



## Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2016



*"Protecting our History and Providing for the Future"*



City of Dawsonville, Georgia

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For Fiscal Year Ended June 30, 2016

Submitted by:  
Bonnie Warne  
City Clerk



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INTRODUCTORY SECTION

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CITY OF DAWSONVILLE, GEORGIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For Fiscal Year Ended June 30, 2016

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W. James Grogan  
Mayor

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December 5, 2016

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

It is our pleasure to present the Comprehensive Annual Financial Report (CAFR) of the City of Dawsonville (the "City") for the fiscal year ended June 30, 2016 to the Mayor, the City Council, and the citizens of Dawsonville. Georgia Code requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements.

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

Georgia Code requires an annual audit by independent certified public accountants. The City selected Alexander, Almand & Bangs, LLP to perform the annual independent financial statement audit for fiscal year 2016. The audit issued an unmodified opinion for the 2016 fiscal year which is included within this document. The City's 2016 CAFR contains a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards (GAAS).

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City'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 does not levy ad valorem taxes presently and historically.

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

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

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

**Local Economy**

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

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

North Georgia Premium Outlet Mall is the largest employer in the County employing 1,050 to 1,200 employees, which attracts many visitors from surrounding areas, and Gold Creek Foods located in the City comes in second employing 343 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 4 years.

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
2015	10,361	5.3%	62	15	2,620	23,312
2014	10,171	5.8%	26	74	2,536	22,957
2013	11,344	6.7%	15	82	2,466	22,686
2012	11,397	7.7%	15	81	2,255	22,422
2011	11,306	9.0%	3	80	2,275	22,226
2010	11,367	9.8%	14	84	2,536	22,330

**Long-term Financial Planning**

Unassigned fund balance in the General Fund is \$ 2,491,569 to provide cash flow throughout the year and as a buffer against unforeseen events.

The Enterprise Fund executed 2 loan agreements with Georgia Environmental Finance Authority (GEFA). A Drinking Water State Revolving Fund (DWSRF) loan in a principal amount of up to \$1,000,000 for the purpose of making improvements to the water system and a Clean Water State Revolving Fund (CWSRF) loan in a principal amount of up to \$445,500 for the purpose of updating the city's wastewater treatment plant. A Capital Improvement Plan has been set up that consists of the water and sewer tap revenue to cover improvements made to the water and sewer infrastructure.

On November 4, 2014 Dawson County citizens approved the continuation of the Special Purpose Local Option Sales Tax (SPLOST). SPLOST VI collections began in July 2015 and will 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, acquisition and development of a park, water and sewer projects, a farmer's market and public works equipment.

SPLOST V proceeds were received from Dawson County in June 2016 after County level one projects were completed.

## **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, through the DDA, purchased a 14.2-acre tract of property behind City Hall to create Main Street Park. Plans are being designed for the Main Street Park and for the downtown Dawsonville downtown revitalization project.

## **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, 2015. This was the second year that the City of Dawsonville government achieved this prestigious award. 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,



Bonnie Warne  
City Clerk



CITY OF DAWSONVILLE, GEORGIA  
OFFICIALS AND ADMINISTRATION  
as of June 30, 2016

ELECTED OFFICIALS

Mayor.....W. James Grogan  
Mayor Pro-Tem.....Angie Smith  
  
Council Member.....Caleb Phillips  
Council Member.....Jason Power  
Council Member.....Angie Smith  
Council Member.....Mike Sosebee

APPOINTED OFFICIALS

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

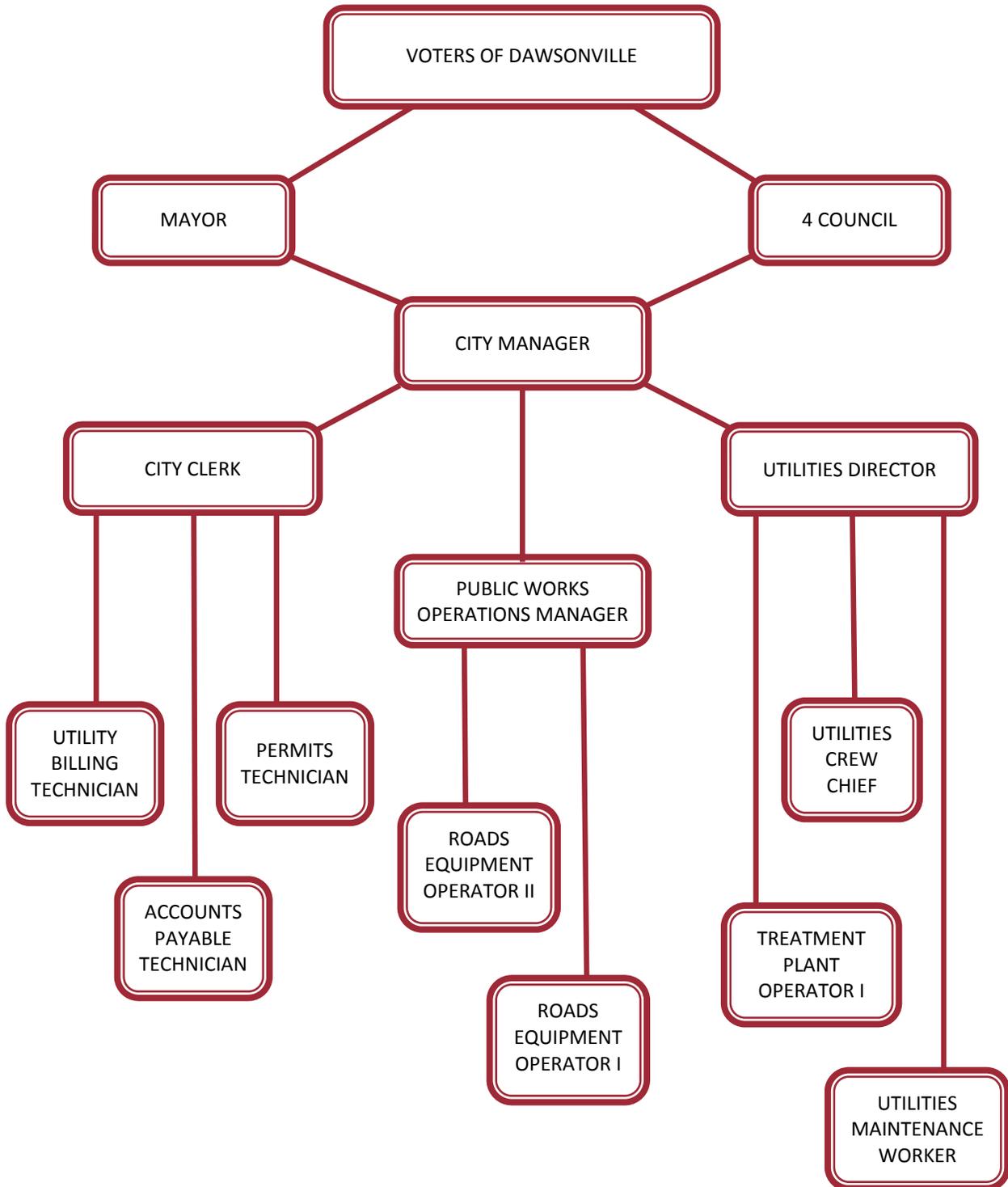
ADMINISTRATION

City Manager.....David Headley  
Utilities Director.....Gary Barr



# CITY OF DAWSONVILLE, GEORGIA ORGANIZATION CHART

## 2016 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, 2015**

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, 2016, 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, 2016, 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 44 through 47 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 5, 2016 on our consideration of the City of Dawsonville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dawsonville, Georgia's internal control over financial reporting and compliance.



Alexander, Almand & Bangs, LLP  
Gainesville, Georgia  
December 5, 2016

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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, 2016 and 2015. 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, 2016 by \$ 14,441,910 (net position).
- The City's net position increased by \$ 1,767,827 for the year ending June 30, 2016 from the prior year. Of this amount, an increase of \$ 1,426,026 was associated with governmental activities and an increase of \$ 341,801 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 \$ 360,720 or 4% for the year ending June 30, 2016.

### Overview of the Financial Statements

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

#### Government-wide financial statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Dawsonville include general government, public safety, highways and streets and other charges. The major business-type activity of the City includes the water, 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 four governmental funds – the general fund, a capital projects fund, DDA special revenue fund, and a hotel-motel tax special revenue fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The general fund 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, 2016 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, 2016, the City's assets exceeded liabilities by \$ 14,441,910. 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.

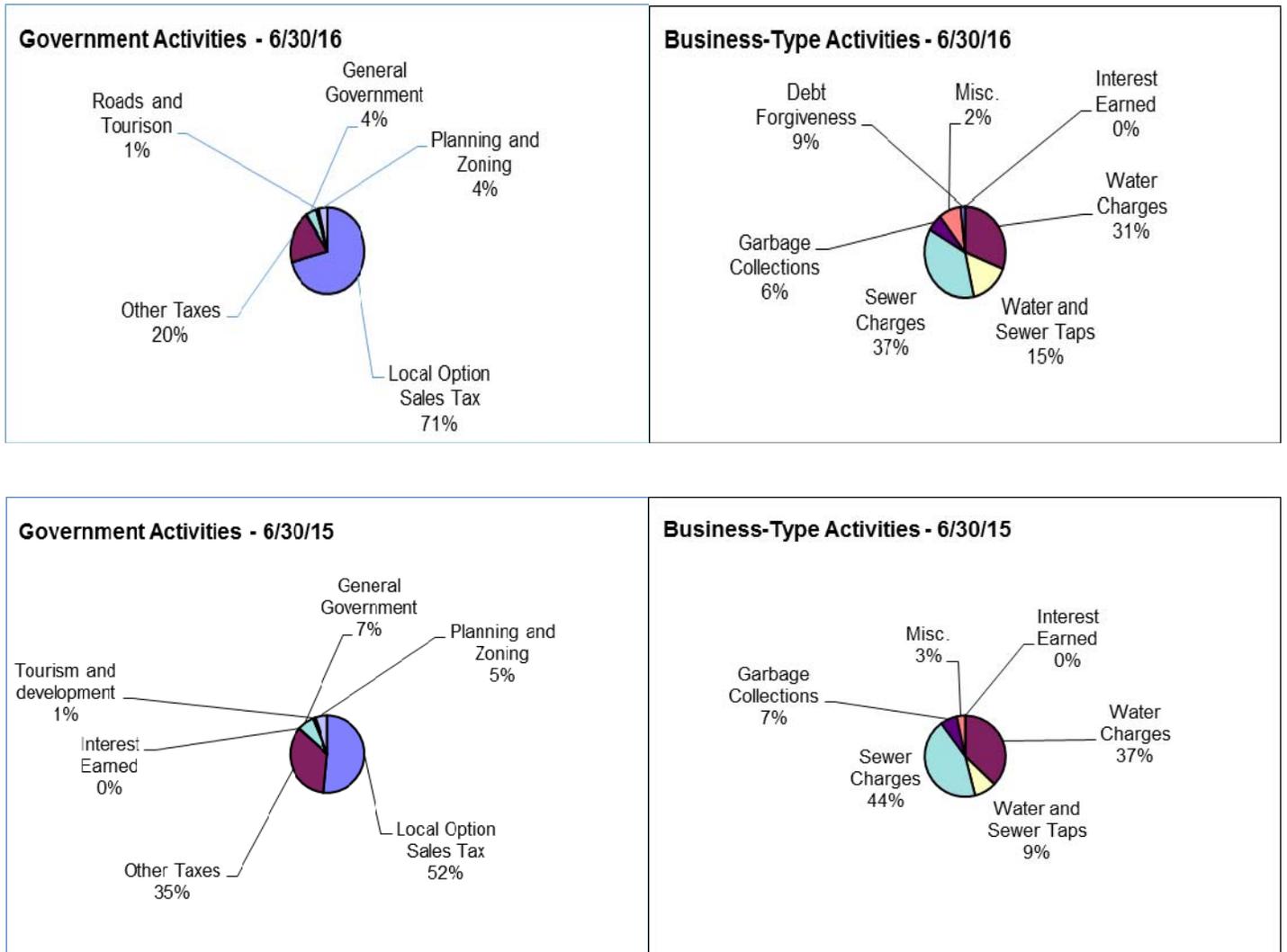
### City of Dawsonville's Net Position

	<u>Total</u> <u>6/30/2016</u>	<u>Total</u> <u>6/30/2015</u>	<u>Gov't</u> <u>Activities</u> <u>06/30/16</u>	<u>Gov't</u> <u>Activities</u> <u>06/30/15</u>	<u>Business</u> <u>Type</u> <u>Activities</u> <u>06/30/16</u>	<u>Business</u> <u>Type</u> <u>Activities</u> <u>06/30/15</u>
Current assets	\$ 6,260,664	\$ 4,684,436	\$ 3,757,489	\$ 2,501,141	\$ 2,503,175	\$ 2,183,295
Capital assets	<u>14,960,768</u>	<u>14,575,441</u>	<u>4,608,230</u>	<u>4,506,510</u>	<u>10,352,538</u>	<u>10,068,931</u>
Total assets	<u>21,221,432</u>	<u>19,259,877</u>	<u>8,365,719</u>	<u>7,007,651</u>	<u>12,855,713</u>	<u>12,252,226</u>
Deferred outflows of resources	<u>26,807</u>	<u>9,452</u>	<u>13,404</u>	<u>4,726</u>	<u>13,403</u>	<u>4,726</u>
Long-term liabilities	6,069,552	6,050,772	1,618,210	1,764,202	4,451,342	4,286,570
Other current liabilities	<u>717,645</u>	<u>629,230</u>	<u>297,779</u>	<u>216,011</u>	<u>419,866</u>	<u>413,219</u>
Total liabilities	<u>6,787,197</u>	<u>6,680,002</u>	<u>1,915,989</u>	<u>1,980,213</u>	<u>4,871,208</u>	<u>4,699,789</u>
Deferred inflows of resources	<u>19,132</u>	<u>9,244</u>	<u>9,566</u>	<u>4,622</u>	<u>9,566</u>	<u>4,622</u>
Net position:						
Net investment in capital assets	8,630,020	8,269,300	2,886,908	2,641,366	5,743,112	5,627,934
Restricted for cemetery	204,696	205,421	204,696	205,421	-	-
Restricted for tourism	427	334	427	334	-	-
Restricted for capital projects	882,071	10,784	882,071	10,784	-	-
Restricted for DDA	14,465	16,631	14,465	16,631	-	-
Unrestricted	<u>4,710,231</u>	<u>4,077,613</u>	<u>2,465,001</u>	<u>2,153,006</u>	<u>2,245,230</u>	<u>1,924,607</u>
Total net position	<u>\$ 14,441,910</u>	<u>\$ 12,580,083</u>	<u>\$ 6,453,568</u>	<u>\$ 5,027,542</u>	<u>\$ 7,988,342</u>	<u>\$ 7,552,541</u>

