits	154,202	4,036	158,238	0
Interest	98,868	4,703	103,571	0
Accrued salaries	981,972	614,389	1,596,361	165,251
Unearned revenue	5,130,542	5,540,210	10,670,752	2,455
Compensated absences	1,494,390	818,851	2,313,241	134,450
Claims reserve	1,996,984	0	1,996,984	0
Capital lease payable	3,611,927	1,536,588	5,148,515	0
Other liabilities	138,045	49,435	187,480	14,631
Liabilities payable from restricted assets				
Payables				
Accounts	0	2,720,767	2,720,767	0
Retainages	0	1,133,450	1,133,450	0
Customer deposits	0	2,241,146	2,241,146	0
Interest	0	279,957	279,957	0
Bonds payable	0	16,013,739	16,013,739	0
Total current liabilities	15,637,667	34,411,712	50,049,379	582,174

See accompanying notes to the financial statements.

Exhibit A-1, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government			
	Governmental Activities	**Business-type Activities**	**Total**	**Component Units**
Noncurrent liabilities				
Compensated absences	$ 166,043	$ 90,985	$ 257,028	$ 14,938
Net pension liability	17,859,160	10,426,265	28,285,425	801,303
Net OPEB liability	19,026,177	12,841,831	31,868,008	2,177,159
Capital lease payable	14,792,338	12,519,292	27,311,630	0
Notes payable	0	1,766,224	1,766,224	0
Bonds payable	0	42,969,411	42,969,411	0
Total noncurrent liabilities	51,843,718	80,614,008	132,457,726	2,993,400
Total liabilities	67,481,385	115,025,720	182,507,105	3,575,574
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	12,947,528	8,734,874	21,682,402	438,636
Deferred inflows related to other post employment benefits	3,477,649	2,408,502	5,886,151	340,385
Total deferred inflows of resources	16,425,177	11,143,376	27,568,553	779,021
NET POSITION				
Net investment in capital assets	96,131,153	425,024,543	521,155,696	14,752,065
Restricted for:				
Public Safety	1,316,914	0	1,316,914	0
Public Works	19,150	0	19,150	0
Health and Welfare	1,315,919	0	1,315,919	0
Culture and Recreation	890,367	0	890,367	130,255
Housing and Development	1,364,018	0	1,364,018	0
Debt Service	2,154,444	8,784,383	10,938,827	0
Capital Outlay	20,671,717	72,734,607	93,406,324	22,005
Unrestricted	(6,773,564)	31,035,026	24,261,462	2,218,615
Total net position	$ 117,090,118	$ 537,578,559	$ 654,668,677	$ 17,122,940

See accompanying notes to the financial statements.

GAINESVILLE

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2021

			Program Revenues			
	Expenses	Indirect Costs	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
FUNCTIONS/PROGRAMS						
Primary government						
Governmental activities						
General Government	$ 7,647,641	$ (1,646,319)	$ 867,964	$ 40,947	$ 0	$ (5,092,411)
Judicial	556,743	0	0	0	0	(556,743)
Public Safety	17,735,745	0	1,437,516	2,279,728	0	(14,018,501)
Public Works	9,727,865	0	324,790	115,126	9,630,626	342,677
Health and Welfare	3,137,292	0	29,568	2,535,869	1,429,999	858,144
Culture and Recreation	1,957,824	0	0	156,862	317,678	(1,483,284)
Housing and Development	4,264,670	0	2,000,571	1,080,857	455,167	(728,075)
Interest on long-term debt	589,483	0	0	0	0	(589,483)
Total governmental activities	45,617,263	(1,646,319)	4,660,409	6,209,389	11,833,470	(21,267,676)
Business-type activities						
Department of Water Resources	55,179,212	1,290,306	76,119,056	0	13,047,753	32,697,291
Airport	890,229	209,561	1,045,854	69,000	0	15,064
Solid Waste	2,866,847	146,452	2,972,679	341,880	0	301,260
Golf Course	1,330,107	0	1,007,306	0	0	(322,801)
Total business-type activities	60,266,395	1,646,319	81,144,895	410,880	13,047,753	32,690,814
Total primary government	105,883,658	0	85,805,304	6,620,269	24,881,223	11,423,138
Component Units						
Communication and Tourism						
Housing and Development	1,450,097	0	65,707	0	297,088	(1,087,302)
Parks and Recreation						
Culture and Recreation	5,628,570	0	1,335,655	1,462,641	200,000	(2,630,274)
Land Bank						
Housing and Development	0	0	0	0	0	0
Total Component Units	7,078,667	0	1,401,362	1,462,641	497,088	(3,717,576)

	Governmental Activities	Business-Type Activities	Total	Component Units
Change in net position				
Net (expense) revenue	$ (21,267,676)	$ 32,690,814	$ 11,423,138	$ (3,717,576)
General revenues				
Taxes				
Property	15,778,590	0	15,778,590	4,194,167
Intangibles	345,278	0	345,278	0
Franchise	4,382,992	0	4,382,992	0
Occupational	1,461,195	0	1,461,195	0
Insurance premium	2,733,401	0	2,733,401	0
Alcoholic beverages	1,299,136	0	1,299,136	0
Hotel/Motel	1,295,305	0	1,295,305	0
Local option sales	7,670,332	0	7,670,332	0
Investment	(4,382,463)	1,948,286	(2,434,177)	39,582
Payments from City of Gainesville	0	0	0	850,815
Gain on sale of assets	194,590	81,498	276,088	0
Miscellaneous	283,639	197,731	481,370	87,228
Transfers	1,500,423	(1,500,423)	0	0
Total general revenues and transfers	32,562,418	727,092	33,289,510	5,171,792
Change in net position	11,294,742	33,417,906	44,712,648	1,454,216
Net position - beginning	105,795,376	504,160,653	609,956,029	15,668,724
Net position - ending	$ 117,090,118	$ 537,578,559	$ 654,668,677	$ 17,122,940

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General	Fire	Economic Development
ASSETS			
Cash and cash equivalents	$ 10,911,267	$ 1,032,733	$ 6,564,355
Investments	6,629,338	632,866	4,553,899
Receivables (net)			
Accounts	146,008	130	0
Intergovernmental	13,484	0	0
Taxes	1,349,348	103,336	0
Notes	0	0	0
Prepaid items	1,491	0	0
Due from other funds	683,391	0	0
Inventory	0	0	0
Total assets	$ 19,734,327	$ 1,769,065	$ 11,118,254
LIABILITIES			
Payables			
Accounts	$ 293,674	$ 73,705	$ 659
Retainages	0	0	0
Intergovernmental	74,886	3,649	0
Accrued salaries	641,423	264,822	0
Unearned revenue	2,073	0	0
Due to other funds	0	0	10,017,622
Due to others	86,989	0	0
Total liabilities	1,099,045	342,176	10,018,281
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue -			
Taxes	72,875	99,216	0
Notes receivable	0	0	0
Total deferred inflows of resources	72,875	99,216	0
FUND BALANCES			
Nonspendable	1,491	0	0
Restricted	0	0	0
Committed	7,388	0	0
Assigned	4,140,909	1,327,673	1,099,973
Unassigned	14,412,619	0	0
Total fund balances	18,562,407	1,327,673	1,099,973
Total liabilities, deferred inflows of resources, and fund balances	$ 19,734,327	$ 1,769,065	$ 11,118,254

See accompanying notes to the financial statements.

SPLOST	Nonmajor Governmental Funds	Totals
$ 13,924,403	$ 13,478,000	$ 45,910,758
8,503,762	8,133,333	28,453,198
0	291,125	437,263
1,438,342	2,724,681	4,176,507
0	188,846	1,641,530
0	193,635	193,635
0	6,451	7,942
0	1,500,472	2,183,863
0	29,825	29,825
$ 23,866,507	$ 26,546,368	$ 83,034,521
$ 758,207	$ 380,508	$ 1,506,753
165,500	6,102	171,602
0	0	78,535
1,001	59,852	967,098
0	5,128,469	5,130,542
0	2,183,862	12,201,484
0	51,057	138,046
924,708	7,809,850	20,194,060
0	46,483	218,574
0	193,635	193,635
0	240,118	412,209
0	36,276	37,767
18,230,984	9,261,427	27,492,411
0	533,489	540,877
4,710,815	8,665,208	19,944,578
0	0	14,412,619
22,941,799	18,496,400	62,428,252
$ 23,866,507	$ 26,546,368	$ 83,034,521

See accompanying notes to the financial statements.

GAINESVILLE

CITY OF GAINESVILLE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2021

Total fund balance - total governmental funds		$ 62,428,252
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		115,508,994
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	$ 218,574	
Notes receivable	193,635	412,209
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are:		
Capital leases	$ (18,404,265)	
Interest payable	(98,868)	
Compensated absences	(1,660,433)	
Net pension liability	(17,859,160)	
Net OPEB obligation	(19,026,177)	(57,048,903)
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	$ 4,361,236	
Deferred outflows related to other post-employment benefits	3,873,282	
Deferred inflows of resources:		
Deferred inflows related to pensions	(12,947,528)	
Deferred inflows related to other post-employment benefits	(3,477,649)	(8,190,659)
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	$ 4,632,666	
Less internal balance resulting from allocation of internal service fund activities allocated to business-type activities	(593,662)	
Less capital assets included above	(86,191)	
Add compensated absences included above	27,412	3,980,225
Net position of governmental activities		$ 117,090,118

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2021

	General	Fire	Economic Development
REVENUES			
Taxes	$ 23,963,040	$ 6,960,742	$ 0
Licenses and permits	1,141,400	0	0
Fines, fees and forfeitures	1,244,214	0	0
Charges for services	3,023,537	0	0
Intergovernmental	2,274,450	0	0
Investment	314,070	12,873	(4,854,797)
Contributions	1,000	0	0
Other	212,262	0	0
Total revenues	32,173,973	6,973,615	(4,854,797)
EXPENDITURES			
Current			
General Government	5,586,398	0	0
Judicial	599,394	0	0
Public Safety	10,011,333	8,636,520	0
Public Works	5,198,260	0	0
Health and Welfare	12,500	0	0
Culture and Recreation	346,350	0	0
Housing and Development	1,992,565	0	135,345
Debt service			
Principal	0	0	0
Interest and other charges	0	0	0
Capital outlay	0	0	0
Total expenditures	23,746,800	8,636,520	135,345
Excess (deficiency) of revenues over (under) expenditures	8,427,173	(1,662,905)	(4,990,142)
Other financing sources (uses)			
Transfers in	3,404,815	2,303,304	0
Transfers out	(10,214,544)	(147,000)	0
Issuance of capital leases	0	0	0
Sales of capital assets	151,737	21,000	0
Total other financing sources (uses)	(6,657,992)	2,177,304	0
Net changes in fund balances	1,769,181	514,399	(4,990,142)
Fund balances, July 1	16,793,226	813,274	6,090,115
Fund balances, June 30	$ 18,562,407	$ 1,327,673	$ 1,099,973

SPLOST	Nonmajor Governmental Funds	Totals
$ 0	$ 4,302,094	$ 35,225,876
0	0	1,141,400
0	193,301	1,437,515
0	2,050,062	5,073,599
9,258,235	6,288,979	17,821,664
0	81,157	(4,446,697)
0	149,031	150,031
0	71,377	283,639
9,258,235	13,136,001	56,687,027
0	6,298	5,592,696
0	0	599,394
0	280,420	18,928,273
0	114,280	5,312,540
0	4,424,577	4,437,077
0	156,864	503,214
0	2,111,665	4,239,575
0	2,739,322	2,739,322
0	603,648	603,648
7,611,685	4,053,127	11,664,812
7,611,685	14,490,201	54,620,551
1,646,550	(1,354,200)	2,066,476
4,999,382	4,634,509	15,342,010
(50,000)	(3,463,359)	(13,874,903)
0	606,886	606,886
0	61,160	233,897
4,949,382	1,839,196	2,307,890
6,595,932	484,996	4,374,366
16,345,867	18,011,404	58,053,886
$ 22,941,799	$ 18,496,400	$ 62,428,252

See accompanying notes to the financial statements.

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, 2021

Net change in fund balances - total governmental funds		$	4,374,366
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	$ 8,622,661		
Depreciation	(5,495,056)		3,127,605
In the statement of activities, the loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources.			
Cost of assets disposed	$ (1,923,927)		
Related accumulated depreciation	1,810,101		(113,826)
Contributions of capital assets increase net position in the statement of activites, but do not appear in the governmental funds because they are not financial resources.			
Cost of assets	$ 196,820		
Related accumulated depreciation	(70,562)		126,258
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.			(653,007)
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	$ 2,746,826		
Debt proceeds	(606,886)		
Net change in interest payable	14,165		2,154,105
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.			
Pension contributions	$ 2,376,081		
Cost of benefits earned net of employee contributions	(18,200)		2,357,881
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	$ 775,639		
Cost of benefits earned net of employee contributions	(138,962)		636,677
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			272,412
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	$ (1,685,698)		
Add depreciation expense included above	36,549		
Add change in compensated absences included above	(5,733)		
Add consolidation of internal service fund activities allocated to business-type activities	667,153		(987,729)
Change in net position of governmental activities		$	11,294,742

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2021

	Budget			Variance with Final Budget
	Original	**Final**	**Actual**	
REVENUES				
Taxes	$ 16,699,398	$ 16,699,398	$ 23,963,040	$ 7,263,642
Licenses and permits	547,393	547,393	1,141,400	594,007
Fines, fees and forfeitures	750,552	750,552	1,244,214	493,662
Charges for services	2,925,220	2,925,220	3,023,537	98,317
Intergovernmental	383,286	383,286	2,274,450	1,891,164
Investment	616,406	616,406	314,070	(302,336)
Contributions	0	0	1,000	1,000
Other	194,383	194,383	212,262	17,879
Total revenues	22,116,638	22,116,638	32,173,973	10,057,335
EXPENDITURES				
Current				
General Government				
Mayor and Council	394,332	398,932	318,248	80,684
City Manager's Office	931,889	958,239	894,816	63,423
Finance	1,350,693	1,350,693	1,327,711	22,982
Information Technologies	1,146,003	1,460,894	1,430,729	30,165
Human Resources	839,080	846,580	821,921	24,659
Public Lands and Buildings	922,090	966,790	792,973	173,817
Judicial				
Municipal Court	613,316	625,316	599,394	25,922
Public Safety				
Police	10,063,602	10,112,302	10,011,333	100,969
Public Works				
Engineering	1,057,233	1,114,734	1,025,895	88,839
Traffic	1,480,257	1,524,857	1,503,973	20,884
Street Maintenance	1,920,457	1,890,807	1,685,249	205,558
Storm Water	442,185	442,185	359,394	82,791
Cemetery	646,325	646,325	623,749	22,576
Health and Welfare				
Payments to other agencies	15,000	15,000	12,500	2,500
Culture and Recreation				
Payments to other agencies	0	346,350	346,350	0
Housing and Development				
Planning	758,901	825,821	819,601	6,220
Inspection	438,626	436,626	420,459	16,167
Code Enforcement	484,199	492,727	490,275	2,452
Payments to other agencies	237,720	259,770	262,230	(2,460)
Total expenditures	23,741,908	24,714,948	23,746,800	968,148
Excess (deficiency) of revenues over (under) expenditures	(1,625,270)	(2,598,310)	8,427,173	11,025,483
Other financing sources (uses)				
Transfers in (out)				
Transfers in	3,390,968	3,390,968	3,404,815	13,847
Transfers out	(4,459,596)	(10,231,762)	(10,214,544)	17,218
Contingency	(617,000)	(617,000)	0	617,000
Sales of capital assets	55,000	55,000	151,737	96,737
Total other financing sources (uses)	(1,630,628)	(7,402,794)	(6,657,992)	744,802
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,255,898)	(10,001,104)	1,769,181	11,770,285
Fund balances, July 1	3,255,898	10,001,104	16,793,226	6,792,122
Fund balances, June 30	$ 0	$ 0	$ 18,562,407	$ 18,562,407

See accompanying notes to the financial statements.

Exhibit A-7

CITY OF GAINESVILLE, GEORGIA
FIRE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2021

	Budget			Variance with Final Budget
	Original	**Final**	**Actual**	
REVENUES				
Property taxes	$ 6,734,955	$ 6,734,955	$ 6,917,076	$ 182,121
Motor vehicle	49,118	49,118	43,666	(5,452)
Investment	18,026	18,026	12,873	(5,153)
Total revenues	6,802,099	6,802,099	6,973,615	171,516
EXPENDITURES				
Current				
Public Safety				
Personal Services	7,609,635	7,609,635	7,436,512	173,123
Other	1,332,368	1,369,768	1,200,008	169,760
Total expenditures	8,942,003	8,979,403	8,636,520	342,883
Excess (deficiency) of revenues over (under) expenditures	(2,139,904)	(2,177,304)	(1,662,905)	514,399
Other financing sources (uses)				
Transfers in (out)				
Transfers in	2,249,904	2,303,304	2,303,304	0
Transfers out	(110,000)	(147,000)	(147,000)	0
Sales of capital assets	0	21,000	21,000	0
Total other financing sources (uses)	2,139,904	2,177,304	2,177,304	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	514,399	514,399
Fund balances, July 1	0	0	813,274	813,274
Fund balances, June 30	$ 0	$ 0	$ 1,327,673	$ 1,327,673

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2021

	Budget Original	Budget Final	Actual	Variance with Final Budget
REVENUES				
Investment	$ 43,000	$ 71,000	$ (4,854,797)	$ (4,925,797)
EXPENDITURES				
Current				
Housing and Development				
Other	108,000	136,000	135,345	655
Excess (deficiency) of revenues over (under) expenditures	(65,000)	(65,000)	(4,990,142)	(4,925,142)
Fund balances, July 1	65,000	65,000	6,090,115	6,025,115
Fund balances, June 30	$ 0	$ 0	$ 1,099,973	$ 1,099,973

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
ASSETS				
Current assets				
Cash and cash equivalents	$ 28,159,357	$ 3,323,283	$ 31,482,640	$ 4,215,357
Investments	18,626,410	2,035,521	20,661,931	2,575,138
Restricted assets				
Cash and cash equivalents	57,038,249	0	57,038,249	0
Investments	28,012,275	0	28,012,275	0
Receivables (net)				
Accounts	4,444,559	200,083	4,644,642	40,850
Intergovernmental	1,746,698	9,150	1,755,848	8,386
Other	13	0	13	0
Due from other funds	10,017,622	0	10,017,622	0
Inventories	1,790,335	0	1,790,335	96,613
Prepaid items	945	0	945	0
Other assets	0	0	0	77,450
Total current assets	149,836,463	5,568,037	155,404,500	7,013,794
Noncurrent assets				
Capital assets				
Non-depreciable	78,378,344	2,589,039	80,967,383	0
Depreciable (net)	410,536,735	11,472,512	422,009,247	86,191
Total noncurrent assets	488,915,079	14,061,551	502,976,630	86,191
Total assets	638,751,542	19,629,588	658,381,130	7,099,985
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	22,574	21,879	44,453	0
Deferred outflows related to pensions	1,923,845	195,854	2,119,699	0
Deferred outflows related to other post employment benefits	2,284,999	323,712	2,608,711	0
Total deferred outflow of resources	4,231,418	541,445	4,772,863	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,700,668	384,891	2,085,559	273,847
Intergovernmental	1,249,610	26,553	1,276,163	0
Deposits	0	4,036	4,036	154,202
Sales tax	0	1,608	1,608	0
Retainage	0	91,111	91,111	0
Interest	0	4,703	4,703	0
Unearned revenue	5,540,210	0	5,540,210	0
Accrued salaries	540,776	73,613	614,389	14,874
Compensated absences	717,314	101,537	818,851	24,671
Claims reserve	0	0	0	1,996,984
Capital lease payable	1,261,588	275,000	1,536,588	0
Other liabilities	0	49,435	49,435	0
Liabilities payable from restricted assets:				
Payables				
Accounts	2,720,767	0	2,720,767	0
Retainages	1,133,450	0	1,133,450	0
Customer deposits	2,241,146	0	2,241,146	0
Interest	279,957	0	279,957	0
Revenue bonds payable	16,013,739	0	16,013,739	0
Total current liabilities	33,399,225	1,012,487	34,411,712	2,464,578

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Business-Type Activities			Governmental Activities
	Department of Water Resources	**Nonmajor Enterprise Funds**	**Totals**	**Internal Service**
Noncurrent liabilities				
Compensated absences	$ 79,702	$ 11,283	$ 90,985	$ 2,741
Net pension liability	9,958,868	467,397	10,426,265	0
Net OPEB liability	11,271,010	1,570,821	12,841,831	0
Capital leases payable	11,354,292	1,165,000	12,519,292	0
Notes payable	1,766,224	0	1,766,224	0
Revenue bonds payable	42,969,411	0	42,969,411	0
Total noncurrent liabilities	77,399,507	3,214,501	80,614,008	2,741
Total liabilities	110,798,732	4,226,988	115,025,720	2,467,319
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	8,471,767	263,107	8,734,874	0
Deferred inflows related to other post employment benefits	2,119,601	288,901	2,408,502	0
Total deferred inflows of resources	10,591,368	552,008	11,143,376	0
NET POSITION				
Net investment in capital assets	412,776,416	12,248,127	425,024,543	86,191
Restricted for:				
Capital outlay	72,686,804	47,803	72,734,607	0
Debt service	8,784,383	0	8,784,383	0
Unrestricted	27,345,257	3,096,107	30,441,364	4,546,475
Total net position	$ 521,592,860	$ 15,392,037	536,984,897	$ 4,632,666
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			593,662	
Net position of business-type activities			$ 537,578,559	

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2021

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
OPERATING REVENUES				
Charges for sales and services	$ 76,119,056	$ 5,025,839	$ 81,144,895	$ 0
Interfund services provided	0	0	0	12,688,416
Other	144,005	53,726	197,731	12,783
Total operating revenues	76,263,061	5,079,565	81,342,626	12,701,199
OPERATING EXPENSES				
Costs of sales and services	24,465,086	2,093,668	26,558,754	14,028,480
Personal services	11,730,999	2,047,273	13,778,272	396,468
Depreciation	16,517,130	1,255,743	17,772,873	36,549
Total operating expenses	52,713,215	5,396,684	58,109,899	14,461,497
Operating income (loss)	23,549,846	(317,119)	23,232,727	(1,760,298)
Non-operating revenues (expenses)				
Investment revenue	1,910,906	37,380	1,948,286	60,840
Interest expense	(2,484,150)	(46,512)	(2,530,662)	0
Intergovernmental revenue	0	410,880	410,880	0
Debt issue costs	(605,000)	0	(605,000)	0
Distribution of capital asset to the Governmental Activities	(19,617)	0	(19,617)	0
Gain (loss) on sale of capital assets	(41,649)	123,147	81,498	60
Total non-operating revenues (expenses)	(1,239,510)	524,895	(714,615)	60,900
Income (loss) before capital contributions and transfers	22,310,336	207,776	22,518,112	(1,699,398)
Capital contributions				
Connection fees	6,243,545	0	6,243,545	0
Capital contributions	6,804,208	0	6,804,208	0
Total capital contributions	13,047,753	0	13,047,753	0
Income (loss) before transfers	35,358,089	207,776	35,565,865	(1,699,398)
Transfers in (out)				
Transfers in	780,702	1,279,082	2,059,784	13,700
Transfers out	(3,540,590)	0	(3,540,590)	0
Total transfers in (out)	(2,759,888)	1,279,082	(1,480,806)	13,700
Change in net position	32,598,201	1,486,858	34,085,059	(1,685,698)
Net position, July 1	488,994,659	13,905,179	502,899,838	6,318,364
Net position, June 30	$ 521,592,860	$ 15,392,037	$ 536,984,897	$ 4,632,666

Change in net position - enterprise funds	$ 34,085,059
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(667,153)
Change in net position - business-type activities	$ 33,417,906

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2021

	Business-Type Activities			Governmental Activities
	Department of Water Resources	Nonmajor Enterprise Funds	Totals	Internal Service
Cash flows from operating activities:				
Receipts from customers	$ 74,369,266	$ 5,093,262	$ 79,462,528	$ 0
Receipts from interfund services provided	0	0	0	12,651,492
Payments to suppliers	(22,655,424)	(2,417,100)	(25,072,524)	(14,085,651)
Payments to employees	(14,055,362)	(2,200,515)	(16,255,877)	(400,400)
Other receipts	144,006	37,026	181,032	12,783
Net cash provided (used) by operating activities	37,802,486	512,673	38,315,159	(1,821,776)
Cash flows from non-capital financing activities:				
Receipts from other funds	0	341,880	341,880	13,700
Payments to other funds	(3,540,590)	0	(3,540,590)	0
Net cash provided (used) by non-capital financing activities	(3,540,590)	341,880	(3,198,710)	13,700
Cash flows from capital and related financing activities:				
Connection fees	6,243,545	0	6,243,545	0
Receipts of capital contributions	5,462	0	5,462	0
Receipts from other governments	0	319,000	319,000	0
Receipts from other funds	780,702	1,279,082	2,059,784	0
Proceeds from sale of capital assets	142,792	130,330	273,122	60
Interest paid	(2,608,935)	(41,791)	(2,650,726)	0
Acquisition of capital assets	(14,903,489)	(1,660,023)	(16,563,512)	0
Payment of capital related accounts payable	(3,069,863)	0	(3,069,863)	0
Payment of debt issue costs	(605,000)	0	(605,000)	0
Proceeds from notes payable	1,766,224	0	1,766,224	0
Principal payments - bonds	(14,615,000)	0	(14,615,000)	0
Principal payments - capital leases	0	(265,000)	(265,000)	0
Net cash provided (used) by capital and related financing activities	(26,863,562)	(238,402)	(27,101,964)	60
Cash flows from investing activities:				
Receipts of investment revenue	6,546,130	37,380	6,583,510	60,840
Purchase of investments	(83,924,692)	(3,689,048)	(87,613,740)	(3,283,791)
Sale of investments	90,822,962	3,963,920	94,786,882	5,014,587
Net cash provided (used) by operating activities	13,444,400	312,252	13,756,652	1,791,636
Net increase (decrease) in cash and cash equivalents	20,842,734	928,403	21,771,137	(16,380)
Cash and cash equivalents, July 1	64,354,872	2,394,880	66,749,752	4,231,737
Cash and cash equivalents, June 30	$ 85,197,606	$ 3,323,283	$ 88,520,889	$ 4,215,357

See accompanying notes to the financial statements.

Exhibit A-12, continued

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2021

	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)	$ 23,549,846	$ (317,119)	$ 23,232,727	$ (1,760,298)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	16,517,130	1,255,743	17,772,873	36,549
(Increase) decrease in accounts receivable	46,197	60,050	106,247	(28,884)
(Increase) decrease in intergovernmental receivables	(1,774,307)	0	(1,774,307)	(8,040)
(Increase) decrease in inventory	70,012	0	70,012	(8,571)
(Increase) decrease in prepaid items	4,758	0	4,758	2,278
(Increase) decrease in other assets	0	0	0	43,215
(Increase) decrease in deferred outflows of resources	(441,699)	(124,239)	(565,938)	0
Increase (decrease) in accounts payable	1,408,967	(349,706)	1,059,261	134,883
Increase (decrease) in intergovernmental payables	325,925	26,553	352,478	0
Increase (decrease) in sales tax payable	0	(9,327)	(9,327)	0
Increase (decrease) in accrued salaries and benefits	(70,196)	(15,035)	(85,231)	(3,932)
Increase (decrease) in deposits payable	(21,680)	0	(21,680)	5,798
Increase (decrease) in claims reserve	0	0	0	(234,774)
Increase (decrease) in net pension liability	(9,015,375)	(286,258)	(9,301,633)	0
Increase (decrease) in deferred inflows of resources	5,689,633	56,109	5,745,742	0
Increase (decrease) in net OPEB liability	1,513,275	216,181	1,729,456	0
Increase (decrease) in other liabilities	0	(279)	(279)	0
Total adjustments	14,252,640	829,792	15,082,432	(61,478)
Net cash provided (used) by operating activities	$ 37,802,486	$ 512,673	$ 38,315,159	$ (1,821,776)
Cash and cash equivalents reconciliation:				
Cash and cash equivalents	$ 28,159,357	$ 3,323,283	$ 31,482,640	$ 4,215,357
Restricted assets				
Cash and cash equivalents	57,038,249	0	57,038,249	0
Total cash and cash equivalents	$ 85,197,606	$ 3,323,283	$ 88,520,889	$ 4,215,357

Noncash investing, capital, and financing activities:

Contributions of capital assets from individuals totaled $5,534,208.
Acquisition of capital assets through accounts payable totaled $1,966,724.
Acquisition of capital assets through retainage payable totaled $1,224,561.
Forgiveness of capital lease through capital contributions totaled $1,261,588.

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2021

	Community Private-Purpose Trust Fund	Employees' Pension Trust Fund	Municipal Court Custodial Fund
ASSETS			
Cash and cash equivalents	$ 36,852	$ 787,194	$ 108,718
Investments, at fair value			
Mutual funds			
Equity	0	101,661,888	0
Fixed income	0	25,658,466	0
Real estate	0	10,542,034	0
Total assets	36,852	138,649,582	108,718
LIABILITIES			
Accounts payable	0	23,205	0
Due to other agencies	0	0	24,033
Total liabilities	0	23,205	24,033
NET POSITION			
Restricted for:			
Pensions	0	138,626,377	0
Employee assistance	36,852	0	0
Individuals, organizations, and other governments	0	0	84,685
Total net position	$ 36,852	$ 138,626,377	$ 84,685

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, 2021

	Community Private-Purpose Trust Fund	Employees' Pension Trust Fund	Municipal Court Custodial Fund
ADDITIONS			
Contributions			
Employer contributions	$ 0	$ 3,650,796	$ 0
Employee contributions	0	3,650,796	0
Employee donations	49,830	0	0
Fines and forfeitures collected for other governments	0	0	109,916
Total contributions and donations	49,830	7,301,592	109,916
Investment Income			
Net appreciation (depreciation) in fair value of investments	0	32,019,149	0
Interest	6	85	0
Dividends	0	1,553,555	0
Investment expense	0	(357,352)	0
Net investment income (loss)	6	33,215,437	0
Total additions (reductions)	49,836	40,517,029	109,916
DEDUCTIONS			
Benefits	0	9,157,128	0
Refunds	0	548,270	0
Distributions for assistance	41,068	0	0
Distributions of fines and forfeitures to other governments	0	0	35,238
Total deductions	41,068	9,705,398	35,238
Change in net position	8,768	30,811,631	74,678
Net position, July 1, restated	28,084	107,814,746	10,007
Net position, June 30	$ 36,852	$ 138,626,377	$ 84,685

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2021

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Gainesville Hall County Land Bank	Total Component Units
ASSETS				
Current assets				
Cash and cash equivalents	$ 2,675,411	$ 427,322	$ 495	$ 3,103,228
Investments	1,806,965	261,682	74,505	2,143,152
Receivables				
Accounts	11,417	7,625	0	19,042
Taxes	68,849	0	0	68,849
Restricted assets				
Cash and cash equivalents	228,423	0	0	228,423
Total current assets	4,791,065	696,629	75,000	5,562,694
Noncurrent assets				
Capital assets				
Non-depreciable	6,823,994	0	0	6,823,994
Depreciable (net)	6,926,379	1,001,692	0	7,928,071
Total noncurrent assets	13,750,373	1,001,692	0	14,752,065
Total assets	18,541,438	1,698,321	75,000	20,314,759
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	250,547	410,190	0	660,737
Deferred outflows related to other post employment benefits	420,655	81,384	0	502,039
Total deferred outflows of resources	671,202	491,574	0	1,162,776
LIABILITIES				
Current liabilities				
Payables				
Accounts	169,879	78,389	0	248,268
Intergovernmental	5,429	0	0	5,429
Sales tax	11,690	0	0	11,690
Unearned revenue	0	2,455	0	2,455
Accrued salaries	137,829	27,422	0	165,251
Compensated absences	108,976	25,474	0	134,450
Other liabilities	13,281	1,350	0	14,631
Total current liabilities	447,084	135,090	0	582,174
Noncurrent liabilities				
Compensated absences	12,108	2,830	0	14,938
Net pension liability	260,466	540,837	0	801,303
Net OPEB liability	1,943,289	233,870	0	2,177,159
Total noncurrent liabilities	2,215,863	777,537	0	2,993,400
Total liabilities	2,662,947	912,627	0	3,575,574

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2021

	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	$ 38,681	$ 399,955	$ 0	$ 438,636
Deferred inflows related to other post employment benefits	310,519	29,866	0	340,385
Total deferred inflows of resources	349,200	429,821	0	779,021
NET POSITION				
Investment in capital assets	13,750,373	1,001,692	0	14,752,065
Restricted for cultural and recreation	130,255	0	0	130,255
Restricted for capital outlay	22,005	0	0	22,005
Unrestricted	2,297,860	(154,245)	75,000	2,218,615
Total net position	$ 16,200,493	$ 847,447	$ 75,000	$ 17,122,940

See accompanying notes to the financial statements.

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COMPONENT UNITS
For the fiscal year ended June 30, 2021

	City of Gainesville Parks and Recreation	Gainesville Convention and Visitor's Bureau	Gainesville Hall County Land Bank	Total Component Units
Expenses				
Culture and Recreation	$ 5,628,570	$ 0	$ 0	$ 5,628,570
Housing and Development	0	1,450,097	0	1,450,097
Total expenses	5,628,570	1,450,097	0	7,078,667
Program revenues				
Charges for services	1,335,655	65,707	0	1,401,362
Operating grants and contributions	1,462,641	0	0	1,462,641
Capital grants and contributions	200,000	297,088	0	497,088
Total program revenues	2,998,296	362,795	0	3,361,091
Net (expense) revenue	(2,630,274)	(1,087,302)	0	(3,717,576)
General revenues				
Property taxes	4,194,167	0	0	4,194,167
Investment	33,295	6,287	0	39,582
Payments from City of Gainesville	0	775,815	75,000	850,815
Miscellaneous	6,261	80,967	0	87,228
Total general revenues	4,233,723	863,069	75,000	5,171,792
Change in net position	1,603,449	(224,233)	75,000	1,454,216
Net position, July 1	14,597,044	1,071,680	0	15,668,724
Net position, June 30	$ 16,200,493	$ 847,447	$ 75,000	$ 17,122,940

See accompanying notes to the financial statements.

GAINESVILLE

1. Description of Government Unit

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

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

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

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

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

City of Gainesville Parks and Recreation Board

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

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

Gainesville Convention and Visitor's Bureau

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

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Gainesville Convention and Visitor's Bureau, continued

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

Gainesville-Hall County Land Bank

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

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

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements

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

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

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements

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

The City reports the following major governmental funds:

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

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

Economic Development Fund - This fund is used to account for resources that are legally or donor restricted for the City's economic development activities.

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

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.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

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.

Fiduciary Fund Types

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Fiduciary Fund Types (continued)

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

Component Units

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

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

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Interfund Activity

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

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

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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

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

F. Revenues and Expenditures/Expenses

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

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

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses, continued

Proprietary funds and internal service funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Department of Water Resources Fund, Airport Fund, Solid Waste Fund, and Chattahoochee Golf Course Fund, and internal service funds are charges to customers for sales and services. The Department of Water Resources Fund also recognizes as operating revenue a portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

G. Budgets and Budgetary Accounting

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

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

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting, continued

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

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

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

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

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

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

I. Intergovernmental Receivables

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

J. Inventories

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

K. Prepaid Items

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

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets

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

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

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

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 using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life in Years	Capitalization Threshold
Buildings	10 to 60	$ 10,000
Sewer lines	40 to 50	$ 25,000
Water lines	40 to 50	$ 25,000
Water and sewer treatment facilities	60	$ 25,000
Roads	30 to 50	$ 200,000
Storm drains	25 to 40	$ 50,000
Sidewalks	25 to 30	$ 50,000
Bridges/culverts	40 to 50	$ 100,000
Bike paths	20 to 30	$ 50,000
Parking lots	15 to 35	$ 100,000
Traffic signals	15 to 25	$ 60,000
Airport runways	20 to 40	$ 25,000
Equipment	5 to 20	$ 10,000
Vehicles	5 to 15	$ 10,000
Furniture and fixtures	3 to 8	$ 10,000
Intangibles	3 to 15	$ 10,000
Computer software	3 to 5	$ 20,000

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

2. Summary of Significant Accounting Policies (continued)

M. Deferred Outflows/Inflows of Resources

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

N. Net Position Flow Assumption

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

2. Summary of Significant Accounting Policies (continued)

O. Fund Balance Flow Assumption

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

P. 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.

2. Summary of Significant Accounting Policies (continued)

Q. Fund Balances – Governmental Funds

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

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

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

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

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.

2. Summary of Significant Accounting Policies (continued)

Q. Fund Balances – Governmental Funds, continued

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

R. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused paid time off (PTO) benefits which will be paid to the employees upon separation from City service. Accumulated unpaid PTO amounts are accrued when incurred by the City in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured (ie, unused reimbursable leave still outstanding following an employee's resignation or retirement) and is expected to be liquidated with expendable available financial resources.

S. 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.

2. Summary of Significant Accounting Policies (continued)

T. 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.

U. 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.

V. 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.

W. Comparative Data and Reclassifications

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain prior fiscal year amounts have been reclassified to conform to the current fiscal year presentation.

3. Deposit and Investment Risk

Custodial credit risk – Deposits

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

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

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

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

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

3. Deposit and Investment Risk (continued)

The City participates in the State of Georgia Local Government Investment Pool (Georgia Fund 1). The City policy limits investments in Georgia Fund 1 to 50% of the City's investments. Assets in this pool are invested in the Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows 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 Georgia Fund 1 is rated AAAf by Standard & Poor's. The weighted average maturity at the end of the current fiscal year was 36 days. At the end of the current fiscal year, the City's balance in Georgia Fund 1 was $56,994.

Investment policies – Employees' Pension Trust Fund

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

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

3. Deposit and Investment Risk (continued)

Investment policies – Employees' Pension Trust Fund (continued)

City policy requires that fixed income portfolio should bear an average credit quality of "A" or higher. Investments in Collateralized Mortgage Obligations shall be limited to 15% of the market value of the investment manager's total portfolio. No more than 5% (at cost) of an investment manager's total fixed income portfolio shall be invested in the securities of any single corporate issuer. There is no limit imposed on investments in fixed income securities issued directly by the US government or any agency or instrumentality thereof. Investments in corporate fixed income securities shall be limited to securities issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia. The duration of the fixed income portfolio should be less than 135% of the duration of the Barclays Capital US Aggregate Bond Index. At the end of the current fiscal year, the duration for the index was 6.5 years.

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

Investment	Fair Value	Average Maturity (in years)	Standard and Poor's Credit Rating
PIMCO Income Fund	$ 10,082,300	3.05	N/A
PIMCO Investment Grade Credit Fund	8,089,143	12.11	N/A
PIMCO Total Return Fund	7,487,023	7.74	N/A
	$ 25,658,466		

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	$ 7,486,355	$ 0	$ 7,486,355
U.S. treasury notes	45,180,511	0	0	45,180,511
Mortgage-backed securities	0	2,777,767	0	2,777,767
Municipal bond securities	0	23,683,674	0	23,683,674
Real estate held for resale	0	0	574,235	574,235
Total investments measured at fair value	$ 45,180,511	$ 33,947,796	$ 574,235	$ 79,702,542
Investments not subject to level disclosure:				
Georgia Fund 1 (classified as cash equivalent)				56,994
Total investments				$ 79,759,536

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

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

3. Deposit and Investment Risk (continued)

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

Investment	Fair Value Measurement			
	Level 1	Level 2	Level 3	Fair Value
Federal agency securities	$ 0	$ 195,716	$ 0	$ 195,716
U.S. treasury notes	1,181,152	0	0	1,181,152
Mortgage-backed securities	0	72,619	0	72,619
Municipal bond securities		619,160	0	619,160
Real estate held for resale	0	0	74,505	74,505
Total investments measured at fair value	$ 1,181,152	$ 887,495	$ 74,505	$ 2,143,152

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

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

Investment	Fair Value Measurement			
	Level 1	Level 2	Level 3	Fair Value
Mutual Funds - corporate bonds	$ 0	$ 25,658,466	$ 0	$ 25,658,466
Mutual Funds - corporate stocks	101,661,888	0	0	101,661,888
Mutual Funds - real estate	0	0	10,542,034	10,542,034
Total investments measured at fair value	$ 101,661,888	$ 25,658,466	$ 10,542,034	$ 137,862,388

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

4. Accounts Receivable

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

Primary Government:		
Major Funds		
General Fund		$ 146,008
Fire Special Revenue Fund		130
Department of Water Resources Enterprise Fund	$ 5,702,499	
Less: Allowance for Uncollectibles	(1,257,940)	4,444,559
Nonmajor Funds		
Special Revenue Funds		
Community Service Center	1,163	
Confiscated Assets	1,436	2,599
Capital Project Fund		
General Government		288,526
Enterprise Funds		
Airport	13,045	
Solid Waste	268,879	
Less: Allowance for Uncollectibles	(88,068)	
Golf Course	6,227	200,083
Internal Service Funds		
Employee Benefits		40,850
Total Primary Government		$ 5,122,755
Component Units:		
City of Gainesville Parks and Recreation		$ 11,417
Gainesville Convention and Visitor's Bureau		7,625
Total Component Units		$ 19,042

5. Intergovernmental Receivables

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

Primary Government:		
Major Funds		
General Fund		$ 13,484
SPLOST Capital Projects Fund		1,438,342
Department of Water Resources Fund		1,746,698
Nonmajor Funds		
Special Revenue Funds		
Community Service Center	$ 1,616,272	
Grants	695,769	
HUD Grant	29,504	2,341,545
Capital Projects Funds		
Grants		260,539
General Government		122,597
Enterprise funds		
Airport		9,150
Internal Service Funds		
Vehicle Services		8,386
Total Primary Government		$ 5,940,741

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 2021, based upon the assessments of January 1, 2020, and the levy date of August 10, 2020, were final billed on October 1, 2020, and due on December 1, 2020. 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, 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 $372,511 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	$ 683,391
Department of Water Resources	Economic Development	10,017,622
Nonmajor Governmental	Nonmajor Governmental	1,500,472
		$ 12,201,485

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	$ 2,303,304
	SPLOST	2,919,813
	Nonmajor Governmental	3,698,645
	Nonmajor Enterprise	1,279,082
	Internal Service	13,700
Fire	Nonmajor Governmental	147,000
SPLOST	Department of Water Resources	50,000
Department of Water Resources	General	3,361,432
	Nonmajor Governmental	179,158
Nonmajor Governmental	General	43,383
	SPLOST	2,079,569
	Department of Water Resources	730,702
	Nonmajor Governmental	609,705
		$ 17,415,493

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.

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	$ 27,438,526	$ 344,803	$ 0	$ 27,783,329
Easements	132,500	0	0	132,500
Construction in progress	14,109,638	10,110,576	(14,102,304)	10,117,910
Total non-depreciable assets	41,680,664	10,455,379	(14,102,304)	38,033,739
Depreciable assets				
Buildings	58,769,655	9,796,921	0	68,566,576
Land improvements	3,395,226	0	0	3,395,226
Vehicles and equipment	25,478,058	2,500,868	(1,923,927)	26,054,999
Intangibles	3,112,339	0	0	3,112,339
Infrastructure	41,908,912	168,617	0	42,077,529
Total depreciable assets	132,664,190	12,466,406	(1,923,927)	143,206,669
Less accumulated depreciation				
Buildings	(21,157,077)	(1,729,045)	0	(22,886,122)
Land improvements	(2,063,062)	(136,719)	0	(2,199,781)
Vehicles and equipment	(17,835,609)	(2,125,609)	1,810,101	(18,151,117)
Intangibles	(2,590,251)	(242,272)	0	(2,832,523)
Infrastructure	(18,329,898)	(1,331,973)	0	(19,661,871)
Total accumulated depreciation	(61,975,897)	(5,565,618)	1,810,101	(65,731,414)
Total depreciable assets, net	70,688,293	6,900,788	(113,826)	77,475,255
Governmental activities capital assets, net	$ 112,368,957	$ 17,356,167	$ (14,216,130)	$ 115,508,994
Business-type activities				
Non-depreciable assets				
Land	$ 32,776,804	$ 257,442	$ 0	$ 33,034,246
Easements	2,122,281	731,339	0	2,853,620
Construction in progress	35,712,986	18,518,755	(9,152,224)	45,079,517
Total non-depreciable assets	70,612,071	19,507,536	(9,152,224)	80,967,383
Depreciable assets				
Buildings	60,923,259	51,585	0	60,974,844
Land improvements	10,096,613	218,612	0	10,315,225
Vehicles and equipment	42,880,346	5,827,522	(1,331,904)	47,375,964
Intangibles	6,089,224	654,291	0	6,743,515
Infrastructure	581,318,538	8,184,633	(250,301)	589,252,870
Total depreciable assets	701,307,980	14,936,643	(1,582,205)	714,662,418
Less accumulated depreciation				
Buildings	(16,298,540)	(1,355,337)	0	(17,653,877)
Land improvements	(6,568,199)	(450,061)	0	(7,018,260)
Vehicles and equipment	(23,335,023)	(2,636,118)	1,294,001	(24,677,140)
Intangibles	(3,118,506)	(254,743)	0	(3,373,249)
Infrastructure	(226,930,993)	(13,076,614)	76,962	(239,930,645)
Total accumulated depreciation	(276,251,261)	(17,772,873)	1,370,963	(292,653,171)
Total depreciable assets, net	425,056,719	(2,836,230)	(211,242)	422,009,247
Business-type activities capital assets, net	$ 495,668,790	$ 16,671,306	$ (9,363,466)	$ 502,976,630

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	$ 5,374,624	$ 0	$ 0	$ 5,374,624
Construction in progress	2,298,653	1,494,527	(2,343,810)	1,449,370
Total non-depreciable assets	7,673,277	1,494,527	(2,343,810)	6,823,994
Depreciable assets				
Buildings	9,178,933	190,000	(184,585)	9,184,348
Land improvements	4,101,587	1,758,170	(31,434)	5,828,323
Vehicles and equipment	1,914,268	138,770	(295,747)	1,757,291
Intangibles	281,365	0	0	281,365
Infrastructure	3,120,059	0	0	3,120,059
Total depreciable assets	18,596,212	2,086,940	(511,766)	20,171,386
Less accumulated depreciation				
Buildings	(6,639,048)	(105,960)	165,218	(6,579,790)
Land improvements	(3,039,493)	(107,512)	31,435	(3,115,570)
Vehicles and equipment	(1,457,863)	(74,947)	208,470	(1,324,340)
Intangibles	(253,306)	(9,353)	0	(262,659)
Infrastructure	(1,820,089)	(142,559)	0	(1,962,648)
Total accumulated depreciation	(13,209,799)	(440,331)	405,123	(13,245,007)
Total depreciable assets, net	5,386,413	1,646,609	(106,643)	6,926,379
Parks & Recreation Component Unit capital assets, net	$ 13,059,690	$ 3,141,136	$ (2,450,453)	$ 13,750,373
Convention and Visitor's Bureau Component Unit				
Depreciable assets				
Buildings	$ 1,701,955	$ 0	$ 0	$ 1,701,955
Land Improvements	25,972	60,881	0	86,853
Vehicles and equipment	82,691	0	0	82,691
Total depreciable assets	1,810,618	60,881	0	1,871,499
Less accumulated depreciation				
Buildings	(730,457)	(63,227)	0	(793,684)
Land Improvements	(1,693)	(1,847)	0	(3,540)
Vehicles and equipment	(62,377)	(10,206)	0	(72,583)
Total accumulated depreciation	(794,527)	(75,280)	0	(869,807)
Convention and Visitor's Bureau Component Unit capital assets, net	$ 1,016,091	$ (14,399)	$ 0	$ 1,001,692

Decreases in construction in progress in the business-type activities consists of projects placed into service in the amount of $9,149,274 and projects abandoned in the amount of $2,950.

9. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government		
Governmental activities		
General Government	$	2,378,080
Public Safety		1,200,923
Public Works		1,239,859
Health and Welfare		432,611
Housing and Development		207,034
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		36,549
Total depreciation expense for governmental activities	$	5,495,056
Business-type activities		
Department of Water Resources	$	16,517,130
Airport		623,929
Solid Waste		319,167
Golf Course		312,647
Total depreciation expense for business-type activities	$	17,772,873
Component Units		
Parks and Recreation	$	440,331
Convention and Visitor's Bureau		75,280

	Primary Government		Component Units	
	Governmental Activities	**Business-type Activities**	**Parks and Recreation**	**Convention and Visitor's Bureau**
Current year depreciation expense	$ 5,495,056	$ 17,772,873	$ 440,331	$ 75,280
Prior accumulated depreciation on assets through transfer from enterprise funds	70,562	0	0	0
Additions to accumulated depreciation	$ 5,565,618	$ 17,772,873	$ 440,331	$ 75,280

10. Capital and Operating Leases Agreements

The City has entered into agreements for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of these leases at the end of the current fiscal year are $18,404,265 and $14,055,880 for governmental and business-type activities, respectively.

Total assets leased under capital leases are $30,209,503 and $34,254,701 for governmental and business-type activities, respectively, and are classified as follows:

	Governmental Activities		Business-type Activities	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Golf Course improvements	$ 0	$ 0	$ 2,715,000	$ 1,900,500
Water and sewer system	0	0	31,539,701	18,923,821
Land	745,413	0	0	0
Buildings	16,516,041	3,378,133	0	0
Vehicles and equipment	1,875,779	571,534	0	0
Infrastructure	6,703,765	2,413,355	0	0
Construction in progress	4,368,505	0	0	0
Total assets under capital leases	$ 30,209,503	$ 6,363,022	$ 34,254,701	$ 20,824,321

Amortization of leased equipment under capital leases is included with depreciation expense.

10. Capital and Operating Leases Agreements (continued)

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

Year Ending June 30,	Governmental Activities	Business-type Activities
2022	$ 4,137,564	$ 1,570,372
2023	2,763,109	1,568,181
2024	2,792,274	1,570,838
2025	2,432,165	1,568,216
2026	2,166,251	1,565,507
2027-2031	5,257,974	6,307,940
2032-2034	1,315,716	0
Total minimum lease payments	20,865,053	14,151,054
Less amounts representing interest	(2,460,788)	(95,174)
Present value of minimum lease payments	$ 18,404,265	$ 14,055,880

The City has entered into an agreement to participate in a pooled lease program sponsored by the Georgia Municipal Association. Certificates of Participation in the amount of $150,126,000 were issued in connection with the lease 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 $559,114 of the certificate proceeds for the purpose of financing the acquisition of equipment and is included with other leases above. These amounts are presented as capital leases in the governmental activities on the Government-wide Statement of Net Position. The remaining balance of the certificate proceeds is held in trust pursuant to the certificate and is not considered legal debt of the City.

