



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2018



"Protecting our History and Providing for the Future"



City of Dawsonville, Georgia
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Fiscal Year Ended June 30, 2018



Submitted by:
Robert D. Bolz
City Manager

INTRODUCTORY SECTION





CITY OF DAWSONVILLE, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditor’s Report	1-2
Management’s Discussion and Analysis	3-10
<u>Basic Financial Statements</u>	
Government-Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Governmental Funds	
Balance Sheet	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General Fund	17
Proprietary Funds	
Statement of Net Position	18
Statement of Revenues, Expenses and Changes in Net Position	19
Statement of Cash Flows	20-21
Notes to the Financial Statements	22-42
<u>Required Supplementary Information</u>	
Defined Benefit Retirement Plan	
Schedule of Changes in the Net Pension Liability and Related Ratios	43
Schedule of Contributions	44
Notes to the Required Supplementary Information	45



CITY OF DAWSONVILLE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS (CONT'D)

Combining and Individual Fund Financial Statements and Schedules

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

STATISTICAL SECTION

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



CITY OF DAWSONVILLE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS (CONT'D)

Demographic and Economic Information
Demographic and Economic Statistics..... 74
Principal Employers/Dawson County..... 75

Operating Information
City Government Employees by Function..... 76
Operating Indicators by Function 77
Capital Asset Statistics by Function 78

OTHER REPORTING SECTION

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

COMPLIANCE SECTION

Independent Auditor's Compliance Report
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards.....80-81

Schedule of Findings and Responses.....82

P.O. Box 6
415 Highway 53 E. Suite 100
Dawsonville, Georgia 30534



(706) 265-3256
Fax (706) 265-4214
www.dawsonville-ga.gov

December 3, 2018

To the Members of the City Council
and Citizens of the City of Dawsonville:

It is our pleasure to present the Comprehensive Annual Financial Report of the City of Dawsonville for the fiscal year ended June 30, 2018 to the City Council and the citizens of Dawsonville. Georgia Code requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements.

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

Georgia Code requires an annual audit by independent certified public accountants. The City selected Alexander, Almand & Bangs, LLP to perform the annual independent financial statement audit for fiscal year 2018. The audit issued an unmodified opinion for the 2018 fiscal year which is included within this document.

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

Profile of the Government

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

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

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

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

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

Local Economy

The economy within the City of Dawsonville has seen a 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.

The North Georgia Premium Outlet Mall is the largest employer in the County employing 1,050 to 1,200 employees throughout the year. The Dawson County Board of Education is the second largest employer with nearly 550 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. Currently, the population of the City is estimated to be approximately 3,000 citizens.

The housing and banking crisis halted the development within the City in 2011. In the last two years, development has improved. Building and construction activity in the City and surrounding area has grown exponentially. This has impacted many areas, including reducing the estimated unemployment rate from roughly 9.0% in 2011, to 3.6% in 2018, for Dawson County as a whole.

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

Long-term Financial Planning

Unassigned fund balance in the General Fund is \$ 2,992,823 to provide cash flow throughout the year and as a buffer against unforeseen events.

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

Relevant Financial Policies

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

The Council amended the Financial Policy Manual (a guide to the management of the finances of the City) April 9, 2018 to include additional roles of personnel and improve other financial processes and policies within the operations of the City. These policies address fund balances, the use of one-time revenues, issuance of debt, purchasing and procurement, cash and investment management, accounting practices, and water and sewer billing. These policies were designed to provide assurance that the City is able to meet its fiduciary responsibility to its citizens. The Council reviews and updates these policies on an ongoing basis.

Major Initiatives

The City remains in the process of constructing new wells, a recreational facility and park for citizens to use, and a covered market location for events. Each of the projects are time consuming, but certain phases are expected to be completed within the year. In addition, the Mayor and Council is working diligently to resolve common criticisms from citizens, such as parking and traffic flow in the Historic Downtown Area. This, too, is a time consuming project and requires devoted hours working with multiple agencies and regulatory authorities to accomplish.

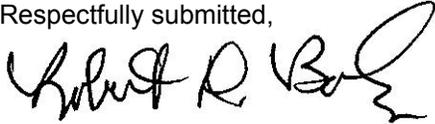
Awards and Acknowledgements

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, 2017. In order to be awarded a Certificate of Achievement the government is required to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert D. Bolz". The signature is fluid and cursive, with a large, stylized initial "R" and "B".

Robert D. Bolz
City Manager



CITY OF DAWSONVILLE, GEORGIA
OFFICIALS AND ADMINISTRATION
as of June 30, 2018

ELECTED OFFICIALS

Mayor.....Mike Eason
Mayor Pro-Tem.....Jason Power

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

APPOINTED OFFICIALS

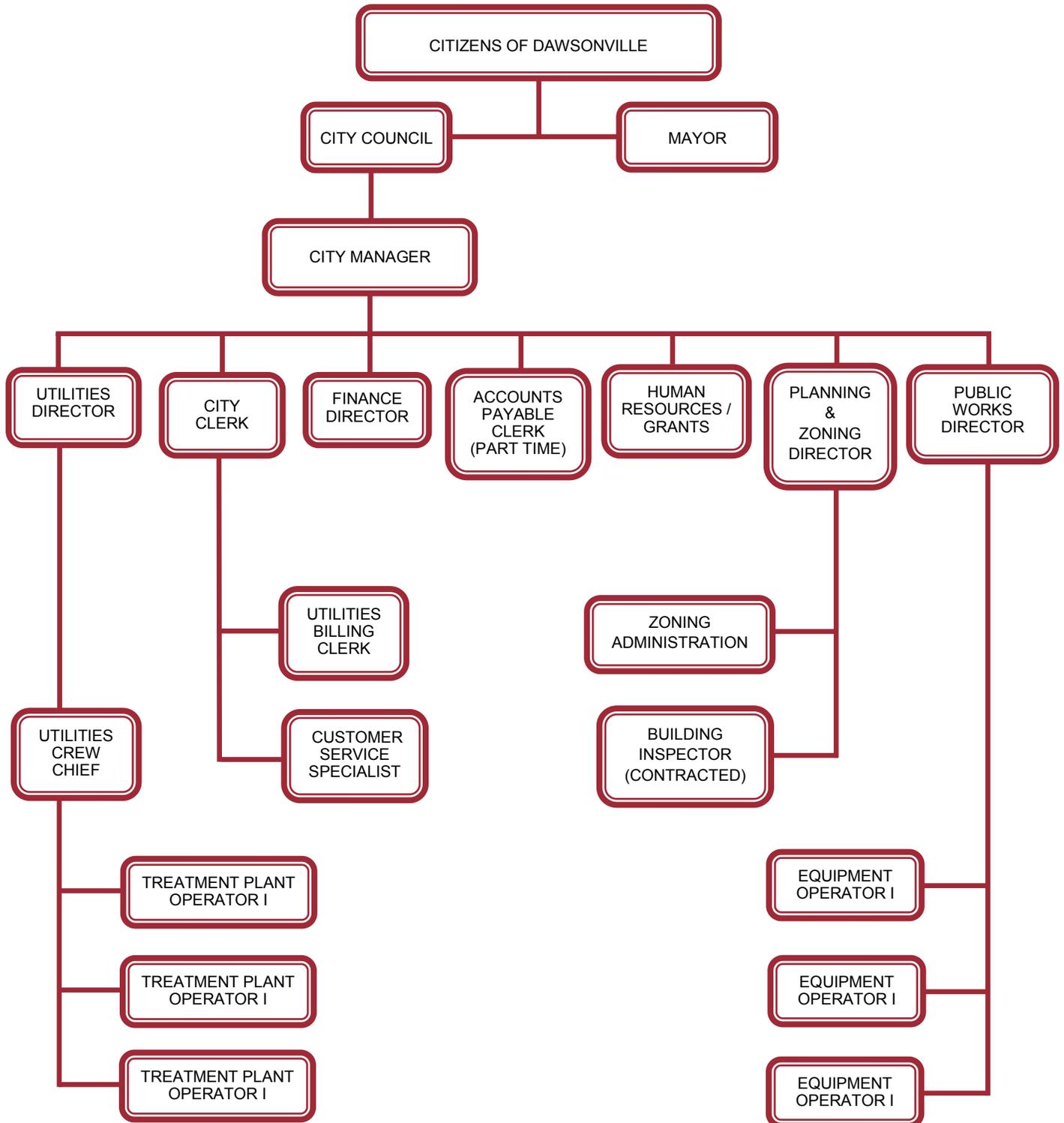
City Clerk.....Beverly Banister
Deputy City Clerk.....Tracy Smith
City Attorney.....Dana Miles

ADMINISTRATION

City Manager.....Robert D. Bolz
Finance Director.....Hayden Wiggins
Public Works Director.....Trampas Hansard
Planning Director.....Robbie Irvin
Utilities Director.....Gary Barr



CITY OF DAWSONVILLE, GEORGIA ORGANIZATION CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Dawsonville
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



This page is intentionally blank.

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, 2018, 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, 2018, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2018 on our consideration of the City of Dawsonville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dawsonville, Georgia's internal control over financial reporting and compliance.

Alexander, Almand & Bangs, LLP

Alexander, Almand & Bangs, LLP
Gainesville, Georgia
December 3, 2018

P.O. Box 6
415 Highway 53 E. Suite 100
Dawsonville, Georgia 30534



(706) 265-3256
Fax (706) 265-4214
www.dawsonville-ga.gov

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, 2018 and 2017. 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, 2018 by \$ 18,233,607 (net position).
- The City's net position increased by \$ 1,672,064 for the year ending June 30, 2018 from the prior year. Of this amount, an increase of \$ 1,357,845 was associated with governmental activities and an increase of \$ 314,219 with business-type activities. In the governmental activities, the City received funds through SPLOST V and VI contributions.
- The City's net investment in capital assets, increased \$ 1,070,942 or 10% for the year ending June 30, 2018.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

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

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

Fund financial statements

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

Governmental funds

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

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

The City maintains five governmental funds – the general fund, a capital projects fund, Downtown Development Authority (“DDA”) and hotel-motel tax special revenue funds, and the permanent cemetery fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The general fund and 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 DDA and hotel-motel tax funds are referred to as “development” throughout the financial statements and schedules.

The City of Dawsonville adopted a full year budget for the period ending June 30, 2018 for all of its funds. A budgetary comparison statement has 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, 2018, the City's assets exceeded liabilities by \$ 18,233,607. By far the largest portion of the City's net position reflects its net investment in capital assets, less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens and they are not available for future spending. Although the investment in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

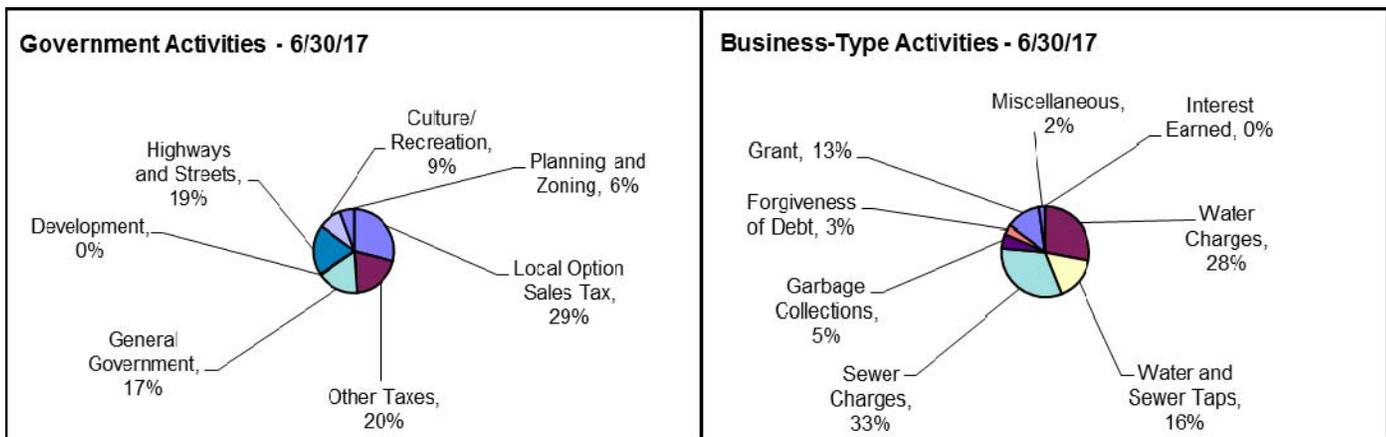
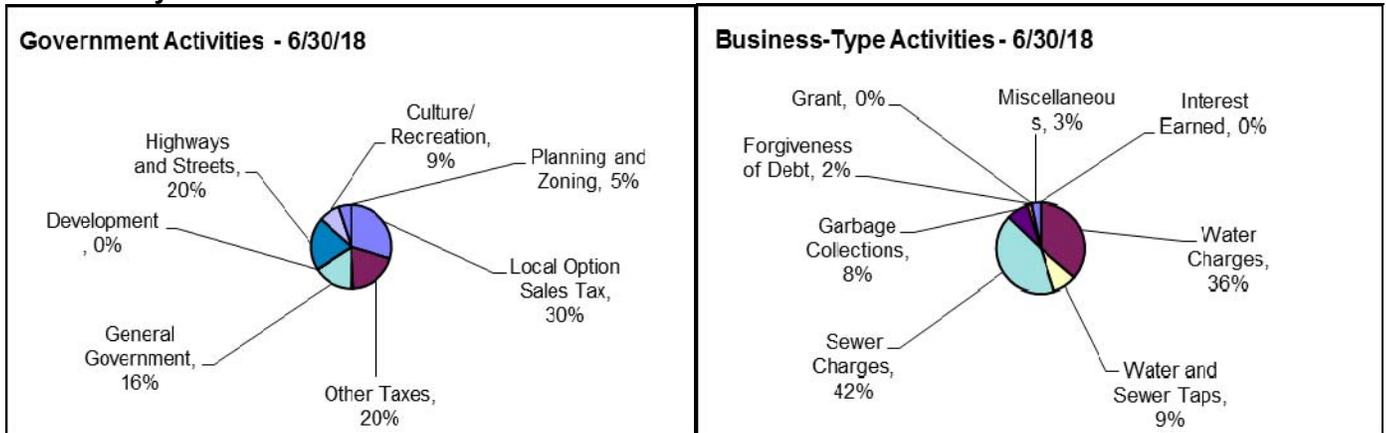
City of Dawsonville's Net Position

