

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

Filing Date: **1999-07-27** | Period of Report: **1999-05-31**  
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### FILER

#### GEORGIA DAILY MUNICIPAL INCOME FUND INC

CIK: **1047482** | State of Incorporation: **MD** | Fiscal Year End: **1231**  
Type: **N-30D** | Act: **40** | File No.: **811-08425** | Film No.: **99670753**

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2128567000

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 GEORGIA  
 DAILY MUNICIPAL INCOME FUND, INC. 600 FIFTH AVENUE, NEW YORK, NY 10020  
 212-830-5200  
 =====

Dear Shareholder:

We are pleased to present the annual report of Georgia Daily Municipal Income Fund, Inc. for the period July 14, 1998 (Commencement of Operations) through May 31, 1999.

The Fund had net assets of \$6,822,631 and 40 active shareholder as of May 31, 1999.

Thank you for your support and we look forward to continuing to serve your cash management needs.

Sincerely,

\s\Steven W. Duff

Steven W. Duff  
 President

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 GEORGIA DAILY MUNICIPAL INCOME FUND, INC.  
 STATEMENT OF NET ASSETS  
 MAY 31, 1999  
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<TABLE>  
 <CAPTION>

Face Amount		Maturity Date	Yield	Value (Note 1)	Ratings (a)	
					Moody's	Standard & Poor's
Other Tax Exempt Investments (15.17%)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
\$ 150,000	Cobb County, GA School District	12/31/99	2.85%	\$ 150,529	MIG-1	
100,000	Cobb County, GA TAN	12/31/99	2.96	100,142	MIG-1	SP1+
100,000	Commonwealth of Puerto Rico, TRAN	07/30/99	2.83	100,104	MIG-1	SP1+
150,000	Fulton County, GA School District	12/31/99	2.98	150,186	MIG-1	
200,000	Gwinnett County, GA School District (Construction Sales Tax Notes)	12/31/99	3.10	200,366	MIG-1	
185,000	State of Georgia - Series B (b)	03/01/00	3.01	188,177		
145,000	State of Georgia - Series D	08/01/99	3.43	145,765	Aaa	AAA
-----				-----		
1,030,000	Total Other Tax Exempt Investments			1,035,269		
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<CAPTION>

Other Variable Rate Demand Instruments (c) (71.89%)

<S>	<C>	<C>	<C>	<C>	<C>	<C>
\$ 300,000	Atlanta, GA Urban Residential Finance Authority MHRB (Parcel 25, Project A) LOC First Union National Bank	12/01/14	3.35%	\$ 300,000		A1
440,000	Baldwin County, GA IDA (Williams Barnet And Sons Project) LOC Fleet National Bank	12/01/99	3.72	440,000		A1
100,000	Bartow County, GA Development Authority PCR (Georgia Power Company Plant)	06/01/23	3.35	100,000	VMIG-1	
200,000	Bartow County, GA Development Authority PCR (Georgia Power Company Plant)	03/01/25	3.50	200,000	VMIG-1	A1
100,000	Brunswick & Glynn County, GA IDA (Coastal Sleeve Label Project) (b) LOC NationsBank	07/01/10	3.35	100,000		
200,000	Burke County, GA PCR (Georgia Power Company Plant V)	07/01/24	3.40	200,000	VMIG-1	A1
100,000	Burke County, GA PCR (Georgia Power Company Vogtle) 2nd Series	04/01/25	3.40	100,000	VMIG-1	A1
260,000	Clayton County, GA Housing Authority MHRB (Chateau Forest Apartments - E) Insured by FSA	01/01/21	3.30	260,000	VMIG-1	A1+
400,000	Cobb County Housing Authority, GA MHRB (Greenhouse Frey Apartments Project) Guaranteed by Federal National Mortgage Association	09/15/26	3.40	400,000		A1+
400,000	Dekalb County, GA Development Authority IDRB (Pet Inc. Project) LOC Credit Suisse First Boston	02/01/04	3.30	400,000	P1	
250,000	County of DeKalb, GA Housing Authority MHRB (Wood Hills Apartments) LOC Bank of Montreal	12/01/07	3.30	250,000		A1+

</TABLE>

See Notes to Financial Statements.

