

CITY OF DALLAS, GEORGIA

ANNUAL FINANCIAL REPORT

**For The Fiscal Year Ended
June 30, 2023**

Kendall Smith
City Manager

By Authority of
Mayor and City Council

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CITY OF DALLAS, GEORGIA
Annual Financial Report
June 30, 2023

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FINANCIAL SECTION

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LLOYD WILLIAMSON
CHRISTIAN HATCH

INDEPENDENT AUDITOR'S REPORT

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

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dallas, Georgia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Dallas, Georgia's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dallas, Georgia, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Dallas, Georgia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Financial Statements

The City did not obtain the actuarial report necessary to present Other Post Employment Benefit (OPEB) Plan balances and disclosures. These financial statement items are required by *GASB 75 Accounting and Reporting for Post-Employment Benefits Other Than Pensions*. The City's OPEB liability and deferred outflows and inflows associated with the OPEB Plan typically experience material fluctuations from year to year which could have a material effect on the City's reported liabilities, deferred outflows and inflows, and ultimately net position.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a

material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Net Pension Liability and Related Ratios on page 46, the Schedule of Contributions - Pension Plan on page 47, the Schedule of Changes in Net OPEB Liability and Related Ratios on page 48, and the Schedule of Contributions - Other Post-employment Benefits on page 49, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

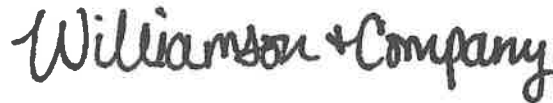
Other Information

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

The Individual Fund Schedules and the Schedule of Special Purpose Local Option Sales Tax Expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain limited procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Individual Fund Schedules and the Schedule of Special Purpose Local Option Sales Tax Expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2024, on our consideration of the City of Dallas, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Dallas, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dallas, Georgia's internal control over financial reporting and compliance.

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Williamson and Company
Certified Public Accountants
Cartersville, Georgia
February 26, 2024

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BASIC FINANCIAL STATEMENTS

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CITY OF DALLAS, GEORGIA

Statement of Net Position

June 30, 2023

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	\$ 9,187,497	\$ 217,018	\$ 9,404,515
Receivables, Net	975,149	629,118	1,604,267
Internal Balances	170,062	(170,062)	-
Inventory	-	165,362	165,362
Prepaid Expenses	448,611	20,668	469,279
Land and Construction in Progress	13,466,294	7,876,190	21,342,484
Other Capital Assets, Net	16,459,030	50,166,093	66,625,123
Total Assets	<u>40,706,643</u>	<u>58,904,387</u>	<u>99,611,030</u>
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Plan	282,994	101,665	384,659
Pension Plan	1,513,296	446,678	1,959,974
Total Deferred Outflows of Resources	<u>1,796,290</u>	<u>548,343</u>	<u>2,344,633</u>
LIABILITIES			
Cash Overdraft	-	817,310	817,310
Accounts Payable	1,545,321	2,766,960	4,312,281
Accrued Liabilities	123,569	36,582	160,151
Accrued Interest Payable	-	97,645	97,645
Retainage Payable	-	252,766	252,766
Unreleased Funds	7,275	-	7,275
Customer Deposits	779,451	944,095	1,723,546
Net OPEB Liability	410,234	147,376	557,610
Net Pension Liability	2,779,121	820,310	3,599,431
Noncurrent Liabilities			
Due Within One Year	274,578	2,361,939	2,636,517
Due In More Than One Year	441,881	34,961,403	35,403,284
Total Liabilities	<u>6,361,430</u>	<u>43,206,386</u>	<u>49,567,816</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned Grant Revenue	2,275,702	-	2,275,702
OPEB Plan	236,805	85,072	321,877
Total Deferred Inflows of Resources	<u>2,512,507</u>	<u>85,072</u>	<u>2,597,579</u>
NET POSITION			
Net Investment in Capital Assets	29,406,603	20,541,543	20,541,543
Restricted for:			
Drug Enforcement Activities	235,156	-	235,156
Capital Projects	4,536,416	-	4,536,416
Unrestricted	(549,179)	(4,380,271)	(4,380,271)
Total Net Position	<u>\$ 33,628,996</u>	<u>\$ 16,161,272</u>	<u>\$ 49,790,268</u>

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

CITY OF DALLAS, GEORGIA
Statement of Activities
For the Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 2,278,365	\$ 127,011	\$ 2,975,490	\$ 2,289,193
Municipal Court	441,552	779,688	-	-
Public Safety	5,207,934	259,631	53,399	-
Public Works	2,172,848	-	-	2,291,189
Community Development	213,918	1,202,156	-	-
Theater	782,655	315,848	-	-
Civic Center	114,442	41,429	-	-
Parks	1,758,072	182,920	-	-
Marshal	427,400	-	-	-
Interest on Long-term Debt	14,517	-	-	-
Total Governmental Activities	<u>13,411,703</u>	<u>2,908,683</u>	<u>3,028,889</u>	<u>4,580,382</u>
Business-type Activities:				
Water & Sewer	8,168,807	6,750,399	-	-
Solid Waste	839,157	985,145	-	-
Total Business-type Activities	<u>9,007,964</u>	<u>7,735,544</u>	<u>-</u>	<u>-</u>
Total Primary Government	\$ <u>22,419,667</u>	\$ <u>10,644,227</u>	\$ <u>3,028,889</u>	\$ <u>4,580,382</u>

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

CITY OF DALLAS, GEORGIA
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Totals
Primary Government:			
Governmental Activities:			
General Government	\$ 3,113,329	\$ -	\$ 3,113,329
Municipal Court	338,136	-	338,136
Public Safety	(4,894,904)	-	(4,894,904)
Public Works	118,341	-	118,341
Community Development	988,238	-	988,238
Theater	(466,807)	-	(466,807)
Civic Center	(73,013)	-	(73,013)
Parks	(1,575,152)	-	(1,575,152)
Marshal	(427,400)	-	(427,400)
Interest on Long-term Debt	(14,517)	-	(14,517)
Total Governmental Activities	(2,893,749)	-	(2,893,749)
Business-type Activities:			
Water & Sewer	-	(1,418,408)	(1,418,408)
Solid Waste	-	145,988	145,988
Total Business-type Activities	-	(1,272,420)	(1,272,420)
Total Primary Government			(4,166,169)
General Revenues:			
Taxes:			
Property	2,335,650	-	2,335,650
Sales Tax	3,278,172	-	3,278,172
Automobile Tax	379,384	-	379,384
Hotel/Motel	16,600	-	16,600
Business Occupation	31,292	-	31,292
Financial Institution Tax	392,164	-	392,164
Insurance Premium	1,181,860	-	1,181,860
Alcohol Tax	210,701	-	210,701
Franchise	835,618	-	835,618
Excise	15,039	-	15,039
Transfer Tax	11,585	-	11,585
Intangible	24,297	-	24,297
Miscellaneous	61,599	4,338	65,937
Transfers	(95,870)	95,870	-
Total General Revenues and Transfers	8,678,091	100,208	8,778,299
Change in Net Position	5,784,342	(1,172,212)	4,612,130
Net Position - Beginning, Restated	27,844,654	17,333,484	45,178,138
Net Position - Ending	\$ 33,628,996	\$ 16,161,272	\$ 49,790,268

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

CITY OF DALLAS, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2023

	General	Special Revenue Confiscated Drug	Special Revenue Hotel/Motel Tax	Special Revenue Subdivision Infrastructure	American Rescue Plan	Special Revenue Utility District	Special Revenue E911	Capital Projects- SPLOST 2017	Capital Projects- SPLOST 2023	Total Governmental Funds
ASSETS										
Cash	\$ 138,635	\$ 86,805	\$ 4,906	\$ 330,650	\$ 2,323,522	\$ 976,890	\$ 210,060	\$ 4,897,027	\$ 219,002	\$ 9,187,497
Receivables (Net):										
Accounts	27,570	-	-	-	-	-	-	-	-	27,570
Taxes	438,882	-	1,261	-	-	-	-	-	-	440,143
Intergovernmental	6,413	-	-	-	-	-	52,590	-	448,433	507,436
Due from Other Funds	265,442	-	-	14,058	-	-	-	98,192	-	377,692
Prepaid Items	448,611	-	-	-	-	-	-	-	-	448,611
Total Assets	\$ 1,325,553	\$ 86,805	\$ 6,167	\$ 344,708	\$ 2,323,522	\$ 976,890	\$ 262,650	\$ 4,995,219	\$ 667,435	\$ 10,988,949
LIABILITIES										
Liabilities:										
Accounts Payable	\$ 291,454	\$ 45,564	\$ -	\$ -	\$ 47,070	\$ -	\$ 34,995	\$ 1,126,238	\$ -	\$ 1,545,321
Accrued Liabilities	122,819	-	-	-	750	-	-	-	-	123,569
Due to Other Funds	164,207	33,740	-	9,583	-	100	-	-	-	207,630
Unreleased Funds	7,275	-	-	-	-	-	-	-	-	7,275
Deposits Payable	779,451	-	-	-	-	-	-	-	-	779,451
Total Liabilities	1,365,206	79,304	-	9,583	47,820	100	34,995	1,126,238	-	2,663,246
DEFERRED INFLOWS OF RESOURCES										
Unearned Tax Revenue	54,419	-	-	-	-	-	-	-	-	54,419
Unearned Grant Revenue	-	-	-	-	2,275,702	-	-	-	-	2,275,702
Total Deferred Inflows of Resources	54,419	-	-	-	2,275,702	-	-	-	-	2,330,121
FUND BALANCES										
Fund Balance:										
Nonspendable:										
Prepaid Items	448,611	-	-	-	-	-	-	-	-	448,611
Restricted:										
Public Safety	-	7,501	-	-	-	-	227,655	-	-	235,156
Capital Projects	-	-	-	-	-	-	-	3,868,981	667,435	4,536,416
Committed:										
Tourism	-	-	6,167	-	-	-	-	-	-	6,167
Subdivision Infrastructure	-	-	-	335,125	-	-	-	-	-	335,125
Utility Infrastructure	-	-	-	-	-	976,790	-	-	-	976,790
Unassigned	(542,683)	-	-	-	-	-	-	-	-	(542,683)
Total Fund Balances	(94,072)	7,501	6,167	335,125	-	976,790	227,655	3,868,981	667,435	5,995,582
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,325,553	\$ 86,805	\$ 6,167	\$ 344,708	\$ 2,323,522	\$ 976,890	\$ 262,650	\$ 4,995,219	\$ 667,435	\$ 10,988,949

