City of Dawsonville, Georgia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2015

Submitted by:

Bonnie Warne

City Clerk

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INTRODUCTORY SECTION

CITY OF DAWSONVILLE GEORGIA

EST. 1859

CELEBRATING 150 YEARS

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CITY OF DAWSONVILLE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Fiscal Year Ended June 30, 2015

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W. James Grogan
Mayor

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Fax (706) 265-4214
www.dawsonville-ga.gov

November 16, 2015

To the Honorable Mayor, Members of the City Council
and Citizens of the City of Dawsonville:

It is our pleasure to present the Comprehensive Annual Financial Report of the City of Dawsonville for the fiscal year ended June 30, 2015 to the Mayor, the City Council, and the citizens of Dawsonville. Georgia Code requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements.

Within this report management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Georgia Code requires an annual audit by independent certified public accountants. The City selected Alexander, Almand & Bangs, LLP to perform the annual independent financial statement audit for fiscal year 2015. The audit issued an unmodified opinion for the 2015 fiscal year which is included within this document.

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

Profile of the Government

The City of Dawsonville, the county seat of Dawson County, is located in the foothills of the Northeast Georgia Mountains, approximately 50 miles northeast of Atlanta. Dawsonville was incorporated December 10, 1859 and was named after William C. Dawson, a compiler of the laws of Georgia and commander of a brigade in the Creek Indian War of 1836. Dawson also served in both houses of the state legislature and in Congress before the Civil War.

The government of the City of Dawsonville is vested in a City Council composed of a mayor and four council members. Each member serves a four year term of office and there are no limits on the amount of terms they may serve. The City has the authority to levy property tax on both real and personal property located within its boundaries.

The City provides many services including water and sewer utility services, solid waste collection, cemetery services, maintenance of highways and streets, planning and zoning, recreational facilities, and tourism event sponsorship.

The Downtown Development Authority of Dawsonville (DDA), a legally separate entity, was created by the City in 1996 to stimulate and sustain economic development in Downtown Dawsonville. The DDA works closely with downtown businesses and city leaders to ensure continued growth and investment into the downtown area while protecting our history and providing for the future.

The City of Dawsonville develops and adopts a balanced budget for each fiscal year. The City Clerk develops this document which is submitted to the Mayor and City Council for adoption. The City includes all governmental funds (General, SPLOST, and Hotel/Motel Tax), enterprise funds (Water/Sewage, and Solid Waste), and component units (Dawsonville Downtown Development Authority) in its budgeting process. Each fund is budgeted at the line item level but monitored at the legal level of control which is at the department level. The legal level of control is the level at which the budget must be balanced.

Local Economy

The economy within the City of Dawsonville has seen a gradual improvement from previous years.

Dawsonville is the only municipality located in Dawson County, situated in Northeast Georgia on two major state highways, Highway 53 and Highway 9, with Highway 400 in the County that opens a gateway for the Atlanta suburbs to expand north. This has been a major contributor to the growth of this community.

North Georgia Premium Outlet Mall is the largest employer in the County employing 1,000 to 1,200 employees, and Gold Creek Foods located in the City comes in second employing 600 employees.

The 2010 U.S. Census showed the City of Dawsonville grew more than 139% between 2000 and 2010, from 1,059 residents to 2,536. This population growth continues to impact all levels of service needs.

The housing and banking crisis, which halted the development within the City in 2011, has improved and developers resumed construction resulting in an increase in building permits over the past 3 years.

Farmington Woods has completed construction and opened their 74 unit apartments. The Assisted Living Center has completed construction and opened and will house 25 beds.

The City does not levy ad valorem taxes presently and historically. The City has maintained adequate revenue streams necessary for service delivery without the assessment of a City property tax.

	Labor Force Data (Dawson County)		Building Permits (City)		Population	
	Employed	Unemployment Rate	Residential	Commercial	Dawsonville	Dawson County
2014	10,171	5.8%	26	74	2,536	22,957
2013	11,344	6.7%	15	82	2,466	22,686
2012	11,397	7.7%	15	81	2,255	22,422
2011	11,306	9.0%	3	80	2,275	22,226
2010	11,367	9.8%	14	84	2,536	22,330

Long-term Financial Planning

Unassigned fund balance in the General Fund is $ 2,201,835 to provide cash flow throughout the year and as a buffer against unforeseen events.

The Enterprise Fund consolidated seven water and sewer loans into a $4.675 Series 2014 Bond. A Capital Improvement Plan has been set up that consists of the water and sewer tap revenue to cover improvements made to the water and sewer infrastructure.

On November 4, 2014 Dawson County citizens approved the continuation of the Special Purpose Local Option Sales Tax (SPLOST). SPLOST VI collections will begin in July 2015 and continue until June 2021. SPLOST VI will not be pre-funded. Therefore, the Mayor and City Council will determine the project priority for SPLOST VI.

Relevant Financial Policies

In March of 2014, Standard and Poor's assigned a credit rating of "AA" (stable) to the City.

The Council adopted a Financial Policy Manual as a guide to the management of the finances of the City on May 5, 2014 and amended August 3, 2015. These policies address fund balances, the use of one-time revenues, issuance of debt, purchasing and procurement, cash and investment management, accounting practices, and

water and sewer billing. These policies were designed to provide assurance that the City is able to meet its fiduciary responsibility to its citizens. The Council reviews and updates these policies on an ongoing basis.

Major Initiatives

The City, through the DDA, purchased a 14.2 acre tract of property behind City Hall to create Main Street Park.

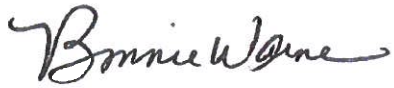
Awards and Acknowledgements

The Governmental Finance Officers Association's (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dawsonville for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the first year that the City of Dawsonville government achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must to publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievements Programs' requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the CAFR has been accomplished through the dedicated efforts of the entire staff assisting the City Clerk in conjunction with the external audit firm Alexander, Almand & Bangs, LLP. Appreciation is also expressed to the Mayor and Council for their support and providing the resources needed to deliver quality services for Dawsonville's citizens.

Respectfully submitted,



Bonnie Warne
City Clerk

CITY OF DAWSONVILLE, GEORGIA
OFFICIALS AND ADMINISTRATION
as of June 30, 2015

ELECTED OFFICIALS

Mayor.....W. James Grogan
Mayor Pro-Tem.....Angie Smith

Council Member.....Caleb Phillips
Council Member.....Jason Power
Council Member.....Angie Smith
Council Member.....Mike Sosebee

APPOINTED OFFICIALS

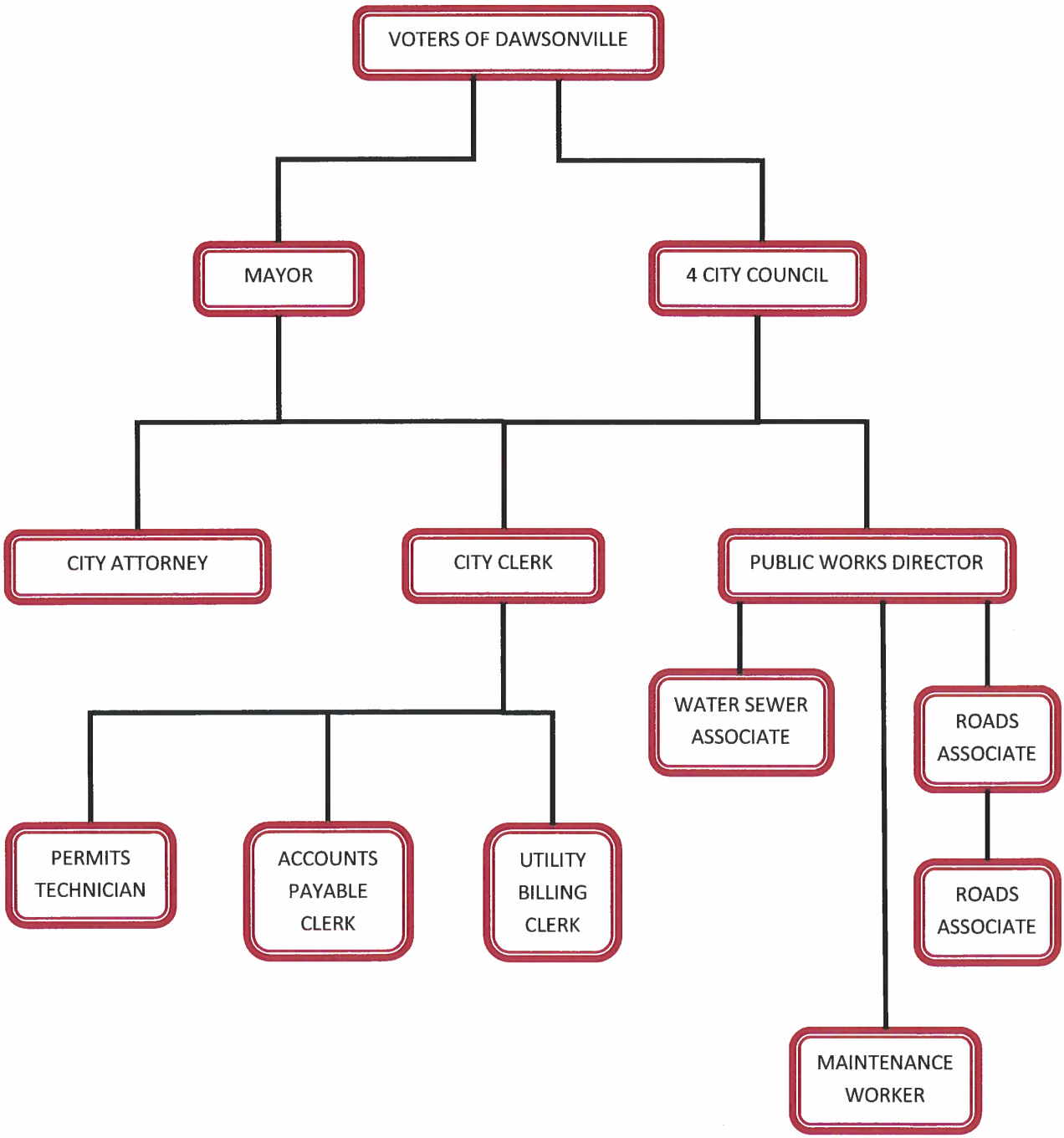
City Clerk.....Bonnie Warne
City Attorney.....Dana Miles

ADMINISTRATION

Public Works Director.....Gary Barr

CITY OF DAWSONVILLE, GEORGIA
ORGANIZATION CHART

2015 CITY OF DAWSONVILLE ORGANIZATIONAL CHART



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dawsonville Georgia

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL SECTION

CITY OF DAWSONVILLE GEORGIA

EST. 1859

CELEBRATING 150 YEARS

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Dawsonville
Dawsonville, Georgia

Report on the Financial Statements

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 Dawsonville, Georgia as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dawsonville, Georgia as of June 30, 2015, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Members of: The Georgia Society of Certified Public Accountants • The American Institute of Certified Public Accountants

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 3 through 10 and the required Defined Benefit Retirement Plan Pension Schedules on pages 44 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dawsonville, Georgia's basic financial statements. The introductory section, combining and individual non-major fund financial statements, the Schedule of Projects Constructed with Special Sales Tax Proceeds, the Schedules of Functional Allocations for the Water, Sewer and Sanitation fund, the Schedule of Revenues, Expenses and Changes in Net Position budget and actual for the Water, Sewer and Sanitation fund and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, the Schedule of Projects Constructed with Special Sales Tax Proceeds, the Schedules of Functional Allocations for the Water, Sewer and Sanitation fund and the Schedule of Revenues, Expenses and Changes in Net Position budget versus actual for the Water, Sewer and Garbage fund 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 additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the Schedule of Projects Constructed with Special Sales Tax Proceeds, the Schedules of Functional Allocations for the Water, Sewer and Garbage fund, and the Schedule of Revenues, Expenses and Changes in Net Position budget versus actual for the Water, Sewer and Garbage fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 16, 2015, on our consideration of the City of Dawsonville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dawsonville, Georgia's internal control over financial reporting and compliance.

Alexander, Almand & Bangs, LLP
Gainesville, Georgia
November 16, 2015

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W. James Grogan
Mayor

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Dawsonville (the "City") provides this Management Discussion and Analysis as prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB 34). This narrative overview and analysis of the City of Dawsonville's financial activities is for the fiscal years ending June 30, 2015 and 2014. Please consider this information in conjunction with the accompanying Basic Financial Statements.

FINANCIAL HIGHLIGHTS

Financial highlights of the year include the following:

- The assets of the City of Dawsonville exceeded its liabilities at the close of the year ending June 30, 2015 by $ 12,580,083 (net position).
- The City's net position increased by $ 395,467 for the year ending June 30, 2015 from the prior year. Of this amount, an increase of $ 333,362 was associated with governmental activities and an increase of $ 62,105 with business-type activities. In the government activities, the City continued progress on installation of sidewalks funded through SPLOST IV contributions.
- The City's net investment in capital assets, decreased $ 86,797 or 1% for the year ending June 30, 2015.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Dawsonville's basic financial statements. The City's basic financial statements include three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. These components are described below:

Government-wide financial statements
The government-wide financial statements are designed to provide readers with a broad overview of the City of Dawsonville's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the city's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position combines and consolidates governmental funds' current financial resources with capital assets and long-term obligations.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Dawsonville include general government, public safety, highways and streets and other charges. The major business-type activity of the City includes the water and sewer system.

The government-wide financial statements include a legally separate Dawsonville Downtown Development Authority, a component unit of the City. Financial information for the component unit is blended into the City's financial statements.

Fund financial statements
A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Dawsonville can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. These funds also include the blended component unit.

Governmental funds
Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains four governmental funds – the general fund, a capital projects fund, DDA special revenue fund, and a hotel-motel tax special revenue fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The general fund is considered a major fund, while capital projects funds, cemetery fund, DDA fund, and the hotel-motel tax fund are considered non-major governmental funds.

The City of Dawsonville adopted a full year budget for the period ending June 30, 2015 for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

Proprietary funds
The City of Dawsonville maintains one proprietary enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in the proprietary statement of net position and the proprietary statement of revenues, expense and changes in net position for the water, sewer and sanitation fund, which is considered a major proprietary fund.

Permanent Funds
Permanent funds account for resources that are legally restricted to allow the earnings (and not the principle) to be used to support the governments programs such as cemeteries, libraries, parks and scholarships.

Notes to the financial statements
Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in government-wide and the fund financial statements. The notes can be found immediately following the fund financial statements.

