

2018 Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2018

DAHLONEGA, GEORGIA, USA



SITE OF THE FIRST MAJOR US GOLD RUSH



DAHLONEGA

GEORGIA, USA

CITY OF DAHLONEGA, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2018

SUBMITTED BY:

FINANCE DEPARTMENT



INTRODUCTORY SECTION



TABLE OF CONTENTS

INTRODUCTORY SECTION

Table of Contents	2-4
Certificate of Achievement for Excellence in Financial Reporting	5
List of Elected and Appointed Officials and Organizational Chart	6
Letter of Transmittal	7 - 10

FINANCIAL SECTION

Independent Auditor's Report	13 - 15
Management's Discussion and Analysis	18 - 25

Basic Financial Statements:

Government-wide Financial Statements

Statement of Net Position	28 - 29
Statement of Activities	30

Fund Financial Statements:

Balance Sheet - Governmental Funds	31
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	32
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP) and Actual - General Fund	35
Statement of Net Position - Proprietary Funds	36 - 37
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	38
Statement of Cash Flows - Proprietary Funds	39 - 40
Notes to the Financial Statements	42 - 75

Required Supplementary Information:

Pension Plan Schedules:

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios	78
Schedule of Contributions	79
Notes to Required Supplementary Information	80 - 81

Supplementary Information:

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds.....	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	85

General Fund

Comparative Balance Sheets	88
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	89
Schedules of Revenues – Budget (GAAP Basis) and Actual	90
Schedule of Expenditures – Budget (GAAP Basis) and Actual.....	91 - 93

Special Revenue Funds

Hotel/Motel Tax Special Revenue Fund Comparative Balance Sheets.....	96
Hotel/Motel Tax Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual.....	97

Capital Projects Funds

Grants Comparative Balance Sheets	100
Grants Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	101
2014 Special Purpose Local Option Sales Tax Comparative Balance Sheet.....	102
2014 Special Purpose Local Option Sales Tax Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....	103
General Government Comparative Balance Sheets	104
General Government Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	105

Enterprise Funds

Water and Sewage Enterprise Fund Comparative Statements of Net Position	108 - 109
Water and Sewage Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	110
Water and Sewage Enterprise Fund Comparative Statements of Cash Flows	111 - 112
Solid Waste Enterprise Fund Comparative Statements of Net Position.....	113
Solid Waste Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position.....	114
Solid Waste Enterprise Fund Comparative Statements of Cash Flows	115

Component Unit:

Downtown Development Authority Comparative Balance Sheets.....	118
Downtown Development Authority Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual	119

STATISTICAL SECTION

Financial Trends:

Net Position by Component – Last Ten Fiscal Years	124 - 125
Changes in Net Position – Last Ten Fiscal Years.....	126 - 129
Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years.....	130 - 131
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	132 - 133
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	134 - 135
Governmental Funds Tax Revenues by Source – Last Ten Fiscal Years.....	136 - 137

Revenue Capacity:

Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	138 - 139
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years.....	140
Principal Taxpayers – September 30, 2018 and 2009.....	141
Property Tax Levies and Collections – Last Ten Fiscal Years	143
Local Option Sales Tax Distribution Commodity Report – Lumpkin County – Last Ten Calendar Years	144 - 145
Water & Sewage Utility – Ten Largest System Customers – September 30, 2018.....	147

Debt Capacity:

Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	148
Direct and Overlapping Governmental Activities Debt – September 30, 2018 ...	149
Pledged – Revenue Coverage – Water & Sewage Fund – Last Eight Fiscal Years.....	150 - 151
Legal Debt Margin Information – Last Ten Fiscal Years.....	152 - 153

Demographic and Economic Information:

Demographic and Economic Statistics – Last Ten Fiscal Years.....	154
Principal Employers – Lumpkin County – Current Year & Ten Years Ago	155

Operating Information:

Full-Time City Government Employees by Function – Last Ten Fiscal Years.....	156
Operating Indicators by Function – Last Ten Fiscal Years	157
Capital Asset Statistics by Function – Last Ten Fiscal Years	158 - 159

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.....	163 - 164
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State Reporting

Schedule of Projects Financed with Special Purpose Local Option Sales Tax	166
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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, 2017

Christopher P. Morrill

Executive Director/CEO



ELECTED AND APPOINTED OFFICIALS

September 30, 2018

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

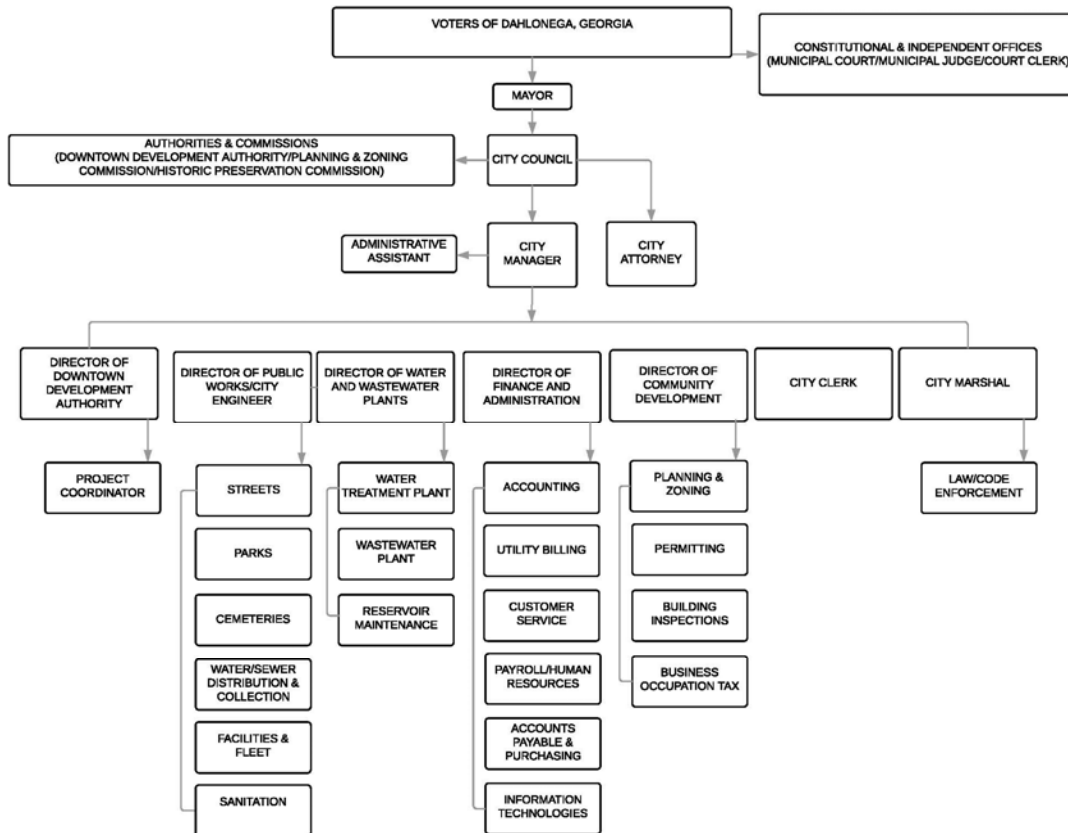
APPOINTED OFFICIALS AND MANAGEMENT

City ManagerBill Schmid
 City Attorney.....Doug Parks
 City ClerkMary Csukas
 City MarshalJeff Branyon
 Public Works DirectorMark Buchanan
 W&S Plant SuperintendentJohn Jarrard
 Community Dev DirectorKevin Herrit
 Downtown Dev Auth DirectorJan Harris
 Finance DirectorMelody Marlowe



CITY OF DAHLONEGA ORGANIZATION CHART

September 30, 2018





February 8, 2019

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, 2018 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 tenth 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 2018. The audit issued an unmodified opinion for the 2018 fiscal

year which is included within this document.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of 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 4,769 (2009) to 7,007 (2018). This

47% gain places Dahlonega 9th in Georgia for rate of growth for all cities with 3,000 or more population in 2010. 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, interest, 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 less than 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 government of the City of Dahlonega is vested in a City Council composed of 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, SPLOST, Multiple Grant, Hotel/Motel Tax, & Capital Projects), enterprise funds (Water/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 2.8% in 2018.

	Unemployment (Lumpkin Co.)	Building Permits (City)
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
2009	11.5%	69

The number of building permits issued continues to be strong. The housing and banking crisis had led to a continued slowing of much 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 2018 was \$196 million – a 3.7% 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 hotel rooms has been announced 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 \$1,736,233 or 44 percent of the 2019 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

Planning began in July 2015 on an extensive upgrade project at the City's Waste Water Treatment Plant. This \$3.3 million project was completed in FY18 and was primarily funded by 2014 SPLOST revenue of \$3.0 million. The community will reap the benefits of a modern facility that will assure clean water for many years to come.

Much attention is being placed on the City's infrastructure. In FY18, \$563,000 was spent on transportation improvements, and a total of \$1.4 million 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.

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. Shopping and dining choices are abundant. A \$1.5 million Downtown Streetscapes project was completed in FY18 and was funded 50% by grants. Beginning with FY18, 37.5% of the revenue from hotel/motel tax collections is being dedicated to tourism capital projects, including park development and recreation improvements.

AWARDS AND ACKNOWLEDGEMENTS

The City has submitted its last nine 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 nine 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,



Bill Schmid
City Manager



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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2018, 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 18 through 25 and 78 through 81 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, and the schedule of projects financed with 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 and the schedule of projects financed with 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 and the schedule of projects financed with 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, 2017, which are not presented with the accompanying financial statements. In our report dated February 9, 2018, 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 2017 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 2017 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 2017 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 2017 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 *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2019, 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 25, 2019



FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2017

As management of the City of Dahlonega, 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, 2018. 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 of the City exceeded its liabilities by \$26,340,914. Of this, \$8,239,076 (31.3%) 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 \$11,643,928. This represents an increase of \$958,861 (9.0%) 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 \$14,696,986. This represents an increase of \$312,772 (2.2%) 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 Dahlonega's governmental funds reported combined ending fund balances of \$4,510,076, a decrease of \$1,143,309

(-20.2%) 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 \$1,736,233 or 43.4% of the governmental funds' combined ending fund balance.

- The General Fund had revenues of \$4,053,760 for the current fiscal year. Of this amount \$1,511,818 (37.3%) was from property taxes and \$859,090 (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 2018.
- Long-term debt obligations from the business-type activities decreased by \$128,376 (-0.4%) from \$32,291,972 at September 30, 2017, to \$32,163,596 September 30, 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis document is intended to serve as an introduction to the City of Dahlonega'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 Dahlonega 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 28 through 30 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 two non-major governmental funds. The City's major governmental funds are the General Fund, the Grants Capital Projects Fund, and the 2014 SPLOST Fund. The City's non-major governmental funds are the Hotel/Motel Tax Fund and the General Government 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 36 through 40 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 42 through 75 of this report.

Other Information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements.

Combining and individual fund statements and schedules can be found on pages 84 through 119 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's net position for governmental activities increased \$958,861, or 9.0%, during the year ending September 30, 2018. Net investment in capital assets increased \$1,975,439, restricted net position decreased \$561,513, and unrestricted net position decreased \$455,065. 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 27.2% of the City's governmental activities revenues came from property taxes and approximately 45.8% came from sales and other taxes. Combined the City is dependent on taxes for approximately 73.0% of its governmental activities revenues.

Net position for business-type activities increased \$312,772, or 2.2%. Restricted net position is presented at \$90,000. Unrestricted net position increased by \$1,085,970, or 35.5%. 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 \$771,116, or -6.9%. 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.

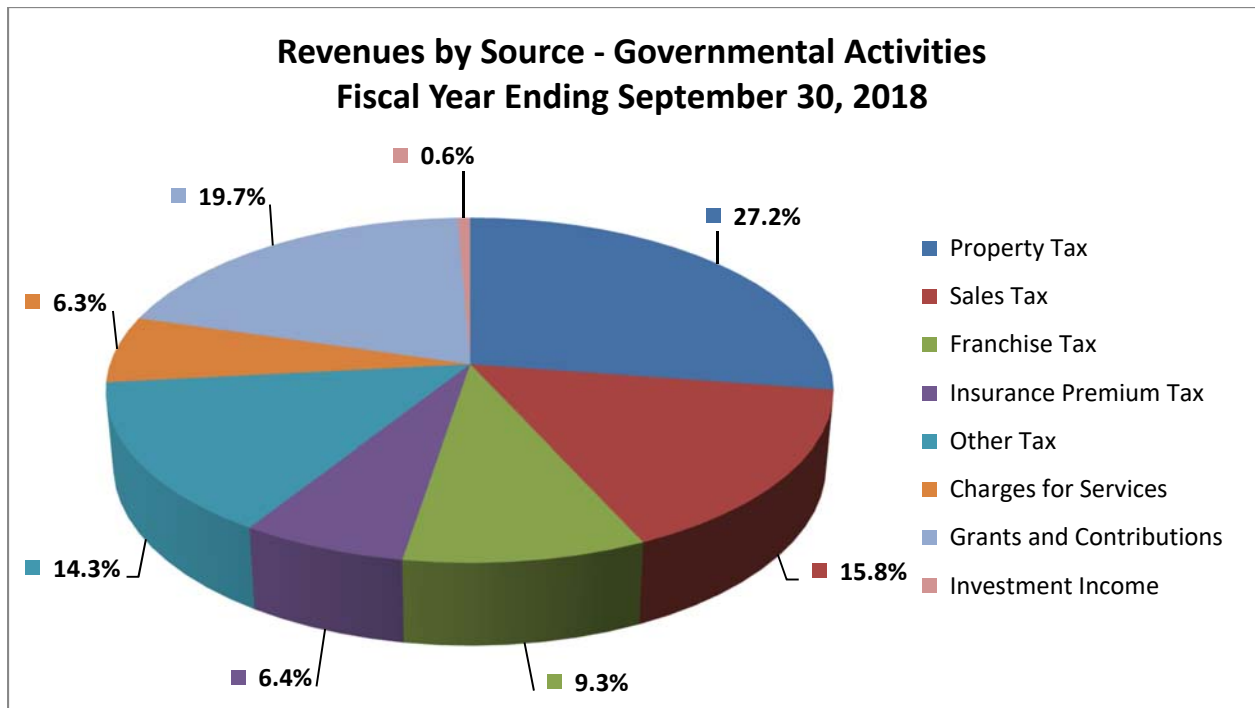
Following is a summary of the City's Statement of Net Position as found on pages 28 and 29 of this report.

	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Current assets	\$ 5,915,755	\$ 6,930,467	\$ 5,106,208	\$ 4,740,048	\$ 11,021,963	\$ 11,670,515
Capital assets	7,546,296	5,472,664	39,450,017	40,301,605	46,996,313	45,774,269
Deferred outflows	193,572	262,554	3,383,708	3,599,773	3,577,280	3,862,327
Total assets	<u>13,655,623</u>	<u>12,665,685</u>	<u>47,939,933</u>	<u>48,641,426</u>	<u>61,595,556</u>	<u>61,307,111</u>
Current liabilities	310,286	144,123	1,356,092	1,992,469	1,666,378	2,136,592
Noncurrent liabilities	354,816	527,380	31,682,150	32,082,885	32,036,966	32,610,265
Total liabilities	<u>665,102</u>	<u>671,503</u>	<u>33,038,242</u>	<u>34,075,354</u>	<u>33,703,344</u>	<u>34,746,857</u>
Deferred inflows of resources	1,346,593	1,309,115	204,705	182,458	1,551,298	1,491,573
Net investment in capital assets	7,448,103	5,472,664	10,460,247	11,231,363	17,908,350	16,704,027
Restricted	5,295	566,808	90,000	92,082	95,295	658,890
Unrestricted	4,190,530	4,645,595	4,146,739	3,060,769	8,337,269	7,706,364
Total net position	<u>\$ 11,643,928</u>	<u>\$ 10,685,067</u>	<u>\$ 14,696,986</u>	<u>\$ 14,384,214</u>	<u>\$ 26,340,914</u>	<u>\$ 25,069,281</u>

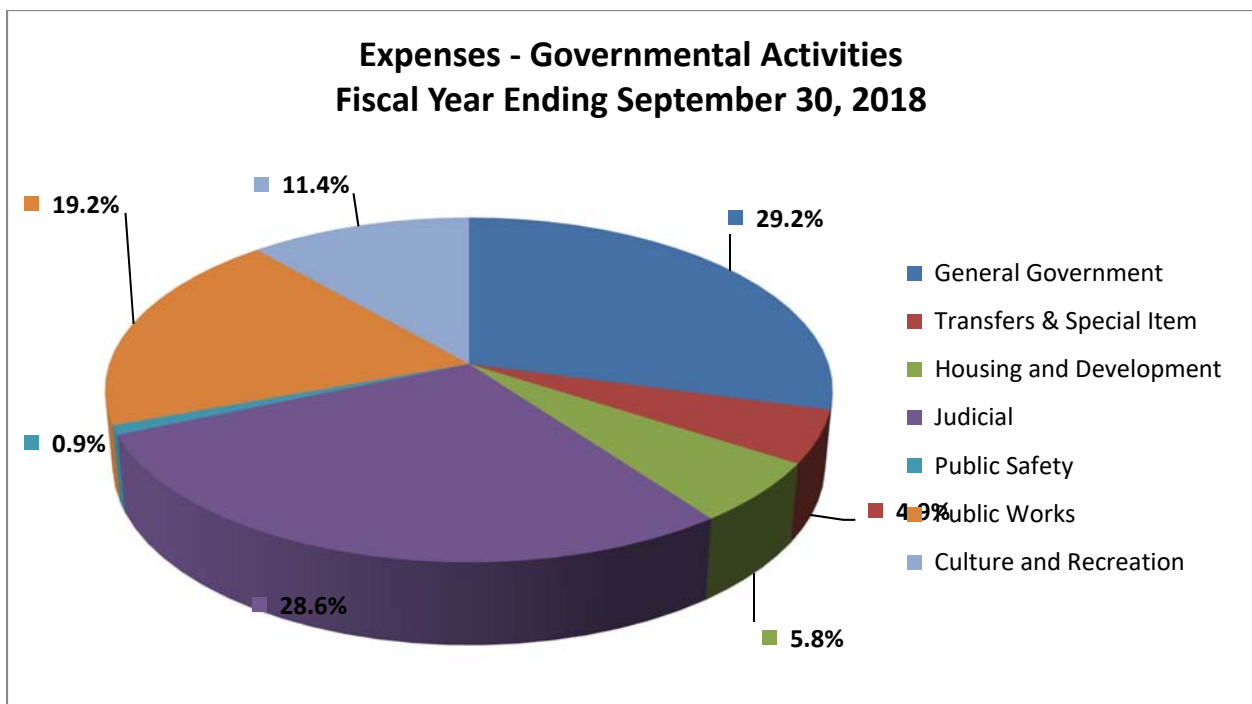
Following is a summary of the City's Statement of Activities as found on page 30 of this report.