10. Capital and Operating Leases Agreements (continued)

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

On May 20, 2009, the Gainesville Redevelopment Authority issued $6,230,000 in the Series 2009A Revenue Bonds, with interest rates of 3.00-4.625%. An intergovernmental lease became effective, on the date of issuance, between the Gainesville Redevelopment Authority and the City of Gainesville. Under the lease, bond proceeds of the Authority issue will be applied to construct and equip the 2009A Project, which includes the construction of the Mainstreet Parking Deck, to be made by the City, and the 2009 Project will be leased to the City. In return, the City will make payments to the trustee for the bonds on behalf of the Authority sufficient to pay the principal and interest on the bonds. In conjunction with the issuance of the bonds, the City conveyed title to land and the Parking Garage thereon to the Authority. The City will continue to operate, maintain, repair and have use of the Parking Garage.

On June 1, 2015, the Gainesville Redevelopment Authority issued $11,230,000 in the Series 2015 Revenue Refunding Bonds, with an interest rate of 2.556%. An intergovernmental lease became effective, on the date of issue, between the Gainesville Redevelopment Authority and the City of Gainesville. Under the lease, bond proceeds of the Authority issue will be applied for refunding all of the Authority's Nontaxable Revenue Bonds, Series 2005 (Golf Course Project) and Series 2007(Frances Meadows Project) and paying the cost of issuing the Series 2015 Bonds. In return, the City will make payments to the trustee for the bonds, on behalf of the Authority, sufficient to pay the principal and interest on the bonds. The City will continue to operate, maintain, repair and have use of the Golf Course and Frances Meadows Center.

10. Capital and Operating Leases Agreements (continued)

On November 29, 2016, the Gainesville Redevelopment Authority issued $1,680,000 in the Series 2016 Revenue Refunding Bonds, with an interest rate of 2.53%. An intergovernmental lease became effective, on the date of issuance, between the Gainesville Redevelopment Authority and the City of Gainesville. Under the lease, bond proceeds of the Authority issue will be applied toward the purchase of land and a building at 300 Brenau Avenue, and the property will be leased to the City. In return, the City will make payment to the trustee for the bonds on behalf of the Authority sufficient to pay the principal and interest on the bonds. In conjunction with the issuance of the bonds, the City conveyed title to land and building thereon to the Authority. The City will continue to maintain, repair and have use of the property.

On August 6, 2018, the Gainesville Redevelopment Authority issued $4,695,000 in the Series 2018 Revenue Refunding Bonds, with an interest rate of 3.99%. An intergovernmental lease became effective, on the date of issuance, between the Gainesville Redevelopment Authority and the City of Gainesville. Under the lease, bond proceeds of the Authority issue will be applied toward the construction of two additional floors for parking in the Original Parking Garage Project and that a pocket park be constructed, installed, and equipped adjacent to the Original Parking Garage Project, and the property will be leased to the City. In return, the City will make payment to the trustee for the bonds on behalf of the Authority sufficient to pay the principal and interest on the bonds. The City will continue to maintain, repair and have use of the property.

On April 17, 2018, the City entered into a lease purchase agreement with PNC Equipment Finance, LLC, for the purchase of a 2019 Pierce Aerial Ladder Truck. The amount of the lease agreement was $1,268,593, interest at 3.43%, for a term of five years.

The City's lease agreements, other than such agreements described above, are relatively minor commitments (generally for office machines) and are in compliance with state law.

11. Long-Term Debt

Revenue Bonds

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

- $83,650,000 2014 Water and Sewer System Refunding series bonds due in annual installments of $3,715,000 to $7,710,000 through November 15, 2028; interest at 5.00% ($42,610,000 outstanding).
- $26,910,000 2016 Water and Sewer System Refunding series bonds due in annual installments of $3,250,000 to $8,595,000 through November 15, 2021; interest at 1.27% ($8,595,000 outstanding)

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

Year Ending June 30,	Principal	Interest	Total
2022	$ 14,965,000	$ 2,025,828	$ 16,990,828
2023	6,300,000	1,654,500	7,954,500
2024	5,640,000	1,356,000	6,996,000
2025	5,800,000	1,070,000	6,870,000
2026	5,720,000	782,000	6,502,000
2027-2029	12,780,000	884,000	13,664,000
Totals	$ 51,205,000	$ 7,772,328	$ 58,977,328

11. Long-Term Debt (continued)

Revenue Bonds, continued

The Water and Sewerage Revenue Bonds Series 2014 ($83,650,000) and Water and Sewerage Revenue Bonds Series 2016 ($26,910,000) are collateralized by operating income from the water and sewerage system of the City of Gainesville, Georgia. Upon the occurrence of an event of default, all outstanding principal and accrued interest on the Water and Sewerage Revenue Bonds Series 2014 and 2016 may be declared immediately due and payable. Proceeds from the Series 2014 were used to refund a portion of the Series 2005 water and sewerage revenue bond issue and retire the debt on 13 water and sewerage notes payable, and to pay expenses necessary to accomplish the Series 2014 refunding issue. Proceeds from the Series 2016 were used to refund a portion of the Series 2006 water and sewerage revenue bond issue and to pay expenses necessary to accomplish the Series 2016 refunding issue.

The bonds are payable solely from the water and sewer operating income and are payable through the fiscal years ending 2029 and 2022, respectively. Total principal and interest remaining to be paid on the bonds is $50,327,750 and $8,649,578, respectively. Principal and interest paid for the current year was $14,615,000 and $2,449,024, respectively. Water and sewer operating revenue totaled $76,263,061 for the current year.

Notes from Direct Placements

The City entered into 3 direct borrowing agreements the Georgia Environmental Finance Authority in the amount of $60,500,000 for expansion of the City's water and sewer system. Monthly installments of principal and interest are due beginning on the first day of the calendar month following the date that the loan is fully disbursed (the Amortization Commencement Date) for 239 months; interest at 0.13%. The City has drawn $1,766,224 on these agreements. At the end of the current fiscal year, the notes are still in drawdown phase ($1,766,224 outstanding); therefore, an amortization schedule for these notes payable is not presented. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes, fees and charges collected by the City.

12. Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Capital lease obligations	$ 20,544,205	$ 606,886	$ (2,746,826)	$ 18,404,265	$ 3,611,927
Compensated absences	1,932,844	1,467,149	(1,739,560)	1,660,433	1,494,390
Total governmental activities	$ 22,477,049	$ 2,074,035	$ (4,486,386)	$ 20,064,698	$ 5,106,317
Business-type activities					
Revenue bonds	$ 65,820,000	$ 0	$ (14,615,000)	$ 51,205,000	$ 14,965,000
Unamortized bond premium	8,826,890	0	(1,048,740)	7,778,150	1,048,739
Capital lease obligations	15,582,468	0	(1,526,588)	14,055,880	1,536,588
Notes from direct borrowings	0	1,766,224	0	1,766,224	0
Compensated absences	1,078,598	801,975	(970,737)	909,836	818,851
Total business-type activities	$ 91,307,956	$ 2,568,199	$ (18,161,065)	$ 75,715,090	$ 18,369,178
Component Units					
City of Gainesville Parks and Recreation					
Compensated absences	$ 137,310	$ 107,354	$ (123,580)	$ 121,084	$ 108,976
Gainesville Convention and Visitor's Bureau					
Compensated absences	28,183	25,487	(25,366)	28,304	25,474
Total Component Units	$ 165,493	$ 132,841	$ (148,946)	$ 149,388	$ 134,450

Revenue bond discounts/premiums are amortized over the life of the related debt using the straight-line method. Compensated absences are liquidated by those funds that have salary and wage expenditures. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General and Special Revenue Funds.

Total interest incurred and expensed in the governmental activities and the business-type activities for the current fiscal year was $589,483 and $2,530,662, respectively.

12. 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 $570,967,064. The City has $0 of outstanding general obligation debt. The City has a total of $570,967,064 (100%) of outstanding legal debt margin remaining.

13. Conduit Debt

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

At the end of the current fiscal year, there were 10 series of Revenue Bonds outstanding. The current aggregate principal amount payable for the series totaled $250,852,560. The original issue amounts totaled $254,752,930.

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	Economic Development	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventories	$ 0	$ 0	$ 0	$ 0	$ 29,825	$ 29,825
Prepaid items	1,491	0	0	0	6,451	7,942
	1,491	0	0	0	36,276	37,767
Restricted for:						
Police facilities and equipment	0	0	0	0	911,712	911,712
Fire facilities and equipment	0	0	0	0	405,202	405,202
Streets facilities and equipment	0	0	0	0	19,150	19,150
Community Service Center operations	0	0	0	0	1,315,919	1,315,919
Recreation facilities and equipment	0	0	0	0	890,367	890,367
Neighborhood improvements	0	0	0	0	254,232	254,232
Midtown development	0	0	0	0	916,151	916,151
Capital projects	0	0	0	18,230,984	2,440,733	20,671,717
Debt service	0	0	0	0	2,107,961	2,107,961
	0	0	0	18,230,984	9,261,427	27,492,411
Committed for:						
Cemetery improvements	0	0	0	0	529,988	529,988
Tree replacement	7,388	0	0	0	0	7,388
Energy efficiency retrofits	0	0	0	0	3,501	3,501
	7,388	0	0	0	533,489	540,877
Assigned for:						
Fire operations	0	1,327,673	0	0	0	1,327,673
Community Service Center operations	0	0	0	0	2,347,025	2,347,025
Economic development	0	0	1,099,973	0	0	1,099,973
Tourism and City promotion	0	0	0	0	538,201	538,201
Budget	4,140,909	0	0	0	0	4,140,909
Capital projects	0	0	0	4,710,815	4,057,207	8,768,022
Debt service	0	0	0	0	1,722,775	1,722,775
	4,140,909	1,327,673	1,099,973	4,710,815	8,665,208	19,944,578

15. Self-Insurance

General Insurance

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

As part of the newly established self-insurance program, the City has utilized the services of a broker and a third-party administrator. The broker and third-party administrator assist to determine the self-insurance funding requirements using data from the City's claim history. The third-party administrator files claims, and forms required by the State of Georgia and provides risk control services. The City has also established excess workers' compensation coverage with Midwest Employers Casualty to assist with claims exceeding $650,000.

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)

	June 30, 2021	June 30, 2020
General Insurance Internal Service Fund		
Balance, beginning of year	$ 1,677,745	$ 1,550,858
Current year claims and changes in estimate	(487,397)	704,212
Claim payments	1,150	(577,325)
Balance, end of year	$ 1,191,498	$ 1,677,745
Employee Benefits Internal Service Fund		
Balance, beginning of year	$ 554,013	$ 772,211
Current year claims and changes in estimate	7,455,529	5,390,530
Claim payments	(7,204,056)	(5,608,728)
Balance, end of year	$ 805,486	$ 554,013

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.

At July 1, 2021, the date of the most recent actuarial valuation, participants consist of the following:

Retirees and beneficiaries currently receiving benefits	294
Terminated vested participants entitled to but not yet receiving benefits	68
Active participants	497
Total number of participants	859

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 65 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 5% 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 65 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 5% 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 $28,002,267. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. For the current fiscal year, the City recognized pension income of $433,959.

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 6/30/2020	$ 161,245,917	$107,814,746	$53,431,171
Changes for the year:			
Service cost	3,831,533	0	3,831,533
Interest	11,215,733	0	11,215,733
Differences between expected and actual experience	40,859	0	40,859
Contributions-employer	0	3,650,796	(3,650,796)
Contributions-employee	0	3,650,796	(3,650,796)
Net investment income	0	33,572,789	(33,572,789)
Benefit payments, including refunds of employee contribution	(9,705,398)	(9,705,398)	0
Administrative expense	0	(357,352)	357,352
Net changes	5,382,727	30,811,631	(25,428,904)
Balances at 6/30/2021	$ 166,628,644	$138,626,377	$28,002,267

Plan fiduciary net position as a percentage of the total pension liability	83.19%
Covered payroll	$ 27,657,545
Employer's net pension liability as percentage of covered payroll	101.25%

16. Pension Plans (continued)

Pension Plan A (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,912,588	$ 0
Changes of assumptions	1,146,332	0
Changes in participant fund allocation	1,186,696	(1,186,696)
Net difference between projected and actual earnings on pension plan investments	0	(20,708,104)
Totals	$ 6,245,616	$ (21,894,800)

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

Year Ending June 30	
2022	$ (3,700,109)
2023	(3,159,285)
2024	(3,870,474)
2025	(4,919,316)
2026	0
Totals	$ (15,649,184)

16. Pension Plans (continued)

Pension Plan A (continued)

Actuarial Assumptions. The total pension liability in the July 1, 2021 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	2-29 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, 2020 and the July 1, 2021 valuations were based on the results of an actuarial experience study for the period of July 1, 2010 through June 30, 2015, and a subsequent review of economic assumptions as of July 1, 2018.

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

16. Pension Plans (continued)

Pension Plan A (continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	55%	6.55%
Fixed income (core)	35%	0.40%
Real Estate	10%	3.65%
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:

	Discount Rate	Net Pension Liability
1% decrease	6.00%	$ 47,457,730
Current discount rate	7.00%	28,002,267
1% increase	8.00%	11,786,388

Plan Fiduciary Net Position. The financial statements of this plan are included as an employee pension trust fund within this report (Exhibits J-3 and J-4). There is no separately issued stand-alone financial report for this pension plan.

16. Pension Plans (continued)

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.

At January 1, 2021, the date of the most recent actuarial valuation, participants consist of the following:

Retirees and beneficiaries currently receiving benefits	79
Terminated vested participants entitled to but not yet receiving benefits	43
Active participants	145
Total number of participants	267

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 when they have completed one year of service. 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.

16. Pension Plans (continued)

Pension Plan B (continued)

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 $241,073 or 4.02% 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.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the City reported a net pension liability of $1,084,461. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. For the current fiscal year, the City recognized pension expense of $23,601. The Governmental Activities' net pension liability is liquidated by the General Fund, Community Service Center Special Revenue Fund, and Fire Special Revenue Fund.

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 9/30/2019	$ 8,885,219	$ 7,842,697	$ 1,042,522
Changes for the year:			
Service cost	141,811	0	141,811
Interest	643,328	0	643,328
Differences between expected and actual experience	205,644	0	205,644
Contributions-employer	0	251,615	(251,615)
Net investment income	0	727,493	(727,493)
Benefit payments, including refunds of employee contributions	(607,882)	(607,882)	0
Administrative expense	0	(30,264)	30,264
Net changes	382,901	340,962	41,939
Balances at 9/30/2020	$ 9,268,120	$ 8,183,659	$ 1,084,461

Plan fiduciary net position as a percentage of the total pension liability	88.30%
Covered payroll	$ 5,576,338
Net pension liability as a percentage of covered payroll	19.45%

16. Pension Plans (continued)

Pension Plan B (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 422,567	$ (82,255)
Changes of assumptions	163,638	0
Changes in participant fund allocation	65,176	(65,176)
Net difference between projected and actual earnings on pension plan investments	0	(78,807)
Contributions subsequent to the measurement date	244,675	0
Totals	$ 896,056	$ (226,238)

The $244,675 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, 2022. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2022	$ 60,250
2023	144,275
2024	212,143
2025	8,475
Totals	$ 425,143

16. Pension Plans (continued)

Pension Plan B (continued)

Actuarial Assumptions. The total pension liability in the January 1, 2021 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	12 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, 2021 valuation were based on the results of an actuarial experience study conducted during the period of November and December 2019.

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.

16. Pension Plans (continued)

Pension Plan B (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	7.05%
Global fixed income	5%	1.25%
Domestic fixed income	20%	1.15%
Real estate	10%	4.50%
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.

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:

	Discount Rate	Net Pension Liability
1% decrease	6.375%	$ 2,068,796
Current discount rate	7.375%	1,084,461
1% increase	8.375%	253,374

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.

16. Pension Plans (continued)

Pension expense

	Pension Plan A	Pension Plan B	Total
Service cost	$ 3,831,533	$ 141,811	$ 3,973,344
Interest	11,215,733	643,328	11,859,061
Member contributions	(3,650,796)	0	(3,650,796)
Projected earnings on plan investments	(7,450,392)	(564,146)	(8,014,538)
Expensed portion of current-period differences between expected and actual experience	8,171	41,128	49,299
Expensed portion of current-period differences between actual and projected earnings on plan investments	(5,224,481)	(32,671)	(5,257,152)
Administrative expense	357,352	30,259	387,611
Reconigition of deferred inflows and outflows as pension expense	478,921	(236,108)	242,813
Pension expense (income)	$ (433,959)	$ 23,601	$ (410,358)

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 $19,500 of their salary, the maximum allowable by federal law. The City does not contribute to the Plan.

17. Deferred Compensation Plan(continued)

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 $33,757,644. Plan members made voluntary contributions of $427,677 to the plan.

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

18. Post-Employment Benefits Other Than Pensions

Plan Description. The City of Gainesville Other Postemployment Benefits Plan (the "OPEB Plan") is a defined benefit postretirement health care and prescription drug plan. The OPEB plan is administered through the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer OPEB Plan administered by the Georgia Municipal Association (GMA). The City has established provisions, which assign the authority to the City Council members to establish and amend the benefit provisions of the plan.

At July 1, 2020, the date of the most recent actuarial valuation, participants consist of the following:

Retirees and beneficiaries currently receiving benefits	187
Vested terminated members entitled to but not yet receiving benefits	0
Active participants	642
Total number of participants	829

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

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

Contributions. The City has not elected to advance fund the OPEB Plan, but rather maintains the OPEB Plan on a "pay-as-you-go" basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. The GMA issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy. The City's contributions for the current fiscal year totaled $2,216,046 or 7.24% 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 $34,045,167. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined from actuarial valuations using data as of July 1, 2020 and measured by an actuarial valuation as of June 30, 2020. During the current fiscal year, the City recognized OPEB expense of $989,390. The Governmental Activities' net OPEB liability is liquidated by the General Fund, Community Service Center Special Revenue Fund, and Fire Special Revenue Fund.

The components of the net OPEB liability are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 6/30/2019	$ 29,390,045	$ 0	$ 29,390,045
Changes for the year:			
Service cost	1,006,649	0	1,006,649
Interest	1,025,437	0	1,025,437
Differences between expected and actual experience	1,826,158	0	1,826,158
Contributions-employer	0	2,216,046	(2,216,046)
Changes in assumptions	3,012,924	0	3,012,924
Benefit payments, including refunds of member contributions	(2,216,046)	(2,216,046)	0
Net changes	4,655,122	0	4,655,122
Balances at 6/30/2020	$ 34,045,167	$ 0	$ 34,045,167

Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
Covered employee payroll	$ 30,605,855
Plan net OPEB liability as a percentage of covered employee payroll	111.24%

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,026,849	$ (51,918)
Changes of assumptions	2,815,717	(6,174,618)
Contributions subsequent to the measurement date	2,141,466	0
Totals	$ 6,984,032	$ (6,226,536)

The $2,141,466 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, 2022. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30	
2022	$ (1,042,693)
2023	(1,042,693)
2024	(1,042,693)
2025	937,592
2026	806,517
Totals	$ (1,383,970)

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

Actuarial Assumptions. The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected salary increases	3.00% to 14.25%, including inflation
Actuarial cost method	Entry age level
Discount rate	2.21%, 3.50% in previous year
Healthcare cost trend rates	Pre-65 Medical: 7.00% trending down to 4.50% by 2030 Medicare Advantage: 5.53% trending down to 4.50% by 2030. Pre-65 Prescription Drug: 7.00% trending down to 4.50% by 2030. Administrative Expenses: 3.00%
Mortality rates	Healthy mortality rates were based on sex distinct Pri-2012 head-count weighted Employee Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on sex distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25

The actuarial assumptions used in the July 1, 2020 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 2.21%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2020.

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 (1.21%) or one percentage-point higher (3.21%) 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:

Discount Rate		Net OPEB Liability
1% decrease	1.21%	$ 38,725,941
Current discount rate	2.21%	34,045,167
1% increase	3.21%	30,135,355

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease	$ 29,689,741
Current discount rate	34,045,167
1% increase	39,353,508

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

19. Hotel/Motel Lodging Tax

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

Lodging Tax Receipts	$	1,295,305	
Disbursements for tourism and visitor programs	$	886,585	68.45% of tax receipts

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

20. Major Users/Taxpayers

The ten major taxpayers of the City for the current fiscal year represent approximately 14 percent of the current year tax levy. The ten largest taxpayers are comprised of various types of entities including manufacturing and food processing.

The ten major customers of the water and sewer system are primarily from the poultry and food processing industry. The major users represent approximately 39 percent of the water sales and sewer charges from the system in current fiscal year.

21. Joint Ventures

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

The Hall County Multi Agency Narcotics Squad (MANS) Task Force investigates crimes involving narcotics, prostitution, gang violence, and organized crime, and it conducts both undercover and traditional investigations to effectively prosecute cases in court. The Hall County Sherriff's Office is responsible for the funding and reporting for the Hall County MANS Task Force. During the current fiscal year, the City paid $86,853 in personnel costs for one police officer assigned to the MANS unit.

21. Joint Ventures (continued)

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 $118,789 in personnel costs for one police officer assigned to the OCDETF Strike Force Group One Task Force.

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 $97,649 in personnel costs for one police officer assigned to the Safe Streets Task Force.

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the current fiscal year, the city paid $34,208 in such dues. Membership in a regional commission (RC) is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RCs in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the GMRC financial statements can be obtained from GMRC, 1310 West Ridge Road, Gainesville, GA 30501.

22. Related Organizations

The City of Gainesville Housing Authority is considered a related organization to the City of Gainesville. The City appoints members to the Authority but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Gainesville. The City received $36,221 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. Risks and Uncertainties

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the City, its performance, and its financial results.

25. 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	$ 47,249
Nonmajor governmental funds	92,319	0
	$ 92,319	$ 47,249

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	$ 18,715,365	$ 20,830,639
Improvements to airport terminal	33,392	10,000
Improvements to recreational facilities	4,774,920	1,242,647
City buildings and facilities improvements	1,789,640	10,668,793
Improvements to roadways & sidewalks	2,265,352	1,223,059
Totals	$ 27,578,669	$ 33,975,138

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.

26. Tax Abatements

The City is subject to tax incentives granted by the Gainesville and Hall County Development Authority (the "Authority"), an entity created by the State of Georgia and activated by the City of Gainesville and the Board of Commissioners of Hall County, Georgia. The authority can enter into agreements with companies for industrial projects to encourage the creation of jobs and new capital investment through an "Investment Assistance Program." Each agreement, negotiated on an individual basis, provides a property tax benefit to the company through a schedule of discounted valuation that reduces the fair market value of real and personal property and requires the company to enter into a sale-leaseback transaction with the Authority. The incentives may be granted to new and existing industrial businesses meeting an established set of criteria established by the Investment Assistance Committee. In return for a property tax benefit, a company is required to commit to creating jobs and capital investment within a defined period as part of a performance and accountability agreement with the Authority that includes provisions for the company to pay back a prorated portion of the benefit if they fail to meet the performance criteria by a specified date. For the City of Gainesville's current fiscal year, the cumulative property tax not collected by the City due to abatement programs was $68,951.

27. Subsequent Events

In September 2021, the City sold 6 lots, classified as land in the Chattahoochee Golf Course Enterprise Fund, to buyers for a total contracted sales price of $1,350,000.

28. New Accounting Standards

During the current fiscal year, the City implemented GASB Statement No. 84, *Fiduciary Activities,* effective for the City's current year. The requirements of this statement are effective for periods beginning after December 15, 2019.

29. Changes in Beginning Balances

Fiduciary Funds

Municipal Court Custodial Fund

In conjunction with the implementation of GASB Statement No. 84, *Fiduciary Activities,* the beginning fiduciary net position of the Municipal Court Custodial Fund was restated in the amount of $10,007. The fund previously did not report fiduciary net position; therefore, the restatement increased beginning net fiduciary position by a total of $10,007.

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, 2021
(Unaudited)

	Fiscal Year End		
	2021	**2020**	**2019**
Total pension liability			
Service cost	$ 3,831,533	$ 3,679,859	$ 3,457,259
Interest	11,215,733	10,739,335	10,187,578
Differences between expected and actual experience	40,859	1,781,943	3,149,640
Changes of assumptions	0	0	0
Benefit payments, including refunds of employee contributions	(9,705,398)	(9,388,847)	(8,880,837)
Net change in total pension liability	5,382,727	6,812,290	7,913,640
Total pension liability - beginning	161,245,917	154,433,627	146,519,987
Total pension liability - ending (a)	$ 166,628,644	$ 161,245,917	$ 154,433,627
Plan fiduciary net position			
Contributions - employer	$ 3,650,796	$ 3,593,741	$ 3,459,466
Contributions - employee	3,650,796	3,650,875	3,459,466
Net investment income	33,572,789	4,685,569	8,235,138
Benefit payments, including refunds of employee contributions	(9,705,398)	(9,388,847)	(8,880,837)
Administrative expense	(357,352)	(313,890)	(292,750)
Net change in total pension liability	30,811,631	2,227,448	5,980,483
Plan fiduciary net position - beginning	107,814,746	105,587,298	99,606,815
Plan fiduciary net position - ending (b)	$ 138,626,377	$ 107,814,746	$ 105,587,298
Net pension liability (asset) - ending : (a) - (b)	$ 28,002,267	$ 53,431,171	$ 48,846,329
Plan's fiduciary net position as a percentage of the total pension liability	83.19%	66.86%	68.37%
Covered payroll	$ 27,657,545	$ 27,658,144	$ 26,208,076
Net pension liabilty as a percentage of covered payroll	101.25%	193.18%	186.38%

Note: This schedule is intended to report ten years of information; however, fiscal year 2014 was the first year of implementation. Additional years' information will be displayed as it becomes available.

Fiscal Year End				
2018	**2017**	**2016**	**2015**	**2014**
$ 3,272,080	$ 3,292,073	$ 3,650,560	$ 3,522,833	$ 3,500,226
9,800,092	9,366,300	9,061,392	8,576,549	8,177,872
2,438,030	1,826,638	586,393	1,827,514	636,486
3,438,994	0	(246,666)	0	0
(8,661,630)	(8,301,719)	(7,642,229)	(7,282,407)	(6,715,366)
10,287,566	6,183,292	5,409,450	6,644,489	5,599,218
136,232,421	130,049,129	124,639,679	117,995,190	112,395,972
$ 146,519,987	$ 136,232,421	$ 130,049,129	$ 124,639,679	$ 117,995,190
$ 3,209,624	$ 3,079,855	$ 3,021,182	$ 2,862,539	$ 2,766,404
3,209,624	3,132,277	3,021,182	2,862,539	2,766,404
10,757,165	11,348,553	1,794,845	2,909,159	10,171,570
(8,661,630)	(8,301,719)	(7,642,229)	(7,282,407)	(6,715,366)
(219,596)	(165,260)	(143,004)	(169,045)	(104,589)
8,295,187	9,093,706	51,976	1,182,785	8,884,423
91,311,628	82,217,922	82,165,946	80,983,161	72,098,738
$ 99,606,815	$ 91,311,628	$ 82,217,922	$ 82,165,946	$ 80,983,161
$ 46,913,172	$ 44,920,793	$ 47,831,207	$ 42,473,733	$ 37,012,029
67.98%	67.03%	63.22%	65.92%	68.63%
$ 24,315,333	$ 23,729,379	$ 22,887,742	$ 21,685,902	$ 20,957,606
192.94%	189.30%	208.98%	195.86%	176.60%

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, 2021
(Unaudited)

	Fiscal Year End		
	2021	**2020**	**2019**
Actuarially determined contribution	$ 6,177,506	$ 5,283,686	$ 4,859,686
Contributions in relation to the actuarially determined contribution	(3,650,796)	(3,593,741)	(3,459,466)
Contribution deficiency (excess)	$ 2,526,710	$ 1,689,945	$ 1,400,220
Covered payroll	$ 27,657,545	$ 27,248,632	$ 26,208,076
Contributions as a percentage of covered payroll	13.20%	13.19%	13.20%

Note: This schedule is intended to report ten years of information; however, fiscal year 2014 was the first year of implementation. Additional years' information will be displayed as it becomes available.
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 ot the recommended contribution.

CITY OF GAINESVILLE, GEORGIA
PENSION TRUST FUND (PENSION PLAN A)
SCHEDULE OF INVESTMENTS RETURNS
LAST TEN FISCAL YEARS
For the fiscal year ended June 30, 2021
(Unaudited)

	Fiscal Year End		
	2021	**2020**	**2019**
Annual money-weighted rate of return, net of investment expense	7.000%	7.123%	7.408%

Note: This schedule is intended to report ten years of information; however, fiscal year 2014 was the first year of implementation. Additional years' information will be displayed as it becomes available.

Fiscal Year End				
2018	2017	2016	2015	2014
$ 4,509,116	$ 4,170,598	$ 3,736,793	$ 3,579,097	$ 3,703,299
(3,209,624)	(3,079,855)	(3,021,182)	(2,862,539)	(2,766,404)
$ 1,299,492	$ 1,090,743	$ 715,611	$ 716,558	$ 936,895
$ 24,315,333	$ 23,729,379	$ 22,887,742	$ 21,685,902	$ 20,957,606
13.20%	12.98%	13.20%	13.20%	13.20%

Fiscal Year End				
2018	2017	2016	2015	2014
7.353%	7.765%	7.660%	7.835%	8.065%

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, 2021
(Unaudited)

	Fiscal Year End		
	2021	**2020**	**2019**
Total pension liability			
Service cost	$ 141,811	$ 140,424	$ 152,472
Interest	643,328	592,594	589,263
Differences between expected and actual experience	205,644	430,086	(168,376)
Changes of assumptions	0	233,040	0
Benefit payments, including refunds of employee contributions	(607,882)	(543,490)	(490,307)
Other changes	0	0	0
Net change in total pension liability	382,901	852,654	83,052
Total pension liability - beginning	8,885,219	8,032,565	7,949,513
Total pension liability - ending (a)	$ 9,268,120	$ 8,885,219	$ 8,032,565
Plan fiduciary net position			
Contributions - employer	$ 251,615	$ 287,034	$ 313,655
Net investment income	727,493	226,653	717,673
Benefit payments, including refunds of employee contributions	(607,882)	(543,490)	(490,307)
Administrative expense	(30,264)	(29,933)	(32,702)
Net change in plan fiduciary net position	340,962	(59,736)	508,319
Plan fiduciary net position - beginning	7,842,697	7,902,433	7,394,114
Plan fiduciary net position - ending (b)	$ 8,183,659	$ 7,842,697	$ 7,902,433
Net pension liability (asset) - ending : (a) - (b)	$ 1,084,461	$ 1,042,522	$ 130,132
Plan's fiduciary net position as a percentage of the total pension liability	88.30%	88.27%	98.38%
Covered payroll	$ 5,576,338	$ 5,074,389	$ 4,330,598
Net pension liabilty as a percentage of covered payroll	19.45%	20.54%	3.00%

Note: This schedule is intended to report ten years of information; however, fiscal year 2015 was the first year of implementation. Additional years' information will be displayed as it becomes available.

Fiscal Year End			
2018	**2017**	**2016**	**2015**
$ 179,299	$ 175,050	$ 178,348	$ 168,281
572,572	549,573	535,078	532,517
(74,578)	12,775	(102,827)	(142,791)
0	0	0	0
(469,718)	(411,541)	(435,594)	(415,541)
119,050	0	0	(99,394)
326,625	325,857	175,005	43,072
7,622,888	7,297,031	7,122,026	7,078,954
$ 7,949,513	$ 7,622,888	$ 7,297,031	$ 7,122,026
$ 350,507	$ 314,938	$ 371,738	$ 393,721
968,510	1,745,662	48,579	396,786
(469,718)	(411,541)	(435,594)	(415,541)
(33,775)	(20,454)	(23,058)	(18,652)
815,524	1,628,605	(38,335)	356,314
6,578,590	4,949,985	4,988,320	4,632,006
$ 7,394,114	$ 6,578,590	$ 4,949,985	$ 4,988,320
$ 555,399	$ 1,044,298	$ 2,347,046	$ 2,133,706
93.01%	86.30%	67.84%	70.04%
$ 4,862,847	$ 5,080,284	$ 4,890,737	$ 4,779,243
11.42%	20.56%	47.99%	44.65%

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, 2021
(Unaudited)

	Fiscal Year End		
	2021	**2020**	**2019**
Actuarially determined contribution	$ 262,989	$ 295,049	$ 319,859
Contributions in relation to the actuarially determined contribution	(241,073)	(321,704)	(293,203)
Contribution deficiency (excess)	$ 21,916	$ (26,655)	$ 26,656
Covered payroll	$ 6,002,098	$ 5,793,589	$ 5,602,873
Contributions as a percentage of covered payroll	4.02%	5.55%	5.23%

Note: This schedule is intended to report ten years of information; however, fiscal year 2015 was the first year of implementation. Additional years' information will be displayed as it becomes available.

Fiscal Year End			
2018	**2017**	**2016**	**2015**
$ 324,651	$ 319,859	$ 324,651	$ 347,773
(324,651)	(319,859)	(324,651)	(347,773)
$ 0	$ 0	$ 0	$ 0
$ 5,099,054	$ 5,179,922	$ 5,272,975	$ 4,845,902
6.37%	6.17%	6.16%	7.18%

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, 2021
(Unaudited)

	Fiscal Year End	
	2021	**2020**
Total OPEB liability		
Service cost	$ 1,006,649	$ 971,234
Interest	1,025,437	1,114,961
Change of benefit terms	0	(568,876)
Differences between expected and actual experience	1,826,158	329,053
Changes in assumptions	3,012,924	457,416
Benefit payments, including refunds of member contributions	(2,216,046)	(1,505,738)
Net change in total OPEB liability	4,655,122	798,050
Total OPEB liability - beginning	29,390,045	28,591,995
Total OPEB liability - ending (a)	$ 34,045,167	$ 29,390,045
Plan fiduciary net position		
Contributions - employer	$ 2,216,046	$ 1,505,738
Benefit payments, including refunds of member contributions	(2,216,046)	(1,505,738)
Net change in plan fiduciary net position	0	0
Plan fiduciary net position - beginning	0	0
Plan fiduciary net position - ending (b)	$ 0	$ 0
Net OPEB liability (asset) - ending : (a) - (b)	$ 34,045,167	$ 29,390,045
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered employee payroll	$ 30,605,855	$ 31,755,811
Plan net OPEB liability as a percentage of covered employee payroll	111.24%	92.55%

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

See accompanying notes to the required supplementary information.

Fiscal Year End	
2019	**2018**
$ 1,565,644	$ 1,789,852
1,344,332	1,123,997
0	0
(103,835)	666,587
(9,336,059)	(3,515,374)
(1,727,236)	(1,729,093)
(8,257,154)	(1,664,031)
36,849,149	38,513,180
$ 28,591,995	$ 36,849,149
$ 1,727,236	$ 1,729,093
(1,727,236)	(1,729,093)
0	0
0	0
$ 0	$ 0
$ 28,591,995	$ 36,849,149
0.00%	0.00%
$ 29,628,098	$ 27,547,554
96.50%	133.77%

See accompanying notes to the required supplementary information.

Pension Trust Fund (Pension Plan A)

1. Valuation Date

The actuarially determined contribution rate was determined as of July 1, 2021, 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, 2022.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry Age Actuarial Cost Method

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

Remaining amortization period = 2-29 years (closed periods)

Asset valuation method = Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return 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

There have been no changes in benefits since the last valuation.

4. Changes of Assumptions

There have been no changes in assumptions since the last valuation.

GMEBS (Pension Plan B)

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2021, 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, 2022.

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 12 years

GMEBS (Pension Plan B), continued

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

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

Net investment rate of return = 7.375%

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

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = 65

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

3. Changes in Benefits

There were no changes in benefit provisions since the last valuation.

4. Changes of Assumptions

The following assumption changes based on an actuarial study conducted in November and December of 2019:

The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

GMEBS (Pension Plan B), continued

4. Changes of Assumptions (continued)

The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct OASDI Trustees report used for the intermediate alternative. Previously future mortality improvements were not explicitly projected.

The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.

The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.

GMEBS (Pension Plan B), continued

4. Changes of Assumptions (continued)

Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.

Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.

Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.

The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.

The disability rates were changed to 50% of the rates in the prior age-based table.

The inflation assumption was decreased from 2.75% to 2.25%.

The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.

GMEBS (Pension Plan B), continued

4. Changes of Assumptions (continued)

The investment return assumption was decreased from 7.50% to 7.375%.

OPEB Plan

1. Valuation Date

The actuarially determined contribution rates are determined as of June 30, 2019, 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

Amortization method = Open 30 years, level percent of payroll

Remaining amortization period = 30 years

Asset valuation method = Market value

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

Projected payroll increases = 2.75%

Inflation = 2.75%

Funding discount rate = 2.21%

OPEB Plan, continued

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

Discount rate = 2.21%

Retirement age = 65

Healthcare cost trend rates = Pre-65 Medical: 7.00% trended down to 4.50% by 2030
Medicare Advantage: 5.53% trended down to 4.50% by 2030. Pre-65 Prescription Drug: 7.00% trended down to 4.50% by 2030. 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

3. Changes in Benefits

There were no benefit changes reflected in the June 30, 2020 measurement.

The following benefit changes were effective July 1, 2019:

OOP maximum increased from $4,500/$13,500 (individual/family) to $5,500/$14,300 for in-network and from $7,000/$21,000 to $9,000/$25,000 for out-of-network.

PCP copay increased from $35 to $45.

Specialist copay increased from $50 to $60.

OPEB Plan, continued

3. Changes in Benefits (continued)

Prescription drug copay structure changed from $10/$40/$60/$250(generic/formulary brand/specialty) to the following:

Prescription Drug Card		
Structure	In-Network	Out-of-Network
Generic	Member pays $10 copay; maximum 30 day supply	Member pays $35 copay; maximum 30 day supply
Formulary Brand	Member pays 20% with a minimum of $50 up to $75; maximum 30 day supply	Member pays 30% with a minimum of $100 up to $150; maximum 30 day supply
Non-Formulary Brand	Member pays 40% with a minimum of $175 up to $200; maximum 30 day supply	Member pays 60% with a minimum of $225 up to $275; maximum 30 day supply
Retail Drug - Tier 4 (Drugs costing $700-$6,000 per month)	20% copay	Not Covered
Retail Drug - Tier 5 (Drugs costing $6,001-$9,999 per month)	Not Covered	Not Covered

4. Changes of Assumptions

Changes reflected in the June 30, 2020 measurement:

The effective discount rate is 2.21% for June 30, 2020. It was 3.50% at June 30, 2019.

The participation rate for future retirees was changed from 18% to 15%.

Healthcare costs were updated to reflect the most recent claims experience.

OPEB Plan, continued

4. Changes of Assumptions (continued)

Pre-65 medical and prescription healthcare trend was updated to reflect the most recent plan experience with a starting trend of 7.0% grading down by 0.25% per year to a 4.50% ultimate rate.

Over-65 medical and prescription healthcare trend was changed to reflect the most recent premium experience with a starting trend of 5.53% for 2020, the 6.75% for 2021 grading down by 0.25% per year to a 4.50% ultimate rate.

Comprehensive actuarial experience reviews were conducted on Plans A and B separately in lare 2019 and early 2020. As a result of those studies, the following assumptions were proposed and subsequently approved. These changes are reflected for the first time in this valuation.

The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 (updated for both plans).

The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25 (updated for both plans).

The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table (updated for both plans).

Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected (updated for both plans).

OPEB Plan, continued

4. Changes of Assumptions (continued)

All disability rates were scaled down by a factor of 50% (updated for both plans).

Turnover rates were updated for Plan A General Employees who were hired after 2008 to reflect recent experience.

The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.

Retirement rates were updated for Plan A employees who were hired before 2008 to reflect recent experience.

Retirement rates were updated for Plan B participants were revised with new rates based on expected normal retirement age.

The salary increase assumption for Plan A was changed to a service-based scale starting at 14.25% for the first year of service with an ultimate rate of 3.00% at 25 years of service.

The salary increase assumption for Plan B was changed to a service-based scale starting at 8.50% for the two years of service with an ultimate rate of 3.00% at 15 years of service.

The assumed age difference between future Plan A male (female) retirees and their spouses was changed from -3 (+3 female) to -2 (+2 female).

Changes reflected in the June 30, 2019 measurement:

The effective discount rate is 3.50% for June 30, 2019. It was 3.87% at June 30, 2018.

The excise tax regulation was repealed by Congress in December 2019.

GAINESVILLE

COMBINING STATEMENTS

Nonmajor Governmental Funds

Nonmajor Enterprise Funds

Internal Service Funds

CITY OF GAINESVILLE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

	Special Revenue						
	Community Service Center	Hotel/Motel Tax	American Rescue Plan Grant	Confiscated Assets	Grants	HUD Grant	Revolving Loan
ASSETS							
Cash and cash equivalents	$ 1,328,224	$ 246,648	$ 3,179,839	$ 217,884	$ 14,923	$ 19,288	$ 99,750
Investments	811,887	151,148	1,948,630	102,234	8,961	54,841	61,128
Receivables (net)							
Accounts	1,163	0	0	1,436	0	0	0
Intergovernmental	1,616,272	0	0	0	695,769	29,504	0
Taxes	0	140,405	0	0	0	0	0
Notes	0	0	0	0	0	0	193,635
Due from other funds	0	0	0	0	0	0	0
Prepaid items	0	0	0	0	0	0	0
Inventory	29,825	0	0	0	0	0	0
Total assets	$ 3,787,371	$ 538,201	$ 5,128,469	$ 321,554	$ 719,653	$ 103,633	$ 354,513
LIABILITIES							
Payables							
Accounts	$ 37,296	$ 0	$ 0	$ 6,969	$ 12,849	$ 7,733	$ 0
Retainages	0	0	0	0	0	0	0
Accrued salaries	57,306	0	0	0	0	2,546	0
Unearned revenue	0	0	5,128,469	0	0	0	0
Due to other funds	0	0	0	0	683,390	0	0
Due to others	0	0	0	51,057	0	0	0
Total liabilities	94,602	0	5,128,469	58,026	696,239	10,279	0
DEFERRED INFLOWS OF RESOURES							
Unavailable revenue -							
Taxes	0	0	0	0	0	0	0
Notes receivable	0	0	0	0	0	0	193,635
Total deferred inflows of resources	0	0	0	0	0	0	193,635
FUND BALANCES							
Nonspendable	29,825	0	0	0	0	0	0
Restricted	1,315,919	0	0	263,528	19,913	93,354	160,878
Committed	0	0	0	0	3,501	0	0
Assigned	2,347,025	538,201	0	0	0	0	0
Total fund balances	3,692,769	538,201	0	263,528	23,414	93,354	160,878
Total liabilities, deferred inflows of resources, and fund balances	$ 3,787,371	$ 538,201	$ 5,128,469	$ 321,554	$ 719,653	$ 103,633	$ 354,513

Exhibit C-1, continued

Special Revenue: Impact Fee	Special Revenue: Tax Allocation District	Special Revenue: Information Technology	Special Revenue: Cemetery Trust	Debt Service	Capital Projects: General Government	Capital Projects: Grants	Total Nonmajor Governmental Funds
$ 1,037,641	$ 1,498,395	$ 167,173	$ 328,612	$ 1,443,635	$ 3,346,086	$ 549,902	$ 13,478,000
635,875	918,228	102,444	201,376	884,671	1,914,926	336,984	8,133,333
0	0	0	0	0	288,526	0	291,125
0	0	0	0	0	122,597	260,539	2,724,681
0	0	0	0	48,441	0	0	188,846
0	0	0	0	0	0	0	193,635
0	0	0	0	1,500,472	0	0	1,500,472
0	0	0	0	6,451	0	0	6,451
0	0	0	0	0	0	0	29,825
$ 1,673,516	$ 2,416,623	$ 269,617	$ 529,988	$ 3,883,670	$ 5,672,135	$ 1,147,425	$ 26,546,368
$ 0	$ 0	$ 143	$ 0	$ 0	$ 281,419	$ 34,099	$ 380,508
0	0	0	0	0	6,102	0	6,102
0	0	0	0	0	0	0	59,852
0	0	0	0	0	0	0	5,128,469
0	1,500,472	0	0	0	0	0	2,183,862
0	0	0	0	0	0	0	51,057
0	1,500,472	143	0	0	287,521	34,099	7,809,850
0	0	0	0	46,483	0	0	46,483
0	0	0	0	0	0	0	193,635
0	0	0	0	46,483	0	0	240,118
0	0	0	0	6,451	0	0	36,276
1,673,516	916,151	269,474	0	2,107,961	2,159,824	280,909	9,261,427
0	0	0	529,988	0	0	0	533,489
0	0	0	0	1,722,775	3,224,790	832,417	8,665,208
1,673,516	916,151	269,474	529,988	3,837,187	5,384,614	1,113,326	18,496,400
$ 1,673,516	$ 2,416,623	$ 269,617	$ 529,988	$ 3,883,670	$ 5,672,135	$ 1,147,425	$ 26,546,368

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2021

	Special Revenue						
	Community Service Center	**Hotel/Motel Tax**	**American Rescue Plan Grant**	**Confiscated Assets**	**Grants**	**HUD Grant**	**Revolving Loan**
REVENUES							
Taxes	$ 0	$ 1,295,305	$ 0	$ 0	$ 0	$ 0	$ 0
Fines, fees, and forfeitures	0	0	0	138,899	0	0	0
Charges for services	581,689	0	0	0	0	0	19,086
Intergovernmental	3,290,206	0	730,702	0	872,704	515,366	0
Investment	17,896	1,002	0	2,192	0	0	2,227
Contributions	84,031	0	0	0	55,000	0	0
Other	71,377	0	0	0	0	0	0
Total revenues	4,045,199	1,296,307	730,702	141,091	927,704	515,366	21,313
EXPENDITURES							
Current							
General Government	0	0	0	0	6,298	0	0
Public Safety	0	0	0	137,653	132,452	0	0
Public Works	0	0	0	0	114,280	0	0
Health and Welfare	4,424,577	0	0	0	0	0	0
Culture and Recreation	0	0	0	0	156,864	0	0
Housing and Development	0	775,815	0	0	632,227	514,891	0
Debt service:							
Principal	0	0	0	0	0	0	0
Interest and fiscal charges	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Total expenditures	4,424,577	775,815	0	137,653	1,042,121	514,891	0
Excess (deficiency) of revenues over (under) expenditures	(379,378)	520,492	730,702	3,438	(114,417)	475	21,313
Other financing sources (uses)							
Transfers in	761,163	0	0	0	37,293	0	0
Transfers out	0	(110,770)	(730,702)	0	0	(50,351)	0
Sale of capital assets	11,284	0	0	0	0	49,876	0
Issuance of capital leases	0	0	0	0	0	0	0
Total other financing sources (uses)	772,447	(110,770)	(730,702)	0	37,293	(475)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	393,069	409,722	0	3,438	(77,124)	0	21,313
Fund balances, July 1	3,299,700	128,479	0	260,090	100,538	93,354	139,565
Fund balances, June 30	$ 3,692,769	$ 538,201	$ 0	$ 263,528	$ 23,414	$ 93,354	$ 160,878

	Special Revenue				Debt Service	Capital Projects		Total Nonmajor Governmental Funds
	Impact Fee	Tax Allocation District	Information Technology	Cemetery Trust		General Government	Grants	
	$ 0	$ 142,074	$ 0	$ 0	$ 2,864,715	$ 0	$ 0	$ 4,302,094
	0	0	54,402	0	0	0	0	193,301
	1,361,137	0	0	88,150	0	0	0	2,050,062
	0	455,167	0	0	0	0	424,834	6,288,979
	12,001	18,349	1,818	3,633	21,784	255	0	81,157
	0	0	0	0	0	10,000	0	149,031
	0	0	0	0	0	0	0	71,377
	1,373,138	615,590	56,220	91,783	2,886,499	10,255	424,834	13,136,001
	0	0	0	0	0	0	0	6,298
	0	0	10,315	0	0	0	0	280,420
	0	0	0	0	0	0	0	114,280
	0	0	0	0	0	0	0	4,424,577
	0	0	0	0	0	0	0	156,864
	0	188,732	0	0	0	0	0	2,111,665
	0	0	0	0	2,739,322	0	0	2,739,322
	0	0	0	0	603,648	0	0	603,648
	0	0	0	0	0	3,936,808	116,319	4,053,127
	0	188,732	10,315	0	3,342,970	3,936,808	116,319	14,490,201
	1,373,138	426,858	45,905	91,783	(456,471)	(3,926,553)	308,515	(1,354,200)
	0	0	0	0	209,354	3,226,348	400,351	4,634,509
	(335,286)	(448,584)	0	0	0	(1,362,833)	(424,833)	(3,463,359)
	0	0	0	0	0	0	0	61,160
	0	0	0	0	0	606,886	0	606,886
	(335,286)	(448,584)	0	0	209,354	2,470,401	(24,482)	1,839,196
	1,037,852	(21,726)	45,905	91,783	(247,117)	(1,456,152)	284,033	484,996
	635,664	937,877	223,569	438,205	4,084,304	6,840,766	829,293	18,011,404
	$ 1,673,516	$ 916,151	$ 269,474	$ 529,988	$ 3,837,187	$ 5,384,614	$ 1,113,326	$ 18,496,400

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2021

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
ASSETS				
Current assets				
Cash and cash equivalents	$ 878,000	$ 2,177,506	$ 267,777	$ 3,323,283
Investments	538,044	1,334,270	163,207	2,035,521
Receivables				
Accounts (net)	13,045	180,811	6,227	200,083
Intergovernmental	9,150	0	0	9,150
Total current assets	1,438,239	3,692,587	437,211	5,568,037
Noncurrent assets				
Capital assets				
Non-depreciable	1,242,036	0	1,347,003	2,589,039
Depreciable (net)	7,936,550	1,403,938	2,132,024	11,472,512
Total noncurrent assets	9,178,586	1,403,938	3,479,027	14,061,551
Total assets	10,616,825	5,096,525	3,916,238	19,629,588
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	0	0	21,879	21,879
Deferred outflows related to pensions	9,880	145,742	40,232	195,854
Deferred outflows related to other post employment benefits	10,913	258,238	54,561	323,712
Total deferred outflows of resources	20,793	403,980	116,672	541,445
LIABILITIES				
Current liabilities				
Payables				
Accounts	18,853	16,350	349,688	384,891
Intergovernmental	0	26,553	0	26,553
Deposits	4,036	0	0	4,036
Sales tax	0	0	1,608	1,608
Interest	0	0	4,703	4,703
Retainage	0	0	91,111	91,111
Accrued salaries	2,959	49,043	21,611	73,613
Compensated absences	6,908	65,382	29,247	101,537
Capital lease payable	0	0	275,000	275,000
Other liabilities	0	0	49,435	49,435
Total current liabilities	32,756	157,328	822,403	1,012,487
Noncurrent liabilities				
Compensated absences	768	7,265	3,250	11,283
Net pension liability	54,691	360,195	52,511	467,397
Net OPEB liability	54,316	1,244,922	271,583	1,570,821
Capital leases payable	0	0	1,165,000	1,165,000
Total noncurrent liabilities	109,775	1,612,382	1,492,344	3,214,501
Total liabilities	142,531	1,769,710	2,314,747	4,226,988

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2021

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	$ 57,547	$ 195,859	$ 9,701	$ 263,107
Deferred inflows related to other post employment benefits	9,790	230,161	48,950	288,901
Total deferred inflows of resources	67,337	426,020	58,651	552,008
NET POSITION				
Net investment in capital assets	9,178,586	1,403,938	1,665,604	12,248,128
Restricted for capital outlay	0	0	47,803	47,803
Unrestricted	1,249,164	1,900,837	(53,895)	3,096,106
Total net position	$ 10,427,750	$ 3,304,775	$ 1,659,512	$ 15,392,037

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2021

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for sales and services	$ 1,045,854	$ 2,972,679	$ 1,007,306	$ 5,025,839
Other	553	22,998	30,175	53,726
Total operating revenues	1,046,407	2,995,677	1,037,481	5,079,565
OPERATING EXPENSES				
Costs of sales and services	411,328	1,243,265	439,075	2,093,668
Personal services	63,495	1,450,867	532,911	2,047,273
Depreciation	623,929	319,167	312,647	1,255,743
Total operating expenses	1,098,752	3,013,299	1,284,633	5,396,684
Operating income (loss)	(52,345)	(17,622)	(247,152)	(317,119)
Non-operating revenues (expenses)				
Interest revenue	7,443	27,028	2,909	37,380
Interest expense	(1,038)	0	(45,474)	(46,512)
Intergovernmental	69,000	341,880	0	410,880
Gain (loss) on sale of capital assets	10,672	112,475	0	123,147
Total non-operating revenues (expenses)	86,077	481,383	(42,565)	524,895
Income (loss) before transfers	33,732	463,761	(289,717)	207,776
Transfers in (out)				
Transfers in	0	0	1,279,082	1,279,082
Change in net position	33,732	463,761	989,365	1,486,858
Net position, July 1	10,394,018	2,841,014	670,147	13,905,179
Net position, June 30	$ 10,427,750	$ 3,304,775	$ 1,659,512	$ 15,392,037

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2021

	Airport	Solid Waste	Chattahoochee Golf Course	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from customers	$ 1,055,387	$ 2,988,947	$ 1,048,928	$ 5,093,262
Payments to suppliers	(413,051)	(1,559,522)	(444,527)	(2,417,100)
Payments to employees	(70,863)	(1,572,947)	(556,705)	(2,200,515)
Other receipts	553	22,998	13,475	37,026
Net cash provided (used) by operating activities	572,026	(120,524)	61,171	512,673
Cash flows from non-capital financing activities:				
Receipts from other governments	0	341,880	0	341,880
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets	17,272	113,058	0	130,330
Receipts from other governments	319,000	0	0	319,000
Receipts from other funds	0	0	1,279,082	1,279,082
Interest paid	(1,038)	0	(40,753)	(41,791)
Acquisition of capital assets	(328,621)	(431,852)	(899,550)	(1,660,023)
Principal payments - capital leases	0	0	(265,000)	(265,000)
Net cash provided (used) by capital and related financing activities	6,613	(318,794)	73,779	(238,402)
Cash flows from investing activities:				
Receipts of investment revenue	7,443	27,028	2,909	37,380
Purchase of investments	(1,178,144)	(2,173,141)	(337,763)	(3,689,048)
Proceeds from sale of investments	1,047,772	2,598,323	317,825	3,963,920
Net cash provided (used) by investing activities	(122,929)	452,210	(17,029)	312,252
Net increase (decrease) in cash and cash equivalents	455,710	354,772	117,921	928,403
Cash and cash equivalents, July 1	422,290	1,822,734	149,856	2,394,880
Cash and cash equivalents, June 30	$ 878,000	$ 2,177,506	$ 267,777	$ 3,323,283

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2021

	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)	$ (52,345)	$ (17,622)	$ (247,152)	$ (317,119)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	623,929	319,167	312,647	1,255,743
(Increase) decrease in accounts receivable	9,532	16,269	34,249	60,050
(Increase) decrease in deferred outflows of resources	(1,920)	(88,842)	(33,477)	(124,239)
Increase (decrease) in accounts payable	(1,723)	(342,810)	(5,173)	(349,706)
Increase (decrease) in intergovernmental payable	0	26,553	0	26,553
Increase (decrease) in sales tax payable	0	0	(9,327)	(9,327)
Increase (decrease) in accrued salaries and benefits	8,263	(20,589)	(2,709)	(15,035)
Increase (decrease) in other liabilities	0	0	(279)	(279)
Increase (decrease) in net pension liability	(46,830)	(244,180)	4,752	(286,258)
Increase (decrease) in deferred inflows of resources	25,914	58,585	(28,390)	56,109
Increase (decrease) in net OPEB liability	7,206	172,945	36,030	216,181
Total adjustments	624,371	(102,902)	308,323	829,792
Net cash provided (used) by operating activities	$ 572,026	$ (120,524)	$ 61,171	$ 512,673

Acquisition of capital assets through retainage payable totaled $91,111.