Other information

Required supplementary information is reported in addition to the basic financial statements and accompanying notes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

At June 30, 2015, the City's assets exceeded liabilities by $ 12,580,083. By far the largest portion of the City's net position reflects its net investment in capital assets, less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens and they are not available for future spending. Although the investment in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

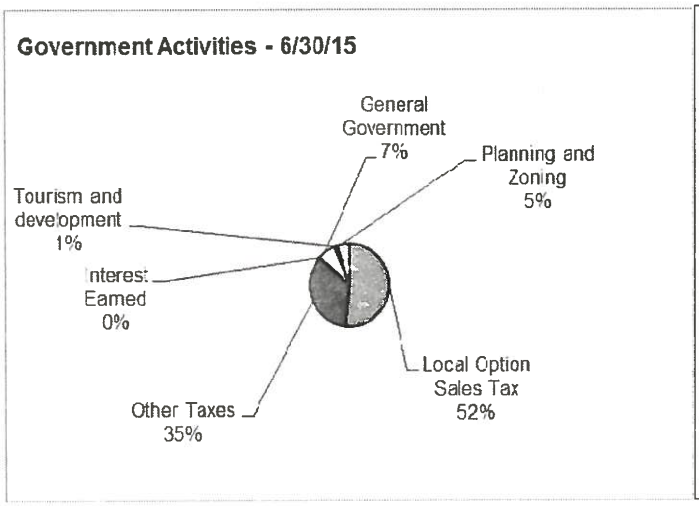
City of Dawsonville's Net Position

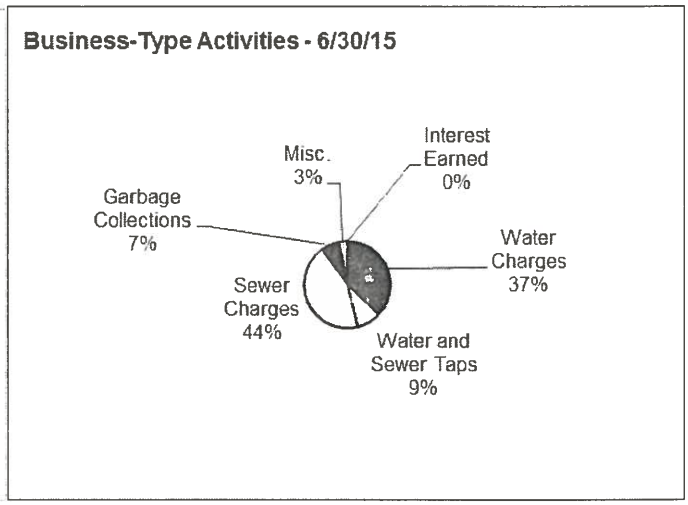
	Total 6/30/2015	Total 6/30/2014	Govt'l Activities 06/30/15	Govt'l Activities 06/30/14	Business Type Activities 06/30/15	Business Type Activities 06/30/14
Current assets	$ 4,684,436	$ 4,183,569	$ 2,501,141	$ 2,196,798	$ 2,183,295	$ 1,986,771
Capital assets	14,575,441	14,464,410	4,506,510	4,066,551	10,068,931	10,397,859
Total assets	19,259,877	18,647,979	7,007,651	6,263,349	12,252,226	12,384,630
Deferred outflows of resources	9,452	-	4,726	-	4,726	-
Long-term liabilities	6,050,772	5,787,656	1,764,202	1,337,797	4,286,570	4,449,859
Other current liabilities	629,230	614,289	216,011	200,663	413,219	413,626
Total liabilities	6,680,002	6,401,945	1,980,213	1,538,460	4,699,789	4,863,485
Deferred inflows of resources	9,244	-	4,622	-	4,622	-
Net position:						
Net investment in capital assets	8,269,300	8,356,097	2,641,366	2,623,723	5,627,934	5,732,374
Restricted for cemetery	205,421	190,388	205,421	190,388	-	-
Restricted for tourism	334	254	334	254	-	-
Restricted for capital projects	10,784	10,765	10,784	10,765	-	-
Restricted for DDA	16,631	-	16,631	-	-	-
Unrestricted	4,077,613	3,627,112	2,153,006	1,869,050	1,924,607	1,758,062
Total net position	$ 12,580,083	$ 12,184,616	$ 5,027,542	$ 4,694,180	$ 7,552,541	$ 7,490,436

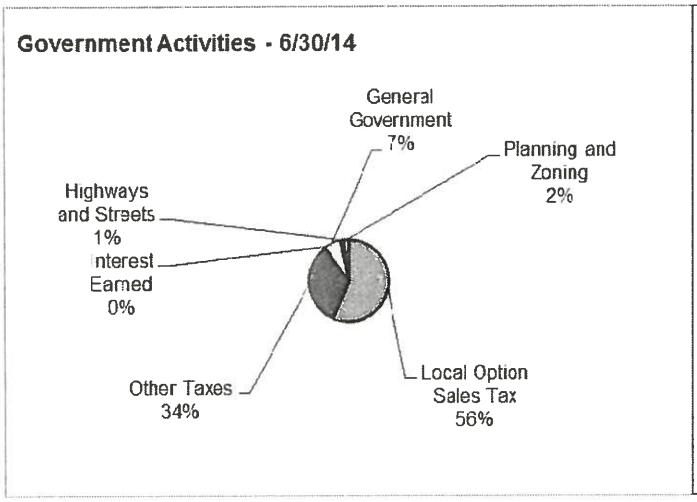
City of Dawsonville's Changes in Net Position (continued)

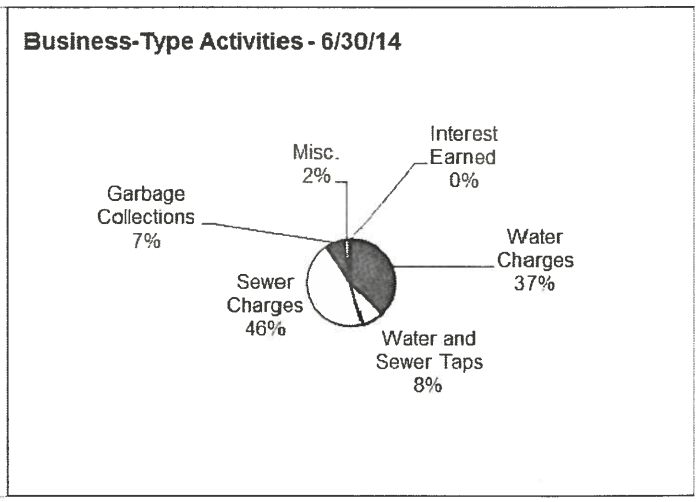
	Total 6/30/2015	Total 6/30/2014	Govt'l Activities 06/30/15	Govt'l Activities 06/30/14	Business Type Activities 06/30/15	Business Type Activities 06/30/14
Revenues:						
Program revenues:						
Charges for services	$ 1,472,366	$ 1,316,935	$ 186,395	$ 112,106	$ 1,285,971	$ 1,204,829
Operating grants & contributions	17,420	9,993	17,420	9,993	-	-
Capital grants & contributions	125,000	120,929	-	16,629	125,000	104,300
General revenues:						
Taxes	1,325,185	1,250,558	1,325,185	1,250,558	-	-
Gain (loss) on sale of assets	-	-	-	-	-	-
Interest	6,081	6,216	3,182	2,243	2,899	3,973
Total Revenues	2,946,052	2,704,631	1,532,182	1,391,529	1,413,870	1,313,102
Expenses:						
General government	688,376	682,148	688,376	682,148	-	-
Public safety	-	-	-	-	-	-
Highways and streets	341,626	221,424	341,626	221,424	-	-
Culture/recreation	863	1,933	863	1,933	-	-
Planning and zoning	100,322	97,632	100,322	97,632	-	-
Housing and development	19,637	11,577	19,637	11,577	-	-
Interest on long-term debt	170,551	214,063	47,996	29,952	122,555	184,111
Bond issuance cost	-	134,453	-	-	-	134,453
Water and sewer	1,229,210	1,147,296	-	-	1,229,210	1,147,296
Total Expense	2,550,585	2,510,526	1,198,820	1,044,666	1,351,765	1,465,860
Increase in net position before transfers	395,467	194,105	333,362	346,863	62,105	(152,758)
Transfers	-	-	-	-	-	-
Change in net position	395,467	194,105	333,362	346,863	62,105	(152,758)
Net position - beginning , as restated	12,184,616	12,051,929	4,694,180	4,378,026	7,490,436	7,673,903
Prior period adjustment	-	(61,418)	-	(30,709)	-	(30,709)
Net position - ending of year	$ 12,580,083	12,184,616	$ 5,027,542	$ 4,694,180	$ 7,552,541	$ 7,490,436

Revenues by Source:









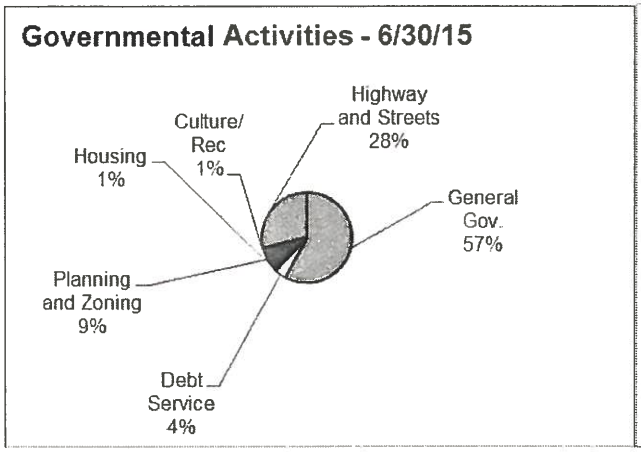
For fiscal year 2015, total revenues for governmental activities increased 10.1% compared to fiscal year 2014. For fiscal year 2015, total revenue increased 7.6% for business-type activities compared to fiscal year 2014.

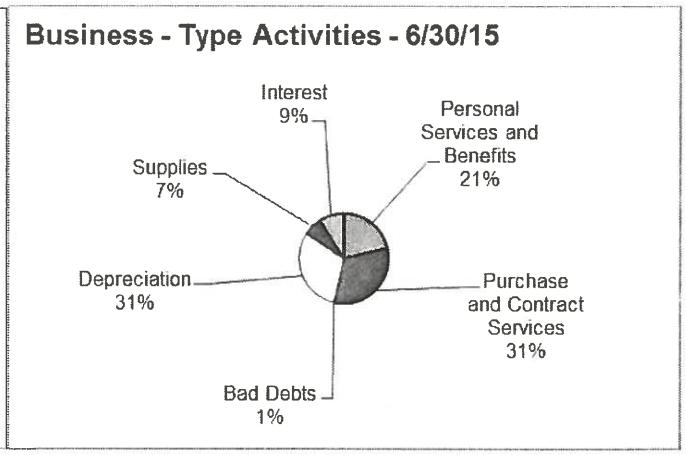
GENERAL FUND BUDGETARY HIGHLIGHTS

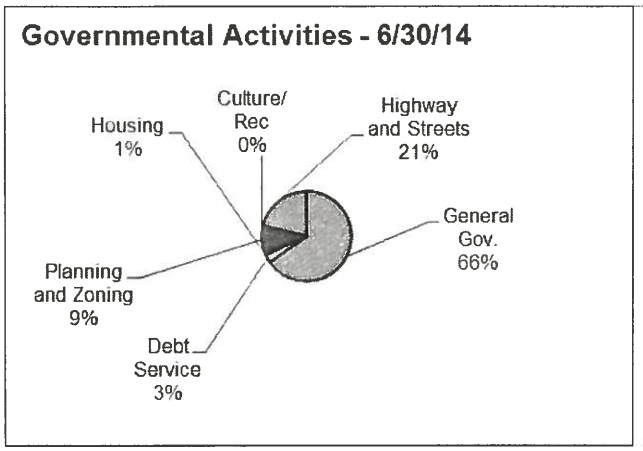
Changes from the City's General Fund original budget to the final budget are detailed in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual along with a comparison to actual activity for the year ended June 30, 2015. Fiscal management and expenditure control helped keep the budget in balance.

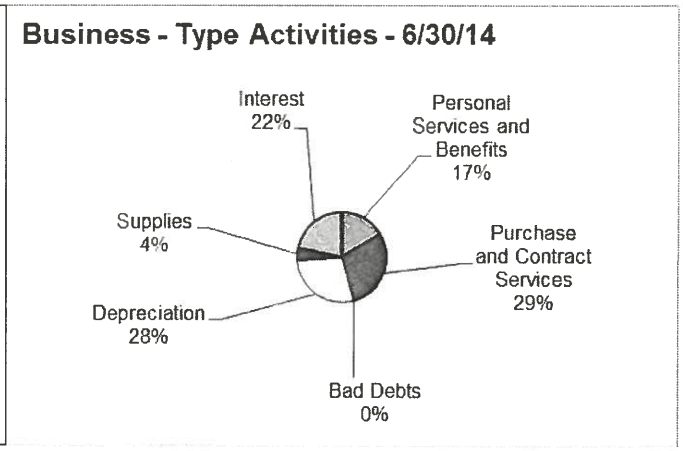
General Fund revenues of $ 1,492,440 were more than budgeted revenues of $ 1,298,815 for the year ended June 30, 2015. General Fund expenditures were less than budgeted. With total appropriations of $ 1,287,815, the City actually spent $ 1,174,041 or $ 113,774 less than budgeted, for the year ended June 30, 2015.

Expenditures by Function:









For fiscal year 2015, total expenditures for governmental activities increased 14.7% compared to fiscal year 2014. For fiscal year 2015, total expenditures decreased 7.8% for business-type activities compared to fiscal year 2014.

ECONOMIC FACTORS

The issues facing the national economy correlate with the City's local economy. Permitting for new home or commercial building construction has turned around. The City strives to be good stewards of the revenues received through fiscal management and expenditure control using a minimal amount of reserved funds to help keep the budget in balance. The City plans to maintain a conservative fiscal position while the economic conditions dictate.

CAPITAL ASSETS

As of June 30, 2015 and 2014 the City had $ 20,673,487 and $ 20,012,114 invested in a variety of capital assets, as in the schedule below. Adjustments for depreciation are $ 576,392 and $ 573,413 for the years ending June 30, 2015 and 2014. Adjustments for accumulated depreciation are $ 6,098,046 and $ 5,547,704 for the years ending June 30, 2015 and 2014. Further detail on capital assets is provided in the notes to the financial statements, note 2D.

Capital Assets at Year-end

	Total 6/30/2015	Total 6/30/2014	Govt'l Activities 6/30/2015	Govt'l Activities 6/30/2014	Business Type Activities 6/30/2015	Business Type Activities 6/30/2014
Land	$ 3,913,724	$ 3,343,989	$ 980,537	$ 410,802	$ 2,933,187	$ 2,933,187
Artifacts	49,751	49,751	49,751	49,751	-	-
Construction in progress	106,036	68,614	-	-	106,036	68,614
Buildings	3,537,289	3,537,289	3,306,824	3,306,824	230,465	230,465
Improvements	34,365	34,365	34,365	34,365	-	-
Vehicles	131,655	131,655	110,171	110,171	21,484	21,484
Equipment	510,291	471,373	240,273	228,137	270,018	243,236
Infrastructure	1,770,359	1,755,061	1,770,359	1,755,061	-	-
Water and Sewer System	9,701,701	9,701,701	-	-	9,701,701	9,701,701
Sewer Treatment Plant	918,316	918,316	-	-	918,316	918,316
Total	$ 20,673,487	$ 20,012,114	$ 6,492,280	$ 5,895,111	14,181,207	14,117,003

The following reconciliation summarizes the change in Capital Assets:

	Total 6/30/2015	Total 6/30/2014	Govt'l Activities 6/30/2015	Govt'l Activities 6/30/2014	Business Type Activities 6/30/2015	Business Type Activities 6/30/2014
Beginning Balance:	$ 20,012,114	$ 19,980,171	$ 5,895,111	$ 5,848,752	$ 14,117,003	$ 14,131,419
Additions:						
Land	569,735	-	569,735	-	-	-
Construction in Progress	37,422	-	-	-	37,422	-
Buildings	-	-	-	-	-	-
Vehicles	-	23,615	-	23,615	-	-
Equipment	64,968	-	17,861	-	47,107	-
Infrastructure	15,298	22,744	15,298	22,744	-	-
Water and Sewer System	-	160,729	-	-	-	160,729
Dispositions:	-					
Construction in Progress	-	(175,145)	-	-	-	(175,145)
Equipment	(26,050)	-	(5,725)	-	(20,325)	-
Infrastructure	-	-	-	-	-	-
Water and Sewer System	-	-	-	-	-	-
Total	$ 20,673,487	$ 20,012,114	$ 6,492,280	$ 5,895,111	$ 14,181,207	$ 14,117,003

LONG-TERM DEBT

As of June 30, 2015, the City was liable for long-term capital lease obligations totaling $ 1,865,144 and for revenue bond debt totaling $ 4,450,000. As of June 30, 2014, the City was liable for long-term capital lease obligations totaling $ 1,442,828 for revenue bond debt totaling $ 4,675,000. This is a debt increase of $ 197,316 from prior year. Further detail on long-term debt is provided in the notes to the financial statements, note 2H.

REQUEST FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the City of Dawsonville's finances for all of Dawsonville's residents, taxpayers, customers, investors, and creditors. This financial report seeks to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the City Clerk, c/o City of Dawsonville, P. O. Box 6, Dawsonville, Georgia 30534.