	Total 6/30/2018	Total 6/30/2017	Govt'l Activities 06/30/18	Govt'l Activities 06/30/17	Business Type Activities 06/30/18	Business Type Activities 06/30/17
Current assets	\$ 8,185,047	\$ 7,458,832	\$ 5,218,106	\$ 4,502,085	\$ 2,966,941	\$ 2,956,747
Capital assets	17,255,742	16,043,325	5,474,731	5,020,237	11,781,011	11,023,088
Total assets	25,440,789	23,502,157	10,692,837	9,522,322	14,747,952	13,979,835
Deferred outflows of resources	27,886	9,148	18,294	5,760	9,592	3,388
Long-term liabilities	6,344,887	6,215,760	1,226,336	1,447,286	5,118,551	4,768,474
Other current liabilities	841,687	688,280	318,602	275,473	523,085	412,807
Total liabilities	7,186,574	6,904,040	1,544,938	1,722,759	5,641,636	5,181,281
Deferred inflows of resources	48,494	45,722	31,814	28,789	16,680	16,933
Net position:						
Net investment in capital assets	10,579,159	9,508,218	4,126,980	3,447,930	6,452,179	6,060,288
Restricted for cemetery	219,781	203,093	219,781	203,093	-	-
Restricted for tourism	607	519	607	519	-	-
Restricted for capital projects	1,783,295	1,310,265	1,783,295	1,310,265	-	-
Restricted for DDA	31,328	34,586	31,328	34,586	-	-
Unrestricted	5,619,437	5,504,862	2,972,388	2,780,141	2,647,049	2,724,721
Total net position	<u>\$ 18,233,607</u>	<u>\$ 16,561,543</u>	<u>\$ 9,134,379</u>	<u>\$ 7,776,534</u>	<u>\$ 9,099,228</u>	<u>\$ 8,785,009</u>

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

	<u>Total</u> <u>6/30/2018</u>	<u>Total</u> <u>6/30/2017</u>	<u>Gov't</u> <u>Activities</u> <u>06/30/18</u>	<u>Gov't</u> <u>Activities</u> <u>06/30/17</u>	<u>Business</u> <u>Type</u> <u>Activities</u> <u>06/30/18</u>	<u>Business</u> <u>Type</u> <u>Activities</u> <u>06/30/17</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,911,860	\$ 1,825,752	\$ 315,024	\$ 294,149	\$ 1,596,836	\$ 1,531,603
Operating grants & contributions	3,600	10,650	3,600	10,650	-	-
Capital grants & contributions	1,552,886	1,967,257	1,355,464	1,262,546	197,422	704,711
General revenues:						
Taxes	1,650,428	1,483,825	1,650,428	1,483,825	-	-
Gain (loss) on sale of assets	7,940	-	1,370	-	6,570	-
Interest	44,370	17,877	35,127	13,713	9,243	4,164
Total Revenues	5,171,084	5,305,361	3,361,013	3,064,883	1,810,071	2,240,478
Expenses:						
General government	1,156,139	1,013,076	1,156,139	1,013,076	-	-
Public safety	167	4,412	167	4,412	-	-
Public works	335,394	313,367	335,394	313,367	-	-
Culture/recreation	1,288	3,138	1,288	3,138	-	-
Planning and zoning	248,627	198,962	248,627	198,962	-	-
Development	32,858	44,029	32,858	44,029	-	-
Interest on long-term debt	158,292	151,527	42,923	39,209	115,369	112,318
Water and sewer	1,566,255	1,457,217	-	-	1,566,255	1,457,217
Total Expense	3,499,020	3,185,728	1,817,396	1,616,193	1,681,624	1,569,535
Increase in net position before transfers	1,672,064	2,119,633	1,543,617	1,448,690	128,447	670,943
Transfers	-	-	(185,772)	(125,724)	185,772	125,724
Change in net position	1,672,064	2,119,633	1,357,845	1,322,966	314,219	796,667
Net position - beginning of year	16,561,543	14,441,910	7,776,534	6,453,568	8,785,009	7,988,342
Net position - ending of year	\$ 18,233,607	\$ 16,561,543	\$ 9,134,379	\$ 7,776,534	\$ 9,099,228	\$ 8,785,009

Revenues by Source:



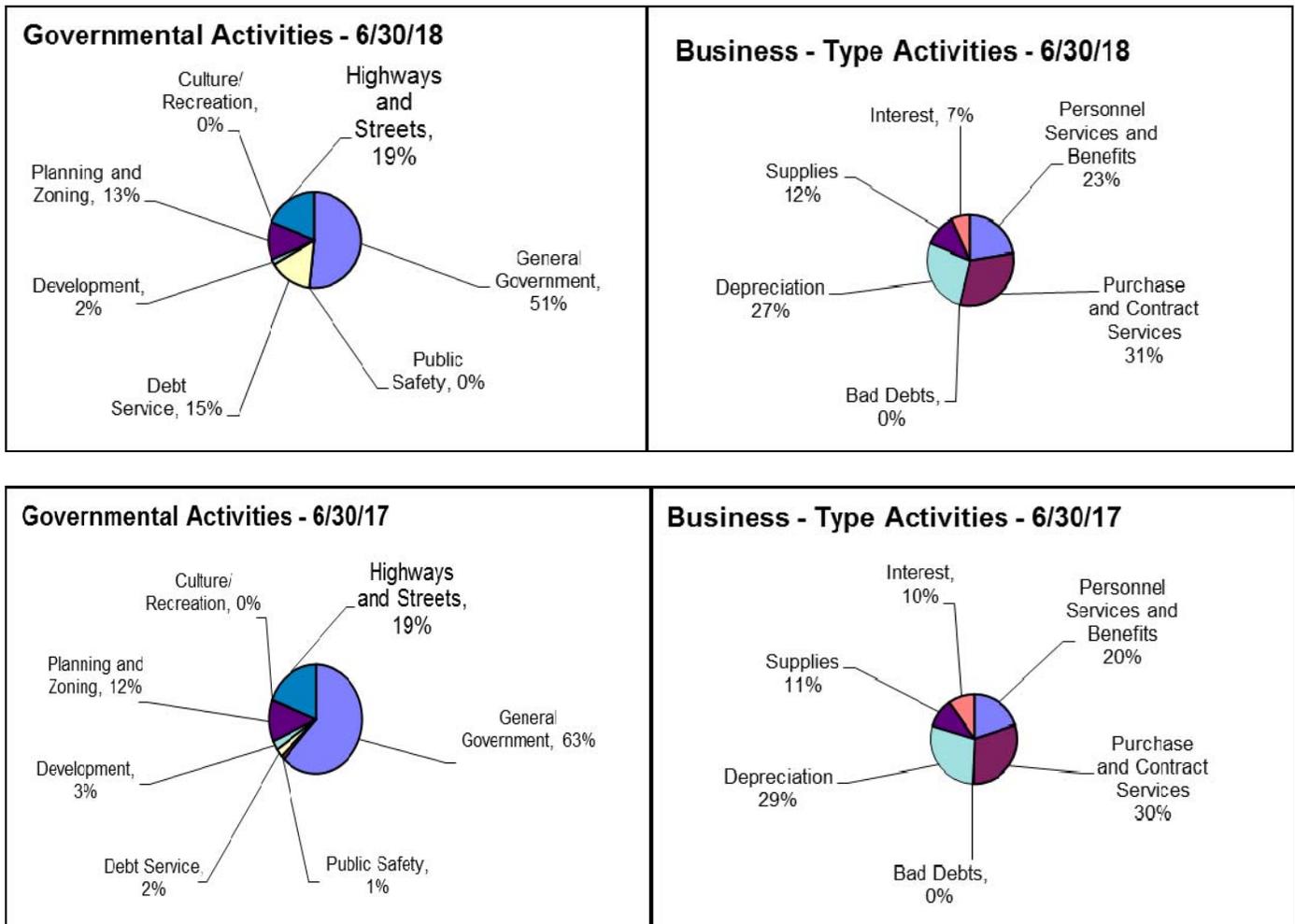
For fiscal year 2018, total revenues for governmental activities increased 9.6% compared to fiscal year 2017 due to proceeds received for SPLOST and other taxes received in the general fund. Proceeds from SPLOST increased due to the growth of retail establishments in Dawson County where people in general are purchasing more goods, resulting in the City receiving a greater portion of special purpose taxes. Other taxes received in the general fund primarily consisted of Local Option Sales Taxes (LOST), taxes assessed through services such as utilities and insurance, and title ad valorem taxes. The overall collection of LOST receipts throughout the region have increased due to the overall increase in economic activity, like SPLOST funds. In addition to consumers purchasing more generic goods, they are also purchasing more vehicles, resulting in an increase in title ad valorem taxes received by the City. Taxes received through utilities and insurance are based on the population receiving the certain service within the City’s annexed properties. The population assessed has grown due to the additional annexations of properties during the 2018 year, and therefore has impacted the City in a financially beneficial manner. For fiscal year 2018, total revenues for business-type activities decreased 19.3% compared to fiscal year 2017 due to the decrease of tap fees, minimal grant balances received, as well as a decrease in forgiveness of debt received. Forgiveness of debt received is based on the amount of GEFA (Georgia Environmental Finance Authority) loans drawn. Loans and grants were primarily drawn/received in the prior year for clean drinking water projects.

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, 2018. Fiscal management and expenditure control helped keep the budget in balance.

General Fund revenues of \$ 2,073,900 were less than budgeted revenues of \$ 2,073,901 for the year ended June 30, 2018. General Fund expenditures were less than budgeted. With total appropriations of \$ 2,073,901 the City actually spent \$ 1,868,421 or \$ 205,480 less than budgeted, for the year ended June 30, 2018. In addition to the increases of revenues, performing under budget by conservatively utilizing available resources of the City has contributed significantly to the overall increases in fund balances.

Expenditures by Function:



For fiscal year 2018, total expenditures for governmental activities increased 12.7% compared to fiscal year 2017 due to new staffing positions, and wages, that were added as well as professional fees for planning and development for the City. For fiscal year 2018, total expenditures increased 7.1% for business-type activities compared to fiscal year 2017 due to additional expenses for maintenance on water/sewer systems implemented in prior years and new staffing positions and wages that were added. In addition, certain rates for utility supplies increased from vendors during the fiscal year 2018.

ECONOMIC FACTORS

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

CAPITAL ASSETS

As of June 30, 2018 and 2017 the City had \$ 25,122,455 and \$ 23,280,581 invested in a variety of capital assets, as in the schedule below. Adjustments for depreciation are \$ 654,998 and \$ 606,478 for the years ending June 30, 2018 and 2017. Adjustments for accumulated depreciation are \$ 7,866,713 and \$ 7,237,196 for the years ending June 30, 2018 and 2017. Further detail on capital assets is provided in the notes to the financial statements, note 2D.

Capital Assets at Year-end

	Total	Total	Govt'l	Govt'l	Business	Business
	6/30/2018	6/30/2017	Activities	Activities	Type	Type
			6/30/2018	6/30/2017	Activities	Activities
					6/30/2018	6/30/2017
Land	\$ 4,170,689	\$ 4,007,725	\$ 991,394	\$ 980,538	\$ 3,179,295	\$ 3,027,187
Artifacts	49,751	49,751	49,751	49,751	-	-
Construction in progress	2,187,871	1,672,042	276,641	660,926	1,911,230	1,011,116
Buildings	3,737,666	3,620,581	3,507,201	3,390,116	230,465	230,465
Improvements	42,365	34,365	42,365	34,365	-	-
Vehicles	292,094	211,808	225,144	167,388	66,950	44,420
Equipment	770,381	620,621	274,453	261,053	495,928	359,568
Infrastructure	2,611,042	1,803,092	2,611,042	1,803,092	-	-
Water and Sewer System	10,336,673	10,336,673	-	-	10,336,673	10,336,673
Sewer Treatment Plant	923,923	923,923	-	-	923,923	923,923
Total	<u>25,122,455</u>	<u>23,280,581</u>	<u>7,977,991</u>	<u>7,347,229</u>	<u>17,144,464</u>	<u>15,933,352</u>

The following reconciliation summarizes the change in Capital Assets:

	Total	Total	Govt'l	Govt'l	Business	Business
	6/30/18	6/30/17	Activities	Activities	Type	Type
			6/30/18	6/30/17	Activities	Activities
					6/30/18	6/30/17
Beginning Balance:	23,280,581	21,634,746	7,347,229	6,756,723	15,933,352	14,878,023
Additions:						
Land	162,964	-	10,856	-	152,108	-
Construction in Progress	1,022,687	1,531,302	122,573	562,903	900,114	968,399
Buildings	125,085	-	125,085	-	-	-
Vehicles	97,243	27,603	74,713	27,603	22,530	-
Equipment	158,344	122,950	13,400	-	144,944	122,950
Infrastructure	807,950	-	807,950	-	-	-
Water and Sewer System	-	421,455	-	-	-	421,455
Dispositions:						
Construction in Progress	(506,858)	(414,275)	(506,858)	-	-	(414,275)
Equipment	(25,541)	(43,200)	(16,957)	-	(8,584)	(43,200)
Infrastructure	-	-	-	-	-	-
Water and Sewer System	-	-	-	-	-	-
Total	<u>\$ 25,122,455</u>	<u>\$ 23,280,581</u>	<u>\$ 7,977,991</u>	<u>\$ 7,347,229</u>	<u>\$ 17,144,464</u>	<u>\$ 15,933,352</u>

LONG-TERM DEBT

As of June 30, 2018, the City was liable for long-term capital lease obligations totaling \$ 1,347,751 and for revenue bond debt and a revolving fund loan totaling \$ 5,328,832. As of June 30, 2017, the City was liable for long-term capital lease obligations totaling \$ 1,572,307 for revenue bond debt totaling \$ 4,962,800. This is a net increase in debt of \$ 141,476 from the prior year. Further detail on long-term debt is provided in the notes to the financial statements, note 2H.

