

2019 Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2019

DAHLONEGA, GEORGIA, USA



SITE OF THE FIRST MAJOR US GOLD RUSH

ABOUT THE COVER:

Nestled in Hancock Park sits the newest addition to the Dahlonega Square, the *Gold Adventure All-Abilities Playground*. The Playground opened June 1, 2019. Children can experience rock climbing and ride on the backs of creatures native to Dahlonega such as a bear cub and leaping trout. The playground celebrates our natural history with a 6' mine shaft climbing structure painted to resemble the rocks found in actual Dahlonega-area gold mines. The soft Poured-in-Place rubber matting is colored to resemble a river flowing through a grassy area. The Dahlonega Gold Mine All-Abilities Playground also features three Freenotes Outdoor Musical Instruments that are designed to enhance physical and mental development through the exploration of sound. These instruments, like the sculptures and swings in the Playground are accessible to children with physical and developmental handicaps.



DAHLONEGA

GEORGIA, USA

CITY OF DAHLONEGA, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2019

SUBMITTED BY:

FINANCE DEPARTMENT



INTRODUCTORY SECTION



TABLE OF CONTENTS

INTRODUCTORY SECTION

Table of Contents	4-6
Certificate of Achievement for Excellence in Financial Reporting	7
List of Elected and Appointed Officials and Organizational Chart	8
Letter of Transmittal	9 - 13

FINANCIAL SECTION

Independent Auditor's Report	16 - 18
Management's Discussion and Analysis	20 - 27

Basic Financial Statements:

Government-wide Financial Statements

Statement of Net Position	30 - 31
Statement of Activities	32

Fund Financial Statements:

Balance Sheet – Governmental Funds	33
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	34
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	35
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	36
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP) and Actual - General Fund	37
Statement of Net Position – Proprietary Funds	38 - 39
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	40
Statement of Cash Flows – Proprietary Funds	41 - 42
Notes to the Financial Statements	44 - 79

Required Supplementary Information:

Pension Plan Schedules:

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios	82 - 83
Schedule of Contributions	84 - 85
Notes to the Required Supplementary Information	86 - 87

Supplementary Information:

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds.....	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	91

General Fund

Comparative Balance Sheets	94
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	95
Schedule of Revenues – Budget (GAAP Basis) and Actual	96
Schedule of Expenditures – Budget (GAAP Basis) and Actual.....	97 - 99

Special Revenue Funds

Hotel/Motel Tax Special Revenue Fund Comparative Balance Sheets	102
Hotel/Motel Tax Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual.....	103

Capital Projects Funds

Grants Comparative Balance Sheets	106
Grants Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	107
2014 Special Purpose Local Option Sales Tax Comparative Balance Sheets	108
2014 Special Purpose Local Option Sales Tax Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	109
General Government Comparative Balance Sheets	110
General Government Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	111
2019 Transportation Special Purpose Local Option Sales Tax Balance Sheet	112
2019 Transportation Special Purpose Local Option Sales Tax Statement of Revenues, Expenditures and Changes in Fund Balance	113

Enterprise Funds

Water and Sewage Enterprise Fund Comparative Statements of Net Position	116 - 117
Water and Sewage Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	118
Water and Sewage Enterprise Fund Comparative Statements of Cash Flows	119 - 120
Solid Waste Enterprise Fund Comparative Statements of Net Position.....	121
Solid Waste Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	122
Solid Waste Enterprise Fund Comparative Statements of Cash Flows	123

Component Unit:

Downtown Development Authority Comparative Balance Sheets.....	126
Downtown Development Authority Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual	127

STATISTICAL SECTION

Financial Trends:

Net Position by Component – Last Ten Fiscal Years	132 - 133
Changes in Net Position – Last Ten Fiscal Years.....	134 - 137
Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years.....	138 - 139
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	140 - 141
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	142 - 143
Governmental Funds Tax Revenues by Source – Last Ten Fiscal Years.....	144 - 145

Revenue Capacity:

Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	146 - 147
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years.....	148
Principal Taxpayers – September 30, 2019 and 2010.....	149
Property Tax Levies and Collections – Last Ten Fiscal Years	150
Local Option Sales Tax Distribution Commodity Report – Lumpkin County – Last Ten Calendar Years	152 - 153
Water & Sewage Utility – Ten Largest System Customers – September 30, 2019.....	154

Debt Capacity:

Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	156 - 157
Direct and Overlapping Governmental Activities Debt – September 30, 2019 ...	158
Pledged – Revenue Coverage – Water & Sewage Fund – Last Nine Fiscal Years.....	160 - 161
Legal Debt Margin Information – Last Ten Fiscal Years.....	162 - 163

Demographic and Economic Information:

Demographic and Economic Statistics – Last Ten Fiscal Years.....	164
Principal Employers – Lumpkin County – Current Year & Nine Years Ago	165

Operating Information:

Full-Time City Government Employees by Function – Last Ten Fiscal Years.....	166
Operating Indicators by Function – Last Ten Fiscal Years	167
Capital Asset Statistics by Function – Last Ten Fiscal Years	168-169

OTHER REPORTING SECTION

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	172 - 173
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State Reporting

Schedule of Projects Financed with Special Purpose Local Option Sales Tax	176
Schedule of Projects Financed with Transportation Special Purpose Local Option Sales Tax	177



Government Finance Officers Association

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

Presented to

**City of Dahlonega
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrell

Executive Director/CEO



ELECTED AND APPOINTED OFFICIALS

September 30, 2019

ELECTED OFFICIALS

MayorSam Norton
 Council Member – Post 1Roman Gaddis
 Council Member – Post 2 ...Helen Hardman
 Council Member – Post 3Mitchell Ridley
 Council Member – Post 4Bruce Hoffman
 Council Member – Post 5JoAnne Taylor
 Council Member – Post 6Ron Larson
 Municipal JudgeHammond Law

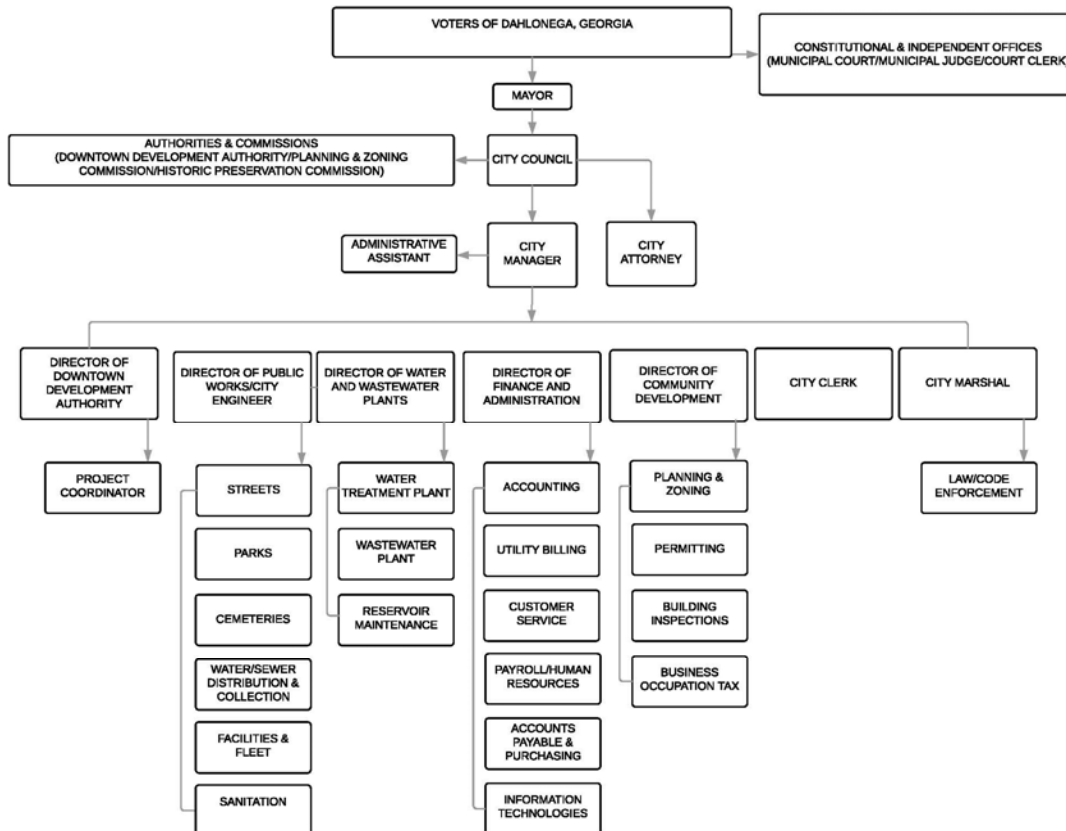
APPOINTED OFFICIALS AND MANAGEMENT

City ManagerBill Schmid
 City AttorneyDoug Parks
 City ClerkMary Csukas
 City MarshalJeff Branyon
 Public Works DirectorMark Buchanan
 W&S Plant SuperintendentJohn Jarrard
 Community Dev DirectorKevin Herrit
 DDA DirectorShannon Ferguson
 Finance DirectorMelody Marlowe



CITY OF DAHLONEGA ORGANIZATION CHART

September 30, 2019





February 20, 2020

TO THE HONORABLE MAYOR, MEMBERS OF THE COUNCIL, AND CITIZENS OF THE CITY OF DAHLONEGA:

We are pleased to present the Comprehensive Annual Financial Report of the City of Dahlonega for the fiscal year ended September 30, 2019 to the City Council, the Mayor and the citizens of Dahlonega. 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. This is the eleventh Comprehensive Annual Financial Report published to fulfill that requirement.

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 Rushton & Company, Certified Public Accountants to perform the annual independent financial statement audit for fiscal year 2019. The audit issued an unmodified opinion for the 2019 fiscal

year which is included within this document.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Dahlonega'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 Dahlonega, the county seat of Lumpkin County, is located in the foothills of the Northeast Georgia Mountains, approximately 70 miles northeast of Atlanta. Dahlonega was incorporated December 21, 1833 and was the site of the first major gold rush in the United States. A US Branch Mint minted Half Eagle, Quarter Eagle, the Gold Dollar and the Three Dollar Gold Coin here between 1838 and 1861.

According to the US Bureau of the Census the estimated population of Dahlonega has grown from 4,844 (2010) to 6,884 (2019).

Population gains have been seen among families, University of North Georgia students, and retirees. Increased population have been met with expanded housing, employment and retail options. Growth of the University has been the primary driving factor.

The City of Dahlonega is a welcoming community for people of diverse backgrounds, interests, goals and ideals. Our award-winning small town of meaningful rich history warmly receives several hundred thousand visitors a year and entertains hundreds of domestic and international guests daily. In 2016 the City was one of three national recipients of the Great American Main Street Award. This designation can only be attained once and recognizes the City as one of 100 nationally and four in the state of Georgia so designated.

We are privileged to be one of the smallest cities in the country to host a public university offering advanced degrees and a wide range of ideas. The five campus University of North Georgia, founded in 1873 in the abandoned US Mint Building, is based here and serves over 19,000 students system wide. It is one of only six senior military colleges in the country. We are also proud home to the US Army 5th Ranger Training Division and mountain phase of the US Army Ranger School. Our reputation and brand have been built over decades by the hard work of thousands of individuals.

The City of Dahlonega has been honored with being designated a Preserve America Community. It is one of thirty-eight communities in the State of Georgia to earn this designation. The City was awarded this honor due to its ongoing commitment to preserve its unique heritage and history. The City was also designated as a National Main Street Community as well as an Appalachian Trail Community and a Tree Community.

The City operates under a council-mayor form of government with a mayor and six 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 Council appoints a City Manager to supervise and coordinate all activities of the City. 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, recycling program, cemetery services, maintenance of highways and streets, recreational facilities, and tourism event sponsorship.

The Downtown Development Authority of Dahlonega (DDA), a legally separate entity, was created by the City to stimulate and sustain economic development in Downtown Dahlonega. The DDA works closely with downtown businesses and city leaders to ensure continued growth and investment into the downtown area while preserving its unique heritage.

The DDA is home to North Georgia Film (www.northgeorgiafilm.org), which was established in 2016 and is one of eight Georgia members of the Association of Film Commissioners International.

The City of Dahlonega develops and adopts a balanced budget for each fiscal year. The City Manager and the Finance Department develop this document which is submitted to the Mayor and City Council for adoption. The City includes all governmental funds (General, Hotel/Motel Tax, and SPLOST, TSPLOST, Grant, and General Government Capital Projects), enterprise funds (Water and Sewage & Solid Waste), and component unit (Dahlonega Downtown Development Authority) in its budgeting process. Each fund is budgeted at the line item level but monitored at the legal level of control which is at the department level. The legal level of

control is the level at which the budget must be balanced.

LOCAL ECONOMY

The economy within the City of Dahlonega is mainly based on tourism. For numerous reasons over the past several years, the tourism industry in Dahlonega has grown. With historic interests, outdoor recreational activities, eight local wineries and vineyards, and more than a dozen wine tasting rooms, Dahlonega attracts many different types of tourists. For several years, the City has dedicated 100% of the Hotel/Motel tax proceeds to promoting its number one industry.

Another important sector in Dahlonega's economy is the location of The University of North Georgia within the city limits of Dahlonega. The City supports over 7,000 resident and commuter students on the Dahlonega campus.

Dahlonega continues to show signs of recovery from the downturned economy with unemployment rates decreasing to 2.4% in 2019.

	Unemployment (Lumpkin County)	Building Permits (City)
2019	2.4%	95
2018	2.8%	125
2017	3.7%	137
2016	4.5%	100
2015	4.8%	78
2014	7.3%	156
2013	8.3%	175
2012	8.3%	47
2011	10.3%	47
2010	9.9%	47

The number of building permits issued continues to be strong. The housing and banking crisis led to a slowing of development within the City, but recovery

appears to be sustained as developers are finishing projects and starting new ones.

The City's property tax digest is recovering slowly from the Recession. Increases in exemptions result in only modest growth in assessed value of taxable property. The assessed value of taxable property as of January 2019 was \$201 million – a 2.6% increase from the previous year.

Major employers remain active in the community. A level 90-acre redevelopment tract served by all utilities is attracting increasing attention. A 25% expansion in downtown hotel rooms is in the works with new construction of a 75-room national flag and 23-room expansion of a historic inn.

LONG-TERM FINANCIAL PLANNING

Unassigned fund balance in the General Fund is \$1,494,703 or 36 percent of the 2020 annual revenue budget. The City maintains these funds to provide cash flow throughout the year and as a buffer against unforeseen events.

RELEVANT FINANCIAL POLICIES

The Council has adopted a comprehensive set of financial policies which guide and direct the Finance Department throughout the year. 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

Much attention is being placed on the City's infrastructure. In FY19, \$280,000 was spent on transportation improvements, and a total of \$385,000 was spent on water and sewer infrastructure improvements. The Capital Improvement Program includes plans for street repaving and improvement projects and many water and sewer line replacement projects. Due to the steep terrain that exists in much of our city, there is a need to address storm water issues, and storm drain improvements are included in the capital program.

Revenue from the new 2020 SPLOST will be used to pay for water and sewer system improvements, roads and bridges, and stormwater infrastructure.

A Transportation SPLOST (TSPLOST) was approved by voters, effective July 2019. First priority for use of these funds is participation in a joint project with Lumpkin County for an intersection improvement. Secondly, the funds will be spent on roads and bridges, sidewalks, and bicycle paths.

The City continues to place importance on tourism. Our downtown and beautiful surroundings draw more and more visitors to Dahlonega each year. Downtown Dahlonega is one of the nation's foremost historic downtown centers. Today, tourists come to shop and dine in the historic town square, learn about the city's colorful history, try their hand at gold panning, and visit the area's local wineries.

Beginning in FY18, revenue from hotel/motel tax collections is being dedicated to tourism capital projects, including park development and recreation improvements. Nestled in Hancock Park sits the newest addition to the Dahlonega Square, the Gold Adventure All-Abilities Playground. The new playground opened June 1, 2019, at a cost of \$242,000.

The City's Five-Year Capital Improvements Program for General Government anticipates total capital spending of \$7.2 million. Over the five-year planning horizon, approximately \$3.3 million is anticipated to be spent on transportation projects including roads and bridges construction and improvements, sidewalk construction and improvements, and bicycle paths. Tourism projects are anticipated at \$1 million, \$930,000 is needed for City facilities, and \$850,000 is planned for stormwater projects.

The Water and Sewer Fund Capital Projects Budget anticipates roughly \$10 million in known needs over the five-year program. Much of this relates to replacement of older water and sewer lines, maintenance of our many pump stations, or upgrades in pipe size to serve growth in the University area.

AWARDS AND ACKNOWLEDGEMENTS

The City has submitted its last ten Comprehensive Annual Financial Reports to the Governmental Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting award program. The City was awarded the Certificate of Achievement for Excellence in Financial Reporting each of the ten years. To be awarded a Certificate of Achievement the government has to publish an easily-readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. The City has made a commitment to the citizens to develop and cultivate a professional organization and this is one of many steps in achieving that goal.

A Certificate of Achievement is valid for a period of only one year. We believe that our current CAFR meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to

determine its eligibility for another certificate.

The Comprehensive Annual Financial Report would not be possible without the constant efforts of the entire Finance Department staff. Appreciation is also expressed to the Mayor and Council for their support and dedication to providing the resources to deliver needed quality services and for improving the quality of life for Dahlonega's citizens.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Bill Schmid".

Bill Schmid
City Manager

A handwritten signature in blue ink, appearing to read "Melody N. Marlowe".

Melody N. Marlowe
Finance Director



FINANCIAL SECTION

Independent Auditor's Report

Honorable Mayor and
Members of the City Council
City of Dahlonega, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dahlonega, Georgia, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City'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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dahlonega, Georgia, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison of 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 and analysis and the required supplementary information on pages 20 through 27 and 82 through 87 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 Dahlonega, Georgia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, the statistical section, the schedule of projects financed with special purpose local option sales tax and the schedule of projects financed with transportation special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of projects financed with transportation special purpose local option sales tax 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 fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of projects financed with transportation special purpose local option sales tax are fairly stated in all material respects in relation to the financial statements as a whole.

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Dahlonega, Georgia's basic financial statements for the year ended September 30, 2018, which are not presented with the accompanying financial statements. In our report dated February 25, 2019, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dahlonega, Georgia's basic financial statements as a whole. The individual fund financial statements and schedules related to the 2018 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and schedules related to the 2018 financial statements are the responsibility of management and were derived from and are related directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The 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 2018 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2020, on our consideration of the City of Dahlonega, Georgia internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the City of Dahlonega, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
February 20, 2020

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2019

As management of the City of Dahlongega, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with the basic financial statements, accompanying notes to those financial statements, and the additional information that we have furnished in our letter of transmittal, which can be found in the beginning of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

FINANCIAL HIGHLIGHTS

Government Wide Financial Statements

- At the close of the fiscal year, the assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$28,757,169. Of this, \$10,132,488 (35.2%) represents unrestricted net position which may be used to meet the City's ongoing obligations.
- At the close of the fiscal year, the net position of the City's governmental activities was \$12,601,388. This represents an increase of \$957,460 (8.2%) over the prior year net position balance for governmental activities.
- At the close of the fiscal year, the net position of the City's business-type activities was \$16,155,781. This represents an increase of \$1,458,795 (9.9%) over the prior year net position balance for business-type activities.

Fund Financial Statements

- As of the close of the current fiscal year, the City of Dahlongega's governmental funds

reported combined ending fund balances of \$4,569,853, an increase of \$59,777 (1.3%) from the prior year. At the close of the fiscal year, the General Fund's unassigned fund balance, which is available for spending at the City's discretion, is \$1,494,703 or 32.7% of the governmental funds' combined ending fund balance.

- The General Fund had revenues of \$4,413,610 for the current fiscal year. Of this amount \$1,480,202 (33.5%) was from property taxes and \$937,368 (21.2%) was from sales taxes.

Debt Obligations

- The City did not have any long-term debt obligations from the governmental activities during fiscal year 2019.
- Long-term debt obligations from the business-type activities decreased by \$850,195 (-2.6%) from \$32,163,596 at September 30, 2018, to \$31,313,401 September 30, 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis document is intended to serve as an introduction to the City of Dahlongega's basic financial statements. The basic financial statements include:

1. government-wide financial statements,
2. fund financial statements, and
3. notes to the financial statements.

Government Wide Financial Statements

The government wide financial statements of the City of Dahlongega are designed to provide the readers with a broad overview of the City's finances. This information is

presented in a manner similar to a private-sector business.

Statement of Net Position - presents information on all 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.

Statement of Activities - presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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 include general government, judicial, public safety, public works, culture and recreation, and housing and development. Business-type activities include a water and sewage utility and solid waste collection operation.

The government-wide financial statements contain not only the City (known as the primary government), but also a legally separate authority (Downtown Development Authority) for which the City is financially accountable. Financial information on this component unit is reported separately from the financial

information presented for the primary government itself.

The government-wide financial statements can be found on pages 30 through 32 of this report.

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. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. In addition to these statements this report also presents a budgetary comparison schedule. This section is presented on a generally accepted accounting principle basis. This schedule is intended to demonstrate the government's compliance with legally adopted and amended budgets.

Governmental Funds

The majority of the City's basic services are reported in the governmental funds, which focus on how cash and other financial assets flows in and out of those funds and the balances left at year-end that are available for spending. Governmental funds therefore provide information for a detailed short-term view that help determine whether there are more or less financial resources that can be spent in the near future to fund the City's activities. Readers can compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This comparison may help to communicate the long-term

impact of the government's near-term financing decisions.

Reconciliations between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are provided following the governmental fund financial statements.

The City has three major and three non-major governmental funds. The City's major governmental funds are the General Fund, the General Government Capital Projects Fund, and the 2014 SPLOST Fund. The City's non-major governmental funds are the Hotel/Motel Tax Fund, Grants Capital Projects Fund, and the 2019 TSPLOST Capital Projects Fund.

Proprietary Funds

The City maintains one of two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewage systems operations and its solid waste collection operation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewage Fund and Solid Waste Fund.

The basic proprietary fund financial statements can be found on pages 38 through 42 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 44 through 79 of this report.

