



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2019



“Protecting our History and Providing for the Future”



City of Dawsonville, Georgia
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Fiscal Year Ended June 30, 2019



Submitted by:
Robert D. Bolz
City Manager

INTRODUCTORY SECTION





CITY OF DAWSONVILLE, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For Fiscal Year Ended June 30, 2019

TABLE OF CONTENTS

INTRODUCTORY SECTION

Table of Contents	i-iii
Letter of Transmittal	iv-vi
Officials and Administration of the City of Dawsonville, Georgia	vii
Organization Chart	viii
Certificate of Achievement for Excellence in Financial Reporting	ix

FINANCIAL SECTION

Independent Auditor’s Report	1-2
Management’s Discussion and Analysis	3-10

Basic Financial Statements

Government-Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12

Fund Financial Statements:

Governmental Funds	
Balance Sheet	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General Fund	17
Proprietary Funds	
Statement of Net Position	18
Statement of Revenues, Expenses and Changes in Net Position	19
Statement of Cash Flows	20-21

Notes to the Financial Statements	22-42
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Required Supplementary Information

Defined Benefit Retirement Plan	
Schedule of Changes in the Net Pension Liability and Related Ratios	43
Schedule of Contributions	44
Notes to the Required Supplementary Information	45



CITY OF DAWSONVILLE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For Fiscal Year Ended June 30, 2019

TABLE OF CONTENTS (CONT'D)

Combining and Individual Fund Financial Statements and Schedules

Non-Major Governmental Funds	
Combining Balance Sheet.....	46
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	47
Special Revenue Funds	
Hotel-Motel Fund Balance Sheet	48
Hotel-Motel Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual.....	49
Downtown Development Authority Fund Balance Sheet	50
Downtown Development Authority Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual.....	51
Permanent Fund	
Cemetery Fund Balance Sheet	52
Cemetery Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual.....	53
<u>Supplementary Information</u>	
Schedule of Revenues, Expenses and Change in Net Position - Budget (GAAP Basis) and Actual - Water, Sewer and Garbage Fund	54
Schedules of Functional Allocations - Water, Sewer and Garbage Fund	
Schedule of Net Position	55
Schedule of Revenues, Expenses and Change in Net Position	56

STATISTICAL SECTION

Financial Trends	
Net Position by Component	57
Changes in Net Position.....	58-59
Fund Balances of Governmental Funds	60
Changes in Fund Balances of Governmental Funds	61-62
General Fund History	63
Water & Sewer Fund History.....	64
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	65
Direct and Overlapping Property Tax Rate - Mills.....	66
Principal Property Taxpayers	67
Local Option Sales Tax Distribution Commodity Report - Dawson County	68
Debt Capacity	
Ratios of Outstanding Debt by Type	69
Direct and Overlapping Governmental Activities Debt.....	70
Legal Debt Margin Information.....	71
Pledged-Revenue Coverage Water, Sewage & Garbage Fund	72
Tax Supported Debt Ratios.....	73



CITY OF DAWSONVILLE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Fiscal Year Ended June 30, 2019

TABLE OF CONTENTS (CONT'D)

Demographic and Economic Information	
Demographic and Economic Statistics.....	74
Principal Employers/Dawson County.....	75
Operating Information	
City Government Employees by Function.....	76
Operating Indicators by Function.....	77
Capital Asset Statistics by Function.....	78

OTHER REPORTING SECTION

State Reporting	
Schedule of Projects Financed with Special Sales Tax Proceeds.....	79

COMPLIANCE SECTION

Independent Auditor's Compliance Report	
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 <i>Government Auditing Standards</i>	80-81

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November 4, 2019

To the 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, 2019 to 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 2019. The audit issued an unmodified opinion for the 2019 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 the 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 a water and sewer utilities, solid waste collection, cemetery services, maintenance of highways and streets, planning and zoning services, 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 Finance Administrator develops this document which is submitted to the Mayor and City Council for adoption. The City includes all governmental funds (General, SPLOST, Hotel/Motel Tax and Dawsonville Downtown Development Authority), and enterprise funds (Water/Sewage, and Solid Waste) 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 steady and consistent improvement over the last several 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. The location of the City has been a major contributor to the growth of this community.

For the County, the North Georgia Premium Outlet Mall is the largest employer with approximately 1,050 to 1,200 employees throughout the year. The Dawson County Board of Education is the second largest employer with nearly 550 employees in the County.

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. From 2010 forward, it is estimated that the City's population has grown by slightly over 700 persons which is a 23% increase. This population growth continues to impact all levels of service needs. Currently, the population of the City is estimated to be approximately 3,100 citizens.

The housing and banking crisis halted the development within the City for several years. In the last three years, development has improved with more residential housing areas being developed. The building and construction activity in the City and surrounding area has been booming to accommodate persons moving to the area and the significant increase in retail establishments at the Dawson 400 section of the County. This has impacted many areas, including reducing the estimated unemployment rate from roughly 9.8% in 2010, to 3.0% in 2019, for Dawson County as a whole.

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.

Long-term Financial Planning

Unassigned fund balance in the General Fund is \$ 3,409,306 to provide cash flow throughout the year and as a buffer against unforeseen events. While the City feels it is financially healthy enough to cover unforeseen events, the Administration is working toward developing a minimum unassigned fund balance to reserve as a part to their long-term liquidity management plan.

On November 4, 2014 Dawson County citizens approved the continuation of the Special Purpose Local Option Sales Tax (SPLOST). SPLOST VI collections began in July 2015 and will continue until June 2021. SPLOST VI will not be pre-funded. Therefore, the Mayor and City Council determine the project priority for SPLOST VI. Projects from SPLOST proceeds include: sidewalks and revitalization of downtown and parking, city hall acquisition, and development of a recreational park, water and sewer projects, a farmer's market and purchasing public works equipment. The Mayor and City Council have designed these projects to improve the overall availability of resources, such as clean water, and recreational activities for the City's citizens. Each of these projects is underway or nearly complete as of June 30, 2019.

Relevant Financial Policies

In March of 2014, Standard and Poor's assigned a credit rating of "AA" (stable) to the City when the most recent revenue bonds were issued.

The Council amended the Financial Policy Manual (a guide to the management of the finances of the City) April 9, 2018 to include additional roles of personnel and improve other financial processes and policies within the operations of the City. 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 remains in the process of constructing a recreational facility and park for citizens to use, and a covered market location for events. Each of the projects are time consuming. Certain phases were completed during the fiscal year with the final phases expected to be completed in the fiscal year ending June 30, 2020. In addition, the Mayor and Council continue to work diligently to resolve common criticisms from citizens, such as parking and traffic flow in the Historic Downtown Area. This, too, is a time consuming project and requires devoted hours working with multiple agencies and regulatory authorities to accomplish. Additionally, during the year, a major goal from the Mayor and Council was to provide transparency to the Citizens with the happenings within the City. In doing so, the City makes available via live stream and replay video of Council Meetings including detailed minutes with time stamps for those seeking specific items within the agenda, as well as an updated, easy-to-use website.

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 fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement the government is required to publish an easily readable and efficiently organized CAFR that satisfies 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 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 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,



Robert D. Bolz
City Manager



CITY OF DAWSONVILLE, GEORGIA
OFFICIALS AND ADMINISTRATION
as of June 30, 2019

ELECTED OFFICIALS

Mayor.....Mike Eason
Mayor Pro-Tem.....Stephen Tolson

Council Member.....Caleb Phillips
Council Member.....Jason Power
Council Member.....Stephen Tolson
Council Member.....Mark French

APPOINTED OFFICIALS

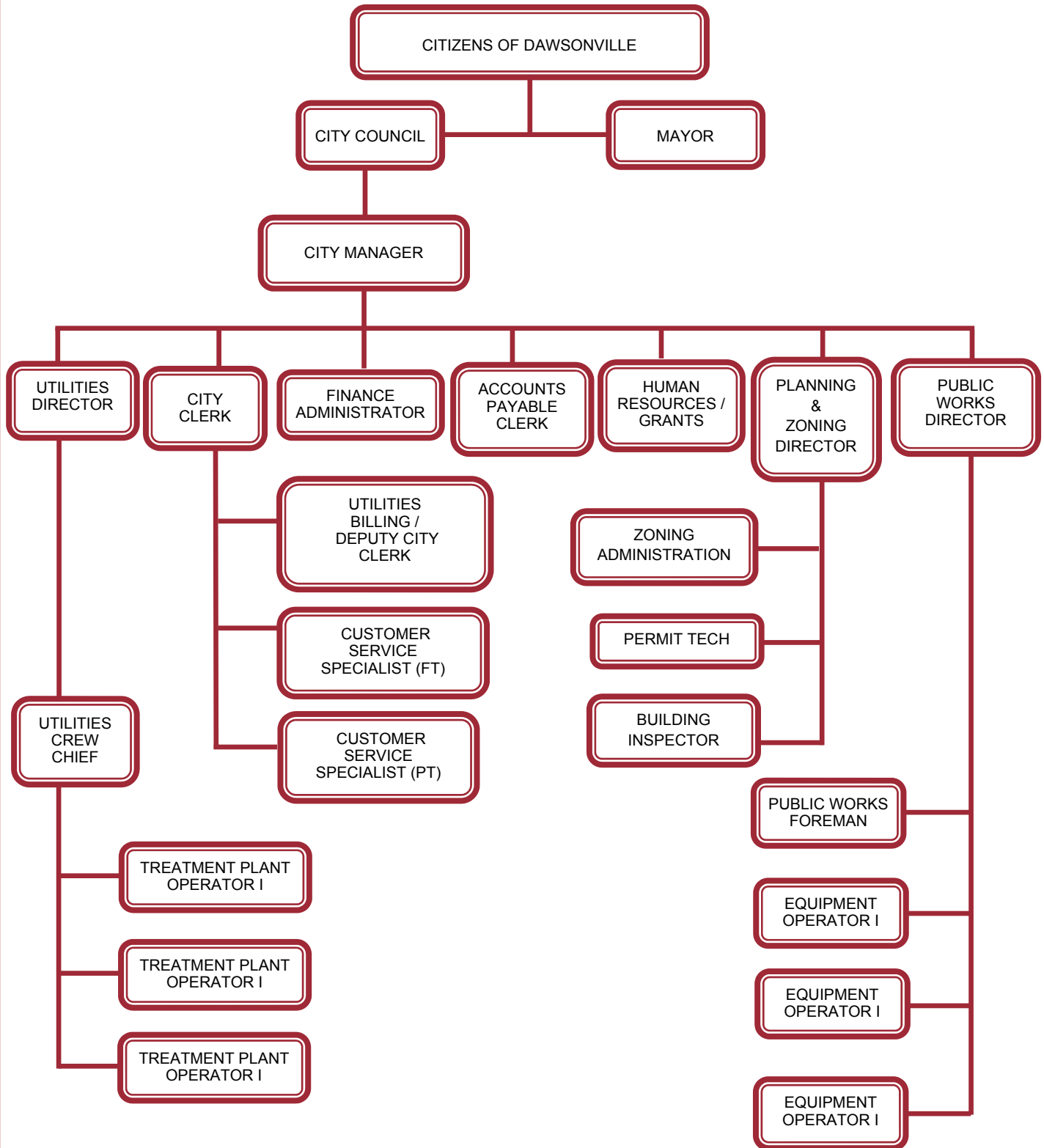
City Manager.....Robert D. Bolz
City Clerk.....Beverly Banister
Deputy City Clerk.....Tracy Smith
City Attorney.....Dana Miles

ADMINISTRATION

Finance Administrator.....Hayden Wiggins
Human Resources Manager.....Donna Blanton
Planning Director.....Robbie Irvin
Public Works Director.....Trampas Hansard
Utilities Director.....Gary Barr



CITY OF DAWSONVILLE, GEORGIA ORGANIZATION 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, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



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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, 2019, 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, 2019, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 3 -10, and the required Defined Benefit Retirement Plan Pension Schedules on pages 43 - 45 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 and schedules, the Schedule of Projects Constructed with Special Sales Tax Proceeds, the Schedules of Functional Allocations for the Water, Sewer and Garbage fund, the Schedule of Revenues, Expenses and Changes in Net Position budget and actual for the Water, Sewer and Garbage 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 Garbage 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 4, 2019 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 4, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Dawsonville, Georgia, we present our analysis of the City's financial condition and activities for the fiscal year ended June 30, 2019. This information should be read and considered in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

Financial highlights of the year include the following:

- The City of Dawsonville's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$ 20,047,609 (net position). Of this amount, \$ 5,966,848 was available for use to meet the City's ongoing obligations to its citizens and creditors.
- The City's net position increased by \$ 1,600,746 for general activities and by \$ 213,256 for a special item for a total increase of \$ 1,814,002 during the most recent fiscal year, resulting from governmental and business activities.
- The City's net investment in capital assets, increased \$ 2,274,628 or 18% during fiscal year ending June 30, 2019.

More detailed information regarding activities and funds begins on page 5.

Overview of the Financial Statements

This City of Dawsonville's management discussion and analysis is intended to serve as an introduction to the 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 total assets and deferred outflows of resources and liabilities and deferred inflows of resources, 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 the 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, sewer, and garbage 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 five governmental funds – the general fund, a SPLOST fund, Downtown Development Authority (“DDA”) and hotel-motel tax special revenue funds, and the permanent cemetery 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 and SPLOST funds are considered major funds, while the 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, 2019 for all of its funds. A budgetary comparison statement has been provided for the general fund, Downtown Development Authority (“DDA”) fund, the hotel-motel tax fund, and the cemetery 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 garbage fund, which is considered a major proprietary fund.

Permanent Funds

The City of Dawsonville maintains one permanent fund for the cemetery. 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, 2019, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 20,047,609. 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.

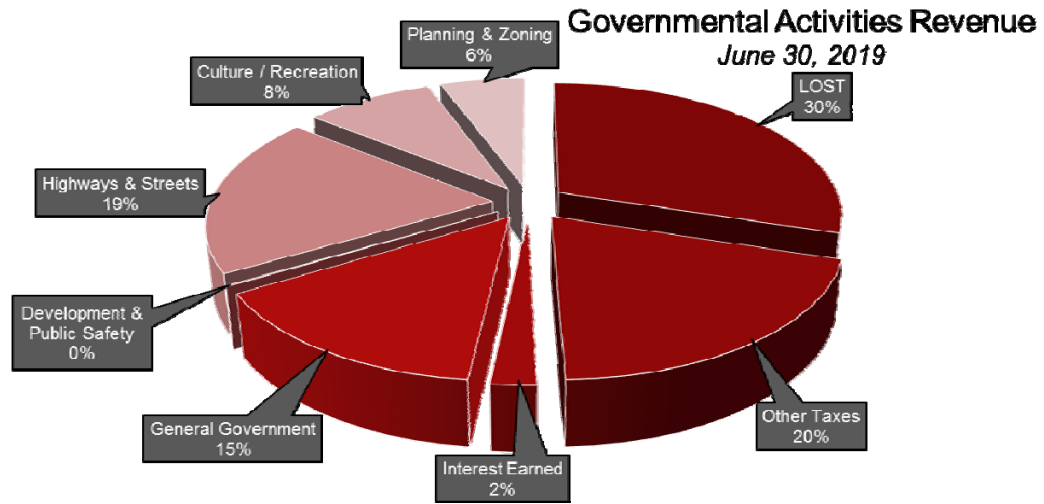
City of Dawsonville's Net Position

	<u>Total</u>	<u>Total</u>	<u>Govt'l</u>	<u>Govt'l</u>	<u>Business</u>	<u>Business</u>
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>Activities</u>	<u>Activities</u>	<u>Type</u>	<u>Type</u>
			<u>06/30/19</u>	<u>06/30/18</u>	<u>Activities</u>	<u>Activities</u>
					<u>06/30/19</u>	<u>06/30/18</u>
Current assets	\$ 7,718,061	\$ 8,185,047	\$ 4,866,731	\$ 5,218,106	\$ 2,851,330	\$ 2,966,941
Capital assets	19,126,684	17,255,742	7,115,439	5,474,731	12,011,245	11,781,011
Total assets	26,844,745	25,440,789	11,982,170	10,692,837	14,862,575	14,747,952
Deferred outflows of resources	46,496	27,886	31,905	18,294	14,591	9,592
Other current liabilities	1,140,373	841,687	630,417	318,602	509,956	523,085
Long-term obligations	5,687,447	6,344,887	798,616	1,226,336	4,888,831	5,118,551
Total liabilities	6,827,820	7,186,574	1,429,033	1,544,938	5,398,787	5,641,636
Deferred inflows of resources	15,812	48,494	10,850	31,814	4,962	16,680
Net position:						
Net investment in capital assets	12,853,787	10,579,159	5,993,804	4,126,980	6,859,983	6,452,179
Restricted for cemetery	198,628	219,781	198,628	219,781	-	-
Restricted for tourism	720	607	720	607	-	-
Restricted for capital projects	992,237	1,783,295	992,237	1,783,295	-	-
Restricted for DDA	35,389	31,328	35,389	31,328	-	-
Unrestricted	5,966,848	5,619,437	3,353,414	2,972,388	2,613,434	2,647,049
Total net position	<u>\$ 20,047,609</u>	<u>\$ 18,233,607</u>	<u>\$ 10,574,192</u>	<u>\$ 9,134,379</u>	<u>\$ 9,473,417</u>	<u>\$ 9,099,228</u>