Acquisition of capital assets through accounts payable totaled $304,191.

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2021

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 1,201,710	$ 2,790,979	$ 222,668	$ 4,215,357
Investments	736,417	1,702,452	136,269	2,575,138
Receivables				
Accounts	0	40,850	0	40,850
Intergovernmental	0	0	8,386	8,386
Inventory	0	0	96,613	96,613
Other assets	77,450	0	0	77,450
Total current assets	2,015,577	4,534,281	463,936	7,013,794
Noncurrent assets				
Depreciable capital assets (net)	0	0	86,191	86,191
Total assets	2,015,577	4,534,281	550,127	7,099,985
LIABILITIES				
Current liabilities				
Payables				
Accounts	104,868	67,464	101,515	273,847
Deposits	0	154,202	0	154,202
Accrued salaries	0	0	14,874	14,874
Compensated absences	0	0	24,671	24,671
Claims reserves	1,191,498	805,486	0	1,996,984
Total current liabilities	1,296,366	1,027,152	141,060	2,464,578
Noncurrent liabilities				
Compensated absences	0	0	2,741	2,741
Total liabilities	1,296,366	1,027,152	143,801	2,467,319
NET POSITION				
Investment in capital assets	0	0	86,191	86,191
Unrestricted	719,211	3,507,129	320,135	4,546,475
Total net position	$ 719,211	$ 3,507,129	$ 406,326	$ 4,632,666

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2021

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
OPERATING REVENUES				
Interfund services provided	$ 1,175,481	$ 9,551,863	$ 1,961,072	$ 12,688,416
Other	10,978	0	1,805	12,783
Total operating revenues	1,186,459	9,551,863	1,962,877	12,701,199
OPERATING EXPENSES				
Costs of services	1,186,459	11,312,101	1,529,920	14,028,480
Personal services	0	0	396,468	396,468
Depreciation	0	0	36,549	36,549
Total operating expenses	1,186,459	11,312,101	1,962,937	14,461,497
Operating income (loss)	0	(1,760,238)	(60)	(1,760,298)
Non-operating revenues (expenses)				
Investment revenue	15,773	45,067	0	60,840
Gain (loss) on sale of capital assets	0	0	60	60
Total non-operating revenues (expenses)	15,773	45,067	60	60,900
Net income (loss) before transfers	15,773	(1,715,171)	0	(1,699,398)
Transfers in (out)	0	13,700	0	13,700
Change in net position	15,773	(1,701,471)	0	(1,685,698)
Net position, July 1	703,438	5,208,600	406,326	6,318,364
Net position, June 30	$ 719,211	$ 3,507,129	$ 406,326	$ 4,632,666

CITY OF GAINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the fiscal year ended June 30, 2021

	General Insurance Fund	Employee Benefits Fund	Vehicle Services Fund	Totals
Cash flows from operating activities:				
Receipts from interfund services provided	$ 1,180,884	$ 9,517,576	$ 1,953,032	$ 12,651,492
Payments to suppliers	(1,525,504)	(11,048,144)	(1,512,003)	(14,085,651)
Payments to employees	0	0	(400,400)	(400,400)
Other receipts	10,978	0	1,805	12,783
Net cash provided (used) by operating activities	(333,642)	(1,530,568)	42,434	(1,821,776)
Cash flows from non-capital financing activities:				
Receipts from other funds	0	13,700	0	13,700
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets	0	0	60	60
Cash flows from investing activities:				
Receipts of investment revenue	15,773	45,067	0	60,840
Proceeds from sale of investments	1,434,078	3,315,144	265,365	5,014,587
Purchase of investments	(1,062,361)	(1,975,084)	(246,346)	(3,283,791)
Net cash provided (used) by investing activities	387,490	1,385,127	19,019	1,791,636
Net increase (decrease) in cash and cash equivalents	53,848	(131,741)	61,513	(16,380)
Cash and cash equivalents, July 1	1,147,862	2,922,720	161,155	4,231,737
Cash and cash equivalents, June 30	$ 1,201,710	$ 2,790,979	$ 222,668	$ 4,215,357
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 0	$ (1,760,238)	$ (60)	$ (1,760,298)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	0	0	36,549	36,549
(Increase) decrease in accounts receivable	5,403	(34,287)	0	(28,884)
(Increase) decrease in intergovernmental receivables	0	0	(8,040)	(8,040)
(Increase) decrease in prepaid items	0	2,278	0	2,278
(Increase) decrease in inventory	0	0	(8,571)	(8,571)
(Increase) decrease in other assets	43,215	0	0	43,215
Increase (decrease) in accounts payable	103,987	4,408	26,488	134,883
Increase (decrease) in deposits payable	0	5,798	0	5,798
Increase (decrease) in accrued salaries and benefits	0	0	(3,932)	(3,932)
Increase (decrease) in claims reserve	(486,247)	251,473	0	(234,774)
Total adjustments	(333,642)	229,670	42,494	(61,478)
Net cash provided (used) by operating activities	$ (333,642)	$ (1,530,568)	$ 42,434	$ (1,821,776)

GAINESVILLE

GENERAL FUND

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

The General Fund is presented as a major fund in the basic financial statements.

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 10,911,267	$ 8,165,817
Investments	6,629,338	7,916,647
Receivables (net)		
Accounts	146,008	181,995
Intergovernmental	13,484	24,898
Taxes	1,349,348	1,462,974
Prepaid items	1,491	13,851
Due from other funds	683,391	616,211
Total assets	$ 19,734,327	$ 18,382,393
LIABILITIES		
Payables		
Accounts	$ 293,674	$ 549,748
Intergovernmental	74,886	4,978
Due to others	86,989	78,226
Accrued salaries	641,423	572,641
Unearned revenue	2,073	1,973
Total liabilities	1,099,045	1,207,566
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - taxes	72,875	381,601
FUND BALANCES		
Nonspendable:		
Prepaid items	1,491	13,851
Committed for Housing and Development	7,388	14,738
Assigned for:		
Public Works	162,108	148,820
Budget	3,978,801	3,255,898
Unassigned	14,412,619	13,359,919
Total fund balances	18,562,407	16,793,226
Total liabilities, deferred inflows of resources, and fund balances	$ 19,734,327	$ 18,382,393

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
REVENUES		
Taxes	$ 23,963,040	$ 21,407,309
Licenses and permits	1,141,400	920,559
Fines, fees and forfeitures	1,244,214	1,066,369
Charges for services	3,023,537	2,950,408
Intergovernmental	2,274,450	387,371
Investment	314,070	821,618
Contributions	1,000	8,500
Other	212,262	176,097
Total revenues	32,173,973	27,738,231
EXPENDITURES		
Current		
General Government	5,586,398	4,950,539
Judicial	599,394	603,102
Public Safety	10,011,333	9,865,202
Public Works	5,198,260	4,891,531
Health and Welfare	12,500	15,000
Culture and Recreation	346,350	94,855
Housing and Development	1,992,565	1,740,880
Total expenditures	23,746,800	22,161,109
Excess (deficiency) of revenues over (under) expenditures	8,427,173	5,577,122
Other financing sources (uses)		
Transfers in (out)		
Community Service Center Fund	(761,163)	(751,163)
Government Access Cable TV Channel Fund	0	49,870
Grants Special Revenue Fund	(37,292)	(21,478)
Fire Fund	(2,303,304)	(2,700,000)
Impact Fee Fund	43,383	34,255
SPLOST Capital Projects Fund	(2,919,813)	(750,000)
General Government Capital Projects Fund	(2,900,190)	(1,554,921)
Grants Capital Projects Fund	(13,700)	0
Department of Water Resources Fund	3,361,432	3,300,483
Chattahoochee Golf Course Fund	(1,279,082)	(473,440)
Solid Waste Fund	0	335,000
Sales of capital assets	151,737	38,923
Total other financing sources (uses)	(6,657,992)	(2,492,471)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,769,181	3,084,651
Fund balances, July 1	16,793,226	13,708,575
Fund balances, June 30	$ 18,562,407	$ 16,793,226

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Taxes				
General property taxes				
Current year levy	$ 3,920,260	$ 4,004,436	$ 84,176	$ 3,909,537
Prior years' levies	39,117	34,894	(4,223)	25,476
Motor vehicle/TAVT tax	506,273	1,675,001	1,168,728	938,587
Cost, penalties, and interest	17,394	36,957	19,563	39,627
Total general property taxes	4,483,044	5,751,288	1,268,244	4,913,227
Intangibles tax	57,003	345,278	288,275	250,731
Franchise tax	4,032,832	4,382,992	350,160	4,540,980
Insurance premium tax	2,151,114	2,733,401	582,287	2,591,703
Occupational tax	1,146,697	1,461,195	314,498	1,375,576
Alcohol tax	754,264	1,299,136	544,872	1,207,300
Local option sales tax	4,074,444	7,989,750	3,915,306	6,527,792
Total taxes	16,699,398	23,963,040	7,263,642	21,407,309
Licenses and permits	547,393	1,141,400	594,007	920,559
Fines, fees and forfeitures	750,552	1,244,214	493,662	1,066,369
Charges for services	2,925,220	3,023,537	98,317	2,950,408
Intergovernmental	383,286	2,274,450	1,891,164	387,371
Investment	616,406	314,070	(302,336)	821,618
Contributions	0	1,000	1,000	8,500
Other				
Rents	126,612	123,369	(3,243)	123,661
Miscellaneous	67,771	88,893	21,122	52,436
Total other	194,383	212,262	17,879	176,097
Total revenues	$ 22,116,638	$ 32,173,973	$ 10,057,335	$ 27,738,231

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	$ 246,270	$ 230,155	$ 16,115	$ 222,973
Other	152,662	88,093	64,569	81,543
Total Mayor and Council	398,932	318,248	80,684	304,516
City Manager's Office				
Personal services	705,684	704,847	837	692,363
Other	252,555	189,969	62,586	203,689
Total City Manager's Office	958,239	894,816	63,423	896,052
Finance				
Personal services	1,070,965	1,069,820	1,145	1,072,994
Other	279,728	257,891	21,837	228,351
Total Finance	1,350,693	1,327,711	22,982	1,301,345
Information Technologies				
Personal services	659,986	652,367	7,619	641,025
Other	800,908	778,362	22,546	356,834
Total Information Technologies	1,460,894	1,430,729	30,165	997,859
Human Resources				
Personal services	645,059	637,559	7,500	642,825
Other	201,521	184,362	17,159	111,664
Total Human Resources	846,580	821,921	24,659	754,489
Public Lands and Buildings				
Personal services	369,468	312,959	56,509	366,700
Other	597,322	480,014	117,308	329,578
Total Public Lands and Buildings	966,790	792,973	173,817	696,278
Total General Government	5,982,128	5,586,398	395,730	4,950,539
Judicial				
Municipal Court				
Personal services	506,226	505,761	465	490,652
Other	119,090	93,633	25,457	112,450
Total Judicial	625,316	599,394	25,922	603,102
Public Safety				
Police				
Personal services	8,531,654	8,429,245	102,409	8,297,655
Other	1,580,648	1,582,088	(1,440)	1,567,547
Total Police	10,112,302	10,011,333	100,969	9,865,202
Total Public Safety	10,112,302	10,011,333	100,969	9,865,202

CITY OF GAINESVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
Public Works				
Engineering				
Personal services	$ 928,455	$ 896,142	$ 32,313	$ 917,541
Other	186,279	129,753	56,526	103,786
Total Engineering	1,114,734	1,025,895	88,839	1,021,327
Traffic				
Personal services	479,589	469,241	10,348	459,928
Other	1,045,268	1,034,732	10,536	850,521
Total Traffic	1,524,857	1,503,973	20,884	1,310,449
Street Maintenance				
Personal services	1,404,054	1,209,061	194,993	1,230,032
Other	486,753	476,188	10,565	423,639
Total Street Maintenance	1,890,807	1,685,249	205,558	1,653,671
Storm Water				
Personal services	328,454	287,216	41,238	278,158
Other	113,731	72,178	41,553	51,659
Total Storm Water	442,185	359,394	82,791	329,817
Cemetery				
Personal services	435,897	431,300	4,597	409,911
Other	210,428	192,449	17,979	166,356
Total Cemetery	646,325	623,749	22,576	576,267
Total Public Works	5,618,908	5,198,260	420,648	4,891,531
Health and Welfare				
Payments to other agencies	15,000	12,500	2,500	15,000
Culture and Recreation				
Payments to other agencies	346,350	346,350	0	94,855
Housing and Development				
Planning				
Personal services	662,276	659,273	3,003	608,292
Other	163,545	160,328	3,217	110,288
Total Planning	825,821	819,601	6,220	718,580
Inspection				
Personal services	378,065	375,823	2,242	372,651
Other	58,561	44,636	13,925	49,972
Total Inspection	436,626	420,459	16,167	422,623
Code Enforcement				
Personal services	390,176	387,588	2,588	344,850
Other	102,551	102,687	(136)	92,845
Total Code Enforcement	492,727	490,275	2,452	437,695
Economic Development				
Payments to other agencies	259,770	262,230	(2,460)	161,982
Total Housing and Development	2,014,944	1,992,565	22,379	1,740,880
Total expenditures	$ 24,714,948	$ 23,746,800	$ 968,148	$ 22,161,109

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

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

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

The Economic Development Fund is presented as a major fund in the basic financial statements.

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

***American Rescue Plan Grant Fund** – This fund is used to account for all revenues and expenditures related to the American Rescue Plan Act grant.*

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

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

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

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

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

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

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

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

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

The Fire Fund is presented as a major fund in the basic financial statements.

CITY OF GAINESVILLE, GEORGIA
COMMUNITY SERVICE CENTER SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 1,328,224	$ 1,325,227
Investments	811,887	1,055,378
Receivables		
Accounts	1,163	4,295
Intergovernmental	1,616,272	1,124,218
Inventory	29,825	29,735
Total assets	$ 3,787,371	$ 3,538,853
LIABILITIES		
Accounts payable	$ 37,296	$ 192,931
Accrued salaries	57,306	46,222
Total liabilities	94,602	239,153
FUND BALANCES		
Nonspendable:		
Inventory	29,825	29,735
Restricted for Health and Welfare	1,315,919	1,320,898
Assigned for Health and Welfare	2,347,025	1,949,067
Total fund balances	3,692,769	3,299,700
Total liabilities and fund balances	$ 3,787,371	$ 3,538,853

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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Charges for services	$ 392,615	$ 581,689	$ 189,074	$ 470,198
Intergovernmental	3,312,155	3,290,206	(21,949)	2,165,741
Interest	30,000	17,896	(12,104)	51,800
Contributions	86,500	84,031	(2,469)	85,623
Other	71,770	71,377	(393)	100,566
Total revenues	3,893,040	4,045,199	152,159	2,873,928
EXPENDITURES				
Current				
Health and Welfare				
Personal services	1,613,214	1,491,291	121,923	1,483,576
Other	1,571,110	1,413,870	157,240	1,386,677
Capital outlay	1,743,895	1,519,416	224,479	444,398
Total expenditures	4,928,219	4,424,577	503,642	3,314,651
Excess (deficiency) of revenues over (under) expenditures	(1,035,179)	(379,378)	655,801	(440,723)
Other financing sources (uses)				
Transfers in (out)				
General Fund	761,163	761,163	0	751,163
Sale of capital assets	0	11,284	11,284	22,755
Total other financing sources (uses)	761,163	772,447	11,284	773,918
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(274,016)	393,069	667,085	333,195
Fund balance, July 1	274,016	3,299,700	3,025,684	2,966,505
Fund balances, June 30	$ 0	$ 3,692,769	$ 3,692,769	$ 3,299,700

CITY OF GAINESVILLE, GEORGIA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 6,564,355	$ 2,828,715
Investments	4,553,899	13,279,644
Accounts receivable	0	5,099
Total assets	$ 11,118,254	$ 16,113,458
LIABILITIES		
Accounts payable	$ 659	$ 5,721
Due to other funds	10,017,622	10,017,622
Total liabilities	10,018,281	10,023,343
FUND BALANCES		
Assigned for Housing and Development:	1,099,973	6,090,115
Total liabilities and fund balances	$ 11,118,254	$ 16,113,458

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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Investment	$ 71,000	$ (4,854,797)	$ (4,925,797)	$ 114,476
EXPENDITURES				
Current				
Housing and Development				
Other	136,000	135,345	655	55,826
Excess (deficiency) of revenues over (under) expenditures	(65,000)	(4,990,142)	(4,925,142)	58,650
Fund balances, July 1	65,000	6,090,115	6,025,115	6,031,465
Fund balances, June 30	$ 0	$ 1,099,973	$ 1,099,973	$ 6,090,115

CITY OF GAINESVILLE, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 246,648	$ 34,464
Investments	151,148	33,270
Taxes receivable	140,405	60,745
Total assets	$ 538,201	$ 128,479
FUND BALANCES		
Assigned for Housing and Development	$ 538,201	$ 128,479

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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Hotel/motel taxes	$ 886,160	$ 1,295,305	$ 409,145	$ 1,191,436
Investment	425	1,002	577	1,147
Total revenues	886,585	1,296,307	409,722	1,192,583
EXPENDITURES				
Current				
Housing and Development				
Other	775,815	775,815	0	700,956
Excess (deficiency) of revenues over (under) expenditures	110,770	520,492	409,722	491,627
Other financing sources (uses)				
Transfers in (out)				
Debt Service Fund	(110,770)	(110,770)	0	(158,355)
General Government				
Capital Projects Fund	0	0	0	(326,633)
Total other financing sources (uses)	(110,770)	(110,770)	0	(484,988)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	409,722	409,722	6,639
Fund balances, July 1	0	128,479	128,479	121,840
Fund balances, June 30	$ 0	$ 538,201	$ 538,201	$ 128,479

CITY OF GAINESVILLE, GEORGIA
AMERICAN RESCUE PLAN GRANT SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2021

ASSETS		
Cash and cash equivalents	$	3,179,839
Investments		1,948,630
Total assets	$	5,128,469
LIABILITIES		
Unearned revenue	$	5,128,469

CITY OF GAINESVILLE, GEORGIA
AMERICAN RESCUE PLAN GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 731,000	$ 730,702	$ (298)
EXPENDITURES			
Current			
Total expenditures	0	0	0
Excess (deficiency) of revenues over (under) expenditures	731,000	730,702	(298)
Other financing sources (uses)			
Transfers in (out)			
Department of Water Resources Fund	(731,000)	(730,702)	298
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0
Fund balance, July 1	0	0	0
Fund balances, June 30	$ 0	$ 0	$ 0

CITY OF GAINESVILLE, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 217,884	$ 195,521
Investments	102,234	138,269
Accounts receivable	1,436	0
Total assets	$ 321,554	$ 333,790
LIABILITIES		
Accounts payable	$ 6,969	$ 21,405
Due to others	51,057	52,295
Total liabilities	58,026	73,700
FUND BALANCES		
Restricted for Public Safety	263,528	260,090
Total liabilities and fund balances	$ 321,554	$ 333,790

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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Fines, fees, and forfeitures	$ 0	$ 138,899	$ 138,899	$ 102,985
Investment	0	2,192	2,192	11,270
Total revenues	0	141,091	141,091	114,255
EXPENDITURES				
Current				
Public Safety				
Other	213,228	107,653	105,575	205,974
Capital outlay	110,000	30,000	80,000	126,099
Total expenditures	323,228	137,653	185,575	332,073
Excess (deficiency) of revenues over (under) expenditures	(323,228)	3,438	326,666	(217,818)
Fund balance, July 1	323,228	260,090	(63,138)	477,908
Fund balances, June 30	$ 0	$ 263,528	$ 263,528	$ 260,090

CITY OF GAINESVILLE, GEORGIA
GRANTS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 14,923	$ 300
Investments	8,961	0
Intergovernmental receivables	695,769	513,101
Total assets	$ 719,653	$ 513,401
LIABILITIES		
Accounts payable	$ 12,849	$ 741
Unearned revenue	0	55,000
Due to other funds	683,390	357,122
Total liabilities	696,239	412,863
FUND BALANCES		
Restricted for		
Public Safety	763	1,151
Public Works	19,150	19,150
Committed for Housing and Development	3,501	4,868
Assigned for General Government	0	75,369
Total fund balances	23,414	100,538
Total liabilities and fund balances	$ 719,653	$ 513,401

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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Intergovernmental	$ 1,750,948	$ 872,704	$ (878,244)	$ 391,081
Contributions	55,000	55,000	0	0
Total revenues	1,805,948	927,704	(878,244)	391,081
EXPENDITURES				
Current				
General Government	7,000	6,298	702	12,138
Judicial	0	0	0	1,188
Public Safety	121,848	132,452	(10,604)	128,909
Public Works	115,800	114,280	1,520	31,025
Culture and Recreation	157,315	156,864	451	10,518
Housing and Development	1,441,385	632,227	809,158	428,726
Total expenditures	1,843,348	1,042,121	801,227	612,504
Excess (deficiency) of revenues over (under) expenditures	(37,400)	(114,417)	(77,017)	(221,423)
Other financing sources (uses)				
Transfers in (out)				
General Fund	37,400	37,293	(107)	21,478
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(77,124)	(77,124)	(199,945)
Fund balance, July 1	0	100,538	100,538	300,483
Fund balances, June 30	$ 0	$ 23,414	$ 23,414	$ 100,538

CITY OF GAINESVILLE, GEORGIA
HUD GRANT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 19,288	$ 0
Investments	54,841	92,896
Intergovernmental receivables	29,504	261,099
Total assets	$ 103,633	$ 353,995
LIABILITIES		
Accounts payable	$ 7,733	$ 1,184
Accrued salaries	2,546	369
Due to other funds	0	259,088
Total liabilities	10,279	260,641
FUND BALANCES		
Restricted for Housing and Development	93,354	93,354
Total liabilities and fund balances	$ 103,633	$ 353,995

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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Intergovernmental	$ 2,206,550	$ 515,366	$ (1,691,184)	$ 538,032
EXPENDITURES				
Current				
Housing and Development				
Personal services	343,477	111,726	231,751	75,757
Other	1,301,544	403,165	898,379	284,845
Total expenditures	1,645,021	514,891	1,130,130	360,602
Excess (deficiency) of revenues over (under) expenditures	561,529	475	(561,054)	177,430
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	(561,529)	(50,351)	511,178	(177,430)
Sales of capital assets	0	49,876	49,876	0
Total other financing sources (uses)	(561,529)	(475)	561,054	(177,430)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	0
Fund balances, July 1	0	93,354	93,354	93,354
Fund balances, June 30	$ 0	$ 93,354	$ 93,354	$ 93,354

CITY OF GAINESVILLE, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 99,750	$ 71,011
Investments	61,128	68,554
Notes receivable	193,635	210,778
Total assets	$ 354,513	$ 350,343
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - notes receivable	$ 193,635	$ 210,778
FUND BALANCES		
Restricted for Housing and Development	160,878	139,565
Total deferred inflows of resources and fund balances	$ 354,513	$ 350,343

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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Charges for services	$ 20,199	$ 19,086	$ (1,113)	$ 16,469
Investment	3,337	2,227	(1,110)	4,165
Total revenues	23,536	21,313	(2,223)	20,634
EXPENDITURES				
Current				
Housing and Development				
Other	82,018	0	82,018	6,410
Excess (deficiency) of revenues over (under) expenditures	(58,482)	21,313	79,795	14,224
Fund balances, July 1	58,482	139,565	81,083	125,341
Fund balances, June 30	$ 0	$ 160,878	$ 160,878	$ 139,565

CITY OF GAINESVILLE, GEORGIA
IMPACT FEE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 1,037,641	$ 323,069
Investments	635,875	311,887
Accounts receivable	0	708
Total assets	$ 1,673,516	$ 635,664
FUND BALANCES		
Restricted for:		
Public Safety	$ 783,149	$ 458,548
Cultural and Recreation	890,367	177,116
Total fund balances	$ 1,673,516	$ 635,664

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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Charges for services	$ 1,167,501	$ 1,361,137	$ 193,636	$ 1,068,956
Investment	11,000	12,001	1,001	80,442
Total revenues	1,178,501	1,373,138	194,637	1,149,398
EXPENDITURES				
Current				
Culture and Recreation				
Other	1,131,600	0	1,131,600	2,550,000
Excess (deficiency) of revenues over (under) expenditures	46,901	1,373,138	1,326,237	(1,400,602)
Other financing sources (uses)				
Transfers in (out)				
General Fund	(43,536)	(43,383)	153	(34,255)
SPLOST Fund	(291,903)	(291,903)	0	(1,173,744)
Total other financing sources (uses)	(335,439)	(335,286)	153	(1,207,999)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(288,538)	1,037,852	1,326,390	(2,608,601)
Fund balances, July 1	288,538	635,664	347,126	3,244,265
Fund balances, June 30	$ 0	$ 1,673,516	$ 1,673,516	$ 635,664

CITY OF GAINESVILLE, GEORGIA
TAX ALLOCATION DISTRICT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 1,498,395	$ 1,240,441
Investments	918,228	1,197,508
Accounts receivable	0	400
Total assets	$ 2,416,623	$ 2,438,349
LIABILITIES		
Due to other funds	$ 1,500,472	$ 1,500,472
FUND BALANCES		
Restricted for Housing and Development	916,151	937,877
Total liabilities and fund balances	$ 2,416,623	$ 2,438,349

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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Property taxes	$ 154,263	$ 142,074	$ (12,189)	$ 84,987
Intergovernmental	488,069	455,167	(32,902)	251,939
Investment	5,950	18,349	12,399	48,621
Total revenues	648,282	615,590	(32,692)	385,547
EXPENDITURES				
Current				
Housing and Development	549,698	188,732	360,966	531,655
Excess (deficiency) of revenues over (under) expenditures	98,584	426,858	328,274	(146,108)
Other financing sources (uses)				
Transfers in (out)				
General Government Capital Projects Fund	(350,000)	(350,000)	0	0
Debt Service Fund	(98,584)	(98,584)	0	(17,900)
Total other financing sources (uses)	(448,584)	(448,584)	0	(17,900)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(350,000)	(21,726)	328,274	(164,008)
Fund balances, July 1	350,000	937,877	587,877	1,101,885
Fund balances, June 30	$ 0	$ 916,151	$ 916,151	$ 937,877

CITY OF GAINESVILLE, GEORGIA
INFORMATION TECHNOLOGY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 167,173	$ 113,753
Investments	102,444	109,816
Total assets	$ 269,617	$ 223,569
LIABILITIES		
Accounts payable	$ 143	$ 0
FUND BALANCES		
Restricted for Public Safety	269,474	223,569
Total liabilities and fund balances	$ 269,617	$ 223,569

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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Fines, fees, and forfeitures	$ 42,000	$ 54,402	$ 12,402	$ 41,896
Investment	2,700	1,818	(882)	4,598
Total revenues	44,700	56,220	11,520	46,494
EXPENDITURES				
Current				
Public Safety				
Other	44,700	10,315	34,385	14,233
Excess (deficiency) of revenues over (under) expenditures	0	45,905	45,905	32,261
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	0	0	0	(31,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	45,905	45,905	1,261
Fund balances, July 1	0	223,569	223,569	222,308
Fund balances, June 30	$ 0	$ 269,474	$ 269,474	$ 223,569

CITY OF GAINESVILLE, GEORGIA
CEMETERY TRUST SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 328,612	$ 222,961
Investments	201,376	215,244
Total assets	$ 529,988	$ 438,205
FUND BALANCES		
Committed for Public Works	$ 529,988	$ 438,205

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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Sales and services	$ 45,000	$ 88,150	$ 43,150	$ 49,990
Investment	2,500	3,633	1,133	8,356
Total revenues	47,500	91,783	44,283	58,346
EXPENDITURES				
Public Works				
Other	0	0	0	853
Total expenditures	0	0	0	853
Excess (deficiency) of revenues over (under) expenditures	47,500	91,783	44,283	57,493
Other financing sources (uses)				
Transfers in (out)				
General Government				
Capital Projects Fund	(47,500)	0	47,500	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	91,783	91,783	57,493
Fund balances, July 1	0	438,205	438,205	380,712
Fund balances, June 30	$ 0	$ 529,988	$ 529,988	$ 438,205

CITY OF GAINESVILLE, GEORGIA
FIRE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 1,032,733	$ 538,553
Investments	632,866	519,914
Receivable		
Accounts	130	1,249
Taxes	103,336	79,811
Intergovernmental	0	876
Total assets	$ 1,769,065	$ 1,140,403
LIABILITIES		
Accounts payable	$ 73,705	$ 24,138
Intergovernmental payable	3,649	0
Accrued salaries	264,822	238,475
Total liabilities	342,176	262,613
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	99,216	64,516
FUND BALANCES		
Assigned for Public Safety	1,327,673	813,274
Total liabilities, deferred inflows of resources, and fund balances	$ 1,769,065	$ 1,140,403

CITY OF GAINESVILLE, GEORGIA
FIRE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Property taxes	$ 6,734,955	$ 6,917,076	$ 182,121	$ 6,372,274
Motor vehicle taxes	49,118	43,666	(5,452)	60,409
Investment	18,026	12,873	(5,153)	29,556
Other	0	0	0	6,311
Total revenues	6,802,099	6,973,615	171,516	6,468,550
EXPENDITURES				
Current				
Public Safety				
Personal services	7,609,635	7,436,512	173,123	7,535,503
Other	1,369,768	1,200,008	169,760	2,481,253
Total expenditures	8,979,403	8,636,520	342,883	10,016,756
Excess (deficiency) of revenues over (under) expenditures	(2,177,304)	(1,662,905)	514,399	(3,548,206)
Other financing sources (uses)				
Transfers in (out)				
General Fund	2,303,304	2,303,304	0	2,700,000
General Government Capital Projects Fund	(147,000)	(147,000)	0	(102,030)
Debt Service Fund	0	0	0	(282,812)
Sales of capital assets	21,000	21,000	0	3,300
Issuance of capital lease	0	0	0	1,268,593
Total other financing sources (uses)	2,177,304	2,177,304	0	3,587,051
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	514,399	514,399	38,845
Fund balances, July 1	0	813,274	813,274	774,429
Fund balances, June 30	$ 0	$ 1,327,673	$ 1,327,673	$ 813,274

GAINESVILLE

DEBT SERVICE FUND

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

CITY OF GAINESVILLE, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 1,443,635	$ 1,306,430
Investments	884,671	1,261,214
Taxes receivable	48,441	44,518
Due from other funds	1,500,472	1,500,472
Prepaid items	6,451	7,885
Total assets	$ 3,883,670	$ 4,120,519
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - taxes	$ 46,483	$ 36,215
FUND BALANCES		
Nonspendable prepaid items	6,451	7,885
Restricted for debt service	2,107,961	2,375,428
Assigned for debt service	1,722,775	1,700,991
Total fund balances	3,837,187	4,084,304
Total deferred inflows of resources and fund balances	$ 3,883,670	$ 4,120,519

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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Property taxes	$ 2,869,876	$ 2,864,715	$ (5,161)	$ 2,847,976
Investment	32,200	21,784	(10,416)	49,999
Total revenues	2,902,076	2,886,499	(15,577)	2,897,975
EXPENDITURES				
Debt Service				
Principal	2,739,322	2,739,322	0	1,754,003
Interest and fiscal charges	861,782	603,648	258,134	662,008
Total expenditures	3,601,104	3,342,970	258,134	2,416,011
Excess (deficiency) of revenues over (under) expenditures	(699,028)	(456,471)	242,557	481,964
Other financing sources (uses)				
Transfers in (out)				
Fire Special Revenue Fund	0	0	0	282,811
Tax Allocation District Special Revenue Fund	98,584	98,584	0	17,900
Hotel/Motel Tax Special Revenue Fund	110,770	110,770	0	158,355
Total other financing sources (uses)	209,354	209,354	0	459,066
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(489,674)	(247,117)	242,557	941,030
Fund balances, July 1	489,674	4,084,304	3,594,630	3,143,274
Fund balances, June 30	$ 0	$ 3,837,187	$ 3,837,187	$ 4,084,304

GAINESVILLE

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by the proprietary or fiduciary funds).

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

Special Purpose Local Option Sales Tax Capital Projects Fund *- This fund is used to account for long-term projects financed by the passage of a special purpose local option sales tax.*

The Special Purpose Local Option Sales Tax Capital Projects Fund is presented as a major fund in the basic financial statements.

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

CITY OF GAINESVILLE, GEORGIA
GENERAL GOVERNMENT CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 3,346,086	$ 3,515,278
Investments	1,914,926	3,158,337
Intergovernmental receivable	122,597	0
Other receivable	288,526	538,498
Total assets	$ 5,672,135	$ 7,212,113
LIABILITIES		
Accounts payable	$ 281,419	$ 205,616
Retainages payable	6,102	165,731
Total liabilities	287,521	371,347
FUND BALANCES		
Restricted for capital projects:		
General Government	2,071,191	617,615
Public Safety	15,671	12,117
Health and Welfare	72,962	1,627,424
Assigned for capital projects:		
General Government	1,845,600	1,960,729
Public Safety	2,486	300,539
Public Works	1,376,704	2,322,342
Total fund balances	5,384,614	6,840,766
Total liabilities and fund balances	$ 5,672,135	$ 7,212,113

CITY OF GAINESVILLE, GEORGIA
GENERAL GOVERNMENT CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
REVENUES		
Investment	$ 255	$ 11,805
Contributions	10,000	22,000
Total revenues	10,255	33,805
EXPENDITURES		
Capital outlay		
General Government	2,195,482	2,909,946
Public Safety	582,426	712,546
Public Works	904,457	922,726
Health and Welfare	24,701	0
Housing and Development	229,742	243,055
Total expenditures	3,936,808	4,788,273
Excess (deficiency) of revenues over (under) expenditures	(3,926,553)	(4,754,468)
Other financing sources (uses)		
Transfers in (out)		
General Fund	2,900,190	1,554,921
Fire Special Revenue Fund	147,000	102,030
Hotel/Motel Tax Fund	0	326,633
Government Access Cable TV Channel Fund	0	(21,455)
Information Technology Fund	0	31,000
Grants Capital Projects Fund	0	(225,000)
SPLOST Capital Projects Fund	(1,362,833)	(245,007)
Department of Water Resources Fund	179,158	0
Issuance of capital leases	606,886	479,638
Total other financing sources (uses)	2,470,401	2,002,760
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,456,152)	(2,751,708)
Fund balances, July 1	6,840,766	9,592,474
Fund balances, June 30	$ 5,384,614	$ 6,840,766

CITY OF GAINESVILLE, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 13,924,403	$ 8,109,342
Investments	8,503,762	7,828,668
Intergovernmental receivables	1,438,342	1,574,711
Total assets	$ 23,866,507	$ 17,512,721
LIABILITIES		
Accounts payable	$ 758,207	$ 550,819
Retainages payable	165,500	243,500
Accrued salaries	1,001	429
Total liabilities	924,708	794,748
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - taxes	0	372,106
FUND BALANCES		
Restricted for capital projects:		
Public Safety	608,694	524,964
Public Works	8,880,137	7,391,458
Culture and Recreation	8,742,153	7,051,138
Assigned for capital projects:		
Public Safety	79,369	850,000
Public Works	4,631,446	528,307
Total fund balances	22,941,799	16,345,867
Total liabilities and fund balances	$ 23,866,507	$ 17,512,721

CITY OF GAINESVILLE, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
REVENUES		
Intergovernmental	$ 9,258,235	$ 6,096,931
Total revenues	9,258,235	6,096,931
EXPENDITURES		
Capital outlay		
General Government	2,140,607	0
Public Safety	1,595,456	3,949,148
Public Works	2,348,892	2,018,385
Culture and Recreation	1,526,730	970,663
Total expenditures	7,611,685	6,938,196
Excess (deficiency) of revenues over (under) expenditures	1,646,550	(841,265)
Other financing sources (uses)		
Transfers in (out)		
General Fund	2,919,813	750,000
Impact Fee Special Revenue Fund	291,903	1,173,744
Grants Capital Projects Fund	424,833	418,588
Department of Water Resources Fund	(50,000)	0
General Government Capital Projects Fund	1,362,833	245,007
Total other financing sources (uses)	4,949,382	2,587,339
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	6,595,932	1,746,074
Fund balances, July 1	16,345,867	14,599,793
Fund balances, June 30	$ 22,941,799	$ 16,345,867

CITY OF GAINESVILLE, GEORGIA
GRANTS CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 549,902	$ 313,137
Investments	336,984	302,299
Intergovernmental receivables	260,539	291,557
Total assets	$ 1,147,425	$ 906,993
LIABILITIES		
Accounts payable	$ 34,099	$ 77,700
FUND BALANCES		
Restricted for capital projects:		
Public Works	280,909	82,403
Assigned for capital projects:		
Public Works	832,417	746,890
Total fund balances	1,113,326	829,293
Total liabilities and fund balances	$ 1,147,425	$ 906,993

CITY OF GAINESVILLE, GEORGIA
GRANTS CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
REVENUES		
Intergovernmental	$ 424,834	$ 919,127
Total revenues	424,834	919,127
EXPENDITURES		
Capital outlay		
General Government	34,099	991,347
Public Works	82,220	88,392
Total expenditures	116,319	1,079,739
Excess (deficiency) of revenues over (under) expenditures	308,515	(160,612)
Other financing sources (uses)		
Transfers in (out)		
HUD Grant Special Revenue Fund	50,351	177,430
SPLOST Capital Projects Funds	(424,833)	(418,588)
Tax Allocation District Special Revenue Fund	350,000	0
General Government Capital Projects Fund	0	225,000
Total other financing sources (uses)	(24,482)	(16,158)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	284,033	(176,770)
Fund balances, July 1	829,293	1,006,063
Fund balances, June 30	$ 1,113,326	$ 829,293

GAINESVILLE

ENTERPRISE FUNDS

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

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

The Department of Water Resources Fund is presented as a major fund in the basic financial statements.

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

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

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

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 28,159,357	$ 19,142,300
Investments	18,626,410	20,659,437
Receivables		
Accounts (net)	4,444,559	4,442,085
Intergovernmental	1,746,698	0
Other	13	21,075
Due from other funds	10,017,622	10,017,622
Inventories	1,790,335	1,860,347
Prepaid items	945	5,703
Total current assets	64,785,939	56,148,569
Restricted assets		
Extension and Renewal		
Cash and cash equivalents	45,732,763	34,056,253
Investments	28,012,275	32,877,518
Debt Redemption		
Cash and cash equivalents	9,064,340	8,893,493
Customer Deposits		
Cash and cash equivalents	2,241,146	2,262,826
Total restricted assets	85,050,524	78,090,090
Noncurrent assets		
Capital assets		
Land	32,220,269	32,220,269
Nondepreciable intangibles	2,853,619	2,122,281
Land improvements	2,287,902	2,069,290
Buildings	52,966,422	52,966,422
Distribution system	577,291,825	569,357,491
Vehicles and equipment	42,880,451	38,195,346
Depreciable intangibles	6,625,515	5,971,224
Construction in progress	43,304,456	35,116,817
Accumulated depreciation	(271,515,380)	(255,619,502)
Total noncurrent assets	488,915,079	482,399,638
Total assets	638,751,542	616,638,297
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	22,574	93,885
Deferred outflows related to pensions	1,923,845	2,695,233
Deferred outflows related to other post employment benefits	2,284,999	1,071,912
Total deferred outflows of resources	4,231,418	3,861,030

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	2021	2020
LIABILITIES		
Current liabilities		
Payables		
Accounts	$ 1,700,668	$ 976,966
Intergovernmental	1,249,610	923,685
Unearned revenue	5,540,210	0
Accrued salaries	540,776	457,862
Compensated absences	717,314	855,114
Capital lease payable	1,261,588	1,261,588
Total current liabilities	11,010,166	4,475,215
Current liabilities payable from restricted assets		
Payables		
Accounts	2,720,767	2,256,537
Retainages	1,133,450	1,186,299
Customer deposits	2,241,146	2,262,826
Revenue bonds payable	16,013,739	15,663,739
Interest payable	279,957	332,299
Total liabilities payable from restricted assets	22,389,059	21,701,700
Noncurrent liabilities		
Net pension liability	9,958,868	18,974,239
Net OPEB liability	11,271,010	9,757,735
Compensated absences	79,702	95,013
Capital leases payable	11,354,292	12,615,880
Notes payable	1,766,224	0
Revenue bonds payable	42,969,411	58,983,151
Total noncurrent liabilities	77,399,507	100,426,018
Total liabilities	110,798,732	126,602,933
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	8,471,767	2,107,432
Deferred inflows related to other post employment benefits	2,119,601	2,794,303
Total deferred inflows of resources	10,591,368	4,901,735
NET POSITION		
Net investment in capital assets	412,776,416	390,877,551
Restricted for:		
Capital outlay	72,686,804	66,560,802
Debt service	8,784,383	8,561,194
Unrestricted	27,345,257	22,995,112
Total net position	$ 521,592,860	$ 488,994,659

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Charges for sales and services		
Water sales	$ 38,511,069	$ 37,608,772
Sewer charges	33,982,613	33,667,870
Tap fees	2,108,997	1,303,189
Other	1,516,377	1,335,696
Other	144,005	120,604
Total operating revenues	76,263,061	74,036,131
OPERATING EXPENSES		
Costs of sales and services	24,465,086	22,997,951
Personal services	11,730,999	13,546,093
Depreciation	16,517,130	15,794,316
Total operating expenses	52,713,215	52,338,360
Operating income (loss)	23,549,846	21,697,771
Non-operating revenues (expenses)		
Investment revenue	1,910,906	3,410,956
Interest expense	(2,484,150)	(2,901,603)
Debt issue costs	(605,000)	0
Distribution of capital asset to the Governmental Activities	(19,617)	0
Gain (loss) on sale of capital assets	(41,649)	4,681
Total non-operating revenues (expenses)	(1,239,510)	514,034
Net income (loss) before capital contributions and transfers	22,310,336	22,211,805
Capital contributions		
Connection fees	6,243,545	3,740,514
Capital contributions	6,804,208	6,425,403
Total capital contributions	13,047,753	10,165,917
Net income (loss) before transfers	35,358,089	32,377,722
Transfers in (out)		
General Fund	(3,361,432)	(3,300,483)
General Governmental Capital Project Fund	(179,158)	0
American Rescue Plan Grant Special Revenue Fund	730,702	0
SPLOST Capital Projects Fund	50,000	0
Total transfers in (out)	(2,759,888)	(3,300,483)
Change in net position	32,598,201	29,077,239
Net position, July 1	488,994,659	459,917,420
Net position, June 30	$ 521,592,860	$ 488,994,659

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	$ 74,369,266	$ 74,799,642
Payments to suppliers	(22,655,424)	(24,039,449)
Payments to employees	(14,055,362)	(13,993,912)
Other receipts	144,006	120,605
Net cash provided (used) by operating activities	37,802,486	36,886,886
Cash flows from non-capital financing activities:		
Payments to other funds	(3,540,590)	(3,300,483)
Cash flows from capital and related financing activities:		
Connection fees	6,243,545	3,740,514
Receipts of capital contributions	5,462	17,350
Receipts from other funds	780,702	0
Interest paid	(2,608,935)	(2,929,567)
Acquisition of capital assets	(14,903,489)	(19,844,104)
Payment of capital related accounts payable	(3,069,863)	(2,566,865)
Payment of debt issue costs	(605,000)	0
Proceeds from sale of capital assets	142,792	58,157
Proceeds from notes payable	1,766,224	0
Principal payments - bonds	(14,615,000)	(12,615,000)
Net cash provided (used) by capital and related financing activities	(26,863,562)	(34,139,515)
Cash flows from investing activities:		
Receipts of investment revenue	6,546,130	2,505,971
Proceeds from sale of investments	90,822,962	66,785,426
Purchase of investments	(83,924,692)	(74,893,769)
Net cash provided (used) by investing activities	13,444,400	(5,602,372)
Net increase (decrease) in cash and cash equivalents	20,842,734	(6,155,484)
Cash and cash equivalents, July 1	64,354,872	70,510,356
Cash and cash equivalents, June 30	$ 85,197,606	$ 64,354,872

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 23,549,846	$ 21,697,771
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	16,517,130	15,794,316
(Increase) decrease in accounts receivable	46,197	941,418
(Increase) decrease in intergovernmental receivables	(1,774,307)	0
(Increase) decrease in inventory	70,012	(196,867)
(Increase) decrease in prepaid items	4,758	(5,703)
(Increase) decrease in deferred outflows of resources	(441,699)	(186,872)
Increase (decrease) in accounts payable	1,408,967	(935,184)
Increase (decrease) in intergovernmental payables	325,925	96,256
Increase (decrease) in deposits payable	(21,680)	(57,303)
Increase (decrease) in accrued salaries and benefits	(70,196)	282,515
Increase (decrease) in net pension liability	(9,015,375)	(119,596)
Increase (decrease) in deferred inflows of resources	5,689,633	(683,295)
Increase (decrease) in net OPEB liability	1,513,275	259,430
Total adjustments	14,252,640	15,189,115
Net cash provided (used) by operating activities	$ 37,802,486	$ 36,886,886
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	$ 28,159,357	$ 19,142,300
Extension and Renewal		
Cash and cash equivalents	45,732,763	34,056,253
Debt Redemption		
Cash and cash equivalents	9,064,340	8,893,493
Customer Deposits		
Cash and cash equivalents	2,241,146	2,262,826
Total cash and cash equivalents	$ 85,197,606	$ 64,354,872

Noncash investing, capital, and financing activities:

Contributions of capital assets from individuals totaled $5,534,208 and $5,146,465 for the fiscal years ended June 30, 2021 and 2020, respectively.