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

	<u>Total</u> <u>6/30/2016</u>	<u>Total</u> <u>6/30/2015</u>	<u>Gov't</u> <u>Activities</u> <u>06/30/16</u>	<u>Gov't</u> <u>Activities</u> <u>06/30/15</u>	<u>Business</u> <u>Type</u> <u>Activities</u> <u>06/30/16</u>	<u>Business</u> <u>Type</u> <u>Activities</u> <u>06/30/15</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,537,785	\$ 1,472,366	\$ 222,228	\$ 186,395	\$ 1,315,557	\$ 1,285,971
Operating grants & contributions	14,300	17,420	14,300	17,420	-	-
Capital grants & contributions	442,873	125,000	17,333	-	425,540	125,000
General revenues:						
Taxes	2,462,221	1,325,185	2,462,221	1,325,185	-	-
Gain (loss) on sale of assets	-	-	-	-	-	-
Interest	10,351	6,081	7,000	3,182	3,351	2,899
<b>Total Revenues</b>	<u>4,467,530</u>	<u>2,946,052</u>	<u>2,723,082</u>	<u>1,532,182</u>	<u>1,744,448</u>	<u>1,413,870</u>
Expenses:						
General government	740,287	688,376	740,287	688,376	-	-
Public safety	235	-	235	-	-	-
Public works	341,970	341,626	341,970	341,626	-	-
Culture/recreation	4,454	863	4,454	863	-	-
Planning and zoning	81,709	100,322	81,709	100,322	-	-
Housing and development	60,466	19,637	60,466	19,637	-	-
Interest on long-term debt	182,693	170,551	43,330	47,996	139,363	122,555
Water and sewer	1,287,889	1,229,210	-	-	1,287,889	1,229,210
<b>Total Expense</b>	<u>2,699,703</u>	<u>2,550,585</u>	<u>1,272,451</u>	<u>1,198,820</u>	<u>1,427,252</u>	<u>1,351,765</u>
Increase in net position before transfers	1,767,827	395,467	1,450,631	333,362	317,196	62,105
Transfers	-	-	(24,605)	-	24,605	-
Change in net position	1,767,827	395,467	1,426,026	333,362	341,801	62,105
Net position - beginning of year	12,580,083	12,184,616	5,027,542	4,694,180	7,552,541	7,490,436
Prior period adjustment	94,000	-	-	-	94,000	-
<b>Net position - ending of year</b>	<u>\$ 14,441,910</u>	<u>12,580,083</u>	<u>\$ 6,453,568</u>	<u>\$ 5,027,542</u>	<u>\$ 7,988,342</u>	<u>\$ 7,552,541</u>

**Revenues by Source:**



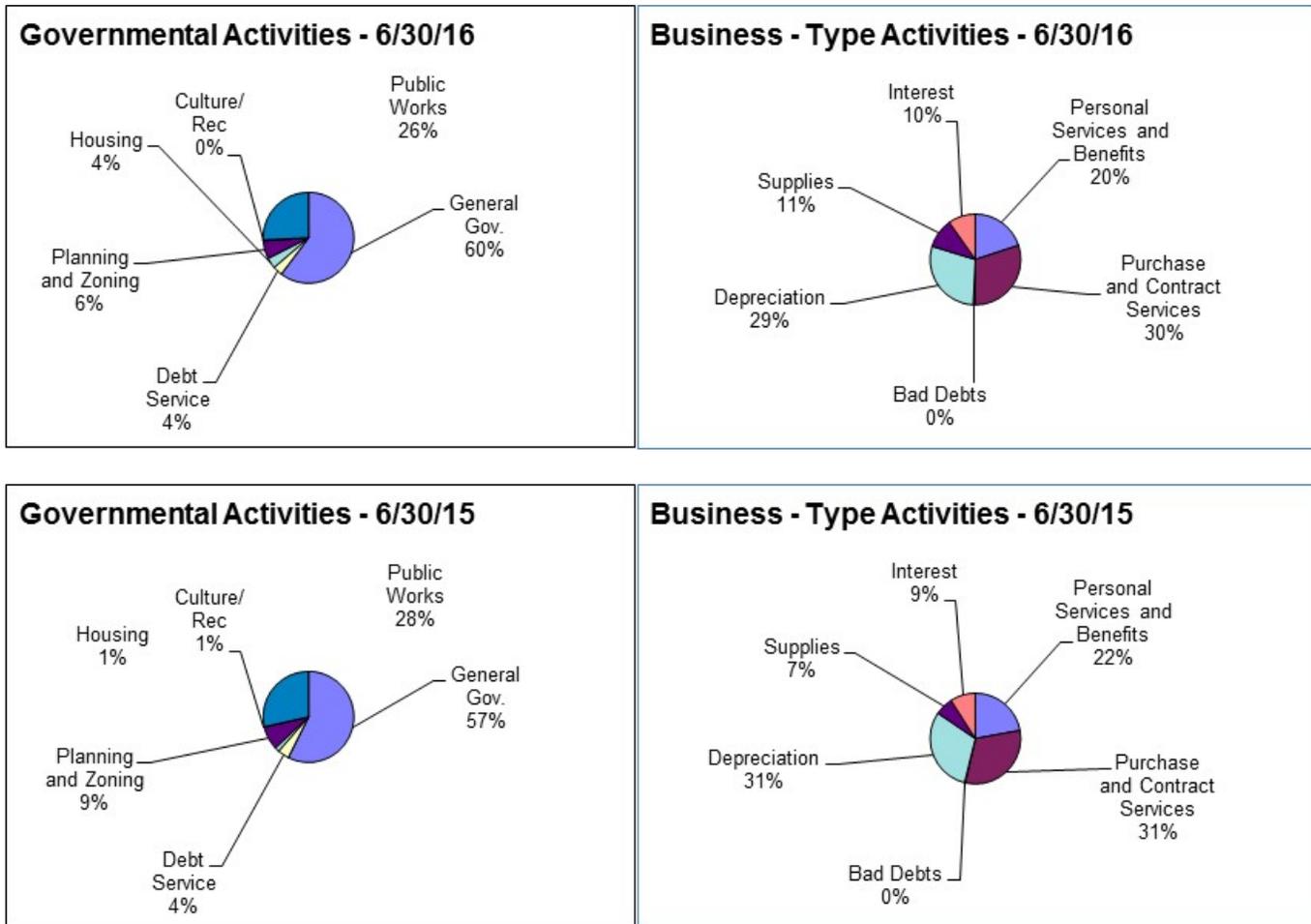
For fiscal year 2016, total revenues for governmental activities increased 77.7% compared to fiscal year 2015 due to proceeds received for SPLOST. For fiscal year 2016, total revenue increased 23.4% for business-type activities compared to fiscal year 2015 due to increase of tap fees and forgiveness of debt.

**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, 2016. Fiscal management and expenditure control helped keep the budget in balance.

General Fund revenues of \$ 1,517,641 were more than budgeted revenues of \$ 1,416,000 for the year ended June 30, 2016. General Fund expenditures were less than budgeted. With total appropriations of \$ 1,472,958, the City actually spent \$ 1,329,009 or \$ 143,949 less than budgeted, for the year ended June 30, 2016.

**Expenditures by Function:**



For fiscal year 2016, total expenditures for governmental activities increased 6.1% compared to fiscal year 2015 due to new positions that were added. For fiscal year 2016, total expenditures increased 5.6% for business-type activities compared to fiscal year 2015 due to additional expenses for supplies and new positions that were added.

**ECONOMIC FACTORS**

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

**CAPITAL ASSETS**

As of June 30, 2016 and 2015 the City had \$ 21,634,685 and \$ 20,673,487 invested in a variety of capital assets, as in the schedule below. Adjustments for depreciation are \$ 575,872 and \$ 576,392 for the years ending June 30, 2016 and 2015. Adjustments for accumulated depreciation are \$ 6,673,918 and \$ 6,098,046 for the years ending June 30, 2016 and 2015. Further detail on capital assets is provided in the notes to the financial statements, note 2D.

**Capital Assets at Year-end**

	<b>Total</b>	<b>Total</b>	<b>Govt'l</b>	<b>Govt'l</b>	<b>Business</b>	<b>Business</b>
	<b>6/30/2016</b>	<b>6/30/2015</b>	<b>Activities</b>	<b>Activities</b>	<b>Type</b>	<b>Type</b>
	<b>6/30/2016</b>	<b>6/30/2015</b>	<b>6/30/2016</b>	<b>6/30/2015</b>	<b>Activities</b>	<b>Activities</b>
	<b>6/30/2016</b>	<b>6/30/2015</b>	<b>6/30/2016</b>	<b>6/30/2015</b>	<b>6/30/2016</b>	<b>6/30/2015</b>
Land	\$ 4,007,725	\$ 3,913,724	\$ 980,538	\$ 980,537	\$ 3,027,187	\$ 2,933,187
Artifacts	49,751	49,751	49,751	49,751	-	-
Construction in progress	555,015	106,036	98,023	-	456,992	106,036
Buildings	3,620,581	3,537,289	3,390,116	3,306,824	230,465	230,465
Improvements	34,365	34,365	34,365	34,365	-	-
Vehicles	184,205	131,655	139,785	110,171	44,420	21,484
Equipment	542,425	510,291	261,053	240,273	281,372	270,018
Infrastructure	1,803,032	1,770,359	1,803,032	1,770,359	-	-
Water and Sewer System	9,919,271	9,701,701	-	-	9,919,271	9,701,701
Sewer Treatment Plant	918,316	918,316	-	-	918,316	918,316
<b>Total</b>	<b>\$ 21,634,686</b>	<b>\$ 20,673,487</b>	<b>\$ 6,756,663</b>	<b>\$ 6,492,280</b>	<b>14,878,023</b>	<b>14,181,207</b>

**The following reconciliation summarizes the change in Capital Assets:**

	<b>Total</b>	<b>Total</b>	<b>Govt'l</b>	<b>Govt'l</b>	<b>Business</b>	<b>Business</b>
	<b>6/30/2016</b>	<b>6/30/2015</b>	<b>Activities</b>	<b>Activities</b>	<b>Type</b>	<b>Type</b>
	<b>6/30/2016</b>	<b>6/30/2015</b>	<b>6/30/2016</b>	<b>6/30/2015</b>	<b>Activities</b>	<b>Activities</b>
	<b>6/30/2016</b>	<b>6/30/2015</b>	<b>6/30/2016</b>	<b>6/30/2015</b>	<b>6/30/2016</b>	<b>6/30/2015</b>
Beginning Balance:	\$ 20,673,487	\$ 20,012,114	\$ 6,492,280	\$ 5,895,111	\$ 14,181,207	\$ 14,117,003
Additions:						
Land	94,000	569,735	-	569,735	94,000	-
Construction in Progress	456,539	37,422	98,023	-	358,516	37,422
Buildings	83,292	-	83,292	-	-	-
Vehicles	52,550	-	29,614	-	22,936	-
Equipment	32,136	64,968	20,781	17,861	11,355	47,107
Infrastructure	32,673	15,298	32,673	15,298	-	-
Water and Sewer System	-	-	-	-	-	-
Dispositions:						
Construction in Progress	(7,560)	-	-	-	(7,560)	-
Equipment	-	(26,050)	-	(5,725)	-	(20,325)
Infrastructure	-	-	-	-	-	-
Water and Sewer System	217,569	-	-	-	217,569	-
<b>Total</b>	<b>\$ 21,634,686</b>	<b>\$ 20,673,487</b>	<b>\$ 6,756,663</b>	<b>\$ 6,492,280</b>	<b>\$ 14,878,023</b>	<b>\$ 14,181,207</b>

## **LONG-TERM DEBT**

As of June 30, 2016, the City was liable for long-term capital lease obligations totaling \$ 1,721,322 and for revenue bond debt and a revolving fund loan totaling \$ 4,609,426. As of June 30, 2015, the City was liable for long-term capital lease obligations totaling \$ 1,865,144 for revenue bond debt totaling \$ 4,450,000. This is a debt increase of \$ 15,604 from prior year. Further detail on long-term debt is provided in the notes to the financial statements, note 2H.