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<TABLE>  
<CAPTION>

Face Amount	Maturity Date	Yield	Value (Note 1)	Ratings (a)	
				Moody's	Standard & Poor's
Other Variable Rate Demand Instruments (Continued)					
<S>	<C>	<C>	<C>	<C>	<C>
\$ 300,000	Development Authority Of Monroe County (Georgia Power Company) Series- 1995	07/01/25	3.40%	\$ 300,000	P1 A1
100,000	Floyd County, GA Development Authority (Georgia Kraft Company Project) LOC Banque Nationale de Paris	12/01/15	3.45	100,000	P1
150,000	Fulco, GA Hospital Authority RB (Shepherd Center, Inc. Project) LOC Wachovia Bank, N.A.	09/01/17	3.15	150,000	A1+
100,000	Glynn-Brunswick Memorial Hospital (Southeast GA Health Systems) Insured by MBIA Insurance Corp.	08/01/16	3.15	100,000	VMIG-1 A1
200,000	Gwinnett County Georgia Hospital (Gwinnet Hospital System Incorporated) Insured by MBIA Insurance Corp.	09/01/27	3.40	200,000	A1+
255,000	Macon-Bibb County, GA Hospital Authority RB (Medical Center of Central Georgia) LOC Suntrust Bank	04/01/07	3.30	255,000	VMIG-1
100,000	Municipal Electric Authority of Georgia (General Resolution Projects) LOC Bayerische Landesbank	03/01/20	3.30	100,000	VMIG-1 A1+
150,000	Municipal Electric Authority of Georgia (General Resolution Projects) LOC Landesbank Hessen	06/01/20	3.20	150,000	VMIG-1 A1+
150,000	Municipal Electric Authority of Georgia (General Resolution Projects) LOC ABN AMRO Bank N.V.	01/01/26	3.30	150,000	VMIG-1 A1+
300,000	Municipal Gas Authority of Georgia RB - Series A LOC Credit Suisse First Boston/Morgan Guaranty Trust Company /Wachovia Bank, N.A./ABN AMRO Bank, N.V./Bayerische Landesbank	11/01/06	3.15	300,000	A1+
150,000	Richmond County Development Authority Solid Waste RB (Evergreen Nylon Recycling) LOC Banque Nationale de Paris	07/01/32	3.30	150,000	P1 A1
100,000	Savannah, GA EDA (Kaolin Company) LOC NationsBank	07/01/27	3.35	100,000	A1+
100,000	Savannah Port Authority (Pier 1 Imports) LOC Bank One, TX	12/01/26	3.50	100,000	A1
4,905,000	Total Other Variable Rate Demand Instruments			4,905,000	

<CAPTION>  
Put Bond (3.23%)

<S>	<C>	<C>	<C>	<C>	<C>	<C>
\$ 220,000	Puerto Rico Industrial, Medical & Environmental RB (Abbott Laboratories Project)	03/01/00	2.90%	\$ 220,000	Aa1	AAA
220,000	Total Put Bond			220,000		

See Notes to Financial Statements.

GEORGIA DAILY MUNICIPAL INCOME FUND, INC.  
STATEMENT OF NET ASSETS (CONTINUED)  
MAY 31, 1999

Face Amount	Maturity Date	Yield	Value (Note 1)	Ratings (a)		
				Moody's & Poor's	Standard	
Tax Exempt Commercial Paper (8.06%)						
\$ 400,000	Development Authority of Burke County, GA (Ogelthorpe Power 1998B)	06/23/99	3.35%	\$ 400,000	VMIG-1	A1+
150,000	Insured by AMBAC Indemnity Corp. Puerto Rico Government Development Bank	06/02/99	3.30	150,000		A1+
550,000	Total Tax Exempt Commercial Paper			550,000		
	Total Investments (98.35%) (Cost \$6,710,269+)			6,710,269		
	Cash and Other Assets, Net of Liabilities (1.65%)			112,362		
	Net Assets (100.00%)			\$6,822,631		
	Net Asset Value, offering and redemption price per share:					
	Class A Shares, 6,582,669 Shares Outstanding (Note 3)			\$ 1.00		
	Class B Shares, 239,962 Shares Outstanding (Note 3)			\$ 1.00		
+ Aggregate cost for federal income tax purposes is identical.						