Revenues	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program revenues:						
Charges for services	\$ 340,526	\$ 361,629	\$ 5,880,986	\$ 7,081,123	\$ 6,221,512	\$ 7,442,752
Operating grants and contributions	96,955	23,739	0	0	96,955	23,739
Capital grants and contributions	975,500	1,164,541	0	0	975,500	1,164,541
General revenues:						
Property taxes	1,483,241	1,446,401	0	0	1,483,241	1,446,401
Sales taxes	859,090	826,802	0	0	859,090	826,802
Other taxes	1,633,521	1,464,902	0	0	1,633,521	1,464,902
Interest and investment earnings	34,533	23,278	29,194	13,746	63,727	37,024
Miscellaneous revenue	20,744	15,419	45,449	20,930	66,193	36,349
Total revenues	5,444,110	5,326,711	5,955,629	7,115,799	11,399,739	12,442,510
Expenses						
General government	1,310,477	1,211,344	0	0	1,310,477	1,211,344
Judicial	221,007	193,749	0	0	221,007	193,749
Public Safety	259,183	129,907	0	0	259,183	129,907
Public Works	1,282,952	1,187,875	0	0	1,282,952	1,187,875
Culture and Recreation	38,205	36,520	0	0	38,205	36,520
Housing and Development	860,975	814,697	0	0	860,975	814,697
Water and Sewage	0	0	5,340,214	5,236,533	5,340,214	5,236,533
Solid Waste	0	0	815,093	816,917	815,093	816,917
Total expenses	3,972,799	3,574,092	6,155,307	6,053,450	10,128,106	9,627,542
Increase (decrease) in net position before transfers						
	1,471,311	1,752,619	(199,678)	1,062,349	1,271,633	2,814,968
Transfers	(512,450)	(1,471,564)	512,450	1,471,564	0	0
Increase (decrease) in net position	958,861	281,055	312,772	2,533,913	1,271,633	2,814,968
Net position - beginning (restated)	10,685,067	10,404,012	14,384,214	11,850,301	25,069,281	22,254,313
Net position - ending	\$ 11,643,928	\$ 10,685,067	\$ 14,696,986	\$ 14,384,214	\$ 26,340,914	\$ 25,069,281

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 \$4,510,076, with \$43,855 reported as nonspendable, \$5,295 reported as restricted, \$2,724,693 reported as assigned, and the remaining amount of \$1,736,233 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 \$1,736,233. 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 2018. Unassigned fund balance represents 49.7% of total General Fund expenditures. The net change in the General Fund's assigned fund balance for the year ended September 30, 2018 was a decrease of \$849,852. The decrease is largely due to planned spending of unassigned fund balance in fiscal year 2018 for high-cost capital projects. The assignment to subsequent year's budget as of September 30, 2018, is \$1,566,867, to be spent on capital needs.

The Grants Capital Projects Fund is used to account for the collection and expending of grant proceeds for identified capital projects. Fund balance decreased to \$0 from \$1,121,547. The decrease is due to completion of projects and the spending of amounts received in the prior fiscal year from Georgia Department of Transportation for road and streetscape improvement projects.

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 \$545,354 and the fund balance at September 30, 2018 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, 2018 was a decrease before transfers of \$199,678 and after transfers an increase of \$312,772. The total net position for the Enterprise Funds at the beginning of the fiscal year was \$14,384,214 and net position at the end of the fiscal year was \$14,696,986.

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 \$5,000 and increased expenditures and other financing uses by approximately \$59,950. The final budget reflected an anticipated \$826,547 use of prior fund balance with actual fund balance decreasing by \$188,248.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

At September 30, 2018, the City reported \$46,996,313 in capital assets net of accumulated depreciation. This is an increase of \$1,222,044 or 2.7% over fiscal year 2017.

Additional information on the City's capital assets can be found in Note 8 in the Notes to the Financial Statements beginning on page 61 of this report.

At September 30, 2018, the City reported long-term debt of \$32,163,596 net of unamortized bond discounts. This is a decrease of \$128,376 or 0.4% under fiscal year 2017. Additional information about the City's long-term debt activity can be found in Note 9 in the Notes to the Financial Statements beginning on page 62.

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, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Current assets				
Cash and cash equivalents	\$ 4,445,386	\$ 3,309,192	\$ 7,754,578	\$ 383,083
Restricted assets				
Cash and cash equivalents	5,295	362,972	368,267	1,020
Receivables (net)				
Accounts	3,962	914,833	918,795	0
Taxes	1,313,478	0	1,313,478	0
Fines	49,033	0	49,033	0
Intergovernmental	108,492	106,660	215,152	0
Inventory	12,802	137,842	150,644	0
Prepaid items	31,053	220,963	252,016	3,795
Internal balances	(53,746)	53,746	0	0
Total current assets	5,915,755	5,106,208	11,021,963	387,898
Noncurrent assets				
Capital assets				
Non-depreciable	3,874,258	3,352,664	7,226,922	0
Depreciable (net)	3,672,038	36,097,353	39,769,391	0
Total noncurrent assets	7,546,296	39,450,017	46,996,313	0
Total assets	13,462,051	44,556,225	58,018,276	387,898
DEFERRED OUTFLOWS OF RESOURCES				
Pension contributions subsequent to measurement date	118,697	125,933	244,630	11,079
Pension assumption changes	45,134	41,510	86,644	4,836
Pension experience differences	29,741	38,595	68,336	2,894
Deferred charges on refunding	0	3,177,670	3,177,670	0
Total deferred outflows of resources	193,572	3,383,708	3,577,280	18,809
LIABILITIES				
Current liabilities				
Payables				
Accounts	97,838	59,424	157,262	2,300
Retainages	98,193	0	98,193	0
Intergovernmental	8,982	3,762	12,744	145
Deposits	1,900	0	1,900	0
Interest	0	14,010	14,010	0
Accrued payroll liabilities	51,782	41,609	93,391	3,818
Compensated absences	51,591	76,061	127,652	1,296
Notes payable	0	228,254	228,254	0
Liabilities payable from restricted assets				
Interest payable	0	80,018	80,018	0
Customer deposits payable	0	192,954	192,954	0
Revenue bonds payable	0	660,000	660,000	0
Total current liabilities	310,286	1,356,092	1,666,378	7,559

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF NET POSITION
September 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Noncurrent liabilities				
Net pension liability	\$ 341,102	\$ 386,589	\$ 727,691	\$ 31,901
Compensated absences	13,714	20,219	33,933	345
Notes payable	0	6,343,553	6,343,553	0
Revenue bonds payable	0	24,931,789	24,931,789	0
Total noncurrent liabilities	354,816	31,682,150	32,036,966	32,246
Total liabilities	665,102	33,038,242	33,703,344	39,805
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	1,132,568	0	1,132,568	0
Pension assumption changes	3,975	4,086	8,061	345
Pension investment return differences	157,704	140,166	297,870	16,197
Pension experience differences	52,346	60,453	112,799	4,634
Total deferred inflows of resources	1,346,593	204,705	1,551,298	21,176
NET POSITION				
Net investment in capital assets	7,448,103	10,460,247	17,908,350	0
Restricted for:				
Service awards for citizens	5,295	0	5,295	0
Dahlonega 2000 operations	0	0	0	1,020
Debt service	0	90,000	90,000	0
Unrestricted	4,190,530	4,146,739	8,337,269	344,706
Total net position	\$ 11,643,928	\$ 14,696,986	\$ 26,340,914	\$ 345,726

CITY OF DAHLONEGA, GEORGIA

STATEMENT OF ACTIVITIES

For the fiscal year ended September 30, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
General Government	\$ 1,310,477	\$ 140,125	\$ 0	\$ 0	\$ (1,170,352)
Judicial	221,007	120,874	0	0	(100,133)
Public Safety	259,183	0	0	0	(259,183)
Public Works	1,282,952	49,731	96,955	975,500	(160,766)
Culture and Recreation	38,205	0	0	0	(38,205)
Housing and Development	860,975	29,796	0	0	(831,179)
Total governmental activities	<u>3,972,799</u>	<u>340,526</u>	<u>96,955</u>	<u>975,500</u>	<u>(2,559,818)</u>
Business-type activities					
Water and Sewage	5,340,214	4,992,916	0	0	(347,298)
Solid Waste	815,093	888,070	0	0	72,977
Total business-type activities	<u>6,155,307</u>	<u>5,880,986</u>	<u>0</u>	<u>0</u>	<u>(274,321)</u>
Total primary government	<u>10,128,106</u>	<u>6,221,512</u>	<u>96,955</u>	<u>975,500</u>	<u>(2,834,139)</u>
Component Unit					
Downtown Development Authority					
Housing and Development	<u>252,115</u>	<u>0</u>	<u>98,702</u>	<u>0</u>	<u>(153,413)</u>
Primary Government					
	Governmental Activities	Business-Type Activities	Total	Component Unit	
Change in net position					
Net (expense) revenue	<u>\$ (2,559,818)</u>	<u>\$ (274,321)</u>	<u>\$ (2,834,139)</u>	<u>\$ (153,413)</u>	
General revenues					
Taxes					
Property	1,483,241	0	1,483,241	0	
Sales	859,090	0	859,090	0	
Franchise	508,623	0	508,623	0	
Insurance premium	348,388	0	348,388	0	
Intangibles	18,497	0	18,497	0	
Alcoholic beverage	210,519	0	210,519	0	
Occupational	116,078	0	116,078	0	
Hotel/Motel	420,195	0	420,195	0	
Other	11,221	0	11,221	0	
Payments from City of Dahlonega	0	0	0	389,540	
Investment income (loss)	34,533	29,194	63,727	0	
Gain on sale of assets	8,734	23,655	32,389	0	
Miscellaneous	12,010	21,794	33,804	1,285	
Transfers	<u>(512,450)</u>	<u>512,450</u>	<u>0</u>	<u>0</u>	
Total general revenues and transfers	<u>3,518,679</u>	<u>587,093</u>	<u>4,105,772</u>	<u>390,825</u>	
Change in net position	958,861	312,772	1,271,633	237,412	
Net position - beginning	<u>10,685,067</u>	<u>14,384,214</u>	<u>25,069,281</u>	<u>108,314</u>	
Net position - ending	<u>\$ 11,643,928</u>	<u>\$ 14,696,986</u>	<u>\$ 26,340,914</u>	<u>\$ 345,726</u>	

CITY OF DAHLONEGA, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018

	<u>General</u>	<u>Grants</u>	<u>2014 SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 3,929,508	\$ 23,262	\$ 85	\$ 492,531	\$ 4,445,386
Restricted cash and cash equivalents	5,295	0	0	0	5,295
Receivables (net)					
Accounts	3,962	0	0	0	3,962
Taxes	1,275,226	0	0	38,252	1,313,478
Fines	49,033	0	0	0	49,033
Intergovernmental	5,649	0	92,843	10,000	108,492
Due from other funds	39,182	89,613	0	14,345	143,140
Inventory	12,802	0	0	0	12,802
Prepaid items	31,053	0	0	0	31,053
	<u>3,929,508</u>	<u>23,262</u>	<u>85</u>	<u>492,531</u>	<u>4,445,386</u>
Total assets	\$ 5,351,710	\$ 112,875	\$ 92,928	\$ 555,128	\$ 6,112,641
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Payables					
Accounts	\$ 50,199	\$ 14,682	\$ 0	\$ 32,957	\$ 97,838
Retainages	0	98,193	0	0	98,193
Intergovernmental	8,982	0	0	0	8,982
Accrued salaries and payroll expenditures	51,782	0	0	0	51,782
Deposits	1,900	0	0	0	1,900
Due to other funds	89,613	0	92,928	14,345	196,886
	<u>202,476</u>	<u>112,875</u>	<u>92,928</u>	<u>47,302</u>	<u>455,581</u>
Total liabilities	202,476	112,875	92,928	47,302	455,581
Deferred inflows of resources					
Unavailable revenue - property taxes	1,146,984	0	0	0	1,146,984
	<u>1,146,984</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,146,984</u>
Fund balances					
Nonspendable:					
Inventory	12,802	0	0	0	12,802
Prepaid items	31,053	0	0	0	31,053
Restricted for:					
Service awards for citizens	5,295	0	0	0	5,295
Assigned to:					
Capital outlay	0	0	0	507,826	507,826
City Hall construction	650,000	0	0	0	650,000
Subsequent year's budget	1,566,867	0	0	0	1,566,867
Unassigned	1,736,233	0	0	0	1,736,233
	<u>4,002,250</u>	<u>0</u>	<u>0</u>	<u>507,826</u>	<u>4,510,076</u>
Total fund balances	4,002,250	0	0	507,826	4,510,076
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,351,710	\$ 112,875	\$ 92,928	\$ 555,128	\$ 6,112,641

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

Total fund balance - total governmental funds \$ 4,510,076

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

Capital assets of \$11,359,544, net of accumulated depreciation of (\$3,813,248), are not financial resources and, therefore, are not reported in the funds. 7,546,296

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 \$14,416. 14,416

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources:

Pension contributions subsequent to measurement date	\$ 118,697	
Pension assumption changes	45,134	
Pension experience differences	29,741	

Deferred inflows of resources:

Pension assumption changes	(3,975)	
Pension investment return differences	(157,704)	
Pension experience differences	<u>(52,346)</u>	(20,453)

Long-term liabilities are not due and payable in the current period and are not reported in the funds.