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

CITY OF DALLAS, GEORGIA
Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position
June 30, 2023

Fund Balances - Total Governmental Funds		\$ 5,995,582
Amounts reported for governmental activities in the		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.		
Governmental Capital Assets	47,624,170	
Less Accumulated Depreciation	<u>(17,698,846)</u>	29,925,324
Unearned revenue in the fund financial statements represents a portion of property tax billed but uncollected and is eliminated in the Statement of Net Position		
		54,419
A portion of pension plan contributions and other changes in the City's pension plan are for future use and are considered deferred outflows and inflows of resources.		
Deferred Outflows of Pension Resources	1,513,296	
Deferred Inflows of Pension Resources	<u>-</u>	1,513,296
A portion of OPEB plan contributions and other changes in the City's OPEB plan are for future use and are considered deferred outflows and inflows of resources.		
Deferred Outflow of OPEB Resources	282,994	
Deferred Inflow of OPEB Resources	<u>(236,805)</u>	46,189
Some liabilities are not due and payable in the current period and, therefore are not reported in the funds.		
Net Pension Liability	(2,779,121)	
Net OPEB Liability	<u>(410,234)</u>	(3,189,355)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Financed Purchases	(41,516)	
Note Payable	(477,205)	
Compensated Absences	<u>(197,738)</u>	<u>(716,459)</u>
Net Position of Governmental Activities		<u>\$33,628,996</u>

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

CITY OF DALLAS, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Special Revenue Confiscated Drug	Special Revenue Hotel/ Motel	Special Revenue Subdivision Infrastructure	Special Revenue American Recsue Plan	Special Revenue Special Utility	Special Revenue E911	Capital Projects SPLOST 2017	Capital Projects SPLOST 2023	Total Governmental Funds
REVENUES										
Taxes	\$ 8,683,793	\$ -	\$ 16,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,700,393
Licenses and Permits	257,227	-	-	-	-	-	-	-	-	257,227
Intergovernmental	2,374,767	-	-	-	2,945,311	-	235,163	1,821,758	667,435	7,844,434
Fines and Forfeitures	640,230	139,458	-	-	-	-	-	-	-	779,688
Charges for Services	578,251	-	-	40,000	-	976,790	-	-	-	1,595,041
Miscellaneous	103,163	-	-	-	-	-	-	-	-	103,163
Total Revenues	12,637,431	139,458	16,600	40,000	2,945,311	976,790	235,163	1,621,758	667,435	19,279,946
EXPENDITURES										
Current:										
General Government	3,143,850	-	4,690	-	-	-	-	-	-	3,148,540
Municipal Court	437,926	-	-	-	-	-	-	-	-	437,926
Public Safety	4,872,765	145,886	-	-	-	-	-	27,688	-	5,046,339
Public Works	1,663,823	-	-	-	-	-	-	-	-	1,663,823
Community Development	212,964	-	-	-	91,641	-	-	-	-	304,605
Theater	698,125	-	-	-	-	-	-	-	-	698,125
Civic Center	62,223	-	-	-	-	-	-	-	-	62,223
Parks	5,020,412	-	-	-	-	-	-	-	-	5,020,412
Marshal	320,937	-	-	-	-	-	-	-	-	320,937
Capital Outlay:										
General Government	-	-	-	-	-	-	-	184,630	-	184,630
Public Safety	-	25,892	-	-	-	-	34,995	81,916	-	142,803
Public Works	-	-	-	-	7,800	-	-	121,418	-	129,218
Parks	-	-	-	-	-	-	-	1,058,735	-	1,058,735
Marshal	-	-	-	-	-	-	-	41,983	-	41,983
Water and Sewer	-	-	-	-	45,870	-	-	-	-	45,870
Debt Service:										
Principal	87,858	-	-	-	-	-	-	-	-	87,858
Interest	14,517	-	-	-	-	-	-	-	-	14,517
Total Expenditures	16,535,400	171,778	4,690	-	145,311	-	34,995	1,516,370	-	18,408,544
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,897,969)	(32,320)	11,910	40,000	2,800,000	976,790	200,168	105,388	667,435	871,402
OTHER FINANCING SOURCES (USES)										
Transfers - In	2,894,678	-	-	-	-	-	-	-	-	2,894,678
Transfers - Out	-	-	(9,878)	-	(2,800,000)	-	(134,800)	-	-	(2,944,678)
Total Other Financing Sources (Uses)	2,894,678	-	(9,878)	-	(2,800,000)	-	(134,800)	-	-	(50,000)
Net Change in Fund Balances	(1,003,291)	(32,320)	2,032	40,000	-	976,790	65,368	105,388	667,435	821,402
Fund Balance - Beginning of Year	517,955	39,821	4,135	295,125	-	-	134,440	3,763,593	-	4,755,069
Prior Period Adjustment	391,284	-	-	-	-	-	27,847	-	-	419,111
Fund Balance - End of Year	\$ (94,072)	\$ 7,501	\$ 6,167	\$ 335,125	\$ -	\$ 976,790	\$ 227,655	\$ 3,868,981	\$ 667,435	\$ 5,995,582

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

CITY OF DALLAS, GEORGIA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances Of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 821,402

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. For the current period, these amounts are:

Expenditures for Capital Assets	6,233,196	
Less Current Period Depreciation Expense	<u>(1,271,708)</u>	4,961,488

Transfer of capital assets between governmental and business-type activities are not reported in the governmental fund statements. (45,870)

Unearned revenue in the fund financial statements represents property tax billed but uncollected and is eliminated in the governmental activities. 11,969

Pension and OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the related net liabilities are measured before the contributions are made. Changes to the pension and OPEB plan values are reported in the Statement of Activities.

Pension Expense (43,928)

Repayment of principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Repayment of Financed Purchase	47,763
Repayment of Note Payable	40,095

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in Compensated Absences (8,577)

Change in Net Position of Governmental Activities \$ 5,784,342

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

CITY OF DALLAS GEORGIA
Statement of Revenues, Expenditures, and Change in Fund Balance
General Fund - Budget and Actual
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 8,414,649	\$ 8,414,649	\$ 8,683,793	\$ 269,144
Licenses and Permits	231,300	231,300	257,227	25,927
Intergovernmental	5,274,645	5,274,645	2,374,767	(2,899,878)
Fines and Forfeitures	517,000	517,000	640,230	123,230
Charges for Services	492,100	492,100	578,251	86,151
Miscellaneous	61,625	61,625	103,163	41,538
Total Revenues	<u>14,991,319</u>	<u>14,991,319</u>	<u>12,637,431</u>	<u>(2,353,888)</u>
EXPENDITURES				
Current:				
General Government	3,641,587	3,643,783	3,143,850	499,933
Municipal Court	434,146	438,605	437,926	679
Public Safety	4,570,973	4,872,773	4,872,765	8
Public Works	1,876,015	1,876,015	1,663,823	212,192
Community Development	191,891	212,966	212,964	2
Theater	732,957	732,957	698,125	34,832
Civic Center	78,476	78,476	62,223	16,253
Parks	6,414,441	6,029,811	5,020,412	1,009,399
Marshal	376,003	376,003	320,937	55,066
Debt Service:				
Principal	50,146	94,281	87,858	6,423
Interest	-	10,965	14,517	(3,552)
Total Expenditures	<u>18,366,635</u>	<u>18,366,635</u>	<u>16,535,400</u>	<u>1,831,235</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,375,316)</u>	<u>(3,375,316)</u>	<u>(3,897,969)</u>	<u>(522,653)</u>
OTHER FINANCING SOURCES				
Transfers In	3,378,916	3,378,916	2,894,678	(484,238)
Proceeds From Disposal of Capital Assets	3,500	3,500	-	(3,500)
Total Other Financing Sources	<u>3,382,416</u>	<u>3,382,416</u>	<u>2,894,678</u>	<u>(487,738)</u>
Net Change in Fund Balance	7,100	7,100	(1,003,291)	(1,010,391)
Prior Period Adjustment	-	-	391,264	-
Fund Balance - Beginning of Year	<u>517,955</u>	<u>517,955</u>	<u>517,955</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 525,055</u>	<u>\$ 525,055</u>	<u>\$ (94,072)</u>	<u>\$ (1,010,391)</u>

