



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2017



"Protecting our History and Providing for the Future"



City of Dawsonville, Georgia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2017

Submitted by:

Bob Bolz

City Manager



INTRODUCTORY SECTION





CITY OF DAWSONVILLE, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For Fiscal Year Ended June 30, 2017

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December 4, 2017

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, 2017 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 2016. The audit issued an unmodified opinion for the 2017 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 utility, solid waste collection, cemetery services, maintenance of highways and streets, planning and zoning, recreational facilities, and tourism event sponsorship.

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

The City of Dawsonville develops and adopts a balanced budget for each fiscal year. The City Clerk develops this document which is submitted to the Mayor and City Council for adoption. The City includes all governmental

funds (General, SPLOST, 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 gradual improvement from previous years.

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

North Georgia Premium Outlet Mall is the largest employer in the County employing 1,050 to 1,200 employees, and Gold Creek Foods located in the City comes in second employing 600 employees.

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

The housing and banking crisis, which halted the development within the City in 2011, has improved and developers resumed construction resulting in an increase in building permits over the past 5 years.

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

	Labor Force Data (Dawson County)		Building Permits (City)		Population	
	Employed	Unemployment Rate	Residential	Commercial	Dawsonville	Dawson County
2016	12,038	4.7%	188	18	2,634	23,604
2015	10,361	5.6%	62	15	2,620	23,256
2014	10,171	5.8%	26	74	2,536	22,891
2013	11,344	6.7%	15	82	2,466	22,574
2012	11,397	7.7%	15	81	2,294	22,371

Long-term Financial Planning

Unassigned fund balance in the General Fund is \$ 2,821,052 to provide cash flow throughout the year and as a buffer against unforeseen events.

On November 4, 2014 Dawson County citizens approved the continuation of the Special Purpose Local Option Sales Tax (SPLOST). SPLOST VI collections will begin in July 2015 and continue until June 2021. SPLOST VI will not be pre-funded. Therefore, the Mayor and City Council will determine the project priority for SPLOST VI. Proposed projects from SPLOST proceeds include: sidewalks and revitalization of downtown, city hall acquisition, development of a park, water and sewer projects, a farmer’s market and public works equipment.

Relevant Financial Policies

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

The Council adopted a Financial Policy Manual as a guide to the management of the finances of the City on May 5/ June 2, 2014 and amended December 21, 2015 to include the city manager’s role. 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 began a major water meter replacement project and constructed a new sewage treatment pond.

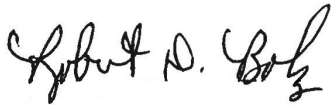
Awards and Acknowledgements

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, 2016. 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 assisting the City Clerk in conjunction with the external audit firm Alexander, Almand & Bangs, LLP. Appreciation is also expressed to the Mayor and Council for their support and providing the resources needed to deliver quality services for Dawsonville's citizens.

Respectfully submitted,

A handwritten signature in black ink that reads "Robert D. Bolz". The signature is written in a cursive style with a large, stylized initial 'R'.

Bob Bolz
City Manager



CITY OF DAWSONVILLE, GEORGIA
OFFICIALS AND ADMINISTRATION
as of June 30, 2017

ELECTED OFFICIALS

Mayor.....W. James Grogan

Mayor Pro-Tem.....Jason Power

Council Member.....Caleb Phillips

Council Member.....Jason Power

Council Member.....Angie Smith

Council Member.....Mike Sosebee

APPOINTED OFFICIALS

City Clerk.....Bonnie Warne

City Attorney.....Dana Miles

ADMINISTRATION

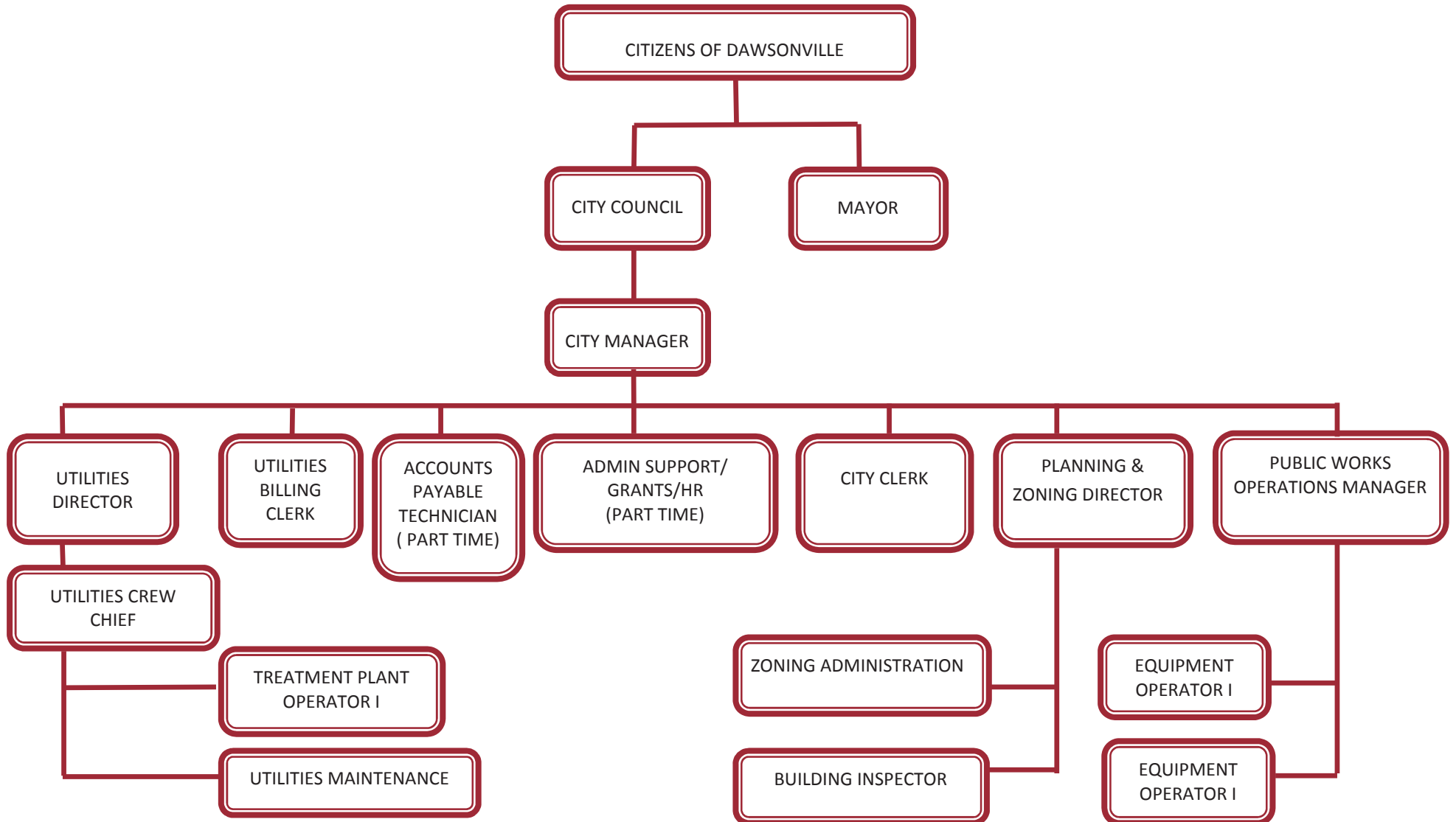
City Manager.....Bob Bolz

Utilities Director.....Gary Barr



CITY OF DAWSONVILLE, GEORGIA ORGANIZATION CHART

2017 CITY OF DAWSONVILLE ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Dawsonville
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

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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, 2017, 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, 2017, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 3 through 10 and the required Defined Benefit Retirement Plan Pension Schedules on pages 43 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dawsonville, Georgia's basic financial statements. The introductory section, combining and individual non-major fund financial statements, the Schedule of Projects Constructed with Special Sales Tax Proceeds, the Schedules of Functional Allocations for the Water, Sewer and Sanitation fund, the Schedule of Revenues, Expenses and Changes in Net Position budget and actual for the Water, Sewer and 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 December 4, 2017 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

Alexander, Almand & Bangs, LLP
Gainesville, Georgia
December 4, 2017

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415 Highway 53 E. Suite 100
Dawsonville, Georgia 30534



W. James Grogan
Mayor

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Dawsonville (the "City") provides this Management Discussion and Analysis as prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB 34). This narrative overview and analysis of the City of Dawsonville's financial activities is for the fiscal years ending June 30, 2017 and 2016. Please consider this information in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

Financial highlights of the year include the following:

- The assets of the City of Dawsonville exceeded its liabilities at the close of the year ending June 30, 2017 by \$ 16,561,543 (net position).
- The City's net position increased by \$ 2,119,633 for the year ending June 30, 2017 from the prior year. Of this amount, an increase of \$ 1,322,966 was associated with governmental activities and an increase of \$ 796,667 with business-type activities. In the government activities, the City received funds through SPLOST V and VI contributions.
- The City's net investment in capital assets, increased \$ 1,082,557 or 7% for the year ending June 30, 2017.

Overview of the Financial Statements

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

Government-wide financial statements

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

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position combines and consolidates 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 capital projects fund, 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 capital projects 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, 2017 for all of its funds. A budgetary comparison statements have been provided for the all the funds, including the general fund to demonstrate compliance with the budget.

Proprietary funds

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

Permanent Funds

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

Notes to the financial statements

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

Other information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

At June 30, 2017, the City's assets exceeded liabilities by \$ 16,561,543. 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.

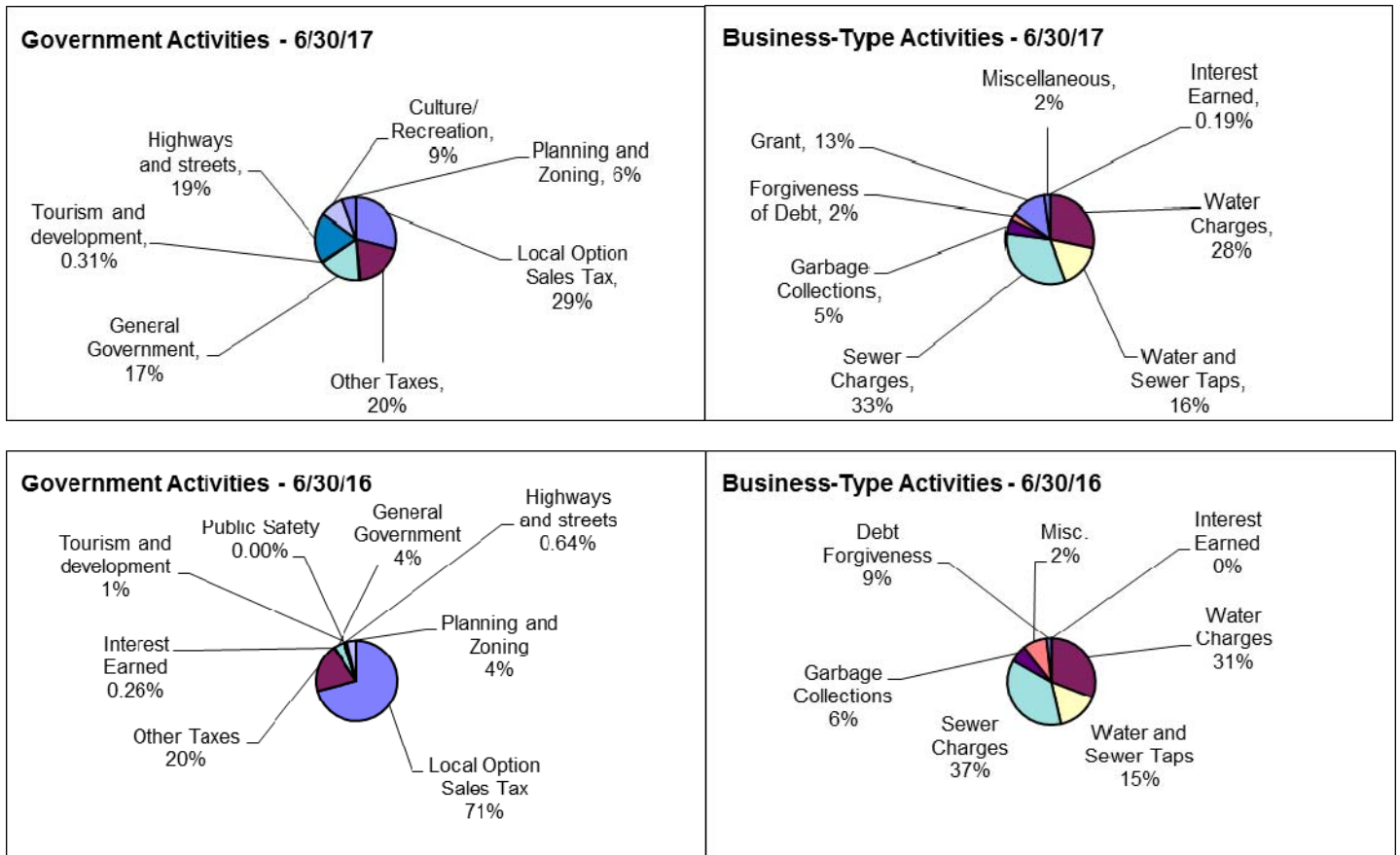
City of Dawsonville's Net Position

	<u>Total</u>	<u>Total</u>	<u>Govt'l</u>	<u>Govt'l</u>	<u>Business</u>	<u>Business</u>
	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>Activities</u>	<u>Activities</u>	<u>Type</u>	<u>Type</u>
			<u>06/30/17</u>	<u>06/30/16</u>	<u>Activities</u>	<u>Activities</u>
					<u>06/30/17</u>	<u>06/30/16</u>
Current assets	\$ 7,458,832	\$ 6,260,664	\$ 4,502,085	\$ 3,757,489	\$ 2,956,747	\$ 2,503,175
Capital assets	16,043,325	14,960,768	5,020,237	4,608,230	11,023,088	10,352,538
Total assets	23,502,157	21,221,432	9,522,322	8,365,719	13,979,835	12,855,713
Deferred outflows of resources	9,148	26,807	5,760	13,404	3,388	13,403
Long-term liabilities	6,215,760	6,069,552	1,447,286	1,618,210	4,768,474	4,451,342
Other current liabilities	688,280	717,645	275,473	297,779	412,807	419,866
Total liabilities	6,904,040	6,787,197	1,722,759	1,915,989	5,181,281	4,871,208
Deferred inflows of resources	45,722	19,132	28,789	9,566	16,933	9,566
Net position:						
Net investment in capital assets	9,508,218	8,630,020	3,447,930	2,886,908	6,060,288	5,743,112
Restricted for cemetery	203,093	204,696	203,093	204,696	-	-
Restricted for tourism	519	427	519	427	-	-
Restricted for capital projects	1,310,265	882,071	1,310,265	882,071	-	-
Restricted for DDA	34,586	14,465	34,586	14,465	-	-
Unrestricted	5,504,862	4,710,231	2,780,141	2,465,001	2,724,721	2,245,230
Total net position	<u>\$ 16,561,543</u>	<u>\$ 14,441,910</u>	<u>\$ 7,776,534</u>	<u>\$ 6,453,568</u>	<u>\$ 8,785,009</u>	<u>\$ 7,988,342</u>