FINANCIAL SECTION

Basic Financial Statements

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government - 2015		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 2,108,142	$ 1,972,731	$ 4,080,873
Restricted assets:			
Cash and cash equivalents	242,092	95,158	337,250
Accounts receivable	145,859	113,006	258,865
Prepaid items	5,048	2,400	7,448
Total current assets	2,501,141	2,183,295	4,684,436
Non-current assets			
Restricted assets:			
Certificates of deposit	-	-	-
Capital assets (net of accumulated depreciation)			
Land	980,538	3,039,223	4,019,761
Artifacts	49,751	-	49,751
Depreciable, capital assets net	3,476,221	7,029,708	10,505,929
Total non-current assets	4,506,510	10,068,931	14,575,441
TOTAL ASSETS	7,007,651	12,252,226	19,259,877
DEFERRED OUTFLOWS OF RESOURCES			
Retirement contributions	4,726	4,726	9,452
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 7,012,377	$ 12,256,952	$ 19,269,329

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government - 2015		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	$ 61,088	$ 107,088	$ 168,176
Current portion, capital lease debt	145,951	-	145,951
Current portion, bond debt	-	200,000	200,000
Current portion, compensated absences	8,972	10,668	19,640
Customer deposits payable from restricted assets	-	95,463	95,463
Total current liabilities	216,011	413,219	629,230
Long-term liabilities:			
Long-term debt, capital lease	1,719,193	-	1,719,193
Long-term debt, bond debt	-	4,250,000	4,250,000
Unamortized discount on bonds payable	-	(9,003)	(9,003)
Long-term portion, compensated absences	2,991	3,556	6,547
Net pension liability	42,018	42,017	84,035
Total long-term liabilities	1,764,202	4,286,570	6,050,772
Total liabilities	1,980,213	4,699,789	6,680,002
DEFERRED INFLOWS OF RESOURCES			
Retirement adjustments	4,622	4,622	9,244
NET POSITION			
Net investment in capital assets	2,641,366	5,627,934	8,269,300
Restricted for cemetery	205,421	-	205,421
Restricted for tourism, housing and development	16,965	-	16,965
Restricted for capital projects	10,784	-	10,784
Unrestricted	2,153,006	1,924,607	4,077,613
Total net position	5,027,542	7,552,541	12,580,083
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	$ 7,012,377	$ 12,256,952	$ 19,269,329

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

		Program Revenues	
	Expenses	Charges For Services	Operating Grants and Contributions
PRIMARY GOVERNMENT			
Governmental Activities			
General government	$ 688,376	$ 106,907	$ 1,000
Highways and streets	341,626	-	-
Culture/recreation	863	-	-
Planning and zoning	100,322	79,488	-
Housing and development	19,637	-	16,420
Interest on long term debt	47,996	-	-
		-	
Total Government Activities	1,198,820	186,395	17,420
Business-Type Activities			
Water and sewer	1,351,765	1,285,971	-
Total Business-Type Activities	1,351,765	1,285,971	-
Total-Primary Government	$ 2,550,585	$ 1,472,366	$ 17,420

GENERAL REVENUES:
Taxes: Sales
Alcoholic Beverage
Franchise
Other
Interest earned

Total General Revenues

Change In Net Position

NET POSITION - beginning of year, as restated

NET POSITION - end of year

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Capital Grants and Contributions	Net (Expense) Revenue and Changes In Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
$ -	$ (580,469)	$ -	$ (580,469)
-	(341,626)	-	(341,626)
-	(863)	-	(863)
-	(20,834)	-	(20,834)
-	(3,217)	-	(3,217)
-	(47,996)	-	(47,996)
-	(995,005)	-	(995,005)
125,000	-	59,206	59,206
125,000	-	59,206	59,206
$ 125,000	(995,005)	59,206	(935,799)
	788,952	-	788,952
	91,757	-	91,757
	210,988	-	210,988
	233,488	-	233,488
	3,182	2,899	6,081
	1,328,367	2,899	1,331,266
	333,362	62,105	395,467
	4,694,180	7,490,436	12,184,616
	$ 5,027,542	$ 7,552,541	$ 12,580,083

CITY OF DAWSONVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 2,108,142	$ -	$ 2,108,142
Restricted assets:			
Cash and cash equvialents	-	242,092	242,092
Receivables (net, where applicable of allowance for uncollectible):			
Taxes receivable	145,685	174	145,859
Prepaid items	5,048	-	5,048
Due from other funds	9,256	918	10,174
TOTAL ASSETS	$ 2,268,131	$ 243,184	$ 2,511,315
LIABILITIES			
Accounts payable	47,099	758	47,857
Salaries payable	5,694	-	5,694
Interest payable	2,537	-	2,537
Deposits payable	5,000	-	5,000
Due to other funds	918	9,256	10,174
Total liabilities	61,248	10,014	71,262
FUND BALANCE			
Non-spendable:			
Prepaid items	5,048	-	5,048
Restricted:			
Permanent funds	-	205,421	205,421
Special revenue funds	-	16,965	16,965
Capital project funds	-	10,784	10,784
Unassigned:	2,201,835	-	2,201,835
Total Fund Balances	2,206,883	233,170	2,440,053
TOTAL LIABILITIES AND FUND BALANCE	$ 2,268,131	$ 243,184	$ 2,511,315

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2015

	2015	
TOTAL GOVERNMENTAL FUND BALANCES		$ 2,440,053
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost	$ 6,492,280	
Accumulated depreciation	(1,985,770)	
Total capital assets, net depreciation		4,506,510
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds .		
Net pension liability	(42,018)	
Long-term debt	(1,865,144)	
Compensated absences payable	(11,963)	
Total liabilities		(1,919,125)
Retirement adjustments due to implementation of GASB # 68		
Deferred outflows of resources	4,726	
Deferred inflows of resources	(4,622)	
		104
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 5,027,542

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	$ 1,322,513	$ 2,672	$ 1,325,185
Charges for services	44,235	20,390	64,625
Intergovernmental	1,000	-	1,000
Licenses and permits	67,588	-	67,588
Contributions and donations	-	16,420	16,420
Interest earned	2,922	260	3,182
Miscellaneous	54,182	-	54,182
Total Revenues	1,492,440	39,742	1,532,182
EXPENDITURES			
Current operating:			
General government	561,273	5,594	566,867
Highways and streets	329,030	-	329,030
Culture/recreation	-	-	-
Planning and zoning	100,322	-	100,322
Housing and development	-	22,229	22,229
Debt service:	183,416	-	183,416
Total Expenditures	1,174,041	27,823	1,201,864
EXCESS REVENUES (EXPENDITURES)	318,399	11,919	330,318
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(7,500)	7,500	-
NET CHANGE IN FUND BALANCES	310,899	19,419	330,318
FUND BALANCES - beginning of year, as restated	1,895,984	213,751	2,109,735
FUND BALANCES - end of year	$ 2,206,883	$ 233,170	$ 2,440,053

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, 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, 2015

	2015	
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 330,318
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.		
Depreciation expense	$ (162,935)	
Capital outlay reported in general government function	45,159	
		(117,776)
Governmental funds include the cost of principal debt reducton as an expenditure which is not included in the statement of activities.		135,419
Governmental funds do not include the expense of compensated absences liabilites, which are reflected in the Statement of Net Position.		
Current year liability - compensated absences	(11,963)	
Prior year liability - compensated absences	8,569	
		(3,394)
Retirement expense due to implementation of GASB # 68		(11,205)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 333,362

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 1,186,600	$ 1,186,600	$ 1,322,513	$ 135,913
Charges for services	500	500	44,235	43,735
Licenses and permits	42,890	42,890	67,588	24,698
Intergovernmental revenues	17,000	17,000	1,000	(16,000)
Interest earned	1,800	1,800	2,922	1,122
Miscellaneous	50,025	50,025	54,182	4,157
Total revenues	1,298,815	1,298,815	1,492,440	193,625
EXPENDITURES				
Current operating:				
General government	630,872	630,872	561,273	69,599
Highways and streets	336,543	336,543	329,030	7,513
Culture/recreation	9,000	9,000	-	9,000
Planning and zoning	121,400	121,400	100,322	21,078
Debt service:	190,000	190,000	183,416	6,584
Total expenditures	1,287,815	1,287,815	1,174,041	113,774
TOTAL REVENUES OVER EXPENDITURES	11,000	11,000	318,399	307,399
OTHER FINANCING SOURCES (USES)				
Transfers out	(11,000)	(11,000)	(7,500)	3,500
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(7,500)	3,500
NET CHANGE IN FUND BALANCE	$ -	$ -	310,899	$ 310,899
FUND BALANCES - beginning of year, as restated			1,895,984	
FUND BALANCES - end of year			$ 2,206,883	

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
June 30, 2015

	Total Water Sewer & Garbage Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 1,972,731
Receivables (net of allowance for uncollectible):	
Accounts	113,006
Prepaid expense	2,400
Restricted assets:	
Cash and cash equivalents	95,158
Total current assets	2,183,295
Non-current assets:	
Capital assets:	
Nondepreciable capital assets	3,039,223
Depreciable capital assets, net	7,029,708
Total non-current assets	10,068,931
TOTAL ASSETS	12,252,226
DEFERRED OUTFLOWS OF RESOURCES	
Retirement contributions	4,726
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 12,256,952

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
June 30, 2015

	Total Water Sewer & Garbage Enterprise Fund
LIABILITIES	
Current liabilities:	
Accounts payable	$ 51,149
Accrued expenses	5,201
Accrued interest payable	50,738
Current portion of long-term debt	200,000
Current portion, compensated absences	10,668
Customer deposits - payable from restricted assets	95,463
Total current liabilities	413,219
Long-term liabilities:	
Long-term portion, compensated absences	3,556
Long-term debt (net of current portion)	4,250,000
Unamortized discount on bonds payable	(9,003)
Net pension liability	42,017
Total long-term liabilities	4,286,570
TOTAL LIABILITIES	4,699,789
DEFERRED INFLOWS OF RESOURCES	
Retirement adjustments	4,622
NET POSITION	
Net investment in capital assets	5,627,934
Unrestricted	1,924,607
TOTAL NET POSITION	7,552,541
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 12,256,952

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
For the Year Ended June 30, 2015

	Total Water Sewer & Garbage Enterprise Fund
OPERATING REVENUES	
Charges for services	$ 1,238,821
Miscellaneous	47,150
Total operating revenues	1,285,971
OPERATING EXPENSES	
Personnel services and benefits	298,723
Purchased and contractual services	426,093
Bad debts	3,417
Supplies	87,520
Depreciation	413,457
Total operating expenses	1,229,210
OPERATING INCOME (LOSS)	56,761
NON-OPERATING INCOME (LOSS)	
Interest and other fiscal charges	(122,555)
Interest earned	2,899
Total non-operating income (loss)	(119,656)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(62,895)
Capital contributions - tap fees and other	125,000
CHANGE IN NET POSITION	62,105
NET POSITION - beginning of year, as restated	7,490,436
NET POSITION - end of year	$ 7,552,541

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF CASH FLOWS
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
For the Year Ended June 30, 2015

	Total Water Sewer & Garbage Enterprise Fund
Cash Flows from operating activities	
Cash receipts from customers	$ 1,265,093
Cash receipts from other operating sources	47,150
Cash payments for goods and services	(504,342)
Cash payments to employees for services and benefits	(329,514)
Net cash provided by (used in) operating activities	478,387
Cash Flows from capital and related financing activities	
Proceeds from tap fees	125,000
Acquisition, construction and disposal of capital assets, net	(84,529)
Principal paid on debt	(225,000)
Interest and other fiscal charges paid	(97,159)
Net cash provided by capital and related financing activities	(281,688)
Cash Flows from investing activities	
Interest received	2,899
Net cash provided by investing activities	2,899
Net increase (decrease) in cash and cash equivalents	199,598
Cash and equivalents - beginning of year	1,868,291
Cash and equivalents - end of year	$ 2,067,889

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF CASH FLOWS (CONT'D)
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
For the Year Ended June 30, 2015

	Total Water Sewer & Garbage Enterprise Fund
Reconciliation of operating gain (loss) to net cash provided by (used in) operating activities	
Operating income	$ 56,761
Adjustments	
Depreciation	413,457
GASB 68 Adjustments	(55,593)
(Increase) decrease in assets and deferred outflows of resources	
Accounts receivable	(17,946)
Prepaid expense	21,020
Retirement contributions	(4,726)
Increase (decrease) in liabilities and deferred inflows of resources	
Accounts payable	(11,748)
Customer deposits	5,618
Accrued expenses	(2,331)
Accrued interest payable	22,386
Compensated absences payable	4,850
Retirement adjustments	4,622
Net pension liability	42,017
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 478,387
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents	$ 1,972,731
Cash and cash equivalents - restricted	95,158
Total cash and cash equivalents	$ 2,067,889

See accompanying notes to the basic financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Narrative Profile

The City of Dawsonville (the "City") operates under a council/mayor form of government and provides the following services: public safety, highways and streets, culture and recreation, planning and zoning, public improvements and general and administrative services. In addition, the City operates a public utility (water/sewer and sanitation) for the incorporated and immediate surrounding areas.

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting. The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounts Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure. In addition, the City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements to its governmental and business-type activities. The more significant of these accounting policies are described below.

In June 1999, the GASB issued Statement No. 34 "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments." This Statement provides for the most significant change in financial reporting in over twenty years and requires implementation starting with fiscal years ending after June 15, 2004 for governments with total revenues less than $ 10 million. The City implemented the basic model during the year ended December 31, 2004.

B. Financial Reporting Entity

As required by the accounting principles generally accepted in the United States, these financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable.

Blended Component Unit:

Dawsonville Downtown Development Authority

On February 6, 1996, the Mayor and Council of Dawsonville, Georgia determined that there was a need in the City for the revitalization and redevelopment of the central business district of the municipal corporations of the State of Georgia. The Mayor and Council of Dawsonville, Georgia determined among them their respective terms of office as required under O.C.G.A Section 36-42-4. The members appointed 2 members for a 2 year term of office, 2 members for a 4 year term of office, and 3 members for a 6 year of office. Thereafter, the members shall duly elect by majority vote a chairperson and vice chairperson. In addition thereto, a treasurer/secretary or a treasurer and a secretary will also be elected from among the remaining directors or appointed from non-director candidates.

The Dawsonville Downtown Development Authority, (DDA) and the City have a financial and operational relationship which requires that the Dawsonville Downtown Development Authority financial statements be blended into the City's financial statements. There is a burden relationship between the primary government and the component unit. The component unit cannot stand alone without the primary government. The component unit provides services entirely to the primary government and benefits the primary government. The component unit's debt is being paid entirely by the City of Dawsonville and will be paid entirely with the resources from the City of Dawsonville. The Dawsonville Downtown Development Authority has no employees and all staff work is done by the City staff or by the Authority Board of Directors. The component unit is presented as a special revenue fund in the City's financial statements. The financial statements for the Dawsonville Downtown Development Authority can be obtained at the following address:

Dawsonville Municipal Complex, 415 Highway 53 East, Dawsonville, GA 30534

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basic Financial Statements-GASB Statement No. 34

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Fiduciary activities are not included at the government-wide reporting level. While the previous model emphasized fund types (the total of all funds of a particular type), in the new reporting model the focus is on either the City as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, etc.), which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues from licenses and permits fees, service assessments, and charges for services. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net cost (by function or business-type activity) is normally covered by general revenue (sales or use taxes, intergovernmental revenues, interest income, etc.). Historically, the previous model did not summarize or present net cost by function or activity.

This government-wide focus is more on the substantiality of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The flow of economic resources measurement focus is used for both government-wide financial statements.

The fund financial statements are, in substance, very similar to the financial statements presented in the previous model. Emphasis here is on the major funds in either the governmental or business-type categories. Non-major funds (by category or fund type) are summarized into a single column.

Unless an internal service fund is combined with the business-type activities (deemed to be an infrequent event), totals on the proprietary fund statements should directly reconcile to the business-type activity column presented in the government-wide statements.

The governmental funds major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the City's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, reconciliation is presented either on the fund statement or on the page following each statement which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The focus of the current model is on the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the component unit. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The model as defined in Statement No. 34 establishes criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a single column in the fund financial statements. The City reports the following major funds.

1. Major Funds
Governmental Fund:
The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary Funds:
The Water, Sewer and Garbage Fund is for the operation of the City's water and sewer utility and trash collection service. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds and obligations under capital leases when due throughout the year. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Fund.

2. Other Governmental Funds

Capital Projects Fund:
This includes the Splost fund which is used to account for the receipt and expenditures related to capital construction projects using Splost.

Special Revenue Fund:
This includes the Hotel-Motel tax fund which is used to account for the receipt of Hotel-Motel tax revenues. These funds are used to support tourism. This also includes DDA funds that are used to support housing and development.

Permanent Fund:
Permanent Funds account for resources that are legally restricted to allow the earnings (and not the principle) to be used to support the governments programs, such as cemeteries, libraries, parks and scholarships.

3. Non-Current Governmental Assets/Liabilities
GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental column in the government-wide Statement of Net Position.

E. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The Government-wide Financial Statements and the Proprietary and Component Unit Combining Financial Statements are presented on an accrual basis of accounting. The Governmental Funds in the Fund Financial Statements are presented on a modified accrual basis.

Accrual—Revenues are recognized when earned and expenses are recognized when incurred.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Basis of Accounting (cont'd)

Modified Accrual—all governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The City defined the length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements to be 60 days.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

The City recognizes sales tax revenue on a modified accrual basis. Intergovernmental grant revenues, entitlements and contributions are recognized in the year in which all eligibility requirements are met. In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and as deferred revenue by the recipient.

Proprietary funds, which employ the economic resources measurement focus, distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the proprietary fund's ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses, transfers or capital contributions.

F. Budgets

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the Mayor submits to the Council, a proposed operating budget for the calendar year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The current year period budget was adopted for the fiscal year July 1, 2014 to June 30, 2015.
2. The Council holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of the City of Dawsonville.
3. The budget is then revised and adopted or amended by the Council at the first regular meeting in July of the year to which it applies.
4. The budget so adopted may be revised during the year "only" by formal action of the Council in a regular meeting and no increase shall be made therein without provision also being made for financing the increase.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Water and Sewer Fund.
6. The level of budgetary control is at the functional level. Budgets for the General Fund and Water and Sewer Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Budgeted amounts are as originally adopted, or as amended by the Council. Individual amendments were not material in relation to the original appropriations, which were amended.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Assets, Liabilities, and Net Assets

1. Cash, Cash Equivalents, and Investments
For purposes of the statement of cash flows, the City considers cash and cash equivalents (including restricted cash and cash equivalents) to be currency on hand, and liquid investments with a maturity of three months or less when purchased.

Cash and cash equivalents are included in both unrestricted as well as restricted assets.

Investments include pooled investments and certificates of deposit (with maturities of three months or greater). Investments and certificates of deposit are reported at fair value.