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

CITY OF DALLAS, GEORGIA
Statement of Revenues, Expenditures, and Change in Fund Balance
Confiscated Drug Special Revenue Fund - Budget and Actual
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and Forfeitures	\$ 73,000	\$ 139,459	\$ 139,458	\$ (1)
Total Revenues	<u>73,000</u>	<u>139,459</u>	<u>139,458</u>	<u>(1)</u>
EXPENDITURES				
Current				
Public Safety	70,500	142,958	145,886	(2,928)
Capital Outlay				
Public Safety	<u>-</u>	<u>25,892</u>	<u>25,892</u>	<u>-</u>
Total Expenditures	<u>70,500</u>	<u>168,850</u>	<u>171,778</u>	<u>(2,928)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,500</u>	<u>(29,391)</u>	<u>(32,320)</u>	<u>(2,929)</u>
Net Change in Fund Balance	2,500	(29,391)	(32,320)	(2,929)
Fund Balance - Beginning of Year	<u>39,821</u>	<u>39,821</u>	<u>39,821</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 42,321</u>	<u>\$ 10,430</u>	<u>\$ 7,501</u>	<u>\$ (2,929)</u>

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

CITY OF DALLAS, GEORGIA
Statement of Revenues, Expenditures, and Change in Fund Balance
Hotel/Motel Tax Special Revenue Fund - Budget and Actual
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 15,000	\$ 16,600	\$ 16,600	\$ -
Total Revenues	<u>15,000</u>	<u>16,600</u>	<u>16,600</u>	<u>-</u>
EXPENDITURES				
General Government	15,000	13,568	4,690	8,878
Total Expenditures	<u>15,000</u>	<u>13,568</u>	<u>4,690</u>	<u>8,878</u>
Excess of Revenues Over Expenditures	-	3,032	11,910	8,878
OTHER FINANCING SOURCES (USES)				
Transfers - In (Out)	-	-	(9,878)	9,878
Net Change in Fund Balance	-	3,032	2,032	8,878
Fund Balance - Beginning of Year	4,135	4,135	4,135	-
Fund Balance - End of Year	<u>\$ 4,135</u>	<u>\$ 7,167</u>	<u>\$ 6,167</u>	<u>\$ 8,878</u>

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

CITY OF DALLAS, GEORGIA
Statement of Revenues, Expenditures, and Change in Fund Balance
Subdivision Infrastructure Special Revenue Fund - Budget and Actual
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 40,000	\$ 40,000
Total Revenues	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>
EXPENDITURES				
Public Works	290,000	290,000	-	290,000
Total Expenditures	<u>290,000</u>	<u>290,000</u>	<u>-</u>	<u>290,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(290,000)</u>	<u>(290,000)</u>	<u>40,000</u>	<u>330,000</u>
Net Change in Fund Balance	(290,000)	(290,000)	40,000	330,000
Fund Balance - Beginning of Year	<u>295,125</u>	<u>295,125</u>	<u>295,125</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 5,125</u>	<u>\$ 5,125</u>	<u>\$ 335,125</u>	<u>\$ 330,000</u>

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

CITY OF DALLAS, GEORGIA
Statement of Revenues, Expenditures, and Change in Fund Balance
American Rescue Plan Special Revenue Fund - Budget and Actual
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 2,610,506	\$ 2,610,506	\$ 2,945,311	\$ 334,805
Total Revenues	<u>2,610,506</u>	<u>2,610,506</u>	<u>2,945,311</u>	<u>334,805</u>
EXPENDITURES				
Current				
Community Development	91,641	91,641	91,641	-
Capital Outlay				
Public Works	792,094	792,094	7,800	784,294
Community Development	58,361	58,361	-	58,361
Water and Sewer	900,000	900,000	45,870	854,130
Total Expenditures	<u>1,750,455</u>	<u>1,750,455</u>	<u>145,311</u>	<u>1,696,785</u>
Excess of Revenues Over Expenditures	<u>860,051</u>	<u>860,051</u>	<u>2,800,000</u>	<u>2,031,590</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(3,378,916)	(3,378,916)	(2,800,000)	578,916
Total Other Financing Sources (Uses)	<u>(3,378,916)</u>	<u>(3,378,916)</u>	<u>(2,800,000)</u>	<u>578,916</u>
Net Change in Fund Balance	(2,518,865)	(2,518,865)	-	2,610,506
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ (2,518,865)</u>	<u>\$ (2,518,865)</u>	<u>\$ -</u>	<u>\$ 2,610,506</u>

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

CITY OF DALLAS, GEORGIA
Statement of Revenues, Expenditures, and Change in Fund Balance
E911 Special Revenue Fund - Budget and Actual
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 120,000	\$ 224,715	\$ 235,163	\$ 10,448
Total Revenues	<u>120,000</u>	<u>224,715</u>	<u>235,163</u>	<u>10,448</u>
EXPENDITURES				
Capital Outlay				
Public Safety	-	34,995	34,995	-
Total Expenditures	<u>-</u>	<u>34,995</u>	<u>34,995</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>120,000</u>	<u>189,720</u>	<u>200,168</u>	<u>10,448</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(135,000)	(134,800)	200
Total Other Financing Sources (Uses)	<u>-</u>	<u>(135,000)</u>	<u>(134,800)</u>	<u>200</u>
Net Change in Fund Balance	120,000	54,720	65,368	10,648
Fund Balance - Beginning of Year	134,440	134,440	134,440	-
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>27,847</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 254,440</u>	<u>\$ 189,160</u>	<u>\$ 227,655</u>	<u>\$ 10,648</u>

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

CITY OF DALLAS, GEORGIA
Statement of Revenues, Expenditures, and Change in Fund Balance
Special Utility District Special Revenue Fund - Budget and Actual
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for Services	\$ 2,025,650	\$ 2,025,650	\$ 976,790	\$ (1,048,860)
Total Revenues	<u>2,025,650</u>	<u>2,025,650</u>	<u>976,790</u>	<u>(1,048,860)</u>
EXPENDITURES				
Capital Outlay				
Water and Sewer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>2,025,650</u>	<u>2,025,650</u>	<u>976,790</u>	<u>(1,048,860)</u>
Net Change in Fund Balance	2,025,650	2,025,650	976,790	(1,048,860)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 2,025,650</u>	<u>\$ 2,025,650</u>	<u>\$ 976,790</u>	<u>\$ (1,048,860)</u>

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

CITY OF DALLAS, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2023

	Water and Sewer	Solid Waste	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ 217,018	\$ 217,018
Accounts Receivable - Net	515,375	113,743	629,118
Due From Other Funds	83,514	137,934	221,448
Inventory	165,362	-	165,362
Prepaid Items	20,585	83	20,668
Total Current Assets	<u>784,836</u>	<u>468,778</u>	<u>1,253,614</u>
Noncurrent Assets:			
Capital Assets:			
Land	555,711	-	555,711
Construction in Progress	7,320,479	-	7,320,479
Buildings	16,806,030	37,270	16,843,300
Machinery & Equipment	3,051,242	614,475	3,665,717
Utility System - Water	7,968,421	-	7,968,421
Utility System - Sewer	41,229,072	-	41,229,072
Less Accumulated Depreciation	<u>(19,240,346)</u>	<u>(300,071)</u>	<u>(19,540,417)</u>
Total Capital Assets	<u>57,690,609</u>	<u>351,674</u>	<u>58,042,283</u>
Total Noncurrent Assets	<u>57,690,609</u>	<u>351,674</u>	<u>58,042,283</u>
Total Assets	<u>58,475,445</u>	<u>820,452</u>	<u>59,295,897</u>
Deferred Outflows of Resources			
OPEB Plan	83,971	17,694	101,665
Pension Plan	365,143	81,535	446,678
Total Deferred Outflows	<u>449,114</u>	<u>99,229</u>	<u>548,343</u>
Liabilities			
Current Liabilities:			
Cash Overdraft	817,310	-	817,310
Accounts Payable	2,753,912	13,048	2,766,960
Accrued Liabilities	30,172	6,410	36,582
Due to Other Funds	169,492	222,018	391,510
Net Pension Liability	670,574	149,736	820,310
Net OPEB Liability	121,726	25,650	147,376
Accrued Interest Payable	97,645	-	97,645
Retainage Payable	252,766	-	252,766
Customer Deposits	932,143	11,952	944,095
Compensated Absences	29,341	12,963	42,304
Bond Premium	66,222	-	66,222
Bond Payable	600,000	-	600,000
Note Payable	1,653,413	-	1,653,413
Total Current Liabilities	<u>8,194,716</u>	<u>441,777</u>	<u>8,636,493</u>
Noncurrent Liabilities:			
Compensated Absences	22,932	10,132	33,064
Bond Premium	222,512	-	222,512
Bond Payable	3,980,000	-	3,980,000
Note Payable	30,725,827	-	30,725,827
Total Noncurrent Liabilities	<u>34,951,271</u>	<u>10,132</u>	<u>34,961,403</u>
Total Liabilities	<u>43,145,987</u>	<u>451,909</u>	<u>43,597,896</u>
Deferred Inflows of Resources			
OPEB Plan	70,266	14,806	85,072
Total Deferred Inflows of Resources	<u>70,266</u>	<u>14,806</u>	<u>85,072</u>
Net Position			
Net Investment in Capital Assets	20,189,869	351,674	20,541,543
Unrestricted	<u>(4,481,563)</u>	<u>101,292</u>	<u>(4,380,271)</u>
Total Net Position	<u>\$ 15,708,306</u>	<u>\$ 452,966</u>	<u>\$ 16,161,272</u>