REQUEST FOR FINANCIAL INFORMATION

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

FINANCIAL SECTION
Basic Financial Statements

This page is intentionally blank.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 3,138,740	\$ 2,715,703	\$ 5,854,443
Accounts receivable	305,504	109,005	414,509
Internal balance	750	(750)	-
Prepaid items	39,186	23,546	62,732
Restricted assets:			
Cash and cash equivalents	<u>1,733,926</u>	<u>119,437</u>	<u>1,853,363</u>
Total current assets	<u>5,218,106</u>	<u>2,966,941</u>	<u>8,185,047</u>
Non-current assets			
Capital assets, non-depreciable			
Land	991,394	3,179,294	4,170,688
Construction in progress	276,641	1,911,231	2,187,872
Artifacts	49,751	-	49,751
Capital assets, depreciable (net of depreciation)	<u>4,156,945</u>	<u>6,690,486</u>	<u>10,847,431</u>
Total non-current assets	<u>5,474,731</u>	<u>11,781,011</u>	<u>17,255,742</u>
TOTAL ASSETS	<u>10,692,837</u>	<u>14,747,952</u>	<u>25,440,789</u>
DEFERRED OUTFLOWS OF RESOURCES			
Retirement contributions	<u>18,294</u>	<u>9,592</u>	<u>27,886</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 10,711,131</u></u>	<u><u>\$ 14,757,544</u></u>	<u><u>\$ 25,468,675</u></u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	\$ 151,086	\$ 162,459	\$ 313,545
Current portion, capital lease debt	151,902	-	151,902
Current portion, notes payable	-	227,772	227,772
Current portion, compensated absences	15,614	12,704	28,318
Customer deposits payable from restricted assets	-	120,150	120,150
Total current liabilities	<u>318,602</u>	<u>523,085</u>	<u>841,687</u>
Long-term liabilities:			
Long-term debt, capital lease	1,195,849	-	1,195,849
Long-term debt, notes payable	-	5,101,060	5,101,060
Long-term portion, compensated absences	5,205	4,235	9,440
Net pension liability	25,282	13,256	38,538
Total long-term liabilities	<u>1,226,336</u>	<u>5,118,551</u>	<u>6,344,887</u>
Total liabilities	<u>1,544,938</u>	<u>5,641,636</u>	<u>7,186,574</u>
DEFERRED INFLOWS OF RESOURCES			
Retirement adjustments	<u>31,814</u>	<u>16,680</u>	<u>48,494</u>
NET POSITION			
Net investment in capital assets	4,126,980	6,452,179	10,579,159
Restricted for:			
Cemetery	219,781	-	219,781
Development	31,935	-	31,935
Capital projects	1,783,295	-	1,783,295
Unrestricted	<u>2,972,388</u>	<u>2,647,049</u>	<u>5,619,437</u>
Total net position	<u>9,134,379</u>	<u>9,099,228</u>	<u>18,233,607</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u><u>\$ 10,711,131</u></u>	<u><u>\$ 14,757,544</u></u>	<u><u>\$ 25,468,675</u></u>

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 1,156,139	\$ 143,006	\$ 1,000	\$ 386,104
Public safety	167	100	-	-
Public works	335,394	-	-	682,896
Culture/recreation	1,288	-	-	286,464
Planning and zoning	248,627	171,918	-	-
Development	32,858	-	2,600	-
Interest on long term debt	42,923	-	-	-
		-		
Total Government Activities	<u>1,817,396</u>	<u>315,024</u>	<u>3,600</u>	<u>1,355,464</u>
Business-Type Activities				
Water, sewer and garbage	<u>1,681,624</u>	<u>1,596,836</u>	<u>-</u>	<u>197,422</u>
Total Business-Type Activities	<u>1,681,624</u>	<u>1,596,836</u>	<u>-</u>	<u>197,422</u>
Total-Primary Government	<u>\$ 3,499,020</u>	<u>\$ 1,911,860</u>	<u>\$ 3,600</u>	<u>\$ 1,552,886</u>

GENERAL REVENUES:

Taxes: Sales
Alcoholic Beverage
Franchise
Other

Gain on sale of assets

Interest earned

TRANSFERS:

Total general revenues and transfers

Change in net position

NET POSITION - beginning of year

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, 2018

<u>Net (Expense) Revenue and Changes In Net Position</u>		
<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (626,029)	\$ -	\$ (626,029)
(67)	-	(67)
347,502	-	347,502
285,176	-	285,176
(76,709)	-	(76,709)
(30,258)	-	(30,258)
(42,923)	-	(42,923)
<u>(143,308)</u>	<u>-</u>	<u>(143,308)</u>
<u>-</u>	<u>112,634</u>	<u>112,634</u>
<u>-</u>	<u>112,634</u>	<u>112,634</u>
<u>(143,308)</u>	<u>112,634</u>	<u>(30,674)</u>
993,116	-	993,116
93,976	-	93,976
198,382	-	198,382
364,954	-	364,954
1,370	6,570	7,940
35,127	9,243	44,370
<u>(185,772)</u>	<u>185,772</u>	<u>-</u>
<u>1,501,153</u>	<u>201,585</u>	<u>1,702,738</u>
1,357,845	314,219	1,672,064
<u>7,776,534</u>	<u>8,785,009</u>	<u>16,561,543</u>
<u>\$ 9,134,379</u>	<u>\$ 9,099,228</u>	<u>\$ 18,233,607</u>

CITY OF DAWSONVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	<u>General</u>	<u>SPLOST</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 3,138,740	\$ -	\$ -	\$ 3,138,740
Receivables (net):				
Intergovernmental receivable	95,535	209,743	226	305,504
Internal balance receivable	750	-	-	750
Due from other funds	18,698	109,433	1,239	129,370
Prepaid items	39,186	-	-	39,186
Restricted assets:				
Cash and cash equivalents	-	1,464,119	269,807	1,733,926
TOTAL ASSETS	<u>3,292,909</u>	<u>1,783,295</u>	<u>271,272</u>	<u>5,347,476</u>
LIABILITIES				
Accounts payable	119,702	-	858	120,560
Salaries payable	22,622	-	-	22,622
Interest payable	2,904	-	-	2,904
Deposits payable	5,000	-	-	5,000
Due to other funds	110,672	-	18,698	129,370
Total liabilities	<u>260,900</u>	<u>-</u>	<u>19,556</u>	<u>280,456</u>
FUND BALANCE				
Non-spendable:				
Prepaid items	39,186	-	-	39,186
Restricted:				
Permanent funds	-	-	219,781	219,781
Special revenue funds	-	-	31,935	31,935
Capital outlay	-	1,783,295	-	1,783,295
Unassigned:	2,992,823	-	-	2,992,823
Total Fund Balances	<u>3,032,009</u>	<u>1,783,295</u>	<u>251,716</u>	<u>5,067,020</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,292,909</u>	<u>\$ 1,783,295</u>	<u>\$ 271,272</u>	<u>\$ 5,347,476</u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2018

TOTAL GOVERNMENTAL FUND BALANCES		\$ 5,067,020
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost	\$ 7,977,931	
Accumulated depreciation	<u>(2,503,200)</u>	
Total capital assets, net depreciation		5,474,731
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Net pension liability	(25,282)	
Long-term debt	(1,347,751)	
Compensated absences payable	<u>(20,819)</u>	
Total liabilities		(1,393,852)
Retirement adjustments due to implementation of GASB # 68		
Deferred outflows of resources	18,294	
Deferred inflows of resources	<u>(31,814)</u>	
		<u>(13,520)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 9,134,379</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, 2018

	General	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,647,457	\$ -	\$ 2,918	\$ 1,650,375
Charges for services	66,112	-	35,690	101,802
Intergovernmental	112,870	1,241,121	-	1,353,991
Licenses and permits	157,670	-	-	157,670
Contributions and donations	-	-	2,600	2,600
Interest earned	34,720	4,376	407	39,503
Rental income	55,071	-	-	55,071
	<u>2,073,900</u>	<u>1,245,497</u>	<u>41,615</u>	<u>3,361,012</u>
EXPENDITURES				
Current operating:				
General government	1,131,689	-	-	1,131,689
Public safety	167	-	-	167
Public works	452,833	-	19,409	472,242
Culture/recreation	675	-	-	675
Planning and zoning	271,057	-	-	271,057
Development	12,000	-	23,688	35,688
Capital outlay	-	319,216	-	319,216
Debt service:	-	267,479	-	267,479
	<u>1,868,421</u>	<u>586,695</u>	<u>43,097</u>	<u>2,498,213</u>
EXCESS REVENUES (EXPENDITURES)	205,479	658,802	(1,482)	862,799
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>(15,000)</u>	<u>(185,772)</u>	<u>15,000</u>	<u>(185,772)</u>
NET CHANGE IN FUND BALANCES	190,479	473,030	13,518	677,027
FUND BALANCES - beginning of year	<u>2,841,530</u>	<u>1,310,265</u>	<u>238,198</u>	<u>4,389,993</u>
FUND BALANCES - end of year	<u>\$ 3,032,009</u>	<u>\$ 1,783,295</u>	<u>\$ 251,716</u>	<u>\$ 5,067,020</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, 2018

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS \$ 679,857

Amounts reported for governmental activities in the
statement of activities are different because:

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those assets is
allocated over their estimated useful lives as depreciation expense.
This is the amount by which capital outlay exceeds depreciation
expense in the current period.

Depreciation expense	\$ (193,225)	
Capital outlay reported in general government function	647,719	
Gain on sale of assets	<u>1,370</u>	455,864

Governmental funds include the cost of principal debt reduction as an
expenditure which is not included in the statement of activities. 224,556

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

Current year liability - compensated absences	(20,819)	
Prior year liability - compensated absences	<u>19,018</u>	(1,801)

Governmental funds do not include the expense of pension
contributions.

Pension contributions	13,385	
Change in net pension liability	<u>(14,016)</u>	<u>(631)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,357,845

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 1,436,312	\$ 1,456,570	\$ 1,647,457	\$ 190,887
Charges for services	20,945	241,535	66,112	(175,423)
Licenses and permits	103,600	157,718	157,670	(48)
Intergovernmental revenues	25,100	112,870	112,870	-
Interest earned	10,700	10,700	34,720	24,020
Rental income	55,050	94,508	55,071	(39,437)
Total revenues	<u>1,651,707</u>	<u>2,073,901</u>	<u>2,073,900</u>	<u>(1)</u>
EXPENDITURES				
Current operating:				
General government	949,607	1,283,000	1,131,689	151,311
Public safety	2,000	2,000	167	1,833
Public works	376,800	486,901	452,833	34,068
Culture/recreation	3,000	3,000	675	2,325
Planning and zoning	268,300	272,000	271,057	943
Development	27,000	12,000	12,000	-
Total expenditures	<u>1,626,707</u>	<u>2,058,901</u>	<u>1,868,421</u>	<u>190,480</u>
TOTAL REVENUES OVER EXPENDITURES	<u>25,000</u>	<u>15,000</u>	<u>205,479</u>	<u>190,479</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(25,000)	-	-	-
Transfers in (out)	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(25,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	190,479	<u>\$ 190,479</u>
FUND BALANCES - beginning of year			<u>2,841,530</u>	
FUND BALANCES - end of year			<u>\$ 3,032,009</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, 2018

	<u>Total Water Sewer & Garbage Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,715,703
Receivables (net of allowance for uncollectible):	
Accounts	109,005
Internal balance	(750)
Prepaid expense	23,546
Restricted assets:	
Cash and cash equivalents	<u>119,437</u>
Total current assets	<u>2,966,941</u>
Non-current assets:	
Capital assets:	
Nondepreciable capital assets	5,090,525
Depreciable capital assets, net	<u>6,690,486</u>
Total non-current assets	<u>11,781,011</u>
TOTAL ASSETS	14,747,952
DEFERRED OUTFLOWS OF RESOURCES	
Retirement contributions	<u>9,592</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 14,757,544</u></u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
June 30, 2018

	<u>Total Water Sewer & Garbage Fund</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 107,548
Accrued expenses	11,860
Accrued interest payable	43,051
Current portion of long-term debt	227,772
Current portion, compensated absences	12,704
Customer deposits - payable from restricted assets	<u>120,150</u>
Total current liabilities	<u>523,085</u>
Long-term liabilities:	
Long-term portion, compensated absences	4,235
Long-term debt (net of current portion)	5,101,060
Net pension liability	<u>13,256</u>
Total long-term liabilities	<u>5,118,551</u>
TOTAL LIABILITIES	<u>5,641,636</u>
DEFERRED INFLOWS OF RESOURCES	
Retirement adjustments	<u>16,680</u>
NET POSITION	
Net investment in capital assets	6,452,179
Unrestricted	<u>2,647,049</u>
TOTAL NET POSITION	<u>9,099,228</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 14,757,544</u></u>

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
For the Year Ended June 30, 2018

	<u>Total Water, Sewer, & Garbage Fund</u>
OPERATING REVENUES	
Charges for services	\$ 1,543,381
Miscellaneous	<u>53,455</u>
Total operating revenues	<u>1,596,836</u>
OPERATING EXPENSES	
Personnel services and benefits	376,934
Purchased and contractual services	526,182
Bad debts	496
Supplies	200,870
Depreciation	<u>461,773</u>
Total operating expenses	<u>1,566,255</u>
OPERATING INCOME (LOSS)	<u>30,581</u>
NON-OPERATING INCOME (LOSS)	
Gain (loss) on sale of assets	6,570
Interest and other fiscal charges	(115,369)
Interest earned	<u>9,243</u>
Total non-operating income (loss)	<u>(99,556)</u>
CAPITAL CONTRIBUTIONS	
Tap connection fees and other	156,500
Forgiveness of debt	29,228
Grants	<u>11,694</u>
Total capital contributions	<u>197,422</u>
INCOME (LOSS) BEFORE TRANSFERS	128,447
Transfers in (out)	<u>185,772</u>
Total transfers in (out)	<u>185,772</u>
CHANGE IN NET POSITION	314,219
NET POSITION - beginning of year	<u>8,785,009</u>
NET POSITION - end of year	<u><u>\$ 9,099,228</u></u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF CASH FLOWS
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
For the Year Ended June 30, 2018

	<u>Total Water, Sewer, & Garbage Fund</u>
Cash flows from operating activities:	
Cash receipts from customers	\$ 1,561,590
Cash receipts from other operating sources	53,455
Cash payments for goods and services	(652,659)
Cash payments to employees for services and benefits	<u>(374,669)</u>
Net cash provided (used in) by operating activities	<u>587,717</u>
Cash flows from capital and related financing activities:	
Receipts from other funds	185,772
Acquisition, construction and disposal of capital assets, net	(1,213,124)
Proceeds from tap fees	156,500
Proceeds from grant	11,694
Proceeds from debt	643,565
Principal paid on debt	(248,305)
Interest paid on debt	<u>(115,369)</u>
Net cash provided by capital and related financing activities	<u>(579,267)</u>
Cash Flows from investing activities:	
Interest received	<u>9,243</u>
Net cash provided by investing activities	<u>9,243</u>
Net increase (decrease) in cash and cash equivalents	17,693
Cash and equivalents - beginning of year	<u>2,817,446</u>
Cash and equivalents - end of year	<u><u>\$ 2,835,139</u></u>
 SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:	
Forgiveness of debt	<u>\$ 29,228</u>
Total non-cash investing and financing activities	<u><u>\$ 29,228</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, 2018

	<u>Total Water Sewer & Garbage Fund</u>
Reconciliation of operating gain (loss) to net cash provided by (used in) operating activities:	
Operating income	\$ 30,581
Adjustments	
Depreciation	461,773
(Increase) decrease in assets and deferred outflows of resources	
Accounts receivable	9,815
Prepaid expense	(3,068)
Deferred outflows	(6,204)
Increase (decrease) in liabilities and deferred inflows of resources	
Accounts payable	83,913
Customer deposits	8,890
Accrued expenses	2,517
Accrued interest payable	(2,625)
Compensated absences payable	(252)
Internal balance	750
Deferred inflows	(253)
Net pension liability	1,880
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	<u>\$ 587,717</u>
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents	\$ 2,715,703
Cash and cash equivalents - restricted	<u>119,437</u>
Total cash and cash equivalents	<u>\$ 2,835,140</u>

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Narrative Profile

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

B. Financial Reporting Entity

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

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

Blended Component Unit:

Dawsonville Downtown Development Authority

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

The Dawsonville Downtown Development Authority serves the City solely and receives substantially all its revenues from the City. Because the Authority cannot stand alone without the support of the City, and all members of its Board of Directors are appointed by the City Council, it is considered a component unit to the City. The Authority is not a separate legal entity, therefore, the financial position, sources of revenues and uses of resources of the Authority are presented as a special revenue fund in the City’s financial statements. The financial statements for the Dawsonville Downtown Development Authority can be obtained at the following address:

Dawsonville Municipal Complex
415 Highway 53 East
Dawsonville, GA 30534

C. Basic Financial Statements

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

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

C. Basic Financial Statements (cont'd)

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, etc.), which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues from licenses and permits fees, service assessments, and charges for services. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net cost (by function or business-type activity) is normally covered by general revenue (sales or use taxes, intergovernmental revenues, interest income, etc.).