Other Information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages 90 through 91 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's net position for governmental activities increased \$957,460, or 8.2%, during the year ending September 30, 2019. Net investment in capital assets increased \$878,537, restricted net position increased \$198,448, and unrestricted net position decreased \$119,525. Unrestricted net position is available to finance governmental operations. The City maintains a large amount of its net position in cash to enable the City to have funds for emergencies and avoid short term borrowing.

Approximately 25.0% of the City's governmental activities revenues came from property taxes and approximately 45.1% came from sales and other taxes. Combined the City is dependent on taxes for approximately 70.1% of its governmental activities revenues.

Net position for business-type activities increased \$1,458,795, or 10.1%. Restricted net position is presented at \$91,667. Unrestricted net position increased by \$1,914,744, or 46.2%. These funds are available to finance operations. The amount invested in capital assets (e.g. land, infrastructure, buildings, equipment, and other), less any related debt outstanding that was needed to acquire or construct the assets decreased by \$457,616, or -4.4%. The City uses these capital assets to provide services to the customers of the City; consequently, this net position is not available for future spending. This net position represents a capital investment in the business-type activities of the City.

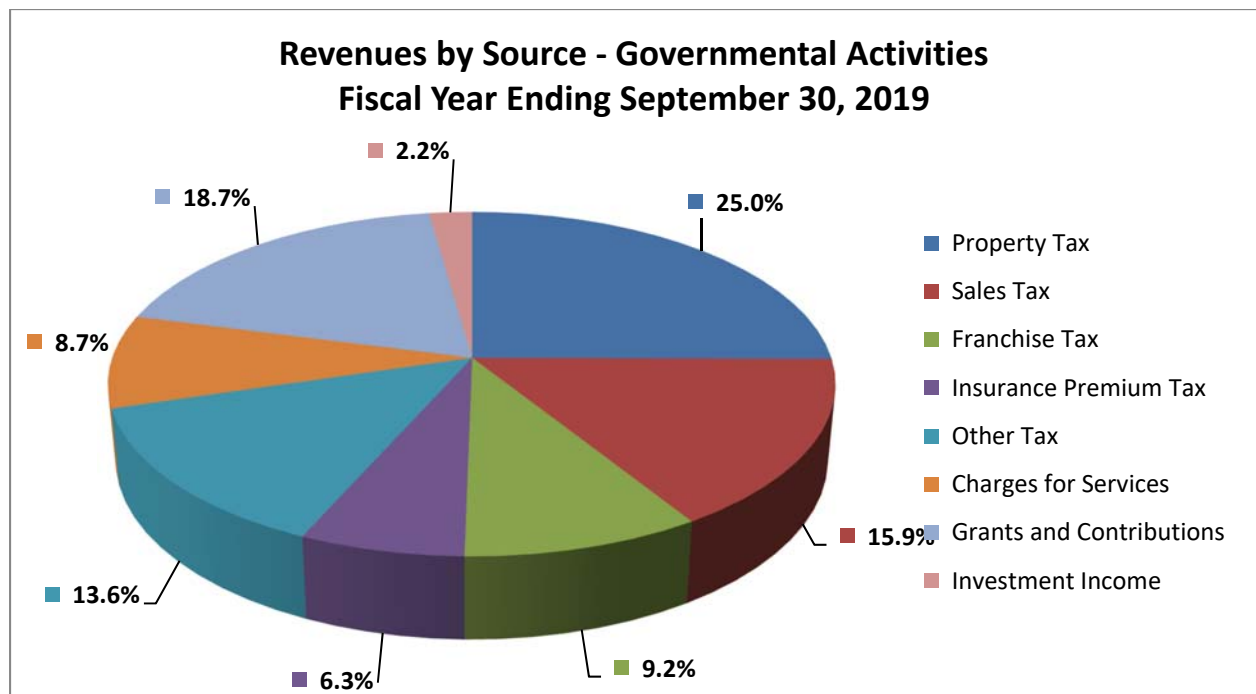
Following is a summary of the City's Statement of Net Position as found on pages 30 and 31 of this report.

	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Current assets	\$ 4,854,464	\$ 5,915,755	\$ 7,020,982	\$ 5,106,208	\$ 11,875,446	\$ 11,021,963
Capital assets	8,397,488	7,546,296	38,284,265	39,450,017	46,681,753	46,996,313
Total assets	<u>13,251,952</u>	<u>13,462,051</u>	<u>45,305,247</u>	<u>44,556,225</u>	<u>58,557,199</u>	<u>58,018,276</u>
Deferred outflows of resources	<u>330,200</u>	<u>193,572</u>	<u>3,371,398</u>	<u>3,383,708</u>	<u>3,701,598</u>	<u>3,577,280</u>
Current liabilities	323,029	310,286	1,470,854	1,356,092	1,793,883	1,666,378
Noncurrent liabilities	454,942	354,816	30,855,177	31,682,150	31,310,119	32,036,966
Total liabilities	<u>777,971</u>	<u>665,102</u>	<u>32,326,031</u>	<u>33,038,242</u>	<u>33,104,002</u>	<u>33,703,344</u>
Deferred inflows of resources	<u>202,793</u>	<u>1,346,593</u>	<u>194,833</u>	<u>204,705</u>	<u>397,626</u>	<u>1,551,298</u>
Net investment in capital assets	8,326,640	7,448,103	10,002,631	10,460,247	18,329,271	17,908,350
Restricted	203,743	5,295	91,667	90,000	295,410	95,295
Unrestricted	<u>4,071,005</u>	<u>4,190,530</u>	<u>6,061,483</u>	<u>4,146,739</u>	<u>10,132,488</u>	<u>8,337,269</u>
Total net position	<u>\$ 12,601,388</u>	<u>\$ 11,643,928</u>	<u>\$ 16,155,781</u>	<u>\$ 14,696,986</u>	<u>\$ 28,757,169</u>	<u>\$ 26,340,914</u>

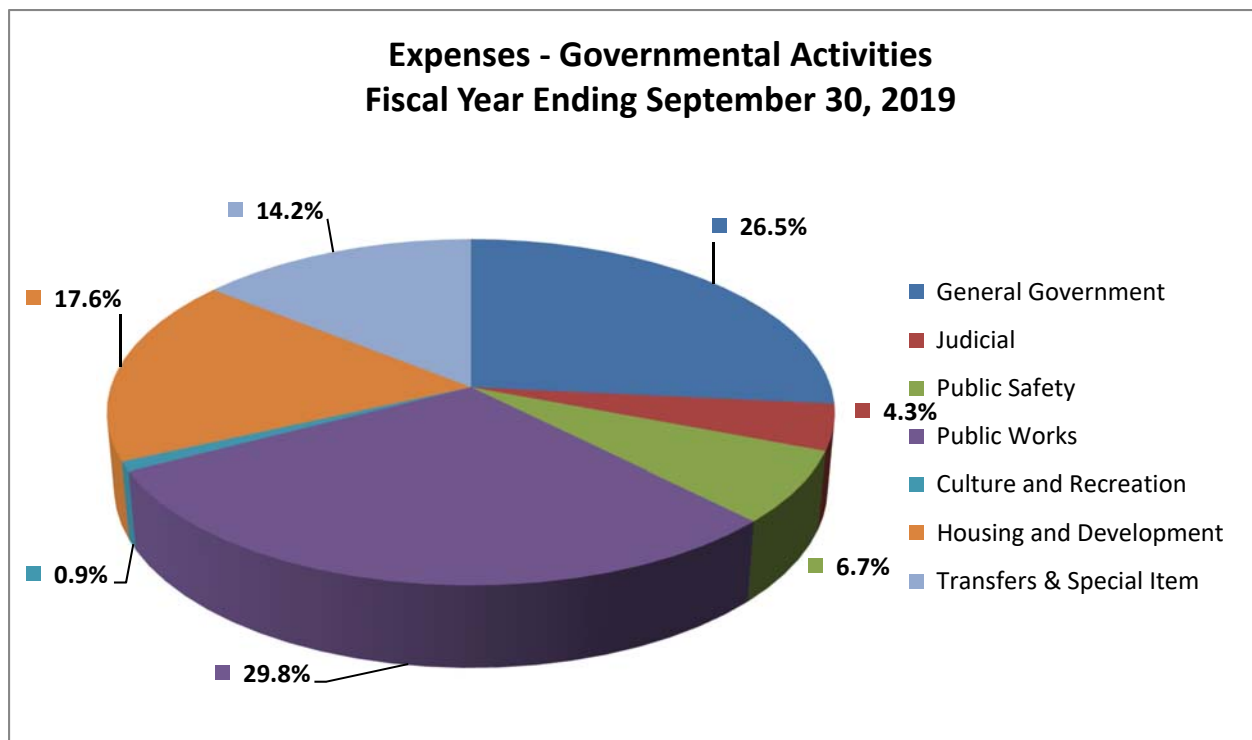
Following is a summary of the City's Statement of Activities as found on page 32 of this report.

	Governmental Activities		Business-Type Activities		Total	
Revenues	2019	2018	2019	2018	2019	2018
Program revenues:						
Charges for services	\$ 512,497	\$ 340,526	\$ 6,730,977	\$ 5,880,986	\$ 7,243,474	\$ 6,221,512
Operating grants and contributions	20,641	96,955	0	0	20,641	96,955
Capital grants and contributions	1,077,432	975,500	373,308	0	1,450,740	975,500
General revenues:						
Property taxes	1,472,272	1,483,241	0	0	1,472,272	1,483,241
Sales taxes	937,368	859,090	0	0	937,368	859,090
Other taxes	1,716,390	1,633,521	0	0	1,716,390	1,633,521
Interest and investment earnings	129,394	34,533	125,283	29,194	254,677	63,727
Miscellaneous revenue	17,648	20,744	11,154	45,449	28,802	66,193
Total revenues	5,883,642	5,444,110	7,240,722	5,955,629	13,124,364	11,399,739
Expenses						
General government	1,306,925	1,310,477	0	0	1,306,925	1,310,477
Judicial	211,279	221,007	0	0	211,279	221,007
Public Safety	331,487	259,183	0	0	331,487	259,183
Public Works	1,467,245	1,282,952	0	0	1,467,245	1,282,952
Culture and Recreation	43,632	38,205	0	0	43,632	38,205
Housing and Development	864,643	860,975	0	0	864,643	860,975
Water and Sewage	0	0	5,652,223	5,340,214	5,652,223	5,340,214
Solid Waste	0	0	830,675	815,093	830,675	815,093
Total expenses	4,225,211	3,972,799	6,482,898	6,155,307	10,708,109	10,128,106
Increase (decrease) in net position before transfers and special item	1,658,431	1,471,311	757,824	(199,678)	2,416,255	1,271,633
Transfers and special item	(700,971)	(512,450)	700,971	512,450	0	0
Increase (decrease) in net position	957,460	958,861	1,458,795	312,772	2,416,255	1,271,633
Net position - beginning (restated)	11,643,928	10,685,067	14,696,986	14,384,214	26,340,914	25,069,281
Net position - ending	\$ 12,601,388	\$ 11,643,928	\$ 16,155,781	\$ 14,696,986	\$ 28,757,169	\$ 26,340,914

The following chart illustrates revenues of the governmental activities for the fiscal year:



The following chart illustrates the expenses of the governmental activities for the fiscal year:



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows and outflows and the balance of resources available for spending. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the year, the City's governmental funds reported a combined ending fund balance of \$4,569,853, with \$45,681 reported as nonspendable, \$203,743 reported as restricted, \$2,825,726 reported as assigned, and the remaining amount of \$1,494,703 reported as unassigned.

The General Fund is the operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,494,703. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures for fiscal year 2019. Unassigned fund balance represents 40.1% of total General Fund expenditures. The net change in the General Fund's fund balance for the year ended September 30, 2019 was a decrease of \$241,530. The decrease is largely due to planned spending of unassigned fund balance in fiscal year 2019 for high-cost capital projects. The assignment to subsequent year's budget as of September 30, 2019, is \$870,188, to be spent on capital needs.

The General Government Capital Projects Fund is used to account for the collection and expending of funds identified capital projects. Fund balance increased to \$1,077,951 from \$507,826 and is assigned to capital outlay. Of this fund balance, \$649,000 is assigned to Public Works projects and \$254,103 is assigned for property and facility improvements. The balance is assigned for various capital projects, including a financial software upgrade and vehicles and equipment.

The 2014 SPLOST Fund is required by Georgia State law to account for the collection and expending of proceeds of a one percent Special Purpose Local Option Sales Tax. Of this one percent sales tax the City of Dahlonega receives 15.87%. The 2014 SPLOST fund generated revenues of \$598,353 and the fund balance at September 30, 2019 was \$0 as the City is transferring 2014 SPLOST fund balance to reimburse the Water and Sewage Fund for improvements at the Wastewater Treatment Plant.

Enterprise Funds

The Enterprise Funds are comprised of the Water and Sewage Fund and the Solid Waste Fund. The net change in the total Enterprise Funds' net position balance for the year ended September 30, 2019 was an increase before transfers of \$782,040 and after transfers an increase of \$1,458,795. The total net position for the Enterprise Funds at the beginning of the fiscal year was \$14,696,986 and net position at the end of the fiscal year was \$16,155,781.

BUDGETARY HIGHLIGHTS

The City revised the General Fund Budget at various times through the end of the fiscal year to reflect changes in estimated revenues and expenditures. Total amendments to the General Fund Budget increased revenues and other financing sources by approximately \$63,846 and increased expenditures and other financing uses by approximately \$106,346. The final budget reflected an anticipated \$1,609,367 use of prior fund balance with actual fund balance decreasing by \$936,257.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets

At September 30, 2019, the City reported \$46,681,753 in capital assets net of accumulated depreciation. This is a decrease of \$314,560 or 0.7% over fiscal year 2018.

Major capital asset additions for the current fiscal year for governmental activities included the following:

- Key Historic Property Purchase \$485,058
- Street Paving \$292,711
- All-Abilities Playground Construction \$241,900

Major capital asset additions during the current fiscal year for business-type activities included the following:

- Lift Station Rehabilitations \$384,804
- Garbage Truck \$155,000

Additional information on the City's capital assets can be found in Note 8 in the Notes to the Financial Statements beginning on page 63 of this report.

Long-Term Debt

At September 30, 2019, the City reported long-term debt of \$31,313,401 net of unamortized bond discounts. This is a decrease of \$850,195 or 2.6% under fiscal year 2018. Additional information about the City's long-term debt activity can be found in Notes 9-11 in the Notes to the Financial Statements beginning on page 65.

In conclusion, the City of Dahlonega finished the year with an increase in total net position. Fiscal management has been sound while providing the services that the citizens expect and deserve.

This financial report is designed to provide a general overview of the City of Dahlonega's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

City of Dahlonega
Director of Finance
465 Riley Road
Dahlonega, Georgia 30533



FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF NET POSITION
September 30, 2019

	Primary Government			Component Unit
	Governmental	Business-type		Downtown
	Activities	Activities	Total	Development
				Authority
ASSETS				
Current assets				
Cash and cash equivalents	\$ 4,408,837	\$ 5,325,249	\$ 9,734,086	\$ 435,873
Restricted assets				
Cash and cash equivalents	5,421	382,125	387,546	0
Receivables (net)				
Accounts	1,115	809,737	810,852	0
Taxes	194,865	0	194,865	0
Fines	63,806	0	63,806	0
Intergovernmental	238,714	12,694	251,408	572
Interest	61	0	61	0
Inventory	11,178	171,145	182,323	0
Prepaid items	34,503	215,996	250,499	3,722
Internal balances	(104,036)	104,036	0	0
Total current assets	4,854,464	7,020,982	11,875,446	440,167
Noncurrent assets				
Capital assets				
Non-depreciable	2,412,437	3,440,518	5,852,955	0
Depreciable (net)	5,985,051	34,843,747	40,828,798	0
Total noncurrent assets	8,397,488	38,284,265	46,681,753	0
Total assets	13,251,952	45,305,247	58,557,199	440,167
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	330,200	326,131	656,331	30,552
Deferred charges on refunding	0	3,045,267	3,045,267	0
Total deferred outflows of resources	330,200	3,371,398	3,701,598	30,552
LIABILITIES				
Current liabilities				
Payables				
Accounts	180,421	88,742	269,163	9,314
Intergovernmental	12,551	4,116	16,667	0
Deposits	1,220	0	1,220	0
Interest	0	13,729	13,729	0
Accrued payroll liabilities	62,382	48,973	111,355	5,319
Compensated absences	66,455	75,434	141,889	1,282
Notes payable	0	240,259	240,259	0
Capital leases payable	0	29,143	29,143	0
Liabilities payable from restricted assets				
Interest payable	0	78,368	78,368	0
Customer deposits payable	0	212,090	212,090	0
Revenue bonds payable	0	680,000	680,000	0
Total current liabilities	323,029	1,470,854	1,793,883	15,915

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF NET POSITION
September 30, 2019

	Primary Government			Component Unit
	Governmental	Business-type		Downtown
	Activities	Activities	Total	Development
				Authority
Noncurrent liabilities				
Net pension liability	\$ 437,277	\$ 471,126	\$ 908,403	\$ 40,167
Compensated absences	17,665	20,052	37,717	341
Notes payable	0	6,042,358	6,042,358	0
Capital leases payable	0	98,051	98,051	0
Revenue bonds payable	0	24,223,590	24,223,590	0
Total noncurrent liabilities	454,942	30,855,177	31,310,119	40,508
Total liabilities	777,971	32,326,031	33,104,002	56,423
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	202,793	194,833	397,626	20,211
NET POSITION				
Net investment in capital assets	8,326,640	10,002,631	18,329,271	0
Restricted for:				
Service awards for citizens	5,421	0	5,421	0
Debt service	0	91,667	91,667	0
Capital outlay	198,322	0	198,322	0
Unrestricted	4,071,005	6,061,483	10,132,488	394,085
Total net position	\$ 12,601,388	\$ 16,155,781	\$ 28,757,169	\$ 394,085

For the fiscal year ended September 30, 2019

Page | 32

CITY OF DAHLONEGA, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2019

	General	General Government Capital Projects	2014 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 2,950,973	\$ 1,133,643	\$ 391	\$ 323,830	\$ 4,408,837
Restricted cash and cash equivalents	5,421	0	0	0	5,421
Receivables (net)					
Accounts	1,115	0	0	0	1,115
Taxes	155,077	0	0	39,788	194,865
Fines	63,806	0	0	0	63,806
Intergovernmental	1,995	0	103,645	133,074	238,714
Interest	0	0	0	61	61
Due from other funds	17,597	5,807	0	0	23,404
Inventory	11,178	0	0	0	11,178
Prepaid items	34,503	0	0	0	34,503
Total assets	\$ 3,241,665	\$ 1,139,450	\$ 104,036	\$ 496,753	\$ 4,981,904
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Payables					
Accounts	\$ 67,033	\$ 61,499	\$ 0	\$ 51,889	\$ 180,421
Intergovernmental	12,551	0	0	0	12,551
Accrued salaries and payroll expenditures	62,382	0	0	0	62,382
Deposits	1,220	0	0	0	1,220
Due to other funds	4,449	0	104,036	18,955	127,440
Total liabilities	147,635	61,499	104,036	70,844	384,014
Deferred inflows of resources					
Unavailable revenue - property taxes	28,037	0	0	0	28,037
Fund balances					
Nonspendable:					
Inventory	11,178	0	0	0	11,178
Prepaid items	34,503	0	0	0	34,503
Restricted for:					
Service awards for citizens	5,421	0	0	0	5,421
Capital outlay	0	0	0	198,322	198,322
Assigned to:					
Capital outlay	0	1,077,951	0	227,587	1,305,538
City Hall construction	650,000	0	0	0	650,000
Subsequent year's budget	870,188	0	0	0	870,188
Unassigned	1,494,703	0	0	0	1,494,703
Total fund balances	3,065,993	1,077,951	0	425,909	4,569,853
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,241,665	\$ 1,139,450	\$ 104,036	\$ 496,753	\$ 4,981,904

CITY OF DAHLONEGA, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
September 30, 2019

Total fund balance - total governmental funds	\$ 4,569,853
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets of \$12,464,912, net of accumulated depreciation of (\$4,067,424), are not financial resources and, therefore, are not reported in the funds.	8,397,488
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Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the funds. These include unavailable property taxes of \$28,037.	28,037
--	--------

Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	330,200
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Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(202,793)
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Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are compensated absences of (\$84,120) and net pension liability of (\$437,277).	(521,397)
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Net position of governmental activities	<u><u>\$ 12,601,388</u></u>
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CITY OF DAHLONEGA, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2019

	General	General Government Capital Projects	2014 SPLOST	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	\$ 3,691,669	\$ 0	\$ 0	\$ 420,738	\$ 4,112,407
Licenses and permits	245,058	0	0	0	245,058
Fines, fees and forfeitures	218,939	0	0	0	218,939
Charges for services	78,875	14,625	0	0	93,500
Intergovernmental	32,487	0	594,751	467,169	1,094,407
Interest	129,394	0	3,602	64	133,060
Other	17,188	0	0	0	17,188
Total revenues	4,413,610	14,625	598,353	887,971	5,914,559
EXPENDITURES					
Current					
General Government	1,317,618	0	0	0	1,317,618
Judicial	212,919	0	0	0	212,919
Public Safety	350,324	0	0	0	350,324
Public Works	1,225,232	0	0	0	1,225,232
Culture and Recreation	28,255	0	0	0	28,255
Housing and Development	589,101	0	0	262,135	851,236
Capital outlay	0	913,079	0	279,824	1,192,903
Total expenditures	3,723,449	913,079	0	541,959	5,178,487
Excess (deficiency) of revenues over (under) expenditures	690,161	(898,454)	598,353	346,012	736,072
Other financing sources (uses)					
Transfers in	12,622	1,506,981	0	238,500	1,758,103
Transfers out	(1,639,500)	(38,402)	(598,353)	(158,603)	(2,434,858)
Proceeds from sale of capital assets	460	0	0	0	460
Total other financing sources (uses)	(1,626,418)	1,468,579	(598,353)	79,897	(676,295)
Net change in fund balances	(936,257)	570,125	0	425,909	59,777
Fund balances, October 1	4,002,250	507,826	0	0	4,510,076
Fund balances, September 30	\$ 3,065,993	\$ 1,077,951	\$ 0	\$ 425,909	\$ 4,569,853