FOOTNOTES:

- (a) Unless the variable rate demand instruments are assigned their own ratings, the ratings are those of the holding company of the bank whose letter of credit guarantees the issue or the insurance company who insures the issue. All letters of credit and insurance are irrevocable and direct pay covering both principal and interest. Certain issuers have either a line of credit, a liquidity facility, a standby purchase agreement or some other financing mechanism to ensure the remarketing of the securities. This is not a guarantee and does not serve to insure or collateralize the issue.
- (b) Securities that are not rated have been determined by the Fund's Board of Directors to be of comparable quality to the rated securities in which the Fund may invest.
- (c) Securities payable on demand at par including accrued interest (usually with seven days notice) and where indicated are unconditionally secured as to principal and interest by a bank letter of credit. The interest rates are adjustable and are based on bank prime rates or other interest rate adjustment indices. The rate shown is the rate in effect at the date of this statement.

<TABLE>  
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>
EDA	=	Economic Development Authority	MHRB	=	Multi-family Housing Revenue Bond
FSA	=	Financial Security Assurance	PCR	=	Pollution Control Revenue
IDA	=	Industrial Development Authority	RB	=	Revenue Bond
IDRB	=	Industrial Development Revenue Bond	TAN	=	Tax Anticipation Note

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 See Notes to Financial Statements.

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 GEORGIA DAILY MUNICIPAL INCOME FUND, INC.  
 STATEMENT OF OPERATIONS  
 JULY 14, 1998 (COMMENCEMENT OF OPERATIONS) THROUGH MAY 31, 1999  
 =====

<TABLE>  
 <CAPTION>

INVESTMENT INCOME

<S>	<C>
Income:	
Interest.....	\$ 108,385
	-----
Expenses: (Note 2)	
Investment management fee.....	13,426
Administration fee.....	7,049
Shareholder servicing fee (Class A).....	8,205
Custodian expenses.....	1,042
Shareholder servicing and related shareholder expenses.....	800
Legal, compliance and filing fees.....	12,959
Audit and accounting.....	49,043
Directors' fees.....	6,183
Other.....	1,140
	-----
Total expenses.....	99,847
Less: Fees waived (Note 2).....	( 20,475)
Expenses paid indirectly (Note 2).....	( 1,250)
Expenses reimbursed (Note 2).....	( 53,134)
	-----
Net expenses.....	24,988
	-----
Net investment income.....	83,397

<CAPTION>  
 REALIZED GAIN (LOSS) ON INVESTMENTS

<S>	<C>
Net realized gain (loss) on investments.....	-0-
	-----
Increase in net assets from operations.....	\$ 83,397
	=====

</TABLE>

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 See Notes to Financial Statements.

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 GEORGIA DAILY MUNICIPAL INCOME FUND, INC.  
 STATEMENT OF CHANGES IN NET ASSETS  
 JULY 14, 1998 (COMMENCEMENT OF OPERATIONS) THROUGH MAY 31, 1999  
 =====

<TABLE>  
 <CAPTION>

INCREASE (DECREASE) IN NET ASSETS

<S>	<C>
Operations:	
Net investment income.....	\$ 83,397
Net realized gain (loss) on investments.....	-0-
	-----
Increase in net assets from operations.....	83,397
Dividends to shareholders from net investment income:	
Class A.....	( 81,415) *
Class B.....	( 1,982) *
Capital share transactions (Note 3)	
Class A.....	6,482,669
Class B.....	239,962
	-----
Total increase (decrease).....	6,722,631
Net assets:	
Beginning of period.....	100,000
	-----
End of period.....	\$ 6,822,631
	=====

\* Designated as exempt-interest dividends for federal income tax purposes.

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 See Notes to Financial Statements.  
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GEORGIA DAILY MUNICIPAL INCOME FUND, INC.  
 NOTES TO FINANCIAL STATEMENTS  
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1. Summary of Accounting Policies.