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

CITY OF DALLAS, GEORGIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Water and Sewer	Solid Waste	Total
Operating Revenues			
Charges for Services	\$ 6,196,898	\$ 933,956	\$ 7,130,854
Fees	553,501	51,189	604,690
Other Revenues	4,338	-	4,338
Total Operating Revenues	<u>6,754,737</u>	<u>985,145</u>	<u>7,739,882</u>
Operating Expenses			
Cost of Sales and Services	2,063,179	244,851	2,308,030
Salaries, Wages, and Employee Benefits	2,213,321	523,226	2,736,547
Cost of Water Purchased	1,526,531	-	1,526,531
Depreciation Expense	<u>1,883,727</u>	<u>71,080</u>	<u>1,954,807</u>
Total Operating Expenses	<u>7,686,758</u>	<u>839,157</u>	<u>8,525,915</u>
Operating Income	<u>(932,021)</u>	<u>145,988</u>	<u>(786,033)</u>
Nonoperating Revenues (Expenses)			
Interest Expense	<u>(482,049)</u>	-	<u>(482,049)</u>
Total Nonoperating Revenues (Expenses)	<u>(482,049)</u>	-	<u>(482,049)</u>
Income Before Capital Contributions	<u>(1,414,070)</u>	<u>145,988</u>	<u>(1,268,082)</u>
Capital Contributions	45,870	-	45,870
Transfers In	2,050,000	-	2,050,000
Transfers Out	<u>(2,000,000)</u>	-	<u>(2,000,000)</u>
Change in Net Position	(1,318,200)	145,988	(1,172,212)
Net Position - Beginning	17,213,936	306,978	17,520,914
Restatement of Prior Year Net Position	<u>(187,430)</u>	-	<u>(187,430)</u>
Net Position - Ending	<u>\$ 15,708,306</u>	<u>\$ 452,966</u>	<u>\$ 16,161,272</u>

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

CITY OF DALLAS, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Water and Sewer	Solid Waste	Total
Cash Flows From Operations			
Receipts from Customers and Users	\$ 7,279,716	\$ 971,166	\$ 8,250,882
Payments to Suppliers	(2,567,113)	(245,634)	(2,812,747)
Payments to/for Employees	(2,032,278)	(457,568)	(2,489,846)
Net Cash Provided by Operating Activities	<u>2,680,325</u>	<u>267,964</u>	<u>2,948,289</u>
Cash Flows from Noncapital Financing Activities			
Payments from Other Funds	2,050,000	-	2,050,000
Payments to Other Funds	(2,000,000)	(132,659)	(2,132,659)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>50,000</u>	<u>(132,659)</u>	<u>(82,659)</u>
Cash Flows from Capital and Related Financing Activities			
Proceeds from Note Issuance	2,494,646	-	2,494,646
Principal Payments - Notes	(1,631,576)	-	(1,631,576)
Principal Payments - Bonds	(575,000)	-	(575,000)
Acquisition and Construction of Capital Assets	(4,833,753)	-	(4,833,753)
Issuance Costs and Interest Paid	(491,155)	-	(491,155)
Net Cash Used in Capital and Related Financing Activities	<u>(5,036,838)</u>	<u>-</u>	<u>(5,036,838)</u>
Net Increase (Decrease) in Cash	(2,306,513)	135,305	(2,171,208)
Cash - July 1	<u>1,489,203</u>	<u>81,713</u>	<u>1,570,916</u>
Cash - June 30	<u>\$ (817,310)</u>	<u>\$ 217,018</u>	<u>\$ (600,292)</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ (932,021)	\$ 145,988	\$ (786,033)
Adjustments to Reconcile from Operating Income to Net Cash Provided (Used) by Operating Activities			
Depreciation	1,883,727	71,080	1,954,807
(Increase) Decrease in Assets and Deferred Outflows of Resources			
Accounts Receivable	342,239	(17,622)	324,617
Inventory	28,736	-	28,736
Prepaid	18,229	5,789	24,018
Deferred Outflow of Resources	(232,227)	(72,372)	(304,599)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources			
Accounts Payable	975,632	(6,572)	969,060
Accrued Liabilities	14,523	3,795	18,318
Customer Deposits	182,740	3,643	186,383
Compensated Absences Payable	4,533	3,550	8,083
Net Pension Liability	466,397	135,661	602,058
Deferred Inflow of Resources	(72,183)	(4,976)	(77,159)
Net Cash Provided by Operating Activities	<u>\$ 2,680,325</u>	<u>\$ 267,964</u>	<u>\$ 2,948,289</u>
Noncash Capital Activities			
Acquisition of Capital Assets	\$ (298,636)	\$ -	\$ (298,636)
Capital Contribution	45,870	-	45,870
Retainage Payable	252,766	-	252,766
Net Noncash Capital Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Government-wide and Fund Financial Statements

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as *general revenues*.

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

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

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

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

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

D. Fund Types and Major Funds

Major Governmental Funds:

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

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

Special Revenue Funds - These funds are used to account for revenue sources that are legally restricted or internally committed to expenditures for specific purposes (not including expendable trusts or capital projects). The City has elected to present six special revenue funds: Confiscated Drug Fund, Hotel/Motel Tax Fund, American Rescue Plan Fund, E911 Fund, Special Utility District Fund, and the Subdivision Infrastructure Fund as major funds. The Confiscated Drug Fund accounts for cash received from the confiscation or sale of capital assets acquired through confiscations. The Hotel/Motel Tax Fund accounts for tax proceeds from the City's hotel/motel tax revenue. The American Rescue Plan Fund accounts for the proceeds and use of federal funds appropriated by Congress. The Special Utility District Fund accounts for fees collected from developers and used for infrastructure improvements within the City. The Subdivision Infrastructure Fund accounts for revenues and expenditures associated with compliance improvements made at various real estate developments within the City. The E911 Fund accounts for the collection and disbursement of allocated E911 fees.

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

Major Proprietary Funds:

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

Water/Sewer Fund and Sanitation Fund - The City reports the water and sewer, and sanitation funds as major proprietary funds. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. The water and sewer fund recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF DALLAS, GEORGIA
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As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

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

E. Stewardship, Compliance, and Accountability

Budgetary Data:

Formal budgetary accounting is employed as a management control for all funds of the City. Annual operating budgets are adopted each fiscal year through passage of annual budget ordinance and amended as required and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principles basis. Budgetary control is exercised at the department level and expenditures may not legally exceed appropriations at this level. No supplemental budgetary appropriations were necessary during the current year. All unencumbered budget appropriations lapse at the end of each fiscal year. The Confiscated Drug Fund expenditures were over budget by \$2,928.

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

Deposits with Financial Institutions:

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

F. Cash

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

G. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the enterprise fund are recognized at the end of each year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

H. Internal Balances/Transfers

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

I. Inventories/Prepaid Expenses

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

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

J. Other Assets

Other assets held are recorded and accounted for at cost.

K. Capital Assets

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

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

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

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

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

L. Long-Term Debt and Bond Issuance Cost

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

M. Deferred Outflows/Inflows of Resources

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

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

CITY OF DALLAS, GEORGIA
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June 30, 2023

N. Net Position Flow Assumption

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

O. Fund Balance Flow Assumption

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

P. Compensated Absences

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

Q. Pensions

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

R. Fund Equity/Net Position

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

Fund Balance - represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- *Nonspendable* – fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (for example, items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- *Restricted* – fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
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- *Committed* – fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.
- *Assigned* – fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent would be expressed by the City Council itself or the Council would delegate the authority to assign fund balance to management.
- *Unassigned* – fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The City reports positive unassigned fund balance only in General Fund. Negative unassigned fund balance may be reported in all funds.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted fund balance, it is the City's policy to use fund balance in the following order: committed, assigned and unassigned.

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

S. Property Taxes

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

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

NOTE 2. CASH AND INVESTMENTS

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

Primary Government:

Cash as of June 30, 2023, is classified in the financial statements as follows:

Cash Balances as of June 30, 2023 are classified in the financial statements as follows:

Statement of Net Position:	
Cash	\$ 850,789
Restricted Cash	<u>\$7,736,416</u>
Total Cash	<u>\$8,587,205</u>

At year-end, the book balance of the City's deposits was \$8,587,205, including restricted cash of \$7,736,416 and the bank balance was \$9,128,823. The bank balance is insured or collateralized by securities held by the City or by its agent in the City's name (category 2).