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

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

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

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

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

D. Basis of Presentation

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

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

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

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

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

D. Basis of Presentation (cont'd)

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

1. Non-major Governmental Funds

Special Revenue Fund: This includes the Hotel-Motel tax fund which is used to account for the receipt of Hotel-Motel tax revenues. These funds are used to support tourism. This also includes DDA funds that are used to support housing and development. The special revenue funds are represented together as "development" in the financial statements and schedules.

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.

2. Non-Current Governmental Assets/Liabilities

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

E. Basis of Accounting

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

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

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

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

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

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

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.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

E. Basis of Accounting (cont'd)

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, 2017 to June 30, 2018.
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.

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

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2018

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

2. Inventories

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

3. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2018, 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.

6. Capital Assets (cont'd)

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

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

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

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

7. Compensated Absences

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

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

8. Accrued Liabilities and Long-term Obligations

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

9. Fund Equity

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

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

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.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

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

9. Fund Equity (cont'd)

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

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

Fund balances at June 30, 2018 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	\$ 39,186	\$ -	\$ -	\$ 39,186
Restricted:				
Hotel/motel	-	-	607	607
DDA	-	-	31,328	31,328
Cemetery	-	-	219,781	219,781
Capital projects	-	1,783,295	-	1,783,295
Unassigned:	<u>2,992,823</u>	<u>-</u>	<u>-</u>	<u>2,992,823</u>
Total fund balance	<u>\$ 3,032,009</u>	<u>\$ 1,783,295</u>	<u>\$ 251,716</u>	<u>\$ 5,067,020</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.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

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

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.

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 Af rated investment pool by Standard & Poor's. The weighted average maturity at June 30, 2018 was 10 days. Yield is calculated on an actual / 365 day basis, net of 5 basis points administrative fee. The City's balance in Georgia Fund 1 at June 30, 2018 was \$ 2,803,103.

Custodial Credit Risk – Deposits:

The City maintains a formal adopted deposit, investment and custodial credit risk policy and all deposits at June 30, 2018 were insured or collateralized by pledges held in the City's name in the Georgia Bankers Association, Inc. pledging pool. Public funds are not required to disclose custodial credit risk for external investment pools; therefore, the Georgia Fund 1 is exempt from this requirement.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

A. Deposits and Investments (cont'd)

Interest Rate Risk – Deposits:

Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that 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.

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

	6/30/2018
Capital projects fund:	
SPLOST projects	\$ 1,464,119
Special Revenue fund:	
DDA	50,026
Permanent fund:	
Maintenance and care for the cemetery	219,781
Proprietary fund:	
Customer deposits	119,437
Total restricted cash, cash equivalents and certificates of deposit	\$ 1,853,363

B. Accounts Receivable

Receivables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectible accounts. Allowances for uncollectible accounts netted with accounts receivable were \$ - 0 - as of June 30, 2018.

Accounts Receivable at June 30, 2018 consist of the following:

	General Fund	Capital Projects Funds	Hotel Fund	Enterprise Water, Sewer & Garbage Fund	Total
Receivables					
Billed services	\$ -	\$ -	\$ -	\$ 109,005	\$ 109,005
Intergovernmental	95,535	209,743	226	-	305,504
Gross receivables	\$ 95,535	\$ 209,743	\$ 226	\$ 109,005	\$ 414,509

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2018

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

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.

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, 2018 are as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 18,698	\$ 110,672
SPLOST Fund	109,433	-
Non-major governmental Funds:		
DDA	-	18,698
Hotel-Motel Fund	1,239	-
Total	\$ 129,370	\$ 129,370

The composition of interfund transfers as of June 30, 2018 are as follows:

Fund	Transfers In	Transfers Out	Totals
General Fund	\$ -	\$ 15,000	\$ (15,000)
SPLOST	-	185,772	(185,772)
Water & Sewer	185,772	-	185,772
DDA	15,000	-	15,000
Totals	\$ 200,772	\$ 200,772	\$ -

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

The City's general fund also has an internal balance due from the water, sewer, and garbage enterprise fund of \$ 750 as of June 30, 2018.

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

D. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance 6/30/2017	Additions	Deductions	Balance 6/30/2018
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 980,538	\$ 10,856	\$ -	\$ 991,394
Construction in progress	660,926	122,573	506,858	276,641
Artifacts	49,751	-	-	49,751
Total capital assets not being depreciated	1,691,215	133,429	506,858	1,317,786
Depreciable capital assets:				
Buildings	3,390,116	117,085	-	3,507,201
Improvements other than buildings	34,365	8,000	-	42,365
Vehicles	167,388	74,713	16,957	225,144
Machinery and equipment	261,053	13,400	-	274,453
Infrastructure	1,803,092	807,950	-	2,611,042
Total depreciable capital assets	5,656,014	1,021,148	16,957	6,660,205
Accumulated depreciation:				
Buildings	1,362,090	78,651	-	1,440,741
Improvements other than buildings	30,412	1,667	-	32,079
Vehicles	111,843	28,108	16,957	122,994
Machinery and equipment	223,140	13,224	-	236,364
Infrastructure	599,507	71,575	-	671,082
Total accumulated depreciation	2,326,992	193,225	16,957	2,503,260
Total depreciable capital assets - net	3,329,022	827,923	-	4,156,945
Governmental activities capital assets, net	\$ 5,020,237	\$ 961,352	\$ 506,858	\$ 5,474,731

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

D. Capital Assets (cont'd)

	<u>Balance 6/30/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2018</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 3,027,187	\$ 152,108	\$ -	\$ 3,179,295
Construction in progress	1,011,116	900,114	-	1,911,230
Total capital assets not being depreciated	<u>4,038,303</u>	<u>1,052,222</u>	<u>-</u>	<u>5,090,525</u>
Other capital assets:				
Buildings	230,465	-	-	230,465
Machinery and equipment	403,988	167,474	8,584	562,878
Water and sewer system	10,336,673	-	-	10,336,673
Sewer treatment plant	923,923	-	-	923,923
Total other capital assets	<u>11,895,049</u>	<u>167,474</u>	<u>8,584</u>	<u>12,053,939</u>
Accumulated depreciation				
Buildings	52,216	5,909	-	58,125
Machinery and equipment	239,946	47,080	8,584	278,442
Water and sewer system	4,181,171	385,094	-	4,566,265
Sewer treatment plant	436,931	23,690	-	460,621
Total accumulated depreciation	<u>4,910,264</u>	<u>461,773</u>	<u>8,584</u>	<u>5,363,453</u>
Total depreciable capital assets - net	<u>6,984,785</u>	<u>(294,299)</u>	<u>8,584</u>	<u>6,690,486</u>
Business-type activities capital assets, net	<u>\$ 11,023,088</u>	<u>\$ 757,923</u>	<u>\$ -</u>	<u>\$ 11,781,011</u>
Depreciation expense was charged to function as follows:				
General government		\$ 155,189		
Highways and streets		37,423		
Culture and recreations		613		
Total Governmental activities depreciation expense		<u>\$ 193,225</u>		
Business-type Activities				
Water and sewer		<u>\$ 461,773</u>		

E. Compensated Absences

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

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

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

F. Risk Management

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

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

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

G. Retirement Plan

1. Plan Description

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

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

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

2. Funding Policy

The City is required to contribute an actuarially determined amount annually to the plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the GMEBS plan trustees and intended to satisfy the minimum contribution requirements set forth in controlling State of Georgia Statutes. The policy requires a different funding level than the estimated minimum annual contribution to minimize fluctuation in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan. Administrative expenses are based on expected total covered payroll of plan members and are added to the annual funding requirement. Funding for the pension liabilities has been provided through the respective employees' department (i.e. general fund or enterprise fund) in prior years. The required minimum contribution for the year-ended for the plan based on these standards is \$ 36,593; representing 5.18% of the expected payroll of covered employees. The City's contribution is made prior to year-end. The City

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

G. Retirement Plan (cont'd)

3. Additional Information

At July 1, 2018, the date of the most recent actuarial valuation, the 33 participants (including of 5 elected officials) was made up of the following:

Retirees, beneficiaries and disabled participants receiving benefits	3
Vested former participants	8
Active employees participating in the plan	<u>22</u>
 Total number of participants	 <u><u>33</u></u>

Actuarial Assumptions: The City's total pension liability was based on a July 1, 2018 measurement date; the net pension liability was measured as of March 31, 2018.

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

Inflation	2.75%
Projected salary increases	2.75% plus age and service based merit increases
Net investment rate of return	7.50%
Cost of living adjustments	0.00%
Actuarial cost method	Entry age normal
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization method	17 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, 2018 are summarized in the following table:

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

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

Changes in Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (c)
	<u> </u>	<u> </u>	<u> </u>
Balances are March 31, 2017	\$ 472,315	\$ 441,597	\$ 30,718
Changes of the year:			
Service cost	\$ 23,209	\$ -	\$ 23,209
Interest	36,406	-	36,406
Differences between expected and actual experience	13,547	-	13,547
Contributions - employer	-	29,208	(29,208)
Contributions - employee	-	-	-
Net investment income	-	55,665	(55,665)
Benefits payments, including refunds of employee contributions	(5,111)	(5,111)	-
Administrative expense	-	(8,224)	8,224
Other	11,307	-	11,307
Net Changes	<u>79,358</u>	<u>71,538</u>	<u>7,820</u>
	<u>\$ 551,673</u>	<u>\$ 513,135</u>	<u>\$ 38,538</u>

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
	<u> </u>	<u> </u>	<u> </u>
	\$ 108,246	\$ 38,538	\$ (18,484)

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2018

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

G. Retirement Plan (cont'd)

3. Additional Information (cont'd)

For the year ended June 30, 2018, the City recognized government-wide pension expense of \$ 33,299. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,540	\$ (29,003)
Changes of assumptions	9,044	(1,092)
City contributions subsequent to measurement date	7,302	-
Net difference between projected and actual earnings on pension plan investments	-	(18,399)
Total	\$ 27,886	\$ (48,494)

The \$ 7,302 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date of March 31, 2018, will be recognized as a reduction to the pension liability in the subsequent fiscal period rather than the current. The net effect of the deferred outflows and inflows of resources on the net pension liability as of June 30, 2018 is \$ 20,608. Certain amounts reported as deferred outflows and inflows of resources will be recognized as pension expense in future years and are as follows:

Year Ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2019	\$ 11,036	\$ (23,415)
2020	10,332	(15,819)
2021	4,970	(15,819)
2022	4,970	(4,165)
Total	\$ 31,308	\$ (59,218)

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 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 loans outstanding were paid off as intended during that time period. 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 THE FINANCIAL STATEMENTS
June 30, 2018

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)

The City maintains two Drinking Water Revolving Fund Loans from Georgia Environmental Finance Authority (GEFA). The funds will be used for Water and Sewer projects. The primary loan is up to \$ 1,000,000 with 30% forgiven by GEFA. During the year ending June 30, 2018, GEFA forgave \$ 29,229 of the loan. During the current year, the City entered into a second drinking water loan with GEFA for \$ 569,000 for replacement of water meters and systems. The City pays a monthly administrative fee to GEFA for the loans. Principal payments and accrued interest on the notes shall be payable monthly on the first day of each calendar month. Principal payments are not yet in effect for the second drinking water loan. GEFA requires the City to maintain a 105% debt service coverage.

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

The City has obtained a loan from GEFA during the year to finance the costs of updating the wastewater treatment plant. The loan is up to \$ 445,500. The loan includes administrative fees at a rate of 1% to GEFA. Principal payments and accrued interest on the note shall be payable on the first day of each calendar month. The City must maintain a Financial Stability Plan to comply with the provisions of the Clean Water State Revolving Fund loan. The clean water loan also requires the City to maintain a 105% debt coverage ratio.

Changes in debt liability for the year ending June 30, 2018 are as follows:

	Balance 6/30/2017	Issued	Retired	Balance 6/30/2018	Due One Year
Series 2014, Water & Sewer Revenue Bond dated February 1, 2014 interest at 2.0% and not to exceed 3.5 % beginning February 1, 2014 and ending February 1, 2033. Original loan \$ 4,675,000.	\$ 4,045,000	\$ -	\$ 210,000	\$ 3,835,000	\$ 220,000
GEFA Drinking Water State Revolving Fund loan dated February 18, 2015 with interest currently at 1.71%.	488,703	97,429	29,229	556,903	3,421
GEFA Drinking Water State Revolving Fund loan dated September 21, 2017 with interest currently at .5%. Interest only estimated until July 1, 2019.	-	500,506	-	500,506	-
GEFA Clean Water Loan loan dated April 1, 2017 with interest at 2.03%.	429,097	16,403	9,077	436,423	4,351
Total Debt (Water & Sewer Fund)	\$ 4,962,800	\$ 614,338	\$ 248,306	\$ 5,328,832	\$ 227,772

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2018

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

H. Long-Term Debt (cont'd)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 227,772	\$ 122,728	\$ 350,500
2020	264,314	117,549	381,863
2021	287,967	115,129	403,096
2022	293,823	109,782	403,605
2023	469,754	133,276	603,030
2024 and thereafter	<u>3,785,202</u>	<u>571,764</u>	<u>4,356,966</u>
Total	<u>\$ 5,328,832</u>	<u>\$ 1,170,228</u>	<u>\$ 6,499,060</u>

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

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

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

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

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

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

H. Long-Term Debt (cont'd)

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

	<u>Balance 6/30/2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 6/30/2018</u>	<u>Due One Year</u>
Series 2014, DDA Revenue Bonds dated July 25, 2014 with interest rate per annum equal to the "London Interbank Offered Rate", currently at 4.35%. 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.	\$ 467,914	\$ -	\$ 84,052	\$ 383,862	\$ 30,270
Series 2005-A, DDA Revenue Bonds dated December 22, 2005 with interest rate per annum equal to the "Prime Rate" as published in the Money Rates section of <u>The Wall Street Journal - Southeastern Edition</u> , currently at 3.25%. Monthly payments of \$ 11,902 beginning January 22, 2006 and ending December 22, 2025. Original loan \$ 2,166,922.	<u>1,104,391</u>	<u>-</u>	<u>140,502</u>	<u>963,889</u>	<u>121,632</u>
Total Bond Debt (DDA)	<u>\$ 1,572,305</u>	<u>\$ -</u>	<u>\$ 224,554</u>	<u>\$ 1,347,751</u>	<u>\$ 151,902</u>

Debt-service requirements for long-term debt for the 2005 and 2014 revenue bonds are as follows for the years ending June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 151,902	\$ 38,678	\$ 190,580
2020	478,425	22,151	500,576
2021	128,117	17,705	145,822
2022	131,848	14,334	146,182
2023	135,559	10,936	146,495
2024 and thereafter	<u>321,900</u>	<u>38,693</u>	<u>360,593</u>
	<u>\$ 1,347,751</u>	<u>\$ 142,497</u>	<u>\$ 1,490,248</u>

CITY OF DAWSONVILLE, GEORGIA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2018

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

H. Long-Term Debt (cont'd)

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

Compensated absences liability consists of the following as of June 30, 2018:

	Balance 6/30/2017	Issued	Retired	Balance 6/30/2018	Due One Year
Governmental Activities					
Compensated Absences	\$ 19,018	\$ 29,795	\$ 27,994	\$ 20,819	\$ 15,614
Water & Sewer Fund					
Compensated Absences	17,191	22,402	22,654	16,939	12,704
Total Compensated Absences	<u>\$ 36,209</u>	<u>\$ 52,197</u>	<u>\$ 50,648</u>	<u>\$ 37,758</u>	<u>\$ 28,318</u>

The City estimates that employees will use most earned absences on vacation during the year. 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 \$ 219,781 has been restricted in the Cemetery Fund since this amount is not legally available for appropriation. Of these funds, \$ 219,781 is expendable for cemetery perpetual care.