Contributions of capital assets from other governments totaled $1,261,588 and $1,261,588 for the fiscal years ended June 30, 2021 and 2020, respectively.

Acquisition of capital assets through accounts payable totaled $1,662,533 and $1,883,564 for the fiscal years ended June 30, 2021 and 2020, respectively.

Acquisition of capital assets through retainage payable totaled $1,133,450 and $1,186,299 for the fiscal years ended June 30, 2021 and 2020, respectively.

Forgiveness of capital lease through capital contributions totaled $1,261,588 and $1,261,588 for the fiscal years ended June 30, 2021 and 2020, respectively.

CITY OF GAINESVILLE, GEORGIA
AIRPORT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 878,000	$ 422,290
Investments	538,044	407,673
Receivables		
Accounts	13,045	22,577
Intergovernmental	9,150	259,150
Total current assets	1,438,239	1,111,690
Capital assets		
Land	636,298	504,385
Land improvements	14,588,775	14,588,775
Buildings	6,689,172	6,637,588
Vehicles and equipment	560,984	503,925
Intangibles	118,000	118,000
Construction in progress	605,738	596,168
Accumulated depreciation	(14,020,381)	(13,468,347)
Total capital assets (net of accumulated depreciation)	9,178,586	9,480,494
Total assets	10,616,825	10,592,184
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	9,880	13,737
Deferred outflows related to other post employment benefits	10,913	5,135
Total deferred outflows of resources	20,793	18,872
LIABILITIES		
Current liabilities		
Payables		
Accounts	18,853	20,576
Customer deposits	4,036	4,036
Accrued salaries	2,959	2,372
Compensated absences	6,908	0
Total current liabilities	32,756	26,984
Noncurrent liabilities		
Net pension liability	54,691	101,521
Net OPEB liability	54,316	47,110
Compensated absences	768	0
Total noncurrent liabilities	109,775	148,631
Total liabilities	142,531	175,615
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	57,547	28,421
Deferred inflows related to other post employment benefits	9,790	13,002
Total deferred inflows of resources	67,337	41,423
NET POSITION		
Investment in capital assets	9,178,586	9,480,494
Unrestricted	1,249,164	913,524
Total net position	$ 10,427,750	$ 10,394,018

CITY OF GAINESVILLE, GEORGIA
AIRPORT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Charges for sales and services		
Fuel sales	$ 44,999	$ 38,939
Rent	1,000,855	957,738
Other	553	250
Total operating revenues	1,046,407	996,927
OPERATING EXPENSES		
Costs of sales and services	411,328	404,542
Personal services	63,495	60,742
Depreciation	623,929	839,030
Total operating expenses	1,098,752	1,304,314
Operating income (loss)	(52,345)	(307,387)
Non-operating revenues (expenses)		
Investment revenue	7,443	20,889
Interest expense	(1,038)	(8,683)
Intergovernmental revenue	69,000	0
Gain (loss) on sale of capital assets	10,672	0
Total non-operating revenues (expenses)	86,077	12,206
Net income (loss) before capital contributions	33,732	(295,181)
Capital contributions		
Intergovernmental revenue	0	313,383
Change in net position	33,732	18,202
Net position, July 1	10,394,018	10,375,816
Net position, June 30	$ 10,427,750	$ 10,394,018

CITY OF GAINESVILLE, GEORGIA
AIRPORT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	$ 1,055,387	$ 996,333
Payments to suppliers	(413,051)	(391,784)
Payments to employees	(70,863)	(69,427)
Other receipts	553	250
Net cash provided (used) by operating activities	572,026	535,372
Cash flows from capital and related financing activities:		
Receipts from other governments	319,000	1,582,508
Sale of capital assets	17,272	0
Interest paid	(1,038)	(5,538)
Payments to other funds	0	(80,587)
Payment of capital related accounts payable	0	(277,792)
Acquisition of capital assets	(328,621)	(489,461)
Principal payments - capital leases	0	(455,428)
Net cash provided (used) by capital and related financing activities	6,613	273,702
Cash flows from investing activities:		
Receipts of investment revenue	7,443	20,889
Proceeds from sale of investments	1,047,772	508,558
Purchase of investments	(1,178,144)	(916,231)
Net cash provided (used) by investing activities	(122,929)	(386,784)
Net increase (decrease) in cash and cash equivalents	455,710	422,290
Cash and cash equivalents, July 1	422,290	0
Cash and cash equivalents, June 30	$ 878,000	$ 422,290
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (52,345)	$ (307,387)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	623,929	839,030
(Increase) decrease in accounts receivable	9,532	(345)
(Increase) decrease in deferred outflows of resources	(1,920)	433
Increase (decrease) in accounts payable	(1,723)	12,758
Increase (decrease) in accrued payroll liabilities	8,263	(1,282)
Increase (decrease) in net pension liability	(46,830)	(24,079)
Increase (decrease) in deferred inflows of resources	25,914	15,009
Increase (decrease) in net OPEB liability	7,206	1,235
Total adjustments	624,371	842,759
Net cash provided by operating activities	$ 572,026	$ 535,372

CITY OF GAINESVILLE, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,177,506	$ 1,822,734
Investments	1,334,270	1,759,452
Accounts receivable (net)	180,811	197,080
Total current assets	3,692,587	3,779,266
Capital assets		
Buildings	25,051	25,051
Vehicles and equipment	2,974,616	3,221,162
Accumulated depreciation	(1,595,729)	(1,954,377)
Total capital assets (net of accumulated depreciation)	1,403,938	1,291,836
Total assets	5,096,525	5,071,102
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	145,742	195,539
Deferred outflows related to other post employment benefits	258,238	119,599
Total deferred outflows of resources	403,980	315,138
LIABILITIES		
Current liabilities		
Accounts payable	16,350	359,160
Intergovernmental payable	26,553	0
Accrued salaries	49,043	45,819
Compensated absences	65,382	86,814
Total current liabilities	157,328	491,793
Noncurrent liabilities		
Net pension liability	360,195	604,375
Net OPEB liability	1,244,922	1,071,977
Compensated absences	7,265	9,646
Total noncurrent liabilities	1,612,382	1,685,998
Total liabilities	1,769,710	2,177,791
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	195,859	60,165
Deferred inflows related to other post employment benefits	230,161	307,270
Total deferred inflows of resources	426,020	367,435
NET POSITION		
Investment in capital assets	1,403,938	1,291,836
Unrestricted	1,900,837	1,549,178
Total net position	$ 3,304,775	$ 2,841,014

CITY OF GAINESVILLE, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Charges for sales and services	$ 2,972,679	$ 2,969,641
Other	22,998	8,601
Total operating revenues	2,995,677	2,978,242
OPERATING EXPENSES		
Costs of sales and services	855,894	1,080,320
Costs of sales and services - landfill	387,371	287,169
Personal services	1,450,867	1,365,829
Depreciation	319,167	265,771
Total operating expenses	3,013,299	2,999,089
Operating income (loss)	(17,622)	(20,847)
Non-operating revenues (expenses)		
Investment revenue	27,028	81,623
Intergovernmental revenue	341,880	0
Gain (loss) on sale of capital assets	112,475	0
Total non-operating revenues (expenses)	481,383	81,623
Net income (loss) before transfers	463,761	60,776
Transfers in (out)		
General Fund	0	(335,000)
Change in net position	463,761	(274,224)
Net position, July 1	2,841,014	3,115,238
Net position, June 30	$ 3,304,775	$ 2,841,014

CITY OF GAINESVILLE, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	$ 2,988,947	$ 2,998,627
Payments to suppliers	(1,559,522)	(1,263,105)
Payments to employees	(1,572,947)	(1,411,872)
Other receipts	22,998	8,601
Net cash provided (used) by operating activities	(120,524)	332,251
Cash flows from noncapital and related financing activities:		
Receipts from other governments	341,880	0
Payments to other funds	0	(335,000)
Net cash provided (used) by non-capital financing activities	341,880	(335,000)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(431,852)	(572,888)
Proceeds from sale of capital assets	113,058	0
Net cash provided (used) by capital and related financing activities	(318,794)	(572,888)
Cash flows from investing activities:		
Receipts of investment revenue	27,028	81,623
Proceeds from sale of investments	2,598,323	2,194,853
Purchase of investments	(2,173,141)	(2,244,202)
Net cash provided (used) by investing activities	452,210	32,274
Net increase (decrease) in cash and cash equivalents	354,772	(543,363)
Cash and cash equivalents, July 1	1,822,734	2,366,097
Cash and cash equivalents, June 30	$ 2,177,506	$ 1,822,734
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (17,622)	$ (20,847)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	319,167	265,771
(Increase) decrease in accounts receivable	16,269	28,986
(Increase) decrease in deferred outflows of resources	(88,842)	(151,363)
Increase (decrease) in accounts payable	(342,810)	104,384
Increase (decrease) in intergovernmental payable	26,553	0
Increase (decrease) in accrued payroll liabilities	(20,589)	59,086
Increase (decrease) in net pension liability	(244,180)	222,019
Increase (decrease) in deferred inflows of resources	58,585	(205,434)
Increase (decrease) in net OPEB liability	172,945	29,649
Total adjustments	(102,902)	353,098
Net cash used by operating activities	$ (120,524)	$ 332,251

CITY OF GAINESVILLE, GEORGIA
CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 267,777	$ 149,856
Investments	163,207	143,270
Accounts receivable (net)	6,227	40,476
Total current assets	437,211	333,602
Capital assets		
Land	177,680	52,151
Land improvements	5,399,594	5,399,594
Buildings	1,294,197	1,294,197
Vehicles and equipment	959,917	959,917
Construction in progress	1,169,323	0
Accumulated depreciation	(5,521,684)	(5,209,037)
Total capital assets (net of accumulated depreciation)	3,479,027	2,496,822
Total assets	3,916,238	2,830,424
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	21,879	27,465
Deferred outflows related to pensions	40,232	35,638
Deferred outflows related to other post employment benefits	54,561	25,678
Total deferred outflows of resources	116,672	88,781
LIABILITIES		
Current liabilities		
Payables		
Accounts	349,688	50,670
Sales tax	1,608	10,935
Retainage	91,111	0
Interest	4,703	5,569
Accrued salaries	21,611	24,806
Compensated absences	29,247	28,810
Capital lease payable	275,000	265,000
Other liabilities	49,435	49,714
Total current liabilities	822,403	435,504
Noncurrent liabilities		
Net pension liability	52,511	47,759
Net OPEB liability	271,583	235,553
Compensated absences	3,250	3,201
Capital leases payable	1,165,000	1,440,000
Total noncurrent liabilities	1,492,344	1,726,513
Total liabilities	2,314,747	2,162,017
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	9,701	22,027
Deferred inflows related to other post employment benefits	48,950	65,014
Total deferred inflows of resources	58,651	87,041
NET POSITION		
Net investment in capital assets	1,665,604	819,287
Restricted for capital outlay	47,803	41,390
Unrestricted	(53,895)	(190,530)
Total net position	$ 1,659,512	$ 670,147

CITY OF GAINESVILLE, GEORGIA
CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Charges for sales and services		
Greens fees	$ 605,004	$ 702,528
Cart fees	302,992	355,169
Handicap fees	20,600	20,145
Practice range	78,710	66,619
Contributions	7,500	0
Rent revenue	9,200	12,600
Other	13,475	16,455
Total operating revenues	1,037,481	1,173,516
OPERATING EXPENSES		
Costs of sales and services	439,075	435,120
Personal services	532,911	565,928
Depreciation	312,647	333,939
Total operating expenses	1,284,633	1,334,987
Operating income (loss)	(247,152)	(161,471)
Non-operating revenues (expenses)		
Investment revenue	2,909	8,082
Interest expense	(45,474)	(52,426)
Gain (loss) on sale of capital assets	0	10,491
Total non-operating revenues (expenses)	(42,565)	(33,853)
Net income (loss) before transfers	(289,717)	(195,324)
Transfers in (out)		
General Fund	1,279,082	473,440
Change in net position	989,365	278,116
Net position, July 1	670,147	392,031
Net position, June 30	$ 1,659,512	$ 670,147

CITY OF GAINESVILLE, GEORGIA
CHATTAHOOCHEE GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	$ 1,048,928	$ 1,160,254
Payments to suppliers	(444,527)	(442,570)
Payments to employees	(556,705)	(597,445)
Other receipts	13,475	16,455
Net cash provided (used) by operating activities	61,171	136,694
Cash flows from non-capital financing activities:		
Receipts from other funds	0	473,440
Payments to other funds	0	(223,370)
Net cash provided (used) by non-capital financing activities	0	250,070
Cash flows from capital and related financing activities:		
Interest paid	(40,753)	(47,689)
Principal payments - capital leases	(265,000)	(260,000)
Receipts from other funds	1,279,082	0
Sale of capital assets	0	10,491
Payment of capital related accounts payable	0	(27,845)
Acquisition of capital assets	(899,550)	(174,201)
Net cash provided (used) by capital and related financing activities	73,779	(499,244)
Cash flows from investing activities:		
Receipts of investment revenue	2,909	8,082
Proceeds from sale of investments	317,825	178,724
Purchase of investments	(337,763)	(155,819)
Net cash provided (used) by operating activities	(17,029)	30,987
Net increase (decrease) in cash and cash equivalents	117,921	(81,493)
Cash and cash equivalents, July 1	149,856	231,349
Cash and cash equivalents, June 30	$ 267,777	$ 149,856
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (247,152)	$ (161,471)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	312,647	333,939
(Increase) decrease in accounts receivable	34,249	1,530
(Increase) decrease in deferred outflows of resources	(33,477)	(31,641)
Increase (decrease) in accounts payable	(5,173)	(9,714)
Increase (decrease) in sales tax payable	(9,327)	1,663
Increase (decrease) in accrued salaries and benefits	(2,709)	3,939
Increase (decrease) in other liabilities	(279)	2,264
Increase (decrease) in net OPEB liability	36,030	6,177
Increase (decrease) in deferred inflows of resources	(28,390)	(55,769)
Increase (decrease) in net pension liability	4,752	45,777
Total adjustments	308,323	298,165
Net cash provided (used) by operating activities	$ 61,171	$ 136,694

Noncash investing, capital, and financing activities:

Acquisition of capital assets through retainage payable totaled $91,111 and $0 for the fiscal years ended June 30, 2021 and 2020, respectively.

Acquisition of capital assets through accounts payable totaled $304,191 and $0 for the fiscal years ended June 30, 2021 and 2020, respectively.

GAINESVILLE

INTERNAL SERVICE FUNDS

These funds are used to account for the financing of goods and services provided to the departments of the government on a cost reimbursement basis.

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

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

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

CITY OF GAINESVILLE, GEORGIA
GENERAL INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,201,710	$ 1,147,862
Investments	736,417	1,108,134
Accounts receivable	0	5,403
Other assets	77,450	120,665
Total assets	2,015,577	2,382,064
LIABILITIES		
Current liabilities		
Accounts payable	104,868	881
Claims reserves	1,191,498	1,677,745
Total liabilities	1,296,366	1,678,626
NET POSITION		
Unrestricted	$ 719,211	$ 703,438

CITY OF GAINESVILLE, GEORGIA
GENERAL INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Interfund services provided	$ 1,175,481	$ 1,627,790
Other	10,978	59,983
Total operating revenue	1,186,459	1,687,773
OPERATING EXPENSES		
Costs of services		
Insurance	1,001,419	929,474
Claims	(1,150)	577,325
Administrative fees	186,190	180,974
Total operating expenses	1,186,459	1,687,773
Operating income (loss)	0	0
Non-operating revenues (expenses)		
Investment revenue	15,773	48,585
Change in net position	15,773	48,585
Net position, July 1	703,438	654,853
Net position, June 30	$ 719,211	$ 703,438

CITY OF GAINESVILLE, GEORGIA
GENERAL INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from interfund services provided	$ 1,180,884	$ 1,624,248
Payments to suppliers	(1,525,504)	(1,596,458)
Other receipts	10,978	59,983
Net cash provided (used) by operating activities	(333,642)	87,773
Cash flows from investing activities:		
Receipts of investment revenue	15,773	48,585
Proceeds from sale of investments	1,434,078	1,382,357
Purchase of investments	(1,062,361)	(1,601,187)
Net cash provided (used) by investing activities	387,490	(170,245)
Net increase (decrease) in cash and cash equivalents	53,848	(82,472)
Cash and cash equivalents, July 1	1,147,862	1,230,334
Cash and cash equivalents, June 30	$ 1,201,710	$ 1,147,862
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 0	$ 0
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	5,403	(3,542)
(Increase) decrease in other assets	43,215	19,335
Increase (decrease) in accounts payable	103,987	(54,907)
Increase (decrease) in claims reserve	(486,247)	126,887
Total adjustments	(333,642)	87,773
Net cash provided (used) by operating activities	$ (333,642)	$ 87,773

CITY OF GAINESVILLE, GEORGIA
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,790,979	$ 2,922,720
Investments	1,702,452	3,042,512
Accounts receivable	40,850	6,563
Prepaid items	0	2,278
Total assets	4,534,281	5,974,073
LIABILITIES		
Current liabilities		
Accounts payable	67,464	63,056
Deposits payable	154,202	148,404
Claims reserves	805,486	554,013
Total liabilities	1,027,152	765,473
NET POSITION		
Unrestricted	$ 3,507,129	$ 5,208,600

Exhibit I-4

CITY OF GAINESVILLE, GEORGIA
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Interfund services provided	$ 9,551,863	$ 9,631,048
OPERATING EXPENSES		
Costs of services		
Insurance	1,885,896	1,969,382
Claims	7,204,056	5,608,728
Wellness program	1,819,479	1,821,174
Administrative fees	402,670	384,561
Total operating expenses	11,312,101	9,783,845
Operating income (loss)	(1,760,238)	(152,797)
Non-operating revenues (expenses)		
Investment revenue	45,067	121,764
Net income (loss) before transfers	(1,715,171)	(31,033)
Transfers in (out)		
General Fund	13,700	0
Change in net position	(1,701,471)	(31,033)
Net position, July 1	5,208,600	5,239,633
Net position, June 30	$ 3,507,129	$ 5,208,600

CITY OF GAINESVILLE, GEORGIA
EMPLOYEE BENEFITS FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from interfund services provided	$ 9,517,576	$ 9,649,039
Payments to suppliers	(11,048,144)	(10,012,206)
Net cash provided (used) by operating activities	(1,530,568)	(363,167)
Cash flows from non-capital financing activities:		
Receipts from other funds	13,700	0
Cash flows from investing activities:		
Receipts of investment revenue	45,067	121,765
Proceeds from sale of investments	3,315,144	3,795,424
Purchase of investments	(1,975,084)	(4,232,589)
Net cash provided (used) by investing activities	1,385,127	(315,400)
Net increase (decrease) in cash and cash equivalents	(131,741)	(678,567)
Cash and cash equivalents, July 1	2,922,720	3,601,287
Cash and cash equivalents, June 30	$ 2,790,979	$ 2,922,720
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (1,760,238)	$ (152,797)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	(34,287)	17,990
(Increase) decrease in prepaid items	2,278	(2,278)
Increase (decrease) in accounts payable	4,408	(20,386)
Increase (decrease) in deposits payable	5,798	12,502
Increase (decrease) in claims reserve	251,473	(218,198)
Total adjustments	229,670	(210,370)
Net cash provided (used) by operating activities	$ (1,530,568)	$ (363,167)

CITY OF GAINESVILLE, GEORGIA
VEHICLE SERVICES FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 222,668	$ 161,155
Investments	136,269	155,288
Intergovernmental receivables	8,386	346
Inventory	96,613	88,042
Total current assets	463,936	404,831
Capital assets		
Buildings	266,254	266,254
Vehicles and equipment	512,702	491,498
Accumulated depreciation	(692,765)	(635,012)
Capital assets (net of accumulated depreciation)	86,191	122,740
Total assets	550,127	527,571
LIABILITIES		
Current liabilities		
Accounts payable	101,515	75,027
Accrued salaries	14,874	13,074
Compensated absences	24,671	29,830
Total current liabilities	141,060	117,931
Noncurrent liabilities		
Compensated absences	2,741	3,314
Total liabilities	143,801	121,245
NET POSITION		
Investment in capital assets	86,191	122,740
Unrestricted	320,135	283,586
Total net position	$ 406,326	$ 406,326

CITY OF GAINESVILLE, GEORGIA
VEHICLE SERVICES FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Interfund services provided	$ 1,961,072	$ 1,990,877
Other	1,805	880
Total operating revenues	1,962,877	1,991,757
OPERATING EXPENSES		
Costs of services	1,529,920	1,572,624
Personal services	396,468	383,594
Depreciation	36,549	37,002
Total operating expenses	1,962,937	1,993,220
Operating income (loss)	(60)	(1,463)
Non-operating revenues (expenses)		
Gain (loss) on sale of capital assets	60	1,463
Change in net position	0	0
Net position, July 1	406,326	406,326
Net position, June 30	$ 406,326	$ 406,326

CITY OF GAINESVILLE, GEORGIA
VEHICLE SERVICES FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from interfund services provided	$ 1,953,032	$ 1,999,038
Payments to suppliers	(1,512,003)	(1,571,549)
Payments to employees	(400,400)	(379,136)
Other receipts	1,805	880
Net cash provided (used) by operating activities	42,434	49,233
Cash flows from capital and related financing activities:		
Sale of capital assets	60	1,463
Cash flows from investing activities:		
Proceeds from sale of investments	265,365	193,716
Purchase of investments	(246,346)	(237,634)
Net cash provided (used) by investing activities	19,019	(43,918)
Net increase (decrease) in cash and cash equivalents	61,513	6,778
Cash and cash equivalents, July 1	161,155	154,377
Cash and cash equivalents, June 30	$ 222,668	$ 161,155
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (60)	$ (1,463)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation expense	36,549	37,002
(Increase) decrease in intergovernmental receivables	(8,040)	8,161
(Increase) decrease in inventory	(8,571)	6,142
Increase (decrease) in accounts payable	26,488	(5,067)
Increase (decrease) in accrued salaries and benefits	(3,932)	4,458
Total adjustments	42,494	50,696
Net cash provided (used) by operating activities	$ 42,434	$ 49,233

FIDUCIARY FUNDS

These funds are used to account for assets held by the City as a trustee or custodian to be expended or invested in accordance with the conditions of a trust or in its custodial capacity.

Trust Funds

Community Private-Purpose Trust Fund *- This is a private-purpose trust fund whereby City of Gainesville employees make voluntary donations to provide assistance to local families and individuals in need, as well as contribute funding to both local and national nonprofit agencies.*

Employees' Pension Trust Fund *- This is a pension trust fund used to account for a single employer retirement system administered by the City for the benefit of its eligible employees.*

Custodial Fund

Municipal Court Custodial Fund – *This fund is used to account, on a temporary basis, for fines collected by the Municipal Court that ultimately are disbursed to other parties.*

CITY OF GAINESVILLE, GEORGIA
COMMUNITY PRIVATE-PURPOSE TRUST FUND
COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 36,852	$ 48,951
LIABILITIES		
Accounts payable	0	20,867
NET POSITION		
Restricted for employee assistance	$ 36,852	$ 28,084

Exhibit J-1

CITY OF GAINESVILLE, GEORGIA
COMMUNITY PRIVATE-PURPOSE TRUST FUND
COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
ADDITIONS		
Employee donations	$ 49,830	$ 50,895
Investment revenue	6	4
Total additions	49,836	50,899
DEDUCTIONS		
Distributions for assistance	41,068	55,530
Change in net position	8,768	(4,631)
Net position, July 1	28,084	32,715
Net position, June 30	$ 36,852	$ 28,084

CITY OF GAINESVILLE, GEORGIA
EMPLOYEES' PENSION TRUST FUND
COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 787,194	$ 948,489
Investments		
Mutual funds		
Equity	101,661,888	65,943,173
Fixed income	25,658,466	31,071,901
Real estate	10,542,034	9,894,048
Total assets	138,649,582	107,857,611
LIABILITIES		
Accounts payable	23,205	42,865
NET POSITION		
Restricted for pensions	$ 138,626,377	$ 107,814,746

CITY OF GAINESVILLE, GEORGIA
EMPLOYEES' PENSION TRUST FUND
COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
ADDITIONS		
Contributions		
Employer contributions	$ 3,650,796	$ 3,593,741
Employee contributions	3,650,796	3,650,875
Total contributions	7,301,592	7,244,616
Investment Income		
Net appreciation (depreciation) in fair value of investments	32,019,149	2,819,537
Interest	85	6,200
Dividends	1,553,555	1,859,831
Investment expense	(357,352)	(313,890)
Net investment income (loss)	33,215,437	4,371,678
Total additions (reductions)	40,517,029	11,616,294
DEDUCTIONS		
Benefits	9,157,128	8,896,838
Refunds	548,270	492,009
Total deductions	9,705,398	9,388,847
Change in net position	30,811,631	2,227,447
Net position, July 1	107,814,746	105,587,299
Net position, June 30	$ 138,626,377	$ 107,814,746

CITY OF GAINESVILLE, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 108,718	$ 34,790
LIABILITIES		
Due to others	24,033	24,783
NET POSITION		
Restricted for individuals, organizations, and other governments	$ 84,685	$ 10,007

CITY OF GAINESVILLE, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
ADDITIONS		
Fines and forfeitures collected for other governments	$ 109,916	$ 79,668
DEDUCTIONS		
Distributions of fines and forfeitures to other governments	35,238	126,018
Change in net position	74,678	(46,350)
Net position, July 1 (restated)	10,007	56,357
Net position, June 30	$ 84,685	$ 10,007

GAINESVILLE

COMPONENT UNITS

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

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

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

CITY OF GAINESVILLE, GEORGIA
PARKS AND RECREATION (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 2,675,411	$ 1,874,954
Investments	1,806,965	1,904,582
Receivables		
Accounts	11,417	2,272
Property tax	68,849	59,004
Restricted assets		
Cash and cash equivalents	228,423	101,761
Total assets	$ 4,791,065	$ 3,942,573
LIABILITIES		
Payables		
Accounts	$ 169,879	$ 52,233
Sales tax	11,690	748
Retainage	0	88,318
Intergovernmental	5,429	4,067
Accrued salaries	137,829	108,268
Unearned revenue	0	8,000
Other	13,281	13,071
Total liabilities	338,108	274,705
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	66,185	49,068
FUND BALANCES		
Restricted for:		
Clarks Bridge Legacy	0	8,614
H H Dean Park	28,426	0
Skate Park	101,829	141,820
Capital projects	22,005	505
Committed for:		
Booster Club	78,905	64,924
Development Fund	200,000	200,137
Civic Center	20,000	80,000
Children at Play Fund	10,000	20,000
Assigned for Culture and Recreation	3,925,607	3,102,800
Total fund balances	4,386,772	3,618,800
Total liabilities, deferred inflows of resources, and fund balances	$ 4,791,065	$ 3,942,573

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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Property taxes	$ 4,064,427	$ 4,177,050	$ 112,623	$ 3,855,948
Charges for sales and services				
Recreation Division	137,400	138,637	1,237	90,411
Lanier Point/Ivey Watson	129,101	146,412	17,311	90,744
Youth Sports Booster Club	106,250	117,577	11,327	65,499
Gainesville Civic Center	258,350	209,341	(49,009)	251,269
Allen Creek Soccer Complex	13,300	450	(12,850)	286
Frances Meadows Community Center	897,500	723,238	(174,262)	644,684
Intergovernmental	200,000	200,000	0	2,750,000
Contributions	352,850	403,744	50,894	95,635
Interest	27,250	33,295	6,045	89,442
Other	1,000	6,261	5,261	637
Total revenues	6,187,428	6,156,005	(31,423)	7,934,555
EXPENDITURES				
Current				
Culture and recreation				
Administration Division	1,317,245	1,121,432	195,813	815,442
Recreation Division	426,890	328,185	98,705	288,847
Parks Division	1,259,014	1,083,676	175,338	1,191,920
Maintenance Shop	138,085	131,746	6,339	107,009
Lanier Point/Ivey Watson	236,556	208,037	28,519	190,366
Youth Sports Booster Club	184,517	104,842	79,675	164,034
Gainesville Civic Center	835,158	655,576	179,582	523,707
Allen Creek Soccer Complex	51,005	36,132	14,873	42,982
Frances Meadows Center	2,000,449	1,685,366	315,083	1,421,060
Capital outlay	145,185	43,356	101,829	3,111,427
Total expenditures	6,594,104	5,398,348	1,195,756	7,856,794
Excess (deficiency) of revenues over (under) expenditures	(406,676)	757,657	1,164,333	77,761
Other financing sources (uses)				
Sale of capital assets	0	10,315	10,315	49
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(406,676)	767,972	1,174,648	77,810
Fund balances, July 1	406,676	3,618,800	3,212,124	3,540,990
Fund balances, June 30	$ 0	$ 4,386,772	$ 4,386,772	$ 3,618,800

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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Property taxes	$ 4,064,427	$ 4,177,050	$ 112,623	$ 3,855,948
Charges for sales and services				
Recreation Division	137,400	138,637	1,237	90,411
Lanier Point/Ivey Watson	129,101	146,412	17,311	90,744
Youth Sports Booster Club	106,250	117,577	11,327	65,499
Gainesville Civic Center	258,350	209,341	(49,009)	251,269
Allen Creek Soccer Complex	13,300	450	(12,850)	286
Frances Meadows Center	897,500	723,238	(174,262)	644,684
Intergovernmental	200,000	200,000	0	200,000
Investment	27,250	33,295	6,045	89,442
Contributions	352,850	403,744	50,894	95,635
Other	1,000	6,261	5,261	637
Total revenues	6,187,428	6,156,005	(31,423)	5,384,555
EXPENDITURES				
Current				
Culture and recreation				
Administrative services	1,317,245	1,121,432	195,813	815,442
Recreational services	426,890	328,185	98,705	288,847
Park services	1,259,014	1,083,676	175,338	1,191,920
Maintenance shop	138,085	131,746	6,339	107,009
Lanier Point/Ivey Watson	236,556	208,037	28,519	190,366
Booster Club	184,517	104,842	79,675	164,034
Civic Center	835,158	655,576	179,582	523,707
Allen Creek Soccer Complex	51,005	36,132	14,873	42,982
Frances Meadows Center	2,000,449	1,685,366	315,083	1,421,060
Total expenditures	6,448,919	5,354,992	1,093,927	4,745,367
Excess (deficiency) of revenues over (under) expenditures	(261,491)	801,013	1,062,504	639,188
Other financing sources (uses)				
Transfers in (out)				
Capital Projects Activity	44,809	44,809	0	(332,602)
Sales of capital assets	0	10,315	10,315	49
Total other financing sources (uses)	44,809	55,124	10,315	(332,553)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(216,682)	$ 856,137	$ 1,072,819	$ 306,635
Fund balances, July 1	216,682			
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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	**Actual**	**Variance**	**Actual**
REVENUES				
Intergovernmental	$ 0	$ 0	$ 0	$ 2,550,000
EXPENDITURES				
Current				
Culture and recreation				
Capital outlay	145,185	43,356	101,829	3,111,427
Excess (deficiency) of revenues over (under) expenditures	(145,185)	(43,356)	101,829	(561,427)
Other financing sources (uses)				
Transfers in (out)				
Operating Activity	(44,809)	(44,809)	0	332,602
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(189,994)	$ (88,165)	$ 101,829	$ (228,825)
Fund balances, July 1	189,994			
Fund balances, June 30	$ 0			

CITY OF GAINESVILLE, GEORGIA
CONVENTION AND VISITOR'S BUREAU (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 427,322	$ 431,545
Investments	261,682	416,611
Accounts receivable	7,625	1,119
Total assets	$ 696,629	$ 849,275
LIABILITIES		
Accounts payable	$ 78,389	$ 13,516
Accrued salaries	27,422	24,117
Other liabilities	1,350	0
Unearned revenue	2,455	999
Total liabilities	109,616	38,632
FUND BALANCES		
Restricted for Housing and Development	5,255	23,898
Assigned for:		
Housing and Development	581,758	786,745
Total fund balances	587,013	810,643
Total liabilities and fund balances	$ 696,629	$ 849,275

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, 2021
(With comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 775,815	$ 775,815	$ 0	$ 700,956
Charges for sales and services	67,700	38,503	(29,197)	60,754
Investment revenue	5,000	6,287	1,287	13,611
Contributions	370,012	236,207	(133,805)	420,857
Rental revenue	24,000	27,204	3,204	27,904
Other	8,200	80,967	72,767	9,290
Total revenues	1,250,727	1,164,983	(85,744)	1,233,372
EXPENDITURES				
Current				
Housing and Development				
Personal services	701,716	697,982	3,734	642,927
Other	832,005	690,631	141,374	419,979
Total expenditures	1,533,721	1,388,613	145,108	1,062,906
Excess (deficiency) of revenues over (under) expenditures	(282,994)	(223,630)	59,364	170,466
Other financing sources (uses)				
Transfers in (out)	54,510	0	(54,510)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(228,484)	(223,630)	4,854	170,466
Fund balances, July 1	228,484	810,643	582,159	640,177
Fund balances, June 30	$ 0	$ 587,013	$ 587,013	$ 810,643

CITY OF GAINESVILLE, GEORGIA
GAINESVILLE-HALL COUNTY LAND BANK (A COMPONENT UNIT)
BALANCE SHEET
June 30, 2021

ASSETS		
Cash and cash equivalents	$	495
Investments		74,505
Total assets	$	75,000
FUND BALANCES		
Assigned for Housing and Development	$	75,000

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, 2021

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 75,000	$ 75,000	$ 0
Total revenues	75,000	75,000	0
EXPENDITURES			
Current			
Housing and Development			
Other	75,000	0	75,000
Total expenditures	75,000	0	75,000
Excess (deficiency) of revenues over (under) expenditures	0	75,000	75,000
Fund balances, July 1	0	0	0
Fund balances, June 30	$ 0	$ 75,000	$ 75,000

GAINESVILLE

STATISTICAL SECTION

GAINESVILLE

CITY OF GAINESVILLE, GEORGIA

Introduction to the Statistical Section

(Unaudited)

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

Contents **Pages**

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

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

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.

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.

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.

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			
	2012	**2013**	**2014**	**2015**
Governmental activities				
Net investment in capital assets	$ 70,549,134	$ 74,015,737	$ 80,039,885	$ 78,338,733
Restricted	11,586,492	12,560,215	4,642,578	6,827,434
Unrestricted	11,878,957	9,380,465	10,217,825	(14,451,203)
Total governmental activities net position	$ 94,014,583	$ 95,956,417	$ 94,900,288	$ 70,714,964
Business-type activities				
Net investment in capital assets	$ 271,791,712	$ 282,968,294	$ 295,579,225	$ 303,250,676
Restricted	40,623,794	28,713,968	43,776,271	50,230,260
Unrestricted	20,918,748	29,468,343	18,915,019	12,067,163
Total business-type activities net position	$ 333,334,254	$ 341,150,605	$ 358,270,515	$ 365,548,099
Primary government				
Net investment in capital assets	$ 342,340,846	$ 356,984,031	$ 375,619,110	$ 381,589,409
Restricted	52,210,286	41,274,183	48,418,849	57,057,694
Unrestricted	32,797,705	38,848,808	29,132,844	(2,384,040) (1)
Total primary government net position	$ 427,348,837	$ 437,107,022	$ 453,170,803	$ 436,263,063

Note (1): GASB67/68: Accounting and Financial Reporting for Pensions was implemented in FY15.

Fiscal Year					
2016	2017	2018	2019	2020	2021
$ 78,415,202	$ 77,972,132	$ 85,186,895	$ 85,297,394	$ 90,462,073	$ 96,131,153
12,149,291	14,551,356	20,319,574	20,966,754	24,133,297	27,732,529
(17,773,240)	(15,275,584)	(15,504,902)	(7,332,782)	(8,799,994)	(6,773,564)
$ 72,791,253	$ 77,247,904	$ 90,001,567	$ 98,931,366	$ 105,795,376	$ 117,090,118
$ 314,735,292	$ 330,315,818	$ 356,428,961	$ 374,995,209	$ 402,469,168	$ 425,024,543
62,960,499	70,511,931	71,639,180	74,904,467	75,163,386	81,518,990
12,598,780	19,773,475	17,937,185	25,220,109	26,528,099	31,035,026
$ 390,294,571	$ 420,601,224	$ 446,005,326	$ 475,119,785	$ 504,160,653	$ 537,578,559
$ 393,150,494	$ 408,287,950	$ 441,615,856	$ 460,292,603	$ 492,931,241	$ 521,155,696
75,109,790	85,063,287	91,958,754	95,871,221	99,296,683	109,251,519
(5,174,460)	4,497,891	2,432,283	17,887,327	17,728,105	24,261,462
$ 463,085,824	$ 497,849,128	$ 536,006,893	$ 574,051,151	$ 609,956,029	$ 654,668,677

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

	Fiscal Year			
Expenses	**2012**	**2013**	**2014**	**2015**
Governmental activities:				
General Government	$ 4,031,095	$ 4,376,553	$ 3,933,108	$ 3,675,464
Judicial	460,066	450,165	510,221	486,947
Public Safety	17,932,227	16,423,939	18,460,345	17,460,335
Public Works	7,646,177	7,480,636	8,900,466	8,745,852
Health and Welfare	3,391,482	2,686,449	3,173,758	2,765,034
Culture and Recreation	1,185,988	1,686,715	224,853	440,482
Housing and Development	1,196,185	1,104,631	1,591,303	2,136,524
Interest on long-term debt	1,396,524	1,201,196	883,628	1,198,530
Total governmental activities expenses	37,239,744	35,410,284	37,677,682	36,909,168
Business-type activities:				
Water and Sewer	46,692,190	45,332,806	47,020,782	46,183,666
Airport	1,207,743	983,083	1,014,521	1,045,716
Solid Waste	1,944,248	1,866,955	1,965,935	2,072,012
Golf Course	1,241,853	1,193,905	1,234,260	1,287,229
Total business-type activities expenses	51,086,034	49,376,749	51,235,498	50,588,623
Total primary government expenses	$ 88,325,778	$ 84,787,033	$ 88,913,180	$ 87,497,791
Indirect Costs				
Governmental activities:				
General Government	(1,304,961)	(1,369,231)	(1,390,442)	(1,394,235)
Business-type activities:				
Water and Sewer	1,022,416	1,086,686	1,034,429	1,038,222
Airport	200,000	200,000	209,561	209,561
Solid Waste	82,545	82,545	146,452	146,452
Total Business-type activities indirect cost	1,304,961	1,369,231	1,390,442	1,394,235
Total primary government indirect cost	$ 0	$ 0	$ 0	$ 0
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	708,578	814,922	674,536	723,777
Public Safety	1,369,278	1,800,569	1,639,954	1,930,830
Public Works	36,795	37,070	90,135	129,956
Health and Welfare	410,052	440,824	423,368	134,570
Housing and Development	158,773	703,972	661,299	1,057,304
Culture and Recreation	377,754	159,336	-	-
Operating grants and contributions	3,862,903	2,744,521	2,813,369	2,577,766
Capital grants and contributions	9,565,586 (1)	1,419,674 (1)	2,044,189	2,322,290
Total governmental activities program revenues	16,489,719	8,120,888	8,346,850	8,876,493
Business-Type activities:				
Charges for services:				
Water and Sewer	57,492,303	56,832,305	58,759,620	64,315,416
Airport	832,971	913,459	944,120	897,226
Solid Waste	2,299,960	2,272,930	2,369,815	2,462,485
Golf Course	1,031,717	1,006,129	992,168	983,932
Operating grants and contributions	-	-	-	-
Capital grants and contributions	5,257,388	3,546,989	8,646,783	8,445,809
Total business-type activities program revenues	66,914,339	64,571,812	71,712,506	77,104,868
Total primary government program revenues	$ 83,404,058	$ 72,692,700	$ 80,059,356	$ 85,981,361

Note (1): Significant increase due to SPLOST revenues received for the Public Safety Facilities.

Note (2): Level Two SPLOST funds from Hall County.

Note (3): Effective FY17, PLB expenses were included in General Government, in prior years these expenses were charged to Public Works.

Note (4): Effective FY17, Code Enforcement expenses were included in Housing and Development, in prior years these expenses were charged to Public Safety.

Note (5): Significant increase due to large repair and maintenance expenses for Water and Sewer.

Note (6): Significant increase due to $1.9 million in CARES assistance; $730,7022 in American Rescue Plan grants

Note (7): Significant increase due to $1 million in transportation grants; substantial increase in SPLOST proceeds

Fiscal Year 2016	2017	2018	2019	2020	2021
$ 4,368,490	$ 6,429,519 (3)	$ 7,228,783	$ 7,672,674	$ 7,171,633	$ 7,647,641
523,970	544,083	544,453	556,125	617,082	556,743
19,480,809	18,168,500 (4)	19,918,725	19,889,133	20,338,623	17,735,745
10,317,369	7,199,267 (3)	6,908,200	11,350,947	7,973,739	9,727,865
2,591,485	2,726,152	2,416,453	2,484,051	2,649,162	3,137,292
436,250	348,180	415,439	628,343	3,622,553	1,957,824
2,406,705	3,769,857 (4)	2,683,936	3,481,766	4,162,912	4,264,670
533,058	619,743	509,730	652,514	688,833	589,483
40,658,136	39,805,301	40,625,719	46,715,553	47,224,537	45,617,263
47,333,997	46,270,110	52,940,044 (5)	54,113,056 (5)	54,006,176	55,179,212
1,109,029	1,526,612	1,091,970	1,296,607	1,103,436	890,229
2,210,416	2,195,951	2,274,033	2,400,048	2,852,637	2,866,847
1,290,865	1,304,992	1,356,195	1,307,389	1,387,413	1,330,107
51,944,307	51,297,665	57,662,242	59,117,100	59,349,662	60,266,395
$ 92,602,443	$ 91,102,966	$ 98,287,961	$ 105,832,653	$ 106,574,199	$ 105,883,658
(1,376,788)	(1,370,895)	(1,398,722)	(1,444,339)	(1,643,584)	(1,646,319)
1,020,775	1,014,882	1,042,707	1,088,326	1,287,571	1,290,306
209,561	209,561	209,563	209,561	209,561	209,561
146,452	146,452	146,452	146,452	146,452	146,452
1,376,788	1,370,895	1,398,722	1,444,339	1,643,584	1,646,319
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
719,185	748,458	762,256	794,308	792,355	867,964
1,735,868	1,944,818	1,680,375	1,740,436	1,211,250	1,437,516
134,580	219,680	198,769	216,335	224,940	324,790
144,162	106,322	93,300	93,394	62,333	29,568
1,216,162	2,259,780 (2)	1,858,414 (2)	1,808,750	1,554,688	2,000,571
-	-	-	-	-	-
2,782,085	3,602,699	4,397,910	2,637,112	3,306,440	6,209,389 (6)
6,087,822	7,932,793	12,067,786	9,548,057	8,054,209	11,833,470 (7)
12,819,864	16,814,550	21,058,810	16,838,392	15,206,215	22,703,268
66,596,028	71,521,460	71,963,509	74,135,037	73,915,527	76,119,056
925,009	919,344	931,143	975,041	996,677	1,045,854
2,619,559	2,769,222	2,887,724	2,965,987	2,969,641	2,972,679
1,034,234	1,089,431	1,061,026	1,063,022	1,144,461	1,007,306
-	-	-	-	-	410,880
9,142,616	9,020,084	9,519,821	10,348,687	10,479,300	13,047,753
80,317,446	85,319,541	86,363,223	89,487,774	89,505,606	94,603,528
$ 93,137,310	$ 102,134,091	$ 107,422,033	$ 106,326,166	$ 104,711,821	$ 117,306,796

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

	Fiscal Year			
	2012	**2013**	**2014**	**2015**
Net (expense)/revenue				
Governmental activities	$ (19,445,064)	$ (25,920,165)	$ (27,940,390)	$ (26,638,440)
Business-type activities	15,828,305	13,825,832	19,086,566	25,122,010
Total primary government net (expense)/revenue	(3,616,759)	(12,094,333)	(8,853,824)	(1,516,430)
General revenues and other changes in net position				
Governmental activities:				
Taxes				
Property	7,338,537	7,825,290	8,363,877	8,654,493
Intangibles	81,841	80,720	105,044	133,186
Franchise	4,240,193	4,092,271	4,014,946	4,371,358
Occupational	1,139,926	1,199,374	1,263,534	1,268,021
Insurance premium	1,585,550	1,684,119	1,743,745	1,823,481
Alcoholic beverages	994,573	979,409	1,022,245	1,067,611
Hotel/Motel	563,902	591,793	715,260	828,925
Local option sales	5,259,684	5,300,279	4,983,807	5,094,727
Investment earnings	426,185	448,728	246,266	142,917
Gain on sale of assets	-	67,897	-	-
Miscellaneous	245,524	1,057,074 (1)	1,017,590 (1)	122,294
Special Item-loss on demolition of building	-	-	-	-
Transfers	3,254,637	5,122,095	3,407,947	2,395,089
Total governmental activities	25,130,552	28,449,049	26,884,261	25,902,102
Business-type activities				
Investment earnings	314,147	334,347	292,577	775,365
Gain on sale of assets	33,411	12,331	53,471	17,322
Miscellaneous	1,055,930	1,042,459	1,095,243	156,932
Transfers	(3,254,637)	(5,122,095)	(3,407,947)	(2,395,089)
Total business-type activities	(1,851,149)	(3,732,958)	(1,966,656)	(1,445,470)
Total primary government	23,279,403	24,716,091	24,917,605	24,456,632
Change in net position				
Governmental activities	5,685,488	2,528,884	(1,056,129)	(736,338)
Business-type activities	13,977,156	10,092,874	17,119,910	23,676,540
Total primary government	$ 19,662,644	$ 12,621,758	$ 16,063,781	$ 22,940,202

Note (1): Miscellaneous revenue included CCA Rental Revenue 2013 and 2014.

Note (2): Includes proceeds from the sale of Gainesville Business Park property.

Note (3): Demolition of jail facility.

Note (4): $2.4 million is comprised of $1.0 million from the sale of business park property, and $1.4 million in higher returns on invested cash.

Note (5): Negative investment earnings is due to the loss on the sale of Jesse Jewell property in September 2020.

Fiscal Year					
2016	2017	2018	2019	2020	2021
$ (26,461,484)	$ (21,619,856)	$ (18,168,187)	$ (28,432,822)	$ (30,374,738)	$ (21,267,676)
26,996,351	32,650,981	27,302,259	28,926,335	28,507,679	32,690,814
534,867	11,031,125	9,134,072	493,513	(1,867,059)	11,423,138
9,409,584	9,808,840	10,457,466	13,975,315	14,321,981	15,778,590
129,075	190,764	213,556	179,964	250,731	345,278
4,381,245	4,501,181	4,208,097	4,507,256	4,540,980	4,382,992
1,368,983	1,373,680	1,394,517	1,418,919	1,375,576	1,461,195
1,948,090	2,203,406	2,346,272	2,433,437	2,591,703	2,733,401
1,129,284	1,166,259	1,152,257	1,160,672	1,207,300	1,299,136
911,847	929,035	965,036	1,053,683	1,191,436	1,295,305
5,281,804	5,439,313	5,885,171	6,235,875	6,847,210	7,670,332
72,796	2,001,892 (2)	481,963	2,421,542 (4)	1,411,125	(4,382,463) (5)
605	574,310	887,411	60,948	55,689	194,590
183,512	373,513	441,322	337,490	282,974	283,639
-	(6,491,937) (3)	-	-	-	-
3,720,948	4,006,251	3,920,070	3,577,520	3,162,043	1,500,423
28,537,773	26,076,507	32,353,138	37,362,621	37,238,748	32,562,418
1,274,329	1,399,356	2,184,898	3,625,899	3,521,550	1,948,286
5,120	154,692	325,018	53,525	15,172	81,498
191,620	107,875	128,941	86,220	158,510	197,731
(3,720,948)	(4,006,251)	(3,920,070)	(3,577,520)	(3,162,043)	(1,500,423)
(2,249,879)	(2,344,328)	(1,281,213)	188,124	533,189	727,092
26,287,894	23,732,179	31,071,925	37,550,745	37,771,937	33,289,510
2,076,289	4,456,651	14,184,951	8,929,799	6,864,010	11,294,742
24,746,472	30,306,653	26,021,046	29,114,459	29,040,868	33,417,906
$ 26,822,761	$ 34,763,304	$ 40,205,997	$ 38,044,258	$ 35,904,878	$ 44,712,648

Exhibit L-2, continued

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
2012	$ 7,338,537	$ 81,841	$ 4,240,193	$ 1,139,926
2013	7,825,290	80,720	4,092,271	1,199,374
2014	8,363,877 (1)	105,044	4,014,946	1,263,534
2015	8,654,493	133,186	4,371,358	1,268,021
2016	9,409,584	129,075	4,381,245	1,368,983
2017	9,808,840	190,764	4,501,181	1,373,680
2018	10,457,466	213,556	4,208,097	1,394,517
2019	13,975,315	179,964	4,507,256	1,418,919
2020	14,321,981	250,731	4,540,980	1,375,576
2021	15,778,590	345,278	4,382,992	1,461,195

Note (1): Tax reform, Title Ad Valorem Tax (TAVT), became effective on March 1, 2013. TAVT is a one-time tax that is paid at the time the vehicle is titled. It replaced sales tax and annual ad valorem tax.

Note (2): Effective 07/01/2019, the City increased the levy of Hotel Motel lodging tax from 6% to 8%.