CITY OF DAHLONEGA, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2019

Net change in fund balances - total governmental funds	\$	59,777
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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 and reported as depreciation expense. This is the amount by which capital outlays of \$1,284,009 exceed depreciation of (\$387,077) in the current period.		896,932
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In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources. This is the amount by which the cost of disposed assets (\$41,523) exceeded related accumulated depreciation \$20,000.		(21,523)
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Distribution of capital assets to business-type activities decreases net position in the statement of activities, but does not appear in the governmental funds because they are not financial uses. This is the amount by which the costs of distributed assets (\$140,331) exceeded related accumulated depreciation of \$113,864.		(26,467)
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Contribution of capital assets from business-type activities increases net position in the statement of activities, but does not appear in the governmental funds because they are not financial sources. This is the amount by which the costs of assets contributed of \$93,018 exceeded related accumulated depreciation of (\$90,768).		2,250
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue.		13,621
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Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This the amount by which pension contributions of \$277,998 exceed the cost of benefits earned net of employer contributions of (\$226,313).		51,685
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Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net change in compensated absences.		(18,815)
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Change in net position of governmental activities	\$	957,460
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CITY OF DAHLONEGA, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2019

	Budget			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 3,544,846	\$ 3,544,846	\$ 3,691,669	\$ 146,823
Licenses and permits	159,000	159,000	245,058	86,058
Fines, fees and forfeitures	142,000	142,000	218,939	76,939
Charges for services	71,000	71,000	78,875	7,875
Intergovernmental	19,700	29,546	32,487	2,941
Interest	42,500	91,100	129,394	38,294
Other	11,100	16,500	17,188	688
Total revenues	3,990,146	4,053,992	4,413,610	359,618
EXPENDITURES				
Current				
General Government				
Legislative	201,608	211,208	190,052	21,156
Executive	272,799	272,799	247,468	25,331
Elections	15,450	15,450	470	14,980
General Administration	957,372	969,372	879,628	89,744
Judicial				
Municipal Court	230,641	230,641	212,919	17,722
Public Safety				
Law Enforcement	124,033	149,368	139,446	9,922
City Marshal's Office	208,418	233,853	210,878	22,975
Public Works				
Street Construction	1,020,652	1,080,728	1,064,926	15,802
Shop Department	110,883	116,183	114,141	2,042
Cemetery	59,384	59,384	46,165	13,219
Culture and Recreation				
Parks	76,808	52,808	28,255	24,553
Housing and Development				
Community Development	303,848	312,848	257,362	55,486
Downtown Development Authority	341,739	331,739	331,739	0
Total expenditures	3,923,635	4,036,381	3,723,449	312,932
Excess (deficiency) of revenues over (under) expenditures	66,511	17,611	690,161	672,550
Other financing sources (uses)				
Transfers in	12,522	12,522	12,622	100
Transfers out	(1,606,000)	(1,639,500)	(1,639,500)	0
Proceeds from sale of capital assets	0	0	460	460
Contingency	(39,900)	0	0	0
Total other financing sources (uses)	(1,633,378)	(1,626,978)	(1,626,418)	560
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,566,867)	(1,609,367)	(936,257)	673,110
Fund balances, October 1	1,566,867	1,609,367	4,002,250	2,392,883
Fund balances, September 30	\$ 0	\$ 0	\$ 3,065,993	\$ 3,065,993

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2019

	Water and Sewage	Solid Waste	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 5,012,925	\$ 312,324	\$ 5,325,249
Restricted assets			
Cash and cash equivalents	382,125	0	382,125
Receivables (net)			
Accounts	701,829	107,908	809,737
Intergovernmental	12,694	0	12,694
Due from other funds	104,036	0	104,036
Inventory	171,145	0	171,145
Prepaid items	201,800	14,196	215,996
Total current assets	<u>6,586,554</u>	<u>434,428</u>	<u>7,020,982</u>
Noncurrent assets			
Capital assets			
Non-depreciable	3,440,518	0	3,440,518
Depreciable (net)	<u>34,277,199</u>	<u>566,548</u>	<u>34,843,747</u>
Total noncurrent assets	<u>37,717,717</u>	<u>566,548</u>	<u>38,284,265</u>
Total assets	<u>44,304,271</u>	<u>1,000,976</u>	<u>45,305,247</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	240,331	85,800	326,131
Deferred charges on refunding	<u>3,045,267</u>	<u>0</u>	<u>3,045,267</u>
Total deferred outflows of resources	<u>3,285,598</u>	<u>85,800</u>	<u>3,371,398</u>
LIABILITIES			
Current liabilities			
Payables			
Accounts	79,013	9,729	88,742
Intergovernmental	3,910	206	4,116
Interest	13,579	150	13,729
Accrued salaries and payroll expenses	36,133	12,840	48,973
Compensated absences	59,108	16,326	75,434
Notes payable	240,259	0	240,259
Capital leases payable	0	29,143	29,143
Liabilities payable from restricted assets:			
Interest payable	78,368	0	78,368
Customer deposits payable	212,090	0	212,090
Revenue bonds payable	<u>680,000</u>	<u>0</u>	<u>680,000</u>
Total current liabilities	<u>1,402,460</u>	<u>68,394</u>	<u>1,470,854</u>
Noncurrent liabilities			
Net pension liability	355,905	115,221	471,126
Compensated absences	15,712	4,340	20,052
Notes payable	6,042,358	0	6,042,358
Capital leases payable	0	98,051	98,051
Revenue bonds payable	<u>24,223,590</u>	<u>0</u>	<u>24,223,590</u>
Total noncurrent liabilities	<u>30,637,565</u>	<u>217,612</u>	<u>30,855,177</u>
Total liabilities	<u>32,040,025</u>	<u>286,006</u>	<u>32,326,031</u>

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2019

	Water and Sewage	Solid Waste	Totals
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	\$ 142,475	\$ 52,358	\$ 194,833
NET POSITION			
Net investment in capital assets	9,563,277	439,354	10,002,631
Restricted for debt service	91,667	0	91,667
Unrestricted	5,752,425	309,058	6,061,483
Total net position	\$ 15,407,369	\$ 748,412	\$ 16,155,781

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the fiscal year ended September 30, 2019

	Water and Sewage	Solid Waste	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 5,799,883	\$ 931,094	\$ 6,730,977
Other	11,154	0	11,154
Total operating revenues	5,811,037	931,094	6,742,131
OPERATING EXPENSES			
Costs of sales and services	1,287,048	312,770	1,599,818
Personal services	1,268,766	433,329	1,702,095
Depreciation	1,796,932	78,922	1,875,854
Total operating expenses	4,352,746	825,021	5,177,767
Operating income (loss)	1,458,291	106,073	1,564,364
Non-operating revenues (expenses)			
Interest revenue	125,283	0	125,283
Interest expense	(1,234,957)	(5,654)	(1,240,611)
Distributions of capital assets to Governmental Activities	(2,250)	0	(2,250)
Distributions of capital assets between Business-type Activities	(14,624)	(2,500)	(17,124)
Gain (loss) on sale of capital assets	(64,520)	0	(64,520)
Total non-operating revenues (expenses)	(1,191,068)	(8,154)	(1,199,222)
Income (loss) before capital contributions and transfers	267,223	97,919	365,142
Capital contributions			
Contributions of capital assets from Governmental Activities	26,466	0	26,466
Contributions of capital assets between Business-type Activities	2,500	14,624	17,124
Contributions of capital assets from developers	373,308	0	373,308
Total capital contributions	402,274	14,624	416,898
Income (loss) before transfers	669,497	112,543	782,040
Transfers in (out)			
Transfers in	636,755	40,000	676,755
Change in net position	1,306,252	152,543	1,458,795
Net position -beginning	14,101,117	595,869	14,696,986
Net position - ending	<u>\$ 15,407,369</u>	<u>\$ 748,412</u>	<u>\$ 16,155,781</u>

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2019

	Water and Sewage	Solid Waste	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 5,810,937	\$ 950,306	\$ 6,761,243
Payments to suppliers	(1,296,496)	(309,275)	(1,605,771)
Payments to employees	(1,301,745)	(439,208)	(1,740,953)
Other receipts	11,154	0	11,154
Net cash provided (used) by operating activities	3,223,850	201,823	3,425,673
Cash flows from non-capital financing activities:			
Receipts from other funds	0	40,000	40,000
Payments to other funds	(29,228)	(21,062)	(50,290)
Net cash provided (used) by non-capital financing activities	(29,228)	18,938	(10,290)
Cash flows from capital and related financing activities:			
Receipts from other funds	636,755	0	636,755
Receipts from other governments	187,932	0	187,932
Payments for acquisitions of capital assets	(196,972)	(166,625)	(363,597)
Proceeds from issuance of capital leases payable	0	152,844	152,844
Principal payments - revenue bonds	(660,000)	0	(660,000)
Principal payments - promissory notes	(289,190)	0	(289,190)
Principal payments - capital leases	0	(25,650)	(25,650)
Interest paid	(1,139,046)	0	(1,139,046)
Net cash provided (used) by capital and related financing activities	(1,460,521)	(39,431)	(1,499,952)
Cash flows from investing activities:			
Interest received	125,283	(5,504)	119,779
Net increase (decrease) in cash and cash equivalents	1,859,384	175,826	2,035,210
Cash and cash equivalents, October 1	3,535,666	136,498	3,672,164
Cash and cash equivalents, September 30	\$ 5,395,050	\$ 312,324	\$ 5,707,374

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2019

	Water and Sewage	Solid Waste	Totals
Reconciliation of operating income (loss) to net cash cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,458,291	\$ 106,073	\$ 1,564,364
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	1,796,932	78,922	1,875,854
(Increase) decrease in accounts receivables	85,883	19,213	105,096
(Increase) decrease in intergovernmental receivables	(93,966)	0	(93,966)
(Increase) decrease in inventory	(33,303)	0	(33,303)
(Increase) decrease in prepaid items	11,156	23	11,179
(Increase) decrease in deferred outflows related to pension	(159,330)	(33,171)	(192,501)
Increase (decrease) in accounts payable	12,551	3,266	15,817
Increase (decrease) in intergovernmental payable	148	205	353
Increase (decrease) in payroll liabilities	(98)	6,669	6,571
Increase (decrease) in net pension liability	61,187	23,350	84,537
Increase (decrease) in deferred inflows related to pension	65,263	(2,727)	62,536
Increase (decrease) in deposits payable	19,136	0	19,136
Total adjustments	1,765,559	95,750	1,861,309
Net cash provided (used) by operating activities	\$ 3,223,850	\$ 201,823	\$ 3,425,673
Cash and cash equivalents reconciliation:			
Cash and cash equivalents	\$ 5,012,925	\$ 312,324	\$ 5,325,249
Restricted assets			
Cash and cash equivalents	382,125	0	382,125
Total cash and cash equivalents	\$ 5,395,050	\$ 312,324	\$ 5,707,374

Noncash capital and related financing activities:

Acquisition of capital assets through accounts payable in the amount of \$13,500.
Contributions of capital assets from governmental activities totaled \$140,331 with accumulated depreciation of \$113,864.
Contributions of capital assets between business-type activities totaled \$81,484 with accumulated depreciation of \$64,361.
Contributions of capital assets from developers totaled \$373,308.
Distributions of capital assets to governmental activities totaled \$93,018 with accumulated depreciation of \$90,768.

NOTES TO THE FINANCIAL STATEMENTS

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

1. DESCRIPTION OF GOVERNMENT UNIT

The City of Dahlonega incorporated under the laws of the State of Georgia in 1833. The City operates under a council/mayor form of government and provides the following services: public safety, street and sanitation, culture and recreation, public improvements and general and administrative services. In addition, the City operates a public utility (water and sewage) for the incorporated and immediate surrounding areas.

The City is governed by an elected seven-member council.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Dahlonega, Georgia (the primary government) and material component units. The component unit discussed below is included in the City's reporting entity because of the significance of its operational and financial relationship with the City. In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, the financial statements of the following component unit have been included as a discretely presented component unit.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity, continued

City of Dahlonega Downtown Development Authority

The City of Dahlonega Downtown Development Authority was established as a legally separate entity, which operates pursuant to the Official Code of Georgia Annotated. The Authority consists of seven members appointed by the City Council, an executive director and three ex-officio members. The Downtown Development Authority provides for the vitalization of the downtown area of the City of Dahlonega. In many respects, the Authority functions similar to a City department through regular participation in department director meetings, budget approval, accounting, payroll, etc.

The City of Dahlonega Downtown Development Authority is reported in a separate column to emphasize that it is legally separate from the City. Individual financial statements are presented as part of the City's Annual Financial Report in the sections labeled "Component Unit". The City of Dahlonega Downtown Development Authority has a September 30th year-end. Individual financial statements may be obtained by contacting the City of Dahlonega Downtown Development Authority, 465 Riley Road, Dahlonega, GA 30533.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the government has one discretely presented component unit. While the Downtown Development Authority is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

General Government Capital Projects Fund - This fund is used to account for long-term general government projects financed by contributions from the City.

2014 SPLOST Fund - This fund is used to account for long-term projects financed by the passage of a special purpose local option sales tax.

The City reports the following major proprietary funds:

Water and Sewage Fund - This fund is used to account for activities connected with the development, operation and maintenance of water and sewage services in the City of Dahlonega.

Solid Waste Fund - This fund is used to account for activities connected with the collection and disposal of residential, commercial, industrial and institutional solid waste in the City of Dahlonega.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation – Fund Financial Statements, continued

Governmental Fund Types

Additionally, the City reports the following fund types:

Special Revenue Funds – This fund type is used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Capital Projects Funds – This fund type is used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

GASB Statement No. 34 eliminates the presentation of the General Fixed Asset Account Group and the General Long-Term Debt Account Group, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Position.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation – Fund Financial Statements, continued

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Component Unit

The City of Dahlonega Downtown Development Authority is accounted for using a current financial resources measurement focus and uses the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e. when they both become measurable and available).

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting, continued

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Revenues and Expenditures/Expenses

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewage and Solid Waste Funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

G. Budgets and Budgetary Accounting

Formal budgetary accounting is employed as a management control for the General Fund, Special Revenue Funds, and Enterprise Funds. Annual operating budgets are adopted each fiscal year through approval by the Council. Each year about the middle of July, the City Manager submits a proposed budget to the City Council for their review. Prior to adoption, a public hearing is held to receive comment from the citizenry on the proposed budget. This hearing is publicized in the local newspaper one week before the hearing, and the budget document is made available for public inspection during this week. After the public hearing, the budget is then revised by the City Council and the first reading of the proposed budget is made.

At the next City Council meeting, the second reading of the proposed budget is made and the City Council votes to adopt the proposed budget. The annual operating budget is adopted no later than August 31 for the following fiscal year.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Budgets and Budgetary Accounting, continued

The annual budget for the General Fund and Special Revenue Funds are prepared in accordance with the basis of accounting utilized by that fund. The budget for the Enterprise Funds is adopted under a basis consistent with GAAP, except that depreciation, certain capital expenses, non-operating income and expense items are not considered. All unencumbered budget appropriations, except project budgets, lapse at the end of each year.

The legal level of budgetary control is the departmental level. Any increases in total appropriations of a department require approval and amendment of the budget by the City Council. Except as indicated on the major fund budgetary comparison statement, budget amounts included in this report are as amended as of September 30, 2019.

H. Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital project investments is included in the investment accounts.

I. Intergovernmental Receivables

Receivables for state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Inventories

Inventories for the General Fund are valued at cost on the first-in, first-out method and recorded as expenditures when consumed. Inventories of all other funds are valued at cost on the first-in, first-out method.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2019 are recorded as prepaid items. Prepaid items in the governmental funds are recorded as expenditures when consumed.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

GASB Statement No. 34 required the City to report and depreciate new infrastructure assets effective with the beginning of the fiscal year ended September 30, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Prior to October 1, 2007, neither their historical costs nor related depreciation had historically been reported in the financial statements. For entities the size of the City of Dahlonega, retroactive reporting of infrastructure assets was not required.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets, continued

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life	Capitalization
	in Years	Threshold
Buildings	25-50	\$ 5,000
Distribution systems	40	\$ 5,000
Infrastructure	30	\$ 5,000
Building improvements	20	\$ 5,000
Machinery and equipment	3-10	\$ 5,000
Vehicles	2-15	\$ 5,000
Furniture and fixtures	3-15	\$ 5,000
Land improvements	15	\$ 5,000

All land will be valued and capitalized. The costs of normal maintenance and repairs that do not add value or materially extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

M. 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. The City reports deferred outflows of resources related to their defined benefit pension plans and charges on bond refundings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources, continued

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. The government has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows of resources related to their defined benefit pension plans.

N. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

O. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Restricted Assets and Restricted Net Position

Restricted assets of the Enterprise Funds represent certain resources set aside for the repayment of revenue bonds because their use is limited by applicable bond covenants.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of reserve.

Q. Fund Balances of Governmental Funds

The City implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that are not in spendable form (e.g. supplies, inventories, and prepaid items), amounts that cannot currently be spent (e.g. the long-term portion of loans receivable and non-financial assets held for resale), and amounts that are legally or contractually required to be maintained intact (principal of an endowment or revolving loan fund).

Restricted – includes amounts that are constrained by an external party, such as creditors, grantors, contributors, or laws or regulations of other governments. Also included are amounts on which constraints have been placed by law through constitutional provisions or by enabling legislation and are legally enforceable by external parties. Restrictions may be changed or lifted only with the consent of the resource provider.

Committed – includes amounts on which constraints have been placed by the City Council, the City's highest-level decision-making authority, through the adoption of a resolution which includes the terms "committed for the purpose of". Commitments may only be changed or rescinded through the adoption of a subsequent resolution that shall refer to the original resolution by number. Resolutions committing amounts must be adopted prior to the end of the fiscal year. However, the amount to be committed may be determined within 90 days of fiscal year-end.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Balances of Governmental Funds, continued

Assigned – includes amounts on which constraints have been placed by the City to use for a special purpose. The City Council may assign amounts through the adoption of a motion made during a public meeting of the Council. The City Council also authorizes the City Manager to assign amounts through a written memorandum. Assignments must be adopted prior to the end of the fiscal year; the amount must also be determined prior to fiscal year-end.

Transfers to special revenue, capital projects, debt service, or permanent funds shall constitute assignments and shall be documented through the adoption of the City's operating budgets or subsequent budget amendments. Amounts appropriated to eliminate a projected deficit in the subsequent fiscal year's budget shall constitute assignments and shall be documented through the adopted of the City's operating budgets. Equity amounts reported in special revenue, capital projects, debt service, or permanent funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments.

Unassigned – includes amounts reported in the General Fund not otherwise classified as nonspendable, restricted, committed, or assigned. Unassigned amounts are the portion of fund balance that is available for any purpose. Governmental funds other than the General Fund shall not report positive unassigned fund balance. Governmental funds shall not report assignments of fund balance which result in negative unassigned fund balance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Balances of Governmental Funds, continued

The City has established a fund balance target for the General Fund. The fund balance target shall not be less than six months of regular general fund operating revenues or operating expenditures. In calculating the ratio of unassigned fund balance to proposed revenues or expenditures, the latest audited Comprehensive Annual Financial Report (CAFR) shall be compared with the budget in effect when the CAFR is released. The City has established a priority list for designation or appropriation if it is determined there is a surplus (an amount in excess of the upper limit of the fund balance range). If it is determined there is a shortfall (an amount below the lower limit of the fund balance range), the fund balance is to be rebuilt through the following mechanisms in order of priority:

- Distribution of surplus from other related funds as delineated under “Surplus” category.
- An appropriation during the next annual budget process of at least 20% of the difference between the current unassigned fund balance and the fund balance target. If this is not financially feasible, a written plan shall be forwarded by the City Manager to the Council for approval in order to restore the unassigned fund balance to the fund balance target amount within a reasonable time frame. This plan may require reduction of services, increases in taxes, fees, or rates, or some combination thereof.

For the purpose of fund balance classification, the City considers restricted amounts spent first when an expenditure is incurred for which both restricted and unrestricted fund balance is available. Furthermore, the City first considers committed, then assigned, and then unassigned amounts are spent when an expenditure is incurred for purposes of which those unrestricted fund balance classifications are available.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Compensation for Future Absences

It is the City's policy to permit employees to accumulate earned but unused paid time off and compensation benefits. These will be paid to the employees upon separation from City service. Accumulated unpaid paid time off amounts are accrued when incurred by the City in the government-wide and proprietary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured.

S. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

T. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Comparative Data and Reclassifications

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain 2018 amounts have been reclassified to conform with the 2019 presentation.

3. DEPOSIT AND INVESTMENT RISK

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned. The City has no formal policy, but follows the State of Georgia requirement that all deposits be federally insured or fully collateralized.

Investment Policies

The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States. The City has no investment policy that would further limit its investment choices. The City places no limits on the amount the City may invest in any one issuer of equity or debt securities. Investments are reported at fair value.

Credit Risk

At September 30, 2019, the City has no credit risks.

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk

The City has no formal policy on the amount the City may invest in any one issuer.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

3. DEPOSIT AND INVESTMENT RISK (CONTINUED)

Foreign currency risk

The City has no investments denominated in a foreign currency.

4. ACCOUNTS RECEIVABLE

Net accounts receivable at September 30, 2019 consist of the following:

Major Funds	
General Fund	\$ 1,115
Enterprise Funds	
Water and Sewage	773,060
Less: Allowances for Uncollectibles	(71,231)
Solid Waste	126,068
Less: Allowances for Uncollectibles	<u>(18,160)</u>
Total Primary Government	<u>\$ 810,852</u>

5. INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at September 30, 2019 consist of the following:

Primary Government		
Major Funds		
General Fund	\$ 1,995	
2014 SPLOST	103,645	
Water and Sewage	<u>12,694</u>	\$ 118,334
Nonmajor Funds		
2019 TSPLOST		<u>133,074</u>
Total Primary Government		<u>\$ 251,408</u>
Downtown Development Authority Component Unit		<u>\$ 572</u>

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

6. PROPERTY TAXES

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for digest year 2018, based upon the assessments of January 1, 2018, were levied on August 16, 2018, billed on September 15, 2018, and due on November 15, 2018. Taxes were delinquent and subject to liens on November 16, 2018.