These are compensated absences of (\$65,305) and net pension liability of (\$341,102). (406,407)

Net position of governmental activities \$ 11,643,928

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2018

	General	Grants	2014 SPLOST	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	\$ 3,565,737	\$ 0	\$ 0	\$ 420,195	\$ 3,985,932
Licenses and permits	189,851	0	0	0	189,851
Fines, fees and forfeitures	120,874	0	0	0	120,874
Charges for services	29,800	0	0	0	29,800
Intergovernmental	100,955	415,765	545,354	10,000	1,072,074
Interest	34,533	0	381	0	34,914
Other	12,010	0	0	0	12,010
Total revenues	4,053,760	415,765	545,735	430,195	5,445,455
EXPENDITURES					
Current					
General Government	1,288,847	0	0	183,799	1,472,646
Judicial	222,624	0	0	0	222,624
Public Safety	269,522	0	0	36,897	306,419
Public Works	1,092,542	0	0	78,391	1,170,933
Culture and Recreation	17,030	0	0	0	17,030
Housing and Development	602,564	0	0	262,622	865,186
Capital outlay	0	2,030,210	0	0	2,030,210
Total expenditures	3,493,129	2,030,210	0	561,709	6,085,048
Excess (deficiency) of revenues over (under) expenditures	560,631	(1,614,445)	545,735	(131,514)	(639,593)
Other financing sources (uses)					
Transfers in	0	492,898	0	565,573	1,058,471
Transfers out	(757,613)	0	(545,735)	(267,573)	(1,570,921)
Proceeds from sale of capital assets	8,734	0	0	0	8,734
Total other financing sources (uses)	(748,879)	492,898	(545,735)	298,000	(503,716)
Net change in fund balances	(188,248)	(1,121,547)	0	166,486	(1,143,309)
Fund balances, October 1	4,190,498	1,121,547	0	341,340	5,653,385
Fund balances, September 30	\$ 4,002,250	\$ 0	\$ 0	\$ 507,826	\$ 4,510,076

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, 2018

Net change in fund balances - total governmental funds \$ (1,143,309)

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 \$2,395,844 exceed depreciation of (\$322,212) in the current period. 2,073,632

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. (10,080)

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 \$128,766 exceed the cost of benefits earned net of employer contributions of (\$65,951). 62,815

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. (24,197)

Change in net position of governmental activities \$ 958,861

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, 2018

	Budget		Actual	Variance with
	Original	Final		Final Budget
REVENUES				
Taxes	\$ 3,344,896	\$ 3,325,896	\$ 3,565,737	\$ 239,841
Licenses and permits	145,500	145,500	189,851	44,351
Fines, fees and forfeitures	171,000	119,000	120,874	1,874
Charges for services	45,000	29,500	29,800	300
Intergovernmental	18,600	94,600	100,955	6,355
Interest	14,000	29,500	34,533	5,033
Other	11,600	11,600	12,010	410
Total revenues	3,750,596	3,755,596	4,053,760	298,164
EXPENDITURES				
Current				
General Government				
Legislative	194,767	207,687	169,723	37,964
Executive	250,748	250,748	218,548	32,200
Elections	15,450	18,450	16,062	2,388
General Administration	974,987	979,987	884,514	95,473
Judicial				
Municipal Court	210,281	224,581	222,624	1,957
Public Safety				
Law Enforcement	140,000	129,916	123,552	6,364
City Marshal's Office	119,355	150,660	145,970	4,690
Public Works				
Street Construction	984,181	988,081	935,558	52,523
Shop Department	98,242	101,292	96,596	4,696
Cemetery	56,633	65,433	60,388	5,045
Culture and Recreation				
Parks	33,646	30,596	17,030	13,566
Housing and Development				
Community Development	297,624	297,624	213,024	84,600
Downtown Development Authority	410,761	389,540	389,540	0
Total expenditures	3,786,675	3,834,595	3,493,129	341,466
Excess (deficiency) of revenues over (under) expenditures	(36,079)	(78,999)	560,631	639,630
Other financing sources (uses)				
Transfers out	(668,000)	(708,000)	(757,613)	(49,613)
Proceeds from sale of capital assets	0	0	8,734	8,734
Contingency	(67,518)	(39,548)	0	39,548
Total other financing sources (uses)	(735,518)	(747,548)	(748,879)	(1,331)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(771,597)	(826,547)	(188,248)	638,299
Fund balances, October 1	771,597	826,547	4,190,498	3,363,951
Fund balances, September 30	\$ 0	\$ 0	\$ 4,002,250	\$ 4,002,250

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018

	<u>Water and Sewage</u>	<u>Solid Waste</u>	<u>Totals</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 3,172,694	\$ 136,498	\$ 3,309,192
Restricted assets			
Cash and cash equivalents	362,972	0	362,972
Receivables (net)			
Accounts	787,712	127,121	914,833
Intergovernmental	106,660	0	106,660
Due from other funds	92,928	0	92,928
Inventory	137,842	0	137,842
Prepaid items	206,744	14,219	220,963
Total current assets	<u>4,867,552</u>	<u>277,838</u>	<u>5,145,390</u>
Noncurrent assets			
Capital assets			
Non-depreciable	3,352,664	0	3,352,664
Depreciable (net)	35,630,633	466,720	36,097,353
Total noncurrent assets	<u>38,983,297</u>	<u>466,720</u>	<u>39,450,017</u>
Total assets	<u>43,850,849</u>	<u>744,558</u>	<u>44,595,407</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions subsequent to measurement date	94,468	31,465	125,933
Pension assumption changes	29,996	11,514	41,510
Pension experience differences	28,945	9,650	38,595
Deferred charges on refunding	3,177,670	0	3,177,670
Total deferred outflows of resources	<u>3,331,079</u>	<u>52,629</u>	<u>3,383,708</u>
LIABILITIES			
Current liabilities			
Payables			
Accounts	52,961	6,463	59,424
Intergovernmental	3,762	0	3,762
Interest	14,010	0	14,010
Accrued salaries and payroll expenses	32,052	9,557	41,609
Compensated absences	62,410	13,651	76,061
Due to other funds	18,120	21,062	39,182
Notes payable	228,254	0	228,254
Liabilities payable from restricted assets:			
Interest payable	80,018	0	80,018
Customer deposits payable	192,954	0	192,954
Revenue bonds payable	660,000	0	660,000
Total current liabilities	<u>1,344,541</u>	<u>50,733</u>	<u>1,395,274</u>
Noncurrent liabilities			
Net pension liability	294,718	91,871	386,589
Compensated absences	16,590	3,629	20,219
Notes payable	6,343,553	0	6,343,553
Revenue bonds payable	24,931,789	0	24,931,789
Total noncurrent liabilities	<u>31,586,650</u>	<u>95,500</u>	<u>31,682,150</u>
Total liabilities	<u>32,931,191</u>	<u>146,233</u>	<u>33,077,424</u>

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018

	<u>Water and Sewage</u>	<u>Solid Waste</u>	<u>Totals</u>
DEFERRED INFLOWS OF RESOURCES			
Pension assumption changes	\$ 3,262	\$ 824	\$ 4,086
Pension investment return differences	101,243	38,923	140,166
Pension experience differences	45,115	15,338	60,453
Total deferred inflows of resources	<u>149,620</u>	<u>55,085</u>	<u>204,705</u>
NET POSITION			
Net investment in capital assets	9,993,527	466,720	10,460,247
Restricted for debt service	90,000	0	90,000
Unrestricted	4,017,590	129,149	4,146,739
Total net position	<u>\$ 14,101,117</u>	<u>\$ 595,869</u>	<u>\$ 14,696,986</u>

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

For the fiscal year ended September 30, 2018

	Water and Sewage	Solid Waste	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 4,992,916	\$ 888,070	\$ 5,880,986
Other	19,745	2,049	21,794
Total operating revenues	5,012,661	890,119	5,902,780
OPERATING EXPENSES			
Costs of sales and services	1,160,532	283,750	1,444,282
Personal services	1,200,484	445,083	1,645,567
Depreciation	1,725,280	86,261	1,811,541
Total operating expenses	4,086,296	815,094	4,901,390
Operating income (loss)	926,365	75,025	1,001,390
Non-operating revenues (expenses)			
Interest revenue	29,194	0	29,194
Interest expense	(1,253,917)	0	(1,253,917)
Gain (loss) on sale of capital assets	16,630	7,025	23,655
Total non-operating revenues (expenses)	(1,208,093)	7,025	(1,201,068)
Income (loss) before capital contributions and transfers	(281,728)	82,050	(199,678)
Transfers in (out)			
Transfers in	545,735	40,000	585,735
Transfers out	(73,285)	0	(73,285)
Total transfers in (out)	472,450	40,000	512,450
Change in net position	190,722	122,050	312,772
Net position -beginning	13,910,395	473,819	14,384,214
Net position - ending	<u>\$ 14,101,117</u>	<u>\$ 595,869</u>	<u>\$ 14,696,986</u>

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2018

	<u>Water and Sewage</u>	<u>Solid Waste</u>	<u>Totals</u>
Cash flows from operating activities:			
Receipts from customers	\$ 5,014,178	\$ 893,931	\$ 5,908,109
Payments to suppliers	(1,792,432)	(279,084)	(2,071,516)
Payments to employees	(1,235,848)	(465,938)	(1,701,786)
Other receipts	19,745	2,049	21,794
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by operating activities	2,005,643	150,958	2,156,601
Cash flows from non-capital financing activities:			
Receipts from other funds	75,441	40,000	115,441
Payments to other funds	0	(44,770)	(44,770)
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by non-capital financing activities	75,441	(4,770)	70,671
Cash flows from capital and related financing activities:			
Receipts from other funds	472,450	0	472,450
Receipts from other governments	625,280	0	625,280
Payments for acquisitions of capital assets	(803,266)	(152,843)	(956,109)
Proceeds from the sale of capital assets	16,630	7,025	23,655
Payment of capital related retainages payable	(88,343)	0	(88,343)
Proceeds from debt issuance - notes payable	680,585	0	680,585
Principal payments - revenue bonds	(640,000)	0	(640,000)
Principal payments - promissory notes	(140,761)	0	(140,761)
Interest paid	(1,157,178)	0	(1,157,178)
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by capital and related financing activities	(1,034,603)	(145,818)	(1,180,421)
Cash flows from investing activities:			
Interest received	29,194	0	29,194
	<hr/>	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	1,075,675	370	1,076,045
Cash and cash equivalents, October 1	2,459,991	136,128	2,596,119
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents, September 30	<u>\$ 3,535,666</u>	<u>\$ 136,498</u>	<u>\$ 3,672,164</u>

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2018

	<u>Water and Sewage</u>	<u>Solid Waste</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash cash provided (used) by operating activities:			
Operating income (loss)	\$ 926,365	\$ 75,025	\$ 1,001,390
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	1,725,280	86,261	1,811,541
(Increase) decrease in accounts receivables	35,527	5,861	41,388
(Increase) decrease in intergovernmental receivables	(16,055)	0	(16,055)
(Increase) decrease in inventory	(4,055)	0	(4,055)
(Increase) decrease in prepaid items	29,724	9,144	38,868
(Increase) decrease in pension contributions subsequent to measurement date	7,606	2,920	10,526
(Increase) decrease in pension investment return differences	21,005	8,062	29,067
(Increase) decrease in pension experience differences	11,678	4,482	16,160
(Increase) decrease in pension assumption changes	(29,996)	(11,514)	(41,510)
Increase (decrease) in accounts payable	(657,321)	(4,477)	(661,798)
Increase (decrease) in intergovernmental payable	(249)	0	(249)
Increase (decrease) in payroll liabilities	6,384	(4,831)	1,553
Increase (decrease) in net pension liability	(118,064)	(45,317)	(163,381)
Increase (decrease) in pension assumption changes	(2,756)	(1,058)	(3,814)
Increase (decrease) in pension investment return differences	80,896	31,051	111,947
Increase (decrease) in pension experience differences	(12,116)	(4,651)	(16,767)
Increase (decrease) in deposits payable	1,790	0	1,790
Total adjustments	<u>1,079,278</u>	<u>75,933</u>	<u>1,155,211</u>
Net cash provided (used) by operating activities	<u>\$ 2,005,643</u>	<u>\$ 150,958</u>	<u>\$ 2,156,601</u>
Cash and cash equivalents reconciliation:			
Cash and cash equivalents	\$ 3,172,694	\$ 136,498	\$ 3,309,192
Restricted assets			
Cash and cash equivalents	<u>362,972</u>	<u>0</u>	<u>362,972</u>
Total cash and cash equivalents	<u>\$ 3,535,666</u>	<u>\$ 136,498</u>	<u>\$ 3,672,164</u>

Noncash capital and related financing activities:

Acquisition of capital assets through accounts payable in the amount of \$3,844.

NOTES TO THE FINANCIAL STATEMENTS

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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.

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.

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.

Grants Capital Projects Fund - This fund is used to account for long-term road improvement projects financed by Federal and State grants, along with contributions from the City. The City changed the name of this fund from Streetscape Capital Projects Fund during fiscal year 2017.

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.

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.

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.

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.

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.

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, 2018.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Prepaid Items

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

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.

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.

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.

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 vacation and compensation benefits. These will be paid to the employees upon separation from City service. Accumulated unpaid vacation pay 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.

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 2017 amounts have been reclassified to conform with the 2018 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, 2018, 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, 2018

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, 2018 consist of the following:

Major Funds		
General Fund	\$	3,962
Enterprise Funds		
Water and Sewage		876,121
Less: Allowances for Uncollectibles		(88,409)
Solid Waste		146,072
Less: Allowances for Uncollectibles		<u>(18,951)</u>
Total Primary Government	\$	<u><u>918,795</u></u>

5. INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at September 30, 2018 consist of the following:

Primary Government		
Major Funds		
General Fund	\$	5,649
2014 SPLOST		92,843
Water and Sewage		<u>106,660</u>
		\$ 205,152
Nonmajor Funds		
General Government Capital Projects		<u>10,000</u>
Total Primary Government		<u><u>\$ 215,152</u></u>

CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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 2017, based upon the assessments of January 1, 2017, were levied on August 17, 2017, billed on September 15, 2017, and due on November 15, 2017. Taxes were delinquent and subject to liens on November 16, 2017.

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. The property taxes for digest year 2018 are for the 2019 budget and unavailable for fiscal year 2018.

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of interfund receivables and payables as of September 30, 2018 is as follows:

<u>Due To:</u>	<u>Due From:</u>	<u>Amount</u>
Grants	General	\$ 89,613
Water and Sewage	2014 SPLOST	92,928
Capital Projects	Hotel/Motel Tax	14,345
General	Water and Sewage	18,120
	Solid Waste	21,062
		<u>\$ 236,068</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, 2018

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

A summary of interfund transfers as of September 30, 2018 is as follows:

<u>Transfers In:</u>	<u>Transfers Out:</u>	<u>Amount</u>
Solid Waste	General	\$ 40,000
Grants		309,613
Capital Projects		408,000
Grants	Capital Projects	110,000
Grants	Water and Sewage	73,285
Capital Projects	Hotel/Motel Tax	157,573
Water and Sewage	2014 SPLOST	545,735
		<u>\$ 1,644,206</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, 2018

8. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended September 30, 2018 was as follows:

	<u>Balance 9/30/2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 9/30/2018</u>
Governmental activities				
Non-depreciable assets				
Land	\$ 2,302,855	\$ 0	\$ 0	\$ 2,302,855
Construction in progress	51,117	1,736,175	(215,889)	1,571,403
Total non-depreciable assets	<u>2,353,972</u>	<u>1,736,175</u>	<u>(215,889)</u>	<u>3,874,258</u>
Depreciable assets				
Buildings and improvements	2,042,478	184,217	0	2,226,695
Equipment	1,139,303	128,622	(42,709)	1,225,216
Infrastructure	3,470,656	562,719	0	4,033,375
Total depreciable assets	<u>6,652,437</u>	<u>875,558</u>	<u>(42,709)</u>	<u>7,485,286</u>
Accumulated depreciation				
Buildings and improvements	(1,244,982)	(63,960)	0	(1,308,942)
Equipment	(777,043)	(94,581)	42,709	(828,915)
Infrastructure	(1,511,720)	(163,671)	0	(1,675,391)
Total accumulated depreciation	<u>(3,533,745)</u>	<u>(322,212)</u>	<u>42,709</u>	<u>(3,813,248)</u>
Total depreciable assets, net	<u>3,118,692</u>	<u>553,346</u>	<u>0</u>	<u>3,672,038</u>
Governmental activities capital assets, net	<u>\$ 5,472,664</u>	<u>\$ 2,289,521</u>	<u>\$ (215,889)</u>	<u>\$ 7,546,296</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 3,333,139	\$ 0	\$ 0	\$ 3,333,139
Construction in progress	4,114,492	666,468	(4,761,435)	19,525
Total Non-depreciable assets	<u>7,447,631</u>	<u>666,468</u>	<u>(4,761,435)</u>	<u>3,352,664</u>
Depreciable assets				
Buildings	22,508,653	3,320,855	0	25,829,508
Improvements	3,850,662	422,952	0	4,273,614
Equipment and vehicles	5,827,475	292,539	(59,500)	6,060,514
Water and sewer infrastructure	21,470,537	1,018,574	0	22,489,111
Total depreciable assets	<u>53,657,327</u>	<u>5,054,920</u>	<u>(59,500)</u>	<u>58,652,747</u>
Accumulated depreciation				
Buildings	(6,015,473)	(783,082)	0	(6,798,555)
Improvements	(1,955,557)	(108,104)	0	(2,063,661)
Equipment and vehicles	(4,317,133)	(275,754)	59,500	(4,533,387)
Water and sewer infrastructure	(8,515,190)	(644,601)	0	(9,159,791)
Total accumulated depreciation	<u>(20,803,353)</u>	<u>(1,811,541)</u>	<u>59,500</u>	<u>(22,555,394)</u>
Total depreciable assets, net	<u>32,853,974</u>	<u>3,243,379</u>	<u>0</u>	<u>36,097,353</u>
Business-type activities capital assets, net	<u>\$ 40,301,605</u>	<u>\$ 3,909,847</u>	<u>\$ (4,761,435)</u>	<u>\$ 39,450,017</u>

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

8. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 54,537
Public Works	242,107
Culture and Recreation	21,175
Housing and Development	<u>4,393</u>

Total depreciation expense for governmental activities \$ 322,212

Business-type activities

Water and Sewage	\$ 1,725,280
Solid Waste	<u>86,261</u>

Total depreciation expense for business-type activities \$ 1,811,541

9. 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, 2018:

- \$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 Sewerage Revenue Bonds and Water and Sewerage notes payable. The bonds are secured by sales tax proceeds and then from the levy of property tax. As of September 30, 2018, the bonds had an outstanding balance of \$24,915,000.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

9. LONG-TERM DEBT (CONTINUED)

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

Year Ending September 30,	Principal	Interest	Total
2019	\$ 660,000	\$ 960,218	\$ 1,620,218
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
2024-2028	4,325,000	3,774,137	8,099,137
2029-2033	5,060,000	3,028,713	8,088,713
2034-2038	6,110,000	1,985,400	8,095,400
2039-2042	5,875,000	598,800	6,473,800
Totals	\$ 24,915,000	\$ 13,934,590	\$ 38,849,590

Notes Payable

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, 2018, the balance of this note is \$5,161,465. Monthly installments of principal and interest are due through January 1, 2045; interest at 3.00%.