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

NOTE 3. RECEIVABLES

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

Amounts due as of June 30, 2023, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Hotel/ Motel Tax Fund	E911 Fund	Capital Projects Fund	Water Sewer Fund	Sanitation Fund	Total
Receivables:							
Accounts	\$ 27,570	\$ -	\$ -	\$ -	\$ 817,566	\$ 210,469	\$ 1,055,605
Taxes	458,953	1,261	-	-	-	-	460,214
Intergovernmental	6,413	-	52,590	448,433	-	-	454,846
Total	492,936	1,261	52,590	448,433	817,566	210,469	1,970,665
Less: Allowance for Uncollectibles	(20,071)	-	-	-	(302,191)	(96,726)	(418,988)
Net Total Receivables	\$ 472,865	\$ 1,261	\$ 52,590	\$ 448,433	\$ 515,375	\$ 113,743	\$ 1,604,267

Property tax is levied upon receipt of the digest from Paulding County and based upon the assessed value at January 1, 2022. Taxes were levied October 20, 2022 and due by December 20, 2022. The billings are considered past due 60 days after the tax billing date, at which time the applicable property is subject to lien and penalties and interest begins to accrue. Generally, liens may attach to property for unpaid taxes on January 1st of the subsequent year.

Assessed values are established by the Paulding County Tax Assessor's office and are currently calculated at 40% of the market value. The gross assessed value of nonexempt real and personal property at January 1, 2022 was \$557,604,935.

Based on the 2022 millage levy of 4.17, a property owner would pay \$4.17 per \$1,000 of assessed valuation.

Current tax collections of \$2,277,424 for the fiscal year ended June 30, 2023 were 98.27% percent of the tax levy.

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

Enterprise accounts receivable consists of billed and unbilled services to utility customers at June 30, 2023. The allowance for uncollectible accounts represents approximately 37.1% of water/sewer and approximately 45.9% of sanitation total outstanding utility billings.

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

NOTE 4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
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As of June 30, 2023, interfund receivables and payables that resulted from various interfund transactions were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Sanitation	\$ 222,019
General Fund	Confiscated Assets	33,740
General Fund	Special Utility District	100
General Fund	Infrastructure	9,583
		\$ 265,442
Subdivision Infrastructure	Water and Sewer	\$ 14,058
Capital Projects - 2017	General Fund	\$ 80,692
Capital Projects - 2017	Water and Sewer	17,500
		\$ 98,192
Water and Sewer	General Fund	\$ 83,514
Sanitation	Water and Sewer	\$ 137,934

Transfers and Payments:

Routine transfers and payments between funds are to subsidize operations and to fund capital projects and capital acquisitions. For the year ended June 30, 2023, interfund transfers were as follows:

Source Fund	Transfer to Fund	Amount
Hotel/Motel Tax Fund	General Fund	\$ 9,878
Water Fund	General Fund	2,000,000
American Rescue Plan Fund	General Fund	750,000
E911 Fund	General Fund	134,800
		\$ 2,894,678
American Rescue Plan Fund	Water Fund	\$ 2,050,000

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

NOTE 5. CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
<i>Nondepreciable Capital Assets</i>				
Land	\$ 5,524,207	\$ 906,181	\$ -	\$ 6,430,388
Construction In Progress	<u>2,417,911</u>	<u>4,663,865</u>	<u>(45,870)</u>	<u>7,035,906</u>
Total Nondepreciable Capital Assets	<u>7,942,118</u>	<u>5,570,046</u>	<u>(45,870)</u>	<u>13,466,294</u>
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	10,694,069	76,001	-	10,770,070
Machinery and Equipment	5,871,204	479,154	-	6,350,358
Infrastructure	<u>16,929,453</u>	<u>107,995</u>	<u>-</u>	<u>17,037,448</u>
Total Depreciable Capital Assets	<u>33,494,726</u>	<u>663,150</u>	<u>-</u>	<u>34,157,876</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(4,191,924)	(338,645)	-	(4,530,569)
Machinery and Equipment	(4,360,590)	(329,423)	-	(4,690,013)
Infrastructure	<u>(7,874,624)</u>	<u>(603,640)</u>	<u>-</u>	<u>(8,478,264)</u>
Total Accumulated Depreciation	<u>(16,427,138)</u>	<u>(1,271,708)</u>	<u>-</u>	<u>(17,698,846)</u>
Total Depreciable Capital Assets, Net	<u>17,067,588</u>	<u>(608,558)</u>	<u>-</u>	<u>16,459,030</u>
Total Capital Assets, Net	<u>\$25,009,706</u>	<u>\$ 4,961,488</u>	<u>\$ (45,870)</u>	<u>\$ 29,925,324</u>

Depreciation expense was allocated across governmental activities as follows:

General Government	\$ 59,828
Municipal Court	2,172
Public Safety	196,626
Public Works	617,284
Theater	118,082
Civic Center	51,919
Parks	212,215
Marshal	<u>13,582</u>
Total Depreciation Expense	<u>\$ 1,271,708</u>

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

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

<u><i>Business-type Activities</i></u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
<i>Nondepreciable Capital Assets</i>				
Land	\$ 555,711	\$ -	\$ -	\$ 555,711
Construction In Progress	<u>2,960,105</u>	<u>4,314,504</u>	<u>45,870</u>	<u>7,320,479</u>
Total Nondepreciable Capital Assets	<u>3,515,816</u>	<u>4,314,504</u>	<u>45,870</u>	<u>7,876,190</u>
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	16,843,300	-	-	16,843,300
Machinery and Equipment	3,319,979	345,738	-	3,665,717
Distribution and Collection Systems	<u>49,117,240</u>	<u>80,253</u>	-	<u>49,197,493</u>
Total Depreciable Capital Assets	<u>69,280,519</u>	<u>425,991</u>	-	<u>69,706,510</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(2,495,904)	(430,416)	-	(2,926,320)
Machinery and Equipment	(2,204,956)	(218,959)	-	(2,423,915)
Distribution and Collection Systems	<u>(12,884,750)</u>	<u>(1,305,432)</u>	-	<u>(14,190,182)</u>
Total Accumulated Depreciation	<u>(17,585,610)</u>	<u>(1,954,807)</u>	-	<u>(19,540,417)</u>
Total Depreciable Capital Assets, Net	<u>51,694,909</u>	<u>(1,528,816)</u>	-	<u>50,166,093</u>
Total Capital Assets, Net	<u>\$ 55,210,725</u>	<u>\$ 2,785,688</u>	<u>\$ 45,870</u>	<u>\$ 58,042,283</u>

Depreciation Expense for Water/Sewer was \$1,883,727 for the year ended June 30, 2023.

Estimated useful lives used to compute depreciation are:

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

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

NOTE 6. FINANCED PURCHASES

On March 15, 2021, the City entered into an agreement for the purchase of a 2021 GMC Sierra for the police department. The agreement qualifies as a financed purchase for accounting purposes and therefore, has been recorded at the present value of future minimum payments. Payments will be made in quarterly installments of \$5,283 bearing interest at 4.644%. The agreement matured in fiscal 2023. Depreciation expense on the financed equipment for the year ended June 30, 2023 was \$5,991.

On June 28, 2021, the City entered into an agreement for the purchase of two 2021 Chevrolet Tahoe's for the police department. The agreement qualifies as a financed purchase for accounting purposes and therefore, has been recorded at the present value of future minimum payments. Payments will be made in quarterly installments of \$6,651 bearing interest at 4.517%. The agreement will mature in fiscal 2024. Depreciation expense on the financed equipment for the year ended June 30, 2023 was \$15,018.

On November 23, 2021, the City entered into an agreement for the purchase of one 2021 Chevrolet Tahoe for the police department. The agreement qualifies as a financed purchase for accounting purposes and therefore, has been recorded at the present value of future minimum payments. Payments will be made in quarterly installments of \$3,490 bearing interest at 4.77%. The agreement will mature in fiscal 2024. Depreciation expense on the financed equipment for the year ended June 30, 2023 was \$5,236.

The future minimum finance obligations and the net present value of those payments as of June 30, 2023 for the governmental financed purchases are as follows:

Year Ending June 30	
2024	\$ 39,196
2025	<u>3,490</u>
Total Minimum Finance Payments	42,686
Less Amount Representing Interest	<u>(1,170)</u>
Total	<u>\$ 41,516</u>

Assets under financed purchase agreements at year end and accumulated depreciation are as follows:

Governmental Activities:	
Police Vehicles	\$ 144,310
Less Accumulated Depreciation	<u>(47,254)</u>
Net Asset Value of Financed Assets	<u>\$ 97,056</u>

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

NOTE 7. LONG-TERM DEBT

Governmental Activities

Note Payable

In July 2020, the City entered into a loan agreement with Georgia Transportation Infrastructure Bank through the State Road and Tollway Authority for the West Skyline View road repair project. The amount borrowed was \$517,300 bearing interest at 1.56%. The monthly payment on the note is \$4,659. It is scheduled to mature in fiscal 2033.

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

Year Ending June 30	Principal	Interest	Total
2024	\$ 48,787	\$ 7,117	\$ 55,904
2025	49,573	6,331	55,904
2026	50,352	5,552	55,904
2027	51,143	4,761	55,904
2028	51,936	3,968	55,904
2029-2033	225,414	7,520	232,934
Totals	<u>\$ 477,205</u>	<u>\$ 35,249</u>	<u>\$ 512,454</u>

Business-type Activities

Refunding Revenue Bonds:

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

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

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

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

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

Year Ending June 30	Principal	Interest	Amortization of Bond Premium
2024	\$ 600,000	\$ 156,550	\$ 66,222
2025	610,000	138,550	58,608
2026	630,000	120,250	50,866
2027	650,000	101,350	42,872
2028	675,000	80,226	42,872
2029-2030	1,415,000	85,600	27,294
Total	<u>\$ 4,580,000</u>	<u>\$ 682,526</u>	<u>\$ 288,734</u>

Note Payable:

In December 2013 the City executed a note payable with the Georgia Environmental Finance Authority (GEFA) for wastewater treatment plant improvements. The loan closed in fiscal 2016 for \$18,294,186. Debt service on the loan began June 1, 2016 in the monthly amount of \$88,395 including interest calculated at 1.4%. At June 30, 2023, the City owed \$12,967,971 on the note.