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

	<u>Total</u> <u>6/30/2017</u>	<u>Total</u> <u>6/30/2016</u>	<u>Gov't'l</u> <u>Activities</u> <u>06/30/17</u>	<u>Gov't'l</u> <u>Activities</u> <u>06/30/16</u>	<u>Business</u> <u>Type</u> <u>Activities</u> <u>06/30/17</u>	<u>Business</u> <u>Type</u> <u>Activities</u> <u>06/30/16</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,825,752	\$ 1,537,785	\$ 294,149	\$ 222,228	\$ 1,531,603	\$ 1,315,557
Operating grants & contributions	10,650	14,300	10,650	14,300	-	-
Capital grants & contributions	1,967,257	442,873	1,262,546	17,333	704,711	425,540
General revenues:						
Taxes	1,483,825	2,462,221	1,483,825	2,462,221	-	-
Gain (loss) on sale of assets	-	-	-	-	-	-
Interest	17,877	10,351	13,713	7,000	4,164	3,351
Total Revenues	<u>5,305,361</u>	<u>4,467,530</u>	<u>3,064,883</u>	<u>2,723,082</u>	<u>2,240,478</u>	<u>1,744,448</u>
Expenses:						
General government	1,013,076	740,287	1,013,076	740,287	-	-
Public safety	4,412	235	4,412	235	-	-
Public works	313,367	341,970	313,367	341,970	-	-
Culture/recreation	3,138	4,454	3,138	4,454	-	-
Planning and zoning	198,962	81,709	198,962	81,709	-	-
Housing and development	44,029	60,466	44,029	60,466	-	-
Interest on long-term debt	151,527	182,693	39,209	43,330	112,318	139,363
Water and sewer	1,457,217	1,287,889	-	-	1,457,217	1,287,889
Total Expense	<u>3,185,728</u>	<u>2,699,703</u>	<u>1,616,193</u>	<u>1,272,451</u>	<u>1,569,535</u>	<u>1,427,252</u>
Increase in net position before transfers	2,119,633	1,767,827	1,448,690	1,450,631	670,943	317,196
Transfers	-	-	(125,724)	(24,605)	125,724	24,605
Change in net position	2,119,633	1,767,827	1,322,966	1,426,026	796,667	341,801
Net position - beginning of year	14,441,910	12,674,083	6,453,568	5,027,542	7,988,342	7,646,541
Net position - ending of year	<u>\$ 16,561,543</u>	<u>\$ 14,441,910</u>	<u>\$ 7,776,534</u>	<u>\$ 6,453,568</u>	<u>\$ 8,785,009</u>	<u>\$ 7,988,342</u>

Revenues by Source:



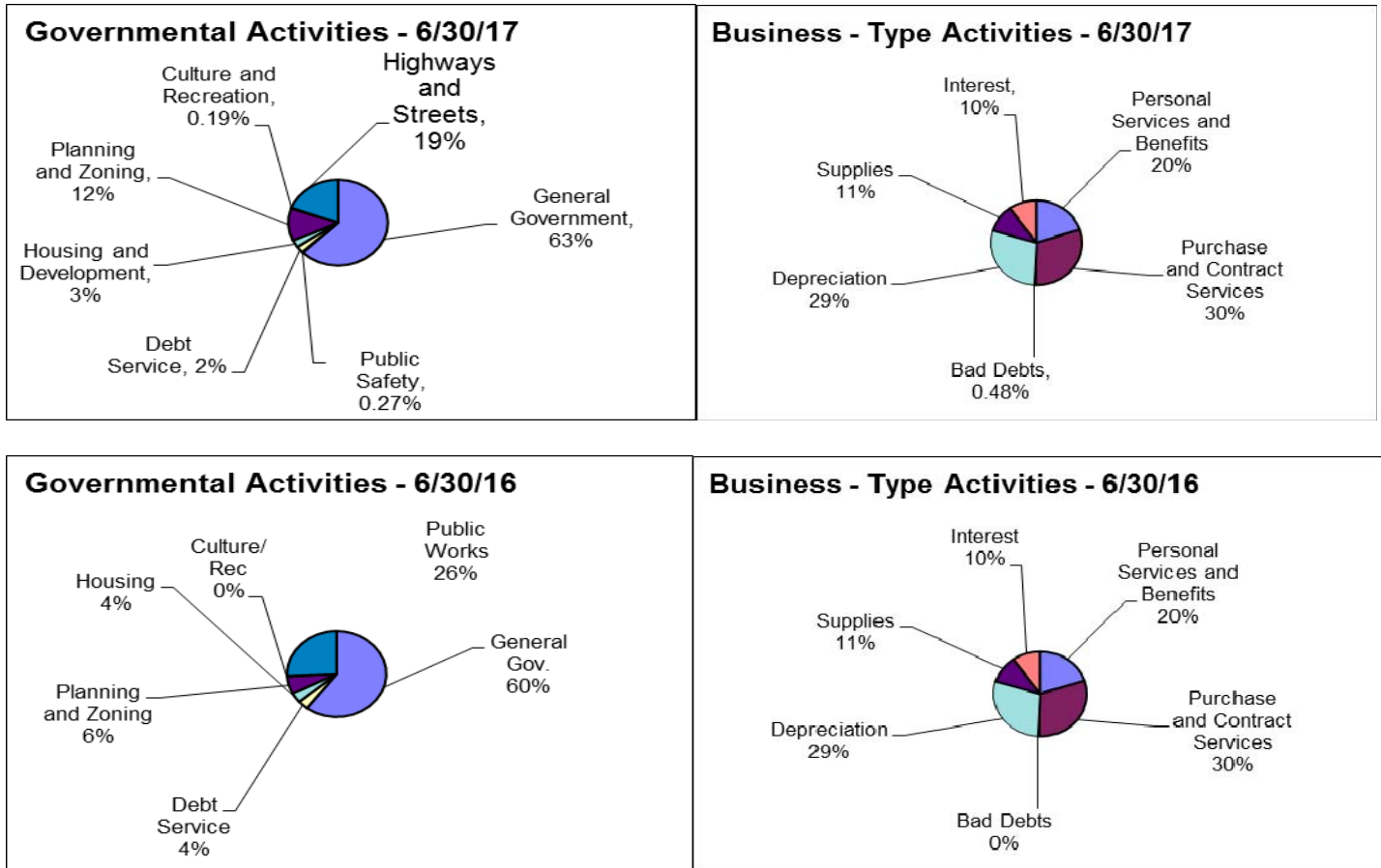
For fiscal year 2017, total revenues for governmental activities increased 12.6% compared to fiscal year 2016 due to proceeds received for SPLOST. For fiscal year 2017, total revenues for business-type activities increased 28.4% compared to fiscal year 2016 due to increase of tap fees and charges, additional grants received and forgiveness of debt. The overall increase in activity can be attributed to the general increase in population and economic growth in the area as well as the continued additions to the water and sewer systems that is serving more citizens of the City. In addition, the City Council approved rate increases for business-type activities. These rates had not increased in several years.

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, 2017. Fiscal management and expenditure control helped keep the budget in balance.

General Fund revenues of \$ 1,797,853 were more than budgeted revenues of \$ 1,464,885 for the year ended June 30, 2017. General Fund expenditures were less than budgeted. With total appropriations of \$ 1,541,269, the City actually spent \$ 1,432,758 or \$ 108,511 less than budgeted, for the year ended June 30, 2017. In addition to the increases of revenues, performing under budget by conservatively utilizing available resources of the City has contributed significantly to the overall increases in fund balances.

Expenditures by Function:



For fiscal year 2017, total expenditures for governmental activities increased 26.8% compared to fiscal year 2016 due to new positions that were added as well as professional fees for planning and development for the City. For fiscal year 2017, total expenditures increased 11% for business-type activities compared to fiscal year 2016 due to additional expenses for maintenance on water/sewer systems implemented in prior years and new positions that were added. In addition, certain rates for utility supplies increased from vendors during the fiscal year 2017.

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 has 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 strives to be good stewards of the revenues received through fiscal management and expenditure control using a minimal amount of reserved funds to maintain a balanced budget. The City plans to maintain a conservative fiscal position, while increasing services, during the economic growth period.

CAPITAL ASSETS

As of June 30, 2017 and 2016 the City had \$ 23,280,521 and \$ 21,634,685 invested in a variety of capital assets, as in the schedule below. Adjustments for depreciation are \$ 606,478 and \$ 575,872 for the years ending June 30, 2017 and 2016. Adjustments for accumulated depreciation are \$ 7,237,196 and \$ 6,673,918 for the years ending June 30, 2017 and 2016. Further detail on capital assets is provided in the notes to the financial statements, note 2D.

Capital Assets at Year-end

	Total	Total	Gov't	Gov't	Business	Business
	6/30/2017	6/30/2016	Activities	Activities	Type	Type
			6/30/2017	6/30/2016	Activities	Activities
					6/30/2017	6/30/2016
Land	\$ 4,007,725	\$ 4,007,725	\$ 980,538	\$ 980,538	\$ 3,027,187	\$ 3,027,187
Artifacts	49,751	49,751	49,751	49,751	-	-
Construction in progress	1,672,042	555,015	660,926	98,023	1,011,116	456,992
Buildings	3,620,581	3,620,581	3,390,116	3,390,116	230,465	230,465
Improvements	34,365	34,365	34,365	34,365	-	-
Vehicles	211,808	184,205	167,388	139,785	44,420	44,420
Equipment	622,175	542,425	261,053	261,053	361,122	281,372
Infrastructure	1,803,032	1,803,032	1,803,032	1,803,032	-	-
Water and Sewer System	10,340,726	9,919,271	-	-	10,340,726	9,919,271
Sewer Treatment Plant	918,316	918,316	-	-	918,316	918,316
Total	\$ 23,280,521	\$ 21,634,686	\$ 7,347,169	\$ 6,756,663	\$ 15,933,352	\$ 14,878,023

The following reconciliation summarizes the change in Capital Assets:

	Total	Total	Gov't	Gov't	Business	Business
	6/30/2017	6/30/2016	Activities	Activities	Type	Type
			6/30/2017	6/30/2016	Activities	Activities
					6/30/2017	6/30/2016
Beginning Balance:	\$ 21,634,686	\$ 20,673,487	\$ 6,756,663	\$ 6,492,280	\$ 14,878,023	\$ 14,181,207
Additions:						
Land	-	94,000	-	-	-	94,000
Construction in Progress	1,531,302	456,539	562,903	98,023	968,399	358,516
Buildings	-	83,292	-	83,292	-	-
Vehicles	27,603	52,550	27,603	29,614	-	22,936
Equipment	122,950	32,136	-	20,781	122,950	11,355
Infrastructure	-	32,673	-	32,673	-	-
Water and Sewer System	421,455	-	-	-	421,455	-
Dispositions:						
Construction in Progress	(414,275)	(7,560)	-	-	(414,275)	(7,560)
Equipment	(43,200)	-	-	-	(43,200)	-
Infrastructure	-	-	-	-	-	-
Water and Sewer System	-	217,569	-	-	-	217,569
Total	\$ 23,280,521	\$ 21,634,686	\$ 7,347,169	\$ 6,756,663	\$ 15,933,352	\$ 14,878,023

LONG-TERM DEBT

As of June 30, 2017, the City was liable for long-term capital lease obligations totaling \$ 1,572,307 and for revenue bond debt and a revolving fund loan totaling \$ 4,962,800. As of June 30, 2016, the City was liable for long-term capital lease obligations totaling \$ 1,721,322 for revenue bond debt totaling \$ 4,609,426. This is a decrease in debt of \$ 204,359 from the prior year. Further detail on long-term debt is provided in the notes to the financial statements, note 2H.