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, 2018, the balance of this note is \$404,414. Monthly installments of principal and interest are due through April 1, 2028; interest at 0.81%.

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, 2018, the balance of this note is \$1,005,928. Monthly installments of principal and interest are due through April 1, 2033; interest at 1.15%.

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

9. LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for notes payable are as follows:

Year Ending September 30,	Principal	Interest	Total
2019	\$ 228,254	\$ 166,508	\$ 394,762
2020	238,406	162,443	400,849
2021	243,572	156,877	400,449
2022	248,875	151,974	400,849
2023	254,317	145,803	400,120
2024-2028	1,343,902	645,211	1,989,113
2029-2033	1,295,436	490,956	1,786,392
2034-2038	1,099,182	328,380	1,427,562
2039-2043	1,269,768	151,710	1,421,478
2044-2045	350,095	7,078	357,173
Totals	<u>\$ 6,571,807</u>	<u>\$ 2,406,940</u>	<u>\$ 8,978,747</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 \$38,849,590. For the current fiscal year, the principal and interest paid and 2014 SPLOST revenues recognized by the City were \$1,619,418 and \$545,735, respectively. Current year principal and interest payments are approximately 297% of net revenues.

CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

9. LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the City for the year ended September 30, 2018:

	Balance Beginning	Additions	Deductions	Balance Ending	Due Within One Year
Governmental activities					
Compensated absences	\$ 41,108	\$ 65,305	\$ 41,108	\$ 65,305	\$ 51,591
Business-type activities					
Notes payable	\$ 6,031,983	\$ 680,585	\$ 140,761	\$ 6,571,807	\$ 228,254
Revenue Refunding Bonds	25,555,000	0	640,000	24,915,000	660,000
Unamortized bond premium	704,989	0	28,200	676,789	0
Compensated absences	98,349	96,280	98,349	96,280	76,061
Total business-type activities	\$ 32,390,321	\$ 776,865	\$ 907,310	\$ 32,259,876	\$ 964,315

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, 2018 was \$1,253,917 for business-type activities.

CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

10. 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, 2018

10. PENSION PLAN (CONTINUED)

At January 1, 2018, the date of the most recent actuarial valuation, there were 94 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	29
Terminated vested participants entitled to but not yet receiving benefits	17
Active participants	48
Total number of participants	94

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, 2018 was \$258,709, or 10.80% of covered payroll.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At September 30, 2018, the City and Component Unit reported a net pension liability of \$759,592. The net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2018. For the fiscal year ended September 30, 2018, the City and Component Unit recognized pension expense of \$133,667. 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, 2018

10. PENSION PLAN (CONTINUED)

At September 30, 2018, 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	\$ 71,230	\$ (117,433)
Changes of assumptions	91,480	(8,406)
Net difference between projected and actual earnings on pension plan investments	0	(314,067)
City contributions subsequent to the measurement date	255,709	0
Totals	\$ 418,419	\$ (439,906)

The \$255,709 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 position liability in the fiscal year ending September 30, 2019. 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
2019	\$ (81,859)
2020	(18,691)
2021	(118,365)
2022	(58,281)
Totals	\$ (277,196)

Actuarial Assumptions. The total pension liability in the January 1, 2018 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, 2018

10. 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 on 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, 2018 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 September 30, 2017 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%	6.71%
International equity	20%	7.71%
Real estate	10%	5.21%
Global fixed income	5%	3.36%
Domestic fixed income	20%	2.11%
Cash	0%	
Total	<u>100%</u>	

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, 2018

10. 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 9/30/2016	\$ 6,466,830	\$ 5,347,178	\$ 1,119,652
Changes for the year:			
Service cost	116,700	0	116,700
Interest	488,440	0	488,440
Differences between expected and actual experience	(16,733)	0	(16,733)
Contributions— employer	0	284,180	(284,180)
Net investment income	0	800,838	(800,838)
Benefit payments, including refunds of employee contributions	(328,763)	(328,763)	0
Administrative expense	0	(22,200)	22,200
Other	114,351	0	114,351
Net changes	373,995	734,055	(360,060)
Balances at 9/30/2017	\$ 6,840,825	\$ 6,081,233	\$ 759,592

Plan's fiduciary net position as a percentage of the total pension liability	88.90%
Covered payroll	1,683,662
Net pension liability as a percentage of covered payroll	45.12%

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%	\$ 1,630,478
Current discount rate	7.50%	759,592
1% increase	8.50%	33,359

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, 2018

11. 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 2018, plan members made voluntary contributions of \$13,046. Beginning January 1, 2014, the City no longer contributes to any of the deferred compensation plans.

12. 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, 2018 follows:

Lodging Tax Receipts	\$420,195
Disbursements to the Dahlonega - Lumpkin County Chamber of Commerce	\$262,622 62.50% of tax receipts

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2018

13. 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. During its fiscal year ended September 30, 2018, the City paid \$7,045 in such dues. 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 2018. Separate financial statements are not issued for this joint venture.

14. 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 \$4,260 as payment-in-lieu-of-taxes for 2018. Separate financial statements may be obtained from Housing Authority of the City of Dahlonega, 90 Thompson Circle, Dahlonega, GA 30553.

15. 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, 2018, 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, 2018

16. 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:

<u>Purpose</u>	<u>% Abated</u>	<u>Current Year \$ Abated</u>
Koyo Bearings USA, LLC	50%	\$ 41,655

17. 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 \$339,453.

**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

17. 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.

18. NEW ACCOUNTING STANDARDS

The City early implemented GASB Statement No. 89, *Accounting for Interest Cost incurred before the End of a Construction Period*, effective for the City's current fiscal year.



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, 2018
(Unaudited)

	<u>Fiscal Year End</u>	<u>Fiscal Year End</u>	<u>Fiscal Year End</u>	<u>Fiscal Year End</u>
	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 116,700	\$ 115,608	\$ 85,386	\$ 96,910
Interest	488,440	477,750	446,617	439,359
Differences between expected and actual experience	(16,733)	(134,264)	178,075	(117,428)
Changes of assumptions	114,351	0	0	0
Benefit payments, including refunds of employee contributions	(328,763)	(313,569)	(304,165)	(262,175)
Other	0	0	514	(42,028)
Net change in total pension liability	373,995	145,525	406,427	114,638
Total pension liability - beginning	6,466,830	6,321,305	5,914,878	5,800,240
Total pension liability - ending (a)	\$ 6,840,825	\$ 6,466,830	\$ 6,321,305	\$ 5,914,878
Plan fiduciary net position				
Contributions - employer	\$ 284,180	\$ 255,944	\$ 344,506	\$ 329,784
Net investment income	800,838	541,207	52,151	487,596
Benefit payments, including refunds of employee contributions	(328,763)	(313,569)	(304,165)	(262,175)
Administrative expense	(22,200)	(9,141)	(10,646)	(8,507)
Net change in total pension liability	734,055	474,441	81,846	546,698
Plan fiduciary net position - beginning	5,347,178	4,872,737	4,790,891	4,244,193
Plan fiduciary net position - ending (b)	\$ 6,081,233	\$ 5,347,178	\$ 4,872,737	\$ 4,790,891
Net pension liability (asset) - ending : (a) - (b)	\$ 759,592	\$ 1,119,652	\$ 1,448,568	\$ 1,123,987
Plan's fiduciary net position as a percentage of the total pension liability	88.90%	82.69%	77.08%	81.00%
Covered payroll	\$ 1,683,662	\$ 1,596,651	\$ 1,653,134	\$ 1,320,011
Net pension liability as a percentage of covered payroll	45.12%	70.13%	87.63%	85.15%

Note: Fiscal year 2015 was the first year of implementation. Therefore, only four years are reported.

CITY OF DAHLONEGA, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
September 30, 2018
(Unaudited)

	<u>Fiscal Year End</u>	<u>Fiscal Year End</u>	<u>Fiscal Year End</u>	<u>Fiscal Year End</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 258,709	\$ 255,709	\$ 278,905	\$ 255,944
Contributions in relation to the actuarially determined contribution	<u>(258,709)</u>	<u>(255,709)</u>	<u>(278,905)</u>	<u>(255,944)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 2,396,292	\$ 2,224,107	\$ 1,934,317	\$ 1,757,618
Contributions as a percentage of covered payroll	10.80%	11.50%	14.42%	14.56%

Note: Fiscal year 2015 was the first year of implementation. Therefore, only four years are reported.

**CITY OF DAHLONEGA - NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION
SEPTEMBER 30, 2018**

1. VALUATION DATE

The actuarially determined contribution rate was determined as of September 30, 2017, 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, 2018.

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 Social Security Administration standard rate.

**CITY OF DAHLONEGA – NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION
SEPTEMBER 30, 2018**

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 this 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, 2018

	Special Revenue	Capital Projects	Total Nonmajor
	Hotel/Motel Tax	General Government	Governmental Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 0	\$ 492,531	\$ 492,531
Taxes receivable	38,252	0	38,252
Intergovernmental receivables	0	10,000	10,000
Due from other funds	0	14,345	14,345
	Total assets	\$ 516,876	\$ 555,128
	\$ 38,252	\$ 516,876	\$ 555,128
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 23,907	\$ 9,050	\$ 32,957
Due to other funds	14,345	0	14,345
	Total liabilities	9,050	47,302
	38,252	9,050	47,302
Fund balances			
Assigned to capital outlay	0	507,826	507,826
	Total liabilities and fund balances	\$ 516,876	\$ 555,128
	\$ 38,252	\$ 516,876	\$ 555,128

CITY OF DAHLONEGA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2018

	<u>Special Revenue</u> <u>Hotel/Motel Tax</u>	<u>Capital Projects</u> <u>General Government</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Taxes	\$ 420,195	\$ 0	\$ 420,195
Intergovernmental	0	10,000	10,000
Total revenues	<u>420,195</u>	<u>10,000</u>	<u>420,195</u>
EXPENDITURES			
Current			
General Government	0	183,799	183,799
Public Safety	0	36,897	36,897
Public Works	0	78,391	78,391
Housing and Development	262,622	0	262,622
Total expenditures	<u>262,622</u>	<u>299,087</u>	<u>561,709</u>
Excess (deficiency) of revenues over (under) expenditures	<u>157,573</u>	<u>(289,087)</u>	<u>(131,514)</u>
Other financing sources (uses)			
Transfers in	0	565,573	565,573
Transfers out	(157,573)	(110,000)	(267,573)
Total other financing sources (uses)	<u>(157,573)</u>	<u>455,573</u>	<u>298,000</u>
Net change in fund balance	0	166,486	166,486
Fund balances, October 1	<u>0</u>	<u>341,340</u>	<u>341,340</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 507,826</u></u>	<u><u>\$ 507,826</u></u>



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, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 3,929,508	\$ 3,936,806
Restricted cash and cash equivalents	5,295	5,264
Receivables (net)		
Accounts	3,962	10,837
Taxes	1,275,226	1,299,017
Fines	49,033	47,336
Intergovernmental	5,649	1,625
Due from other funds	39,182	59,384
Inventory	12,802	19,625
Prepaid items	31,053	57,927
	\$ 5,351,710	\$ 5,437,821
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Payables		
Accounts	\$ 50,199	\$ 31,306
Intergovernmental	8,982	5,025
Accrued salaries and payroll expenditures	51,782	45,558
Deposits payable	1,900	0
Due to other funds	89,613	0
	202,476	81,889
 Deferred inflows of resources		
Unavailable revenue - property taxes	1,146,984	1,165,434
	1,146,984	1,165,434
 Fund balances		
Nonspendable:		
Inventory	12,802	19,625
Prepaid items	31,053	57,927
Restricted for:		
Service awards for citizens	5,295	5,264
Assigned to:		
Capital outlay	0	100,000
City Hall construction	650,000	650,000
Subsequent year's budget	1,566,867	771,597
Unassigned	1,736,233	2,586,085
	4,002,250	4,190,498
 Total liabilities, deferred inflows of resources, and fund balances		
	\$ 5,351,710	\$ 5,437,821

CITY OF DAHLONEGA, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended September 30, 2018 and 2017

	2018	2017
REVENUES		
Taxes	\$ 3,565,737	\$ 3,478,987
Licenses and permits	189,851	158,057
Fines, fees and forfeitures	120,874	149,322
Charges for services	29,800	54,250
Intergovernmental	100,955	23,739
Interest	34,533	23,278
Other	12,010	15,416
	4,053,760	3,903,049
EXPENDITURES		
Current		
General Government	1,288,847	1,186,994
Judicial	222,624	195,918
Public Safety	269,522	129,907
Public Works	1,092,542	1,006,265
Culture and Recreation	17,030	16,244
Housing and Development	602,564	564,287
	3,493,129	3,099,615
Excess (deficiency) of revenues over (under) expenditures	560,631	803,434
Other financing sources (uses)		
Transfers in (out)		
Grants Capital Projects Fund	(309,613)	(283,128)
General Government Capital Projects Fund	(408,000)	(393,000)
Solid Waste Enterprise Fund	(40,000)	0
Water and Sewage Enterprise Fund	0	(90,000)
Proceeds from sale of capital assets	8,734	0
	(748,879)	(766,128)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(188,248)	37,306
Fund balances, October 1	4,190,498	4,153,192
Fund balances, September 30	\$ 4,002,250	\$ 4,190,498

CITY OF DAHLONEGA, GEORGIA

GENERAL FUND

SCHEDULE OF REVENUES

BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2018

(With comparative actual amounts for the fiscal year ended September 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Property tax	\$ 1,232,796	\$ 1,275,083	\$ 42,287	\$ 1,261,936
Real estate transfer tax	13,500	18,497	4,997	19,613
Motor vehicle tax	147,900	212,785	64,885	179,841
Cost, penalties, and interest	6,500	5,453	(1,047)	5,630
Total general property taxes	1,400,696	1,511,818	111,122	1,467,020
Local option sales tax	780,000	859,090	79,090	826,802
Franchise tax	507,600	508,623	1,023	521,189
Insurance premium tax	328,000	348,388	20,388	327,175
Alcoholic beverage excise tax	195,000	210,519	15,519	213,415
Occupational tax	108,000	116,078	8,078	114,773
Other taxes	6,600	11,221	4,621	8,613
Total taxes	3,325,896	3,565,737	239,841	3,478,987
Licenses and Permits				
Alcohol licenses	113,800	140,124	26,324	122,775
Building permits	31,700	49,727	18,027	35,282
Total licenses and permits	145,500	189,851	44,351	158,057
Fines, fees and forfeitures	119,000	120,874	1,874	149,322
Charges for Services				
Cemetery	29,500	29,800	300	54,250
Intergovernmental	94,600	100,955	6,355	23,739
Interest	29,500	34,533	5,033	23,278
Other	11,600	12,010	410	15,416
Total revenues	\$ 3,755,596	\$ 4,053,760	\$ 298,164	\$ 3,903,049

