

# Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2020

## Dahlonega, Georgia, USA



**SITE OF THE FIRST MAJOR US GOLD RUSH**



DAHLONEGA

L G H P EST. 1833

FIRST MAJOR U.S. GOLD RUSH



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# DAHLONEGA

GEORGIA, USA

CITY OF DAHLONEGA, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2020

SUBMITTED BY:

FINANCE DEPARTMENT



# INTRODUCTORY SECTION



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### INTRODUCTORY SECTION

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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, 2019

*Christopher P. Morill*

Executive Director/CEO



## ELECTED AND APPOINTED OFFICIALS

September 30, 2020

### ELECTED OFFICIALS

Mayor .....Sam Norton  
 Council Member – Post 1 .....Roman Gaddis  
 Council Member – Post 2 ...Helen Hardman  
 Council Member – Post 3 .....Mitchell Ridley  
 Council Member – Post 4 ..Johnny Ariemma  
 Council Member – Post 5 .....JoAnne Taylor  
 Council Member – Post 6 .....Ron Larson  
 Municipal Judge .....Hammond Law

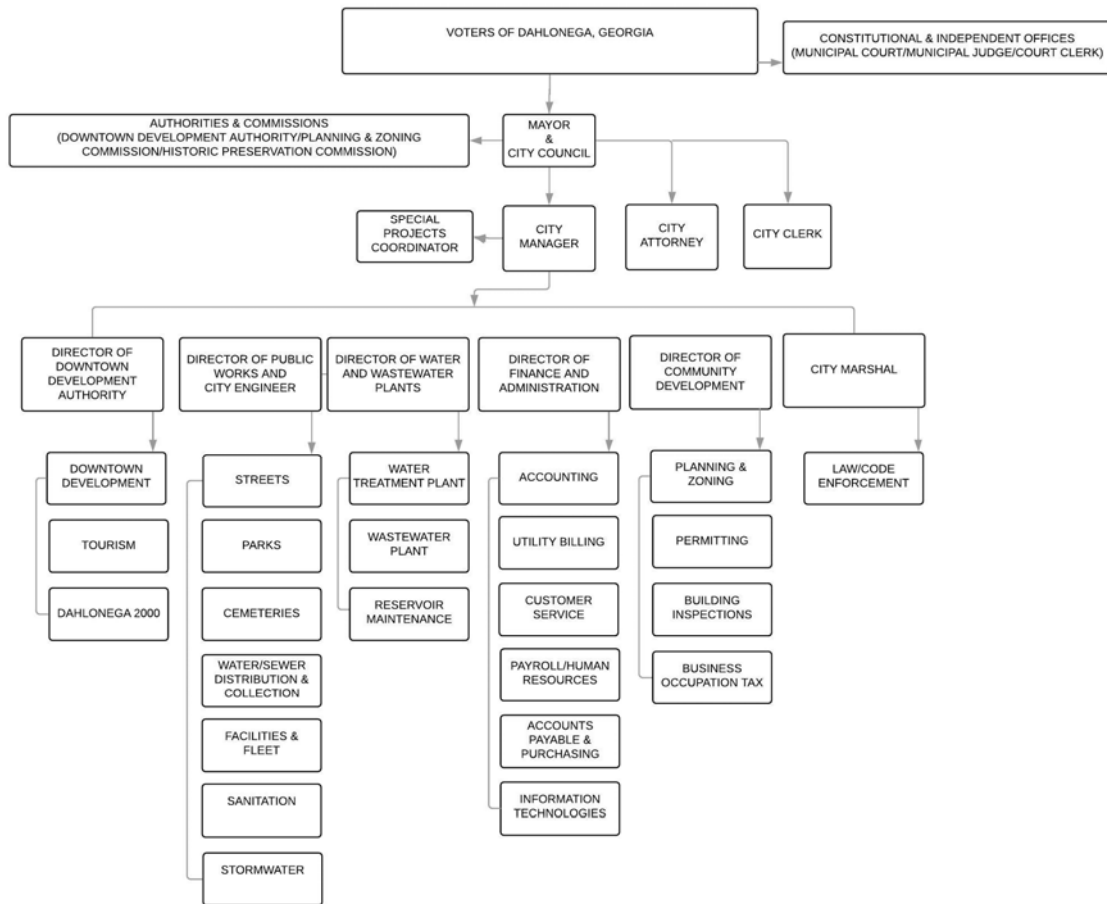
### APPOINTED OFFICIALS AND MANAGEMENT

City Manager .....Bill Schmid  
 City Attorney.....Doug Parks  
 City Clerk .....Mary Csukas  
 City Marshal .....Jeff Branyon  
 Public Works Director .....Mark Buchanan  
 W&S Plant Superintendent .....John Jarrard  
 Community Dev Director .....Kevin Herrit  
 DDA Director .....Shannon Ferguson  
 Finance Director .....Melody Marlowe



## CITY OF DAHLONEGA ORGANIZATION CHART

September 30, 2020





March 25, 2021

## 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, 2020 to the City Council, the Mayor and the citizens of Dahlonega. Georgia Code requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This is the eleventh Comprehensive Annual Financial Report published to fulfill that requirement.

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

Georgia Code requires an annual audit by independent certified public accountants. The City selected Rushton & Company, Certified Public Accountants to perform the annual independent financial statement audit for fiscal year 2020. The audit issued an unmodified opinion for the 2020 fiscal

year which is included within this document.

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

### PROFILE OF THE GOVERNMENT

The City of Dahlonega, the county seat of Lumpkin County, is located in the foothills of the Northeast Georgia Mountains, approximately 70 miles northeast of Atlanta. Dahlonega was incorporated December 21, 1833 and was the site of the first major gold rush in the United States. A US Branch Mint minted Half Eagle, Quarter Eagle, the Gold Dollar and the Three Dollar Gold Coin here between 1838 and 1861.

According to the US Bureau of the Census the estimated population of Dahlonega has grown from 4,844 (2010) to 6,884 (2020).

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

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

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

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

The City operates under a council-mayor form of government with a mayor and six council members. Each member serves a four-year term of office, and there are no limits on the number 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](http://www.northgeorgiafilm.org)), which was established in 2016 and is one of eight Georgia members of the Association of Film Commissioners International.

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

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

## LOCAL ECONOMY

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

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

The long-term decline in unemployment rates took a turn upward in 2020 due to the economic impact of the Coronavirus Pandemic, with unemployment rates climbing to 3.8% in 2020.

|      | Unemployment<br>(Lumpkin<br>County) | Building<br>Permits<br>(City) |
|------|-------------------------------------|-------------------------------|
| 2020 | 3.8%                                | 69                            |
| 2019 | 2.4%                                | 95                            |
| 2018 | 2.8%                                | 125                           |
| 2017 | 3.7%                                | 137                           |
| 2016 | 4.5%                                | 100                           |
| 2015 | 4.8%                                | 78                            |
| 2014 | 7.3%                                | 156                           |
| 2013 | 8.3%                                | 175                           |
| 2012 | 8.3%                                | 47                            |
| 2011 | 10.3%                               | 47                            |

The number of building permits issued is presented to show development trends. The housing and banking crisis led to a slowing of development within the City in 2011 and

2012, but quickly rebounded. While development slowed in 2020 due to the economic concerns during the Pandemic, of the 69 permits issued, 54 were issued for single family residences.

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 2020 was \$210 million - a 4.3% increase from the previous year.

Effected only temporarily by the Pandemic, major employers remain active in the community. A 25% expansion in downtown hotel rooms is anticipated with a 23-room expansion of a historic inn completed in 2020 and the new construction of a 75-room national flag opening in 2021.

## LONG-TERM FINANCIAL PLANNING

Unassigned fund balance in the General Fund is \$1,765,549 or 41.3 percent of the 2021 annual revenue budget. The City maintains these funds to provide cash flow throughout the year and as a buffer against unforeseen events.

## RELEVANT FINANCIAL POLICIES

The Council has adopted a comprehensive set of financial policies which guide and direct the Finance Department throughout the year. These policies address fund balances, the use of one-time revenues, issuance of debt, purchasing and procurement, cash and investment management, accounting practices, and water and sewer billing. These policies were designed to provide assurance that the City is able to meet its fiduciary responsibility to its citizens. The Council reviews and updates these policies on an ongoing basis.

## MAJOR INITIATIVES

Much attention is being placed on the City's infrastructure. In FY20, \$479,000 was spent on road improvements, and a total of \$920,000 was spent on water and sewer infrastructure improvements. The Capital Improvement Program includes plans for street repaving and other transportation improvement projects and many water and sewer line replacement projects. Due to the steep terrain that exists in much of our city, there is a need to address storm water issues, and storm drain improvements are included in the capital program.

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

A Transportation SPLOST (TSPLOST) was approved by voters, effective July 2020. First priority for use of these funds is participation in a joint project with Lumpkin County for an intersection improvement. Secondly, the funds will be spent on roads and bridges, sidewalks, and bicycle paths.

The City continues to place great importance on tourism. Our downtown and beautiful surroundings draw more and more visitors to Dahlonega each year. Downtown Dahlonega is one of the nation's foremost historic downtown centers. Today, tourists come to shop and dine in the celebrated town square, learn about the city's colorful history, try their hand at gold panning, and visit the area's local wineries. While impacted dramatically by the Pandemic, it was short-lived, and the City has recovered to pre-Pandemic levels.

Beginning in FY18, revenue from hotel/motel tax collections is being dedicated to tourism capital projects, including park development and recreation improvements. Most recently hotel/motel

funds coupled with TSPLOST collections are being used to leverage a State grant for the construction of Wimpy Mill Park and all-abilities kayak launch. The new park is planned for opening early 2021 at a cost of \$530,000.

The City's Five-Year Capital Improvements Program for General Government anticipates total capital spending of \$7.0 million. Over the five-year planning horizon, approximately \$5.1 million is anticipated to be spent on transportation projects including roads and bridges construction and improvements, sidewalk construction and improvements, and bicycle paths. A projected \$1.1 million is needed for City facilities, tourism projects are anticipated at \$485,000, and \$389,000 is planned for machinery and equipment.

The Water and Sewer Fund Capital Projects Budget anticipates roughly \$11 million in known needs over the five-year program. Much of this relates to replacement of older water and sewer lines, maintenance of our multiple pump stations, and upgrades in pipe size to serve growth in the University area.

The Solid Waste Enterprise Fund five-year capital program is established at \$230,000 for equipment replacements. The newly created Stormwater Utility fund anticipates spending \$2.1 million over the next five years on storm drain repair projects.

## AWARDS AND ACKNOWLEDGEMENTS

The City has submitted its last eleven 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 eleven years. To be awarded a Certificate of Achievement

the government has to publish an easily-readable and efficiently organized Financial Report 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 Comprehensive Annual Financial Report 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, 2020, 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 20 through 28 and 82 through 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dahlonega, Georgia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, the statistical section, the schedule of projects financed with special purpose local option sales tax and the schedule of projects financed with transportation special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of projects financed with transportation special purpose local option sales tax are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of projects financed with transportation special purpose local option sales tax are fairly stated in all material respects in relation to the financial statements as a whole.

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Dahlonega, Georgia's basic financial statements for the year ended September 30, 2019, which are not presented with the accompanying financial statements. In our report dated February 20, 2020, 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 2019 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 2019 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 2019 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2021, 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  
March 25, 2021

# FINANCIAL SECTION

## MANAGEMENT'S DISCUSSION AND ANALYSIS



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## September 30, 2020

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, 2020. We encourage readers to consider the information presented here in conjunction with the basic financial statements, accompanying notes to those financial statements, and the additional information that we have furnished in our letter of transmittal, which can be found in the beginning of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

### FINANCIAL HIGHLIGHTS

#### Government Wide Financial Statements

- At the close of the fiscal year, the assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$30,641,137. Of this, \$10,651,244 (34.8%) 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 \$14,130,311. This represents an increase of \$1,528,923 (12.1%) over the prior year net position balance for governmental activities.
- At the close of the fiscal year, the net position of the City's business-type activities was \$16,510,826. This represents an increase of \$355,045 (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 \$5,537,402, an increase of \$967,549

(21.2%) 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 \$1,765,549 or 58.5% of the governmental funds' combined ending fund balance.

- The General Fund had revenues of \$4,438,317 for the current fiscal year. Of this amount \$1,314,850 (29.6%) was from property taxes and \$1,124,693 (25.3%) was from sales taxes.

#### Debt Obligations

- The City did not have any long-term debt obligations from the governmental activities during fiscal year 2020.
- Long-term debt obligations from the business-type activities decreased by \$917,052 (-2.9%) from \$31,313,401 at September 30, 2018, to \$30,396,349 September 30, 2020.

### 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 30 through 32 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. In addition to these statements this report also presents a budgetary comparison schedule. This section is presented on a generally accepted accounting principle basis. This schedule is intended to demonstrate the government's compliance with legally adopted and amended budgets.

### **Governmental Funds**

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

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

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

### **Proprietary Funds**

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

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

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

### **Notes to the Financial Statements**

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

### **Other Information**

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

the required supplemental information. Combining and individual fund statements and schedules can be found on pages 90 through 91 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The City's fiscal year 2020 (FY2020) began strongly with a growing national, state and local economy. City government revenues and expenditures for operating and capital budgets were healthy. Mid-year COVID-19 reached Georgia and our community, and the City faced the unimaginable task of dealing with a Pandemic. City Council immediately took action by approving a revised FY2020 austerity budget, reflecting over \$2 million less in spending.

Anticipating significant economic impacts of the Pandemic, budgeted revenues were lowered substantially. The local economy is strongly driven by tourism and the presence of a major university. The implementation of shelter-in-place, social distancing, remote working, and other measures had a tremendous impact on both of these areas. Our downtown was shut down to tourists. Many University students left town with the closure of school facilities and the implementation of remote learning. Local school systems and major industries also halted operations.

To offset the expected decrease in revenue, cuts were made to most expense items. Non-essential items such as training and travel were removed from the budget. Capital spending was deferred where possible. While some vacant positions were held open, the City avoided employee layoffs, pay decreases, and furloughs. Only slight reliance on reserves was anticipated to balance the amended budget.

Due primarily to the Council's quick response to the economic downturn and adherence to the amended budget, the City closed FY2020 on a positive note. By



September 30, our downtown was opening back up, students had returned to town, and most businesses and industries were back to previous levels of operation.

The City's net position for governmental activities increased \$1,528,923, or 12.1%, during the year ending September 30, 2020. Net investment in capital assets increased \$643,674, restricted net position increased \$483,861, and unrestricted net position increased \$401,388. 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.

Revenues from grants increased from prior year amounts due primarily to federal funding received from the CARES Act in response to the Pandemic. A decline in property taxes is a result of a 9% decrease in the millage rate. A change in the State law related to taxation of internet sales more than offset the decline in revenue attributable to the Pandemic. Operating expenses increased 4.2%; however, transfers out for water and sewer infrastructure decreased as the previous SPLOST collections came to an end.

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

Net position for business-type activities increased \$355,045 or 2.2%. Restricted net position is presented at \$93,333. Unrestricted net position increased by \$117,368, or 1.9%. 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 increased by \$236,011, or 2.4%. The City uses these capital assets to provide services to the customers of the City; consequently, this net position is not available for future spending. This net position represents a capital investment in the business-type activities of the City.

The decrease in revenue from Charges for Services as a result of the Pandemic is the driver of the financial outcome for business-type activities. Water and sewer sales experienced an immediate drop mid-year: for reasons described earlier, water flows decreased as much as 30% for several months. At year-end, sales volume was just shy of pre-pandemic amounts. In anticipation of the revenue decrease, expenses were cut where possible.

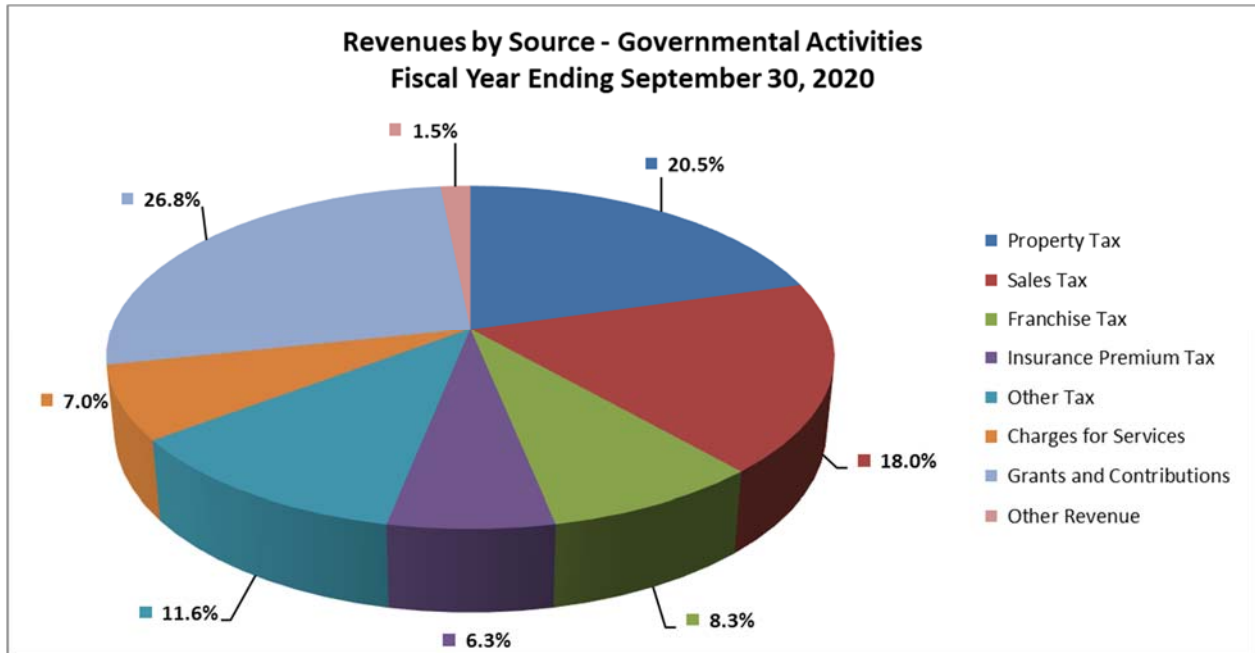
Following is a summary of the City's Statement of Net Position as found on pages 30 and 31 of this report.

|                                       | Governmental         |                      | Business-Type        |                      | Total                |                      |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                       | Activities           |                      | Activities           |                      |                      |                      |
|                                       | 2020                 | 2019                 | 2020                 | 2019                 | 2020                 | 2019                 |
| Current assets                        | \$ 5,764,850         | \$ 4,854,464         | \$ 7,111,943         | \$ 7,020,982         | \$ 12,876,793        | \$ 11,875,446        |
| Capital assets                        | 9,010,205            | 8,397,488            | 37,722,126           | 38,284,265           | 46,732,331           | 46,681,753           |
| <b>Total assets</b>                   | <u>14,775,055</u>    | <u>13,251,952</u>    | <u>44,834,069</u>    | <u>45,305,247</u>    | <u>59,609,124</u>    | <u>58,557,199</u>    |
| <b>Deferred outflows of resources</b> | <u>428,953</u>       | <u>330,200</u>       | <u>3,320,859</u>     | <u>3,371,398</u>     | <u>3,749,812</u>     | <u>3,701,598</u>     |
| Current liabilities                   | 292,605              | 323,029              | 1,377,968            | 1,470,854            | 1,670,573            | 1,793,883            |
| Noncurrent liabilities                | 696,293              | 454,942              | 30,169,112           | 30,855,177           | 30,865,405           | 31,310,119           |
| <b>Total liabilities</b>              | <u>988,898</u>       | <u>777,971</u>       | <u>31,547,080</u>    | <u>32,326,031</u>    | <u>32,535,978</u>    | <u>33,104,002</u>    |
| <b>Deferred inflows of resources</b>  | <u>84,799</u>        | <u>202,793</u>       | <u>97,022</u>        | <u>194,833</u>       | <u>181,821</u>       | <u>397,626</u>       |
| Net investment in capital assets      | 8,970,314            | 8,326,640            | 10,238,642           | 10,002,631           | 19,208,956           | 18,329,271           |
| Restricted                            | 687,604              | 203,743              | 93,333               | 91,667               | 780,937              | 295,410              |
| Unrestricted                          | <u>4,472,393</u>     | <u>4,071,005</u>     | <u>6,178,851</u>     | <u>6,061,483</u>     | <u>10,651,244</u>    | <u>10,132,488</u>    |
| <b>Total net position</b>             | <u>\$ 14,130,311</u> | <u>\$ 12,601,388</u> | <u>\$ 16,510,826</u> | <u>\$ 16,155,781</u> | <u>\$ 30,641,137</u> | <u>\$ 28,757,169</u> |

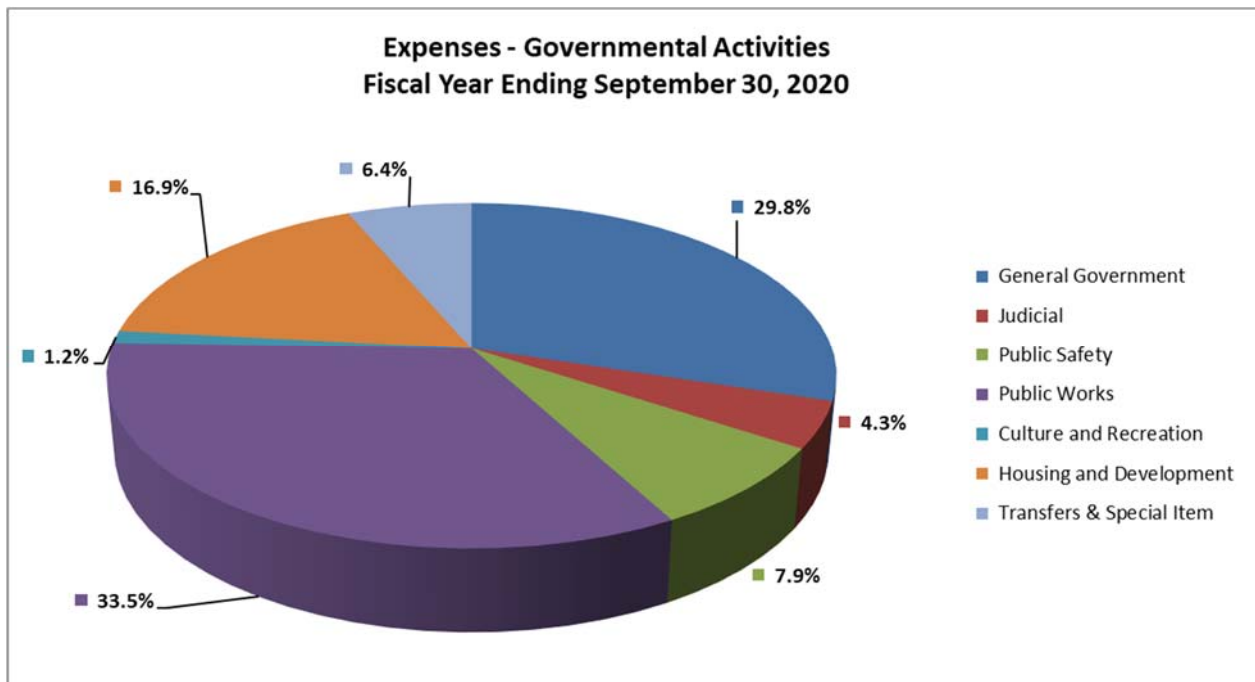
Following is a summary of the City's Statement of Activities as found on page 32 of this report.

| Revenues                                                        | Governmental<br>Activities |                      | Business-Type<br>Activities |                      | Total                |                      |
|-----------------------------------------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
|                                                                 | 2020                       | 2019                 | 2020                        | 2019                 | 2020                 | 2019                 |
| Program revenues:                                               |                            |                      |                             |                      |                      |                      |
| Charges for services                                            | \$ 435,041                 | \$ 512,497           | \$ 6,183,491                | \$ 6,730,977         | \$ 6,618,532         | \$ 7,243,474         |
| Operating grants and contributions                              | 139,538                    | 20,641               | 17,418                      | 0                    | 156,956              | 20,641               |
| Capital grants and contributions                                | 1,533,743                  | 1,077,368            | 0                           | 373,308              | 1,533,743            | 1,450,676            |
| General revenues:                                               |                            |                      |                             |                      |                      |                      |
| Property taxes                                                  | 1,275,664                  | 1,472,272            | 0                           | 0                    | 1,275,664            | 1,472,272            |
| Sales taxes                                                     | 1,124,693                  | 937,368              | 0                           | 0                    | 1,124,693            | 937,368              |
| Other taxes                                                     | 1,636,225                  | 1,716,390            | 0                           | 0                    | 1,636,225            | 1,716,390            |
| Interest and investment earnings                                | 44,621                     | 129,458              | 45,574                      | 125,283              | 90,195               | 254,741              |
| Miscellaneous revenue                                           | 52,090                     | 17,648               | -                           | 11,154               | 52,090               | 28,802               |
| <b>Total revenues</b>                                           | <b>6,241,615</b>           | <b>5,883,642</b>     | <b>6,246,483</b>            | <b>7,240,722</b>     | <b>12,488,098</b>    | <b>13,124,364</b>    |
| <b>Expenses</b>                                                 |                            |                      |                             |                      |                      |                      |
| General government                                              | 1,404,229                  | 1,306,925            | 0                           | 0                    | 1,404,229            | 1,306,925            |
| Judicial                                                        | 204,229                    | 211,279              | 0                           | 0                    | 204,229              | 211,279              |
| Public Safety                                                   | 370,003                    | 331,487              | 0                           | 0                    | 370,003              | 331,487              |
| Public Works                                                    | 1,576,422                  | 1,467,245            | 0                           | 0                    | 1,576,422            | 1,467,245            |
| Culture and Recreation                                          | 55,408                     | 43,632               | 0                           | 0                    | 55,408               | 43,632               |
| Housing and Development                                         | 794,127                    | 864,643              | 0                           | 0                    | 794,127              | 864,643              |
| Water and Sewage                                                | 0                          | 0                    | 5,342,261                   | 5,652,223            | 5,342,261            | 5,652,223            |
| Solid Waste                                                     | 0                          | 0                    | 857,451                     | 830,675              | 857,451              | 830,675              |
| <b>Total expenses</b>                                           | <b>4,404,418</b>           | <b>4,225,211</b>     | <b>6,199,712</b>            | <b>6,482,898</b>     | <b>10,604,130</b>    | <b>10,708,109</b>    |
| <b>Increase (decrease) in net position<br/>before transfers</b> | <b>1,837,197</b>           | <b>1,658,431</b>     | <b>46,771</b>               | <b>757,824</b>       | <b>1,883,968</b>     | <b>2,416,255</b>     |
| Transfers                                                       | (308,274)                  | (700,971)            | 308,274                     | 700,971              | 0                    | 0                    |
| <b>Increase (decrease) in net position</b>                      | <b>1,528,923</b>           | <b>957,460</b>       | <b>355,045</b>              | <b>1,458,795</b>     | <b>1,883,968</b>     | <b>2,416,255</b>     |
| <b>Net position - beginning</b>                                 | <b>12,601,388</b>          | <b>11,643,928</b>    | <b>16,155,781</b>           | <b>14,696,986</b>    | <b>28,757,169</b>    | <b>26,340,914</b>    |
| <b>Net position - ending</b>                                    | <b>\$ 14,130,311</b>       | <b>\$ 12,601,388</b> | <b>\$ 16,510,826</b>        | <b>\$ 16,155,781</b> | <b>\$ 30,641,137</b> | <b>\$ 28,757,169</b> |

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 \$5,537,402, with \$47,410 reported as nonspendable, \$687,604 reported as restricted, \$3,036,839 reported as assigned, and the remaining amount of \$1,765,549 reported as unassigned.