## **REQUEST FOR FINANCIAL INFORMATION**

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

**FINANCIAL SECTION**  
**Basic Financial Statements**

CITY OF DAWSONVILLE, GEORGIA  
STATEMENT OF NET POSITION  
June 30, 2016

	Primary Government - 2016		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 2,485,330	\$ 2,295,735	\$ 4,781,065
Restricted assets:			
Cash and cash equivalents	1,080,326	99,182	1,179,508
Accounts receivable	157,621	99,883	257,504
Prepaid items	27,366	15,221	42,587
Due to (from) other funds	6,846	(6,846)	-
Total current assets	<u>3,757,489</u>	<u>2,503,175</u>	<u>6,260,664</u>
Non-current assets			
Capital assets (net of accumulated depreciation)			
Land	980,538	3,027,187	4,007,725
Construction in progress	98,023	456,992	555,015
Artifacts	49,751	-	49,751
Depreciable, capital assets net	<u>3,479,918</u>	<u>6,868,359</u>	<u>10,348,277</u>
Total non-current assets	<u>4,608,230</u>	<u>10,352,538</u>	<u>14,960,768</u>
<b>TOTAL ASSETS</b>	<b>8,365,719</b>	<b>12,855,713</b>	<b>21,221,432</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Retirement contributions	<u>13,404</u>	<u>13,403</u>	<u>26,807</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ 8,379,123</u></b>	<b><u>\$ 12,869,116</u></b>	<b><u>\$ 21,248,239</u></b>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA  
STATEMENT OF NET POSITION  
June 30, 2016

	Primary Government - 2016		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	\$ 136,895	\$ 105,518	\$ 242,413
Current portion, capital lease debt	150,436	-	150,436
Current portion, notes payable	-	205,000	205,000
Current portion, compensated absences	10,448	9,229	19,677
Customer deposits payable from restricted assets	-	100,119	100,119
Total current liabilities	<u>297,779</u>	<u>419,866</u>	<u>717,645</u>
Long-term liabilities:			
Long-term debt, capital lease	1,570,886	-	1,570,886
Long-term debt, notes payable	-	4,404,426	4,404,426
Long-term portion, compensated absences	3,483	3,076	6,559
Net pension liability	43,841	43,840	87,681
Total long-term liabilities	<u>1,618,210</u>	<u>4,451,342</u>	<u>6,069,552</u>
Total liabilities	<u>1,915,989</u>	<u>4,871,208</u>	<u>6,787,197</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Retirement adjustments	<u>9,566</u>	<u>9,566</u>	<u>19,132</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,886,908	5,743,112	8,630,020
Restricted for cemetery	204,696	-	204,696
Restricted for tourism, housing and development	14,892	-	14,892
Restricted for capital projects	882,071	-	882,071
Unrestricted	2,465,001	2,245,230	4,710,231
Total net position	<u>6,453,568</u>	<u>7,988,342</u>	<u>14,441,910</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u><u>\$ 8,379,123</u></u>	<u><u>\$ 12,869,116</u></u>	<u><u>\$ 21,248,239</u></u>

CITY OF DAWSONVILLE, GEORGIA  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2016

	Program Revenues		
	Expenses	Charges For Services	Operating Grants and Contributions
<b>PRIMARY GOVERNMENT</b>			
Governmental Activities			
General government	\$ 740,287	\$ 120,923	\$ 500
Public safety	235	50	-
Public works	341,970	-	-
Culture/recreation	4,454	-	-
Planning and zoning	81,709	101,255	-
Housing and business development	60,466	-	13,800
Interest on long term debt	43,330	-	-
	<u>1,272,451</u>	<u>222,228</u>	<u>14,300</u>
Total Government Activities			
Business-Type Activities			
Water, sewer and garbage	<u>1,427,252</u>	<u>1,315,557</u>	<u>-</u>
Total Business-Type Activities			
	<u>1,427,252</u>	<u>1,315,557</u>	<u>-</u>
Total-Primary Government			
	<u><u>\$ 2,699,703</u></u>	<u><u>\$ 1,537,785</u></u>	<u><u>\$ 14,300</u></u>

GENERAL REVENUES:

Taxes: Sales

Alcoholic Beverage

Franchise

Other

Interest earned

TRANSFERS:

Total general revenues and transfers

Change in net position

NET POSITION - beginning of year, as restated

NET POSITION - end of year

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2016

Capital Grants and Contributions	Net (Expense) Revenue and Changes In Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
\$ -	\$ (618,864)	\$ -	\$ (618,864)
-	(185)	-	(185)
17,333	(324,637)	-	(324,637)
-	(4,454)	-	(4,454)
-	19,546	-	19,546
-	(46,666)	-	(46,666)
-	(43,330)	-	(43,330)
<u>17,333</u>	<u>(1,018,590)</u>	<u>-</u>	<u>(1,018,590)</u>
<u>425,540</u>	<u>-</u>	<u>313,845</u>	<u>313,845</u>
<u>425,540</u>	<u>-</u>	<u>313,845</u>	<u>313,845</u>
<u>\$ 442,873</u>	<u>(1,018,590)</u>	<u>313,845</u>	<u>(704,745)</u>
	1,930,809	-	1,930,809
	87,132	-	87,132
	182,404	-	182,404
	261,876	-	261,876
	7,000	3,351	10,351
	(24,605)	24,605	-
	<u>2,444,616</u>	<u>27,956</u>	<u>2,472,572</u>
	1,426,026	341,801	1,767,827
	<u>5,027,542</u>	<u>7,646,541</u>	<u>12,674,083</u>
	<u>\$ 6,453,568</u>	<u>\$ 7,988,342</u>	<u>\$ 14,441,910</u>

CITY OF DAWSONVILLE, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2016

	General	SPLOST	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,485,330	\$ -	\$ -	\$ 2,485,330
Restricted assets:				
Cash and cash equivalents	-	842,467	237,859	1,080,326
Receivables (net):				
Taxes receivable	69,980	87,423	218	157,621
Prepaid items	27,366	-	-	27,366
Due from other funds	35,327	-	1,094	36,421
<b>TOTAL ASSETS</b>	<b><u>\$ 2,618,003</u></b>	<b><u>\$ 929,890</u></b>	<b><u>\$ 239,171</u></b>	<b><u>\$ 3,787,064</u></b>
<b>LIABILITIES</b>				
Accounts payable	78,891	38,036	885	117,812
Salaries payable	11,378	-	-	11,378
Interest payable	2,705	-	-	2,705
Deposits payable	5,000	-	-	5,000
Due to other funds	1,094	9,783	18,698	29,575
<b>Total liabilities</b>	<b><u>99,068</u></b>	<b><u>47,819</u></b>	<b><u>19,583</u></b>	<b><u>166,470</u></b>
<b>FUND BALANCE</b>				
Non-spendable:				
Prepaid items	27,366	-	-	27,366
Restricted:				
Permanent funds	-	-	204,696	204,696
Special revenue funds	-	-	14,892	14,892
Capital outlay	-	882,071	-	882,071
Unassigned:	2,491,569	-	-	2,491,569
<b>Total Fund Balances</b>	<b><u>2,518,935</u></b>	<b><u>882,071</u></b>	<b><u>219,588</u></b>	<b><u>3,620,594</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 2,618,003</u></b>	<b><u>\$ 929,890</u></b>	<b><u>\$ 239,171</u></b>	<b><u>\$ 3,787,064</u></b>

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, 2016

	2016	
TOTAL GOVERNMENTAL FUND BALANCES		\$ 3,620,594
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost	\$ 6,756,664	
Accumulated depreciation	<u>(2,148,434)</u>	
Total capital assets, net depreciation		4,608,230
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds .		
Net pension liability	(43,841)	
Long-term debt	(1,721,322)	
Compensated absences payable	<u>(13,931)</u>	
Total liabilities		(1,779,094)
Retirement adjustments due to implementation of GASB # 68		
Deferred outflows of resources	13,404	
Deferred inflows of resources	<u>(9,566)</u>	
		3,838
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 6,453,568</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, 2016

	<u>General</u>	<u>SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 1,284,945	\$ 1,174,168	\$ 3,108	\$ 2,462,221
Charges for services	55,574	-	13,620	69,194
Intergovernmental	17,833	-	-	17,833
Licenses and permits	87,955	-	-	87,955
Contributions and donations	-	-	13,800	13,800
Interest earned	6,254	494	252	7,000
Rental income	65,080	-	-	65,080
	<u>1,517,641</u>	<u>1,174,662</u>	<u>30,780</u>	<u>2,723,083</u>
Total Revenues				
<b>EXPENDITURES</b>				
Current operating:				
General government	689,860	-	-	689,860
Public safety	21,491	-	-	21,491
Public works	332,343	-	14,597	346,940
Culture/recreation	4,454	-	-	4,454
Planning and zoning	81,709	-	-	81,709
Housing and business development	12,000	-	51,481	63,481
Capital outlay	-	122,850	-	122,850
Debt service:	187,152	-	-	187,152
	<u>1,329,009</u>	<u>122,850</u>	<u>66,078</u>	<u>1,517,937</u>
Total Expenditures				
EXCESS REVENUES (EXPENDITURES)	188,632	1,051,812	(35,298)	1,205,146
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	123,420	(180,525)	32,500	(24,605)
NET CHANGE IN FUND BALANCES	312,052	871,287	(2,798)	1,180,541
FUND BALANCES - beginning of year	<u>2,206,883</u>	<u>10,784</u>	<u>222,386</u>	<u>2,440,053</u>
FUND BALANCES - end of year	<u>\$ 2,518,935</u>	<u>\$ 882,071</u>	<u>\$ 219,588</u>	<u>\$ 3,620,594</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, 2016

		2016
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ 1,180,541
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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.</p>		
Depreciation expense	\$ (162,663)	
Capital outlay reported in general government function	264,383	101,720
Governmental funds include the cost of principal debt reduction as an expenditure which is not included in the statement of activities.		143,822
<p>Governmental funds do not include the expense of compensated absences liabilities, which are reflected in the Statement of Net Position.</p>		
Current year liability - compensated absences	(13,931)	
Prior year liability - compensated absences	11,963	(1,968)
Retirement adjustment due to GASB # 68		1,911
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 1,426,026

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 1,286,850	\$ 1,286,850	\$ 1,284,945	\$ (1,905)
Charges for services	6,900	6,900	55,574	48,674
Licenses and permits	53,250	53,250	87,955	34,705
Intergovernmental revenues	17,000	17,000	17,833	833
Interest earned	2,000	2,000	6,254	4,254
Rental income	50,000	50,000	65,080	15,080
	<u>1,416,000</u>	<u>1,416,000</u>	<u>1,517,641</u>	<u>101,641</u>
<b>EXPENDITURES</b>				
Current operating:				
General government	687,550	785,548	689,860	95,688
Public safety	-	25,000	21,491	3,509
Public works	339,050	339,010	332,343	6,667
Culture/recreation	6,000	6,000	4,454	1,546
Planning and zoning	115,400	115,400	81,709	33,691
Housing and development	12,000	12,000	12,000	-
Debt service:	190,000	190,000	187,152	2,848
	<u>1,350,000</u>	<u>1,472,958</u>	<u>1,329,009</u>	<u>143,949</u>
<b>TOTAL REVENUES OVER EXPENDITURES</b>	<u>66,000</u>	<u>(56,958)</u>	<u>188,632</u>	<u>245,590</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Contingency	-	122,958	-	(122,958)
Transfers in (out)	(66,000)	(66,000)	123,420	189,420
	<u>(66,000)</u>	<u>56,958</u>	<u>123,420</u>	<u>66,462</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(66,000)</u>	<u>56,958</u>	<u>123,420</u>	<u>66,462</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	312,052	<u>\$ 312,052</u>
FUND BALANCES - beginning of year			<u>2,206,883</u>	
FUND BALANCES - end of year			<u>\$ 2,518,935</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, 2016

	Total Water Sewer & Garbage Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,295,735
Receivables (net of allowance for uncollectible):	
Accounts	99,883
Prepaid expense	15,221
Restricted assets:	
Cash and cash equivalents	99,182
Total current assets	2,510,021
Non-current assets:	
Capital assets:	
Nondepreciable capital assets	3,484,179
Depreciable capital assets, net	6,868,359
Total non-current assets	10,352,538
TOTAL ASSETS	12,862,559
DEFERRED OUTFLOWS OF RESOURCES	
Retirement contributions	13,403
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 12,875,962

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA  
STATEMENT OF NET POSITION  
WATER, SEWER AND GARBAGE  
PROPRIETARY FUND  
June 30, 2016

	Total Water Sewer & Garbage Fund
	Fund
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 48,480
Accrued expenses	8,800
Accrued interest payable	48,238
Current portion of long-term debt	205,000
Current portion, compensated absences	9,229
Due to general fund	6,846
Customer deposits - payable from restricted assets	100,119
Total current liabilities	426,712
Long-term liabilities:	
Long-term portion, compensated absences	3,076
Long-term debt (net of current portion)	4,404,426
Net pension liability	43,840
Total long-term liabilities	4,451,342
<b>TOTAL LIABILITIES</b>	<b>4,878,054</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Retirement adjustments	9,566
<b>NET POSITION</b>	
Net investment in capital assets	5,743,112
Unrestricted	2,245,230
<b>TOTAL NET POSITION</b>	<b>7,988,342</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 12,875,962</b>