2. Special Revenue Fund

Restricted for tourism and development – A total of \$ 607 has been restricted for tourism expenditures in the Hotel-Motel Fund since this amount is not legally available for appropriation. A total of \$ 31,328 has been restricted for housing and development in the Downtown Development Authority of Dawsonville, Georgia.

3. Capital Projects Fund

Restricted for capital projects – An amount of \$ 1,783,295 has been restricted in the SPLOST capital projects fund for restricted assets since this amount is not legally available for appropriation.

Note 3 – COMMITMENTS AND CONTINGENCIES

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

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

B. Litigation

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

Note 4 – GRHOF MUSEUM ARTIFACTS

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

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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, 2018, the City had receipts based on the tax rate of 6%, of \$ 2,918 and incurred expenditures of \$ 2,830 (97% of revenues). These funds are held for disbursement to the Dawson County Chamber of Commerce for the purpose of promoting tourism. The City complied with the requirements of *OCGA 48-13-51*.

Note 7 – SUBSEQUENT EVENTS

Prior to year-end and shortly thereafter, the City entered into multiple construction contracts for the recreational park and additional water and sewer expansion projects. These projects will be funded through the SPLOST, Enterprise and General Funds. Management has evaluated subsequent events through December 3, 2018, the date the financial statements were available to be issued.

FINANCIAL SECTION
Required Supplementary Information

This page is intentionally blank.

CITY OF DAWSONVILLE, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2018
(Unaudited)

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

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

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

CITY OF DAWSONVILLE, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2018
(Unaudited)

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

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

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

CITY OF DAWSONVILLE, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

1. Valuation Date

The actuarially determined contribution was determined as of July, 1, 2018, 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, 2019.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal Method

Amortization Method: Closed level dollar for remaining unfunded liability

Remaining Amortization Period: Remaining amortization period varies of the bases, with net effective amortization of 17 years

Asset Valuation Method: Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Net Investment Rate of Return: 7.50%

Projected Salary Increases: 2.75% plus service based merit increases

Cost of Living Adjustments: 0.00%

Retirement Age for Inactive Vested Participants: 65

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

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

3. Changes in Benefits

There have been no benefit changes in plan features during the current year.
Pap

4. Changes of Assumptions

Assumption changes based on the results of the actuarial study in September 2017 were minimal. Those changes are:

- The investment return assumption was reduced from 7.75% to 7.50%.
- The inflation assumption was reduced from 3.25% to 2.75%
- The salary increase rates were reduced by 0.50% for all years of services, consistent with the reduction in the inflation assumption.

There were no other changes in methods or assumptions.

FINANCIAL SECTION

Combining and Individual Fund Financial Statements and Schedules

This page is intentionally blank.

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
June 30, 2018

	<u>Non-Major Fund Special Revenue Fund Hotel-Motel</u>	<u>Non-Major Fund Special Revenue Fund DDA</u>	<u>Non-Major Fund Permanent Fund Cemetery</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS				
Restricted assets:				
Cash and cash equivalents	\$ -	\$ 50,026	\$ 219,781	\$ 269,807
Taxes receivable	226	-	-	226
Due from other funds	1,239	-	-	1,239
TOTAL ASSETS	<u>1,465</u>	<u>50,026</u>	<u>219,781</u>	<u>271,272</u>
LIABILITIES				
Current - accounts payable	858	-	-	858
Due to other funds	-	18,698	-	18,698
TOTAL LIABILITIES	<u>858</u>	<u>18,698</u>	<u>-</u>	<u>19,556</u>
FUND BALANCE				
Restricted for:				
Tourism	607	-	-	607
Housing and business development	-	31,328	-	31,328
Cemetery	-	-	219,781	219,781
TOTAL FUND BALANCES	<u>607</u>	<u>31,328</u>	<u>219,781</u>	<u>251,716</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,465</u>	<u>\$ 50,026</u>	<u>\$ 219,781</u>	<u>\$ 271,272</u>

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPEDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2018

	<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	<u>Total</u> Non-Major Governmental Funds
REVENUES				
Taxes	\$ 2,918	\$ -	\$ -	\$ 2,918
Charge for services	-	-	35,690	35,690
Contributions and donations	-	2,600	-	2,600
Interest earned	-	-	407	407
	<u>2,918</u>	<u>2,600</u>	<u>36,097</u>	<u>41,615</u>
Total revenues				
EXPENDITURES				
Current operating:				
Tourism	2,830	-	-	2,830
Housing and business development	-	20,858	-	20,858
Cemetery services	-	-	19,409	19,409
	<u>2,830</u>	<u>20,858</u>	<u>19,409</u>	<u>23,688</u>
Total expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	88	(18,258)	16,688	(1,482)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	15,000	-	15,000
NET CHANGE IN FUND BALANCE	88	(3,258)	16,688	13,518
FUND BALANCES - beginning of year	<u>519</u>	<u>34,586</u>	<u>203,093</u>	<u>238,198</u>
FUND BALANCES - end of year	<u>\$ 607</u>	<u>\$ 31,328</u>	<u>\$ 219,781</u>	<u>\$ 251,716</u>

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
HOTEL-MOTEL FUND
BALANCE SHEET
June 30, 2018

	Hotel-Motel Fund
ASSETS	
Taxes receivable	\$ 226
Due from other funds	1,239
TOTAL ASSETS	1,465
LIABILITIES	
Current - accounts payable	858
TOTAL LIABILITIES	858
FUND BALANCE	
Restricted for tourism	607
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,465

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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Hotel-motel taxes	<u>\$ 4,000</u>	<u>\$ 2,918</u>	<u>\$ (1,082)</u>
Total revenues	<u>4,000</u>	<u>2,918</u>	<u>(1,082)</u>
EXPENDITURES			
Current operating:			
Housing and development - tourism	<u>4,000</u>	<u>2,830</u>	<u>(1,170)</u>
Total expenditures	<u>4,000</u>	<u>2,830</u>	<u>(1,170)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>88</u>	<u>88</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>88</u>	<u>\$ 88</u>
FUND BALANCES - beginning of year		<u>519</u>	
FUND BALANCES - end of year		<u>\$ 607</u>	

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
DOWNTOWN DEVELOPMENT AUTHORITY FUND
BALANCE SHEET
June 30, 2018

	<u>DDA Fund</u>
ASSETS	
Restricted assets:	
Cash and cash equivalents	<u>\$ 50,026</u>
TOTAL ASSETS	<u><u>50,026</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>31,328</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 50,026</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Contributions and donations	<u>\$ 15,000</u>	<u>\$ 2,600</u>	<u>\$ (12,400)</u>
Total revenues	<u>15,000</u>	<u>2,600</u>	<u>(12,400)</u>
EXPENDITURES			
Current operating:			
Grants disbursed	-	4,650	4,650
Housing and business development	<u>65,000</u>	<u>16,208</u>	<u>(48,792)</u>
Total expenditures	<u>65,000</u>	<u>20,858</u>	<u>(44,142)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(50,000)</u>	<u>(18,258)</u>	<u>31,742</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>50,000</u>	<u>15,000</u>	<u>(35,000)</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ -</u></u>	<u>(3,258)</u>	<u><u>\$ (3,258)</u></u>
FUND BALANCES - beginning of year		<u>34,586</u>	
FUND BALANCES - end of year		<u><u>\$ 31,328</u></u>	

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
PERMANENT FUND
CEMETERY FUND
BALANCE SHEET
June 30, 2018

	<u>Cemetery Fund</u>
ASSETS	
Restricted assets:	
Cash and cash equivalents	<u>\$ 219,781</u>
TOTAL ASSETS	<u>219,781</u>
FUND BALANCES	
Restricted for cemetery fund	<u>219,781</u>
TOTAL FUND BALANCES	<u>\$ 219,781</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Cemetery lot sales	\$ 13,500	\$ 35,500	\$ 22,000
Real estate fees	180	190	10
Interest income	<u>243</u>	<u>407</u>	<u>164</u>
Total revenues	<u>13,923</u>	<u>36,097</u>	<u>22,174</u>
EXPENDITURES			
Repairs and maintenance	10,943	6,290	(4,653)
Miscellaneous expenditures	2,980	7,219	4,239
Capital outlay	<u>29,000</u>	<u>5,900</u>	<u>(23,100)</u>
Total expenditures	<u>42,923</u>	<u>19,409</u>	<u>(23,514)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(29,000)</u>	<u>16,688</u>	<u>45,688</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>29,000</u>	<u>-</u>	<u>(29,000)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>16,688</u>	<u>\$ 16,688</u>
FUND BALANCES - beginning of year		<u>203,093</u>	
FUND BALANCES - end of year		<u>\$ 219,781</u>	

FINANCIAL SECTION
Supplementary Information

This page is intentionally blank.

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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget -</u>
OPERATING REVENUES			
Charges for services :			
Water fees	\$ 566,793	\$ 648,858	\$ 82,065
Sewer fees	659,537	754,467	94,930
Garbage fees	104,684	140,056	35,372
Miscellaneous	<u>38,062</u>	<u>53,455</u>	<u>15,393</u>
Total operating revenues	<u>1,369,076</u>	<u>1,596,836</u>	<u>227,760</u>
OPERATING EXPENSES			
Cost of sales and service:			
Advertising	895	1,055	(160)
Bad debts	2,076	496	1,580
Communications	13,200	11,138	2,062
Depreciation	414,000	461,773	(47,773)
Dues and subscriptions	16,200	15,526	674
Education and training	7,000	3,275	3,725
Food	2,200	-	2,200
Garbage service	90,350	104,785	(14,435)
Gas and fuel	6,200	10,376	(4,176)
Insurance	23,000	23,550	(550)
Licenses	300	-	300
Postage	10,000	9,446	554
Printing and binding	2,200	3,262	(1,062)
Professional	109,500	99,837	9,663
Rental equipment	972	648	324
Repairs and maintenance	74,000	73,459	541
Supplies	136,100	200,870	(64,770)
Travel	2,000	-	2,000
Technical services	56,000	42,627	13,373
Uniform service	3,000	358	2,642
Utilities	<u>108,900</u>	<u>126,839</u>	<u>(17,939)</u>
Total cost of sales and service:	<u>1,078,093</u>	<u>1,189,320</u>	<u>(111,227)</u>
Personnel services and benefits:			
Salaries	246,000	270,616	(24,616)
Payroll taxes	16,600	19,827	(3,227)
Group insurance	75,500	73,099	2,401
Workers compensation	10,000	3,858	6,142
Retirement	15,500	9,535	5,965
Total personnel services and benefits	<u>363,600</u>	<u>376,935</u>	<u>(13,335)</u>
OPERATING INCOME (LOSS)	<u>(72,617)</u>	<u>30,581</u>	<u>103,198</u>
NON-OPERATING INCOME (LOSS)			
Transfers in (out)	340,822	185,772	(155,050)
Gain (loss) on sale of assets	-	6,570	6,570
Forgiveness of debt	-	29,228	29,228
Grant	-	11,694	11,694
Contingency/fund reserves	(432,500)	-	432,500
Tap fees	270,000	156,500	(113,500)
Interest and fiscal charges	(109,605)	(115,369)	(5,764)
Interest earned	<u>3,900</u>	<u>9,243</u>	<u>5,343</u>
TOTAL NON-OPERATING INCOME (LOSS)	<u>72,617</u>	<u>283,638</u>	<u>211,021</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>314,219</u>	<u>\$ 314,219</u>
NET POSITION - beginning of year		8,785,009	
NET POSITION - end of year		<u>\$ 9,099,228</u>	

CITY OF DAWSONVILLE, GEORGIA
SCHEDULES OF FUNCTIONAL ALLOCATIONS
WATER, SEWER AND GARBAGE FUND
SCHEDULE OF NET POSITION
June 30, 2018

	Water / Sewer	Garbage	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,544,517	\$ 171,186	\$ 2,715,703
Receivables (net of allowance for uncollectible):			
Accounts	97,552	11,453	109,005
Internal balance	(750)	-	(750)
Restricted assets:			
Prepaid expense	23,546	-	23,546
Cash and cash equivalents	119,437	-	119,437
	2,784,302	182,639	2,966,941
Total current assets			
Non-current assets:			
Capital assets:			
Land	3,179,295	-	3,179,295
Construction in progress	1,911,230	-	1,911,230
Depreciable capital assets, net	6,690,486	-	6,690,486
	11,781,011	-	11,781,011
Total non-current Assets			
	14,565,313	182,639	14,747,952
TOTAL ASSETS			
DEFERRED OUTFLOWS OF RESOURCES			
Retirement contributions	9,592	-	9,592
	9,592	-	9,592
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 14,574,905	\$ 182,639	\$ 14,757,544

CITY OF DAWSONVILLE, GEORGIA
SCHEDULES OF FUNCTIONAL ALLOCATIONS
WATER, SEWER AND GARBAGE FUND
SCHEDULE OF NET POSITION
June 30, 2018

	Water / Sewer	Garbage	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 107,548	\$ -	\$ 107,548
Accrued expenses	11,860	-	11,860
Accrued interest payable	43,051	-	43,051
Current portion of long-term debt	227,772	-	227,772
Current portion, compensated absences	12,704	-	12,704
Customer deposits - payable from restricted assets	120,150	-	120,150
Total current liabilities	523,085	-	523,085
Long-term liabilities:			
Long-term debt (net of current portion)	5,101,060	-	5,101,060
Long-term portion, compensated absences	4,235	-	4,235
Net pension liability	13,256	-	13,256
Total long-term liabilities	5,118,551	-	5,118,551
TOTAL LIABILITIES	5,641,636	-	5,641,636
DEFERRED INFLOWS OF RESOURCES			
Retirement adjustments	16,680	-	16,680
NET POSITION			
Invested in capital assets, net of related debt	6,452,179	-	6,452,179
Unrestricted	2,464,410	182,639	2,647,049
TOTAL NET POSITION	8,916,589	182,639	9,099,228
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$ 14,574,905	\$ 182,639	\$ 14,757,544

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, 2018

	Water / Sewer	Garbage	Total
OPERATING REVENUES			
Charges for services	\$ 1,403,325	\$ 140,056	\$ 1,543,381
Miscellaneous	53,455	-	53,455
	<u>1,456,780</u>	<u>140,056</u>	<u>1,596,836</u>
OPERATING EXPENSES			
Personnel services and benefits	376,280	654	376,934
Purchased and contractual services	425,751	100,431	526,182
Bad debts	411	85	496
Supplies	200,870	-	200,870
Depreciation and amortization	461,773	-	461,773
	<u>1,465,085</u>	<u>101,170</u>	<u>1,566,255</u>
OPERATING INCOME (LOSS)	<u>(8,305)</u>	<u>38,886</u>	<u>30,581</u>
NON-OPERATING INCOME (LOSS)			
Transfers in (out)	185,772	-	185,772
Gain (loss) on sale of assets	6,570	-	6,570
Forgiveness of debt	29,228	-	29,228
Grant	11,694	-	11,694
Tap fees	156,500	-	156,500
Interest and fiscal charges	(115,369)	-	(115,369)
Interest earned	9,243	-	9,243
	<u>283,638</u>	<u>-</u>	<u>283,638</u>
TOTAL NON-OPERATING INCOME (LOSS)	<u>283,638</u>	<u>-</u>	<u>283,638</u>
CHANGE IN NET POSITION	275,333	38,886	314,219
NET POSITION - beginning of year	<u>8,641,256</u>	<u>143,753</u>	<u>8,785,009</u>
NET POSITION - end of year	<u>\$ 8,916,589</u>	<u>\$ 182,639</u>	<u>\$ 9,099,228</u>

STATISTICAL SECTION



This page is intentionally blank.