The General Fund is the operating fund of the City. The net change in the General Fund's fund balance for the year ended September 30, 2020 was a decrease of \$49,939, from \$3,065,993 to \$3,016,054. While the fund balance remains essentially unchanged, a lesser amount is assigned to the subsequent year's budget, leaving a larger amount as unassigned. The assignment to subsequent year's budget as of September 30, 2020, is \$553,095, to be spent on capital needs. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,765,549. 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 2020. Unassigned fund balance represents 47.4% of total General Fund expenditures.

The General Government Capital Projects Fund is used to account for the collection and expending of funds identified with capital projects. Fund balance increased from \$1,077,951 to \$1,412,250 and is assigned to capital outlay. Of this fund balance,

\$436,300 is assigned to recreation projects. The balance is assigned for various public works projects, including a paving and a pedestrian bridge construction.

The 2019 TSPLOST 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 21.0%. The SPLOST fund generated revenues of \$809,284 and the fund balance at September 30, 2020 was \$687,604, as the City transferred TSPLOST collections to fund transportation improvement projects.

### 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, 2020 was an increase before transfers of \$46,771 and after transfers an increase of \$355,045. The total net position for the Enterprise Funds at the beginning of the fiscal year was \$16,155,781 and net position at the end of the fiscal year was \$16,510,826.

## 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. A major amendment was approved mid-year by Council's adoption of a revised FY2020 austerity budget, reflecting over \$2 million less in spending in all funds. Total amendments to the General Fund Budget decreased revenues and other financing sources by \$322,611 and decreased expenditures and other financing uses by

\$356,991. The final budget reflected an anticipated \$904,568 use of prior fund balance with actual fund balance decreasing by \$49,939.

## CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

### Capital Assets

At September 30, 2020, the City reported \$46,732,331 in capital assets net of accumulated depreciation. This is an increase of \$50,578 or 0.1% over fiscal year 2019.

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

- Barlow Road Improvements \$241,257
- Street Paving \$176,245
- Financial Software \$176,151
- Dump Truck Replacement \$85,043

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

- Lift Station Rehabilitations \$877,982
- Service Truck \$69,523
- Reservoir Dredging \$57,210
- Meter Replacement Program \$59,492

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

### Long-Term Debt

At September 30, 2020, the City reported long-term debt of \$30,396,349 net of unamortized bond discounts. This is a decrease of \$917,052 or 2.9% under fiscal year 2019. Additional information about the City's long-term debt activity can be found in Notes 9-11 in the Notes to the Financial Statements beginning on page 65.

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

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

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

# FINANCIAL SECTION

## BASIC FINANCIAL STATEMENTS

**CITY OF DAHLONEGA, GEORGIA**  
**STATEMENT OF NET POSITION**  
**September 30, 2020**

|                                             | Primary Government         |                             |                   | Component Unit                       |
|---------------------------------------------|----------------------------|-----------------------------|-------------------|--------------------------------------|
|                                             | Governmental<br>Activities | Business-type<br>Activities | Total             | Downtown<br>Development<br>Authority |
| <b>ASSETS</b>                               |                            |                             |                   |                                      |
| <b>Current assets</b>                       |                            |                             |                   |                                      |
| Cash and cash equivalents                   | \$ 5,271,760               | \$ 5,348,676                | \$ 10,620,436     | \$ 409,676                           |
| Restricted assets                           |                            |                             |                   |                                      |
| Cash and cash equivalents                   | 0                          | 378,077                     | 378,077           | 0                                    |
| Receivables (net)                           |                            |                             |                   |                                      |
| Accounts                                    | 4,724                      | 890,564                     | 895,288           | 0                                    |
| Taxes                                       | 194,919                    | 0                           | 194,919           | 0                                    |
| Fines                                       | 53,914                     | 0                           | 53,914            | 0                                    |
| Intergovernmental                           | 314,167                    | 0                           | 314,167           | 0                                    |
| Inventory                                   | 0                          | 158,379                     | 158,379           | 0                                    |
| Prepaid items                               | 47,410                     | 214,203                     | 261,613           | 3,249                                |
| Internal balances                           | (122,044)                  | 122,044                     | 0                 | 0                                    |
|                                             | <u>5,764,850</u>           | <u>7,111,943</u>            | <u>12,876,793</u> | <u>412,925</u>                       |
| Total current assets                        |                            |                             |                   |                                      |
| <b>Noncurrent assets</b>                    |                            |                             |                   |                                      |
| Capital assets                              |                            |                             |                   |                                      |
| Non-depreciable                             | 2,490,683                  | 3,478,730                   | 5,969,413         | 0                                    |
| Depreciable (net)                           | 6,519,522                  | 34,243,396                  | 40,762,918        | 0                                    |
|                                             | <u>9,010,205</u>           | <u>37,722,126</u>           | <u>46,732,331</u> | <u>0</u>                             |
| Total noncurrent assets                     |                            |                             |                   |                                      |
| <b>Total assets</b>                         | <u>14,775,055</u>          | <u>44,834,069</u>           | <u>59,609,124</u> | <u>412,925</u>                       |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                            |                             |                   |                                      |
| Deferred outflows of resources - pension    | 428,953                    | 407,995                     | 836,948           | 40,416                               |
| Deferred charges on refunding               | 0                          | 2,912,864                   | 2,912,864         | 0                                    |
|                                             | <u>428,953</u>             | <u>3,320,859</u>            | <u>3,749,812</u>  | <u>40,416</u>                        |
| <b>Total deferred outflows of resources</b> |                            |                             |                   |                                      |
| <b>LIABILITIES</b>                          |                            |                             |                   |                                      |
| <b>Current liabilities</b>                  |                            |                             |                   |                                      |
| Payables                                    |                            |                             |                   |                                      |
| Accounts                                    | 119,843                    | 55,987                      | 175,830           | 6,050                                |
| Intergovernmental                           | 7,757                      | 3,910                       | 11,667            | 0                                    |
| Deposits                                    | 1,235                      | 0                           | 1,235             | 0                                    |
| Interest                                    | 0                          | 116                         | 116               | 0                                    |
| Accrued payroll liabilities                 | 80,670                     | 51,435                      | 132,105           | 6,322                                |
| Compensated absences                        | 83,100                     | 68,741                      | 151,841           | 0                                    |
| Notes payable                               | 0                          | 182,629                     | 182,629           | 0                                    |
| Capital leases payable                      | 0                          | 30,406                      | 30,406            | 0                                    |
| Liabilities payable from restricted assets  |                            |                             |                   |                                      |
| Interest payable                            | 0                          | 76,102                      | 76,102            | 0                                    |
| Customer deposits payable                   | 0                          | 208,642                     | 208,642           | 0                                    |
| Revenue bonds payable                       | 0                          | 700,000                     | 700,000           | 0                                    |
|                                             | <u>292,605</u>             | <u>1,377,968</u>            | <u>1,670,573</u>  | <u>12,372</u>                        |
| Total current liabilities                   |                            |                             |                   |                                      |



**CITY OF DAHLONEGA, GEORGIA**  
**STATEMENT OF NET POSITION**  
**September 30, 2020**

|                                         | Primary Government         |                             |                      | Component Unit                       |
|-----------------------------------------|----------------------------|-----------------------------|----------------------|--------------------------------------|
|                                         | Governmental<br>Activities | Business-type<br>Activities | Total                | Downtown<br>Development<br>Authority |
| <b>Noncurrent liabilities</b>           |                            |                             |                      |                                      |
| Net pension liability                   | \$ 674,201                 | \$ 667,526                  | \$ 1,341,727         | \$ 63,832                            |
| Compensated absences                    | 22,092                     | 18,273                      | 40,365               | 0                                    |
| Notes payable                           | 0                          | 5,920,278                   | 5,920,278            | 0                                    |
| Capital leases payable                  | 0                          | 67,645                      | 67,645               | 0                                    |
| Revenue bonds payable                   | 0                          | 23,495,390                  | 23,495,390           | 0                                    |
|                                         | <hr/>                      | <hr/>                       | <hr/>                | <hr/>                                |
| Total noncurrent liabilities            | 696,293                    | 30,169,112                  | 30,865,405           | 63,832                               |
|                                         | <hr/>                      | <hr/>                       | <hr/>                | <hr/>                                |
| <b>Total liabilities</b>                | 988,898                    | 31,547,080                  | 32,535,978           | 76,204                               |
|                                         | <hr/>                      | <hr/>                       | <hr/>                | <hr/>                                |
| <b>DEFERRED INFLOWS OF RESOURCES</b>    |                            |                             |                      |                                      |
| Deferred inflows of resources - pension | 84,799                     | 97,022                      | 181,821              | 8,425                                |
|                                         | <hr/>                      | <hr/>                       | <hr/>                | <hr/>                                |
| <b>NET POSITION</b>                     |                            |                             |                      |                                      |
| Net investment in capital assets        | 8,970,314                  | 10,238,642                  | 19,208,956           | 0                                    |
| Restricted for:                         |                            |                             |                      |                                      |
| Debt service                            | 0                          | 93,333                      | 93,333               | 0                                    |
| Capital outlay                          | 687,604                    | 0                           | 687,604              | 0                                    |
| Unrestricted                            | 4,472,393                  | 6,178,851                   | 10,651,244           | 368,712                              |
|                                         | <hr/>                      | <hr/>                       | <hr/>                | <hr/>                                |
| <b>Total net position</b>               | <u>\$ 14,130,311</u>       | <u>\$ 16,510,826</u>        | <u>\$ 30,641,137</u> | <u>\$ 368,712</u>                    |

# CITY OF DAHLONEGA, GEORGIA

## STATEMENT OF ACTIVITIES

For the fiscal year ended September 30, 2020

| FUNCTIONS/PROGRAMS                   | Expenses          | Indirect Costs       | Program Revenues               |                                    |                                  | Net (Expense) Revenue |
|--------------------------------------|-------------------|----------------------|--------------------------------|------------------------------------|----------------------------------|-----------------------|
|                                      |                   |                      | Charges for Services           | Operating Grants and Contributions | Capital Grants and Contributions |                       |
| <b>Primary government</b>            |                   |                      |                                |                                    |                                  |                       |
| Governmental activities              |                   |                      |                                |                                    |                                  |                       |
| General Government                   | \$ 1,471,729      | \$ (67,500)          | \$ 177,865                     | \$ 0                               | \$ 0                             | \$ (1,226,364)        |
| Judicial                             | 204,229           | 0                    | 165,069                        | 0                                  | 0                                | (39,160)              |
| Public Safety                        | 370,003           | 0                    | 0                              | 118,910                            | 0                                | (251,093)             |
| Public Works                         | 1,576,422         | 0                    | 32,900                         | 20,628                             | 1,533,743                        | 10,849                |
| Culture and Recreation               | 55,408            | 0                    | 0                              | 0                                  | 0                                | (55,408)              |
| Housing and Development              | 794,127           | 0                    | 59,207                         | 0                                  | 0                                | (734,920)             |
| Total governmental activities        | <u>4,471,918</u>  | <u>(67,500)</u>      | <u>435,041</u>                 | <u>139,538</u>                     | <u>1,533,743</u>                 | <u>(2,296,096)</u>    |
| Business-type activities             |                   |                      |                                |                                    |                                  |                       |
| Water and Sewage                     | 5,274,761         | 67,500               | 5,247,553                      | 12,863                             | 0                                | (81,845)              |
| Solid Waste                          | 857,451           | 0                    | 935,938                        | 4,555                              | 0                                | 83,042                |
| Total business-type activities       | <u>6,132,212</u>  | <u>67,500</u>        | <u>6,183,491</u>               | <u>17,418</u>                      | <u>0</u>                         | <u>1,197</u>          |
| Total primary government             | <u>10,604,130</u> | <u>0</u>             | <u>6,618,532</u>               | <u>156,956</u>                     | <u>1,533,743</u>                 | <u>(2,294,899)</u>    |
| <b>Component Unit</b>                |                   |                      |                                |                                    |                                  |                       |
| Downtown Development Authority       |                   |                      |                                |                                    |                                  |                       |
| Housing and Development              | <u>309,692</u>    | <u>0</u>             | <u>0</u>                       | <u>1,440</u>                       | <u>0</u>                         | <u>(308,252)</u>      |
| <b>Primary Government</b>            |                   |                      |                                |                                    |                                  |                       |
|                                      |                   |                      | <b>Governmental Activities</b> | <b>Business-Type Activities</b>    | <b>Total</b>                     | <b>Component Unit</b> |
| <b>Change in net position</b>        |                   |                      |                                |                                    |                                  |                       |
| Net (expense) revenue                |                   |                      | \$ (2,296,096)                 | \$ 1,197                           | \$ (2,294,899)                   | \$ (308,252)          |
| General revenues                     |                   |                      |                                |                                    |                                  |                       |
| Taxes                                |                   |                      |                                |                                    |                                  |                       |
| Property                             |                   | 1,275,664            | 0                              | 1,275,664                          | 0                                | 0                     |
| Sales                                |                   | 1,124,693            | 0                              | 1,124,693                          | 0                                | 0                     |
| Franchise                            |                   | 518,960              | 0                              | 518,960                            | 0                                | 0                     |
| Insurance premium                    |                   | 395,901              | 0                              | 395,901                            | 0                                | 0                     |
| Intangibles                          |                   | 29,092               | 0                              | 29,092                             | 0                                | 0                     |
| Alcoholic beverage                   |                   | 201,536              | 0                              | 201,536                            | 0                                | 0                     |
| Occupational                         |                   | 130,538              | 0                              | 130,538                            | 0                                | 0                     |
| Hotel/Motel                          |                   | 351,774              | 0                              | 351,774                            | 0                                | 0                     |
| Other                                |                   | 8,424                | 0                              | 8,424                              | 0                                | 0                     |
| Payments from City of Dahlonega      |                   | 0                    | 0                              | 0                                  | 281,019                          | 0                     |
| Investment income (loss)             |                   | 44,621               | 45,574                         | 90,195                             | 0                                | 0                     |
| Miscellaneous                        |                   | 52,090               | 0                              | 52,090                             | 1,860                            | 0                     |
| Transfers                            |                   | (308,274)            | 308,274                        | 0                                  | 0                                | 0                     |
| Total general revenues and transfers |                   | <u>3,825,019</u>     | <u>353,848</u>                 | <u>4,178,867</u>                   | <u>282,879</u>                   |                       |
| Change in net position               |                   | 1,528,923            | 355,045                        | 1,883,968                          | (25,373)                         |                       |
| Net position - beginning             |                   | <u>12,601,388</u>    | <u>16,155,781</u>              | <u>28,757,169</u>                  | <u>394,085</u>                   |                       |
| Net position - ending                |                   | <u>\$ 14,130,311</u> | <u>\$ 16,510,826</u>           | <u>\$ 30,641,137</u>               | <u>\$ 368,712</u>                |                       |

**CITY OF DAHLONEGA, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2020**

|                                                                                | <u>General</u>      | <u>General<br/>Government<br/>Capital<br/>Projects</u> | <u>2019<br/>TSPLOST</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Totals</u>       |
|--------------------------------------------------------------------------------|---------------------|--------------------------------------------------------|-------------------------|--------------------------------------------|---------------------|
| <b>ASSETS</b>                                                                  |                     |                                                        |                         |                                            |                     |
| Cash and cash equivalents                                                      | \$ 2,898,859        | \$ 1,317,027                                           | \$ 536,060              | \$ 519,814                                 | \$ 5,271,760        |
| Receivables (net)                                                              |                     |                                                        |                         |                                            |                     |
| Accounts                                                                       | 4,724               | 0                                                      | 0                       | 0                                          | 4,724               |
| Taxes                                                                          | 154,511             | 0                                                      | 0                       | 40,408                                     | 194,919             |
| Fines                                                                          | 53,914              | 0                                                      | 0                       | 0                                          | 53,914              |
| Intergovernmental                                                              | 3,536               | 0                                                      | 151,544                 | 159,087                                    | 314,167             |
| Due from other funds                                                           | 19,575              | 113,415                                                | 0                       | 113,415                                    | 246,405             |
| Prepaid items                                                                  | 47,410              | 0                                                      | 0                       | 0                                          | 47,410              |
| <b>Total assets</b>                                                            | <b>\$ 3,182,529</b> | <b>\$ 1,430,442</b>                                    | <b>\$ 687,604</b>       | <b>\$ 832,724</b>                          | <b>\$ 6,133,299</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b>       |                     |                                                        |                         |                                            |                     |
| <b>Liabilities</b>                                                             |                     |                                                        |                         |                                            |                     |
| Payables                                                                       |                     |                                                        |                         |                                            |                     |
| Accounts                                                                       | \$ 58,870           | \$ 18,192                                              | \$ 0                    | \$ 42,781                                  | \$ 119,843          |
| Intergovernmental                                                              | 7,757               | 0                                                      | 0                       | 0                                          | 7,757               |
| Accrued salaries and payroll expenditures                                      | 80,670              | 0                                                      | 0                       | 0                                          | 80,670              |
| Deposits                                                                       | 1,235               | 0                                                      | 0                       | 0                                          | 1,235               |
| Due to other funds                                                             | 0                   | 0                                                      | 0                       | 368,449                                    | 368,449             |
| <b>Total liabilities</b>                                                       | <b>148,532</b>      | <b>18,192</b>                                          | <b>0</b>                | <b>411,230</b>                             | <b>577,954</b>      |
| <b>Deferred inflows of resources</b>                                           |                     |                                                        |                         |                                            |                     |
| Unavailable revenue - property taxes                                           | 17,943              | 0                                                      | 0                       | 0                                          | 17,943              |
| <b>Fund balances</b>                                                           |                     |                                                        |                         |                                            |                     |
| Nonspendable prepaid items                                                     | 47,410              | 0                                                      | 0                       | 0                                          | 47,410              |
| Restricted for capital outlay                                                  | 0                   | 0                                                      | 687,604                 | 0                                          | 687,604             |
| Assigned to:                                                                   |                     |                                                        |                         |                                            |                     |
| Capital outlay                                                                 | 0                   | 1,412,250                                              | 0                       | 421,494                                    | 1,833,744           |
| City Hall construction                                                         | 650,000             | 0                                                      | 0                       | 0                                          | 650,000             |
| Subsequent year's budget                                                       | 553,095             | 0                                                      | 0                       | 0                                          | 553,095             |
| Unassigned                                                                     | 1,765,549           | 0                                                      | 0                       | 0                                          | 1,765,549           |
| <b>Total fund balances</b>                                                     | <b>3,016,054</b>    | <b>1,412,250</b>                                       | <b>687,604</b>          | <b>421,494</b>                             | <b>5,537,402</b>    |
| <b>Total liabilities, deferred inflows of<br/>resources, and fund balances</b> | <b>\$ 3,182,529</b> | <b>\$ 1,430,442</b>                                    | <b>\$ 687,604</b>       | <b>\$ 832,724</b>                          | <b>\$ 6,133,299</b> |

**CITY OF DAHLONEGA, GEORGIA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
**September 30, 2020**

|                                                                                                                                                                                                |           |                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------|
| <b>Total fund balance - total governmental funds</b>                                                                                                                                           | <b>\$</b> | <b>5,537,402</b>         |
| Amounts reported for governmental activities in the statement of net position are different because:                                                                                           |           |                          |
| Capital assets of \$13,545,748, net of accumulated depreciation of (\$4,535,543), are not financial resources and, therefore, are not reported in the funds.                                   |           | 9,010,205                |
| Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the funds. These include unavailable property taxes.                       |           | 17,943                   |
| Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.                                                             |           | 428,953                  |
| Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.                                                              |           | (84,799)                 |
| Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are compensated absences of (\$105,192) and net pension liability of (\$674,201). |           | <u>(779,393)</u>         |
| Net position of governmental activities                                                                                                                                                        | <b>\$</b> | <b><u>14,130,311</u></b> |

**CITY OF DAHLONEGA, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the fiscal year ended September 30, 2020**

|                                                              | General             | General<br>Government<br>Capital<br>Projects | 2019<br>TSPLOST   | Nonmajor<br>Governmental<br>Funds | Totals              |
|--------------------------------------------------------------|---------------------|----------------------------------------------|-------------------|-----------------------------------|---------------------|
| <b>REVENUES</b>                                              |                     |                                              |                   |                                   |                     |
| Taxes                                                        | \$ 3,694,902        | \$ 0                                         | \$ 0              | \$ 351,774                        | \$ 4,046,676        |
| Licenses and permits                                         | 237,472             | 0                                            | 0                 | 0                                 | 237,472             |
| Fines, fees and forfeitures                                  | 165,069             | 0                                            | 0                 | 0                                 | 165,069             |
| Charges for services                                         | 92,125              | 7,876                                        | 0                 | 0                                 | 100,001             |
| Intergovernmental                                            | 152,038             | 0                                            | 807,606           | 711,144                           | 1,670,788           |
| Interest                                                     | 44,621              | 0                                            | 1,678             | 814                               | 47,113              |
| Other                                                        | 52,090              | 0                                            | 0                 | 0                                 | 52,090              |
| <b>Total revenues</b>                                        | <b>4,438,317</b>    | <b>7,876</b>                                 | <b>809,284</b>    | <b>1,063,732</b>                  | <b>6,319,209</b>    |
| <b>EXPENDITURES</b>                                          |                     |                                              |                   |                                   |                     |
| Current                                                      |                     |                                              |                   |                                   |                     |
| General Government                                           | 1,379,223           | 0                                            | 0                 | 0                                 | 1,379,223           |
| Judicial                                                     | 202,835             | 0                                            | 0                 | 0                                 | 202,835             |
| Public Safety                                                | 345,144             | 0                                            | 0                 | 0                                 | 345,144             |
| Public Works                                                 | 1,236,441           | 0                                            | 0                 | 0                                 | 1,236,441           |
| Culture and Recreation                                       | 27,878              | 0                                            | 0                 | 0                                 | 27,878              |
| Housing and Development                                      | 535,092             | 0                                            | 0                 | 250,000                           | 785,092             |
| Capital outlay                                               | 0                   | 584,216                                      | 0                 | 482,557                           | 1,066,773           |
| <b>Total expenditures</b>                                    | <b>3,726,613</b>    | <b>584,216</b>                               | <b>0</b>          | <b>732,557</b>                    | <b>5,043,386</b>    |
| Excess (deficiency) of revenues<br>over (under) expenditures | 711,704             | (576,340)                                    | 809,284           | 331,175                           | 1,275,823           |
| Other financing sources (uses)                               |                     |                                              |                   |                                   |                     |
| Transfers in                                                 | 10,553              | 934,166                                      | 0                 | 499,610                           | 1,444,329           |
| Transfers out                                                | (772,196)           | (23,527)                                     | (320,002)         | (636,878)                         | (1,752,603)         |
| Total other financing sources (uses)                         | (761,643)           | 910,639                                      | (320,002)         | (137,268)                         | (308,274)           |
| Net change in fund balances                                  | (49,939)            | 334,299                                      | 489,282           | 193,907                           | 967,549             |
| Fund balances, October 1                                     | 3,065,993           | 1,077,951                                    | 198,322           | 227,587                           | 4,569,853           |
| <b>Fund balances, September 30</b>                           | <b>\$ 3,016,054</b> | <b>\$ 1,412,250</b>                          | <b>\$ 687,604</b> | <b>\$ 421,494</b>                 | <b>\$ 5,537,402</b> |

**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, 2020**

**Net change in fund balances - total governmental funds** \$ 967,549

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.

|                 |                  |         |
|-----------------|------------------|---------|
| Capital outlays | \$ 1,080,836     |         |
| Depreciation    | <u>(468,119)</u> | 612,717 |

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. (10,094)

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.

|                                                       |                  |          |
|-------------------------------------------------------|------------------|----------|
| Pension contributions                                 | \$ 184,592       |          |
| Cost of benefits earned net of employee contributions | <u>(204,768)</u> | (20,176) |

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. (21,073)

|                                                   |                            |
|---------------------------------------------------|----------------------------|
| Change in net position of governmental activities | <u><u>\$ 1,528,923</u></u> |
|---------------------------------------------------|----------------------------|

**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, 2020**

|                                                                                                                | Budget           |                  | Actual              | Variance with       |
|----------------------------------------------------------------------------------------------------------------|------------------|------------------|---------------------|---------------------|
|                                                                                                                | Original         | Final            |                     | Final<br>Budget     |
| <b>REVENUES</b>                                                                                                |                  |                  |                     |                     |
| Taxes                                                                                                          | \$ 3,592,341     | \$ 3,243,238     | \$ 3,694,902        | \$ 451,664          |
| Licenses and permits                                                                                           | 168,000          | 193,185          | 237,472             | 44,287              |
| Fines, fees and forfeitures                                                                                    | 162,000          | 101,500          | 165,069             | 63,569              |
| Charges for services                                                                                           | 93,500           | 89,500           | 92,125              | 2,625               |
| Intergovernmental                                                                                              | 30,600           | 64,800           | 152,038             | 87,238              |
| Interest                                                                                                       | 80,000           | 44,600           | 44,621              | 21                  |
| Other                                                                                                          | 14,100           | 20,100           | 52,090              | 31,990              |
| <b>Total revenues</b>                                                                                          | <b>4,140,541</b> | <b>3,756,923</b> | <b>4,438,317</b>    | <b>681,394</b>      |
| <b>EXPENDITURES</b>                                                                                            |                  |                  |                     |                     |
| Current                                                                                                        |                  |                  |                     |                     |
| General Government                                                                                             |                  |                  |                     |                     |
| Legislative                                                                                                    | 208,041          | 174,477          | 155,262             | 19,215              |
| Executive                                                                                                      | 317,177          | 300,556          | 289,947             | 10,609              |
| Elections                                                                                                      | 19,950           | 13,450           | 10,679              | 2,771               |
| General Administration                                                                                         | 968,723          | 942,817          | 923,335             | 19,482              |
| Judicial                                                                                                       |                  |                  |                     |                     |
| Municipal Court                                                                                                | 232,983          | 223,967          | 202,835             | 21,132              |
| Public Safety                                                                                                  |                  |                  |                     |                     |
| Law Enforcement                                                                                                | 149,300          | 92,909           | 92,442              | 467                 |
| City Marshal's Office                                                                                          | 262,094          | 261,780          | 252,702             | 9,078               |
| Public Works                                                                                                   |                  |                  |                     |                     |
| Street Construction                                                                                            | 1,123,165        | 1,113,099        | 1,069,474           | 43,625              |
| Shop Department                                                                                                | 100,316          | 120,084          | 114,615             | 5,469               |
| Cemetery                                                                                                       | 55,249           | 53,970           | 52,352              | 1,618               |
| Culture and Recreation                                                                                         |                  |                  |                     |                     |
| Parks                                                                                                          | 46,340           | 31,440           | 27,878              | 3,562               |
| Housing and Development                                                                                        |                  |                  |                     |                     |
| Community Development                                                                                          | 341,051          | 273,147          | 254,073             | 19,074              |
| Downtown Development Authority                                                                                 | 314,206          | 281,019          | 281,019             | 0                   |
| <b>Total expenditures</b>                                                                                      | <b>4,138,595</b> | <b>3,882,715</b> | <b>3,726,613</b>    | <b>156,102</b>      |
| Excess (deficiency) of revenues over (under) expenditures                                                      | 1,946            | (125,792)        | 711,704             | 837,496             |
| Other financing sources (uses)                                                                                 |                  |                  |                     |                     |
| Transfers in                                                                                                   | 13,306           | 10,553           | 10,553              | 0                   |
| Transfers out                                                                                                  | (832,196)        | (772,196)        | (772,196)           | 0                   |
| Proceeds from sale of capital assets                                                                           | 5,000            | 0                | 0                   | 0                   |
| Contingency                                                                                                    | (58,244)         | (17,133)         | 0                   | 17,133              |
| <b>Total other financing sources (uses)</b>                                                                    | <b>(872,134)</b> | <b>(778,776)</b> | <b>(761,643)</b>    | <b>17,133</b>       |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (870,188)        | (904,568)        | (49,939)            | 854,629             |
| Fund balances, October 1                                                                                       | 870,188          | 904,568          | 3,065,993           | 2,161,425           |
| <b>Fund balances, September 30</b>                                                                             | <b>\$ 0</b>      | <b>\$ 0</b>      | <b>\$ 3,016,054</b> | <b>\$ 3,016,054</b> |