Property taxes for digest year 2019, based upon the assessments of January 1, 2019, were levied on September 17, 2019, billed on October 15, 2019, and due on December 16, 2019. Taxes were delinquent and subject to liens on December 17, 2019.

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of interfund receivables and payables as of September 30, 2019 is as follows:

<u>Due To:</u>	<u>Due From:</u>	<u>Amount</u>
Water and Sewage	2014 SPLOST	\$ 104,036
General Government Capital Projects	Hotel/Motel Tax	1,358
	General	4,449
General	Hotel/Motel Tax	17,597
		<u>\$ 127,440</u>

The balance reported as Due to/Due from represent loans between the borrow fund and the lender fund. Except as noted below, the balances result mainly from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between the funds are made. All other balances are also expected to be repaid within one year. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

A summary of interfund transfers as of September 30, 2019 is as follows:

Transfers In:	Transfers Out:	Amount
Solid Waste	General	\$ 40,000
Grants		238,500
General Government Capital Projects		1,361,000
Water and Sewage	General Government Capital Projects	38,402
General	Hotel/Motel Tax	12,622
General Government Capital Projects		145,981
Water and Sewage	2014 SPLOST	598,353
		<u>\$ 2,434,858</u>

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) move capital assets and the related accumulated depreciation between funds. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

8. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended September 30, 2019 was as follows:

	Balance 9/30/2018	Increases	Decreases	Balance 9/30/2019
Governmental activities				
Non-depreciable assets				
Land	\$ 2,302,855	\$ 0	\$ 0	\$ 2,302,855
Construction in progress	1,571,403	84,243	(1,546,064)	109,582
Total non-depreciable assets	3,874,258	84,243	(1,546,064)	2,412,437
Depreciable assets				
Buildings and improvements	2,226,695	516,783	(41,526)	2,701,952
Equipment	1,225,216	217,770	(230,133)	1,212,853
Infrastructure	4,033,375	2,104,295	0	6,137,670
Total depreciable assets	7,485,286	2,838,848	(271,659)	10,052,475
Accumulated depreciation				
Buildings and improvements	(1,308,942)	(76,670)	20,003	(1,365,609)
Equipment	(828,915)	(192,041)	203,666	(817,290)
Infrastructure	(1,675,391)	(209,134)	0	(1,884,525)
Total accumulated depreciation	(3,813,248)	(477,845)	223,669	(4,067,424)
Total depreciable assets, net	3,672,038	2,361,003	(47,990)	5,985,051
Governmental activities capital assets, net	<u>\$ 7,546,296</u>	<u>\$ 2,445,246</u>	<u>\$ (1,594,054)</u>	<u>\$ 8,397,488</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 3,333,139	\$ 15,850	\$ 0	\$ 3,348,989
Construction in progress	19,525	127,028	(55,024)	91,529
Total Non-depreciable assets	3,352,664	142,878	(55,024)	3,440,518
Depreciable assets				
Buildings	25,829,508	0	0	25,829,508
Improvements	4,273,614	68,474	0	4,342,088
Equipment and vehicles	6,326,428	815,892	(388,922)	6,753,398
Water and sewer infrastructure	22,223,197	0	0	22,223,197
Total depreciable assets	58,652,747	884,366	(388,922)	59,148,191
Accumulated depreciation				
Buildings	(6,798,555)	(824,591)	0	(7,623,146)
Improvements	(2,063,661)	(116,519)	0	(2,180,180)
Equipment and vehicles	(4,629,851)	(468,367)	305,029	(4,793,189)
Water and sewer infrastructure	(9,063,327)	(644,602)	0	(9,707,929)
Total accumulated depreciation	(22,555,394)	(2,054,079)	305,029	(24,304,444)
Total depreciable assets, net	36,097,353	(1,169,713)	(83,893)	34,843,747
Business-type activities capital assets, net	<u>\$ 39,450,017</u>	<u>\$ (1,026,835)</u>	<u>\$ (138,917)</u>	<u>\$ 38,284,265</u>

Prior Year's Governmental activities numbers have been restated between asset categories due to misclassification of an asset in prior years. There was no change in the Governmental activities total numbers.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

8. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 64,500
Public Works	286,922
Culture and Recreation	21,561
Housing and Development	14,094

Total depreciation expense for governmental activities	\$ 387,077
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Business-type activities

Water and Sewage	\$ 1,796,932
Solid Waste	78,922

Total depreciation expense for business-type activities	\$ 1,875,854
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	Primary Government	
	Governmental Activities	Business-type Activities
Current year depreciation expense	\$ 387,077	\$ 1,875,854
Prior accumulated depreciation on assets transferred between governmental and business-type activities	90,768	178,225
Additions to accumulated depreciation	\$ 477,845	\$ 2,054,079

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

9. CAPITAL AND OPERATING LEASE AGREEMENTS

The City has entered into agreements for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balance of these leases at September 30, 2019 is \$127,194 for business-type activities.

Total assets leased under capital leases are \$155,000 for business-type activities and are classified as follows:

	Business-Type Activities	
	Cost	Accumulated Depreciation
Machinery and equipment	\$ 155,000	\$ 7,750

Amortization of leased equipment under capital leases is included with depreciation expense.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of September 30, 2019:

Year Ending September 30,	Business-type activities
2020	\$ 33,986
2021	33,986
2022	33,986
2023	33,986
2024	2,832
Total minimum lease payments	138,776
Less amounts representing interest	(11,582)
Present value of minimum lease payments	\$ 127,194

The City's lease agreements, other than such agreements described above, are relatively minor commitments and are in compliance with state law.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

10. LONG-TERM DEBT

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, while revenue bonds are issued for the construction and expansion of proprietary activities. General obligation bonds are direct obligations and pledge the full faith, credit and taxing powers of the City while revenue bonds pledge the revenues of the proprietary activity for repayment of the bond issues.

Revenue Bonds

Revenue bonds have been issued for business-type activities and are comprised of the following individual issues at September 30, 2019:

- \$26,865,000 – Series 2015 Water and Sewerage Revenue Refunding Bonds - In 2015, the City issued refunding revenue bonds in the amount of \$26,865,000. The bonds are issued as term bonds with interest rates from 3.62% maturing September 30, 2042. The purpose of the bonds was to refund the 2008 Water and Sewage Revenue Bonds and Water and Sewage notes payable. In an event of default, any outstanding principal and interest on the bonds may become immediately due and payable. The bonds are secured by sales tax proceeds and then from the levy of property tax. As of September 30, 2019, the bonds had an outstanding balance of \$24,255,000.

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 680,000	\$ 940,418	\$ 1,620,418
2021	700,000	913,218	1,613,218
2022	735,000	885,218	1,620,218
2023	770,000	848,468	1,618,468
2024	810,000	809,968	1,619,968
2025-2029	4,460,000	3,634,938	8,094,938
2030-2034	5,235,000	2,856,945	8,091,945
2035-2039	6,375,000	1,721,400	8,096,400
2040-2042	4,490,000	363,800	4,853,800
Totals	<u>\$ 24,255,000</u>	<u>\$ 12,974,373</u>	<u>\$ 37,229,373</u>

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

10. LONG-TERM DEBT (CONTINUED)

Notes from Direct Borrowings

The City has entered into an agreement with the Georgia Environmental Facilities Authority for land and construction of a reservoir, in the original amount of \$6,433,843. At September 30, 2019, the balance of this note is \$4,969,282. Monthly installments of principal and interest are due through January 1, 2045; interest at 3.00%. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes collected by the City.

The City has entered into an agreement with the Georgia Environmental Facilities Authority for rehabilitating a pump station, in the original amount of \$500,000. At September 30, 2019, the balance of this note is \$364,031. Monthly installments of principal and interest are due through April 1, 2028; interest at 0.81%. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes collected by the City.

The City has entered into an agreement with the Georgia Environmental Facilities Authority for installing water lines, isolation valves, fire hydrants, and related appurtenances, in the original amount of \$1,069,000. At September 30, 2019, the balance of this note is \$949,304. Monthly installments of principal and interest are due through April 1, 2033; interest at 1.15%. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes collected by the City.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

10. LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for notes from direct borrowings are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 240,259	\$ 160,590	\$ 400,849
2021	245,482	154,967	400,449
2022	250,843	150,006	400,849
2023	256,345	143,776	400,121
2024	261,994	138,226	400,220
2025-2029	1,341,799	604,435	1,946,234
2030-2034	1,274,163	445,269	1,719,432
2035-2039	1,141,788	279,690	1,421,478
2040-2044	1,269,944	95,261	1,365,205
Totals	<u>\$ 6,282,617</u>	<u>\$ 2,172,220</u>	<u>\$ 8,454,837</u>

Pledged Revenue

The City of Dahlonega has pledged 2014 SPLOST revenues to repay its payable related to its Series 2015 Water and Sewerage Revenue Refunding Bonds with an original debt of \$26,865,000. In the event that the City's 2014 SPLOST revenues and Water and Sewerage operating revenues are insufficient to cover the principal and interest payments, the City has agreed to pledge its property tax revenue. The bonds are payable through 2042. The total principal and interest remaining to be paid is \$37,229,370. For the current fiscal year, the principal and interest paid and 2014 SPLOST revenues recognized by the City were \$1,620,218 and \$598,353, respectively. Current year principal and interest payments are approximately 271% of net revenues.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

11. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities of the City for the year ended September 30, 2019:

	Balance Beginning	Additions	Deductions	Balance Ending	Due Within One Year
Governmental activities					
Compensated absences	\$ 65,305	\$ 84,120	\$ 65,305	\$ 84,120	\$ 66,455
Business-type activities					
Notes from direct borrowings	\$ 6,571,807	\$ 0	\$ 289,190	\$ 6,282,617	\$ 240,259
Capital leases payable	0	152,844	25,650	127,194	29,143
Revenue bonds	24,915,000	0	660,000	24,255,000	680,000
Unamortized bond premium	676,789	0	28,199	648,590	0
Compensated absences	96,280	95,486	96,280	95,486	75,434
Total business-type activities	<u>\$ 32,259,876</u>	<u>\$ 248,330</u>	<u>\$ 1,099,319</u>	<u>\$ 31,408,887</u>	<u>\$ 1,024,836</u>

Revenue bond issue costs and discounts/premiums are amortized over the life of the related debt using the straight-line method. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund. The total interest incurred and charged to expense for the fiscal year ended September 30, 2019 was \$1,240,611 for business-type activities.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

12. PENSION PLAN

Plan Description. The City is a participating member of the Georgia Municipal Employees Benefit System (GMEBS), a state-wide agent, multiple-employer retirement system, administered by the Georgia Municipal Association. This is a defined benefit pension plan, which provides retirement, disability and death benefits to plan members and beneficiaries. The City has established provisions, which assign the authority to the City Council members to establish and amend the benefit provisions of the plan. The City elected to participate in GMEBS as of May 1, 1973, as a result of City Ordinance and a contract between the City and GMA. The Plan's assets may be used only for the payment of benefits to the members of the Plan, in accordance with the terms of the Plan. See Note 2 – Summary of Significant Accounting Policies for reporting of investments. Benefits vest after five years of service. Participants become eligible to retire with reduced benefits at age 55 with ten years of service. Mayor and Council are subject to the five-year minimum service. GMA issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Georgia Municipal Association at 21 Pryor Street, SW, Atlanta, Georgia 30303.

Control over the operation and administration of the plan is vested with GMEBS along with custody of the plan assets. The plan provides that the City has no liability with respect to payments or benefits or otherwise under the plan except to pay over to GMEBS such actuarially determined contributions as required to meet minimum funding standards of the Public Retirement Systems Standards Law and provide benefits thereunder. If terminated, the plan provides that if there are funds remaining after the satisfaction of all liabilities, such funds shall not revert to the City but shall be allocated to employees. All employees are eligible for immediate participation. Officials are covered under the plan and are eligible for immediate participation.

There are no loans to any of the City officials or other "party-in-interest," and there are no prohibited transactions. The plan assets do not include any securities or investments in the City of Dahlonega. The funds are managed by independent money managers.

The annual report and more detailed information regarding the plan can be obtained from the Plan Administrator, the Georgia Municipal Employees Benefit System.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

12. PENSION PLAN (CONTINUED)

At January 1, 2019, the date of the most recent actuarial valuation, there were 103 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	32
Terminated vested participants entitled to but not yet receiving benefits	15
Active participants	56
Total number of participants	<u>103</u>

Benefits Provided. The plan provides retirement and death benefits. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 65 with no reduction in benefit. Officials with five years of total service are eligible to retire at age 65 with no reduction of benefits. Members are eligible for early retirement with reduced benefits based on the early retirement reduction table at age 55 after 10 years of service. The benefit formula is 1.80% - 2.25% with a five year vesting schedule.

Contributions. Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The City's actuarially determined contribution rate for the year ended September 30, 2019 was \$356,081, or 14.76% of covered payroll.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At September 30, 2019, the City and Component Unit reported a net pension liability of \$948,570. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2019. For the fiscal year ended September 30, 2019, the City and Component Unit recognized pension expense of \$156,840. In prior years, net pension liabilities have been liquidated in the General Fund, Water and Sewage Enterprise Fund, Solid Waste Enterprise Fund, and the Downtown Development Authority Component Unit.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

12. PENSION PLAN (CONTINUED)

At September 30, 2019, the City and Component Unit reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 359,875	\$ (63,747)
Changes of assumptions	68,610	0
Net difference between projected and actual earnings on pension plan investments	0	(354,090)
City contributions subsequent to the measurement date	258,398	0
Totals	<u><u>\$ 686,883</u></u>	<u><u>\$ (417,837)</u></u>

The \$258,398 of deferred outflows of resources resulting from the City's and Component Unit's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30	Deferred (Inflows) Outflows of Resources
2020	\$ 32,806
2021	(66,868)
2022	(6,784)
2023	51,494
Totals	<u><u>\$ 10,648</u></u>

Actuarial Assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected salary increases	2.75% plus service based merit increases
Cost of living adjustments	2.00%
Net investment rate of return	7.50%

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

12. PENSION PLAN (CONTINUED)

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. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

The mortality and economic actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through June 30, 2014.

The long-term expected rate of return on pension plan investments 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.40%
International equity	20%	7.40%
Real estate	10%	5.10%
Global fixed income	5%	3.03%
Domestic fixed income	20%	1.75%
Cash	0%	
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

12. PENSION PLAN (CONTINUED)

Changes in Net Pension Liability (Asset)

	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at 9/30/2017	\$ 6,840,825	\$ 6,081,233	\$ 759,592
Changes for the year:			
Service cost	114,719	0	114,719
Interest	508,884	0	508,884
Differences between expected and actual experience	405,325	0	405,325
Contributions – employer	0	255,709	(255,709)
Net investment income	0	600,142	(600,142)
Benefit payments, including refunds of employee contributions	(340,850)	(340,850)	0
Administrative expense	0	(15,901)	15,901
Net changes	688,078	499,100	188,978
Balances at 9/30/2018	\$ 7,528,903	\$ 6,580,333	\$ 948,570

Plan's fiduciary net position as a percentage of the total pension liability	87.40%
Covered payroll	2,189,155
Net pension liability as a percentage of covered payroll	43.33%

Sensitivity of the Net Pension Asset/Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50 percent) or one percentage-point higher (8.50 percent) than the current rate:

	Discount Rate	Net Pension Liability (Asset)
1% decrease	6.50%	\$ 1,884,553
Current discount rate	7.50%	948,570
1% increase	8.50%	163,457

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

Other Plans. In addition to the plan above, various City employees are covered under the Peace Officers' Annuity and Benefit Fund of Georgia. Further information regarding this plan can be obtained from the plan's annual report. This plan is immaterial to the financial statements.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

13. DEFERRED COMPENSATION PLANS

The City provides retirement benefits for its employees through three deferred compensation plans. The Plans were created under Internal Revenue Code Section 457 and are administered by the Georgia Municipal Association, The International City Management Association Retirement Corporation and Nationwide Retirement Solutions, Inc., independent third parties. Under the terms of the Plans, employees may defer a portion of their salary through voluntary contributions to the Plans. Employees may defer up to the maximum allowed by federal law. Employees may choose to contribute to one or multiple Plans. Amounts held in the Plans are not available to the employees until termination, retirement, death, or unforeseeable emergency.

The City has no fiduciary relationship with the Plans, and Plan assets are not available to the City or its general creditors. The Plan assets are held in trust by the administrators for the exclusive benefit of the participants of the Plans. During fiscal year 2019, plan members made voluntary contributions of \$30,764. Beginning January 1, 2014, the City no longer contributes to any of the deferred compensation plans.

14. HOTEL/MOTEL LODGING TAX

The City has levied an 8% lodging tax, in accordance with Official Code of Georgia Annotated (OCGA) Section 48-13-51(3). The City is required to spend an amount equal to the amount by which the total taxes collected under the Code section exceed the taxes which would be collected at a rate of 3 percent for the purpose of promoting tourism, conventions, and trade shows. A summary of the transactions for the year ending September 30, 2019 follows:

Lodging Tax Receipts	\$420,738	
Disbursements to the Dahlonega – Lumpkin County		
Chamber of Commerce	\$262,135	62.30% of tax receipts

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

15. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from Georgia Mountains Regional Commission, PO Box 1720, Gainesville, GA 30503.

On March 6, 1998, the City of Dahlonega, Georgia (City), Lumpkin County (County) and the Lumpkin County Water and Sewage Authority (Authority) formed a joint authority to construct a reservoir. The City and County have signed an agreement to each own 54% and 46% undivided interest in the reservoir assets, respectively. The responsibility of constructing the reservoir and liability for the debt was divided between the City (47.59%), the County (52.41%) and the Authority (0%). A Georgia Environmental Facilities Authority note for which the City and County will be responsible for based on the preceding debt percentages originally funded the project. The City has been paying principal and interest payments based on their percentage of 47.59% during fiscal year 2019. Separate financial statements are not issued for this joint venture.

16. RELATED ORGANIZATIONS

The Housing Authority of the City of Dahlonega is considered a related organization to the City of Dahlonega. The City appoints members to the Authority, but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Dahlonega. The City received \$2,167 as payment-in-lieu-of-taxes for 2019. Separate financial statements may be obtained from Housing Authority of the City of Dahlonega, 90 Thompson Circle, Dahlonega, GA 30553.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

17. RISK MANAGEMENT

Material estimates have been made by management about the life of depreciated capital assets. Management has used a conservative approach on these estimates.

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City 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 City 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 City is also obligated to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City 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.

Settled claims in the past three years have not exceeded the coverages.

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At September 30, 2019, the City has no losses that are probable or estimable and accordingly has not recognized any liability.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

18. TAX ABATEMENTS

The City is subject to tax incentives granted by the Development Authority of Lumpkin County, an entity created by the State of Georgia and activated by the Board of Commissioners of Lumpkin County (“Authority”). These incentives are negotiated on an individual basis as a reduction of property taxes by percentage of total taxes and have the stated purpose of increasing business activity and employment in the City by allowing localities to abate property taxes for a variety of economic development purposes, including business relocation, retention, and expansion. The incentives may be granted to any business located within or promising to relocate to a local government’s geographic area and require the business to enter into a sale-leaseback transaction with the Authority in exchange for tax exempt debt financing for the purpose of locating to the area or expansion of current facilities. In addition to the commitment of the debt financing, the business may also commit to certain economic or employment increases. The incentive agreements contain a provision that the business may lose a portion or a portion of the abatement for that year if the business fails to meet its jobs and/or investment goals.

The City has not made any commitments as part of the agreement other than to reduce taxes.

The following incentive exists for the City:

Purpose	% Abated	Current Year \$ Abated
Koyo Bearings USA, LLC	40%	\$ 25,966

19. COMMITMENTS AND CONTINGENCIES

Commitments

At the end of the current fiscal year, the City has outstanding agreements with contractors for the future work on existing construction projects in the approximate amount of \$507,958.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

19. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contingencies

The City is a defendant in several lawsuits. Management intends to contest these open cases vigorously. The City's legal counsel has stated that the outcome of these lawsuits is not presently determinable.

20. NEW ACCOUNTING STANDARDS

The City implemented Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The requirements of this statement are effective for periods beginning after June 15, 2018.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DAHLONEGA, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION
LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS

September 30, 2019
(Unaudited)

	Fiscal Year End	
	2019	2018
Total pension liability		
Service cost	\$ 114,719	\$ 116,700
Interest	508,884	488,440
Differences between expected and actual experience	405,325	(16,733)
Changes of assumptions	0	114,351
Benefit payments, including refunds of employee contributions	(340,850)	(328,763)
Other	0	0
Net change in total pension liability	688,078	373,995
Total pension liability - beginning	6,840,825	6,466,830
Total pension liability - ending (a)	\$ 7,528,903	\$ 6,840,825
Plan fiduciary net position		
Contributions - employer	\$ 255,709	\$ 284,180
Net investment income	600,142	800,838
Benefit payments, including refunds of employee contributions	(340,850)	(328,763)
Administrative expense	(15,901)	(22,200)
Net change in plan fiduciary net position	499,100	734,055
Plan fiduciary net position - beginning	6,081,233	5,347,178
Plan fiduciary net position - ending (b)	\$ 6,580,333	\$ 6,081,233
Net pension liability (asset) - ending : (a) - (b)	\$ 948,570	\$ 759,592
Plan's fiduciary net position as a percentage of the total pension liability	87.40%	88.90%
Covered payroll	\$ 2,189,155	\$ 1,683,662
Net pension liability as a percentage of covered payroll	43.33%	45.12%

Note: Fiscal year 2015 was the first year of implementation. Additional years' information will be reported as it becomes available.