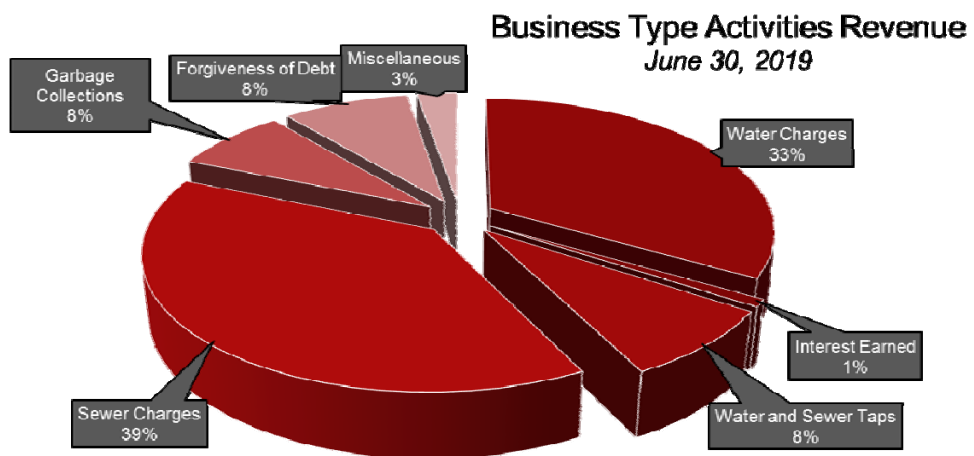
City of Dawsonville's Changes in Net Position (continued)

	<u>Total</u> <u>6/30/2019</u>	<u>Total</u> <u>6/30/2018</u>	<u>Gov't</u> <u>Activities</u> <u>06/30/19</u>	<u>Gov't</u> <u>Activities</u> <u>06/30/18</u>	<u>Business</u> <u>Type</u> <u>Activities</u> <u>06/30/19</u>	<u>Business</u> <u>Type</u> <u>Activities</u> <u>06/30/18</u>
Revenues:						
Program revenues:						
Charges for services	\$ 2,005,460	\$ 1,911,860	\$ 317,171	\$ 315,024	\$ 1,688,289	\$ 1,596,836
Operating grants & contributions	280	3,600	280	3,600	-	-
Capital grants & contributions	1,756,326	1,552,886	1,414,048	1,355,464	342,278	197,422
General revenues:						
Taxes	1,776,908	1,650,428	1,776,908	1,650,428	-	-
Gain (loss) on sale of assets	-	7,940	-	1,370	-	6,570
Interest	95,621	44,370	77,265	35,127	18,356	9,243
Total Revenues	<u>5,634,595</u>	<u>5,171,084</u>	<u>3,585,672</u>	<u>3,361,013</u>	<u>2,048,923</u>	<u>1,810,071</u>
Expenses:						
General government	1,332,954	1,156,139	1,332,954	1,156,139	-	-
Public safety	1,111	167	1,111	167	-	-
Public works	373,071	335,394	373,071	335,394	-	-
Culture/recreation	83,021	1,288	83,021	1,288	-	-
Planning and zoning	325,837	248,627	325,837	248,627	-	-
Development	50,489	32,858	50,489	32,858	-	-
Interest on long-term debt	171,840	158,292	47,812	42,923	124,028	115,369
Water and sewer	1,695,526	1,566,255	-	-	1,695,526	1,566,255
Total Expense	<u>4,033,849</u>	<u>3,499,020</u>	<u>2,214,295</u>	<u>1,817,396</u>	<u>1,819,554</u>	<u>1,681,624</u>
Increase in net position before transfers	1,600,746	1,672,064	1,371,377	1,543,617	229,369	128,447
Transfers	-	-	(144,820)	(185,772)	144,820	185,772
Change in net position	1,600,746	1,672,064	1,226,557	1,357,845	374,189	314,219
Net position - beginning of year (original)	<u>18,233,607</u>	<u>16,561,543</u>	<u>9,134,379</u>	<u>7,776,534</u>	<u>9,099,228</u>	<u>8,785,009</u>
Special Item - prior period adjustment	213,256	-	213,256	-	-	-
Net position - beginning of year, restated	<u>18,446,863</u>	<u>16,561,543</u>	<u>9,347,635</u>	<u>7,776,534</u>	<u>9,099,228</u>	<u>8,785,009</u>
Net position - ending of year	<u>\$ 20,047,609</u>	<u>\$ 18,233,607</u>	<u>\$ 10,574,192</u>	<u>\$ 9,134,379</u>	<u>\$ 9,473,417</u>	<u>\$ 9,099,228</u>

Revenues by Source:



For fiscal year 2019, total revenues for governmental activities increased 6.3% compared to fiscal year 2018 due to proceeds received for SPLOST and other taxes received in the general fund. Proceeds from SPLOST increased due to the growth of retail establishments in Dawson County where people in general are purchasing more goods, resulting in the City receiving a greater portion of special purpose taxes. Other taxes received in the general fund primarily consisted of Local Option Sales Taxes (LOST), taxes assessed through services such as utilities and insurance, and title ad valorem taxes. The overall collection of LOST receipts throughout the region have increased due to the overall increase in economic activity, like SPLOST funds. In addition to consumers purchasing more generic goods, they are also purchasing more vehicles, resulting in an increase in title ad valorem taxes received by the City. Taxes received through utilities and insurance are based on the population receiving the certain service within the City’s annexed properties. The population assessed has grown due to the additional annexations of properties during the 2019 year, and therefore has impacted the City in a financially beneficial manner.



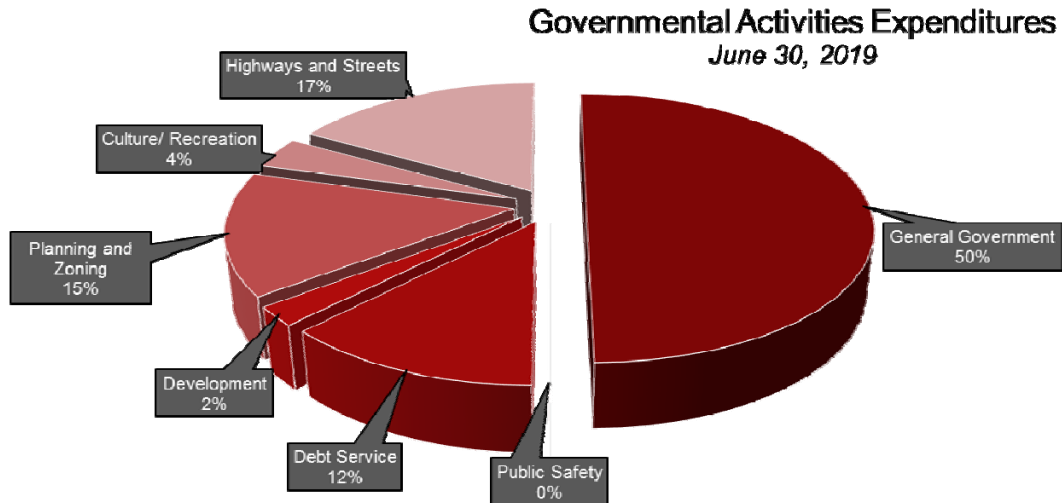
For fiscal year 2019, total revenues for business-type activities increased 11.7% compared to fiscal year 2018 due to the increase in water charge revenue, increase in garbage collection revenue, as well as an increase in forgiveness of debt received. Forgiveness of debt received is based on the amount of GEFA (Georgia Environmental Finance Authority) loans drawn. Loans and grants were fully drawn in the current year for clean drinking water projects and remainder of forgiveness on balance was provided toward loan balance.

GENERAL FUND BUDGETARY HIGHLIGHTS

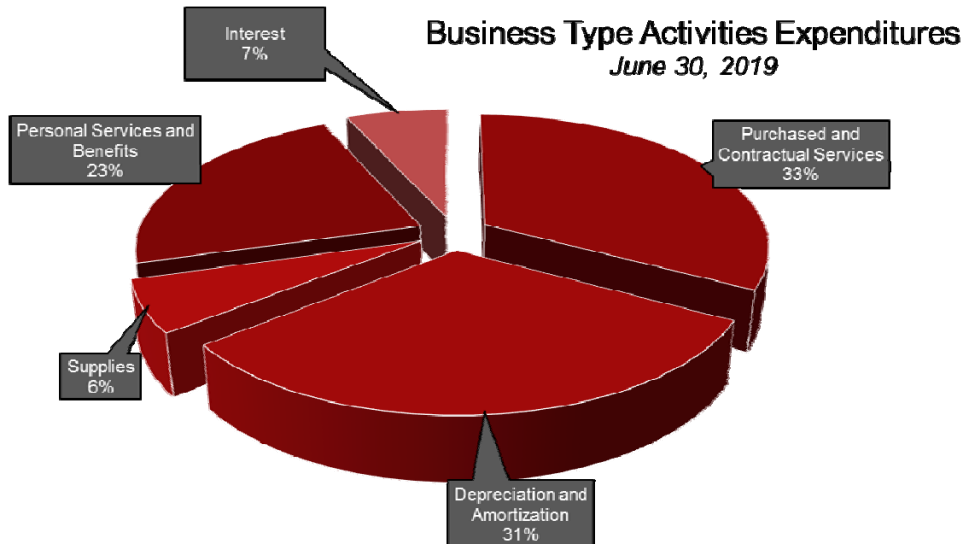
Changes from the City's General Fund original budget to the final budget are detailed in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual along with a comparison to actual activity for the year ended June 30, 2019. Fiscal management and expenditure control helped keep the budget in balance.

General Fund revenues of \$ 2,211,191 were equal to budgeted revenues of \$ 2,211,191 for the year ended June 30, 2019. General Fund expenditures were less than budgeted. With total appropriations of \$ 2,168,692 the City actually spent \$ 1,983,844 or \$ 184,848 less than budgeted, for the year ended June 30, 2019.

Expenditures by Function:



For fiscal year 2019, total expenditures for governmental activities increased 17.8% compared to fiscal year 2018 due to new staffing positions and wages, that were added as well as professional fees for planning and development for the City. In addition, the construction of the City Park and Farmer's Market is underway.



For fiscal year 2019, total expenditures increased 7.6% for business-type activities compared to fiscal year 2018 due to additional depreciation expense for construction projects placed in service, interest payments on loans, and new staffing positions and wages that were added. This change has been greater in prior years due to the need to purchase water. Because wells and improvements were completed, the City has stopped needing water purchased.

ECONOMIC FACTORS

The issues facing the national and state economies correlate with the City's local economy. Currently the State of Georgia, especially the Northeast Region, is experiencing a significant economic growth period. This is attributed to the increased film production activity and corporate distribution/manufacturing facilities that are conducting business within the surrounding Region. The increased activities have created a greater demand for housing. Therefore, the City has seen a significant increase in requests for permits and local licensing for both new homes and commercial building construction. In addition, this has increased the needs for additional water and sewer systems, as well as general government services. The increase in demand for services will also provide increased revenues for the City. The City plans to maintain a conservative fiscal position, while increasing services, during the economic growth period.

CAPITAL ASSETS

As of June 30, 2019 and 2018 the City had \$ 27,585,482 and \$ 25,122,395 invested in a variety of capital assets, as in the schedule below. Adjustments for depreciation are \$ 823,457 and \$ 654,998 for the years ending June 30, 2019 and 2018. Adjustments for accumulated depreciation are \$ 8,458,799 and \$ 7,866,713 for the years ending June 30, 2019 and 2018. Further detail on capital assets is provided in the notes to the financial statements, note 2D.

	Total	Total	Govt'l	Govt'l	Business	Business
	6/30/2019	6/30/2018	Activities	Activities	Type	Type
			6/30/2019	6/30/2018	Activities	Activities
					6/30/2019	6/30/2018
Land	\$ 4,170,688	\$ 4,170,689	\$ 991,394	\$ 991,394	\$ 3,179,294	\$ 3,179,295
Artifacts	49,751	49,751	49,751	49,751	-	-
Construction in progress	2,016,322	2,187,871	2,016,322	276,641	-	1,911,230
Buildings	3,838,700	3,737,666	3,579,854	3,507,201	258,846	230,465
Improvements	32,825	42,365	32,825	42,365	-	-
Vehicles	243,454	292,094	176,504	225,144	66,950	66,950
Equipment	629,882	770,381	133,954	274,453	495,928	495,928
Infrastructure	2,657,111	2,610,982	2,657,111	2,610,982	-	-
Water and Sewer System	13,022,826	10,336,673	-	-	13,022,826	10,336,673
Sewer Treatment Plant	923,923	923,923	-	-	923,923	923,923
Total	27,585,482	25,122,395	9,637,715	7,977,931	17,947,767	17,144,464

The following reconciliation summarizes the change in Capital Assets:

	Total	Total	Govt'l	Govt'l	Business	Business
	6/30/19	6/30/18	Activities	Activities	Type	Type
			6/30/19	6/30/18	Activities	Activities
					6/30/19	6/30/18
Beginning Balance:	25,122,395	23,280,521	7,977,931	7,347,169	17,144,464	15,933,352
Additions:						
Land	-	162,964	-	10,856	-	152,108
Construction in Progress	1,739,681	1,022,687	1,739,681	122,573	-	900,114
Buildings	101,034	125,085	72,653	125,085	28,381	-
Vehicles	-	97,243	-	74,713	-	22,530
Equipment	14,480	158,344	14,480	13,400	-	144,944
Infrastructure	64,341	807,950	64,341	807,950	-	-
Water and Sewer System	2,686,153	-	-	-	2,686,153	-
Dispositions:						
Construction in Progress	(1,911,231)	(506,858)	-	(506,858)	(1,911,231)	-
Improvements	(9,540)	-	(9,540)	-	-	-
Vehicles	(48,640)	-	(48,640)	-	-	-
Equipment	(154,979)	(25,541)	(154,979)	(16,957)	-	(8,584)
Infrastructure	(18,212)	-	(18,212)	-	-	-
Water and Sewer System	-	-	-	-	-	-
Total	\$ 27,585,482	\$ 25,122,395	\$ 9,637,715	\$ 7,977,931	\$ 17,947,767	\$ 17,144,464

LONG-TERM OBLIGATIONS

As of year-end, the City had \$ 6,272,208 in debt (bonds, notes, etc.) outstanding compared to \$ 6,676,583 last year. The components which had an impact on the City's overall debt are shown below:

- Proceeds of \$ 264,922 were received from the Drinking Water Revolving Fund Loans from the Georgia Environmental Finance Authority (GEFA).
- The normal debt service principal payments of \$ 668,608. Principal payments of \$ 226,116 and \$ 442,492 (including loan forgiveness of \$ 173,528) were made in the governmental and business-type activities, respectively.

See notes to Financial Statements on pages 37 through 40 for more detail on the City's outstanding debt.