**CITY OF DAHLONEGA, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**September 30, 2020**

|                                             | Water<br>and Sewage | Solid<br>Waste   | Totals            |
|---------------------------------------------|---------------------|------------------|-------------------|
| <b>ASSETS</b>                               |                     |                  |                   |
| <b>Current assets</b>                       |                     |                  |                   |
| Cash and cash equivalents                   | \$ 4,993,782        | \$ 354,894       | \$ 5,348,676      |
| Restricted assets                           |                     |                  |                   |
| Cash and cash equivalents                   | 378,077             | 0                | 378,077           |
| Receivables (net)                           |                     |                  |                   |
| Accounts                                    | 771,580             | 118,984          | 890,564           |
| Due from other funds                        | 122,044             | 0                | 122,044           |
| Inventory                                   | 158,379             | 0                | 158,379           |
| Prepaid items                               | 196,432             | 17,771           | 214,203           |
| Total current assets                        | <u>6,620,294</u>    | <u>491,649</u>   | <u>7,111,943</u>  |
| <b>Noncurrent assets</b>                    |                     |                  |                   |
| Capital assets                              |                     |                  |                   |
| Non-depreciable                             | 3,478,730           | 0                | 3,478,730         |
| Depreciable (net)                           | 33,673,907          | 569,489          | 34,243,396        |
| Total noncurrent assets                     | <u>37,152,637</u>   | <u>569,489</u>   | <u>37,722,126</u> |
| <b>Total assets</b>                         | <u>43,772,931</u>   | <u>1,061,138</u> | <u>44,834,069</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                     |                  |                   |
| Deferred outflows of resources - pension    | 301,084             | 106,911          | 407,995           |
| Deferred charges on refunding               | 2,912,864           | 0                | 2,912,864         |
| Total deferred outflows of resources        | <u>3,213,948</u>    | <u>106,911</u>   | <u>3,320,859</u>  |
| <b>LIABILITIES</b>                          |                     |                  |                   |
| <b>Current liabilities</b>                  |                     |                  |                   |
| Payables                                    |                     |                  |                   |
| Accounts                                    | 46,232              | 9,755            | 55,987            |
| Intergovernmental                           | 3,910               | 0                | 3,910             |
| Interest                                    | 0                   | 116              | 116               |
| Accrued salaries and payroll expenses       | 37,264              | 14,171           | 51,435            |
| Compensated absences                        | 51,756              | 16,985           | 68,741            |
| Notes payable                               | 182,629             | 0                | 182,629           |
| Capital leases payable                      | 0                   | 30,406           | 30,406            |
| Liabilities payable from restricted assets: |                     |                  |                   |
| Interest payable                            | 76,102              | 0                | 76,102            |
| Customer deposits payable                   | 208,642             | 0                | 208,642           |
| Revenue bonds payable                       | 700,000             | 0                | 700,000           |
| Total current liabilities                   | <u>1,306,535</u>    | <u>71,433</u>    | <u>1,377,968</u>  |
| <b>Noncurrent liabilities</b>               |                     |                  |                   |
| Net pension liability                       | 501,660             | 165,866          | 667,526           |
| Compensated absences                        | 13,758              | 4,515            | 18,273            |
| Notes payable                               | 5,920,278           | 0                | 5,920,278         |
| Capital leases payable                      | 0                   | 67,645           | 67,645            |
| Revenue bonds payable                       | 23,495,390          | 0                | 23,495,390        |
| Total noncurrent liabilities                | <u>29,931,086</u>   | <u>238,026</u>   | <u>30,169,112</u> |
| <b>Total liabilities</b>                    | <u>31,237,621</u>   | <u>309,459</u>   | <u>31,547,080</u> |



**CITY OF DAHLONEGA, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**September 30, 2020**

|                                         | <u>Water<br/>and Sewage</u> | <u>Solid<br/>Waste</u> | <u>Totals</u>        |
|-----------------------------------------|-----------------------------|------------------------|----------------------|
| <b>DEFERRED INFLOWS OF RESOURCES</b>    |                             |                        |                      |
| Deferred inflows of resources - pension | \$ 69,886                   | \$ 27,136              | \$ 97,022            |
| <b>NET POSITION</b>                     |                             |                        |                      |
| Net investment in capital assets        | 9,767,204                   | 471,438                | 10,238,642           |
| Restricted for debt service             | 93,333                      | 0                      | 93,333               |
| Unrestricted                            | 5,818,835                   | 360,016                | 6,178,851            |
| <b>Total net position</b>               | <u>\$ 15,679,372</u>        | <u>\$ 831,454</u>      | <u>\$ 16,510,826</u> |

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

**For the fiscal year ended September 30, 2020**

|                                                | <u>Water<br/>and Sewage</u> | <u>Solid<br/>Waste</u> | <u>Totals</u>        |
|------------------------------------------------|-----------------------------|------------------------|----------------------|
| <b>OPERATING REVENUES</b>                      |                             |                        |                      |
| Charges for sales and services                 | \$ 5,247,553                | \$ 935,938             | \$ 6,183,491         |
| <b>OPERATING EXPENSES</b>                      |                             |                        |                      |
| Costs of sales and services                    | 1,164,888                   | 325,232                | 1,490,120            |
| Personal services                              | 1,214,874                   | 460,830                | 1,675,704            |
| Depreciation                                   | 1,806,585                   | 66,581                 | 1,873,166            |
| <b>Total operating expenses</b>                | <u>4,186,347</u>            | <u>852,643</u>         | <u>5,038,990</u>     |
| Operating income (loss)                        | <u>1,061,206</u>            | <u>83,295</u>          | <u>1,144,501</u>     |
| Non-operating revenues (expenses)              |                             |                        |                      |
| Interest revenue                               | 45,574                      | 0                      | 45,574               |
| Interest expense                               | (1,155,914)                 | (4,808)                | (1,160,722)          |
| Intergovernmental                              | 12,863                      | 4,555                  | 17,418               |
| <b>Total non-operating revenues (expenses)</b> | <u>(1,097,477)</u>          | <u>(253)</u>           | <u>(1,097,730)</u>   |
| Income (loss) before transfers                 | (36,271)                    | 83,042                 | 46,771               |
| Transfers in (out)                             |                             |                        |                      |
| Transfers in                                   | 308,274                     | 0                      | 308,274              |
| Change in net position                         | 272,003                     | 83,042                 | 355,045              |
| Net position -beginning                        | 15,407,369                  | 748,412                | 16,155,781           |
| Net position - ending                          | <u>\$ 15,679,372</u>        | <u>\$ 831,454</u>      | <u>\$ 16,510,826</u> |

**CITY OF DAHLONEGA, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended September 30, 2020**

|                                                                      | <b>Water<br/>and Sewage</b> | <b>Solid<br/>Waste</b>   | <b>Totals</b>              |
|----------------------------------------------------------------------|-----------------------------|--------------------------|----------------------------|
| <b>Cash flows from operating activities:</b>                         |                             |                          |                            |
| Receipts from customers                                              | \$ 5,151,815                | \$ 924,862               | \$ 6,076,677               |
| Payments to suppliers                                                | (1,159,823)                 | (328,987)                | (1,488,810)                |
| Payments to employees                                                | (1,210,636)                 | (454,353)                | (1,664,989)                |
| Other receipts                                                       | 22,539                      | 0                        | 22,539                     |
| Net cash provided (used) by operating activities                     | <u>2,803,895</u>            | <u>141,522</u>           | <u>2,945,417</u>           |
| <b>Cash flows from non-capital financing activities:</b>             |                             |                          |                            |
| Receipts from other governments                                      | 12,863                      | 4,556                    | 17,419                     |
| Payments to other funds                                              | (18,008)                    | 0                        | (18,008)                   |
| Net cash provided (used) by non-capital financing activities         | <u>(5,145)</u>              | <u>4,556</u>             | <u>(589)</u>               |
| <b>Cash flows from capital and related financing activities:</b>     |                             |                          |                            |
| Receipts from other funds                                            | 308,274                     | 0                        | 308,274                    |
| Receipts from other governments                                      | 12,694                      | 0                        | 12,694                     |
| Payments for acquisitions of capital assets                          | (1,241,504)                 | (69,523)                 | (1,311,027)                |
| Payent of capital related accounts payable                           | (13,500)                    | 0                        | (13,500)                   |
| Principal payments - revenue bonds                                   | (680,000)                   | 0                        | (680,000)                  |
| Principal payments - promissory notes                                | (179,710)                   | 0                        | (179,710)                  |
| Principal payments - capital leases                                  | 0                           | (29,143)                 | (29,143)                   |
| Interest paid                                                        | (1,073,769)                 | 0                        | (1,073,769)                |
| Net cash provided (used) by capital and related financing activities | <u>(2,867,515)</u>          | <u>(98,666)</u>          | <u>(2,966,181)</u>         |
| <b>Cash flows from investing activities:</b>                         |                             |                          |                            |
| Interest received                                                    | 45,574                      | (4,842)                  | 40,732                     |
| Net increase (decrease) in cash and cash equivalents                 | (23,191)                    | 42,570                   | 19,379                     |
| Cash and cash equivalents, October 1                                 | <u>5,395,050</u>            | <u>312,324</u>           | <u>5,707,374</u>           |
| <b>Cash and cash equivalents, September 30</b>                       | <u><u>\$ 5,371,859</u></u>  | <u><u>\$ 354,894</u></u> | <u><u>\$ 5,726,753</u></u> |

**CITY OF DAHLONEGA, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended September 30, 2020**

|                                                                                                                | <u>Water<br/>and Sewage</u> | <u>Solid<br/>Waste</u> | <u>Totals</u>       |
|----------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------|---------------------|
| <b>Reconciliation of operating income (loss) to net cash<br/>cash provided (used) by operating activities:</b> |                             |                        |                     |
| Operating income (loss)                                                                                        | \$ 1,061,206                | \$ 83,295              | \$ 1,144,501        |
| Adjustments to reconcile operating income (loss) to net cash<br>provided (used) by operating activities:       |                             |                        |                     |
| Depreciation expense                                                                                           | 1,806,585                   | 66,581                 | 1,873,166           |
| (Increase) decrease in accounts receivables                                                                    | (69,751)                    | (11,076)               | (80,827)            |
| (Increase) decrease in inventory                                                                               | 12,766                      | 0                      | 12,766              |
| (Increase) decrease in prepaid items                                                                           | 11,580                      | (3,575)                | 8,005               |
| (Increase) decrease in deferred outflows related to pension                                                    | (60,753)                    | (21,111)               | (81,864)            |
| Increase (decrease) in accounts payable                                                                        | (19,281)                    | 26                     | (19,255)            |
| Increase (decrease) in intergovernmental payable                                                               | 0                           | (206)                  | (206)               |
| Increase (decrease) in payroll liabilities                                                                     | (8,175)                     | 2,165                  | (6,010)             |
| Increase (decrease) in net pension liability                                                                   | 145,755                     | 50,645                 | 196,400             |
| Increase (decrease) in deferred inflows related to pension                                                     | (72,589)                    | (25,222)               | (97,811)            |
| Increase (decrease) in deposits payable                                                                        | (3,448)                     | 0                      | (3,448)             |
| Total adjustments                                                                                              | <u>1,742,689</u>            | <u>58,227</u>          | <u>1,800,916</u>    |
| Net cash provided (used) by operating activities                                                               | <u>\$ 2,803,895</u>         | <u>\$ 141,522</u>      | <u>\$ 2,945,417</u> |
| <b>Cash and cash equivalents reconciliation:</b>                                                               |                             |                        |                     |
| Cash and cash equivalents                                                                                      | \$ 4,993,782                | \$ 354,894             | \$ 5,348,676        |
| Restricted assets                                                                                              |                             |                        |                     |
| Cash and cash equivalents                                                                                      | <u>378,077</u>              | <u>0</u>               | <u>378,077</u>      |
| Total cash and cash equivalents                                                                                | <u>\$ 5,371,859</u>         | <u>\$ 354,894</u>      | <u>\$ 5,726,753</u> |

# NOTES TO THE FINANCIAL STATEMENTS

# CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

## SEPTEMBER 30, 2020

### **1. DESCRIPTION OF GOVERNMENT UNIT**

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

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

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Description of Government-wide Financial Statements**

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

#### **B. Reporting Entity**

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

# CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

## SEPTEMBER 30, 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Reporting Entity, continued

##### City of Dahlonega Downtown Development Authority

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

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

#### C. Basis of Presentation – Government-wide Financial Statements

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

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

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

**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Presentation – Fund Financial Statements**

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

The City reports the following major governmental funds:

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

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

*2019 TSPLOST Fund* - This fund is used to account for long-term projects financed by the passage of a transportation special purpose local option sales tax.

The City reports the following major proprietary funds:

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

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



**CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Presentation - Fund Financial Statements, continued**

**Governmental Fund Types**

Additionally, the City reports the following fund types:

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

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

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

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

**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Presentation – Fund Financial Statements, continued**

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

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

**Component Unit**

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

**E. Measurement Focus and Basis of Accounting**

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

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

**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Measurement Focus and Basis of Accounting, continued**

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

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

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

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

**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Revenues and Expenditures/Expenses**

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

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

**G. Budgets and Budgetary Accounting**

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

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

**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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, 2020.

**H. Cash and Investments**

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

**I. Intergovernmental Receivables**

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

**J. Inventories**

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

**CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond September 30, 2020 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, 2020**

**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:

|                         | <b>Useful Life</b> | <b>Capitalization</b> |
|-------------------------|--------------------|-----------------------|
|                         | <b>in Years</b>    | <b>Threshold</b>      |
| 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              |
| Intangibles             | 20                 | \$ 5,000              |

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

**M. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred outflows of resources related to their defined benefit pension plans and charges on bond refundings.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Deferred Outflows/Inflows of Resources, continued**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows of resources related to their defined benefit pension plans.

**N. Net Position Flow Assumption**

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

**O. Fund Balance Flow Assumption**

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



# CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

## SEPTEMBER 30, 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### P. Restricted Assets and Restricted Net Position

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

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

#### Q. Fund Balances of Governmental Funds

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

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

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

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

**CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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.

**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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 shall be compared with the budget in effect when the Comprehensive Annual Financial Report is released. The City has established a priority list for designation or appropriation if it is determined there is a surplus (an amount in excess of the upper limit of the fund balance range). If it is determined there is a shortfall (an amount below the lower limit of the fund balance range), the fund balance is to be rebuilt through the following mechanisms in order of priority:

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

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

**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. Compensation for Future Absences**

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

**S. Long-Term Obligations**

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

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

**T. Capital Contributions**

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

**CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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 2019 amounts have been reclassified to conform with the 2020 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, 2020, 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, 2020**

**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, 2020 consist of the following:

|                                     |        |                    |
|-------------------------------------|--------|--------------------|
| <b>Major Funds</b>                  |        |                    |
| General Fund                        | \$     | 4,724              |
| Enterprise Funds                    |        |                    |
| Water and Sewage                    |        | 860,176            |
| Less: Allowances for Uncollectibles |        | (88,596)           |
| Solid Waste                         |        | 136,149            |
| Less: Allowances for Uncollectibles |        | <u>(17,165)</u>    |
| <br>Total Primary Government        | <br>\$ | <br><u>895,288</u> |

**5. INTERGOVERNMENTAL RECEIVABLES**

Intergovernmental receivables at September 30, 2020 consist of the following:

|                              |    |                       |
|------------------------------|----|-----------------------|
| <b>Primary Government</b>    |    |                       |
| <b>Major Funds</b>           |    |                       |
| General Fund                 | \$ | 3,536                 |
| 2019 TSPLOST                 |    | <u>151,544</u>        |
|                              |    | \$ 155,080            |
| <b>Nonmajor Funds</b>        |    |                       |
| SPLOST                       |    | <u>159,087</u>        |
| <br>Total Primary Government |    | <br><u>\$ 314,167</u> |

**CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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 2019, based upon the assessments of January 1, 2019, were levied on September 3, 2019, billed on October 15, 2019, and due on December 16, 2019. Taxes were delinquent and subject to liens on December 17, 2019.

Property taxes for digest year 2020, based upon the assessments of January 1, 2020, were levied on September 15, 2020, billed on October 1, 2020, and due on December 21, 2020. Taxes were delinquent and subject to liens on December 22, 2020.

**7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

A summary of interfund receivables and payables as of September 30, 2020 is as follows:

| <u>Due To:</u>                      | <u>Due From:</u> | <u>Amount</u>     |
|-------------------------------------|------------------|-------------------|
| Water and Sewage                    | SPLOST           | \$ 122,044        |
| Grants Capital Projects             | SPLOST           | 113,415           |
| General Government Capital Projects | SPLOST           | 113,415           |
| General                             | Hotel/Motel Tax  | 19,575            |
|                                     |                  | <u>\$ 368,449</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, 2020**

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

A summary of interfund transfers for the year ended September 30, 2020 is as follows:

| <u>Transfers In:</u>                | <u>Transfers Out:</u>               | <u>Amount</u>       |
|-------------------------------------|-------------------------------------|---------------------|
| Grants Capital Projects             | General                             | \$ 42,666           |
|                                     | SPLOST                              | 113,415             |
|                                     | 2019 TSPLOST                        | 320,002             |
|                                     | General Government Capital Projects | 23,527              |
| General Government Capital Projects | General                             | 729,530             |
|                                     | Hotel/Motel Tax                     | 91,221              |
|                                     | SPLOST                              | 113,415             |
| Water and Sewage                    | SPLOST                              | 308,274             |
| General                             | Hotel/Motel Tax                     | 10,553              |
|                                     |                                     | <u>\$ 1,752,603</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.

The transfers from the SPLOST Fund were used for road paving projects funded in the Grants Capital Projects Fund and storm drain projects funded in the General Government Capital Projects Fund. The transfers from the 2019 TSPLOST Fund were used for transportation projects funded in the Grants Capital Projects Fund.



**CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**8. CAPITAL ASSETS**

Capital asset activity for the primary government for the year ended September 30, 2020 was as follows:

|                                              | <u>Balance<br/>Beginning</u> | <u>Increases</u>    | <u>Decreases</u>   | <u>Balance<br/>Ending</u> |
|----------------------------------------------|------------------------------|---------------------|--------------------|---------------------------|
| <b>Governmental activities</b>               |                              |                     |                    |                           |
| Non-depreciable assets                       |                              |                     |                    |                           |
| Land                                         | \$ 2,302,855                 | \$ 0                | \$ 0               | \$ 2,302,855              |
| Construction in progress                     | 109,582                      | 118,487             | (40,241)           | 187,828                   |
| Total non-depreciable assets                 | <u>2,412,437</u>             | <u>118,487</u>      | <u>(40,241)</u>    | <u>2,490,683</u>          |
| Depreciable assets                           |                              |                     |                    |                           |
| Buildings and improvements                   | 2,701,952                    | 18,081              | 0                  | 2,720,033                 |
| Land improvements                            | 0                            | 32,877              | 0                  | 32,877                    |
| Equipment                                    | 1,212,853                    | 185,898             | 0                  | 1,398,751                 |
| Infrastructure                               | 6,137,670                    | 602,983             | 0                  | 6,740,653                 |
| Intangibles                                  | 0                            | 162,751             | 0                  | 162,751                   |
| Total depreciable assets                     | <u>10,052,475</u>            | <u>1,002,590</u>    | <u>0</u>           | <u>11,055,065</u>         |
| Accumulated depreciation                     |                              |                     |                    |                           |
| Buildings and improvements                   | (1,365,609)                  | (86,225)            | 0                  | (1,451,834)               |
| Land improvements                            | 0                            | (548)               | 0                  | (548)                     |
| Equipment                                    | (817,290)                    | (118,048)           | 0                  | (935,338)                 |
| Infrastructure                               | (1,884,525)                  | (255,160)           | 0                  | (2,139,685)               |
| Intangibles                                  | 0                            | (8,138)             | 0                  | (8,138)                   |
| Total accumulated depreciation               | <u>(4,067,424)</u>           | <u>(468,119)</u>    | <u>0</u>           | <u>(4,535,543)</u>        |
| Total depreciable assets, net                | <u>5,985,051</u>             | <u>534,471</u>      | <u>0</u>           | <u>6,519,522</u>          |
| Governmental activities capital assets, net  | <u>\$ 8,397,488</u>          | <u>\$ 652,958</u>   | <u>\$ (40,241)</u> | <u>\$ 9,010,205</u>       |
| <b>Business-type activities</b>              |                              |                     |                    |                           |
| Non-depreciable assets                       |                              |                     |                    |                           |
| Land                                         | \$ 3,348,989                 | \$ 0                | \$ 0               | \$ 3,348,989              |
| Construction in progress                     | 91,529                       | 129,741             | (91,529)           | 129,741                   |
| Total Non-depreciable assets                 | <u>3,440,518</u>             | <u>129,741</u>      | <u>(91,529)</u>    | <u>3,478,730</u>          |
| Depreciable assets                           |                              |                     |                    |                           |
| Buildings                                    | 25,829,508                   | 0                   | 0                  | 25,829,508                |
| Improvements                                 | 4,342,088                    | 0                   | 0                  | 4,342,088                 |
| Equipment and vehicles                       | 6,753,398                    | 1,135,662           | 0                  | 7,889,060                 |
| Water and sewer infrastructure               | 22,223,197                   | 89,653              | 0                  | 22,312,850                |
| Intangibles                                  | 0                            | 47,500              | 0                  | 47,500                    |
| Total depreciable assets                     | <u>59,148,191</u>            | <u>1,272,815</u>    | <u>0</u>           | <u>60,421,006</u>         |
| Accumulated depreciation                     |                              |                     |                    |                           |
| Buildings                                    | (7,623,146)                  | (912,521)           | 0                  | (8,535,667)               |
| Improvements                                 | (2,180,180)                  | (3,543)             | 0                  | (2,183,723)               |
| Equipment and vehicles                       | (4,793,189)                  | (296,449)           | 0                  | (5,089,638)               |
| Water and sewer infrastructure               | (9,707,929)                  | (658,278)           | 0                  | (10,366,207)              |
| Intangibles                                  | 0                            | (2,375)             | 0                  | (2,375)                   |
| Total accumulated depreciation               | <u>(24,304,444)</u>          | <u>(1,873,166)</u>  | <u>0</u>           | <u>(26,177,610)</u>       |
| Total depreciable assets, net                | <u>34,843,747</u>            | <u>(600,351)</u>    | <u>0</u>           | <u>34,243,396</u>         |
| Business-type activities capital assets, net | <u>\$ 38,284,265</u>         | <u>\$ (470,610)</u> | <u>\$ (91,529)</u> | <u>\$ 37,722,126</u>      |

**CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**8. CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs as follows:

**Primary Government**

**Governmental activities**

|                                                        |                          |
|--------------------------------------------------------|--------------------------|
| General Government                                     | \$ 80,861                |
| Public Safety                                          | 25,125                   |
| Public Works                                           | 330,606                  |
| Culture and Recreation                                 | 27,531                   |
| Housing and Development                                | <u>3,996</u>             |
| Total depreciation expense for governmental activities | <u><u>\$ 468,119</u></u> |

**Business-type activities**

|                                                         |                            |
|---------------------------------------------------------|----------------------------|
| Water and Sewage                                        | \$ 1,806,585               |
| Solid Waste                                             | <u>66,581</u>              |
| Total depreciation expense for business-type activities | <u><u>\$ 1,873,166</u></u> |

**9. CAPITAL AND OPERATING LEASE AGREEMENTS**

The City has entered into agreements for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balance of these leases at September 30, 2020 is \$98,051 for business-type activities.

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

|                         | <b>Business-Type Activities</b> |                                     |
|-------------------------|---------------------------------|-------------------------------------|
|                         | <b>Cost</b>                     | <b>Accumulated<br/>Depreciation</b> |
| Machinery and equipment | <u>\$ 155,000</u>               | <u>\$ 7,750</u>                     |

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

**CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**9. CAPITAL AND OPERATING LEASE AGREEMENTS (CONTINUED)**

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of September 30, 2020:

| <b>Year<br/>Ending<br/>September 30,</b> | <b>Business-type<br/>activities</b> |
|------------------------------------------|-------------------------------------|
| 2021                                     | \$ 33,986                           |
| 2022                                     | 33,986                              |
| 2023                                     | 33,986                              |
| 2024                                     | 2,832                               |
| Total minimum lease payments             | 104,790                             |
| Less amounts representing interest       | (6,739)                             |
| Present value of minimum lease payments  | <u>\$ 98,051</u>                    |

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

**CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**10. LONG-TERM DEBT**

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

**Revenue Bonds**

Revenue bonds have been issued for business-type activities and are comprised of the following individual issues at September 30, 2020:

- \$26,865,000 – Series 2015 Water and Sewerage Revenue Refunding Bonds - In 2015, the City issued refunding revenue bonds in the amount of \$26,865,000. The bonds are issued as term bonds with interest rates from 3.62% maturing September 30, 2042. The purpose of the bonds was to refund the 2008 Water and Sewage Revenue Bonds and Water and Sewage notes payable. In an event of default, any outstanding principal and interest on the bonds may become immediately due and payable. The bonds are payable from revenues of the water and sewerage system. As of September 30, 2020, the bonds had an outstanding balance of \$23,575,000.

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

| <b>Year<br/>Ending<br/>September 30,</b> | <b>Principal</b>     | <b>Interest</b>      | <b>Total</b>         |
|------------------------------------------|----------------------|----------------------|----------------------|
| 2021                                     | \$ 700,000           | \$ 913,218           | \$ 1,613,218         |
| 2022                                     | 735,000              | 885,218              | 1,620,218            |
| 2023                                     | 770,000              | 848,468              | 1,618,468            |
| 2024                                     | 810,000              | 809,968              | 1,619,968            |
| 2025                                     | 830,000              | 785,667              | 1,615,667            |
| 2026-2030                                | 4,610,000            | 3,489,325            | 8,099,325            |
| 2031-2035                                | 5,415,000            | 2,675,290            | 8,090,290            |
| 2036-2040                                | 6,655,000            | 1,442,600            | 8,097,600            |
| 2041-2042                                | 3,050,000            | 184,200              | 3,234,200            |
| <b>Totals</b>                            | <b>\$ 23,575,000</b> | <b>\$ 12,033,954</b> | <b>\$ 35,608,954</b> |

**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**10. LONG-TERM DEBT (CONTINUED)**

**Notes from Direct Borrowings**

The City has entered into an agreement with the Georgia Environmental Facilities Authority for land and construction of a reservoir, in the original amount of \$6,433,843. At September 30, 2020, the balance of this note is \$4,866,850. Monthly installments of principal and interest are due through January 1, 2045; interest at 3.00%. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes collected by the City.

The City has entered into an agreement with the Georgia Environmental Facilities Authority for rehabilitating a pump station, in the original amount of \$500,000. At September 30, 2020, the balance of this note is \$333,528. Monthly installments of principal and interest are due through April 1, 2028; interest at 0.81%. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes collected by the City.

The City has entered into an agreement with the Georgia Environmental Facilities Authority for installing water lines, isolation valves, fire hydrants, and related appurtenances, in the original amount of \$1,069,000. At September 30, 2020, the balance of this note is \$902,529. Monthly installments of principal and interest are due through April 1, 2033; interest at 1.15%. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes collected by the City.

**CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**10. LONG-TERM DEBT (CONTINUED)**

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

| <u>Year<br/>Ending<br/>September 30,</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|------------------------------------------|---------------------|---------------------|---------------------|
| 2021                                     | \$ 182,629          | \$ 118,008          | \$ 300,637          |
| 2022                                     | 248,145             | 152,704             | 400,849             |
| 2023                                     | 253,576             | 147,273             | 400,849             |
| 2024                                     | 259,151             | 141,698             | 400,849             |
| 2025                                     | 264,874             | 135,975             | 400,849             |
| 2026-2030                                | 1,335,368           | 589,111             | 1,924,479           |
| 2031-2035                                | 1,254,067           | 429,151             | 1,683,218           |
| 2036-2040                                | 1,159,022           | 262,456             | 1,421,478           |
| 2041-2045                                | 1,146,075           | 76,984              | 1,223,059           |
| Totals                                   | <u>\$ 6,102,907</u> | <u>\$ 2,053,360</u> | <u>\$ 8,156,267</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 \$35,608,954. For the current fiscal year, the principal and interest paid and 2014 SPLOST revenues recognized by the City were \$1,620,218 and \$81,443, respectively. Current year principal and interest payments are approximately 1,989% of net revenues.

**CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**11. CHANGES IN LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities of the City for the year ended September 30, 2020:

|                                 | <u>Balance<br/>Beginning</u> | <u>Additions</u> | <u>Deductions</u>   | <u>Balance<br/>Ending</u> | <u>Due Within<br/>One Year</u> |
|---------------------------------|------------------------------|------------------|---------------------|---------------------------|--------------------------------|
| <b>Governmental activities</b>  |                              |                  |                     |                           |                                |
| Compensated absences            | \$ 84,120                    | \$ 105,192       | \$ 84,120           | \$ 105,192                | \$ 83,100                      |
| <b>Business-type activities</b> |                              |                  |                     |                           |                                |
| Notes from direct borrowings    | \$ 6,282,617                 | \$ 0             | \$ 179,710          | \$ 6,102,907              | \$ 182,629                     |
| Capital leases payable          | 127,194                      | 0                | 29,143              | 98,051                    | 30,406                         |
| Revenue bonds                   | 24,255,000                   | 0                | 680,000             | 23,575,000                | 700,000                        |
| Unamortized bond premium        | 648,590                      | 0                | 28,200              | 620,390                   | 0                              |
| Compensated absences            | 95,486                       | 87,014           | 95,486              | 87,014                    | 68,741                         |
| Total business-type activities  | <u>\$ 31,408,887</u>         | <u>\$ 87,014</u> | <u>\$ 1,012,539</u> | <u>\$ 30,483,362</u>      | <u>\$ 981,776</u>              |

Revenue bond issue costs and discounts/premiums are amortized over the life of the related debt using the straight-line method. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund. The total interest incurred and charged to expense for the fiscal year ended September 30, 2020 was \$1,160,722 for business-type activities.

# CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS

## SEPTEMBER 30, 2020

### 12. PENSION PLAN

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

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

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

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



**CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**12. PENSION PLAN (CONTINUED)**

At January 1, 2020, the date of the most recent actuarial valuation, there were 105 participants consisting of the following:

|                                                                              |     |
|------------------------------------------------------------------------------|-----|
| Retirees and beneficiaries currently receiving benefits                      | 31  |
| Terminated vested participants entitled to<br>but not yet receiving benefits | 17  |
| Active participants                                                          | 57  |
| Total number of participants                                                 | 105 |

*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, 2020 was \$370,252, or 15.01% of covered payroll.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* At September 30, 2020, the City and Component Unit reported a net pension liability of \$1,405,559. The net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. For the fiscal year ended September 30, 2020, the City and Component Unit recognized pension expense of \$394,999. 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, 2020**

**12. PENSION PLAN (CONTINUED)**

At September 30, 2020, the City and Component Unit reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

|                                                                                     | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|-------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual experience                                  | \$ 475,542                                    | \$ (33,547)                                  |
| Changes of assumptions                                                              | 45,740                                        | (116,361)                                    |
| Net difference between projected and actual earnings<br>on pension plan investments | 0                                             | (40,338)                                     |
| City contributions subsequent to the measurement date                               | 356,082                                       | 0                                            |
| Totals                                                                              | \$ 877,364                                    | \$ (190,246)                                 |

The \$356,082 of deferred outflows of resources resulting from the City's and Component Unit's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

| <b>Year<br/>Ending<br/>September 30</b> | <b>Deferred (Inflows)<br/>Outflows of<br/>Resources</b> |
|-----------------------------------------|---------------------------------------------------------|
| 2021                                    | \$ 31,096                                               |
| 2022                                    | 91,180                                                  |
| 2023                                    | 149,461                                                 |
| 2024                                    | 59,299                                                  |
| Totals                                  | \$ 331,036                                              |

*Actuarial Assumptions.* The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                               |                                          |
|-------------------------------|------------------------------------------|
| Inflation                     | 2.25%                                    |
| Projected salary increases    | 2.25% plus service based merit increases |
| Cost of living adjustments    | 1.70%                                    |
| Net investment rate of return | 7.375%                                   |

**CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**12. PENSION PLAN (CONTINUED)**

Healthy mortality rates were based on the sex-district Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the sex-district Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25

The mortality and economic actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2019 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%                      | 6.41%                                         |
| International equity  | 20%                      | 6.96%                                         |
| Real estate           | 10%                      | 4.76%                                         |
| Global fixed income   | 5%                       | 3.06%                                         |
| Domestic fixed income | 20%                      | 1.96%                                         |
| Total                 | <u>100%</u>              |                                               |

*Discount Rate.* The discount rate used to measure the total pension liability was 7.375 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, 2020**

**12. PENSION PLAN (CONTINUED)**

*Changes in Net Pension Liability (Asset)*

|                                                                  | <u>Total Pension<br/>Liability (Asset)</u> | <u>Plan Fiduciary<br/>Net Position</u> | <u>Net Pension<br/>Liability (Asset)</u> |
|------------------------------------------------------------------|--------------------------------------------|----------------------------------------|------------------------------------------|
|                                                                  | <u>(a)</u>                                 | <u>(b)</u>                             | <u>(a) - (b)</u>                         |
| <b>Balances at 9/30/2018</b>                                     | \$ 7,528,903                               | \$ 6,580,333                           | \$ 948,570                               |
| <b>Changes for the year:</b>                                     |                                            |                                        |                                          |
| Service cost                                                     | 173,911                                    | 0                                      | 173,911                                  |
| Interest                                                         | 563,294                                    | 0                                      | 563,294                                  |
| Differences between expected<br>and actual experience            | 309,796                                    | 0                                      | 309,796                                  |
| Changes of assumptions                                           | (155,146)                                  | 0                                      | (155,146)                                |
| Contributions – employer                                         | 0                                          | 258,398                                | (258,398)                                |
| Net investment income                                            | 0                                          | 191,715                                | (191,715)                                |
| Benefit payments, including refunds<br>of employee contributions | (384,446)                                  | (384,446)                              | 0                                        |
| Administrative expense                                           | 0                                          | (15,247)                               | 15,247                                   |
| <b>Net changes</b>                                               | <u>507,409</u>                             | <u>50,420</u>                          | <u>456,989</u>                           |
| <b>Balances at 9/30/2019</b>                                     | <u>\$ 8,036,312</u>                        | <u>\$ 6,630,753</u>                    | <u>\$ 1,405,559</u>                      |

|                                                                              |           |
|------------------------------------------------------------------------------|-----------|
| Plan's fiduciary net position as a percentage of the total pension liability | 82.51%    |
| Covered payroll                                                              | 2,358,774 |
| Net pension liability as a percentage of covered payroll                     | 59.59%    |

*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 (6.375 percent) or one percentage-point higher (8.375 percent) than the current rate:

|                       | <u>Discount<br/>Rate</u> | <u>Net Pension<br/>Liability (Asset)</u> |
|-----------------------|--------------------------|------------------------------------------|
| 1% decrease           | 6.375%                   | \$ 2,382,163                             |
| Current discount rate | 7.375%                   | 1,405,559                                |
| 1% increase           | 8.375%                   | 587,206                                  |

*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, 2020**

**13. DEFERRED COMPENSATION PLANS**

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

The City has no fiduciary relationship with the Plans, and Plan assets are not available to the City or its general creditors. The Plan assets are held in trust by the administrators for the exclusive benefit of the participants of the Plans. During fiscal year 2020, plan members made voluntary contributions of \$28,544. Beginning January 1, 2014, the City no longer contributes to any of the deferred compensation plans.

**14. HOTEL/MOTEL LODGING TAX**

The City has levied an 8% lodging tax, in accordance with Official Code of Georgia Annotated (OCGA) Section 48-13-51(3). The City is required to spend an amount equal to the amount by which the total taxes collected under the Code section exceed the taxes which would be collected at a rate of 3 percent for the purpose of promoting tourism, conventions, and trade shows. A summary of the transactions for the year ending September 30, 2020 follows:

|                                                                     |                                  |
|---------------------------------------------------------------------|----------------------------------|
| Lodging Tax Receipts                                                | \$351,774                        |
| Disbursements to the Dahlonega - Lumpkin County Chamber of Commerce | \$250,000 71.07% of tax receipts |

# CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS

## SEPTEMBER 30, 2020

### 15. JOINT VENTURES

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

On March 6, 1998, the City of Dahlonega, Georgia (City), Lumpkin County (County) and the Lumpkin County Water and Sewage Authority (Authority) formed a joint authority to construct a reservoir. The City and County have signed an agreement to each own 54% and 46% undivided interest in the reservoir assets, respectively. The responsibility of constructing the reservoir and liability for the debt was divided between the City (47.59%), the County (52.41%) and the Authority (0%). A Georgia Environmental Facilities Authority note for which the City and County will be responsible for based on the preceding debt percentages originally funded the project. The City has been paying principal and interest payments based on their percentage of 47.59% during fiscal year 2020. Separate financial statements are not issued for this joint venture.

### 16. RELATED ORGANIZATIONS

The Housing Authority of the City of Dahlonega is considered a related organization to the City of Dahlonega. The City appoints members to the Authority, but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Dahlonega. The City received \$1,995 as payment-in-lieu-of-taxes for 2020. Separate financial statements may be obtained from Housing Authority of the City of Dahlonega, 90 Thompson Circle, Dahlonega, GA 30553.

# CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

## SEPTEMBER 30, 2020

### 17. RISK MANAGEMENT

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

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

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

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

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

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At September 30, 2020, 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, 2020**

**18. TAX ABATEMENTS**

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

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

The following incentive exists for the City:

| <u>Purpose</u>         | <u>% Abated</u> | <u>Current<br/>Year<br/>\$ Abated</u> |
|------------------------|-----------------|---------------------------------------|
| Koyo Bearings USA, LLC | 30%             | \$ 14,227                             |

**19. COMMITMENTS AND CONTINGENCIES**

**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.



**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**20. CONDUIT DEBT**

**Downtown Development Authority Component Unit**

From time-to-time, the Downtown Development Authority issues revenue bonds to provide financial assistance to local entities for the acquisition and construction of public facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the facilities transfers to the entity served by the bond issuance. Neither the City nor the State, or any political subdivision thereof, is obligated in any manner for repayment for the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The amount of conduit debt revenue bond obligations outstanding as of the end of the current fiscal year is \$105,315,000.

**21. RISKS AND UNCERTAINTIES**

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the City, its performance, and its financial results.



# 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, 2020**  
**(Unaudited)**

|                                                                              | <b>Fiscal Year End</b> |                     |
|------------------------------------------------------------------------------|------------------------|---------------------|
|                                                                              | <b>2020</b>            | <b>2019</b>         |
| <b>Total pension liability</b>                                               |                        |                     |
| Service cost                                                                 | \$ 173,911             | \$ 114,719          |
| Interest                                                                     | 563,294                | 508,884             |
| Differences between expected and actual experience                           | 309,796                | 405,325             |
| Changes of assumptions                                                       | (155,146)              | 0                   |
| Benefit payments, including refunds of employee contributions                | (384,446)              | (340,850)           |
| Other                                                                        | 0                      | 0                   |
| Net change in total pension liability                                        | 507,409                | 688,078             |
| Total pension liability - beginning                                          | 7,528,903              | 6,840,825           |
| <b>Total pension liability - ending (a)</b>                                  | <b>\$ 8,036,312</b>    | <b>\$ 7,528,903</b> |
| <b>Plan fiduciary net position</b>                                           |                        |                     |
| Contributions - employer                                                     | \$ 258,398             | \$ 255,709          |
| Net investment income                                                        | 191,715                | 600,142             |
| Benefit payments, including refunds of employee contributions                | (384,446)              | (340,850)           |
| Administrative expense                                                       | (15,247)               | (15,901)            |
| Net change in plan fiduciary net position                                    | 50,420                 | 499,100             |
| Plan fiduciary net position - beginning                                      | 6,580,333              | 6,081,233           |
| <b>Plan fiduciary net position - ending (b)</b>                              | <b>\$ 6,630,753</b>    | <b>\$ 6,580,333</b> |
| <b>Net pension liability (asset) - ending : (a) - (b)</b>                    | <b>\$ 1,405,559</b>    | <b>\$ 948,570</b>   |
| Plan's fiduciary net position as a percentage of the total pension liability | 82.51%                 | 87.40%              |
| Covered payroll                                                              | \$ 2,358,774           | \$ 2,189,155        |
| Net pension liability as a percentage of covered payroll                     | 59.59%                 | 43.33%              |

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

**Fiscal Year End**

| <u>2018</u>  | <u>2017</u>  | <u>2016</u>  | <u>2015</u>  |
|--------------|--------------|--------------|--------------|
| \$ 116,700   | \$ 115,608   | \$ 85,386    | \$ 96,910    |
| 488,440      | 477,750      | 446,617      | 439,359      |
| (16,733)     | (134,264)    | 178,075      | (117,428)    |
| 114,351      | 0            | 0            | 0            |
| (328,763)    | (313,569)    | (304,165)    | (262,175)    |
| 0            | 0            | 514          | (42,028)     |
| 373,995      | 145,525      | 406,427      | 114,638      |
| 6,466,830    | 6,321,305    | 5,914,878    | 5,800,240    |
| \$ 6,840,825 | \$ 6,466,830 | \$ 6,321,305 | \$ 5,914,878 |
| <br>         |              |              |              |
| \$ 284,180   | \$ 255,944   | \$ 344,506   | \$ 329,784   |
| 800,838      | 541,207      | 52,151       | 487,596      |
| (328,763)    | (313,569)    | (304,165)    | (262,175)    |
| (22,200)     | (9,141)      | (10,646)     | (8,507)      |
| 734,055      | 474,441      | 81,846       | 546,698      |
| 5,347,178    | 4,872,737    | 4,790,891    | 4,244,193    |
| \$ 6,081,233 | \$ 5,347,178 | \$ 4,872,737 | \$ 4,790,891 |
| <br>         |              |              |              |
| \$ 759,592   | \$ 1,119,652 | \$ 1,448,568 | \$ 1,123,987 |
| 88.90%       | 82.69%       | 77.08%       | 81.00%       |
| \$ 1,683,662 | \$ 1,596,651 | \$ 1,653,134 | \$ 1,320,011 |
| 45.12%       | 70.13%       | 87.63%       | 85.15%       |

See accompanying notes to the required supplementary information.

**CITY OF DAHLONEGA, GEORGIA**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**September 30, 2020**  
**(Unaudited)**

|                                                                         | Fiscal Year End |              |
|-------------------------------------------------------------------------|-----------------|--------------|
|                                                                         | 2020            | 2019         |
| Actuarially determined contribution                                     | \$ 370,252      | \$ 356,081   |
| Contributions in relation to the actuarially<br>determined contribution | (370,252)       | (356,081)    |
| Contribution deficiency (excess)                                        | \$ 0            | \$ 0         |
| Covered payroll                                                         | \$ 2,467,295    | \$ 2,412,015 |
| Contributions as a percentage of covered payroll                        | 15.01%          | 14.76%       |

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

| <b>Fiscal Year End</b> |                  |                  |                  |
|------------------------|------------------|------------------|------------------|
| <u>2018</u>            | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      |
| \$ 258,709             | \$ 255,709       | \$ 278,905       | \$ 255,944       |
| <u>(258,709)</u>       | <u>(255,709)</u> | <u>(278,905)</u> | <u>(255,944)</u> |
| <u>\$ 0</u>            | <u>\$ 0</u>      | <u>\$ 0</u>      | <u>\$ 0</u>      |
| \$ 2,396,292           | \$ 2,224,107     | \$ 1,934,317     | \$ 1,757,618     |
| 10.80%                 | 11.50%           | 14.42%           | 14.56%           |

See accompanying notes to the required supplementary information.

**CITY OF DAHLONEGA – NOTES TO THE REQUIRED SUPPLEMENTARY  
INFORMATION  
SEPTEMBER 30, 2020**

**1. VALUATION DATE**

The actuarially determined contribution rate was determined as of September 30, 2019, 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, 2021.

**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 = 7.375%

Projected salary increases = 2.25% plus service based merit increases

Cost of living adjustments = 1.70%

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the sex-distinct Pri-201 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.



**CITY OF DAHLONEGA – NOTES TO THE REQUIRED SUPPLEMENTARY  
INFORMATION  
SEPTEMBER 30, 2020**

**3. CHANGES IN BENEFITS**

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

**4. CHANGES OF ASSUMPTIONS**

The following assumption changes based on an actuarial study conducted in November and December of 2019:

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.
- The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.

**CITY OF DAHLONEGA – NOTES TO THE REQUIRED SUPPLEMENTARY  
INFORMATION  
SEPTEMBER 30, 2020**

**4. CHANGES OF ASSUMPTIONS (CONTINUED)**

- Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.
- Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.
- Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.
- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% to 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.
- The investment return assumption was decreased from 7.50% to 7.375%.
- The cost-of-living assumption was decreased from 2.00% to 1.70%.

# COMBINING STATEMENTS

## NONMAJOR GOVERNMENTAL FUNDS

**CITY OF DAHLONEGA, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**September 30, 2020**

|                                                | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> |                   | <u>Total<br/>Nonmajor<br/>Governmental<br/>Funds</u> |
|------------------------------------------------|----------------------------|-----------------------------|-------------------|------------------------------------------------------|
|                                                | <u>Hotel/Motel<br/>Tax</u> | <u>Grants</u>               | <u>SPLOST</u>     |                                                      |
| <b>ASSETS</b>                                  |                            |                             |                   |                                                      |
| <b>Current assets</b>                          |                            |                             |                   |                                                      |
| Cash and cash equivalents                      | \$ 0                       | \$ 330,027                  | \$ 189,787        | \$ 519,814                                           |
| Taxes receivable                               | 40,408                     | 0                           | 0                 | 40,408                                               |
| Intergovernmental receivables                  | 0                          | 0                           | 159,087           | 159,087                                              |
| Due from other funds                           | 0                          | 113,415                     | 0                 | 113,415                                              |
|                                                | <u>0</u>                   | <u>113,415</u>              | <u>0</u>          | <u>113,415</u>                                       |
| <b>Total assets</b>                            | <u>\$ 40,408</u>           | <u>\$ 443,442</u>           | <u>\$ 348,874</u> | <u>\$ 832,724</u>                                    |
| <b>LIABILITIES AND FUND BALANCES</b>           |                            |                             |                   |                                                      |
| <b>Liabilities</b>                             |                            |                             |                   |                                                      |
| Accounts payable                               | \$ 20,833                  | \$ 21,948                   | \$ 0              | \$ 42,781                                            |
| Due to other funds                             | 19,575                     | 0                           | 348,874           | 368,449                                              |
|                                                | <u>40,408</u>              | <u>21,948</u>               | <u>348,874</u>    | <u>411,230</u>                                       |
| <b>Total liabilities</b>                       | 40,408                     | 21,948                      | 348,874           | 411,230                                              |
| <b>Fund balances</b>                           |                            |                             |                   |                                                      |
| Assigned to capital outlay                     | 0                          | 421,494                     | 0                 | 421,494                                              |
|                                                | <u>0</u>                   | <u>421,494</u>              | <u>0</u>          | <u>421,494</u>                                       |
| <b>Total liabilities and<br/>fund balances</b> | <u>\$ 40,408</u>           | <u>\$ 443,442</u>           | <u>\$ 348,874</u> | <u>\$ 832,724</u>                                    |

**CITY OF DAHLONEGA, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the fiscal year ended September 30, 2020**

|                                                              | Special<br>Revenue | Capital<br>Projects |                | Total<br>Nonmajor<br>Governmental<br>Funds |
|--------------------------------------------------------------|--------------------|---------------------|----------------|--------------------------------------------|
|                                                              | Hotel/Motel<br>Tax | Grants              | SPLOST         |                                            |
| <b>REVENUES</b>                                              |                    |                     |                |                                            |
| Taxes                                                        | \$ 351,774         | \$ 0                | \$ 0           | \$ 351,774                                 |
| Intergovernmental                                            | 0                  | 176,854             | 534,290        | 711,144                                    |
| Interest                                                     | 0                  | 0                   | 814            | 814                                        |
| <b>Total revenues</b>                                        | <b>351,774</b>     | <b>176,854</b>      | <b>535,104</b> | <b>1,063,732</b>                           |
| <b>EXPENDITURES</b>                                          |                    |                     |                |                                            |
| Current                                                      |                    |                     |                |                                            |
| Housing and Development                                      | 250,000            | 0                   | 0              | 250,000                                    |
| Capital outlay                                               | 0                  | 482,557             | 0              | 482,557                                    |
| <b>Total expenditures</b>                                    | <b>250,000</b>     | <b>482,557</b>      | <b>0</b>       | <b>732,557</b>                             |
| Excess (deficiency) of revenues<br>over (under) expenditures | 101,774            | (305,703)           | 535,104        | 331,175                                    |
| Other financing sources (uses)                               |                    |                     |                |                                            |
| Transfers in                                                 | 0                  | 499,610             | 0              | 499,610                                    |
| Transfers out                                                | (101,774)          | 0                   | (535,104)      | (636,878)                                  |
| Total other financing sources (uses)                         | (101,774)          | 499,610             | (535,104)      | (137,268)                                  |
| Net change in fund balance                                   | 0                  | 193,907             | 0              | 193,907                                    |
| Fund balances, October 1                                     | 0                  | 227,587             | 0              | 227,587                                    |
| <b>Fund balances, September 30</b>                           | <b>\$ 0</b>        | <b>\$ 421,494</b>   | <b>\$ 0</b>    | <b>\$ 421,494</b>                          |



# 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, 2020 and 2019**

|                                                                                    | <b>2020</b>         | <b>2019</b>         |
|------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                                                                      |                     |                     |
| Cash and cash equivalents                                                          | \$ 2,898,859        | \$ 2,950,973        |
| Restricted cash and cash equivalents                                               | 0                   | 5,421               |
| Receivables (net)                                                                  |                     |                     |
| Accounts                                                                           | 4,724               | 1,115               |
| Taxes                                                                              | 154,511             | 155,077             |
| Fines                                                                              | 53,914              | 63,806              |
| Intergovernmental                                                                  | 3,536               | 1,995               |
| Due from other funds                                                               | 19,575              | 17,597              |
| Inventory                                                                          | 0                   | 11,178              |
| Prepaid items                                                                      | 47,410              | 34,503              |
|                                                                                    | <b>\$ 3,182,529</b> | <b>\$ 3,241,665</b> |
| <br><b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND<br/>FUND BALANCES</b>       |                     |                     |
| <b>Liabilities</b>                                                                 |                     |                     |
| Payables                                                                           |                     |                     |
| Accounts                                                                           | \$ 58,870           | \$ 67,033           |
| Intergovernmental                                                                  | 7,757               | 12,551              |
| Accrued salaries and payroll expenditures                                          | 80,670              | 62,382              |
| Deposits payable                                                                   | 1,235               | 1,220               |
| Due to other funds                                                                 | 0                   | 4,449               |
|                                                                                    | 148,532             | 147,635             |
| <br><b>Deferred inflows of resources</b>                                           |                     |                     |
| Unavailable revenue - property taxes                                               | 17,943              | 28,037              |
|                                                                                    | 17,943              | 28,037              |
| <br><b>Fund balances</b>                                                           |                     |                     |
| Nonspendable:                                                                      |                     |                     |
| Inventory                                                                          | 0                   | 11,178              |
| Prepaid items                                                                      | 47,410              | 34,503              |
| Restricted for:                                                                    |                     |                     |
| Service awards for citizens                                                        | 0                   | 5,421               |
| Assigned to:                                                                       |                     |                     |
| City Hall construction                                                             | 650,000             | 650,000             |
| Subsequent year's budget                                                           | 553,095             | 870,188             |
| Unassigned                                                                         | 1,765,549           | 1,494,703           |
|                                                                                    | 3,016,054           | 3,065,993           |
| <br><b>Total liabilities, deferred inflows of resources, and<br/>fund balances</b> | <b>\$ 3,182,529</b> | <b>\$ 3,241,665</b> |



**CITY OF DAHLONEGA, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the fiscal years ended September 30, 2020 and 2019**

|                                                                                                                | <u>2020</u>         | <u>2019</u>         |
|----------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>REVENUES</b>                                                                                                |                     |                     |
| Taxes                                                                                                          | \$ 3,694,902        | \$ 3,691,669        |
| Licenses and permits                                                                                           | 237,472             | 245,058             |
| Fines, fees and forfeitures                                                                                    | 165,069             | 218,939             |
| Charges for services                                                                                           | 92,125              | 78,875              |
| Intergovernmental                                                                                              | 152,038             | 32,487              |
| Interest                                                                                                       | 44,621              | 129,394             |
| Other                                                                                                          | 52,090              | 17,188              |
|                                                                                                                | <hr/>               | <hr/>               |
| <b>Total revenues</b>                                                                                          | <b>4,438,317</b>    | <b>4,413,610</b>    |
|                                                                                                                | <hr/>               | <hr/>               |
| <b>EXPENDITURES</b>                                                                                            |                     |                     |
| Current                                                                                                        |                     |                     |
| General Government                                                                                             | 1,379,223           | 1,317,618           |
| Judicial                                                                                                       | 202,835             | 212,919             |
| Public Safety                                                                                                  | 345,144             | 350,324             |
| Public Works                                                                                                   | 1,236,441           | 1,237,181           |
| Culture and Recreation                                                                                         | 27,878              | 16,306              |
| Housing and Development                                                                                        | 535,092             | 589,101             |
|                                                                                                                | <hr/>               | <hr/>               |
| <b>Total expenditures</b>                                                                                      | <b>3,726,613</b>    | <b>3,723,449</b>    |
|                                                                                                                | <hr/>               | <hr/>               |
| Excess (deficiency) of revenues over (under) expenditures                                                      | 711,704             | 690,161             |
|                                                                                                                | <hr/>               | <hr/>               |
| Other financing sources (uses)                                                                                 |                     |                     |
| Transfers in (out)                                                                                             |                     |                     |
| Hotel/Motel Tax Fund                                                                                           | 10,553              | 12,622              |
| Grants Capital Projects Fund                                                                                   | (42,666)            | (238,500)           |
| General Government Capital Projects Fund                                                                       | (729,530)           | (1,361,000)         |
| Solid Waste Fund                                                                                               | 0                   | (40,000)            |
| Proceeds from sale of capital assets                                                                           | 0                   | 460                 |
|                                                                                                                | <hr/>               | <hr/>               |
| <b>Total other financing sources (uses)</b>                                                                    | <b>(761,643)</b>    | <b>(1,626,418)</b>  |
|                                                                                                                | <hr/>               | <hr/>               |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (49,939)            | (936,257)           |
|                                                                                                                | <hr/>               | <hr/>               |
| Fund balances, October 1                                                                                       | 3,065,993           | 4,002,250           |
|                                                                                                                | <hr/>               | <hr/>               |
| <b>Fund balances, September 30</b>                                                                             | <b>\$ 3,016,054</b> | <b>\$ 3,065,993</b> |
|                                                                                                                | <hr/> <hr/>         | <hr/> <hr/>         |