REQUEST FOR FINANCIAL INFORMATION

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

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FINANCIAL SECTION
Basic Financial Statements

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,789,463	\$ 2,706,641	\$ 5,496,104
Restricted assets:			
Cash and cash equivalents	1,405,915	110,808	1,516,723
Accounts receivable	286,229	118,820	405,049
Prepaid items	20,478	20,478	40,956
Total current assets	<u>4,502,085</u>	<u>2,956,747</u>	<u>7,458,832</u>
Non-current assets			
Capital assets, non-depreciable			
Land	980,538	3,027,187	4,007,725
Construction in progress	660,926	1,011,116	1,672,042
Artifacts	49,751	-	49,751
Capital assets, depreciable (net of depreciation)	<u>3,329,022</u>	<u>6,984,785</u>	<u>10,313,807</u>
Total non-current assets	<u>5,020,237</u>	<u>11,023,088</u>	<u>16,043,325</u>
TOTAL ASSETS	9,522,322	13,979,835	23,502,157
DEFERRED OUTFLOWS OF RESOURCES			
Retirement contributions	<u>5,760</u>	<u>3,388</u>	<u>9,148</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 9,528,082</u>	<u>\$ 13,983,223</u>	<u>\$ 23,511,305</u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	\$ 112,092	\$ 78,654	\$ 190,746
Current portion, capital lease debt	147,770	-	147,770
Current portion, notes payable	-	210,000	210,000
Current portion, compensated absences	15,611	12,893	28,504
Customer deposits payable from restricted assets	-	111,260	111,260
Total current liabilities	<u>275,473</u>	<u>412,807</u>	<u>688,280</u>
Long-term liabilities:			
Long-term debt, capital lease	1,424,537	-	1,424,537
Long-term debt, notes payable	-	4,752,800	4,752,800
Long-term portion, compensated absences	3,407	4,298	7,705
Net pension liability	19,342	11,376	30,718
Total long-term liabilities	<u>1,447,286</u>	<u>4,768,474</u>	<u>6,215,760</u>
Total liabilities	<u>1,722,759</u>	<u>5,181,281</u>	<u>6,904,040</u>
DEFERRED INFLOWS OF RESOURCES			
Retirement adjustments	<u>28,789</u>	<u>16,933</u>	<u>45,722</u>
NET POSITION			
Net investment in capital assets	3,447,930	6,060,288	9,508,218
Restricted for:			
Cemetery	203,093	-	203,093
Tourism, housing and development	35,105	-	35,105
Capital projects	1,310,265	-	1,310,265
Unrestricted	<u>2,780,141</u>	<u>2,724,721</u>	<u>5,504,862</u>
Total net position	<u>7,776,534</u>	<u>8,785,009</u>	<u>16,561,543</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u><u>\$ 9,528,082</u></u>	<u><u>\$ 13,983,223</u></u>	<u><u>\$ 23,511,305</u></u>

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

	Program Revenues			Net (Expense) Revenue and Changes In Net Position		
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
PRIMARY GOVERNMENT						
Governmental Activities						
General government	\$ 1,013,076	\$ 121,425	\$ 1,000	\$ 385,074	\$ (505,577)	\$ (505,577)
Public safety	4,412	240	-	-	(4,172)	(4,172)
Public works	313,367	-	-	593,014	279,647	279,647
Culture/recreation	3,138	-	-	284,458	281,320	281,320
Planning and zoning	198,962	172,484	-	-	(26,478)	(26,478)
Housing and business development	44,029	-	9,650	-	(34,379)	(34,379)
Interest on long term debt	39,209	-	-	-	(39,209)	(39,209)
		-				
Total Government Activities	1,616,193	294,149	10,650	1,262,546	(48,848)	(48,848)
Business-Type Activities						
Water, sewer and garbage	1,569,535	1,531,603	-	704,711	-	666,779
Total Business-Type Activities	1,569,535	1,531,603	-	704,711	-	666,779
Total-Primary Government	\$ 3,185,728	\$ 1,825,752	\$ 10,650	\$ 1,967,257	(48,848)	666,779
GENERAL REVENUES:						
Taxes: Sales					885,518	-
Alcoholic Beverage					107,339	-
Franchise					190,223	-
Other					300,745	-
Interest earned					13,713	4,164
TRANSFERS:					(125,724)	125,724
Total general revenues and transfers					1,371,814	129,888
Change in net position					1,322,966	796,667
NET POSITION - beginning of year					6,453,568	7,988,342
NET POSITION - end of year					\$ 7,776,534	\$ 8,785,009

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	General	SPLOST	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,789,463	\$ -	\$ -	\$ 2,789,463
Restricted assets:				
Cash and cash equivalents	-	1,149,538	256,377	1,405,915
Receivables (net):				
Intergovernmental receivable	91,129	194,747	353	286,229
Prepaid items	20,478	-	-	20,478
Due from other funds	18,698	-	1,182	19,880
	<u>2,919,768</u>	<u>1,344,285</u>	<u>257,912</u>	<u>4,521,965</u>
TOTAL ASSETS				
LIABILITIES				
Accounts payable	49,745	34,020	1,016	84,781
Salaries payable	19,407	-	-	19,407
Interest payable	2,904	-	-	2,904
Deposits payable	5,000	-	-	5,000
Due to other funds	1,182	-	18,698	19,880
	<u>78,238</u>	<u>34,020</u>	<u>19,714</u>	<u>131,972</u>
Total liabilities				
FUND BALANCE				
Non-spendable:				
Prepaid items	20,478	-	-	20,478
Restricted:				
Permanent funds	-	-	203,093	203,093
Special revenue funds	-	-	35,105	35,105
Capital outlay	-	1,310,265	-	1,310,265
Unassigned:	2,821,052	-	-	2,821,052
	<u>2,841,530</u>	<u>1,310,265</u>	<u>238,198</u>	<u>4,389,993</u>
Total Fund Balances				
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,919,768</u>	<u>\$ 1,344,285</u>	<u>\$ 257,912</u>	<u>\$ 4,521,965</u>

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, 2017

TOTAL GOVERNMENTAL FUND BALANCES		\$ 4,389,993
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost	\$ 7,347,169	
Accumulated depreciation	<u>(2,326,932)</u>	
Total capital assets, net depreciation		5,020,237
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Net pension liability	(19,342)	
Long-term debt	(1,572,307)	
Compensated absences payable	<u>(19,018)</u>	
Total liabilities		(1,610,667)
Retirement adjustments due to implementation of GASB # 68		
Deferred outflows of resources	5,760	
Deferred inflows of resources	<u>(28,789)</u>	
		<u>(23,029)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 7,776,534</u></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, 2017

	General	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,480,174	\$ -	\$ 3,593	\$ 1,483,767
Charges for services	81,039	-	15,090	96,129
Intergovernmental	25,098	1,236,773	-	1,261,871
Licenses and permits	137,243	-	-	137,243
Contributions and donations	-	-	9,650	9,650
Interest earned	13,463	1,675	251	15,389
Rental income	60,836	-	-	60,836
	<u>1,797,853</u>	<u>1,238,448</u>	<u>28,584</u>	<u>3,064,885</u>
EXPENDITURES				
Current operating:				
General government	850,333	-	-	850,333
Public safety	4,412	-	-	4,412
Public works	364,524	-	16,944	381,468
Culture/recreation	2,527	-	-	2,527
Planning and zoning	198,962	-	-	198,962
Housing and business development	12,000	-	35,530	47,530
Capital outlay	-	496,185	-	496,185
Debt service:	-	188,345	-	188,345
	<u>1,432,758</u>	<u>684,530</u>	<u>52,474</u>	<u>2,169,762</u>
EXCESS REVENUES (EXPENDITURES)	365,095	553,918	(23,890)	895,123
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(42,500)	(125,724)	42,500	(125,724)
NET CHANGE IN FUND BALANCES	322,595	428,194	18,610	769,399
FUND BALANCES - beginning of year	<u>2,518,935</u>	<u>882,071</u>	<u>219,588</u>	<u>3,620,594</u>
FUND BALANCES - end of year	<u>\$ 2,841,530</u>	<u>\$ 1,310,265</u>	<u>\$ 238,198</u>	<u>\$ 4,389,993</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, 2017

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS \$ 769,399

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	\$ (178,499)	
Capital outlay reported in general government function	<u>590,508</u>	412,009

Governmental funds include the cost of principal debt reduction as an
expenditure which is not included in the statement of activities. 149,015

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	(19,018)	
Prior year liability - compensated absences	<u>13,931</u>	(5,087)

Governmental funds do not include the expense of pension
contributions.

Pension contributions	12,837	
Change in net pension liability	<u>(15,207)</u>	<u>(2,370)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,322,966

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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 1,314,400	\$ 1,314,400	\$ 1,480,174	\$ 165,774
Charges for services	11,000	11,000	81,039	70,039
Licenses and permits	67,160	67,160	137,243	70,083
Intergovernmental revenues	17,800	17,800	25,098	7,298
Interest earned	2,500	2,500	13,463	10,963
Rental income	52,025	52,025	60,836	8,811
	<u>1,464,885</u>	<u>1,464,885</u>	<u>1,797,853</u>	<u>332,968</u>
Total revenues				
EXPENDITURES				
Current operating:				
General government	803,985	899,225	850,333	48,892
Public safety	9,000	9,000	4,412	4,588
Public works	408,100	408,100	364,524	43,576
Culture/recreation	2,500	8,260	2,527	5,733
Planning and zoning	186,800	204,684	198,962	5,722
Housing and development	12,000	12,000	12,000	-
Debt service:	-	-	-	-
	<u>1,422,385</u>	<u>1,541,269</u>	<u>1,432,758</u>	<u>108,511</u>
Total expenditures				
TOTAL REVENUES OVER EXPENDITURES	<u>42,500</u>	<u>(76,384)</u>	<u>365,095</u>	<u>441,479</u>
OTHER FINANCING SOURCES (USES)				
Contingency	-	118,884	-	(118,884)
Transfers in (out)	(42,500)	(42,500)	(42,500)	-
	<u>(42,500)</u>	<u>76,384</u>	<u>(42,500)</u>	<u>(118,884)</u>
TOTAL OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>322,595</u>	<u>\$ 322,595</u>
FUND BALANCES - beginning of year			<u>2,518,935</u>	
FUND BALANCES - end of year			<u>\$ 2,841,530</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, 2017

	<u>Total Water Sewer & Garbage Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,706,641
Receivables (net of allowance for uncollectible):	
Accounts	118,820
Prepaid expense	20,478
Restricted assets:	
Cash and cash equivalents	<u>110,808</u>
Total current assets	<u>2,956,747</u>
Non-current assets:	
Capital assets:	
Nondepreciable capital assets	4,038,303
Depreciable capital assets, net	<u>6,984,785</u>
Total non-current assets	<u>11,023,088</u>
TOTAL ASSETS	13,979,835
DEFERRED OUTFLOWS OF RESOURCES	
Retirement contributions	<u>3,388</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 13,983,223</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, 2017

	<u>Total Water Sewer & Garbage Fund</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 23,635
Accrued expenses	9,343
Accrued interest payable	45,676
Current portion of long-term debt	210,000
Current portion, compensated absences	12,893
Due to general fund	-
Customer deposits - payable from restricted assets	<u>111,260</u>
Total current liabilities	<u>412,807</u>
Long-term liabilities:	
Long-term portion, compensated absences	4,298
Long-term debt (net of current portion)	4,752,800
Net pension liability	<u>11,376</u>
Total long-term liabilities	<u>4,768,474</u>
TOTAL LIABILITIES	<u>5,181,281</u>
DEFERRED INFLOWS OF RESOURCES	
Retirement adjustments	<u>16,933</u>
NET POSITION	
Net investment in capital assets	6,060,288
Unrestricted	<u>2,724,721</u>
TOTAL NET POSITION	<u>8,785,009</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 13,983,223</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, 2017

	<u>Total Water Sewer & Garbage Fund</u>
OPERATING REVENUES	
Charges for services	\$ 1,481,480
Miscellaneous	<u>50,123</u>
Total operating revenues	<u>1,531,603</u>
OPERATING EXPENSES	
Personnel services and benefits	300,568
Purchased and contractual services	576,116
Bad debts	1,283
Supplies	151,271
Depreciation	<u>427,979</u>
Total operating expenses	<u>1,457,217</u>
OPERATING INCOME (LOSS)	<u>74,386</u>
NON-OPERATING INCOME (LOSS)	
Forgiveness of debt	55,405
Grants	288,306
Interest and other fiscal charges	(112,318)
Interest earned	<u>4,164</u>
Total non-operating income (loss)	<u>235,557</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	309,943
Transfers In (Out)	125,724
Capital contributions - tap fees and other	<u>361,000</u>
Total transfers in (out) and capital contributions	<u>486,724</u>
CHANGE IN NET POSITION	796,667
NET POSITION - beginning of year	<u>7,988,342</u>
NET POSITION - end of year	<u><u>\$ 8,785,009</u></u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF CASH FLOWS
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
For the Year Ended June 30, 2017

	<u>Total Water Sewer & Garbage Fund</u>
Cash flows from operating activities:	
Cash receipts from customers	\$ 1,472,401
Cash receipts from other operating sources	50,123
Cash payments for goods and services	(781,979)
Cash payments to employees for services and benefits	<u>(295,139)</u>
Net cash provided (used in) by operating activities	<u>445,406</u>
Cash flows from capital and related financing activities:	
Receipts from other funds	125,724
Acquisition, construction and disposal of capital assets, net	(1,098,530)
Proceeds from tap fees	361,000
Proceeds from grant	288,306
Proceeds from debt	669,183
Principal paid on debt	(260,405)
Interest paid on debt	<u>(112,318)</u>
Net cash provided by capital and related financing activities	<u>(27,040)</u>
Cash Flows from investing activities:	
Interest received	<u>4,164</u>
Net cash provided by investing activities	<u>4,164</u>
Net increase (decrease) in cash and cash equivalents	422,530
Cash and equivalents - beginning of year	<u>2,394,919</u>
Cash and equivalents - end of year	<u><u>\$ 2,817,449</u></u>
 SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:	
Forgiveness of debt	<u>\$ 55,405</u>
Total non-cash investing and financing activities	<u><u>\$ 55,405</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, 2017

	<u>Total Water Sewer & Garbage Fund</u>
Reconciliation of operating gain (loss) to net cash provided by (used in) operating activities:	
Operating income	\$ 74,386
Adjustments	
Depreciation	427,979
(Increase) decrease in assets and deferred outflows of resources	
Accounts receivable	(18,937)
Prepaid expense	(5,257)
Deferred outflows	10,015
Increase (decrease) in liabilities and deferred inflows of resources	
Accounts payable	(24,845)
Customer deposits	11,141
Accrued expenses	543
Accrued interest payable	(2,562)
Compensated absences payable	4,886
Due to other funds	(6,846)
Deferred inflows	7,367
Net pension liability	<u>(32,464)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	<u>\$ 445,406</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents	\$ 2,706,641
Cash and cash equivalents - restricted	<u>110,808</u>
Total cash and cash equivalents	<u>\$ 2,817,449</u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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 the City. 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, two 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 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

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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

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.