The City does not maintain an investment policy that limits its investment choices. Georgia law authorizes the City to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the U.S. government or by governmental agency of the United States
- Obligations of any corporation of the U.S. government
- Prime bankers' acceptances
- The State of Georgia local government investment pool
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

2. Inventories
Expendable supplies are recorded as expenditures at the time the items are purchased. The City does not record inventories of supplies at year end due to the lack of materiality.

3. Prepaid Items
Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

4. Restricted Assets
Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent cash, cash equivalents and certificates of deposit set aside for repayment of deposits to utility customers and cash funds required to be maintained by the bond.

5. Property Taxes
The City does not levy property taxes.

6. Capital Assets
General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise fund's statement of net position.

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Assets, Liabilities, and Net Position (cont'd)

6. Capital Assets (cont'd)
All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of $ 5,000. The City's infrastructure consists of roads, bridges and water lines. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

All reported capital assets are depreciated except for land, artifacts, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method for all real property and primarily straight line with other methods used periodically for equipment over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Building and Improvements	20-50 years	20-50 years
Machinery and Equipment	5-10 years	5-10 years
Vehicles	5-7 years	5-7 years
Infrastructure	15-40 years	25-65 years
Water/Sewer System and Plant		25-60 years

7. Compensated Absences
Personal leave benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "when due".

8. Accrued Liabilities and Long-term Obligations
All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent they are "due for payment" during the current year. Capital leases are recognized as a liability in the governmental fund financial statements when due.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Assets, Liabilities, and Net Position (cont'd)

9. Fund Equity
Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. The City restricts those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management's intent to set aside these resources for specific services.

Net Position – Net position represent the difference between assets and liabilities. Net investment in capital assets, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is 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. All other net position is reported as unrestricted.

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Government Fund Type Definitions, the County classifies government fund balances as follows:

- Non-spendable – includes fund balances that cannot be spent either because it is not in spendable forms or because of legal or contractual constraints.

- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Mayor and City Council.

- Unassigned – includes positive fund balance with the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

Minimum Level of Unassigned Fund Balance - The general fund unassigned fund balance will be maintained at a level sufficient to provide for the required resources to meet operating costs, to allow for unforeseen needs of an emergency nature and to permit orderly adjustment to changes resulting from fluctuations of revenue resources. The City will maintain at least six months of prior year general fund operating and non-operating expenses in the unassigned balance of the general fund.

The City will use restricted/committed amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing so, as in grant agreements that require matching dollar spending. Additionally, the City will use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Assets, Liabilities, and Net Position (cont'd)

9. Fund Equity (cont'd)

Fund balances at June 30, 2015 consist of the following for the governmental funds:

	General	Other Governmental Funds	Total Governmental Funds
Fund balances:			
Non-spendable			
Prepaid items	$ 5,048	$ -	$ 5,048
Restricted:			
Hotel/motel	-	334	334
DDA	-	16,631	16,631
Cemetery	-	205,421	205,421
Capital projects	-	10,784	10,784
Unassigned:	2,201,835	-	2,201,835
Total fund balance	$ 2,206,883	$ 233,170	$ 2,440,053

10. Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer and sanitation. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from non-exchange transactions or ancillary activities. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund.

The Water and Sewer fund recognizes the portion of tap fees intended to recover current costs (e.g. labor and materials to hook up new customers as operating revenue. The portion intended to recover the costs of the infrastructure is recognized as non-operating revenue or capital contributions. Operating expenses for the proprietary funds include the costs of sales and service, depreciation on capital assets and personnel services and benefits. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses or capital contributions and transfers.

11. Program Revenues

Program revenues are those revenues that are generated directly from the primary activity of the governmental funds. These consist of licenses, permits, inspections, rental income, cemetery lot sales, fire protection service, and grants.

12. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Assets, Liabilities, and Net Position (cont'd)

13. Estimates
The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Credit and Concentration Risk – Investments: The City maintains investments in Georgia Fund 1, a combined state general fund and local government investment pool managed by the Office of the State Treasurer. Georgia Fund 1, formerly referred to as "LGIP" was established by O.C.G.A. 36-83-8. Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company.

The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings on a monthly basis and determines participant's shares sold and redeemed based on $ 1.00 per share. The Georgia Office of the State Treasurer manages Georgia Fund 1. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board, which provides regulatory oversight.

The Georgia Fund 1 is rated AAAf rated investment pool by Standard & Poor's. The weighted average maturity at June 30, 2015 was 56 days. Yield is an actual/365 day basis, net of administrative fees. The City's balance in Georgia Fund 1 at June 30, 2015 was $ 1,975,992.

Custodial Credit Risk – Deposits:
The City maintains a formal adopted deposit, investment and custodial credit risk policies and all deposits at June 30, 2015 were insured or collateralized by pledges held in the City's name in the Georgia Bankers Association, Inc. pledging pool. Public funds are not required to disclose custodial credit risk for external investment pools; therefore, the Georgia Fund 1 is exempt from this requirement.

Interest Rate Risk – Deposits:
Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk than an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. The portfolio's weighted average maturity (WAM) is a key determinate of the tolerance of a fund's investments to risking interest rates. In general, the longer the WAM, the more susceptible the fund is to rising interest rate. According to GASB Statement 40, an acceptable method for reporting interest rate risk is WAM. WAM is the method used for reporting purposes for Georgia Fund 1.

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

A. Deposits and Investments (cont'd)

1. Restricted Assets:

The City's cash, cash equivalents and certificates of deposit are restricted for the following purposes:

	6/30/2015
Capital projects fund:	
Sidewalk projects	$ 10,784
Special Revenue fund:	
DDA	25,887
Permanent fund:	
Maintenance and care for the cemetery	205,421
Proprietary fund:	
Customer deposits	95,158
Total restricted cash, cash equivalents and certificates of deposit	$ 337,250

B. Receivables

Receivables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances for uncollectible accounts netted with accounts receivable were $ - 0 - as of June 30, 2015.

Receivables at June 30, 2015 consist of the following:

	General Fund	Other Governmental Funds	Proprietary Water & Sewer Fund	Total
Receivables				
Water, sewer and garbage bills	$ -	$ -	$ 113,006	$ 113,006
Taxes receivable	145,685	174	-	145,859
Gross receivables	$ 145,685	$ 174	$ 113,006	$ 258,865

C. Interfund Balances and Transfers

Interfund transactions are reflected as loans, services provided reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and referred to as either "due to/from other funds". Any residual balances outstanding between the government activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not financial resources.

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

C. Interfund Balances and Transfers (cont'd)

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as reimbursement. All other interfund transactions are treated as transfers. Transfers between government or proprietary funds are netted as part of the reconciliation to the government-wide presentation:

The composition of interfund balances as of June 30, 2015 as follows:

	Interfund Receivables	Interfund Payables
General Fund	$ 9,256	$ 918
Other governmental funds:		
DDA	-	9,256
Hotel/Motel Fund	918	-
Total	$ 10,174	$ 10,174

Interfund transfers from the General Fund to support the operations of the DDA for the year ended June 30, 2015, are as follows:

Fund	Transfers In	Transfers Out	Totals
General Fund	$ -	$ 7,500	$ (7,500)
DDA	7,500	-	7,500
Totals	$ 7,500	$ 7,500	$ -

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

D. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance 6/30/2014	Additions	Deductions	Balance 6/30/2015
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 410,802	$ 569,736	$ -	$ 980,538
Artifacts	49,751	-	-	49,751
Total capital assets not being depreciated	460,553	569,736	-	$ 1,030,289
Depreciable capital assets:				
Buildings	3,306,824	-	-	3,306,824
Improvements other than buildings	34,365	-	-	34,365
Vehicles	110,171	-	-	110,171
Machinery and equipment	228,137	17,860	5,725	240,272
Infastructure	1,755,061	15,298	-	1,770,359
Total depreciable capital assets	5,434,558	33,158	5,725	5,461,991
Accumulated depreciation:				
Buildings	1,140,849	71,310	-	1,212,159
Improvements other than buildings	23,827	2,195	-	26,022
Vehicles	86,557	4,723	-	91,280
Machinery and equipment	190,014	14,846	5,725	199,135
Infastructure	387,313	69,861	-	457,174
Total accumulated depreciation	1,828,560	162,935	5,725	1,985,770
Total depreciable capital assets - net	3,605,998	(129,777)	-	3,476,221
Governmental activities capital assets, net	$ 4,066,551	$ 439,959	$ -	$ 4,506,510

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

D. Capital Assets (cont'd)

	Balance 6/30/2014	Additions	Deductions	Balance 6/30/2015
Business-type activities:				
Capital assets not being depreciated				
Land	$ 2,933,187	-	$ -	$ 2,933,187
Construction in progress	68,614	37,422	-	106,036
Total capital assets not being depreciated	3,001,801	37,422	-	3,039,223
Depreciable capital assets:				
Buildings	230,465	-	-	230,465
Machinery and equipment	264,719	47,107	20,325	291,501
Water and sewer system	9,701,702	-	-	9,701,702
Sewer treatment plant	918,316	-	-	918,316
Total depreciable capital assets	11,115,202	47,107	20,325	11,141,984
Accumulated depreciation				
Buildings	51,425	5,909	-	57,334
Machinery and equipment	253,766	11,928	20,325	245,369
Water and sewer system	3,048,093	371,930	-	3,420,023
Sewer treatment plant	365,860	23,690	-	389,550
Total accumulated depreciation	3,719,144	413,457	20,325	4,112,276
Total depreciable capital assets - net	7,396,058	(366,350)	-	7,029,708
Business-type activities capital assets, net	$ 10,397,859	$ (328,928)	$ -	$ 10,068,931

Depreciation expense was charged to function as follows:	
General government	$ 137,572
Highways and streets	24,500
Culture and recreation	863
Planning and zoning	-
Total governmental activities depreciation expense	$ 162,935
Business-type activities	
Water and sewer	$ 413,457

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

E. Compensated Absences

Employees earn personal leave based on 26 bi-weekly payroll periods per year at the rate of 6 hours per bi-weekly payroll period for the first 5 years of employment, 8 hours per bi-weekly payroll period for 5 to 10 years of continuous service, and 10 hours per bi-weekly payroll period for over 10 years of continuous service.

Personal leave cannot be accrued in excess of 240 hours. Employees may be compensated for excess personal leave up to 80 hours per year provided they have banked a minimum of 120 hours of personal leave.

F. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions injuries to employees; and natural disasters. The Government has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the Government is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The Government is also to allow the pool's agents and attorneys to represent the Government in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Government within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

G. Retirement Plan

1. Plan Description

The City participates in the Georgia Municipal Employees Benefit System (GMEBS) Retirement Fund, an agent multiple-employer defined benefit plan where contributions made by the City are commingled with contributions made by the other participants of the GMEBS Retirement Fund for investment purposes. The Plan periodically issues an overall report to the required agencies. A stand-alone financial report can be obtained at City Hall. The City implemented and adopted GASB 68 in the current year.

The specific benefit provisions of the City's Plan were established by an adoption agreement executed by the City Council. The Plan provides for benefits upon retirement, death, disablement, and termination of employment. The Plan is affiliated with the Georgia Municipal Employees Benefit System Retirement Fund, an agent multiple-employer pension plan administered by the Georgia Municipal Association (GMA). The City Council retains the authority to amend the adoption agreement, which defines the specific operational provisions of The Plan. An outline of the plan provisions is as follows:

2. Funding Policy

The City is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the GMEBS Plan Trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes.

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

G. Retirement Plan (cont'd)

3. Additional Information

Valuation Date	The actuarially determined rate was determined as of July 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending December 31, 2016 .

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability; See Section 5, Exhibit II for additional detail in the Actuarial Valuation and Review for the City of Dawsonville Retirement Plan.
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 14 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 end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial assumptions:	
Net investment rate of return	7.75%
Projected Salary Increases	3.25% plus service based merit increases.
Cost of living adjustment	0.00%
Retirement Age	See Section 5, Exhibit III for summary of assumption in the Actuarial Valuation and Review for the City of Dawsonville Retirement Plan.

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

G. Retirement Plan (cont'd)

3. Additional Information (cont'd)

Mortality	See Section 5, Exhibit III for summary of assumption in the Actuarial Valuation and Review Review for the City of Dawsonville Retirement Plan.
Other Information:	
Changes of Assumptions	As a result of the plan change to provide immediate participation for Employees, for the Fiscal Year ending in 2016, the eligibility assumptions has been changed from six months to immediate. The increase in the Plan's NPL is minimal and has been included in the differences expected and actuarial experience. As a result of the new administrative fee structure approved by the Board, the administrative expense assumption was updated for fiscal years beginning in 2016. See Section 5, Exhibit III in the Actuarial Valuation and Review for the City of Dawsonville Retirement Plan. Amounts reported for Fiscal Year ending in 2016 and later reflect the following assumption changes approved by the Board in December, 2014 based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014: * The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set-forward for females. * The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

G. Retirement Plan (cont'd)

3. Additional Information (cont'd)

Changes of Assumptions (Cont'd)

* The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.

* The inflation assumption was decreased from 3.50% to 3.25%.

* The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%

Benefit Changes

Effective January 1, 2015, the Plan was amended to provide for immediate participation for Employees. This change has no impact on service credited under the Plan and has no impact on benefits.

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

H. Long-Term Debt

2. Revenue Bonds (Water & Sewer Fund)

On April 1, 2014, the Downtown Development Authority issued Series 2014 Revenue Bonds for the purpose of prepaying the outstanding loans to the City from GEFA (see Municipal Bonds above), redeeming the City's outstanding Water and Sewer Revenue Bonds (see Revenue Bonds below), acquisition of the system, and to pay the cost of issuance of the Series 2014 Bonds. The City entered into an Intergovernmental Lease Agreement with the Downtown Development Authority by which the City has agreed to pay the bond debt installments under a lease-purchase arrangement until the full debt is satisfied. The City has agreed, if necessary, to levy an annual property tax to produce revenues sufficient to fulfill the debt obligation.

Changes in bond debt liability for the year ending June 30, 2015 are as follows:

	Balance 6/30/2014	Issued	Retired	Balance 6/30/2015	Due One Year
Series 2014, Water & Sewer Revenue Bond dated February 1, 2014 with interest currently at 2.0% and not to exceed 3.5% beginning February 1, 2014 and ending February 1, 2033. Original loan $ 4,675,000.	4,675,000	-	225,000	4,450,000	200,000
Total Revenue Bond Debt (Water & Sewer Fund)	$ 4,675,000	$ -	$ 225,000	$ 4,450,000	$200,000

Debt-service requirements for long-term revenue bond debt are as follows:

	Principal	Interest	Total
2016	200,000	121,770	321,770
2017	205,000	115,770	320,770
2018	210,000	109,620	319,620
2019	220,000	103,320	323,320
2020	220,000	100,240	320,240
2021-2025	1,175,000	431,490	1,606,490
2026-2030	1,320,000	272,210	1,592,210
2030-2034	900,000	62,075	962,075
Total	$ 4,450,000	$ 1,316,495	$ 5,766,495

3. Downtown Development Authority Series 2005 and 2014 Revenue Bonds (Component Unit) And Intergovernmental Capital Lease Agreement (General Fund)

On December 22, 2005, the Downtown Development Authority issued Series 2005 Revenue Bonds for the purpose of financing or refinancing the costs of acquiring property known as the Dawsonville Municipal Complex for the City of Dawsonville. The value of capital assets recorded under the capital lease agreement for the Dawsonville Municipal Complex building totals $ 2,575,106. Subsequently, the City entered into an Intergovernmental Lease Agreement with the Downtown Development Authority by which the City has agreed to pay the bond debt installments under a lease-purchase arrangement until the full debt is satisfied. The City has agreed, if necessary, to levy ad valorem tax on property to produce revenues sufficient to fulfill the debt obligation.

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

H. Long-Term Debt (cont'd)

3. Downtown Development Authority Series 2005 and 2014 Revenue Bonds (Component Unit) And Intergovernmental Capital Lease Agreement (General Fund) (cont'd)

On August 1, 2014, the Downtown Development Authority issued Series 2014 Revenue Bonds for the purpose of financing the costs to acquire land adjacent to the Dawsonville Municipal Complex. The total cost of the land was $ 557,735. The City then entered into an Intergovernmental Lease Agreement with the Downtown Development Authority in which the City pays the bond debt installments under a lease-purchase arrangement until the full debt is satisfied.

The Series 2005 – A Bonds provide financing for the portion of the Dawsonville Municipal Complex that houses the City government facilities and thereby designated as a "qualified tax-exempt" obligation eligible for preferential governmental finance rates.

The Series 2014 – Bonds provide financing for the undeveloped land surrounding the Dawsonville Municipal Complex. The City plans to development this land into a downtown park for the use of its residents.