# CITY OF DAHLONEGA, GEORGIA

## GENERAL FUND

### SCHEDULE OF REVENUES

#### BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2020

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

|                                    | 2020            |              |            | 2019         |
|------------------------------------|-----------------|--------------|------------|--------------|
|                                    | Final<br>Budget | Actual       | Variance   | Actual       |
| <b>REVENUES</b>                    |                 |              |            |              |
| <b>Taxes</b>                       |                 |              |            |              |
| General property taxes             |                 |              |            |              |
| Property tax                       | \$ 1,175,406    | \$ 1,201,519 | \$ 26,113  | \$ 1,260,859 |
| Real estate transfer tax           | 18,000          | 29,092       | 11,092     | 21,551       |
| Motor vehicle tax                  | 47,600          | 78,036       | 30,436     | 194,151      |
| Cost, penalties, and interest      | 2,500           | 6,203        | 3,703      | 3,641        |
| Total general property taxes       | 1,243,506       | 1,314,850    | 71,344     | 1,480,202    |
| Local option sales tax             | 810,900         | 1,124,693    | 313,793    | 937,368      |
| Franchise tax                      | 516,432         | 518,960      | 2,528      | 540,376      |
| Insurance premium tax              | 395,900         | 395,901      | 1          | 373,237      |
| Alcoholic beverage excise tax      | 140,000         | 201,536      | 61,536     | 219,640      |
| Occupational tax                   | 128,500         | 130,538      | 2,038      | 130,849      |
| Other taxes                        | 8,000           | 8,424        | 424        | 9,997        |
| Total taxes                        | 3,243,238       | 3,694,902    | 451,664    | 3,691,669    |
| <b>Licenses and Permits</b>        |                 |              |            |              |
| Alcohol licenses                   | 127,650         | 129,175      | 1,525      | 141,500      |
| Building, zoning and use permits   | 41,000          | 59,607       | 18,607     | 84,919       |
| Parking permits                    | 24,535          | 48,690       | 24,155     | 18,639       |
| Total licenses and permits         | 193,185         | 237,472      | 44,287     | 245,058      |
| <b>Fines, fees and forfeitures</b> | 101,500         | 165,069      | 63,569     | 218,939      |
| <b>Charges for Services</b>        | 89,500          | 92,125       | 2,625      | 78,875       |
| <b>Intergovernmental</b>           | 64,800          | 152,038      | 87,238     | 32,487       |
| <b>Interest</b>                    | 44,600          | 44,621       | 21         | 129,394      |
| <b>Other</b>                       | 20,100          | 52,090       | 31,990     | 17,188       |
| <b>Total revenues</b>              | \$ 3,756,923    | \$ 4,438,317 | \$ 681,394 | \$ 4,413,610 |

# CITY OF DAHLONEGA, GEORGIA

## GENERAL FUND

### SCHEDULE OF EXPENDITURES

#### BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2020

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

|                              | 2020             |                  |               | 2019             |
|------------------------------|------------------|------------------|---------------|------------------|
|                              | Final<br>Budget  | Actual           | Variance      | Actual           |
| <b>EXPENDITURES</b>          |                  |                  |               |                  |
| <b>General Government</b>    |                  |                  |               |                  |
| Legislative                  |                  |                  |               |                  |
| Personal services            | \$ 105,599       | \$ 105,464       | \$ 135        | \$ 102,563       |
| Contract services            | 60,878           | 43,071           | 17,807        | 72,308           |
| Supplies and materials       | 8,000            | 6,727            | 1,273         | 8,422            |
| Capital outlay               | 0                | 0                | 0             | 17,476           |
| Total Legislative            | <u>174,477</u>   | <u>155,262</u>   | <u>19,215</u> | <u>200,769</u>   |
| Executive                    |                  |                  |               |                  |
| Personal services            | 263,106          | 254,165          | 8,941         | 204,189          |
| Contract services            | 34,350           | 33,135           | 1,215         | 30,872           |
| Supplies and materials       | 3,100            | 2,647            | 453           | 1,690            |
| Total Executive              | <u>300,556</u>   | <u>289,947</u>   | <u>10,609</u> | <u>236,751</u>   |
| Elections                    |                  |                  |               |                  |
| Contract services            | 13,450           | 10,679           | 2,771         | 470              |
| General Administration       |                  |                  |               |                  |
| Personal services            | 473,197          | 462,396          | 10,801        | 426,068          |
| Contract services            | 414,220          | 412,038          | 2,182         | 402,688          |
| Supplies and materials       | 55,400           | 48,901           | 6,499         | 50,872           |
| Total General Administration | <u>942,817</u>   | <u>923,335</u>   | <u>19,482</u> | <u>879,628</u>   |
| Total General Government     | <u>1,431,300</u> | <u>1,379,223</u> | <u>52,077</u> | <u>1,317,618</u> |
| <b>Judicial</b>              |                  |                  |               |                  |
| Municipal Court              |                  |                  |               |                  |
| Personal services            | 87,982           | 83,271           | 4,711         | 80,596           |
| Contract services            | 134,485          | 119,022          | 15,463        | 129,445          |
| Supplies and materials       | 1,000            | 538              | 462           | 1,605            |
| Payments to other agencies   | 500              | 4                | 496           | 1,273            |
| Total Judicial               | <u>223,967</u>   | <u>202,835</u>   | <u>21,132</u> | <u>212,919</u>   |

# CITY OF DAHLONEGA, GEORGIA

## GENERAL FUND

### SCHEDULE OF EXPENDITURES

#### BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2020

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

|                            | 2020            |           |          | 2019      |
|----------------------------|-----------------|-----------|----------|-----------|
|                            | Final<br>Budget | Actual    | Variance | Actual    |
| <b>Public Safety</b>       |                 |           |          |           |
| Law Enforcement            |                 |           |          |           |
| Contract services          | \$ 19,009       | \$ 18,887 | \$ 122   | \$ 64,170 |
| Supplies and materials     | 15,900          | 15,555    | 345      | 17,276    |
| Payments to other agencies | 58,000          | 58,000    | 0        | 58,000    |
| Total Law Enforcement      | 92,909          | 92,442    | 467      | 139,446   |
| City Marshal's Office      |                 |           |          |           |
| Personal services          | 228,205         | 223,492   | 4,713    | 162,254   |
| Contract services          | 3,715           | 3,223     | 492      | 7,319     |
| Supplies and materials     | 21,660          | 17,787    | 3,873    | 23,870    |
| Capital outlay             | 8,200           | 8,200     | 0        | 17,435    |
| Total Marshal              | 261,780         | 252,702   | 9,078    | 210,878   |
| Total Public Safety        | 354,689         | 345,144   | 9,545    | 350,324   |
| <b>Public Works</b>        |                 |           |          |           |
| Street Construction        |                 |           |          |           |
| Personal services          | 853,721         | 825,798   | 27,923   | 762,804   |
| Contract services          | 65,100          | 52,245    | 12,855   | 78,936    |
| Supplies and materials     | 174,978         | 172,167   | 2,811    | 182,791   |
| Capital outlay             | 19,300          | 19,264    | 36       | 40,395    |
| Total Street Construction  | 1,113,099       | 1,069,474 | 43,625   | 1,064,926 |
| Shop Department            |                 |           |          |           |
| Personal services          | 72,374          | 70,850    | 1,524    | 69,949    |
| Contract services          | 7,850           | 6,313     | 1,537    | 5,046     |
| Supplies and materials     | 39,860          | 37,452    | 2,408    | 24,896    |
| Capital outlay             | 0               | 0         | 0        | 14,250    |
| Total Shop Department      | 120,084         | 114,615   | 5,469    | 114,141   |
| Cemetery                   |                 |           |          |           |
| Personal services          | 43,970          | 43,498    | 472      | 38,204    |
| Contract services          | 4,750           | 4,234     | 516      | 3,734     |
| Supplies and materials     | 5,250           | 4,620     | 630      | 16,176    |
| Total Cemetery             | 53,970          | 52,352    | 1,618    | 58,114    |
| Total Public Works         | 1,287,153       | 1,236,441 | 50,712   | 1,237,181 |

# CITY OF DAHLONEGA, GEORGIA

## GENERAL FUND

### SCHEDULE OF EXPENDITURES

#### BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2020

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

|                                | 2020                       |                            |                          | 2019                       |
|--------------------------------|----------------------------|----------------------------|--------------------------|----------------------------|
|                                | Final<br>Budget            | Actual                     | Variance                 | Actual                     |
| <b>Culture and Recreation</b>  |                            |                            |                          |                            |
| Parks                          |                            |                            |                          |                            |
| Contract services              | \$ 18,840                  | \$ 14,265                  | \$ 4,575                 | \$ 4,196                   |
| Supplies and materials         | 12,600                     | 13,613                     | (1,013)                  | 5,895                      |
| Capital outlay                 | 0                          | 0                          | 0                        | 6,215                      |
| Total Culture and Recreation   | <u>31,440</u>              | <u>27,878</u>              | <u>3,562</u>             | <u>16,306</u>              |
| <b>Housing and Development</b> |                            |                            |                          |                            |
| Community Development          |                            |                            |                          |                            |
| Personal services              | 212,973                    | 204,362                    | 8,611                    | 203,233                    |
| Contract services              | 47,474                     | 38,092                     | 9,382                    | 41,386                     |
| Supplies and materials         | 12,700                     | 11,619                     | 1,081                    | 12,743                     |
| Total Community Development    | <u>273,147</u>             | <u>254,073</u>             | <u>19,074</u>            | <u>257,362</u>             |
| Downtown Development Authority |                            |                            |                          |                            |
| Payment to others              | 281,019                    | 281,019                    | 0                        | 331,739                    |
| Total Housing and Development  | <u>554,166</u>             | <u>535,092</u>             | <u>19,074</u>            | <u>589,101</u>             |
| <b>Total expenditures</b>      | <u><u>\$ 3,882,715</u></u> | <u><u>\$ 3,726,613</u></u> | <u><u>\$ 156,102</u></u> | <u><u>\$ 3,723,449</u></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, 2020 and 2019**

|                                      | 2020      | 2019      |
|--------------------------------------|-----------|-----------|
| <b>ASSETS</b>                        |           |           |
| Taxes receivable                     | \$ 40,408 | \$ 39,788 |
| <b>LIABILITIES AND FUND BALANCES</b> |           |           |
| <b>Liabilities</b>                   |           |           |
| Accounts payable                     | \$ 20,833 | \$ 20,833 |
| Due to other funds                   | 19,575    | 18,955    |
| Total liabilities                    | \$ 40,408 | \$ 39,788 |



**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, 2020

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

|                                                                                                                      | 2020               |                    |                    | 2019               |
|----------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                                                                                      | Final<br>Budget    | Actual             | Variance           | Actual             |
| <b>REVENUES</b>                                                                                                      |                    |                    |                    |                    |
| Hotel/Motel taxes                                                                                                    | \$ 351,774         | \$ 351,774         | \$ 0               | \$ 420,738         |
| <b>Total revenues</b>                                                                                                | <u>351,774</u>     | <u>351,774</u>     | <u>0</u>           | <u>420,738</u>     |
| <b>EXPENDITURES</b>                                                                                                  |                    |                    |                    |                    |
| Current                                                                                                              |                    |                    |                    |                    |
| Housing and Development                                                                                              |                    |                    |                    |                    |
| Tourism                                                                                                              |                    |                    |                    |                    |
| Chamber of Commerce                                                                                                  | 250,000            | 250,000            | 0                  | 262,135            |
| <b>Total expenditures</b>                                                                                            | <u>250,000</u>     | <u>250,000</u>     | <u>0</u>           | <u>262,135</u>     |
| Excess (deficiency) of revenues<br>over (under) expenditures                                                         | <u>101,774</u>     | <u>101,774</u>     | <u>0</u>           | <u>158,603</u>     |
| Other financing sources (uses)                                                                                       |                    |                    |                    |                    |
| Transfers in (out)                                                                                                   |                    |                    |                    |                    |
| General Fund                                                                                                         | (10,553)           | (10,553)           | 0                  | (12,622)           |
| General Government Capital Projects Fund                                                                             | (91,221)           | (91,221)           | 0                  | (145,981)          |
| <b>Total other financing sources (uses)</b>                                                                          | <u>(101,774)</u>   | <u>(101,774)</u>   | <u>0</u>           | <u>(158,603)</u>   |
| Excess (deficiency) of revenues and other<br>financing sources over (under)<br>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>           |
| <b>Fund balances, September 30</b>                                                                                   | <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.

## **Special Purpose Local Option Sales Tax Fund**

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

## **General Government Capital Projects Fund**

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

## **2019 Transportation Special Purpose Local Option Sales Tax Fund**

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

**CITY OF DAHLONEGA, GEORGIA**  
**GRANTS CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**September 30, 2020 and 2019**

|                                            | <b>2020</b>       | <b>2019</b>       |
|--------------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                              |                   |                   |
| Cash and cash equivalents                  | \$ 330,027        | \$ 258,643        |
| Due from other funds                       | 113,415           | 0                 |
| <b>Total assets</b>                        | <b>\$ 443,442</b> | <b>\$ 258,643</b> |
| <br><b>LIABILITIES AND FUND BALANCES</b>   |                   |                   |
| <b>Liabilities</b>                         |                   |                   |
| Accounts payable                           | \$ 21,948         | \$ 31,056         |
| <b>Fund balances</b>                       |                   |                   |
| Assigned to:                               |                   |                   |
| Capital outlay                             | 421,494           | 227,587           |
| <b>Total liabilities and fund balances</b> | <b>\$ 443,442</b> | <b>\$ 258,643</b> |

**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, 2020 and 2019**

|                                                                                                                      | <u>2020</u>              | <u>2019</u>              |
|----------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>REVENUES</b>                                                                                                      |                          |                          |
| Intergovernmental                                                                                                    | \$ 176,854               | \$ 268,911               |
| <b>Total revenues</b>                                                                                                | <u>176,854</u>           | <u>268,911</u>           |
| <b>EXPENDITURES</b>                                                                                                  |                          |                          |
| Capital Outlay                                                                                                       |                          |                          |
| Public Works                                                                                                         | 461,330                  | 263,324                  |
| Culture and Recreation                                                                                               | <u>21,227</u>            | <u>16,500</u>            |
| <b>Total expenditures</b>                                                                                            | <u>482,557</u>           | <u>279,824</u>           |
| Excess (deficiency) of revenues<br>over (under) expenditures                                                         | <u>(305,703)</u>         | <u>(10,913)</u>          |
| Other financing sources                                                                                              |                          |                          |
| Transfers in                                                                                                         |                          |                          |
| General Fund                                                                                                         | 42,666                   | 238,500                  |
| General Government Capital Projects Fund                                                                             | 23,527                   | 0                        |
| 2019 TSPLOST Fund                                                                                                    | 320,002                  | 0                        |
| SPLOST Fund                                                                                                          | <u>113,415</u>           | <u>0</u>                 |
| <b>Total other financing sources</b>                                                                                 | <u>499,610</u>           | <u>238,500</u>           |
| Excess (deficiency) of revenues and other financing sources<br>over (under) expenditures and other financing sources | 193,907                  | 227,587                  |
| Fund balances, October 1                                                                                             | <u>227,587</u>           | <u>0</u>                 |
| <b>Fund balances, September 30</b>                                                                                   | <u><u>\$ 421,494</u></u> | <u><u>\$ 227,587</u></u> |

**CITY OF DAHLONEGA, GEORGIA**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**September 30, 2020 and 2019**

|                                          | 2020              | 2019              |
|------------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                            |                   |                   |
| Cash and cash equivalents                | \$ 189,787        | \$ 391            |
| Intergovernmental receivable             | 159,087           | 103,645           |
| <b>Total assets</b>                      | <b>\$ 348,874</b> | <b>\$ 104,036</b> |
| <br><b>LIABILITIES AND FUND BALANCES</b> |                   |                   |
| <b>Liabilities</b>                       |                   |                   |
| Due to other funds                       | \$ 348,874        | \$ 104,036        |

**CITY OF DAHLONEGA, GEORGIA**  
**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, 2020 and 2019**

|                                                                                                                      | <b>2020</b>                                 | <b>2019</b>      |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------|
| <b>REVENUES</b>                                                                                                      |                                             |                  |
| Intergovernmental                                                                                                    | \$ 534,290                                  | \$ 594,751       |
| Interest                                                                                                             | 814                                         | 3,602            |
|                                                                                                                      | <b>Total revenues</b>                       | <b>598,353</b>   |
|                                                                                                                      | 535,104                                     | 598,353          |
| <b>Other financing sources (uses)</b>                                                                                |                                             |                  |
| Transfers out                                                                                                        |                                             |                  |
| General Government Capital Projects Fund                                                                             | (113,415)                                   | 0                |
| Grants Capital Projects Fund                                                                                         | (113,415)                                   | 0                |
| Water and Sewage Fund                                                                                                | (308,274)                                   | (598,353)        |
|                                                                                                                      | <b>Total other financing sources (uses)</b> | <b>(598,353)</b> |
|                                                                                                                      | (535,104)                                   | (598,353)        |
| Excess (deficiency) of revenues and other financing sources<br>over (under) expenditures and other financing sources | 0                                           | 0                |
| Fund balances, October 1                                                                                             | 0                                           | 0                |
| <b>Fund balances, September 30</b>                                                                                   | <b>\$ 0</b>                                 | <b>\$ 0</b>      |

**CITY OF DAHLONEGA, GEORGIA**  
**GENERAL GOVERNMENT CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**September 30, 2020 and 2019**

|                                            | 2020                | 2019                |
|--------------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                              |                     |                     |
| Cash and cash equivalents                  | \$ 1,317,027        | \$ 1,133,643        |
| Due from other funds                       | 113,415             | 5,807               |
| <b>Total assets</b>                        | <b>\$ 1,430,442</b> | <b>\$ 1,139,450</b> |
| <br><b>LIABILITIES AND FUND BALANCES</b>   |                     |                     |
| <b>Liabilities</b>                         |                     |                     |
| Accounts payable                           | \$ 18,192           | \$ 61,499           |
| <b>Fund balances</b>                       |                     |                     |
| Assigned to:                               |                     |                     |
| Capital outlay                             | 1,412,250           | 1,077,951           |
| <b>Total liabilities and fund balances</b> | <b>\$ 1,430,442</b> | <b>\$ 1,139,450</b> |



**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, 2020 and 2019**

|                                                                                                                             | <b>2020</b>         | <b>2019</b>         |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>REVENUES</b>                                                                                                             |                     |                     |
| Charges for services                                                                                                        | \$ 7,876            | \$ 14,625           |
| <b>EXPENDITURES</b>                                                                                                         |                     |                     |
| Capital Outlay                                                                                                              |                     |                     |
| General Government                                                                                                          | 225,211             | 1,897               |
| Public Safety                                                                                                               | 0                   | 39,860              |
| Public Works                                                                                                                | 310,005             | 144,364             |
| Culture and Recreation                                                                                                      | 49,000              | 726,958             |
|                                                                                                                             | <b>584,216</b>      | <b>913,079</b>      |
| Excess (deficiency) of revenues<br>over (under) expenditures                                                                | (576,340)           | (898,454)           |
| Other financing sources (uses)                                                                                              |                     |                     |
| Transfers in (out)                                                                                                          |                     |                     |
| General Fund                                                                                                                | 729,530             | 1,361,000           |
| Hotel/Motel Tax Fund                                                                                                        | 91,221              | 145,981             |
| Grants Capital Projects Fund                                                                                                | (23,527)            | 0                   |
| Water and Sewage Enterprise Fund                                                                                            | 113,415             | (38,402)            |
|                                                                                                                             | <b>910,639</b>      | <b>1,468,579</b>    |
| Excess (deficiency) of revenues and other financing sources<br>over (under) expenditures and other financing sources (uses) | 334,299             | 570,125             |
| Fund balances, October 1                                                                                                    | 1,077,951           | 507,826             |
| <b>Fund balances, September 30</b>                                                                                          | <b>\$ 1,412,250</b> | <b>\$ 1,077,951</b> |

**CITY OF DAHLONEGA, GEORGIA**  
**2019 TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**September 30, 2020 and 2019**

|                                          | <b>2020</b>       | <b>2019</b>       |
|------------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                            |                   |                   |
| Cash and cash equivalents                | \$ 536,060        | \$ 65,187         |
| Interest receivable                      | 0                 | 61                |
| Intergovernment receivable               | 151,544           | 133,074           |
| <b>Total assets</b>                      | <b>\$ 687,604</b> | <b>\$ 198,322</b> |
| <br><b>LIABILITIES AND FUND BALANCES</b> |                   |                   |
| <b>Fund balances</b>                     |                   |                   |
| Restricted to capital outlay             | \$ 687,604        | \$ 198,322        |

**CITY OF DAHLONEGA, GEORGIA**  
**2019 TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUNDS BALANCES**  
**For the fiscal years ended September 30, 2020 and 2019**

|                                                                                                                             | 2020       | 2019       |
|-----------------------------------------------------------------------------------------------------------------------------|------------|------------|
| <b>REVENUES</b>                                                                                                             |            |            |
| Intergovernmental                                                                                                           | \$ 807,606 | \$ 198,258 |
| Interest                                                                                                                    | 1,678      | 64         |
|                                                                                                                             | 809,284    | 198,322    |
| <b>Total revenues</b>                                                                                                       | 809,284    | 198,322    |
| Other financing sources (uses)                                                                                              |            |            |
| Transfers out                                                                                                               |            |            |
| Grant Capital Projects Fund                                                                                                 | (320,002)  | 0          |
|                                                                                                                             | (320,002)  | 0          |
| Excess (deficiency) of revenues and other financing sources<br>over (under) expenditures and other financing sources (uses) | 489,282    | 198,322    |
| Fund balances, October 1                                                                                                    | 198,322    | 0          |
| <b>Fund balances, September 30</b>                                                                                          | \$ 687,604 | \$ 198,322 |



# 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, 2020 and 2019**

|                                                        | <b>2020</b>       | <b>2019</b>       |
|--------------------------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                                          |                   |                   |
| <b>Current assets</b>                                  |                   |                   |
| Cash and cash equivalents                              | \$ 4,993,782      | \$ 5,012,925      |
| Receivables (net)                                      |                   |                   |
| Accounts                                               | 771,580           | 701,829           |
| Intergovernmental                                      | 0                 | 12,694            |
| Due from other funds                                   | 122,044           | 104,036           |
| Inventory                                              | 158,379           | 171,145           |
| Prepaid items                                          | 196,432           | 201,800           |
|                                                        | <b>6,242,217</b>  | <b>6,204,429</b>  |
| <b>Restricted assets</b>                               |                   |                   |
| Debt Redemption                                        |                   |                   |
| Cash and cash equivalents                              | 169,435           | 170,035           |
| Customer Deposits                                      |                   |                   |
| Cash and cash equivalents                              | 208,642           | 212,090           |
|                                                        | <b>378,077</b>    | <b>382,125</b>    |
| <b>Capital assets</b>                                  |                   |                   |
| Land                                                   | 3,348,989         | 3,348,989         |
| Construction in progress                               | 129,741           | 91,529            |
| Improvements                                           | 61,718            | 4,330,504         |
| Buildings                                              | 29,342,116        | 25,574,443        |
| Water and sewer lines and towers                       | 22,664,625        | 22,223,197        |
| Machinery and equipment                                | 7,035,731         | 5,820,253         |
| Intangible                                             | 47,500            | 0                 |
| Accumulated depreciation                               | (25,477,783)      | (23,671,198)      |
|                                                        | <b>37,152,637</b> | <b>37,717,717</b> |
| Total capital assets (net of accumulated depreciation) |                   |                   |
|                                                        | <b>43,772,931</b> | <b>44,304,271</b> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |                   |                   |
| Deferred outflows of resources - pension               | 301,084           | 240,331           |
| Deferred charges on refunding                          | 2,912,864         | 3,045,267         |
|                                                        | <b>3,213,948</b>  | <b>3,285,598</b>  |
| Total deferred outflows of resources                   |                   |                   |

**CITY OF DAHLONEGA, GEORGIA**  
**WATER AND SEWAGE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**September 30, 2020 and 2019**

|                                                           | 2020          | 2019          |
|-----------------------------------------------------------|---------------|---------------|
| <b>LIABILITIES</b>                                        |               |               |
| <b>Current liabilities</b>                                |               |               |
| Payables                                                  |               |               |
| Accounts                                                  | \$ 46,232     | \$ 79,013     |
| Intergovernmental                                         | 3,910         | 3,910         |
| Interest                                                  | 0             | 13,579        |
| Accrued salaries and payroll expenses                     | 37,264        | 36,133        |
| Compensated absences                                      | 51,756        | 59,108        |
| Notes payable                                             | 182,629       | 240,259       |
|                                                           | 321,791       | 432,002       |
| <b>Current liabilities payable from restricted assets</b> |               |               |
| Interest payable                                          | 76,102        | 78,368        |
| Customer deposits payable                                 | 208,642       | 212,090       |
| Revenue bonds payable                                     | 700,000       | 680,000       |
|                                                           | 984,744       | 970,458       |
| <b>Noncurrent liabilities</b>                             |               |               |
| Net pension liability                                     | 501,660       | 355,905       |
| Compensated absences                                      | 13,758        | 15,712        |
| Notes payable                                             | 5,920,278     | 6,042,358     |
| Revenue bonds payable                                     | 23,495,390    | 24,223,590    |
|                                                           | 29,931,086    | 30,637,565    |
| <b>Total liabilities</b>                                  | 31,237,621    | 32,040,025    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                      |               |               |
| Deferred inflows of resources - pension                   | 69,886        | 142,475       |
|                                                           | 69,886        | 142,475       |
| <b>NET POSITION</b>                                       |               |               |
| Net investment in capital assets                          | 9,767,204     | 9,563,277     |
| Restricted for debt service                               | 93,333        | 91,667        |
| Unrestricted                                              | 5,818,835     | 5,752,425     |
|                                                           | 15,679,372    | 15,407,369    |
| <b>Total net position</b>                                 | \$ 15,679,372 | \$ 15,407,369 |

**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, 2020 and 2019**

|                                                              | <b>2020</b>          | <b>2019</b>          |
|--------------------------------------------------------------|----------------------|----------------------|
| <b>OPERATING REVENUES</b>                                    |                      |                      |
| Charges for sales and services                               |                      |                      |
| Water sales                                                  | \$ 2,945,329         | \$ 3,112,228         |
| Sewer charges                                                | 2,011,851            | 2,037,955            |
| Tap fees                                                     | 201,371              | 582,658              |
| Other charges and fees                                       | 89,002               | 78,196               |
|                                                              | <b>5,247,553</b>     | <b>5,811,037</b>     |
| <b>OPERATING EXPENSES</b>                                    |                      |                      |
| Cost of sales and services                                   | 1,164,888            | 1,287,048            |
| Personal services                                            | 1,214,874            | 1,268,766            |
| Depreciation                                                 | 1,806,585            | 1,796,932            |
|                                                              | <b>4,186,347</b>     | <b>4,352,746</b>     |
| Operating income (loss)                                      | <b>1,061,206</b>     | <b>1,458,291</b>     |
| Non-operating revenues (expenses)                            |                      |                      |
| Interest revenue                                             | 45,574               | 125,283              |
| Interest expense                                             | (1,155,914)          | (1,234,957)          |
| Intergovernmental                                            | 12,863               | 0                    |
| Distributions of capital assets to Governmental Activities   | 0                    | (2,250)              |
| Distributions of capital assets to Solid Waste Fund          | 0                    | (14,624)             |
| Gain (loss) on sale of capital assets                        | 0                    | (64,520)             |
|                                                              | <b>(1,097,477)</b>   | <b>(1,191,068)</b>   |
| Net income (loss) before capital contributions and transfers | <b>(36,271)</b>      | <b>267,223</b>       |
| Capital contributions                                        |                      |                      |
| Contributions of capital assets from Governmental Activities | 0                    | 26,466               |
| Contributions of capital assets from Solid Waste Fund        | 0                    | 2,500                |
| Contributions of capital assets from developers              | 0                    | 373,308              |
|                                                              | <b>0</b>             | <b>402,274</b>       |
| Net income (loss) before transfers                           | <b>(36,271)</b>      | <b>669,497</b>       |
| Transfers in (out)                                           |                      |                      |
| General Government Capital Projects Fund                     | 0                    | 38,402               |
| SPLOST Fund                                                  | 308,274              | 598,353              |
|                                                              | <b>308,274</b>       | <b>636,755</b>       |
| Change in net position                                       | <b>272,003</b>       | <b>1,306,252</b>     |
| Net position, October 1                                      | <b>15,407,369</b>    | <b>14,101,117</b>    |
| <b>Net position, September 30</b>                            | <b>\$ 15,679,372</b> | <b>\$ 15,407,369</b> |