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.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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

D. Basis of Presentation (Cont'd)

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.

1. Major Funds

Governmental Fund:

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

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 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.

2. Other 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.

Permanent Fund:

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

3. Non-Current Governmental Assets/Liabilities

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

E. Basis of Accounting

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

The Government-wide Financial Statements and the Proprietary 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.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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

E. Basis of Accounting (cont'd)

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

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

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

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

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

F. Budgets

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

1. Prior to July 1, the Mayor submits to the Council, a proposed operating budget for the calendar year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The current year period budget was adopted for the fiscal year July 1, 2016 to June 30, 2017.
2. The Council holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of the City of Dawsonville.
3. The budget is then revised and adopted or amended by the Council at the first regular meeting in July of the year to which it applies.
4. The budget so adopted may be revised during the year “only” by formal action of the Council in a regular meeting and no increase shall be made therein without provision also being made for financing the increase.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Water, Sewer and Garbage Fund.
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. Individual amendments were not material in relation to the original appropriations, which were amended.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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

G. Assets, Liabilities, and Net Assets

1. Cash, Cash Equivalents, and Investments

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

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

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

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

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

2. Inventories

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

3. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

4. Restricted Assets

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

5. Property Taxes

The City does not levy property taxes.

6. Capital Assets

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

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2017

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

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

6. Capital Assets (cont'd)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their 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. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

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

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

7. Compensated Absences

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

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

8. Accrued Liabilities and Long-term Obligations

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

9. Fund Equity

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

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

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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

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

9. Fund Equity (cont'd)

Net Position – Net position represent the difference between assets and liabilities. Net investment in capital assets, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

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

- Non-spendable – includes fund balances that cannot be spent either because it is not in spendable forms or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Mayor and City Council.
- Unassigned – includes positive fund balance with the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

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

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.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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

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

9. Fund Equity (cont'd)

Fund balances at June 30, 2017 consist of the following for the governmental funds:

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:				
Non-spendable				
Prepaid items	\$ 20,478	\$ -	\$ -	\$ 20,478
Restricted:				
Hotel/motel	-	-	519	519
DDA	-	-	34,586	34,586
Cemetery	-	-	203,093	203,093
Capital projects	-	1,310,265	-	1,310,265
Unassigned:	<u>2,821,052</u>	<u>-</u>	<u>-</u>	<u>2,821,052</u>
Total fund balance	<u>\$ 2,841,530</u>	<u>\$ 1,310,265</u>	<u>\$ 238,198</u>	<u>\$ 4,389,993</u>

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, 2017

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

G. Assets, Liabilities, 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.

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 AAAs rated investment pool by Standard & Poor’s. The weighted average maturity at June 30, 2017 was 26 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, 2017 was \$ 2,383,667.

Custodial Credit Risk – Deposits:

The City maintains a formal adopted deposit, investment and custodial credit risk policy and all deposits at June 30, 2017 were insured or collateralized by pledges held in the City’s name in the Georgia Bankers Association, Inc. pledging pool. Public funds are not required to disclose custodial credit risk for external investment pools; therefore, the Georgia Fund 1 is exempt from this requirement.

Interest Rate Risk – Deposits:

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

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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

A. Deposits and Investments (cont'd)

Restricted Assets:

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

	6/30/2017
Capital projects fund:	
SPLOST projects	\$ 1,149,538
Special Revenue fund:	
DDA	53,284
Permanent fund:	
Maintenance and care for the cemetery	203,093
Proprietary fund:	
Customer deposits	110,808
Total restricted cash, cash equivalents and certificates of deposit	\$ 1,516,723

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. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectible accounts. Allowances for uncollectible accounts netted with accounts receivable were \$ - 0 - as of June 30, 2017.

Accounts Receivable at June 30, 2017 consist of the following:

	General Fund	Capital Projects Funds	Hotel Fund	Proprietary Water, Sewer & Garbage Fund	Total
Receivables					
Water, sewer and garbage bills	\$ -	\$ -	\$ -	\$ 118,820	\$ 118,820
Intergovernmental receivables	91,129	194,747	353	-	286,229
Gross receivables	\$ 91,129	\$ 194,747	\$ 353	\$ 118,820	\$ 405,049

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, 2017

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

C. Interfund Balances and Transfers (cont'd)

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

The composition of interfund balances as of June 30, 2017 are as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 18,698	\$ 1,182
Other governmental funds:		
DDA	-	18,698
Hotel/Motel Fund	1,182	-
Total	\$ 19,880	\$ 19,880

The composition of interfund transfers as of June 30, 2017 are as follows:

Fund	Transfers In	Transfers Out	Totals
General Fund	\$ -	\$ 42,500	\$ (42,500)
SPLOST	-	125,724	(125,724)
Water & Sewer	125,724	-	125,724
DDA	42,500	-	42,500
Totals	\$ 168,224	\$ 168,224	\$ -

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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

D. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance 6/30/2016	Additions	Deductions	Balance 6/30/2017
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 980,538	\$ -	\$ -	\$ 980,538
Construction in progress	98,023	562,903	-	660,926
Artifacts	49,751	-	-	49,751
Total capital assets not being depreciated	1,128,312	562,903	-	1,691,215
Depreciable capital assets:				
Buildings	3,390,116	-	-	3,390,116
Improvements other than buildings	34,365	-	-	34,365
Vehicles	139,785	27,603	-	167,388
Machinery and equipment	261,053	-	-	261,053
Infrastructure	1,803,032	-	-	1,803,032
Total depreciable capital assets	5,628,351	27,603	-	5,655,954
Accumulated depreciation:				
Buildings	1,284,031	78,059	-	1,362,090
Improvements other than buildings	28,217	2,195	-	30,412
Vehicles	97,977	13,866	-	111,843
Machinery and equipment	210,336	12,804	-	223,140
Infrastructure	527,872	71,575	-	599,447
Total accumulated depreciation	2,148,433	178,499	-	2,326,932
Total depreciable capital assets - net	3,479,918	(150,896)	-	3,329,022
Governmental activities capital assets, net	\$ 4,608,230	\$ 412,007	\$ -	\$ 5,020,237

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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

D. Capital Assets (cont'd)

	Balance 6/30/2016	Additions	Deductions	Balance 6/30/2017
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 3,027,187	\$ -	\$ -	\$ 3,027,187
Construction in progress	456,992	968,399	414,275	1,011,116
Total capital assets not being depreciated	3,484,179	968,399	414,275	4,038,303
Other capital assets:				
Buildings	230,465	-	-	230,465
Machinery and equipment	325,792	122,950	43,200	405,542
Water and sewer system	9,919,271	421,455	-	10,340,726
Sewer treatment plant	918,316	-	-	918,316
Total other capital assets	11,393,844	544,405	43,200	11,895,049
Accumulated depreciation				
Buildings	63,243	5,909	-	69,152
Machinery and equipment	258,658	26,044	43,200	241,502
Water and sewer system	3,790,344	372,336	-	4,162,680
Sewer treatment plant	413,240	23,690	-	436,930
Total accumulated depreciation	4,525,485	427,979	43,200	4,910,264
Total depreciable capital assets - net	6,868,359	116,426	43,200	6,984,785
Business-type activities capital assets, net	\$ 10,352,538	\$ 1,084,825	\$ 414,275	\$ 11,023,088
Depreciation expense was charged to function as follows:				
General government		\$ 150,665		
Highways and streets		27,221		
Culture and recreations		613		
Total Governmental activities depreciation expense		\$ 178,499		
Business-type Activities				
Water and sewer		\$ 427,979		

E. Compensated Absences

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

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

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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

F. Risk Management

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

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

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

G. Retirement Plan

1. Plan Description

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

The 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. Employees and elected officials may retire at the age of 65. 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. The required minimum contribution for the year-ended for the plan based on these standards is \$ 29,159; representing 6.27% 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, 2017

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

G. Retirement Plan (cont'd)

3. Additional Information

At July 1, 2017, the date of the most recent actuarial valuation, the 25 participants (including of 4 elected officials) was made up of the following:

Reitrees, beneficiaries and disabled participants receiving benefits	3
Vested former participants	7
Active employees participating in the plan	<u>15</u>
 Total number of participants	 <u><u>25</u></u>

Actuarial Assumptions: The City's total pension liability was based on a July 1, 2017 measurement date; the net pension liability was measured as of March 31, 2017.

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	3.25%
Projected salary increases	3.25% plus age and service based merit increases
Net investment rate of return	7.75%
Cost of living adjustments	0.00%
Actuarial cost method	Entry age normal
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization method	12 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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45.00%	6.71%
International equity	20.00%	7.71%
Real estate	10.00%	5.21%
Global fixed income	5.00%	3.36%
Domestic fixed income	<u>20.00%</u>	2.11%
Total	<u>100.00%</u>	

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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

G. Retirement Plan (cont'd)

3. Additional Information (cont'd)

Discount Rate. The discount rate used to determine the total pension liability was 7.75%. 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 the Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at March 31, 2016*	\$ 462,589	\$ 374,908	\$ 87,681
Changes of the year:			
Service cost	17,954	-	17,954
Interest	35,681	-	35,681
Differences between expected and actual experience	(39,532)	-	(39,532)
Contributions - employer	-	30,958	(30,958)
Contributions - employee	-	-	-
Net investment income	-	48,498	(48,498)
Benefits payments, including refunds of employee contributions	(4,377)	(4,377)	-
Administrative expense	-	(8,390)	8,390
Other	-	-	-
Net changes	9,726	66,689	(56,963)
Balances at March 31, 2017**	\$ 472,315	\$ 441,597	\$ 30,718

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
	\$ 88,553	\$ 30,718	\$ 17,553

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2017

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

G. Retirement Plan (cont'd)

3. Additional Information (cont'd)

For the year ended June 30, 2017, the City recognized pension expense of \$ 15,612. At June 30, 2017, 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	\$ 1,408	\$ (42,194)
Changes of assumptions	-	(2,184)
City contributions subsequent to measurement date	7,740	-
Net difference between projected and actual earnings on pension plan investments	-	(1,344)
Total	\$ 9,148	\$ (45,722)

The \$ 7,740 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date of March 31, 2017, will be recognized as a reduction to the pension liability in the financial year ending June 30, 2017. The net effect of the deferred outflows and inflows of resources on the net pension liability as of June 30, 2017 is \$ 36,574. 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
2018	\$ 6,066	\$ (19,250)
2019	6,066	(19,250)
2020	5,362	(11,654)
2021	-	(11,654)
Total	\$ 17,494	\$ (61,808)

H. Long-Term Debt

1. Revenue Bonds (Water & Sewer Fund)

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

2. Drinking Water State Revolving Fund Loan (Water & Sewer Fund)

The City maintains a Drinking Water Revolving Fund Loan from Georgia Environmental Finance Authority (GEFA). The funds will be used for Water and Sewer projects. The loan is up to \$ 1,000,000 with 30% forgiven by GEFA. During the year ending June 30, 2017, GEFA forgave \$ 55,405 of the loan. The City is pays a monthly administrative fee to GEFA for the loan. Accrued interest on the note shall be payable monthly on the first day of each calendar month. GEFA requires the City to maintain a 105% debt service coverage.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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

H. Long-Term Debt (cont'd)

3. Clean Drinking Water State Revolving Fund Loan (Water & Sewer Fund)

The City obtained a loan from GEFA during the year to finance the costs of updating the wastewater treatment plant. The loan includes administrative fees at a rate of 1% to GEFA. Accrued interest on the note shall be payable on the first day of each calendar month. The City must maintain a Financial Stability Plan to comply with the provisions of the Clean Water State Revolving Fund loan.

Changes in debt liability for the year ending June 30, 2017 are as follows:

	Balance 6/30/2016	Issued	Retired	Balance 6/30/2017	Due One Year
Series 2014, Water & Sewer Revenue Bond dated February 1, 2014 interest at 2.0% and not to to exceed 3.5 % beginning February 1, 2014 and ending February 1, 2033. Original loan \$ 4,675,000.	\$ 4,250,000	\$ -	\$ 205,000	\$ 4,045,000	\$ 210,000
GEFA Drinking Water State Revolving Fund loan dated February 18, 2015 with interest currently at 1.71%. Interest only estimated until May 1, 2019.	359,426	184,682	55,405	488,703	-
GEFA Clean Water Loan loan dated April 1, 2017 with interest at 2.03%. Interest only estimated until April 1, 2019.	-	429,097	-	429,097	-
Total Debt (Water & Sewer Fund)	\$ 4,609,426	\$ 613,779	\$ 260,405	\$ 4,962,800	\$ 210,000

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

	Principal	Interest	Total
2018	210,000	126,600	336,600
2019	227,772	120,195	347,967
2020	258,361	116,918	375,279
2021	264,082	112,347	376,429
2022	269,819	107,111	376,930
2023-2027	1,435,629	438,668	1,874,297
2028-2032	1,636,238	236,504	1,872,742
2033-2037	563,881	32,166	596,047
2038-2041	97,018	1,708	98,726
Total	\$ 4,962,800	\$ 1,292,217	\$ 6,255,017

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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

H. Long-Term Debt (cont'd)

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

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

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

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

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

	Balance 6/30/2016	Issued	Retired	Balance 6/30/2017	Due One Year
Series 2014, DDA Revenue Bonds dated July 25, 2014 with interest rate per annum equal to the "London Interbank Offered Rate", currently at 3.41%. Monthly payments of \$ 3,730 for 59 months beginning August 24, 2014 and ending July 24, 2019 with final payment of \$ 398,557.59. Original loan \$ 557,735.	\$ 500,496	\$ -	\$ 32,582	\$ 467,914	\$ 29,256
Series 2005-A, DDA Revenue Bonds dated December 22, 2005 with interest rate per annum equal to the "Prime Rate" as published in the Money Rates section of <u>The Wall Street Journal - Southeastern Edition</u> , currently at 2.69%. Monthly payments of \$ 11,902 beginning January 22, 2006 and ending December 22, 2025. Original loan \$ 2,166,922.	1,220,826	-	116,433	1,104,393	118,514
Total Bond Debt (DDA)	\$ 1,721,322	\$ -	\$ 149,015	\$ 1,572,307	\$ 147,770

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2017

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

H. Long-Term Debt (cont'd)

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

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	147,770	42,810	190,580
2019	151,902	38,678	190,580
2020	533,221	22,151	555,372
2021	128,117	17,705	145,822
2022	131,488	14,334	145,822
2023-2018	<u>479,809</u>	<u>22,320</u>	<u>502,129</u>
	<u>\$ 1,572,307</u>	<u>\$ 157,998</u>	<u>\$ 1,730,305</u>

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

Compensated absences liability consists of the following as of June 30, 2017:

	<u>Balance 6/30/2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 6/30/2017</u>	<u>Due One Year</u>
Governmental Activities					
Compensated Absences	\$ 13,931	\$ 20,798	\$ 15,711	\$ 19,018	\$ 15,611
Water & Sewer Fund					
Compensated Absences	<u>12,305</u>	<u>19,063</u>	<u>14,177</u>	<u>17,191</u>	<u>12,893</u>
Total Compensated Absences	<u>\$ 26,236</u>	<u>\$ 39,861</u>	<u>\$ 29,888</u>	<u>\$ 36,209</u>	<u>\$ 28,504</u>

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

I. Restricted Equity Balances

1. Permanent Fund

Restricted for cemetery – An amount of \$ 203,093 has been restricted in the Cemetery Fund since this amount is not legally available for appropriation. Of these funds, \$ 203,093 is expendable for cemetery perpetual care.