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, 2016

	Total Water Sewer & Garbage Fund
<b>OPERATING REVENUES</b>	
Charges for services	\$ 1,284,382
Miscellaneous	31,175
	1,315,557
Total operating revenues	1,315,557
<b>OPERATING EXPENSES</b>	
Personnel services and benefits	284,520
Purchased and contractual services	433,358
Bad debts	6,874
Supplies	149,928
Depreciation	413,209
	1,287,889
Total operating expenses	1,287,889
<b>OPERATING INCOME (LOSS)</b>	<b>27,668</b>
<b>NON-OPERATING INCOME (LOSS)</b>	
Forgiveness of debt	154,040
Interest and other fiscal charges	(139,363)
Interest earned	3,351
	3,351
Total non-operating income (loss)	18,028
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>45,696</b>
Transfers In (Out)	24,605
Capital contributions - tap fees and other	271,500
	296,105
Total transfers in (out) and capital contributions	296,105
<b>CHANGE IN NET POSITION</b>	<b>341,801</b>
<b>NET POSITION - beginning of year, as restated</b>	<b>7,646,541</b>
<b>NET POSITION - end of year</b>	<b>\$ 7,988,342</b>

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, 2016

	<u>Total Water Sewer &amp; Garbage Fund</u>
Cash flows from operating activities:	
Cash receipts from customers	\$ 1,297,112
Cash receipts from other operating sources	31,175
Cash payments for goods and services	(598,163)
Cash payments to employees for services and benefits	<u>(282,840)</u>
Net cash provided (used in) by operating activities	<u>447,285</u>
Cash flows from non-capital financing activities:	
Receipts from other funds	<u>24,605</u>
Net cash provided (used in) by non-capital financing activities	<u>24,605</u>
Cash flows from capital and related financing activities:	
Proceeds from tap fees	271,500
Acquisition, construction and disposal of capital assets, net	(602,816)
Proceeds from debt	513,466
Principal paid on debt	(200,000)
Interest paid on debt	<u>(130,363)</u>
Net cash provided by capital and related financing activities	<u>(148,213)</u>
Cash Flows from investing activities:	
Interest received	<u>3,351</u>
Net cash provided by investing activities	<u>3,351</u>
Net increase (decrease) in cash and cash equivalents	327,028
Cash and equivalents - beginning of year	<u>2,067,889</u>
Cash and equivalents - end of year	<u><u>\$ 2,394,917</u></u>
 SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:	
Foregiveness of debt	\$ 154,040
Land received in exchange for tap fee rebates in prior years	<u>94,000</u>
Total non-cash investing and financing activities	<u><u>\$ 248,040</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, 2016

	<u>Total Water Sewer &amp; Garbage Fund</u>
Reconciliation of operating gain (loss) to net cash provided by (used in) operating activities:	
Operating income	\$ 27,668
Adjustments	
Depreciation	413,209
(Increase) decrease in assets and deferred outflows of resources	
Accounts receivable	13,123
Prepaid expense	(12,821)
Deferred outflows	(8,677)
Increase (decrease) in liabilities and deferred inflows of resources	
Accounts payable	(2,669)
Customer deposits	4,656
Accrued expenses	3,599
Accrued interest payable	(2,500)
Compensated absences payable	(1,919)
Due to other funds	6,846
Deferred inflows	4,944
Net pension liability	1,823
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	<u>\$ 447,282</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents	\$ 2,295,735
Cash and cash equivalents - restricted	<u>99,182</u>
Total cash and cash equivalents	<u>\$ 2,394,917</u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Narrative Profile**

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

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

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

**B. Financial Reporting Entity**

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

**Blended Component Unit:**

**Dawsonville Downtown Development Authority**

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

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

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

CITY OF DAWSONVILLE, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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

**C. Basic Financial Statements-GASB Statement No. 34**

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

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

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

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

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

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

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

CITY OF DAWSONVILLE, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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

**D. Basis of Presentation**

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

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

**1. Major Funds**

**Governmental Fund:**

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

**Capital Projects Fund:**

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

**Proprietary Funds:**

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

**2. Other Governmental Funds**

**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 FINANCIAL STATEMENTS  
June 30, 2016

**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, 2015 to June 30, 2016.
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 FINANCIAL STATEMENTS  
June 30, 2016

**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, 2016, 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 FINANCIAL STATEMENTS  
 June 30, 2016

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

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

**6. Capital Assets (cont'd)**

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

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

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

**7. Compensated Absences**

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

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

**8. Accrued Liabilities and Long-term Obligations**

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

CITY OF DAWSONVILLE, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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

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

**9. Fund Equity**

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

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

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

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

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

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

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

CITY OF DAWSONVILLE, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**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, 2016 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	\$ 27,366	\$ -	\$ -	\$ 27,366
Restricted:				
Hotel/motel	-	-	427	427
DDA	-	-	14,465	14,465
Cemetery	-	-	204,696	204,696
Capital projects	-	882,071	-	882,071
Unassigned:	<u>2,491,569</u>	<u>-</u>	<u>-</u>	<u>2,491,569</u>
Total fund balance	<u>\$ 2,518,935</u>	<u>\$ 882,071</u>	<u>\$ 219,588</u>	<u>\$ 3,620,594</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 FINANCIAL STATEMENTS  
June 30, 2016

**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 AA+ rated investment pool by Standard & Poor’s. The weighted average maturity at June 30, 2016 was 42 days. Yield is an actual/365 day basis, net of administrative fees. The City’s balance in Georgia Fund 1 at June 30, 2016 was \$ 2,230,692.

**Custodial Credit Risk – Deposits:**

The City maintains a formal adopted deposit, investment and custodial credit risk policy and all deposits at June 30, 2016 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 FINANCIAL STATEMENTS  
June 30, 2016

**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:

	6/30/2016
Capital projects fund:	
SPLOST projects	\$ 842,467
Special Revenue fund:	
DDA	33,163
Permanent fund:	
Maintenance and care for the cemetery	204,696
Proprietary fund:	
Customer deposits	99,182
Total restricted cash, cash equivalents and certificates of deposit	\$ 1,179,508

**B. Receivables**

Receivables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances for uncollectible accounts netted with accounts receivable were \$ - 0 - as of June 30, 2016.

Receivables at June 30, 2016 consist of the following:

	General Fund	Capital Projects Funds	Hotel Fund	Proprietary Water, Sewer & Garbage Fund	Total
Receivables					
Water, sewer and garbage bills	\$ -	\$ -	\$ -	\$ 99,883	\$ 99,883
Taxes receivable	69,980	87,423	218	-	157,621
Gross receivables	\$ 69,980	\$ 87,423	\$ 218	\$ 99,883	\$ 257,504

**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 FINANCIAL STATEMENTS  
June 30, 2016

**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, 2016 are as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 35,327	\$ 1,094
Other governmental and proprietary funds:		
Water & Sewer	-	6,846
SPLOST	-	9,783
DDA	-	18,698
Hotel/Motel Fund	1,094	-
Total	\$ 36,421	\$ 36,421

The composition of interfund transfers as of June 30, 2016 are as follows:

Fund	Transfers In	Transfers Out	Totals
General Fund	\$ 155,920	\$ 32,500	\$ 123,420
SPLOST	-	180,525	(180,525)
Water & Sewer	24,605	-	24,605
DDA	32,500	-	32,500
Totals	\$ 213,025	\$ 213,025	\$ -

CITY OF DAWSONVILLE, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 980,538	\$ -	\$ -	\$ 980,538
Construction in progress	-	98,023	-	98,023
Artifacts	49,751	-	-	49,751
<b>Total capital assets not being depreciated</b>	<b>1,030,289</b>	<b>98,023</b>	<b>-</b>	<b>\$ 1,128,312</b>
Depreciable capital assets:				
Buildings	3,306,824	83,292	-	3,390,116
Improvements other than buildings	34,365	-	-	34,365
Vehicles	110,171	29,614	-	139,785
Machinery and equipment	240,272	20,781	-	261,053
Infrastructure	1,770,359	32,673	-	1,803,032
<b>Total depreciable capital assets</b>	<b>5,461,991</b>	<b>166,360</b>	<b>-</b>	<b>5,628,351</b>
Accumulated depreciation:				
Buildings	1,212,159	71,872	-	1,284,031
Improvements other than buildings	26,022	2,195	-	28,217
Vehicles	91,280	6,697	-	97,977
Machinery and equipment	199,135	11,201	-	210,336
Infrastructure	457,174	70,698	-	527,872
<b>Total accumulated depreciation</b>	<b>1,985,770</b>	<b>162,663</b>	<b>-</b>	<b>2,148,433</b>
<b>Total depreciable capital assets - net</b>	<b>3,476,221</b>	<b>3,697</b>	<b>-</b>	<b>3,479,918</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 4,506,510</b>	<b>\$ 101,720</b>	<b>\$ -</b>	<b>\$ 4,608,230</b>

CITY OF DAWSONVILLE, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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

**D. Capital Assets (cont'd)**

	<u>Balance 6/30/2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2016</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 2,933,187	\$ 94,000	\$ -	\$ 3,027,187
Construction in progress	106,036	358,516	7,560	456,992
Total capital assets not being depreciated	<u>3,039,223</u>	<u>452,516</u>	<u>7,560</u>	<u>3,484,179</u>
Other capital assets:				
Buildings	230,465		-	230,465
Machinery and equipment	291,501	34,291	-	325,792
Water and sewer system	9,701,702	217,569	-	9,919,271
Sewer treatment plant	918,316	-	-	918,316
Total other capital assets	<u>11,141,984</u>	<u>251,860</u>	<u>-</u>	<u>11,393,844</u>
Accumulated depreciation				
Buildings	57,334	5,909	-	63,243
Machinery and equipment	245,369	13,289	-	258,658
Water and sewer system	3,420,023	370,321	-	3,790,344
Sewer treatment plant	389,550	23,690	-	413,240
Total accumulated depreciation	<u>4,112,276</u>	<u>413,209</u>	<u>-</u>	<u>4,525,485</u>
Total depreciable capital assets - net	<u>7,029,708</u>	<u>(161,349)</u>	<u>-</u>	<u>6,868,359</u>
Business-type activities capital assets, net	<u>\$ 10,068,931</u>	<u>\$ 291,167</u>	<u>\$ 7,560</u>	<u>\$ 10,352,538</u>
Depreciation expense was charged to function as follows:				
General government		\$ 139,002		
Highways and streets		23,048		
Culture and recreations		613		
Total Governmental activities depreciation expense		<u>\$ 162,663</u>		
Business-type Activities				
Water and sewer		<u>\$ 413,209</u>		

CITY OF DAWSONVILLE, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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

**E. Compensated Absences**

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

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

**F. Risk Management**

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

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

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

**G. Retirement Plan**

**1. Plan Description**

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

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

**2. Funding Policy**

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

CITY OF DAWSONVILLE, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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

**G. Retirement Plan (cont'd)**

**3. Additional Information**

At July 1, 2016, the date of the most recent actuarial valuation there were 22 participants consist of the following:

Benefits for retired participants and beneficiaries	3
Terminated vested participants	7
Nonvested benefits	4
Active vested participants	8
Total number of participants	22

*Actuarial Assumptions:* The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement and a March 31, 2016 measurement date:

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	Projected Unit Credit	
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, 2016 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	45.00%	6.75%
International equity	20.00%	7.45%
Real estate	10.00%	4.55%
Global fixed income	5.00%	3.30%
Domestic fixed income	20.00%	1.75%
Cash	0.00%	
Total	100.00%	

CITY OF DAWSONVILLE, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**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)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balances at March 31, 2015	\$ 440,163	\$ 356,128	\$ 84,035
Changes of the year:			
Service cost	14,001	-	14,001
Interest	33,943	-	33,943
Differences between expected and actual experience	(21,140)	-	(21,140)
Contributions - employer	-	27,612	(27,612)
Contributions - employee	-	-	-
Net investment income	-	1,462	(1,462)
Benefits payments, including refunds of employee contributions	(4,378)	(4,378)	-
Administrative expense	-	(5,916)	5,916
Other	-	-	-
Net changes	<u>22,426</u>	<u>18,780</u>	<u>3,646</u>
Balances at March 31, 2016	<u>\$ 462,589</u>	<u>\$ 374,908</u>	<u>\$ 87,681</u>

**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%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	\$ 142,059	\$ 87,681	\$ 42,172

The required schedules of Changes in the Net Pension Liability and Sensitivity of the Net Pension Liability to Changes in the Discount Rate of the City are based on a measurement date of March 31, 2016 in the July 1, 2016 valuation report of the City of Dawsonville Retirement Plan.

CITY OF DAWSONVILLE, GEORGIA  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2016

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

**G. Retirement Plan (cont'd)**

**3. Additional Information (cont'd)**

**Deferred outflows/inflows of resources related to pensions**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,112	\$ (15,856)
Changes of assumptions	-	(3,276)
City contributions subsequent to measurement date	6,904	-
Net difference between projected and actual earnings on pension plan investments	17,791	-
Total	\$ 26,807	\$ (19,132)

The \$ 6,904 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction to the pension liability in the year ending June 30, 2017. Amounts will be reported as deferred outflows and inflows of resources will be recognized in pension expense as follows:

Year Ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	\$ 11,880	\$ (6,378)
2018	4,976	(6,377)
2019	4,976	(6,377)
2020	4,975	-
Totals	\$ 26,807	\$ (19,132)

**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.

CITY OF DAWSONVILLE, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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

**H. Long-Term Debt (cont'd)**

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

During the current year, the City has borrowed funds from Georgia Environmental Finance Authority (GEFA) for a Drinking Water Revolving Fund Loan. The funds will be used for Water and Sewer projects. The loan is up to \$ 1,000,000 with 30% forgiven by GEFA. As of June 30, 2016, GEFA has forgiven \$ 154,040. The loan was been modified for a later completion date. The City is paying 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 until the first day of calendar month following the earlier of (1) the completion date, (2) May 1, 2019 or (3) the date the loan evidenced is fully disbursed. GEFA requires the City to maintain a 105% debt service coverage.