Insurance Premium Tax	Alcoholic Beverages Tax	Hotel/Motel Tax	Local Option Sales Tax	Total
$ 1,585,550	$ 994,573	$ 563,902	$ 5,259,684	$ 21,204,206
1,684,119	979,409	591,793	5,300,279	21,753,255
1,743,745	1,022,245	715,260	4,983,807 (1)	22,212,458
1,823,481	1,067,611	828,925	5,094,727	23,241,802
1,948,090	1,129,284	911,847	5,281,804	24,559,912
2,203,406	1,166,259	929,035	5,439,313	25,612,478
2,346,272	1,152,257	965,036	5,885,171	26,622,372
2,433,437	1,160,672	1,053,683	6,235,875	30,965,121
2,591,703	1,207,300	1,191,436 (2)	6,847,210	32,326,917
2,733,401	1,299,136	1,295,305	7,670,332	34,966,229

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

	Fiscal Year			
	2012	**2013**	**2014**	**2015**
General fund				
Nonspendable	$ 384,796	$ 367,035	$ 352,744	$ 475,231
Committed	10,054	6,583	6,208	5,848
Assigned	3,040,356	2,321,338	3,295,367	2,457,217
Unassigned	5,874,076	6,565,665	7,012,974	8,065,121
Total general fund	$ 9,309,282	$ 9,260,621	$ 10,667,293	$ 11,003,417
All other governmental funds				
Nonspendable	$ -	$ 130,769	$ 132,816	$ 99,367
Restricted	11,214,865	6,385,355	4,174,002	6,868,770
Committed	115,428	174,187	174,285	221,019
Assigned	11,225,020	16,162,739	12,850,447	11,591,868
Total all other governmental funds	$ 22,555,313	$ 22,853,050	$ 17,331,550	$ 18,781,024

Fiscal Year					
2016	2017	2018	2019	2020	2021
$ 321,639	$ 295,256	$ 260,058	$ 225,794	$ 13,851	$ 1,491
4,957	4,957	4,957	4,957	14,738	7,388
4,216,717	3,966,341	3,912,390	3,604,326	3,404,718	4,140,909
7,480,831	7,660,281	9,087,006	9,873,498	13,359,919	14,412,619
$ 12,024,144	$ 11,926,835	$ 13,264,411	$ 13,708,575	$ 16,793,226	$ 18,562,407
$ 81,390	$ 67,377	$ 44,754	$ 43,321	$ 37,620	$ 36,276
11,805,659	14,227,632	20,027,515	20,714,683	23,313,865	27,492,411
244,531	275,253	298,141	385,580	443,073	533,489
10,803,666	13,953,838	14,696,448	23,161,259	17,466,102	15,803,669
$ 22,935,246	$ 28,524,100	$ 35,066,858	$ 44,304,843	$ 41,260,660	$ 43,865,845

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

	Fiscal Year			
	2012	2013	2014	2015
Revenues				
Taxes	$ 21,205,179	$ 21,798,180	$ 22,193,025	$ 23,263,514
Licenses and permits	533,141	727,631	768,827	1,008,077
Fines, fees and forfeitures	1,142,066	1,663,768	1,635,471	1,778,770
Charges for services	2,740,521	2,910,952	3,004,541	3,331,778
Intergovernmental	12,456,574	4,067,439	3,959,460	4,689,473
Interest	35,839	52,479	41,823	126,712
Contributions	574,090	96,754	96,860	147,384
Other	245,210	1,057,730 (1)	1,017,595 (1)	122,291
Total revenues	38,932,620	32,374,933	32,717,602	34,467,999
Expenditures				
General Government	3,317,143	3,287,366	3,228,407	3,431,244
Judicial	417,255	421,756	460,849	465,915
Public Safety	15,880,473	14,617,996	14,934,311	15,462,822
Public Works	4,415,291	4,325,418	4,491,711	4,672,187
Health and Welfare	3,053,511	2,529,431	3,391,256	2,968,229
Culture and Recreation	1,052,118	592,617	165,000	433,682
Housing and Development	1,726,625	1,639,307	2,082,930	2,148,470
Debt Service				
Principal	7,112,064	7,349,754	8,382,841	10,111,549 (2)
Interest	1,478,240	1,266,876	964,579	1,386,912
Capital Outlay	3,491,050	9,500,033	2,128,323	3,829,201
Total expenditures	41,943,770	45,530,554	40,230,207	44,910,211
Excess of revenues over (under) expenditures	(3,011,150)	(13,155,621)	(7,512,605)	(10,442,212)
Other financing sources (uses)				
Transfers in	14,414,525	21,464,150	7,477,632	10,698,274
Transfers out	(11,222,388)	(16,413,039)	(4,112,658)	(7,435,982)
Issuance of capital leases	721,833	8,220,268	-	8,917,392
Sale of capital assets	10,891	70,410	32,803	48,126
Total other financing sources (uses)	3,924,861	13,341,789	3,397,777	12,227,810
Net change in fund balances	$ 913,711	$ 186,168	$ (4,114,828)	$ 1,785,598
Debt service as a percentage of noncapital expenditures	22.7%	23.6%	24.7%	27.1%

Note (1): 2013-2014 miscellaneous revenue includes CCA rent from the Main Street property.

Note (2): Refunded Frances Meadows debt in 2015 with GRA Bond.

Note (3): Includes sale of investment property at Gainesville Business Park.

Note (4): Effective FY17, PLB expenses were included in General Government; in prior years these expenses were charged to Public Works.

Note (5): Effective FY17, Code Enforcement expenses were included in Housing and Development; in prior years these expenses were charged to Public Safety.

Note (6): Proceeds from debt borrowing for Downtown Parking Deck Expansion.

Note (7): Proceeds from debt borrowing related to Fire Truck purchase.

Note (8): Negative investment earnings is due to the loss on the sale of Jesse Jewell property in September 2020.

Note (9): Proceeds from debt borrowing related to police vehicles and equipment.

Fiscal Year					
2016	2017	2018	2019	2020	2021
$ 24,610,752	$ 25,624,333	$ 26,666,787	$ 30,938,519	$ 31,964,390	$ 35,225,876
1,020,055	1,304,203	1,143,187	1,192,531	920,559	1,141,400
1,735,869	1,944,818	1,680,375	1,740,436	1,211,250	1,437,515
3,589,559	4,295,317	3,883,589	4,262,070	4,556,020	5,073,599
7,821,598	9,388,179	11,639,676	3,141,267	10,750,219	17,821,664
54,687	1,975,871 (3)	406,995	8,027,081	1,237,851	(4,446,697) (8)
105,628	171,116	214,150	169,302	116,123	150,031
183,516	373,513	441,324	337,486	282,974	283,639
39,121,664	45,077,350	46,076,083	49,808,692	51,039,386	56,687,027
3,550,990	5,997,537 (4)	5,115,043	5,240,953	5,059,059	5,592,696
470,043	521,707	523,018	536,900	604,290	599,394
16,187,899	16,466,971 (5)	17,713,931	18,420,807	20,357,172	18,928,273
4,994,225	4,436,888 (4)	5,032,748	4,787,746	4,923,409	5,312,540
2,737,379	2,895,919	2,690,223	2,853,579	3,329,651	4,437,077
400,000	234,283	245,982	626,120	2,655,373	503,214
2,438,677	3,438,904 (5)	2,404,326	2,926,127	3,825,055	4,239,575
1,222,585	3,928,813	1,462,303	2,176,859	1,754,003	2,739,322
538,091	523,047	517,843	630,248	662,008	603,648
5,141,709	8,377,243	7,334,797	10,543,374	12,806,208	11,664,812
37,681,598	46,821,312	43,040,214	48,742,713	55,976,228	54,620,551
1,440,066	(1,743,962)	3,035,869	1,065,979	(4,936,842)	2,066,476
7,835,912	10,656,899	9,950,013	14,065,057	12,452,124	15,342,010
(4,149,965)	(6,627,648)	(6,029,944)	(10,487,538)	(9,290,081)	(13,874,903)
-	2,437,264	10,932	4,933,489 (6)	1,748,231 (7)	606,886 (9)
48,936	768,992	913,464	105,162	67,036	233,897
3,734,883	7,235,507	4,844,465	8,616,170	4,977,310	2,307,890
$ 5,174,949	$ 5,491,545	$ 7,880,334	$ 9,682,149	$ 40,468	$ 4,374,366
5.0%	11.5%	5.4%	6.5%	5.4%	7.3%

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
2012	$ 7,339,510	$ 81,841	$ 4,240,193	$ 1,585,550
2013	7,870,215	80,720	4,092,271	1,684,119
2014	8,344,444 (1)	105,044	4,014,946	1,743,745
2015	8,676,206	133,186	4,371,358	1,823,481
2016	9,460,424	129,075	4,381,245	1,948,090
2017	9,823,521	190,764	4,501,181	2,203,406
2018	10,506,185	213,556	4,208,097	2,346,272
2019	13,953,114	179,964	4,507,256	2,433,437
2020	14,278,872	250,731	4,540,980	2,591,703
2021	15,718,819	345,278	4,382,992	2,733,401

Note (1): Tax reform, Title Ad Valorem Tax (TAVT), became effective on March 1, 2013. TAVT is a one-time tax that is paid at the time the vehicle is titled. It replaced sales tax and annual ad valorem tax.

Note (2): Effective 07/01/2019, the City increased the levy of Hotel Motel lodging tax from 6% to 8%.

Occupational Tax	Alcoholic Beverages Tax	Hotel/Motel Tax	Local Option Sales Tax	Total
$ 1,139,926	$ 994,573	$ 563,902	$ 5,259,684	$ 21,205,179
1,199,374	979,409	591,793	5,300,279	21,798,180
1,263,534	1,022,245	715,260	4,983,807 (1)	22,193,025
1,268,021	1,067,611	828,925	5,094,727	23,263,515
1,368,983	1,129,284	911,847	5,281,804	24,610,752
1,373,680	1,166,259	929,035	5,439,313	25,627,159
1,394,517	1,152,257	965,036	5,885,171	26,671,091
1,418,919	1,160,672	1,053,683	6,235,875	30,942,920
1,375,576	1,207,300	1,191,436 (2)	6,527,792	31,964,390
1,461,195	1,299,136	1,295,305	7,989,750	35,225,876

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

		Personal Property			
Fiscal Year Ended June 30	Real Property	Inventory/ Business Property	Motor Vehicles	Utilities	Digest Adjustments
2012	$ 2,626,851,558	$ 845,534,643	$ 153,096,940	$ 68,615,798	$ (260,718,939)
2013	2,483,471,963	891,542,860	159,990,090	72,487,558	(336,283,393)
2014	2,398,619,850	969,047,745	172,898,560	74,816,730	(336,173,382)
2015	2,567,954,515	1,069,907,483	185,665,960	68,523,120	(312,134,457)
2016	2,953,976,780	1,055,500,805	122,903,835 (2)	86,348,763	(298,500,191)
2017	3,036,116,245	1,102,797,493	87,802,225 (2)	79,112,033	(329,203,623)
2018	3,414,339,560	1,176,119,518	65,383,400 (2)	67,319,268	(343,066,757)
2019	3,809,200,370	1,302,230,195	51,130,100 (2)	73,295,630	(372,366,269)
2020	4,121,300,263	1,347,377,733	42,885,448 (2)	78,163,115	(377,476,436)
2021	4,588,293,083	1,429,275,298	41,489,130 (2)	81,177,865	(425,521,182)

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

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

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

Exemption Adjustments	Total Taxable Assessed Value(1)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
$ (800,000)	$ 3,432,580,000	2.920	$ 3,432,580,000	100%
(800,000)	3,270,409,078	3.060	3,270,409,078	100%
(1,234,240)	3,277,975,263	3.060	3,277,975,263	100%
(1,486,210)	3,578,430,411	3.020	3,578,430,411	100%
(1,902,555)	3,918,327,437	2.980	3,918,327,437	100%
(2,210,476)	3,974,413,897	2.980	3,974,413,897	100%
(2,937,666)	4,377,157,323	2.864	4,377,157,323	100%
(3,556,440)	4,859,933,586	3.364	4,859,933,586	100%
(4,266,505)	5,207,983,618	3.322	5,207,983,618	100%
(5,043,556)	5,709,670,638	3.240	5,709,670,638	100%

		City of Gainesville				
Tax Year	Fiscal Year	Operating Millage	Recreation Millage	Debt Service Millage	Fire Service Millage	Total City Millage
2011	2012	1.690	0.750	0.480	0.000	2.920
2012	2013	1.770	0.790	0.500	0.000	3.060
2013	2014	1.770	0.790	0.500	0.000	3.060
2014	2015	1.750	0.780	0.490	0.000	3.020
2015	2016	1.630	0.750	0.600	0.000	2.980
2016	2017	1.630	0.750	0.600	0.000	2.980
2017	2018	1.545	0.750	0.569	0.000	2.864
2018	2019 (3)	0.795	0.750	0.569	1.250	3.364
2019	2020	0.771	0.750	0.551	1.250	3.322
2020	2021	0.730	0.750	0.510	1.250	3.240

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

Note (4): 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.

Overlapping Rates							
Gainesville City Schools				Hall County			Total
Operating Millage	Debt Service Millage	Total School Millage	State of Georgia	Operating Millage	Emergency Service Millage [4]	Total County Millage	Direct & Overlapping Rates
7.390	0.000	7.390	0.250	6.250	0.000	6.250	16.810
7.590	0.000	7.590	0.250	6.250	0.000	6.250	17.150
7.590	0.000	7.590	0.150	6.250	0.000	6.250	17.050
7.590	0.000	7.590	0.150	5.989	0.000	5.989	16.749
6.890	0.000	6.890	0.050	5.735	0.000	5.735	15.655
6.850	0.000	6.850	0.000	5.716	0.000	5.716	15.546
6.850	0.000	6.850	0.000	6.700	0.000	6.700	16.414
6.850	0.000	6.850	0.000	5.360	0.571	5.931	16.145
6.614	0.000	6.614	0.000	5.098	0.571	5.669	15.605
6.614	0.000	6.614	0.000	4.853	0.571	5.424	15.278

CITY OF GAINESVILLE, GEORGIA
PRINCIPAL TAXPAYERS
June 30, 2021

	Fiscal Year 2021			Fiscal Year 2012		
Taxpayer	**Taxable Assessed Value(1)**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value(1)**	**Rank**	**Percentage of Total Taxable Assessed Value**
Kubota Manufacturing of America Corporation/ Kubota USA, Inc.	$ 174,984,790	1	3.36%	$ 66,959,662	1	1.95%
Cargill, Inc.	109,731,586	2	2.11%	52,445,422	2	1.53%
Mid-America Apartments LP	79,541,050	3	1.53%	37,206,662	4	1.08%
Ace Hardware	61,405,811	4	1.18%	29,535,541	6	0.86%
Fieldale Corp	59,078,033	5	1.13%	37,463,501	3	1.09%
Marel Inc	59,072,817	6	1.13%		NR*	
Pilgrims Pride	58,897,573	7	1.13%		NR*	
ZF Wind Power	51,894,612	8	1.00%	30,858,659	5	0.90%
Trees of Gainesville	49,629,705	9	0.95%		NR*	
Georgia Power	45,459,530	10	0.87%		NR*	
Elan Pharma Inc.				26,320,146	7	0.77%
SAPA Extruder Inc.				23,480,589	8	0.68%
Inland Western Gainesville Village (Shopping Center)				21,401,715	9	0.62%
Stork Gamco (Manufacturer)				20,871,573	10	0.61%
Total	$ 749,695,507		14.40%	$ 346,543,470		10.09%

Source: Tax Year 2020 and 2011 Hall County Tax Commissioner's Digest - Gainesville District.

Note (1): Assessed valuation for principal taxpayers includes real property, personal property and utilities taxes, but does not include motor vehicle taxes. Selection is based on the taxpayers with the largest assessed valuation. Values shown are assessed totals before Freeport exemption is deducted for fiscal years prior 2012. Fiscal year 2012 and forward are net assessed value.

* 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 Amount	Collected within the Fiscal Year of the Levy Percentage of Levy	Collections in Subsequent Years	Total Collections to Date Amount	Total Collections to Date Percentage of Levy
2012	$ 10,023,134	$ (317,398)	$ 9,518,471	98.07%	$ 187,265	$ 9,705,736	100.00%
2013	9,294,659	332,991	9,333,018	96.94%	294,632	9,627,650	100.00%
2014	9,272,596	265,161	9,363,036	98.17%	174,721	9,537,757	100.00%
2015	10,039,209	(89,414)	9,762,578	98.12%	187,217	9,949,795	100.00%
2016	11,053,043	(182,787)	10,829,944	99.63%	32,478	10,862,422	99.93%
2017	11,346,349	(17,723)	11,280,816	99.58%	37,508	11,318,324	99.91%
2018	12,156,116	182,308	12,212,440	98.98%	117,457	12,329,897	99.93%
2019	14,041,006	1,982,740	15,894,676	99.19%	109,213	16,003,889	99.88%
2020	16,878,797	189,517	16,892,628	98.97%	139,874	17,032,502	99.79%
2021	18,101,892	62,281	17,951,673	98.83%	-	17,951,673	98.83%

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

Note (1): Adjustments made after tax billing within the fiscal year of the levy.

CITY OF GAINESVILLE, GEORGIA
LOCAL OPTION SALES TAX DISTRIBUTION COMMODITY REPORT - HALL COUNTY
June 30, 2021

	2020			2010		
Commodity	**Total Distributed**	**Rank**	**% of Total**	**Total Distributed**	**Rank**	**% of Total**
Food	$ 7,820,138	1	19.38%	$ 4,686,218	1	18.94%
General	6,973,099	2	17.28%	3,627,582	2	14.66%
Other Retail	6,131,698	3	15.20%	3,199,408	3	12.93%
Wholesale	3,840,529	4	9.52%	2,615,874	5	10.57%
Miscellaneous Services	3,537,017	5	8.77%	2,016,838	7	8.15%
Home	3,449,158	6	8.55%	1,507,655	8	6.09%
Utilities	2,354,663	7	5.84%	2,383,556	6	9.63%
Auto	2,012,778	8	4.99%	2,771,154	4	11.20%
Manufacturer	1,854,002	9	4.60%	1,116,196	9	4.51%
Other Services	1,791,089	10	4.44%	346,471	11	1.40%
Accommodations	330,951	11	0.82%	386,705	10	1.56%
Construction	249,046	12	0.62%	90,316	12	0.36%
Total	$ 40,344,168		100.00%	$ 24,747,973		100.00%

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

Note (1): 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, 2021

Customer	Type of Business	Total Water Billings	Total Sewer Billings	Total Billings	Percentage of System Revenues
Fieldale Farms Corporation	Manufacturer - Poultry Products	$ 3,251,656	$ 7,756,876	$ 11,008,532	15.19%
Pilgrim's Pride	Manufacturer - Poultry Products	1,476,120	4,325,382	5,801,502	8.00%
Mar-Jac Poultry, Inc.	Manufacturer - Poultry Products	1,337,385	3,877,326	5,214,711	7.19%
NE GA Health Systems	Health Care	550,752	880,278	1,431,030	1.97%
Hall County Commissioners	Local Government	180,492	798,813	979,305	1.35%
John Soules Acquisitions LLC/ Pro View Foods	Manufacturer - Poultry Products	217,344	634,365	851,709	1.17%
Cargill, Inc.	Manufacturer - Soybean Products	325,894	459,370	785,264	1.08%
Prime Pak Foods, Inc.	Further Food Processing	256,738	394,434	651,172	0.90%
Gold Creek LLC	Manufacturer - Poultry Products	178,213	451,847	630,060	0.87%
Shasta Beverages Inc.	Manufacturer- Beverages	282,060	321,531	603,591	0.83%
Total		$ 8,056,654	$ 19,900,222	$ 27,956,876	38.56%

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		Business-Type Activities					
Fiscal Year	General Obligation Bonds	Capital Leases	Water & Sewer Bonds	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita[1]
2012	$ -	$ 28,964,712	$ 89,089,423	$ 107,536,775	$ 30,575,173	$ 256,166,083	24.16%	7,442
2013	-	29,451,699	80,918,760	101,142,593	28,945,860	240,458,912	21.60%	6,913
2014	-	20,872,774	72,356,947	94,539,646 [2]	27,094,798	214,864,165	18.44%	6,047
2015	-	21,998,379	155,139,294	-	25,093,735	202,231,408	16.41%	5,570
2016	-	20,766,180	139,039,842	-	23,412,672	183,218,694	13.34%	4,733
2017	-	19,267,230	122,548,109	-	21,471,610	163,286,949	10.85%	4,082
2018	-	17,808,355	105,559,369	-	19,525,547	142,893,271	9.06%	3,541
2019	-	20,557,481	88,310,630	-	17,559,484	126,427,595	7.40%	3,049
2020	-	20,544,205	74,646,890	-	15,582,468	110,773,563	5.86%	2,562
2021	-	18,404,265	58,983,150	1,766,224 [3]	14,055,880	93,209,519	4.84%	2,204

Note (1): Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the Schedule of Demographic and Economic Statistics on Exhibit L-18 for personal income and population data.

Note (2): The decrease in notes payable is due to a Series 2014 Water Sewer Bond Refunding which refunded the total amount of the GEFA notes payable and $5,900,000 of the Series 2005 Water Sewer Bonds.

Note (3): New GEFA notes were issued in June 2021 for the expansion of the City's water and sewer system.

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]
2012	0	0.00%	0
2013	0	0.00%	0
2014	0	0.00%	0
2015	0	0.00%	0
2016	0	0.00%	0
2017	0	0.00%	0
2018	0	0.00%	0
2019	0	0.00%	0
2020	0	0.00%	0
2021	0	0.00%	0

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

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

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

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

GAINESVILLE

CITY OF GAINESVILLE, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Available	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Gainesville City Schools	$ 105,375,545	100%	$ 105,375,545
Hall County	8,318,071	21%	1,746,795
Subtotal, overlapping debt			107,122,340
City of Gainesville direct debt			18,404,265
Total direct and overlapping debt			$ 125,526,605

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: The outstanding debt reported from overlapping authorities includes bonds, notes, and capital leases as reported on their Governmental Activities Sheet.

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

	Fiscal Year			
	2012	**2013**	**2014**	**2015**
Debt Limit	$ 343,258,000	$ 327,040,908	$ 327,797,526	$ 357,843,041
Total net debt applicable to limit	-	-	-	-
Legal debt margin	$ 343,258,000	$ 327,040,908	$ 327,797,526	$ 357,843,041
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					
2016	2017	2018	2019	2020	2021
$ 391,832,744	$ 397,441,390	$ 437,715,732	$ 485,993,359	$ 520,798,362	$ 570,967,064
-	-	-	-	-	-
$ 391,832,744	$ 397,441,390	$ 437,715,732	$ 485,993,359	$ 520,798,362	$ 570,967,064
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2021

Total assessed value of taxable property	$ 5,709,670,638
Debt limit (10% of total assessed value)	570,967,064
Debt applicable to limit:	
General obligation debt	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	$ 570,967,064

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

	Department of Water Resources Revenue Bonds					
		Less:	Net	Debt Service		
Fiscal Year	Gross Revenue[1]	Operating Expenses[2]	Available Revenue	Principal	Interest	Coverage
2012	$ 59,739,770	$ 24,261,826	$ 35,477,944	$ 7,710,000	$ 4,174,996	2.99
2013	59,662,895	23,442,197	36,220,698	7,955,000	3,768,351	3.09
2014	62,860,604	26,083,825	36,776,779	8,360,000	3,368,156	3.14
2015	68,485,989	24,660,926	43,825,063	8,740,000	4,396,256	3.34
2016	72,032,080	26,866,263	45,165,817	8,140,000	6,271,250	3.13
2017	77,874,539	27,479,460	50,395,079	15,940,000 [3]	5,658,796	2.33
2018	78,352,405	31,721,037	46,631,368	16,200,000	3,142,934	2.41
2019	82,054,845	36,314,032	45,740,813	12,615,000	2,770,244	2.97
2020	81,187,601	36,544,044	44,643,557	14,615,000	2,449,024	2.62
2021	84,417,512	36,196,085	48,221,427	14,965,000	2,025,828	2.84

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)]
2012	34,422	$ 1,060,404	$ 30,806	7,464	7.5%
2013	34,786	1,113,187	32,001	7,702	7.6%
2014	35,533	1,165,092	32,789	7,983	6.4%
2015	36,306	1,232,407	33,945	8,056	4.8%
2016	38,712	1,373,928	35,491	7,973	4.2%
2017	40,000	1,505,480	37,637	7,997	4.2%
2018	40,359	1,576,624	39,065	8,069	3.5%
2019	41,464	1,709,105	41,219	8,068	3.1%
2020	43,232	1,889,282	43,701	7,725	5.7%
2021	42,296	1,927,682	45,576	7,896	3.0%

Source (a): Fiscal year 2012-2013 are estimates. Fiscal year 2014-2019 is based on Population Estimates Program. Fiscal year 2021 is based on 2020 Census provided by the U.S. Census Bureau.

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

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

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

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

CITY OF GAINESVILLE, GEORGIA
PRINCIPAL EMPLOYERS/HALL COUNTY
June 30, 2021

	2021			2012		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Northeast Georgia Medical Center	9,239	1	9.51%	5,030	1	6.09%
Gold Creek Foods	3,035 (2)	2	3.12%		NR*	
Kubota Manufacturing of America	2,535	3	2.61%	960	5	1.16%
Fieldale Farms Corporation	2,370	4	2.44%	2,400	2	2.90%
Pilgrim's Pride	1,760	5	1.81%	1,600	3	1.94%
Fox Factory	1,300	6	1.34%		NR*	
Mar-Jac	1,280	7	1.32%	1,250	4	1.51%
ZF Gainesville, LLC	1,200	8	1.24%	440	10	0.53%
Cottrell, Inc.	1,100	9	1.13%		NR*	
Mars Wrigley	950	10	0.98%	850	7	1.03%
Coleman Natural Foods (Kings Delight)				900	6	1.09%
The Longstreet Clinic				580	8	0.70%
Koch Foods, Inc.				521	9	0.63%
Total	24,769		25.50%	14,531		17.58%

Source: Greater Hall Chamber of Commerce.

Note (1): Excludes governmental and educational employers.

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

* Not Ranked

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

	Fiscal Year									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Function										
Primary government										
General Government	48	51	50	51	51	53	52	53	57	57
Judicial	8	10	10	10	10	10	10	10	10	10
Public Safety										
Police	113	113	114	114	114	116	117	118	120	120
Fire	103	103	103	103	103	103	103	103	103	103
Code Enforcement	3	5	4	4	4	4	5	6	6	6
Public Works	54	53	53	55	55	59	60	60	57	57
Health and Welfare	39	37	32	32	32	40	40	43	41	42
Culture and Recreation	5	0	0	0	0	0	0	0	0	0
Housing and Development	17	13	13	13	13	13	13	13	13	13
General Insurance	0	0	0	0	0	0	0	0	0	0
Vehicle Services	6	6	6	6	6	6	6	6	6	6
Water and Sewer	229	229	230	233	233	233	234	234	234	234
Solid Waste	24	24	24	24	24	24	24	25	25	25
Golf Course	4	4	4	4	4	4	5	5	5	5
Total primary government	653	648	643	649	649	665	669	676	677	678
Component unit										
City of Gainesville Parks and Recreation										
Culture and Recreation	37	37	38	39	39	37	37	38	44	43
Gainesville Convention and Visitor's Bureau										
Housing and Development	0	0	0	4 [(1)]	4	4	4	4	7	11
Total Component units	37	37	38	43	43	41	41	42	51	54
Total employees	690	685	681	692	692	706	710	718	728	732

Source: Annual City of Gainesville Budget Document.

Note (1) Gainesville Convention and Visitor's Bureau became a component unit in FY15.

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

	Fiscal Year			
	2012	**2013**	**2014**	**2015**
Function				
Police				
Number of citations issued	9,306	11,353	11,622	9,734
Number of calls for service	63,839	62,744	60,380	70,534
Fire				
Number of calls answered	6,962	7,031	7,174	7,814
Number of inspections conducted	1,725	1,325	1,862	2,019
Highways and streets				
Square feet of sidewalks replaced	9,063	4,500	11,727	8,217
Linear feet curb and gutter installed	698	211	544	241
Sanitation				
Refuse collected (tons)	4,743	4,857	4,989	5,374
Recyclables collected (tons)	726	759	794	772
Culture and Recreation				
Enrolled in youth athletics	1,553	1,398	1,424	1,181
Civic Center/Cabin rentals	1,068	1,223	1,169	1,230
Water System (MGD -Millions of Gallons per Day)				
Number of service connections	47,018	47,892	53,676	55,274
Daily average consumption in gallons	17.7 MGD	16.74 MGD	16.74 MGD	16.74 MGD
Sewer System (MGD -Millions of Gallons per Day)				
Number of service connections	8,847	9,157	10,977	11,580
Daily average treatment in gallons	8.1 MGD	8.50 MGD	8.90 MGD	8.00 MGD

Source: Various City Departments.

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

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

Fiscal Year					
2016	2017	2018	2019	2020 (1)	2021
12,060	13,431	11,606	11,340	8,200	8,888
68,007	68,952	83,252	100,750	91,075	85,643
8,108	8,592	8,550	10,317	12,094	12,154
3,850	3,543	3,764	3,672	2,820	2,232
2,562	2,360	1,951	8,210	6,065	6,940
329	227	50	660	113	536
5,791	6,392	6,763	7,621	7,719	8,561
697	858	820	859	711	746
1,388	2407	2,366	2,371	1,918	2,602
991	879	1,213	1,424	982	727 (2)
50,950	54,572	55,638	56,934	57,878	59,273
17.40 MGD	18.69 MGD	18.75 MGD	19.03 MGD	19.27 MGD	19.40 MGD
10,020	10,687	11,101	11,445	11,788	12,140
9.1 MGD	9 MGD	10.0 MGD	11.4 MGD	17.0 MGD	11.7 MGD

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

	Fiscal Year			
	2012	**2013**	**2014**	**2015**
Function				
Public safety				
Number of police stations	2	2	2	2
Number of fire stations	4	4	4	4
Solid Waste				
Collection Trucks	10	10	12	13
Highways and streets				
Miles of streets	136	136	140	140
Miles of storm sewers	20.47	20.47	20.49	20.52
Number of street lights	2,694	2,700	2,676	2,639
Culture and Recreation				
Community/Civic Centers	2	2	2	2
Parks	21	22	22	22
Park acreage	445	450+	450+	450+
Golf courses	1	1	1	1
Swimming pools	5	5	4	4
Baseball/Softball fields	11	11	10	10
Soccer fields	10	10	10	10
Multipurpose fields	1	1	2	2
Tennis courts	16	16	15	15
Water and Sewerage System-Gainesville and Hall County				
(MGD - Millions of Gallons per Day)				
Water System:				
Miles of water mains	1,344	1,344	1,355	1,363
Number of fire hydrants	8,855	8,735	8,772	8,838
Number of water treatment plants	2	2	2	2
Maximum daily capacity of treatment plants in gallons	35 MGD	35 MGD	35 MGD	35 MGD
Sewer System:				
Miles of sanitary sewers	286	286	289	291
Number of wastewater treatment plants	2	2	2	2
Maximum daily capacity of treatment plants in gallons	17 MGD	17 MGD	17 MGD	17 MGD

Source: Various City Departments.

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

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

2016	2017	2018	2019	2020	2021
2	2	1	1	1	1
4	4	4	4	4	4
13	13	14	9	9	10
141	143	147	149	149	149
20.81	21.68	24.18	69.00	69.00	50.20 (2)
2,679	2,668	2,769	2,825	2,849	2,813
2	2	2	2	2	2
22	22	22	21	22	22
454+	454+	454+	458+	547+ (1)	547+
1	1	1	1	1	1
4	4	4	4	4	4
10	10	10	9	9	9
10	10	10	10	10	10
2	2	2	2	2	2
15	15	15	15	15	15
1,372	1,390	1,383	1,411	1,438	1,450
8,885	9,096	9,557	9,728	9,620	9,796
2	2	2	2	2	2
35 MGD	35 MGD	35 MGD	35 MGD	35 MGD	35 MGD
294	301	306	318	317	329
2	2	2	2	2	2
17 MGD	21.25 MGD	17 MGD	17 MGD	21.25 MGD	27 MGD

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES
WATER RATES AND MINIMUM DEMAND CHARGES
JUNE 30, 2021

Water Rates (Monthly Charges):

	Inside City Limits	Outside City Limits
Account Servicing Fee	$ 6.17	$ 6.17
Quantity Used Per Month		
In Cubic Feet		
Per Hundred Cubic feet [1]	$ 2.53	$ 4.81

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

Note (1): 748 gallons equals 100 cubic feet.

WATER TAP/METER, CONNECTION AND ADMINISTRATIVE FEES
JUNE 30, 2021

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	1,198	4,315	129	5,642
1 1/2 inch	2,700	8,630	258	11,588
2 inch	3,500	13,808	414	17,722
3 inch	7,405	27,616	828	35,849
4 inch	Cost of Tap and Meter +	43,150	1,294	N/A
6 inch	Cost of Tap and Meter +	86,300	2,589	N/A
8 inch	Cost of Tap and Meter +	138,080	4,142	N/A

The water connection and administrative fees shall be in addition to the cost of the meter and water and sewer tapping fees.

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

Sewer Rates (Monthly Charges by Volume):

	Inside City Limits	Outside City Limits	Oakwood
Commodity charge			
Per Cubic Foot	$ 7.39	$ 7.39	$ 7.54

Industrial Surcharges:

Pollutant	**Concentration** (mg/l)	**Surcharge** (dollars per mg/l per 100 cubic feet)
BOD	250-500	$ 0.0019
	501-700	0.0050
	701-900	0.0057
	Over 900	0.0112
Suspended Solids	250-500	0.0014
	501-700	0.0035
	701-900	0.0039
	Over 900	0.0072
Oil and Grease	101-125	0.0050
	126-150	0.0120
	151-175	0.0140
	Over 175	0.0280
Phosphorus	7-11	0.0220
	12-15	0.0490
	16-20	0.0580
	Over 20	0.1120
Nitrogen	40-75	0.0050
	76-100	0.0130
	101-135	0.0160
	Over 135	0.0320

Accounts billed for sewer only shall pay a monthly account servicing fee of $6.17 inside the City and $6.17 outside the City. In addition, sewer only customers pay an additional fee per 100 cubic feet. The rate is $7.39 for inside city customers, $7.39 for outside city customers, $7.54 for Oakwood customers.

Residential sewer charges are based on 93% of monthly metered water consumption.

Commercial, Industrial and Multi-Unit sewer charges are based on 100% of monthly water meter readings.

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

SEWER TAPPING, CONNECTION AND ADMINISTRATIVE FEES

JUNE 30, 2021

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	8,925	267
1 1/2 inch	17,850	535
2 inch	28,560	856
3 inch	57,120	1,713
4 inch	89,250	2,677
6 inch	178,500	5,355
8 inch	285,600	8,568

The sewer connection and administrative fees shall be in addition to the cost of the meter and water and sewer tapping fees.

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

CITY OF GAINESVILLE, GEORGIA
DEPARTMENT OF WATER RESOURCES CAPITAL IMPROVEMENTS
LAST TEN FISCAL YEARS

		Funding Sources	
Year	Total Cost of Capital Improvements	System Revenues and Capital Contributions	Debt Proceeds and Investment Earnings
2012	$ 9,688,399	$ 9,688,399	$ -
2013	10,633,627	10,633,627	-
2014	7,643,488	7,643,488	-
2015	4,840,617	4,840,617	-
2016	8,136,724	8,136,724	-
2017	13,052,152	13,052,152	-
2018	26,133,018	26,133,018	-
2019	16,251,036	16,251,036	-
2020	27,687,770	27,687,770	-
2021	20,862,911	19,695,314	1,167,597

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

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF INSURANCE COVERAGE
June 30, 2021

		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 (Fire Trucks 1994 or newer) ($5,000 deductible)		Actual cash value	($5,439,935)
Inland Marine (Contractor's Equipment) ($2,500 deductible)		Agreed Value	($6,544,055)
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	
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 $282,328,968.

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

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

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

Hall County

	Number of Residential Permits		Total	Number of	Total	
	Single Family	Multi-Family[1]/ Number of Units	Estimated Value	Commercial Permits	Estimated Value	
2011	140	0	$ 23,159,500	17	$ 4,653,000	(2)
2012	167	0	28,447,800	17	3,873,000	(2)
2013	264	0	47,710,100	26	132,020,900	(3)
2014	341	0	67,877,695	17	7,685,100	
2015	352	0	75,544,500	25	34,139,300	
2016	410	0	91,138,400	20	15,171,000	
2017	548	0	118,793,900	28	16,236,000	
2018	581	0	135,819,495	28	20,823,000	
2019	557	0	133,313,550	94	86,935,000	
2020	621	0	146,316,400	103	173,141,800	(4)

City of Gainesville

	Number of Residential Permits		Total		Number of	Total	
	Single Family	Multi-Family[1]/ Number of Units	Estimated Value		Commercial Permits	Estimated Value	
2011	45	0	$ 7,086,101		14	$ 19,138,000	(2)
2012	122	2/88	29,873,617		7	18,033,377	(2)
2013	262	2/4	47,189,890		14	57,498,595	
2014	266	12/3	46,952,571		23	67,932,217	
2015	405	8/34	76,109,044		21	37,344,159	
2016	435	19/556	118,707,947	(5)	31	58,129,477	
2017	412	4/96	70,021,683		31	234,766,657	(6)
2018	288	96/708	63,131,144		24	40,504,564	
2019	255	11/270	72,202,283		20	119,554,968	(7)
2020	134	8/308	61,949,585		20	41,372,919	

Source: Hall County Building and Zoning Department.

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

Note (2): Economic decline contributed to decreased numbers beginning in 2008.

Note (3): Northeast Georgia Medical Center acquired permits for new hospital in Braselton and new medical office building.

Note (4): Includes Cherokee Bluff Middle School and Agile Cold ATL

Note (5): Totals reflect an increase in multi-family housing projects and single-family dwelling permits.

Note (6): Includes $175 million for construction of Enota Elementary.

Note (7): Includes Fox Factory, NEGA Health and Geveko Markings Inc.

CITY OF GAINESVILLE, GEORGIA
MISCELLANEOUS STATISTICS
Source: Various city departments and local institutions

Date of Incorporation	1821
Form of Government	Council/Manager
City Population (2020 Census)	42,296
Hall County Population, including City (2020 Census)	203,136
Area of City in square miles	35.07
Number of full time employees	638
Government facilities and services:	
Public Safety:	
ISO Fire Classification	Class I
Number of fire personnel and officers	104
Number of police personnel and officers	112
Number of police patrol units	79
Facilities and services not included in the reporting entity:	
Public Education:	
Number of elementary schools	6
Number of elementary school instructors	269
Number of middle schools	1
Number of middle school instructors	118
Number of secondary schools	1
Number of secondary school instructors	126
Number of technical institutions (in Hall County, outside City)	1
Number of universities	2
Hospitals:	
Number of hospitals	1
Number of patient beds	557
Bond Rating (Moody's):	
General Obligation Bonds	Aa1
Revenue Bonds	Aa1

GAINESVILLE

SINGLE AUDIT SECTION

GAINESVILLE

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

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

We have audited, in accordance with 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 City of Gainesville, Georgia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Gainesville, Georgia's basic financial statements and have issued our report thereon dated November 25, 2021.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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 over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

This report is intended 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 over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
November 25, 2021

RUSHTON
ACCOUNTING & BUSINESS ADVISORS | CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the City of Gainesville, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Gainesville's major federal programs for the year ended June 30, 2021. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Gainesville, Georgia's major programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Gainesville, Georgia's, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City of Gainesville, Georgia's, compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Gainesville, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City of Gainesville, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Gainesville, Georgia's, internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Gainesville Georgia's, internal control over compliance.

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 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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

Certified Public Accountants

Gainesville, Georgia
November 25, 2021

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2021

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA 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	$ 283,001
COVID-19			232,365
Total CDBG - Entitlement Grants Cluster			515,366
Passed through Georgia Department of Community Affairs:			
Home Investment Partnerships Program	14.239	2018-108	555,491
Total U.S. Department of Housing and Urban Development			1,070,857
U.S. Department of Justice			
Bulletproof Vest Partnership Program	16.607	N/A	1,203
Edward Byrine Memorial Justice Assistance Grant Program	16.738	N/A	12,848
Equitable Sharing Program	16.922	N/A	52,619
Total U.S. Department of Justice			66,670
U.S. Department of Transportation			
Passed through the Georgia Department of Transportation:			
COVID-19 Airport Improvement Program	20.106	T007449	69,000
Federal Transit Cluster			
Federal Transit Formula Grants	20.507	T006104	305,617
		T006115	696,250
COVID-19		T006115	1,086,180
Total Federal Transit Cluster			2,088,047
Highway Safety Cluster			
Passed through Hall County, Georgia:			
State and Community Highway Safety	20.600	GA-2020-402PT-005	6,993
		FA-2021-F.A.S.T. 402PT-040	15,271
Total Highway Safety Cluster			22,264
Total U.S. Department of Transportation			2,179,311
U.S. Department of Treasury			
Passed through the Georgia Governor's Office of Planning and Budget:			
COVID-19 Coronavirus Relief Fund	21.019	14453-CRF	2,263,095
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	730,702
Total U.S. Department of Treasury			2,993,797
U.S. Environmental Protection Agency			
Passed through Georgia Environmental Finance Authority:			
Clean Water State Revolving Fund Cluster			
Capitalization Grants for Clean Water State Revolving Funds	66.458	CW2020-022	870,517
		CW2020-023	873,595
Total Clean Water State Revolving Fund Cluster			1,744,112
Drinking Water State Revolving Fund Cluster			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW2020-032	22,112
Total U.S. Environmental Protection Agency			1,766,224

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2021

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Number	Total Federal Expenditures
U.S. Department of Health and Human Services			
Aging Cluster of Programs			
Passed through Legacy Link, Inc.:			
Special Programs for the Aging - Title III, Part C			
Nutrition Services	93.045	Gainesville - Title III, C1	$ 327,028
		Gainesville - Title III, C2	145,404
COVID-19		Gainesville - Title III, C2	209,916
			682,348
Nutrition Services Incentive Program	93.053	Gainesville - NSIP	51,326
COVID-19			6,695
			58,021
Total Aging Cluster of Programs			740,369
Passed through Legacy Link, Inc.:			
Social Services Block Grant	93.667	Gainesville - SSBG	24,922
Total U.S. Department of Health and Human Services			765,291
U.S. Department of Homeland Security			
Passed through the Georgia Emergency Management Agency:			
Disaster Grants - Public Assistance			
(Presidentially Declared Disasters)	97.036	FEMA-4579-DR-GA	244,801
Homeland Security Grant Program	97.067	SHO19-098	3,457
Total U.S. Department of Homeland Security			248,258
Total Expenditures of Federal Awards			$ 9,090,408

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:

Federal Transit Cluster
20.507 Federal Transit Formula Grants

21.019 Covid-19 Coronavirus Relief Fund

Clean Water State Revolving Fund Cluster
66.458 Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish Between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

2. Financial Statement Findings

A. Current Year Audit Findings

None reported

B. Prior Year Audit Findings Follow-Ups

None reported

3. Federal Award Findings and Questioned Costs

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

GAINESVILLE

STATE REPORTING SECTION

CITY OF GAINESVILLE, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2021

	Estimated Cost *		Expenditures		
Project	Original	Current	Prior Years	Current Year	Total
SPLOST VII					
Public Safety Fire Station	$ 3,750,000	$ 3,750,000	$ 4,693,088	$ 1,295,806	$ 5,988,894
Public Safety Fire Vehicle	1,750,000	1,750,000	1,461,219	0	1,461,219
Roads, Bridges, Stormwater	12,914,482	12,914,482	8,634,005	2,447,018	11,081,023
Youth Sports Athletic Complex	6,750,000	6,750,000	1,141,946	207,912	1,349,858
Park Improvements	250,000	250,000	0	72,194	72,194
Total SPLOST VII	$ 25,414,482	$ 25,414,482	$ 15,930,258	$ 4,022,930	$ 19,953,188
SPLOST VIII					
Roads, Streets, Bridges, Sidewalks, and Related Improvements	$ 15,000,000	$ 15,000,000	$ 0	$ 84	$ 84
Parks and Recreation Facilities and Equipment	9,164,541	9,164,541	0	1,246,624	1,246,624
Public Safety Facilities and Equipment	8,500,000	8,500,000	0	299,861	299,861
Downtown Parking Deck	4,000,000	4,000,000	0	2,092,186	2,092,186
Total SPLOST VIII	$ 36,664,541	$ 36,664,541	$ 0	$ 3,638,755	$ 3,638,755

* 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

CITY OF GAINESVILLE

200 STRONG

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 12/8/2021

Presenter: Kevin Hutcheson

Item of Business: Resolution: Fourth Quarter Budget Adjustment for Fiscal Year 2021

Meeting Date: 12/16/2021

Purpose of Request:
This request is to approve the budget adjustments associated with the fourth quarter of fiscal year 2021.

History/Background:
The City of Gainesville Code states in part:
Sec. 2-3-87 - Budget amendments
(a) General amendment. The council may amend the budget as deemed necessary or advantageous during the fiscal year, provided additional revenues or funding sources are identified for any net increase in expenditure. Following the end of each fiscal year quarter, any approved adjustments, including budgets for any projects authorized during the quarter shall be enacted through a budget adjustment resolution upon favorable vote of the city council. The supplemental budget resolutions shall be balanced for each and every fund that is amended.

Facts & Issues for Consideration:

Department Recommendation:
Financial Services recommends the approval of the fourth quarter budget adjustment for fiscal year 2021.

Department Director:
Jeremy Perry

If funding is involved, are funds approved within the current budget?
N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
Budget Adjustment Resolution Q4 FY2021	Resolution
Attachment A - Charts for 4th Quarter Budget Adjustments for FY2021	Backup Material
Attachment B - Descriptions for 4th Quarter Budget Adjustments for FY2021	Backup Material

RESOLUTION AR-2021 - ___

REGARDING FOURTH QUARTER BUDGET ADJUSTMENT
FOR FISCAL YEAR 2021

WHEREAS, the City Council approved a budget for fiscal year 2021 for the City of Gainesville on June 16, 2020; and

WHEREAS, the budget is a dynamic rather than static revenue and spending plan which requires adjustment from time to time as circumstances change; and

WHEREAS, these adjustments maintain a balanced budget for all funds.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville hereby adopts the adjustments to the budget listed on "Attachment A" and "Attachment B", attached hereto and made a part of the Resolution.

Adopted this _____ day of __________________, 2021.