2. Special Revenue Fund

Restricted for tourism and development – A total of \$ 519 has been restricted for tourism expenditures in the Hotel-Motel Fund since this amount is not legally available for appropriation. A total of \$ \$ 34,586 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 \$ 1,310,265 has been restricted in the SPLOST capital projects fund for restricted assets since this amount is not legally available for appropriation.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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.

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, 2017, the City had receipts based on the tax rate of 6%, of \$ 3,593 and incurred expenditures of \$ 3,501 (94% 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 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 4, 2017, the date the financial statements were available to be issued.

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FINANCIAL SECTION
Required Supplementary Information

CITY OF DAWSONVILLE, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2017
(Unaudited)

	Fiscal Year End		
	2017	2016	2015
<i>Total pension liability</i>			
Service cost	\$ 17,954	\$ 14,001	\$ 12,393
Interest	35,681	33,943	31,065
Differences between expected and actual experience	(39,532)	(21,140)	3,522
Change of assumptions	-	-	(5,461)
Change of benefit terms	-	-	-
Benefits payments, including refunds of employee contributions	(4,377)	(4,378)	(4,377)
Net change in total pension liability	9,726	22,426	37,142
Total pension liability - beginning	462,589	440,163	403,021
Total pension liability - ending (a)	<u>\$ 472,315</u>	<u>\$ 462,589</u>	<u>\$ 440,163</u>
<i>Plan fiduciary net position</i>			
Contributions - employer	\$ 30,958	\$ 27,612	\$ 26,495
Contributions - employee	-	-	-
Net investment income	48,498	1,462	30,673
Benefits payments, including refunds of employee contributions	(4,377)	(4,378)	(4,377)
Administrative expense	(8,390)	(5,916)	(5,468)
Other	-	-	-
Net change in fiduciary net position	66,689	18,780	47,323
Plan fiduciary net position - beginning	374,908	356,128	308,805
Plan fiduciary net position - ending (b)	<u>\$ 441,597</u>	<u>\$ 374,908</u>	<u>\$ 356,128</u>
Net pension liability - ending (a)-(b)	<u>\$ 30,718</u>	<u>\$ 87,681</u>	<u>\$ 84,035</u>
Plan's fiduciary net position as percentage of the total pension liability	93.50%	81.05%	80.91%
Covered-employee payroll	\$ 468,083	\$ 360,912	\$ 342,936
Net pension liability as a percentage of covered-employee payroll	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, 2017
(Unaudited)

	Fiscal Year End		
	2017	2016	2015
Actuarially determined contributions	\$ 29,813	\$ 30,504	\$ 26,648
Contributions in relation to the actuarially determined contributions	<u>29,813</u>	<u>30,504</u> **	<u>26,648</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 468,083	\$ 360,912 ***	\$ 342,936
Contributions as a percentage of covered-employee payroll	6.27%	8.45%	7.77%

- * 2017 information will be determined after fiscal year end and will be included in the 2018 valuation report.
- ** Contributions are recorded based on date of receipt into the GMEBS trust. Minor timing issues in receipt of monthly payments are not indicative of non-compliance with GMEBS funding policy. A plan is in compliance with the GMEBS funding policy if it pays either the dollar amount of the percentage of employee-covered payroll of the actuarially determined contributions.
- *** 2016 covered payroll is based on data collected as of February 29, 2016 for the 2016 actuarial valuation.

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, 2017

1. Valuation Date

The actuarially determined contribution was determined as of July, 1, 2017, 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, 2018.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal Method

Amortization Method: Closed level dollar for remaining unfunded liability

Remaining Amortization Period: Remaining amortization period varies of the bases, with net effective amortization of 12 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: 7.75%

Projected Salary Increases: 3.25% plus service based merit increases

Cost of Living Adjustments: 0.00%

Retirement Age for Inactive Vested Participants: 65

Mortality: Healthy mortality rates were based on the 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, 2014 based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

3. Changes in Benefits

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

4. Changes of Assumptions

As a result of the new administrative fee structure approved by the Board, the administrative expense assumption was updated for fiscal years beginning in 2016. Also, as a result of the plan change to provide immediate participation for employees, for the fiscal year ending in 2015, the eligibility assumption has been changed from six months to immediate. The increase in the Plan's NPL is minimal and has been included in the differences between expected and actuarial experience. There are no current year changes the administrative fee structure for the fiscal year beginning in 2017.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

4. Changes of Assumptions (cont'd)

Amounts reported for the fiscal year ending in 2015 and later reflect the following assumption changes approved by the Board in December 31, 2014 based in the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014:

- The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set forward for females.
- The turnover rates were updated to introduce the select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to no be less than the ultimate rates.
- The retirement rates where normal retirement is only available on or after age 65 were changes from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, that rates were changed from the prior assumption at 100% at the earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.
- The inflation assumption was decreased from 3.50% to 3.25%
- The salary increase assumption was changed from selected period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%

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FINANCIAL SECTION

Combining and Individual Fund Financial Statements and Schedules

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2017

	<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	\$ -	\$ 53,284	\$ 203,093	\$ 256,377
Taxes receivable	353	-	-	353
Due from other funds	1,182	-	-	1,182
	<u>1,535</u>	<u>53,284</u>	<u>203,093</u>	<u>257,912</u>
TOTAL ASSETS				
	<u>1,535</u>	<u>53,284</u>	<u>203,093</u>	<u>257,912</u>
LIABILITIES				
Current - accounts payable	1,016	-	-	1,016
Due to other funds	-	18,698	-	18,698
	<u>1,016</u>	<u>18,698</u>	<u>-</u>	<u>19,714</u>
TOTAL LIABILITIES				
	<u>1,016</u>	<u>18,698</u>	<u>-</u>	<u>19,714</u>
FUND BALANCE				
Restricted for tourism	519	-	-	519
Restricted for housing and business development	-	34,586	-	34,586
Restricted for cemetery	-	-	203,093	203,093
	<u>519</u>	<u>34,586</u>	<u>203,093</u>	<u>238,198</u>
TOTAL FUND BALANCES				
	<u>519</u>	<u>34,586</u>	<u>203,093</u>	<u>238,198</u>
TOTAL LIABILITIES AND FUND BALANCE				
	<u>\$ 1,535</u>	<u>\$ 53,284</u>	<u>\$ 203,093</u>	<u>\$ 257,912</u>

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPEDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2017

	<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	\$ 3,593	\$ -	\$ -	\$ 3,593
Charge for services	-	-	15,090	15,090
Contributions and donations	-	9,650	-	9,650
Intergovernmental revenues	-	-	-	-
Interest earned	-	-	251	251
Total revenues	<u>3,593</u>	<u>9,650</u>	<u>15,341</u>	<u>28,584</u>
EXPENDITURES				
Current operating:				
Public works	-	-	16,944	16,944
Housing, business development and tourism	<u>3,501</u>	<u>32,029</u>	<u>-</u>	<u>35,530</u>
Total expenditures	<u>3,501</u>	<u>32,029</u>	<u>16,944</u>	<u>52,474</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	92	(22,379)	(1,603)	(23,890)
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>42,500</u>	<u>-</u>	<u>42,500</u>
NET CHANGE IN FUND BALANCE	92	20,121	(1,603)	18,610
FUND BALANCES - beginning of year	<u>427</u>	<u>14,465</u>	<u>204,696</u>	<u>219,588</u>
FUND BALANCES - end of year	<u>\$ 519</u>	<u>\$ 34,586</u>	<u>\$ 203,093</u>	<u>\$ 238,198</u>

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
HOTEL-MOTEL FUND
BALANCE SHEET
June 30, 2017

	Hotel-Motel Fund
ASSETS	
Taxes receivable	\$ 353
Due from other funds	1,182
TOTAL ASSETS	1,535
LIABILITIES	
Current - accounts payable	1,016
TOTAL LIABILITIES	1,016
FUND BALANCE	
Restricted for tourism	519
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,535

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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Hotel-motel taxes	\$ 4,000	\$ 3,593	\$ (407)
Total revenues	<u>4,000</u>	<u>3,593</u>	<u>(407)</u>
EXPENDITURES			
Current operating:			
Housing and development - tourism	<u>4,000</u>	<u>3,501</u>	<u>(499)</u>
Total expenditures	<u>4,000</u>	<u>3,501</u>	<u>(499)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>92</u>	<u>92</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>92</u>	<u>\$ 92</u>
FUND BALANCES - beginning of year		<u>427</u>	
FUND BALANCES - end of year		<u>\$ 519</u>	

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
DOWNTOWN DEVELOPMENT AUTHORITY FUND
BALANCE SHEET
June 30, 2017

	<u>DDA Fund</u>
ASSETS	
Restricted assets:	
Cash and cash equivalents	<u>\$ 53,284</u>
TOTAL ASSETS	<u><u>53,284</u></u>
LIABILITIES	
Due to other funds	<u>18,698</u>
TOTAL LIABILITIES	<u>18,698</u>
FUND BALANCE	
Restricted for housing and business development	<u>34,586</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 53,284</u></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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Contributions and donations	\$ 42,000	\$ 9,650	\$ (32,350)
Total revenues	42,000	9,650	(32,350)
EXPENDITURES			
Current operating:			
Grants disbursed	-	7,500	7,500
Housing and business development	42,000	24,529	(17,471)
Total expenditures	42,000	32,029	(9,971)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(22,379)	(22,379)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	42,500	42,500
NET CHANGE IN FUND BALANCES	\$ -	20,121	\$ 20,121
FUND BALANCES - beginning of year		14,465	
FUND BALANCES - end of year		\$ 34,586	

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
PERMANENT FUND
CEMETERY FUND
BALANCE SHEET
June 30, 2017

	<u>Cemetery Fund</u>
ASSETS	
Restricted assets:	
Cash and cash equivalents	<u>\$ 203,093</u>
TOTAL ASSETS	<u>203,093</u>
FUND BALANCES	
Restricted for cemetery fund	<u>203,093</u>
TOTAL FUND BALANCES	<u>\$ 203,093</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Cemetery lot sales	\$ 29,650	\$ 15,000	\$ (14,650)
Real estate fees	100	90	(10)
Interest income	250	251	1
Total revenues	30,000	15,341	(14,659)
EXPENDITURES			
Repairs and maintenance	16,500	15,034	(1,466)
Miscellaneous expenditures	13,500	1,910	(11,590)
Total expenditures	30,000	16,944	(13,056)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,603)	(1,603)
NET CHANGE IN FUND BALANCES	\$ -	(1,603)	\$ -
FUND BALANCES - beginning of year		204,696	
FUND BALANCES - end of year		\$ 203,093	

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FINANCIAL SECTION
Supplementary Information

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, 2017

	Final Budget	Actual	Variance with Final Budget -
OPERATING REVENUES			
Charges for services :			
Water fees	\$ 601,200	\$ 629,426	\$ 28,226
Sewer fees	714,100	733,828	19,728
Garbage fees	105,000	118,226	13,226
Miscellaneous	35,100	50,123	15,023
Total operating revenues	1,455,400	1,531,603	76,203
OPERATING EXPENSES			
Cost of sales and service:			
Advertising	700	974	(274)
Bad debts	-	1,283	(1,283)
Communications	12,600	10,381	2,219
Depreciation	416,000	427,979	(11,979)
Dues and subscriptions	15,500	13,778	1,722
Education and training	6,300	2,482	3,818
Food	2,200	1,810	390
Garbage service	82,800	88,847	(6,047)
Gas and fuel	4,500	4,995	(495)
Insurance	23,000	19,144	3,856
Licenses	200	-	200
Postage	7,300	7,234	66
Printing and binding	400	242	158
Professional	68,000	75,707	(7,707)
Rental equipment	700	648	52
Repairs and maintenance	93,558	138,812	(45,254)
Supplies	343,621	177,884	165,737
Travel	400	-	400
Technical services	53,000	61,499	(8,499)
Uniform service	2,000	2,206	(206)
Utilities	118,000	120,744	(2,744)
Total cost of sales and service:	1,250,779	1,156,649	94,130
Personnel services and benefits:			
Salaries	268,000	217,302	50,698
Payroll taxes	27,100	16,441	10,659
Group insurance	61,000	58,451	2,549
Workers compensation	9,000	8,203	797
Retirement	14,600	171	14,429
Total personnel services and benefits	379,700	300,568	79,132
OPERATING INCOME (LOSS)	(175,079)	74,386	249,465
NON-OPERATING INCOME (LOSS)			
Transfers in (out)	-	125,724	125,724
Forgiveness of debt	-	55,405	55,405
Grant	-	288,306	288,306
Contingency/fund reserves	89,579	-	(89,579)
Tap fees	200,000	361,000	161,000
Interest and fiscal charges	(117,500)	(112,318)	5,182
Interest earned	3,000	4,164	1,164
TOTAL NON-OPERATING INCOME (LOSS)	175,079	722,281	547,202
CHANGE IN NET POSITION	\$ -	796,667	\$ 796,667
NET POSITION - beginning of year		7,988,342	
NET POSITION - end of year		\$ 8,785,009	