Changes in debt liability for the year ending June 30, 2016 are as follows:

	Balance 6/30/2015	Issued	Retired	Balance 6/30/2016	Due One Year
Series 2014, Water & Sewer Revenue Bond dated February 1, 2014 with interest currently at 2.0% and not to exceed 3.5% beginning February 1, 2014 and ending February 1, 2033. Original loan \$ 4,675,000.	\$ 4,450,000	\$ -	\$ 200,000	\$ 4,250,000	\$ 205,000
GEFA Drinking Water State Revolving Fund loan dated February 18, 2015 with interest currently at 1.71%. Interest only estimated until May 1, 2019	-	513,466	154,040	359,426	-
<b>Total Debt (Water &amp; Sewer Fund)</b>	<b>\$ 4,450,000</b>	<b>\$ 513,466</b>	<b>\$ 354,040</b>	<b>\$ 4,609,426</b>	<b>\$ 205,000</b>

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

	Principal	Interest	Total
2017	205,000	121,916	326,916
2018	210,000	115,766	325,766
2019	222,516	105,367	327,883
2020	235,248	106,224	341,472
2021	240,511	102,111	342,622
2022-2026	1,281,657	428,423	1,710,080
2027-2031	1,450,940	250,935	1,701,875
2032-2036	706,873	41,037	747,910
2037-2041	56,681	1,475	58,156
<b>Total</b>	<b>\$ 4,609,426</b>	<b>\$ 1,273,254</b>	<b>\$ 5,882,680</b>

CITY OF DAWSONVILLE, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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

**H. Long-Term Debt (cont'd)**

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

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 6/30/2015	Issued	Retired	Balance 6/30/2016	Due One Year
Series 2014, DDA Revenue Bonds dated July 25, 2014 with interest rate per annum equal to the "London Interbank Offered Rate", currently at 1.5%. Monthly payments of \$ 3,730 for 59 months beginning August 24, 2014 and ending July 24, 2019 with final payment of \$ 398,557.59. Original loan \$ 557,735.	531,014	-	30,518	500,496	32,543
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> . Monthly payments of \$ 11,902 beginning January 22, 2006 and ending December 22, 2025. Original loan \$ 2,166,922.	\$ 1,334,130	\$ -	\$ 113,304	\$ 1,220,826	\$ 117,893
<b>Total Bond Debt (DDA)</b>	<b>\$ 1,865,144</b>	<b>\$ -</b>	<b>\$ 143,822</b>	<b>\$ 1,721,322</b>	<b>\$ 150,436</b>

CITY OF DAWSONVILLE, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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

**H. Long-Term Debt (cont'd)**

**3. Downtown Development Authority Series 2005 and 2014 Revenue Bonds (Component Unit) (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:

	Principal	Interest	Total
2017	150,436	37,148	187,584
2018	153,797	33,787	187,584
2019	157,732	29,852	187,584
2020	525,984	1,810	527,794
2021	128,333	14,496	142,829
2022-2026	605,040	29,854	634,894
	\$ 1,721,322	\$ 146,947	\$ 1,868,269

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

Compensated absences liability consists of the following as of June 30, 2016:

	Balance 6/30/2015	Issued	Retired	Balance 6/30/2016	Due One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 11,963	\$ 18,663	\$ 16,695	\$ 13,931	\$ 10,448
<b>Water &amp; Sewer Fund</b>					
Compensated Absences	14,224	18,862	20,781	12,305	9,229
Total Compensated Absences	\$ 26,187	\$ 37,525	\$ 37,476	\$ 26,236	\$ 19,677

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 \$ 204,696 has been restricted in the Cemetery Fund since this amount is not legally available for appropriation. Of these funds, \$ 204,696 is expendable for cemetery perpetual care.

**2. Special Revenue Fund**

Restricted for tourism and development – A total of \$ 427 has been restricted for tourism expenditures in the Hotel-Motel Fund since this amount is not legally available for appropriation. A total of \$ \$ 14,465 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 \$ 882,071 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 FINANCIAL STATEMENTS  
June 30, 2016

**Note 3 – COMMITMENTS AND CONTINGENCIES**

**Liability**

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

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

**B. Litigation**

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

**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, 2016, the City had receipts of \$ 3,108 based on the tax rate of 6%. These funds are held for disbursement to the Dawson County Chamber of Commerce for the purpose of promoting tourism. The City complied with the requirements of OCGA 48-13-51.

CITY OF DAWSONVILLE, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**Note 7 – PRIOR-PERIOD ADJUSTMENT**

The City made prior-period adjustment summarized below. The prior-period adjustment was because of rebates for water and sewer tap fees in exchange for 3.2 acres of land. The City’s rebates for the specific subdivision ended in the current year and management has determined to record the cost of the land based on the rebates given to the developer.

	Governmental Activities	Business Type Activities
Net Position previously stated - 6/30/15	\$ 5,027,542	\$ 7,552,541
Rebates for land previously not recorded	-	94,000
Net Position as restated - 6/30/15	\$ 5,027,542	\$ 7,646,541

**Note 8 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 5, 2016, the date the financial statements were available to be issued. The City has been approved for a Clean Water State Revolving Fund loan from Georgia Finance Environmental Authority.

**FINANCIAL SECTION**  
**Required Supplementary Information**

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CITY OF DAWSONVILLE, GEORGIA  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS  
June 30, 2016  
(Unaudited)

	<u>Year End</u>	<u>Year End</u>
	2016	2015
<i>Total pension liability</i>		
Service cost	\$ 14,001	\$ 12,393
Interest	33,943	31,065
Differences between expected and actual experience	(21,140)	3,522
Change of assumptions	-	(5,461)
Change of benefit terms	-	-
Benefits payments, including refunds of employee contributions	(4,378)	(4,377)
Net change in total pension liability	<u>22,426</u>	<u>37,142</u>
Total pension liability - beginning	440,163	403,021
Total pension liability - ending (a)	<u><u>\$ 462,589</u></u>	<u><u>\$ 440,163</u></u>
<i>Plan fiduciary net position</i>		
Contributions - employer	\$ 27,612	\$ 26,495
Contributions - employee	-	-
Net investment income	1,462	30,673
Benefits payments, including refunds of employee contributions	(4,378)	(4,377)
Administrative expense	(5,916)	(5,468)
Other	-	-
Net change in fiduciary net position	<u>18,780</u>	<u>47,323</u>
Plan fiduciary net position - beginning	356,128	308,805
Plan fiduciary net position - ending (b)	<u><u>\$ 374,908</u></u>	<u><u>\$ 356,128</u></u>
Net pension liability - ending (a)-(b)	<u><u>\$ 87,681</u></u>	<u><u>\$ 84,035</u></u>
Plan's fiduciary net position as percentage of the total pension liability	81.05%	80.91%
Covered-employee payroll	\$ 360,912	\$ 342,936
Net pension liability as a percentage of covered-employee payroll	24.29%	24.50%

Note: June 30, 2015 was the first year of implementation. Therefore, only two years are shown.

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, 2016  
 (Unaudited)

	Year End	Year End
	2016	2015
Actuarially determined contributions	*	\$ 26,648
Contributions in relation to the actuarially determined contributions	*	26,648 **
Contribution deficiency (excess)	*	-
Covered-employee payroll	*	342,936 ***
Contributions as a percentage of covered-employee payroll	*	7.77%

- \* 2016 information will be determined after fiscal year end and will be included in the 2017 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.
- \*\*\* 2015 covered payroll is based on data collected as of February 28, 2015 for the 2015 actuarial valuation.

Note: June 30, 2015 was the first year of implementation. Therefore, only two years are shown.

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, 2016

**1. Valuation Date**

The actuarially determined contribution was determined as of July, 1, 2016, 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, 2017.

**2. Methods and Assumptions Used to Determine Contribution Rates**

Actuarial Cost Method: Project Unit Credit

Amortization Method: Closed level dollar for remaining unfunded liability

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

**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

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.

CITY OF DAWSONVILLE, GEORGIA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2016

**4. Changes of Assumptions (cont'd)**

- 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

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CITY OF DAWSONVILLE, GEORGIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2016

	<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>
<b>ASSETS</b>				
Restricted assets:				
Cash and cash equivalents	\$ -	\$ 33,163	\$ 204,696	\$ 237,859
Taxes receivable	218	-	-	218
Due from other funds	1,094	-	-	1,094
	<u>1,312</u>	<u>33,163</u>	<u>204,696</u>	<u>239,171</u>
<b>LIABILITIES</b>				
Current - accounts payable	885	-	-	885
Due to other funds	-	18,698	-	18,698
	<u>885</u>	<u>18,698</u>	<u>-</u>	<u>19,583</u>
<b>FUND BALANCE</b>				
Restricted for tourism	427	-	-	427
Restricted for housing and business development	-	14,465	-	14,465
Restricted for cemetery	-	-	204,696	204,696
	<u>427</u>	<u>14,465</u>	<u>204,696</u>	<u>219,588</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 1,312</u>	<u>\$ 33,163</u>	<u>\$ 204,696</u>	<u>\$ 239,171</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, 2016

	<u>Non-Major Fund</u> Special Revenue Fund Hotel-Motel	<u>Non-Major Fund</u> Special Revenue Fund DDA	<u>Non-Major Fund</u> Permanent Fund Cemetery	Total Non-Major Governmental Funds
REVENUES				
Taxes	\$ 3,108	-	\$ -	\$ 3,108
Charge for services	-	-	13,620	13,620
Contributions and donations	-	13,800	-	13,800
Intergovernmental revenues	-	-	-	-
Interest earned	-	-	252	252
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	3,108	13,800	13,872	30,780
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Current operating:				
Public works	-	-	14,597	14,597
Housing, business development and tourism	3,015	48,466	-	51,481
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	3,015	48,466	14,597	66,078
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	93	(34,666)	(725)	(35,298)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	32,500	-	32,500
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	93	(2,166)	(725)	(2,798)
FUND BALANCES - beginning of year	334	16,631	205,421	222,386
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES - end of year	\$ 427	\$ 14,465	\$ 204,696	\$ 219,588
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CITY OF DAWSONVILLE, GEORGIA  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
HOTEL-MOTEL FUND  
BALANCE SHEET  
June 30, 2016

	Hotel-Motel Fund
ASSETS	
Taxes receivable	\$ 218
Due from other funds	1,094
TOTAL ASSETS	1,312
LIABILITIES	
Current - accounts payable	885
TOTAL LIABILITIES	885
FUND BALANCE	
Restricted for tourism	427
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,312

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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Hotel-motel taxes	\$ 2,500	\$ 3,108	\$ 608
Total revenues	<u>2,500</u>	<u>3,108</u>	<u>608</u>
EXPENDITURES			
Current operating:			
Housing and development - tourism	<u>2,500</u>	<u>3,015</u>	<u>515</u>
Total expenditures	<u>2,500</u>	<u>3,015</u>	<u>515</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	93	<u>93</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>93</u>	<u>\$ 93</u>
FUND BALANCES - beginning of year		<u>334</u>	
FUND BALANCES - end of year		<u>\$ 427</u>	

CITY OF DAWSONVILLE, GEORGIA  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
DOWNTOWN DEVELOPMENT AUTHORITY FUND  
BALANCE SHEET  
June 30, 2016

	<u>DDA Fund</u>
ASSETS	
Restricted assets:	
Cash and cash equivalents	<u>\$ 33,163</u>
TOTAL ASSETS	<u><u>33,163</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>14,465</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 33,163</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Contributions and donations	\$ 13,200	\$ 13,800	\$ 600
Total revenues	13,200	13,800	600
EXPENDITURES			
Current operating:			
Grants disbursed	25,000	17,500	(7,500)
Housing and business development	20,700	30,966	10,266
Total expenditures	45,700	48,466	2,766
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(32,500)	(34,666)	(2,166)
OTHER FINANCING SOURCES (USES)			
Transfers in	32,500	32,500	-
NET CHANGE IN FUND BALANCES	\$ -	(2,166)	\$ (2,166)
FUND BALANCES - beginning of year		16,631	
FUND BALANCES - end of year		\$ 14,465	

CITY OF DAWSONVILLE, GEORGIA  
NON-MAJOR GOVERNMENTAL FUNDS  
PERMANENT FUND  
CEMETERY FUND  
BALANCE SHEET  
June 30, 2016

	<u>Cemetery Fund</u>
ASSETS	
Restricted assets:	
Cash and cash equivalents	<u>\$ 204,696</u>
TOTAL ASSETS	<u>204,696</u>
FUND BALANCES	
Restricted for cemetery fund	<u>204,696</u>
TOTAL FUND BALANCES	<u>\$ 204,696</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Cemetery lot sales	\$ 14,250	\$ 13,500	\$ (750)
Real estate fees	100	120	20
Interest income	<u>250</u>	<u>252</u>	<u>2</u>
Total revenues	<u>14,600</u>	<u>13,872</u>	<u>(728)</u>
EXPENDITURES			
Repairs and maintenance	12,336	12,333	(3)
Miscellaneous expenditures	<u>2,264</u>	<u>2,264</u>	<u>-</u>
Total expenditures	<u>14,600</u>	<u>14,597</u>	<u>(3)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(725)</u>	<u>(725)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>(725)</u>	<u>\$ -</u>
FUND BALANCES - beginning of year		<u>205,421</u>	
FUND BALANCES - end of year		<u>\$ 204,696</u>	