**CITY OF DAHLONEGA, GEORGIA**  
**WATER AND SEWAGE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended September 30, 2020 and 2019**

|                                                                      | <u>2020</u>         | <u>2019</u>         |
|----------------------------------------------------------------------|---------------------|---------------------|
| <b>Cash flows from operating activities:</b>                         |                     |                     |
| Receipts from customers                                              | \$ 5,151,815        | \$ 5,810,937        |
| Payments to suppliers                                                | (1,159,823)         | (1,296,496)         |
| Payments to employees                                                | (1,210,636)         | (1,301,745)         |
| Other receipts                                                       | 22,539              | 11,154              |
|                                                                      | <hr/>               | <hr/>               |
| Net cash provided (used) by operating activities                     | 2,803,895           | 3,223,850           |
|                                                                      | <hr/>               | <hr/>               |
| <b>Cash flows from non-capital financing activities:</b>             |                     |                     |
| Receipts from other governments                                      | 12,863              | 0                   |
| Payments to other funds                                              | (18,008)            | (29,228)            |
|                                                                      | <hr/>               | <hr/>               |
| Net cash provided (used) by non-capital financing activities         | (5,145)             | (29,228)            |
|                                                                      | <hr/>               | <hr/>               |
| <b>Cash flows from capital and related financing activities:</b>     |                     |                     |
| Receipts from other funds                                            | 308,274             | 636,755             |
| Receipts from other governments                                      | 12,694              | 187,932             |
| Payments for acquisitions of capital assets                          | (1,241,504)         | (196,972)           |
| Payment of capital related accounts payable                          | (13,500)            | 0                   |
| Principal payments - revenue bonds                                   | (680,000)           | (660,000)           |
| Principal payments - promissory notes                                | (179,710)           | (289,190)           |
| Interest paid                                                        | (1,073,769)         | (1,139,046)         |
|                                                                      | <hr/>               | <hr/>               |
| Net cash provided (used) by capital and related financing activities | (2,867,515)         | (1,460,521)         |
|                                                                      | <hr/>               | <hr/>               |
| <b>Cash flows from investing activities:</b>                         |                     |                     |
| Interest received                                                    | 45,574              | 125,283             |
|                                                                      | <hr/>               | <hr/>               |
| Net increase (decrease) in cash and cash equivalents                 | (23,191)            | 1,859,384           |
| Cash and cash equivalents, October 1                                 | 5,395,050           | 3,535,666           |
|                                                                      | <hr/>               | <hr/>               |
| <b>Cash and cash equivalents, September 30</b>                       | <u>\$ 5,371,859</u> | <u>\$ 5,395,050</u> |

**CITY OF DAHLONEGA, GEORGIA**  
**WATER AND SEWAGE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended September 30, 2020 and 2019**

|                                                                                                       | 2020                | 2019                |
|-------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                     |                     |
| Operating income (loss)                                                                               | \$ 1,061,206        | \$ 1,458,291        |
| <b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>        |                     |                     |
| Depreciation expense                                                                                  | 1,806,585           | 1,796,932           |
| (Increase) decrease in accounts receivables                                                           | (69,751)            | 85,883              |
| (Increase) decrease in intergovernmental receivables                                                  | 0                   | (93,966)            |
| (Increase) decrease in inventory                                                                      | 12,766              | (33,303)            |
| (Increase) decrease in prepaid items                                                                  | 11,580              | 11,156              |
| (Increase) decrease in deferred outflows related to pension                                           | (60,753)            | (159,330)           |
| Increase (decrease) in accounts payable                                                               | (19,281)            | 12,551              |
| Increase (decrease) in intergovernmental payable                                                      | 0                   | 148                 |
| Increase (decrease) in payroll liabilities                                                            | (8,175)             | (98)                |
| Increase (decrease) in net pension liability                                                          | 145,755             | 61,187              |
| Increase (decrease) in deferred inflows related to pension                                            | (72,589)            | 65,263              |
| Increase (decrease) in deposits payable                                                               | (3,448)             | 19,136              |
| <b>Total adjustments</b>                                                                              | <b>1,742,689</b>    | <b>1,765,559</b>    |
| <b>Net cash provided (used) by operating activities</b>                                               | <b>\$ 2,803,895</b> | <b>\$ 3,223,850</b> |
| <b>Cash and cash equivalents reconciliation:</b>                                                      |                     |                     |
| Cash and cash equivalents                                                                             | \$ 4,993,782        | \$ 5,012,925        |
| Debt Redemption                                                                                       |                     |                     |
| Cash and cash equivalents                                                                             | 169,435             | 170,035             |
| Customer Deposits                                                                                     |                     |                     |
| Cash and cash equivalents                                                                             | 208,642             | 212,090             |
| <b>Total cash and cash equivalents</b>                                                                | <b>\$ 5,371,859</b> | <b>\$ 5,395,050</b> |

**Noncash capital and related financing activities:**

Acquisition of capital assets through accounts payable totaled \$13,500 for the fiscal year ended September 30, 2019.

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

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

Contributions of capital assets from developers totaled \$373,308 for the fiscal year ended September 30, 2019.

**CITY OF DAHLONEGA, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**September 30, 2020 and 2019**

|                                                        | <b>2020</b> | <b>2019</b> |
|--------------------------------------------------------|-------------|-------------|
| <b>ASSETS</b>                                          |             |             |
| <b>Current assets</b>                                  |             |             |
| Cash and cash equivalents                              | \$ 354,894  | \$ 312,324  |
| Accounts receivable (net)                              | 118,984     | 107,908     |
| Prepaid items                                          | 17,771      | 14,196      |
| Total current assets                                   | 491,649     | 434,428     |
| <b>Capital assets</b>                                  |             |             |
| Improvements                                           | 16,921      | 11,583      |
| Buildings                                              | 249,728     | 255,066     |
| Machinery and equipment                                | 1,002,671   | 933,148     |
| Accumulated depreciation                               | (699,831)   | (633,249)   |
| Total capital assets (net of accumulated depreciation) | 569,489     | 566,548     |
| <b>Total assets</b>                                    | 1,061,138   | 1,000,976   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |             |             |
| Deferred outflows of resources - pension               | 106,911     | 85,800      |
| <b>LIABILITIES</b>                                     |             |             |
| <b>Current liabilities</b>                             |             |             |
| Accounts payable                                       | 9,755       | 9,729       |
| Intergovernmental payable                              | 0           | 206         |
| Accrued salaries and payroll expenses                  | 14,171      | 12,840      |
| Compensated absences                                   | 16,985      | 16,326      |
| Capital leases payable                                 | 30,406      | 29,143      |
| Interest payable                                       | 116         | 150         |
| Total current liabilities                              | 71,433      | 68,394      |
| <b>Noncurrent liabilities</b>                          |             |             |
| Net pension liability                                  | 165,866     | 115,221     |
| Capital leases payable                                 | 67,645      | 98,051      |
| Compensated absences                                   | 4,515       | 4,340       |
| Total noncurrent liabilities                           | 238,026     | 217,612     |
| <b>Total liabilities</b>                               | 309,459     | 286,006     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                   |             |             |
| Deferred inflows of resources - pension                | 27,136      | 52,358      |
| <b>NET POSITION</b>                                    |             |             |
| Net investment in capital assets                       | 471,438     | 439,354     |
| Unrestricted                                           | 360,016     | 309,058     |
| <b>Total net position</b>                              | \$ 831,454  | \$ 748,412  |

**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, 2020 and 2019**

|                                                              | <u>2020</u>              | <u>2019</u>              |
|--------------------------------------------------------------|--------------------------|--------------------------|
| <b>OPERATING REVENUES</b>                                    |                          |                          |
| Charges for sales and services                               | \$ 935,938               | \$ 931,094               |
| <b>OPERATING EXPENSES</b>                                    |                          |                          |
| Cost of sales and services                                   | 325,232                  | 312,770                  |
| Personal services                                            | 460,830                  | 433,329                  |
| Depreciation                                                 | 66,581                   | 78,922                   |
| <b>Total operating expenses</b>                              | <u>852,643</u>           | <u>825,021</u>           |
| Operating income (loss)                                      | <u>83,295</u>            | <u>106,073</u>           |
| Non-operating revenues (expenses)                            |                          |                          |
| Interest expense                                             | (4,808)                  | (5,654)                  |
| Intergovernmental                                            | 4,555                    | 0                        |
| <b>Total non-operating revenues (expenses)</b>               | <u>(253)</u>             | <u>(5,654)</u>           |
| Net income (loss) before capital contributions and transfers | 83,042                   | 100,419                  |
| Capital contributions                                        |                          |                          |
| Contributions of capital assets from Water and Sewer Fund    | <u>0</u>                 | <u>12,124</u>            |
| Net income (loss) before transfers                           | 83,042                   | 112,543                  |
| Transfers in (out)                                           |                          |                          |
| General Fund                                                 | <u>0</u>                 | <u>40,000</u>            |
| Change in net position                                       | 83,042                   | 152,543                  |
| Net position, October 1                                      | <u>748,412</u>           | <u>595,869</u>           |
| <b>Net position, September 30</b>                            | <u><u>\$ 831,454</u></u> | <u><u>\$ 748,412</u></u> |

**CITY OF DAHLONEGA, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended September 30, 2020 and 2019**

|                                                                                                       | 2020              | 2019              |
|-------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>Cash flows from operating activities:</b>                                                          |                   |                   |
| Receipts from customers                                                                               | \$ 924,862        | \$ 950,306        |
| Payments to suppliers                                                                                 | (328,987)         | (309,275)         |
| Payments to employees                                                                                 | (454,353)         | (439,208)         |
| Net cash provided (used) by operating activities                                                      | 141,522           | 201,823           |
| <b>Cash flows from non-capital financing activities:</b>                                              |                   |                   |
| Receipts from other funds                                                                             | 0                 | 40,000            |
| Receipts from other governments                                                                       | 4,556             | 0                 |
| Payments to other funds                                                                               | 0                 | (21,062)          |
| Net cash provided (used) by non-capital financing activities                                          | 4,556             | 18,938            |
| <b>Cash flows from capital and related financing activities:</b>                                      |                   |                   |
| Payments for acquisitions of capital assets                                                           | (69,523)          | (166,625)         |
| Proceeds from issuance of capital leases payable                                                      | 0                 | 152,844           |
| Principal payments on capital leases payable                                                          | (29,143)          | (25,650)          |
| Net cash provided (used) by capital and related financing activities                                  | (98,666)          | (39,431)          |
| <b>Cash flows from investing activities:</b>                                                          |                   |                   |
| Interest paid                                                                                         | (4,842)           | (5,504)           |
| Net increase (decrease) in cash and cash equivalents                                                  | 42,570            | 175,826           |
| Cash and cash equivalents, October 1                                                                  | 312,324           | 136,498           |
| <b>Cash and cash equivalents, September 30</b>                                                        | <b>\$ 354,894</b> | <b>\$ 312,324</b> |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                   |                   |
| Operating income (loss)                                                                               | \$ 83,295         | \$ 106,073        |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities:        |                   |                   |
| Depreciation expense                                                                                  | 66,581            | 78,922            |
| (Increase) decrease in accounts receivable                                                            | (11,076)          | 19,213            |
| (Increase) decrease in prepaid items                                                                  | (3,575)           | 23                |
| (Increase) decrease in deferred outflows related to pension                                           | (21,111)          | (33,171)          |
| Increase (decrease) in accounts payable                                                               | 26                | 3,266             |
| Increase (decrease) in intergovernmental payable                                                      | (206)             | 205               |
| Increase (decrease) in payroll liabilities                                                            | 2,165             | 6,669             |
| Increase (decrease) in net pension liability                                                          | 50,645            | 23,350            |
| Increase (decrease) in deferred inflows related to pension                                            | (25,222)          | (2,727)           |
| Total adjustments                                                                                     | 58,227            | 95,750            |
| Net cash provided (used) by operating activities                                                      | <b>\$ 141,522</b> | <b>\$ 201,823</b> |

**Noncash capital and related financing activities:**

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

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



# COMPONENT UNIT

## **Downtown Development Authority**

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

**CITY OF DAHLONEGA, GEORGIA**  
**DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)**  
**COMPARATIVE BALANCE SHEETS**  
**September 30, 2020 and 2019**

|                                            | 2020       | 2019       |
|--------------------------------------------|------------|------------|
| <b>ASSETS</b>                              |            |            |
| Cash and cash equivalents                  | \$ 409,676 | \$ 435,873 |
| Intergovernmental receivable               | 0          | 572        |
| Prepaid items                              | 3,249      | 3,722      |
| <b>Total assets</b>                        | \$ 412,925 | \$ 440,167 |
| <br><b>LIABILITIES AND FUND BALANCES</b>   |            |            |
| <b>Current Liabilities</b>                 |            |            |
| Accounts payable                           | \$ 6,050   | \$ 9,314   |
| Accrued salaries and payroll liabilities   | 6,322      | 5,319      |
| <b>Total liabilities</b>                   | 12,372     | 14,633     |
| <br><b>Fund balances</b>                   |            |            |
| Nonspendable:                              |            |            |
| Prepaid items                              | 3,249      | 3,722      |
| Assigned to:                               |            |            |
| Dahlonega 2000 operations                  | 19,107     | 21,741     |
| Redevelopment projects                     | 179,831    | 179,832    |
| Operations                                 | 198,366    | 220,239    |
| <b>Total fund balances</b>                 | 400,553    | 425,534    |
| <b>Total liabilities and fund balances</b> | \$ 412,925 | \$ 440,167 |



**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, 2020**  
**(With comparative actual amounts for the fiscal year ended September 30, 2019)**

|                                                 | 2020               |                          |                          | 2019                     |
|-------------------------------------------------|--------------------|--------------------------|--------------------------|--------------------------|
|                                                 | Final<br>Budget    | Actual                   | Variance                 | Actual                   |
| <b>REVENUES</b>                                 |                    |                          |                          |                          |
| Intergovernmental                               | \$ 281,019         | \$ 282,214               | \$ 1,195                 | \$ 331,739               |
| Contributions                                   | 0                  | 245                      | 245                      | 1,000                    |
| Other                                           | 0                  | 1,860                    | 1,860                    | 1,457                    |
| <b>Total revenues</b>                           | <u>281,019</u>     | <u>284,319</u>           | <u>3,300</u>             | <u>334,196</u>           |
| <b>EXPENDITURES</b>                             |                    |                          |                          |                          |
| Current                                         |                    |                          |                          |                          |
| Housing and Development                         |                    |                          |                          |                          |
| Personal services                               | 215,980            | 210,472                  | 5,508                    | 172,765                  |
| Contract services                               | 84,559             | 80,308                   | 4,251                    | 73,627                   |
| Supplies and materials                          | 21,250             | 18,520                   | 2,730                    | 43,905                   |
| <b>Total expenditures</b>                       | <u>321,789</u>     | <u>309,300</u>           | <u>12,489</u>            | <u>290,297</u>           |
| Excess of revenues<br>over (under) expenditures | (40,770)           | (24,981)                 | 15,789                   | 43,899                   |
| Fund balances, October 1                        | <u>40,770</u>      | <u>425,534</u>           | <u>384,764</u>           | <u>381,635</u>           |
| <b>Fund balances, September 30</b>              | <u><u>\$ 0</u></u> | <u><u>\$ 400,553</u></u> | <u><u>\$ 400,553</u></u> | <u><u>\$ 425,534</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.

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**PAGES**

**Financial Trends.....132 - 145**

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

**Revenue Capacity.....146 - 154**

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

**Debt Capacity.....156 - 163**

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

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

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

**Operating Information.....166 - 169**

These tables/schedules contain service and infrastructure data to assist the reader in understanding how the information in the City’s financial report relates to the services the government provides and the activities it performs.

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

**CITY OF DAHLONEGA, GEORGIA**

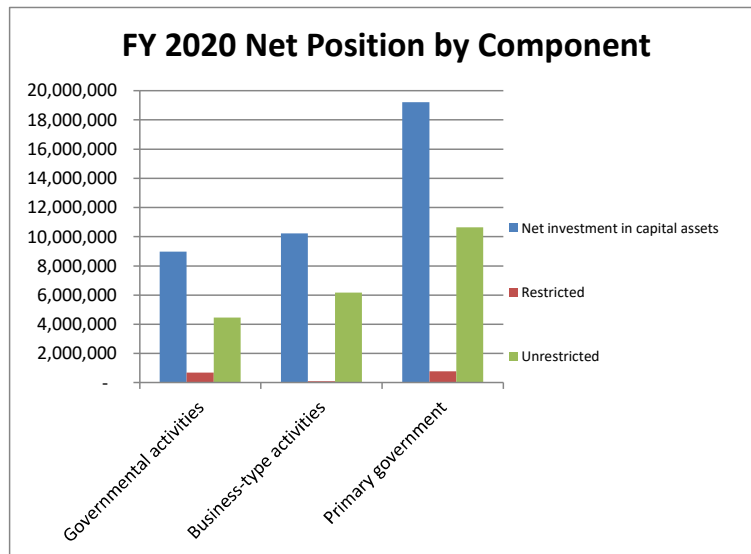
**NET POSITION BY COMPONENT**

**LAST TEN FISCAL YEARS**

**(ACCRUAL BASIS OF ACCOUNTING)**

|                                             | Fiscal Year          |                      |                      |                      |                      |
|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                             | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 |
| <b>Governmental activities</b>              |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 4,477,984         | \$ 5,138,468         | \$ 5,542,733         | \$ 5,598,272         | \$ 5,805,471         |
| Restricted                                  | 1,061,542            | 516,149              | 459,082              | 252,358              | 448,697              |
| Unrestricted                                | 3,489,170            | 3,333,580            | 3,172,941            | 3,863,183            | 3,703,238            |
| Total governmental activities net position  | <u>\$ 9,028,696</u>  | <u>\$ 8,988,197</u>  | <u>\$ 9,174,756</u>  | <u>\$ 9,713,813</u>  | <u>\$ 9,957,406</u>  |
| <b>Business-type activities</b>             |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 11,446,338        | \$ 11,091,994        | \$ 10,569,488        | \$ 10,254,910        | \$ 6,537,167         |
| Restricted                                  | 22,823               | 194,395              | 200,921              | 136,705              | -                    |
| Unrestricted                                | 3,351,427            | 2,946,946            | 2,988,023            | 2,936,982            | 5,409,094            |
| Total business-type activities net position | <u>\$ 14,820,588</u> | <u>\$ 14,233,335</u> | <u>\$ 13,758,432</u> | <u>\$ 13,328,597</u> | <u>\$ 11,946,261</u> |
| <b>Primary government</b>                   |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 15,924,322        | \$ 16,230,462        | \$ 16,112,221        | \$ 15,853,182        | \$ 12,342,638        |
| Restricted                                  | 1,084,365            | 710,544              | 660,003              | 389,063              | 448,697              |
| Unrestricted                                | 6,840,597            | 6,280,526            | 6,160,964            | 6,800,165            | 9,112,332            |
| Total primary government net position       | <u>\$ 23,849,284</u> | <u>\$ 23,221,532</u> | <u>\$ 22,933,188</u> | <u>\$ 23,042,410</u> | <u>\$ 21,903,667</u> |

|  |    | Fiscal Year       |                   |                   |                   |                   |
|--|----|-------------------|-------------------|-------------------|-------------------|-------------------|
|  |    | 2016              | 2017              | 2018              | 2019              | 2020              |
|  | \$ | 5,562,810         | 5,472,664         | 7,448,103         | 8,326,640         | 8,970,314         |
|  |    | 860,756           | 566,808           | 5,295             | 203,743           | 687,604           |
|  |    | 3,980,446         | 4,645,595         | 4,190,530         | 4,071,005         | 4,472,393         |
|  | \$ | <u>10,404,012</u> | <u>10,685,067</u> | <u>11,643,928</u> | <u>12,601,388</u> | <u>14,130,311</u> |
|  | \$ | 9,615,293         | 11,231,363        | 10,460,247        | 10,002,631        | 10,238,642        |
|  |    | 87,122            | 92,082            | 90,000            | 91,667            | 93,333            |
|  |    | 2,147,886         | 3,060,769         | 4,146,739         | 6,061,483         | 6,178,851         |
|  | \$ | <u>11,850,301</u> | <u>14,384,214</u> | <u>14,696,986</u> | <u>16,155,781</u> | <u>16,510,826</u> |
|  | \$ | 15,178,103        | 16,704,027        | 17,908,350        | 18,329,271        | 19,208,956        |
|  |    | 947,878           | 658,890           | 95,295            | 295,410           | 780,937           |
|  |    | 6,128,332         | 7,706,364         | 8,337,269         | 10,132,488        | 10,651,244        |
|  | \$ | <u>22,254,313</u> | <u>25,069,281</u> | <u>26,340,914</u> | <u>28,757,169</u> | <u>30,641,137</u> |



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

| Expenses                                        | Fiscal Year         |                     |                     |                     |
|-------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                 | 2011                | 2012                | 2013                | 2014                |
| Governmental activities:                        |                     |                     |                     |                     |
| General Government                              | \$ 1,036,537        | \$ 1,039,743        | \$ 1,325,328        | \$ 1,038,602        |
| Judicial                                        | 233,740             | 225,240             | 226,361             | 235,365             |
| Public Safety                                   | 84,785              | 80,483              | 14,336              | 7,420               |
| Public Works                                    | 1,051,610           | 1,085,828           | 1,205,726           | 1,157,314           |
| Culture and Recreation                          | 23,294              | 26,427              | 33,482              | 39,822              |
| Housing and Development                         | 540,307             | 530,445             | 485,038             | 577,068             |
| Interest on long-term debt                      | 834                 | 569                 | 0                   | 0                   |
| Total governmental activities expenses          | <u>2,971,107</u>    | <u>2,988,735</u>    | <u>3,290,271</u>    | <u>3,055,591</u>    |
| Business-type activities:                       |                     |                     |                     |                     |
| Water and Sewage                                | 5,555,316           | 5,364,216           | 5,251,093           | 5,338,885           |
| Solid Waste                                     | 459,381             | 470,213             | 480,443             | 657,150             |
| Total business-type activities expenses         | <u>6,014,697</u>    | <u>5,834,429</u>    | <u>5,731,536</u>    | <u>5,996,035</u>    |
| Total primary government expenses               | <u>\$ 8,985,804</u> | <u>\$ 8,823,164</u> | <u>\$ 9,021,807</u> | <u>\$ 9,051,626</u> |
| <b>Program Revenues</b>                         |                     |                     |                     |                     |
| Governmental activities:                        |                     |                     |                     |                     |
| Charges for services:                           |                     |                     |                     |                     |
| General Government                              | \$ 80,081           | \$ 82,110           | \$ 91,347           | \$ 108,752          |
| Judicial                                        | 223,361             | 197,935             | 182,597             | 178,888             |
| Public Works                                    | 40,150              | 87,250              | 31,750              | 47,680              |
| Housing and Development                         | 50,674              | 15,294              | 79,081              | 80,495              |
| Operating grants and contributions              | 24,392              | 34,910              | 48,858              | 21,739              |
| Capital grants and contributions                | 660,679             | 953,515             | 968,085             | 750,691             |
| Total governmental activities program revenues  | <u>1,079,337</u>    | <u>1,371,014</u>    | <u>1,401,718</u>    | <u>1,188,245</u>    |
| Business-Type activities:                       |                     |                     |                     |                     |
| Charges for services:                           |                     |                     |                     |                     |
| Water and Sewage                                | 3,555,939           | 3,454,006           | 3,892,527           | 4,503,335           |
| Solid Waste                                     | 545,217             | 566,395             | 571,479             | 577,185             |
| Operating grants and contributions              | 0                   | 0                   | 0                   | 0                   |
| Capital grants and contributions                | 0                   | 0                   | 0                   | 604                 |
| Total business-type activities program revenues | <u>4,101,156</u>    | <u>4,020,401</u>    | <u>4,464,006</u>    | <u>5,081,124</u>    |
| Total primary government program revenues       | <u>\$ 5,180,493</u> | <u>\$ 5,391,415</u> | <u>\$ 5,865,724</u> | <u>\$ 6,269,369</u> |



| Fiscal Year         |                     |                     |                      |                      |                      |
|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| 2015                | 2016                | 2017                | 2018                 | 2019                 | 2020                 |
| \$ 1,121,681        | \$ 1,179,559        | \$ 1,211,344        | \$ 1,310,477         | \$ 1,306,925         | \$ 1,404,229         |
| 203,102             | 186,557             | 193,749             | 221,007              | 211,279              | 204,229              |
| 3,257               | 48,686              | 129,907             | 259,183              | 331,487              | 370,003              |
| 1,018,991           | 1,448,891           | 1,187,875           | 1,282,952            | 1,467,245            | 1,576,422            |
| 70,495              | 45,466              | 36,520              | 38,205               | 43,632               | 55,408               |
| 570,761             | 642,001             | 814,697             | 860,975              | 864,643              | 794,127              |
| 0                   | 0                   | 0                   | 0                    | 0                    | 0                    |
| <u>2,988,287</u>    | <u>3,551,160</u>    | <u>3,574,092</u>    | <u>3,972,799</u>     | <u>4,225,211</u>     | <u>4,404,418</u>     |
| 5,747,593           | 5,129,529           | 5,236,533           | 5,340,214            | 5,652,223            | 5,342,261            |
| 710,897             | 753,964             | 816,917             | 815,093              | 830,675              | 857,451              |
| 6,458,490           | 5,883,493           | 6,053,450           | 6,155,307            | 6,482,898            | 6,199,712            |
| <u>\$ 9,446,777</u> | <u>\$ 9,434,653</u> | <u>\$ 9,627,542</u> | <u>\$ 10,128,106</u> | <u>\$ 10,708,109</u> | <u>\$ 10,604,130</u> |
| \$ 103,408          | \$ 103,745          | \$ 122,775          | \$ 140,125           | \$ 141,500           | \$ 177,865           |
| 143,331             | 93,033              | 149,322             | 120,874              | 218,939              | 165,069              |
| 73,745              | 66,500              | 54,600              | 49,731               | 67,139               | 32,900               |
| 125,840             | 35,662              | 34,932              | 29,796               | 84,919               | 59,607               |
| 146,117             | 22,739              | 23,739              | 96,955               | 20,641               | 139,538              |
| 595,234             | 513,564             | 1,164,541           | 975,500              | 1,077,432            | 1,533,743            |
| <u>1,187,675</u>    | <u>835,243</u>      | <u>1,549,909</u>    | <u>1,412,981</u>     | <u>1,610,570</u>     | <u>2,108,722</u>     |
| 4,368,609           | 4,854,210           | 6,186,150           | 4,992,916            | 5,799,883            | 5,247,553            |
| 609,243             | 692,998             | 894,973             | 888,070              | 931,094              | 935,938              |
| 0                   | 0                   | 0                   | 0                    | 0                    | 17,418               |
| 0                   | 0                   | 0                   | 0                    | 373,308              | 0                    |
| <u>4,977,852</u>    | <u>5,547,208</u>    | <u>7,081,123</u>    | <u>5,880,986</u>     | <u>7,104,285</u>     | <u>6,200,909</u>     |
| <u>\$ 6,165,527</u> | <u>\$ 6,382,451</u> | <u>\$ 8,631,032</u> | <u>\$ 7,293,967</u>  | <u>\$ 8,714,855</u>  | <u>\$ 8,309,631</u>  |