In August 2018 the City executed a note payable with the GEFA for expansion of the Pumpkinvine Creek Water Pollution Control Plant. The loan closed in April 2022 for \$17,120,000. The agreement also included an Appalachian Regional Commission grant for an additional \$600,000 to be used on the expansion. Debt service on the loan began June 1, 2022 in the monthly amount of \$80,658 including interest calculated at 1.25%. At June 30, 2023 the City owed \$16,298,154 on the note.

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

Year Ending December 31	Principal	Interest	Total
2024	\$ 1,653,413	\$ 375,222	\$ 2,028,635
2025	1,675,543	353,092	2,028,635
2026	1,697,970	330,665	2,028,635
2027	1,720,699	307,936	2,028,635
2028	1,743,732	284,903	2,028,635
2029-2033	9,075,135	1,068,040	10,143,175
2034-2038	8,001,882	461,791	8,463,673
2039-2042	3,697,751	93,180	3,790,931
Totals	<u>\$29,266,125</u>	<u>\$3,274,829</u>	<u>\$32,540,954</u>

In July 2021 the City began drawing down a note payable with GEFA for sewer system improvements. The total amount approved for the loan is \$11,934,000. As of June 30, 2023, the City had drawn \$3,113,115 of the available funds. Upon completion the note will amortize over 30 years.

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

The City's long-term debt transactions for the year ended June 30, 2023 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 189,161	\$ 196,301	\$ (187,724)	\$ 197,738	\$ 187,724
Note Payable	517,300	-	(40,095)	477,205	48,787
Financed Purchases	89,279	-	(47,763)	41,516	38,067
Total Governmental Activities	\$ 795,740	\$ 196,301	\$ (275,582)	\$ 716,459	\$ 274,578
Business-type Activities:					
Compensated Absences	\$ 67,285	\$ 50,387	\$ (42,304)	\$ 75,368	\$ 42,304
Notes Payable	31,516,170	2,494,646	(1,631,576)	32,379,240	1,653,413
Bond Premium	362,252	-	(73,518)	288,734	66,222
Bond Payable	5,155,000	-	(575,000)	4,580,000	600,000
Total Business-type Activities	\$37,100,707	\$2,545,033	\$(2,322,398)	\$37,323,342	\$ 2,361,939

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

NOTE 8. PENSION PLAN

Plan Description

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

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

Funding Policy and Pension Cost

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

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section §47-20-10). According to the actuarial valuation dated January 1, 2022, the estimated minimum annual contribution under these funding standards is \$526,852. The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution. Since the City's policy is to pay the actuarial recommended contribution amount proposed by GMEBS in each year, the Plan will meet applicable funding standards. Under the same actuarial valuation, the recommended contribution to the plan for the year ended June 30, 2022 was \$478,816 (\$0 employee and \$478,816 employer), or 13.48% of annual covered payroll. The City's contribution to the Plan as of June 30, 2023 was \$550,930, which exceeded the recommended contribution for the year.

As of January 1, 2022 the plan membership includes the following categories of participants:

Retirees and beneficiaries currently receiving benefits	31
Inactive participants with vested rights	14
Vested active participants	41
Not vested participants	<u>38</u>
Total	<u>124</u>

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of January 1, 2022, along with the Total Pension Liability (TPL) and Fiduciary Net Position (FNP) used to calculate the NPL. These actuarial assumptions are based on the results of an actuarial measurement date of September 30, 2022.

Changes in Net Pension Liability

	(TPL) Total Pension Liability (a)	(FNP) Fiduciary Net Position (b)	(NPL) Net Position Liability (a) - (b)
Balances at September 30, 2021	\$ 8,213,452	\$ 6,255,960	\$ 1,957,492
Changes for the year:			
Service cost	204,892	-	204,892
Interest	603,632	-	603,632
Differences between expected and actual experience	326,902	-	326,902
Contributions- employer	-	543,569	(543,569)
Contributions- employees	-	-	-
Net Investment income	-	(1,033,536)	1,033,536
Benefit payments, including refunds of employee contributions	(467,005)	(467,005)	-
Administrative expense	-	(16,546)	16,546
Other	-	-	-
Net changes	<u>668,421</u>	<u>(973,518)</u>	<u>1,641,939</u>
Balances at September 30, 2022	<u>\$ 8,881,873</u>	<u>\$ 5,282,442</u>	<u>\$ 3,599,431</u>

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

Sensitivity of the NPL to Changes in Discount Rate

1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
\$ 4,704,185	\$ 3,599,431	\$ 2,679,368

Significant Actuarial Assumptions:

Actuarial Assumptions:

Net Investment Rate of Return	7.375% per year
Projected Salary Increase	2.25% plus service based merit increases
Inflation Rate	2.25%
Post Retirement Benefit Increase	N/A

Actuarial Methods:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed Level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 11 years
Asset Valuation Method	Sum of actuarial value at the beginning of the year and the cash flow during the year plus assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at year end. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Mortality Rate	Mortality assumptions are based on the results of an actuarial experience study for the period January 1, 2015 to June 30, 2019.

According to the January 1, 2022 actuarial report, the City recognized \$810,828 in pension expense for the June 30, 2023 reporting year.

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

The following table shows the recognized deferred outflows/inflows of resources related to the City's pensions plan as of June 30, 2023:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 734,710	\$ -
Changes of assumptions	151,096	-
Net differences between projected and actual earnings on pension plan investments	679,029	-
Deferred outflows after measurement date	395,139	-
Total as of June 30, 2023	\$ 1,959,974	\$ -

City contributions subsequent to the measurement date of \$395,139 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	
2024	\$446,914
2025	406,152
2026	303,376
2027	353,909
2028	54,484
Thereafter	-

Net Investment Return

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset collection as of March 31, 2022 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%	6.80%
Real Estate	10%	3.90%
Global Fixed Income	5%	0.46%
Domestic Fixed Income	20%	0.40%
Cash	<u>0%</u>	
	<u>100%</u>	

Plan termination basis: 3.13% (30 Treasury Securities Rate as of August 2022, published in September 2022; 1.92% last year)

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

NOTE 9. SPECIAL PURPOSE LOCAL OPTION SALES TAX

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

On November 08, 2022, Paulding County voters passed a continuation for a special one percent sales and use tax be imposed in Paulding County for a period of time not to exceed twenty-four calendar quarters. Actual collection of the tax began on April 1, 2023 and will be in effect until March 31, 2029. The City of Dallas' distributive share of the revenue is projected to be \$19,080,000 and used for public safety facilities capital outlay projects, road, street, and bridge capital outlay projects, recreational facilities capital outlay projects, municipal, city hall, or other public administration building and facilities capital outlay projects.

NOTE 10. RISK MANAGEMENT

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

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has joined with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for its property and liability insurance, and the Worker's Compensation Self-Insurance Fund (WCSIF) for injuries to employees. Both are public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

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

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

NOTE 11. RESTRICTED ASSETS AND RESTRICTED EQUITY

Restricted Assets

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

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

At June 30, 2023, the balances in the restricted cash accounts are as follows:

Governmental Activities:

Public Safety	\$ 296,865
American Rescue Plan	2,323,522
Capital Projects	<u>5,116,029</u>
Total Restricted Assets	<u>\$7,736,416</u>

Restricted Equity

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

Governmental Funds and Activities:

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

Restricted for Public Safety - Created to segregate money received from federal or state sources that restrict use for public safety purposes only.

NOTE 12. HOTEL MOTEL TAX

The City of Dallas levies a 5 percent hotel/motel tax. The City is required to distribute 2% to the Paulding County Chamber of Commerce and 3% back to the City for the purpose of promoting tourism. For the year ended June 30, 2023, the City recognized \$16,600 in Hotel/Motel tax revenue, \$4,690 in promotional expenditures, and transferred \$9,878 to the General Fund for operating purposes.

NOTE 13. POST-EMPLOYMENT HEALTH CARE BENEFITS

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

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

Contributions: As established by GMEBS, the City of Dallas OPEB Plan is maintained on a pre-funded basis, that is the annual contributions made by the City are based on an actuarially determined contribution rate. The City made no contributions to the plan for the year ended June 30, 2023. Active employees are not required to contribute to the fund.

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

At June 30, 2023, the City reported a net OPEB liability of \$557,610. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021.

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 233,211	\$ 65,285
Changes of assumptions	151,448	158,122
Net differences between projected and actual earnings on OPEB plan investments	-	98,470
Total	\$ 384,659	\$ 321,877

Funding Policy: The information provided for the City of Dallas' Other Post-employment Benefit Plan is based on an actuarial report with a measurement date of June 30, 2021.

Discount Rate: The discount rate used to measure the total OPEB liability at June 30, 2021 was 7.375%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Net OPEB Liability	\$ 693,410	\$ 557,610	\$ 439,122

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	\$ 406,021	\$ 557,610	\$ 738,679

The amortization of the City's deferred inflows and outflows were unavailable at the time the financial statements were issued.