	Balance 6/30/2014	Issued	Retired	Balance 6/30/2015	Due One Year
Series 2014, DDA Revenue Bonds dated July 25, 2014 with interest rate per annum equal to the "London Interbank Offered Rate", currently at 1.5%. Monthly payments of $ 3,729.78 for 59 months beginning August 24, 2014 and ending July 24, 2019 with final payment of $ 398,557.59. Original loan $ 557,735.	-	557,735	26,721	531,014	31,730
Series 2005-A, DDA Revenue Bonds dated December 22, 2005 with interest rate per annum equal to the "Prime Rate" as published in the Money Rates section of The Wall Street Journal - Southeastern Edition. Monthly payments of $ 11,802.39 beginning January 22, 2006 and ending December 22, 2025. Original loan $ 2,166,922.	$ 1,442,828	$ -	$ 108,698	$ 1,334,130	$ 114,220
Total Bond Debt (DDA)	$ 1,442,828	$ 557,735	$ 135,419	$ 1,865,144	$ 145,950

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

H. Long-Term Debt (cont'd)

Debt-service requirements for long-term debt for the 2005 and 2014 revenue bonds are as follows:

	Principal	Interest	Total
2016	145,950	40,439	186,389
2017	149,236	37,153	186,389
2018	152,597	33,792	186,389
2019	156,032	30,357	186,389
2020	523,571	18,010	541,581
2021-2025	663,795	44,350	708,145
2025-2029	73,963	44,350	118,313
	$ 1,865,144	$ 248,451	$ 2,113,595

4. Compensated Absences (General Fund and Water & Sewer Fund)

Compensated absences liability consists of the following as of June 30, 2015:

	Balance 6/30/2014	Issued	Retired	Balance 6/30/2015	Due One Year
Governmental Activities					
Compensated Absences	$ 8,569	$ 16,568	$ 13,174	$ 11,963	$ 8,972
Water & Sewer Fund					
Compensated Absences	9,374	18,012	13,162	14,224	10,668
Total Compensated Absences	$ 17,943	$ 34,580	$ 26,336	$ 26,187	$ 19,640

Compensated absences are liquidated in the general fund for governmental activities and in the enterprise fund for business-type activities.

I. Restricted Equity Balances

1. Permanent Fund

Restricted for cemetery – An amount of $ 205,421 has been restricted in the Cemetery Fund since this amount is not legally available for appropriation. Of these funds, $ 205,421 is expendable for cemetery perpetual care.

2. Special Revenue Fund

Restricted for tourism and development – A total of $ 334 has been restricted for tourism expenditures in the Hotel-Motel Fund since this amount is not legally available for appropriation. A total of $ $ 16,631 has been restricted for housing and development in the Downtown Development Authority of Dawsonville, Georgia.

3. Capital Projects Fund

Restricted for capital projects – An amount of $ 10,784 has been restricted in the SPLOST capital projects fund for restricted assets since this amount is not legally available for appropriation.

Note 3 – COMMITMENTS AND CONTINGENCIES

Liability

A. Intergovernmental agreement for LOCAL OPTION SALES TAX (LOST) revenues.

Effective January 1, 2013 through December 31, 2022, the local option sales tax proceeds shall be divided between parties with Dawson County to receive 88% of the LOST proceeds and the City to receive 12% of LOST proceeds.

B. Litigation

Various claims and lawsuits are pending against the City. Although the outcome of these matters is not presently determinable, it is the opinion of the management and the City's Council that any potential liability resulting from the resolution of these matters would be covered under liability insurance and not have a materially adverse effect on the financial condition of the County.

Note 4 – GRHOF MUSEUM ARTIFACTS

During 2001, the City of Dawsonville acquired the collateral goods and artifacts of the Georgia Racing Hall of Fame Museum for $ 69,000. The City of Dawsonville has disposed and sold some of the artifacts during the years and now has a remaining cost basis of $ 49,751. The collection includes racing artifacts and memorabilia, which are expected to maintain intrinsic value and are, therefore, not depreciated. Also included in the purchase were various equipment and fixtures that are not depreciated because individual items are valued below the City's capitalization threshold. In January 2011, the Georgia Racing Hall of Fame established its own entity as the Dawsonville History Museum, Inc. The City still owns the collateral goods and artifacts of the Georgia Racing Hall of Fame.

Note 5 – JOINT VENTURE

Georgia Mountains Regional Commission (GMRC)

Under Georgia law, the City, in conjunction with other cities and counties in the thirty County Northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. Membership in GMRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organization structure of the GMRC in Georgia. The GMRC Board membership includes the chief elected official of each county and municipality of the area and private sector individuals from each County and three minority members. Annual dues are paid by the Dawson County Board of Commissioners to include the City of Dawsonville and overall county populace.

OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a GMRC. Separate financial statements may be obtained from:

Georgia Mountains Regional Commission
1310 West Ridge Road
Gainesville, Georgia 30501

Note 6 – HOTEL/MOTEL TAX

During the year ended June 30, 2015, the City had receipts of $ 2,672 based on the tax rate of 6%. These funds are held for disbursement to the Dawson County Chamber of Commerce for the purpose of promoting tourism. The City complied with the requirements of *OCGA 48-13-51*.

Note 7 – PRIOR-PERIOD ADJUSTMENTS/RECLASSIFICATION

The City made prior-period/reclassification adjustments summarized below. The prior-period adjustment was due to the adoption and implementation of GASB 68. The reclassification was due to the City previously including the DDA within the General Fund. The DDA was reclassified into its own separate special revenue fund.

	Govt'l Activities	Business Type Activities	General Fund	DDA Fund
Net Position/Fund Balance, previously stated - 6/30/14	4,724,889	7,521,145	1,908,328	-
Adoption of GASB 68	(30,709)	(30,709)	-	-
Reclassification of DDA from General Fund to Special Revenue Fund	-	-	(12,344)	12,344
Net Position/Fund Balance, Beginning, as restated - 6/30/14	$ 4,694,180	$ 7,490,436	$ 1,895,984	$ 12,344

Note 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 16, 2015, the date the financial statements were available to be issued. The City received SPLOST VI proceeds of $ 86,986, $ 80,612, and $ 82,889 for August, September, and October, respectively. Under this agreement, the special local option sales tax proceeds shall be divided between parties with Dawson County to receive 85% of the SPLOST proceeds and the City to receive 15% of SPLOST proceeds.

FINANCIAL SECTION

Required Supplementary Information

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CITY OF DAWSONVILLE, GEORGIA
DEFINED BENEFIT RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total pension liability										
Service cost	$ 12,393									
Interest	31,065									
Differences between expected and actual experience	3,522									
Change of assumptions	(5,461)									
Change of benefit terms	-	(Historical information prior to implementation of GASB 67/68 is not required)								
Benefits payments, including refunds of employee contributions	(4,377)									
Net change in total pension liability	37,142									
Total pension liability - beginning	403,021									
Total pension liability - ending (a)	$ 440,163									
Plan fiduciary net position										
Contributions - employer	$ 26,495									
Contributions - employee	-									
Net investment income	30,673									
Benefits payments, including refunds of employee contributions	(4,377)	(Historical information prior to implementation of GASB 67/68 is not required)								
Administrative expense	(5,468)									
Other	-									
Net change in fiduciary net position	47,323									
Plan fiduciary net position - beginning	308,805									
Plan fiduciary net position - ending (b)	$ 356,128									
Net pension liability - ending (a)-(b)	$ 84,035									
Plan's fiduciary net position as percentage of the total pension liability	80.91%	(Historical information prior to implementation of GASB 67/68 is not required)								
Covered-employee payroll	$ 342,936									
Net pension liability as a percentage of covered-employee payroll	24.50%									

(1) The numbers are based on March 31, 2015 measurements date which would make applicable for Fiscal Year beginning January 1, 2015 and ending December 31, 2015.

CITY OF DAWSONVILLE, GEORGIA
DEFINED BENEFIT RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contributions	-	*								
Contributions in relation to the actuarially determined contributions	-	*	(Historical information prior to implementation of GASB 67/68 is not required)							
Contribution deficiency (excess)	-	*								
Covered-employee payroll	-	*								
Contributions as a percentage of covered-employee payroll	-	*								

(1) The numbers are based on March 31, 2015 measurements date which would make applicable for Fiscal Year beginning January 1, 2015 and ending December 31, 2015.

CITY OF DAWSONVILLE, GEORGIA
DEFINED BENEFIT RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN THE NET PENSION LIABILITY AND SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

Changes in the Net Pension Liability

	Total Pension Liability (TPL) (a)	Fidiciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at March 31, 2014*	$ 403,021	$ 308,805	$ 94,216
Changes of the year:			
Service cost	12,393	-	12,393
Interest	31,065	-	31,065
Differences between expected and actual experience	3,522	-	3,522
Contributions - employer	-	26,495	(26,495)
Contributions - employee	-	-	-
Net investment income	-	30,673	(30,673)
Benefits payments, including refunds of employee contributions	(4,377)	(4,377)	-
Administrative expense	-	(5,468)	5,468
Other	(5,461)	-	(5,461)
Net changes	37,142	47,323	(10,181)
Balances at March 31, 2015**	$ 440,163	$ 356,128	$ 84,035

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
$ 138,145	$ 84,035	$ 39,067

* Entry Age Normal liabilities calculated using ages and services amounts as of July 1, 2014 are used to measure TPL as of March 31, 2014. The balances as of March 31, 2014 constitute measurements of the NPL for the fiscal year ending December 31, 2014.

** Entry Age Normal liabilities calculated using ages and services amounts as of July 1, 2015 are used to measure TPL as of March 31, 2014. The balances as of March 31, 2015 constitute measurements of the NPL for the fiscal year ending December 31, 2015.

CITY OF DAWSONVILLE, GEORGIA
DEFINED BENEFIT RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
PENSION EXPENSES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO PENSIONS

Pension expense for the year ended December 31, 2015

Service cost	$ 12,393
Interest on TPL	31,065
Employee contributions	-
Administrative expense	5,468
Expected return on assets	(24,578)
Expensed portion of current year period differences between expected and actual experience on TPL	706
Expenses portion of current year assumption changes	(1,093)
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investment earnings	(1,219)
Current year recognition of deferred inflows and outflows established in prior years	-
Total expense	$ 22,742

Deferred outlflows/inflows of resources related to pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,816	$ -
Changes of assumptions	-	(4,368)
Net difference between projected and actual earnings on pension plan investments	-	(4,876)
Total	$ 2,816	$ (9,244)

(1) The numbers are based on March 31, 2015 measurements date which would make applicable for Fiscal Year beginning January 1, 2015 and ending December 31, 2015.

CITY OF DAWSONVILLE, GEORGIA
DEFINED BENEFIT RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
PENSION EXPENSES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO PENSIONS (CONT'D)

Projected recognition of deferred outflows/(inflows)

	Year Established	Oustanding Balance at January 1, 2015	Amount Recognized During FYE December 31, 2015	Outstanding Balance at December 31, 2015	Deferred Outlflows/(Inflows) Recognized in Future Years					
					2016	2017	2018	2019	2020	2021 and Thereafter
Fiscal Year Outflows										
Demographic	2015	$ 3,522	$ 706	$ 2,816	$ 704	$ 704	$ 704	$ 704	$ -	$ -
Total Outflows		$ 3,522	$ 706	$ 2,816	$ 704	$ 704	$ 704	$ 704	$ -	$ -
Fiscal Year Inflows										
Investment	2015	$ (6,095)	$ (1,219)	$ (4,876)	$ (1,219)	$ (1,219)	$ (1,219)	$ (1,219)	$ -	$ -
Assumption Change	2015	(5,461)	(1,093)	(4,368)	(1,092)	(1,092)	(1,092)	(1,092)	-	
Total Inflows		$ (11,556)	$ (2,312)	$ (9,244)	$ (2,311)	$ (2,311)	$ (2,311)	$ (2,311)	$ -	$ -
Total		$ (8,034)	$ (1,606)	$ (6,428)	$ (1,607)	$ (1,607)	$ (1,607)	$ (1,607)	$ -	$ -

(1) The numbers are based on March 31, 2015 measurements date which would make applicable for Fiscal Year beginning January 1, 2015 and ending December 31, 2015.

FINANCIAL SECTION

Combining and Individual Fund Financial Statements and Schedules

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CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2015

	Non-Major Fund Capital Projects Fund SPLOST IV	Non-Major Fund Special Revenue Fund Hotel-Motel	Non-Major Fund Special Revenue Fund DDA	Non-Major Fund Permanent Fund Cemetery	Total Non-Major Governmental Funds
ASSETS					
Restricted assets:					
Cash and cash equivalents	$ 10,784	$ -	$ 25,887	$ 205,421	$ 242,092
Taxes receivable	-	174	-	-	174
Due from other funds	-	918	-	-	918
TOTAL ASSETS	10,784	1,092	25,887	205,421	243,184
LIABILITIES					
Current - accounts payable	-	758	-	-	758
Due to other funds	-	-	9,256	-	9,256
TOTAL LIABILITIES	-	758	9,256	-	10,014
FUND BALANCE					
Restricted for capital projects	10,784	-	-	-	10,784
Restricted for tourism	-	334	-	-	334
Restricted for housing and development		-	16,631	-	16,631
Restricted for cemetary	-	-		205,421	205,421
TOTAL FUND BALANCES	10,784	334	16,631	205,421	233,170
TOTAL LIABILITIES AND FUND BALANCE	$ 10,784	$ 1,092	$ 25,887	$ 205,421	$ 243,184

CITY OF DAWSONVILLE,
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPEDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2015

	Non-Major Fund Capital Projects Fund SPLOST IV	Non-Major Fund Special Revenue Fund Hotel-Motel	Non-Major Fund Special Revenue Fund DDA	Non-Major Fund Permanent Fund Cemetery	Total Non-Major Governmental Funds
REVENUES					
Taxes	$ -	$ 2,672	-	$ -	$ 2,672
Charge for services	-	-	-	20,390	20,390
Contributions and donations	-	-	16,420	-	16,420
Intergovernmental revenues	-	-	-	-	-
Interest earned	19	-	4	237	260
Total revenues	19	2,672	16,424	20,627	39,742
EXPENDITURES					
Current operating:					
General government	-	-	-	5,594	5,594
Housing and development - tourism	-	2,592	19,637	-	22,229
Capital outlay:					
Highways and streets - sidewalks	-	-	-	-	-
Total expenditures	-	2,592	19,637	5,594	27,823
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	19	80	(3,213)	15,033	11,919
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	7,500	-	7,500
NET CHANGE IN FUND BALANCE	19	80	4,287	15,033	19,419
FUND BALANCES - beginning of year	10,765	254	12,344	190,388	213,751
FUND BALANCES - end of year	$ 10,784	$ 334	$ 16,631	$ 205,421	$ 233,170

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUND
SPLOST IV
BALANCE SHEET
June 30, 2015

	SPLOST IV
ASSETS	
Restricted assets:	
Cash and cash equivalents	$ 10,784
TOTAL ASSETS	10,784
LIABILITIES	
Due to general fund	-
FUND BALANCE	
Restricted for capital projects	10,784
TOTAL LIABILITIES AND FUND BALANCE	$ 10,784

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUND
SPLOST IV
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenues	$ 16,900	$ -	$ (16,900)
Interest earned	-	19	19
Total revenues	16,900	19	(16,881)
EXPENDITURES			
Capital outlay:			
Highways and streets - sidewalks	16,900	-	(16,900)
Total expenditures	16,900	-	(16,900)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	19	19
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
NET CHANGE IN FUND BALANCE	$ -	19	$ -
FUND BALANCES - beginning of year		10,765	
FUND BALANCES - end of year		$ 10,784	

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUND
HOTEL-MOTEL FUND
BALANCE SHEET
June 30, 2015

	Hotel-Motel Fund
ASSETS	
Taxes receivable	$ 174
Due from other funds	918
TOTAL ASSETS	1,092
LIABILITIES	
Current - accounts payable	758
TOTAL LIABILITIES	758
FUND BALANCE	
Restricted for tourism	334
TOTAL LIABILITIES AND FUND BALANCE	$ 1,092

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUND
HOTEL-MOTEL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Hotel-motel taxes	$ 2,500	$ 2,672	$ 172
Total revenues	2,500	2,672	172
EXPENDITURES			
Current operating:			
Housing and development - tourism	2,500	2,592	92
Total expenditures	2,500	2,592	92
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	80	80
NET CHANGE IN FUND BALANCES	$ -	80	$ 80
FUND BALANCES - beginning of year		254	
FUND BALANCES - end of year		$ 334	

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUND
DOWNTOWN DEVELOPMENT AUTHORITY FUND
BALANCE SHEET
June 30, 2015

	DDA Fund
ASSETS	
Restricted assets:	
Cash and cash equivalents	$ 25,887
TOTAL ASSETS	25,887
LIABILITIES	
Due to other funds	9,256
TOTAL LIABILITIES	9,256
FUND BALANCE	
Restricted for housing and development	16,631
TOTAL LIABILITIES AND FUND BALANCE	$ 25,887