Fiscal Year End		
2017	2016	2015
\$ 115,608	\$ 85,386	\$ 96,910
477,750	446,617	439,359
(134,264)	178,075	(117,428)
0	0	0
(313,569)	(304,165)	(262,175)
0	514	(42,028)
145,525	406,427	114,638
6,321,305	5,914,878	5,800,240
<u>\$ 6,466,830</u>	<u>\$ 6,321,305</u>	<u>\$ 5,914,878</u>

\$ 255,944	\$ 344,506	\$ 329,784
541,207	52,151	487,596
(313,569)	(304,165)	(262,175)
(9,141)	(10,646)	(8,507)
474,441	81,846	546,698
4,872,737	4,790,891	4,244,193
<u>\$ 5,347,178</u>	<u>\$ 4,872,737</u>	<u>\$ 4,790,891</u>

<u>\$ 1,119,652</u>	<u>\$ 1,448,568</u>	<u>\$ 1,123,987</u>
---------------------	---------------------	---------------------

82.69%	77.08%	81.00%
\$ 1,596,651	\$ 1,653,134	\$ 1,320,011
70.13%	87.63%	85.15%

See accompanying notes to the required supplementary information.

CITY OF DAHLONEGA, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
September 30, 2019
(Unaudited)

	Fiscal Year End	
	2019	2018
Actuarially determined contribution	\$ 356,081	\$ 258,709
Contributions in relation to the actuarially determined contribution	<u>(356,081)</u>	<u>(258,709)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 2,412,015	\$ 2,396,292
Contributions as a percentage of covered payroll	14.76%	10.80%

Note: Fiscal year 2015 was the first year of implementation. Additional years' information will be reported as it becomes available.

Fiscal Year End		
2017	2016	2015
\$ 255,709	\$ 278,905	\$ 255,944
<u>(255,709)</u>	<u>(278,905)</u>	<u>(255,944)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 2,224,107	\$ 1,934,317	\$ 1,757,618
11.50%	14.42%	14.56%

See accompanying notes to the required supplementary information.

**CITY OF DAHLONEGA – NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION
SEPTEMBER 30, 2019**

1. VALUATION DATE

The actuarially determined contribution rate was determined as of September 30, 2018, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending September 30, 2020.

2. METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method = Projected Unit Credit Cost

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 10 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 = 2.00%

Retirement age for inactive vested participants = 65

Mortality = 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. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

**CITY OF DAHLONEGA – NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION
SEPTEMBER 30, 2019**

3. CHANGES IN BENEFITS

There have been no substantive changes to benefit provisions in the last two fiscal years.

4. CHANGES OF ASSUMPTIONS

Effective with the prior valuation, the investment return assumption was decreased from 7.75% to 7.50% and the inflation assumption was decreased from 3.25% to 2.75%.



COMBINING STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

CITY OF DAHLONEGA, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2019

	Special Revenue		Capital Projects		Total Nonmajor
	Hotel/Motel Tax		Grants	2019 TSPLOST	Governmental Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 0	\$ 258,643	\$ 65,187	\$ 323,830	
Interest receivable	0	0	61	61	
Taxes receivable	39,788	0	0	39,788	
Intergovernmental receivables	0	0	133,074	133,074	
Total assets	\$ 39,788	\$ 258,643	\$ 198,322	\$ 496,753	
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 20,833	\$ 31,056	\$ 0	\$ 51,889	
Due to other funds	18,955	0	0	18,955	
Total liabilities	39,788	31,056	0	70,844	
Fund balances					
Restricted to capital outlay	0	0	198,322	198,322	
Assigned to capital outlay	0	227,587	0	227,587	
Total fund balances	0	227,587	198,322	425,909	
Total liabilities and fund balances	\$ 39,788	\$ 258,643	\$ 198,322	\$ 496,753	

CITY OF DAHLONEGA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2019

	Special Revenue	Capital Projects		Total Nonmajor Governmental Funds
	Hotel/Motel Tax	Grants	2019 TSPLOST	
REVENUES				
Taxes	\$ 420,738	\$ 0	\$ 0	\$ 420,738
Intergovernmental	0	268,911	198,258	467,169
Interest	0	0	64	64
Total revenues	420,738	268,911	198,322	887,971
EXPENDITURES				
Current				
Housing and Development	262,135	0	0	262,135
Capital outlay	0	279,824	0	279,824
Total expenditures	262,135	279,824	0	541,959
Excess (deficiency) of revenues over (under) expenditures	158,603	(10,913)	198,322	346,012
Other financing sources (uses)				
Transfers in	0	238,500	0	238,500
Transfers out	(158,603)	0	0	(158,603)
Total other financing sources (uses)	(158,603)	238,500	0	79,897
Net change in fund balance	0	227,587	198,322	425,909
Fund balances, October 1	0	0	0	0
Fund balances, September 30	\$ 0	\$ 227,587	\$ 198,322	\$ 425,909



GENERAL FUND

THE GENERAL OPERATING FUND OF THE CITY IS USED TO ACCOUNT
FOR ALL FINANCIAL RESOURCES EXCEPT THOSE REQUIRED TO BE
ACCOUNTED FOR IN ANOTHER FUND.

CITY OF DAHLONEGA, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 2,950,973	\$ 3,929,508
Restricted cash and cash equivalents	5,421	5,295
Receivables (net)		
Accounts	1,115	3,962
Taxes	155,077	1,275,226
Fines	63,806	49,033
Intergovernmental	1,995	5,649
Due from other funds	17,597	39,182
Inventory	11,178	12,802
Prepaid items	34,503	31,053
	<u> </u>	<u> </u>
Total assets	<u><u>\$ 3,241,665</u></u>	<u><u>\$ 5,351,710</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Payables		
Accounts	\$ 67,033	\$ 50,199
Intergovernmental	12,551	8,982
Accrued salaries and payroll expenditures	62,382	51,782
Deposits payable	1,220	1,900
Due to other funds	4,449	89,613
	<u> </u>	<u> </u>
Total liabilities	<u>147,635</u>	<u>202,476</u>
Deferred inflows of resources		
Unavailable revenue - property taxes	<u>28,037</u>	<u>1,146,984</u>
Fund balances		
Nonspendable:		
Inventory	11,178	12,802
Prepaid items	34,503	31,053
Restricted for:		
Service awards for citizens	5,421	5,295
Assigned to:		
City Hall construction	650,000	650,000
Subsequent year's budget	870,188	1,566,867
Unassigned	1,494,703	1,736,233
	<u> </u>	<u> </u>
Total fund balances	<u>3,065,993</u>	<u>4,002,250</u>
	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 3,241,665</u></u>	<u><u>\$ 5,351,710</u></u>

CITY OF DAHLONEGA, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended September 30, 2019 and 2018

	2019	2018
REVENUES		
Taxes	\$ 3,691,669	\$ 3,565,737
Licenses and permits	245,058	189,851
Fines, fees and forfeitures	218,939	120,874
Charges for services	78,875	29,800
Intergovernmental	32,487	100,955
Interest	129,394	34,533
Other	17,188	12,010
Total revenues	4,413,610	4,053,760
EXPENDITURES		
Current		
General Government	1,317,618	1,288,847
Judicial	212,919	222,624
Public Safety	350,324	269,522
Public Works	1,225,232	1,092,542
Culture and Recreation	28,255	17,030
Housing and Development	589,101	602,564
Total expenditures	3,723,449	3,493,129
Excess (deficiency) of revenues over (under) expenditures	690,161	560,631
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Tax Fund	12,622	0
Grants Capital Projects Fund	(238,500)	(309,613)
General Government Capital Projects Fund	(1,361,000)	(408,000)
Solid Waste Enterprise Fund	(40,000)	(40,000)
Proceeds from sale of capital assets	460	8,734
Total other financing sources (uses)	(1,626,418)	(748,879)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(936,257)	(188,248)
Fund balances, October 1	4,002,250	4,190,498
Fund balances, September 30	\$ 3,065,993	\$ 4,002,250

CITY OF DAHLONEGA, GEORGIA

GENERAL FUND

SCHEDULE OF REVENUES

BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2019

(With comparative actual amounts for the fiscal year ended September 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Property tax	\$ 1,260,555	\$ 1,260,859	\$ 304	\$ 1,275,083
Real estate transfer tax	18,000	21,551	3,551	18,497
Motor vehicle tax	189,000	194,151	5,151	212,785
Cost, penalties, and interest	3,000	3,641	641	5,453
Total general property taxes	1,470,555	1,480,202	9,647	1,511,818
Local option sales tax	891,291	937,368	46,077	859,090
Franchise tax	510,000	540,376	30,376	508,623
Insurance premium tax	345,000	373,237	28,237	348,388
Alcoholic beverage excise tax	206,000	219,640	13,640	210,519
Occupational tax	113,000	130,849	17,849	116,078
Other taxes	9,000	9,997	997	11,221
Total taxes	3,544,846	3,691,669	146,823	3,565,737
Licenses and Permits				
Alcohol licenses	128,000	141,500	13,500	140,124
Building permits	31,000	103,558	72,558	49,727
Total licenses and permits	159,000	245,058	86,058	189,851
Fines, fees and forfeitures	142,000	218,939	76,939	120,874
Charges for Services	71,000	78,875	7,875	29,800
Intergovernmental	29,546	32,487	2,941	100,955
Interest	91,100	129,394	38,294	34,533
Other	16,500	17,188	688	12,010
Total revenues	<u>\$ 4,053,992</u>	<u>\$ 4,413,610</u>	<u>\$ 359,618</u>	<u>\$ 4,053,760</u>

CITY OF DAHLONEGA, GEORGIA

GENERAL FUND

SCHEDULE OF EXPENDITURES

BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2019

(With comparative actual amounts for the fiscal year ended September 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
General Government				
Legislative				
Personal services	\$ 108,050	\$ 102,563	\$ 5,487	\$ 105,172
Contract services	77,058	61,591	15,467	59,922
Supplies and materials	8,600	8,422	178	4,629
Capital outlay	17,500	17,476	24	0
Total Legislative	211,208	190,052	21,156	169,723
Executive				
Personal services	218,393	204,189	14,204	185,703
Contract services	48,906	41,589	7,317	28,455
Supplies and materials	5,500	1,690	3,810	4,390
Total Executive	272,799	247,468	25,331	218,548
Elections				
Contract services	15,200	470	14,730	16,062
Supplies and materials	250	0	250	0
Total Elections	15,450	470	14,980	16,062
General Administration				
Personal services	470,087	426,068	44,019	444,269
Contract services	445,935	402,688	43,247	379,679
Supplies and materials	53,350	50,872	2,478	50,288
Capital outlay	0	0	0	10,278
Total General Administration	969,372	879,628	89,744	884,514
Total General Government	1,468,829	1,317,618	151,211	1,288,847
Judicial				
Municipal Court				
Personal services	85,981	80,596	5,385	70,215
Contract services	140,560	129,445	11,115	142,759
Supplies and materials	2,100	1,605	495	2,901
Payments to other agencies	2,000	1,273	727	6,749
Total Judicial	230,641	212,919	17,722	222,624

CITY OF DAHLONEGA, GEORGIA

GENERAL FUND

SCHEDULE OF EXPENDITURES

BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2019

(With comparative actual amounts for the fiscal year ended September 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
Public Safety				
Law Enforcement				
Contract services	\$ 70,522	\$ 64,170	\$ 6,352	\$ 53,140
Supplies and materials	20,846	17,276	3,570	12,412
Payments to other agencies	58,000	58,000	0	58,000
Total Law Enforcement	149,368	139,446	9,922	123,552
City Marshal's Office				
Personal services	183,378	162,254	21,124	110,880
Contract services	8,800	7,319	1,481	4,590
Supplies and materials	22,240	23,870	(1,630)	18,244
Capital outlay	19,435	17,435	2,000	12,256
Total Marshal	233,853	210,878	22,975	145,970
Total Public Safety	383,221	350,324	32,897	269,522
Public Works				
Street Construction				
Personal services	763,525	762,804	721	679,540
Contract services	90,723	78,936	11,787	79,211
Supplies and materials	183,600	182,791	809	149,979
Capital outlay	42,880	40,395	2,485	26,828
Total Street Construction	1,080,728	1,064,926	15,802	935,558
Shop Department				
Personal services	70,054	69,949	105	63,662
Contract services	6,429	5,046	1,383	3,100
Supplies and materials	25,200	24,896	304	18,046
Capital outlay	14,500	14,250	250	11,788
Total Shop Department	116,183	114,141	2,042	96,596
Cemetery				
Personal services	43,471	38,204	5,267	40,215
Contract services	7,063	3,734	3,329	6,180
Supplies and materials	8,850	4,227	4,623	13,993
Total Cemetery	59,384	46,165	13,219	60,388
Total Public Works	1,256,295	1,225,232	31,063	1,092,542

CITY OF DAHLONEGA, GEORGIA

GENERAL FUND

SCHEDULE OF EXPENDITURES

BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2019

(With comparative actual amounts for the fiscal year ended September 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
Culture and Recreation				
Parks				
Contract services	\$ 23,008	\$ 4,196	\$ 18,812	\$ 3,379
Supplies and materials	17,400	17,844	(444)	13,651
Capital outlay	12,400	6,215	6,185	0
Total Culture and Recreation	52,808	28,255	24,553	17,030
Housing and Development				
Community Development				
Personal services	217,946	203,233	14,713	168,111
Contract services	77,027	41,386	35,641	31,485
Supplies and materials	17,875	12,743	5,132	8,032
Capital outlay	0	0	0	5,396
Total Community Development	312,848	257,362	55,486	213,024
Downtown Development Authority				
Payment to others	331,739	331,739	0	389,540
Total Housing and Development	644,587	589,101	55,486	602,564
Total expenditures	<u>\$ 4,036,381</u>	<u>\$ 3,723,449</u>	<u>\$ 312,932</u>	<u>\$ 3,493,129</u>



SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS ARE USED TO ACCOUNT FOR THE PROCEEDS OF SPECIFIC REVENUE SOURCES THAT ARE LEGALLY OR DONOR RESTRICTED TO EXPENDITURE FOR SPECIFIED PURPOSES.

Hotel/Motel Tax Fund

This fund is used to collect Hotel/Motel taxes which are used to support trade and tourism in the City of Dahlonga.

CITY OF DAHLONEGA, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Taxes receivable	\$ 39,788	\$ 38,252
	<u> </u>	<u> </u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 20,833	\$ 23,907
Due to other funds	18,955	14,345
	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 39,788</u>	<u>\$ 38,252</u>

CITY OF DAHLONEGA, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2019
(With comparative actual amounts for the fiscal year ended September 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/Motel taxes	\$ 420,738	\$ 420,738	\$ 0	\$ 420,195
Total revenues	<u>420,738</u>	<u>420,738</u>	<u>0</u>	<u>420,195</u>
EXPENDITURES				
Current				
Housing and Development				
Tourism				
Chamber of Commerce	262,135	262,135	0	262,622
Total expenditures	<u>262,135</u>	<u>262,135</u>	<u>0</u>	<u>262,622</u>
Excess (deficiency) of revenues over (under) expenditures	<u>158,603</u>	<u>158,603</u>	<u>0</u>	<u>157,573</u>
Other financing sources (uses)				
Transfers in (out)				
General Fund	(12,622)	(12,622)	0	0
General Government Capital Projects Fund	(145,981)	(145,981)	0	(157,573)
Total other financing sources (uses)	<u>(158,603)</u>	<u>(158,603)</u>	<u>0</u>	<u>(157,573)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, October 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>



CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUNDS ARE USED TO ACCOUNT FOR FINANCIAL RESOURCES TO BE USED FOR THE ACQUISITION OR CONSTRUCTION OF SPECIFICALLY PLANNED PROJECTS (OTHER THAN THOSE FINANCED BY THE PROPRIETARY OR FIDUCIARY FUNDS).

Grants Capital Projects Fund

This fund is used to account for long-term capital improvement projects financed by Federal and State grants along with contributions from the City.

2014 Special Purpose Local Option Sales Tax Fund

This fund is used to account for long-term projects financed by the passage of a special purpose local option sales tax.

General Government Capital Projects Fund

This fund is used to account for long-term general government projects financed by contributions from the City.

2019 Transportation Special Purpose Local Option Sales Tax Fund

This fund is used to account for long-term transportation projects financed by the passage of a special purpose local option sales tax.

CITY OF DAHLONEGA, GEORGIA
GRANTS CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 258,643	\$ 23,262
Due from other funds	<u>0</u>	<u>89,613</u>
Total assets	<u><u>\$ 258,643</u></u>	<u><u>\$ 112,875</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 31,056	\$ 14,682
Retainages payable	<u>0</u>	<u>98,193</u>
Total liabilities	31,056	112,875
Fund balances		
Assigned to capital outlay	<u>227,587</u>	<u>0</u>
Total liabilities and fund balances	<u><u>\$ 258,643</u></u>	<u><u>\$ 112,875</u></u>

CITY OF DAHLONEGA, GEORGIA
GRANTS CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REVENUES		
Intergovernmental	\$ 268,911	\$ 415,765
Total revenues	<u>268,911</u>	<u>415,765</u>
EXPENDITURES		
Capital Outlay		
Public Works	263,324	2,030,210
Culture and Recreation	<u>16,500</u>	<u>0</u>
Total expenditures	<u>279,824</u>	<u>2,030,210</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,913)</u>	<u>(1,614,445)</u>
Other financing sources		
Transfers in		
General Fund	238,500	309,613
General Government Capital Projects Fund	0	110,000
Water and Sewage Enterprise Fund	<u>0</u>	<u>73,285</u>
Total other financing sources	<u>238,500</u>	<u>492,898</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	227,587	(1,121,547)
Fund balances, October 1	<u>0</u>	<u>1,121,547</u>
Fund balances, September 30	<u><u>\$ 227,587</u></u>	<u><u>\$ 0</u></u>

CITY OF DAHLONEGA, GEORGIA
2014 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 391	\$ 85
Intergovernmental receivable	<u>103,645</u>	<u>92,843</u>
Total assets	<u><u>\$ 104,036</u></u>	<u><u>\$ 92,928</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	<u><u>\$ 104,036</u></u>	<u><u>\$ 92,928</u></u>

CITY OF DAHLONEGA, GEORGIA
2014 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REVENUES		
Intergovernmental	\$ 594,751	\$ 545,354
Interest	<u>3,602</u>	<u>381</u>
Total revenues	598,353	545,735
Other financing sources		
Transfers out		
Water and Sewage Enterprise Fund	<u>(598,353)</u>	<u>(545,735)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	0	0
Fund balances, October 1	<u>0</u>	<u>0</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF DAHLONEGA, GEORGIA
GENERAL GOVERNMENT CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 1,133,643	\$ 492,531
Intergovernmental receivables	0	10,000
Due from other funds	<u>5,807</u>	<u>14,345</u>
Total assets	<u><u>\$ 1,139,450</u></u>	<u><u>\$ 516,876</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 61,499	\$ 9,050
Fund balances		
Assigned to capital outlay	<u>1,077,951</u>	<u>507,826</u>
Total liabilities and fund balances	<u><u>\$ 1,139,450</u></u>	<u><u>\$ 516,876</u></u>

CITY OF DAHLONEGA, GEORGIA
GENERAL GOVERNMENT CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REVENUES		
Charges for services	\$ 14,625	\$ 0
Intergovernmental	<u>0</u>	<u>10,000</u>
Total revenues	<u>14,625</u>	<u>10,000</u>
EXPENDITURES		
Capital Outlay		
General Government	1,897	183,799
Public Safety	39,860	36,897
Public Works	144,364	78,391
Culture and Recreation	<u>726,958</u>	<u>0</u>
Total expenditures	<u>913,079</u>	<u>299,087</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(898,454)</u>	<u>(289,087)</u>
Other financing sources		
Transfers in (out)		
General Fund	1,361,000	408,000
Hotel/Motel Tax Special Revenue Fund	145,981	157,573
Grants Capital Projects Fund	0	(110,000)
Water and Sewage Enterprise Fund	<u>(38,402)</u>	<u>0</u>
Total other financing sources	<u>1,468,579</u>	<u>455,573</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	570,125	166,486
Fund balances, October 1	<u>507,826</u>	<u>341,340</u>
Fund balances, September 30	<u><u>\$ 1,077,951</u></u>	<u><u>\$ 507,826</u></u>

CITY OF DAHLONEGA, GEORGIA
2019 TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
BALANCE SHEET
September 30, 2019

ASSETS

Cash and cash equivalents	\$ 65,187
Interest receivable	61
Intergovernment receivable	<u>133,074</u>
Total assets	<u><u>\$ 198,322</u></u>

LIABILITIES AND FUND BALANCES

Fund balances

Restricted to capital outlay	<u><u>\$ 198,322</u></u>
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CITY OF DAHLONEGA, GEORGIA
2019 TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended September 30, 2019

REVENUES

Intergovernmental	\$ 198,258
Interest	<u>64</u>
Total revenues	198,322
 Fund balances, October 1	 <u>0</u>
Fund balances, September 30	 <u><u>\$ 198,322</u></u>



ENTERPRISE FUNDS

ENTERPRISE FUNDS ARE USED TO ACCOUNT FOR OPERATIONS THAT ARE FINANCED AND OPERATED IN A MANNER SIMILAR TO PRIVATE BUSINESS ENTERPRISES. THE FUNDS ARE SELF-SUPPORTING IN NATURE WHERE THE COSTS, INCLUDING DEPRECIATION, OF PROVIDING GOODS OR SERVICES TO THE GENERAL PUBLIC ON A CONTINUING BASIS ARE FINANCED OR RECOVERED PRIMARILY THROUGH USER CHARGES.

Water and Sewage Fund

This fund is used to account for activities connected with the development, operation and maintenance of water and sewer services in the City of Dahlonga.

Solid Waste Fund

This fund is used to account for activities connected with the collection and disposal of residential, commercial, industrial, and institutional solid waste in the City of Dahlonga.