# CITY OF DAHLONEGA, GEORGIA

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

|                                                         | Fiscal Year         |                     |                     |                    |
|---------------------------------------------------------|---------------------|---------------------|---------------------|--------------------|
|                                                         | 2011                | 2012                | 2013                | 2014               |
| Net (expense)/revenue                                   |                     |                     |                     |                    |
| Governmental activities                                 | \$ (1,891,770)      | \$ (1,617,721)      | \$ (1,888,553)      | \$ (1,867,346)     |
| Business-type activities                                | (1,913,541)         | (1,814,028)         | (1,267,530)         | (914,911)          |
| Total primary government net (expense)/revenue          | <u>(3,805,311)</u>  | <u>(3,431,749)</u>  | <u>(3,156,083)</u>  | <u>(2,782,257)</u> |
| <b>General revenues and other changes in net assets</b> |                     |                     |                     |                    |
| Governmental activities:                                |                     |                     |                     |                    |
| Taxes                                                   |                     |                     |                     |                    |
| Property                                                | 890,743             | 861,790             | 919,297             | 1,025,084          |
| Local option sales                                      | 763,535             | 756,139             | 732,042             | 745,133            |
| Franchise                                               | 478,013             | 505,998             | 497,013             | 490,264            |
| Insurance premium                                       | 195,840             | 245,897             | 261,157             | 270,403            |
| Intangibles                                             | 8,191               | 12,388              | 15,712              | 11,312             |
| Alcoholic beverage                                      | 164,240             | 162,457             | 174,592             | 171,576            |
| Occupational                                            | 115,560             | 111,636             | 116,076             | 116,749            |
| Hotel/Motel and other                                   | 149,661             | 149,373             | 156,184             | 180,499            |
| Investment earnings                                     | 10,755              | 9,773               | 10,243              | 5,202              |
| Gain on sale of assets                                  | 0                   | 0                   | 0                   | 0                  |
| Miscellaneous                                           | 53,442              | 46,030              | 17,088              | 9,569              |
| Special items                                           | 0                   | 0                   | 0                   | 0                  |
| Transfers                                               | (284,292)           | (1,384,292)         | (824,292)           | (619,388)          |
| Total governmental activities                           | <u>2,545,688</u>    | <u>1,477,189</u>    | <u>2,075,112</u>    | <u>2,406,403</u>   |
| Business-type activities                                |                     |                     |                     |                    |
| Investment earnings                                     | 67,471              | 135,030             | 112,426             | 105,522            |
| Gain on sale of assets                                  | 0                   | 0                   | 0                   | 0                  |
| Miscellaneous                                           | 5,006               | 4,390               | 1,279               | 3,166              |
| Special items                                           | 0                   | (296,937)           | 0                   | 0                  |
| Transfers                                               | 284,292             | 1,384,292           | 824,292             | 619,388            |
| Total business-type activities                          | <u>356,769</u>      | <u>1,226,775</u>    | <u>937,997</u>      | <u>728,076</u>     |
| Total primary government                                | <u>2,902,457</u>    | <u>2,703,964</u>    | <u>3,013,109</u>    | <u>3,134,479</u>   |
| <b>Change in net position</b>                           |                     |                     |                     |                    |
| Governmental activities                                 | 653,918             | (140,532)           | 186,559             | 539,057            |
| Business-type activities                                | (1,556,772)         | (587,253)           | (329,533)           | (186,835)          |
| Total primary government                                | <u>\$ (902,854)</u> | <u>\$ (727,785)</u> | <u>\$ (142,974)</u> | <u>\$ 352,222</u>  |

| Fiscal Year    |                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 2015           | 2016           | 2017           | 2018           | 2019           | 2020           |
| \$ (1,800,612) | \$ (2,715,917) | \$ (2,024,183) | \$ (2,559,818) | \$ (2,614,641) | \$ (2,296,096) |
| (1,480,638)    | (336,285)      | 1,027,673      | (274,321)      | 621,387        | 1,197          |
| (3,281,250)    | (3,052,202)    | (996,510)      | (2,834,139)    | (1,993,254)    | (2,294,899)    |
| 1,003,607      | 1,228,757      | 1,446,401      | 1,483,241      | 1,472,272      | 1,275,664      |
| 800,988        | 784,700        | 826,802        | 859,090        | 937,368        | 1,124,693      |
| 528,287        | 542,288        | 521,189        | 508,623        | 540,376        | 518,960        |
| 282,726        | 302,046        | 327,175        | 348,388        | 373,237        | 395,901        |
| 20,582         | 14,927         | 19,613         | 18,497         | 21,551         | 29,092         |
| 193,583        | 198,166        | 213,415        | 210,519        | 219,640        | 201,536        |
| 109,168        | 120,042        | 114,773        | 116,078        | 130,849        | 130,538        |
| 211,683        | 236,527        | 268,737        | 431,416        | 430,737        | 360,198        |
| 5,176          | 15,280         | 23,278         | 34,533         | 129,394        | 44,621         |
| 0              | 6,856          | 0              | 8,734          | 460            | 0              |
| 15,012         | 14,907         | 15,419         | 12,010         | 17,188         | 52,090         |
| 0              | (25,150)       | 0              | 0              | 0              | 0              |
| (597,532)      | (276,823)      | (1,471,564)    | (512,450)      | (700,971)      | (308,274)      |
| 2,573,280      | 3,162,523      | 2,305,238      | 3,518,679      | 3,572,101      | 3,825,019      |
| 95,800         | 8,991          | 13,746         | 29,194         | 125,283        | 45,574         |
| 0              | 4,071          | 0              | 23,655         | 0              | 0              |
| 7,659          | 21,484         | 20,930         | 21,794         | 11,154         | -              |
| 0              | (71,044)       | 0              | 0              | 0              | 0              |
| 597,532        | 276,823        | 1,471,564      | 512,450        | 700,971        | 308,274        |
| 700,991        | 240,325        | 1,506,240      | 587,093        | 837,408        | 353,848        |
| 3,274,271      | 3,402,848      | 3,811,478      | 4,105,772      | 4,409,509      | 4,178,867      |
| 772,668        | 446,606        | 281,055        | 958,861        | 957,460        | 1,528,923      |
| (779,647)      | (95,960)       | 2,533,913      | 312,772        | 1,458,795      | 355,045        |
| \$ (6,979)     | \$ 350,646     | \$ 2,814,968   | \$ 1,271,633   | \$ 2,416,255   | \$ 1,883,968   |

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

| <b>Fiscal<br/>Year</b> | <b>Property<br/>Tax</b> | <b>Intangible<br/>Tax</b> | <b>Franchise<br/>Tax</b> | <b>Occupational<br/>Tax</b> |
|------------------------|-------------------------|---------------------------|--------------------------|-----------------------------|
| 2011                   | \$ 890,743              | \$ 8,191                  | \$ 478,013               | \$ 115,560                  |
| 2012                   | 861,790                 | 12,388                    | 505,998                  | 111,636                     |
| 2013                   | 919,297                 | 15,712                    | 497,013                  | 116,076                     |
| 2014                   | 1,025,084               | 11,312                    | 490,264                  | 116,749                     |
| 2015                   | 1,003,607               | 20,582                    | 528,287                  | 109,168                     |
| 2016                   | 1,228,757               | 14,927                    | 542,288                  | 120,042                     |
| 2017                   | 1,446,401               | 19,613                    | 521,189                  | 114,773                     |
| 2018                   | 1,483,241               | 18,497                    | 508,623                  | 116,078                     |
| 2019                   | 1,472,272               | 21,551                    | 540,376                  | 130,849                     |
| 2020                   | 1,275,664               | 29,092                    | 518,960                  | 130,538                     |
| Change<br>2011 - 2020  | 43.21%                  | 255.17%                   | 8.57%                    | 12.96%                      |

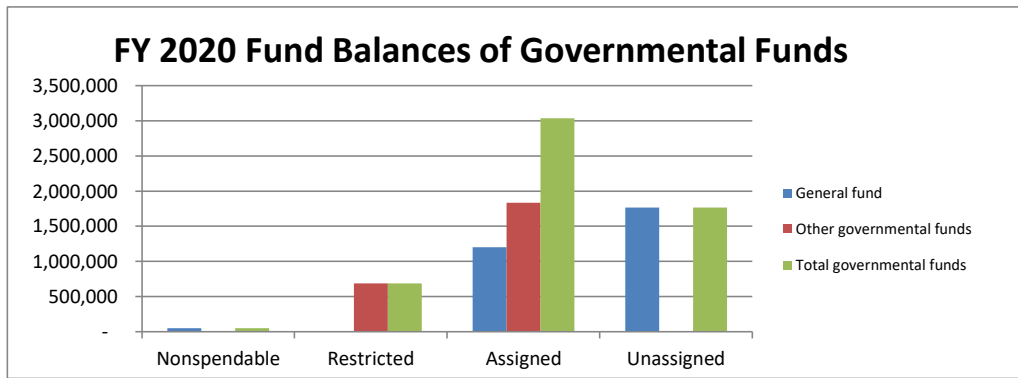
| <u>Insurance<br/>Premium Tax</u> | <u>Alcoholic<br/>Beverage Tax</u> | <u>Hotel/Motel<br/>and Other Tax</u> | <u>Local Option<br/>Sales Tax</u> | <u>Total</u> |
|----------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|--------------|
| \$ 195,840                       | \$ 164,240                        | \$ 149,661                           | \$ 763,535                        | \$ 2,765,783 |
| 245,897                          | 162,457                           | 149,373                              | 756,139                           | 2,805,678    |
| 261,157                          | 174,592                           | 156,184                              | 732,042                           | 2,872,073    |
| 270,403                          | 171,576                           | 180,499                              | 745,133                           | 3,011,020    |
| 282,726                          | 193,583                           | 211,683                              | 800,988                           | 3,150,624    |
| 302,046                          | 198,166                           | 236,527                              | 784,700                           | 3,427,453    |
| 327,175                          | 213,415                           | 268,737                              | 826,802                           | 3,738,105    |
| 348,388                          | 210,519                           | 431,416                              | 859,090                           | 3,975,852    |
| 373,237                          | 219,640                           | 430,738                              | 937,368                           | 4,126,031    |
| 395,901                          | 201,536                           | 360,198                              | 1,124,693                         | 4,036,582    |
| 102.16%                          | 22.71%                            | 140.68%                              | 47.30%                            | 45.95%       |

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

|                                    | FISCAL YEAR         |                     |                     |                     |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | 2011                | 2012                | 2013                | 2014                |
| General fund                       |                     |                     |                     |                     |
| Nonspendable                       | \$ 72,242           | \$ 82,918           | \$ 75,731           | \$ 66,009           |
| Restricted                         | 321,828             | 359,076             | 365,590             | 5,197               |
| Assigned                           | 2,134,368           | 1,798,609           | 1,972,372           | 1,029,371           |
| Unassigned                         | 1,196,824           | 1,265,550           | 826,346             | 2,309,948           |
| Total general fund                 | <u>3,725,262</u>    | <u>3,506,153</u>    | <u>3,240,039</u>    | <u>3,410,525</u>    |
| All other governmental funds       |                     |                     |                     |                     |
| Restricted                         | 739,714             | 157,073             | 93,492              | 247,161             |
| Assigned                           | 104,942             | 179,431             | 301,557             | 436,454             |
| Total all other governmental funds | <u>844,656</u>      | <u>336,504</u>      | <u>395,049</u>      | <u>683,615</u>      |
| Total governmental funds           | <u>\$ 4,569,918</u> | <u>\$ 3,842,657</u> | <u>\$ 3,635,088</u> | <u>\$ 4,094,140</u> |

**FISCAL YEAR**

| 2015                | 2016                | 2017                | 2018                | 2019                | 2020                |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 56,447           | \$ 63,366           | \$ 77,552           | \$ 43,855           | \$ 45,681           | \$ 47,410           |
| 5,225               | 5,241               | 5,264               | 5,295               | 5,421               | 0                   |
| 750,000             | 1,226,128           | 1,521,597           | 2,216,867           | 1,520,188           | 1,203,095           |
| 2,996,915           | 2,858,457           | 2,586,085           | 1,736,233           | 1,494,703           | 1,765,549           |
| <u>3,808,587</u>    | <u>4,153,192</u>    | <u>4,190,498</u>    | <u>4,002,250</u>    | <u>3,065,993</u>    | <u>3,016,054</u>    |
| 443,472             | 855,515             | 561,544             | 0                   | 198,322             | 687,604             |
| <u>402,844</u>      | <u>328,193</u>      | <u>901,343</u>      | <u>507,826</u>      | <u>1,305,538</u>    | <u>1,833,744</u>    |
| 846,316             | 1,183,708           | 1,462,887           | 507,826             | 1,503,860           | 2,521,348           |
| <u>\$ 4,654,903</u> | <u>\$ 5,336,900</u> | <u>\$ 5,653,385</u> | <u>\$ 4,510,076</u> | <u>\$ 4,569,853</u> | <u>\$ 5,537,402</u> |



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

|                                                         | Fiscal Year         |                     |                     |                     |
|---------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                         | 2011                | 2012                | 2013                | 2014                |
| <b>Revenues</b>                                         |                     |                     |                     |                     |
| Taxes                                                   | \$ 2,764,816        | \$ 2,810,422        | \$ 2,862,021        | \$ 2,986,457        |
| Licenses and permits                                    | 130,755             | 97,404              | 170,428             | 189,247             |
| Fines, fees and forfeitures                             | 223,361             | 197,935             | 182,597             | 178,888             |
| Charges for services                                    | 40,150              | 87,250              | 31,750              | 47,680              |
| Intergovernmental                                       | 632,285             | 937,521             | 1,016,820           | 772,309             |
| Interest                                                | 11,618              | 10,502              | 10,366              | 5,323               |
| Contributions                                           | 51,923              | 50,175              | 0                   | 0                   |
| Other                                                   | 53,442              | 46,030              | 17,087              | 9,569               |
| Total revenues                                          | <u>3,908,350</u>    | <u>4,237,239</u>    | <u>4,291,069</u>    | <u>4,189,473</u>    |
| <b>Expenditures</b>                                     |                     |                     |                     |                     |
| General Government                                      | 997,408             | 1,023,206           | 1,294,435           | 1,006,061           |
| Judicial                                                | 233,740             | 225,240             | 226,361             | 235,365             |
| Public Safety                                           | 84,785              | 80,483              | 14,336              | 7,420               |
| Public Works                                            | 1,091,728           | 1,286,270           | 1,202,632           | 1,180,582           |
| Culture and Recreation                                  | 8,820               | 14,625              | 24,955              | 29,123              |
| Housing and Development                                 | 538,476             | 637,982             | 529,148             | 579,082             |
| Debt Service                                            |                     |                     |                     |                     |
| Principal                                               | 12,843              | 10,207              | 0                   | 0                   |
| Interest                                                | 834                 | 569                 | 0                   | 0                   |
| Capital outlay                                          | 120,953             | 301,626             | 382,479             | 74,300              |
| Total expenditures                                      | <u>3,089,587</u>    | <u>3,580,208</u>    | <u>3,674,346</u>    | <u>3,111,933</u>    |
| Excess of revenues over (under) expenditures            | <u>818,763</u>      | <u>657,031</u>      | <u>616,723</u>      | <u>1,077,540</u>    |
| <b>Other financing sources (uses)</b>                   |                     |                     |                     |                     |
| Transfers in                                            | 44,400              | 100,000             | 163,445             | 150,000             |
| Transfers out                                           | (328,692)           | (1,484,292)         | (987,737)           | (769,388)           |
| Sales of capital assets                                 | 0                   | 0                   | 0                   | 900                 |
| Total other financing sources (uses)                    | <u>(284,292)</u>    | <u>(1,384,292)</u>  | <u>(824,292)</u>    | <u>(618,488)</u>    |
| Net change in fund balances                             | 534,471             | (727,261)           | (207,569)           | 459,052             |
| Fund balance, October 1 (original)                      | 4,035,447           | 4,569,918           | 3,842,657           | 3,635,088           |
| Prior period adjustments                                | 0                   | 0                   | 0                   | 0                   |
| Fund balance , September 30                             | <u>\$ 4,569,918</u> | <u>\$ 3,842,657</u> | <u>\$ 3,635,088</u> | <u>\$ 4,094,140</u> |
| Debt service as a percentage of noncapital expenditures | 0.49%               | 0.40%               | 0.00%               | 0.00%               |



**Fiscal Year**

|    | <b>2015</b>      | <b>2016</b>      | <b>2017</b>        | <b>2018</b>      | <b>2019</b>      | <b>2020</b>      |
|----|------------------|------------------|--------------------|------------------|------------------|------------------|
| \$ | 3,181,985        | \$ 3,425,997     | \$ 3,739,112       | \$ 3,985,932     | \$ 4,112,407     | \$ 4,046,676     |
|    | 229,248          | 139,407          | 158,057            | 189,851          | 245,058          | 237,472          |
|    | 143,331          | 93,033           | 149,322            | 120,874          | 218,939          | 165,069          |
|    | 73,745           | 66,500           | 54,250             | 29,800           | 93,500           | 100,001          |
|    | 740,992          | 534,371          | 1,187,028          | 1,072,074        | 1,094,407        | 1,670,788        |
|    | 5,534            | 17,211           | 24,532             | 34,914           | 133,060          | 47,113           |
|    | 0                | 0                | 0                  | 0                | 0                | 0                |
|    | 15,013           | 14,906           | 15,416             | 12,010           | 17,188           | 52,090           |
|    | <u>4,389,848</u> | <u>4,291,425</u> | <u>5,327,717</u>   | <u>5,445,455</u> | <u>5,914,559</u> | <u>6,319,209</u> |
|    | 1,106,846        | 1,144,747        | 1,187,412          | 1,472,646        | 1,317,618        | 1,379,223        |
|    | 204,662          | 186,303          | 195,918            | 222,624          | 212,919          | 202,835          |
|    | 3,257            | 48,685           | 129,907            | 306,419          | 350,324          | 345,144          |
|    | 1,133,444        | 1,013,774        | 1,108,826          | 1,170,933        | 1,225,232        | 1,234,334        |
|    | 59,890           | 32,190           | 16,244             | 17,030           | 28,255           | 29,985           |
|    | 597,180          | 638,750          | 824,412            | 865,186          | 851,236          | 785,092          |
|    | 0                | 0                | 0                  | 0                | 0                | 0                |
|    | 0                | 0                | 0                  | 0                | 0                | 0                |
|    | 166,052          | 275,970          | 76,949             | 2,030,210        | 1,192,903        | 1,066,773        |
|    | <u>3,271,331</u> | <u>3,340,419</u> | <u>3,539,668</u>   | <u>6,085,048</u> | <u>5,178,487</u> | <u>5,043,386</u> |
|    | 1,118,517        | 951,006          | 1,788,049          | (639,593)        | 736,072          | 1,275,823        |
|    | 220,124          | 201,319          | 676,128            | 1,058,471        | 1,758,103        | 1,444,329        |
|    | (817,656)        | (478,142)        | (2,147,692)        | (1,570,921)      | (2,434,858)      | (1,752,603)      |
|    | 0                | 7,814            | 0                  | 8,734            | 460              | 0                |
|    | <u>(597,532)</u> | <u>(269,009)</u> | <u>(1,471,564)</u> | <u>(503,716)</u> | <u>(676,295)</u> | <u>(308,274)</u> |
|    | 520,985          | 681,997          | 316,485            | (1,143,309)      | 59,777           | 967,549          |
|    | 4,094,140        | 4,654,903        | 5,336,900          | 5,653,385        | 4,510,076        | 4,569,853        |
|    | 39,778           | 0                | 0                  | 0                | 0                | 0                |
| \$ | <u>4,654,903</u> | <u>5,336,900</u> | <u>5,653,385</u>   | <u>4,510,076</u> | <u>4,569,853</u> | <u>5,537,402</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<br>Year      | Property<br>Tax | Intangibles<br>Tax | Franchise<br>Tax | Occupational<br>Tax |
|---------------------|-----------------|--------------------|------------------|---------------------|
| 2011                | \$ 889,776      | \$ 8,191           | \$ 478,013       | \$ 115,560          |
| 2012                | 866,534         | 12,388             | 505,998          | 111,636             |
| 2013                | 909,245         | 15,712             | 497,013          | 116,076             |
| 2014                | 1,000,521       | 11,312             | 490,264          | 116,749             |
| 2015                | 1,034,968       | 20,582             | 528,287          | 109,168             |
| 2016                | 1,227,301       | 14,927             | 542,288          | 120,042             |
| 2017                | 1,447,406       | 19,613             | 521,189          | 114,773             |
| 2018                | 1,493,321       | 18,497             | 508,623          | 116,078             |
| 2019                | 1,458,651       | 21,551             | 540,376          | 130,849             |
| 2020                | 1,285,758       | 29,092             | 518,960          | 130,538             |
| Change<br>2011-2020 | 44.50%          | 255.17%            | 8.57%            | 12.96%              |

| <u>Insurance<br/>Premium Tax</u> | <u>Alcoholic<br/>Beverage Tax</u> | <u>Hotel/Motel<br/>and Other Tax</u> | <u>Local Option<br/>Sales Tax</u> | <u>Total</u> |
|----------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|--------------|
| \$ 195,840                       | \$ 164,240                        | \$ 149,661                           | \$ 763,535                        | \$ 2,764,816 |
| 245,897                          | 162,457                           | 149,373                              | 756,139                           | 2,810,422    |
| 261,157                          | 174,592                           | 156,184                              | 732,042                           | 2,862,021    |
| 270,403                          | 171,576                           | 180,499                              | 745,133                           | 2,986,457    |
| 282,726                          | 193,583                           | 211,683                              | 800,988                           | 3,181,985    |
| 302,046                          | 198,166                           | 236,527                              | 784,700                           | 3,425,997    |
| 327,175                          | 213,415                           | 268,737                              | 826,802                           | 3,739,110    |
| 348,388                          | 210,519                           | 431,416                              | 859,090                           | 3,985,932    |
| 373,237                          | 219,640                           | 430,735                              | 937,368                           | 4,112,407    |
| 395,901                          | 201,536                           | 360,198                              | 1,124,693                         | 4,046,676    |
| 102.16%                          | 22.71%                            | 140.68%                              | 47.30%                            | 46.36%       |

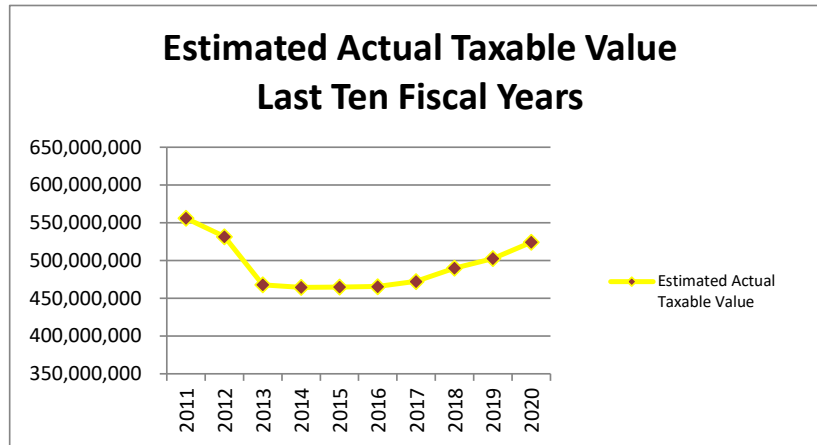
**CITY OF DAHLONEGA, GEORGIA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

| <u>Fiscal Year Ended</u><br><u>September 30,</u> | <u>Personal Property</u> |                       |                     |                        |
|--------------------------------------------------|--------------------------|-----------------------|---------------------|------------------------|
|                                                  | <u>Real Property</u>     | <u>Motor Vehicles</u> | <u>Mobile Homes</u> | <u>Heavy Equipment</u> |
| 2011                                             | \$ 236,054,887           | \$ 5,564,160          | \$ 455,631          | \$0                    |
| 2012                                             | 226,846,158              | 5,666,920             | 290,325             | 0                      |
| 2013                                             | 202,463,250              | 5,752,110             | 268,190             | 0                      |
| 2014                                             | 202,991,937              | 5,940,190             | 244,393             | 0                      |
| 2015                                             | 205,996,244              | 4,641,760             | 101,682             | 0                      |
| 2016                                             | 208,211,843              | 3,278,000             | 83,122              | 0                      |
| 2017                                             | 213,539,963              | 2,462,370             | 79,710              | 0                      |
| 2018                                             | 220,905,667              | 1,850,770             | 77,284              | 0                      |
| 2019                                             | 228,676,780              | 1,331,040             | 73,424              | 0                      |
| 2020                                             | 239,338,977              | 1,060,770             | 69,122              | 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.

| <b>Exemption Adjustments</b> | <b>Total Taxable Assessed Value</b> | <b>Total Direct Tax Rate</b> | <b>Estimated Actual Taxable Value</b> | <b>Assessed Value as a Percentage of Actual Value</b> |
|------------------------------|-------------------------------------|------------------------------|---------------------------------------|-------------------------------------------------------|
| \$ (19,687,619)              | \$ 222,387,059                      | 3.988                        | \$ 555,967,648                        | 40%                                                   |
| (20,141,768)                 | 212,661,635                         | 4.212                        | 531,654,088                           | 40%                                                   |
| (21,277,495)                 | 187,206,055                         | 4.656                        | 468,015,138                           | 40%                                                   |
| (23,345,456)                 | 185,831,064                         | 4.739                        | 464,577,660                           | 40%                                                   |
| (24,797,329)                 | 185,942,357                         | 4.739                        | 464,855,893                           | 40%                                                   |
| (25,315,056)                 | 186,257,909                         | 5.781                        | 465,644,773                           | 40%                                                   |
| (27,150,378)                 | 188,931,665                         | 6.781                        | 472,329,163                           | 40%                                                   |
| (26,895,489)                 | 195,938,232                         | 6.589                        | 489,845,580                           | 40%                                                   |
| (28,985,170)                 | 201,096,074                         | 6.392                        | 502,740,185                           | 40%                                                   |
| (30,744,043)                 | 209,724,826                         | 5.814                        | 524,312,065                           | 40%                                                   |



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

| <u>Overlapping Rates</u> |                        |                              |                                                  |                                                      |                             |                                                         |
|--------------------------|------------------------|------------------------------|--------------------------------------------------|------------------------------------------------------|-----------------------------|---------------------------------------------------------|
| <u>Tax<br/>Year</u>      | <u>Fiscal<br/>Year</u> | <u>City of Dahlonega</u>     | <u>Lumpkin<br/>County Board of<br/>Education</u> | <u>Lumpkin County<br/>Board of<br/>Commissioners</u> | <u>State of<br/>Georgia</u> | <u>Total<br/>Direct &amp;<br/>Overlapping<br/>Rates</u> |
|                          |                        | <u>Operating<br/>Millage</u> | <u>Operating<br/>Millage</u>                     | <u>Operating<br/>Millage</u>                         | <u>State<br/>Millage</u>    |                                                         |
| 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                                           | 14.231                                               | 0.000                       | 37.831                                                  |
| 2017                     | 2018                   | 6.589                        | 16.819                                           | 13.882                                               | 0.000                       | 37.290                                                  |
| 2018                     | 2019                   | 6.392                        | 16.819                                           | 13.186                                               | 0.000                       | 36.397                                                  |
| 2019                     | 2020                   | 5.814                        | 16.116                                           | 12.132                                               | 0.000                       | 34.062                                                  |