____
C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

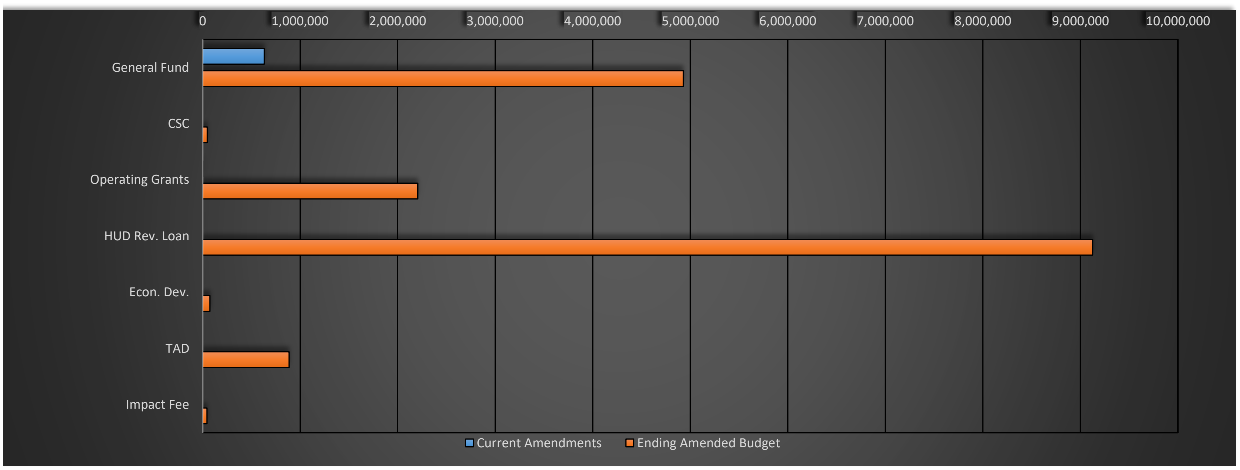
ATTEST:

____
Denise O. Jordan, City Clerk

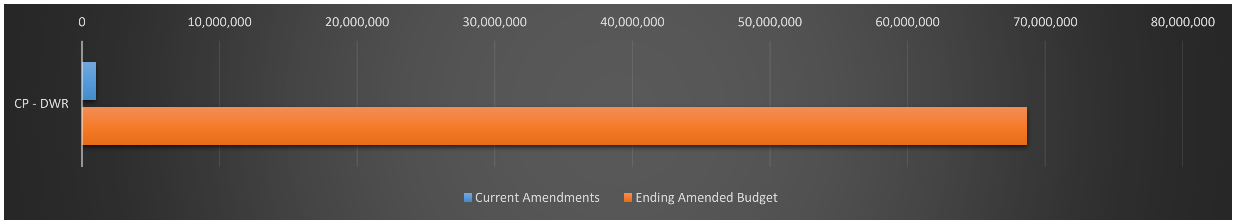
ATTACHMENT A

General Fund			
Fund	**Beginning Amended Budget**	**Current Amendments**	**Ending Amended Budget**
General Fund	31,768,897	3,794,813	35,563,710
Grand Total	**31,768,897**	**3,794,813**	**35,563,710**

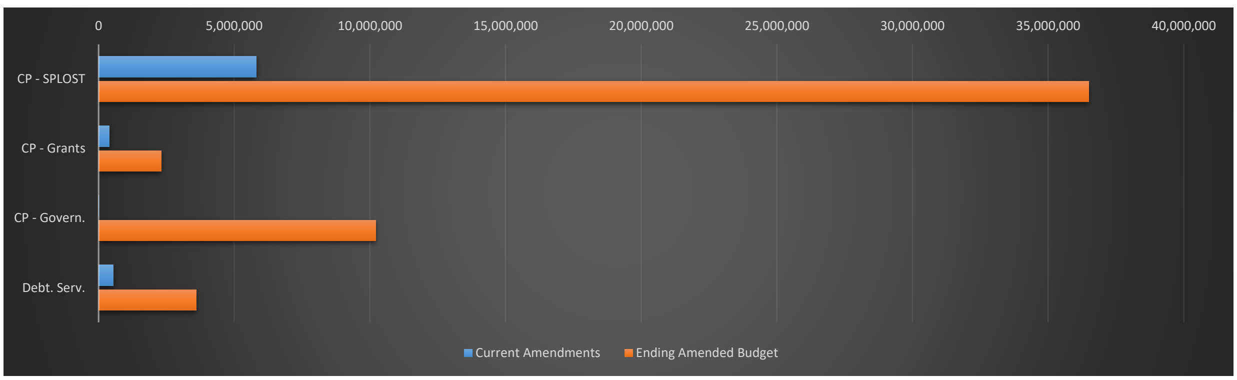
Special Revenue Funds			
Fund	**Beginning Amended Budget**	**Current Amendments**	**Ending Amended Budget**
CSC	4,296,219	632,000	4,928,219
Cemetery Trust	47,500	0	47,500
Confiscated Assets	323,227	0	323,227
Operating Grants	31,948	1,811,400	1,843,348
HUD Grants	2,206,549	1	2,206,550
HUD Rev. Loan	0	82,019	82,019
Fire Services fund	9,126,403	0	9,126,403
Econ. Dev.	108,000	28,000	136,000
Land Bank Authority	75,000	0	75,000
TAD	648,282	350,000	998,282
H/M Tax Fund	886,585	0	886,585
Impact Fee	1,287,439	179,600	1,467,039
Info. Tech. Fund	44,700	0	44,700
Grand Total	**19,081,852**	**3,083,020**	**22,164,872**



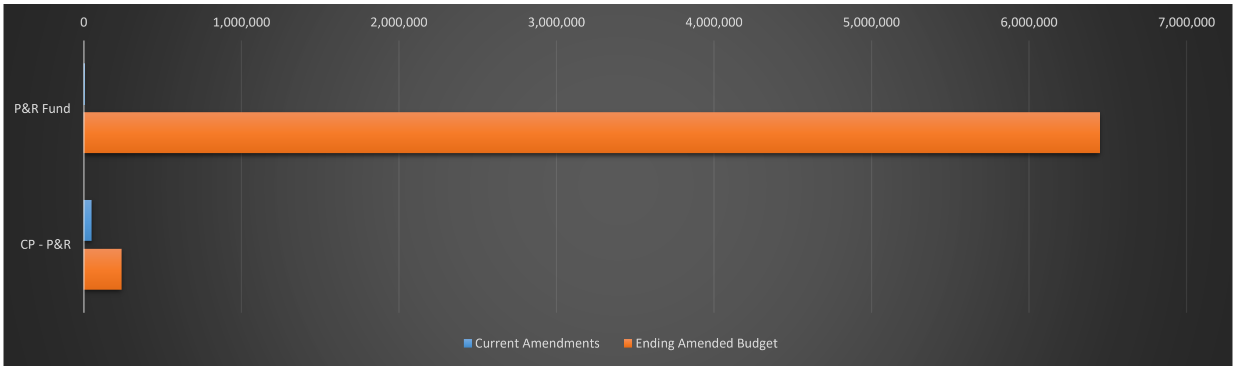
Enterprise Funds			
Fund	**Beginning Amended Budget**	**Current Amendments**	**Ending Amended Budget**
DWR	73,942,102	0	73,942,102
CP - DWR	67,665,561	1,022,425	68,687,986
Solid Waste	3,400,904	0	3,400,904
Airport	1,988,293	0	1,988,293
Golf	3,212,691	0	3,212,691
Grand Total	**150,209,551**	**1,022,425**	**151,231,976**



Capital and Debt Funds			
Fund	**Beginning Amended Budget**	**Current Amendments**	**Ending Amended Budget**
CP - SPLOST	30,671,704	5,819,390	36,491,094
CP - Grants	1,912,284	402,000	2,314,284
CP - Govern.	10,213,891	10,002	10,223,893
Debt. Serv.	3,053,830	547,274	3,601,104
Grand Total	**45,851,709**	**6,778,666**	**52,630,375**



Component Unit			
Fund	**Beginning Amended Budget**	**Current Amendments**	**Ending Amended Budget**
CVB	1,533,721	0	1,533,721
P&R Fund	6,443,919	5,000	6,448,919
CP - P&R	189,994	47,678	237,672
Grand Total	**8,167,634**	**5,000**	**8,220,312**



Non-Profit			
Fund	**Beginning Amended Budget**	**Current Amendments**	**Ending Amended Budget**
Non-Profit	24,367	0	24,367
Grand Total	**24,367**	**0**	**24,367**

Internal Service Fund			
Fund	**Beginning Amended Budget**	**Current Amendments**	**Ending Amended Budget**
Gen. Insurance	2,024,396	0	2,024,396
Employee Ben.	10,300,535	0	10,300,535
Veh. Serv.	2,600,244	0	2,600,244
Grand Total	**14,925,175**	**0**	**14,925,175**

ATTACHMENT B
QUARTERLY BUDGET ADJUSTMENT RESOLUTION
4th QTR BA for FY2021 ADJUSTMENT DESCRIPTIONS

GENERAL FUND

GENERAL FUND

The General fund recognized a total increase of $3,794,813 during the fourth quarter of fiscal year 2021. The adjustments associated with this increase are as follows:

- Increase in Budgeted Fund Balance in the amount of $2,694,813 for Project 93162-Parking Deck.
- Increase in Budgeted Fund Balance in the amount of $100,000 for adjustment to the Arts Council Land Agreement.
- Increase in Budgeted Fund Balance in the amount of $1,000,000 for transfer to Chattahoochee Golf Course Fund.

SPECIAL REVENUE FUNDS

COMMUNITY SERVICE CENTER FUND

The Community Service Center fund recognized a total increase of $632,000 during the fourth quarter of fiscal year 2021. The adjustment associated with this increase is as follows:

- Year-end Capital Project adjustment in the amount of $632,000.

GRANTS FUND

The Grants fund recognized a total increase of $1,811,400 during the fourth quarter of fiscal year 2021. The adjustment associated with this increase is as follows:

- Year-end Grant budget adjustments in the amount of $1,811,400.

HUD REVOLVING LOAN FUND

The HUD Revolving Loan fund recognized a total increase of $82,019 during the fourth quarter of fiscal year 2021. The adjustment associated with this increase is as follows:

- Establishment of FY21 Revolving Loan Fund Budget.

ATTACHMENT B
QUARTERLY BUDGET ADJUSTMENT RESOLUTION
4th QTR BA for FY2021 ADJUSTMENT DESCRIPTIONS

ECONOMIC DEVELOPMENT FUND

The Economic Development fund recognized a total increase of $28,000 during the fourth quarter of fiscal year 2021. The adjustment associated with this increase is as follows:

- Recognize interest revenues for FY21 in the amount of $28,000.

TAX ALLOCATION DISTRICT FUND

The Tax Allocation District fund recognized a total increase of $350,000 during the fourth quarter of fiscal year 2021. The adjustment associated with this increase is as follows:

- Increase of $350,000 for Project 93165-Greenway Connectivity per BR-2021-15.

IMPACT FEE FUND

The Impact Fee fund recognized a total increase of $179,600 during the fourth quarter of fiscal year 2021. The adjustments associated with this increase is as follows:

- Recognize additional impact fees for FY21 in the amount of $179,600.

DEBT SERVICE FUND

The Debt Service fund recognized a total increase of $547,274 during the fourth quarter of fiscal year 2021. The adjustments associated with this increase is as follows:

- Year-end budget adjustments in the amount of $547,274.

CAPITAL AND DEBT FUNDS

SPLOST CAPITAL PROJECTS FUND

The SPLOST Project fund recognized a total increase of $5,819,390 during the fourth quarter of fiscal year 2021. The adjustments associated with this increase are as follows:

- Transfer from General Fund for Project $93162-Parking Deck in the amount of $2,694,813.
- Transfer from General Government CIP Fund for Project $93162-Parking Deck in the amount of $1,369,333.
- Recognize additional LIMG funds in the amount of $52,000.
- Set up budget in SPLOST fund for Project 93162-Parking deck in the amount of $2,496,660.
- Decrease of $793,416 for not receiving GTIB Grant.

ATTACHMENT B
QUARTERLY BUDGET ADJUSTMENT RESOLUTION
4th QTR BA for FY2021 ADJUSTMENT DESCRIPTIONS

GRANTS CAPITAL PROJECTS FUND

The Grants Capital Project fund recognized a total increase of $402,000 during the fourth quarter of fiscal year 2021. The adjustment associated with this increase are as follows:

- Transfer from TAD fund in the amount of $350,000 for Project 93165-Greenway Connectivity per BR-2021-15.
- Transfer to SPLOST fund in the amount of $52,000 to recognize additional LMIG funds.

GENERAL GOVERNMENT CAPITAL PROJECTS FUND

The General Government Capital Project fund recognized a total decrease of $10,000 during the fourth quarter of fiscal year 2021. The adjustments associated with this increase is as follows:

- Increase in Budgeted Fund Balance in the amount of $10,000 for project 96015-Comprehensive Plan Update.

DWR CAPITAL PROJECTS FUND

The DWR Capital Projects fund recognized a total increase of $1,022,425 during the fourth quarter of fiscal year 2021. The adjustment associated with this increase are as follows:

- Recognize contribution from Gold Creek Foods for Sewer Main Extensions in the amount of $920,000.
- Transfer from DWR Operating Fund in the amount of $68,925 for Backwash pumps and sludge thickener.
- Increase in budgeted fund balance in the amount of $33,500 for BA21-9874 to correct a transfer transaction.

ATTACHMENT B
QUARTERLY BUDGET ADJUSTMENT RESOLUTION
4th QTR BA for FY2021 ADJUSTMENT DESCRIPTIONS
COMPONENT UNIT FUNDS

PARKS AND RECREATION FUND

The Parks and Recreation fund recognized a total increase of $5,000 during the fourth quarter of fiscal year 2021. The adjustments associated with this increase is as follows:

- Recognize donation for Kenwood Bridge in the amount of $5,000 from Friends of the Parks.

PARKS AND RECREATION CAPITAL PROJECT FUND

The Parks and Recreation Capital Project fund recognized a total increase of $47,678 during the fourth quarter of fiscal year 2021. The adjustments associated with this increase is as follows:

- Increase in Budgeted Fund Balance in the amount of $47,678 for the transfer of Midtown Greenway project to SPLOST fund.

CITY OF GAINESVILLE

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 12/8/2021

Presenter: Kevin Hutcheson

Item of Business: Resolution: First Quarter Budget Adjustment for Fiscal Year 2022

Meeting Date: 12/16/2021

Purpose of Request:
This request is to approve the budget adjustments associated with the first quarter of fiscal year 2022.

History/Background:
The City of Gainesville Code states in part:
Sec. 2-3-87 - Budget amendments (a) General amendment. The council may amend the budget as deemed necessary or advantageous during the fiscal year, provided additional revenues or funding sources are identified for any net increase in expenditure. Following the end of each fiscal year quarter, any approved adjustments, including budgets for any projects authorized during the quarter shall be enacted through a budget adjustment resolution upon favorable vote of the city council. The supplemental budget resolutions shall be balanced for each and every fund that is amended.

Facts & Issues for Consideration:

Department Recommendation:
Financial Services recommends the approval of the first quarter budget adjustment for fiscal year 2022.

Department Director:
Jeremy Perry

If funding is involved, are funds approved within the current budget?
N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
Budget Adjustment Resolution 1st Quarter FY2022	Resolution
Attachment A - Charts for 1st Quarter Budget Adjustments for FY2022	Backup Material
Attachment B - Description of 1st Quarter Budget Adjustments for FY2022	Backup Material

RESOLUTION AR-2021 - ___

REGARDING FIRST QUARTER BUDGET ADJUSTMENT FOR FISCAL YEAR 2022

WHEREAS, the City Council approved a budget for fiscal year 2022 for the City of Gainesville on June 15, 2021; and

WHEREAS, the budget is a dynamic rather than static revenue and spending plan which requires adjustment from time to time as circumstances change; and

WHEREAS, these adjustments maintain a balanced budget for all funds.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville hereby adopts the adjustments to the budget listed on “Attachment A” and “Attachment B”, attached hereto and made a part of the Resolution.

Adopted this _____ day of __________________, 2021.

____

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

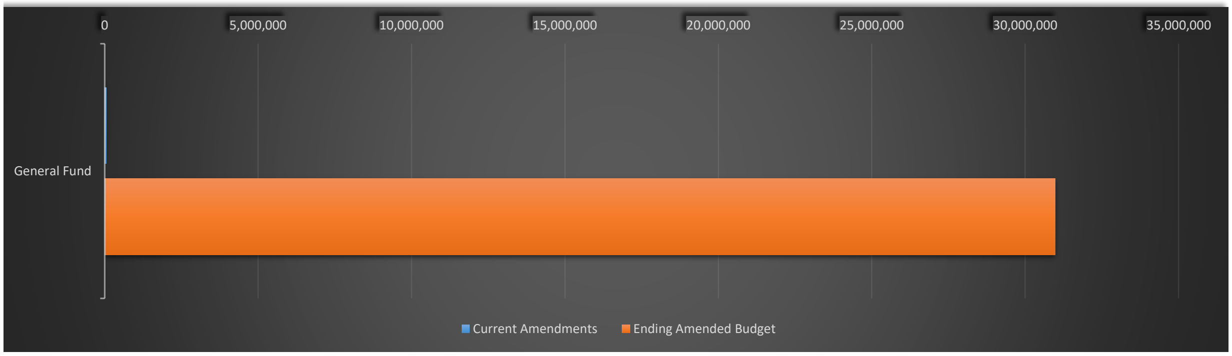
ATTEST:

____

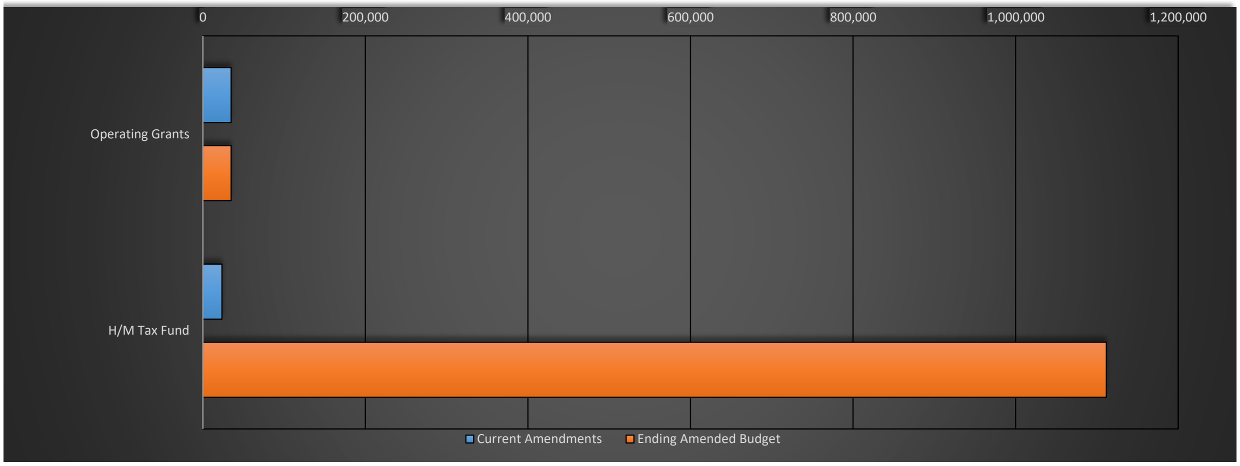
Denise O. Jordan, City Clerk

ATTACHMENT A

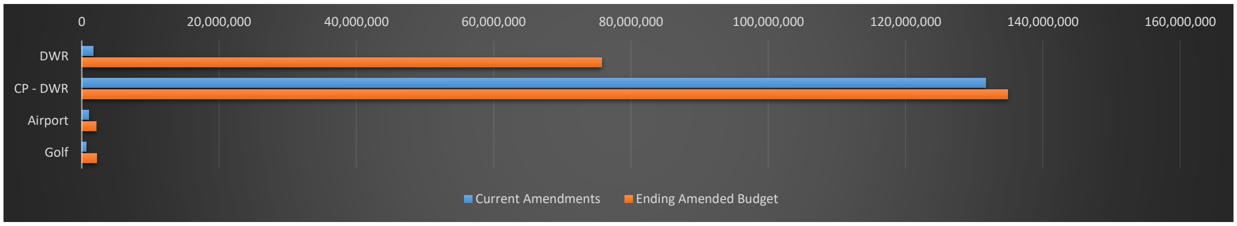
General Fund			
Fund	**Beginning Amended Budget**	**Current Amendments**	**Ending Amended Budget**
General Fund	30,931,193	47,248	30,978,441
Grand Total	**30,931,193**	**47,248**	**30,978,441**



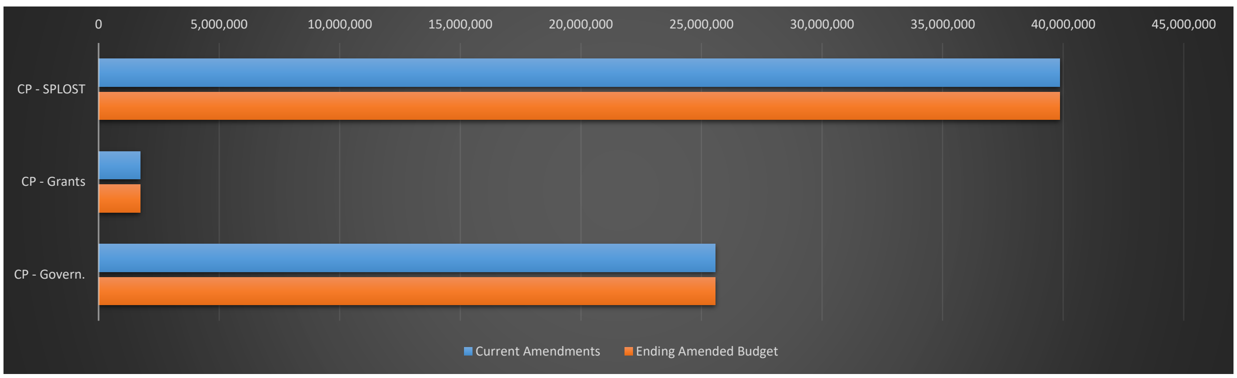
Special Revenue Funds			
Fund	**Beginning Amended Budget**	**Current Amendments**	**Ending Amended Budget**
CSC	3,835,637	0	3,835,637
Cemetery Trust	55,000	0	55,000
Confiscated Assets	150,000	0	150,000
Operating Grants	0	34,796	34,796
HUD Grants	0	0	0
HUD Rev. Loan	0	0	0
Fire Services fund	9,583,600	0	9,583,600
Police Service Fund	4,434,654	0	4,434,654
Econ. Dev.	73,000	0	73,000
Land Bank Authority	50,000	0	50,000
TAD	619,362	0	619,362
H/M Tax Fund	1,088,135	23,500	1,111,635
Impact Fee	1,446,486	0	1,446,486
Info. Tech. Fund	42,700	0	42,700
Grand Total	**21,378,574**	**58,296**	**21,436,870**



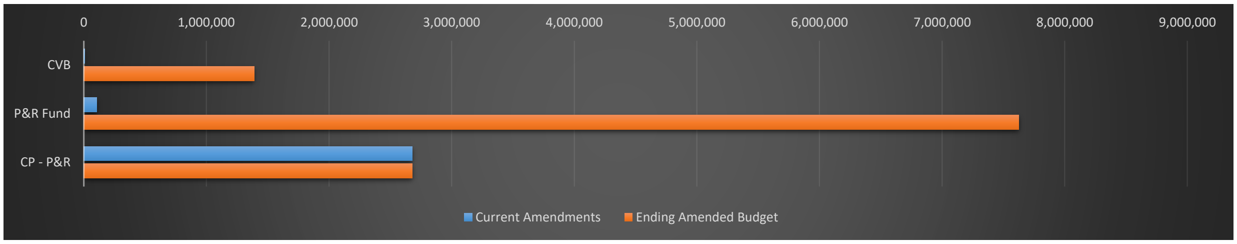
Enterprise Funds			
Fund	**Beginning Amended Budget**	**Current Amendments**	**Ending Amended Budget**
DWR	74,074,004	1,663,325	75,737,329
CP - DWR	3,247,942	131,662,273	134,910,215
Solid Waste	4,089,386	0	4,089,386
Airport	1,062,451	1,012,311	2,074,762
Golf	1,515,753	641,502	2,157,255
Grand Total	**83,989,536**	**134,979,411**	**218,968,947**



Capital and Debt Funds			
Fund	**Beginning Amended Budget**	**Current Amendments**	**Ending Amended Budget**
CP - SPLOST	0	39,861,018	39,861,018
CP - Grants	0	1,719,132	1,719,132
CP - Govern.	0	25,579,723	25,579,723
Debt. Serv.	6,522,833	0	6,522,833
Grand Total	**6,522,833**	**67,159,873**	**73,682,706**



Component Unit			
Fund	**Beginning Amended Budget**	**Current Amendments**	**Ending Amended Budget**
CVB	1,379,246	9,300	1,388,546
P&R Fund	7,519,067	107,245	7,626,312
CP - P&R	0	2,676,830	2,676,830
Grand Total	**8,898,313**	**116,545**	**9,014,858**



Non-Profit			
Fund	**Beginning Amended Budget**	**Current Amendments**	**Ending Amended Budget**
Non-Profit	24,366	0	24,366
Grand Total	**24,366**	**0**	**24,366**

Internal Service Fund			
Fund	**Beginning Amended Budget**	**Current Amendments**	**Ending Amended Budget**
Gen. Insurance	2,077,023	0	2,077,023
Employee Ben.	10,337,194	0	10,337,194
Veh. Serv.	2,063,619	0	2,063,619
Grand Total	**14,477,836**	**0**	**14,477,836**

ATTACHMENT B
QUARTERLY BUDGET ADJUSTMENT RESOLUTION
ADJUSTMENT DESCRIPTIONS

GENERAL FUND

GENERAL FUND

The General fund recognized a total increase of $47,248 during the first quarter of fiscal year 2022. The adjustments associated with this increase is as follows:

- FY21-22 Anticipated re-appropriations of open balances from purchase orders.

SPECIAL REVENUE FUNDS

GRANTS FUND

The Grants fund recognized a total increase of $34,796 during the first quarter of fiscal year 2022. The adjustment associated with this increase is as follows:

- Establishment of LET Grant budget for FY22 in the amount of $34,796.

HOTEL/MOTEL TAX FUND

The Hotel/Motel Tax fund recognized a total increase of $23,500 during the first quarter of fiscal year 2022. The adjustment associated with this increase is as follows:

- Project 91061- Budget increase due to increased cost of metal.

ENTERPRISE FUNDS

DEPARTMENT OF WATER RESOURCES OPERATING FUND

The Department of Water Resources Operating fund recognized a total increase of $1,663,325 during the first quarter of fiscal year 2022. The adjustment associated with this increase is as follows:

- FY21-22 Anticipated re-appropriations of open balances from purchase orders.

AIRPORT FUND

The Airport Fund recognized a total increase of $1,012,311 during the first quarter of fiscal year 2022. The adjustment associated with this increase is as follows:

- FY21-22 Anticipated re-appropriations of open balances from purchase orders and existing project balances.

ATTACHMENT B
QUARTERLY BUDGET ADJUSTMENT RESOLUTION
ADJUSTMENT DESCRIPTIONS

CHATTAHOOCHEE GOLF COURSE FUND

The Chattahoochee Golf Course Fund recognized a total increase of $641,502 during the first quarter of fiscal year 2022. The adjustment associated with this increase is as follows:

- FY21-22 Anticipated re-appropriations of open balances from purchase orders and existing project balances.

CAPITAL AND DEBT FUNDS

DWR CAPITAL PROJECTS FUND

The Department of Water Resources Capital Project fund recognized a total increase of $131,662,273 during the first quarter of fiscal year 2022. The adjustments associated with this increase are as follows:

- FY21-22 Anticipated re-establishing project budgets for open projects not closed during FY2021.
- Establishment of FY2022 Capital Projects per Resolution AR-2021-10.

SPLOST CAPITAL PROJECTS FUND

The SPLOST Capital Project fund recognized a total increase of $39,861,018 during the first quarter of fiscal year 2022. The adjustments associated with this increase are as follows:

- FY21-22 Anticipated re-establishing project budgets for open projects not closed during FY2021.
- Establishment of FY2022 Capital Projects per Resolution AR-2021-10.

GRANTS CAPITAL PROJECTS FUND

The Grants Capital Project fund recognized a total increase of $1,719,132 during the first quarter of fiscal year 2022. The adjustments associated with this increase are as follows:

- FY21-22 Anticipated re-establishing project budgets for open projects not closed during FY2021.
- Establishment of FY2022 Capital Projects per Resolution AR-2021-10.

ATTACHMENT B
QUARTERLY BUDGET ADJUSTMENT RESOLUTION
ADJUSTMENT DESCRIPTIONS

GENERAL GOVERNMENT CAPITAL PROJECTS FUND

The General Government Capital Projects fund recognized a total increase of $25,579,723 during the first quarter of fiscal year 2022. The adjustments associated with this increase are as follows:

- FY21-22 Anticipated re-establishing project budgets for open projects not closed during FY2021.
- Establishment of FY2022 Capital Projects per Resolution AR-2021-10.

COMPONENT UNIT

CONVENTION VISITORS BUREAU

The Convention Visitors Bureau fund recognized a total increase of $9,300 during the first quarter of fiscal year 2022. The adjustment associated with this increase is as follows:

- Increase in Budgeted Fund Balance in the amount of $9,300 for the City of Gainesville's Bicentennial celebration expenses.

PARKS AND RECREATION FUND

The Parks and Recreation Operating fund recognized a total increase of $107,245 during the first quarter of fiscal year 2022. The adjustment associated with this increase are as follows:

- Increase in fund balance in the amount of $14,925 for Timing System.
- FY21-22 Anticipated re-establishing project budgets for open projects not closed during FY2021.

PARKS & RECREATION CAPITAL PROJECTS FUND

The Parks & Recreation Capital Projects fund recognized an increase of $2,676,830 during the first quarter of fiscal year 2022. The adjustments associated with this increase are as follows:

- FY21-22 Anticipated re-establishing project budgets for open projects not closed during FY2021.
- Establishment of FY2022 Capital Projects per Resolution AR-2021-10.

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 11/30/2021

Presenter: Matt Hamby

Item of Business: Resolution: FY2021 Closure of Airport Capital Projects

Meeting Date: 12/16/2021

Purpose of Request:
The purpose of this request is to present a resolution addressing the FY2021 Closure of Airport Capital Projects.

History/Background:
Annually, we review the Airport Capital Project closures to determine which remaining funds should be returned to the appropriate restricted funds or re-appropriated in the Airport fund for future use. We prepare a resolution each year for the approval of these re-allocations.

Facts & Issues for Consideration:

Department Recommendation:
Approval of resolution to recognize the Airport Capital Project closed in FY2021.

Department Director:
Jeremy Perry

If funding is involved, are funds approved within the current budget?
N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
FY2021 Closure of Airport Capital Projects Resolution	Resolution
Attachment A: Closed Project Summary Report	Attachments/Exhibits

RESOLUTION AR-2021 - ___

FY2021 CLOSURE OF AIRPORT CAPITAL PROJECTS

WHEREAS, amounts were appropriated in previous fiscal years, through the annual budget and various Council resolutions, for Airport Capital Projects; and

WHEREAS, the financial audit for the fiscal year ended June 30, 2021, is complete; and

WHEREAS, the capital projects and annual programs listed on Attachment A are complete and ready to close, leaving the amount of $80,904.15 available in closed project balances; and

WHEREAS, $80,904.15 will be available in the Airport Fund for re-appropriation for future project needs.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville hereby recognizes the closure of the listed project.

Adopted this _____ day of __________________, 2021.

____
C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

____
Denise O. Jordan, City Clerk

Airport Capital Projects

Closed Project Summary Report

FUND 550

Summary of Closed Project Balances FY21	
Project Description	Excess Funds
Airport Maintenance Building	$ 15.50
Airport Replacement Fleet Vehicle	888.13
Slope Mower	0.52
Grounds Maintenance Mowers	-
Grounds Maintenance Tractor	80,000.00
Total Closed Project Balances	80,904.15
Total Amount Available for Reappropriation	**$ 80,904.15**

Airport Capital Projects

Closed Project Summary Report

Airport Maintenance Building
(AR2020-09)

	Budget	Actual	Difference
Funding Sources:			
Airport Fund (FY21)	45,000.00	45,000.00	-
BA21-10172 - Project Over Budget (FY21)	6,600.00	6,600.00	
	51,600.00	51,600.00	-
Expenditure:			
Project Costs (FY21)	51,600.00	51,584.50	
	51,600.00	51,584.50	15.50
Open Encumbrances			-
Available Budget			15.50
Project Balance		15.50	

Description:
New maintenance building for storage of tractors, lawnmowers, and equipment utilized in maintaining grounds at the airport. Equipment has previously been stored in aircraft hangar that was necessary to vacate due to aircraft space demand. Equipment is now stored outside in the elements and subject to theft.

Status:
Complete/Close

Vendors with Open Encumbrances:
A&A Construction Management

50147
Lisa Poole

Airport Capital Projects

Closed Project Summary Report

Airport Replacement Fleet Vehicle
(AR2020-09)

	Budget	Actual	Difference
Funding Sources:			
Airport Fund (FY21)	40,000.00	40,000.00	-
Adjust Project to G/L Balance (BA21-8083)	(3,235.00)	(3,235.00)	
	36,765.00	36,765.00	-
Expenditure:			
Project Costs (FY21)	36,765.00	35,876.87	
	36,765.00	35,876.87	888.13
Open Encumbrances			-
Available Budget			888.13
Project Balance		888.13	

Description:
New Ford F150 Crew Cab truck.

Status:
Truck was purchased, Project is complete.

Vendors with Open Encumbrances:
None

Lisa Poole
50148

Airport Capital Projects

Closed Project Summary Report

Slope Mower

(AR2020-09)

	Budget	Actual	Difference
Funding Sources:			
Airport Fund (FY21)	40,000.00	40,000.00	-
Adjust Project to G/L Balance (BA21-8082)	(6,302.00)	(6,302.00)	
	33,698.00	33,698.00	-
Expenditure:			
Project Costs (FY21)	33,698.00	33,697.48	
	33,698.00	33,697.48	0.52
Open Encumbrances			-
Available Budget			0.52
Project Balance		0.52	

Description:
New Ventrac Mower.

Status:
Mower has been purchased. Project is complete.

Vendors with Open Encumbrances:
None

Lisa Poole
50149

Airport Capital Projects

Closed Project Summary Report

Grounds Maintenance Mowers

(AR2020-09)

	Budget	Actual	Difference
Funding Sources:			
Airport Fund (FY21)	42,000.00	42,000.00	-
	42,000.00	42,000.00	-
Expenditure:			
Project Costs (FY21)	42,000.00	42,000.00	
	42,000.00	42,000.00	-
Open Encumbrances			-
Available Budget			-
Project Balance		-	

Description:
Two grounds maintenance mowers.

Status:
The mowers have been purchased.

Vendors with Open Encumbrances:
None

Lisa Poole
50150

Airport Capital Projects

Closed Project Summary Report

Grounds Maintenance Tractor

(AR2020-09)

	Budget	Actual	Difference
Funding Sources:			
Airport Fund (FY21)	80,000.00	80,000.00	-
	80,000.00	80,000.00	-
Expenditure:			
Project Costs (FY21)	80,000.00	-	
	80,000.00	-	80,000.00
Open Encumbrances			-
Available Budget			80,000.00
Project Balance		80,000.00	

Description:

New tractor needed to maintain Airport grounds.

Status:

Due to the change in maintenance operations Public Works management has decided to forego the execution of the Grounds Maintenance Tractor CIP.

Vendors with Open Encumbrances:

None

Lisa Poole
50151

CITY OF GAINESVILLE

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 11/30/2021

Presenter: Matt Hamby

Item of Business: Resolution: FY2021 Closure of Department of Water Resources Capital Projects

Meeting Date: 12/16/2021

Purpose of Request:
The purpose of this request is to present a resolution addressing the FY2021 Closure of Department of Water Resources Capital Projects.

History/Background:
Annually, we review the Department of Water Resources Capital Project closures to determine which remaining funds should be returned to the appropriate restricted funds or re-appropriated in the Department of Water Resources Capital Projects funds for future use. We prepare a resolution each year for the approval of these re-allocations.

Facts & Issues for Consideration:

Department Recommendation:
Approval of resolution to recognize the Department of Water Resources Capital Projects closed in FY2021.

Department Director:
Jeremy Perry

If funding is involved, are funds approved within the current budget?
N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
FY2021 Closure of Department of Water Resources Capital Projects Resolution	Resolution
Attachment A: Closed Project Summary Report	Attachments/Exhibits

RESOLUTION AR-2021 - ___

FY2021 CLOSURE OF DEPARTMENT OF WATER RESOURCES CAPITAL PROJECTS

WHEREAS, amounts were appropriated in previous fiscal years, through the annual budget and various Council resolutions, for Department of Water Resources Capital Projects; and

WHEREAS, the financial audit for the fiscal year ended June 30, 2021, is complete; and

WHEREAS, the capital projects and annual programs listed on Attachment A are complete and ready to close, leaving the amount of $34,082.95 available in closed project balances; and

WHEREAS, $34,082.95 will be available in the Department of Water Resources Capital Projects Fund for re-appropriation to future project needs.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville hereby recognizes the closure of the listed projects.

Adopted this _____ day of __________________, 2021.

____

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

____

Denise O. Jordan, City Clerk

Department of Water Resources Capital Projects

Closed Projects Status Report

Fund 308

Summary of Closed Project Balances FY21

Project Description	Excess Funds
Inert Landfill Closure	$ 235.40
Linwood WRF Outfall Diffuser	(1,098.26)
Flat Creek Sanitary Sewer Collection System Master Plan	16,853.45
FY21 Linwood Membranes	-
Road Tractor Replacement	-
Linwood Water Reclamation Facilities - Influent Pump Station Bar Screen	(126.34)
Flat Creek Water Reclamation Facility- Comprehensive Master Plan	8,995.72
Lakeside Water Treatment Plant Improvements	9,579.22
Riverside WTP Improvements	17.19
FY19 New Meter Installations	(893.43)
10 Wheel Dump Truck Replacement	1.00
Rubber Tire Loader Replacement	-
FY21 Fleet Replacement- Service Truck #1	259.50
FY21 Fleet Replacement- Service Truck #2	259.50
Total Closed Project Balances	34,082.95
Closed Project Balances to be Returned to Restricted Funds:	
Total Returned Amount	-
Appropriations Subsequent to 9/30/2021:	
Total Appropriations	-
Total Amount Available for Reappropriation	**$ 34,082.95**

Department of Water Resources Capital Projects

Closed Projects Status Report

Inert Landfill Closure

(AR19-11)

	Budget	Actual	Difference
Funding Sources:			
DWR Capital Projects Fund (FY20)	1,000,000.00	1,000,000.00	-
Transfer to Project #18961 (FY21)	(680,000.00)	(680,000.00)	-
Prepare projects for closeout (BA21-12029)	(38,500.00)	(38,500.00)	-
	281,500.00	281,500.00	-
Expenditure:			
Project Costs (FY20)	242,533.92	242,533.92	
Project Costs (FY21)	38,966.08	38,730.68	
Total	281,500.00	281,264.60	235.40
Open Encumbrances			-
Available Budget			235.40
Project Balance		235.40	

Description:

This inert landfill is no longer used by the City of Gainesville for disposal of sludge from the water treatment process. The State of Georgia requires closure of landfills that are no longer in use.

Status:

Complete, ready for closeout

Vendors with Open Encumbrances:

Jacobs Engineering, Vertical Earth, Inc.

Robert Simmons
18353

Linwood WRF Outfall Diffuser
(PR2017-29, AR18-12)

	Budget	Actual	Difference
Funding Sources:			
DWR Capital Projects Fund (FY18)	370,000.00	370,000.00	-
DWR Capital Projects Fund (FY19)	3,000,000.00	3,000,000.00	-
Transfer from Projects 00308,18492,18333 (BA19-11450)	240,000.00	240,000.00	-
Prepare projects for closeout (BA21-12024)	(476,784.00)	(476,784.00)	-
	3,133,216.00	3,133,216.00	-
Expenditure:			
Project Costs (FY18)	173,249.10	173,249.10	
Project Costs (FY19)	98,337.47	98,337.47	
Project Costs (FY20)	2,787,809.22	2,787,809.22	
Project Costs (FY21)	73,820.21	74,918.47	
Total	3,133,216.00	3,134,314.26	(1,098.26)
Open Encumbrances			-
Available Budget			(1,098.26)
Project Balance		(1,098.26)	

Description:

The current outfall diffuser pipe from the Linwood Water Reclamation Facility has reached its useful life and this project will replace the pipe to meet EPD requirements.

Status:

Haren Construction won the Bid for this project and completed construction on this project in conjunction with Southern Marine. All tests have been passed and final project closeout is being completed.

Vendors with Open Encumbrances:

Jacobs Engineering; Haren Construction Company, Southern Marine

James Farmer
18424

Flat Creek Sanitary Sewer Collection System Master Plan
(AR18-12)

	Budget	Actual	Difference
Funding Sources:			
DWR Capital Projects Fund (FY19)	500,000.00	500,000.00	-
Transfer from Project 18432 (FY21)	(9,205.00)	(9,205.00)	
BA2021-9874 Increases for PO2020-749 (FY21)	(168,000.00)	(168,000.00)	
	322,795.00	322,795.00	-
Expenditure:			
Project Costs (FY19)	142,432.23	142,432.23	
Project Costs (FY20)	78,532.15	78,532.15	
Project Costs (FY21)	101,830.62	84,977.17	
Total	322,795.00	305,941.55	16,853.45
Open Encumbrances			-
Available Budget			16,853.45
Project Balance		16,853.45	

Description:

This project is a study of the existing and future Flat Creek service area collection system. CH2M will develop a hydraulic model to allow for prudent planning of future expansion and growth of the Flat Creek WRF collection system.

Status:

This project has been completed.

Vendors with Open Encumbrances:

Jacobs Engineering

Michelle Embry
18432

Department of Water Resources Capital Projects

Closed Projects Status Report

FY21 Linwood Membranes
(AR20-09)

	Budget	Actual	Difference
Funding Sources:			
DWR Capital Projects Fund (FY21)	1,250,000.00	1,250,000.00	-
Prepare projects for closeout (BA21-12026)	(77,548.00)	(77,548.00)	-
	1,172,452.00	1,172,452.00	-
Expenditure:			
Project Costs (FY21)	1,172,452.00	1,172,452.00	
Total	1,172,452.00	1,172,452.00	-
Open Encumbrances			-
Available Budget			-
Project Balance		-	

Description:
Purchase and installation of the membranes used at the Linwood Water Reclamation Facility (WRF).

Status:
Final payment is pending.

Vendors with Open Encumbrances:
None

Myron Bennett
18522

Road Tractor Replacement
(AR20-09)

	Budget	Actual	Difference
Funding Sources:			
DWR Capital Projects Fund (FY21)	150,000.00	150,000.00	-
Transfer to DWR Project 19061 (FY21)	(9,920.00)	(9,920.00)	-
Prepare projects for closeout (BA21-12019)	(6,080.00)	(6,080.00)	-
	134,000.00	134,000.00	-
Expenditure:			
Project Costs (FY21)	134,000.00	134,000.00	
Total	134,000.00	134,000.00	-
Open Encumbrances			-
Available Budget			-
Project Balance		-	

Description:
This tractor will be used to carry dewatered solids from the Water Treatment Facility, as well as other large loads of material.

Status:
Per Malcolm Tractor purchased and received. Complete

Vendors with Open Encumbrances:
None

Malcolm Wiley
18552

Department of Water Resources Capital Projects

Closed Projects Status Report

Linwood Water Reclamation Facilities - Influent Pump Station Bar Screen
(PR15-12, PR16-21, PR17-18)

	Budget	Actual	Difference
Funding Sources:			
DWR Capital Projects Fund (FY15)	86,000.00	86,000.00	-
DWR Capital Projects Fund (FY16)	920,000.00	920,000.00	-
DWR Capital Projects Fund (FY17)	523,500.00	523,500.00	-
Transfer from 18621 (FY19)	165,000.00	165,000.00	-
Transfer from 18621 (FY19)	175,000.00	175,000.00	-
Transfer from 18621 (FY20)	30,000.00	30,000.00	-
Transfer from 18621 (FY20)	116,400.00	116,400.00	-
Transfer from DWR Operating (FY20)	32,785.00	32,785.00	-
Transfer from Project #19051 (FY21)	35,000.00	35,000.00	-
Prepare projects for closeout (BA21-12028)	(31,798.00)	(31,798.00)	-
	2,051,887.00	2,051,887.00	-
Expenditure:			
Project Costs (FY15)	29,685.07	29,685.07	
Project Costs (FY16)	46,828.09	46,828.09	
Project Costs (FY17)	816,022.07	816,022.07	
Project Costs (FY18)	540,211.67	540,211.67	
Project Costs (FY19)	58,483.95	58,483.95	
Project Costs (FY20)	479,866.16	479,866.16	
Project Costs (FY21)	80,789.99	80,916.33	
Total	2,051,887.00	2,052,013.34	(126.34)
Open Encumbrances			-
Available Budget			(126.34)
Project Balance		(126.34)	

Description:

This project will install a mechanical bar screen upstream of the Linwood Wastewater Reclamation Facilities influent pump station. The bar screen will greatly reduce the amount of debris entering the pump station and subsequently the plant itself.

Status:

The installation of the Linwood Water Reclamation Facility scrubber, exhaust fans, and slide gate have been completed and placed into service. The project has been closed out.

Vendors with Open Encumbrances:

MB Kahn Construction Company; Wiedeman & Singleton Inc

Robert Simmons
18781

Department of Water Resources Capital Projects

Closed Projects Status Report

Flat Creek Water Reclamation Facility- Comprehensive Master Plan
(AR17-09, AR18-12)

	Budget	Actual	Difference
Funding Sources:			
DWR Capital Projects Fund (FY18)	250,000.00	250,000.00	-
DWR CIP Fund balance (FY19)	250,000.00	250,000.00	-
BA2021-9874 Increases needed for PO2020-749	(171,300.00)	(171,300.00)	
	328,700.00	328,700.00	-
Expenditure:			
Project Costs (FY18)	96,574.78	96,574.78	
Project Costs (FY19)	80,318.13	80,318.13	
Project Costs (FY20)	93,884.88	93,884.88	
Project Costs (FY21)	57,922.21	48,926.49	
Total	328,700.00	319,704.28	8,995.72
Open Encumbrances			-
Available Budget			8,995.72
Project Balance		8,995.72	

Description:

This project is a study of the existing Flat Creek WRF. This project will evaluate existing equipment to determine the most productive means of facility upgrades and equipment replacement as well as investigate new technologies to enhance efficiency and treatment capacity.

Status:

This project has been completed.

Vendors with Open Encumbrances:

Hazen & Sawyer PC

Michelle Embry
18903

Department of Water Resources Capital Projects

Closed Projects Status Report

Lakeside Water Treatment Plant Improvements
(AR18-12)

	Budget	Actual	Difference
Funding Sources:			
DWR Capital Projects Fund (FY19)	500,000.00	500,000.00	-
Transfer from DWR Project 18871 (FY20)	52,000.00	52,000.00	-
Transfer from DWR Project 18901 (FY20)	13,500.00	13,500.00	-
Transfer from DWR Project 18821 (FY21)	10,000.00	10,000.00	-
Transfer from DWR Project 19051 (FY21)	38,000.00	38,000.00	-
Transfer from DWR Porject 18432 (FY21)	9,205.00		
	622,705.00	613,500.00	(9,205.00)
Expenditure:			
Project Costs (FY19)	1,162.45	1,162.45	
Project Costs (FY20)	544,571.38	544,571.38	
Project Costs (FY21)	76,971.17	67,391.95	
Total	622,705.00	613,125.78	9,579.22
Open Encumbrances			-
Available Budget			9,579.22
Project Balance		374.22	

Description:

The Lakeside Water Treatment Plant was originally constructed and placed online 2002. Although the Plant has undergone several minor improvements since original construction, several systems and subsystems are reaching the end of their service life. In addition, regulatory challenges continue to develop. As these replacements/improvements are identified, this funding will ensure the ongoing replacements/improvements are able to be planned, purchased and installed in a timely manner.

Status:

The project is complete.

Vendors with Open Encumbrances:

Wiedeman & Singleton Inc.; Lanier Contracting Co Inc.

Michelle Embry
18951

Riverside WTP Improvements
(AR18-12, AR19-11)

	Budget	Actual	Difference
Funding Sources:			
DWR Capital Projects Fund (FY19)	500,000.00	500,000.00	-
DWR Capital Projects Fund (FY20)	1,265,000.00	1,265,000.00	-
Prepare projects for closeout (BA21-12027)	(470,708.00)	(470,708.00)	
	1,294,292.00	1,294,292.00	-
Expenditure:			
Project Costs (FY19)	128,571.36	128,571.36	
Project Costs (FY20)	1,042,714.78	1,042,714.78	
Project Costs (FY21)	123,005.86	122,988.67	
Total	1,294,292.00	1,294,274.81	17.19
Open Encumbrances			-
Available Budget			17.19
Project Balance		17.19	

Description:

The Riverside Water Treatment Plant was originally constructed in the 1950's, as Lake Lanier was coming online. Although the plant has undergone several major improvements since original construction, several large systems and subsystems are reaching the end of their service life. In addition, regulatory challenges continue to develop. As these replacements/improvements are identified, this finding will ensure the ongoing replacements/improvements are able to be planned, purchased and installed in a timely manner.

Status:

The construction of the powdered activated carbon feed system has been completed and has been placed into service. The project has been closed out.

Vendors with Open Encumbrances:

MB Kahn Construction Company; Hazen & Sawyer PC

Barclay Fouts
19021

Department of Water Resources Capital Projects

Closed Projects Status Report

FY19 New Meter Installations
(PR19-02)

	Budget	Actual	Difference
Funding Sources:			
DWR Capital Projects Fund (FY19)	2,100,000.00	2,100,000.00	-
BA2021-9992 Materials for increased meter sales	(22,700.00)	(22,700.00)	
	2,077,300.00	2,077,300.00	-
Expenditure:			
Project Costs (FY19)	419,867.90	419,867.90	
Project Costs (FY20)	1,270,946.60	1,270,946.60	
Project Costs (FY21)	386,485.50	387,378.93	
Total	2,077,300.00	2,078,193.43	(893.43)
Open Encumbrances			-
Available Budget			(893.43)
Project Balance		(893.43)	

Description:

Installation of new water meters.

Status:

Per Malcolm - Project Complete

Vendors with Open Encumbrances:

None

Malcolm Wiley
19031

Department of Water Resources Capital Projects

Closed Projects Status Report

10 Wheel Dump Truck Replacement
(AR20-09)

	Budget	Actual	Difference
Funding Sources:			
DWR Capital Projects Fund (FY21)	120,000.00	120,000.00	-
Transfer from DWR Project 18552 (FY21)	9,920.00	9,920.00	-
	129,920.00	129,920.00	-
Expenditure:			
Project Costs (FY21)	129,920.00	129,919.00	
Total	129,920.00	129,919.00	1.00
Open Encumbrances			-
Available Budget			1.00
Project Balance		1.00	

Description:

This capital purchase will replace an existing 2001 Sterling 10 Wheel Dump Truck that has reached the end of its useful life.

Status:

Per Malcolm - Project Complete

Vendors with Open Encumbrances:

Peach State Truck Centers

Malcolm Wiley
19061

Department of Water Resources Capital Projects

Closed Projects Status Report

Rubber Tire Loader Replacement
(AR20-09)

	Budget	Actual	Difference
Funding Sources:			
DWR Capital Projects Fund (FY21)	145,000.00	145,000.00	-
Prepare projetcs for closeout (BA21-12019)	(16,325.00)	(16,325.00)	
	128,675.00	128,675.00	-
Expenditure:			
Project Costs (FY21)	128,675.00	128,675.00	
Total	128,675.00	128,675.00	-
Open Encumbrances			-
Available Budget			-
Project Balance		-	

Description:

This vital piece of equipment is used in a variety of applications where four-wheel drive, heavy rubber tires are needed to maneuver through mud and rough terrain. This capital purchase will replace an existing 2006 Komatsu WA95-3 that has reached its useful life.

Status:

Per Malcolm - Project Complete

Vendors with Open Encumbrances:

Flint Equipment Company

Malcolm Wiley
19091

FY21 Fleet Replacement- Service Truck #1
(AR20-09)

	Budget	Actual	Difference
Funding Sources:			
DWR Capital Projects Fund (FY21)	130,000.00	130,000.00	-
	130,000.00	130,000.00	-
Expenditure:			
Project Costs (FY21)	130,000.00	129,740.50	
Total	130,000.00	129,740.50	259.50
Open Encumbrances			-
Available Budget			259.50
Project Balance		259.50	

Description:
Vehicle will be used daily by the water distribution and wastewater collection crews to respond to specific service calls, water main breaks, and normal maintenance activities.

Status:
Per Malcolm - Project Complete

Vendors with Open Encumbrances:
Peach State Truck Centers

Malcolm Wiley
19101

Department of Water Resources Capital Projects

Closed Projects Status Report

FY21 Fleet Replacement- Service Truck #2
(AR20-09)

	Budget	Actual	Difference
Funding Sources:			
DWR Capital Projects Fund (FY21)	130,000.00	130,000.00	-
	130,000.00	130,000.00	-
Expenditure:			
Project Costs (FY21)	130,000.00	129,740.50	
Total	130,000.00	129,740.50	259.50
Open Encumbrances			-
Available Budget			259.50
Project Balance		259.50	

Description:

Vehicle will be used daily by the water distribution and wastewater collection crews to respond to specific service calls, water main breaks, and normal maintenance activities.

Status:

Per Malcolm - Project Complete

Vendors with Open Encumbrances:

Peach State Truck Centers

Malcolm Wilely
19111

CITY OF GAINESVILLE

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 11/30/2021

Presenter: Matt Hamby

Item of Business: Resolution: FY2021 Closure of General Government Capital Projects

Meeting Date: 12/16/2021

Purpose of Request:
The purpose of this request is to present a resolution addressing the FY2021 Closure of General Government Capital Projects.

History/Background:
Annually, we review the General Government Capital Project closures to determine which remaining funds should be returned to the appropriated restricted funds or re-appropriate in the General Government Capital Project fund for future use. We prepare a resolution each year for the approval of these re-allocations.

Facts & Issues for Consideration:

Department Recommendation:
Approval of resolution to recognize the General Government Capital Projects closed in FY2021.

Department Director:
Jeremy Perry

If funding is involved, are funds approved within the current budget?
N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
FY2021 Closure of General Government Capital Projects Resolution	Resolution
Attachment A - Closed Project Summary Report	Attachments/Exhibits

RESOLUTION AR-2021 - ___

FY2021 CLOSURE OF GENERAL GOVERNMENT CAPITAL PROJECTS

WHEREAS, amounts were appropriated in previous fiscal years, through the annual budget and various Council resolutions, for General Government Capital Projects; and

WHEREAS, the financial audit for the fiscal year ended June 30, 2021, is complete; and

WHEREAS, the capital projects listed on Attachment A are complete and ready to close, leaving the amount of $59,911.82 available in closed project balances; and

WHEREAS, $40,165.00 of appropriations subsequent to June 30, 2021; and

WHEREAS, other project related needs remain throughout the City.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville hereby recognizes the closure of the listed projects and recaptures $19,746.82 as funds available for future appropriation by the governing body.