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUND
DOWNTOWN DEVELOPMENT AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Contributions and donations	$ -	$ 16,420	$ 16,420
Interest income	-	4	4
Total revenues	-	16,424	16,424
EXPENDITURES			
Current operating:			
Housing and development - tourism	11,000	19,637	8,637
Total expenditures	11,000	19,637	8,637
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,000)	(3,213)	7,787
OTHER FINANCING SOURCES (USES)			
Transfers in	11,000	7,500	(3,500)
NET CHANGE IN FUND BALANCES	$ -	4,287	$ 4,287
FUND BALANCES - beginning of year		12,344	
FUND BALANCES - end of year		$ 16,631	

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENAL FUND
PERMANENT FUND
CEMETERY FUND
BALANCE SHEET
June 30, 2015

	Cemetery Fund
ASSETS	
Restricted assets:	
Cash and cash equivalents	$ 205,421
TOTAL ASSETS	205,421
FUND BALANCES	
Restricted for cemetery fund	205,421
TOTAL FUND BALANCES	$ 205,421

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
PERMANENT FUND
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Cemetery lot sales	$ 14,000	$ 20,250	$ 6,250
Real estate fees	200	140	(60)
Interest income	400	237	(163)
Total revenues	14,600	20,627	6,027
EXPENDITURES			
Repairs and maintenance	8,200	5,160	(3,040)
Miscellaneous expenditures	6,400	434	(5,966)
Total expenditures	14,600	5,594	(9,006)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	15,033	15,033
NET CHANGE IN FUND BALANCES	$ -	15,033	$ -
FUND BALANCES - beginning of year		190,388	
FUND BALANCES - end of year		$ 205,421	

FINANCIAL SECTION

Supplementary Information

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CITY OF DAWSONVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget -
OPERATING REVENUES			
Charges for services :			
Water fees	$ 537,805	$ 523,226	$ (14,579)
Sewer fees	568,138	620,958	52,820
Garbage fees	89,000	94,637	5,637
Miscellaneous	25,450	47,150	21,700
Total operating revenues	1,220,393	1,285,971	65,578
OPERATING EXPENSES			
Cost of sales and service:			
Advertising	1,400	433	967
Bad debts	5,600	3,417	2,183
Communications	8,000	16,277	(8,277)
Depreciation	437,000	413,457	23,543
Dues and subscriptions	9,500	15,055	(5,555)
Education and training	2,000	2,505	(505)
Food	4,500	3,538	962
Garbage service	75,050	77,296	(2,246)
Gas and fuel	8,600	6,518	2,082
Insurance	24,000	9,489	14,511
Licenses	200	-	200
Printing and binding	1,800	1,512	288
Professional	65,000	71,770	(6,770)
Rental equipment	500	486	14
Repairs and maintenance	43,300	44,893	(1,593)
Supplies	72,750	90,052	(17,302)
Travel	350	523	(173)
Technical services	49,300	54,777	(5,477)
Utilities	108,200	118,489	(10,289)
Total cost of sales and service:	917,050	930,487	(13,437)
Personnel services and benefits:			
Salaries	183,480	197,427	(13,947)
Payroll taxes	14,590	13,818	772
Group insurance	55,380	55,214	166
Workers compensation	15,000	7,838	7,162
Retirement	15,000	24,426	(9,426)
Total personnel services and benefits	283,450	298,723	(15,273)
OPERATING INCOME (LOSS)	19,893	56,761	36,868
NON-OPERATING INCOME (LOSS)			
Contingency/fund reserves	75,000	-	(75,000)
Tap fees	-	125,000	125,000
Interest and fiscal charges	(98,000)	(122,555)	(24,555)
Interest earned	3,107	2,899	(208)
TOTAL NON-OPERATING INCOME (LOSS)	(19,893)	5,344	25,237
CHANGE IN NET POSITION	$ -	62,105	$ 62,105
NET POSITION - beginning of year,as restated		7,490,436	
NET POSITION - end of year		$ 7,552,541	

CITY OF DAWSONVILLE, GEORGIA
SCHEDULES OF FUNCTIONAL ALLOCATIONS
WATER, SEWER AND GARBAGE FUND
SCHEDULE OF NET POSITION
June 30, 2015

	Water Sewer	Garbage	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,844,567	$ 128,164	$ 1,972,731
Receivables (net of allowance for uncollectible):			
Accounts	104,149	8,857	113,006
Prepaid expense	2,400	-	2,400
Restricted assets:			
Cash and cash equivalents	95,158	-	95,158
Certificates of deposit	-	-	-
Total current assets	2,046,274	137,021	2,183,295
Non-current assets:			
Restricted assets:			
Certificates of deposit	-	-	-
Capital assets:			
Land	2,933,187	-	2,933,187
Nondepreciable capital assets	106,036	-	106,036
Depreciable capital assets, net	7,029,708	-	7,029,708
Total non-current Assets	10,068,931	-	10,068,931
TOTAL ASSETS	12,115,205	137,021	12,252,226
DEFERRED OUTFLOWS OF RESOURCES			
Retirement contributions	4,726	-	4,726
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 12,119,931	$ 137,021	$ 12,256,952

CITY OF DAWSONVILLE, GEORGIA
SCHEDULES OF FUNCTIONAL ALLOCATIONS
WATER, SEWER AND GARBAGE FUND
SCHEDULE OF NET POSITION
June 30, 2015

	Water Sewer	Garbage	Total
LIABILITIES			
Current liabilities:			
Accounts payable	$ 44,701	$ 6,448	$ 51,149
Accrued expenses	5,201	-	5,201
Accrued interest payable	50,738	-	50,738
Current portion of long-term debt	200,000	-	200,000
Current portion, compensated absences	10,668	-	10,668
Customer deposits - payable from restricted assets	95,463	-	95,463
Total current liabilities	406,771	6,448	413,219
Long-term liabilities:			
Long-term debt (net of current portion)	4,250,000	-	4,250,000
Unamortized discount on bonds payable	(9,003)	-	(9,003)
Long-term portion, compensated absences	3,556	-	3,556
Net pension liability	42,017	-	42,017
Total long-term liabilities	4,286,570	-	4,286,570
TOTAL LIABILITIES	4,693,341	6,448	4,699,789
DEFERRED INFLOWS OF RESOURCES			
Retirement adjustments	4,622	-	-
NET POSITION			
Invested in capital assets, net of related debt	5,627,934	-	5,627,934
Unrestricted	1,794,034	130,573	1,924,607
TOTAL NET POSITION	7,421,968	130,573	7,552,541
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 12,119,931	$ 137,021	$ 12,256,952

CITY OF DAWSONVILLE, GEORGIA
SCHEDULES OF FUNCTIONAL ALLOCATIONS
WATER, SEWER AND GARBAGE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
For the Year Ended June 30, 2015

	Water Sewer	Garbage	Total
OPERATING REVENUES			
Charges for services	$ 1,144,184	$ 94,637	$ 1,238,821
Miscellaneous	47,150	-	47,150
Total operating revenues	1,191,334	94,637	1,285,971
OPERATING EXPENSES			
Personnel services and benefits	279,851	18,872	298,723
Purchased and contractual services	352,989	73,104	426,093
Bad debts	2,843	574	3,417
Supplies	87,520	-	87,520
Depreciation and amortization	413,457	-	413,457
Total operating expenses	1,136,660	92,550	1,229,210
OPERATING INCOME (LOSS)	54,674	2,087	56,761
NON-OPERATING INCOME (LOSS)			
Tap fees	125,000	-	125,000
Interest and fiscal charges	(122,555)	-	(122,555)
Interest earned	2,899	-	2,899
TOTAL NON-OPERATING INCOME (LOSS)	5,344	-	5,344
CHANGE IN NET POSITION	60,018	2,087	62,105
NET POSITION - beginning of year, as restated	7,361,950	128,486	7,490,436
NET POSITION - end of year	$ 7,421,968	$ 130,573	$ 7,552,541

STATISTICAL SECTION

CITY OF DAWSONVILLE GEORGIA

EST. 1859

CELEBRATING 150 YEARS

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CITY OF DAWSONVILLE, GEORGIA

INTRODUCTION TO THE STATISTICAL SECTION

(Unaudited)

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

Contents **Pages**

Financial Trends..... 62-69

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

Revenue Capacity..... 70-73

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

Debt Capacity..... 74-78

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

Demographic and Economic Information..... 79-81

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

Operating Information..... 82-83

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

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

CITY OF DAWSONVILLE, GEORGIA

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year Ending 6/30						Six-Months Ending 6/30	Fiscal Year Ending 12/31		
	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007	2006
GOVERNMENTAL ACTIVITIES										
Net Investment in capital assets	2,641,366	2,623,723	2,625,541	2,193,856	2,238,622	2,381,617	2,292,575	2,345,371	2,305,666	1,177,848
Restricted	233,170	201,407	215,198	304,838	341,926	169,888	158,873	157,358	144,101	148,912
Unrestricted	2,153,006	1,899,759	1,537,287	1,525,884	1,182,435	1,102,263	803,025	713,782	602,794	1,007,849
Total governmental activities net position	$ 5,027,542	$ 4,724,889	$ 4,378,026	$ 4,024,578	$ 3,762,983	$ 3,653,768	$ 3,254,473	$ 3,216,511	$ 3,052,561	$ 2,334,609
BUSINESS-TYPE ACTIVITIES										
Net Investment in capital assets	5,627,934	5,732,374	5,979,576	6,134,502	6,445,279	6,547,234	6,117,659	6,098,134	6,177,669	5,398,575
Restricted	-	-	217,758	216,476	215,221	106,332	169,576	169,419	-	-
Unrestricted	1,924,607	1,788,771	1,476,569	1,107,259	1,184,364	1,702,406	1,111,983	1,336,788	1,382,526	534,546
Total business-type activities net position	$ 7,552,541	$ 7,521,145	$ 7,673,903	$ 7,458,237	$ 7,844,864	$ 8,355,972	$ 7,399,218	$ 7,604,341	$ 7,560,195	$ 5,933,121
PRIMARY GOVERNMENT										
Net Investment in capital assets	8,269,300	8,356,097	8,605,117	8,328,358	8,683,901	8,928,851	8,410,234	8,443,505	8,483,335	6,576,423
Restricted	233,170	201,407	432,956	521,314	557,147	276,220	328,449	326,777	144,101	148,912
Unrestricted	4,077,613	3,688,530	3,013,856	2,633,143	2,366,799	2,804,669	1,915,008	2,050,570	1,985,320	1,542,395
Total primary government net position	$ 12,580,083	$ 12,246,034	$ 12,051,929	$ 11,482,815	$ 11,607,847	$ 12,009,740	$ 10,653,691	$ 10,820,852	$ 10,612,756	$ 8,267,730

(1) The City converted to a June 30 fiscal year end in 2009; consequently budgets and financial reporting are presented for the six month period of January 1 to June 30, 2009.

CITY OF DAWSONVILLE, GEORGIA

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year Ending 6/30						Six-Months Ending 6/30	Fiscal Year Ending 12/31		
	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007	2006
EXPENSES										
GOVERNMENTAL ACTIVITIES:										
General Government	$ 688,376	$ 682,148	$ 706,717	$ 728,050	$ 706,602	$ 673,355	$ 284,632	$ 681,153	$ 605,238	$ 564,568
Public Safety	-	-	80,000	160,000	160,000	166,550	80,000	180,575	172,074	186,000
Highways and Streets	341,626	221,424	265,141	157,539	63,848	55,414	21,038	176,614	140,304	152,517
Culture and Recreation	863	1,933	5,641	5,993	66,023	20,821	10,220	14,817	7,967	7,799
Planning and zoning	100,322	97,632	63,448	79,660	68,694	93,952	125,549	193,851	164,801	163,068
Housing and development	19,637	11,577	23,667	5,357	3,062	2,655	7,476	75,779	47,796	44,479
Interest	47,996	29,952	39,202	46,422	47,563	50,320	29,087	93,135	141,398	140,045
Total Governmental Activitie	1,198,820	1,044,666	1,183,816	1,183,021	1,115,792	1,063,067	558,002	1,415,924	1,279,578	1,258,476
BUSINESS-TYPE ACTIVITIES:										
Water and Sewage	1,351,765	1,465,860	1,360,724	1,353,080	1,489,493	1,525,155	745,660	1,390,480	1,143,458	788,091
Total Business-type Activities	1,351,765	1,465,860	1,360,724	1,353,080	1,489,493	1,525,155	745,660	1,390,480	1,143,458	788,091
Total Expenses	$ 2,550,585	$ 2,510,526	$ 2,544,540	$ 2,536,101	$ 2,605,285	$ 2,588,222	$ 1,303,662	$ 2,806,404	$ 2,423,036	$ 2,046,567
PROGRAM REVENUES										
GOVERNMENTAL ACTIVITIES:										
Charges for services:										
General Government	$ 106,907	$ 84,070	$ 129,225	$ 109,271	$ 94,318	$ 96,988	$ 45,711	$ 83,295	$ 119,930	$ 96,710
Public Safety	-	-	1,500	19,261	900	2,600	1,700	12,171	-	3,550
Highways and Streets	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	19,182	20,512	2,351	-	-	-
Planning and zoning	79,488	28,036	41,138	36,659	10,381	33,180	8,631	57,643	79,482	92,818
Housing and Development	-	-	-	-	-	-	-	41,132	34,753	38,894
Operating grants and contributions	17,420	9,993	1,000	1,000	4,500	7,458	1,667	1,000	155	25,357
Capital grants and contributions	-	16,629	16,523	4,320	112,275	73,466	-	210,000	383,095	129,726
Total governmental activities program revenues	203,815	138,728	189,386	170,511	241,556	234,204	60,060	405,241	617,415	387,055
BUSINESS-TYPE ACTIVITIES:										
Charges for Services:										
Water and Sewage	1,285,971	1,204,829	1,121,978	962,042	972,252	990,093	459,627	1,141,837	1,375,960	1,134,082
Capital grants and contributions	125,000	104,300	466,000	-	-	563,762	97,698	266,206	1,488,705	1,522,107
Total Business-type Activities	1,410,971	1,309,129	1,587,978	962,042	972,252	1,553,855	557,325	1,408,043	2,864,665	2,656,189
Total Program Revenues	$ 1,614,786	$ 1,447,857	$ 1,777,364	$ 1,132,553	$ 1,213,808	$ 1,788,059	$ 617,385	$ 1,813,284	$ 3,482,080	$ 3,043,244
Net (Expense) / Revenue										
Governmental activities	$ (995,005)	$ (905,938)	$ (994,430)	$ (1,012,510)	$ (874,236)	$ (828,863)	$ (497,942)	$ (1,010,683)	$ (662,163)	$ (871,421)
Business-type activities	59,206	(156,731)	227,254	(391,038)	(517,241)	28,700	(188,335)	17,563	1,721,207	1,868,098
Total Net Expense	$ (935,799)	$ (1,062,669)	$ (767,176)	$ (1,403,548)	$ (1,391,477)	$ (800,163)	$ (686,277)	$ (993,120)	$ 1,059,044	$ 996,677

(1) The City converted to a June 30 fiscal year end in 2009; consequently budgets and financial reporting are presented for the six month period of January 1 to June 30, 2009

CITY OF DAWSONVILLE, GEORGIA

CHANGES IN NET POSITION (continued)

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year Ending 6/30						Six-Months Ending 6/30	Fiscal Year Ending 12/31		
	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007	2006
GENERAL REVENUES										
GOVERNMENTAL ACTIVITIES:										
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Tax	788,952	783,018	802,222	892,217	832,894	782,352	405,666	828,564	908,586	822,087
Other excise taxes	91,757	90,626	84,451	80,496	78,869	176,932	95,571	160,972	145,715	116,999
Franchise taxes	210,988	143,418	148,922	120,715	120,936	111,417	5,782	112,788	172,502	73,292
Intergovernmental-unrestricted	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	3,182	2,243	2,573	2,254	3,737	5,539	3,970	16,247	51,312	58,653
Gain (loss) on sale of capital assets	-	-	-	-	-	22,385	-	-	-	282,211
Miscellaneous	233,488	233,496	219,710	178,423	80,839	-	-	-	-	-
Transfers in/out	-	-	-	-	-	-	25,015	-	-	-
Special Item	-	-	90,000	-	-	129,433	-	-	-	-
Total general revenues, transfers, and special item	1,328,367	1,252,801	1,347,878	1,274,105	1,117,275	1,228,058	536,004	1,118,571	1,278,115	1,353,242
BUSINESS-TYPE ACTIVITIES:										
Unrestricted investment earnings	2,899	3,973	3,953	4,413	7,633	12,054	8,227	82,645	97,867	34,404
Gain (loss) on sale of capital assets	-	-	-	(2)	(1,500)	-	(25,015)	-	-	24,827
Miscellaneous	-	-	-	-	-	-		-	-	-
Transfers in/out	-	-	-	-	-	-	-	-	-	-
Special Item	-	-	(15,541)	-	-	916,000	-	-	-	-
Total Business-type Activities	2,899	3,973	(11,588)	4,411	6,133	928,054	(16,788)	82,645	97,867	59,231
Total Primary Government	$ 1,331,266	$ 1,256,774	$ 1,336,290	$ 1,278,516	$ 1,123,408	$ 2,156,112	$ 519,216	$ 1,201,216	$ 1,375,982	$ 1,412,473
Change in Net Position										
Governmental Activities	$ 333,362	$ 346,863	$ 353,448	$ 261,595	$ 243,039	$ 353,822	$ (338,232)	$ 244,335	$ 403,879	$ 479,006
Business-type Activities	62,105	(152,758)	215,666	(386,627)	(511,108)	410,813	(534,029)	(434,596)	(419,374)	(458,010)
Total Change in Net Position	$ 395,467	$ 194,105	$ 569,114	$ (125,032)	$ (268,069)	$ 764,635	$ (872,261)	$ (190,261)	$ (15,495)	$ 20,996