CITY OF DAHLONEGA, GEORGIA

GENERAL FUND

SCHEDULE OF EXPENDITURES

BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2018

(With comparative actual amounts for the fiscal year ended September 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
General Government				
Legislative				
Personal services	\$ 137,000	\$ 105,172	\$ 31,828	\$ 105,102
Contract services	64,687	59,922	4,765	54,481
Supplies and materials	6,000	4,629	1,371	1,202
Total Legislative	<u>207,687</u>	<u>169,723</u>	<u>37,964</u>	<u>160,785</u>
Executive				
Personal services	215,899	185,703	30,196	178,763
Contract services	28,999	28,455	544	21,559
Supplies and materials	5,850	4,390	1,460	2,689
Total Executive	<u>250,748</u>	<u>218,548</u>	<u>32,200</u>	<u>203,011</u>
Elections				
Contract services	18,200	16,062	2,138	0
Supplies and materials	250	0	250	0
Total Elections	<u>18,450</u>	<u>16,062</u>	<u>2,388</u>	<u>0</u>
General Administration				
Personal services	487,993	444,269	43,724	383,322
Contract services	429,244	379,679	49,565	374,854
Supplies and materials	52,450	50,288	2,162	46,022
Capital outlay	10,300	10,278	22	0
Payments to other agencies	0	0	0	19,000
Total General Administration	<u>979,987</u>	<u>884,514</u>	<u>95,473</u>	<u>823,198</u>
Total General Government	<u>1,456,872</u>	<u>1,288,847</u>	<u>168,025</u>	<u>1,186,994</u>
Judicial				
Municipal Court				
Personal services	71,231	70,215	1,016	49,223
Contract services	142,850	142,759	91	135,134
Supplies and materials	3,200	2,901	299	1,374
Payments to other agencies	7,300	6,749	551	10,187
Total Judicial	<u>224,581</u>	<u>222,624</u>	<u>1,957</u>	<u>195,918</u>

CITY OF DAHLONEGA, GEORGIA

GENERAL FUND

SCHEDULE OF EXPENDITURES BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2018

(With comparative actual amounts for the fiscal year ended September 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
Public Safety				
Law Enforcement				
Contract services	\$ 59,316	\$ 53,140	\$ 6,176	\$ 47,246
Supplies and materials	12,600	12,412	188	6,551
Payments to other agencies	58,000	58,000	0	76,110
Total Law Enforcement	<u>129,916</u>	<u>123,552</u>	<u>6,364</u>	<u>129,907</u>
City Marshal's Office				
Personal services	111,960	110,880	1,080	0
Contract services	7,800	4,590	3,210	0
Supplies and materials	18,600	18,244	356	0
Capital outlay	12,300	12,256	44	0
Total Marshal	<u>150,660</u>	<u>145,970</u>	<u>4,690</u>	<u>0</u>
Total Public Safety	<u>280,576</u>	<u>269,522</u>	<u>11,054</u>	<u>129,907</u>
Public Works				
Street Construction				
Personal services	708,869	679,540	29,329	669,241
Contract services	88,762	79,211	9,551	37,021
Supplies and materials	158,450	149,979	8,471	135,560
Capital outlay	32,000	26,828	5,172	26,330
Total Street Construction	<u>988,081</u>	<u>935,558</u>	<u>52,523</u>	<u>868,152</u>
Shop Department				
Personal services	66,700	63,662	3,038	62,284
Contract services	4,042	3,100	942	3,284
Supplies and materials	18,700	18,046	654	23,006
Capital outlay	11,850	11,788	62	0
Total Shop Department	<u>101,292</u>	<u>96,596</u>	<u>4,696</u>	<u>88,574</u>
Cemetery				
Personal services	43,233	40,215	3,018	38,837
Contract services	7,400	6,180	1,220	3,242
Supplies and materials	14,800	13,993	807	7,460
Total Cemetery	<u>65,433</u>	<u>60,388</u>	<u>5,045</u>	<u>49,539</u>
Total Public Works	<u>1,154,806</u>	<u>1,092,542</u>	<u>62,264</u>	<u>1,006,265</u>

CITY OF DAHLONEGA, GEORGIA

GENERAL FUND

SCHEDULE OF EXPENDITURES BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2018

(With comparative actual amounts for the fiscal year ended September 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
Culture and Recreation				
Parks				
Contract services	\$ 12,576	\$ 3,379	\$ 9,197	\$ 2,065
Supplies and materials	18,020	13,651	4,369	14,179
Total Culture and Recreation	<u>30,596</u>	<u>17,030</u>	<u>13,566</u>	<u>16,244</u>
Housing and Development				
Community Development				
Personal services	187,812	168,111	19,701	175,591
Contract services	95,537	31,485	64,052	58,064
Supplies and materials	8,875	8,032	843	5,368
Capital outlay	5,400	5,396	4	0
Total Community Development	<u>297,624</u>	<u>213,024</u>	<u>84,600</u>	<u>239,023</u>
Downtown Development Authority				
Payment to others	389,540	389,540	0	325,264
Total Housing and Development	<u>687,164</u>	<u>602,564</u>	<u>84,600</u>	<u>564,287</u>
Total expenditures	<u>\$ 3,834,595</u>	<u>\$ 3,493,129</u>	<u>\$ 341,466</u>	<u>\$ 3,099,615</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 Dahlonega.

CITY OF DAHLONEGA, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30, 2018 and 2017

	2018	2017
ASSETS		
Taxes receivable	\$ 38,252	\$ 28,962
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 23,907	\$ 28,962
Due to other funds	14,345	0
Total Liabilities	\$ 38,252	\$ 28,962

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, 2018

(With comparative actual amounts for the fiscal year ended September 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/Motel taxes	\$ 420,196	\$ 420,195	\$ (1)	\$ 260,125
Total revenues	<u>420,196</u>	<u>420,195</u>	<u>(1)</u>	<u>260,125</u>
EXPENDITURES				
Current				
Housing and Development				
Tourism				
Chamber of Commerce	262,622	262,622	0	260,125
Total expenditures	<u>262,622</u>	<u>262,622</u>	<u>0</u>	<u>260,125</u>
Excess (deficiency) of revenues over (under) expenditures	157,574	157,573	(1)	0
Other financing sources (uses)				
Transfers in (out)				
General Government Capital Projects Fund	(157,574)	(157,573)	1	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	0
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.

CITY OF DAHLONEGA, GEORGIA
GRANTS CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
September 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 23,262	\$ 1,121,753
Due from other funds	89,613	476
Total assets	\$ 112,875	\$ 1,122,229
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 14,682	\$ 682
Retainages payable	98,193	0
Total liabilities	112,875	682
Fund balances		
Restricted for capital outlay	0	561,544
Assigned to capital outlay	0	560,003
Total fund balances	0	1,121,547
Total liabilities and fund balances	\$ 112,875	\$ 1,122,229

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, 2018 and 2017

	2018	2017
REVENUES		
Intergovernmental	\$ 415,765	\$ 638,494
Total revenues	415,765	638,494
EXPENDITURES		
Capital Outlay		
Public Works	2,030,210	76,949
Excess (deficiency) of revenues over (under) expenditures	(1,614,445)	561,545
Other financing sources		
Transfers in		
General Fund	309,613	283,128
General Government Capital Projects Fund	110,000	0
Water and Sewage Enterprise Fund	73,285	0
Total other financing sources	492,898	283,128
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	(1,121,547)	844,673
Fund balances, October 1	1,121,547	276,874
Fund balances, September 30	\$ 0	\$ 1,121,547

CITY OF DAHLONEGA, GEORGIA
2014 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
September 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 85	\$ 50,013
Intergovernmental receivable	92,843	94,264
	\$ 92,928	\$ 144,277
Total assets		
 LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	\$ 92,928	\$ 144,277
	\$ 92,928	\$ 144,277

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, 2018 and 2017

	2018	2017
REVENUES		
Intergovernmental	\$ 545,354	\$ 524,795
Interest	381	1,254
	545,735	526,049
Total revenues	545,735	526,049
Other financing sources		
Transfers out		
Water and Sewage Enterprise Fund	(545,735)	(1,381,564)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	0	(855,515)
Fund balances, October 1	0	855,515
Fund balances, September 30	\$ 0	\$ 0

CITY OF DAHLONEGA, GEORGIA
GENERAL GOVERNMENT CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
September 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 492,531	\$ 341,455
Intergovernmental receivables	10,000	0
Due from other funds	14,345	0
Total assets	\$ 516,876	\$ 341,455
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 9,050	\$ 115
Fund balances		
Assigned to capital outlay	507,826	341,340
Total liabilities and fund balances	\$ 516,876	\$ 341,455

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
REVENUES		
Intergovernmental	\$ 10,000	\$ 0
EXPENDITURES		
Capital Outlay		
General Government	183,799	418
Public Safety	36,897	0
Public Works	78,391	102,561
Total expenditures	<u>299,087</u>	<u>102,979</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(289,087)</u>	<u>(102,979)</u>
Other financing sources		
Transfers in (out)		
General Fund	408,000	393,000
Hotel/Motel Tax Special Revenue Fund	157,573	0
Grants Capital Projects Fund	(110,000)	0
Total other financing sources	<u>455,573</u>	<u>393,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	166,486	290,021
Fund balances, October 1	<u>341,340</u>	<u>51,319</u>
Fund balances, September 30	<u><u>\$ 507,826</u></u>	<u><u>\$ 341,340</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 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, GEORGIA
WATER AND SEWAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
September 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,172,694	\$ 2,095,127
Receivables (net)		
Accounts	787,712	823,239
Intergovernmental	106,660	715,885
Due from other funds	92,928	150,249
Inventory	137,842	133,787
Prepaid items	206,744	230,256
	4,504,580	4,148,543
Restricted assets		
Debt Redemption		
Cash and cash equivalents	170,018	173,700
Customer Deposits		
Cash and cash equivalents	192,954	191,164
	362,972	364,864
Capital assets		
Land	3,333,139	3,333,139
Construction in progress	19,525	4,114,492
Improvements	4,262,031	3,839,078
Buildings	25,574,443	22,253,587
Water and sewer lines and towers	22,489,111	21,470,537
Machinery and equipment	5,322,469	5,242,275
Accumulated depreciation	(22,017,421)	(20,351,641)
	38,983,297	39,901,467
Total capital assets (net of accumulated depreciation)	38,983,297	39,901,467
Total assets	43,850,849	44,414,874
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions subsequent to measurement date	94,468	102,074
Pension investment return differences	0	658
Pension experience differences	28,945	40,623
Pension assumption changes	29,996	0
Deferred charges on refunding	3,177,670	3,310,073
	3,331,079	3,453,428
Total deferred outflows of resources	3,331,079	3,453,428

CITY OF DAHLONEGA, GEORGIA
WATER AND SEWAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
September 30, 2018 and 2017

	2018	2017
LIABILITIES		
Current liabilities		
Payables		
Accounts	\$ 52,961	\$ 706,438
Intergovernmental	3,762	4,011
Interest	14,010	13,662
Retainages	0	88,343
Accrued salaries and payroll expenses	32,052	26,887
Compensated absences	62,410	61,447
Due to other funds	18,120	0
Notes payable	228,254	139,710
	411,569	1,040,498
Current liabilities payable from restricted assets		
Interest payable	80,018	81,618
Customer deposits payable	192,954	191,164
Revenue bonds payable	660,000	640,000
	932,972	912,782
Noncurrent liabilities		
Net pension liability	294,718	412,782
Compensated absences	16,590	16,334
Notes payable	6,343,553	5,892,273
Revenue bonds payable	24,931,789	25,619,989
	31,586,650	31,941,378
Total liabilities	32,931,191	33,894,658
DEFERRED INFLOWS OF RESOURCES		
Pension assumption changes	3,262	6,018
Pension investment return differences	101,243	0
Pension experience differences	45,115	57,231
	149,620	63,249
NET POSITION		
Net investment in capital assets	9,993,527	10,831,225
Restricted for debt service	90,000	92,082
Unrestricted	4,017,590	2,987,088
	14,101,117	13,910,395
Total net position	\$ 14,101,117	\$ 13,910,395

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, 2018 and 2017

	2018	2017
OPERATING REVENUES		
Charges for sales and services		
Water sales	\$ 2,906,886	\$ 2,904,341
Sewer charges	2,011,940	1,953,074
Tap fees	74,090	1,328,735
Other	19,745	19,058
Total operating revenues	5,012,661	6,205,208
OPERATING EXPENSES		
Cost of sales and services	1,160,532	1,163,265
Personal services	1,200,484	1,160,073
Depreciation	1,725,280	1,642,751
Total operating expenses	4,086,296	3,966,089
Operating income (loss)	926,365	2,239,119
Non-operating revenues (expenses)		
Interest revenue	29,194	13,535
Interest expense	(1,253,917)	(1,267,696)
Gain (loss) on sale of capital assets	16,630	(2,748)
Total non-operating revenues (expenses)	(1,208,093)	(1,256,909)
Net income (loss) before transfers	(281,728)	982,210
Transfers in (out)		
General Fund	0	90,000
Grants Capital Projects Fund	(73,285)	0
SPLOST Capital Projects Fund	545,735	1,381,564
Total transfers in (out)	472,450	1,471,564
Change in net position	190,722	2,453,774
Net position, October 1	13,910,395	11,456,621
Net position, September 30	\$ 14,101,117	\$ 13,910,395

CITY OF DAHLONEGA, GEORGIA
WATER AND SEWAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Receipts from customers	\$ 5,014,178	\$ 5,703,400
Payments to suppliers	(1,792,432)	(538,774)
Payments to employees	(1,235,848)	(1,202,945)
Other receipts	19,745	19,058
	<u>2,005,643</u>	<u>3,980,739</u>
Net cash provided (used) by operating activities		
Cash flows from non-capital financing activities:		
Receipts from other funds	75,441	90,000
Payments to other funds	0	(123,263)
	<u>75,441</u>	<u>(33,263)</u>
Net cash provided (used) by non-capital financing activities		
Cash flows from capital and related financing activities:		
Receipts from other funds	472,450	1,381,564
Receipts from other governments	625,280	0
Payments for acquisitions of capital assets	(803,266)	(4,031,074)
Proceeds from the sale of capital assets	16,630	0
Payment of capital related retainages payable	(88,343)	0
Proceeds from debt issuance - notes payable	680,585	377,866
Principal payments - revenue bonds	(640,000)	(620,000)
Principal payments - promissory notes	(140,761)	(123,613)
Interest paid	(1,157,178)	(1,171,124)
	<u>(1,034,603)</u>	<u>(4,186,381)</u>
Net cash provided (used) by capital and related financing activities		
Cash flows from investing activities:		
Interest received	29,194	13,535
	<u>29,194</u>	<u>13,535</u>
Net increase (decrease) in cash and cash equivalents	1,075,675	(225,370)
Cash and cash equivalents, October 1	<u>2,459,991</u>	<u>2,685,361</u>
Cash and cash equivalents, September 30	<u>\$ 3,535,666</u>	<u>\$ 2,459,991</u>

CITY OF DAHLONEGA, GEORGIA
WATER AND SEWAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended September 30, 2018 and 2017

	2018	2017
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 926,365	\$ 2,239,119
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,725,280	1,642,751
(Increase) decrease in accounts receivables	35,527	(54,580)
(Increase) decrease in intergovernmental receivables	(16,055)	(350,605)
(Increase) decrease in inventory	(4,055)	(3,585)
(Increase) decrease in prepaid items	29,724	12,142
(Increase) decrease in pension contributions subsequent to measurement date	7,606	(21,644)
(Increase) decrease in pension investment return differences	21,005	24,104
(Increase) decrease in pension experience differences	11,678	13,401
(Increase) decrease in pension assumption changes	(29,996)	0
Increase (decrease) in accounts payable	(657,321)	616,439
Increase (decrease) in intergovernmental payable	(249)	(505)
Increase (decrease) in payroll liabilities	6,384	(1,633)
Increase (decrease) in net pension liability	(118,064)	(123,765)
Increase (decrease) in pension assumption changes	(2,756)	(3,163)
Increase (decrease) in pension investment return differences	80,896	38,248
Increase (decrease) in pension experience differences	(12,116)	31,580
Increase (decrease) in deposits payable	1,790	7,435
Increase (decrease) in unearned revenue	0	(85,000)
	1,079,278	1,741,620
Total adjustments		
Net cash provided (used) by operating activities	\$ 2,005,643	\$ 3,980,739
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	\$ 3,172,694	\$ 2,095,127
Debt Redemption		
Cash and cash equivalents	170,018	173,700
Customer Deposits		
Cash and cash equivalents	192,954	191,164
	3,535,666	2,459,991
Total cash and cash equivalents	\$ 3,535,666	\$ 2,459,991

Noncash capital and related financing activities:

Acquisition of capital assets through retainages payable totaled \$0 and \$88,343 for the fiscal years ended September 30, 2018 and 2017, respectively.

Acquisition of capital assets through accounts payable totaled \$3,844 and \$0 for the fiscal years ended September 30, 2018 and 2017, respectively.

Proceeds from issuance of notes payable through intergovernmental receivable totaled \$0 and \$365,280 for the fiscal years ended September 30, 2018 and 2017, respectively.