CITY OF DAHLONEGA, GEORGIA
WATER AND SEWAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,012,925	\$ 3,172,694
Receivables (net)		
Accounts	701,829	787,712
Intergovernmental	12,694	106,660
Due from other funds	104,036	92,928
Inventory	171,145	137,842
Prepaid items	201,800	206,744
	<u>6,204,429</u>	<u>4,504,580</u>
Total current assets		
Restricted assets		
Debt Redemption		
Cash and cash equivalents	170,035	170,018
Customer Deposits		
Cash and cash equivalents	212,090	192,954
	<u>382,125</u>	<u>362,972</u>
Total restricted assets		
Capital assets		
Land	3,348,989	3,333,139
Construction in progress	91,529	19,525
Improvements	4,330,504	4,262,031
Buildings	25,574,443	25,574,443
Water and sewer lines and towers	22,223,197	22,489,111
Machinery and equipment	5,820,253	5,322,469
Accumulated depreciation	(23,671,198)	(22,017,421)
	<u>37,717,717</u>	<u>38,983,297</u>
Total capital assets (net of accumulated depreciation)		
Total assets	<u>44,304,271</u>	<u>43,850,849</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension	240,331	81,001
Deferred charges on refunding	3,045,267	3,177,670
	<u>3,285,598</u>	<u>3,258,671</u>
Total deferred outflows of resources		

CITY OF DAHLONEGA, GEORGIA
WATER AND SEWAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
LIABILITIES		
Current liabilities		
Payables		
Accounts	\$ 79,013	\$ 52,961
Intergovernmental	3,910	3,762
Interest	13,579	14,010
Accrued salaries and payroll expenses	36,133	32,052
Compensated absences	59,108	62,410
Due to other funds	0	18,120
Notes payable	240,259	228,254
	<u>432,002</u>	<u>411,569</u>
Current liabilities payable from restricted assets		
Interest payable	78,368	80,018
Customer deposits payable	212,090	192,954
Revenue bonds payable	680,000	660,000
	<u>970,458</u>	<u>932,972</u>
Noncurrent liabilities		
Net pension liability	355,905	294,718
Compensated absences	15,712	16,590
Notes payable	6,042,358	6,343,553
Revenue bonds payable	24,223,590	24,931,789
	<u>30,637,565</u>	<u>31,586,650</u>
Total liabilities	<u>32,040,025</u>	<u>32,931,191</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension	142,475	77,212
NET POSITION		
Net investment in capital assets	9,563,277	9,993,527
Restricted for debt service	91,667	90,000
Unrestricted	5,752,425	4,017,590
Total net position	<u>\$ 15,407,369</u>	<u>\$ 14,101,117</u>

CITY OF DAHLONEGA, GEORGIA
WATER AND SEWAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the fiscal years ended September 30, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Charges for sales and services		
Water sales	\$ 3,179,270	\$ 2,906,886
Sewer charges	2,037,955	2,011,940
Tap fees	582,658	74,090
Other	11,154	19,745
Total operating revenues	5,811,037	5,012,661
OPERATING EXPENSES		
Cost of sales and services	1,287,048	1,160,532
Personal services	1,268,766	1,200,484
Depreciation	1,796,932	1,725,280
Total operating expenses	4,352,746	4,086,296
Operating income (loss)	1,458,291	926,365
Non-operating revenues (expenses)		
Interest revenue	125,283	29,194
Interest expense	(1,234,957)	(1,253,917)
Distributions of capital assets to Governmental Activities	(2,250)	0
Distributions of capital assets to Solid Waste Fund	(14,624)	0
Gain (loss) on sale of capital assets	(64,520)	16,630
Total non-operating revenues (expenses)	(1,191,068)	(1,208,093)
Net income (loss) before capital contributions and transfers	267,223	(281,728)
Capital contributions		
Contributions of capital assets from Governmental Activities	26,466	0
Contributions of capital assets from Solid Waste Fund	2,500	0
Contributions of capital assets from developers	373,308	0
Total capital contributions	402,274	0
Net income (loss) before transfers	669,497	(281,728)
Transfers in (out)		
General Government Capital Projects Fund	38,402	0
Grants Capital Projects Fund	0	(73,285)
SPLOST Capital Projects Fund	598,353	545,735
Total transfers in (out)	636,755	472,450
Change in net position	1,306,252	190,722
Net position, October 1	14,101,117	13,910,395
Net position, September 30	\$ 15,407,369	\$ 14,101,117

CITY OF DAHLONEGA, GEORGIA
WATER AND SEWAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended September 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Receipts from customers	\$ 5,810,937	\$ 5,014,178
Payments to suppliers	(1,296,496)	(1,792,432)
Payments to employees	(1,301,745)	(1,235,848)
Other receipts	11,154	19,745
Net cash provided (used) by operating activities	3,223,850	2,005,643
Cash flows from non-capital financing activities:		
Receipts from other funds	0	75,441
Payments to other funds	(29,228)	0
Net cash provided (used) by non-capital financing activities	(29,228)	75,441
Cash flows from capital and related financing activities:		
Receipts from other funds	636,755	472,450
Receipts from other governments	187,932	625,280
Payments for acquisitions of capital assets	(196,972)	(803,266)
Proceeds from the sale of capital assets	0	16,630
Payment of capital related retainages payable	0	(88,343)
Proceeds from debt issuance - notes payable	0	680,585
Principal payments - revenue bonds	(660,000)	(640,000)
Principal payments - promissory notes	(289,190)	(140,761)
Interest paid	(1,139,046)	(1,157,178)
Net cash provided (used) by capital and related financing activities	(1,460,521)	(1,034,603)
Cash flows from investing activities:		
Interest received	125,283	29,194
Net increase (decrease) in cash and cash equivalents	1,859,384	1,075,675
Cash and cash equivalents, October 1	3,535,666	2,459,991
Cash and cash equivalents, September 30	\$ 5,395,050	\$ 3,535,666

CITY OF DAHLONEGA, GEORGIA
WATER AND SEWAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 1,458,291	\$ 926,365
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,796,932	1,725,280
(Increase) decrease in accounts receivables	85,883	35,527
(Increase) decrease in intergovernmental receivables	(93,966)	(16,055)
(Increase) decrease in inventory	(33,303)	(4,055)
(Increase) decrease in prepaid items	11,156	29,724
(Increase) decrease in deferred outflows related to pension	(159,330)	10,293
Increase (decrease) in accounts payable	12,551	(657,321)
Increase (decrease) in intergovernmental payable	148	(249)
Increase (decrease) in payroll liabilities	(98)	6,384
Increase (decrease) in net pension liability	61,187	(118,064)
Increase (decrease) in deferred inflows related to pension	65,263	66,024
Increase (decrease) in deposits payable	19,136	1,790
Total adjustments	<u>1,765,559</u>	<u>1,079,278</u>
Net cash provided (used) by operating activities	<u>\$ 3,223,850</u>	<u>\$ 2,005,643</u>
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	\$ 5,012,925	\$ 3,172,694
Debt Redemption		
Cash and cash equivalents	170,035	170,018
Customer Deposits		
Cash and cash equivalents	<u>212,090</u>	<u>192,954</u>
Total cash and cash equivalents	<u>\$ 5,395,050</u>	<u>\$ 3,535,666</u>

Noncash capital and related financing activities:

Acquisition of capital assets through accounts payable totaled \$13,500 and \$3,844 for the fiscal years ended September 30, 2019 and 2018, respectively.

Contributions of capital assets from governmental activities and the Solid Waste Fund totaled \$105,843 and \$43,748 with accumulated depreciation of \$79,376 and \$41,249 for the fiscal year ended September 30, 2019, respectively.

Contributions of capital assets from developers totaled \$373,308.

Distributions of capital assets to governmental activities and the Solid Waste Fund totaled \$93,018 and \$37,736 with accumulated depreciation of \$90,768 and \$23,112 for the fiscal year ended September 30, 2019, respectively.

CITY OF DAHLONEGA, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 312,324	\$ 136,498
Accounts receivable (net)	107,908	127,121
Prepaid items	14,196	14,219
Total current assets	<u>434,428</u>	<u>277,838</u>
Capital assets		
Improvements	11,583	11,583
Buildings	255,066	255,066
Machinery and equipment	933,148	738,046
Accumulated depreciation	(633,249)	(537,975)
Total capital assets (net of accumulated depreciation)	<u>566,548</u>	<u>466,720</u>
Total assets	<u>1,000,976</u>	<u>744,558</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension	<u>85,800</u>	<u>52,629</u>
LIABILITIES		
Current liabilities		
Accounts payable	9,729	6,463
Intergovernmental payable	206	0
Accrued salaries and payroll expenses	12,840	9,557
Compensated absences	16,326	13,651
Capital leases payable	29,143	0
Interest payable	150	0
Due to other funds	0	21,062
Total current liabilities	<u>68,394</u>	<u>50,733</u>
Noncurrent liabilities		
Net pension liability	115,221	91,871
Capital leases payable	98,051	0
Compensated absences	4,340	3,629
Total noncurrent liabilities	<u>217,612</u>	<u>95,500</u>
Total liabilities	<u>286,006</u>	<u>146,233</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension	<u>52,358</u>	<u>55,085</u>
NET POSITION		
Net investment in capital assets	439,354	466,720
Unrestricted	309,058	129,149
Total net position	<u>\$ 748,412</u>	<u>\$ 595,869</u>

CITY OF DAHLONEGA, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended September 30, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Charges for sales and services	\$ 931,094	\$ 888,070
Other	0	2,049
Total operating revenues	931,094	890,119
OPERATING EXPENSES		
Cost of sales and services	312,770	283,750
Personal services	433,329	445,083
Depreciation	78,922	86,261
Total operating expenses	825,021	815,094
Operating income (loss)	106,073	75,025
Non-operating revenues (expenses)		
Interest expense	(5,654)	0
Distributions of capital assets to Water and Sewer Fund	(2,500)	0
Gain on sale of capital assets	0	7,025
Total non-operating revenues (expenses)	(8,154)	7,025
Net income (loss) before capital contributions and transfers	97,919	82,050
Capital contributions		
Contributions of capital assets from Water and Sewer Fund	14,624	0
Net income (loss) before transfers	112,543	82,050
Transfers in (out)		
General Fund	40,000	40,000
Change in net position	152,543	122,050
Net position, October 1	595,869	473,819
Net position, September 30	\$ 748,412	\$ 595,869

CITY OF DAHLONEGA, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended September 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Receipts from customers	\$ 950,306	\$ 893,931
Payments to suppliers	(309,275)	(279,084)
Payments to employees	(439,208)	(465,938)
Other receipts	0	2,049
Net cash provided (used) by operating activities	201,823	150,958
Cash flows from non-capital financing activities:		
Receipts from other funds	40,000	40,000
Payments to other funds	(21,062)	(44,770)
Net cash provided (used) by non-capital financing activities	18,938	(4,770)
Cash flows from capital and related financing activities:		
Payments for acquisitions of capital assets	(166,625)	(152,843)
Proceeds from the sale of capital assets	0	7,025
Proceeds from issuance of capital leases payable	152,844	0
Principal payments on capital leases payable	(25,650)	0
Net cash provided (used) by capital and related financing activities	(39,431)	(145,818)
Cash flows from investing activities:		
Interest paid	(5,504)	0
Net increase (decrease) in cash and cash equivalents	175,826	370
Cash and cash equivalents, October 1	136,498	136,128
Cash and cash equivalents, September 30	\$ 312,324	\$ 136,498
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 106,073	\$ 75,025
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	78,922	86,261
(Increase) decrease in accounts receivable	19,213	5,861
(Increase) decrease in prepaid items	23	9,144
(Increase) decrease in deferred outflows related to pension	(33,171)	3,950
Increase (decrease) in accounts payable	3,266	(4,477)
Increase (decrease) in intergovernmental payable	205	0
Increase (decrease) in payroll liabilities	6,669	(4,831)
Increase (decrease) in net pension liability	23,350	(45,317)
Increase (decrease) in deferred inflows related to pension	(2,727)	25,342
Total adjustments	95,750	75,933
Net cash provided (used) by operating activities	\$ 201,823	\$ 150,958

Noncash capital and related financing activities:

Contributions of capital assets from governmental activities and the Water and Sewer Fund totaled \$34,488 and \$37,736 with accumulated depreciation of \$34,488 and \$23,112 for the fiscal year ended September 30, 2019, respectively.

Distributions of capital assets to the Water and Sewer Fund totaled \$43,748 with accumulated depreciation of \$41,249 for the fiscal year ended September 30, 2019.



COMPONENT UNIT

Downtown Development Authority

This component unit is used to account for governmental revenues and contributions reserved for City Business Development.

CITY OF DAHLONEGA, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 435,873	\$ 384,103
Intergovernmental receivable	572	0
Prepaid items	<u>3,722</u>	<u>3,795</u>
Total assets	<u><u>\$ 440,167</u></u>	<u><u>\$ 387,898</u></u>
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Payables		
Accounts	\$ 9,314	\$ 2,300
Intergovernmental	0	145
Accrued salaries and payroll liabilities	<u>5,319</u>	<u>3,818</u>
Total liabilities	<u>14,633</u>	<u>6,263</u>
Fund balances		
Nonspendable:		
Prepaid items	3,722	3,795
Assigned to:		
Dahlonega 2000 operations	21,741	1,020
Redevelopment projects	179,832	202,316
Operations	<u>220,239</u>	<u>174,504</u>
Total fund balances	<u>425,534</u>	<u>381,635</u>
Total liabilities and fund balances	<u><u>\$ 440,167</u></u>	<u><u>\$ 387,898</u></u>

CITY OF DAHLONEGA, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2019
(With comparative actual amounts for the fiscal year ended September 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 0	\$ 0	\$ 0	\$ 273
Intergovernmental	331,739	331,739	0	487,242
Contributions	0	1,000	1,000	1,000
Other	1,000	1,457	457	1,013
Total revenues	332,739	334,196	1,457	489,528
EXPENDITURES				
Current				
Housing and Development				
Personal services	215,815	172,765	43,050	169,043
Contract services	83,609	73,627	9,982	52,654
Supplies and materials	44,765	43,905	860	36,076
Total expenditures	344,189	290,297	53,892	257,773
Excess of revenues over (under) expenditures	(11,450)	43,899	55,349	231,755
Fund balances, October 1	11,450	381,635	370,185	149,880
Fund balances, September 30	\$ 0	\$ 425,534	\$ 425,534	\$ 381,635



STATISTICAL SECTION





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

CONTENTS

PAGES

Financial Trends.....132 - 145

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

Revenue Capacity.....146 - 154

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

Debt Capacity.....156 - 163

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

Demographic and Economic Information.....164 - 165

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

Operating Information.....166 - 169

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.

CITY OF DAHLONEGA, GEORGIA

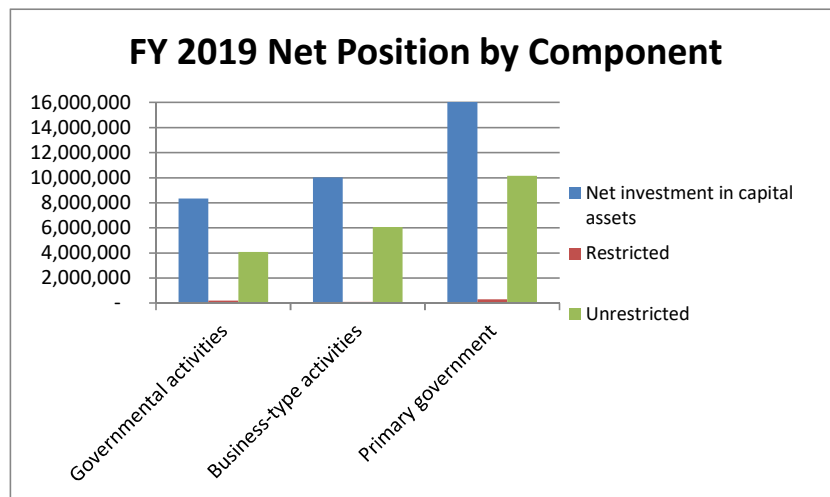
NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 4,360,841	\$ 4,477,984	\$ 5,138,468	\$ 5,542,733
Restricted	571,645	1,061,542	516,149	459,082
Unrestricted	3,442,292	3,489,170	3,333,580	3,172,941
Total governmental activities net position	<u>\$ 8,374,778</u>	<u>\$ 9,028,696</u>	<u>\$ 8,988,197</u>	<u>\$ 9,174,756</u>
Business-type activities				
Net investment in capital assets	\$ 13,637,369	\$ 11,446,338	\$ 11,091,994	\$ 10,569,488
Restricted	124,070	22,823	194,395	200,921
Unrestricted	2,615,921	3,351,427	2,946,946	2,988,023
Total business-type activities net position	<u>\$ 16,377,360</u>	<u>\$ 14,820,588</u>	<u>\$ 14,233,335</u>	<u>\$ 13,758,432</u>
Primary government				
Net investment in capital assets	\$ 17,998,210	\$ 15,924,322	\$ 16,230,462	\$ 16,112,221
Restricted	695,715	1,084,365	710,544	660,003
Unrestricted	6,058,213	6,840,597	6,280,526	6,160,964
Total primary government net position	<u>\$ 24,752,138</u>	<u>\$ 23,849,284</u>	<u>\$ 23,221,532</u>	<u>\$ 22,933,188</u>

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 5,598,272	\$ 5,805,471	\$ 5,562,810	\$ 5,472,664	\$ 7,448,103	\$ 8,326,640
252,358	448,697	860,756	566,808	5,295	203,743
3,863,183	3,703,238	3,980,446	4,645,595	4,190,530	4,071,005
<u>\$ 9,713,813</u>	<u>\$ 9,957,406</u>	<u>\$ 10,404,012</u>	<u>\$ 10,685,067</u>	<u>\$ 11,643,928</u>	<u>\$ 12,601,388</u>
\$ 10,254,910	\$ 6,537,167	\$ 9,615,293	\$ 11,231,363	\$ 10,460,247	\$ 10,002,631
136,705	-	87,122	92,082	90,000	91,667
2,936,982	5,409,094	2,147,886	3,060,769	4,146,739	6,061,483
<u>\$ 13,328,597</u>	<u>\$ 11,946,261</u>	<u>\$ 11,850,301</u>	<u>\$ 14,384,214</u>	<u>\$ 14,696,986</u>	<u>\$ 16,155,781</u>
\$ 15,853,182	\$ 12,342,638	\$ 15,178,103	\$ 16,704,027	\$ 17,908,350	\$ 18,329,271
389,063	448,697	947,878	658,890	95,295	295,410
6,800,165	9,112,332	6,128,332	7,706,364	8,337,269	10,132,488
<u>\$ 23,042,410</u>	<u>\$ 21,903,667</u>	<u>\$ 22,254,313</u>	<u>\$ 25,069,281</u>	<u>\$ 26,340,914</u>	<u>\$ 28,757,169</u>



CITY OF DAHLONEGA, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Expenses	Fiscal Year			
	2010	2011	2012	2013
Governmental activities:				
General Government	\$ 1,041,292	\$ 1,036,537	\$ 1,039,743	\$ 1,325,328
Judicial	282,317	233,740	225,240	226,361
Public Safety	60,651	84,785	80,483	14,336
Public Works	909,630	1,051,610	1,085,828	1,205,726
Culture and Recreation	47,874	23,294	26,427	33,482
Housing and Development	490,080	540,307	530,445	485,038
Interest on long-term debt	1,399	834	569	0
Total governmental activities expenses	<u>2,833,243</u>	<u>2,971,107</u>	<u>2,988,735</u>	<u>3,290,271</u>
Business-type activities:				
Water and Sewage	4,068,774	5,555,316	5,364,216	5,251,093
Solid Waste	451,793	459,381	470,213	480,443
Total business-type activities expenses	<u>4,520,567</u>	<u>6,014,697</u>	<u>5,834,429</u>	<u>5,731,536</u>
Total primary government expenses	<u>\$ 7,353,810</u>	<u>\$ 8,985,804</u>	<u>\$ 8,823,164</u>	<u>\$ 9,021,807</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	\$ 77,355	\$ 80,081	\$ 82,110	\$ 91,347
Judicial	262,317	223,361	197,935	182,597
Public Works	30,950	40,150	87,250	31,750
Housing and Development	36,343	50,674	15,294	79,081
Operating grants and contributions	6,410	24,392	34,910	48,858
Capital grants and contributions	524,614	660,679	953,515	968,085
Total governmental activities program revenues	<u>937,989</u>	<u>1,079,337</u>	<u>1,371,014</u>	<u>1,401,718</u>
Business-Type activities:				
Charges for services:				
Water and Sewage	3,520,548	3,555,939	3,454,006	3,892,527
Solid Waste	523,681	545,217	566,395	571,479
Capital grants and contributions	100,158	0	0	0
Total business-type activities program revenues	<u>4,144,387</u>	<u>4,101,156</u>	<u>4,020,401</u>	<u>4,464,006</u>
Total primary government program revenues	<u>\$ 5,082,376</u>	<u>\$ 5,180,493</u>	<u>\$ 5,391,415</u>	<u>\$ 5,865,724</u>

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 1,038,602	\$ 1,121,681	\$ 1,179,559	\$ 1,211,344	\$ 1,310,477	\$ 1,306,925
235,365	203,102	186,557	193,749	221,007	211,279
7,420	3,257	48,686	129,907	259,183	331,487
1,157,314	1,018,991	1,448,891	1,187,875	1,282,952	1,467,245
39,822	70,495	45,466	36,520	38,205	43,632
577,068	570,761	642,001	814,697	860,975	864,643
0	0	0	0	0	0
3,055,591	2,988,287	3,551,160	3,574,092	3,972,799	4,225,211
5,338,885	5,747,593	5,129,529	5,236,533	5,340,214	5,652,223
657,150	710,897	753,964	816,917	815,093	830,675
5,996,035	6,458,490	5,883,493	6,053,450	6,155,307	6,482,898
\$ 9,051,626	\$ 9,446,777	\$ 9,434,653	\$ 9,627,542	\$ 10,128,106	\$ 10,708,109
\$ 108,752	\$ 103,408	\$ 103,745	\$ 122,775	\$ 140,125	\$ 141,500
178,888	143,331	93,033	149,322	120,874	218,939
47,680	73,745	66,500	54,600	49,731	67,139
80,495	125,840	35,662	34,932	29,796	84,919
21,739	146,117	22,739	23,739	96,955	20,641
750,691	595,234	513,564	1,164,541	975,500	1,077,432
1,188,245	1,187,675	835,243	1,549,909	1,412,981	1,610,570
4,503,335	4,368,609	4,854,210	6,186,150	4,992,916	5,799,883
577,185	609,243	692,998	894,973	888,070	931,094
604	0	0	0	0	373,308
5,081,124	4,977,852	5,547,208	7,081,123	5,880,986	7,104,285
\$ 6,269,369	\$ 6,165,527	\$ 6,382,451	\$ 8,631,032	\$ 7,293,967	\$ 8,714,855