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

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CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 3,374,891	\$ 2,549,906	\$ 5,924,797
Accounts receivable	328,179	149,219	477,398
Prepaid items	20,806	24,127	44,933
Restricted assets:			
Cash and cash equivalents	1,142,855	128,078	1,270,933
Total current assets	<u>4,866,731</u>	<u>2,851,330</u>	<u>7,718,061</u>
Non-current assets			
Capital assets, non-depreciable			
Land	991,394	3,179,295	4,170,689
Construction in progress	2,016,321	-	2,016,321
Artifacts	49,751	-	49,751
Capital assets, depreciable (net of depreciation)	<u>4,057,973</u>	<u>8,831,950</u>	<u>12,889,923</u>
Total non-current assets	<u>7,115,439</u>	<u>12,011,245</u>	<u>19,126,684</u>
TOTAL ASSETS	<u>11,982,170</u>	<u>14,862,575</u>	<u>26,844,745</u>
DEFERRED OUTFLOWS OF RESOURCES			
Retirement contributions	<u>31,905</u>	<u>14,591</u>	<u>46,496</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 12,014,075</u></u>	<u><u>\$ 14,877,166</u></u>	<u><u>\$ 26,891,241</u></u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	\$ 65,817	\$ 72,839	\$ 138,656
Current portion, capital lease	420,772	-	420,772
Current portion, notes payable	-	312,332	312,332
Customer deposits payable from restricted assets	-	124,785	124,785
Total current liabilities	<u>486,589</u>	<u>509,956</u>	<u>996,545</u>
Long-term liabilities:			
Compensated absences (due within one year)	30,708	19,239	49,947
Long-term debt, capital lease	700,863	-	700,863
Long-term debt, notes payable	-	4,838,930	4,838,930
Net pension liability	67,045	30,662	97,707
Total long-term liabilities	<u>798,616</u>	<u>4,888,831</u>	<u>5,687,447</u>
Total liabilities	<u>1,285,205</u>	<u>5,398,787</u>	<u>6,683,992</u>
DEFERRED INFLOWS OF RESOURCES			
Retirement adjustments	<u>10,850</u>	<u>4,962</u>	<u>15,812</u>
NET POSITION			
Net investment in capital assets	5,993,804	6,859,983	12,853,787
Restricted for:			
Cemetery	198,628	-	198,628
Development	36,109	-	36,109
Capital projects	992,237	-	992,237
Unrestricted	<u>3,497,242</u>	<u>2,613,434</u>	<u>6,110,676</u>
Total net position	<u>10,718,020</u>	<u>9,473,417</u>	<u>20,191,437</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u><u>\$ 12,014,075</u></u>	<u><u>\$ 14,877,166</u></u>	<u><u>\$ 26,891,241</u></u>

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 1,332,954	\$ 110,910	\$ -	\$ 415,435
Public safety	1,111	380	-	-
Public works	373,071	-	280	690,387
Culture/recreation	83,021	-	-	308,226
Planning and zoning	325,837	202,114	-	-
Development	50,489	-	50	-
Interest on long term debt	47,812	-	-	-
Total Government Activities	2,214,295	313,404	330	1,414,048
Business-Type Activities				
Water, sewer and garbage	1,819,554	1,688,289	-	342,278
Total Business-Type Activities	1,819,554	1,688,289	-	342,278
Total-Primary Government	\$ 4,033,849	\$ 2,001,693	\$ 330	\$ 1,756,326

GENERAL REVENUES:

Taxes: Sales
Alcoholic Beverage
Franchise
Other

Interest earned

TRANSFERS:

Total general revenues and transfers

Change in net position

NET POSITION - beginning (original)

SPECIAL ITEM - prior period adjustment

NET POSITION - beginning 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, 2019

Net (Expense) Revenue and Changes In Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (806,609)	\$ -	\$ (806,609)
(731)	-	(731)
317,596	-	317,596
225,205	-	225,205
(123,723)	-	(123,723)
(50,439)	-	(50,439)
(47,812)	-	(47,812)
<u>(486,513)</u>	<u>-</u>	<u>(486,513)</u>
-	211,013	211,013
<u>-</u>	<u>211,013</u>	<u>211,013</u>
(486,513)	211,013	(275,500)
<u>(486,513)</u>	<u>211,013</u>	<u>(275,500)</u>
1,072,132	-	1,072,132
101,668	-	101,668
215,166	-	215,166
391,659	-	391,659
77,265	18,356	95,621
(144,820)	144,820	-
<u>1,713,070</u>	<u>163,176</u>	<u>1,876,246</u>
1,226,557	374,189	1,600,746
9,134,379	9,099,228	18,233,607
213,256	-	213,256
<u>9,347,635</u>	<u>9,099,228</u>	<u>18,446,863</u>
<u>\$ 10,574,192</u>	<u>\$ 9,473,417</u>	<u>\$ 20,047,609</u>

CITY OF DAWSONVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General	SPLOST	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,374,891	\$ -	\$ -	\$ 3,374,891
Receivables (net):				
Intergovernmental receivable	100,448	227,227	504	328,179
Due from other funds	-	-	1,775	1,775
Prepaid items	20,806	-	-	20,806
Restricted assets:				
Cash and cash equivalents	-	908,838	234,017	1,142,855
TOTAL ASSETS	3,496,145	1,136,065	236,296	4,868,506
LIABILITIES				
Accounts payable	31,225	-	1,559	32,784
Salaries payable	25,129	-	-	25,129
Interest payable	2,904	-	-	2,904
Deposits payable	5,000	-	-	5,000
Retainage payable	-	143,828	-	143,828
Due to other funds	1,775	-	-	1,775
Total liabilities	66,033	143,828	1,559	211,420
FUND BALANCE				
Non-spendable:				
Prepaid items	20,806	-	-	20,806
Restricted:				
Permanent funds	-	-	198,628	198,628
Special revenue funds	-	-	36,109	36,109
Capital outlay	-	992,237	-	992,237
Unassigned:	3,409,306	-	-	3,409,306
Total Fund Balances	3,430,112	992,237	234,737	4,657,086
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,496,145	\$ 1,136,065	\$ 236,296	\$ 4,868,506

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, 2019

TOTAL GOVERNMENTAL FUND BALANCES		\$ 4,657,086
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Cost	\$ 9,637,714	
Accumulated depreciation	<u>(2,522,275)</u>	
Total capital assets, net depreciation		7,115,439
<p>Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Compensated absences payable	(30,708)	
Capital lease	(1,121,635)	
Net pension liability	<u>(67,045)</u>	
Total liabilities		(1,219,388)
<p>Retirement adjustments due to implementation of GASB # 68</p>		
Deferred outflows of resources	31,905	
Deferred inflows of resources	<u>(10,850)</u>	
		<u>21,055</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 10,574,192</u>

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, 2019

	General	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,776,908	\$ -	\$ 3,717	\$ 1,780,625
Charges for services	117,522	-	21,360	138,882
Intergovernmental	74,215	1,340,113	-	1,414,328
Licenses and permits	117,153	-	-	117,153
Contributions and donations	-	-	50	50
Interest earned	68,024	8,539	702	77,265
Rental income	57,369	-	-	57,369
Total Revenues	<u>2,211,191</u>	<u>1,348,652</u>	<u>25,829</u>	<u>3,585,672</u>
EXPENDITURES				
Current operating:				
General government	1,225,529	-	-	1,225,529
Public safety	1,111	-	-	1,111
Public works	370,416	-	43,215	413,631
Culture/recreation	51,014	-	-	51,014
Planning and zoning	323,774	-	-	323,774
Development	12,000	-	42,093	54,093
Capital outlay	-	1,720,962	-	1,720,962
Debt service:	-	273,928	-	273,928
Total Expenditures	<u>1,983,844</u>	<u>1,994,890</u>	<u>85,308</u>	<u>4,064,042</u>
EXCESS REVENUES (EXPENDITURES)	227,347	(646,238)	(59,479)	(478,370)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(42,500)	(144,820)	42,500	(144,820)
NET CHANGE IN FUND BALANCES	184,847	(791,058)	(16,979)	(623,190)
FUND BALANCES - beginning (original)	3,032,009	1,783,295	251,716	5,067,020
SPECIAL ITEM - prior period adjustment	213,256	-	-	213,256
FUND BALANCES - beginning as restated	<u>3,245,265</u>	<u>1,783,295</u>	<u>251,716</u>	<u>5,280,276</u>
FUND BALANCES - end of year	<u>\$ 3,430,112</u>	<u>\$ 992,237</u>	<u>\$ 234,737</u>	<u>\$ 4,657,086</u>

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, 2019

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS \$ (623,190)

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	\$ (250,386)	
Capital outlay reported in general government function	<u>1,891,155</u>	1,640,769

Governmental funds include the cost of principal debt reduction as an
expenditure which is not included in the statement of activities. 226,116

Governmental funds do not include the expense of compensated
absences liabilities, which are reflected in the statement of
net position.

Current year liability - compensated absences	(30,708)	
Prior year liability - compensated absences	<u>20,819</u>	(9,889)

Governmental funds do not include the expense of pension
contributions.

Pension contributions	34,514	
Change in net pension liability	<u>(41,763)</u>	<u>(7,249)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,226,557

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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 1,645,500	\$ 1,827,092	\$ 1,776,908	\$ (50,183)
Charges for services	49,100	116,100	117,522	1,422
Licenses and permits	152,300	115,000	117,153	2,153
Intergovernmental revenues	28,000	28,000	74,215	46,215
Interest earned	24,000	68,000	68,024	24
Rental income	55,025	57,000	57,369	369
Total revenues	<u>1,953,925</u>	<u>2,211,192</u>	<u>2,211,191</u>	<u>-</u>
EXPENDITURES				
Current operating:				
General government	1,145,337	1,397,692	1,225,529	172,163
Public safety	2,000	2,000	1,111	889
Public works	432,200	375,000	370,416	4,584
Culture/recreation	3,000	52,000	51,014	986
Planning and zoning	316,888	330,000	323,774	6,226
Development	12,000	12,000	12,000	-
Total expenditures	<u>1,911,425</u>	<u>2,168,692</u>	<u>1,983,844</u>	<u>184,848</u>
TOTAL REVENUES OVER EXPENDITURES	<u>42,500</u>	<u>42,500</u>	<u>227,347</u>	<u>184,848</u>
OTHER FINANCING SOURCES (USES)				
Contingency	-	-	-	-
Transfers in (out)	(42,500)	(42,500)	(42,500)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(42,500)</u>	<u>(42,500)</u>	<u>(42,500)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	184,847	<u>\$ 184,848</u>
FUND BALANCES - beginning (original)			3,032,009	
SPECIAL ITEM - prior period adjustment			213,256	
NET POSITION - beginning as restated			<u>3,245,265</u>	
FUND BALANCES - end of year			<u>\$ 3,430,112</u>	

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
June 30, 2019

	<u>Total Water Sewer & Garbage Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,549,906
Receivables (net of allowance for uncollectible):	
Accounts	149,219
Prepaid expense	24,127
Restricted assets:	
Cash and cash equivalents	<u>128,078</u>
Total current assets	<u>2,851,330</u>
Non-current assets:	
Capital assets:	
Nondepreciable capital assets	3,179,295
Depreciable capital assets, net	<u>8,831,950</u>
Total non-current assets	<u>12,011,245</u>
TOTAL ASSETS	14,862,575
DEFERRED OUTFLOWS OF RESOURCES	
Retirement contributions	<u>14,591</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 14,877,166</u></u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
June 30, 2019

	Total Water Sewer & Garbage Fund
	<u> </u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 19,110
Accrued expenses	11,962
Accrued interest payable	41,767
Current portion of long-term debt	312,332
Customer deposits - payable from restricted assets	<u>124,785</u>
Total current liabilities	<u>509,956</u>
Long-term liabilities:	
Compensated absences (due within one year)	19,239
Long-term debt (net of current portion)	4,838,930
Net pension liability	<u>30,662</u>
Total long-term liabilities	<u>4,888,831</u>
TOTAL LIABILITIES	<u>5,398,787</u>
DEFERRED INFLOWS OF RESOURCES	
Retirement adjustments	<u>4,962</u>
NET POSITION	
Net investment in capital assets	6,859,983
Unrestricted	<u>2,613,434</u>
TOTAL NET POSITION	<u>9,473,417</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 14,877,166</u></u>

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, 2019

	<u>Total Water, Sewer, & Garbage Fund</u>
OPERATING REVENUES	
Charges for services	\$ 1,634,128
Miscellaneous	<u>54,161</u>
Total operating revenues	<u>1,688,289</u>
OPERATING EXPENSES	
Personnel services and benefits	411,578
Purchased and contractual services	597,824
Supplies	113,053
Depreciation	<u>573,071</u>
Total operating expenses	<u>1,695,526</u>
OPERATING INCOME (LOSS)	<u>(7,237)</u>
NON-OPERATING INCOME (LOSS)	
Interest and other fiscal charges	(124,028)
Interest earned	<u>18,356</u>
Total non-operating income (loss)	<u>(105,672)</u>
CAPITAL CONTRIBUTIONS	
Tap connection fees and other	168,750
Forgiveness of debt	<u>173,528</u>
Total capital contributions	<u>342,278</u>
INCOME (LOSS) BEFORE TRANSFERS	229,369
Transfers in (out)	<u>144,820</u>
Total transfers in (out)	<u>144,820</u>
CHANGE IN NET POSITION	374,189
NET POSITION - beginning of year	<u>9,099,228</u>
NET POSITION - end of year	<u><u>\$ 9,473,417</u></u>

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF CASH FLOWS
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
For the Year Ended June 30, 2019

	<u>Total Water, Sewer, & Garbage Fund</u>
Cash flows from operating activities:	
Cash receipts from customers	\$ 1,598,549
Cash receipts from other operating sources	54,161
Cash payments for goods and services	(801,241)
Cash payments to employees for services and benefits	<u>(409,176)</u>
Net cash provided by (used in) operating activities	<u>442,293</u>
Cash flows from capital and related financing activities:	
Receipts from other funds	144,820
Acquisition, construction and disposal of capital assets, net	(803,305)
Proceeds from tap fees	168,750
Proceeds from debt	438,450
Principal paid on debt	(442,492)
Interest paid on debt	<u>(124,028)</u>
Net cash provided by (used in) capital and related financing activities	<u>(617,805)</u>
Cash Flows from investing activities:	
Interest received	<u>18,356</u>
Net cash provided by investing activities	<u>18,356</u>
Net increase (decrease) in cash and cash equivalents	(157,156)
Cash and equivalents - beginning of year	<u>2,835,140</u>
Cash and equivalents - end of year	<u><u>\$ 2,677,984</u></u>
 SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:	
Forgiveness of debt	<u>\$ 173,528</u>
Total non-cash investing and financing activities	<u><u>\$ 173,528</u></u>

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, 2019

	Total Water Sewer & Garbage Fund
Reconciliation of operating gain (loss) to net cash provided by (used in) operating activities:	
Operating income	\$ (7,237)
Adjustments	
Depreciation	573,071
(Increase) decrease in assets and deferred outflows of resources	
Accounts receivable	(40,214)
Prepaid expense	(581)
Deferred outflows	(4,999)
Increase (decrease) in liabilities and deferred inflows of resources	
Accounts payable	(88,438)
Customer deposits	4,635
Accrued expenses	102
Accrued interest payable	(1,284)
Compensated absences payable	2,300
Internal balance	(750)
Deferred inflows	(11,718)
Net pension liability	17,406
	17,406
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	\$ 442,293
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents	\$ 2,549,906
Cash and cash equivalents - restricted	128,078
	128,078
Total cash and cash equivalents	\$ 2,677,984

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Narrative Profile

The financial statements of the City of Dawsonville, Georgia ("the City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applicable to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below:

B. Financial Reporting Entity

The City of Dawsonville, Georgia, was incorporated in 1859 and operates under the appointed Mayor and City Council form of government. The City provides the following services to its citizens: the general government, public safety, public works, culture and recreation, planning and zoning, and housing and business development services. In addition, the City operates public utilities (water, sewer, and garbage) for most areas incorporated within the City limits as well as some immediate surrounding areas.

As required by the accounting principles generally accepted in the United States, the financial statements of the financial reporting entity present the City as the primary form of government and its component units (entities for which the government is considered to be financially accountable).

Blended Component Unit:

Dawsonville Downtown Development Authority

The Dawsonville Downtown Development Authority (the "Authority") began in 1996 when the Mayor and City Council of Dawsonville approved the obligation of the City to the Dawsonville Downtown Development Authority for the revitalization and redevelopment of the central business district for Dawsonville. As required by the Official Code of Georgia Annotated (O.C.G.A.) Section 36-42-4, the Mayor and City Council of Dawsonville selected 7 members to the Board of Directors for the Authority. The directors, according to law, are to be appointed by the City Council and should consist of the following: 2 directors for a term of 2 years each, 2 directors for a term of 4 years each, and 3 directors for a term of 6 years each. In addition, appointed directors may also be elected City Council officials, concurrently.

The Dawsonville Downtown Development Authority serves the City solely and receives substantially all its revenues from the City. Because the Authority cannot stand alone without the support of the City, and all members of its Board of Directors are appointed by the City Council, it is considered a blended component unit to the City. The Authority is not a separate legal entity, therefore, the financial position, sources of revenues and uses of resources of the Authority are 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

C. Basic Financial Statements

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. The focus of the reporting model 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

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

C. Basic Financial Statements (cont'd)

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.).

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.

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 GASB 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:

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.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

D. Basis of Presentation (cont'd)

Capital Projects Fund: The Capital Projects Fund consists of the Special Purpose Local Option Sales Tax ("SPLOST") fund which is used to account for the receipt and expenditures related to capital construction projects using SPLOST funds collected.

Proprietary Funds: The Water, Sewer, and Garbage Fund is an enterprise fund. It is for the operation of the City's water and sewer utility and garbage collection service. Activities of the fund include administration, operation, and maintenance of the water and sewer system, garbage collection and disposal system, as well as 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 longevity of the Fund.

1. Non-major Governmental Funds

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. The special revenue funds are represented together as "development services" in the financial statements and schedules.