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

CITY OF DALLAS, GEORGIA
Notes to the Financial Statements
June 30, 2023

NOTE 14. JOINT VENTURE

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

NOTE 15. CONSTRUCTION COMMITMENTS

The City's contracted construction commitments in progress as of June 30, 2023 are as follows:

Governmental Activities

At year end the City was under contract with two contractors for work related to phase II of the Battlefield Trail project that was in progress as of June 30, 2023. The contracts are valued at \$6,831,245 and total costs incurred as of June 30, 2023 were \$4,345,295.

At year end the City was under contract for work related to phase II of the Battlefield Trail Scoping Study that was in progress as of June 30, 2023. The contract is valued at \$98,100 and total costs incurred as of June 30, 2023 were \$22,021.

Business-type Activities

The City West Dallas Sewer Extension project was in progress at year end. This project is being funded by a loan the City acquired through Georgia Environmental Finance Authority. The City is under contract with two contractors on this project. The contracts are valued at \$13,013,852 and total costs incurred as of June 30, 2023 were \$3,419,198.

At year end the City was under contract for work related to phase I of the Downtown Water System Upgrade that was in progress at June 30, 2023. The contract is valued at \$80,400 with total costs incurred of \$29,702.

NOTE 16. RESTATEMENT OF BEGINNING EQUITY

Beginning net position for the governmental activities, business-type activities, governmental funds and enterprise funds were adjusted for activity that was related to another fiscal period.

An adjustment was made to increase the beginning fund balance in the General Fund for health insurance costs that should have been recorded as prepaid expenses as of June 30, 2022. The beginning fund balance was also increased in the General Fund to remove payables that were paid in prior fiscal periods. These adjustments increased the beginning fund balance in the General Fund and net position in the governmental activities by \$391,264.

Beginning fund balance in the E911 Special Revenue Fund was restated to account for unrecorded fiscal 2022 fund revenue. This adjustment increased the beginning fund balance in the E911 Special Revenue Fund and net position in the governmental activities by \$27,847.

The beginning net position was restated in the Water and Sewer Fund for expenses incurred in the prior fiscal period. Adjusting for these prior year payables decreased net position in the Water and Sewer Fund and the business-type activities by \$187,430.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2013
Total Pension Liability										
Service Cost	\$ 204,892	\$ 181,636	\$ 159,221	\$ 146,979	\$ 117,073	\$ 123,488	\$ 103,962	\$ 100,970	\$ 105,543	*
Interest	603,632	560,451	500,930	434,920	406,467	365,409	330,730	309,722	311,303	*
Benefit Changes	-	-	-	-	-	-	-	-	-	*
Differences Between Expected and Actual Experience	326,902	265,668	410,219	293,332	114,976	227,732	188,281	33,666	33,719	*
Changes of Assumptions	-	-	-	-	-	-	-	-	(296,941)	*
Benefit Payments, Including Refunds	(467,005)	(423,997)	(379,612)	(315,243)	(262,854)	(177,131)	(173,872)	(172,704)	(175,340)	*
Other	-	-	116,084	453,286	-	90,896	-	-	-	*
Net Change in Total Pension Liability	668,421	583,758	806,842	1,013,274	375,662	630,394	449,101	271,654	(21,716)	*
Total Pension Liability - Beginning	8,213,452	7,629,694	6,822,852	5,809,578	5,433,916	4,803,522	4,354,421	4,082,767	4,104,483	*
Total Pension Liability - Ending	\$8,881,873	\$8,213,452	\$7,629,694	\$6,822,852	\$5,809,578	\$5,433,916	\$4,803,522	\$4,354,421	\$4,082,767	*
Plan Net Position										
Contributions - Employer	\$ 543,569	\$ 401,760	\$ 313,068	\$ 326,688	\$ 245,367	\$ 231,992	\$ 220,416	\$ 266,499	\$ 267,755	*
Contributions - Member	-	-	-	-	-	-	-	-	-	*
Net Investment Income	(1,033,536)	1,232,106	451,425	138,023	414,403	543,326	358,415	31,198	308,529	*
Benefit Payments, Including Refunds	(467,005)	(423,997)	(379,612)	(315,243)	(262,854)	(177,131)	(173,872)	(172,704)	(175,340)	*
Administrative Expense	(16,449)	(16,094)	(16,934)	(14,542)	(14,975)	(15,795)	(9,011)	(10,120)	(8,051)	*
Other	-	-	-	-	-	-	-	-	-	*
Net Change in Plan Net Position	(973,421)	1,193,775	367,947	134,926	381,941	582,392	395,948	114,873	392,893	*
Plan Net Position - Beginning	6,255,950	5,062,185	4,694,238	4,559,312	4,177,371	3,594,979	3,199,031	3,084,158	2,691,265	*
Plan Net Position - Ending	\$5,282,539	\$6,255,950	\$5,062,185	\$4,694,238	\$4,559,312	\$4,177,371	\$3,594,979	\$3,199,031	\$3,084,158	*
Net Pension Liability - Ending	\$3,599,334	\$1,957,492	\$2,567,509	\$2,128,614	\$1,250,266	\$1,256,545	\$1,208,543	\$1,155,390	\$ 998,609	*
Total Pension Liability	\$8,881,873	\$8,213,452	\$7,629,694	\$6,822,852	\$5,809,578	\$5,433,916	\$4,803,522	\$4,354,421	\$4,082,767	*
Plan Net Position	5,282,539	6,255,950	5,062,185	4,694,238	4,559,312	4,177,371	3,594,979	3,199,031	3,084,158	*
Net Pension Liability	\$3,599,334	\$1,957,492	\$2,567,509	\$2,128,614	\$1,250,266	\$1,256,545	\$1,208,543	\$1,155,390	\$ 998,609	*
Ratio of Plan Net Position to Total Pension Liability	59.48%	76.17%	66.35%	68.80%	78.48%	76.88%	74.84%	73.47%	75.54%	*
Covered Employee Payroll	\$4,254,844	\$3,686,916	\$3,511,983	\$2,994,223	\$3,113,621	\$2,481,289	\$2,311,355	\$2,004,326	\$1,827,030	*
Net Pension Liability as a Percentage of Covered Employee Payroll	84.59%	53.09%	73.11%	71.09%	40.15%	50.64%	52.29%	57.64%	54.66%	*

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 526,852	\$ 478,816	\$ 401,760	\$ 326,577	\$ 294,052	\$ 261,811	\$ 222,052	\$ 219,871	\$282,041	*
Contributions in Relation to the Actuarially Determined Contribution	<u>550,930</u>	<u>478,816</u>	<u>401,760</u>	<u>326,577</u>	<u>294,052</u>	<u>261,811</u>	<u>222,052</u>	<u>219,871</u>	<u>282,041</u>	*
Contribution Deficiency (Excess)	<u>\$ 24,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	*
Covered Employee Payroll	\$3,686,916	\$3,511,983	\$2,994,223	\$3,113,621	\$2,481,289	\$2,311,355	\$2,004,326	1,827,030	*	*
Contributions As a Percentage of Covered Employee Payroll	14.94%	13.63%	13.42%	10.49%	11.85%	11.33%	11.08%	*	*	*

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

Notes to Schedule:

Methods and Assumptions Used to Determine Contribution Rates

Valuation Date:	The actuarially determined contribution rate was determined January 1, 2022 with an interest rate adjustment to the fiscal year.
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 11 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary to be within 20% of market value.
Cost of Living Adjustments	0.00%
Salary Increases	2.25% plus age and service based merit increases
Investment Rate of Return	7.375% net pension plan investment expense, including inflation
Retirement Age	Normal - 65-55; Early - 55
Mortality	The mortality and economic actuarial assumptions used in the January 2021 valuation were approved by the Board