CITY OF DAHLONEGA, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2010	2011	2012	2013
Net (expense)/revenue				
Governmental activities	\$ (1,895,254)	\$ (1,891,770)	\$ (1,617,721)	\$ (1,888,553)
Business-type activities	(376,180)	(1,913,541)	(1,814,028)	(1,267,530)
Total primary government net (expense)/revenue	(2,271,434)	(3,805,311)	(3,431,749)	(3,156,083)
General revenues and other changes in net assets				
Governmental activities:				
Taxes				
Property	903,412	890,743	861,790	919,297
Local option sales	744,801	763,535	756,139	732,042
Franchise	460,629	478,013	505,998	497,013
Insurance premium	201,702	195,840	245,897	261,157
Intangibles	11,854	8,191	12,388	15,712
Alcoholic beverage	176,223	164,240	162,457	174,592
Occupational	110,811	115,560	111,636	116,076
Hotel/Motel and other	121,833	149,661	149,373	156,184
Investment earnings	41,210	10,755	9,773	10,243
Gain on sale of assets	0	0	0	0
Miscellaneous	47,543	53,442	46,030	17,088
Special items	0	0	0	0
Transfers	(801,224)	(284,292)	(1,384,292)	(824,292)
Total governmental activities	2,018,794	2,545,688	1,477,189	2,075,112
Business-type activities				
Investment earnings	22,442	67,471	135,030	112,426
Gain on sale of assets	0	0	0	0
Miscellaneous	2,514	5,006	4,390	1,279
Special items	0	0	(296,937)	0
Transfers	801,224	284,292	1,384,292	824,292
Total business-type activities	826,180	356,769	1,226,775	937,997
Total primary government	2,844,974	2,902,457	2,703,964	3,013,109
Change in net position				
Governmental activities	123,540	653,918	(140,532)	186,559
Business-type activities	450,000	(1,556,772)	(587,253)	(329,533)
Total primary government	\$ 573,540	\$ (902,854)	\$ (727,785)	\$ (142,974)

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ (1,867,346)	\$ (1,800,612)	\$ (2,715,917)	\$ (2,024,183)	\$ (2,559,818)	\$ (2,614,641)
(914,911)	(1,480,638)	(336,285)	1,027,673	(274,321)	621,387
(2,782,257)	(3,281,250)	(3,052,202)	(996,510)	(2,834,139)	(1,993,254)
1,025,084	1,003,607	1,228,757	1,446,401	1,483,241	1,472,272
745,133	800,988	784,700	826,802	859,090	937,368
490,264	528,287	542,288	521,189	508,623	540,376
270,403	282,726	302,046	327,175	348,388	373,237
11,312	20,582	14,927	19,613	18,497	21,551
171,576	193,583	198,166	213,415	210,519	219,640
116,749	109,168	120,042	114,773	116,078	130,849
180,499	211,683	236,527	268,737	431,416	430,737
5,202	5,176	15,280	23,278	34,533	129,394
0	0	6,856	0	8,734	460
9,569	15,012	14,907	15,419	12,010	17,188
0	0	(25,150)	0	0	0
(619,388)	(597,532)	(276,823)	(1,471,564)	(512,450)	(700,971)
2,406,403	2,573,280	3,162,523	2,305,238	3,518,679	3,572,101
105,522	95,800	8,991	13,746	29,194	125,283
0	0	4,071	0	23,655	0
3,166	7,659	21,484	20,930	21,794	11,154
0	0	(71,044)	0	0	0
619,388	597,532	276,823	1,471,564	512,450	700,971
728,076	700,991	240,325	1,506,240	587,093	837,408
3,134,479	3,274,271	3,402,848	3,811,478	4,105,772	4,409,509
539,057	772,668	446,606	281,055	958,861	957,460
(186,835)	(779,647)	(95,960)	2,533,913	312,772	1,458,795
\$ 352,222	\$ (6,979)	\$ 350,646	\$ 2,814,968	\$ 1,271,633	\$ 2,416,255

CITY OF DAHLONEGA, GEORGIA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Tax	Intangible Tax	Franchise Tax	Occupational Tax
2010	\$ 903,412	\$ 11,854	\$ 460,629	\$ 110,811
2011	890,743	8,191	478,013	115,560
2012	861,790	12,388	505,998	111,636
2013	919,297	15,712	497,013	116,076
2014	1,025,084	11,312	490,264	116,749
2015	1,003,607	20,582	528,287	109,168
2016	1,228,757	14,927	542,288	120,042
2017	1,446,401	19,613	521,189	114,773
2018	1,483,241	18,497	508,623	116,078
2019	1,472,272	21,551	540,376	130,849
Change 2010 - 2019	62.97%	81.80%	17.31%	18.08%

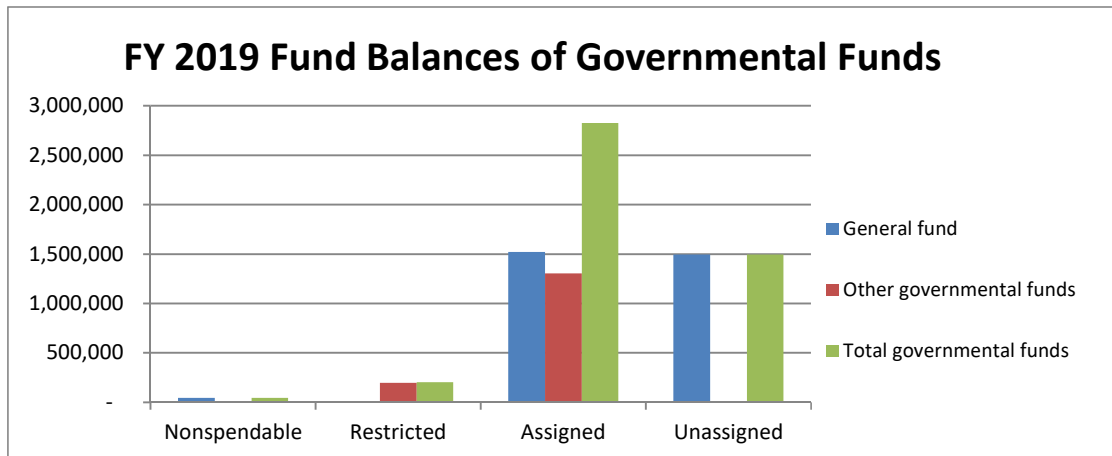
Insurance Premium Tax		Alcoholic Beverage Tax		Hotel/Motel and Other Tax		Local Option Sales Tax		Total
\$	201,702	\$	176,223	\$	121,833	\$	744,801	\$ 2,731,265
	195,840		164,240		149,661		763,535	2,765,783
	245,897		162,457		149,373		756,139	2,805,678
	261,157		174,592		156,184		732,042	2,872,073
	270,403		171,576		180,499		745,133	3,011,020
	282,726		193,583		211,683		800,988	3,150,624
	302,046		198,166		236,527		784,700	3,427,453
	327,175		213,415		268,737		826,802	3,738,105
	348,388		210,519		431,416		859,090	3,975,852
	373,237		219,640		430,738		937,368	4,126,031
	85.04%		24.64%		253.55%		25.85%	51.07%

CITY OF DAHLONEGA, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR			
	2010	2011 ⁽¹⁾	2012	2013
General fund				
Reserved	\$ 357,608	\$0	\$0	\$0
Unreserved	3,413,767	0	0	0
Nonspendable	0	72,242	82,918	75,731
Restricted	0	321,828	359,076	365,590
Assigned	0	2,134,368	1,798,609	1,972,372
Unassigned	0	1,196,824	1,265,550	826,346
Total general fund	<u>3,771,375</u>	<u>3,725,262</u>	<u>3,506,153</u>	<u>3,240,039</u>
All other governmental funds				
Unreserved, reported in:				
Special revenue funds	4,253	0	0	0
Capital project funds	259,819	0	0	0
Restricted	0	739,714	157,073	93,492
Assigned	0	104,942	179,431	301,557
Total all other governmental funds	<u>264,072</u>	<u>844,656</u>	<u>336,504</u>	<u>395,049</u>
Total governmental funds	<u>\$ 4,035,447</u>	<u>\$ 4,569,918</u>	<u>\$ 3,842,657</u>	<u>\$ 3,635,088</u>

Note (1): The City implemented GASB 54 in fiscal year 2011.

FISCAL YEAR					
2014	2015	2016	2017	2018	2019
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
66,009	56,447	63,366	77,552	43,855	45,681
5,197	5,225	5,241	5,264	5,295	5,421
1,029,371	750,000	1,226,128	1,521,597	2,216,867	1,520,188
2,309,948	2,996,915	2,858,457	2,586,085	1,736,233	1,494,703
3,410,525	3,808,587	4,153,192	4,190,498	4,002,250	3,065,993
0	0	0	0	0	0
0	0	0	0	0	0
247,161	443,472	855,515	561,544	0	198,322
436,454	402,844	328,193	901,343	507,826	1,305,538
683,615	846,316	1,183,708	1,462,887	507,826	1,503,860
\$ 4,094,140	\$ 4,654,903	\$ 5,336,900	\$ 5,653,385	\$ 4,510,076	\$ 4,569,853



CITY OF DAHLONEGA, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Taxes	\$ 2,752,538	\$ 2,764,816	\$ 2,810,422	\$ 2,862,021
Licenses and permits	113,675	130,755	97,404	170,428
Fines, fees and forfeitures	262,317	223,361	197,935	182,597
Charges for services	30,973	40,150	87,250	31,750
Intergovernmental	527,429	632,285	937,521	1,016,820
Interest	43,897	11,618	10,502	10,366
Contributions	908	51,923	50,175	0
Other	47,543	53,442	46,030	17,087
Total revenues	3,779,280	3,908,350	4,237,239	4,291,069
Expenditures				
General Government	1,001,586	997,408	1,023,206	1,294,435
Judicial	283,124	233,740	225,240	226,361
Public Safety	60,651	84,785	80,483	14,336
Public Works	770,852	1,091,728	1,286,270	1,202,632
Culture and Recreation	33,446	8,820	14,625	24,955
Housing and Development	500,446	538,476	637,982	529,148
Debt Service				
Principal	12,279	12,843	10,207	0
Interest	1,399	834	569	0
Capital outlay	76,022	120,953	301,626	382,479
Total expenditures	2,739,805	3,089,587	3,580,208	3,674,346
Excess of revenues over (under) expenditures	1,039,475	818,763	657,031	616,723
Other financing sources (uses)				
Transfers in	160,363	44,400	100,000	163,445
Transfers out	(961,587)	(328,692)	(1,484,292)	(987,737)
Sales of capital assets	0	0	0	0
Total other financing sources (uses)	(801,224)	(284,292)	(1,384,292)	(824,292)
Net change in fund balances	238,251	534,471	(727,261)	(207,569)
Fund balance, October 1 (original)	3,797,196	4,035,447	4,569,918	3,842,657
Prior period adjustments	0	0	0	0
Fund balance , September 30	\$ 4,035,447	\$ 4,569,918	\$ 3,842,657	\$ 3,635,088
Debt service as a percentage of noncapital expenditures	0.51%	0.49%	0.40%	0.00%

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 2,986,457	\$ 3,181,985	\$ 3,425,997	\$ 3,739,112	\$ 3,985,932	\$ 4,112,407
189,247	229,248	139,407	158,057	189,851	245,058
178,888	143,331	93,033	149,322	120,874	218,939
47,680	73,745	66,500	54,250	29,800	93,500
772,309	740,992	534,371	1,187,028	1,072,074	1,094,407
5,323	5,534	17,211	24,532	34,914	133,060
0	0	0	0	0	0
9,569	15,013	14,906	15,416	12,010	17,188
4,189,473	4,389,848	4,291,425	5,327,717	5,445,455	5,914,559
1,006,061	1,106,846	1,144,747	1,187,412	1,472,646	1,317,618
235,365	204,662	186,303	195,918	222,624	212,919
7,420	3,257	48,685	129,907	306,419	350,324
1,180,582	1,133,444	1,013,774	1,108,826	1,170,933	1,225,232
29,123	59,890	32,190	16,244	17,030	28,255
579,082	597,180	638,750	824,412	865,186	851,236
0	0	0	0	0	0
0	0	0	0	0	0
74,300	166,052	275,970	76,949	2,030,210	1,192,903
3,111,933	3,271,331	3,340,419	3,539,668	6,085,048	5,178,487
1,077,540	1,118,517	951,006	1,788,049	(639,593)	736,072
150,000	220,124	201,319	676,128	1,058,471	1,758,103
(769,388)	(817,656)	(478,142)	(2,147,692)	(1,570,921)	(2,434,858)
900	0	7,814	0	8,734	460
(618,488)	(597,532)	(269,009)	(1,471,564)	(503,716)	(676,295)
459,052	520,985	681,997	316,485	(1,143,309)	59,777
3,635,088	4,094,140	4,654,903	5,336,900	5,653,385	4,510,076
0	39,778	0	0	0	0
\$ 4,094,140	\$ 4,654,903	\$ 5,336,900	\$ 5,653,385	\$ 4,510,076	\$ 4,569,853
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF DAHLONEGA, GEORGIA
GOVERNMENTAL FUNDS TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Tax	Intangibles Tax	Franchise Tax	Occupational Tax
2010	\$ 924,685	\$ 11,854	\$ 460,629	\$ 110,811
2011	889,776	8,191	478,013	115,560
2012	866,534	12,388	505,998	111,636
2013	909,245	15,712	497,013	116,076
2014	1,000,521	11,312	490,264	116,749
2015	1,034,968	20,582	528,287	109,168
2016	1,227,301	14,927	542,288	120,042
2017	1,447,406	19,613	521,189	114,773
2018	1,493,321	18,497	508,623	116,078
2019	1,458,651	21,551	540,376	130,849
Change 2010-2019	57.75%	81.80%	17.31%	18.08%

Insurance Premium Tax	Alcoholic Beverage Tax	Hotel/Motel and Other Tax	Local Option Sales Tax	Total
\$ 201,702	\$ 176,223	\$ 121,833	\$ 744,801	\$ 2,752,538
195,840	164,240	149,661	763,535	2,764,816
245,897	162,457	149,373	756,139	2,810,422
261,157	174,592	156,184	732,042	2,862,021
270,403	171,576	180,499	745,133	2,986,457
282,726	193,583	211,683	800,988	3,181,985
302,046	198,166	236,527	784,700	3,425,997
327,175	213,415	268,737	826,802	3,739,110
348,388	210,519	431,416	859,090	3,985,932
373,237	219,640	430,735	937,368	4,112,407
85.04%	24.64%	253.55%	25.85%	49.40%

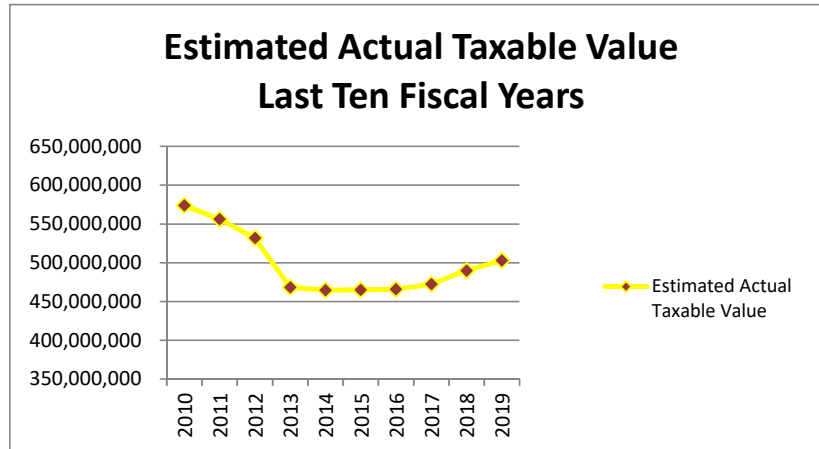
CITY OF DAHLONEGA, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Personal Property			
	Real Property	Motor Vehicles	Mobile Homes	Heavy Equipment
2010	\$ 242,256,781	\$ 6,236,220	\$ 455,958	\$0
2011	236,054,887	5,564,160	455,631	0
2012	226,846,158	5,666,920	290,325	0
2013	202,463,250	5,752,110	268,190	0
2014	202,991,937	5,940,190	244,393	0
2015	205,996,244	4,641,760	101,682	0
2016	208,211,843	3,278,000	83,122	0
2017	213,539,963	2,462,370	79,710	0
2018	220,905,667	1,850,770	77,284	0
2019	228,676,780	1,331,040	73,424	0

Source: Georgia Department of Revenue, Property Tax Division and Lumpkin County Tax Commissioners Office.

Note: Property in the City is assessed annually. The City assesses property at approximately 40 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Taxes are per \$1,000 of assessed value.

Exemption Adjustments	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ (19,471,830)	\$ 229,477,129	3.950	\$ 573,692,823	40%
(19,687,619)	222,387,059	3.988	555,967,648	40%
(20,141,768)	212,661,635	4.212	531,654,088	40%
(21,277,495)	187,206,055	4.656	468,015,138	40%
(23,345,456)	185,831,064	4.739	464,577,660	40%
(24,797,329)	185,942,357	4.739	464,855,893	40%
(25,315,056)	186,257,909	5.781	465,644,773	40%
(27,150,378)	188,931,665	6.781	472,329,163	40%
(26,895,489)	195,938,232	6.589	489,845,580	40%
(28,985,170)	201,096,074	6.392	502,740,185	40%



CITY OF DAHLONEGA, GEORGIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

		Overlapping Rates				
Tax Year	Fiscal Year	City of Dahlonega	Lumpkin County Board of Education	Lumpkin County Board of Commissioners	State of Georgia	Total
		Operating Millage	Operating Millage	Operating Millage	State Millage	Direct & Overlapping Rates
2009	2010	3.950	12.800	7.842	0.250	24.842
2010	2011	3.988	12.800	7.907	0.250	24.945
2011	2012	4.212	14.259	8.881	0.250	27.602
2012	2013	4.656	16.239	10.436	0.200	31.531
2013	2014	4.739	16.540	10.743	0.150	32.172
2014	2015	4.739	16.651	10.877	0.100	32.367
2015	2016	5.781	16.829	12.566	0.050	35.226
2016	2017	6.781	16.819	14.230	0.000	37.830
2017	2018	6.589	16.819	13.822	0.000	37.230
2018	2019	6.392	16.819	13.463	0.000	36.674

Source: Lumpkin County Tax Commissioners Office, Lumpkin County Board of Education Office, Department of Revenue.

Note 1: Property tax rate is per \$1,000 assessed value.

Note 2: The City of Dahlonega taxes on 40% of assessed value.

CITY OF DAHLONEGA, GEORGIA
PRINCIPAL TAXPAYERS
September 30

Taxpayer	Fiscal Year				2010		
	2019						
	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Total Taxable Assessed Value
Koyo Bearings N America LLC (formerly Timkin USA Corp., Torrington Company)	\$ 13,708,312	1	6.82%		\$ 10,216,483	1	4.45%
Roberta A. Green, Trustee	5,419,099	2	2.69%		-		
Dahlonega Student Housing Partners LLC	4,050,056	3	2.01%				
Dahlonega Group LLC	3,263,423	4	1.62%		3,718,498	5	1.62%
Georgia Power Company	2,433,322	5	1.21%				
Kingwood Dahlonega International Resort, LLC	2,706,817	6	1.35%				
Wal-Mart Stores East LP US02513 (Prior Yr Wal-Mart Stores East Inc. (Jacony Lindbergh Prop))	2,312,535	7	1.15%		2,459,483	9	1.07%
Board Of Regents Of The University System	1,629,031	8					
Windstream Standard LLC (Prior Yr Windstream Standard Inc.)	1,605,944	9	0.80%		2,632,790	7	1.15%
Greenbriar Apartments LLC	1,555,172	10	0.77%				
Green, Sherman & Roberta					9,136,464	2	3.98%
Birch River Chestatee Co. LLC					8,275,105	3	3.61%
Milson Group					4,067,095	4	1.77%
Chestatee Holdings Co. LLC					3,624,846	6	1.58%
Southern Health Corp of Dahlonega Inc					2,511,773	8	1.09%
CreeksideResources Inc.					2,311,738	10	1.01%
Total	\$ 38,683,711		19.24%		\$ 48,954,275		21.33%

Source: Lumpkin County Tax Commissioner's Digest - Dahlonega District.

Note: Assessed valuation for principal taxpayers includes real property, personal property and utilities taxes, but does not include motor vehicle taxes. Selection is based on the taxpayers with the largest assessed valuation.

CITY OF DAHLONEGA, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended September 30	Total Adjusted Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 906,435	\$ 849,024	93.67%	\$ 56,902	\$ 905,926	99.94%
2011	886,880	848,725	95.70%	36,807	885,532	99.85%
2012	895,731	813,540	90.82%	80,496	894,036	99.81%
2013	871,631	830,405	95.27%	38,925	869,330	99.74%
2014	880,653	800,559	90.91%	78,030	878,589	99.77%
2015	881,181	836,412	94.92%	32,202	868,614	98.57%
2016	1,076,757	1,048,092	97.34%	14,610	1,062,703	98.69%
2017	1,281,146	1,248,962	97.49%	12,838	1,261,799	98.49%
2018	1,291,037	1,204,934	93.33%	4,182	1,209,116	93.65%
2019	1,285,406	1,184,426	92.14%		1,184,426	92.14%

Source: Lumpkin County Tax Commissioner's Digest - Dahlonega District.