Permanent Fund: The City reports one Permanent Fund for the cemetery. 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.

2. 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 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.

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.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

E. Basis of Accounting (cont'd)

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 Finance Administrator submits to the Mayor and 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, 2018 to June 30, 2019.
2. The Council holds a public hearing on the budget, giving notice thereof at least seven 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 all funds.
6. The level of budgetary control is at the functional and department 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. The current year's budget may be adjusted to reflect changes in the local economy, changes in priorities or service needs, receipt of unbudgeted revenues, non-receipt of anticipated revenues and for unanticipated expenditures.

G. Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position

1. Cash, Cash Equivalents, and Investments

For purposes of the Statements, 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. However, Georgia law authorizes the City to invest under the general provisions of O.C.G.A. Title 36 Chapters 80-98.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

G. Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position (cont'd)

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, 2019, 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 Proprietary Funds are reported both in the business-type activities column of the Government-wide Statement of Net Position and in the Proprietary Fund's Statement of Net Position.

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 acquisition 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 in the period incurred. Interest incurred during the construction of capital assets utilized by the Proprietary 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.

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2019

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

G. Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position (cont'd)

6. Capital Assets (cont'd)

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

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.

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 employee 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 to the extent they are "due for payment" during the current year.

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. Capital leases are recognized as a liability in the governmental fund financial statements when due.

9. Fund Equity

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.

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

G. Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position (cont'd)

9. Fund Equity (cont'd)

- 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.

When both restricted and unrestricted resources are available, it is the City's policy to use restricted/committed resources first, unless there are legal conditions that prohibit doing so, then unrestricted resources as they are needed. The City will consider committed resources first, assigned resources second, and unassigned resources last when an expenditure is incurred for purposes in which any of those unassigned balances could be used.

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 garbage. 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, Sewer, and Garbage 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.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

G. Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position (cont'd)

13. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

14. 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.

15. Implementation of New GASB Pronouncement

During the fiscal year ended June 30, 2019, the City adopted the following GASB pronouncement:

GASB Statement 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This Statement was issued March 2018 to improve the information that is disclosed in the notes to the governmental financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

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 AA+ rated investment pool by Standard & Poor's. The weighted average maturity at June 30, 2019 was 39 days. Yield is calculated on an actual / 365 day basis, net of 5 basis points administrative fee. The City's balance in Georgia Fund 1 at June 30, 2019 was \$ 2,983,036.

Custodial Credit Risk – Deposits:

The City maintains a formal adopted deposit, investment, and custodial credit risk policy and all deposits at June 30, 2019 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.

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2019

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

A. Deposits and Investments (cont'd)

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 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.

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

	6/30/2019
Capital projects fund:	
SPLOST projects	\$ 908,838
Special Revenue fund:	
DDA	35,389
Permanent fund:	
Maintenance and care for the cemetery	198,628
Proprietary fund:	
Customer deposits	128,078
Total restricted cash, cash equivalents and certificates of deposit	\$ 1,270,933

B. Accounts Receivable

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. The City has not estimated an allowance for uncollectible accounts in the current year.

Accounts Receivable at June 30, 2019 consist of the following:

	General Fund	Capital Projects Funds	Hotel Fund	Enterprise Water, Sewer & Garbage Fund	Total
Receivables					
Billed services	\$ -	\$ -	\$ -	\$ 149,219	\$ 149,219
Intergovernmental	100,448	227,227	504	-	328,179
Gross receivables	\$ 100,448	\$ 227,227	\$ 504	\$ 149,219	\$ 477,398

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.

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2019

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

C. Interfund Balances and Transfers (cont'd)

Internal Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal Services provided are used and therefore not eliminated in the process of consolidation.

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, 2019 are as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ -	\$ 1,775
Non-major governmental Funds:		
Hotel-Motel Fund	1,775	-
Total	\$ 1,775	\$ 1,775

The composition of interfund transfers as of June 30, 2019 are as follows:

Fund	Transfers In	Transfers Out	Totals
General Fund	\$ -	\$ 42,500	\$ (42,500)
SPLOST	-	144,820	(144,820)
Water & Sewer	144,820	-	144,820
DDA	42,500	-	42,500
Totals	\$ 187,320	\$ 187,320	\$ -

Transfers from the general fund to the DDA are for operating and development grant purposes. Transfers from the SPLOST fund to the water and sewer fund are for capital expenditures to improve the drinking and clean water projects of the City.

The City's general fund also has an internal balance due to the Hotel-Motel Special Revenue Fund of \$ 1,775 as of June 30, 2019.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

D. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance 6/30/2018	Additions	Deductions	Balance 6/30/2019
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 991,394	\$ -	\$ -	\$ 991,394
Construction in progress	276,641	1,739,680	-	2,016,321
Artifacts	49,751	-	-	49,751
Total capital assets not being depreciated	1,317,786	1,739,680	-	3,057,466
Depreciable capital assets:				
Buildings	3,507,201	72,653	-	3,579,854
Improvements other than buildings	42,365	-	9,540	32,825
Vehicles	225,144	-	48,640	176,504
Machinery and equipment	274,453	14,480	154,979	133,954
Infrastructure	2,610,982	64,341	18,212	2,657,111
Total depreciable capital assets	6,660,145	151,474	231,371	6,580,248
Accumulated depreciation:				
Buildings	1,440,741	88,847	-	1,529,588
Improvements other than buildings	32,079	1,610	9,540	24,149
Vehicles	122,994	31,109	48,640	105,463
Machinery and equipment	236,364	15,336	154,979	96,721
Infrastructure	671,082	113,484	18,212	766,354
Total accumulated depreciation	2,503,260	250,386	231,371	2,522,275
Total depreciable capital assets - net	4,156,885	(98,912)	-	4,057,973
Governmental activities capital assets, net	\$ 5,474,671	\$ 1,640,768	\$ -	\$ 7,115,439

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

D. Capital Assets (cont'd)

	<u>Balance 6/30/2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2019</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 3,179,295	\$ -	\$ -	\$ 3,179,295
Construction in progress	1,911,230	-	1,911,230	-
Total capital assets not being depreciated	<u>5,090,525</u>	<u>-</u>	<u>1,911,230</u>	<u>3,179,295</u>
Other capital assets:				
Buildings	230,465	28,382	-	258,847
Machinery and equipment	562,878	-	-	562,878
Water and sewer system	10,336,673	2,686,153	-	13,022,826
Sewer treatment plant	923,923	-	-	923,923
Total other capital assets	<u>12,053,939</u>	<u>2,714,535</u>	<u>-</u>	<u>14,768,474</u>
Accumulated depreciation				
Buildings	58,125	6,067	-	64,192
Machinery and equipment	278,442	74,365	-	352,807
Water and sewer system	4,566,265	468,949	-	5,035,214
Sewer treatment plant	460,621	23,690	-	484,311
Total accumulated depreciation	<u>5,363,453</u>	<u>573,071</u>	<u>-</u>	<u>5,936,524</u>
Total depreciable capital assets - net	<u>6,690,486</u>	<u>2,141,464</u>	<u>-</u>	<u>8,831,950</u>
Business-type activities capital assets, net	<u>\$ 11,781,011</u>	<u>\$ 2,141,464</u>	<u>\$ 1,911,230</u>	<u>\$ 12,011,245</u>
Depreciation expense was charged to function as follows:				
General government		\$ 169,319		
Highways and streets		80,454		
Culture and recreations		613		
Total Governmental activities depreciation expense		<u>\$ 250,386</u>		
Business-type Activities				
Water and sewer		<u>\$ 573,071</u>		

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

E. 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.

F. 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 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.

Under the provisions of the plan, employees including elected officials are eligible to participate immediately. The pension benefits are fully vested after 5 years in the plan. Elected officials have no vesting schedule. Elected officials may retire at the age of 65, while employees may retire at the age of 70. The benefit rate for employees terminated after December 1, 2004 is 1.5%. Elected officials will receive benefits at a rate of \$ 25 per month for each year of service up to a maximum of 25 years.

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 set forth in controlling State of Georgia Statutes. The policy requires a different funding level than the estimated minimum annual contribution to minimize fluctuation in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan. Administrative expenses are based on expected total covered payroll of plan members and are added to the annual funding requirement. Funding for the pension liabilities has been provided through the respective employees' department (i.e. general fund or enterprise fund) in prior years. The required minimum contribution for the year-ended for the plan based on these standards is \$ 48,854; representing 5.78% of the expected payroll of covered employees. The City's contribution is made prior to year-end.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

F. Retirement Plan (cont'd)

3. Additional Information

At July 1, 2019, the date of the most recent actuarial valuation, the 38 participants (including of 5 elected officials) was made up of the following:

Retirees, beneficiaries and disabled participants receiving benefits	5
Vested former participants	10
Active employees participating in the plan	23
Total number of participants	38

Actuarial Assumptions: The City's total pension liability was based on a July 1, 2019 measurement date; the net pension liability was measured as of March 31, 2019.

Actuarial valuation determined the total pension liability using assumptions that were applied to all periods included in the measurement. Assumptions were approved by the Plan's Board of Trustees in December, 2014 based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014. These assumptions are as follows:

Inflation	2.75%
Projected salary increases	2.75% plus age and service based merit increases
Net investment rate of return	7.50%
Cost of living adjustments	0.00%
Actuarial cost method	Entry age normal
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization method	16 years

Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45.00%	6.40%
International equity	20.00%	7.40%
Real estate	10.00%	5.10%
Global fixed income	5.00%	3.03%
Domestic fixed income	20.00%	1.75%
Total	100.00%	

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

F. Retirement Plan (cont'd)

3. Additional Information (cont'd)

Discount Rate. The discount rate used to determine the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rate equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (c)
	<u> </u>	<u> </u>	<u> </u>
Balances at March 31, 2018	\$ 551,673	\$ 513,135	\$ 38,538
Changes of the year:			
Service cost	\$ 29,314	\$ -	\$ 29,314
Interest	43,156	-	43,156
Differences between expected and actual experience	28,144	-	28,144
Contributions - employer	-	30,943	(30,943)
Contributions - employee	-	-	-
Net investment income	-	18,956	(18,956)
Benefits payments, including refunds of employee contributions	(11,160)	(11,160)	-
Administrative expense	-	(8,455)	8,455
Other	-	-	-
Net Changes	<u>89,454</u>	<u>30,284</u>	<u>59,170</u>
Balances at March 31, 2019	<u>\$ 641,127</u>	<u>\$ 543,419</u>	<u>\$ 97,708</u>

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
	<u> </u>	<u> </u>	<u> </u>
	\$ 178,205	\$ 97,708	\$ 31,097

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

F. Retirement Plan (cont'd)

3. Additional Information (cont'd)

For the year ended June 30, 2019, the City recognized government-wide pension expense of \$ 41,080. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,643	\$ (15,812)
Changes of assumptions	6,783	-
City contributions subsequent to measurement date	7,735	-
Net difference between projected and actual earnings on pension plan investments	1,335	-
Total	\$ 46,496	\$ (15,812)

The \$ 7,735 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date of March 31, 2019, will be recognized as a reduction to the pension liability in the subsequent fiscal period rather than the current. The net effect of the deferred outflows and inflows of resources on the net pension liability as of June 30, 2019 is \$ 30,684. Certain amounts reported as deferred outflows and inflows of resources will be recognized as pension expense in future years and are as follows:

Year Ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	\$ 18,334	\$ (7,906)
2021	10,599	(7,906)
2022	10,599	-
2023	6,964	-
Total	\$ 46,496	\$ (15,812)

G. Long-Term Obligations

1. Downtown Development Authority Series 2005 and 2014 Revenue Bonds (Component Unit) and Intergovernmental Capital Lease Agreement (General Fund) – Governmental Activities

On December 22, 2005, the Downtown Development Authority issued Series 2005 Revenue Bonds for the purpose of financing 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. Subsequent to the issuance, 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 agreed that if necessary, an annual property tax would be levied to cover the cost. The City has not considered this necessary as of June 30, 2019.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

G. Long-Term Obligations (cont'd)

1. Downtown Development Authority Series 2005 and 2014 Revenue Bonds (Component Unit) and Intergovernmental Capital Lease Agreement (General Fund) – Governmental Activities (cont'd)

The Series 2005 – A Bond is a “qualified tax-exempt” obligation eligible for preferential governmental finance rates. The Series 2005 original capital lease obligation was \$ 2,166,922, with monthly installments of \$ 11,902 beginning January 22, 2006 with an interest rate of 3.575%. The obligation matures December 22, 2025. The principal balance of the obligation at June 30, 2019 is \$ 825,696.

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 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 City is developing this land into a downtown park and Farmer’s Market for the use of its residents.

The Series 2014 original capital lease obligation was \$ 557,735, with monthly installments of \$ 3,730 beginning August 24, 2014 with an interest rate of 4.83%. The final payment for the 2014 bond was payable at July 24, 2019, subsequent to the balance sheet date. The final payment consisted of (maturity) \$ 295,939 in principal and \$ 2,004 in interest for a total payment of \$ 297,943.

2. Revenue Bonds (Business-type Activities)

On February 1, 2014, the Downtown Development Authority issued Series 2014 Revenue Bonds in the amount of \$ 4,675,000. The proceeds of these bonds were used to: (a) prepay outstanding loans to the City from Georgia Environmental Finance Authority, (b) redeeming the City’s outstanding Water and Sewer Revenue Bonds acquisition of the system, and (c) to pay the costs of issuing the Series 2014 Bonds. The City entered into an Intergovernmental Agreement with the Downtown Development Authority by which the City has agreed to pay the bond debt installments until the full debt is satisfied. The bonds bear an interest rate of 2.0% not to exceed 3.5%. The obligation matures on February 1, 2033. The principal balance at June 30, 2019 is \$ 3,615,000. The City agreed that if necessary, an annual property tax would be levied to cover the cost. The City has not considered this necessary as of June 30, 2019.

3. Drinking Water State Revolving Fund Note Payable (Business-type Activities)

The City maintains two Drinking Water Revolving Fund Loans from Georgia Environmental Finance Authority (GEFA). The funds will be used for Water and Sewer projects. The City pays a monthly administrative fee to GEFA for the loans. Principal payments and accrued interest on the notes shall be payable monthly on the first day of each calendar month. All loans have been fully drawn and are in repayment as of June 30, 2019. GEFA requires the City to maintain a 105% debt service coverage.

The first loan, dated February 18, 2015, offered up to \$ 1,000,000 in principal with 30% to be forgiven by GEFA. During the year ending June 30, 2019, GEFA forgave \$ 61,327 of the loan. The obligation bears an interest rate of 1.71% and matures on May 1, 2039. The principal balance at June 30, 2019 is \$ 687,723.

The second loan, dated July 1, 2018, offered up to \$ 569,000 in principal with 30% to be forgiven by GEFA. During the year ending June 30, 2019, GEFA forgave \$112,201 of the loan. The obligation bears an interest rate of 0.50% and matures on July 1, 2028. The principal balance at June 30, 2019 is \$ 430,548.

Total loan forgiveness for the year ended June 30, 2019 is \$ 173,528. The city has received all forgiveness available over the life of the loans.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

G. Long-Term Obligations (cont'd)

4. Clean Water State Revolving Fund Note Payable (Business-type Activities)

The City has a note payable dated April 1, 2019 from GEFA to finance the costs of updating the wastewater treatment plant. The clean water loan also requires the City to maintain a 105% debt coverage ratio. The loan had an original balance of \$ 445,000. The obligation bears an interest rate of 2.03% and matures on April 1, 2039. The principal balance at June 30, 2019 is \$ 417,991.

5. Long-Term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2019 are as follows:

Governmental Activities	Balance 6/30/2018	Increases	Decreases	Balance 6/30/2019	Due within One Year
Capital Lease Obligations	\$ 1,347,751	\$ -	\$ 226,116	\$ 1,121,635	\$ 420,772
Compensated Absences	20,819	46,599	36,710	30,708	30,708
Total Governmental Activities	\$ 1,368,570	\$ 46,599	\$ 262,826	\$ 1,152,343	\$ 451,480
Business-type Activities	Balance 6/30/2018	Increases	Decreases	Balance 6/30/2019	Due within One Year
Revenue Bond	\$ 3,835,000	\$ -	\$ 220,000	\$ 3,615,000	\$ 220,000
Notes Payable	1,493,832	264,922	222,492	1,536,262	92,332
	5,328,832	264,922	442,492	5,151,262	312,332
Compensated Absences	16,939	25,820	23,520	19,239	19,239
Total Business-type Activities	\$ 5,345,771	\$ 290,742	\$ 466,012	\$ 5,170,501	\$ 331,571

Decreases for notes payable in the schedule above are a combination of actual principal paid on the notes of \$ 48,964 and debt forgiveness from GEFA of \$ 173,528. Total decrease in revenue bond and notes payable, paid by the City, was \$ 268,964.