CITY OF DAHLONEGA, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
September 30, 2018 and 2017

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	\$ 136,498	\$ 136,128
Accounts receivable (net)	127,121	132,982
Prepaid items	14,219	23,363
Total current assets	277,838	292,473
Capital assets		
Improvements	11,583	11,583
Buildings	255,066	255,066
Machinery and equipment	738,046	585,202
Accumulated depreciation	(537,975)	(451,713)
Total capital assets (net of accumulated depreciation)	466,720	400,138
Total assets	744,558	692,611
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions subsequent to measurement date	31,465	34,385
Pension assumption changes	11,514	0
Pension investment return differences	0	190
Pension experience differences	9,650	14,132
Total deferred outflows of resources	52,629	48,707
LIABILITIES		
Current liabilities		
Accounts payable	6,463	10,940
Accrued salaries and payroll expenses	9,557	11,100
Compensated absences	13,651	16,249
Due to other funds	21,062	65,832
Total current liabilities	50,733	104,121
Noncurrent liabilities		
Net pension liability	91,871	137,188
Compensated absences	3,629	4,319
Total noncurrent liabilities	95,500	141,507
Total liabilities	146,233	245,628
DEFERRED INFLOWS OF RESOURCES		
Pension assumption changes	824	1,882
Pension investment return differences	38,923	0
Pension experience differences	15,338	19,989
Total deferred inflows of resources	55,085	21,871
NET POSITION		
Investment in capital assets	466,720	400,138
Unrestricted	129,149	73,681
Total net position	\$ 595,869	\$ 473,819

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES		
Charges for sales and services	\$ 888,070	\$ 894,973
Other	2,049	1,872
	<u>890,119</u>	<u>896,845</u>
OPERATING EXPENSES		
Cost of sales and services	283,750	269,822
Personal services	445,083	467,919
Depreciation	86,261	79,176
	<u>815,094</u>	<u>816,917</u>
Operating income (loss)	<u>75,025</u>	<u>79,928</u>
Non-operating revenues (expenses)		
Interest revenue	0	211
Gain on sale of capital assets	7,025	0
	<u>7,025</u>	<u>211</u>
Net income (loss) before transfers	82,050	80,139
Transfers in (out)		
General Fund	40,000	0
Change in net position	122,050	80,139
Net position, October 1	<u>473,819</u>	<u>393,680</u>
Net position, September 30	<u><u>\$ 595,869</u></u>	<u><u>\$ 473,819</u></u>

CITY OF DAHLONEGA, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Receipts from customers	\$ 893,931	\$ 881,260
Payments to suppliers	(279,084)	(268,910)
Payments to employees	(465,938)	(479,972)
Other receipts	2,049	1,872
	<hr/>	<hr/>
Net cash provided (used) by operating activities	150,958	134,250
	<hr/>	<hr/>
Cash flows from non-capital financing activities:		
Receipts from other funds	40,000	1,126
Payments to other funds	(44,770)	(16,398)
	<hr/>	<hr/>
Net cash provided (used) by non-capital financing activities	(4,770)	(15,272)
	<hr/>	<hr/>
Cash flows from capital and related financing activities:		
Payments for acquisitions of capital assets	(152,843)	(26,378)
Proceeds from the sale of capital assets	7,025	0
	<hr/>	<hr/>
Net cash provided (used) by capital and related financing activities	(145,818)	(26,378)
	<hr/>	<hr/>
Cash flows from investing activities:		
Interest received	0	211
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	370	92,811
Cash and cash equivalents, October 1	136,128	43,317
	<hr/>	<hr/>
Cash and cash equivalents, September 30	\$ 136,498	\$ 136,128
	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 75,025	\$ 79,928
	<hr/>	<hr/>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	86,261	79,176
(Increase) decrease in accounts receivable	5,861	(13,713)
(Increase) decrease in prepaid items	9,144	(4,168)
(Increase) decrease in contributions subsequent to measurement period	2,920	(7,887)
(Increase) decrease in pension investment return differences	8,062	8,784
(Increase) decrease in pension experience differences	4,482	4,884
(Increase) decrease in pension assumption changes	(11,514)	0
Increase (decrease) in accounts payable	(4,477)	5,080
Increase (decrease) in payroll liabilities	(4,831)	2,974
Increase (decrease) in net pension liability	(45,317)	(45,102)
Increase (decrease) in pension assumption changes	(1,058)	(1,153)
Increase (decrease) in pension investment return differences	31,051	13,938
Increase (decrease) in pension experience differences	(4,651)	11,509
	<hr/>	<hr/>
Total adjustments	75,933	54,322
	<hr/>	<hr/>
Net cash provided (used) by operating activities	\$ 150,958	\$ 134,250
	<hr/> <hr/>	<hr/> <hr/>



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, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 383,083	\$ 142,417
Accounts receivable (net)	0	306
Prepaid items	3,795	9,870
Restricted assets		
Cash and cash equivalents	1,020	2,397
Total assets	\$ 387,898	\$ 154,990
 LIABILITIES AND FUND BALANCES		
Current Liabilities		
Payables		
Accounts	\$ 2,300	\$ 1,005
Intergovernmental	145	423
Deposits	0	400
Accrued salaries and payroll liabilities	3,818	3,282
Total liabilities	6,263	5,110
Fund balances		
Nonspendable:		
Prepaid items	3,795	9,870
Restricted for Dahlonega 2000 operations	1,020	2,397
Assigned to:		
Redevelopment projects	202,316	104,614
Operations	174,504	32,999
Total fund balances	381,635	149,880
Total liabilities and fund balances	\$ 387,898	\$ 154,990

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, 2018
(With comparative actual amounts for the fiscal year ended September 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Charges for services	\$ 272	\$ 273	\$ 1	\$ 720
Intergovernmental	389,540	487,242	97,702	357,554
Interest	0	0	0	227
Contributions	1,000	1,000	0	710
Other	0	1,013	1,013	1,275
Total revenues	<u>390,812</u>	<u>489,528</u>	<u>98,716</u>	<u>360,486</u>
EXPENDITURES				
Current				
Housing and Development				
Personal services	256,238	169,043	87,195	175,660
Contract services	92,994	52,654	40,340	94,214
Supplies and materials	43,580	36,076	7,504	22,448
Total expenditures	<u>392,812</u>	<u>257,773</u>	<u>135,039</u>	<u>292,322</u>
Excess of revenues over (under) expenditures	(2,000)	231,755	233,755	68,164
Fund balances, October 1	<u>2,000</u>	<u>149,880</u>	<u>147,880</u>	<u>81,716</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 381,635</u></u>	<u><u>\$ 381,635</u></u>	<u><u>\$ 149,880</u></u>



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.....124 - 137

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.....138 - 147

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

Debt Capacity.....148 - 153

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.....154 - 155

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.....156 - 159

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.

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

CITY OF DAHLONEGA, GEORGIA

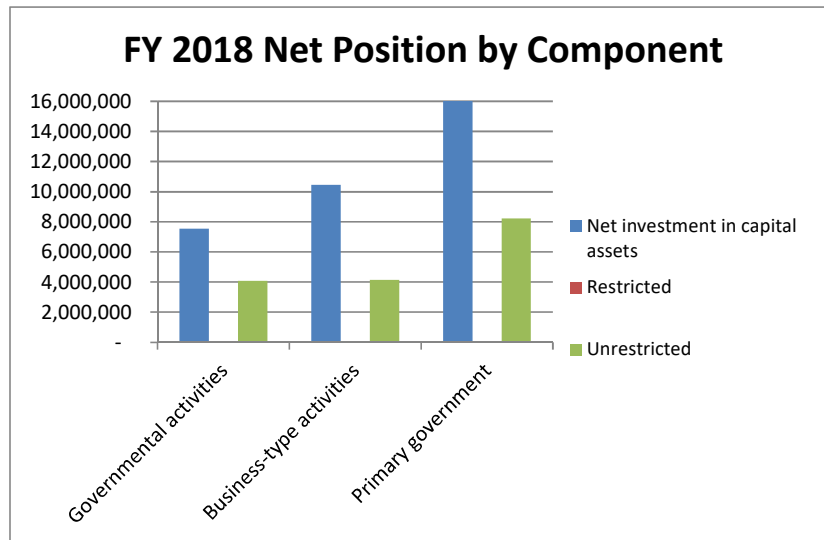
NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 4,462,981	\$ 4,360,841	\$ 4,477,984	\$ 5,138,468
Restricted	468,257	571,645	1,061,542	516,149
Unrestricted	3,320,000	3,442,292	3,489,170	3,333,580
Total governmental activities net position	<u>\$ 8,251,238</u>	<u>\$ 8,374,778</u>	<u>\$ 9,028,696</u>	<u>\$ 8,988,197</u>
Business-type activities				
Net investment in capital assets	\$ 15,609,939	\$ 13,637,369	\$ 11,446,338	\$ 11,091,994
Restricted	0	124,070	22,823	194,395
Unrestricted	317,421	2,615,921	3,351,427	2,946,946
Total business-type activities net position	<u>\$ 15,927,360</u>	<u>\$ 16,377,360</u>	<u>\$ 14,820,588</u>	<u>\$ 14,233,335</u>
Primary government				
Net investment in capital assets	\$ 20,072,920	\$ 17,998,210	\$ 15,924,322	\$ 16,230,462
Restricted	468,257	695,715	1,084,365	710,544
Unrestricted	3,637,421	6,058,213	6,840,597	6,280,526
Total primary government net position	<u>\$ 24,178,598</u>	<u>\$ 24,752,138</u>	<u>\$ 23,849,284</u>	<u>\$ 23,221,532</u>

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ 5,542,733	\$ 5,598,272	\$ 5,805,471	\$ 5,562,810	\$ 5,472,664	\$ 7,546,296	
459,082	252,358	448,697	860,756	566,808	5,295	
3,172,941	3,863,183	3,703,238	3,980,446	4,645,595	4,092,337	
<u>\$ 9,174,756</u>	<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>	
\$ 10,569,488	\$ 10,254,910	\$ 6,537,167	\$ 9,615,293	\$ 11,231,363	\$ 10,460,247	
200,921	136,705	-	87,122	92,082	90,000	
2,988,023	2,936,982	5,409,094	2,147,886	3,060,769	4,146,739	
<u>\$ 13,758,432</u>	<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>	
\$ 16,112,221	\$ 15,853,182	\$ 12,342,638	\$ 15,178,103	\$ 16,704,027	\$ 18,006,543	
660,003	389,063	448,697	947,878	658,890	95,295	
6,160,964	6,800,165	9,112,332	6,128,332	7,706,364	8,239,076	
<u>\$ 22,933,188</u>	<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>	



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

Expenses	Fiscal Year			
	2009	2010	2011	2012
Governmental activities:				
General Government	\$ 1,000,735	\$ 1,041,292	\$ 1,036,537	\$ 1,039,743
Judicial	253,877	282,317	233,740	225,240
Public Safety	105,371	60,651	84,785	80,483
Public Works	821,886	909,630	1,051,610	1,085,828
Culture and Recreation	64,597	47,874	23,294	26,427
Housing and Development	508,066	490,080	540,307	530,445
Interest on long-term debt	1,938	1,399	834	569
Total governmental activities expenses	<u>2,756,470</u>	<u>2,833,243</u>	<u>2,971,107</u>	<u>2,988,735</u>
Business-type activities:				
Water and Sewage	3,293,531	4,068,774	5,555,316	5,364,216
Solid Waste	468,490	451,793	459,381	470,213
Total business-type activities expenses	<u>3,762,021</u>	<u>4,520,567</u>	<u>6,014,697</u>	<u>5,834,429</u>
Total primary government expenses	<u>\$ 6,518,491</u>	<u>\$ 7,353,810</u>	<u>\$ 8,985,804</u>	<u>\$ 8,823,164</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	\$ 83,755	\$ 77,355	\$ 80,081	\$ 82,110
Judicial	186,801	262,317	223,361	197,935
Public Works	29,900	30,950	40,150	87,250
Housing and Development	27,729	36,343	50,674	15,294
Operating grants and contributions	24,747	6,410	24,392	34,910
Capital grants and contributions	906,645	524,614	660,679	953,515
Total governmental activities program revenues	<u>1,259,577</u>	<u>937,989</u>	<u>1,079,337</u>	<u>1,371,014</u>
Business-Type activities:				
Charges for services:				
Water and Sewage	2,878,205	3,520,548	3,555,939	3,454,006
Solid Waste	532,465	523,681	545,217	566,395
Capital grants and contributions	965,685	100,158	0	0
Total business-type activities program revenues	<u>4,376,355</u>	<u>4,144,387</u>	<u>4,101,156</u>	<u>4,020,401</u>
Total primary government program revenues	<u>\$ 5,635,932</u>	<u>\$ 5,082,376</u>	<u>\$ 5,180,493</u>	<u>\$ 5,391,415</u>

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 1,325,328	\$ 1,038,602	\$ 1,121,681	\$ 1,179,559	\$ 1,211,344	\$ 1,310,477
226,361	235,365	203,102	186,557	193,749	221,007
14,336	7,420	3,257	48,686	129,907	259,183
1,205,726	1,157,314	1,018,991	1,448,891	1,187,875	1,282,952
33,482	39,822	70,495	45,466	36,520	38,205
485,038	577,068	570,761	642,001	814,697	860,975
0	0	0	0	0	0
<u>3,290,271</u>	<u>3,055,591</u>	<u>2,988,287</u>	<u>3,551,160</u>	<u>3,574,092</u>	<u>3,972,799</u>
5,251,093	5,338,885	5,747,593	5,129,529	5,236,533	5,340,214
480,443	657,150	710,897	753,964	816,917	815,093
<u>5,731,536</u>	<u>5,996,035</u>	<u>6,458,490</u>	<u>5,883,493</u>	<u>6,053,450</u>	<u>6,155,307</u>
<u>\$ 9,021,807</u>	<u>\$ 9,051,626</u>	<u>\$ 9,446,777</u>	<u>\$ 9,434,653</u>	<u>\$ 9,627,542</u>	<u>\$ 10,128,106</u>
\$ 91,347	\$ 108,752	\$ 103,408	\$ 103,745	\$ 122,775	\$ 140,125
182,597	178,888	143,331	93,033	149,322	120,874
31,750	47,680	73,745	66,500	54,600	49,731
79,081	80,495	125,840	35,662	34,932	29,796
48,858	21,739	146,117	22,739	23,739	96,955
968,085	750,691	595,234	513,564	1,164,541	975,500
<u>1,401,718</u>	<u>1,188,245</u>	<u>1,187,675</u>	<u>835,243</u>	<u>1,549,909</u>	<u>1,412,981</u>
3,892,527	4,503,335	4,368,609	4,854,210	6,186,150	4,992,916
571,479	577,185	609,243	692,998	894,973	888,070
0	604	0	0	0	0
<u>4,464,006</u>	<u>5,081,124</u>	<u>4,977,852</u>	<u>5,547,208</u>	<u>7,081,123</u>	<u>5,880,986</u>
<u>\$ 5,865,724</u>	<u>\$ 6,269,369</u>	<u>\$ 6,165,527</u>	<u>\$ 6,382,451</u>	<u>\$ 8,631,032</u>	<u>\$ 7,293,967</u>

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

	Fiscal Year			
	2009	2010	2011	2012
Net (expense)/revenue				
Governmental activities	\$ (1,940,310)	\$ (1,895,254)	\$ (1,891,770)	\$ (1,617,721)
Business-type activities	1,743,189	(376,180)	(1,913,541)	(1,814,028)
Total primary government net (expense)/revenue	<u>(197,121)</u>	<u>(2,271,434)</u>	<u>(3,805,311)</u>	<u>(3,431,749)</u>
General revenues and other changes in net assets				
Governmental activities:				
Taxes				
Property	929,774	903,412	890,743	861,790
Local option sales	723,690	744,801	763,535	756,139
Franchise	493,335	460,629	478,013	505,998
Insurance premium	203,612	201,702	195,840	245,897
Intangibles	8,306	11,854	8,191	12,388
Alcoholic beverage	166,266	176,223	164,240	162,457
Occupational	126,506	110,811	115,560	111,636
Hotel/Motel and other	119,547	121,833	149,661	149,373
Investment earnings	50,981	41,210	10,755	9,773
Gain on sale of assets	67,352	0	0	0
Miscellaneous	47,647	47,543	53,442	46,030
Special items	0	0	0	0
Transfers	(618,569)	(801,224)	(284,292)	(1,384,292)
Total governmental activities	<u>2,318,447</u>	<u>2,018,794</u>	<u>2,545,688</u>	<u>1,477,189</u>
Business-type activities				
Investment earnings	29,226	22,442	67,471	135,030
Gain on sale of assets	12,521	0	0	0
Miscellaneous	17,659	2,514	5,006	4,390
Special items	0	0	0	(296,937)
Transfers	618,569	801,224	284,292	1,384,292
Total business-type activities	<u>677,975</u>	<u>826,180</u>	<u>356,769</u>	<u>1,226,775</u>
Total primary government	<u>2,996,422</u>	<u>2,844,974</u>	<u>2,902,457</u>	<u>2,703,964</u>
Change in net position				
Governmental activities	378,137	123,540	653,918	(140,532)
Business-type activities	2,421,164	450,000	(1,556,772)	(587,253)
Total primary government	<u>\$ 2,799,301</u>	<u>\$ 573,540</u>	<u>\$ (902,854)</u>	<u>\$ (727,785)</u>