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

	2023**	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB Liability										
Service Cost	\$ -	\$ 44,728	\$ 33,950	\$ 33,227	\$ 40,968	45,810	*	*	*	*
Interest	-	93,083	73,615	65,671	50,541	45,126	*	*	*	*
Benefit Changes	-	-	-	-	6,469	-	*	*	*	*
Differences Between Expected and Actual Experience	-	26,122	162,256	(104,457)	(49,017)	10,804	*	*	*	*
Changes of Assumptions	-	(1,295)	60,264	170,003	(49,254)	(51,820)	*	*	*	*
Benefit Payments, Including Refunds	-	(88,658)	(65,531)	(20,844)	(63,202)	(21,246)	*	*	*	*
Other	-	-	-	-	-	-	*	*	*	*
Net Change in Total OPEB Liability	-	73,980	264,554	143,600	(63,495)	28,674	*	*	*	*
Total OPEB Liability - Beginning	<u>1,334,939</u>	<u>1,260,959</u>	<u>996,405</u>	<u>852,805</u>	<u>916,300</u>	<u>887,626</u>	*	*	*	*
Total OPEB Liability - Ending	<u>\$ 1,334,939</u>	<u>\$ 1,334,939</u>	<u>\$ 1,260,959</u>	<u>\$ 996,405</u>	<u>\$ 852,805</u>	<u>\$ 916,300</u>	*	*	*	*
Plan Net Position										
Contributions - Employer	\$ -	\$ 153,186	\$ 42,553	\$ 82,469	\$ 42,553	\$ 39,916	*	*	*	*
Contributions - Member	-	-	-	-	-	-	*	*	*	*
Net Investment Income	-	178,591	21,919	30,027	41,544	54,426	*	*	*	*
Benefit Payments, Including Refunds	-	(88,658)	(65,531)	(20,844)	(63,202)	(21,246)	*	*	*	*
Administrative Expense	-	(380)	(1,288)	(1,212)	(432)	(767)	*	*	*	*
Other	-	-	-	-	-	-	*	*	*	*
Net Change in Plan Net Position	-	242,739	(2,347)	90,440	20,463	72,329	*	*	*	*
Plan Net Position - Beginning	<u>777,329</u>	<u>534,590</u>	<u>536,937</u>	<u>446,497</u>	<u>426,034</u>	<u>353,705</u>	*	*	*	*
Plan Net Position - Ending	<u>\$ 777,329</u>	<u>\$ 777,329</u>	<u>\$ 534,590</u>	<u>\$ 536,937</u>	<u>\$ 446,497</u>	<u>\$ 426,034</u>	*	*	*	*
Net OPEB Liability - Ending	<u>\$ 557,610</u>	<u>\$ 557,610</u>	<u>\$ 726,369</u>	<u>\$ 459,468</u>	<u>\$ 406,308</u>	<u>\$ 490,266</u>	*	*	*	*
Total OPEB Liability	<u>\$ 1,334,939</u>	<u>\$ 1,334,939</u>	<u>\$ 1,260,959</u>	<u>\$ 996,405</u>	<u>\$ 852,805</u>	<u>916,300</u>	*	*	*	*
Plan Net Position	<u>777,329</u>	<u>777,329</u>	<u>534,590</u>	<u>536,937</u>	<u>446,497</u>	<u>426,034</u>	*	*	*	*
Net OPEB Liability	<u>\$ 557,610</u>	<u>\$ 557,610</u>	<u>\$ 726,369</u>	<u>\$ 459,468</u>	<u>\$ 406,308</u>	<u>490,266</u>	*	*	*	*
Ratio of Plan Net Position to Total OPEB Liability	58.23%	58.23%	42.40%	53.89%	52.36%	46.50%	*	*	*	*
Covered Employee Payroll	**	\$ 2,994,447	\$ 2,928,555	\$ 2,352,538	\$ 2,289,575	\$ 2,004,326	*	*	*	*
Net OPEB Liability as a Percentage of Covered Employee Payroll	**	18.62%	24.80%	19.53%	17.75%	0.24460392	*	*	*	*

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

**Actuarial report not available as of issuance date of financial statements.

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

	2023**	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ -	\$ 112,451	\$ 77,722	\$ 68,080	\$ 42,553	39,916	*	*	*	*
Contributions in Relation to the Actuarially Determined Contribution	-	153,186	82,469	42,553	42,553	39,916	*	*	*	*
Contribution Deficiency (Excess)	\$ -	\$ (40,735)	\$ (4,747)	\$ 25,527	\$ -	\$ -	*	*	*	*
Covered Employee Payroll	\$ -	\$ 2,928,555	\$ 2,352,538	\$ 2,289,575	\$ 2,004,326	2,004,326	*	*	*	*
Contributions As a Percentage of Covered Employee Payroll	0.00%	5.23%	3.51%	1.86%	2.12%	*	*	*	*	*

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

**Actuarial report not available as of issuance date of financial statements.

OTHER SUPPLEMENTARY INFORMATION

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CITY OF DALLAS, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
2017 SPLOST Capital Projects - Budget and Actual
From Inception and for the Year Ended June 30, 2023

	Actual			Project Authorization
	Prior Years	Current Year	Total to Date	
REVENUES				
Intergovernmental	\$ 8,240,525	\$ 1,621,758	\$ 9,862,283	\$ 8,030,000
Total Revenues	<u>8,240,525</u>	<u>1,621,758</u>	<u>9,862,283</u>	<u>8,030,000</u>
EXPENDITURES				
Current				
General Government	234	-	234	234
Public Safety	402,317	27,688	430,005	430,005
Public Works	100,175	-	100,175	100,175
Parks	12,083	-	12,083	9,883
Marshal	8,455	-	8,455	8,455
Capital Outlays				
General Government	207,509	184,630	392,139	2,167,866
Public Safety	733,502	81,916	815,418	1,171,457
Public Works	1,101,640	121,418	1,223,058	2,067,925
Parks	1,872,462	1,058,735	2,931,197	1,997,617
Marshal	34,400	41,983	76,383	76,383
Total Expenditures	<u>4,472,777</u>	<u>1,516,370</u>	<u>5,989,147</u>	<u>8,030,000</u>
Excess of Revenues Over Expenditures	<u>3,767,748</u>	<u>105,388</u>	<u>3,873,136</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(4,155)</u>	<u>-</u>	<u>(4,155)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(4,155)</u>	<u>-</u>	<u>(4,155)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 3,763,593</u>	<u>105,388</u>	<u>\$ 3,868,981</u>	<u>\$ -</u>
Fund Balance - Beginning of Year		<u>3,763,593</u>		
Fund Balance - End of Year		<u>\$ 3,868,981</u>		

CITY OF DALLAS, GEORGIA
Schedule of Revenues, Expenditures, and Changes in Fund Balance
2023 SPLOST Capital Projects - Budget and Actual
From Inception and for the Year Ended June 30, 2023

	Actual			Project Authorization
	Prior Years	Current Year	Total to Date	
REVENUES				
Intergovernmental	\$ -	\$ 667,435	\$ 667,435	\$ 19,080,000
Total Revenues	<u>-</u>	<u>667,435</u>	<u>667,435</u>	<u>19,080,000</u>
EXPENDITURES				
Capital Outlays				
General Government	-	-	-	2,594,880
Public Safety	-	-	-	5,151,600
Public Works	-	-	-	5,151,600
Parks	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,181,920</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,080,000</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>667,435</u>	<u>667,435</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>667,435</u>	<u>\$ 667,435</u>	<u>\$ -</u>
Fund Balance - Beginning of Year		<u>-</u>		
Fund Balance - End of Year		<u>\$ 667,435</u>		

COMPLIANCE SECTION

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LLOYD WILLIAMSON
CHRISTIAN HATCH

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and Council of the
City of Dallas, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Dallas, Georgia, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the City of Dallas, Georgia's basic financial statements, and have issued our report thereon dated February 26, 2024.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

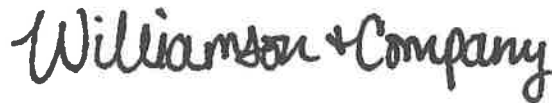
As part of obtaining reasonable assurance about whether the City of Dallas, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

Purpose of this Report

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

We noted certain matters that we reported to management of the City of Dallas in a separate letter dated February 26, 2024.

Williamson and Company
Certified Public Accountants
Cartersville, Georgia
February 26, 2024

A handwritten signature in black ink that reads "Williamson + Company". The signature is written in a cursive, flowing style.

CITY OF DALLAS, GEORGIA
Schedule of Special Purpose Local Option Sales Tax Expenditures
For the Year Ended June 30, 2023

SPLOST 2017

	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Roads and Streets	<u>\$ 2,168,100</u>	<u>\$ 2,168,100</u>	<u>\$ 1,141,848</u>	<u>\$ 121,418</u>	<u>\$ 1,263,266</u>
Other Projects					
Public Safety					
Facilities			29,427	-	29,427
Vehicles			293,055	123,899	416,954
Equipment			916,159	27,688	943,847
Total Public Safety	<u>1,686,300</u>	<u>1,686,300</u>	<u>1,238,641</u>	<u>151,587</u>	<u>1,390,228</u>
Recreation					
Facilities			107,573	-	107,573
Land and Improvements			1,583,009	997,830	2,580,839
Athletic Fields			-	-	-
Vehicles			-	47,915	47,915
Equipment			193,963	12,990	206,953
Total Recreation	<u>2,007,500</u>	<u>2,007,500</u>	<u>1,884,545</u>	<u>1,058,735</u>	<u>2,943,280</u>
Administration					
Buildings	<u>2,168,100</u>	<u>2,168,100</u>	<u>207,743</u>	<u>184,630</u>	<u>392,373</u>
Total For All Projects	<u>\$ 8,030,000</u>	<u>\$ 8,030,000</u>	<u>\$ 4,472,777</u>	<u>\$ 1,516,370</u>	<u>\$ 5,989,147</u>

SPLOST 2023

	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Roads and Streets	<u>\$ 5,151,600</u>	<u>\$ 5,151,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Projects					
Public Safety					
Facilities			-	-	-
Vehicles			-	-	-
Equipment			-	-	-
Total Public Safety	<u>5,151,600</u>	<u>5,151,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
Recreation					
Facilities			-	-	-
Land and Improvements			-	-	-
Athletic Fields			-	-	-
Equipment			-	-	-
Total Recreation	<u>6,181,920</u>	<u>6,181,920</u>	<u>-</u>	<u>-</u>	<u>-</u>
Administration					
Buildings			-	-	-
Facilities			-	-	-
Total Administration	<u>2,594,880</u>	<u>2,594,880</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total For All Projects	<u>\$ 19,080,000</u>	<u>\$ 19,080,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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