Debt-service requirements for long-term obligations are as follows for the years ending June 30:

Governmental Activities	Capital Lease Obligations		
	Principal	Interest	Total
2020	\$ 420,772	\$ 22,994	\$ 443,766
2021	128,117	17,705	145,822
2022	131,848	14,334	146,182
2023	135,559	10,936	146,495
2024 and thereafter	305,339	62,883	368,222
Total	\$ 1,121,635	\$ 128,852	\$ 1,250,487

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

G. Long-Term Obligations (cont'd)

5. Long-Term Obligation Activity (cont'd)

Business-type Activities	Revenue Bonds		Notes Payable		Total
	Principal	Interest	Principal	Interest	
2020	\$ 220,000	\$ 100,240	\$ 92,332	\$ 21,890	\$ 434,462
2021	225,000	96,390	93,721	21,837	436,948
2022	230,000	91,890	94,559	19,632	436,081
2023	235,000	86,830	96,015	18,477	436,322
2024	240,000	81,190	97,189	17,303	435,682
2025 and thereafter	2,465,000	409,475	1,062,446	119,972	4,056,893
Total	<u>\$ 3,615,000</u>	<u>\$ 866,015</u>	<u>\$ 1,536,262</u>	<u>\$ 219,111</u>	<u>\$ 6,236,388</u>

The City has no unused lines of credit open, and has no assets pledged as collateral for debt. All notes, capital leases, and revenue bonds originated under direct borrowing agreements.

6. Compensated Absences (Governmental and Business-type Activities)

Compensated absences liability for governmental activities was \$ 30,708 at June 30, 2019.

Compensated absences liability for business-type activities was \$ 19,239 at June 30, 2019.

Compensated absences are liquidated in the general fund for governmental activities and in the enterprise fund for business-type activities; see Note 1 for a further explanation of compensated absences. The City has reported 100% of the compensated absence liability as due in one year, as the City projects that a majority of the employees will use compensated absences earned within one year. Although the full balance is expected to be used within one year, the time earned will continue to replenish throughout the year and therefore the compensated absences remains noncurrent.

H. Restricted Equity and Fund Balances

Fund balances at June 30, 2019 consist of the following for the governmental funds:

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Fund balances:				
Non-spendable				
Prepaid items	\$ 20,806	\$ -	\$ -	\$ 20,806
Restricted:				
Hotel/motel	-	-	720	720
DDA	-	-	35,389	35,389
Cemetery	-	-	198,628	198,628
Capital projects	-	992,237	-	992,237
Unassigned:	3,409,306	-	-	3,409,306
Total fund balance	<u>\$ 3,430,112</u>	<u>\$ 992,237</u>	<u>\$ 234,737</u>	<u>\$ 4,657,086</u>

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

H. Restricted Equity and Fund Balances (cont'd)

1. Permanent Fund

Restricted for cemetery – An amount of \$ 198,628 has been restricted in the Cemetery Fund since this amount is not legally available for appropriation. Of these funds, \$ 198,628 is expendable for cemetery perpetual care.

2. Special Revenue Fund

Restricted for tourism and development – A total of \$ 720 has been restricted for tourism expenditures in the Hotel-Motel Fund since this amount is not legally available for appropriation. A total of \$ 35,389 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 \$ 992,237 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

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

According to management and the City's legal counsel, there are no adverse legal issues outstanding that should substantially or materially affect the financial statements.

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.

The Board of Directors for the Dawsonville History Museum is appointed by the City Council of Dawsonville. In addition, several members of the City's management, are voting members of the Board. Because of this, the Dawsonville History Museum is considered to be a related party of the City. During the year ending June 30, 2019, the Dawsonville History Museum paid the City \$ 17,529 in rental income. There were no balances due to or from the Dawsonville History Museum as of June 30, 2019.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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, 2019, the City had receipts based on the tax rate of 6%, of \$ 3,717 and incurred expenditures of \$ 3,604 (97% of revenues). 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 – SPECIAL ITEM PRIOR PERIOD ADJUSTMENT

During the current fiscal year, it was discovered that Dawson County failed to remit the proper amount of Title Ad Valorem Tax (TAVT) to the City (Due from years 2013-2017). As a consequence, TAVT revenue during those years have been understated. The errors have been corrected by restating the General Fund's Fund balance for prior periods.

The following provides a summary of the impact on the City's financial statements:

Fund balance - beginning, original	\$ 3,032,009
Special Item - TAVT revenue	<u>213,256</u>
Fund balance - beginning, as restated	<u><u>\$ 3,245,265</u></u>

Note 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 4, 2019, the date the financial statements were available to be issued.

FINANCIAL SECTION
Required Supplementary Information

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CITY OF DAWSONVILLE, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2019
(Unaudited)

	Fiscal Year End				
	2019	2018	2017	2016	2015
<i>Total pension liability</i>					
Service cost	\$ 29,314	\$ 23,209	\$ 17,954	\$ 14,001	\$ 12,393
Interest	43,156	36,406	35,681	33,943	31,065
Differences between expected and actual experience	28,144	13,547	(39,532)	(21,140)	3,522
Change of assumptions	-	11,307	-	-	(5,461)
Change of benefit terms	-	-	-	-	-
Benefits payments, including refunds of employee contributions	(11,160)	(5,111)	(4,377)	(4,378)	(4,377)
Net change in total pension liability	89,454	79,358	9,726	22,426	37,142
Total pension liability - beginning	551,673	472,315	462,589	440,163	403,021
Total pension liability - ending (a)	<u>\$ 641,127</u>	<u>\$ 551,673</u>	<u>\$ 472,315</u>	<u>\$ 462,589</u>	<u>\$ 440,163</u>
<i>Plan fiduciary net position</i>					
Contributions - employer	\$ 30,943	\$ 29,208	\$ 30,958	\$ 27,612	\$ 26,495
Contributions - employee	-	-	-	-	-
Net investment income	18,956	55,665	48,498	1,462	30,673
Benefits payments, including refunds of employee contributions	(11,160)	(5,111)	(4,377)	(4,378)	(4,377)
Administrative expense	(8,455)	(8,224)	(8,390)	(5,916)	(5,468)
Other	-	-	-	-	-
Net change in fiduciary net position	30,284	71,538	66,689	18,780	47,323
Plan fiduciary net position - beginning	513,135	441,597	374,908	356,128	308,805
Plan fiduciary net position - ending (b)	<u>\$ 543,419</u>	<u>\$ 513,135</u>	<u>\$ 441,597</u>	<u>\$ 374,908</u>	<u>\$ 356,128</u>
Net pension liability - ending (a)-(b)	<u>\$ 97,708</u>	<u>\$ 38,538</u>	<u>\$ 30,718</u>	<u>\$ 87,681</u>	<u>\$ 84,035</u>
Plan's fiduciary net position as percentage of the total pension liability	84.76%	93.01%	93.50%	81.05%	80.91%
Covered payroll	\$ 833,420	\$ 696,293	\$ 468,083	\$ 360,912	\$ 342,936
Net pension liability as a percentage of covered payroll	11.72%	5.53%	6.56%	24.29%	24.50%

Note: The schedule is intended to show ten years of information; however, fiscal year 2015 was the first year of implementation. Additional years' information will be displayed as it becomes available.

The accompanying notes to the required supplementary information are an integral part of this schedule.

CITY OF DAWSONVILLE, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2019
(Unaudited)

	Fiscal Year End				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 29,813	\$ 32,319	\$ 29,813	\$ 30,504	\$ 26,648
Contributions in relation to the actuarially determined contribution	<u>29,813</u>	<u>33,299</u>	<u>16,330</u>	<u>26,664</u>	<u>37,750</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (980)</u>	<u>\$ 13,483</u>	<u>\$ 3,840</u>	<u>\$ (11,102)</u>
Covered payroll	\$ 696,293	\$ 788,556	\$ 587,245	\$ 523,244	\$ 479,173
Contributions as a percentage of covered payroll	4.28%	4.22%	2.78%	5.10%	7.88%

Note: This schedule is intended to show ten years of information; however, fiscal year 2015 was the first year of implementation. Additional years' information will be displayed as it becomes available.

The accompanying notes to the required supplementary information are an integral part of this schedule.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

1. Valuation Date

The actuarially determined contribution was determined as of July, 1, 2019, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution will be reported for the fiscal year ending December 31, 2020.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Projected Unit Credit

Amortization Method: Closed level dollar for remaining unfunded liability

Remaining Amortization Period: Remaining amortization period varies of the bases, with net effective amortization of 16 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.

Net Investment Rate of Return: 7.50%

Projected Salary Increases: 2.75% plus service based merit increases

Cost of Living Adjustments: 0.00%

Retirement Age for Inactive Vested Participants: 65

Mortality: Healthy mortality rates were based on the RP-2000 Combined Health Mortality Table with sex-distinct rates, set forward two year for males and one year for females. Disabled mortality were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

Assumptions listed above were approved by the Plan's Board of Trustees in December, 2017 based on the results of an actuarial experience study in September 2017. Other remaining assumptions were based on an experience study approved by the Board in December 2014 for the period January 1, 2010 through June 30, 2014.

3. Changes in Benefits

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

4. Changes of Assumptions

Amounts reported for the fiscal year ending in 2018 and later reflect the following assumption changes based on an actuarial study conducted in 2017:

- The investment return assumption was decreased from 7.75% to 7.50%.
- The inflation assumption was decreased from 3.25% to 2.75%.

FINANCIAL SECTION

Combining and Individual Fund Financial Statements and Schedules

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CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
June 30, 2019

	<u>Non-Major Fund Special Revenue Fund Hotel-Motel</u>	<u>Non-Major Fund Special Revenue Fund DDA</u>	<u>Non-Major Fund Permanent Fund Cemetery</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS				
Restricted assets:				
Cash and cash equivalents	\$ -	\$ 35,389	\$ 198,628	\$ 234,017
Taxes receivable	504	-	-	504
Due from other funds	1,775	-	-	1,775
TOTAL ASSETS	<u>2,279</u>	<u>35,389</u>	<u>198,628</u>	<u>236,296</u>
LIABILITIES				
Current - accounts payable	1,559	-	-	1,559
TOTAL LIABILITIES	<u>1,559</u>	<u>-</u>	<u>-</u>	<u>1,559</u>
FUND BALANCE				
Restricted for:				
Tourism	720	-	-	720
Housing and business development	-	35,389	-	35,389
Cemetery	-	-	198,628	198,628
TOTAL FUND BALANCES	<u>720</u>	<u>35,389</u>	<u>198,628</u>	<u>234,737</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,279</u>	<u>\$ 35,389</u>	<u>\$ 198,628</u>	<u>\$ 236,296</u>

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPEDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2019

	<u>Non-Major Fund Special Revenue Fund Hotel-Motel</u>	<u>Non-Major Fund Special Revenue Fund DDA</u>	<u>Non-Major Fund Permanent Fund Cemetery</u>	<u>Total Non-Major Governmental Funds</u>
REVENUES				
Taxes	\$ 3,717	\$ -	\$ -	\$ 3,717
Charge for services	-	-	21,360	21,360
Contributions and donations	-	50	-	50
Interest earned	-	-	702	702
Total revenues	<u>3,717</u>	<u>50</u>	<u>22,062</u>	<u>25,829</u>
EXPENDITURES				
Current operating:				
Tourism	3,604	-	-	3,604
Housing and business development	-	38,489	-	38,489
Cemetery services	-	-	43,215	43,215
Total expenditures	<u>3,604</u>	<u>38,489</u>	<u>43,215</u>	<u>42,093</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	113	(38,439)	(21,153)	(59,479)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	42,500	-	42,500
NET CHANGE IN FUND BALANCE	113	4,061	(21,153)	(16,979)
FUND BALANCES - beginning of year	<u>607</u>	<u>31,328</u>	<u>219,781</u>	<u>251,716</u>
FUND BALANCES - end of year	<u>\$ 720</u>	<u>\$ 35,389</u>	<u>\$ 198,628</u>	<u>\$ 234,737</u>

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
HOTEL-MOTEL FUND
BALANCE SHEET
June 30, 2019

	Hotel-Motel Fund
ASSETS	
Taxes receivable	\$ 504
Due from other funds	1,775
TOTAL ASSETS	2,279
LIABILITIES	
Current - accounts payable	1,559
TOTAL LIABILITIES	1,559
FUND BALANCE	
Restricted for tourism	720
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,279

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
HOTEL-MOTEL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND
ACTUAL

For the Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Hotel-motel taxes	<u>\$ 4,000</u>	<u>\$ 3,717</u>	<u>\$ (283)</u>
Total revenues	<u>4,000</u>	<u>3,717</u>	<u>(283)</u>
EXPENDITURES			
Current operating:			
Housing and development - tourism	<u>4,000</u>	<u>3,604</u>	<u>(396)</u>
Total expenditures	<u>4,000</u>	<u>3,604</u>	<u>(396)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>113</u>	<u>113</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ -</u></u>	<u>113</u>	<u><u>\$ 113</u></u>
FUND BALANCES - beginning of year		<u>607</u>	
FUND BALANCES - end of year		<u><u>\$ 720</u></u>	

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
DOWNTOWN DEVELOPMENT AUTHORITY FUND
BALANCE SHEET
June 30, 2019

	<u>DDA Fund</u>
ASSETS	
Restricted assets:	
Cash and cash equivalents	<u>\$ 35,389</u>
TOTAL ASSETS	<u>35,389</u>
FUND BALANCE	
Restricted for housing and business development	<u>35,389</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 35,389</u>

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
DOWNTOWN DEVELOPMENT AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS)
AND ACTUAL
For the Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Contributions and donations	\$ 42,500	\$ 50	\$ (42,450)
Total revenues	<u>42,500</u>	<u>50</u>	<u>(42,450)</u>
EXPENDITURES			
Current operating:			
Grants disbursed	25,000	23,778	(1,222)
Housing and business development	<u>17,500</u>	<u>14,711</u>	<u>(2,789)</u>
Total expenditures	<u>42,500</u>	<u>38,489</u>	<u>(4,011)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(38,439)</u>	<u>(38,439)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>42,500</u>	<u>42,500</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>4,061</u>	<u>\$ 4,061</u>
FUND BALANCES - beginning of year		<u>31,328</u>	
FUND BALANCES - end of year		<u>\$ 35,389</u>	

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
PERMANENT FUND
CEMETERY FUND
BALANCE SHEET
June 30, 2019

	<u>Cemetery Fund</u>
ASSETS	
Restricted assets:	
Cash and cash equivalents	<u>\$ 198,628</u>
TOTAL ASSETS	<u>198,628</u>
FUND BALANCES	
Restricted for cemetery fund	<u>198,628</u>
TOTAL FUND BALANCES	<u>\$ 198,628</u>

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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Cemetery lot sales	\$ 31,250	\$ 21,250	\$ (10,000)
Real estate fees	180	110	(70)
Interest income	300	702	402
	<u>31,730</u>	<u>22,062</u>	<u>(9,668)</u>
Total revenues			
EXPENDITURES			
Repairs and maintenance	10,000	6,243	(3,758)
Miscellaneous expenditures	4,200	2,973	(1,227)
Capital outlay	98,500	34,000	(64,500)
	<u>112,700</u>	<u>43,215</u>	<u>(69,485)</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(80,970)</u>	<u>(21,153)</u>	<u>59,817</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>80,970</u>	<u>-</u>	<u>(80,970)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>(21,153)</u>	<u>\$ (21,153)</u>
FUND BALANCES - beginning of year		<u>219,781</u>	
FUND BALANCES - end of year		<u>\$ 198,628</u>	

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
WATER, SEWER AND GARBAGE FUND
For the year ended June 30, 2019