CITY OF DAWSONVILLE, GEORGIA
SCHEDULES OF FUNCTIONAL ALLOCATIONS
WATER, SEWER AND GARBAGE FUND
SCHEDULE OF NET POSITION
June 30, 2017

	<u>Water Sewer</u>	<u>Garbage</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,565,502	\$ 141,139	\$ 2,706,641
Receivables (net of allowance for uncollectible):			
Accounts	108,782	10,038	118,820
Prepaid expense	20,478	-	20,478
Restricted assets:			
Cash and cash equivalents	110,808	-	110,808
	<u>2,805,570</u>	<u>151,177</u>	<u>2,956,747</u>
Total current assets			
Non-current assets:			
Restricted assets:			
Certificates of deposit	-	-	-
Capital assets:			
Land	3,027,187	-	3,027,187
Construction in progress	1,011,116	-	1,011,116
Depreciable capital assets, net	6,984,785	-	6,984,785
	<u>11,023,088</u>	<u>-</u>	<u>11,023,088</u>
Total non-current Assets			
	<u>13,828,658</u>	<u>151,177</u>	<u>13,979,835</u>
TOTAL ASSETS			
DEFERRED OUTFLOWS OF RESOURCES			
Retirement contributions	3,388	-	3,388
	<u>3,388</u>	<u>-</u>	<u>3,388</u>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>\$ 13,832,046</u>	<u>\$ 151,177</u>	<u>\$ 13,983,223</u>

CITY OF DAWSONVILLE, GEORGIA
SCHEDULES OF FUNCTIONAL ALLOCATIONS
WATER, SEWER AND GARBAGE FUND
SCHEDULE OF NET POSITION
June 30, 2017

	Water Sewer	Garbage	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 16,211	\$ 7,424	\$ 23,635
Accrued expenses	9,343	-	9,343
Accrued interest payable	45,676	-	45,676
Current portion of long-term debt	210,000	-	210,000
Due to general fund	-	-	-
Current portion, compensated absences	12,893	-	12,893
Customer deposits - payable from restricted assets	111,260	-	111,260
	405,383	7,424	412,807
Total current liabilities			
Long-term liabilities:			
Long-term debt (net of current portion)	4,752,800	-	4,752,800
Long-term portion, compensated absences	4,298	-	4,298
Net pension liability	11,376	-	11,376
	4,768,474	-	4,768,474
Total long-term liabilities			
TOTAL LIABILITIES	5,173,857	7,424	5,181,281
DEFERRED INFLOWS OF RESOURCES			
Retirement adjustments	16,933	-	16,933
	16,933	-	16,933
NET POSITION			
Invested in capital assets, net of related debt	6,060,288	-	6,060,288
Unrestricted	2,580,968	143,753	2,724,721
	8,641,256	143,753	8,785,009
TOTAL NET POSITION			
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$ 13,832,046	\$ 151,177	\$ 13,983,223

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, 2017

	Water Sewer	Garbage	Total
OPERATING REVENUES			
Charges for services	\$ 1,363,254	\$ 118,226	\$ 1,481,480
Miscellaneous	50,123	-	50,123
Total operating revenues	1,413,377	118,226	1,531,603
OPERATING EXPENSES			
Personnel services and benefits	287,380	13,188	300,568
Purchased and contractual services	466,946	109,170	576,116
Bad debts	1,207	76	1,283
Supplies	151,271	-	151,271
Depreciation and amortization	427,979	-	427,979
Total operating expenses	1,334,783	122,434	1,457,217
OPERATING INCOME (LOSS)	78,594	(4,208)	74,386
NON-OPERATING INCOME (LOSS)			
Transfers in (out)	125,724	-	125,724
Forgiveness of debt	55,405	-	55,405
Grant	288,306	-	288,306
Tap fees	361,000	-	361,000
Interest and fiscal charges	(112,318)	-	(112,318)
Interest earned	4,164	-	4,164
TOTAL NON-OPERATING INCOME (LOSS)	722,281	-	722,281
CHANGE IN NET POSITION	800,875	(4,208)	796,667
NET POSITION - beginning of year	7,840,381	147,961	7,988,342
NET POSITION - end of year	\$ 8,641,256	\$ 143,753	\$ 8,785,009

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STATISTICAL SECTION



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.....	58-65
<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.....	66-69
<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.....	70-74
<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.....	75-76
<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.....	77-79
<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>	

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

	Fiscal Year Ending 6/30							Six-Months Ending 6/30	Fiscal Year Ending	
	2017	2016	2015	2014	2013	2012	2011	2010	2009 (1)	12/31/2008
GOVERNMENTAL ACTIVITIES										
Net Investment in capital assets	3,447,930	2,886,908	2,641,366	2,623,723	2,625,541	2,193,856	2,238,622	2,381,617	2,292,575	2,345,371
Restricted	1,548,463	1,101,659	233,170	201,407	215,198	304,838	341,926	169,888	158,873	157,358
Unrestricted	2,780,141	2,465,001	2,153,006	1,899,759	1,537,287	1,525,884	1,182,435	1,102,263	803,025	713,782
Total governmental activities net position	<u>\$ 7,776,534</u>	<u>\$ 6,453,568</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>	<u>\$ 3,254,473</u>	<u>\$ 3,216,511</u>
BUSINESS-TYPE ACTIVITIES										
Net Investment in capital assets	6,060,288	5,743,112	5,721,934	5,732,374	5,979,576	6,134,502	6,445,279	6,547,234	6,117,659	6,098,134
Restricted	-	-	-	-	217,758	216,476	215,221	106,332	169,576	169,419
Unrestricted	2,724,721	2,245,230	1,924,607	1,788,771	1,476,569	1,107,259	1,184,364	1,702,406	1,111,983	1,336,788
Total business-type activities net position	<u>\$ 8,785,009</u>	<u>\$ 7,988,342</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>	<u>\$ 7,399,218</u>	<u>\$ 7,604,341</u>
PRIMARY GOVERNMENT										
Net Investment in capital assets	9,508,218	8,630,020	8,363,300	8,356,097	8,605,117	8,328,358	8,683,901	8,928,851	8,410,234	8,443,505
Restricted	1,548,463	1,101,659	233,170	201,407	432,956	521,314	557,147	276,220	328,449	326,777
Unrestricted	5,504,862	4,710,231	4,077,613	3,688,530	3,013,856	2,633,143	2,366,799	2,804,669	1,915,008	2,050,570
Total primary government net position	<u>\$16,561,543</u>	<u>\$14,441,910</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>	<u>\$10,653,691</u>	<u>\$10,820,852</u>

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

CITY OF DAWSONVILLE, GEORGIA

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year Ending 6/30								Six-Months	Fiscal Year
	2017	2016	2015	2014	2013	2012	2011	2010	Ending 6/30 2009 (1)	Ending 12/31/2008
EXPENSES										
GOVERNMENTAL ACTIVITIES:										
General Government	\$ 1,013,076	\$ 740,287	\$ 688,376	\$ 682,148	\$ 706,717	\$ 728,050	\$ 706,602	\$ 673,355	\$ 284,632	\$ 681,153
Public Safety	4,412	235	-	-	80,000	160,000	160,000	166,550	80,000	180,575
Public Works	313,367	341,970	341,626	221,424	265,141	157,539	63,848	55,414	21,038	176,614
Culture and Recreation	3,138	4,454	863	1,933	5,641	5,993	66,023	20,821	10,220	14,817
Planning and Zoning	198,962	81,709	100,322	97,632	63,448	79,660	68,694	93,952	125,549	193,851
Housing and Development	44,029	60,466	19,637	11,577	23,667	5,357	3,062	2,655	7,476	75,779
Interest	39,209	43,330	47,996	29,952	39,202	46,422	47,563	50,320	29,087	93,135
Total Governmental Activities	<u>1,616,193</u>	<u>1,272,451</u>	<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>	<u>558,002</u>	<u>1,415,924</u>
BUSINESS-TYPE ACTIVITIES:										
Water and Sewage	1,569,535	1,427,252	1,351,765	1,465,860	1,360,724	1,353,080	1,489,493	1,525,155	745,660	1,390,480
Total Business-type Activities	<u>1,569,535</u>	<u>1,427,252</u>	<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>745,660</u>	<u>1,390,480</u>
Total Expenses	<u>\$ 3,185,728</u>	<u>\$ 2,699,703</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>	<u>\$ 1,303,662</u>	<u>\$ 2,806,404</u>
PROGRAM REVENUES										
GOVERNMENTAL ACTIVITIES:										
Charges for services:										
General Government	\$ 121,425	\$ 120,923	\$ 106,907	\$ 84,070	\$ 129,225	\$ 109,271	\$ 94,318	\$ 96,988	\$ 45,711	\$ 83,295
Public Safety	240	50	-	-	1,500	19,261	900	2,600	1,700	12,171
Highways and Streets	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	19,182	20,512	2,351	-
Planning and Zoning	172,484	101,255	79,488	28,036	41,138	36,659	10,381	33,180	8,631	57,643
Housing and Development	-	-	-	-	-	-	-	-	-	41,132
Operating grants and contributions	10,650	14,300	17,420	9,993	1,000	1,000	4,500	7,458	1,667	1,000
Capital grants and contributions	1,262,546	1,048,782	-	16,629	16,523	4,320	112,275	73,466	-	210,000
Total governmental activities program revenues	<u>1,567,345</u>	<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>	<u>234,204</u>	<u>60,060</u>	<u>405,241</u>
BUSINESS-TYPE ACTIVITIES:										
Charges for Services:										
Water and Sewage	1,531,603	1,315,557	1,285,971	1,204,829	1,121,978	962,042	972,252	990,093	459,627	1,141,837
Capital grants and contributions	704,711	425,540	125,000	104,300	466,000	-	-	563,762	97,698	266,206
Total Business-type Activities	<u>2,236,314</u>	<u>1,741,097</u>	<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>557,325</u>	<u>1,408,043</u>
Total Program Revenues	<u>\$ 3,803,659</u>	<u>\$ 3,026,407</u>	<u>\$ 1,614,786</u>	<u>\$ 1,447,857</u>	<u>\$ 1,777,364</u>	<u>\$ 1,132,553</u>	<u>\$ 1,213,808</u>	<u>\$ 1,788,059</u>	<u>\$ 617,385</u>	<u>\$ 1,813,284</u>
Net (Expense) / Revenue										
Governmental activities	\$ (48,848)	\$ 12,859	\$ (995,005)	\$ (905,938)	\$ (994,430)	\$ (1,012,510)	\$ (874,236)	\$ (828,863)	\$ (497,942)	\$ (1,010,683)
Business-type activities	666,779	313,845	59,206	(156,731)	227,254	(391,038)	(517,241)	28,700	(188,335)	17,563
Total Net Expense	<u>\$ 617,931</u>	<u>\$ 326,704</u>	<u>\$ (935,799)</u>	<u>\$ (1,062,669)</u>	<u>\$ (767,176)</u>	<u>\$ (1,403,548)</u>	<u>\$ (1,391,477)</u>	<u>\$ (800,163)</u>	<u>\$ (686,277)</u>	<u>\$ (993,120)</u>

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

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

	Fiscal Year Ending 6/30								Six-Months	Fiscal Year
	2017	2016	2015	2014	2013	2012	2011	2010	Ending 6/30 2009 (1)	Ending 12/31/2008
GENERAL REVENUES										
GOVERNMENTAL ACTIVITIES:										
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	885,518	899,360	788,952	783,018	802,222	892,217	832,894	782,352	405,666	828,564
Other excise taxes	107,339	87,132	91,757	90,626	84,451	80,496	78,869	176,932	95,571	160,972
Franchise taxes	190,223	182,404	210,988	143,418	148,922	120,715	120,936	111,417	5,782	112,788
Intergovernmental-unrestricted	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	13,713	7,000	3,182	2,243	2,573	2,254	3,737	5,539	3,970	16,247
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	22,385	-	-
Miscellaneous	300,745	261,876	233,488	233,496	219,710	178,423	80,839	-	-	-
Transfers in/out	(125,724)	(24,605)	-	-	-	-	-	-	25,015	-
Special Item	-	-	-	-	90,000	-	-	129,433	-	-
Total general revenues, transfers, and special item	<u>1,371,814</u>	<u>1,413,167</u>	<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>	<u>536,004</u>	<u>1,118,571</u>
BUSINESS-TYPE ACTIVITIES:										
Unrestricted investment earnings	4,164	3,351	2,899	3,973	3,953	4,413	7,633	12,054	8,227	82,645
Gain (loss) on sale of capital assets	-	-	-	-	-	(2)	(1,500)	-	(25,015)	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers in/out	125,724	24,605	-	-	-	-	-	-	-	-
Special Item	-	-	-	-	(15,541)	-	-	916,000	-	-
Total Business-type Activities	<u>129,888</u>	<u>27,956</u>	<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>(16,788)</u>	<u>82,645</u>
Total Primary Government	<u>\$ 1,501,702</u>	<u>\$ 1,441,123</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>	<u>\$ 519,216</u>	<u>\$ 1,201,216</u>
Change in Net Position										
Governmental Activities	\$ 1,322,966	\$ 1,426,026	\$ 1,279,519	\$ 346,863	\$ 353,448	\$ 261,595	\$ 243,039	\$ 233,628	\$ (458,426)	\$ 124,141
Business-type Activities	796,667	341,801	669,678	(152,758)	215,666	(386,627)	(511,108)	1,155,308	210,466	309,899
Total Change in Net Position	<u>\$ 2,119,633</u>	<u>\$ 1,767,827</u>	<u>\$ 1,949,197</u>	<u>\$ 194,105</u>	<u>\$ 569,114</u>	<u>\$ (125,032)</u>	<u>\$ (268,069)</u>	<u>\$ 1,388,936</u>	<u>\$ (247,960)</u>	<u>\$ 434,040</u>