FINANCIAL SECTION  
Supplementary Information

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CITY OF DAWSONVILLE, GEORGIA  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BUDGET (GAAP BASIS) AND ACTUAL  
WATER, SEWER AND GARBAGE FUND  
For the year ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget -</u>
<b>OPERATING REVENUES</b>			
Charges for services :			
Water fees	\$ 537,805	\$ 536,401	\$ (1,404)
Sewer fees	568,138	641,091	72,953
Garbage fees	93,780	106,890	13,110
Miscellaneous	38,725	31,175	(7,550)
	<u>1,238,448</u>	<u>1,315,557</u>	<u>77,109</u>
<b>OPERATING EXPENSES</b>			
Cost of sales and service:			
Advertising	1,926	1,866	60
Bad debts	2,300	6,874	(4,574)
Communications	10,361	10,240	121
Depreciation	413,244	413,209	35
Dues and subscriptions	13,900	13,285	615
Education and training	2,823	1,801	1,022
Food	1,779	1,686	93
Garbage service	80,318	74,805	5,513
Gas and fuel	4,449	2,436	2,013
Insurance	23,109	7,146	15,963
Licenses	200	-	200
Postage	7,054	6,951	103
Printing and binding	400	92	308
Professional	66,033	61,593	4,440
Rental equipment	1,590	1,589	1
Repairs and maintenance	76,298	74,010	2,288
Supplies	267,305	151,640	115,665
Travel	741	541	200
Technical services	61,276	55,454	5,822
Uniform service	1,300	1,050	250
Utilities	126,374	117,101	9,273
Total cost of sales and service:	<u>1,162,780</u>	<u>1,003,369</u>	<u>159,411</u>
Personnel services and benefits:			
Salaries	201,149	207,410	(6,261)
Payroll taxes	14,758	14,992	(234)
Group insurance	49,314	43,692	5,622
Workers compensation	4,282	6,100	(1,818)
Retirement	14,524	12,326	2,198
Total personnel services and benefits	<u>284,027</u>	<u>284,520</u>	<u>(493)</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(208,359)</u>	<u>27,668</u>	<u>236,027</u>
<b>NON-OPERATING INCOME (LOSS)</b>			
Transfers in (out)	-	24,605	24,605
Forgiveness of debt	-	154,040	154,040
Contingency/fund reserves	210,449	-	(210,449)
Tap fees	126,500	271,500	145,000
Interest and fiscal charges	(131,422)	(139,363)	(7,941)
Interest earned	2,832	3,351	519
<b>TOTAL NON-OPERATING INCOME (LOSS)</b>	<u>208,359</u>	<u>314,133</u>	<u>(72,871)</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ -</u>	<u>341,801</u>	<u>\$ 163,156</u>
NET POSITION - beginning of year, as restated		<u>7,646,541</u>	
NET POSITION - end of year		<u>\$ 7,988,342</u>	

CITY OF DAWSONVILLE, GEORGIA  
SCHEDULES OF FUNCTIONAL ALLOCATIONS  
WATER, SEWER AND GARBAGE FUND  
SCHEDULE OF NET POSITION  
June 30, 2016

	Water Sewer	Garbage	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,149,623	\$ 146,112	\$ 2,295,735
Receivables (net of allowance for uncollectible):			
Accounts	91,501	8,382	99,883
Prepaid expense	15,221	-	15,221
Restricted assets:			
Cash and cash equivalents	99,182	-	99,182
Certificates of deposit	-	-	-
Total current assets	2,355,527	154,494	2,510,021
Non-current assets:			
Restricted assets:			
Certificates of deposit	-	-	-
Capital assets:			
Land	3,027,187	-	3,027,187
Construction in progress	456,992	-	456,992
Depreciable capital assets, net	6,868,359	-	6,868,359
Total non-current Assets	10,352,538	-	10,352,538
 TOTAL ASSETS	12,708,065	154,494	12,862,559
 DEFERRED OUTFLOWS OF RESOURCES			
Retirement contributions	13,403	-	13,403
 TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 12,721,468	\$ 154,494	\$ 12,875,962

CITY OF DAWSONVILLE, GEORGIA  
SCHEDULES OF FUNCTIONAL ALLOCATIONS  
WATER, SEWER AND GARBAGE FUND  
SCHEDULE OF NET POSITION  
June 30, 2016

	Water Sewer	Garbage	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 41,967	\$ 6,533	\$ 48,500
Accrued expenses	8,780	-	8,780
Accrued interest payable	48,238	-	48,238
Current portion of long-term debt	205,000	-	205,000
Due to general fund	6,846	-	6,846
Current portion, compensated absences	9,229	-	9,229
Customer deposits - payable from restricted assets	100,119	-	100,119
Total current liabilities	420,179	6,533	426,712
Long-term liabilities:			
Long-term debt (net of current portion)	4,404,426	-	4,404,426
Long-term portion, compensated absences	3,076	-	3,076
Net pension liability	43,840	-	43,840
Total long-term liabilities	4,451,342	-	4,451,342
<b>TOTAL LIABILITIES</b>	<b>4,871,521</b>	<b>6,533</b>	<b>4,878,054</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Retirement adjustments	9,566	-	9,566
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	5,743,112	-	5,743,112
Unrestricted	2,097,269	147,961	2,245,230
<b>TOTAL NET POSITION</b>	<b>7,840,381</b>	<b>147,961</b>	<b>7,988,342</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>	<b>\$ 12,721,468</b>	<b>\$ 154,494</b>	<b>\$ 12,875,962</b>

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, 2016

	Water Sewer	Garbage	Total
OPERATING REVENUES			
Charges for services	\$ 1,177,492	\$ 106,890	\$ 1,284,382
Miscellaneous	31,175	-	31,175
Total operating revenues	<u>1,208,667</u>	<u>106,890</u>	<u>1,315,557</u>
OPERATING EXPENSES			
Personnel services and benefits	266,569	17,951	284,520
Purchased and contractual services	362,852	70,506	433,358
Bad debts	5,829	1,045	6,874
Supplies	149,927	-	149,927
Depreciation and amortization	413,210	-	413,210
Total operating expenses	<u>1,198,387</u>	<u>89,502</u>	<u>1,287,889</u>
OPERATING INCOME (LOSS)	<u>10,280</u>	<u>17,388</u>	<u>27,668</u>
NON-OPERATING INCOME (LOSS)			
Transfers in (out)	24,605	-	24,605
Foregiveness of debt	154,040	-	154,040
Tap fees	271,500	-	271,500
Interest and fiscal charges	(139,363)	-	(139,363)
Interest earned	3,351	-	3,351
TOTAL NON-OPERATING INCOME (LOSS)	<u>314,133</u>	<u>-</u>	<u>314,133</u>
CHANGE IN NET POSITION	324,413	17,388	341,801
NET POSITION - beginning of year, as restated	<u>7,515,968</u>	<u>130,573</u>	<u>7,646,541</u>
NET POSITION - end of year	<u><u>\$ 7,840,381</u></u>	<u><u>\$ 147,961</u></u>	<u><u>\$ 7,988,342</u></u>

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STATISTICAL SECTION

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**CITY OF DAWSONVILLE, GEORGIA**  
**INTRODUCTION TO THE STATISTICAL SECTION**

*(Unaudited)*

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

<b>Contents</b>	<b>Pages</b>
Financial Trends.....	59-66
<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.....	67-70
<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.....	71-75
<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.....	76-78
<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.....	79-80
<i>These tables/schedules contain service and infrastructure data to assist the reader in understanding how the information in the City’s financial report relates to the services the government provides and the activities it performs.</i>	

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

CITY OF DAWSONVILLE, GEORGIA

**NET POSITION BY COMPONENT**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year Ending 6/30						Six-Months	Fiscal Year Ending 12/31		
	2016	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007
<b>GOVERNMENTAL ACTIVITIES</b>										
Net Investment in capital assets	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	2,305,666
Restricted	1,101,659	233,170	201,407	215,198	304,838	341,926	169,888	158,873	157,358	144,101
Unrestricted	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	602,794
Total governmental activities net position	<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>	<u>\$ 3,052,561</u>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net Investment in capital assets	5,743,112	5,627,934	5,732,374	5,979,576	6,134,502	6,445,279	6,547,234	6,117,659	6,098,134	6,177,669
Restricted	-	-	-	217,758	216,476	215,221	106,332	169,576	169,419	-
Unrestricted	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	1,382,526
Total business-type activities net position	<u>\$ 7,988,342</u>	<u>\$ 7,552,541</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>	<u>\$ 7,560,195</u>
<b>PRIMARY GOVERNMENT</b>										
Net Investment in capital assets	8,630,020	8,269,300	8,356,097	8,605,117	8,328,358	8,683,901	8,928,851	8,410,234	8,443,505	8,483,335
Restricted	1,101,659	233,170	201,407	432,956	521,314	557,147	276,220	328,449	326,777	144,101
Unrestricted	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	1,985,320
Total primary government net position	<u>\$ 14,441,910</u>	<u>\$ 12,580,083</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>	<u>\$ 10,612,756</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 Ending 6/30	Fiscal Year Ending 12/31	
	2016	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007
<b>EXPENSES</b>										
<b>GOVERNMENTAL ACTIVITIES:</b>										
General Government	\$ 740,287	\$ 688,376	\$ 682,148	\$ 706,717	\$ 728,050	\$ 706,602	\$ 673,355	\$ 284,632	\$ 681,153	\$ 605,238
Public Safety	235	-	-	80,000	160,000	160,000	166,550	80,000	180,575	172,074
Public Works	341,970	341,626	221,424	265,141	157,539	63,848	55,414	21,038	176,614	140,304
Culture and Recreation	4,454	863	1,933	5,641	5,993	66,023	20,821	10,220	14,817	7,967
Planning and Zoning	81,709	100,322	97,632	63,448	79,660	68,694	93,952	125,549	193,851	164,801
Housing and Development	60,466	19,637	11,577	23,667	5,357	3,062	2,655	7,476	75,779	47,796
Interest	43,330	47,996	29,952	39,202	46,422	47,563	50,320	29,087	93,135	141,398
Total Governmental Activities	<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>	<u>1,279,578</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>										
Water and Sewage	<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>	<u>1,143,458</u>
Total Business-type Activities	<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>	<u>1,143,458</u>
Total Expenses	<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>	<u>\$ 2,423,036</u>
<b>PROGRAM REVENUES</b>										
<b>GOVERNMENTAL ACTIVITIES:</b>										
Charges for services:										
General Government	\$ 120,923	\$ 106,907	\$ 84,070	\$ 129,225	\$ 109,271	\$ 94,318	\$ 96,988	\$ 45,711	\$ 83,295	\$ 119,930
Public Safety	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	101,255	79,488	28,036	41,138	36,659	10,381	33,180	8,631	57,643	79,482
Housing and Development	-	-	-	-	-	-	-	-	41,132	34,753
Operating grants and contributions	14,300	17,420	9,993	1,000	1,000	4,500	7,458	1,667	1,000	155
Capital grants and contributions	17,333	-	16,629	16,523	4,320	112,275	73,466	-	210,000	383,095
Total governmental activities program revenues	<u>253,861</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>	<u>617,415</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>										
Charges for Services:										
Water and Sewage	1,315,557	1,285,971	1,204,829	1,121,978	962,042	972,252	990,093	459,627	1,141,837	1,375,960
Capital grants and contributions	425,540	125,000	104,300	466,000	-	-	563,762	97,698	266,206	1,488,705
Total Business-type Activities	<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>	<u>2,864,665</u>
Total Program Revenues	<u>\$ 1,994,958</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>	<u>\$ 3,482,080</u>
Net (Expense) / Revenue										
Governmental activities	\$ (1,018,590)	\$ (995,005)	\$ (905,938)	\$ (994,430)	\$ (1,012,510)	\$ (874,236)	\$ (828,863)	\$ (497,942)	\$ (1,010,683)	\$ (662,163)
Business-type activities	313,845	59,206	(156,731)	227,254	(391,038)	(517,241)	28,700	(188,335)	17,563	1,721,207
Total Net Expense	<u>\$ (704,745)</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>	<u>\$ 1,059,044</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 Ending 6/30	Fiscal Year Ending 12/31		
	2016	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007
<b>GENERAL REVENUES</b>										
<b>GOVERNMENTAL ACTIVITIES:</b>										
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	1,930,809	788,952	783,018	802,222	892,217	832,894	782,352	405,666	828,564	908,586
Other excise taxes	87,132	91,757	90,626	84,451	80,496	78,869	176,932	95,571	160,972	145,715
Franchise taxes	182,404	210,988	143,418	148,922	120,715	120,936	111,417	5,782	112,788	172,502
Intergovernmental-unrestricted	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	7,000	3,182	2,243	2,573	2,254	3,737	5,539	3,970	16,247	51,312
Gain (loss) on sale of capital assets	-	-	-	-	-	-	22,385	-	-	-
Miscellaneous	261,876	233,488	233,496	219,710	178,423	80,839	-	-	-	-
Transfers in/out	(24,605)	-	-	-	-	-	-	25,015	-	-
Special Item	-	-	-	90,000	-	-	129,433	-	-	-
Total general revenues, transfers, and special item	<u>2,444,616</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>	<u>1,278,115</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>										
Unrestricted investment earnings	3,351	2,899	3,973	3,953	4,413	7,633	12,054	8,227	82,645	97,867
Gain (loss) on sale of capital assets	-	-	-	-	(2)	(1,500)	-	(25,015)	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers in/out	24,605	-	-	-	-	-	-	-	-	-
Special Item	-	-	-	(15,541)	-	-	916,000	-	-	-
Total Business-type Activities	<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>	<u>97,867</u>
Total Primary Government	<u>\$ 2,472,572</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>	<u>\$ 1,375,982</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,426,026	\$ 309,777	\$ 346,863	\$ 353,448	\$ 261,595	\$ 243,039	\$ 215,548	\$ (476,506)	\$ 106,061	\$ 265,605
Business-type Activities	341,801	316,744	(152,758)	215,666	(386,627)	(511,108)	537,016	(407,826)	(308,393)	(293,171)
Total Change in Net Position	<u>\$ 1,767,827</u>	<u>\$ 626,521</u>	<u>\$ 194,105</u>	<u>\$ 569,114</u>	<u>\$ (125,032)</u>	<u>\$ (268,069)</u>	<u>\$ 752,564</u>	<u>\$ (884,332)</u>	<u>\$ (202,332)</u>	<u>\$ (27,566)</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 Ending 6/30	Fiscal Year Ending 12/31	
	2016	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007
<b>General Fund</b>										
Nonspendable (2)	\$ 27,366	\$ 5,048	\$ 43,732	\$ 13,530	\$ 36,897	\$ 8,840	\$ 17,497	\$ 20,593	\$ -	\$ -
Committed	-	-	-	-	-	-	-	-	-	290,000
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	2,491,569	2,201,835	1,864,596	1,529,719	1,494,558	1,175,171	924,863	563,359	491,287	321,546
Total General Fund:	<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>	<u>\$ 611,546</u>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,101,659	233,170	201,407	215,198	304,838	341,926	331,348	383,811	388,167	144,134
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all Other Governmental Funds:	<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>	<u>\$ 144,134</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.