	Final Budget	Actual	Variance with Final Budget -
OPERATING REVENUES			
Charges for services :			
Water fees	\$ 648,000	\$ 684,397	\$ 36,397
Sewer fees	756,000	792,863	36,863
Garbage fees	139,000	156,868	17,868
Miscellaneous	154,918	54,161	(100,757)
Total operating revenues	1,697,918	1,688,289	(9,629)
OPERATING EXPENSES			
Cost of sales and service:			
Advertising	1,200	140	1,060
Bad debts	2,150	-	2,150
Communications	13,600	16,058	(2,458)
Depreciation	430,000	573,070	(143,070)
Dues and subscriptions	16,200	20,943	(4,743)
Education and training	7,000	2,534	4,466
Food	2,000	248	1,752
Garbage service	105,350	137,354	(32,004)
Gas and fuel	10,000	9,888	112
Insurance	25,000	21,903	3,097
Licenses	300	-	300
Postage	10,500	9,577	923
Printing and binding	2,300	1,178	1,122
Professional	94,000	121,658	(27,658)
Rental equipment	1,000	1,038	(38)
Repairs and maintenance	766,000	69,449	696,551
Supplies	163,000	119,160	43,840
Travel	2,000	965	1,035
Technical services	64,000	45,015	18,985
Uniform service	3,000	460	2,540
Utilities	111,700	133,310	(21,610)
Total cost of sales and service:	1,830,300	1,283,948	546,352
Personnel services and benefits:			
Salaries	286,600	292,650	(6,050)
Payroll taxes	21,618	21,934	(316)
Group insurance	80,400	76,422	3,978
Workers compensation	10,000	5,670	4,330
Retirement	16,500	14,902	1,598
Total personnel services and benefits	415,118	411,578	3,540
OPERATING INCOME (LOSS)	(547,500)	(7,237)	540,263
NON-OPERATING INCOME (LOSS)			
Transfers in (out)	477,000	144,820	(332,180)
Forgiveness of debt	-	173,528	173,528
Tap fees	170,000	168,750	(1,250)
Interest and fiscal charges	(106,000)	(124,028)	(18,028)
Interest earned	6,500	18,356	11,856
TOTAL NON-OPERATING INCOME (LOSS)	547,500	381,426	(166,074)
CHANGE IN NET POSITION	\$ -	374,189	\$ 374,189
NET POSITION - beginning of year		9,099,228	
NET POSITION - end of year		\$ 9,473,417	

CITY OF DAWSONVILLE, GEORGIA
SCHEDULES OF FUNCTIONAL ALLOCATIONS
WATER, SEWER AND GARBAGE FUND
SCHEDULE OF NET POSITION
June 30, 2019

	Water / Sewer	Garbage	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,364,180	\$ 185,726	\$ 2,549,906
Receivables (net of allowance for uncollectible):			
Accounts	134,737	14,482	149,219
Restricted assets:			
Prepaid expense	24,127	-	24,127
Cash and cash equivalents	128,078	-	128,078
Total current assets	2,651,122	200,208	2,851,330
Non-current assets:			
Capital assets:			
Land	3,179,295	-	3,179,295
Depreciable capital assets, net	8,831,950	-	8,831,950
Total non-current Assets	12,011,245	-	12,011,245
 TOTAL ASSETS	 14,662,367	 200,208	 14,862,575
DEFERRED OUTFLOWS OF RESOURCES			
Retirement contributions	14,591	-	14,591
 TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	 \$ 14,676,958	 \$ 200,208	 \$ 14,877,166

CITY OF DAWSONVILLE, GEORGIA
SCHEDULES OF FUNCTIONAL ALLOCATIONS
WATER, SEWER AND GARBAGE FUND
SCHEDULE OF NET POSITION
June 30, 2019

	Water / Sewer	Garbage	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 19,110	\$ -	\$ 19,110
Accrued expenses	11,962	-	11,962
Accrued interest payable	41,767	-	41,767
Current portion of long-term debt	312,332	-	312,332
Customer deposits - payable from restricted assets	124,785	-	124,785
Total current liabilities	509,956	-	509,956
Long-term liabilities:			
Compensated absences (due within one year)	19,239	-	19,239
Long-term debt (net of current portion)	4,838,930	-	4,838,930
Net pension liability	30,662	-	30,662
Total long-term liabilities	4,888,831	-	4,888,831
TOTAL LIABILITIES	5,398,787	-	5,398,787
DEFERRED INFLOWS OF RESOURCES			
Retirement adjustments	4,962	-	4,962
NET POSITION			
Net investment in capital assets	6,859,983	-	6,859,983
Unrestricted	2,413,226	200,208	2,613,434
TOTAL NET POSITION	9,273,209	200,208	9,473,417
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$ 14,676,958	\$ 200,208	\$ 14,877,166

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, 2019

	Water / Sewer	Garbage	Total
OPERATING REVENUES			
Charges for services	\$ 1,477,260	\$ 156,868	\$ 1,634,128
Miscellaneous	54,161	-	54,161
Total operating revenues	1,531,421	156,868	1,688,289
OPERATING EXPENSES			
Personnel services and benefits	411,578	-	411,578
Purchased and contractual services	458,525	139,299	597,824
Supplies	113,053	-	113,053
Depreciation and amortization	573,071	-	573,071
Total operating expenses	1,556,227	139,299	1,695,526
OPERATING INCOME (LOSS)	(24,806)	17,569	(7,237)
NON-OPERATING INCOME (LOSS)			
Transfers in (out)	144,820	-	144,820
Forgiveness of debt	173,528	-	173,528
Tap fees	168,750	-	168,750
Interest and fiscal charges	(124,028)	-	(124,028)
Interest earned	18,356	-	18,356
TOTAL NON-OPERATING INCOME (LOSS)	381,426	-	381,426
CHANGE IN NET POSITION	356,620	17,569	374,189
NET POSITION - beginning of year	8,916,589	182,639	9,099,228
NET POSITION - end of year	\$ 9,273,209	\$ 200,208	\$ 9,473,417

STATISTICAL SECTION



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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.....	57-64
<i>These tables/schedules contain trend information designed to assist the reader in understanding how the City has performed from a financial perspective over time.</i>	
Revenue Capacity.....	65-68
<i>These tables/schedules contain information that may assist the reader in assessing the viability of the City’s most significant revenue sources.</i>	
Debt Capacity.....	69-73
<i>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.</i>	
Demographic and Economic Information.....	74-75
<i>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.</i>	
Operating Information.....	76-78
<i>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.</i>	

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			
	2019	2018	2017	2016
GOVERNMENTAL ACTIVITIES				
Net Investment in capital assets	5,993,804	4,126,980	3,447,930	2,886,908
Restricted	1,226,974	2,035,011	1,548,463	1,101,659
Unrestricted	3,353,414	2,972,388	2,780,141	2,465,001
Total governmental activities net position	<u>\$ 10,574,192</u>	<u>\$ 9,134,379</u>	<u>\$ 7,776,534</u>	<u>\$ 6,453,568</u>
BUSINESS-TYPE ACTIVITIES				
Net Investment in capital assets	6,859,983	6,452,179	6,060,288	5,743,112
Restricted	-	-	-	-
Unrestricted	2,613,434	2,647,049	2,724,721	2,245,230
Total business-type activities net position	<u>\$ 9,473,417</u>	<u>\$ 9,099,228</u>	<u>\$ 8,785,009</u>	<u>\$ 7,988,342</u>
PRIMARY GOVERNMENT				
Net Investment in capital assets	12,853,787	10,579,159	9,508,218	8,630,020
Restricted	1,226,974	2,035,011	1,548,463	1,101,659
Unrestricted	5,966,848	5,619,437	5,504,862	4,710,231
Total primary government net position	<u>\$ 20,047,609</u>	<u>\$ 18,233,607</u>	<u>\$ 16,561,543</u>	<u>\$ 14,441,910</u>

CITY OF DAWSONVILLE, GEORGIA
NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Fiscal Year Ending 6/30					
2015	2014	2013	2012	2011	2010
2,641,366	2,623,723	2,625,541	2,193,856	2,238,622	2,381,617
233,170	201,407	215,198	304,838	341,926	169,888
<u>2,153,006</u>	<u>1,899,759</u>	<u>1,537,287</u>	<u>1,525,884</u>	<u>1,182,435</u>	<u>1,102,263</u>
<u>\$ 5,027,542</u>	<u>\$ 4,724,889</u>	<u>\$ 4,378,026</u>	<u>\$ 4,024,578</u>	<u>\$ 3,762,983</u>	<u>\$ 3,653,768</u>
5,721,934	5,732,374	5,979,576	6,134,502	6,445,279	6,547,234
-	-	217,758	216,476	215,221	106,332
<u>1,924,607</u>	<u>1,788,771</u>	<u>1,476,569</u>	<u>1,107,259</u>	<u>1,184,364</u>	<u>1,702,406</u>
<u>\$ 7,646,541</u>	<u>\$ 7,521,145</u>	<u>\$ 7,673,903</u>	<u>\$ 7,458,237</u>	<u>\$ 7,844,864</u>	<u>\$ 8,355,972</u>
8,363,300	8,356,097	8,605,117	8,328,358	8,683,901	8,928,851
233,170	201,407	432,956	521,314	557,147	276,220
<u>4,077,613</u>	<u>3,688,530</u>	<u>3,013,856</u>	<u>2,633,143</u>	<u>2,366,799</u>	<u>2,804,669</u>
<u>\$ 12,674,083</u>	<u>\$ 12,246,034</u>	<u>\$ 12,051,929</u>	<u>\$ 11,482,815</u>	<u>\$ 11,607,847</u>	<u>\$ 12,009,740</u>

CITY OF DAWSONVILLE, GEORGIA
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year Ending 6/30			
	2019	2018	2017	2016
EXPENSES				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 1,332,954	\$ 1,156,139	\$ 1,013,076	\$ 740,287
Public Safety	1,111	167	4,412	235
Public Works	373,071	335,394	313,367	341,970
Culture and Recreation	83,021	1,288	3,138	4,454
Planning and Zoning	325,837	248,627	198,962	81,709
Housing and Development	50,489	32,858	44,029	60,466
Interest	47,812	42,923	39,209	43,330
Total Governmental Activities	<u>2,214,295</u>	<u>1,817,396</u>	<u>1,616,193</u>	<u>1,272,451</u>
BUSINESS-TYPE ACTIVITIES:				
Water and Sewage	1,819,554	1,681,624	1,569,535	1,427,252
Total Business-type Activities	<u>1,819,554</u>	<u>1,681,624</u>	<u>1,569,535</u>	<u>1,427,252</u>
Total Expenses	<u>\$ 4,033,849</u>	<u>\$ 3,499,020</u>	<u>\$ 3,185,728</u>	<u>\$ 2,699,703</u>
PROGRAM REVENUES				
GOVERNMENTAL ACTIVITIES:				
Charges for services:				
General Government	\$ 110,910	\$ 143,006	\$ 121,425	\$ 121,425
Public Safety	380	100	240	240
Highways and Streets	-	-	-	-
Culture and Recreation	-	-	-	-
Planning and Zoning	202,114	171,918	172,484	172,484
Development	3,767	-	-	-
Operating grants and contributions	280	3,600	10,650	10,650
Capital grants and contributions	1,414,048	1,355,464	1,262,546	1,262,546
Total governmental activities program r	<u>1,731,499</u>	<u>1,674,088</u>	<u>1,567,345</u>	<u>1,567,345</u>
BUSINESS-TYPE ACTIVITIES:				
Charges for Services:				
Water and Sewage	1,688,289	1,596,836	1,531,603	1,315,557
Capital grants and contributions	342,278	197,422	704,711	425,540
Total Business-type Activities	<u>2,030,567</u>	<u>1,794,258</u>	<u>2,236,314</u>	<u>1,741,097</u>
Total Program Revenues	<u>\$ 3,762,066</u>	<u>\$ 3,468,346</u>	<u>\$ 3,803,659</u>	<u>\$ 3,308,442</u>
Net (Expense) / Revenue				
Governmental activities	\$ (482,796)	\$ (143,308)	\$ (48,848)	\$ 294,894
Business-type activities	211,013	112,634	666,779	313,845
Total Net Expense	<u>\$ (271,783)</u>	<u>\$ (30,674)</u>	<u>\$ 617,931</u>	<u>\$ 608,739</u>

CITY OF DAWSONVILLE, GEORGIA
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Fiscal Year Ending 6/30					
2015	2014	2013	2012	2011	2010
\$ 688,376	\$ 682,148	\$ 706,717	\$ 728,050	\$ 706,602	\$ 673,355
-	-	80,000	160,000	160,000	166,550
341,626	221,424	265,141	157,539	63,848	55,414
863	1,933	5,641	5,993	66,023	20,821
100,322	97,632	63,448	79,660	68,694	93,952
19,637	11,577	23,667	5,357	3,062	2,655
47,996	29,952	39,202	46,422	47,563	50,320
<u>1,198,820</u>	<u>1,044,666</u>	<u>1,183,816</u>	<u>1,183,021</u>	<u>1,115,792</u>	<u>1,063,067</u>
1,351,765	1,465,860	1,360,724	1,353,080	1,489,493	1,525,155
<u>1,351,765</u>	<u>1,465,860</u>	<u>1,360,724</u>	<u>1,353,080</u>	<u>1,489,493</u>	<u>1,525,155</u>
<u>\$ 2,550,585</u>	<u>\$ 2,510,526</u>	<u>\$ 2,544,540</u>	<u>\$ 2,536,101</u>	<u>\$ 2,605,285</u>	<u>\$ 2,588,222</u>
\$ 120,923	\$ 106,907	\$ 84,070	\$ 129,225	\$ 109,271	\$ 94,318
50	-	-	1,500	19,261	900
-	-	-	-	-	-
-	-	-	-	-	19,182
101,255	79,488	28,036	41,138	36,659	10,381
-	-	-	-	-	-
14,300	17,420	9,993	1,000	1,000	4,500
1,048,782	-	16,629	16,523	4,320	112,275
<u>1,285,310</u>	<u>203,815</u>	<u>138,728</u>	<u>189,386</u>	<u>170,511</u>	<u>241,556</u>
1,285,971	1,204,829	1,121,978	962,042	972,252	990,093
125,000	104,300	466,000	-	-	563,762
<u>1,410,971</u>	<u>1,309,129</u>	<u>1,587,978</u>	<u>962,042</u>	<u>972,252</u>	<u>1,553,855</u>
<u>\$ 2,696,281</u>	<u>\$ 1,512,944</u>	<u>\$ 1,726,706</u>	<u>\$ 1,151,428</u>	<u>\$ 1,142,763</u>	<u>\$ 1,795,411</u>
\$ 86,490	\$ (840,851)	\$ (1,045,088)	\$ (993,635)	\$ (945,281)	\$ (821,511)
59,206	(156,731)	227,254	(391,038)	(517,241)	28,700
<u>\$ 145,696</u>	<u>\$ (997,582)</u>	<u>\$ (817,834)</u>	<u>\$ (1,384,673)</u>	<u>\$ (1,462,522)</u>	<u>\$ (792,811)</u>

CITY OF DAWSONVILLE, GEORGIA
CHANGES IN NET POSITION (continued)
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year Ending 6/30			
	2019	2018	2017	2016
GENERAL REVENUES				
GOVERNMENTAL ACTIVITIES:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Tax	1,072,132	993,116	885,518	899,360
Other excise taxes	101,668	93,976	107,339	87,132
Franchise taxes	215,166	198,382	190,223	182,404
Intergovernmental-unrestricted	-	-	-	-
Unrestricted investment earnings	77,265	35,127	13,713	7,000
Gain (loss) on sale of capital assets	-	1,370	-	-
Other	387,942	364,954	300,745	261,876
Transfers in/out	(144,820)	(185,772)	(125,724)	(24,605)
Special Item	-	-	-	-
Total general revenues, transfers, and special item	<u>1,709,353</u>	<u>1,501,153</u>	<u>1,371,814</u>	<u>1,413,167</u>
BUSINESS-TYPE ACTIVITIES:				
Unrestricted investment earnings	18,356	9,243	4,164	3,351
Gain (loss) on sale of capital assets	-	6,570	-	-
Miscellaneous	-	-	-	-
Transfers in/out	144,820	185,772	125,724	24,605
Special Item	-	-	-	-
Total Business-type Activities	<u>163,176</u>	<u>201,585</u>	<u>129,888</u>	<u>27,956</u>
Total Primary Government	<u>\$ 1,872,529</u>	<u>\$ 1,702,738</u>	<u>\$ 1,501,702</u>	<u>\$ 1,441,123</u>
Change in Net Position				
Governmental Activities	\$ 1,226,557	\$ 1,018,357	\$ 889,018	\$ 1,269,859
Business-type Activities	374,189	412,598	340,901	140,590
Total Change in Net Position	<u>\$ 1,600,746</u>	<u>\$ 1,430,955</u>	<u>\$ 1,229,919</u>	<u>\$ 1,410,449</u>

CITY OF DAWSONVILLE, GEORGIA
CHANGES IN NET POSITION (continued)
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Fiscal Year Ending 6/30					
2015	2014	2013	2012	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
788,952	783,018	802,222	892,217	832,894	782,352
91,757	90,626	84,451	80,496	78,869	176,932
210,988	143,418	148,922	120,715	120,936	111,417
-	-	-	-	-	-
3,182	2,243	2,573	2,254	3,737	5,539
-	-	-	-	-	22,385
233,488	233,496	219,710	178,423	80,839	-
-	-	-	-	-	-
-	-	90,000	-	-	129,433
<u>1,328,367</u>	<u>1,252,801</u>	<u>1,347,878</u>	<u>1,274,105</u>	<u>1,117,275</u>	<u>1,228,058</u>
2,899	3,973	3,953	4,413	7,633	12,054
-	-	-	(2)	(1,500)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(15,541)	-	-	916,000
<u>2,899</u>	<u>3,973</u>	<u>(11,588)</u>	<u>4,411</u>	<u>6,133</u>	<u>928,054</u>
<u>\$ 1,331,266</u>	<u>\$ 1,256,774</u>	<u>\$ 1,336,290</u>	<u>\$ 1,278,516</u>	<u>\$ 1,123,408</u>	<u>\$ 2,156,112</u>
\$ 845,571	\$ 346,863	\$ 353,448	\$ 261,595	\$ 243,039	\$ 1,314,548
213,912	(152,758)	215,666	(386,627)	(511,108)	987,260
<u>\$ 1,059,483</u>	<u>\$ 194,105</u>	<u>\$ 569,114</u>	<u>\$ (125,032)</u>	<u>\$ (268,069)</u>	<u>\$ 2,301,808</u>