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

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

	Fiscal Year Ending 6/30							Six-Months	Fiscal Year	
	2017	2016	2015	2014	2013	2012	2011	2010	Ending 6/30 2009 (1)	Ending 12/31/2008
General Fund										
Nonspendable	\$ 20,478	\$ 27,366	\$ 5,048	\$ 43,732	\$ 13,530	\$ 36,897	\$ 8,840	\$ 17,497	\$ 20,593	\$ -
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	2,821,052	2,491,569	2,201,835	1,864,596	1,529,719	1,494,558	1,175,171	924,863	563,359	491,287
Total General Fund:	<u>\$ 2,841,530</u>	<u>\$ 2,518,935</u>	<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>	<u>\$ 583,952</u>	<u>\$ 491,287</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,548,463	1,101,659	233,170	201,407	215,198	304,838	341,926	331,348	383,811	388,167
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all Other Governmental Funds:	<u>\$ 1,548,463</u>	<u>\$ 1,101,659</u>	<u>\$ 233,170</u>	<u>\$ 201,407</u>	<u>\$ 215,198</u>	<u>\$ 304,838</u>	<u>\$ 341,926</u>	<u>\$ 331,348</u>	<u>\$ 383,811</u>	<u>\$ 388,167</u>

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

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

	Fiscal Year Ending 6/30								Six-Months Ending 6/30	Fiscal Year Ending
	2017	2016	2015	2014	2013	2012	2011	2010	2009 (1)	12/31/2008
REVENUES										
Taxes	\$ 1,483,767	\$ 2,462,221	\$ 1,325,185	\$ 1,250,558	\$ 1,255,305	\$ 1,271,852	\$ 1,113,537	\$ 1,070,702	\$ 507,019	\$ 1,102,324
Charges for services	96,129	69,194	64,625	5,330	25,465	35,644	33,866	34,072	6,286	53,983
Intergovernmental	1,261,871	17,833	1,000	20,370	17,523	5,055	111,682	73,466	-	211,000
Licenses and permits	137,243	87,955	67,588	54,461	69,713	63,134	35,471	64,880	34,697	89,568
Fines, fees and forfeiture	-	-	-	-	-	-	-	50	-	13,620
Interest	15,389	7,000	3,182	2,268	2,573	2,520	4,330	5,539	1,754	16,247
Contributions	9,650	13,800	16,420	-	-	-	4,500	7,458	1,667	5,887
Miscellaneous	60,836	65,080	54,182	58,542	76,685	66,412	55,444	80,913	19,625	31,183
Total Revenues	3,064,885	2,723,083	1,532,182	1,391,529	1,447,264	1,444,617	1,358,830	1,337,080	571,048	1,523,812
EXPENDITURES										
General Government	850,333	689,860	566,867	538,842	577,984	494,045	461,597	437,813	189,673	497,441
Public Safety	4,412	21,491	-	-	80,000	160,000	160,000	166,550	80,000	180,575
Highways and Streets	381,468	346,940	329,030	223,199	247,217	136,796	49,684	46,966	17,620	171,526
Culture and Recreation	2,527	4,454	-	100	1,991	2,343	62,373	17,429	8,953	11,975
Planning and Zoning	198,962	81,709	100,322	97,632	63,448	79,054	67,241	91,462	101,178	139,827
Housing and Developme	47,530	63,481	22,229	14,349	26,635	7,800	12,811	4,016	7,476	75,779
Debt Service										
Principal	149,015	143,822	135,419	112,223	368,955	118,900	117,135	117,715	53,842	92,988
Interest	39,330	43,330	47,997	29,952	39,202	46,422	47,563	50,320	29,087	93,135
Capital Outlay	496,185	122,850	-	23,944	119,678	88,901	128,197	228,297	19,925	192,854
Total Expenditures	2,169,762	1,517,937	1,201,864	1,040,241	1,525,110	1,134,261	1,106,601	1,160,568	507,754	1,456,100
Excess (Deficiency) of Revenues over Expenditures	\$ 895,123	\$ 1,205,146	\$ 330,318	\$ 351,288	\$ (77,846)	\$ 310,356	\$ 252,229	\$ 176,512	\$ 63,294	\$ 67,712

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

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

	Fiscal Year Ending 6/30								Six-Months	Fiscal Year
	2017	2016	2015	2014	2013	2012	2011	2010	Ending 6/30 2009 (1)	Ending 12/31/2008
OTHER FINANCING SOURCES (USES)										
Transfers In	\$ -	\$ 188,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,015	\$ 56,062
Transfers Out	(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>(125,724)</u>	<u>(24,605)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,015</u>	<u>56,062</u>
Net change in fund balances before special item	<u>769,399</u>	<u>1,180,541</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>	<u>88,309</u>	<u>123,774</u>
Special Item	-	-	-	-	-	-	-	129,433	-	-
Net change in fund balances	<u>\$ 769,399</u>	<u>\$ 1,180,541</u>	<u>\$ 330,318</u>	<u>\$ 351,288</u>	<u>\$ (77,846)</u>	<u>\$ 310,356</u>	<u>\$ 252,229</u>	<u>\$ 305,945</u>	<u>\$ 88,309</u>	<u>\$ 123,774</u>
Debt service as a percentage of noncapital expenditures	11.93%	15.49%	15.86%	14.31%	29.68%	15.81%	16.83%	18.02%	17.00%	14.73%

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

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

	Fiscal Year Ending 6/30				
	2017	2016	2015	2014	2013
Revenues					
Taxes	\$ 1,480,174	\$ 1,284,945	\$ 1,322,513	\$ 1,247,700	\$ 1,252,245
Charges for services	81,039	55,574	44,235	1,530	6,545
Intergovernmental	25,098	17,833	1,000	3,766	1,000
Licenses and permits	137,243	87,955	67,588	54,461	-
Fines, fees and forfeitures	-	-	-	-	69,713
Interest	13,463	6,254	2,922	1,981	2,130
Contributions	-	-	-	-	-
Miscellaneous	60,836	65,080	54,182	58,542	76,685
Total Revenues	<u>1,797,853</u>	<u>1,517,641</u>	<u>1,492,440</u>	<u>1,367,980</u>	<u>1,408,318</u>
Expenditures					
General Government	850,333	689,860	561,273	528,218	564,015
Public Safety	4,412	21,491	-	-	80,000
Public Works	364,524	332,343	329,030	223,199	247,217
Culture and Recreation	2,527	4,454	-	100	1,991
Planning and Zoning	198,962	81,709	100,322	97,632	63,448
Housing and Development	12,000	12,000	-	11,577	23,667
Debt Service	-	-	183,416	142,175	-
Capital Outlay	-	187,152	-	-	408,157
Total Expenditures	<u>1,432,758</u>	<u>1,329,009</u>	<u>1,174,041</u>	<u>1,002,901</u>	<u>1,388,495</u>
Excess (Deficiency) of Revenues over Expenditures	365,095	188,632	318,399	365,079	19,823
Other Financing Sources (Uses) Transfers in (out)	<u>(42,500)</u>	<u>123,420</u>	<u>(7,500)</u>	<u>-</u>	<u>(8,029)</u>
Net Change in Fund Balances	322,595	312,052	310,899	365,079	11,794
Fund Balance- beginning of year	2,518,935	2,206,883	1,908,328	1,543,249	1,531,455
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>(12,344)</u>	<u>-</u>	<u>-</u>
Fund Balance- end of year	<u><u>\$ 2,841,530</u></u>	<u><u>\$ 2,518,935</u></u>	<u><u>\$ 2,206,883</u></u>	<u><u>\$ 1,908,328</u></u>	<u><u>\$ 1,543,249</u></u>

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

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

	Fiscal Year Ending 6/30				
	2017	2016	2015	2014	2013
Operating Revenues					
Charges for services	\$ 1,363,254	\$ 1,177,492	\$ 1,144,184	\$ 1,084,192	\$ 974,718
Miscellaneous	50,123	31,175	47,150	28,639	55,997
Total Operating Revenues	<u>1,413,377</u>	<u>1,208,667</u>	<u>1,191,334</u>	<u>1,112,831</u>	<u>1,030,715</u>
Operating Expenses					
Personal Services & Benefits	287,380	266,569	279,851	241,309	230,094
Purchased/Contracted Services	466,946	362,852	352,989	353,927	332,076
Bad Debts	1,207	5,829	2,843	4,292	3,308
Supplies	151,271	149,927	87,520	63,621	85,017
Depreciation & Amortization	427,979	413,210	413,457	413,016	434,167
Total Expenditures	<u>1,334,783</u>	<u>1,198,387</u>	<u>1,136,660</u>	<u>1,076,165</u>	<u>1,084,662</u>
Operating Income (Loss)	78,594	10,280	54,674	36,666	(53,947)
Non-Operating Income (Loss)					
Intergovernmental Revenues	288,306	-	-	-	-
Contributions & Donations	-	-	-	-	-
Gain (loss) on Sale of Assets	-	-	-	-	-
Forgiveness of Debt	55,405	154,040	-	-	-
Interest & Fiscal Charges	(112,318)	(139,363)	(122,555)	(318,564)	(206,779)
Interest Earned	4,164	3,351	2,899	3,973	3,953
Total Non-Operating Income (Loss)	235,557	18,028	(119,656)	(314,591)	(202,826)
Net Income Before Transfers	314,151	28,308	(64,982)	(277,925)	(256,773)
Tap Fees & Other					
Tap Fees & Other	361,000	271,500	125,000	104,300	466,000
Transfers In (Out)	<u>125,724</u>	<u>24,605</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	800,875	324,413	60,018	(173,625)	209,227
Net Assets- beginning of year	7,840,381	7,421,968	7,392,659	7,566,284	7,372,598
Prior Period Adjustment	<u>-</u>	<u>94,000</u>	<u>(30,709)</u>	<u>-</u>	<u>(15,541)</u>
Net Assets- end of year	<u><u>\$ 8,641,256</u></u>	<u><u>\$ 7,840,381</u></u>	<u><u>\$ 7,421,968</u></u>	<u><u>\$ 7,392,659</u></u>	<u><u>\$ 7,566,284</u></u>

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

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

Last Ten Years

Tax Year	Real Property				Personal Property (1)		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
	Residential Property	Agricultural & Conservation Property	Commercial & Industrial Property	Public Utilities	Motor Vehicles	Mobile Homes						
2017	\$ 65,131,888	\$ 9,170,797	\$ 25,732,544	\$ 2,390,900	\$ 54,600	\$ -	\$ 102,480,729	\$ (4,077,959)	\$ 98,402,770	0.00	\$ 246,006,925	40%
2016	55,455,965	8,786,418	24,932,499	2,009,547	66,180	-	91,250,609	(4,631,222)	86,619,387	0.00	216,548,468	40%
2015	49,962,771	9,202,748	22,049,743	1,999,574	2,938	1,340	83,219,114	(3,563,366)	79,655,748	0.00	199,139,370	40%
2014	44,143,055	8,833,142	24,609,041	1,811,627	169,780	1,340	79,567,985	(3,739,663)	75,828,322	0.00	189,570,805	40%
2013	40,167,378	8,526,540	21,789,893	2,003,986	207,450	2,410	72,697,657	(2,649,546)	70,048,111	0.00	175,120,278	40%
2012	43,109,208	8,537,257	18,067,672	1,783,236	252,490	12,657	71,762,520	(2,649,546)	69,112,974	0.00	172,782,435	40%
2011	48,561,693	11,203,280	18,849,201	1,743,018	198,620	16,922	80,572,734	(3,122,450)	77,450,284	0.00	193,625,710	40%
2010	55,080,051	15,635,971	19,713,929	1,731,940	159,750	17,417	92,339,058	(4,483,511)	87,855,547	0.00	219,638,868	40%
2009	60,623,516	14,703,393	19,203,214	1,660,263	256,800	18,319	96,465,505	(4,420,906)	92,044,599	0.00	230,111,498	40%
2008	62,920,628	14,514,520	16,843,308	1,647,243	343,850	18,861	96,288,410	(3,967,027)	92,321,383	0.00	230,803,458	40%

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
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	
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
2008	0.000	13.646	0.400	0.250	8.138	22.434

Source: Georgia Department of Revenue

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

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

Taxpayer	Type of Business	2017			2008		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)
Dawsonville Fee Owner, LLC	Shopping Center Owner	\$ 2,272,535	1	2.22%	\$ -		
Atlanta Motorsports Park, LLC	Motorsports Park	2,381,605	2	2.32%	-		
Farmington Woods, LP	Apartment Complex	1,867,649	3	1.82%	-		
D & M Financial LLC	Commercial Business Owner	1,040,974	4	1.02%	-		
Georgia Power Company	Public Utility	982,685	5	0.96%	-		
Gold Creek Processing, LLC	Poultry Processing	900,260	6	0.88%	2,113,745	2	2.20%
Windstream Standard, Inc.	Public Utility	860,431	7	0.84%	1,107,457	10	1.15%
Lorcar Inc.	Residential Developer	804,132	8	0.78%	-		
Starmount Properties Inc.	Apartment Complex	747,274	9	0.73%	-		
Rainhill Development LLC	Residential Developer	728,000	10	0.71%	1,559,240	5	1.62%
EHK Investments LLC	Family Owned Real Estate				2,131,065	1	2.21%
E Elliott Family Partnership LLLP	Real Estate Investment				2,031,815	3	2.11%
SBW Development Venture	Residential & Commercial Developer				1,785,180	4	1.85%
Dawson Development Assoc. LLC	Residential Developer				1,235,400	6	1.28%
Meadow Trace	Residential Developer				1,212,286	7	1.26%
SCC Villas LLC	Southern Catholic College Dorms				1,208,810	8	1.26%
Howser Mill , LLC	Residential Development				1,189,445	9	1.24%
Totals		12,585,545		12.28%	15,574,443		16.17%

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 \$102,480,729 for calendar year 2017, and \$9,6288,410 for calendar year 2008.