(2) Unassigned balance adjusted for prepaids.

CITY OF DAWSONVILLE, GEORGIA  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	Fiscal Year Ending 6/30						Six-Months Ending 6/30	Fiscal Year Ending 12/31		
	2016	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007
<b>REVENUES</b>										
Taxes	\$ 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	\$ 1,516,803
Charges for services	69,194	64,625	5,330	25,465	35,644	33,866	34,072	6,286	53,983	67,465
Intergovernmental	17,833	1,000	20,370	17,523	5,055	111,682	73,466	-	211,000	93,095
Licenses and permits	87,955	67,588	54,461	69,713	63,134	35,471	64,880	34,697	89,568	108,382
Fines, fees and forfeitures	-	-	-	-	-	-	50	-	13,620	5,500
Interest	7,000	3,182	2,268	2,573	2,520	4,330	5,539	1,754	16,247	51,312
Contributions	13,800	16,420	-	-	-	4,500	7,458	1,667	5,887	155
Miscellaneous	65,080	54,182	58,542	76,685	66,412	55,444	80,913	19,625	31,183	52,818
<b>Total Revenues</b>	<b>2,723,083</b>	<b>1,532,182</b>	<b>1,391,529</b>	<b>1,447,264</b>	<b>1,444,617</b>	<b>1,358,830</b>	<b>1,337,080</b>	<b>571,048</b>	<b>1,523,812</b>	<b>1,895,530</b>
<b>EXPENDITURES</b>										
General Government	689,860	566,867	538,842	577,984	494,045	461,597	437,813	189,673	497,441	496,324
Public Safety	21,491	-	-	80,000	160,000	160,000	166,550	80,000	180,575	172,074
Highways and Streets	346,940	329,030	223,199	247,217	136,796	49,684	46,966	17,620	171,526	136,178
Culture and Recreation	4,454	-	100	1,991	2,343	62,373	17,429	8,953	11,975	4,538
Planning and Zoning	81,709	100,322	97,632	63,448	79,054	67,241	91,462	101,178	139,827	147,010
Housing and Development	63,481	22,229	14,349	26,635	7,800	12,811	4,016	7,476	75,779	47,795
Debt Service										
Principal	143,822	135,419	112,223	368,955	118,900	117,135	117,715	53,842	92,988	75,160
Interest	43,330	47,997	29,952	39,202	46,422	47,563	50,320	29,087	93,135	141,398
Capital Outlay	122,850	-	23,944	119,678	88,901	128,197	228,297	19,925	192,854	1,428,014
<b>Total Expenditures</b>	<b>1,517,937</b>	<b>1,201,864</b>	<b>1,040,241</b>	<b>1,525,110</b>	<b>1,134,261</b>	<b>1,106,601</b>	<b>1,160,568</b>	<b>507,754</b>	<b>1,456,100</b>	<b>2,648,491</b>
Excess (Deficiency) of Revenues over Expenditures	\$ 1,205,146	\$ 330,318	\$ 351,288	\$ (77,846)	\$ 310,356	\$ 252,229	\$ 176,512	\$ 63,294	\$ 67,712	\$ (752,961)

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

CITY OF DAWSONVILLE, GEORGIA  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (continued)**

Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	Fiscal Year Ending 6/30						Six-Months Ending 6/30	Fiscal Year Ending 12/31		
	2016	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	\$ 188,420	\$ -	\$ -	\$ -	\$ -		\$ -	\$ 25,015	\$ 56,062	\$ 102,000
Transfers Out	(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	-	-	-	-	-		-	-	-	13,000
Insurance recoveries	-	-	-	-	-		-	-	-	-
Total Other Financing Sources (Uses)	<u>(24,605)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,015</u>	<u>56,062</u>	<u>115,000</u>
Net change in fund balances before special item	<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>	<u>(637,961)</u>
Special Item	-	-	-	-	-	-	129,433	-	-	-
Net change in fund balances	<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>	<u>\$ (637,961)</u>
Debt service as a percentage of noncapital expenditures	14.93%	15.86%	14.31%	29.68%	15.81%	16.83%	18.02%	17.00%	14.73%	17.74%

(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				
	2016	2015	2014	2013	2012
<b>Revenues</b>					
Taxes	\$ 1,284,945	\$ 1,322,513	\$ 1,247,700	\$ 1,252,245	\$ 1,269,333
Charges for services	55,574	44,235	1,530	6,545	20,514
Intergovernmental	17,833	1,000	3,766	1,000	1,000
Licenses and permits	87,955	67,588	54,461	-	63,134
Fines, fees and forfeitures	-	-	-	69,713	-
Interest	6,254	2,922	1,981	2,130	1,596
Contributions	-	-	-	-	-
Miscellaneous	65,080	54,182	58,542	76,685	66,412
<b>Total Revenues</b>	<u>1,517,641</u>	<u>1,492,440</u>	<u>1,367,980</u>	<u>1,408,318</u>	<u>1,421,989</u>
<b>Expenditures</b>					
General Government	689,860	561,273	528,218	564,015	484,482
Public Safety	21,491	-	-	80,000	160,000
Public Works	332,343	329,030	223,199	247,217	136,796
Culture and Recreation	4,454	-	100	1,991	2,343
Planning and Zoning	81,709	100,322	97,632	63,448	79,054
Housing and Development	12,000	-	11,577	23,667	5,357
Debt Service	-	183,416	142,175	-	165,322
Capital Outlay	187,152	-	-	408,157	41,191
<b>Total Expenditures</b>	<u>1,329,009</u>	<u>1,174,041</u>	<u>1,002,901</u>	<u>1,388,495</u>	<u>1,074,545</u>
Excess (Deficiency) of Revenues over Expenditures	188,632	318,399	365,079	19,823	347,444
Other Financing Sources (Uses) Transfers in (out)	<u>123,420</u>	<u>(7,500)</u>	<u>-</u>	<u>(8,029)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	312,052	310,899	365,079	11,794	347,444
Fund Balance- beginning of year	2,206,883	1,908,328	1,543,249	1,531,455	1,184,011
Prior Period Adjustment	<u>-</u>	<u>(12,344)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance- end of year</b>	<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>	<u><u>\$ 1,531,455</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				
	2016	2015	2014	2013	2012
Operating Revenues					
Charges for services	\$ 1,177,492	\$ 1,144,184	\$ 1,084,192	\$ 974,718	\$ 856,769
Miscellaneous	31,175	47,150	28,639	55,997	19,451
Total Operating Revenues	<u>1,208,667</u>	<u>1,191,334</u>	<u>1,112,831</u>	<u>1,030,715</u>	<u>876,220</u>
Operating Expenses					
Personal Services & Benefits	266,569	279,851	241,309	230,094	237,321
Purchased/Contracted Services	362,852	352,989	353,927	332,076	340,112
Bad Debts	5,829	2,843	4,292	3,308	3,044
Supplies	149,927	87,520	63,621	85,017	63,161
Depreciation & Amortization	413,210	413,457	413,016	434,167	430,143
Total Expenditures	<u>1,198,387</u>	<u>1,136,660</u>	<u>1,076,165</u>	<u>1,084,662</u>	<u>1,073,781</u>
Operating Income (Loss)	10,280	54,674	36,666	(53,947)	(197,561)
Non-Operating Income (Loss)					
Intergovernmental Revenues	-	-	-	-	-
Contributions & Donations	-	-	-	-	-
Gain (loss) on Sale of Assets	-	-	-	-	(2)
Forgiveness of Debt	154,040	-	-	-	-
Interest & Fiscal Charges	(139,363)	(122,555)	(318,564)	(206,779)	(212,453)
Interest Earned	3,351	2,899	3,973	3,953	4,413
Total Non-Operating Income (Loss)	18,028	(119,656)	(314,591)	(202,826)	(208,042)
Net Income Before Transfers	28,308	(64,982)	(277,925)	(256,773)	(405,603)
Tap Fees & Other					
Tap Fees & Other	271,500	125,000	104,300	466,000	-
Transfers In (Out)	24,605	-	-	-	-
Change in Net Assets	324,413	60,018	(173,625)	209,227	(405,603)
Net Assets- beginning of year	7,421,968	7,392,659	7,566,284	7,372,598	7,778,201
Prior Period Adjustment	94,000	(30,709)	-	(15,541)	-
Net Assets- end of year	<u>\$ 7,840,381</u>	<u>\$ 7,421,968</u>	<u>\$ 7,392,659</u>	<u>\$ 7,566,284</u>	<u>\$ 7,372,598</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						
2016	\$ 55,458,976	\$ 8,786,418	\$ 24,932,499	\$ 2,009,547	\$ 66,180	\$ -	\$ 91,253,620	\$ (4,235,040)	87,018,580	0.00	217,546,450	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%
2007	54,953,584	8,360,491	15,061,689	1,682,388	342,400	3,582	80,404,134	(2,030,889)	78,373,245	0.00	195,933,113	40%

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	
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
2007	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	2016			2007				
		Taxable Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)	Taxable Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)
Dawsonville Fee Owner, LLC	Shopping Center Owner	\$	2,333,735	1	2.68%	\$	-		
Atlanta Motorsports Park, LLC	Motorsports Park		2,126,391	2	2.44%		-		
Farmington Woods, LP	Apartment Complex		1,830,877	3	2.10%		-		
Gold Creek Foods, LC	Poultry Processing		1,092,468	4	1.26%	2,113,745	1	2.70%	
D & M Financial LLC	Commercial Business Owner		1,040,974	5	1.20%		-		
LCG Residential, LLC	Residential Developer		936,659	6	1.08%		-		
Windstream Standard, Inc.	Public Utility		880,876	7	1.01%		-		
Starmount Properties Inc.	Apartment Complex		764,164	8	0.88%		-		
B&K Turner Family LLP	Landowner		714,680	9	0.82%		-		
Peachtree Dekalb Plaza LLC	Commercial Developer		692,850	10	0.80%		-		
SBW Development Venture	Residential & Commercial Developer					1,772,755	2	2.26%	
Dawson Development Assoc. LLC	Residential Developer					1,604,700	3	2.05%	
Rainhill Development LLC	Residential Developer					1,587,173	4	2.03%	
SCC Villas LLC	Southern Catholic College Dorms					1,208,810	5	1.54%	
Howser Mill , LLC	Residential Development					1,200,445	6	1.53%	
EHK Investments LLC	Family Owned Real Estate					1,197,999	7	1.53%	
Standard Telephone Co.	Public Utility					1,149,321	8	1.47%	
E Elliott Family Partnership LLLP	Real Estate Investment					1,149,104	9	1.47%	
Gridiron Const Inc.	Residential Developer					1,038,802	10	1.33%	
<b>Totals</b>			<u>7,953,548</u>		<u>9.14%</u>	<u>14,022,854</u>		<u>17.89%</u>	

Source: Dawson County Tax Commissioner

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

(1) Percentages are based on the City's gross tax digest of \$87,018,580 for calendar year 2016, and \$78,373,245 for calendar year 2007.