CITY OF DAWSONVILLE, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year Ending 6/30			
	2019	2018	2017	2016
General Fund				
Nonspendable	\$ 20,806	\$ 39,186	\$ 20,478	\$ 27,366
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	3,409,306	2,992,823	2,821,052	2,491,569
Total General Fund:	<u>\$ 3,430,112</u>	<u>\$ 3,032,009</u>	<u>\$ 2,841,530</u>	<u>\$ 2,518,935</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	1,226,974	2,035,011	1,548,463	1,101,659
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all Other Governmental Funds:	<u>\$ 1,226,974</u>	<u>\$ 2,035,011</u>	<u>\$ 1,548,463</u>	<u>\$ 1,101,659</u>

CITY OF DAWSONVILLE, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

Fiscal Year Ending 6/30					
2015	2014	2013	2012	2011	2010
\$ 5,048	\$ 43,732	\$ 13,530	\$ 36,897	\$ 8,840	\$ 17,497
-	-	-	-	-	-
-	-	-	-	-	-
2,201,835	1,864,596	1,529,719	1,494,558	1,175,171	924,863
<u>\$ 2,206,883</u>	<u>\$ 1,908,328</u>	<u>\$ 1,543,249</u>	<u>\$ 1,531,455</u>	<u>\$ 1,184,011</u>	<u>\$ 942,360</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
233,170	201,407	215,198	304,838	341,926	331,348
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 233,170</u>	<u>\$ 201,407</u>	<u>\$ 215,198</u>	<u>\$ 304,838</u>	<u>\$ 341,926</u>	<u>\$ 331,348</u>

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			
	2019	2018	2017	2016
REVENUES				
Taxes	\$ 1,780,626	\$ 1,650,375	\$ 1,483,767	\$ 2,462,221
Charges for services	138,882	101,802	96,129	69,194
Intergovernmental	1,414,328	1,353,991	1,261,871	17,833
Licenses and permits	117,152	157,670	137,243	87,955
Fines, fees and forfeitures	-	-	-	-
Interest	77,265	39,503	15,389	7,000
Contributions	50	2,600	9,650	13,800
Miscellaneous	57,369	55,071	60,836	65,080
Total Revenues	<u>3,585,672</u>	<u>3,361,012</u>	<u>3,064,885</u>	<u>2,723,083</u>
EXPENDITURES				
General Government	1,225,589	1,131,689	850,333	689,860
Public Safety	1,111	167	4,412	21,491
Highways and Streets	413,631	472,242	381,468	346,940
Culture and Recreation	51,014	675	2,527	4,454
Planning and Zoning	323,774	271,057	198,962	81,709
Development	54,093	32,858	47,530	63,481
Debt Service				
Principal	226,116	224,554	149,015	143,822
Interest	47,812	42,925	39,330	43,330
Capital Outlay	1,720,962	319,216	496,185	122,850
Total Expenditures	<u>4,064,102</u>	<u>2,495,383</u>	<u>2,169,762</u>	<u>1,517,937</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (478,430)</u>	<u>\$ 865,629</u>	<u>\$ 895,123</u>	<u>\$ 1,205,146</u>

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					
2015	2014	2013	2012	2011	2010
\$ 1,325,185	\$ 1,250,558	\$ 1,255,305	\$ 1,271,852	\$ 1,113,537	\$ 1,070,702
64,625	5,330	25,465	35,644	33,866	34,072
1,000	20,370	17,523	5,055	111,682	73,466
67,588	54,461	69,713	63,134	35,471	64,880
-	-	-	-	-	50
3,182	2,268	2,573	2,520	4,330	5,539
16,420	-	-	-	4,500	7,458
54,182	58,542	76,685	66,412	55,444	80,913
<u>1,532,182</u>	<u>1,391,529</u>	<u>1,447,264</u>	<u>1,444,617</u>	<u>1,358,830</u>	<u>1,337,080</u>
566,867	538,842	577,984	494,045	461,597	437,813
-	-	80,000	160,000	160,000	166,550
329,030	223,199	247,217	136,796	49,684	46,966
-	100	1,991	2,343	62,373	17,429
100,322	97,632	63,448	79,054	67,241	91,462
22,229	14,349	26,635	7,800	12,811	4,016
135,419	112,223	368,955	118,900	117,135	117,715
47,997	29,952	39,202	46,422	47,563	50,320
-	23,944	119,678	88,901	128,197	228,297
<u>1,201,864</u>	<u>1,040,241</u>	<u>1,525,110</u>	<u>1,134,261</u>	<u>1,106,601</u>	<u>1,160,568</u>
<u>\$ 330,318</u>	<u>\$ 351,288</u>	<u>\$ (77,846)</u>	<u>\$ 310,356</u>	<u>\$ 252,229</u>	<u>\$ 176,512</u>

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			
	2019	2018	2017	2016
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ -	\$ -	\$ -
Transfers Out	(144,820)	(185,772)	(125,724)	(213,025)
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	-	-	-	-
Insurance recoveries	-	-	-	-
Total Other Financing Sources (Uses)	<u>(144,820)</u>	<u>(185,772)</u>	<u>(125,724)</u>	<u>(213,025)</u>
Net change in fund balances before special item	<u>(623,250)</u>	<u>679,857</u>	<u>769,399</u>	<u>1,180,541</u>
Special Item	-	-	-	-
Net change in fund balances	<u>\$ (623,250)</u>	<u>\$ 679,857</u>	<u>\$ 769,399</u>	<u>\$ 1,180,541</u>
Debt service as a percentage of noncapital expenditures	12.61%	14.76%	17.35%	15.49%

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						
2015	2014	2013	2012	2011	2010	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>330,318</u>	<u>351,288</u>	<u>(77,846)</u>	<u>310,356</u>	<u>252,229</u>	<u>176,512</u>	
-	-	-	-	-	129,433	
<u>\$ 330,318</u>	<u>\$ 351,288</u>	<u>\$ (77,846)</u>	<u>\$ 310,356</u>	<u>\$ 252,229</u>	<u>\$ 305,945</u>	
15.86%	14.31%	29.68%	15.81%	16.83%	18.02%	

CITY OF DAWSONVILLE, GEORGIA
GENERAL FUND HISTORY
 Last Five Fiscal Years

	Fiscal Year Ending 6/30				
	2019	2018	2017	2016	2015
Revenues					
Taxes	\$ 1,776,909	\$ 1,647,457	\$ 1,480,174	\$ 1,284,945	\$ 1,322,513
Charges for services	117,522	66,112	81,039	55,574	44,235
Intergovernmental	74,215	112,870	25,098	17,833	1,000
Licenses and permits	117,152	157,670	137,243	87,955	67,588
Fines, fees and forfeitures	-	-	-	-	-
Interest	68,024	34,720	13,463	6,254	2,922
Contributions	-	-	-	-	-
Miscellaneous	57,369	55,071	60,836	65,080	54,182
Total Revenues	<u>2,211,191</u>	<u>2,073,900</u>	<u>1,797,853</u>	<u>1,517,641</u>	<u>1,492,440</u>
Expenditures					
General Government	1,225,589	1,131,689	850,333	689,860	561,273
Public Safety	1,111	167	4,412	21,491	-
Public Works	370,416	452,833	364,524	332,343	329,030
Culture and Recreation	51,014	675	2,527	4,454	-
Planning and Zoning	323,774	271,057	198,962	81,709	100,322
Housing and Development	12,000	12,000	12,000	12,000	-
Debt Service	-	-	-	-	183,416
Capital Outlay	-	-	-	187,152	-
Total Expenditures	<u>1,983,904</u>	<u>1,868,421</u>	<u>1,432,758</u>	<u>1,329,009</u>	<u>1,174,041</u>
Excess (Deficiency) of Revenues over Expenditures	227,287	205,479	365,095	188,632	318,399
Other Financing Sources (Uses) Transfers in (out)	<u>(42,500)</u>	<u>(15,000)</u>	<u>(42,500)</u>	<u>123,420</u>	<u>(7,500)</u>
Net Change in Fund Balances	184,787	190,479	322,595	312,052	310,899
Fund Balance- beginning of year	3,032,009	2,841,530	2,518,935	2,206,883	1,908,328
Prior Period Adjustment	<u>213,256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,344)</u>
Fund Balance- end of year	<u><u>\$ 3,430,052</u></u>	<u><u>\$ 3,032,009</u></u>	<u><u>\$ 2,841,530</u></u>	<u><u>\$ 2,518,935</u></u>	<u><u>\$ 2,206,883</u></u>

Note: This schedule is provided to comply with debt requirements in prior years.

CITY OF DAWSONVILLE, GEORGIA
WATER & SEWER FUND HISTORY
 Last Five Fiscal Years

	Fiscal Year Ending 6/30				
	2019	2018	2017	2016	2015
Operating Revenues					
Charges for services	\$ 1,477,260	\$ 1,403,325	\$ 1,363,254	\$ 1,177,492	\$ 1,144,184
Miscellaneous	54,161	53,455	50,123	31,175	47,150
Total Operating Revenues	<u>1,531,421</u>	<u>1,456,780</u>	<u>1,413,377</u>	<u>1,208,667</u>	<u>1,191,334</u>
Operating Expenses					
Personal Services & Benefits	411,578	376,280	287,380	266,569	279,851
Purchased/Contracted Services	458,525	425,751	466,946	362,852	352,989
Bad Debts	-	411	1,207	5,829	2,843
Supplies	113,053	200,870	151,271	149,927	87,520
Depreciation & Amortization	573,071	461,773	427,979	413,210	413,457
Total Expenditures	<u>1,556,227</u>	<u>1,465,085</u>	<u>1,334,783</u>	<u>1,198,387</u>	<u>1,136,660</u>
Operating Income (Loss)	(24,806)	(8,305)	78,594	10,280	54,674
Non-Operating Income (Loss)					
Intergovernmental Revenues	-	11,694	288,306	-	-
Contributions & Donations	-	-	-	-	-
Gain (loss) on Sale of Assets	-	6,570	-	-	-
Forgiveness of Debt	173,528	29,228	55,405	154,040	-
Interest & Fiscal Charges	(124,028)	(115,369)	(112,318)	(139,363)	(122,555)
Interest Earned	18,356	9,243	4,164	3,351	2,899
Total Non-Operating Income (Loss)	67,856	(58,634)	235,557	18,028	(119,656)
Net Income Before Transfers	43,050	(66,939)	314,151	28,308	(64,982)
Tap Fees & Other					
Tap Fees & Other	168,750	156,500	361,000	271,500	125,000
Transfers In (Out)	144,820	185,772	125,724	24,605	-
Change in Net Assets	356,620	275,333	800,875	324,413	60,018
Net Assets- beginning of year	8,916,589	8,641,256	7,840,381	7,421,968	7,392,659
Prior Period Adjustment	-	-	-	94,000	(30,709)
Net Assets- end of year	<u>\$ 9,273,209</u>	<u>\$ 8,916,589</u>	<u>\$ 8,641,256</u>	<u>\$ 7,840,381</u>	<u>\$ 7,421,968</u>

Note: This schedule is provided to comply with debt requirements in prior years. 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 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

Tax Year	Real Property				Personal Property (1)	
	Residential Property	Agricultural & Conservation Property	Commercial & Industrial Property	Public Utilities	Motor Vehicles	Mobile Homes
2019	\$ 95,555,293	\$ 10,427,246	\$ 26,250,833	\$ 2,520,502	\$ 34,090	\$ -
2018	83,471,379	9,977,936	26,183,110	2,409,781	49,200	-
2017	65,131,888	9,170,797	25,732,544	2,390,900	54,600	-
2016	55,455,965	8,786,418	24,932,499	2,009,547	66,180	-
2015	49,962,771	9,202,748	22,049,743	1,999,574	2,938	1,340
2014	44,143,055	8,833,142	24,609,041	1,811,627	169,780	1,340
2013	40,167,378	8,526,540	21,789,893	2,003,986	207,450	2,410
2012	43,109,208	8,537,257	18,067,672	1,783,236	252,490	12,657
2011	48,561,693	11,203,280	18,849,201	1,743,018	198,620	16,922
2010	55,080,051	15,635,971	19,713,929	1,731,940	159,750	17,417

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 levied such tax.

CITY OF DAWSONVILLE, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Years

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
\$ 134,787,964	\$(4,865,034)	\$ 129,922,930	0.00	\$ 324,807,325	40%
122,091,406	(4,676,131)	117,415,275	0.00	293,538,188	40%
102,480,729	(4,077,959)	98,402,770	0.00	246,006,925	40%
91,250,609	(4,631,222)	86,619,387	0.00	216,548,468	40%
83,219,114	(3,563,366)	79,655,748	0.00	199,139,370	40%
79,567,985	(3,739,663)	75,828,322	0.00	189,570,805	40%
72,697,657	(2,649,546)	70,048,111	0.00	175,120,278	40%
71,762,520	(2,649,546)	69,112,974	0.00	172,782,435	40%
80,572,734	(3,122,450)	77,450,284	0.00	193,625,710	40%
92,339,058	(4,483,511)	87,855,547	0.00	219,638,868	40%

CITY OF DAWSONVILLE, GEORGIA
PROPERTY TAX RATES - MILLS
DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Years

Tax Year	Direct Rate	Overlapping Rates				Total Direct and Overlapping Rates
	City of Dawsonville	Dawson County Board of Education		State of Georgia	Dawson County	
	Operating Millage	Operating Millage	Debt Service	Operating Millage	Operating Millage	
2018	0.000	15.778	0.000	0.000	8.138	23.916
2017	0.000	15.778	0.000	0.000	8.138	23.916
2016	0.000	15.778	0.000	0.050	8.138	23.966
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

Source: Georgia Department of Revenue

Note: Mills - rate per \$1,000 of taxable assessed value
 2019 tax rates not yet available for publication

CITY OF DAWSONVILLE, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago

Taxpayer	Type of Business	2019			2010		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)
Atlanta Motorsports Park, LLC	Motorsports Park	\$ 2,639,772	1	1.96%	\$ -		0.00%
Dawsonville Fee Owner, LLC	Shopping Center Owner	2,272,535	2	1.69%	-		0.00%
Farmington Woods, LP	Apartment Complex	1,859,440	3	1.38%	-		0.00%
Georgia Power Company	Public Utility	1,193,528	4	0.89%	-		0.00%
Gold Creek Processing, LLC	Poultry Processing	1,124,015	5	0.83%	-		0.00%
Gryphon North GA Properties, LLC	Commercial Business Owner	1,040,974	6	0.77%	-		0.00%
B&K Turner Family, LLP	Public Utility	895,976	7	0.66%	-		0.00%
Windstream Standard, Inc.	Public Utility	772,197	8	0.57%	1,094,126	6	1.18%
Starmount Properties Inc.	Apartment Complex	747,274	9	0.55%	779,460	10	0.00%
Mason Avenue Partners, LLC	Residential Developer	729,252	10	0.54%	-		0.00%
Dawsonville Retail Investors, LLC	Real Estate Investment	-		0.00%	2,451,479	1	2.65%
EHK Investments LLC	Family Owned Real Estate	-		0.00%	1,614,428	3	1.75%
E Elliott Family Partnership LLLP	Real Estate Investment	-		0.00%	2,031,815	2	2.20%
SBW Development Venture	Residential & Commercial Develop	-		0.00%	961,412	7	1.04%
Meadow Trace	Residential Developer	-		0.00%	1,137,390	5	1.23%
Rainhill Investments, LLC	Real Estate Investment	-		0.00%	1,019,240	6	1.10%
Appalachian Community Bank	Commercial Business Owner	-		0.00%	944,276	9	1.02%
SCC Villas, LLC	Residential Developer	-		0.00%	1,208,810	4	1.31%
Regions Bank	Residential Developer	-		0.00%	957,002	8	1.04%
Totals		<u>13,274,963</u>		<u>9.85%</u>	<u>14,199,438</u>		<u>15.38%</u>

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 \$ 134,787,964 for calendar year 2019, and \$ 92,339,058 for calendar year 2010.