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

Commodity (1)	2017			2016			2015			2014			2013		
	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
General Merchandise	\$ 2,488,720	1	34.07%	\$ 2,678,360	1	39.04%	\$ 2,764,194	1	42.83%	\$ 2,764,194	1	42.83%	\$ 2,673,032	1	41.13%
Food/Bars	1,511,492	2	20.69%	1,232,140	2	17.96%	1,085,753	2	16.82%	1,085,753	2	16.82%	1,028,600	2	15.83%
Other Retail	731,543	3	10.02%	671,004	3	9.78%	687,741	3	10.66%	687,741	3	10.66%	638,624	3	9.83%
Miscellaneous Service	695,112	4	9.52%	568,871	4	8.29%	508,180	4	7.87%	508,180	4	7.87%	518,276	4	7.97%
Wholesale	442,632	5	6.06%	383,261	6	5.59%	415,047	5	6.43%	415,047	5	6.43%	413,819	5	6.37%
Manufacturing	417,273	6	5.71%	438,265	5	6.39%	236,342	7	3.66%	236,342	7	3.66%	209,783	7	3.23%
Home Furnishing	339,663	7	4.65%	277,962	7	4.05%	197,512	8	3.06%	197,512	8	3.06%	183,122	8	2.82%
Utility	278,894	8	3.82%	269,555	8	3.93%	271,837	6	4.21%	271,837	6	4.21%	265,324	6	4.08%
Auto	169,305	9	2.32%	160,335	9	2.34%	119,989	9	1.86%	119,989	9	1.86%	349,819	9	5.38%
Other Services	97,373	10	1.33%	83,607	10	1.22%	98,596	10	1.53%	98,596	10	1.53%	166,787	10	2.57%
Accommodations	89,546		1.23%	75,391		1.10%	54,951		0.85%	54,951		0.85%	40,119		0.62%
Construction	42,800		0.59%	21,273		0.31%	13,600		0.21%	13,600		0.21%	12,368		0.19%
Totals	7,304,353		100.00%	6,860,024		100.00%	6,453,742		100.00%	6,453,742		100.00%	6,499,673		100.00%

Source: Georgia Department of Revenue, Local Government Services

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

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

Fiscal Year Ended	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Intergovernmental Contractual Agreement (3)	Capital Leases	Water & Sewer Revenue Bonds	Municipal Loans				
2017	1,572,307	-	4,962,800	-	6,535,107	5.43%	2,214	
2016	1,721,322	-	4,609,426	-	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	
2009 (2)	2,277,756	-	3,961,563	1,320,784	7,560,103	15.06%	4,675	
2008	2,331,596	-	3,984,590	1,347,661	7,663,847	15.19%	4,860	

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 76 for personal income and population data.
- (2) The City converted to a June 30 fiscal year end in 2009; consequently, financial reporting is presented for the six-month period ending June 30, 2009. Preceding periods are based on a fiscal year end of December 31.
- (3) 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, 2017

<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	\$ 1,572,307	100%	\$ 1,572,307
Total Direct	<u>1,572,307</u>		<u>1,572,307</u>
Overlapping Debt:			
Dawson County Board of Commissioners	3,012,000	6.33%	190,660
Dawson County School System	<u>15,000,000</u>	6.33%	<u>949,500</u>
Total Overlapping Debt	<u>18,012,000</u>		<u>1,140,160</u>
Total	<u>\$ 19,584,307</u>		<u>\$ 2,712,467</u>

Source: Direct debt outstanding provided by the City as of June 30, 2017, as represented in current financial statements. Overlapping debt outstanding data as per reported in the Dawson County CAFR for December 31, 2016.

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Assessed value of property, gross tax digest	\$ 102,480,729	\$ 91,250,609	\$ 83,219,114	\$ 79,567,985	\$ 72,697,657	\$ 71,762,520	\$ 80,752,734	\$ 92,339,058	\$ 96,465,505	\$ 96,288,410
Debt Limit (10% of total assessed value)	10,248,073	9,125,061	8,321,911	7,956,799	7,269,766	7,176,252	8,075,273	9,233,906	9,646,551	9,628,841
Amount of Debt applicable to limit:										
General obligation bonds and contracts payable	1,572,307	1,721,322	1,334,130	1,442,828	1,555,048	1,924,006	2,042,906	2,160,041	2,277,756	2,331,596
Less: Resources restricted to paying principal	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	1,572,307	1,721,322	1,334,130	1,442,828	1,555,048	1,924,006	2,042,906	2,160,041	2,277,756	2,331,596
Legal debt margin	\$ 8,675,766	\$ 7,403,739	\$ 6,987,781	\$ 6,513,971	\$ 5,714,718	\$ 5,252,246	\$ 6,032,367	\$ 7,073,865	\$ 7,368,795	\$ 7,297,245
Total net debt applicable to the limit as a percentage of debt limit	15.34%	18.86%	16.03%	18.13%	21.39%	26.81%	25.30%	23.39%	23.61%	24.21%

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	Net	Debt Service		Coverage
		Operating Expenses (2)	Available Revenue	Principal	Interest (3)	
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
2009 (4)	467,854	439,860	27,994	49,905	112,764	0.17
2008	1,224,482	805,842	418,640	96,362	214,166	1.35

(1) Total operating revenue 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.

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

CITY OF DAWSONVILLE, GEORGIA

TAX SUPPORTED DEBT RATIOS

June 30, 2017

	Direct Tax Supported Debt ⁽¹⁾	Overlapping Tax Supported Debt ⁽¹⁾	Overall Tax Supported Debt ⁽⁶⁾
Per Capita Debt ⁽²⁾	\$ 533	\$ 386	\$ 919
Percentage of Gross Tax Digest ⁽³⁾	1.53%	1.11%	2.65%
Percentage of Direct Fair Market Value ⁽⁴⁾	0.64%	0.46%	1.10%
Per Capita Debt as Percentage of Per Capita Income ⁽⁵⁾	1.31%	0.95%	2.24%

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

- (1) Direct and overlapping debt is shown in total on page 71.
- (2) Based on 2017 City of Dawsonville population of 2,952, see page 75.
- (3) Based on 2017 Gross Tax Digest of \$102,480,729, see page 66.
- (4) Based on 2017 estimated actual value of \$246,006,925, see page 66.
- (5) Based on 2017 estimated per capita income figure for Dawson County of \$40,806, see page 75.
- (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	Population City of Dawsonville	Estimated City of Dawsonville Personal Income (4)	Dawson Co. Per Capita Personal Income	Dawson County Average Annual Unemployment Rate (1)
2017 (2)	24,006	2,952	120,458,484	40,806 (3)	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%
2009	22,325	1,617	50,196,531	31,043	9.8%
2008	21,951	1,577	50,465,577	32,001	5.9%

Data Sources: U.S. Census Bureau and Bureau of Economic Analysis, unless otherwise noted.

- (1) Data provided through the Georgia Department of Labor and U.S. Department of Labor Bureau of Labor Statistics.
- (2) U.S. Census population data for 2017 not available; information shown is estimate provided by Georgia Hometown Locator.
- (3) Current per capita data unavailable. Calculated estimate by applying to the preceeding year the compound annual growth rate of 2.46% realized for the nine year period 2008-2016.
- (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 Nine Years Ago

Taxpayer	2017			2007		
	Employees	Rank	Percentage of City Employment	Employees	Rank	Percentage of City Employment
Gold Creek Processing, LLC / Gold Creek Foods	343	1/2	22.78%	506	1	32.21%
Dawson County Board of Commissioners	343	1/2	22.78%	286	2	18.20%
Dawson County Board of Education (1)	255	3	16.93%	232	3	14.77%
Atlanta Motor Sports Park LLC	51	4	3.39%			
T.W. Phillips Grading, Inc.	40	5	2.66%	20	7	1.27%
Food Lion Store # 2132	39	6	2.59%	40	4	2.55%
Bojangles Restaurant	25	7/8	1.66%			
North Georgia Assisted Living	25	7/8	1.66%			
Dairy Queen of Dawsonville	22	9	1.46%	17	9	1.08%
Koch Electric	14	10	0.93%			
Ernie Elliott Inc.				32	5	2.04%
Davis Machine Inc.				23	6	1.46%
Southern Foodservice Management				19	8	1.21%
Southern Catholic College				10	10	0.64%
Circle K Stores (Kangaroo) # 3318				10	10	0.64%
Subway				10	10	0.64%
All Others	349		23.17%	366		23.30%
Totals	<u>1,506</u>		<u>100.00%</u>	<u>1,571</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	2017		2016		2015		2014		2013		2012		2011		2010		2009		2008	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General government:																				
Mayor and council	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5
Finance and administration	3	1	2	1	1	1	1	1	1	1	1	1	1	1	1	1	2	-	2	-
Planning and zoning	2	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	2	-	2	-
Highways and streets	3	-	3	-	3	-	3	-	1	1	1	1	-	-	-	-	-	-	-	-
Water and sewer	5	-	5	-	3	-	3	-	3	-	3	-	4	-	5	-	4	-	4	-
Totals	13	6	11	6	8	6	8	6	6	7	6	7	6	6	7	6	8	5	8	5

Source: City employment records.

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

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009 (1)
General Government:									
Number of accounts payable									
checks issued	1,426	1,404	730	730	656	554	1,004	1,067	477
Number of payroll checks issued	418	326	286	286	290	278	273	280	169
Highways and streets									
Miles of streets maintained	11.60	11.60	10.87	10.87	10.87	10.08	10.07	10.07	10.07
Miles of sidewalks maintained	7.80	6.68	5.93	5.93	5.70	5.52	5.09	4.80	4.43
Planning & Zoning									
Permits issued	206	141	100	97	96	83	98	77	76
Licenses issued	219	204	181	190	163	151	152	160	158
Water System									
Number of service connections	1,248	1,208	1,250	1,250	1,118	1,131	1,096	1,135	1,023
Daily average consumption in gallons	204,309	242,947	190,688	190,688	187,092	294,304	194,215	183,486	102,630
Sewer System									
Number of service connections	1,077	970	1,075	1,075	941	934	904	946	839
Daily average treatment in gallons	183,826	164,764	176,698	176,698	166,530	270,731	172,218	160,841	73,851
Garbage Collection									
Customers	816	654	572	556	553	518	522	517	480

Source: Various City departments.

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

Comparative information prior to the short-year ending 6/30/2009 is not available.

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

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009 (1)	2008
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	3.53	3.53	3.53	3.53	3.53	3.53	3.53
Culture and Recreation										
Parks	2	2	2	2	1	1	1	1	1	1
Park acreage	15	15	15	15	1	1	1	1	1	1
Highways and Streets										
Maintenance facilities	1	1	1	1	1	1	1	1	1	
Miles of streets maintained	11.60	11.60	10.87	10.87	10.87	10.08	10.07	10.07	10.07	10.40
Miles of sidewalks maintained	7.80	6.68	6.43	5.93	5.70	5.52	5.09	4.80	4.43	4.20
Water System										
Miles of mains	25.5	25.5	25.5	25.5	25.5	24.9	24.9	24.6	24.6	24.5
Number of fire hydrants	280	280	275	275	268	268	268	268	268	268
Number of developed wells	5	5	5	5	5	5	5	5	5	5
Maximum daily capacity in gallons	500,000	500,000	835,200	835,200	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	14.4	14.4	14.2	14.2	14.0
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.

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

OTHER REPORTING SECTION



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, 2017, 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 December 4, 2017.

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
December 4, 2017

CITY OF DAWSONVILLE, GEORGIA
SPECIAL LOCAL OPTION SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
From Inception Through June 30, 2017

<u>Project</u>	<u>Original Budget</u>	<u>Current Project Budget</u>	<u>Prior Year Project to Date</u>	<u>Current Year</u>	<u>Total</u>	<u>Percent Complete</u>
SPLOST # 5						
Road, Streets, Bridges and Sidewalks	\$ 211,000	\$ 172,693	\$ -	\$ 172,693	\$ 172,693	100.00%
Water and Sewer Projects	200,000	-	-	-	-	0.00%
Recreation	50,000	-	-	-	-	0.00%
	<u>\$ 461,000</u>	<u>\$ 172,693</u>	<u>\$ -</u>	<u>\$ 172,693</u>	<u>\$ 172,693</u>	<u>100.00%</u>
SPLOST # 6						
Road, Streets, Bridges and Sidewalks	\$ 1,250,000	\$ 1,250,000	\$ 66,653	\$ 166,414	\$ 233,067	18.65%
Water and Sewer Projects	2,750,000	2,750,000	1,669	12,424	14,093	0.51%
Park and Recreation Facilities	2,250,000	2,250,000	24,592	129,475	154,067	6.85%
Farmers Market Facility	1,000,000	1,000,000	-	-	-	0.00%
Public Works Facility and Equipment	400,000	400,000	43,717	140,903	184,620	46.16%
City Hall Acquisition	2,000,000	2,000,000	155,919	188,345	344,264	17.21%
	<u>\$ 9,650,000</u>	<u>\$ 9,650,000</u>	<u>\$ 292,550</u>	<u>\$ 637,561</u>	<u>\$ 930,111</u>	<u>9.64%</u>
 Total All SPLOST Projects	 <u>\$ 10,111,000</u>	 <u>\$ 9,822,693</u>	 <u>\$ 292,550</u>	 <u>\$ 810,254</u>	 <u>\$ 1,102,804</u>	 <u>11.23%</u>
 Reconciliation to Capital Projects Fund:						
				\$ 684,530		
				125,724		
				<u>\$ 810,254</u>		