CITY OF DAWSONVILLE, GEORGIA
INTRODUCTION TO THE STATISTICAL SECTION

(Unaudited)

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

Contents	Pages
Financial Trends.....	57-64
<i>These tables/schedules contain trend information designed to assist the reader in understanding how the City has performed from a financial perspective over time.</i>	
Revenue Capacity.....	65-68
<i>These tables/schedules contain information that may assist the reader in assessing the viability of the City’s most significant revenue sources.</i>	
Debt Capacity.....	69-73
<i>These tables/schedules present information designed to assist the reader in analyzing the affordability of the City’s current levels of outstanding debt, and the City’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information.....	74-75
<i>These tables/schedules offer demographic, economic and statistical information intended to assist the reader in understanding the environment in which the City’s financial activities take place.</i>	
Operating Information.....	76-78
<i>These tables/schedules contain service and infrastructure data to assist the reader in understanding how the information in the City’s financial report relates to the services the government provides and the activities it performs.</i>	

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

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

	Fiscal Year Ending 6/30			
	2018	2017	2016	2015
GOVERNMENTAL ACTIVITIES				
Net Investment in capital assets	4,126,980	3,447,930	2,886,908	2,641,366
Restricted	2,035,011	1,548,463	1,101,659	233,170
Unrestricted	2,972,388	2,780,141	2,465,001	2,153,006
Total governmental activities net position	<u>\$ 9,134,379</u>	<u>\$ 7,776,534</u>	<u>\$ 6,453,568</u>	<u>\$ 5,027,542</u>
BUSINESS-TYPE ACTIVITIES				
Net Investment in capital assets	6,452,179	6,060,288	5,743,112	5,721,934
Restricted	-	-	-	-
Unrestricted	2,647,049	2,724,721	2,245,230	1,924,607
Total business-type activities net position	<u>\$ 9,099,228</u>	<u>\$ 8,785,009</u>	<u>\$ 7,988,342</u>	<u>\$ 7,646,541</u>
PRIMARY GOVERNMENT				
Net Investment in capital assets	10,579,159	9,508,218	8,630,020	8,363,300
Restricted	2,035,011	1,548,463	1,101,659	233,170
Unrestricted	5,619,437	5,504,862	4,710,231	4,077,613
Total primary government net position	<u>\$ 18,233,607</u>	<u>\$ 16,561,543</u>	<u>\$ 14,441,910</u>	<u>\$ 12,674,083</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
NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Fiscal Year Ending 6/30					Six-Months Ending 6/30 2009 (1)
2014	2013	2012	2011	2010	
2,623,723	2,625,541	2,193,856	2,238,622	2,381,617	2,292,575
201,407	215,198	304,838	341,926	169,888	158,873
1,899,759	1,537,287	1,525,884	1,182,435	1,102,263	803,025
<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>
5,732,374	5,979,576	6,134,502	6,445,279	6,547,234	6,117,659
-	217,758	216,476	215,221	106,332	169,576
1,788,771	1,476,569	1,107,259	1,184,364	1,702,406	1,111,983
<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>
8,356,097	8,605,117	8,328,358	8,683,901	8,928,851	8,410,234
201,407	432,956	521,314	557,147	276,220	328,449
3,688,530	3,013,856	2,633,143	2,366,799	2,804,669	1,915,008
<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>

CITY OF DAWSONVILLE, GEORGIA

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year Ending 6/30			
	2018	2017	2016	2015
EXPENSES				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 1,156,139	\$ 1,013,076	\$ 740,287	\$ 688,376
Public Safety	167	4,412	235	-
Public Works	335,394	313,367	341,970	341,626
Culture and Recreation	1,288	3,138	4,454	863
Planning and Zoning	248,627	198,962	81,709	100,322
Housing and Development	32,858	44,029	60,466	19,637
Interest	42,923	39,209	43,330	47,996
Total Governmental Activities	<u>1,817,396</u>	<u>1,616,193</u>	<u>1,272,451</u>	<u>1,198,820</u>
BUSINESS-TYPE ACTIVITIES:				
Water and Sewage	1,681,624	1,569,535	1,427,252	1,351,765
Total Business-type Activities	<u>1,681,624</u>	<u>1,569,535</u>	<u>1,427,252</u>	<u>1,351,765</u>
Total Expenses	<u>\$ 3,499,020</u>	<u>\$ 3,185,728</u>	<u>\$ 2,699,703</u>	<u>\$ 2,550,585</u>
PROGRAM REVENUES				
GOVERNMENTAL ACTIVITIES:				
Charges for services:				
General Government	\$ 143,006	\$ 121,425	\$ 121,425	\$ 120,923
Public Safety	100	240	240	50
Highways and Streets	-	-	-	-
Culture and Recreation	-	-	-	-
Planning and Zoning	171,918	172,484	172,484	101,255
Development	-	-	-	-
Operating grants and contributions	3,600	10,650	10,650	14,300
Capital grants and contributions	1,355,464	1,262,546	1,262,546	1,048,782
Total governmental activities program revenue	<u>1,674,088</u>	<u>1,567,345</u>	<u>1,567,345</u>	<u>1,285,310</u>
BUSINESS-TYPE ACTIVITIES:				
Charges for Services:				
Water and Sewage	1,596,836	1,531,603	1,315,557	1,285,971
Capital grants and contributions	197,422	704,711	425,540	125,000
Total Business-type Activities	<u>1,794,258</u>	<u>2,236,314</u>	<u>1,741,097</u>	<u>1,410,971</u>
Total Program Revenues	<u>\$ 3,468,346</u>	<u>\$ 3,803,659</u>	<u>\$ 3,308,442</u>	<u>\$ 2,696,281</u>
Net (Expense) / Revenue				
Governmental activities	\$ (143,308)	\$ (48,848)	\$ 294,894	\$ 86,490
Business-type activities	112,634	666,779	313,845	59,206
Total Net Expense	<u>\$ (30,674)</u>	<u>\$ 617,931</u>	<u>\$ 608,739</u>	<u>\$ 145,696</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 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 2009 (1)
2014	2013	2012	2011	2010	2009 (1)
\$ 682,148	\$ 706,717	\$ 728,050	\$ 706,602	\$ 673,355	\$ 284,632
-	80,000	160,000	160,000	166,550	80,000
221,424	265,141	157,539	63,848	55,414	21,038
1,933	5,641	5,993	66,023	20,821	10,220
97,632	63,448	79,660	68,694	93,952	125,549
11,577	23,667	5,357	3,062	2,655	7,476
29,952	39,202	46,422	47,563	50,320	29,087
<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>
1,465,860	1,360,724	1,353,080	1,489,493	1,525,155	745,660
<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>\$ 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>
\$ 106,907	\$ 84,070	\$ 129,225	\$ 109,271	\$ 94,318	\$ 96,988
-	-	1,500	19,261	900	2,600
-	-	-	-	-	-
-	-	-	-	19,182	20,512
79,488	28,036	41,138	36,659	10,381	33,180
-	-	-	-	-	-
17,420	9,993	1,000	1,000	4,500	7,458
-	16,629	16,523	4,320	112,275	73,466
<u>203,815</u>	<u>138,728</u>	<u>189,386</u>	<u>170,511</u>	<u>241,556</u>	<u>234,204</u>
1,204,829	1,121,978	962,042	972,252	990,093	459,627
104,300	466,000	-	-	563,762	97,698
<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>\$ 1,512,944</u>	<u>\$ 1,726,706</u>	<u>\$ 1,151,428</u>	<u>\$ 1,142,763</u>	<u>\$ 1,795,411</u>	<u>\$ 791,529</u>
\$ (840,851)	\$ (1,045,088)	\$ (993,635)	\$ (945,281)	\$ (821,511)	\$ (323,798)
(156,731)	227,254	(391,038)	(517,241)	28,700	(188,335)
<u>\$ (997,582)</u>	<u>\$ (817,834)</u>	<u>\$ (1,384,673)</u>	<u>\$ (1,462,522)</u>	<u>\$ (792,811)</u>	<u>\$ (512,133)</u>

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

	Fiscal Year Ending 6/30			
	2018	2017	2016	2015
GENERAL REVENUES				
GOVERNMENTAL ACTIVITIES:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Tax	993,116	885,518	899,360	788,952
Other excise taxes	93,976	107,339	87,132	91,757
Franchise taxes	198,382	190,223	182,404	210,988
Intergovernmental-unrestricted	-	-	-	-
Unrestricted investment earnings	35,127	13,713	7,000	3,182
Gain (loss) on sale of capital assets	1,370	-	-	-
Miscellaneous	364,954	300,745	261,876	233,488
Transfers in/out	(185,772)	(125,724)	(24,605)	-
Special Item	-	-	-	-
Total general revenues, transfers, and special item	<u>1,501,153</u>	<u>1,371,814</u>	<u>1,413,167</u>	<u>1,328,367</u>
BUSINESS-TYPE ACTIVITIES:				
Unrestricted investment earnings	9,243	4,164	3,351	2,899
Gain (loss) on sale of capital assets	6,570	-	-	-
Miscellaneous	-	-	-	-
Transfers in/out	185,772	125,724	24,605	-
Special Item	-	-	-	-
Total Business-type Activities	<u>201,585</u>	<u>129,888</u>	<u>27,956</u>	<u>2,899</u>
Total Primary Government	<u>\$ 1,702,738</u>	<u>\$ 1,501,702</u>	<u>\$ 1,441,123</u>	<u>\$ 1,331,266</u>
Change in Net Position				
Governmental Activities	\$ 1,357,845	\$ 1,228,506	\$ 1,364,319	\$ 1,185,059
Business-type Activities	314,219	242,522	694,735	115,533
Total Change in Net Position	<u>\$ 1,672,064</u>	<u>\$ 1,471,028</u>	<u>\$ 2,059,054</u>	<u>\$ 1,300,592</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 2009 (1)
2014	2013	2012	2011	2010	2009 (1)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
783,018	802,222	892,217	832,894	782,352	405,666
90,626	84,451	80,496	78,869	176,932	95,571
143,418	148,922	120,715	120,936	111,417	5,782
-	-	-	-	-	-
2,243	2,573	2,254	3,737	5,539	3,970
-	-	-	-	22,385	-
233,496	219,710	178,423	80,839	-	-
-	-	-	-	-	25,015
-	90,000	-	-	129,433	-
<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>
3,973	3,953	4,413	7,633	12,054	8,227
-	-	(2)	(1,500)	-	(25,015)
-	-	-	-	-	-
-	-	-	-	-	-
-	(15,541)	-	-	916,000	-
<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>\$ 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>
\$ 346,863	\$ 353,448	\$ 261,595	\$ 243,039	\$ 387,207	\$ (304,847)
(152,758)	215,666	(386,627)	(511,108)	771,323	(173,519)
<u>\$ 194,105</u>	<u>\$ 569,114</u>	<u>\$ (125,032)</u>	<u>\$ (268,069)</u>	<u>\$ 1,158,530</u>	<u>\$ (478,366)</u>

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

	Fiscal Year Ending 6/30			
	2018	2017	2016	2015
General Fund				
Nonspendable	\$ 39,186	\$ 20,478	\$ 27,366	\$ 5,048
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	2,992,823	2,821,052	2,491,569	2,201,835
Total General Fund:	<u>\$ 3,032,009</u>	<u>\$ 2,841,530</u>	<u>\$ 2,518,935</u>	<u>\$ 2,206,883</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	2,035,011	1,548,463	1,101,659	233,170
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all Other Governmental Funds:	<u>\$ 2,035,011</u>	<u>\$ 1,548,463</u>	<u>\$ 1,101,659</u>	<u>\$ 233,170</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 2009 (1)
2014	2013	2012	2011	2010	
\$ 43,732	\$ 13,530	\$ 36,897	\$ 8,840	\$ 17,497	\$ 20,593
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,864,596</u>	<u>1,529,719</u>	<u>1,494,558</u>	<u>1,175,171</u>	<u>924,863</u>	<u>563,359</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
201,407	215,198	304,838	341,926	331,348	383,811
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 201,407</u>	<u>\$ 215,198</u>	<u>\$ 304,838</u>	<u>\$ 341,926</u>	<u>\$ 331,348</u>	<u>\$ 383,811</u>

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

	Fiscal Year Ending 6/30			
	2018	2017	2016	2015
REVENUES				
Taxes	\$ 1,650,375	\$ 1,483,767	\$ 2,462,221	\$ 1,325,185
Charges for services	101,802	96,129	69,194	64,625
Intergovernmental	1,353,991	1,261,871	17,833	1,000
Licenses and permits	157,670	137,243	87,955	67,588
Fines, fees and forfeitures	-	-	-	-
Interest	39,503	15,389	7,000	3,182
Contributions	2,600	9,650	13,800	16,420
Miscellaneous	55,071	60,836	65,080	54,182
Total Revenues	<u>3,361,012</u>	<u>3,064,885</u>	<u>2,723,083</u>	<u>1,532,182</u>
EXPENDITURES				
General Government	1,131,689	850,333	689,860	566,867
Public Safety	167	4,412	21,491	-
Highways and Streets	472,242	381,468	346,940	329,030
Culture and Recreation	675	2,527	4,454	-
Planning and Zoning	271,057	198,962	81,709	100,322
Development	32,858	47,530	63,481	22,229
Debt Service				
Principal	224,554	149,015	143,822	135,419
Interest	42,925	39,330	43,330	47,997
Capital Outlay	319,216	496,185	122,850	-
Total Expenditures	<u>2,495,383</u>	<u>2,169,762</u>	<u>1,517,937</u>	<u>1,201,864</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 865,629</u>	<u>\$ 895,123</u>	<u>\$ 1,205,146</u>	<u>\$ 330,318</u>