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ (1,888,553)	\$ (1,867,346)	\$ (1,800,612)	\$ (2,715,917)	\$ (2,024,183)	\$ (2,559,818)
<u>(1,267,530)</u>	<u>(914,911)</u>	<u>(1,480,638)</u>	<u>(336,285)</u>	<u>1,027,673</u>	<u>(274,321)</u>
<u>(3,156,083)</u>	<u>(2,782,257)</u>	<u>(3,281,250)</u>	<u>(3,052,202)</u>	<u>(996,510)</u>	<u>(2,834,139)</u>
919,297	1,025,084	1,003,607	1,228,757	1,446,401	1,483,241
732,042	745,133	800,988	784,700	826,802	859,090
497,013	490,264	528,287	542,288	521,189	508,623
261,157	270,403	282,726	302,046	327,175	348,388
15,712	11,312	20,582	14,927	19,613	18,497
174,592	171,576	193,583	198,166	213,415	210,519
116,076	116,749	109,168	120,042	114,773	116,078
156,184	180,499	211,683	236,527	268,737	431,416
10,243	5,202	5,176	15,280	23,278	34,533
0	0	0	6,856	0	8,734
17,088	9,569	15,012	14,907	15,419	12,010
0	0	0	(25,150)	0	0
(824,292)	(619,388)	(597,532)	(276,823)	(1,471,564)	(512,450)
<u>2,075,112</u>	<u>2,406,403</u>	<u>2,573,280</u>	<u>3,162,523</u>	<u>2,305,238</u>	<u>3,518,679</u>
112,426	105,522	95,800	8,991	13,746	29,194
0	0	0	4,071	0	23,655
1,279	3,166	7,659	21,484	20,930	21,794
0	0	0	(71,044)	0	0
824,292	619,388	597,532	276,823	1,471,564	512,450
<u>937,997</u>	<u>728,076</u>	<u>700,991</u>	<u>240,325</u>	<u>1,506,240</u>	<u>587,093</u>
<u>3,013,109</u>	<u>3,134,479</u>	<u>3,274,271</u>	<u>3,402,848</u>	<u>3,811,478</u>	<u>4,105,772</u>
186,559	539,057	772,668	446,606	281,055	958,861
(329,533)	(186,835)	(779,647)	(95,960)	2,533,913	312,772
<u>\$ (142,974)</u>	<u>\$ 352,222</u>	<u>\$ (6,979)</u>	<u>\$ 350,646</u>	<u>\$ 2,814,968</u>	<u>\$ 1,271,633</u>

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
2009	\$ 929,774	\$ 8,306	\$ 493,335	\$ 126,506
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
Change 2009 - 2018	59.53%	122.69%	3.10%	-8.24%

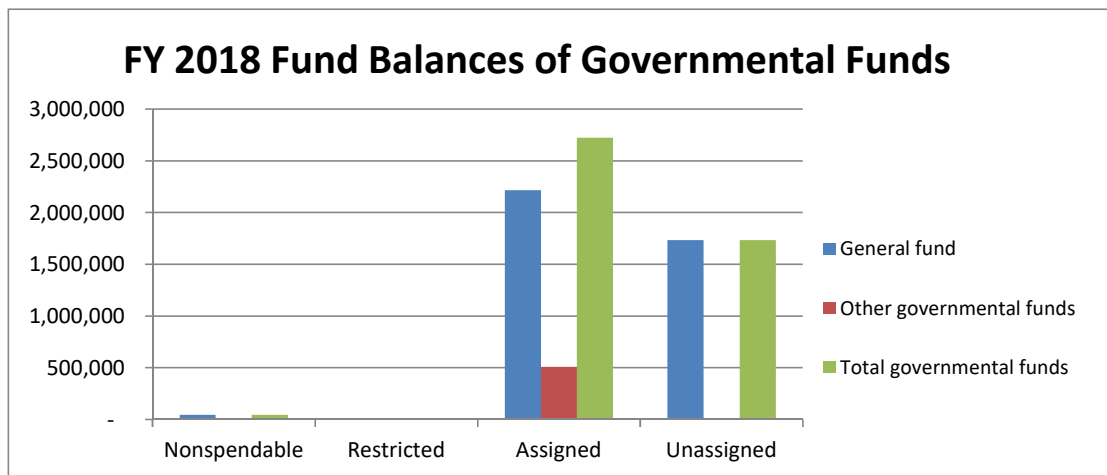
<u>Insurance Premium Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Hotel/Motel and Other Tax</u>	<u>Local Option Sales Tax</u>	<u>Total</u>
\$ 203,612	\$ 166,266	\$ 119,547	\$ 723,690	\$ 2,771,036
201,702	176,223	121,833	744,801	2,731,265
195,840	164,240	149,661	763,535	2,765,783
245,897	162,457	149,373	756,139	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
71.10%	26.62%	260.88%	18.71%	43.48%

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

	Fiscal Year			
	2009	2010	2011	2012 ⁽¹⁾
General fund				
Reserved	\$ 346,729	\$ 357,608	\$0	\$0
Unreserved	3,265,866	3,413,767	0	0
Nonspendable	0	0	72,242	82,918
Restricted	0	0	321,828	359,076
Assigned	0	0	2,134,368	1,798,609
Unassigned	0	0	1,196,824	1,265,550
Total general fund	<u>3,612,595</u>	<u>3,771,375</u>	<u>3,725,262</u>	<u>3,506,153</u>
All other governmental funds				
Unreserved, reported in:				
Special revenue funds	18,608	4,253	0	0
Capital project funds	165,993	259,819	0	0
Restricted	0	0	739,714	157,073
Assigned	0	0	104,942	179,431
Total all other governmental funds	<u>184,601</u>	<u>264,072</u>	<u>844,656</u>	<u>336,504</u>
Total governmental funds	<u>\$ 3,797,196</u>	<u>\$ 4,035,447</u>	<u>\$ 4,569,918</u>	<u>\$ 3,842,657</u>

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

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
75,731	66,009	56,447	63,366	77,552	43,855
365,590	5,197	5,225	5,241	5,264	5,295
1,972,372	1,029,371	750,000	1,226,128	1,521,597	2,216,867
826,346	2,309,948	2,996,915	2,858,457	2,586,085	1,736,233
<u>3,240,039</u>	<u>3,410,525</u>	<u>3,808,587</u>	<u>4,153,192</u>	<u>4,190,498</u>	<u>4,002,250</u>
0	0	0	0	0	0
0	0	0	0	0	0
93,492	247,161	443,472	855,515	561,544	0
301,557	436,454	402,844	328,193	901,343	507,826
<u>395,049</u>	<u>683,615</u>	<u>846,316</u>	<u>1,183,708</u>	<u>1,462,887</u>	<u>507,826</u>
<u>\$ 3,635,088</u>	<u>\$ 4,094,140</u>	<u>\$ 4,654,903</u>	<u>\$ 5,336,900</u>	<u>\$ 5,653,385</u>	<u>\$ 4,510,076</u>



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

	Fiscal Year			
	2009	2010	2011	2012
Revenues				
Taxes	\$ 2,750,812	\$ 2,752,538	\$ 2,764,816	\$ 2,810,422
Licenses and permits	111,484	113,675	130,755	97,404
Fines, fees and forfeitures	186,801	262,317	223,361	197,935
Charges for services	29,900	30,973	40,150	87,250
Intergovernmental	534,270	527,429	632,285	937,521
Interest	50,981	43,897	11,618	10,502
Contributions	747	908	51,923	50,175
Other	47,647	47,543	53,442	46,030
Total revenues	<u>3,712,642</u>	<u>3,779,280</u>	<u>3,908,350</u>	<u>4,237,239</u>
Expenditures				
General Government	1,342,371	1,001,586	997,408	1,023,206
Judicial	256,045	283,124	233,740	225,240
Public Safety	105,371	60,651	84,785	80,483
Public Works	782,237	770,852	1,091,728	1,286,270
Culture and Recreation	54,167	33,446	8,820	14,625
Housing and Development	518,510	500,446	538,476	637,982
Debt Service				
Principal	11,739	12,279	12,843	10,207
Interest	1,938	1,399	834	569
Capital outlay	0	76,022	120,953	301,626
Total expenditures	<u>3,072,378</u>	<u>2,739,805</u>	<u>3,089,587</u>	<u>3,580,208</u>
Excess of revenues over (under) expenditures	<u>640,264</u>	<u>1,039,475</u>	<u>818,763</u>	<u>657,031</u>
Other financing sources (uses)				
Transfers in	48,869	160,363	44,400	100,000
Transfers out	(667,438)	(961,587)	(328,692)	(1,484,292)
Issuance of capital leases	0	0	0	0
Sales of capital assets	494,532	0	0	0
Total other financing sources (uses)	<u>(124,037)</u>	<u>(801,224)</u>	<u>(284,292)</u>	<u>(1,384,292)</u>
Net change in fund balances	516,227	238,251	534,471	(727,261)
Fund balance, October 1 (original)	3,280,969	3,797,196	4,035,447	4,569,918
Prior period adjustments	0	0	0	0
Fund balance , September 30	<u>\$ 3,797,196</u>	<u>\$ 4,035,447</u>	<u>\$ 4,569,918</u>	<u>\$ 3,842,657</u>
Debt service as a percentage of noncapital expenditures	0.52%	0.51%	0.49%	0.40%

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 2,862,021	\$ 2,986,457	\$ 3,181,985	\$ 3,425,997	\$ 3,739,112	\$ 3,985,932
170,428	189,247	229,248	139,407	158,057	189,851
182,597	178,888	143,331	93,033	149,322	120,874
31,750	47,680	73,745	66,500	54,250	29,800
1,016,820	772,309	740,992	534,371	1,187,028	1,072,074
10,366	5,323	5,534	17,211	24,532	34,914
0	0	0	0	0	0
17,087	9,569	15,013	14,906	15,416	12,010
<u>4,291,069</u>	<u>4,189,473</u>	<u>4,389,848</u>	<u>4,291,425</u>	<u>5,327,717</u>	<u>5,445,455</u>
1,294,435	1,006,061	1,106,846	1,144,747	1,187,412	1,472,646
226,361	235,365	204,662	186,303	195,918	222,624
14,336	7,420	3,257	48,685	129,907	306,419
1,202,632	1,180,582	1,133,444	1,013,774	1,108,826	1,170,933
24,955	29,123	59,890	32,190	16,244	17,030
529,148	579,082	597,180	638,750	824,412	865,186
0	0	0	0	0	0
0	0	0	0	0	0
382,479	74,300	166,052	275,970	76,949	2,030,210
<u>3,674,346</u>	<u>3,111,933</u>	<u>3,271,331</u>	<u>3,340,419</u>	<u>3,539,668</u>	<u>6,085,048</u>
<u>616,723</u>	<u>1,077,540</u>	<u>1,118,517</u>	<u>951,006</u>	<u>1,788,049</u>	<u>(639,593)</u>
163,445	150,000	220,124	201,319	676,128	1,058,471
(987,737)	(769,388)	(817,656)	(478,142)	(2,147,692)	(1,570,921)
0	0	0	0	0	0
0	900	0	7,814	0	8,734
<u>(824,292)</u>	<u>(618,488)</u>	<u>(597,532)</u>	<u>(269,009)</u>	<u>(1,471,564)</u>	<u>(503,716)</u>
(207,569)	459,052	520,985	681,997	316,485	(1,143,309)
3,842,657	3,635,088	4,094,140	4,654,903	5,336,900	5,653,385
0	0	39,778	0	0	0
<u>\$ 3,635,088</u>	<u>\$ 4,094,140</u>	<u>\$ 4,654,903</u>	<u>\$ 5,336,900</u>	<u>\$ 5,653,385</u>	<u>\$ 4,510,076</u>
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
2009	\$ 917,856	\$ 8,306	\$ 493,335	\$ 126,506
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
Change 2009-2018	62.70%	122.69%	3.10%	-8.24%

<u>Insurance Premium Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Hotel/Motel and Other Tax</u>	<u>Local Option Sales Tax</u>	<u>Total</u>
\$ 203,612	\$ 166,266	\$ 119,547	\$ 723,690	\$ 2,759,118
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
71.10%	26.62%	260.88%	18.71%	44.46%

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

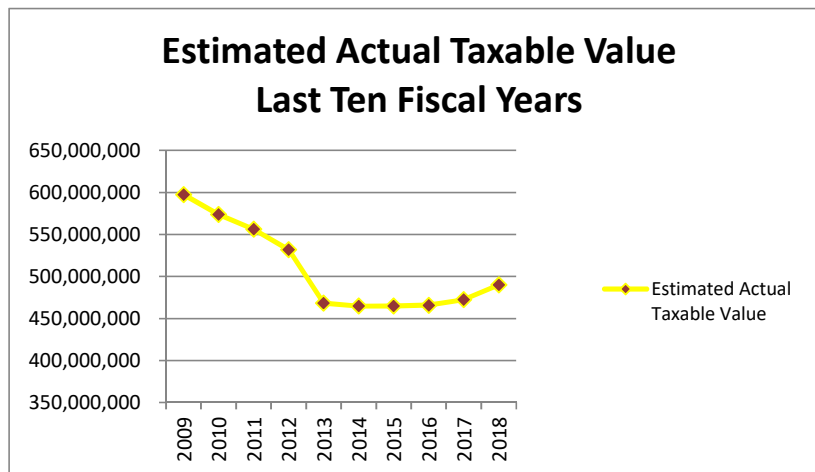
<u>Fiscal Year Ended September 30,</u>	<u>Personal Property</u>			
	<u>Real Property</u>	<u>Motor Vehicles</u>	<u>Mobile Homes</u>	<u>Heavy Equipment</u>
2009	\$ 236,400,584	\$ 5,429,330	\$ 447,042	\$0
2010	(1) 242,256,781	6,236,220	455,958	0
2011	236,054,887	5,564,160	455,631	0
2012	226,846,158	5,666,920	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

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.

Note (1): Exemptions Adjustments change due to local legislation passed.

<u>Exemption Adjustments</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ (3,359,688)	\$ 238,917,268	3.950	\$ 597,293,170	40%
(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%



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

		Overlapping Rates				
		City of Dahlonega	Lumpkin County Board of Education	Lumpkin County Board of Commissioners	State of Georgia	Total
Tax Year	Fiscal Year	Operating Millage	Operating Millage	Operating Millage	State Millage	Direct & Overlapping Rates
2007	2008	3.959	11.860	7.724	0.250	23.793
2008	2009	3.950	11.840	7.707	0.250	23.747
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	13.604	0.000	37.012

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					
	2018			2009		
	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)	12,987,314	1	6.63%	9,554,125	1	4.00%
Roberta A. Green, Trustee	5,415,500	2	2.76%			
Dahlonega Student Housing Partners LLC	4,050,056	3	2.07%			
Dahlonega Group LLC	3,263,423	4	1.67%	3,718,498	4	1.56%
Kingwood Dahlonega International Resort, LLC	3,173,028	5	1.62%			
Wal-Mart Stores East LP US02513 (Prior Yr Wal-Mart Stores East Inc. (Jacony Lindbergh Prop))	2,489,171	6	1.27%	2,436,050	10	1.02%
Georgia Power Company	2,300,934	7	1.17%	2,877,177	6	1.20%
Green, Roberta	1,988,657	8	1.01%			
Windstream Standard LLC (Prior Yr Windstream Standard Inc.)	1,786,683	9	0.91%	2,573,088	8	1.08%
Durall Capital Holdings LLC	1,629,031	10	0.83%			
Green, Serman & Roberta				8,849,164	2	3.70%
Milson Group				4,014,231	3	1.68%
Chestatee Holdings Co. LLC				3,619,041	5	1.51%
Birch River Chestatee Co. LLC				2,716,524	7	1.14%
Southern Health Corp of Dahlonega Inc				2,511,774	9	1.05%
Total	\$ 39,083,797		19.95%	\$ 42,869,672		17.94%

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
2009	\$ 943,723	\$ 878,664	93.11%	\$ 64,679	\$ 943,343	99.96%
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%	80,474	894,014	99.81%
2013	871,631	830,405	95.27%	38,554	868,959	99.69%
2014	880,653	800,559	90.91%	77,653	878,212	99.72%
2015	881,181	836,412	94.92%	31,541	867,953	98.50%
2016	1,076,757	1,048,092	97.34%	14,079	1,062,172	98.65%
2017	1,281,146	1,248,962	97.49%	8,878	1,257,839	98.18%
2018	1,291,037	1,204,934	93.33%		1,204,934	93.33%

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	2018			2017		
	Total	Rank	%	Total	Rank	%
	Distributed		of Total	Distributed		of Total
General	\$ 542,529	2	15.72%	\$ 527,857	2	16.04%
Food	517,006	3	14.98%	559,238	1	16.99%
Wholesale	201,019	8	5.83%	213,165	8	6.48%
Miscellaneous Services	413,357	4	11.98%	401,825	4	12.21%
Other Retail	615,404	1	17.84%	512,253	3	15.56%
Utilities	310,575	5	9.00%	297,162	5	9.03%
Automotive	76,187		2.21%	67,966	10	2.07%
Manufacturing	244,230	7	7.08%	237,664	6	7.22%
Home Furnishing	250,360	6	7.26%	231,915	7	7.05%
Miscellaneous	172,450	9	5.00%	117,982	9	3.58%
Accomodations	83,191	10	2.41%	74,142		2.25%
Construction	24,147		0.70%	49,943		1.52%
Lumber						
Apparel						
Total	<u>\$ 3,450,454</u>		<u>100%</u>	<u>\$ 3,291,112</u>		<u>100%</u>

Commodity	2013			2012		
	Total	Rank	%	Total	Rank	%
	Distributed		of Total	Distributed		of Total
General	\$ 577,872	1	19.72%	\$ 550,564	1	18.20%
Food	458,446	2	15.65%	403,961	3	13.35%
Wholesale	342,749	3	11.70%	299,778	5	9.91%
Miscellaneous Services	328,427	4	11.21%	297,345	6	9.83%
Other Retail	327,106	5	11.17%	340,327	4	11.25%
Utilities	312,642	6	10.67%	294,672	7	9.74%
Automotive	226,592	7	7.73%	455,830	2	15.07%
Manufacturing	152,410	8	5.20%	132,012	8	4.36%
Home Furnishing	98,441	9	3.36%	96,536	9	3.19%
Miscellaneous	39,579	10	1.35%	86,651	10	2.86%
Accomodations	49,098		1.68%	44,927		1.49%
Construction	16,296		0.56%	22,419		0.74%
Lumber						
Apparel						
Total	<u>\$ 2,929,658</u>		<u>100%</u>	<u>\$ 3,025,022</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.