(1) The City converted to a June 30 fiscal year end in 2009; consequently budgets and financial reporting are presented for the six month period of January 1 to June 30, 200

CITY OF DAWSONVILLE, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending 6/30						Six-Months Ending 6/30	Fiscal Year Ending 12/31		
	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007	2006
General Fund										
Nonspendable (2)	$ 5,048	$ 43,732	$ 13,530	$ 36,897	$ 8,840	$ 17,497	$ 20,593	$ -	$ -	$ -
Committed	-	-	-	-	-	-	-	-	290,000	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	2,201,835	1,864,596	1,529,719	1,494,558	1,175,171	924,863	563,359	491,287	321,546	11,244,729
Total General Fund:	$ 2,206,883	$ 1,908,328	$ 1,543,249	$ 1,531,455	$ 1,184,011	$ 942,360	$ 583,952	$ 491,287	$ 611,546	$ 11,244,729
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	233,170	201,407	215,198	304,838	341,926	331,348	383,811	388,167	144,134	148,912
Committed	-	-	-	-	-	-	-			-
Assigned	-	-	-	-	-	-	-			-
Unassigned	-	-	-	-	-	-	-			-
Total all Other Governmental Funds:	$ 233,170	$ 201,407	$ 215,198	$ 304,838	$ 341,926	$ 331,348	$ 383,811	$ 388,167	$ 144,134	$ 148,912

(1) The City converted to a June 30 fiscal year end in 2009; consequently budgets and financial reporting are presented for the six month period of January 1 to June 30, 2009

(2) Unassigned balance adjusted for prepaids

CITY OF DAWSONVILLE, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending 6/30						Six-Months Ending 6/30	Fiscal Year Ending 12/31		
	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007	2006
REVENUES										
Taxes	$ 1,325,185	$ 1,250,558	$ 1,255,305	$ 1,271,852	$ 1,113,537	$ 1,070,702	$ 507,019	$ 1,102,324	$ 1,516,803	$ 1,012,379
Charges for services	64,625	5,330	25,465	35,644	33,866	34,072	6,286	53,983	67,465	54,083
Intergovernmental	1,000	20,370	17,523	5,055	111,682	73,466	-	211,000	93,095	55,057
Licenses and permits	67,588	54,461	69,713	63,134	35,471	64,880	34,697	89,568	108,382	118,018
Fines, fees and forfeitures	-	-	-	-	-	50	-	13,620	5,500	-
Interest	3,182	2,268	2,573	2,520	4,330	5,539	1,754	16,247	51,312	58,653
Contributions	16,420	-	-	-	4,500	7,458	1,667	5,887	155	300
Miscellaneous	54,182	58,542	76,685	66,412	55,444	80,913	19,625	31,183	52,818	59,870
Total Revenues	1,532,182	1,391,529	1,447,264	1,444,617	1,358,830	1,337,080	571,048	1,523,812	1,895,530	1,358,360
EXPENDITURES										
General Government	566,867	538,842	577,984	494,045	461,597	437,813	189,673	497,441	496,324	462,051
Public Safety	-	-	80,000	160,000	160,000	166,550	80,000	180,575	172,074	186,000
Highways and Streets	329,030	223,199	247,217	136,796	49,684	46,966	17,620	171,526	136,178	148,824
Culture and Recreation	-	100	1,991	2,343	62,373	17,429	8,953	11,975	4,538	3,636
Planning and Zoning	100,322	97,632	63,448	79,054	67,241	91,462	101,178	139,827	147,010	156,056
Housing and Development	22,229	14,349	26,635	7,800	12,811	4,016	7,476	75,779	47,795	44,479
Debt Service										
Principal	135,419	112,223	368,955	118,900	117,135	117,715	53,842	92,988	75,160	254
Interest	47,997	29,952	39,202	46,422	47,563	50,320	29,087	93,135	141,398	140,045
Capital Outlay	-	23,944	119,678	88,901	128,197	228,297	19,925	192,854	1,428,014	143,851
Total Expenditures	1,201,864	1,040,241	1,525,110	1,134,261	1,106,601	1,160,568	507,754	1,456,100	2,648,491	1,285,196
Excess (Deficiency) of Revenues over Expenditures	$ 330,318	$ 351,288	$ (77,846)	$ 310,356	$ 252,229	$ 176,512	$ 63,294	$ 67,712	$ (752,961)	$ 73,164

(1) The City converted to a June 30 fiscal year end in 2009; consequently budgets and financial reporting are presented for the six month period of January 1 to June 30, 2009.

CITY OF DAWSONVILLE, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (continued)

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending 6/30						Six-Months Ending 6/30	Fiscal Year Ending 12/31		
	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007	2006
OTHER FINANCING SOURCES (USES)										
Transfers In	$ -	$ -	$ -	$ -		$ -	$ 25,015	$ 56,062	$ 102,000	$ -
Transfers Out	-	-	-	-		-	-	-	-	(135,196)
General Obligation bonds issued	-	-	-	-		-	-	-	-	-
Premium on general obligation bonds	-	-	-	-		-	-	-	-	-
Refunding bonds issued	-	-	-	-		-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-		-	-	-	-	-
Discount on special assessment bonds issued	-	-	-	-		-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-		-	-	-	-	-
Capital lease	-	-	-	-		-	-	-	-	-
Sales of general capital assets	-	-	-	-		-	-	-	13,000	374,014
Insurance recoveries	-	-	-	-		-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	25,015	56,062	115,000	238,818
Net change in fund balances before special item	330,318	351,288	(77,846)	310,356	252,229	176,512	88,309	123,774	(637,961)	311,982
Special Item	-	-	-	-	-	129,433	-	-	-	-
Net change in fund balances	$ 330,318	$ 351,288	$ (77,846)	$ 310,356	$ 252,229	$ 305,945	$ 88,309	$ 123,774	$ (637,961)	$ 311,982
Debt service as a percentage of noncapital expenditures	15.86%	14.31%	29.68%	15.81%	16.83%	18.02%	17.00%	14.73%	17.74%	12.29%

(1) The City converted to a June 30 fiscal year end in 2009; consequently budgets and financial reporting are presented for the six month period of January 1 to June 30, 2009

CITY OF DAWSONVILLE, GEORGIA

GENERAL FUND HISTORY

Last Five Fiscal Years

	Fiscal Year Ending 6/30				
	2015	2014	2013	2012	2011
Revenues					
Taxes	$ 1,322,513	$ 1,247,700	$ 1,252,245	$ 1,269,333	$ 1,111,489
Charges for services	44,235	1,530	6,545	20,514	13,476
Intergovernmental	1,000	3,766	1,000	1,000	-
Licenses and permits	67,588	54,461	-	63,134	35,471
Fines, fees and forfeitures	-	-	69,713	-	-
Interest	2,922	1,981	2,130	1,596	2,219
Contributions	-	-	-	-	4,500
Miscellaneous	54,182	58,542	76,685	66,412	55,444
Total Revenues	1,492,440	1,367,980	1,408,318	1,421,989	1,222,599
Expenditures					
General Government	561,273	528,218	564,015	484,482	453,284
Public Safety	-	-	80,000	160,000	160,000
Highways and Streets	329,030	223,199	247,217	136,796	49,684
Culture and Recreation	-	100	1,991	2,343	62,373
Planning and Zoning	100,322	97,632	63,448	79,054	67,241
Housing and Development	-	11,577	23,667	5,357	3,060
Debt Service	183,416	142,175	-	165,322	164,698
Capital Outlay	-	-	408,157	41,191	20,608
Total Expenditures	1,174,041	1,002,901	1,388,495	1,074,545	980,948
Excess (Deficiency) of Revenues over Expenditures	318,399	365,079	19,823	347,444	241,651
Other Financing Sources (Uses)					
Transfers in (out)	(7,500)	-	(8,029)	-	-
Net Change in Fund Balances	310,899	365,079	11,794	347,444	241,651
Fund Balance- beginning of year	1,908,328	1,543,249	1,531,455	1,184,011	842,360
Prior Period Adjustment	(12,344)	-	-	-	-
Fund Balance- end of year	$ 2,206,883	$ 1,908,328	$ 1,543,249	$ 1,531,455	$ 1,084,011

Note: This schedule is provided to comply with ongoing debt requirements. The required budget schedule for the General Fund is included in the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA

WATER & SEWER FUND HISTORY

Last Five Fiscal Years

	Fiscal Year Ending 6/30				
	2015	2014	2013	2012	2011
Operating Revenues					
Charges for services	$ 1,144,184	$ 1,084,192	$ 974,718	$ 856,769	$ 861,402
Miscellaneous	47,150	28,639	55,997	19,451	24,857
Total Operating Revenues	1,191,334	1,112,831	1,030,715	876,220	886,259
Operating Expenses					
Personal Services & Benefits	279,851	241,309	230,094	237,321	293,687
Purchased/Contracted Services	352,989	353,927	332,076	340,112	357,797
Bad Debts	2,843	4,292	3,308	3,044	4,900
Supplies	87,520	63,621	85,017	63,161	113,470
Depreciation & Amortization	413,457	413,016	434,167	430,143	436,485
Total Expenditures	1,136,660	1,076,165	1,084,662	1,073,781	1,206,339
Operating Income (Loss)	54,674	36,666	(53,947)	(197,561)	(320,080)
Non-Operating Income (Loss)					
Intergovernmental Revenues	-	-	-	-	-
Contributions & Donations	-	-	-	-	-
Gain (loss) on Sale of Assets	-	-	-	(2)	(1,500)
Interest & Fiscal Charges	(122,555)	(318,564)	(206,779)	(212,453)	(216,913)
Interest Earned	2,899	3,973	3,953	4,413	7,610
Total Non-Operating Income (Loss)	(119,656)	(314,591)	(202,826)	(208,042)	(210,803)
Net Income Before Transfers	(64,982)	(277,925)	(256,773)	(405,603)	(530,883)
Tap Fees & Other					
Tap Fees & Other	125,000	104,300	466,000	-	-
Transfers In (Out)	-	-	-	-	-
Change in Net Assets	60,018	(173,625)	209,227	(405,603)	(530,883)
Net Assets- beginning of year	7,392,659	7,566,284	7,372,598	7,778,201	8,309,084
Prior Period Adjustment	(30,709)	-	(15,541)	-	-
Net Assets- end of year	$ 7,421,968	$ 7,392,659	$ 7,566,284	$ 7,372,598	$ 7,778,201

Note: This schedule is provided to comply with ongoing debt requirements. Financial results related to the Garbage Function are excluded in this presentation. As such, amounts will differ from the total reported in the City's basic financial statements. Details of the functional allocations can be found in supplementary schedules to the City's annual financial statements. The required budget budget schedule for the Water & Sewer Fund is also included in supplementary information.

CITY OF DAWSONVILLE, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

	Real Property				Personal Property (1)							
Tax Year	Residential Property	Agricultural & Conservation Property	Commercial & Industrial Property	Public Utilities	Motor Vehicles	Mobile Homes	Gross Tax Digest / Bond Digest (2)	Exemption Adjustments	Total Taxable Assessed Value (3)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Value
2015	$ 49,989,322	$ 9,206,069	$ 22,011,299	$ 1,999,574	$ 2,938	$ 1,340	$ 83,210,542	$ (3,317,059)	79,893,483	0.00	199,733,708	40%
2014	44,143,055	8,833,142	24,609,041	1,811,627	169,780	1,340	79,567,985	(3,739,663)	75,828,322	0.00	189,570,805	40%
2013	40,167,378	8,526,540	21,789,893	2,003,986	207,450	2,410	72,697,657	(2,649,546)	70,048,111	0.00	175,120,278	40%
2012	43,109,208	8,537,257	18,067,672	1,783,236	252,490	12,657	71,762,520	(2,649,546)	69,112,974	0.00	172,782,435	40%
2011	48,561,693	11,203,280	18,849,201	1,743,018	198,620	16,922	80,572,734	(3,122,450)	77,450,284	0.00	193,625,710	40%
2010	55,080,051	15,635,971	19,713,929	1,731,940	159,750	17,417	92,339,058	(4,483,511)	87,855,547	0.00	219,638,868	40%
2009	60,623,516	14,703,393	19,203,214	1,660,263	256,800	18,319	96,465,505	(4,420,906)	92,044,599	0.00	230,111,498	40%
2008	62,920,628	14,514,520	16,843,308	1,647,243	343,850	18,861	96,288,410	(3,967,027)	92,321,383	0.00	230,803,458	40%
2007	54,953,584	8,360,491	15,061,689	1,682,388	342,400	3,582	80,404,134	(2,030,889)	78,373,245	0.00	195,933,113	40%
2006	40,490,164	2,771,809	11,217,977	1,588,856	376,100	4,085	56,448,991	(1,188,547)	55,260,444	0.00	138,151,110	40%

Source: Georgia Department of Revenue

(1) The City does not presently levy ad valorem tax, therefore inventory and equipment valuations are not reported.

(2) Digest is not adjusted for bond exemptions since no taxes were levied for bond debt service and therefore the exemptions were not calculated by the Dawson County Tax Commissioner.

(3) Total assessed value, after deducting exemptions for purposes of levying tax for the maintenance and operation of the City, if the City had leveid such tax.

CITY OF DAWSONVILLE, GEORGIA

PROPERTY TAX RATES - MILLS

DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

	Direct Rate	Overlapping Rates				
	City of Dawsonville	Dawson County Board of Education		State of Georgia	Dawson County	
Tax Year	Operating Millage	Operating Millage	Debt Service	Operating Millage	Operating Millage	Total Direct and Overlapping Rates
2015	0.000	16.496	0.000	0.050	8.138	24.684
2014	0.000	17.246	0.000	0.100	8.138	25.484
2013	0.000	17.246	0.000	0.150	8.138	25.534
2012	0.000	15.546	0.400	0.200	8.138	24.284
2011	0.000	15.546	0.400	0.250	8.138	24.334
2010	0.000	13.646	0.400	0.250	8.138	22.434
2009	0.000	13.646	0.400	0.250	8.138	22.434
2008	0.000	13.646	0.400	0.250	8.138	22.434
2007	0.000	13.646	0.400	0.250	8.138	22.434
2006	0.000	13.646	0.400	0.250	8.138	22.434

Source: Georgia Department of Revenue

Note: Mills - rate per $1,000 of taxable assessed value

CITY OF DAWSONVILLE, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

		2015			2006		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1))	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Dawsonville Fee Owner, LLC	Shopping Center Owner	2,307,249	1	2.89%			
Farmington Woods, LP	Apartment Complex	$ 1,739,821	2	2.18%	$		
Atlanta Motorsports Park, LLC	Motorsports Park	1,633,235	3	2.04%			
Branchwater Holdings, LLC	Landowner	939,373	4	1.18%	1,320,860		2.39%
Windstream Standard, Inc.	Public Utility	932,770	5	1.17%			
Gold Creek Foods, LC	Poultry Processing	875,124	6	1.10%	2,113,745	1	3.83%
Starmount Properties Inc.	Apartment Complex	764,164	7	0.96%	779,460	5	1.41%
B&K Turner Family LLP	Landowner	714,761	8	0.89%			
Meadow Trace, Inc.	Residential Development	674,004	9	0.84%			
Peachtree Dekalb Plaza LLC	Commercial Developer	669,995	10	0.84%			
Howser Mill , LLC	Residential Development				1,785,667	2	3.23%
Standard Telephone Co.	Public Utility				1,367,870	3	2.48%
Perimeter Stonewall Assoc., LLC	Residential Development				852,145	4	1.54%
Burts Crossing Construction	Residential Development				536,119	6	0.97%
Shoal Creek Ridge Bldrs Inc.	Residential Development				532,223	7	0.96%
Noblin Nancy Forsyth & Edgar....	Landowner				524,591	8	0.95%
Classic Homes of Dawson Inc.	Residential Development				521,297	9	0.94%
SBW Development Venture	Residential & Commercial Developer				508,438	10	0.92%
Totals		8,943,247		11.19%	10,842,415		19.62%

Source: Dawson County Tax Commissioner

Note: The City of Dawsonville does not levy property tax. Rank is based on the amount of County maintenance & operations taxes billed since exemptions that reduce the assessed value can vary by entity.

(1) Percentages are based on the City's gross tax digest of $79,893,483 for calendar year 2015, and $55,260,444 for calendar year 2006.