Adopted this _____ day of __________________, 2021.

____

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

____

Denise O. Jordan, City Clerk

Attachment A
General Government Capital Projects
Closed Projects Status Report

FUND 350

Summary of Closed Project Balances FY21

Project Description		Excess Funds
Gainesville Website Redesign	$	40,165.00
Multi-Purpose Room Technology		249.77
FY21 Vehicle Replacement Program		-
Downtown Alley & Plaza Program		13,000.00
Traffic Bucket Truck		-
Paving Crew Dump Truck		-
Right of Way Tractor		-
Town Square Renovation		-
Freezer Trailer		5,299.50
Green St Station Renovation		745.55
Park Hill Drive Neighborhood Plan		452.00
Total Closed Project Balances		59,911.82
Closed Project Balances to be Returned to Other Funds:		
Total Returned Amount		-
Appropriations Subsequent to 6/30/2021:		
Hotel/Motel Tax		40,165.00
Total Appropriations		40,165.00
Total Amount Available for Reappropriation	**$**	**19,746.82**

* No transfer of funds.

Gainesville Website Redesign
(AR19-11)

	Budget	Actual	Difference
Funding Sources:			
Hotel/Motel Tax (FY20)	85,000.00	85,000.00	-
	85,000.00	85,000.00	-
Expenditure:			
Project Costs (FY20)	10,400.27	10,400.27	
Project Costs (FY21)	74,599.73	34,434.73	
Total	85,000.00	44,835.00	40,165.00
Open Encumbrances			-
Available Budget			40,165.00
Project Balance		40,165.00	

Description:
The city's website is our most important, most visible marketing tool. The current website was designed in 2010. The content management system (CMS) is out of date, which limits our ability to customize the site to meet the expectations of today's consumer.

Status:
Project Completed in February 2021

Vendors with Open Encumbrances:
CivicPlus

Robyn Lynch
91049

Attachment A
General Government Capital Projects
Closed Projects Status Report

Multi-Purpose Room Technology
(AR20-09)

	Budget	Actual	Difference
Funding Sources:			
General Fund (FY21)	48,425.00	48,425.00	-
	48,425.00	48,425.00	-
Expenditure:			
Project Costs (FY21)	48,425.00	48,175.23	
Total	48,425.00	48,175.23	249.77
Open Encumbrances			-
Available Budget			249.77
Project Balance		249.77	

Description:
With the renovation of the first floor in the GAB, the new space that is being used for multiple purposes will need various AV needs. This project will implement various systems to run video and audio displays.

Status:
Complete and ready to close – 249.77 remaining can be released.

Vendors with Open Encumbrances:
Solutionz Inc

Jonathan Reich
91053

Attachment A
General Government Capital Projects
Closed Projects Status Report

FY21 Vehicle Replacement Program
(AR20-09)

	Budget	Actual	Difference
Funding Sources:			
Lease Proceeds (FY21)	290,000.00	288,525.76	1,474.24
	290,000.00	288,525.76	1,474.24
Expenditure:			
Project Costs (FY21)	290,000.00	288,525.76	
Total	290,000.00	288,525.76	1,474.24
Open Encumbrances			-
Available Budget			1,474.24
Project Balance		-	

Description:
To purchase marked and unmarked patrol vehicles to replace vehicles that have outlived their usefulness either due to maintenance cost or safety.

Status:
Vehicles Purchased

Vendors with Open Encumbrances:
None

Chief Jay Parrish
92070

Attachment A
General Government Capital Projects
Closed Projects Status Report

Downtown Alley & Plaza Program
(AR19-11)

	Budget	Actual	Difference
Funding Sources:			
General CIP Fund (FY20)	50,000.00	50,000.00	-
Transfer to SPLOST Project #93162 (FY21)	(37,000.00)	(37,000.00)	-
	13,000.00	13,000.00	-
Expenditure:			
Project Costs (FY20)	-	-	
Project Costs (FY21)	13,000.00		
Total	13,000.00	-	13,000.00
Open Encumbrances			-
Available Budget			13,000.00
Project Balance		13,000.00	

Description:
Develop Concepts and design to convert underutilized alleys into public space for urban leisure.

Status:
Project has been closed.

Vendors with Open Encumbrances:
None

Jason Justice
93166

Traffic Bucket Truck
(AR20-09)

	Budget	Actual	Difference
Funding Sources:			
Direct Capital Lease (FY21)	150,000.00	122,896.41	27,103.59
	150,000.00	122,896.41	27,103.59
Expenditure:			
Project Costs (FY21)	150,000.00	122,896.41	
Total	150,000.00	122,896.41	27,103.59
Open Encumbrances			-
Available Budget			27,103.59
Project Balance		-	

Description:
Truck will be used for traffic signal job sites, conduct preventive maintenance inspections, haul traffic signal equipment, pull boxes, cabinet pads, and tow equipment/trailers to and from jobs. A four wheel job will be needed to access contruction locations and respond to winter weather emergencies.

Status:
Truck reccieved, invoice paid, and purchase order closed.

Vendors with Open Encumbrances:
None

Tommy Hunt
93179

Attachment A
General Government Capital Projects
Closed Projects Status Report

Paving Crew Dump Truck
(AR20-09)

	Budget	Actual	Difference
Funding Sources:			
Direct Capital Lease (FY21)	70,000.00	66,150.15	3,849.85
	70,000.00	66,150.15	3,849.85
Expenditure:			
Project Costs (FY21)	70,000.00	66,150.15	
Total	70,000.00	66,150.15	3,849.85
Open Encumbrances			-
Available Budget			3,849.85
Project Balance		-	

Description:
New crew cab dump truck to used as a transport for crews and to haul away debris generated from repairs associated with roadway maintenance.

Status:
Ready to close

Vendors with Open Encumbrances:
None

Dana Chandler
93180

Right of Way Tractor
(AR20-09)

	Budget	Actual	Difference
Funding Sources:			
Direct Capital Lease (FY21)	132,322.65	129,613.70	2,708.95
CIP Fund Balance (FY21) (GASB 54)	2,677.35	2,677.35	
	135,000.00	132,291.05	2,708.95
Expenditure:			
Project Costs (FY21)	135,000.00	132,291.05	
Total	135,000.00	132,291.05	2,708.95
Open Encumbrances			-
Available Budget			2,708.95
Project Balance		-	

Description:
This tractor would complement the City's Right of Way mowing fleet. It is designed so it does not deposit clippings directly on the roadway which would make it safer to the operators and motoring public. In addition, it would allow us to be more efficient with our mowing, consequiently increasing productivity.

Status:
Ready to close once final payment goes through

Vendors with Open Encumbrances:
None

Dana Chandler
93181

Attachment A
General Government Capital Projects
Closed Projects Status Report

Town Square Renovation

-

	Budget	Actual	Difference
Funding Sources:			
BA# 2021-00007119	24,200.00	24,200.00	-
#	-	-	-
	24,200.00	24,200.00	-
Expenditure:			
Project Costs (FY21)	24,200.00	24,200.00	
Total	24,200.00	24,200.00	-
Open Encumbrances			-
Available Budget			-
Project Balance		-	

Description:
This project is for the renovation of the town square.

Status:
Budget Expensed

Vendors with Open Encumbrances:
None

Angela Sheppard
93188

Freezer Trailer
(FY21)

	Budget	Actual	Difference
Funding Sources:			
CARES Act (FY21)	30,000.00	30,000.00	-
	30,000.00	30,000.00	-
Expenditure:			
Project Costs (FY21)	30,000.00	24,700.50	
Total	30,000.00	24,700.50	5,299.50
Open Encumbrances			-
Available Budget			5,299.50
Project Balance		5,299.50	

Description:
The Community Service Center is in need of a freezer trailer for storing of food and with the ease of transportation when needed.

Status:
Freezer Trailer was delivered 02/11/2021 and is currently in use. It houses approximately 2500 frozen meals weekly for the Meals On Wheels and Senior Life Center programs.

Vendors with Open Encumbrances:
None

Phillippa Lewis Moss
95012

Green St Station Renovation
(AR17-09, AR18-12)

	Budget	Actual	Difference
Funding Sources:			
General Fund (FY18)	25,000.00	25,000.00	-
General Fund (FY19)	50,000.00	50,000.00	-
Transfer from General Fund (FY19)	12,006.00	12,006.00	-
	87,006.00	87,006.00	-
Expenditure:			
Project Costs (FY18)	-	-	
Project Costs (FY19)	86,260.45	86,260.45	
Project Costs (FY20)	-	-	
Project Costs (FY21)	745.55	-	
Total	87,006.00	86,260.45	745.55
Open Encumbrances			-
Available Budget			745.55
Project Balance		745.55	

Description:

The Community Development Department (CDD) needs more space to better serve the public who visit our office to submit plans, obtain permits and meet with staff. Additionally, we are short on space for employees, storage and meetings. Upon completion of renovation work on the second floor of the Administration Building and once the first floor of our current building is vacated, we would like to expand the CDD to include the first floor of this building. Likely, our Inspections Division would be moving to the first floor and some minor renovation work would be needed to make the front lobby more customer friendly to better serve those coming in to obtain permits. Specifically we would like to create a front reception area so that people walking in the front door can be greeted by a person and directed to the appropriate area for whatever they are seeking.

Status:

Project is complete.

Vendors with Open Encumbrances:

None

Rusty Ligon
96011

Park Hill Drive Neighborhood Plan
(AR18-12, AR19-11)

	Budget	Actual	Difference
Funding Sources:			
General Fund (FY19)	30,000.00	30,000.00	-
General Fund (FY20)	35,000.00	35,000.00	-
	65,000.00	65,000.00	-
Expenditure:			
Project Costs (FY19)	-	-	
Project Costs (FY20)	64,548.00	64,548.00	
Project Costs (FY21)	452.00	-	
Total	65,000.00	64,548.00	452.00
Open Encumbrances			-
Available Budget			452.00
Project Balance		452.00	

Description:

The Community Development Department (CDD) worked with the Carl Vinson Institute of Government in 2014-2015 to develop a detailed strategic plan for Downtown Gainesville. This plan has been the foundation for a number of projects that have been completed Downtown and some that are currently under development. Staff believes that just as the Downtown area is unique and requires specific attention and planning, so does the Park Hill Drive Neighborhood area. This area is defined generally by the Civic Center to the south, Thompson Bridge Road to the west, Oak Tree Drive to the north and City Park to the east. This historic area already has a village feel, but we believe this can be improved with the installation of pedestrian connections, enhanced streetscaping and redevelopment of key properties. Additionally, it is important to focus on planning for this area as new transporation improvements are being designed for Green Street and Oak Tree Drive. The CDD would like to begin this project early in calendar year 2019 and finish in the Fall of 2019. Our plan is to fund this project over two fiscal years.

Status:

Project is complete.

Vendors with Open Encumbrances:

None

Jessica Tullar
96013

CITY OF GAINESVILLE

CITY OF GAINESVILLE

WorkSessionRequest

Date Submitted: 11/30/2021

Presenter: Matt Hamby

Item of Business: Resolution: FY2021 Closure of Grant Capital Projects

Meeting Date: 12/16/2021

Purpose of Request:
The purpose of this request is to present a resolution addressing the FY2021 Closure of Grant Capital Projects.

History/Background:
Annually, we review the Grant Capital Project closures to determine which remaining funds should be returned to the appropriate restricted funds or re-appropriated in the Grant Capital Projects funds for future use. We prepare a resolution each year for the approval of these re-allocations.

Facts & Issues for Consideration:

Department Recommendation:
Approval of resolution to recognize the Grant Capital Projects closed in FY2021.

Department Director:
Jeremy Perry

If funding is involved, are funds approved within the current budget?
N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
FY2021 Closure of Grant Capital Projects	Resolution
Attachment A: Closed Project Summary Report	Attachments/Exhibits

RESOLUTION AR-2021 - ___

FY2021 CLOSURE OF GRANT CAPITAL PROJECTS

WHEREAS, amounts were appropriated in previous fiscal years, through the annual budget and various Council resolutions, for Grant Government Capital Projects; and

WHEREAS, the financial audit for the fiscal year ended June 30, 2021, is complete; and

WHEREAS, the capital projects listed on Attachment A are complete and ready to close, leaving the amount of $1.00 available in closed project balances; and

WHEREAS, $1.00 will be available in the Grants Capital Project Fund for future use; and

WHEREAS, other project related needs remain throughout the City.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville hereby recognizes the closure of the listed projects and approves the use of residual funds held in the Grants Capital Project fund for future appropriation by the governing body.

Adopted this _____ day of __________________, 2021.

____

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

____

Denise O. Jordan, City Clerk

Attachment A

Grant Capital Projects

Closed Projects Status Report

Summary of Closed Project Balances FY21	
Project Description	Excess Funds
Davis Street Extention	$ 1.00
Total Closed Project Balances	1.00
Closed Project Balances to be Returned to Restricted Funds:	
Total Returned Amount	-
Appropriations Subsequent to 6/30/2020:	
Total Appropriations	-
Total Amount Available for Reappropriation	**$ 1.00**

Grant Capital Projects

Closed Projects Status Report

Davis Street Extention
(AR18-12)

	Budget	Actual	Difference
Funding Sources:			
CDBG Fund (FY19)	75,000.00	75,000.00	-
CDBG Fund BA 7807-7811 (FY19)	75,000.00	75,000.00	-
BA 2019-12346 Budget Correction	(75,000.00)	(75,000.00)	-
BA 2019-12347 - Reduce Budget	(72,167.00)	(72,167.00)	-
2014-2017 CDBG Funds (FY20)	76,595.00	76,595.00	-
BA 2020-10553 -Revs Reapprop	(23,956.00)	(23,956.00)	-
BA 2020-10560 Transfer to 91020 (FY20)	(43,612.00)	(43,612.00)	-
BA 2020-10560 Transfer to 91020 (FY20)	(10,293.00)	(10,293.00)	-
BA 2020-10560 (FY20)	1,414.00	1,414.00	-
	2,981.00	2,981.00	-
Expenditure:			
Project Costs (FY19)	2,832.50	2,832.50	
Project Costs (FY20)	147.50	147.50	
Project Costs (FY21)	1.00	-	
	2,981.00	2,980.00	1.00
Open Encumbrances			-
Available Budget			1.00
Project Balance		1.00	

Description:
This project will connect Davis Street between Wills Street and SR 60/Queen City Parkway.

Status:
– This project is complete.

Vendors with Open Encumbrances:
None

Matt Tarver
93160

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 11/30/2021

Presenter: Matt Hamby

Item of Business: Resolution: FY2021 Closure of Solid Waste Capital Projects

Meeting Date: 12/16/2021

Purpose of Request:
The purpose of this request is to present a resolution addressing the FY2021 Closure of Solid Waste Capital Projects.

History/Background:
Annually, we review the Solid Waste Capital Project closures to determine which remaining funds should be returned to the appropriate restricted funds or re-appropriated in the Solid Waste fund for future use. We prepare a resolution each year for the approval of these re-allocations.

Facts & Issues for Consideration:

Department Recommendation:
Approval of resolution to recognize the Solid Waste Capital Project closed in FY2021.

Department Director:
Jeremy Perry

If funding is involved, are funds approved within the current budget?
N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
FY2021 Closure of Solid Waste Capital Project Resolution	Resolution
Attachment A: Closed Project Summary Report	Attachments/Exhibits

RESOLUTION AR-2021 - ___

FY2021 CLOSURE OF SOLID WASTE FUND CAPITAL PROJECTS

WHEREAS, amounts were appropriated in previous fiscal years, through the annual budget and various Council resolutions, for Solid Waste Capital Projects; and

WHEREAS, the financial audit for the fiscal year ended June 30, 2021, is complete; and

WHEREAS, the capital projects listed on Attachment A are complete and ready to close, leaving the amount of $45,637.25 available in closed project balances; and

WHEREAS, other project related needs still remain throughout the City.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville hereby recognizes the closure of the listed projects and recaptures $45,637.25 as funds available for future appropriation by the governing body.

Adopted this _____ day of __________________, 2021.

____
C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

____
Denise O. Jordan, City Clerk

FUND 540

Summary of Closed Project Balances FY21

Project Description		Excess Funds
Self Contained Debris Collector		15,404.97
Leaf Vacuum Machine		16,263.00
Limb & Brush Chipper		13,966.00
Light Duty Garbage Truck - (1)		0.46
Light Duty Garbage Truck - (2)	$	2.82
Total Closed Project Balances		45,637.25
Closed Project Balances to be Returned to Restricted Funds:		
Total Returned Amount		-
Closed Project Balances to be Returned to Restricted Funds:		
		-
Total Returned Amount		-
Total Amount Available for Reappropriation	**$**	**45,637.25**

Self Contained Debris Collector

AR 2020-09

	Budget	Actual	Difference
Funding Sources:			
Solid Waste Fund (FY21)	240,000.00	240,000.00	-
	240,000.00	240,000.00	-
Expenditure:			
Project Costs (FY21)	240,000.00	224,595.03	
	240,000.00	224,595.03	15,404.97
Open Encumbrances			-
Available Budget			15,404.97
Project Balance		15,404.97	

Description:

This truck will be used primarily for leaf collection, to enhance our leaf pick up program. This unit is more compact than the truck with pull behind units we currently use. This allows for a safer navigation of narrow streets and easier turn around in cul-de-sacs. By design it makes loading and uploading faster, thus increasing productivity.

Status:

Ready to Close

Vendors with Open Encumbrances:

Peach State Truck Centers

Dana Chandler
93182

Leaf Vacuum Machine
AR 2020-09

	Budget	Actual	Difference
Funding Sources:			
Solid Waste Fund (FY21)	70,000.00	70,000.00	-
	70,000.00	70,000.00	-
Expenditure:			
Project Costs (FY21)	70,000.00	53,737.00	
	70,000.00	53,737.00	16,263.00
Open Encumbrances			-
Available Budget			16,263.00
Project Balance		16,263.00	

Description:
This machine would be replacement for our older machine. This leaf vacuum machine is vital to operations during leaf pick up season (October-February.)

Status:
Ready to Close

Vendors with Open Encumbrances:
None

Dana Chandler
93183

Limb & Brush Chipper
AR 2020-09

	Budget	Actual	Difference
Funding Sources:			
Solid Waste Fund (FY21)	80,000.00	80,000.00	-
	80,000.00	80,000.00	-
Expenditure:			
Project Costs (FY21)	80,000.00	66,034.00	
	80,000.00	66,034.00	13,966.00
Open Encumbrances			-
Available Budget			13,966.00
Project Balance		13,966.00	

Description:
For efficient removal of tree limbs that have fallen on City right of ways, either from storm damage or natural cases, and disposal of citizen's curbside brush piles.

Status:
Ready to Close

Vendors with Open Encumbrances:
None

Dana Chandler
93184

Light Duty Garbage Truck - (1)
(AR 2020-09; BA 2021-8099)

	Budget	Actual	Difference
Funding Sources:			
Solid Waste Fund (FY21)	40,000.00	40,000.00	-
Transfer to 93186	(11,324.00)	(11,324.00)	-
	28,676.00	28,676.00	-
Expenditure:			
Project Costs (FY21)	28,676.00	28,675.54	
	28,676.00	28,675.54	0.46
Open Encumbrances			-
Available Budget			0.46
Project Balance		0.46	

Description:
New replacement for a light duty garbage truck. Truck is used to assist in picking up garbage in areas where it is difficult to use a large garbage truck.

Status:
Ready to Close

Vendors with Open Encumbrances:
None

Dan Owen
93185

Light Duty Garbage Truck - (2)
(AR 2020-09; BA 2021-8099)

	Budget	Actual	Difference
Funding Sources:			
Solid Waste Fund (FY21)	40,000.00	40,000.00	-
Transfer from 93185 (FY21)	11,324.00	11,324.00	-
Solid Waste Fund (FY21)	7,490.00	7,490.00	-
	58,814.00	58,814.00	-
Expenditure:			
Project Costs (FY21)	58,814.00	58,811.18	
	58,814.00	58,811.18	2.82
Open Encumbrances			-
Available Budget			2.82
Project Balance		2.82	

Description:
New replacement for a light duty garbage truck. Truck is used to assist in picking up garbage in areas where it is difficult to use a large garbage truck.

Status:
Ready to Close

Vendors with Open Encumbrances:
None

Dan Owen
93186

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 11/30/2021

Presenter: Matt Hamby

Item of Business: Resolution: FY2021 Closure of SPLOST Capital Projects

Meeting Date: 12/16/2021

Purpose of Request:
The purpose of this request is to present a resolution addressing the FY2021 SPLOST Capital Projects.

History/Background:
Annually, we review the SPLOST Capital Projects closures to determine which remaining funds should be returned to the appropriate restricted funds or re-appropriated in the SPLOST Capital Projects Fund for future use. We prepare a resolution each year for the approval of these re-allocations.

Facts & Issues for Consideration:

Department Recommendation:
Approval of resolution to recognize the SPLOST Capital Projects closed in FY2021.

Department Director:
Jeremy Perry

If funding is involved, are funds approved within the current budget?
N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
FY 2021 Closure of SPLOST Capital Projects Resolution	Resolution
Attachment A: Closed Project Summary Report	Attachments/Exhibits

RESOLUTION AR-2021 - ___

FY2021 CLOSURE OF SPECIAL LOCAL OPTION SALES TAX CAPITAL PROJECTS

WHEREAS, amounts were appropriated in previous fiscal years, through the annual budget and various Council resolutions, for SPLOST Capital Projects; and

WHEREAS, the financial audit for the fiscal year ended June 30, 2021, is complete; and

WHEREAS, the capital projects listed on Attachment A are complete and ready to close, leaving the amount of $79,369.22 available in closed project balances; and

WHEREAS, $79,368.91 will be re-appropriated to the North Parking deck project; and

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville hereby recognizes the closure of the listed projects and recaptures $0.31 as funds available for future appropriation by the governing body.

Adopted this _____ day of __________________, 2021.

____
C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

____
Denise O. Jordan, City Clerk

Attachment A

SPLOST Capital Projects

Closed Projects Status Report

FUND 320

Summary of Closed Project Balances FY21		
Project Description		Excess Funds
Fire Station #2 Relocation	$	79,368.91
GTIB Grant - Oak Tree Drive	$	0.48
FY19 Street Resurfacing	$	(0.17)
FY20 Street Resurfacing Program	$	-
Total Closed Project Balances		79,369.22
Closed Project Balances to be Returned to Restricted Funds:		
SPLOST VII		0.31
General Fund		79,368.91
Total Returned Amount		79,369.22
Appropriations		
Fire Station #2 relocation to New Parking Deck		79,368.91
Total Appropriations		79,368.91
Total Amount Available for Reappropriation	**$**	**0.31**

Attachment A

SPLOST Capital Projects

Closed Projects Status Report

Fire Station #2 Relocation
(AR15-09, AR16-14, AR19-11)

	Budget	Actual	Difference
Funding Sources:			
SPLOST VII (FY16)	300,000.00	300,000.00	-
General Fund (FY16)	100,000.00	100,000.00	-
SPLOST VII (FY17)	3,450,000.00	3,450,000.00	-
Impact Fees (FY20)	600,000.00	600,000.00	-
SPLOST VII (FY20) BA 20-3557	450,000.00	450,000.00	-
General Fund (FY20) BA 20-3557	1,000,000.00	1,000,000.00	-
Transfer to General Fund (BA 20-8372)	(600,000.00)	(600,000.00)	-
Transfer from Impact Fees (BA 20-8384)	600,000.00	600,000.00	-
SPLOST VII (BA 20-11579)	168,262.00	168,262.00	-
Transfer to Impact Fees (FY20)	(350,000.00)	(350,000.00)	-
General Fund (FY20)	350,000.00	350,000.00	-
	6,068,262.00	6,068,262.00	-
Expenditure:			
Project Costs (FY16)	5,900.00	5,900.00	
Project Costs (FY17)	7,797.00	7,796.33	
Project Costs (FY18)	560,738.20	560,738.20	
Project Costs (FY19)	169,715.04	169,715.04	
Project Costs (FY20)	3,949,148.12	3,949,148.12	
Project Costs (FY21)	1,374,963.64	1,295,595.40	
	6,068,262.00	5,988,893.09	79,368.91
Open Encumbrances			-
Available Budget			79,368.91
Project Balance		79,368.91	

Description:

Replacement of existing Fire Station #2; to include demolition of existing station and construction of a four (4) bay station of approximately 8,000 square feet. The station would house a total of 18 personnel. Apparatus would include one (1) engine company, one (1) rescue company, and one (1) emergency medical response company, and one (1) HazMat response company. Each would be fully equipped. Fire Station #2 was built in 1954 and is in need of replacement due to the age, use, and wear of the building.

Status:

Project Completed October 2020

Vendors with Open Encumbrances:

None

Jerome Yarbrough
92050

Attachment A

SPLOST Capital Projects

Closed Projects Status Report

GTIB Grant - Oak Tree Drive
(PR15-27, PR16-11, PR16-35)

	Budget	Actual	Difference
Funding Sources:			
SRTA - GTIB Grant (FY17)	-	-	-
Transfer from SPLOST Project #93103 (FY17)	453,381.00	453,381.00	-
Transfer to SPLOST Project #073003 (FY21)	(338,504.00)	(338,504.00)	
	114,877.00	114,877.00	-
Expenditure:			
Project Costs (FY17)	-	-	
Project Costs (FY18)	73,446.36	73,446.36	
Project Costs (FY19)	36,325.16	36,325.16	
Project Costs (FY20)	5,070.00	5,070.00	
Project Costs (FY21)	35.48	35.00	
	114,877.00	114,876.52	0.48
Open Encumbrances			-
Available Budget			0.48
Project Balance		0.48	

Description:

The City of Gainesville desires to improve interconnectivity within the State Route System, specifically between State Route 60 (aka Thompson Bridge Road) and State Route 369 (aka Jesse Jewell Parkway). Through the City's Transportation Plan Implementation and the Gainesville-Hall Regional Transportation Plan (GHMPO) process, it was determined that intersection and operation improvements along State Route 60 Connector (aka Oak Tree Drive) would help move traffic between State Route 60 and State Route 369. This project is for implementation of this plan with grant and SPLOST funding.

Status:

Remaining Funds will be transferred to project 93134 - Green Street Study Implementation. This budget adjustment should be completed and Oak Tree Drive project closed by the end of the fiscal year.

Vendors with Open Encumbrances:

Pond & Company

Tommy Hunt
93124

Attachment A

SPLOST Capital Projects

Closed Projects Status Report

FY19 Street Resurfacing

(AR18-12, AR19-11)

	Budget	Actual	Difference
Funding Sources:			
SPLOST VII (FY19)	250,000.00	250,000.00	-
LMIG Grant (FY19)	395,434.00	395,433.83	-
	645,434.00	645,433.83	-
Expenditure:			
Project Costs (FY19)	-	-	
Project Costs (FY20)	244.60	244.60	
Project Costs (FY21)	645,189.40	645,189.40	
	645,434.00	645,434.00	-
Open Encumbrances			-
Available Budget			-
Project Balance		(0.17)	

Description:

This program is to use City of Gainesville crews, or contractors as necessary, to resurface streets in the 142.7 mile City maintained system. The streets are to be selected by staff based on the raod surface rating and current needs.

Status:

Project is complete.

Vendors with Open Encumbrances:

None

Jason Simms
93151

Attachment A

SPLOST Capital Projects

Closed Projects Status Report

FY20 Street Resurfacing Program

(AR19-11)

	Budget	Actual	Difference
Funding Sources:			
SPLOST VII (FY20)	250,000.00	250,000.00	-
LMIG Grant (FY20)	300,000.00	300,000.00	-
BA 20-7276- Additional LMIG Funds (FY20)	118,588.00	118,588.00	-
	668,588.00	668,588.00	-
Expenditure:			
Project Costs (FY20)	262.50	262.50	
Project Costs (FY21)	668,325.50	668,325.50	
	668,588.00	668,588.00	-
Open Encumbrances			-
Available Budget			-
Project Balance		-	

Description:

Project is necessary to meet State ADA mandates at the signalized intersections along the corridor. Project will require the construction of ADA facilities with pedestrian signal displays, and the upgrade of the existing traffic signal equipment needed. Upgrading of the intersection's signal equipment permits a more safe and efficient operation of the intersections by reducing travel delay. The upgrade will reduce the opportunity of operational failure of the intersection and will also save the city maintenance costs by reducing the opportunity for after-hours emergency failure calls associated with older equipment.

Status:

Resurfacing is underway.

Vendors with Open Encumbrances:

None

Matt Tarver
93164

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 12/10/2021

Presenter: Linda MacGregor

Item of Business: Resolution: Oakwood - Gainesville Intergovernmental Agreement for Sanitary Sewer Billing Services - First Amendment

Meeting Date: 12/16/2021

Purpose of Request:
To amend the existing Intergovernmental Agreement (IGA) with the City of Oakwood concerning the billing of certain sewer customers. This Agreement concerns only those customers that use Gainesville water, but are provided wastewater treatment services from systems other than Gainesville.

History/Background:
The City of Gainesville has a contract with the City of Oakwood, allocating a specific quantity of wastewater treatment capacity at its Flat Creek Water Reclamation Facility. In addition to that contract, Gainesville has a billing agreement authorizing Gainesville to bill, collect and remit sewer charges it collects on Oakwood's behalf for that wastewater treated by wastewater treatment facilities other than Gainesville. In the Intergovernmental Agreement dated October 18, 2016, billing is based on hundred cubic feet units. An update to the City of Gainesville's Ordinance, effective January 1, 2022, changes the billed units to thousands of gallons. This Amendment changes the units billed to match Gainesville's updated Ordinance.

Facts & Issues for Consideration:
This Amendment changes only the units billed, from hundred cubic feet to thousands of gallons. All other rates, charges, conditions and processes of the original IGA remain in full force and effect.

Department Recommendation:
To adopt the Resolution and to thereby Amend the existing Billing Agreement between the Cities of Gainesville and Oakwood.

Department Director:
Linda MacGregor

If funding is involved, are funds approved within the current budget?
N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

	Description	Type
🗋	Oakwood - Gainesville Intergovernmental Agreement for Sanitary Sewer Billing Services - First Amendment	Resolution
🗋	IGA - Amendment	Contract/Agreement/MOU

RESOLUTION BR-2021 - ___

Oakwood - Gainesville Intergovernmental Agreement for Sanitary Sewer Billing Services – First Amendment

WHEREAS, the City of Gainesville owns and operates a water distribution system that serves potable water to customers throughout the majority of Hall County, to include part or all of its cities; and

WHEREAS, the City of Gainesville also owns and operates a wastewater collection system that serves the majority of the City of Gainesville, parts of unincorporated Hall County, and parts of the City of Oakwood; and

WHEREAS, Gainesville and Oakwood have Intergovernmental Agreements (IGAs) already in place which regulates the specific quantities of wastewater collected by Gainesville from its Oakwood wastewater customers; and

WHEREAS, Gainesville and Oakwood also have an IGA in place which regulate and control the specific charges and fees associated with, and assessed for, that service, with said IGA being dated October 18, 2016; and

WHEREAS, the City of Gainesville is in the process of implementing the updated Ordinance approved on October 6, 2020, effective January 1, 2022, which will, among other things, change the specific units of water and wastewater billed, from number of hundred cubic feet (ccf) to the number of thousand gallons; and

WHEREAS, in order to facilitate this change and to minimize future confusion over such terms, the aforementioned Agreement between these two Governments necessarily require amending.

NOW, THEREFORE, BE IT RESOLVED, the governing body for the City of Gainesville, having reviewed this proposed Amendment to the Intergovernmental Agreement between the City of Gainesville and the City of Oakwood, a copy of which is attached to this Resolution, does approve the terms of the same.

BE IT FURTHER RESOLVED THAT the governing body hereby authorize the Mayor, City Manager and City Attorney to fully execute any and all documents necessary in order to place this Amendment into effect.

Adopted this _____ day of __________________, 2021.

____

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this Resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

____

Denise O. Jordan, City Clerk

FIRST AMENDMENT

OAKWOOD/GAINESVILLE

SANITARY SEWER BILLING INTERGOVERNMENTAL

A G R E E M E N T

Pursuant to Paragraph 13 of the Oakwood/Gainesville Sanitary Sewer Billing Intergovernmental Agreement (hereinafter "Agreement") the **CITY OF GAINESVILLE,** a municipal corporation of the State of Georgia by and through its duly authorized governing authority, the Gainesville City Council (hereinafter referred to as "Gainesville"), and the **CITY OF OAKWOOD,** a municipal corporation of the State of Georgia by and through its duly authorized governing authority, the Oakwood City Council (hereinafter referred to as "Oakwood"), hereby amends said Agreement as set forth below.

-1-

NOW, THEREFORE, in consideration of the mutual covenants set forth in the Agreement and this Amendment, Gainesville and Oakwood agree that Gainesville has adopted a new rate and fee structured based on 1,000 gallon units as opposed to "single ccf units." IT IS FURTHER AGREED that Paragraph 4 of the Agreement is deleted in its entirety and the following new Paragraph 4 is substituted in lieu thereof:

4.

> Gainesville and Oakwood both understand and agree that significant software issues may exist in Gainesville's billing system so that tiered or block rates cannot be accommodated. As such, prior to January 1, 2022, Oakwood shall adopt a single "per 1,000 gallon unit charge" in its Ordinance that Gainesville may utilize to bill and

collect sanitary sewer charges from those customers of Oakwood's sanitary sewer system that are also customers of Gainesville's water system.

-2-

All other provisions of the Agreement shall remain in full force and effect as if re-stated herein.

IN WITNESS WHEREOF, the parties, by and through their duly authorized officers, have caused these presents to be executed in their behalf, the day and year first above written.

Signed, sealed and delivered
in the presence of:

____
Unofficial Witness

____
Notary Public
Commission Expires: ______________

CITY OF GAINESVILLE

By: ___________________________
Mayor

Attest: _________________________
Clerk

APPROVED AS TO FORM

____
Abb Hayes, City Attorney

Signed, sealed and delivered
in the presence of:

CITY OF OAKWOOD

____
Unofficial Witness

By: _____________________________
Mayor

____
Notary Public
Commission Expires: ________________

Attest: ___________________________
Clerk

APPROVED AS TO FORM

____
Donald T. Hunt, City Attorney

CITY OF GAINESVILLE

WorkSessionRequest

Date Submitted: 12/8/2021

Presenter: Chris Rotalsky

Item of Business: Resolution: Intergovernmental Agreement with Hall County for I-985 Interchange Mowing

Meeting Date: 12/16/2021

Purpose of Request:
Authorize the City to enter into an Intergovernmental Agreement (IGA) with Hall County to reimburse the County for I-985 interchange mowing at Exits 20 and 22.

History/Background:
Hall County has entered into an agreement the Georgia Department of Transportation to perform the mowing at the referenced I-985 interchanges.

Facts & Issues for Consideration:
The annual reimbursement to Hall County will be $19,382.00.

Department Recommendation:
Execute the IGA between the City and Hall County.

Department Director:
Chris Rotalsky

If funding is involved, are funds approved within the current budget?
Yes

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
Intergovernmental Agreement with Hall County for I-985 Interchange Mowing	Resolution
Intergovernmental Agreement with Hall County for I-985 Interchange Mowing	Contract/Agreement/MOU
IGA - Exhibit A	Attachments/Exhibits
IGA - Exhibit B	Attachments/Exhibits

RESOLUTION BR-2021 - ___

INTERGOVERNMENTAL AGREEMENT WITH HALL COUNTY FOR I-985 INTERCHANGE MOWING

WHEREAS, the City of Gainesville (City) agrees that it is in the best interest of the City for the I-985 interchanges associated with the City to be maintained in an aesthetically pleasing manner; and

WHEREAS, Hall County (County) has entered into an agreement with the Georgia Department of Transportation (GDOT) to provide such maintenance of these interchanges; and

WHEREAS, an agreement is necessary in order to allow the City to reimburse the County to perform certain services related to mowing and trimming within the GDOT right-of-way at Exits 20 and 22.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville hereby approves the attached intergovernmental agreement between the City and the County to authorize an annual reimbursement to the County of $19,382.00 for I-985 interchange mowing and trimming at Exits 20 and 22.

BE IT FURTHER RESOLVED THAT the governing body for the City of Gainesville hereby authorizes the Mayor, City Manager and City Attorney to sign all necessary documents for executing the intergovernmental agreement.

Adopted this _____ day of __________________, 2021.

____

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this Resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

____

Denise O. Jordan, City Clerk

STATE OF GEORGIA
COUNTY OF HALL

1-985 INTERCHANGE MOWING
INTERGOVERNMENTAL AGREEMENT BETWEEN
HALL COUNTY, GEORGIA
AND THE MUNICIPALITY OF GAINESVILLE, GEORGIA

This intergovernmental Agreement is entered into this ____ of _______________, 2021, by and between Hall County, Georgia, a political subdivision of the State of Georgia, (hereinafter referred to as "Hall County") and the City of Gainesville, Georgia, a municipal corporation, (hereinafter referred to as "City of Gainesville") for the purpose of setting forth the responsibilities of each party concerning the maintenance of exits along Interstate 985 which are located in Hall County and within various city limits.

WITNESSETH

WHEREAS, certain exits are located in Hall County, Georgia, and various cities located within the boundaries of Hall County;

WHEREAS, both Hall County and the City of Gainesville agrees that it is in the best interest of both parties to enter into a partnership to perform certain services relating to mowing and trimming within the Georgia Department of Transportation's right of way, and

WHEREAS, Hall County has entered into an agreement with the Georgia Department of Transportation to provide such maintenance, and has lawfully obtained the license to perform the services, and

WHEREAS, Hall County agrees to provide experienced and qualified personnel and equipment necessary to accomplish this agreement;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants as herein contained, it is agreed by and between the parties hereto that:

Hall County will be responsible for the maintenance of exits 8, 12, 14, 16, 17, 20, 22, and 24 as outlined in the Right of Way Mowing Agreement between the Georgia Department of Transportation and Hall County, Georgia dated October 22, 2015. As described in "Exhibit A". Additionally, landscaping and plantings that are installed by the City as part of future projects will be incorporated into the Work Plan. It is understood that occasional specialty work, such as herbicide application of these additional areas, will be the responsibility of the City.

The City of Gainesville will be responsible for annual reimbursement of operational cost associated with the maintenance of exits. The initial annual payment, which shall cover the first twelve-month period following execution of this Agreement shall be in the amount of $19,382.00, which the City of Gainesville shall pay upon execution of this agreement. Future annual reimbursements will be based on a pro-rata share of actual operational costs and annualized cost of equipment replacement, which pro-rata share shall be based on the acreage of the portions of the areas located in the City of Gainesville, as shown in the document entitled “FY2022COG Cost Recap Exits 20 & 22 (Plus “I2H”),” a copy of which is attached hereto as Exhibit “B.”

The term of this agreement shall be one (1) year from the date of execution. Unless otherwise terminated, this Agreement shall automatically renew annually not to exceed 10 renewal periods.

This Agreement shall not be altered, amended or modified except in writing signed by the duly authorized representatives of each party hereto.

Neither party hereto shall, without written consent of the other party, assign or transfer this Agreement or any rights and obligations hereunder.

This Agreement may be terminated upon written notice by either party for any reason at any time. Said termination shall be effective upon the 30th day after the other party received written notice of termination. Both Hall County and the City of Gainesville recognize and agree that the City of Gainesville installed signage and specialty landscaping on Exit 20, after getting permission from the Georgia Department of Transportation. Upon termination of the Agreement, the City of Gainesville shall be responsible for removing all non-standard and decorative non-landscaping elements, such as signage, that were installed by or for City of Gainesville, at no cost to Hall County.

Hall County, and all its successors and assigns thereto, shall save harmless the City of Gainesville, its officers, agents and employees from all suits, claims, actions or damages of any nature whatsoever and shall be responsible for injury or damage resulting from the performance of work described in this Agreement. It is further understood and agreed, that Hall County, or any successor or assigns thereto, in the conduct of any work described in this Agreement, shall not be considered the agent of the City of Gainesville.

Any notice or communications hereunder shall be in writing and shall be delivered via certified United States Mail return receipt requested to the following:

Hall County
Hall County Government
Attn: County Administrator
P.O. Drawer 1435
Gainesville, GA 30503

City of Gainesville
P.O. Box 2496
Gainesville, GA 30503

IN WITNESS WHEREOF, the parties hereby execute this Agreement on the date below.

HALL COUNTY BOARD OF COMMISSIONERS	**CITY OF GAINESVILLE**
APPROVED AS TO FORM:	APPROVED AS TO FORM:
______________________________	______________________________
County Attorney	Abbott S. Hayes, Jr. Hulsey, Oliver & Mahar, LLP City Attorney
By: ______________________________	By:______________________________
Richard Higgins, Commission Chairman	C. Danny Dunagan, Jr., Mayor
By: ______________________________	By:______________________________
Lisa Ritchie, Commission Clerk	Denise O. Jordan, City Clerk

EXHIBIT A

CITY OF GAINESVILLE
CITY MANAGER'S OFFICE

Denise Jordan, CMC
City Clerk

300 Henry Ward Way
Post Office Box 2496
Gainesville, Georgia 30503-2496
Telephone: 770 . 535 . 6865
Fax: 770 . 535 . 6896
Web Site: www.gainesville.org

March 4, 2016

Lisa Ritchie
Hall County Commission Clerk
PO Box 1435
Gainesville, GA 30503

RE: I-985 Interchange Mowing Intergovernmental Agreement

Dear Ms. Ritchie:

The City of Gainesville adopted Business Resolution 2016-09 which authorized the execution of the referenced intergovernmental agreement. A certified copy of both documents is attached for your files. The action agenda is available on the website and the minutes will be posted there as well when they have been approved by the governing body. Visit http://www.gainesville.org/council-meeting to view this information.

Please don't hesitate to contact me if I can be of further assistance regarding this matter.

Cordially,

Denise O. Jordan

Denise Jordan
Certified Municipal Clerk

Enclosures (2)

CITY OF GAINESVILLE
CITY MANAGER'S OFFICE

Denise Jordan, CMC
City Clerk

300 Henry Ward Way
Post Office Box 2496
Gainesville, Georgia 30503-2496
Telephone: 770 . 535 . 6865
Fax: 770 . 535 . 6896
Web Site: www.gainesville.org

CERTIFIED COPY OF RESOLUTION

STATE OF GEORGIA
COUNTY OF HALL

This is to certify that I am City Clerk of the City Council of the City of Gainesville. As such, I keep its official records, including its minutes, and in that capacity do certify that Resolution BR-2016-09 was adopted on March 1, 2016. Documentation of such action was recorded in the official minutes.

Witness of my official signature and seal this 4th day of March, 2016.

Denise O. Jordan

Denise O. Jordan, City Clerk

(Seal)

CITY OF GAINESVILLE
GEORGIA
CHARTERED 1821

RESOLUTION BR-2016-09

Intergovernmental Agreement – I-985 Interchange Mowing

WHEREAS, the City of Gainesville agrees that it is in the best interest of the City for the I-985 interchanges associated with the City to be maintained in an aesthetically pleasing manner; and

WHEREAS, Hall County has entered into an agreement with the Georgia Department of Transportation to provide such maintenance of these interchanges; and

WHEREAS, an agreement is necessary in order to allow the City of Gainesville to reimburse the County to perform certain service related to mowing and trimming within the Georgia Department of Transportation Right-of-Way at exits 20 and 22.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body approves the attached intergovernmental agreement between Hall County and the City of Gainesville to authorize an annual reimbursement to the County of $20,000 for I-985 Interchange Mowing at exits 20 and 22; and

BE IT FURTHER RESOLVED THAT the governing body of the City of Gainesville and City Attorney are authorized to sign the agreement.

Adopted this 1st day of March, 2016.

C. Danny Dunagan

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

Denise O. Jordan

Denise O. Jordan, City Clerk

CITY OF GAINESVILLE GEORGIA CHARTERED 1821

Gainesville, Georgia
Since 1821

CITY OF GAINESVILLE
CITY MANAGER'S OFFICE

Denise Jordan, CMC
City Clerk

300 Henry Ward Way
Post Office Box 2496
Gainesville, Georgia 30503-2496
Telephone: 770 . 535 . 6865
Fax: 770 . 535 . 6896
Web Site: www.gainesville.org

CERTIFIED COPY OF AGREEMENT

STATE OF GEORGIA
COUNTY OF HALL

This is to certify that I am City Clerk of the City Council of the City of Gainesville. As such, I keep its official records, including its minutes, and in that capacity do certify that this is a true and correct copy of the I-985 Interchange Mowing Intergovernmental Agreement between the City of Gainesville and Hall County dated February 11, 2016 and executed by the City of Gainesville on March 1, 2016

Witness of my official signature and seal this 4th day of March 2016.

Denise O. Jordan

Denise O. Jordan
City Clerk

(Seal)

CITY OF GAINESVILLE
GEORGIA
CHARTERED 1821

STATE OF GEORGIA

COUNTY OF HALL

I-985 INTERCHANGE MOWING

INTERGOVERNMENTAL AGREEMENT BETWEEN

HALL COUNTY, GEORGIA

AND THE MUNICIPALITY OF GAINESVILLE, GEORGIA

This intergovernmental Agreement is entered into this 11th day of February, 2016 by and between Hall County, Georgia, a political subdivision of the State of Georgia, (hereinafter referred to as "Hall County") and the City of Gainesville, Georgia, a municipal corporation, (hereinafter referred to as "City of Gainesville") for the purpose of setting forth the responsibilities of each party concerning the maintenance of exits along Interstate 985 which are located in Hall County and within various city limits.

WITNESSETH

WHEREAS, certain exits are located in Hall County, Georgia, and various cities located within the boundaries of Hall County;

WHEREAS, both Hall County and the City of Gainesville agrees that it is in the best interest of both parties to enter into a partnership to perform certain services relating to mowing and trimming within the Georgia Department of Transportation's right of way, and

WHEREAS, Hall County has entered into an agreement with the Georgia Department of Transportation to provide such maintenance, and has lawfully obtained the license to perform the services, and

WHEREAS, Hall County agrees to provide experienced and qualified personnel and equipment necessary to accomplish this agreement;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants as herein contained, it is agreed by and between the parties hereto that:

Hall County will be responsible for the maintenance of exits 8, 12, 16, 17, 20, 22, and 24 as outlined in the Right of Way Mowing Agreement between the Georgia Department of Transportation and Hall County, Georgia dated October 22, 2015. As described in "Exhibit A". Additionally, landscaping and plantings that are installed by the City as part of future projects will be incorporated into the Work Plan. It is understood that occasional specialty work, such as herbicide application of these additional areas, will be the responsibility of the City.

The City of Gainesville will be responsible for annual reimbursement of operational cost associated with the maintenance of exits in the amount of $20,000.00 to be paid upon execution of this agreement.

The term of this agreement shall be one (1) year from the date of execution. Unless otherwise terminated, this Agreement shall automatically renew annually not to exceed 10 renewal periods.

This Agreement shall not be altered, amended or modified except in writing signed by the duly authorized representatives of each party hereto.

Neither party hereto shall, without written consent of the other party, assign or transfer this Agreement or any rights and obligations hereunder.

The Agreement may be terminated upon written notice by either party for any reason at any time. Said termination shall be effective upon the 90th day after the other party received written notice of termination.

Hall County, and all its successors and assigns thereto, shall save harmless the City of Gainesville, its officers, agents and employees from all suits, claims, actions or damages of any nature whatsoever and shall be responsible for injury or damage resulting from the performance of work described in this Agreement. It is further understood and agreed, that Hall County, or any successor or assigns thereto, in the conduct of any work described in this Agreement, shall not be considered the agent of the City of Gainesville.

Any notice or communications hereunder shall be in writing and shall be delivered via certified United States Mail return receipt requested to the following:

Hall County
Hall County Government
Attn: County Administrator
P.O. Drawer 1435
Gainesville, GA 30503

City of Gainesville
P.O. Box 2496
Gainesville, GA 30503

IN WITNESS WHEREOF, the parties hereby execute this Agreement on the date below.

HALL COUNTY BOARD OF COMMISSIONERS

By: ______________________ (Chairman)

By: ______________________ (Commissioner)

By: ______________________ (Commissioner)

By: ______________________ (Commissioner)

By: ______________________ (Commissioner)

ATTEST: ______________________

Commission Clerk
Hall County Board of Commissioners

CITY OF GAINESVILLE

By: ______________________
Mayor

By: Absent
Councilmember

Approved To Form:

____
Abbott S. Hayes, Jr.
City Attorney

By: George Wangemann
Councilmember

By: ______________________
Councilmember

By: ______________________
Councilmember

By: ______________________
Councilmember

ATTEST:

____
City Clerk
City of Gainesville

CITY OF GAINESVILLE
GEORGIA
CHARTERED 1821

June 24, 2009

RIGHT OF WAY MOWING

By and Between

THE

GEORGIA DEPARTMENT OF TRANSPORTATION

AND

HALL COUNTY, GEORGIA

THIS AGREEMENT made and entered into this 22nd day of October, 2015 by and between the **DEPARTMENT** of Transportation, an agency of the State of Georgia, hereinafter alternately referred to as **"DEPARTMENT"** or **"LICENSOR"**, and HALL COUNTY, GEORGIA hereinafter referred to as **"LICENSEE"**.

WHEREAS, the **DEPARTMENT** desires to enter into a public/private partnership to perform certain services relating to mowing and trimming within **DEPARTMENT'S** right of way, hereinafter called the **"PROJECT"**, and

WHEREAS, the **LICENSEE** has represented to the **DEPARTMENT** that, if such permission is granted to the **LICENSEE, LICENSEE** shall bear all costs and liability associated with the **PROJECT**; and

WHEREAS, the **LICENSEE** has represented to the **DEPARTMENT** that they are qualified and experienced to provide such services and the **DEPARTMENT** has relied upon such representations;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants as herein contained, it is agreed by and between the parties hereto that:

EXHIBIT "A"

ARTICLE I

SCOPE OF PROJECT

The **DEPARTMENT** shall permit the **LICENSEE** to perform or cause to be performed, the **PROJECT** consisting of certain services related to mowing an identified section of the **DEPARTMENT'S** rights of way.

This permission shall be granted by the means of this Agreement for the entire scope of the **PROJECT**, as set forth herein.