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

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

Fiscal Year Ending 6/30					Six-Months Ending 6/30 2009 (1)
2014	2013	2012	2011	2010	
\$ 1,250,558	\$ 1,255,305	\$ 1,271,852	\$ 1,113,537	\$ 1,070,702	\$ 507,019
5,330	25,465	35,644	33,866	34,072	6,286
20,370	17,523	5,055	111,682	73,466	-
54,461	69,713	63,134	35,471	64,880	34,697
-	-	-	-	50	-
2,268	2,573	2,520	4,330	5,539	1,754
-	-	-	4,500	7,458	1,667
58,542	76,685	66,412	55,444	80,913	19,625
<u>1,391,529</u>	<u>1,447,264</u>	<u>1,444,617</u>	<u>1,358,830</u>	<u>1,337,080</u>	<u>571,048</u>
538,842	577,984	494,045	461,597	437,813	189,673
-	80,000	160,000	160,000	166,550	80,000
223,199	247,217	136,796	49,684	46,966	17,620
100	1,991	2,343	62,373	17,429	8,953
97,632	63,448	79,054	67,241	91,462	101,178
14,349	26,635	7,800	12,811	4,016	7,476
112,223	368,955	118,900	117,135	117,715	53,842
29,952	39,202	46,422	47,563	50,320	29,087
23,944	119,678	88,901	128,197	228,297	19,925
<u>1,040,241</u>	<u>1,525,110</u>	<u>1,134,261</u>	<u>1,106,601</u>	<u>1,160,568</u>	<u>507,754</u>
<u>\$ 351,288</u>	<u>\$ (77,846)</u>	<u>\$ 310,356</u>	<u>\$ 252,229</u>	<u>\$ 176,512</u>	<u>\$ 63,294</u>

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

	Fiscal Year Ending 6/30			
	2018	2017	2016	2015
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ -	\$ 188,420	\$ -
Transfers Out	(185,772)	(125,724)	(213,025)	-
General Obligation bonds issued	-	-	-	-
Premium on general obligation bonds	-	-	-	-
Refunding bonds issued	-	-	-	-
Premium on refunding bonds issued	-	-	-	-
Discount on special assessment bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Capital lease	-	-	-	-
Sales of general capital assets	-	-	-	-
Insurance recoveries	-	-	-	-
Total Other Financing Sources (Uses)	<u>(185,772)</u>	<u>(125,724)</u>	<u>(24,605)</u>	<u>-</u>
Net change in fund balances before special item	<u>679,857</u>	<u>769,399</u>	<u>1,180,541</u>	<u>330,318</u>
Special Item	-	-	-	-
Net change in fund balances	<u>\$ 679,857</u>	<u>\$ 769,399</u>	<u>\$ 1,180,541</u>	<u>\$ 330,318</u>
Debt service as a percentage of noncapital expenditures	14.41%	16.94%	15.49%	15.86%

(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				
	2018	2017	2016	2015	2014
Revenues					
Taxes	\$ 1,647,457	\$ 1,480,174	\$ 1,284,945	\$ 1,322,513	\$ 1,247,700
Charges for services	66,112	81,039	55,574	44,235	1,530
Intergovernmental	112,870	25,098	17,833	1,000	3,766
Licenses and permits	157,670	137,243	87,955	67,588	54,461
Fines, fees and forfeitures	-	-	-	-	-
Interest	34,720	13,463	6,254	2,922	1,981
Contributions	-	-	-	-	-
Miscellaneous	55,071	60,836	65,080	54,182	58,542
Total Revenues	<u>2,073,900</u>	<u>1,797,853</u>	<u>1,517,641</u>	<u>1,492,440</u>	<u>1,367,980</u>
Expenditures					
General Government	1,131,689	850,333	689,860	561,273	528,218
Public Safety	167	4,412	21,491	-	-
Public Works	452,833	364,524	332,343	329,030	223,199
Culture and Recreation	675	2,527	4,454	-	100
Planning and Zoning	271,057	198,962	81,709	100,322	97,632
Housing and Development	12,000	12,000	12,000	-	11,577
Debt Service	-	-	-	183,416	142,175
Capital Outlay	-	-	187,152	-	-
Total Expenditures	<u>1,868,421</u>	<u>1,432,758</u>	<u>1,329,009</u>	<u>1,174,041</u>	<u>1,002,901</u>
Excess (Deficiency) of					
Revenues over Expenditures	205,479	365,095	188,632	318,399	365,079
Other Financing Sources (Uses)					
Transfers in (out)	<u>(15,000)</u>	<u>(42,500)</u>	<u>123,420</u>	<u>(7,500)</u>	<u>-</u>
Net Change in Fund Balances	190,479	322,595	312,052	310,899	365,079
Fund Balance- beginning of year	2,841,530	2,518,935	2,206,883	1,908,328	1,543,249
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,344)</u>	<u>-</u>
Fund Balance- end of year	<u>\$ 3,032,009</u>	<u>\$ 2,841,530</u>	<u>\$ 2,518,935</u>	<u>\$ 2,206,883</u>	<u>\$ 1,908,328</u>

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

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

	Fiscal Year Ending 6/30				
	2018	2017	2016	2015	2014
Operating Revenues					
Charges for services	\$ 1,403,325	\$ 1,363,254	\$ 1,177,492	\$ 1,144,184	\$ 1,084,192
Miscellaneous	53,455	50,123	31,175	47,150	28,639
Total Operating Revenues	<u>1,456,780</u>	<u>1,413,377</u>	<u>1,208,667</u>	<u>1,191,334</u>	<u>1,112,831</u>
Operating Expenses					
Personal Services & Benefits	376,280	287,380	266,569	279,851	241,309
Purchased/Contracted Services	425,751	466,946	362,852	352,989	353,927
Bad Debts	411	1,207	5,829	2,843	4,292
Supplies	200,870	151,271	149,927	87,520	63,621
Depreciation & Amortization	461,773	427,979	413,210	413,457	413,016
Total Expenditures	<u>1,465,085</u>	<u>1,334,783</u>	<u>1,198,387</u>	<u>1,136,660</u>	<u>1,076,165</u>
Operating Income (Loss)	(8,305)	78,594	10,280	54,674	36,666
Non-Operating Income (Loss)					
Intergovernmental Revenues	11,694	288,306	-	-	-
Contributions & Donations	-	-	-	-	-
Gain (loss) on Sale of Assets	6,570	-	-	-	-
Forgiveness of Debt	29,228	55,405	154,040	-	-
Interest & Fiscal Charges	(115,369)	(112,318)	(139,363)	(122,555)	(318,564)
Interest Earned	9,243	4,164	3,351	2,899	3,973
Total Non-Operating Income (Loss)	(58,634)	235,557	18,028	(119,656)	(314,591)
Net Income Before Transfers	(66,939)	314,151	28,308	(64,982)	(277,925)
Tap Fees & Other					
Tap Fees & Other	156,500	361,000	271,500	125,000	104,300
Transfers In (Out)	<u>185,772</u>	<u>125,724</u>	<u>24,605</u>	<u>-</u>	<u>-</u>
Change in Net Assets	275,333	800,875	324,413	60,018	(173,625)
Net Assets- beginning of year	8,641,256	7,840,381	7,421,968	7,392,659	7,566,284
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>94,000</u>	<u>(30,709)</u>	<u>-</u>
Net Assets- end of year	<u><u>\$ 8,916,589</u></u>	<u><u>\$ 8,641,256</u></u>	<u><u>\$ 7,840,381</u></u>	<u><u>\$ 7,421,968</u></u>	<u><u>\$ 7,392,659</u></u>

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

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

Tax Year	Real Property				Personal Property (1)	
	Residential Property	Agricultural & Conservation Property	Commercial & Industrial Property	Public Utilities	Motor Vehicles	Mobile Homes
2018	\$ 83,471,379	\$ 9,977,936	\$ 26,183,110	\$ 2,409,781	\$ 49,200	\$ -
2017	65,131,888	9,170,797	25,732,544	2,390,900	54,600	-
2016	55,455,965	8,786,418	24,932,499	2,009,547	66,180	-
2015	49,962,771	9,202,748	22,049,743	1,999,574	2,938	1,340
2014	44,143,055	8,833,142	24,609,041	1,811,627	169,780	1,340
2013	40,167,378	8,526,540	21,789,893	2,003,986	207,450	2,410
2012	43,109,208	8,537,257	18,067,672	1,783,236	252,490	12,657
2011	48,561,693	11,203,280	18,849,201	1,743,018	198,620	16,922
2010	55,080,051	15,635,971	19,713,929	1,731,940	159,750	17,417
2009	60,623,516	14,703,393	19,203,214	1,660,263	256,800	18,319

Source: Georgia Department of Revenue

- (1) The City does not presently levy ad valorem tax, therefore inventory and equipment valuations are not reported.
- (2) Digest is not adjusted for bond exemptions since no taxes were levied for bond debt service and therefore the exemptions were not calculated by the Dawson County Tax Commissioner.
- (3) Total assessed value, after deducting exemptions for purposes of levying tax for the maintenance and operation of the City, if the City had levied such tax.

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

Gross Tax Digest / Bond Digest (2)	Exemption Adjustments	Total Taxable Assessed Value (3)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Value
\$ 122,091,406	\$ (4,676,131)	\$ 117,415,275	0.00	\$ 293,538,188	40%
102,480,729	(4,077,959)	98,402,770	0.00	246,006,925	40%
91,250,609	(4,631,222)	86,619,387	0.00	216,548,468	40%
83,219,114	(3,563,366)	79,655,748	0.00	199,139,370	40%
79,567,985	(3,739,663)	75,828,322	0.00	189,570,805	40%
72,697,657	(2,649,546)	70,048,111	0.00	175,120,278	40%
71,762,520	(2,649,546)	69,112,974	0.00	172,782,435	40%
80,572,734	(3,122,450)	77,450,284	0.00	193,625,710	40%
92,339,058	(4,483,511)	87,855,547	0.00	219,638,868	40%
96,465,505	(4,420,906)	92,044,599	0.00	230,111,498	40%

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

Tax Year	Direct Rate	Overlapping Rates				Total Direct and Overlapping Rates
	City of Dawsonville	Dawson County Board of Education		State of Georgia	Dawson County	
	Operating Millage	Operating Millage	Debt Service	Operating Millage	Operating Millage	
2018	0.000	15.778	0.000	0.000	8.138	23.916
2017	0.000	15.778	0.000	0.000	8.138	23.916
2016	0.000	15.778	0.000	0.050	8.138	23.966
2015	0.000	16.496	0.000	0.050	8.138	24.684
2014	0.000	17.246	0.000	0.100	8.138	25.484
2013	0.000	17.246	0.000	0.150	8.138	25.534
2012	0.000	15.546	0.400	0.200	8.138	24.284
2011	0.000	15.546	0.400	0.250	8.138	24.334
2010	0.000	13.646	0.400	0.250	8.138	22.434
2009	0.000	13.646	0.400	0.250	8.138	22.434

Source: Georgia Department of Revenue

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

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

Taxpayer	Type of Business	2018			2009		
		Taxable Assessed	Rank	Percentage of Total	Taxable Assessed	Rank	Percentage of Total
		Value		Value (1)	Value		Value (1)
Atlanta Motorsports Park, LLC	Motorsports Park	\$ 2,510,267	1	2.06%	\$ -		0.00%
Dawsonville Fee Owner, LLC	Shopping Center Owner	2,272,535	2	1.86%	-		0.00%
Farmington Woods, LP	Apartment Complex	1,862,119	3	1.53%	-		0.00%
D & M Financial LLC	Commercial Business Owner	1,040,974	4	0.85%	-		0.00%
Gold Creek Processing, LLC	Poultry Processing	1,052,714	5	0.86%	2,113,745	3	2.19%
LCG Residential, LLC	Residential Developer	921,042	6	0.75%	-		0.00%
B&K Turner Family, LLP	Public Utility	895,976	7	0.73%	-		0.00%
Windstream Standard, Inc.	Public Utility	804,582	8	0.66%	1,151,272	7	1.19%
Starmount Properties Inc.	Apartment Complex	747,274	9	0.61%	-		0.00%
Mason Avenue Partners, LLC	Residential Developer	729,252	10	0.60%	-		0.00%
Dawsonville Retail Investors, LLC	Real Estate Investment	-		0.00%	2,397,548	1	2.49%
EHK Investments LLC	Family Owned Real Estate	-		0.00%	2,131,065	2	2.21%
E Elliott Family Partnership LLLP	Real Estate Investment	-		0.00%	2,031,815	4	2.11%
SBW Development Venture	Residential & Commercial Developer	-		0.00%	1,341,392	5	1.39%
Meadow Trace	Residential Developer	-		0.00%	1,212,286	6	1.26%
Rainhill Investments, LLC	Real Estate Investment	-		0.00%	1,019,240	8	1.06%
Appalachian Community Bank	Commercial Business Owner	-		0.00%	944,276	9	0.98%
Dawson Development Assoc. LLC	Residential Developer	-		0.00%	896,000	10	0.93%
Totals		10,326,468		8.46%	15,238,639		15.80%

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 \$ 122,091,406 for calendar year 2018, and \$ 96,465,505 for calendar year 2009.

CITY OF DAWSONVILLE, GEORGIA
LOCAL OPTION SALES TAX DISTRIBUTION COMMODITY REPORT

Last Five Fiscal Years

Commodity (1)	2018			2017		
	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
General Merchandise	\$ 2,756,933	1	33.37%	\$ 2,488,720	1	34.07%
Food/Bars	1,724,121	2	20.87%	1,511,492	2	20.69%
Other Retail	991,588	3	12.00%	731,543	3	10.02%
Miscellaneous Service	693,971	4	8.40%	695,112	4	9.52%
Wholesale	423,375	5	5.12%	442,632	5	6.06%
Home Furnishing	370,178	6	4.48%	339,663	7	4.65%
Manufacturing	345,113	7	4.18%	417,273	6	5.71%
Other Services	323,353	8	3.91%	97,373	10	1.33%
Utility	314,792	9	3.81%	278,894	8	3.82%
Auto	159,012	10	1.92%	169,305	9	2.32%
Accommodations	88,855		1.08%	89,546		1.23%
Construction	69,713		0.84%	42,800		0.59%
Totals	8,261,004		100.00%	7,304,353		100.00%

Source: Georgia Department of Revenue, Local Government Services

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

CITY OF DAWSONVILLE, GEORGIA
LOCAL OPTION SALES TAX DISTRIBUTION COMMODITY REPORT

Last Five Fiscal Years

2016			2015			2014		
Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
\$ 2,678,360	1	39.04%	\$ 2,764,194	1	42.83%	\$ 2,764,194	1	42.83%
1,232,140	2	17.96%	1,085,753	2	16.82%	1,085,753	2	16.82%
671,004	3	9.78%	687,741	3	10.66%	687,741	3	10.66%
568,871	4	8.29%	508,180	4	7.87%	508,180	4	7.87%
383,261	6	5.59%	415,047	5	6.43%	415,047	5	6.43%
277,962	7	4.05%	197,512	8	3.06%	197,512	8	3.06%
438,265	5	6.39%	236,342	7	3.66%	236,342	7	3.66%
83,607	10	1.22%	98,596	10	1.53%	98,596	10	1.53%
269,555	8	3.93%	271,837	6	4.21%	271,837	6	4.21%
160,335	9	2.34%	119,989	9	1.86%	119,989	9	1.86%
75,391		1.10%	54,951		0.85%	54,951		0.85%
21,273		0.31%	13,600		0.21%	13,600		0.21%
<u>6,860,024</u>		<u>100.00%</u>	<u>6,453,742</u>		<u>100.00%</u>	<u>6,453,742</u>		<u>100.00%</u>

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

Fiscal Year Ended	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Intergovernmental Contractual Agreement (3)	Capital Leases	Water & Sewer Revenue Bonds	Municipal Loans				
2018	1,347,751	-	3,835,000	1,493,832		6,676,583	5.30%	2,237
2017	1,572,307	-	4,045,000	917,800		6,535,107	5.43%	2,214
2016	1,721,322	-	4,250,000	359,426		6,330,748	6.03%	2,403
2015	1,865,144	-	4,450,000	-		6,315,144	6.18%	2,410
2014	1,442,828	-	4,675,000	-		6,117,828	6.56%	2,412
2013	1,555,048	-	3,761,717	1,083,998		6,400,763	7.41%	2,596
2012	1,924,006	-	3,816,575	1,147,157		6,887,738	8.84%	3,003
2011	2,042,906	-	3,867,828	1,207,565		7,118,299	9.38%	3,070
2010	2,160,041	-	3,917,948	1,265,372		7,343,361	9.93%	3,073
2009 (2)	2,277,756	-	3,961,563	1,320,784		7,560,103	15.06%	4,675

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

- (1) See the Schedule of Demographic and Economic Statistics on page 74 for personal income and 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, 2018

<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	\$ 1,347,751	100%	\$ 1,347,751
Total Direct	<u>1,347,751</u>		<u>1,347,751</u>
Overlapping Debt:			
Dawson County Board of Commissioners	2,865,000	6.72%	192,528
Dawson County School System	<u>12,210,000</u>	6.72%	<u>820,512</u>
Total Overlapping Debt	<u>15,075,000</u>		<u>1,013,040</u>
Total	<u>\$ 16,422,751</u>		<u>\$ 2,360,791</u>

Source: Direct debt outstanding provided by the City as of June 30, 2018, as represented in current financial statements. Overlapping debt outstanding data as per reported in the Dawson County CAFR for December 31, 2017.