2016			2015			2014		
Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
\$ 516,197	2	16.42%	\$ 634,995	1	19.89%	\$ 617,100	1	20.77%
561,315	1	17.86%	523,276	2	16.39%	482,820	2	16.25%
229,716	6	7.31%	345,227	5	10.81%	358,125	3	12.05%
377,541	4	12.01%	363,108	4	11.37%	343,710	4	11.57%
445,645	3	14.18%	382,538	3	11.98%	343,033	5	11.54%
323,143	5	10.28%	324,706	6	10.17%	320,193	6	10.78%
72,579	10	2.31%	65,570	10	2.05%	62,453	10	2.10%
218,679	7	6.96%	194,204	7	6.08%	146,938	8	4.94%
209,146	8	6.65%	181,828	8	5.69%	153,531	7	5.17%
93,828	9	2.98%	73,069	9	2.29%	74,632	9	2.51%
67,939		2.16%	58,005		1.82%	53,205		1.79%
27,721		0.88%	46,445		1.45%	15,715		0.53%
<hr/>			<hr/>			<hr/>		
<u>\$ 3,143,449</u>		<u>100%</u>	<u>\$ 3,192,971</u>		<u>100%</u>	<u>\$ 2,971,455</u>		<u>100%</u>

2011			2010			2009		
Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
\$ 586,756	1	17.72%	\$ 552,698	1	18.47%	\$ 632,180	1	21.49%
477,327	2	14.41%	433,504	2	14.49%	476,912	2	16.21%
368,513	5	11.13%	256,572	7	8.57%	82,060	9	2.79%
330,063	6	9.97%	306,114	5	10.23%	265,123	5	9.01%
386,448	4	11.67%	360,584	3	12.05%	229,255	7	7.79%
326,876	7	9.87%	298,788	6	9.98%	300,415	4	10.21%
422,388	3	12.75%	346,788	4	11.59%	355,432	3	12.08%
175,356	8	5.29%	223,067	8	7.45%	241,531	6	8.21%
114,015	9	3.44%	107,528	9	3.59%	164,990	8	5.61%
45,055		1.36%	34,203		1.14%	56,113		1.91%
53,216	10	1.61%	44,399	10	1.48%	29,790		1.01%
26,144		0.79%	28,377		0.95%	32,685		1.11%
						69,546	10	2.36%
						5,620		0.19%
<hr/>			<hr/>			<hr/>		
<u>\$ 3,312,157</u>		<u>100%</u>	<u>\$ 2,992,622</u>		<u>100%</u>	<u>\$ 2,941,650</u>		<u>100%</u>



CITY OF DAHLONEGA, GEORGIA
WATER & SEWAGE UTILITY TEN LARGEST SYSTEM CUSTOMERS
SEPTEMBER 30, 2018

<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>
University of North Georgia	University	\$ 483,186	\$ 407,671	\$ 890,857	18.26%
Koyo Bearings USA (formerly Timken USA Corp.)	Manufacturer - Automobile Parts	372,729	393,201	765,930	15.70%
Lumpkin County Board of Commissioners	Local Government	58,817	49,908	108,725	2.23%
The Bellamy	Apartment Complex	66,423	36,592	103,015	2.11%
Lumpkin County Board of Education	Local Government	51,876	39,460	91,336	1.87%
Gold City Nursing Home	Nursing Home	34,948	33,672	68,619	1.41%
Tyson's	Manufacturer - Poultry Processor	27,561	28,778	56,339	1.15%
Chestatee Medical Center	Hospital	25,719	24,201	49,920	1.02%
Camp Glisson	Not for Profit - Religious	44,876	-	44,876	0.92%
Holiday Inn Express	Hospitality - Hotel	22,617	21,270	43,887	0.90%
Total		<u>\$ 1,188,753</u>	<u>\$ 1,034,753</u>	<u>\$ 2,223,505</u>	<u>45.58%</u>
Total Water and Sewage sales:		<u><u>\$ 4,878,089</u></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			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Water & Sewage Bonds	Notes Payable	Capital Leases			
2009	\$0	\$ 35,328	\$ 26,383,926	\$ 12,114,383	\$ 84,875	\$ 38,618,512	5.31%	\$ 8,098
2010	0	23,050	25,886,883	11,466,004	53,155	37,429,092	4.90%	7,727
2011	0	10,207	25,619,558	10,852,312	19,985	36,502,062	4.70%	6,963
2012	0	0	25,257,068	10,211,833	2,711	35,471,612	4.43%	6,755
2013	0	0	24,799,334	9,544,352	0	34,343,686	4.15%	5,861
2014	0	0	24,236,446	8,848,926	0	33,085,372	3.89%	5,470
2015	0	0	27,626,388	5,532,414	0	33,158,802	3.69%	5,233
2016	0	0	26,908,189	5,412,450	0	32,320,639	3.41%	5,340
2017	0	0	26,259,989	6,031,983	0	32,291,972	3.29%	5,017
2018	0	0	25,591,789	6,571,807	0	32,163,596	3.10%	4,590

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.

CITY OF DAHLONEGA, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2018

<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	\$ -	100%	\$ -
Lumpkin County Board of Education	6,090,000	100%	<u>6,090,000</u>
Subtotal, overlapping debt			<u>6,090,000</u>
City of Dahlonega direct debt			<u>0</u>
Total direct and overlapping debt			<u><u>\$ 6,090,000</u></u>

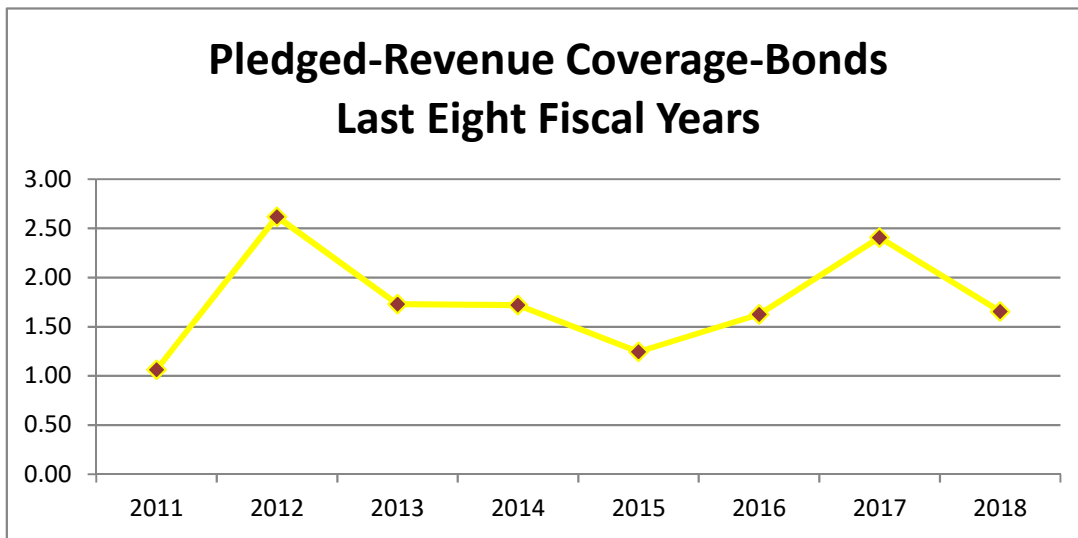
Source: Debt outstanding data per 12/31/2017 Lumpkin County CAFR and Lumpkin County Board of Education Annual Financial Report 06/30/2017.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City 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 EIGHT 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	\$ -
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	-
2016	956,336	1,669,788	8,800	2,634,924	1,620,310	-
2017	2,239,119	1,642,751	13,535	3,895,405	1,618,018	-
2018	926,365	1,725,280	29,194	2,680,839	1,619,418	-

*SPLOST Proceeds related to debt repayment included.



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	-	306,097	1,925,514	1.66	1.39

CITY OF DAHLONEGA, GEORGIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2009	2010	2011	2012
Debt Limit	\$ 23,891,727	\$ 22,947,713	\$ 22,238,706	\$ 21,266,164
Total net debt applicable to limit	0	0	0	0
Legal debt margin	<u>\$ 23,891,727</u>	<u>\$ 22,947,713</u>	<u>\$ 22,238,706</u>	<u>\$ 21,266,164</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						
2013	2014	2015	2016	2017	2018	
\$ 18,720,606	\$ 18,583,106	\$ 18,594,236	\$ 18,625,791	\$ 18,893,167	\$ 19,593,823	
0	0	0	0	0	0	
<u>\$ 18,720,606</u>	<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>	
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2018

Total Assessed value	\$ 195,938,232
Debt limit (10% of total assessed value) ⁽¹⁾	19,593,823
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>\$ 19,593,823</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)
2009	27,743	4,769	\$ 727,084	\$ 26,208	3,822	11.5%
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%

Source (a): Information was obtained from U.S. Department of Commerce and U.S. Census Bureau and www.bea.gov. This information for Lumpkin County as this information for City of Dahlonega was unavailable.

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>2018</u>			<u>2009</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	1,174	1	15.46%	758	1	6.95%
Lumpkin County Board of Education	591	2	7.78%	578	2	5.30%
Lumpkin County Board of Commissioners	277	3	3.65%	262	3	2.40%
Wal-Mart Super Center	270	5	3.56%	218	4	2.00%
Chestatee Regional Hospital	250	6	3.29%	140	6	1.28%
Koyo Bearings USA (formerly Timken USA Corp)	201	4	2.65%	175	5	1.61%
RefigiWear, Inc.	138	7	1.82%	90	7	0.83%
Gold City Community Living	107	8	1.41%			
Home Depot	103	9	1.36%	85	8	0.78%
GDC Enterprises, Inc. dba Wahoo Docks	98	10	1.29%			
The Louve Shop				80	9	0.73%
Poly Portables				80	10	0.73%
Total	<u>3,209</u>		<u>42.26%</u>	<u>2,466</u>		<u>22.61%</u>
Total Employment	<u>7,593</u>					

Source: 2018 information Lumpkin County Planning Department, City of Dahlonega Occupation Tax records, Lumpkin County Superintendent's office, UNG HR Department.

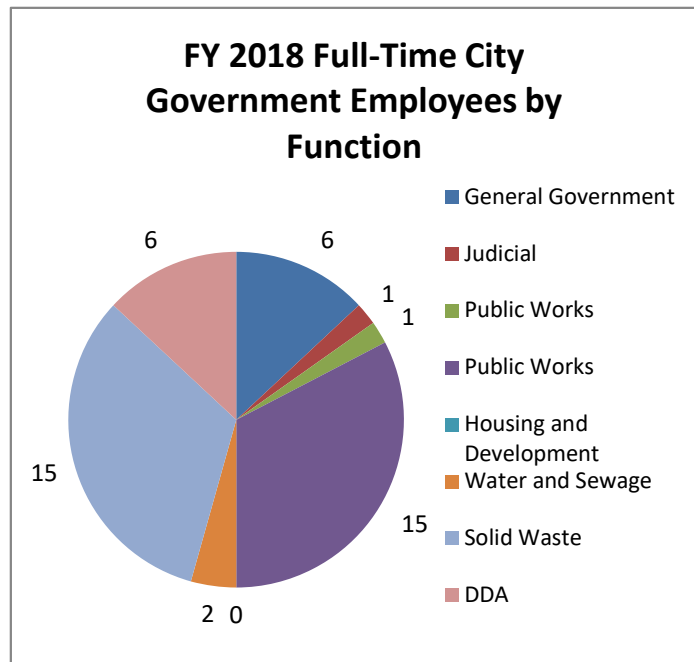
Note 1: 2009 information obtained from City of Dahlonega 2009 CAFR.

Note 2: Percentage of employment data in 2017 was based on information from U.S. Bureau of Labor Statistics of 7,593

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

Function	Full-time Employees as of September 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Primary government										
General Government	7	7	7	5	5	4	5	7	8	6
Judicial	1	0	0	0	0	0	0	1	1	1
Public Safety	0	0	0	0	0	0	0	0	0	1
Public Works	10	10	10	10	12	14	10	10	13	15
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	15	13	13	9	15	17	15	15
Solid Waste	5	5	5	5	5	6	8	8	8	6
Total primary government	40	39	39	35	37	35	40	45	47	46
Component unit										
Housing and Development Dahlonega Downtown Development Authority	1	1	1	1	1	1	1	2	2	2
Total employees	41	40	40	36	38	36	41	47	49	48

Source: City Payroll Records



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

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Number of accounts payable checks issued	3,011	3,418	2,698	2,409	2,307	2,302	2,825	3,077	2,955	2,761
Number of payroll checks issued*	2,567	2,430	2,524	2,209	2,267	1,341	1,342	1,380	1,665	1,753
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	37.8	40.0
Sanitation										
Refuse collected (tons)	3,253	3,161	3,089	3,073	3,098	3,243	3,208	3,027	3,336	3,441
Recyclables collected (tons)	91	114	112	129	125	97	159	190	143	216
Water System (MGD -Millions of Gallons per Day)										
Number of service connections	2,102	2,074	2,144	2,123	2,114	2,218	2,201	2,191	2,213	2,201
Daily average consumption in gallons	0.898	0.924	1.006	1.015	0.964	1.010	1.004	0.964	1.075	1.034
Sewer System (MGD -Millions of Gallons per Day)										
Number of service connections	1,402	1,383	1,462	1,443	1,432	1,522	1,528	1,519	1,545	1,541
Daily average treatment in gallons	0.488	0.619	0.631	0.750	0.768	0.934	0.641	0.675	0.681	0.711

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				
	2009	2010	2011	2012	2013
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	58	59	59	59
Number of fire hydrants	433	433	437	437	437
Number of water treatment plants	1	1	1	1	1
Number of operational wells	2	2	0	0	0
Maximum daily capacity of treatment plants in gallons	1.5 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				
2014	2015	2016	2017	2018
37.8	37.8	37.8	37.8	38.0
3	3	3	3	3
3.58	3.58	3.58	3.58	12.15
59	61	61	61	61
437	449	493	496	513
1	1	1	1	1
0	0	0	0	0
4.0 MGD	4.0 MGD	6.0 MGD	6.0 MGD	6.0 MGD
42	42	48	48	51.6
1	1	1	1	1
1.1 MGD	1.1 MGD	1.1 MGD	1.44 MGD	1.44 MGD
4	4	4	6	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, 2018, 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 25, 2019.

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 Dahlonega, 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 25, 2019

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, 2018

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<u>2014 SPLOST</u>					
Sewer Plant Upgrade and Related					
Sewer Line Replacements	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 1,782,099</u>	<u>\$ 545,735</u>	<u>\$ 2,327,834</u>

* 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.