The **PROJECT** location and concept as well as the duties and responsibilities of the **LICENSEE** are defined and set forth in Article XI **WORK PLAN** of this Agreement, and further enumerated and described in Exhibit A – Application and Permit for Special Encroachment. This document is attached hereto and incorporated by reference as if fully set out herein. The required Special Encroachment permit is to be approved and issued by the **DEPARTMENT**.

Should the **LICENSEE** desire that these mowing services be performed by a third party, **LICENSEE** and the third party shall enter into subsequent agreement, whereby the **LICENSEE** shall assume all responsibility of repayment to the third party for those services to be rendered as set forth in Article XI **WORK PLAN**. The Agreement between **LICENSEE** and any third parties to this Agreement, shall meet all operational and administrative requirements, including the provisions of liability insurance, set forth by the **DEPARTMENT**, and all liability associated with the **PROJECT** shall be borne by **LICENSEE** and any third parties, as set forth in Article VIII, herein.

ARTICLE II

EXECUTION OF CONTRACT AND AUTHORIZATION

TIME OF PERFORMANCE

Time is of the essence in this agreement. The **LICENSEE** shall execute this Agreement and return it to the **DEPARTMENT** within ten (10 days) after receipt of contract forms from the **DEPARTMENT**.

The **LICENSEE** shall begin work on the **PROJECT** under this Agreement within three business days after receiving a signed and executed copy of the Agreement (unless noted otherwise in Exhibit A).

Subject to the terms and conditions set forth in this Agreement, and upon execution of this Agreement, the **DEPARTMENT** grants the right to the **LICENSEE** to mow, trim, and maintain that specific section of right-of-way identified in this Agreement, and herein defined as the **PROJECT**.

The duration of this Agreement shall be indefinite unless terminated sooner by the **DEPARTMENT** or **LICENSEE**.

ARTICLE III

SUBSTANTIAL CHANGES

If, prior to the satisfactory completion of the services under this Agreement, any party materially alters the scope, character or complexity of the services from those required under the Agreement, a Supplemental Agreement shall be executed between the parties. It is understood, however, that **LICENSEE** shall not engage in any activities or conduct any work which would be considered to be outside the scope of the permission granted to **LICENSEE** by the **DEPARTMENT**. Minor changes in the work which do not involve increased compensation, extensions of time or changes in the goals and objectives of the work may be made by written notification of such change by any party with written approval by the other parties.

ARTICLE IV

ASSIGNMENT

It is understood by the **LICENSEE** that the work is considered personal and, except as provided for in Article I, **LICENSEE** agrees not to assign, sublet or transfer any or all of their interest in this Agreement without prior written approval of the **DEPARTMENT**.

ARTICLE V

CONTRACT DISPUTES

This Agreement shall be deemed to have been executed in Fulton County, Georgia and all questions of interpretation and construction shall be governed by the laws of the State of Georgia.

ARTICLE VI

INSURANCE

Prior to beginning work, the **LICENSEE** shall obtain and certify to the **DEPARTMENT** that it has the following minimum amounts of insurance coverage:

(a) Workmen's Compensation Insurance in accordance with the laws of the State of Georgia.

(b) Public Liability Insurance in an amount of not less than one hundred thousand dollars ($100,000) for injuries, including those resulting in death to any one person, and in an amount of not less than three hundred thousand dollars ($300,000) on an account of any one occurrence, or proof of self insurance.

(c) Property Damage Insurance in an amount of not less than fifty thousand dollars ($50,000) from damages on account of any occurrence, with an aggregate limit of one hundred thousand dollars ($100,000), or proof of self insurance.

(d) Valuable Papers Insurance in an amount sufficient to assure the restoration of any plans, drawings, field notes, or other similar data relating to the work covered by the **PROJECT**.

Insurance shall be maintained in full force and effect during the life of the **PROJECT**. The **LICENSEE** shall furnish upon request to the **DEPARTMENT**, certificates of insurance evidencing such coverage. These certificates shall also provide that the insurance will not be modified or canceled without a 30 day prior written notice to the **DEPARTMENT**. Failure by the **LICENSEE** to procure and maintain the insurance as set forth above shall be considered a default and cause for termination of this Agreement and forfeiture of the Performance and Payment Bonds. The **LICENSEE** shall, at least fifteen (15) days prior to the expiration date or dates of expiring policies, deposit certified copies of renewal, or new policies, or other acceptable evidence of insurance with the **DEPARTMENT**.

ARTICLE VII

COMPENSATION

It is agreed that **LICENSEE** shall conduct all work at no cost to the **DEPARTMENT**, and without compensation from the **DEPARTMENT**. It is further agreed that any and all issues relating to compensation and payment shall be resolved by and between **LICENSEE** and any successors, subcontractors, or assigns thereto.

The **DEPARTMENT** and **LICENSEE** further agree that, should the **DEPARTMENT** be required to conduct any inspections and/or supervision of the **PROJECT** beyond that which would normally occur in the ordinary course of the **DEPARTMENT'S** maintenance activities, **LICENSEE** shall reimburse the **DEPARTMENT** for such inspection and supervision. The rate of reimbursement for the **DEPARTMENT'S** inspection and supervision shall in no case exceed a rate determined to be reasonable by the parties.

Should **LICENSEE** and the **DEPARTMENT** desire to change this agreement at a later date to provide for compensation to **LICENSEE**, or any successors or assigns thereto, such change shall only be permitted by a supplemental agreement as set forth in Article III herein. Any supplemental agreements involving compensation shall be subject to the review of the **DEPARTMENT'S** Legal Affairs Administrator, and must be approved in writing by the **DEPARTMENT**. The covenants herein contained shall, except as otherwise provided, accrue to the benefit of and be binding upon the successors and assigns of the parties hereto.

ARTICLE VIII

RESPONSIBILITY FOR CLAIMS AND LIABILITY

LICENSEE NOT AGENT OF DEPARTMENT

LICENSEE, and all successors and assigns thereto, shall save harmless the **DEPARTMENT**, its officers, agents, and employees from all suits, claims, actions or damages of any nature whatsoever resulting from the performance of work assigned to **LICENSEE** under this Agreement. **LICENSEE** further agrees that they shall be fully responsible for injury or damage to landscaping within the right of way, and for any damage to the **DEPARTMENT'S** signs, structures, or roadway fixtures, if **LICENSEE** causes the damage. These indemnities shall not be limited by reason of the listing of any insurance coverage.

It is further understood and agreed that **LICENSEE**, or any successor or assigns thereto, in the conduct of any work involved in the **PROJECT**, shall not be considered the agent of the **DEPARTMENT** or of the State of Georgia.

ARTICLE IX

TERMINATION OF CONTRACT

The **DEPARTMENT** may terminate this contract for just cause at any time by giving of thirty (30) days written notice of such termination. Upon receipt of such notice of termination, **LICENSEE** shall discontinue and cause all work under this contract to terminate upon the date specified in the said notice. In the event of such termination, the **DEPARTMENT** shall be paid for any amounts as may be due it as specified in Article VII up to and including the specified date of termination. **LICENSEE** shall have the right to terminate this contract at any time, provided that such termination is first approved by the **DEPARTMENT**, and that the **DEPARTMENT** is reimbursed in full for all services rendered pursuant to Article VII.

ARTICLE X

COMPLIANCE WITH APPLICABLE LAW

The undersigned certify that:

A. This Agreement is subject to applicable state and federal laws, standards, and rules and regulations.

B. The provisions of Sections 45-10-20 through 45-10-28 of the Official Code of Georgia Annotated relating to Conflict of Interest and State Employees and Officials Trading with the State have been complied with in full.

C. The provisions of Section 50-24-1 through 50-24-6 of the Official Code of Georgia Annotated, relating to the "Drug-Free Workplace Act" have been complied with in full.

The covenants herein contained shall, except as other wise provided, accrue to the benefit of and be binding upon the successors and assigns of the parties hereto.

ARTICLE XI

WORK PLAN

1. Mow, edge, and trim the entire area within the interchanges, including the ramps and drainage swales that are not currently being maintained by adjacent land owners at a frequency of once per month during dormant periods and twice per month during the growing season.

2. Grassed and landscaped areas must be cleaned of debris or trash prior to edging and mowing.

3. Maintain grass at the recommended height for the type of grass present.

4. Trim all trees, posts, walls, guard rails and other elements in the area in a safe manner Maintain a mulched safe zone around tree bases for protection where required.

5. Blow sidewalks and curbs when grass is mowed (once per month during dormant periods and twice per month during the growing season) after litter and debris removal

6. Clean up all the debris, trash, and litter, including grass clippings for proper disposal

7. Prune trees and shrubs regularly to maintain the form and healthy growth of the plant use standard landscaping schedules and methods to achieve proper appearance remove all dead and discolored foliage.

8. Use pre and post emergence herbicides as needed to control areas along walls, guard rails, fence lines, tree wells, and building edges as long as the dead appearance is minimized.

IN WITNESS WHEREOF, said parties have hereunto set their hand and affixed their seals the day and year above first written.

Signed, Sealed, and Delivered this 22nd day of October, 2015.

GEORGIA DEPARTMENT OF TRANSPORTATION

Commissioner or designee
ATTEST:

HALL COUNTY:

Richard Mecum
Richard Mecum, Chairman

Sworn to before me this
22nd day of October, 2015

NOTARY PUBLIC
My commission expires May 2 2016

EXHIBIT A

Georgia Department of Transportation mowing guidelines

Exhibit A

GEORGIA DEPARTMENT OF TRANSPORTATION

MOWING AND TRIMMING SPECIFICATION

ATTACHMENT A: CENTERLINE MOWING REQUIREMENTS

Requirements under these Specifications consists of furnishing all labor, material, tools, equipment, and incidentals necessary to perform mowing, trimming, and litter removal operations within the limits of the right of way and easement areas in a safe, effective, and timely manner, as detailed in these Specifications.

1. APPLICABLE DOCUMENTS

Reference the guidelines as set forth in the following documents:

1.01 *Manual of Uniform Traffic Control Devices* (MUTCD), current edition

1.02 *American National Standards Institute* [ANSI A300 (Part 1)], current edition

2. TERMS AND DEFINITIONS

2.01 Bridge End Roll: The area at each end of a bridge that slopes down from the end support to the natural ground contour under the bridge.

2.02 Centerline Mile: Incremental measurement used in this agreement that includes the mowing limits within a one (1) mile distance on a route. This includes both directions of the mile, shoulders, and median.

2.03 Established/Planted Trees and Shrubs: Trees and/or shrubs that have been planted for aesthetics by the Department and trees that are greater than three (3) inches in caliper dbh (4-1/2 feet above ground).

2.04 Interchange: An area allowing for access to and from the interstate mainline.

2.05 Mainline: The area(s) between interchanges on interstate and limited access routes.

2.06 Mowing Cycle: A Mowing Cycle consists of mowing complete the areas as designated in these Specifications one time.

2.07 Mowing Complete: The accepted and approved mowed and trimmed Centerline Miles, including litter removal, within established mowing limits.

2.08 Mowing Limits: All areas that are mowable with tractor mowing equipment within the right of way that are on a 3:1 or flatter slope, and trimming in front of, behind, under, and around roadside obstacles, and trimming on all slopes at Interchanges and on slopes greater than or equal to 3:1 on the mainline.

2.09 Natural Tree Line: The dominant boundary/edge of a community of hardwood and non-hardwood trees, greater than three (3) inches in caliper dbh (4-1/2 feet above ground). The edge can be a fluctuating line. Typically, in a community, the maximum trunk to trunk distance of trees, greater than three (3) inches in caliper dbh (4-1/2 feet above ground), is less than ten (10) feet.

2.10 Roadside Obstacles: Items located within the right of way, both natural and man-made which may include but are not limited to sign posts, delineator posts, light posts, steel beam guardrail and associated posts, headwalls, barrier walls, retaining walls, catch basins, fallen rock, bridge end abutments, mailboxes, newspaper boxes, established/planted trees and shrubs, landscaped beds, natural tree line, wildflower areas, Bridge End Rolls, and fences.

2.11 Slope Break Point: The spot where the non-mowable slope begins.

2.12 Traveled Way: The portion of the roadway for the movement of vehicles, exclusive of the shoulders.

2.13 Vegetation: All woody and herbaceous plants, three (3) inches and less in caliper dbh (4-1/2 feet above ground), that are naturally occurring. (Includes Department-planted grasses) The stems of multiple trunk vegetation will be measured individually.

2.14 Shadow Vehicle: A vehicle used to buffer mowing and/or litter operations that may interfere with traffic.

3. EQUIPMENT

3.01 Assign appropriate equipment quantities and types to meet stated mowing schedules. Equipment shall meet the following requirements:

A. Equip each tractor with two (2) flashing signal lights, two (2) orange flags and an eighteen (18) inch slow moving emblem sign. Equip each mower with two (2) orange flags.

B. Acceptable guards are to be on all open portions of mowers and trimming equipment to prevent objects from being thrown from under the mower while in operation.

3.02 Properly maintain mower blades so that they are sharp, straight and evenly weighted.

3.03 Equip support vehicles, such as pickups and service trucks with a minimum of one (1) revolving or strobe type light, with amber lens.

3.04 Use a shadow vehicle to buffer the Mowing operation when it is on or within three (3) feet of the travel way.

A. Equip support vehicles used as shadow vehicles with a forty-eight (48) inch square "Watch for Mowers" sign with an eighteen (18) inch slow moving emblem attached and mounted on the rear of the shadow vehicle.

B. Equip a shadow vehicle with a minimum of one (1) revolving or strobe type light, with amber lens.

4. MOWING REQUIREMENTS

4.01 MOWING LIMITS AND SPECIAL CONDITIONS

A. Mowing Limits for Each Cycle: All mowable areas within the right of way that are on a 3:1or flatter slope using tractors with rotary or flail type mowers, and trimming in front of, behind, under and around roadside obstacles, landscaped areas, planted/established trees and shrubs, and wildflower plots and trimming on all slopes. These include all areas as shown on **Exhibit "B" Hall County Interchange Mowing Areas** . Perform trimming in a manner as to create a smooth transition back to where the mowing was performed.

B. Special Mowing Conditions: Perform all scheduled mowing operations during daylight hours. No work will be allowed on holidays. No work will be allowed on weekends in which a holiday falls on a Monday or Friday.

1. For the following counties; Clayton, Cobb, Dekalb, Douglas, Fulton, Rockdale, (all of District 7) and Gwinnett, do not perform work between the hours of 6:00 a.m. to 9:00 a.m. and 4:00 p.m. to 7:00 p.m., Monday through Friday.

2. For the following counties; Bibb, Chatham, Cherokee, Columbia, Forsyth, Hall, Henry, Richmond, , between the hours of 6:00 a.m. to 9:00 a.m. and 4:00 p.m. to 7:00 p.m., do not perform work, in the direction of rush hour traffic, Monday through Friday.

4.02 MOWING COMPLETE REQUIREMENTS

Perform Mowing Complete in accordance with these Specifications.

A. Mowing: Perform mowing within the Mowing Limits for vegetation on slopes no steeper than 3:1. This operation will not be allowed on slopes steeper than 3:1, or in any other situations that may be a hazard to the operator or the traveling public, including areas that may be too wet or otherwise inaccessible.

B. Trimming: Trim vegetation to a height less than six (6) inches within the Mowing Limits that are inaccessible by Tractor Mowing. This includes trimming in front of, behind, under or around, and beyond roadside obstacles, landscape beds, established/planted trees, shrubs and wildflower areas to provide an attractive appearance. (See Appendix 2)

1. Mainline Slopes that are Greater than 3:1: Trim vegetation a minimum of fifteen (15) feet beyond the slope break point each mowing cycle. If the Natural Tree Line falls within the minimum fifteen (15) foot area, trim vegetation to the Natural Tree Line.

2. Mainline with Slopes 3:1 or less: Trim vegetation to the Natural Tree Line or to the right of way fence if no Natural Tree Line exists.

3. Landscape, Bulb, and Wildflower Plots. Trim vegetation around landscaped areas, established or planted trees, shrubs, bulbs and wildflower plots without damaging plant materials. Trim vegetation under planted trees as necessary.

4. Wet or Inaccessible Areas: If an area is too wet and/or otherwise inaccessible by mowing equipment, trim vegetation using trimming equipment and/or slope mowers.

5. Bridge Structures: Trim vegetation located at, under, or near bridge structures including Bridge End Rolls and riprap areas within the right of way.

   a. Trim all vegetation under and around trees greater than three (3) inches caliper dbh (4-1/2 feet above ground) that exists between adjacent bridges.

   b. Trim vegetation on bridge ends and Bridge End Rolls at overpasses and underpasses to the right of way fence and/or Natural Tree Line. If trees exist within fifteen (15) feet around or adjacent to the bridge; trim vegetation under and around the trees. Continue trimming downslope or upslope to meet the Mowing Limits.

   c. The limits of trimming extend to the fence line in cases where a fence is located on the top of a slope at a bridge underpass.

6. Interchanges: Trim all vegetation on non-mowable and mowable areas within an Interchange to the natural tree line and/or to the right of way fence. (See Appendix 2, Diagram A)

7. Barrier Walls: Remove vegetation at the base of and on all barrier walls. Trim and remove vegetation in non-landscaped areas between barrier walls.

8. Vegetation Removal: Remove trimmed woody vegetation from the right of way within five (5) days. Disposal shall be in accordance with applicable laws and regulations.

9. Multiple Trunk Trimming: In areas where trimming occurs, trim all stems of multiple trunk vegetation that are three (3) inches caliper dbh (4-1/2 feet above ground) or less.

4.03 TRAFFIC CONTROL REQUIREMENTS

A. At a minimum, abide by the *Manual of Uniform Traffic Control Devices* (MUTCD), current edition, for traffic control guidance.

B. Perform all Mowing as a continuous mowing operation as described in these Specifications. Mow only in the direction of traffic.

C. Any signs used must be of rigid, one-piece construction covered with suitable sheeting and legend (engineering grade). Roll-up type signs may be used if they meet MUTCD Standards. Equip all signs with flags.

D. Do not cross the median on Interstates or other divided highways. Enter and exit at the existing Interchanges.

E. Do not exceed a ten (10) mile work zone. The Atlanta Metro area will be limited to five (5) miles.

F. On non-divided highways, only one Tractor Mowing operation in a work zone will be allowed. On divided highways, two mowing operations in a work zone may be allowed on the outside shoulders. Additional work zones will be allowed, separated by a minimum of two (2) miles. Do not exceed ten (10) miles of mowing without completing trimming.

   1. Signs: Place "Watch for Mowers" signs with flags attached at each end of the work zone in the direction of traffic on both the median and outside shoulder.

   2. Ramps: In the event of an on-ramp located within the work zone, place at the top of the on-ramp a "Watch for Mowers" sign with flags. Place all signs before any tractor mowing is performed. Remove all signs at the end of each workday.

G. Buffer tractor mowers traveling within three (3) feet of the traveled way, crossing lanes, traveling on paved shoulder, moving equipment to other locations (dead heading), by a shadow vehicle.

   1. Operations may be restricted when, in the opinion of the Department, the continuance of the work would seriously hinder traffic or is unsafe.

2. Move equipment or materials on or across the traveled way in a safe manner which will not interfere with traffic. There shall be no reduction in the total number of available traveled ways. Schedule and arrange the work to ensure the least inconvenience and the utmost safety to the traveling public.

4.04 SAFETY AND INCIDENT REPORTING

A. Suspend operations if weather conditions are such that mowing operations cannot be carried out in an effective manner.

B. Notify the Department immediately by phone of any incident or accident that involves the Licensee while fulfilling this Agreement.

1. Submit a written report to the Department within forty-eight (48) working hours after the incident or accident. Describe in full what occurred. Provide the names of those involved with their contact phone numbers, and extent of injury and damage.

2. Employees shall carry business cards that have the name, address, and phone number of the Licensee upon request of individuals involved in an incident or accident.

C. If mowing and trimming operations cause damage to roadside obstacles, vegetation to remain, or ground disturbance, repair or replace the damaged item with a like item.

D. Do not allow any debris to be thrown onto the road surface by the mowing equipment or by personnel. Perform work in such manner as to leave existing vegetation undamaged.

E. Mowing equipment, while in operation, must be horizontal with the mowing surface. Operating tractor mowers in a vertical position parallel to a traveled way is prohibited.

F. Equipment left on the right of way is the responsibility of the Licensee. Do not park equipment on the right of way or on state property for more than five (5) continual working days in the same location.

1. Park no equipment in the median.

2. Park equipment behind guardrail or in other protected areas where such areas exist. Otherwise, park equipment a minimum of thirty (30) feet from the edge of pavement.

G. Operate no equipment that causes ground disturbance and/or damages any part of the right of way. Repair, at no cost to the Department, all damage caused by equipment.

4.05 QUALITY ACCEPTANCE

A. The height of all vegetation after any Mowing or Trimming operation shall be no more than six (6) inches.

Exhibit A

GEORGIA DEPARTMENT OF TRANSPORTATION
MOWING AND TRIMMING SPECIFICATION

ATTACHMENT B: LITTER REMOVAL REQUIREMENTS

1. APPLICABLE DOCUMENTS

See Attachment A – 1. Applicable Documents

2. DEFINITIONS

See Attachment A - 2. Terms and Definitions

3. DESCRIPTION

3.01 Pick up, remove and dispose of litter and debris within all mowing and trimming areas as specified in Attachment A – Centerline Mowing Requirements and on all paved shoulders.

3.02 Litter and debris may consist of paper, boxes, bottles, cans, tires, recaps, rubber pieces, mattresses, appliances, lumber, metal pieces, hubcaps, vehicle parts, brush, trimmed vegetation on paved surfaces, dead animals, memorials, and other items not considered normal to the right of way, etc.

4. METHODS OF REMOVAL OPERATIONS

4.01 It is expected that all litter and debris activity will be accomplished by manual means; however, these Specifications are not intended to be restrictive or limit other techniques that achieve the specified and desired quality.

A written request may be submitted to the Department for the use of specialized mechanical equipment designed for removal of litter and debris. The Department, prior to any equipment being used, must approve the request. The Department may require additional safety devices or precautions if special equipment is allowed to be used. No ATV's (all terrain vehicles) will be allowed for use during litter pickups.

4.02 All litter and debris must be deposited into trash bags prior to being placed into disposal vehicles. Larger pieces such as ladders, tires, mattresses, etc., may be directly deposited into disposal vehicles.

4.03 Conduct litter removal activities during daylight hours only.

5. METHODS OF DISPOSAL

5.01 Remove all litter and debris, including larger pieces, from the right of way at the end of each working day and dispose of at locations provided by the Licensee. Storage or stockpiling of litter or debris on the right of way is prohibited. Disposal shall be in accordance with applicable laws and regulations. Locations for disposal and costs associated for use of such locations will be the responsibility of the Licensee.

5.02 Construct all vehicles, such as pickups or dump trucks, utilized to remove and dispose litter and debris to inhibit further distribution or loss of litter along the roadway. Cover all open-top vehicles and secure with tarpaulins. These vehicles must be in accordance with local and state laws governing waste hauling equipment.

6. FREQUENCIES AND TIMING OF REMOVAL AND DISPOSAL

6.01 At a minimum, all litter and debris must be removed in advance of each Mowing Cycle.

6.02 Perform litter removal and disposal immediately in front of and as an integral part of the mowing operations. Remove any litter and debris accumulated between litter activities and mowing activities prior to mowing operations.

7. TRAFFIC CONTROL REQUIREMENTS

7.01 Use a shadow vehicle when removing litter on paved shoulders. The shadow vehicle may be the litter disposal vehicle.

Exhibit A

7.02 Follow all guidelines as per Attachment A - Section 4.03 - Traffic Control Requirements. Use "Litter Pickup Ahead" warning signs during the non-mowing season. Use "Litter Pickup Ahead" warning signs during the mowing season when the litter operation does not fall within a ten (10) mile mowing work zone.

7.03 A shadow vehicle and litter disposal vehicles must be equipped with a strobe light and slow-moving vehicle signs during removal of trash bags and larger material. Use these lights only when required in the course of the work and not when traveling to and from the job site.

7.04 All vehicles, including transport or service vehicles, must not obstruct traffic lanes.

Exhibit A

GEORGIA DEPARTMENT OF TRANSPORTATION
MOWING AND TRIMMING SPECIFICATION

APPENDIX 1: CENTERLINE MILE LOCATIONS AND TOTALS

ROUTE	COUNTY	BEGIN MP	END MP	CENTERLINE MILES
I-985/US 23	HALL	8.1	8.4	0.3
I-985/US 23	HALL	11.5	11.9	0.4
I-985/US 23	HALL	16.0	17.0	1.0
I-985/US 23	HALL	19.9	20.2	0.3
I-985/US 23	HALL	21.2	21.6	0.4
I-985/US 23/SR 365	HALL	23.8	24.3	0.5
TOTAL CENTERLINE MILES				2.9

ACCESS ROADS*

ROUTE	COUNTY	FROM	TO

Exhibit A

GEORGIA DEPARTMENT OF TRANSPORTATION
MOWING AND TRIMMING SPECIFICATION

APPENDIX 2: MOWABLE LIMIT DIAGRAMS

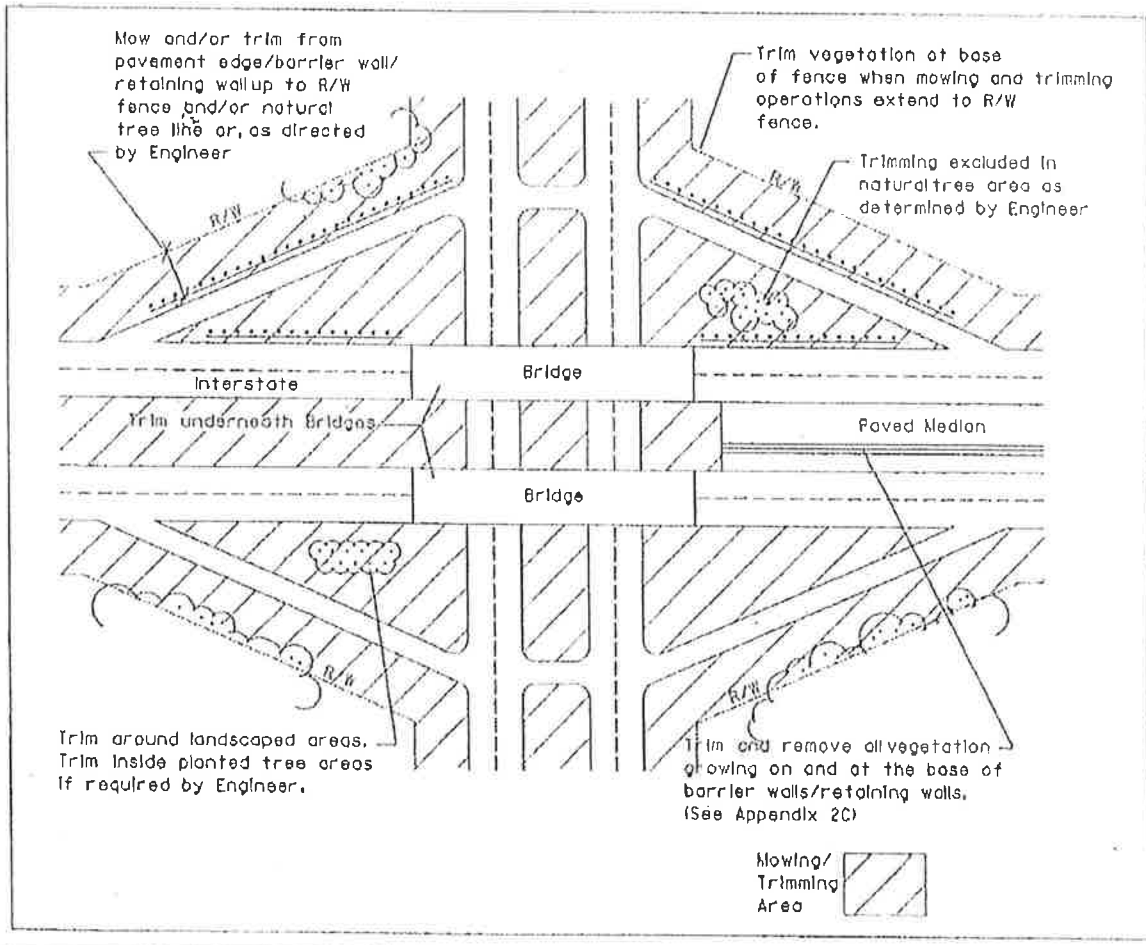


Diagram A: MOWABLE LIMITS AT INTERCHANGES – INTERSECTIONS AS AMMENDEDD BY EXHIBIT "B"

Within an Interchange, mow and/or trim all vegetation to the right of way fence and/or natural tree line, as indicated above, each mowing cycle. **NOTE: HALL COUNTY DOES NOT INTEND ON MOWING THE MEDIAN ON I-985 AT ANY INTERCHANGE AS DEPICTED ON EXHIBIT "B"**

Exhibit A

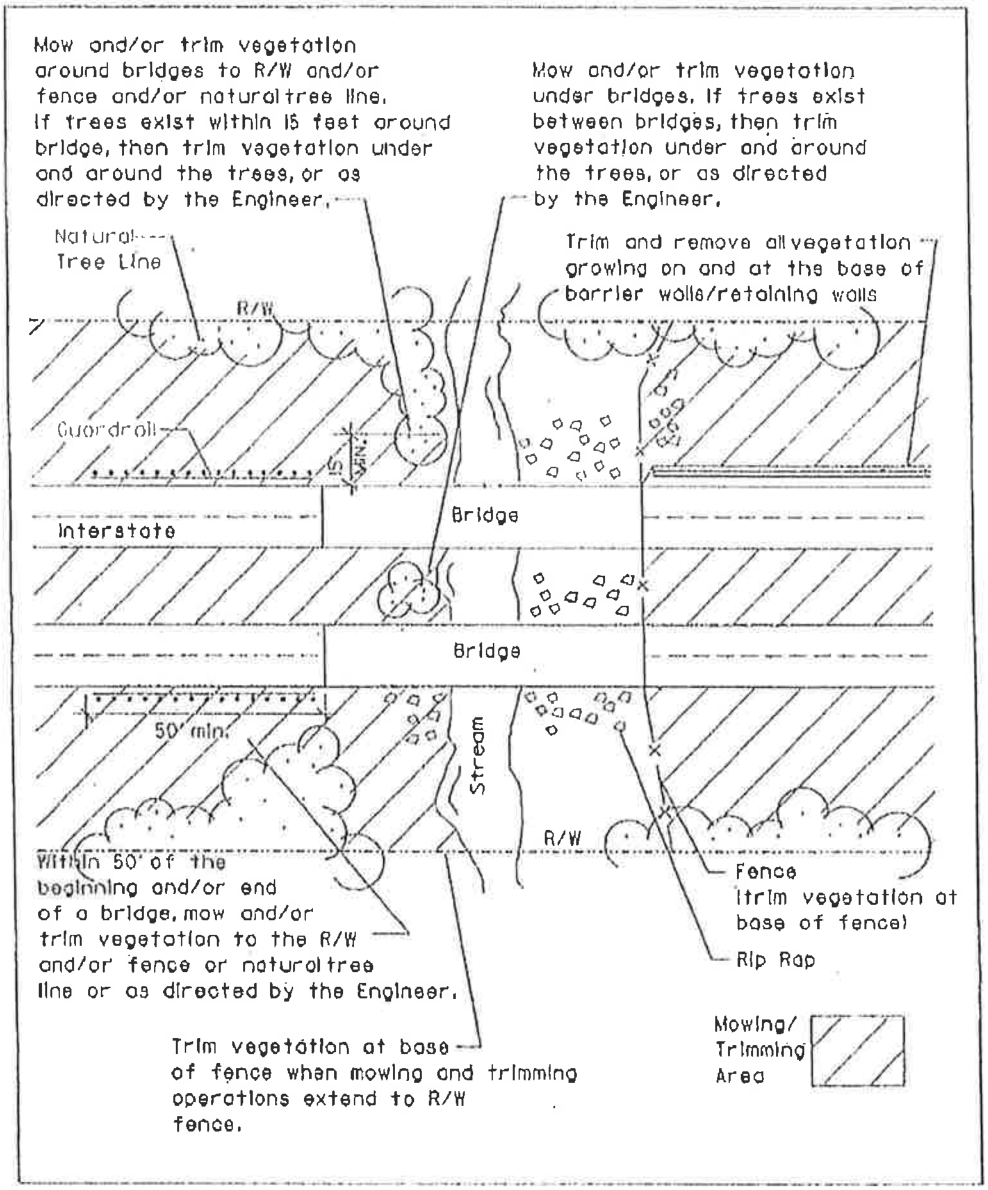


Diagram B: MOWABLE LIMITS AT WATER CROSSING/BRIDGES

On all slopes, mow and/or trim all vegetation to the right of way fence and/or Natural Tree Line, as indicated above, each mowing cycle.

Exhibit A

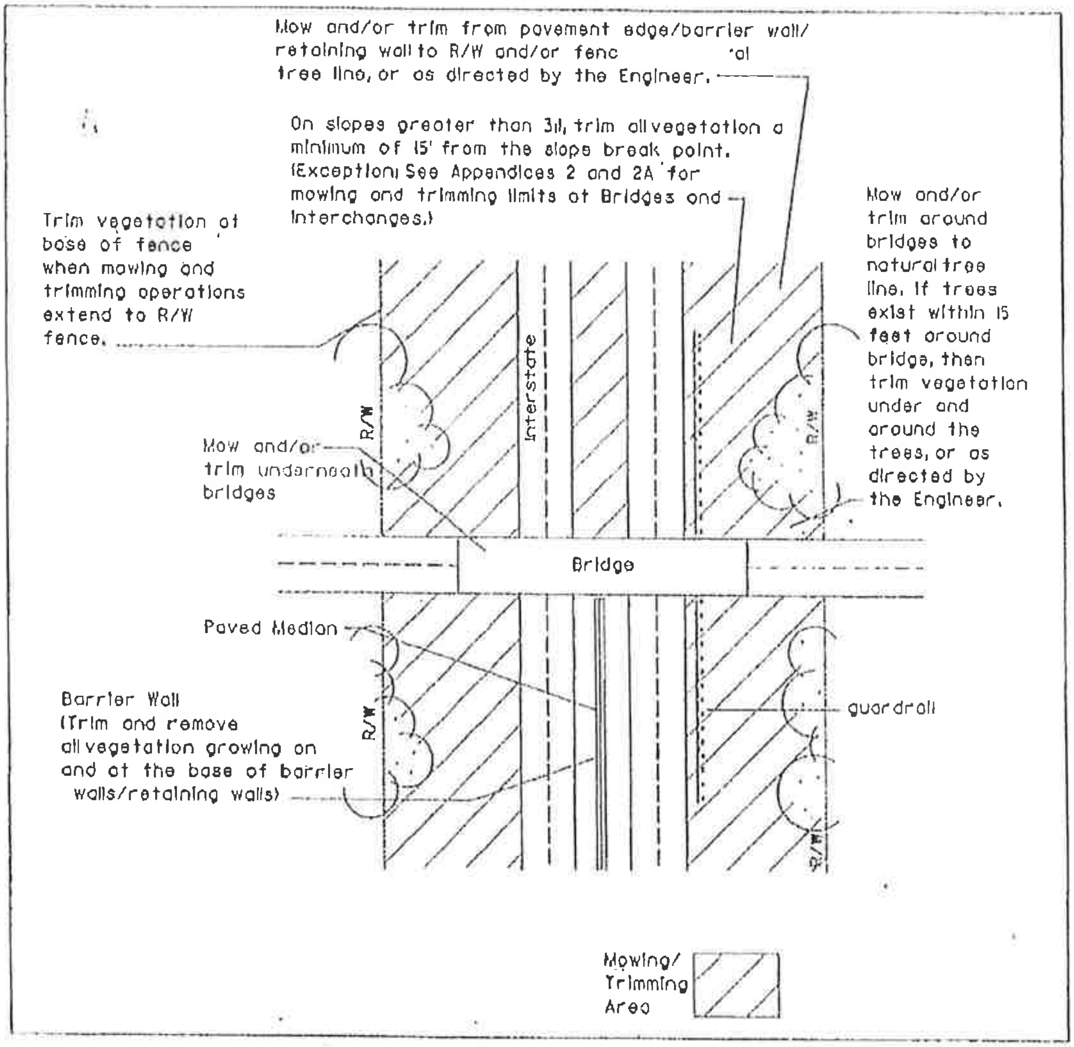


Diagram C: MOWABLE LIMITS ALONG MAINLINE

Exhibit A

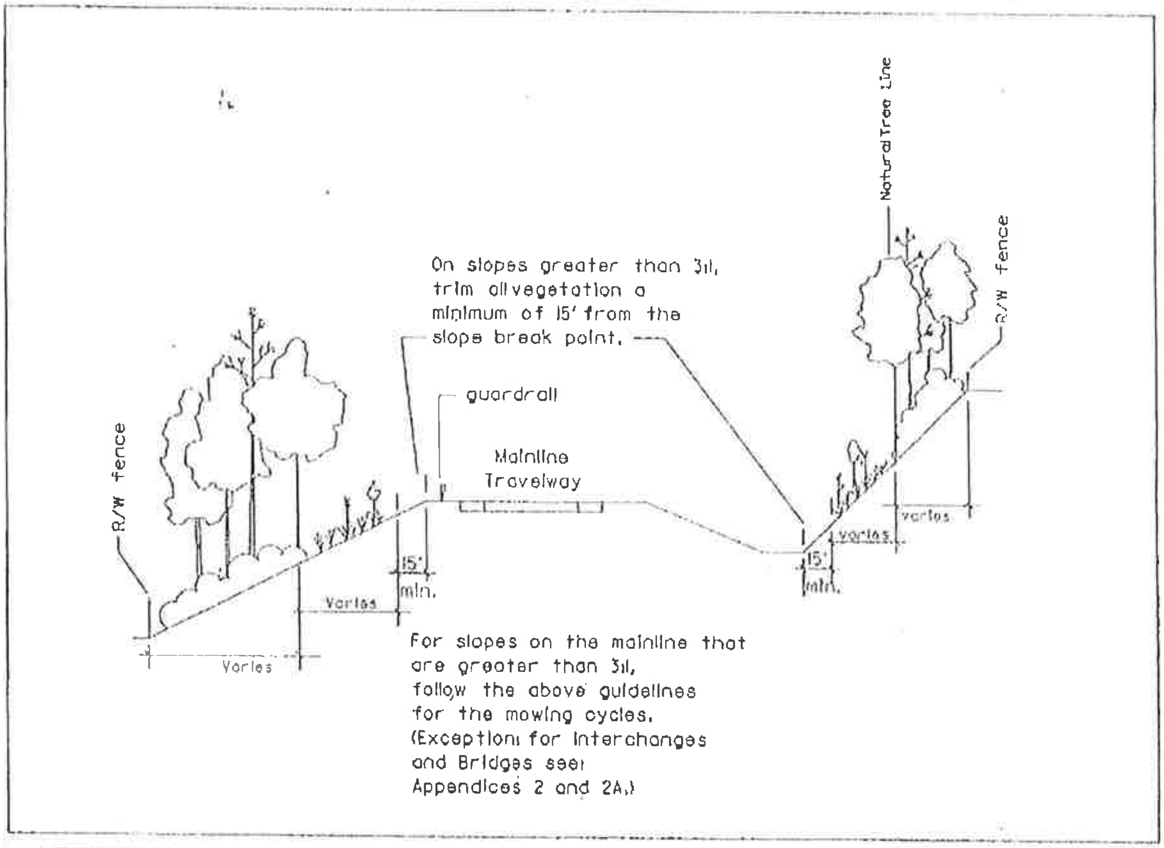


Diagram D: CROSS SECTION OF MOWABLE LIMITS ALONG MAINLINE FOR SLOPES GREATER THAN 3:1

Trim vegetation a minimum of fifteen (15) feet beyond the Slope Break Point each Mowing Cycle. If the Natural Tree Line falls within the minimum fifteen (15) foot area, trim vegetation to the Natural Tree Line.]

On slopes 3:1 or less, trim vegetation to the Natural Tree Line or to the right of way fence if no Natural Tree Line exists.

EXHIBIT B

Hall County, Georgia
FY 2022COG Cost Recap Exits 20 & 22 (Plus "I2H")
June 30, 2021

Capitalized Equipment			
Item Description			
Trucks	1	$28,413.00	$28,413.00
72" Zero Turn Mowers	2	$10,619.00	$21,238.00
72" Slope Cutting Multi Deck Mowers	2	$33,869.50	$67,739.00
New Tractor wth 20 Ft. Batwing Mowing Deck	1	$92,266.00	$92,266.00
Equipment Trailor	1	$3,220.00	$3,220.00
Walk Behind Mower	1	$4,353.00	$4,353.00
Other Equipment	1	$1,783.00	$1,783.00
		TOTAL I-985 CAPITALIZED EQUIPMENT	**$219,012.00**
		Usable Life (Years)	5
		Annual Depriciation	$43,802.40

EXIT	Project	ACRES	JURSTICTION	PERCENTAGE
8	EXIT 8	10.44	BUFORD	6.27%
12	EXIT 12	11.96	FLOWERY BRANCH	7.19%
14	EXIT 14	6.23	OAKWOOD	3.74%
14	EXIT 14	21.68	HALL COUNTY	13.03%
14	EXIT 14	20.4	FLOWERY BRANCH	12.26%
16	EXIT 16	9	OAKWOOD	5.41%
17	EXIT 17	15.44	OAKWOOD	9.28%
20	EXIT 20	21.13	GAINESVILLE	12.70%
22	EXIT 22	21.89	GAINESVILLE	13.15%
24	EXIT 24	16.14	HALL COUNTY	9.70%
Islands To Highlands Trail	I2H	12.12	GAINESVILLE	7.28%
		166.43	**Total Acres**	

Total Gainesville Acres	**33.13%**
Total Anuual Depriciation Gainesville Portion	**$14,512.19**

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 12/6/2021

Presenter: Matt Tarver

Item of Business: Resolution: FY2022 Local Maintenance and Improvement Grant (LMIG)

Meeting Date: 12/16/2021

Purpose of Request:
Request authorization to apply for and accept the FY2022 Local Maintenance Improvement Grant (LMIG).

History/Background:
The Georgia Department of Transportation (GDOT) provides yearly grant funding to local jurisdictions for maintenance of their locally owned and maintained roadways.

Facts & Issues for Consideration:
GDOT has identified $423,052.02 for the City.

Department Recommendation:
Approval of the resolution to authorize staff to apply for and accept the FY2022 LMIG funding.

Department Director:
Chris Rotalsky

If funding is involved, are funds approved within the current budget?
Yes

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
FY2022 Local Maintenance and Improvement Grant -LMIG	Resolution

RESOLUTION GR-2021 - ___

FY2022 LOCAL MAINTENANCE AND IMPROVEMENT GRANT (LMIG)

WHEREAS, the Georgia Department of Transportation has announced the FY2022 Local Maintenance and Improvement Grant (LMIG) Program; and

WHEREAS, the identified grant amount for the City of Gainesville is $423,052.02; and

WHEREAS, the City has identified portions of Pinecrest Road, Crystal Drive, Christopher Drive, Takeda Drive, Martin Luther King Jr Boulevard, Ridgemont Terrace, Willow Ridge Circle, Denton Drive and North Avenue as meeting the state criteria and will be submitted as part of the LMIG application; and

WHEREAS, the required matching funds are available from SPLOST as provided in the budgeted Capital Improvements Project entitled FY2022 Street Resurfacing Program.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville hereby authorizes the Public Works Department to prepare and submit the application necessary for the project identified by staff, and further authorizes the Mayor and City Manager to sign all necessary documents for executing this grant application.

BE IT FURTHER RESOLVED THAT the governing body for the City of Gainesville hereby accepts the LMIG funding in the amount of $423,052.02.

Adopted this _____ day of __________________, 2021.

____

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this Resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

____

Denise O. Jordan, City Clerk

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 12/13/2021

Presenter: Danny Dunagan

Item of Business: Appointment(s): Parks and Recreation Board

Meeting Date: 12/16/2021

Purpose of Request:
The purpose of this request is to address the upcoming expiring terms for positions held by Susan Daniell and Cooper Embry, III.

History/Background:
The Parks & Recreation board follow the guidelines as set forth in the City Charter, Code of Ordinances and Bylaws of the Gainesville Parks & Recreation Board. Members serve five-year terms or until a successor is appointed.

Facts & Issues for Consideration:
Chris Morgan Brent Loggins have expressed a willingness to serve. The debt verification process has been completed with no concerns.

Department Recommendation:
To consider the nominations as submitted by the Mayor.

Department Director:
Danny Dunagan

If funding is involved, are funds approved within the current budget?

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
Parks and Recreation Members	Backup Material

PARKS AND RECREATION BOARD

POST	LAST NAME	FIRST NAME	APPOINTED	REAPPOINTED	EXPIRES
Ward 1	Peeples Chair	Kingsley	10/15/19 UE	12/17/2019	12/31/2024
Ward 1	Simpson Vice Chair	John	8/18/15 UE	12/18/2018	12/31/2023
Ward 2	Daniel Secretary/Treasurer	Kristin	3/17/2015	12/17/2019	12/31/2024
Ward 2	Murray	Alex	1/19/2021		12/31/2025
Ward 3	Washington	Robert	12/18/2018		12/31/2023
Ward 3	Castleberry	Jerry	8/19/2008 UE	12/15/2009 12/16/2014 12/17/2019	12/31/2024
Ward 4	Daniell	Susan	12/6/2011	12/6/2016	12/31/2021
Ward 4	Embry, III	Hugh Cooper	2/3/15 UE	12/6/2016	12/31/2021
Ward 5	Romberg	Chris	12/31/2003	12/16/2008 12/3/2013 12/18/2018	12/31/2023
Ex-Officio	Clay	Juli	1/19/2021		1/4/2022
Director	Mattison	Kate		Board Appointed	

TERM: Five year terms

CONTACT: Kate Mattison, Director of Parks & Recreation

UE: Unexpired Term

UPDATED: 1/20/2021 ag

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 12/13/2021

Presenter: Denise Jordan

Item of Business: 2022 Organizational Meeting Discussion

Meeting Date: 12/16/2021

Purpose of Request:
The purpose of this request is to discuss business items scheduled for the 2022 Organizational Meeting.

History/Background:
The governing body receives various information at the end of each calendar year to prepare for the annual Organizational Meeting.

Facts & Issues for Consideration:
The items to be addressed are noted as follows:

1. Oath of Office
    - Mayor Sam Couvillon
    - Council Member Danny Dunagan, Ward 1
    - Council Member George Wangemann, Ward 4
2. Emergency Interim Successors Resolution
3. Appointment: Municipal Court Solicitor
4. Appointment: Administrative Hearing Officer
5. Appointment: Legal Organ
6. Appointment: Board/Committee Ex-Officio Members
7. Appointment: Georgia Mountains Regional Commission
8. Appointment: Tax Allocation District Advisory Committee

Department Recommendation:

Department Director:
Bryan Lackey

If funding is involved, are funds approved within the current budget?

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
2022 Emergency Interim Resolution	Resolution
2022 Organizational Meeting Appointments	Backup Material
2022 Ex-Officio Appointments	Backup Material

RESOLUTION BR-2022-01
EMERGENCY INTERIM SUCCESSORS

WHEREAS, the Georgia Civil Defense Act as amended in 1962 requires the Emergency Interim Successor to be named.

WHEREAS, the governing body annually adopts a resolution identifying the order of succession during emergency situations.

NOW, THEREFORE, BE IT RESOLVED, that the Emergency Interim Successors for the City of Gainesville are designated in the order listed below:

1. Mayor Sam Couvillon
2. Mayor Pro Tem ____________________
3. Council Member ____________________
4. Council Member ____________________
5. Council Member ____________________
6. Council Member ____________________

Adopted this ____ day of _______________, 2022.

____

Sam Couvillon, Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

____

Denise O. Jordan, City Clerk

ORGANIZATIONAL MEETING APPOINTMENTS

POST	LAST NAME	FIRST NAME	APPOINTED	EXPIRATION	FREQUENCY
City Manager	Lackey	Bryan	11/3/2015 effective 11/30/2015		As Needed
City Attorney	Hulsey, Oliver & Mahar, LLP (Abbott Hayes, Jr.)		10/6/2015 effective 1/1/2016		As Needed
City Auditor	Rushton & Company, CPA		2/18/1997 1/7/2014		As Needed
Chief Judge	Law, III Annual Agreement via Resolution	G. Hammond	1/1/1988 1/7/2014 8/2/2016 6/20/2017 12/17/2019 11/17/2020	12/31/2021	Annual Agreement via Resolution
Municipal Court Solicitor	Grant	Inez	9/15/20 UE	Jan. 2022	2 year appt
Municipal Court Deputy Solicitor	**VACANT AS OF 9/15/2020**			Jan. 2022	2 year appt
Adminstrative Hearing Officer	Law, III	G. Hammond	1/1/1992 1/7/2014 1/6/2015 1/5/2016 1/10/2017 1/9/2018 1/8/2019 1/7/2020 1/19/2021	1/4/2022	Annual
Legal Organ	The Times		1/10/2017 1/9/2018 1/8/2019 1/7/2020 1/19/2021	1/4/2022	Annual

EXPIRATION DATE: First Council Meeting of the year

UPDATED: 1/20/2021 ag

"As Needed": Charter states "shall be removed at anytime upon majority vote of the governing body".

EX-OFFICIO APPOINTMENTS

COMMITTEE	Meeting Schedule	Current	2022
American Red Cross	Monthly	Mayor	
Economic Development Council	Monthly	Mayor	
Gainesville-Hall County Development Authority	As Needed	Mayor	
Gainesville Redevelopment Authority	As Needed	Mayor	
Greater Hall Chamber of Commerce Board of Directors	Monthly	Mayor	
HALLmark Initiative		Mayor	
Lake Lanier Olympic Park Foundation		Mayor & Clay	
Board of Health	Quarterly	Brooks	
Gainesville Non-Profit Development Authority	Quarterly	Brooks	
Airport Advisory Committee	Quarterly	Brooks & Clay	
Friends of the Park	Monthly	Clay	
Parks & Recreation Board	Monthly	Clay	
Gainesville-Hall County Land Bank Board		Couvillon	
Housing Authority	Monthly	Couvillon	
Planning and Appeals Board	Monthly	Couvillon	
Chattahoochee Golf Course Advisory Committee	Monthly	Thompson	
Main Street Gainesville Advisory Board	Bi-Monthly	Thompson	
Chicopee Woods Area Park Commission	Quarterly	Wangemann	
Keep Hall Beautiful/Hall County Green Alliance		Wangemann	
Historic Preservation Commission	Monthly	Wangemann	