Georgia Daily Municipal Income Fund, Inc. is a no-load, non-diversified, open-end management investment company registered under the Investment Company Act of 1940. This Fund is a short term, tax exempt money market fund. The Fund has two classes of stock authorized, Class A and Class B. The Class A shares are subject to a service fee pursuant to the Distribution and Service Plan. The Class B shares are not subject to a service fee. Additionally, the Fund may allocate among its classes certain expenses to the extent allowable to specific classes, including transfer agent fees, government registration fees, certain printing and postage costs, and administrative and legal expenses. Class specific expenses of the Fund were limited to shareholder servicing fees and transfer agent expenses. In all other respects the Class A and Class B shares represent the same interest in the income and assets of the Fund. The Fund's financial statements are prepared in accordance with generally accepted accounting principles for investment companies as follows:

a) Valuation of Securities -

Investments are valued at amortized cost. Under this valuation method, a portfolio instrument is valued at cost and any discount or premium is amortized on a constant basis to the maturity of the instrument. The maturity of variable rate demand instruments is deemed to be the longer of the period required before the Fund is entitled to receive payment of the principal amount or the period remaining until the next interest rate adjustment.

b) Federal Income Taxes -

It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its tax exempt and taxable income to its shareholders. Therefore, no

provision for federal income tax is required.

c) Dividends and Distributions -

Dividends from investment income (excluding capital gains and losses, if any, and amortization of market discount) are declared daily and paid monthly. Distributions of net capital gains, if any, realized on sales of investments are made after the close of the Fund's fiscal year, as declared by the Fund's Board of Directors.

d) Use of Estimates -

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

e) General -

Securities transactions are recorded on a trade date basis. Interest income is accrued as earned. Realized gains and losses from securities transactions are recorded on the identified cost basis.

2. Investment Management Fees and Other Transactions with Affiliates.

Under the Investment Management Contract, the Fund pays an investment management fee to Reich & Tang Asset Management L.P. (Manager), equal to .40% of the Fund's average daily net assets.

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GEORGIA DAILY MUNICIPAL INCOME FUND, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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2. Investment Management Fees and Other Transactions with Affiliates  
(Continued).

Pursuant to an Administrative Services Contract the Fund pays to the Manager an annual fee of .21% of the Fund's average daily net assets.

Pursuant to the Distribution and Service Plan adopted under Securities and Exchange Commission Rule 12b-1, the Fund and Reich & Tang Distributors, Inc., (the Distributor), an affiliate of the Manager, have entered into a Distribution Agreement and a Shareholder Servicing Agreement, only with respect to its Class A shares. For its services under the Shareholder Servicing Agreement, the Distributor receives from the Fund, only with respect to its Class A shares, a service fee equal to .25% of the Fund's average daily net assets.

For the period ended May 31, 1999 the Manager voluntarily waived investment management fees and administration fees of \$13,426 and \$7,049, respectively. In addition, although not required to do so, the Manager has agreed to reimburse expenses amounting to \$53,134.

Included in the Statement of Operations under the caption "Custodian expenses" are expense offsets of \$1,250.

Fees are paid to Trustees who are unaffiliated with the Manager on the basis of \$1,000 per annum plus \$250 per meeting attended.

3. Capital Stock.

At May 31, 1999, 20,000,000,000 of shares of \$.001 par stock were authorized and capital paid in amounted to \$6,822,631. Transactions in capital stock, all at \$1.00 per share, were as follows:

<TABLE>  
<CAPTION>

Class A	July 14, 1998
-----	(Commencement of Operations) through
	May 31, 1999
	-----
<S>	<C>
Sold.....	11,405,269
Issued on reinvestment of dividends....	74,457
Redeemed.....	( 4,997,057)
	-----
Net increase (decrease).....	6,482,669

<CAPTION>

January 14, 1999  
(Commencement of Sales) through  
May 31, 1999

Class B	
<S>	<C>
Sold.....	1,882,375
Issued on reinvestment of dividends....	1,626
Redeemed.....	( 1,644,039)
	-----
Net increase (decrease).....	239,962
	=====

</TABLE>

4. Concentration of Credit Risk.

The Fund invests primarily in obligations of political subdivisions of the State of Georgia and, accordingly, is subject to the credit risk associated with the non-performance of such issuers. Approximately 45% of these investments are further secured, as to principal and interest, by letters of credit issued by financial institutions. The Fund maintains a policy of monitoring its exposure by reviewing the credit worthiness of the issuers, as well as that of the financial institutions issuing the letters of credit, and by limiting the amount of holdings with letters of credit from one financial institution.