CITY OF DAWSONVILLE, GEORGIA

LOCAL OPTION SALES TAX DISTRIBUTION COMMODITY REPORT

Last Five Fiscal Years

	2015			2014			2013			2012			2011		
Commodity (1)	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
General Merchandise	$ 2,764,194	1	42.83%	$ 2,764,194	1	42.83%	$ 2,673,032	1	41.13%	$ 2,498,906	1	39.53%	$ 2,409,097	1	41.41%
Food/Bars	1,085,753	2	16.82%	1,085,753	2	16.82%	1,028,600	2	15.83%	1,009,891	2	15.98%	956,843	2	16.45%
Other Retail	687,741	3	10.66%	687,741	3	10.66%	638,624	3	9.83%	683,850	3	10.82%	625,220	3	10.75%
Miscellaneous Service	508,180	4	7.87%	508,180	4	7.87%	518,276	4	7.97%	440,234	4	6.96%	429,890	4	7.39%
Wholesale	415,047	5	6.43%	415,047	5	6.43%	413,819	5	6.37%	295,437	7	4.67%	222,080	7	3.82%
Utility	271,837	6	4.21%	271,837	6	4.21%	265,324	7	4.08%	266,483	8	4.22%	267,470	6	4.60%
Manufacturing	236,342	7	3.66%	236,342	7	3.66%	209,783	8	3.23%	183,078	10	2.90%	175,519	9	3.02%
Home Furnishing	197,512	8	3.06%	197,512	8	3.06%	183,122	9	2.82%	197,110	9	3.12%	161,310	10	2.77%
Auto	119,989	9	1.86%	119,989	9	1.86%	349,819	6	5.38%	402,974	5	6.37%	346,102	5	5.95%
Other Services	98,596	10	1.53%	98,596	10	1.53%	166,787	10	2.57%	309,177	6	4.89%	178,822	8	3.07%
Accommodations	54,951		0.85%	54,951		0.85%	40,119		0.62%	23,754		0.38%	38,495		0.66%
Construction	13,600		0.21%	13,600		0.21%	12,368		0.19%	10,709		0.17%	6,876		0.12%
Totals	6,453,742		100.00%	6,453,742		100.00%	6,499,673		100.00%	6,321,603		100.00%	5,817,724		100.00%

Source: Georgia Department of Revenue, Local Government Services

(1) Data is not available for City of Dawsonville; Dawson County totals are reported on this schedule.

CITY OF DAWSONVILLE, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

	Governmental Activities		Business-Type Activities					
Fiscal Year Ended	Intergovern-mental Contractual Agreement (4)	Capital Leases	Water & Sewer Revenue Bonds	Municipal Loans	Interim Financing Bank Note (3)	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2015	1,334,130	-	4,450,000	-	-	5,784,130	6.06%	2,208
2014	1,442,828	-	4,675,000	-	-	6,117,828	6.74%	2,412
2013	1,555,048	-	3,761,717	1,083,998	-	6,400,763	7.39%	2,596
2012	1,924,006	-	3,816,575	1,147,157	-	6,887,738	8.66%	3,003
2011	2,042,906	-	3,867,828	1,207,565	-	7,118,299	9.24%	3,070
2010	2,160,041	-	3,917,948	1,265,372	-	7,343,361	9.82%	3,073
2009 (2)	2,277,756	-	3,961,563	1,320,784	-	7,560,103	14.57%	4,675
2008	2,331,596	-	3,984,590	1,347,661	-	7,663,847	14.62%	4,860
2007	2,424,586	-	4,030,224	1,391,909	-	7,846,719	17.20%	5,577
2006	2,499,746	-	974,889	461,936	2,646,360	6,582,931	17.86%	5,348

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

(1) See the Schedule of Demographic and Economic Statistics on page79 for personal income and population data.

(2) The City converted to a June 30 fiscal year end in 2009; consequently financial reporting is presented for the six month period ending June 30, 2009. Preceeding periods are based on a fiscal year end of December 31.

(3) Bank note payable represents the pre-funding obligation to a local bank for interim financing pending issuance of the Series 2006 Bonds. The liability is subsequently re-categorized under bond debt obligation beginning in 2007.

(4) The City maintains liability through an intergovernmental contractual ageement for bonds issued by the Downtown Development Authority, a component unit of the City. See notes to the financial statements for further detail.

CITY OF DAWSONVILLE, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

GENERAL OBLIGATION AND REVENUE BONDS

June 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Available	Estimated Share of Overlapping Debt
City of Dawsonville Direct Debt			
Intergovernmental Contractual Obligations	$ 1,334,130	100%	$ 1,334,130
Water & Sewer Revenue Bonds	4,450,000	100%	4,450,000
Total Direct	5,784,130		5,784,130
Overlapping Debt:			
Dawson County Board of Commissioners	11,605,000	6.02%	698,621
Dawson County School System	6,600,000	6.02%	397,320
Total Overlapping Debt	18,205,000		1,095,941
Total	$ 23,989,130		$ 6,880,071

Source: Direct debt outstanding provided by the City as of June 30, 2015, as represented in current financial statements. Overlapping debt outstanding data as per reported in the Dawson County CAFR for December 31, 2014.

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

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county total taxable assessed value.

CITY OF DAWSONVILLE, GEORGIA

LEGAL DEBT MARGIN - GENERAL OBLIGATION DEBT

Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Assessed value of property, gross tax digest	$ 83,210,542	$ 79,567,985	$ 72,697,657	$ 71,762,520	$ 80,752,734	$ 92,339,058	$ 96,465,505	$ 96,288,410	$ 80,404,134	$ 56,448,991
Debt Limit (10% of total assessed value)	8,321,054	7,956,799	7,269,766	7,176,252	8,075,273	9,233,906	9,646,551	9,628,841	8,040,413	5,644,899
Amount of Debt applicable to limit:										
General obligation bonds and contracts payable	1,334,130	1,442,828	1,555,048	1,924,006	2,042,906	2,160,041	2,277,756	2,331,596	2,424,586	2,499,746
Less: Resources restricted to paying principal	-	-								
Total net debt applicable to limit	1,334,130	1,442,828	1,555,048	1,924,006	2,042,906	2,160,041	2,277,756	2,331,596	2,424,586	2,499,746
Legal debt margin	$ 6,986,924	$ 6,513,971	$ 5,714,718	$ 5,252,246	$ 6,032,367	$ 7,073,865	$ 7,368,795	$ 7,297,245	$ 5,615,827	$ 3,145,153
Total net debt applicable to the limit as a percentage of debt limit	16.03%	18.13%	21.39%	26.81%	25.30%	23.39%	23.61%	24.21%	30.15%	44.28%

CITY OF DAWSONVILLE, GEORGIA

PLEDGED-REVENUE COVERAGE

WATER, SEWER & GARBAGE FUND

Last Ten Fiscal Years

	Public Utilities Revenue Bonds & Pledged Municipal Loans					
		Less	Net			
Fiscal	Operating	Operating	Available	Debt Service		
Year	Revenue (1)	Expenses (2)	Revenue	Principal	Interest	Coverage
2015	1,288,870	812,753	476,117	225,000	97,159	1.48
2014	1,208,802	734,280	474,522	170,715	296,608	1.02
2013	1,125,931	719,778	406,153	118,017	208,528	0.76
2012	966,455	710,484	255,971	111,661	213,678	0.79
2011	979,885	836,095	143,790	107,928	217,410	0.44
2010	1,002,147	868,042	134,105	99,025	226,311	0.41
2009 (3)	467,854	439,860	27,994	49,905	112,764	0.17
2008	1,224,482	805,842	418,640	96,362	214,166	1.35
2007	1,473,827	768,370	705,457	55,603	64,468	5.88
2006	1,158,909	536,416	622,493	31,355	65,943	6.40

(1) Total operating revenue including interest.

(2) Total operating expenses exclusive of depreciation.

(3) The City converted to a June 30 fiscal year end in 2009; consequently financial reporting is presented for the six month period ending June 30, 2009.

CITY OF DAWSONVILLE, GEORGIA

TAX SUPPORTED DEBT RATIOS

June 30, 2015

	Direct Tax Supported Debt (1)	Overlapping Tax Supported Debt (1)	Overall Tax Supported Debt (6)
Per Capita Debt (2)	$ 2,208	$ 418	$ 2,626
Percentage of Gross Tax Digest (3)	6.95%	1.32%	8.27%
Percentage of Direct Fair Market Value (4)	2.90%	0.55%	3.45%
Per Capita Debt as Percentage of Per Capita Income (5)	6.06%	1.15%	7.21%

Note: This schedule is provided to comply with ongoing debt covenant requirements.

(1) Direct and overlapping debt is shown in total on page 70
(2) Based on 2015 City of Dawsonville population of 2,620, see page 74
(3) Based on 2015 Gross Tax Digest of $83,210,542, see page 65
(4) Based on 2015 estimated actual value of $199,733,708, see page 65
(5) Based on 2015 estimated per capita income figure for Dawson County of $36,418, see page 74
(6) Based on amount of overlapping debt applicable to City of Dawsonbille taxable property.

CITY OF DAWSONVILLE, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year Ended		Population Dawson County	Population City of Dawsonville	Estimated City of Dawsonville Personal Income (5)	Dawson Co. Per Capita Personal Income (3)		Dawson County Average Annual Unemployment Rate (1)
2015	(2)	22,777	2,620	95,415,933	36,418	(4)	5.6%
2014		22,957	2,536	90,705,948	35,767	(4)	5.8%
2013		27,968	2,466	86,625,648	35,128		6.7%
2012		27,537	2,294	79,535,274	34,671		7.7%
2011		26,758	2,319	77,011,671	33,209		9.0%
2010		22,330	2,390	74,804,610	31,299		9.8%
2009		22,555	1,617	51,895,998	32,094		9.8%
2008		22,006	1,577	52,421,057	33,241		5.9%
2007		21,484	1,407	45,638,859	32,437		3.8%
2006		20,643	1,231	36,849,985	29,935		3.8%

Data Sources: U.S. Census Bureau, unless otherwise noted.

(1) Data provided through the Georgia Department of Labor and U.S. Department of Labor Bureau of Labor Statistics.

(2) U.S. Census population data for 2015 not available; information shown is estimate provided by Georgia Hometown Locator.

(3) Data provided through Federal Reserve Economic Data and the U.S. Bureau of Economic Analysis.

(4) Current per capita data unavailable. Calculated estimate by applying to the preceeding year the compound annual growth rate of 1.82% realized for the five year period 2009-2013.

(5) Personal Income figures specifically for the City are not available. Calculated estimate by multiplying county per capita rate by City population.

CITY OF DAWSONVILLE, GEORGIA

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

	2015			2006		
Taxpayer	Employees	Rank	Percentage of City Employment	Employees	Rank	Percentage of City Employment
Gold Creek Foods, LC	600	1	36.70%	650	1	45.36%
Dawson County Board of Commissioners	270	2	16.51%	242	2	16.89%
Dawson County Board of Education (1)	254	3	15.54%	235	3	16.40%
Atlanta Motor Sports Park LLC	47	4	2.87%			
Food Lion Sotre # 2132	40	5	2.45%			
Bojangles Restaurant	26	6	1.59%			
Dairy Queen of Dawsonville	16	7	0.98%	15	7	1.05%
United Community Bank	13	8	0.80%	20	5	1.40%
Kangaroo Store # 3318	10	9/10	0.61%	10	8/9	0.70%
Mill Creek Environmental	10	9/10	0.61%			
Koch Electric	10	9/10	0.61%			
Subway	10	9/10	0.61%			
Davis Machine Inc.				23	4	1.61%
Southern Foodservice Management				19	6	1.33%
Southern Catholic College				10	8/9	0.70%
Dawsonville Pool Room				9	10	0.63%
All Others	329		20.12%	200		13.96%
Totals	1,635		100.00%	1,433		100.00%

Source: Employment data based on business license applications and phone surveys.

(1) Represented in the employment figures presented are employees of the BOE offices, Dawson County High School, Dawson County Middle School, Robinson Elementary and Hightower Academy.

CITY OF DAWSONVILLE, GEORGIA

CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

	2015		2014		2013		2012		2011		2010		2009		2008		2007		2006	
Function	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General government:																				
Mayor and council	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5
Finance and administration	1	1	1	1	1	1	1	1	1	1	1	1	2	-	2	-	1	1	2	-
Planning and zoning	1	-	1	-	1	-	1	-	1	-	1	-	2	-	2	-	2	-	2	-
Highways and streets	3	-	3	-	1	1	1	1	-	-	-	-	-	-	-	-	1	-	-	-
Water and sewer	3	-	3	-	3	-	3	-	4	-	5	-	4	-	4	-	4	1	3	-
Totals	8	6	8	6	6	7	6	7	6	6	7	6	8	5	8	5	8	7	7	5

CITY OF DAWSONVILLE, GEORGIA

OPERATING INDICATORS BY FUNCTION

Last Seven Fiscal Years

Function	2015	2014	2013	2012	2011	2010	2009 (1)
General Government:							
Number of accounts payable checks issued	730	730	656	554	1,004	1,067	477
Number of payroll checks issued	286	286	290	278	273	280	169
Highways and streets							
Miles of streets maintained	10.87	10.87	10.87	10.08	10.07	10.07	10.07
Miles of sidewalks maintained	5.93	5.93	5.70	5.52	5.09	4.80	4.43
Planning & Zoning							
Permits issued	100	97	96	83	98	77	76
Licenses issued	181	190	163	151	152	160	158
Water System							
Number of service connections	1,250	1,250	1,118	1,131	1,096	1,135	1,023
Daily average consumption in gallons	190,688	190,688	187,092	294,304	194,215	183,486	102,630
Sewer System							
Number of service connections	1,075	1,075	941	934	904	946	839
Daily average treatment in gallons	176,698	176,698	166,530	270,731	172,218	160,841	73,851
Garbage Collection							
Customers	572	556	553	518	522	517	480

Source: Various City departments.

(1) The City converted to a June 30 fiscal year end in 2009; consequently financial reporting is presented for the six month period ending June 30, 2009. Comparative information prior to the short-year ending 6/30/2209 is not available.

CITY OF DAWSONVILLE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007	2006
General Government:										
Municipal facilities	1	1	1	1	1	1	1	1	1	1
Rental houses	2	2	2	2	2	2	2	2	2	2
Undeveloped land acreage	17.74	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	0.33
Culture and Recreation										
Parks	2	2	1	1	1	1	1	1	1	1
Park acreage	15	15	1	1	1	1	1	1	1	1
Highways and Streets										
Maintenance facilities	1	1	1	1	1	1	1			
Miles of streets maintained	10.87	10.87	10.87	10.08	10.07	10.07	10.07	10.40	10.40	10.40
Miles of sidewalks maintained	6.43	5.93	5.70	5.52	5.09	4.80	4.43	4.20	4.04	3.81
Water System										
Miles of mains	25.5	25.5	25.5	24.9	24.9	24.6	24.6	24.5	23.4	22.5
Number of fire hydrants	275	275	268	268	268	268	268	268	252	240
Number of developed wells	5	5	5	5	5	5	5	5	5	2
Maximum daily capacity in gallons	835,200	835,200	835,200	835,200	835,200	835,200	835,200	835,200	835,200	201,600
Sewer System										
Miles of sewer	10.7	10.7	10.7	12.0	12.9	14.0	14.2	14.2	14.4	14.4
Waste water treatment plants	1	1	1	1	1	1	1	1	1	1
Maximum daily capacity of treatment plant in gallons	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	120,000

Source: Various City departments.

(1) The City converted to a June 30 fiscal year end in 2009; consequently financial reporting is presented for the six month period ending June 30, 2009.

OTHER REPORTING SECTION

CITY OF DAWSONVILLE GEORGIA

EST. 1859

CELEBRATING 150 YEARS

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ALEXANDER ALMAND & BANGS, LLP
CERTIFIED PUBLIC ACCOUNTANTS

November 16, 2015

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*

To the Mayor and City Council
City of Dawsonville
Dawsonville, 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, each major fund, and the aggregate remaining fund information of the City of Dawsonville, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Dawsonville, Georgia's basic financial statements, and have issued our report thereon dated November 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Dawsonville, 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 Dawsonville, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Dawsonville, Georgia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Dawsonville, 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*.

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Members of: The Georgia Society of Certified Public Accountants • The American Institute of Certified Public Accountants

Purpose of this Report

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

Alexander, Almand & Bangs, LLP
Gainesville, Georgia

CITY OF DAWSONVILLE, GEORGIA
SPECIAL LOCAL OPTION SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS - SPLOST IV
BUDGET AND ACTUAL - PROJECT TO DATE
From Inception Through June 30, 2015

Project	Original Budget	Current Project Budget	Prior Year Project to Date	Current Year	Total	Percent Complete	Fund Balance
Sidewalk Project	$ 500,000	$ 508,210	$ 497,426	$ -	$ 497,426	97.88%	$ 10,784

Reconcilation to Capital Projects Fund:

Total Expenditures - Capital Projects Fund	$ -
LMIG Grant Expenditures	-
SPLOST IV Expenditures - current year	$ -

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