CITY OF DAWSONVILLE, GEORGIA
LOCAL OPTION SALES TAX DISTRIBUTION COMMODITY REPORT
 Last Five Fiscal Years

Commodity (1)	2019			2018		
	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
General Merchandise	\$ 2,888,305	1	32.60%	\$ 2,756,933	1	33.37%
Food/Bars	1,776,131	2	20.05%	1,724,121	2	20.87%
Other Retail	1,107,888	3	12.50%	991,588	3	12.00%
Miscellaneous Service	781,325	4	8.82%	693,971	4	8.40%
Wholesale	482,410	5	5.44%	423,375	5	5.12%
Home Furnishing	449,248	6	5.07%	370,178	6	4.48%
Other Services	428,626	7	4.84%	345,113	7	4.18%
Manufacturing	305,890	8	3.45%	314,792	9	3.81%
Utility	307,624	9	3.47%	323,353	8	3.91%
Auto	174,954	10	1.97%	159,012	10	1.92%
Accommodations	84,739		0.96%	88,855		1.08%
Construction	72,702		0.82%	69,713		0.84%
Totals	8,859,842		100.00%	8,261,004		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
LOCAL OPTION SALES TAX DISTRIBUTION COMMODITY REPORT
 Last Five Fiscal Years

2017			2016			2015		
Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
\$ 2,488,720	1	34.07%	\$ 2,678,360	1	39.04%	\$ 2,764,194	1	42.83%
1,511,492	2	20.69%	1,232,140	2	17.96%	1,085,753	2	16.82%
731,543	3	10.02%	671,004	3	9.78%	687,741	3	10.66%
695,112	4	9.52%	568,871	4	8.29%	508,180	4	7.87%
442,632	5	6.06%	383,261	6	5.59%	415,047	5	6.43%
339,663	7	4.65%	277,962	7	4.05%	197,512	8	3.06%
97,373	10	1.33%	83,607	10	1.22%	98,596	10	1.53%
417,276	6	5.71%	438,265	5	6.39%	236,342	7	3.66%
278,894	8	3.82%	269,555	8	3.93%	271,837	6	4.21%
169,305	9	2.32%	160,335	9	2.34%	119,989	9	1.86%
89,546		1.23%	75,391		1.10%	54,951		0.85%
42,800		0.59%	21,273		0.31%	13,600		0.21%
7,304,356		100.00%	6,860,024		100.00%	6,453,742		100.00%

CITY OF DAWSONVILLE, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities	Business-Type Activities			Percentage of Personal Income (1)	Per Capita (1)
	Intergovern- mental Contractual Agreement (3)	Water & Sewer Revenue Bonds	Municipal Loans	Total Primary Government		
2019	1,121,635	3,615,000	1,536,262	6,272,897	4.63%	2,018
2018	1,347,751	3,835,000	1,493,832	6,676,583	5.30%	2,237
2017	1,572,307	4,045,000	917,800	6,535,107	5.43%	2,214
2016	1,721,322	4,250,000	359,426	6,330,748	6.03%	2,403
2015	1,865,144	4,450,000	-	6,315,144	6.18%	2,410
2014	1,442,828	4,675,000	-	6,117,828	6.56%	2,412
2013	1,555,048	3,761,717	1,083,998	6,400,763	7.41%	2,596
2012	1,924,006	3,816,575	1,147,157	6,887,738	8.84%	3,003
2011	2,042,906	3,867,828	1,207,565	7,118,299	9.38%	3,070
2010	2,160,041	3,917,948	1,265,372	7,343,361	9.93%	3,073

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 page 74 for personal income and
- (2) The City maintains liability through an intergovernmental contractual agreement for bonds issued by the Downtown Development Authority, a blended 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, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Available</u>	<u>Estimated Share of Overlapping Debt</u>
City of Dawsonville Direct Debt			
Intergovernmental Contractual Obligations	\$ 1,121,635	100%	\$ 1,121,635
Total Direct	<u>1,121,635</u>		<u>1,121,635</u>
Overlapping Debt:			
Dawson County Board of Commissioners	2,850,000	7.84%	223,440
Dawson County School System	9,335,000	7.84%	731,864
Total Overlapping Debt	<u>12,185,000</u>		<u>955,304</u>
Total	<u>\$ 13,306,635</u>		<u>\$ 2,076,939</u>

Source: Direct debt outstanding provided by the City as of June 30, 2019, as represented in current financial statements. Overlapping debt outstanding data as per reported in the Dawson County CAFR for December 31, 2018.

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 process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident.

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

	2019	2018	2017	2016
Assessed value of property, gross tax digest	\$ 134,787,964	\$ 122,091,406	\$ 102,480,729	\$ 91,250,609
Debt Limit (10% of total assessed value)	13,478,796	12,209,141	10,248,073	9,125,061
Amount of Debt applicable to limit:				
General obligation bonds and contracts payable	1,121,635	1,347,751	1,572,307	1,721,322
Less: Resources restricted to paying principal	-	-	-	-
Total net debt applicable to limit	1,121,635	1,347,751	1,572,307	1,721,322
Legal debt margin	\$ 12,357,161	\$ 10,861,390	\$ 8,675,766	\$ 7,403,739
Total net debt applicable to the limit as a percentage of debt limit	8.32%	11.04%	15.34%	18.86%

CITY OF DAWSONVILLE, GEORGIA
LEGAL DEBT MARGIN - GENERAL OBLIGATION DEBT
 Last Ten Fiscal Years

2016	2015	2014	2013	2012	2011	2010
<u>\$ 91,250,609</u>	<u>\$ 83,219,114</u>	<u>\$ 79,567,985</u>	<u>\$ 72,697,657</u>	<u>\$ 71,762,520</u>	<u>\$ 80,752,734</u>	<u>\$ 92,339,058</u>
9,125,061	8,321,911	7,956,799	7,269,766	7,176,252	8,075,273	9,233,906
1,721,322	1,334,130	1,442,828	1,555,048	1,924,006	2,042,906	2,160,041
-	-	-	-	-	-	-
<u>1,721,322</u>	<u>1,334,130</u>	<u>1,442,828</u>	<u>1,555,048</u>	<u>1,924,006</u>	<u>2,042,906</u>	<u>2,160,041</u>
<u>\$ 7,403,739</u>	<u>\$ 6,987,781</u>	<u>\$ 6,513,971</u>	<u>\$ 5,714,718</u>	<u>\$ 5,252,246</u>	<u>\$ 6,032,367</u>	<u>\$ 7,073,865</u>
18.86%	16.03%	18.13%	21.39%	26.81%	25.30%	23.39%

CITY OF DAWSONVILLE, GEORGIA
PLEDGED-REVENUE COVERAGE
WATER, SEWER & GARBAGE FUND
 Last Ten Fiscal Years

Public Utilities Revenue Bonds & Pledged Municipal Loans

Fiscal Year	Operating Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest (3)	
2019	\$ 1,706,645	\$ 1,122,455	\$ 584,190	\$ 268,964	\$ 124,028	1.49
2018	1,606,079	1,104,482	501,597	248,305	115,369	1.38
2017	1,535,767	1,029,238	506,529	260,405	112,318	1.36
2016	1,318,908	874,680	444,228	200,000	139,363	1.31
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

(1) Total operating revenues including interest.

(2) Total operating expenses exclusive of depreciation.

(3) Beginning 2016, amount shown is interest and other fiscal charges, including fees associated with debt.

CITY OF DAWSONVILLE, GEORGIA
TAX SUPPORTED DEBT RATIOS
 June 30, 2019

	<u>Direct Tax Supported Debt (1)</u>	<u>Overlapping Tax Supported Debt (1)</u>	<u>Overall Tax Supported Debt (6)</u>
Per Capita Debt (2)	\$ 361	\$ 326	\$ 687
Percentage of Gross Tax Digest (3)	0.83%	0.75%	1.58%
Percentage of Direct Fair Market Value (4)	0.35%	0.31%	0.66%
Per Capita Debt as Percentage of Per Capita Income (5)	0.83%	0.75%	1.57%

Note: This schedule is provided to comply with debt covenant requirements from prior years.

- (1) Direct and overlapping debt is shown in total on page 70.
- (2) Based on 2019 City of Dawsonville population of 3,109, see page 74.
- (3) Based on 2019 Gross Tax Digest of \$ 134,787,964, see page 65.
- (4) Based on 2019 estimated actual value of \$ 324,807,325, see page 65.
- (5) Based on 2019 estimated per capita income figure for Dawson County of \$ 43,594, see page 74.
- (6) Based on amount of overlapping debt applicable to City of Dawsonville taxable property.

CITY OF DAWSONVILLE, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Fiscal Year Ended	Population Dawson County (2)	Population City of Dawsonville	Estimated City of Dawsonville Personal Income (4)	Dawson Co. Per Capita Personal Income (3)	Dawson County Average Annual Unemployment Rate (1)
2019	25,290	3,109	\$ 132,792,967	\$ 42,712	3.0%
2018	24,621	2,984	125,855,547	42,177	3.6%
2017	24,006	2,952	120,458,484	40,806	4.4%
2016	23,604	2,634	104,901,684	39,826	4.7%
2015	23,256	2,620	102,109,260	38,973	5.6%
2014	22,891	2,536	93,266,472	36,777	5.8%
2013	22,574	2,466	86,376,582	35,027	6.7%
2012	22,371	2,294	77,872,124	33,946	7.7%
2011	22,209	2,319	75,866,085	32,715	9.0%
2010	22,287	2,390	73,970,500	30,950	9.8%

Data Sources:

- (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 2011 - 2019 not available; information shown is estimate provided by Georgia Hometown Locator.
- (3) Current per capita data unavailable. Calculated estimate by applying to the preceding year, the compound annual growth rate of 1.27% realized for the ten year period 2010-2019.
- (4) Personal Income figures specifically for the City are not consistently available. Calculated estimate by multiplying county per capita rate by City population.

CITY OF DAWSONVILLE, GEORGIA
PRINCIPAL EMPLOYERS
 Current Year and Ten Years Ago

Taxpayer	2019			2010		
	Employee s	Rank	Percentage of City Employment	Employees	Rank	Percentage of City Employment
Dawson County Board of Commissioners	501	1	27.91%	504	2	25.94%
Dawson County Board of Education (1)	324	2	18.05%	333	3	17.14%
Gold Creek Processing, LLC / Gold Creek	310	3	17.27%	653	1	33.61%
Atlanta Motor Sports Park LLC	62	4	3.45%	-		
T.W. Phillips Grading, Inc.	45	5	2.51%	9	10	0.46%
Food Lion Store # 2132	39	6	2.17%	35	4	1.80%
Bojangles Restaurant	25	7/8	1.39%	-		
North Georgia Assisted Living	25	7/8	1.39%	-		
Dairy Queen of Dawsonville	25	7/8	1.39%	15	6	0.77%
City of Dawsonville	24	9	1.34%	13	7/8	0.67%
Koch Electric	14	10	0.78%	-		
Ernie Elliott Inc.	-			12	8	0.62%
Davis Machine Inc.	-			18	5	0.93%
Southern Foodservice Management	-			13	7/8	0.67%
Southern Catholic College	-			10	8/9	0.51%
Subway	-			10	8/9	0.51%
All Others	401		22.34%	318		16.37%
Totals	<u>1,795</u>		<u>100.00%</u>	<u>1,943</u>		<u>100.00%</u>

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

Function	2019		2018		2017		2016	
	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
Finance and administration	6	-	5	1	3	1	2	1
Planning and zoning	2	1	2	1	2	-	1	-
Highways and streets	4	1	3	-	3	-	3	-
Water and sewer	6	-	6	-	5	-	5	-
Totals	<u>18</u>	<u>7</u>	<u>16</u>	<u>7</u>	<u>13</u>	<u>6</u>	<u>11</u>	<u>6</u>

Source: City employment records.

CITY OF DAWSONVILLE, GEORGIA
CITY GOVERNMENT EMPLOYEES BY FUNCTION
 Last Ten Fiscal Years

2015		2014		2013		2012		2011		2010	
Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
-	5	-	5	-	5	-	5	-	5	-	5
1	1	1	1	1	1	1	1	1	1	1	1
1	-	1	-	1	-	1	-	1	-	1	-
3	-	3	-	1	1	1	1	-	-	-	-
3	-	3	-	3	-	3	-	4	-	5	-
<u>8</u>	<u>6</u>	<u>8</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>6</u>	<u>7</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>6</u>

CITY OF DAWSONVILLE, GEORGIA
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government:										
Number of accounts payable										
checks issued	1,729	1,579	1,426	1,404	730	730	656	554	1,004	1,067
Number of payroll checks issued	651	504	418	326	286	286	290	278	273	280
Highways and streets										
Miles of streets maintained	12.04	12.04	11.60	11.60	10.87	10.87	10.87	10.08	10.07	10.07
Miles of sidewalks maintained	8.30	8.30	7.80	6.68	5.93	5.93	5.70	5.52	5.09	4.80
Planning & Zoning										
Permits issued	162	280	206	141	100	97	96	83	98	77
Licenses issued	208	280	219	204	181	190	163	151	152	160
Water System										
Number of service connections	1,414	1,316	1,248	1,208	1,250	1,250	1,118	1,131	1,096	1,135
Daily average consumption in gallo	236,422	220,037	204,309	242,947	190,688	190,688	187,092	294,304	194,215	183,486
Sewer System										
Number of service connections	1,234	1,144	1,077	970	1,075	1,075	941	934	904	946
Daily average treatment in gallons	212,696	197,183	183,826	164,764	176,698	176,698	166,530	270,731	172,218	160,841
Garbage Collection										
Customers	970	876	816	654	572	556	553	518	522	517

Source: Various City departments.

CITY OF DAWSONVILLE, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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	17.74	17.74	17.74	17.74	3.53	3.53	3.53	3.53	3.53
Culture and Recreation										
Parks	2	2	2	2	2	2	1	1	1	1
Park acreage	15	15	15	15	15	15	1	1	1	1
Highways and Streets										
Maintenance facilities	1	1	1	1	1	1	1	1	1	1
Miles of streets maintained	12.04	12.04	11.60	11.60	10.87	10.87	10.87	10.08	10.07	10.07
Miles of sidewalks maintained	8.30	8.30	7.80	6.68	6.43	5.93	5.70	5.52	5.09	4.80
Water System										
Miles of mains	25.5	25.5	25.5	25.5	25.5	25.5	25.5	24.9	24.9	24.6
Number of fire hydrants	280	280	280	280	275	275	268	268	268	268
Number of developed wells	6	5	5	5	5	5	5	5	5	5
Maximum daily capacity in gallons	600,000	500,000	500,000	500,000	835,200	835,200	835,200	835,200	835,200	835,200
Sewer System										
Miles of sewer	15.0	15.0	15.0	15.0	15.0	15.0	15.0	14.4	14.4	14.2
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	400,000

Source: Various City departments.

OTHER REPORTING SECTION



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CITY OF DAWSONVILLE, GEORGIA
SPECIAL LOCAL OPTION SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
From Inception Through June 30, 2019

Project	Original Budget	Current Project Budget	Prior Year Project to Date	Current Year	Total	Percent Complete
SPLOST # 6						
Road, Streets, Bridges and Sidewalks	\$ 1,250,000	\$ 1,250,000	\$ 288,716	\$ -	\$ 288,716	23.10%
Water and Sewer Projects	2,750,000	750,000	199,865	116,448	316,313	42.18%
Park and Recreation Facilities	2,250,000	2,250,000	270,913	1,553,118	1,824,031	81.07%
Farmers Market Facility	1,000,000	1,000,000	16,583	137,502	154,085	15.41%
Public Works Facility and Equipment	400,000	400,000	184,620	58,714	243,334	60.83%
City Hall Acquisition	2,000,000	2,000,000	611,743	273,928	885,671	44.28%
	<u>\$ 9,650,000</u>	<u>\$ 7,650,000</u>	<u>\$ 1,572,440</u>	<u>\$ 2,139,710</u>	<u>\$ 3,712,150</u>	<u>48.52%</u>
 Total All SPLOST Projects	 <u>\$ 9,650,000</u>	 <u>\$ 7,650,000</u>	 <u>\$ 1,572,440</u>	 <u>\$ 2,139,710</u>	 <u>\$ 3,712,150</u>	 <u>48.52%</u>

Reconciliation to Capital Projects Fund:

Total Expenditures - Capital Projects Fund	\$ 1,994,890
Transfers to other funds	<u>144,820</u>
SPLOST 6 Expenditures - current year	<u>\$ 2,139,710</u>

*Note: The current project budget for SPLOST VI was amended in the current year to more accurately reflect the projected revenues that will be received under the referendum and actual costs for specified projects.

COMPLIANCE SECTION



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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, 2019, 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 4, 2019.

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*.

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

Alexander, Almand & Bangs, LLP
Gainesville, Georgia
November 4, 2019

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