<TABLE>

<CAPTION>

5. Financial Highlights.

Class A	July 14, 1998 (Commencement of Operations) May 31, 1999
<S>	<C>
Per Share Operating Performance:	
(for a share outstanding throughout the period)	
Net asset value, beginning of period.....	\$ 1.00
	-----
Income from investment operations:	
Net investment income.....	0.022
Less distributions:	
Dividends from net investment income.....	( 0.022 )
	-----
Net asset value, end of period.....	\$ 1.00
	=====
Total Return.....	2.50%*
Ratios/Supplemental Data	
Net assets, end of period (000).....	\$ 6,583
Ratios to average net assets:	
Expenses (net of fees waived and expenses reimbursed)+...	0.79%*
Net investment income.....	2.48%*
Management and administration fees waived.....	0.61%*
Expenses reimbursed.....	1.58%*
Expense offsets.....	0.04%*

\* Annualized

+ Includes expense offsets.

</TABLE>

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<TABLE>  
<CAPTION>  
5. Financial Highlights. (Continued)

Class B -----	January 14, 1999 (Commencement of Sales)	May 31, 1999 -----
<S>	<C>	
Per Share Operating Performance: (for a share outstanding throughout the period)		
Net asset value, beginning of period.....	\$	1.00
		-----
Income from investment operations:		
Net investment income.....		0.009
Less distributions:		
Dividends from net investment income.....	(	0.009 )
		-----
Net asset value, end of period.....	\$	1.00
		=====
Total Return.....		2.47%*
Ratios/Supplemental Data		
Net assets, end of period (000).....	\$	240
Ratios to average net assets:		
Expenses (net of fees waived and expenses reimbursed)+...		0.54%*
Net investment income.....		2.66%*
Management and administration fees waived.....		0.61%*
Expenses reimbursed.....		1.58%*
Expense offsets.....		0.04%*
* Annualized		
+ Includes expense offsets.		

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GEORGIA DAILY MUNICIPAL INCOME FUND, INC.  
INDEPENDENT AUDITOR'S REPORT  
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The Board of Directors and Shareholders  
Georgia Daily Municipal Income Fund, Inc.

We have audited the accompanying statement of net assets of Georgia Daily Municipal Income Fund, Inc. as of May 31, 1999, and the related statements of operations, the statement of changes in net assets and the financial highlights for the period from July 14, 1998 (Commencement of Operations) through May 31, 1999. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of May 31, 1999, by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Georgia Daily Municipal Income Fund, Inc. as of May 31, 1999, the results of its operations, the changes in its net assets and the financial highlights for the period from July 14, 1998 through May 31, 1999, in conformity with generally accepted accounting principles.

New York, New York  
June 28, 1999

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GEORGIA  
DAILY  
MUNICIPAL  
INCOME  
FUND, INC.

Annual Report  
May 31, 1999

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This report is submitted for the general information of the shareholders of the Fund. It is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective prospectus, which includes information regarding the Fund's objectives and policies, experience of its management, marketability of shares, and other information.

Georgia Daily Municipal Income Fund, Inc.  
600 Fifth Avenue  
New York, New York 10020

Manager  
Reich & Tang Asset Management L.P.  
600 Fifth Avenue  
New York, New York 10020

Custodian  
Investors Fiduciary Trust Company  
801 Pennsylvania  
Kansas City, Missouri 64105

Transfer Agent &  
Dividend Disbursing Agent  
Reich & Tang Services, Inc.  
600 Fifth Avenue  
New York, New York 10020

GA599A

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