CITY OF DAHLONEGA, GEORGIA
LOCAL OPTION SALES TAX
DISTRIBUTION COMMODITY REPORT
LUMPKIN COUNTY
LAST TEN CALENDAR YEARS

Commodity	2019			2018		
	Total	Rank	% of Total	Total	Rank	% of Total
	Distributed			Distributed		
General	\$ 675,989	2	18.28%	\$ 542,529	2	18.66%
Food	556,464	3	15.05%	517,006	3	17.78%
Wholesale	194,286	8	5.25%	201,019	8	6.91%
Miscellaneous Services	436,571	4	11.81%	413,357	4	14.21%
Other Retail	686,003	1	18.55%	615,404	1	21.16%
Utilities	326,225	5	8.82%	310,575	5	10.68%
Automotive	80,234		2.17%	76,187		2.62%
Manufacturing	224,775	7	6.08%	244,230	7	8.40%
Home Furnishing	234,783	6	6.35%	250,360	6	8.61%
Miscellaneous	180,736	9	4.89%	172,450	9	5.93%
Accomodations	91,444	10	2.47%	83,191	10	2.86%
Construction	9,854		0.27%	24,147		0.83%
Total	<u>\$ 3,697,364</u>		<u>100%</u>	<u>\$ 2,907,926</u>		<u>100%</u>

Commodity	2014			2013		
	Total	Rank	% of Total	Total	Rank	% of Total
	Distributed			Distributed		
General	\$ 617,100	1	20.77%	\$ 577,872	1	19.72%
Food	482,820	2	16.25%	458,446	2	15.65%
Wholesale	358,125	3	12.05%	342,749	3	11.70%
Miscellaneous Services	343,710	4	11.57%	328,427	4	11.21%
Other Retail	343,033	5	11.54%	327,106	5	11.17%
Utilities	320,193	6	10.78%	312,642	6	10.67%
Automotive	62,453	10	2.10%	226,592	7	7.73%
Manufacturing	146,938	8	4.94%	152,410	8	5.20%
Home Furnishing	153,531	7	5.17%	98,441	9	3.36%
Miscellaneous	74,632	9	2.51%	39,579	10	1.35%
Accomodations	53,205		1.79%	49,098		1.68%
Construction	15,715		0.53%	16,296		0.56%
Total	<u>\$ 2,971,455</u>		<u>100%</u>	<u>\$ 2,929,658</u>		<u>100%</u>

Source: Information provided by Georgia Department of Revenue - Local Government Services

Note: Data is not available for City of Dahlonega; Lumpkin County totals are reported on this schedule.

2017				2016				2015			
Total		Rank	% of Total	Total		Rank	% of Total	Total		Rank	% of Total
Distributed				Distributed				Distributed			
\$	527,857	2	19.10%	\$	516,197	2	19.65%	\$	634,995	1	24.82%
	559,238	1	20.24%		561,315	1	21.37%		523,276	2	20.46%
	213,165	8	7.71%		229,716	6	8.74%		345,227	5	13.50%
	401,825	4	14.54%		377,541	4	14.37%		363,108	4	14.20%
	512,253	3	18.54%		445,645	3	16.96%		382,538	3	14.95%
	297,162	5	10.75%		323,143	5	12.30%		324,706	6	12.69%
	67,966	10	2.46%		72,579	10	2.76%		65,570	10	2.56%
	237,664	6	8.60%		218,679	7	8.32%		194,204	7	7.59%
	231,915	7	8.39%		209,146	8	7.96%		181,828	8	7.11%
	117,982	9	4.27%		93,828	9 #	3.57%		73,069	9	2.86%
	74,142		2.68%		67,939		2.59%		58,005		2.27%
	49,943		1.81%		27,721		1.06%		46,445		1.82%
\$	2,763,255		100%	\$	2,627,252		100%	\$	2,557,976		100%

2012				2011				2010			
Total		Rank	% of Total	Total		Rank	% of Total	Total		Rank	% of Total
Distributed				Distributed				Distributed			
\$	550,564	1	18.20%	\$	586,756	1	17.72%	\$	552,698	1	18.47%
	403,961	3	13.35%		477,327	2	14.41%		433,504	2	14.49%
	299,778	5	9.91%		368,513	5	11.13%		256,572	7	8.57%
	297,345	6	9.83%		330,063	6	9.97%		306,114	5	10.23%
	340,327	4	11.25%		386,448	4	11.67%		360,584	3	12.05%
	294,672	7	9.74%		326,876	7	9.87%		298,788	6	9.98%
	455,830	2	15.07%		422,388	3	12.75%		346,788	4	11.59%
	132,012	8	4.36%		175,356	8	5.29%		223,067	8	7.45%
	96,536	9	3.19%		114,015	9	3.44%		107,528	9	3.59%
	86,651	10	2.86%		45,055		1.36%		34,203		1.14%
	44,927		1.49%		53,216	10	1.61%		44,399	10	1.48%
	22,419		0.74%		26,144		0.79%		28,377		0.95%
\$	3,025,022		100%	\$	3,312,157		100%	\$	2,992,622		100%

CITY OF DAHLONEGA, GEORGIA
WATER & SEWAGE UTILITY TEN LARGEST SYSTEM CUSTOMERS
SEPTEMBER 30, 2019

<u>Customer</u>	<u>Type of Business</u>	<u>Total Water Billings</u>	<u>Total Sewer Billings</u>	<u>Total Billings</u>	<u>Percentage of System Revenues</u>
Koyo Bearings USA (formerly Timken USA Corp.)	Manufacturer - Automobile Parts	\$ 382,963	\$ 405,128	\$ 788,091	15.11%
University of North Georgia	University	392,370	346,741	739,111	14.17%
Corvias Campus Living-USG, LLC	University Housing	142,128	75,981	218,109	4.18%
Lumpkin County Board of Commissioners	Local Government	67,328	55,048	122,376	2.35%
The Bellamy	Apartment Complex	73,390	40,353	113,743	2.18%
U.S. Government	Military Housing	63,117	47,517	110,634	2.12%
Lumpkin County Board of Education	Local Government	55,332	43,673	99,005	1.90%
Gold City Nursing Home	Nursing Home	34,390	33,209	67,599	1.30%
Camp Glisson	Not for Profit - Religious	49,913	-	49,913	0.96%
Tyson's	Manufacturer - Poultry Processor	23,845	24,849	48,694	0.93%
Total		<u>\$ 901,814</u>	<u>\$ 667,369</u>	<u>\$ 2,357,275</u>	<u>45.18%</u>
Total Water and Sewage sales:		<u>\$ 5,217,225</u>			

Note: This information is included to comply with continuing disclosure requirements of 2015 Water and Sewerage bond issue.



CITY OF DAHLONEGA, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Governmental Activities		Business-Type Activities		
	General Obligation Bonds	Capital Leases	Water & Sewage Bonds	Notes Payable	Capital Leases
2010	\$0	\$ 23,050	\$ 25,886,883	\$ 11,466,004	\$ 53,155
2011	0	10,207	25,619,558	10,852,312	19,985
2012	0	0	25,257,068	10,211,833	2,711
2013	0	0	24,799,334	9,544,352	0
2014	0	0	24,236,446	8,848,926	0
2015	0	0	27,626,388	5,532,414	0
2016	0	0	26,908,189	5,412,450	0
2017	0	0	26,259,989	6,031,983	0
2018	0	0	25,591,789	6,571,807	0
2019	0	0	24,903,590	6,282,617	127,194

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

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

	Total Primary Government	Percentage of Personal Income		Per Capita
\$	37,429,092	28.09%	\$	7,727
	36,502,062	40.26%		6,963
	35,471,612	44.15%		6,755
	34,343,686	42.75%		5,861
	33,085,372	41.18%		5,470
	33,158,802	41.27%		5,233
	32,320,639	40.23%		5,340
	32,291,972	3.29%		5,017
	32,163,596	3.10%		4,590
	31,313,401	2.71%		4,549

CITY OF DAHLONEGA, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Available</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Lumpkin County Board of Commissioners	\$0	100%	\$0
Lumpkin County Board of Education	9,275,000	100%	<u>9,275,000</u>
Subtotal, overlapping debt			<u>9,275,000</u>
City of Dahlonega direct debt			<u>0</u>
Total direct and overlapping debt			<u><u>\$ 9,275,000</u></u>

Source: Debt outstanding data per 12/31/2018 Lumpkin County CAFR and communications with Lumpkin County Systems.

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 of Dahlonega. The 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, and therefore responsible for repaying the debt, of each overlapping government.



CITY OF DAHLONEGA, GEORGIA

PLEDGED-REVENUE COVERAGE

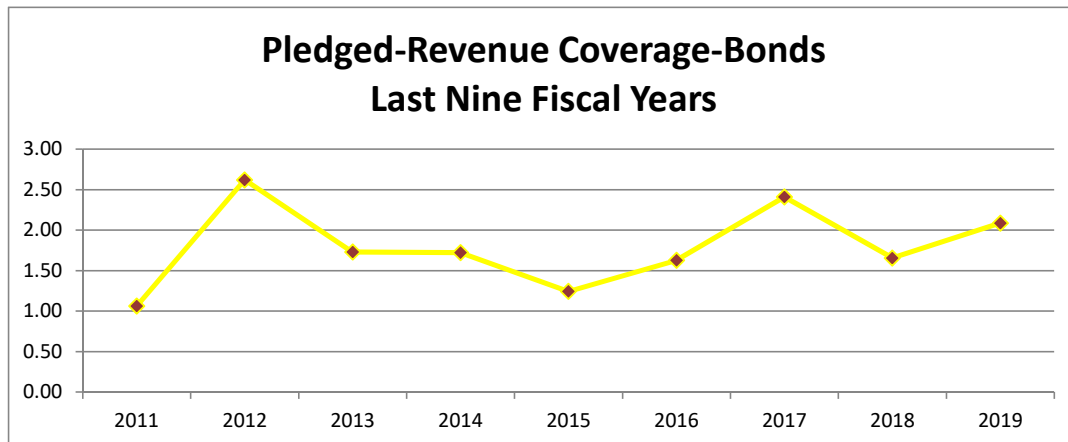
WATER & SEWAGE FUND

LAST NINE FISCAL YEARS

Fiscal Year	Net Operating Income	Plus Depreciation	Plus Interest Income	Net Revenues Available For Debt Service	Actual Debt Service Bonds	Less SPLOST Revenues *
2011	\$ (69,046)	\$ 1,768,427	\$ 59,933	\$ 1,759,314	\$ 1,656,832	\$0
2012	(126,832)	1,741,114	59,933	1,674,215	1,739,044	1,100,000
2013	370,660	1,728,315	105,973	2,204,948	1,815,044	540,000
2014	876,501	1,708,276	101,393	2,686,170	1,896,294	335,096
2015	654,357	1,692,913	95,658	2,442,928	1,964,821	0
2016	956,336	1,669,788	8,800	2,634,924	1,620,310	0
2017	2,239,119	1,642,751	13,535	3,895,405	1,618,018	0
2018	926,365	1,725,280	29,194	2,680,839	1,619,418	0
2019	1,458,291	1,796,932	125,283	3,380,506	1,620,218	0

*SPLOST Proceeds related to debt repayment included.

Note: Information prior to 2011 is unavailable.



Net Debt Service on Bonds	Actual Debt Service GEFA	Transfer from General Fund Reservoir	Net Debt Service on GEFA	Total Debt Service	Coverage Bonds	Coverage GEFA
\$ 1,656,832	\$ 1,022,760	\$ 284,292	\$ 738,468	\$ 2,395,300	1.06	0.73
639,044	1,023,077	284,292	738,785	1,377,829	2.62	1.22
1,275,044	1,023,077	284,292	738,785	2,013,829	1.73	1.09
1,561,198	1,023,077	284,292	738,785	2,299,983	1.72	1.17
1,964,821	1,020,200	284,292	735,908	2,700,729	1.24	0.90
1,620,310	284,296	189,528	94,768	1,715,078	1.63	1.54
1,618,018	284,735	90,000	194,735	1,812,753	2.41	2.15
1,619,418	306,097	0	306,097	1,925,514	1.66	1.39
1,620,218	395,596	0	395,596	2,015,813	2.09	1.68

CITY OF DAHLONEGA, GEORGIA

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	Fiscal Year			
	2010	2011	2012	2013
Debt Limit	\$ 22,947,713	\$ 22,238,706	\$ 21,266,164	\$ 18,720,606
Total net debt applicable to limit	0	0	0	0
Legal debt margin	<u>\$ 22,947,713</u>	<u>\$ 22,238,706</u>	<u>\$ 21,266,164</u>	<u>\$ 18,720,606</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Note (1): Under state finance law, the City of Dahlonega's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 18,583,106	\$ 18,594,236	\$ 18,625,791	\$ 18,893,167	\$ 19,593,823	\$ 20,109,607
0	0	0	0	0	0
<u>\$ 18,583,106</u>	<u>\$ 18,594,236</u>	<u>\$ 18,625,791</u>	<u>\$ 18,893,167</u>	<u>\$ 19,593,823</u>	<u>\$ 20,109,607</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2019

Total Assessed value	<u>\$ 201,096,074</u>
Debt limit (10% of total assessed value) ⁽¹⁾	20,109,607
Debt applicable to limit:	
General obligation bonds	0
Less: Amount set aside for repayment of general obligation debt	<u>0</u>
Total net debt applicable to limit	<u>0</u>
Legal debt margin	<u>\$ 20,109,607</u>

CITY OF DAHLONEGA, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Lumpkin County Population^(a)	City of Dahlonega Population^(a)	Lumpkin County Personal Income (amounts expressed in thousands)^(a)	Lumpkin County Per Capita Income	Lumpkin County Public School Enrollment^(b)	Lumpkin County Unemployment Rate^(c)
2010	28,180	4,844	763,163	27,082	3,916	9.9%
2011	29,966	5,242	776,536	25,914	3,843	10.3%
2012	30,031	5,251	801,577	26,692	3,834	8.3%
2013	30,611	5,860	828,043	27,051	4,248	8.3%
2014	30,918	6,049	850,317	27,502	3,706	7.3%
2015	31,176	6,337	898,545	28,822	3,800	4.8%
2016	31,408	6,052	947,647	30,172	3,822	4.5%
2017	31,445	6,437	980,941	31,195	3,843	3.7%
2018	32,873	7,007	1,036,806	31,540	3,837	2.8%
2019	32,955	6,884	1,154,180	35,023	3,816	2.4%

Source (a): Information was obtained from U.S. Department of Commerce and U.S. Census Bureau and www.bea.gov.

Source (b): Information was obtained from Lumpkin County Board of Education

Source (c): Information was obtained from Georgia Department of Labor.

CITY OF DAHLONEGA, GEORGIA
PRINCIPAL EMPLOYERS/LUMPKIN COUNTY
CURRENT YEAR AND NINE YEARS AGO

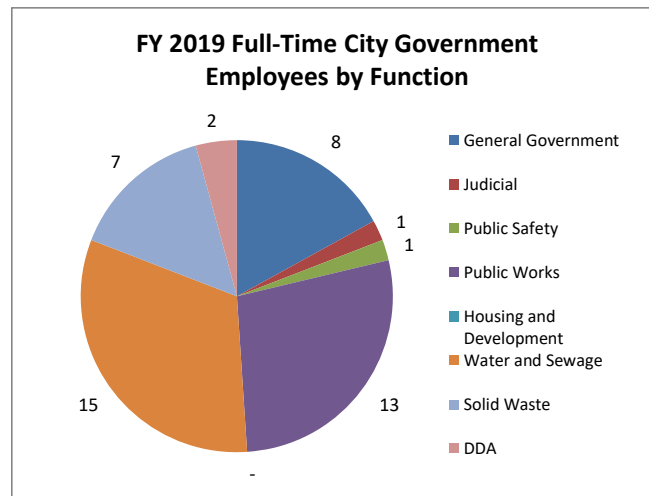
<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
University of North Georgia	985	1	13.02%	810	1	7.68%
Lumpkin County Board of Education	548	2	7.25%	551	2	5.22%
Lumpkin County Board of Commissioners	234	3	3.09%	207	5	1.96%
Koyo Bearings USA (formerly Timken USA Corp.)	209	4	2.76%	155	6	1.47%
Wal-Mart Super Center	199	5	2.63%	275	3	2.61%
Mt. Sinai Wellness Center, LLC	134	6	1.77%			
RefigiWear, Inc.	157	7	2.08%	100	7	0.95%
Gold City Community Living	127	8	1.68%			
GDC Enterprises, Inc. dba Wahoo Docks	98	9	1.30%			
Home Depot	69	10	0.91%	96	8	0.91%
Poly Portables				73	10	0.69%
The Louve Shop				93	9	0.88%
Chestatee Regional Hospital				250	4	2.37%
Total	<u>2,760</u>		<u>36.49%</u>	<u>2,610</u>		<u>24.74%</u>
Total Employment	<u>7,563</u>			<u>10,550</u>		

Sources: Lumpkin County Planning Department, City of Dahlonega Occupation Tax records,. Lumpkin County BOE Superintendent's office, UNG HR Department, US Bureau of Labor Statistics.

CITY OF DAHLONEGA, GEORGIA
FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Full-time Employees as of September 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Primary government										
General Government	7	7	5	5	4	5	7	8	6	8
Judicial	0	0	0	0	0	0	1	1	1	1
Public Safety	0	0	0	0	0	0	0	0	1	1
Public Works	10	10	10	12	14	10	10	13	15	13
Culture and Recreation	0	0	0	0	0	0	0	0	0	0
Housing and Development	2	2	2	2	2	2	2	2	2	2
Water and Sewage	15	15	13	13	9	15	17	15	15	15
Solid Waste	5	5	5	5	6	8	8	8	6	7
Total primary government	<u>39</u>	<u>39</u>	<u>35</u>	<u>37</u>	<u>35</u>	<u>40</u>	<u>45</u>	<u>47</u>	<u>46</u>	<u>47</u>
Component unit										
Housing and Development Dahlonega Downtown Development Authority	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total employees	<u>40</u>	<u>40</u>	<u>36</u>	<u>38</u>	<u>36</u>	<u>41</u>	<u>47</u>	<u>49</u>	<u>48</u>	<u>49</u>

Source: City Payroll Records



CITY OF DAHLONEGA, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Number of accounts payable checks issued	3,418	2,698	2,409	2,307	2,302	2,825	3,077	2,955	2,761	2,736
Number of payroll checks issued*	2,430	2,524	2,209	2,267	1,341	1,342	1,380	1,665	1,753	1,797
Highways and streets										
Miles of right-of-way maintained	37.8	37.8	37.8	37.8	37.8	37.8	37.8	37.8	40.0	42.5
Sanitation										
Refuse collected (tons)	3,161	3,089	3,073	3,098	3,243	3,208	3,027	3,336	3,441	3,478
Recyclables collected (tons)	114	112	129	125	97	159	190	143	216	327
Water System (MGD -Millions of Gallons per Day)										
Number of service connections	2,074	2,144	2,123	2,114	2,218	2,201	2,191	2,213	2,201	2,367
Daily average consumption in gallons	0.924	1.006	1.015	0.964	1.010	1.004	0.964	1.075	1.034	1.049
Sewer System (MGD -Millions of Gallons per Day)										
Number of service connections	1,383	1,462	1,443	1,432	1,522	1,528	1,519	1,545	1,541	1,704
Daily average treatment in gallons	0.619	0.631	0.750	0.768	0.934	0.641	0.675	0.681	0.711	0.772

Source: Various City Departments.

Note 1: Indicators are not available for the general government function.

*City changed to bi-weekly payroll processing in 2014; includes direct deposit advices.

CITY OF DAHLONEGA, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year				
	2010	2011	2012	2013	2014
Highways and streets					
Miles of streets	37.8	37.8	37.8	37.8	37.8
Culture and Recreation					
Parks	3	3	3	3	3
Park acreage	3.58	3.58	3.58	3.58	3.58
Water and Sewerage System					
(MGD - Millions of Gallons per Day)					
Water System:					
Number of miles of water mains	58	59	59	59	59
Number of fire hydrants	433	437	437	437	437
Number of water treatment plants	1	1	1	1	1
Number of operational wells	2	0	0	0	0
Maximum daily capacity of treatment plants in gallons	4.0 MGD	4.0 MGD	4.0 MGD	4.0 MGD	4.0 MGD
Sewer System:					
Miles of sanitary sewers	42	42	42	42	42
Number of wastewater treatment plants	1	1	1	1	1
Maximum daily capacity of treatment plant in gallons	1.1 MGD	1.1 MGD	1.1 MGD	1.1 MGD	1.1 MGD
Solid Waste					
Collection Trucks	4	4	4	4	4

Source: Various City Departments.

Note 1: No capital asset indicators are available for the general government function.

Fiscal Year				
2015	2016	2017	2018	2019
37.8	37.8	37.8	38.0	42.5
3	3	3	3	3
3.58	3.58	3.58	12.15	12.15
61	61	61	61	61
449	493	496	513	517
1	1	1	1	1
0	0	0	0	0
4.0 MGD	6.0 MGD	6.0 MGD	6.0 MGD	6.0 MGD
42	48	48	51.6	51.6
1	1	1	1	1
1.1 MGD	1.1 MGD	1.44 MGD	1.44 MGD	1.44MGD
4	4	6	7	7



OTHER REPORTING SECTION

**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance with Government Auditing Standards**

Honorable Mayor and
Members of the City Council
City of Dahlonega, Georgia

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dahlonega, Georgia, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Dahlonega, Georgia's basic financial statements and have issued our report thereon dated February 20, 2020.

Internal Control over Financial Reporting

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

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Dahlonega, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Dahlonaga, Georgia'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
February 20, 2020



STATE REPORTING SECTION

THIS SECTION CONTAINS ADDITIONAL REPORTS
REQUIRED BY THE STATE OF GEORGIA

CITY OF DAHLONEGA, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2019

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2014 SPLOST</u>					
Sewer Plant Upgrade and Related					
Sewer Line Replacements	\$ 3,000,000	\$ 3,000,000	\$ 2,327,834	\$ 598,353	\$ 2,926,187

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

CITY OF DAHLONEGA, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2019

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2019 Referendum</u>					
Roads and Bridges					
Construction and Improvement,					
Sidewalks Construction					
& Improvements, Bicycle Paths					
Construction & Improvements	\$ 2,310,000	\$ 2,310,000	\$ 0	\$ 0	\$ 0

* Estimated cost represents the portion of these projects to be financed with Transportation Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