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

Commodity (1)	2016			2015			2014			2013			2012		
	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	\$ 2,678,360	1	39.04%	\$ 2,764,194	1	42.83%	\$ 2,764,194	1	42.83%	\$ 2,673,032	1	41.13%	\$ 2,498,906	1	39.53%
Food/Bars	1,232,140	2	17.96%	1,085,753	2	16.82%	1,085,753	2	16.82%	1,028,600	2	15.83%	1,009,891	2	15.98%
Other Retail	671,004	3	9.78%	687,741	3	10.66%	687,741	3	10.66%	638,624	3	9.83%	683,850	3	10.82%
Miscellaneous Service	568,871	4	8.29%	508,180	4	7.87%	508,180	4	7.87%	518,276	4	7.97%	440,234	4	6.96%
Manufacturing	438,265	5	6.39%	236,342	7	3.66%	236,342	7	3.66%	209,783	7	3.23%	183,078	7	2.90%
Wholesale	383,261	6	5.59%	415,047	5	6.43%	415,047	5	6.43%	413,819	5	6.37%	295,437	5	4.67%
Home Furnishing	277,962	7	4.05%	197,512	8	3.06%	197,512	8	3.06%	183,122	8	2.82%	197,110	8	3.12%
Utility	269,555	8	3.93%	271,837	6	4.21%	271,837	6	4.21%	265,324	6	4.08%	266,483	6	4.22%
Auto	160,335	9	2.34%	119,989	9	1.86%	119,989	9	1.86%	349,819	9	5.38%	402,974	9	6.37%
Other Services	83,607	10	1.22%	98,596	10	1.53%	98,596	10	1.53%	166,787	10	2.57%	309,177	10	4.89%
Accommodations	75,391		1.10%	54,951		0.85%	54,951		0.85%	40,119		0.62%	23,754		0.38%
Construction	21,273		0.31%	13,600		0.21%	13,600		0.21%	12,368		0.19%	10,709		0.17%
<b>Totals</b>	<b>6,860,024</b>		<b>100.00%</b>	<b>6,453,742</b>		<b>100.00%</b>	<b>6,453,742</b>		<b>100.00%</b>	<b>6,499,673</b>		<b>100.00%</b>	<b>6,321,603</b>		<b>100.00%</b>

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			Percentage of Personal Income (1)	Per Capita (1)
	Intergovernmental Contractual Agreement (3)	Capital Leases	Water & Sewer Revenue Bonds	Municipal Loans	Total Primary Government		
2016	1,721,322	-	4,609,426	-	6,330,748	6.12%	2,320
2015	1,865,144	-	4,450,000	-	6,315,144	6.62%	2,410
2014	1,442,828	-	4,675,000	-	6,117,828	6.74%	2,412
2013	1,555,048	-	3,761,717	1,083,998	6,400,763	7.39%	2,596
2012	1,924,006	-	3,816,575	1,147,157	6,887,738	8.66%	3,003
2011	2,042,906	-	3,867,828	1,207,565	7,118,299	9.24%	3,070
2010	2,160,041	-	3,917,948	1,265,372	7,343,361	9.82%	3,073
2009 (2)	2,277,756	-	3,961,563	1,320,784	7,560,103	14.57%	4,675
2008	2,331,596	-	3,984,590	1,347,661	7,663,847	14.62%	4,860
2007	2,424,586	-	4,030,224	1,391,909	7,846,719	17.20%	5,577

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, 2016

<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	\$ 1,721,322	100%	\$ 1,721,322
Total Direct	<u>1,721,322</u>		<u>1,721,322</u>
Overlapping Debt:			
Dawson County Board of Commissioners	3,581,000	6.02%	215,540
Dawson County School System	<u>18,300,000</u>	6.02%	<u>1,101,477</u>
Total Overlapping Debt	<u>21,881,000</u>		<u>1,317,017</u>
Total	<u>\$ 23,602,322</u>		<u>\$ 3,038,339</u>

Source: Direct debt outstanding provided by the City as of June 30, 2016, as represented in current financial statements. Overlapping debt outstanding data as per reported in the Dawson County CAFR for December 31, 2015.

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Assessed value of property, gross tax digest	\$ 91,253,620	\$ 83,219,114	\$ 79,567,985	\$ 72,697,657	\$ 71,762,520	\$ 80,752,734	\$ 92,339,058	\$ 96,465,505	\$ 96,288,410	\$ 80,404,134
Debt Limit (10% of total assessed value)	9,125,362	8,321,911	7,956,799	7,269,766	7,176,252	8,075,273	9,233,906	9,646,551	9,628,841	8,040,413
Amount of Debt applicable to limit:										
General obligation bonds and contracts payable	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	2,424,586
Less: Resources restricted to paying principal	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	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	2,424,586
Legal debt margin	\$ 7,404,040	\$ 6,987,781	\$ 6,513,971	\$ 5,714,718	\$ 5,252,246	\$ 6,032,367	\$ 7,073,865	\$ 7,368,795	\$ 7,297,245	\$ 5,615,827
Total net debt applicable to the limit as a percentage of debt limit	18.86%	16.03%	18.13%	21.39%	26.81%	25.30%	23.39%	23.61%	24.21%	30.15%

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

Public Utilities Revenue Bonds & Pledged Municipal Loans						
Fiscal Year	Operating Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest (3)	
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
2007	1,473,827	768,370	705,457	55,603	64,468	5.88

(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, 2016

	Direct Tax Supported Debt <sup>(1)</sup>	Overlapping Tax Supported Debt <sup>(1)</sup>	Overall Tax Supported Debt <sup>(6)</sup>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Per Capita Debt <sup>(2)</sup>	\$ 631	\$ 483	\$ 1,113
Percentage of Gross Tax Digest <sup>(3)</sup>	1.89%	1.44%	3.33%
Percentage of Direct Fair Market Value <sup>(4)</sup>	0.79%	0.61%	1.40%
Per Capita Debt as Percentage of Per Capita Income <sup>(5)</sup>	1.66%	1.27%	2.93%

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

- (1) Direct and overlapping debt is shown in total on page 72.
- (2) Based on 2016 City of Dawsonville population of 2,729, see page 76
- (3) Based on 2016 Gross Tax Digest of \$91,253,620, see page 67
- (4) Based on 2016 estimated actual value of \$217,546,450, see page 67
- (5) Based on 2016 estimated per capita income figure for Dawson County of \$37,913, see page 76
- (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 (5)	Dawson Co. Per Capita Personal Income (3)	Dawson County Average Annual Unemployment Rate (1)
2016 (2)	23,095	2,729	103,465,424	37,913 (4)	4.7%
2015	23,312	2,620	97,864,899	37,353 (4)	5.6%
2014	22,957	2,536	93,327,336	36,801	5.8%
2013	27,968	2,466	87,192,828	35,358	6.7%
2012	27,537	2,294	78,381,392	34,168	7.7%
2011	26,758	2,319	76,693,968	33,072	9.0%
2010	22,330	2,390	74,926,500	31,350	9.8%
2009	22,555	1,617	51,895,998	32,094	9.8%
2008	22,006	1,577	52,687,570	33,410	5.9%
2007	21,484	1,407	46,547,781	33,083	3.8%

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

- (1) Data provided through the Georgia Department of Labor and U.S. Department of Labor Bureau of Labor Statistics.
- (2) U.S. Census population data for 2016 not available; information shown is estimate provided by Georgia Hometown Locator.
- (3) Data provided through Federal Reserve Economic Data and the U.S. Bureau of Economic Analysis.
- (4) Current per capita data unavailable. Calculated estimate by applying to the preceeding year the compound annual growth rate of 1.5% realized for the ten year period 2004-2014.
- (5) Personal Income figures specifically for the City are not available. Calculated estimate by multiplying county per capita rate by City population.

CITY OF DAWSONVILLE, GEORGIA

**PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

Taxpayer	2016			2007		
	Employees	Rank	Percentage of City Employment	Employees	Rank	Percentage of City Employment
Gold Creek Processing, LLC / Gold Creek Foods	343	1	23.25%	650	1	44.07%
Dawson County Board of Commissioners	309	2	20.95%	281	2	19.05%
Dawson County Board of Education (1)	250	3	16.95%	230	3	15.59%
Atlanta Motor Sports Park LLC	51	4	3.46%			
T.W. Phillips Grading, Inc.	40	5	2.71%			
Food Lion Store # 2132	39	6	2.64%			
Bojangles Restaurant	25	7/8	1.69%			
North Georgia Assisted Living	25	7/8	1.69%			
Dairy Queen of Dawsonville	22	9	1.49%	15	7	1.02%
United Community Bank	12	10	0.81%	20	5	1.36%
Dollar Tree	12	10	0.81%			
Davis Machine Inc.				23	4	1.56%
Southern Foodservice Management				19	6	1.29%
Life Net of Georgia / Emory Flight				11	8	0.75%
Southern Catholic College				10	9/10	0.68%
Circle K Stores (Kangaroo) # 3318				10	9/10	0.68%
Subway				10	9/10	0.68%
Mullinax & Mullinax Dawson County Child Dev				10	9/10	0.68%
All Others	347		23.53%	186		12.61%
<b>Totals</b>	<b>1,475</b>		<b>100.00%</b>	<b>1,475</b>		<b>100.00%</b>

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	2016		2015		2014		2013		2012		2011		2010		2009		2008		2007	
	Full Time	Part Time																		
General government:																				
Mayor and council	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5
Finance and administration	2	1	1	1	1	1	1	1	1	1	1	1	1	1	2	-	2	-	1	1
Planning and zoning	1	-	1	-	1	-	1	-	1	-	1	-	1	-	2	-	2	-	2	-
Highways and streets	3	-	3	-	3	-	1	1	1	1	-	-	-	-	-	-	-	-	1	-
Water and sewer	5	-	3	-	3	-	3	-	3	-	4	-	5	-	4	-	4	-	4	1
<b>Totals</b>	<b>11</b>	<b>6</b>	<b>8</b>	<b>6</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>8</b>	<b>5</b>	<b>8</b>	<b>5</b>	<b>8</b>	<b>7</b>

Source: City employment records.

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

Function	2016	2015	2014	2013	2012	2011	2010	2009 (1)
General Government:								
Number of accounts payable checks issued	1,404	730	730	656	554	1,004	1,067	477
Number of payroll checks issued	326	286	286	290	278	273	280	169
Highways and streets								
Miles of streets maintained	11.60	10.87	10.87	10.87	10.08	10.07	10.07	10.07
Miles of sidewalks maintained	6.68	5.93	5.93	5.70	5.52	5.09	4.80	4.43
Planning & Zoning								
Permits issued	141	100	97	96	83	98	77	76
Licenses issued	204	181	190	163	151	152	160	158
Water System								
Number of service connections	1,208	1,250	1,250	1,118	1,131	1,096	1,135	1,023
Daily average consumption in gallons	242,947	190,688	190,688	187,092	294,304	194,215	183,486	102,630
Sewer System								
Number of service connections	970	1,075	1,075	941	934	904	946	839
Daily average treatment in gallons	164,764	176,698	176,698	166,530	270,731	172,218	160,841	73,851
Garbage Collection								
Customers	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	2016	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007
<b>General Government:</b>										
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	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53
<b>Culture and Recreation</b>										
Parks	2	2	2	1	1	1	1	1	1	1
Park acreage	15	15	15	1	1	1	1	1	1	1
<b>Highways and Streets</b>										
Maintenance facilities	1	1	1	1	1	1	1	1		
Miles of streets maintained	11.60	10.87	10.87	10.87	10.08	10.07	10.07	10.07	10.40	10.40
Miles of sidewalks maintained	6.68	6.43	5.93	5.70	5.52	5.09	4.80	4.43	4.20	4.04
<b>Water System</b>										
Miles of mains	25.5	25.5	25.5	25.5	24.9	24.9	24.6	24.6	24.5	23.4
Number of fire hydrants	280	275	275	268	268	268	268	268	268	252
Number of developed wells	5	5	5	5	5	5	5	5	5	5
Maximum daily capacity in gallons	500,000	835,200	835,200	835,200	835,200	835,200	835,200	835,200	835,200	835,200
<b>Sewer System</b>										
Miles of sewer	10.7	10.7	10.7	10.7	12.0	12.9	14.0	14.2	14.2	14.4
Waste water treatment plants	1	1	1	1	1	1	1	1	1	1
Maximum daily capacity of treatment plant in gallons	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	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.

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OTHER REPORTING SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dawsonville, Georgia, as of and for the year ended June 30, 2016, 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 5, 2016.

**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 5, 2016

CITY OF DAWSONVILLE, GEORGIA  
SPECIAL LOCAL OPTION SALES TAX  
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS  
From Inception Through June 30, 2016

Project	Original Budget	Current Project Budget	Prior Year Project to Date	Current Year	Total	Percent Complete
<b>SPLOST # 4</b>						
Sidewalk Project	\$ 500,000	\$ 508,251	\$ 497,426	\$ 10,825	\$ 508,251	100.00%
<b>SPLOST # 5</b>						
Road, Streets, Bridges and Sidewalks	\$ 211,000	\$ 142,754	\$ -	\$ -	\$ -	0.00%
Water and Sewer Projects	200,000	-	-	-	-	0.00%
Recreation	50,000	-	-	-	-	0.00%
	<u>\$ 461,000</u>	<u>\$ 142,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.00%</u>
<b>SPLOST # 6</b>						
Road, Streets, Bridges and Sidewalks	\$ 1,250,000	\$ 1,250,000	\$ -	\$ 66,653	\$ 66,653	5.33%
Water and Sewer Projects	2,750,000	2,750,000	-	1,669	1,669	0.06%
Park and Recreation Facilities	2,250,000	2,250,000	-	24,591	24,591	1.09%
Farmers Market Facility	1,000,000	1,000,000	-	-	-	0.00%
Public Works Facility and Equipment	400,000	400,000	-	43,717	43,717	10.93%
City Hall Acquisition	2,000,000	2,000,000	-	155,919	155,919	7.80%
	<u>\$ 9,650,000</u>	<u>\$ 9,650,000</u>	<u>\$ -</u>	<u>\$ 292,550</u>	<u>\$ 292,550</u>	<u>3.03%</u>
Total All SPLOST Projects	<u>\$ 10,611,000</u>	<u>\$ 10,301,005</u>	<u>\$ 497,426</u>	<u>\$ 303,375</u>	<u>\$ 800,801</u>	<u>7.77%</u>

Reconciliation to Capital Projects Fund:

Total Expenditures - Capital Projects Fund	\$ 122,850
Transfers to other funds	<u>180,525</u>
SPLOST IV Expenditures - current year	<u>\$ 303,375</u>