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

	2018	2017	2016	2015
Assessed value of property, gross tax digest	\$ 122,091,406	\$ 102,480,729	\$ 91,250,609	\$ 83,219,114
Debt Limit (10% of total assessed value)	12,209,141	10,248,073	9,125,061	8,321,911
Amount of Debt applicable to limit:				
General obligation bonds and contracts payable	1,347,751	1,572,307	1,721,322	1,334,130
Less: Resources restricted to paying principal	-	-	-	-
Total net debt applicable to limit	1,347,751	1,572,307	1,721,322	1,334,130
Legal debt margin	\$ 10,861,390	\$ 8,675,766	\$ 7,403,739	\$ 6,987,781
Total net debt applicable to the limit as a percentage of debt limit	11.04%	15.34%	18.86%	16.03%

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

2014	2013	2012	2011	2010	2009
\$ 79,567,985	\$ 72,697,657	\$ 71,762,520	\$ 80,752,734	\$ 92,339,058	\$ 96,465,505
7,956,799	7,269,766	7,176,252	8,075,273	9,233,906	9,646,551
1,442,828	1,555,048	1,924,006	2,042,906	2,160,041	2,277,756
-	-	-	-	-	-
<u>1,442,828</u>	<u>1,555,048</u>	<u>1,924,006</u>	<u>2,042,906</u>	<u>2,160,041</u>	<u>2,277,756</u>
<u>\$ 6,513,971</u>	<u>\$ 5,714,718</u>	<u>\$ 5,252,246</u>	<u>\$ 6,032,367</u>	<u>\$ 7,073,865</u>	<u>\$ 7,368,795</u>
18.13%	21.39%	26.81%	25.30%	23.39%	23.61%

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)	
2018	1,606,079	1,104,482	501,597	248,305	115,369	1.38
2017	1,535,767	1,029,238	506,529	260,405	112,318	1.36
2016	1,318,908	874,680	444,228	200,000	139,363	1.31
2015	1,288,870	812,753	476,117	225,000	97,159	1.48
2014	1,208,802	734,280	474,522	170,715	296,608	1.02
2013	1,125,931	719,778	406,153	118,017	208,528	0.76
2012	966,455	710,484	255,971	111,661	213,678	0.79
2011	979,885	836,095	143,790	107,928	217,410	0.44
2010	1,002,147	868,042	134,105	99,025	226,311	0.41
2009	(4) 467,854	439,860	27,994	49,905	112,764	0.17

(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, 2018

	Direct Tax Supported Debt (1)	Overlapping Tax Supported Debt (1)	Overall Tax Supported Debt (6)
Per Capita Debt (2)	\$ 452	\$ 339	\$ 791
Percentage of Gross Tax Digest (3)	1.10%	0.83%	1.93%
Percentage of Direct Fair Market Value (4)	0.46%	0.35%	0.80%
Per Capita Debt as Percentage of Per Capita Income (5)	1.07%	0.80%	1.87%

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

- (1) Direct and overlapping debt is shown in total on page 70.
- (2) Based on 2018 City of Dawsonville population of 2,984, see page 74
- (3) Based on 2018 Gross Tax Digest of \$ 122,091,406, see page 65
- (4) Based on 2018 estimated actual value of \$ 293,538,188, see page 65
- (5) Based on 2018 estimated per capita income figure for Dawson County of \$ 42,177, see page 74
- (6) Based on amount of overlapping debt applicable to City of Dawsonville taxable property.

CITY OF DAWSONVILLE, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year Ended	Population Dawson County	Population City of Dawsonville	Estimated City of Dawsonville Personal Income (4)	Dawson Co. Per Capita Personal Income	Dawson County Average Annual Unemployment Rate (1)
2018 (2)	24,621	2,984	125,855,547	42,177 (3)	3.6%
2017	24,006	2,952	120,458,484	40,806	4.4%
2016	23,604	2,634	104,901,684	39,826	4.7%
2015	23,256	2,620	102,109,260	38,973	5.6%
2014	22,891	2,536	93,266,472	36,777	5.8%
2013	22,574	2,466	86,376,582	35,027	6.7%
2012	22,371	2,294	77,872,124	33,946	7.7%
2011	22,209	2,319	75,866,085	32,715	9.0%
2010	22,287	2,390	73,970,500	30,950	9.8%
2009	22,325	1,617	50,196,531	31,043	9.8%

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

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

(2) U.S. Census population data for 2017 not available; information shown is estimate provided by Georgia Hometown Locator.

(3) Current per capita data unavailable. Calculated estimate by applying to the preceding year, the compound annual growth rate of 3.36% realized for the nine year period 2009-2017.

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

CITY OF DAWSONVILLE, GEORGIA

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

Taxpayer	2018			2009		
	Employees	Rank	Percentage of City Employment	Employees	Rank	Percentage of City Employment
Dawson County Board of Commissioners	393	1	23.75%	274	2	17.91%
Gold Creek Processing, LLC / Gold Creek Foods	356	2	21.51%	501	1	32.75%
Dawson County Board of Education (1)	321	3	19.40%	234	3	15.29%
Atlanta Motor Sports Park LLC	62	4	3.75%			
T.W. Phillips Grading, Inc.	45	5	2.72%	18	7/8	1.18%
Food Lion Store # 2132	39	6	2.36%	36	4	2.35%
Bojangles Restaurant	25	7/8	1.51%			
North Georgia Assisted Living	25	7/8	1.51%			
Dairy Queen of Dawsonville	25	7/8	1.51%	18	7/8	1.18%
City of Dawsonville	23	9	1.39%	13	9	0.85%
Koch Electric	14	10	0.85%			
Ernie Elliott Inc.				24	5	1.57%
Davis Machine Inc.				23	6	1.50%
Southern Foodservice Management				18	7/8	1.18%
Southern Catholic College				10	10	0.65%
Subway				10	10	0.65%
All Others	327		19.76%	351		22.94%
Totals	<u>1,655</u>		<u>100.00%</u>	<u>1,530</u>		<u>100.00%</u>

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

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

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

Function	2018		2017		2016		2015	
	Full Time	Part Time						
General government:								
Mayor and council	-	5	-	5	-	5	-	5
Finance and administration	5	1	3	1	2	1	1	1
Planning and zoning	2	1	2	-	1	-	1	-
Highways and streets	3	-	3	-	3	-	3	-
Water and sewer	6	-	5	-	5	-	3	-
Totals	<u>16</u>	<u>7</u>	<u>13</u>	<u>6</u>	<u>11</u>	<u>6</u>	<u>8</u>	<u>6</u>

Source: City employment records.

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

2014		2013		2012		2011		2010		2009	
Full Time	Part Time										
-	5	-	5	-	5	-	5	-	5	-	5
1	1	1	1	1	1	1	1	1	1	2	-
1	-	1	-	1	-	1	-	1	-	2	-
3	-	1	1	1	1	-	-	-	-	-	-
3	-	3	-	3	-	4	-	5	-	4	-
<u>8</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>6</u>	<u>7</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>6</u>	<u>8</u>	<u>5</u>

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

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government:									
Number of accounts payable checks issued	1,579	1,426	1,404	730	730	656	554	1,004	1,067
Number of payroll checks issued	504	418	326	286	286	290	278	273	280
Highways and streets									
Miles of streets maintained	12.04	11.60	11.60	10.87	10.87	10.87	10.08	10.07	10.07
Miles of sidewalks maintained	8.30	7.80	6.68	5.93	5.93	5.70	5.52	5.09	4.80
Planning & Zoning									
Permits issued	280	206	141	100	97	96	83	98	77
Licenses issued	598	219	204	181	190	163	151	152	160
Water System									
Number of service connections	1,316	1,248	1,208	1,250	1,250	1,118	1,131	1,096	1,135
Daily average consumption in gallons	220,037	204,309	242,947	190,688	190,688	187,092	294,304	194,215	183,486
Sewer System									
Number of service connections	1,144	1,077	970	1,075	1,075	941	934	904	946
Daily average treatment in gallons	197,183	183,826	164,764	176,698	176,698	166,530	270,731	172,218	160,841
Garbage Collection									
Customers	876	816	654	572	556	553	518	522	517

Source: Various City departments.

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

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009 (1)
General Government:										
Municipal facilities	1	1	1	1	1	1	1	1	1	1
Rental houses	2	2	2	2	2	2	2	2	2	2
Undeveloped land acreage	17.74	17.74	17.74	17.74	3.53	3.53	3.53	3.53	3.53	3.53
Culture and Recreation										
Parks	2	2	2	2	2	1	1	1	1	1
Park acreage	15	15	15	15	15	1	1	1	1	1
Highways and Streets										
Maintenance facilities	1	1	1	1	1	1	1	1	1	1
Miles of streets maintained	12.04	11.60	11.60	10.87	10.87	10.87	10.08	10.07	10.07	10.07
Miles of sidewalks maintained	8.30	7.80	6.68	6.43	5.93	5.70	5.52	5.09	4.80	4.43
Water System										
Miles of mains	25.5	25.5	25.5	25.5	25.5	25.5	24.9	24.9	24.6	24.6
Number of fire hydrants	280	280	280	275	275	268	268	268	268	268
Number of developed wells	5	5	5	5	5	5	5	5	5	5
Maximum daily capacity in gallons	500,000	500,000	500,000	835,200	835,200	835,200	835,200	835,200	835,200	835,200
Sewer System										
Miles of sewer	15.0	15.0	15.0	15.0	15.0	15.0	14.4	14.4	14.2	14.2
Waste water treatment plants	1	1	1	1	1	1	1	1	1	1
Maximum daily capacity of treatment plant in gallons	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000

Source: Various City departments.

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

OTHER REPORTING SECTION



This page is intentionally blank.

CITY OF DAWSONVILLE, GEORGIA
 SPECIAL LOCAL OPTION SALES TAX
 SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
 From Inception Through June 30, 2018

Project	Original Budget	Current Project Budget	Prior Year Project to Date	Current Year	Total	Percent Complete
SPLOST # 5						
Roads, Streets, Bridges and Sidewalks	\$ 211,000	\$ 302,831	\$ 172,693	\$ 130,138	\$ 302,831	100.00%
Water and Sewer Projects	200,000	-	-	-	-	0.00%
Recreation	50,000	-	-	-	-	0.00%
	<u>\$ 461,000</u>	<u>\$ 302,831</u>	<u>\$ 172,693</u>	<u>\$ 130,138</u>	<u>\$ 302,831</u>	<u>100.00%</u>
SPLOST # 6						
Roads, Streets, Bridges and Sidewalks	\$ 1,250,000	\$ 1,250,000	\$ 233,067	\$ 55,649	\$ 288,716	23.10%
Water and Sewer Projects	2,750,000	2,750,000	14,093	185,772	199,865	7.27%
Park and Recreation Facilities	2,250,000	2,250,000	154,067	116,846	270,913	12.04%
Farmers Market Facility	1,000,000	1,000,000	-	16,583	16,583	1.66%
Public Works Facility and Equipment	400,000	400,000	184,620	-	184,620	46.16%
City Hall Acquisition	2,000,000	2,000,000	344,264	267,479	611,743	30.59%
	<u>\$ 9,650,000</u>	<u>\$ 9,650,000</u>	<u>\$ 930,111</u>	<u>\$ 642,329</u>	<u>\$ 1,572,440</u>	<u>16.29%</u>
 Total All SPLOST Projects	 <u>\$ 10,111,000</u>	 <u>\$ 9,952,831</u>	 <u>\$ 1,102,804</u>	 <u>\$ 772,467</u>	 <u>\$ 1,875,271</u>	 <u>18.84%</u>

Reconciliation to Capital Projects Fund:

Total Expenditures - Capital Projects Fund	\$ 586,695
Transfers to other funds	<u>185,772</u>
SPLOST 5 & 6 Expenditures - current year	<u>\$ 772,467</u>

COMPLIANCE SECTION



This page is intentionally blank.

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, 2018, 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 3, 2018.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2018-01.

City of Dawsonville, Georgia's Response to Findings

The City of Dawsonville, Georgia's response identified in the audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



Alexander, Almand & Bangs, LLP
Gainesville, Georgia
December 3, 2018

CITY OF DAWSONVILLE, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2018

SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST) FUND

Finding 2018-01 - Commingling Assets

CRITERIA – Internal controls should be in place to ensure that all amounts received and expended on restrictive grants and special purpose funds are appropriately accounted for and reconciled to the subsidiary ledgers.

CONDITION – An audit adjustment and reconciliation was required in order to determine the applicable Local Maintenance and Improvement Grant (LMIG) and Special Purpose Local Option Sales Tax (SPLOST), receipts and expenditures.

CONTEXT/CAUSE – During audit procedures, it was noted that receipt of funds restricted for LMIG projects were received into the General Fund. LMIG projects were completed and expended from the SPLOST Fund, restricted by the Official Code of Georgia Annotated (OCGA) 48-8-121, without an interfund repayment occurring.

EFFECT – An adjustment for an interfund receivable/payable in the amount of \$ 109,433 was required in the SPLOST and General Funds, respectively, for the year-ending June 30, 2018. In addition, blending SPLOST Funds with those in the General Fund results in non-compliance with state legislation.

RECOMMENDATION – The City should implement processes and/or strengthen internal controls that determines the applicable use of funds received, which can be applied across the City's Funds.

MANAGEMENT RESPONSE – The City recognizes and agrees with the finding. Subsequent to year end, the City transferred funds to satisfy the interfund balance. The City remains committed to developing and implementing internal controls to ensure that monies are distributed from the correct funds.

This page is intentionally blank.