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                           |      |                                            |                                       |      |                                            |
|----------------------------------------------------------------------------------------------------|---------------------------------------|------|--------------------------------------------|---------------------------------------|------|--------------------------------------------|
|                                                                                                    | 2020                                  |      |                                            | 2011                                  |      |                                            |
|                                                                                                    | Taxable Assessed Value <sup>(1)</sup> | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value <sup>(1)</sup> | Rank | Percentage of Total Taxable Assessed Value |
| Koyo Bearings North America LLC (formerly Koyo Bearings USA, Timkin USA Corp., Torrington Company) | \$ 13,533,206                         | 1    | 6.45%                                      | \$ 6,129,317                          | 1    | 2.76%                                      |
| Roberta A. Green, Trustee                                                                          | 5,419,099                             | 2    | 2.58%                                      |                                       |      |                                            |
| Dahlonega Student Housing Partners LLC                                                             | 4,050,056                             | 3    | 1.93%                                      |                                       |      |                                            |
| Dahlonega Group LLC                                                                                | 3,263,423                             | 4    | 1.56%                                      | 3,499,878                             | 4    | 1.57%                                      |
| Dahlonega Properties & Investments                                                                 | 2,723,066                             | 5    | 1.30%                                      |                                       |      |                                            |
| Georgia Power Company                                                                              | 2,504,589                             | 6    | 1.19%                                      |                                       |      |                                            |
| Wal-Mart Stores East LP US02513 (Prior Yr Wal-Mart Stores East Inc. (Jacony Lindbergh Prop))       | 2,198,722                             | 7    | 1.05%                                      | 2,099,860                             | 8    | 0.94%                                      |
| Kingwood Dahlonega International Resort, LLC                                                       | 1,959,752                             | 8    | 0.93%                                      |                                       |      |                                            |
| Green, Roberta (formerly Roberta Green)                                                            | 1,563,916                             | 9    | 0.75%                                      | 1,462,313                             | 10   | 0.66%                                      |
| Greenbriar Apartments LLC                                                                          | 1,555,172                             | 10   | 0.74%                                      |                                       |      |                                            |
| Birch River Chestatee Co. LLC                                                                      |                                       |      |                                            | 5,525,054                             | 2    | 2.48%                                      |
| Dahlonega Investors LLC (formerly Dahlonega Investors)                                             |                                       |      |                                            | 3,901,805                             | 3    | 1.75%                                      |
| Green, Sherman & Roberta                                                                           |                                       |      |                                            | 3,308,510                             | 5    | 1.49%                                      |
| Southern Health Corp of Dahlonega Inc                                                              |                                       |      |                                            | 2,500,409                             | 6    | 1.12%                                      |
| Windstream Standard LLC (formerly Windstream Standard Inc.)                                        |                                       |      |                                            | 2,297,942                             | 7    | 1.03%                                      |
| Chestatee Holdings Co. LLC                                                                         |                                       |      |                                            | 1,977,318                             | 9    | 0.89%                                      |
| <b>Total</b>                                                                                       | <b>\$ 38,771,001</b>                  |      | <b>18.49%</b>                              | <b>\$ 32,702,406</b>                  |      | <b>14.71%</b>                              |

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<br>Ended<br>September 30 | Total Adjusted<br>Tax Levy for<br>Fiscal Year | Collected within the<br>Fiscal Year of the Levy |                       | Collections in<br>Subsequent<br>Years | Total Collections to Date |                       |
|--------------------------------------|-----------------------------------------------|-------------------------------------------------|-----------------------|---------------------------------------|---------------------------|-----------------------|
|                                      |                                               | Amount                                          | Percentage<br>of Levy |                                       | Amount                    | Percentage<br>of Levy |
| 2011                                 | \$ 886,880                                    | \$ 848,725                                      | 95.70%                | \$ 36,807                             | \$ 885,532                | 99.85%                |
| 2012                                 | 895,731                                       | 813,540                                         | 90.82%                | 80,496                                | 894,036                   | 99.81%                |
| 2013                                 | 871,631                                       | 830,405                                         | 95.27%                | 38,931                                | 869,336                   | 99.74%                |
| 2014                                 | 880,653                                       | 800,559                                         | 90.91%                | 78,030                                | 878,589                   | 99.77%                |
| 2015                                 | 881,181                                       | 836,412                                         | 94.92%                | 32,202                                | 868,614                   | 98.57%                |
| 2016                                 | 1,076,757                                     | 1,048,092                                       | 97.34%                | 15,288                                | 1,063,380                 | 98.76%                |
| 2017                                 | 1,281,146                                     | 1,248,962                                       | 97.49%                | 13,609                                | 1,262,571                 | 98.55%                |
| 2018                                 | 1,291,037                                     | 1,204,934                                       | 93.33%                | 5,837                                 | 1,210,771                 | 93.78%                |
| 2019                                 | 1,285,406                                     | 1,184,426                                       | 92.14%                | 19,635                                | 1,204,061                 | 93.67%                |
| 2020                                 | 1,219,340                                     | 1,177,570                                       | 96.57%                |                                       | 1,177,570                 | 96.57%                |

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              | 2020                |      |             | 2019                |      |             |
|------------------------|---------------------|------|-------------|---------------------|------|-------------|
|                        | Total               | Rank | %           | Total               | Rank | %           |
|                        | Distributed         |      | of Total    | Distributed         |      | of Total    |
| General                | \$ 1,272,715        | 1    | 28.65%      | \$ 675,989          | 2    | 18.28%      |
| Food                   | 498,101             | 3    | 11.21%      | 556,464             | 3    | 15.05%      |
| Wholesale              | 189,003             | 9    | 4.25%       | 194,286             | 8    | 5.25%       |
| Miscellaneous Services | 492,146             | 4    | 11.08%      | 436,571             | 4    | 11.81%      |
| Other Retail           | 786,258             | 2    | 17.70%      | 686,003             | 1    | 18.55%      |
| Utilities              | 344,002             | 5    | 7.74%       | 326,225             | 5    | 8.82%       |
| Automotive             | 106,337             |      | 2.39%       | 80,234              |      | 2.17%       |
| Manufacturing          | 238,214             | 6    | 5.36%       | 224,775             | 7    | 6.08%       |
| Home Furnishing        | 221,424             | 7    | 4.98%       | 234,783             | 6    | 6.35%       |
| Miscellaneous          | 189,118             | 8    | 4.26%       | 180,736             | 9    | 4.89%       |
| Accomodations          | 93,320              | 10   | 2.10%       | 91,444              | 10   | 2.47%       |
| Construction           | 11,613              |      | 0.26%       | 9,854               |      | 0.27%       |
| Total                  | <u>\$ 4,442,253</u> |      | <u>100%</u> | <u>\$ 3,697,364</u> |      | <u>100%</u> |

| Commodity              | 2015                |      |             | 2014                |      |             |
|------------------------|---------------------|------|-------------|---------------------|------|-------------|
|                        | Total               | Rank | %           | Total               | Rank | %           |
|                        | Distributed         |      | of Total    | Distributed         |      | of Total    |
| General                | \$ 634,995          | 1    | 24.82%      | \$ 617,100          | 1    | 20.77%      |
| Food                   | 523,276             | 2    | 20.46%      | 482,820             | 2    | 16.25%      |
| Wholesale              | 345,227             | 5    | 13.50%      | 358,125             | 3    | 12.05%      |
| Miscellaneous Services | 363,108             | 4    | 14.20%      | 343,710             | 4    | 11.57%      |
| Other Retail           | 382,538             | 3    | 14.95%      | 343,033             | 5    | 11.54%      |
| Utilities              | 324,706             | 6    | 12.69%      | 320,193             | 6    | 10.78%      |
| Automotive             | 65,570              | 10   | 2.56%       | 62,453              | 10   | 2.10%       |
| Manufacturing          | 194,204             | 7    | 7.59%       | 146,938             | 8    | 4.94%       |
| Home Furnishing        | 181,828             | 8    | 7.11%       | 153,531             | 7    | 5.17%       |
| Miscellaneous          | 73,069              | 9    | 2.86%       | 74,632              | 9    | 2.51%       |
| Accomodations          | 58,005              |      | 2.27%       | 53,205              |      | 1.79%       |
| Construction           | 46,445              |      | 1.82%       | 15,715              |      | 0.53%       |
| Total                  | <u>\$ 2,557,976</u> |      | <u>100%</u> | <u>\$ 2,971,455</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.

| 2018                |      |             | 2017                |      |             | 2016                |      |             |
|---------------------|------|-------------|---------------------|------|-------------|---------------------|------|-------------|
| Total Distributed   | Rank | % of Total  | Total Distributed   | Rank | % of Total  | Total Distributed   | Rank | % of Total  |
| \$ 542,529          | 2    | 18.66%      | \$ 527,857          | 2    | 19.10%      | \$ 516,197          | 2    | 19.65%      |
| 517,006             | 3    | 17.78%      | 559,238             | 1    | 20.24%      | 561,315             | 1    | 21.37%      |
| 201,019             | 8    | 6.91%       | 213,165             | 8    | 7.71%       | 229,716             | 6    | 8.74%       |
| 413,357             | 4    | 14.21%      | 401,825             | 4    | 14.54%      | 377,541             | 4    | 14.37%      |
| 615,404             | 1    | 21.16%      | 512,253             | 3    | 18.54%      | 445,645             | 3    | 16.96%      |
| 310,575             | 5    | 10.68%      | 297,162             | 5    | 10.75%      | 323,143             | 5    | 12.30%      |
| 76,187              |      | 2.62%       | 67,966              | 10   | 2.46%       | 72,579              | 10   | 2.76%       |
| 244,230             | 7    | 8.40%       | 237,664             | 6    | 8.60%       | 218,679             | 7    | 8.32%       |
| 250,360             | 6    | 8.61%       | 231,915             | 7    | 8.39%       | 209,146             | 8    | 7.96%       |
| 172,450             | 9    | 5.93%       | 117,982             | 9    | 4.27%       | 93,828              | 9    | 3.57%       |
| 83,191              | 10   | 2.86%       | 74,142              |      | 2.68%       | 67,939              |      | 2.59%       |
| 24,147              |      | 0.83%       | 49,943              |      | 1.81%       | 27,721              |      | 1.06%       |
| <u>\$ 2,907,926</u> |      | <u>100%</u> | <u>\$ 2,763,255</u> |      | <u>100%</u> | <u>\$ 2,627,252</u> |      | <u>100%</u> |

| 2013                |      |             | 2012                |      |             | 2011                |      |             |
|---------------------|------|-------------|---------------------|------|-------------|---------------------|------|-------------|
| Total Distributed   | Rank | % of Total  | Total Distributed   | Rank | % of Total  | Total Distributed   | Rank | % of Total  |
| \$ 577,872          | 1    | 19.72%      | \$ 550,564          | 1    | 18.20%      | \$ 586,756          | 1    | 17.72%      |
| 458,446             | 2    | 15.65%      | 403,961             | 3    | 13.35%      | 477,327             | 2    | 14.41%      |
| 342,749             | 3    | 11.70%      | 299,778             | 5    | 9.91%       | 368,513             | 5    | 11.13%      |
| 328,427             | 4    | 11.21%      | 297,345             | 6    | 9.83%       | 330,063             | 6    | 9.97%       |
| 327,106             | 5    | 11.17%      | 340,327             | 4    | 11.25%      | 386,448             | 4    | 11.67%      |
| 312,642             | 6    | 10.67%      | 294,672             | 7    | 9.74%       | 326,876             | 7    | 9.87%       |
| 226,592             | 7    | 7.73%       | 455,830             | 2    | 15.07%      | 422,388             | 3    | 12.75%      |
| 152,410             | 8    | 5.20%       | 132,012             | 8    | 4.36%       | 175,356             | 8    | 5.29%       |
| 98,441              | 9    | 3.36%       | 96,536              | 9    | 3.19%       | 114,015             | 9    | 3.44%       |
| 39,579              | 10   | 1.35%       | 86,651              | 10   | 2.86%       | 45,055              |      | 1.36%       |
| 49,098              |      | 1.68%       | 44,927              |      | 1.49%       | 53,216              | 10   | 1.61%       |
| 16,296              |      | 0.56%       | 22,419              |      | 0.74%       | 26,144              |      | 0.79%       |
| <u>\$ 2,929,658</u> |      | <u>100%</u> | <u>\$ 3,025,022</u> |      | <u>100%</u> | <u>\$ 3,312,157</u> |      | <u>100%</u> |

**CITY OF DAHLONEGA, GEORGIA**  
**WATER & SEWAGE UTILITY TEN LARGEST SYSTEM CUSTOMERS**  
**SEPTEMBER 30, 2020**

| <u>Customer</u>                                            | <u>Type of Business</u>             | <u>Total<br/>Water<br/>Billings</u> | <u>Total<br/>Sewer<br/>Billings</u> | <u>Total<br/>Billings</u> | <u>Percentage<br/>of System<br/>Revenues</u> |
|------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------|----------------------------------------------|
| University of North Georgia                                | University                          | \$ 386,102                          | \$ 340,809                          | \$ 726,911                | 14.66%                                       |
| Koyo Bearings USA<br>(formerly Timken USA Corp.)           | Manufacturer -<br>Automobile Parts  | 300,856                             | 333,918                             | 634,773                   | 12.81%                                       |
| Corvias Campus Living-USG,<br>LLC                          | University Housing                  | 114,655                             | 61,753                              | 176,408                   | 3.56%                                        |
| Lumpkin County Board<br>of Commissioners                   | Local Government                    | 64,104                              | 51,257                              | 115,361                   | 2.33%                                        |
| The Bellamy                                                | Apartment Complex                   | 72,260                              | 39,885                              | 112,145                   | 2.26%                                        |
| U.S. Government                                            | Military Housing                    | 60,584                              | 47,596                              | 108,180                   | 2.18%                                        |
| L. C. Water Authority                                      | Water Authority                     | 105,978                             | -                                   | 105,978                   | 2.14%                                        |
| Lumpkin County Board<br>of Education                       | Local Government                    | 55,465                              | 44,000                              | 99,465                    | 2.01%                                        |
| Gold City Convalescent Center<br>& Gold City Personal Care | Nursing Home                        | 28,071                              | 26,647                              | 54,718                    | 1.10%                                        |
| Tysons                                                     | Manufacturer -<br>Poultry Processor | 30,353                              | 33,253                              | 63,605                    | 1.28%                                        |
| Total                                                      |                                     | <u>\$ 1,218,426</u>                 | <u>\$ 979,118</u>                   | <u>\$ 2,197,544</u>       | <u>44.33%</u>                                |
| <b>Total Water and Sewage sales:</b>                       |                                     | <u><u>\$ 4,957,180</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 |               |                |
|-------------|--------------------------|----------------|--------------------------|---------------|----------------|
|             | General Obligation Bonds | Capital Leases | Water & Sewage Bonds     | Notes Payable | Capital Leases |
| 2011        | \$0                      | \$ 10,207      | \$ 25,619,558            | \$ 10,852,312 | \$ 19,985      |
| 2012        | 0                        | 0              | 25,257,068               | 10,211,833    | 2,711          |
| 2013        | 0                        | 0              | 24,799,334               | 9,544,352     | 0              |
| 2014        | 0                        | 0              | 24,236,446               | 8,848,926     | 0              |
| 2015        | 0                        | 0              | 27,626,388               | 5,532,414     | 0              |
| 2016        | 0                        | 0              | 26,908,189               | 5,412,450     | 0              |
| 2017        | 0                        | 0              | 26,259,989               | 6,031,983     | 0              |
| 2018        | 0                        | 0              | 25,591,789               | 6,571,807     | 0              |
| 2019        | 0                        | 0              | 24,903,590               | 6,282,617     | 127,194        |
| 2020        | 0                        | 0              | 24,195,391               | 6,102,907     | 98,051         |

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.

|    | <b>Total<br/>Primary<br/>Government</b> | <b>Percentage<br/>of Personal<br/>Income</b> |    | <b>Per<br/>Capita</b> |
|----|-----------------------------------------|----------------------------------------------|----|-----------------------|
| \$ | 36,502,062                              | 40.26%                                       | \$ | 6,963                 |
|    | 35,471,612                              | 44.15%                                       |    | 6,755                 |
|    | 34,343,686                              | 42.75%                                       |    | 5,861                 |
|    | 33,085,372                              | 41.18%                                       |    | 5,470                 |
|    | 33,158,802                              | 41.27%                                       |    | 5,233                 |
|    | 32,320,639                              | 40.23%                                       |    | 5,340                 |
|    | 32,291,972                              | 3.29%                                        |    | 5,017                 |
|    | 32,163,596                              | 3.10%                                        |    | 4,590                 |
|    | 31,313,401                              | 2.71%                                        |    | 4,549                 |
|    | 30,396,349                              | 2.46%                                        |    | 4,167                 |

**CITY OF DAHLONEGA, GEORGIA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2020**

| <u>Governmental Unit</u>                 | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Available</u> | <u>Estimated Share<br/>of Overlapping<br/>Debt</u> |
|------------------------------------------|-----------------------------|-----------------------------------------------|----------------------------------------------------|
| Debt repaid with property taxes:         |                             |                                               |                                                    |
| Lumpkin County Board<br>of Commissioners | \$0                         | 100%                                          | \$0                                                |
| Lumpkin County Board<br>of Education     | 4,770,000                   | 100%                                          | <u>4,770,000</u>                                   |
| Subtotal, overlapping debt               |                             |                                               | <u>4,770,000</u>                                   |
| City of Dahlonega direct debt            | 0                           |                                               | <u>0</u>                                           |
| Total direct and overlapping debt        |                             |                                               | <u><u>\$ 4,770,000</u></u>                         |

Source: Debt outstanding data per 12/31/2019 Lumpkin County Comprehensive Annual Financial Report and Lumpkin County Board of Education Annual Financial Report For Fiscal Year Ended 06/30/2019.

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.

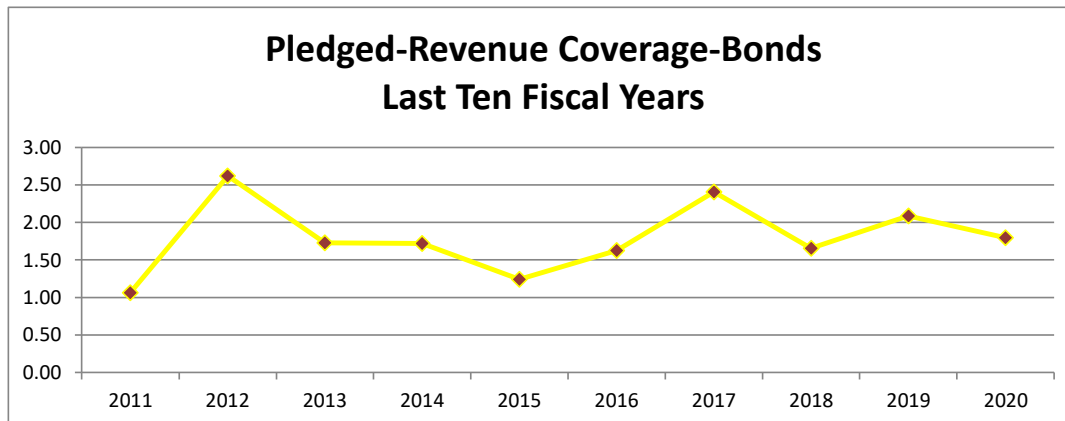




**CITY OF DAHLONEGA, GEORGIA**  
**PLEDGED-REVENUE COVERAGE**  
**WATER & SEWAGE FUND**  
**LAST TEN FISCAL YEARS**

| Fiscal Year | Net Operating Income | Plus Depreciation | Plus Interest Income | Net Revenues Available For Debt Service | Actual Debt Service Bonds | Less SPLOST Revenues * |
|-------------|----------------------|-------------------|----------------------|-----------------------------------------|---------------------------|------------------------|
| 2011        | \$ (69,046)          | \$ 1,768,427      | \$ 59,933            | \$ 1,759,314                            | \$ 1,656,832              | \$0                    |
| 2012        | (126,832)            | 1,741,114         | 59,933               | 1,674,215                               | 1,739,044                 | 1,100,000              |
| 2013        | 370,660              | 1,728,315         | 105,973              | 2,204,948                               | 1,815,044                 | 540,000                |
| 2014        | 876,501              | 1,708,276         | 101,393              | 2,686,170                               | 1,896,294                 | 335,096                |
| 2015        | 654,357              | 1,692,913         | 95,658               | 2,442,928                               | 1,964,821                 | 0                      |
| 2016        | 956,336              | 1,669,788         | 8,800                | 2,634,924                               | 1,620,310                 | 0                      |
| 2017        | 2,239,119            | 1,642,751         | 13,535               | 3,895,405                               | 1,618,018                 | 0                      |
| 2018        | 926,365              | 1,725,280         | 29,194               | 2,680,839                               | 1,619,418                 | 0                      |
| 2019        | 1,458,291            | 1,796,932         | 125,283              | 3,380,506                               | 1,620,218                 | 0                      |
| 2020        | 1,061,206            | 1,806,585         | 45,574               | 2,913,365                               | 1,620,418                 | 0                      |

\*SPLOST Proceeds related to debt repayment included.



| <u>Net Debt<br/>Service on<br/>Bonds</u> | <u>Actual<br/>Debt Service<br/>GEFA</u> | <u>Transfer from<br/>General Fund<br/>Reservoir</u> | <u>Net Debt<br/>Service<br/>on GEFA</u> | <u>Total<br/>Debt<br/>Service</u> | <u>Coverage<br/>Bonds</u> | <u>Coverage<br/>GEFA</u> |
|------------------------------------------|-----------------------------------------|-----------------------------------------------------|-----------------------------------------|-----------------------------------|---------------------------|--------------------------|
| \$ 1,656,832                             | \$ 1,022,760                            | \$ 284,292                                          | \$ 738,468                              | \$ 2,395,300                      | 1.06                      | 0.73                     |
| 639,044                                  | 1,023,077                               | 284,292                                             | 738,785                                 | 1,377,829                         | 2.62                      | 1.22                     |
| 1,275,044                                | 1,023,077                               | 284,292                                             | 738,785                                 | 2,013,829                         | 1.73                      | 1.09                     |
| 1,561,198                                | 1,023,077                               | 284,292                                             | 738,785                                 | 2,299,983                         | 1.72                      | 1.17                     |
| 1,964,821                                | 1,020,200                               | 284,292                                             | 735,908                                 | 2,700,729                         | 1.24                      | 0.90                     |
| 1,620,310                                | 284,296                                 | 189,528                                             | 94,768                                  | 1,715,078                         | 1.63                      | 1.54                     |
| 1,618,018                                | 284,735                                 | 90,000                                              | 194,735                                 | 1,812,753                         | 2.41                      | 2.15                     |
| 1,619,418                                | 306,097                                 | 0                                                   | 306,097                                 | 1,925,514                         | 1.66                      | 1.39                     |
| 1,620,218                                | 395,596                                 | 0                                                   | 395,596                                 | 2,015,813                         | 2.09                      | 1.68                     |
| 1,620,418                                | 300,636                                 | 0                                                   | 300,636                                 | 1,921,054                         | 1.80                      | 1.52                     |

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

|                                                                      | Fiscal Year          |                      |                      |                      |
|----------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                      | 2011                 | 2012                 | 2013                 | 2014                 |
| Debt Limit                                                           | \$ 22,238,706        | \$ 21,266,164        | \$ 18,720,606        | \$ 18,583,106        |
| Total net debt applicable to limit                                   | 0                    | 0                    | 0                    | 0                    |
| Legal debt margin                                                    | <u>\$ 22,238,706</u> | <u>\$ 21,266,164</u> | <u>\$ 18,720,606</u> | <u>\$ 18,583,106</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          |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 |
| \$ 18,594,236        | \$ 18,625,791        | \$ 18,893,167        | \$ 19,593,823        | \$ 20,109,607        | \$ 20,972,483        |
| <u>0</u>             | <u>0</u>             | <u>0</u>             | <u>0</u>             | <u>0</u>             | <u>0</u>             |
| <u>\$ 18,594,236</u> | <u>\$ 18,625,791</u> | <u>\$ 18,893,167</u> | <u>\$ 19,593,823</u> | <u>\$ 20,109,607</u> | <u>\$ 20,972,483</u> |

0.00%                      0.00%                      0.00%                      0.00%                      0.00%                      0.00%

**Legal Debt Margin Calculation for Fiscal Year 2020**

|                                                                    |                       |
|--------------------------------------------------------------------|-----------------------|
| Total Assessed value                                               | <u>\$ 209,724,826</u> |
| Debt limit (10% of total assessed value) <sup>(d)</sup>            | 20,972,483            |
| Debt applicable to limit:                                          |                       |
| General obligation bonds                                           | 0                     |
| Less: Amount set aside for repayment<br>of general obligation debt | <u>0</u>              |
| Total net debt applicable to limit                                 | <u>0</u>              |
| Legal debt margin                                                  | <u>\$ 20,972,483</u>  |

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

| <b>Fiscal Year</b> | <b>Lumpkin County Population<sup>(a)</sup></b> | <b>City of Dahlonega Population<sup>(a)</sup></b> | <b>Lumpkin County Personal Income (amounts expressed in thousands)<sup>(a)</sup></b> | <b>Lumpkin County Per Capita Income</b> | <b>Lumpkin County Public School Enrollment<sup>(b)</sup></b> | <b>Lumpkin County Unemployment Rate<sup>(c)</sup></b> |
|--------------------|------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------------------------|--------------------------------------------------------------|-------------------------------------------------------|
| 2011               | 29,966                                         | 5,242                                             | 776,536                                                                              | 25,914                                  | 3,843                                                        | 10.3%                                                 |
| 2012               | 30,031                                         | 5,251                                             | 801,577                                                                              | 26,692                                  | 3,834                                                        | 8.3%                                                  |
| 2013               | 30,611                                         | 5,860                                             | 828,043                                                                              | 27,051                                  | 4,248                                                        | 8.3%                                                  |
| 2014               | 30,918                                         | 6,049                                             | 850,317                                                                              | 27,502                                  | 3,706                                                        | 7.3%                                                  |
| 2015               | 31,176                                         | 6,337                                             | 898,545                                                                              | 28,822                                  | 3,800                                                        | 4.8%                                                  |
| 2016               | 31,408                                         | 6,052                                             | 947,647                                                                              | 30,172                                  | 3,822                                                        | 4.5%                                                  |
| 2017               | 31,445                                         | 6,437                                             | 980,941                                                                              | 31,195                                  | 3,843                                                        | 3.7%                                                  |
| 2018               | 32,873                                         | 7,007                                             | 1,036,806                                                                            | 31,540                                  | 3,837                                                        | 2.8%                                                  |
| 2019               | 32,955                                         | 6,884                                             | 1,154,180                                                                            | 35,023                                  | 3,816                                                        | 2.4%                                                  |
| 2020               | 33,610                                         | 7,294                                             | 1,233,408                                                                            | 36,698                                  | 3,714                                                        | 3.9%                                                  |

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

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

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

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

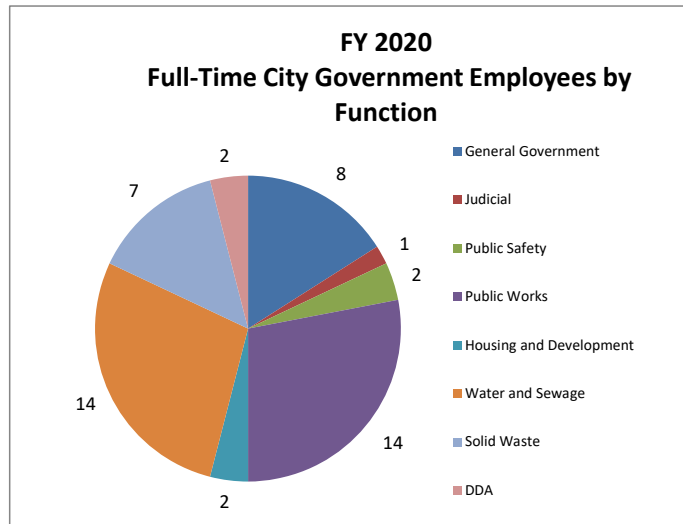
| <u>Employer</u>                               | <u>2020</u>      |             |                                              | <u>2011</u>      |             |                                              |
|-----------------------------------------------|------------------|-------------|----------------------------------------------|------------------|-------------|----------------------------------------------|
|                                               | <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                   | 992              | 1           | 12.37%                                       | 900              | 1           | 8.53%                                        |
| Lumpkin County Board of Education             | 540              | 2           | 6.73%                                        | 600              | 2           | 5.69%                                        |
| Lumpkin County Board of Commissioners         | 262              | 3           | 3.27%                                        | 252              | 4           | 2.39%                                        |
| Koyo Bearings USA (formerly Timken USA Corp.) | 209              | 4           | 2.61%                                        | 146              | 6           | 1.38%                                        |
| Wal-Mart Super Center                         | 199              | 5           | 2.48%                                        | 171              | 5           | 1.62%                                        |
| Mt. Sinai Wellness Center, LLC                | 180              | 6           | 2.24%                                        |                  |             |                                              |
| RefigiWear, Inc.                              | 159              | 7           | 1.98%                                        | 109              | 9           | 1.03%                                        |
| GDC Enterprises, Inc. dba Wahoo Docks         | 114              | 8           | 1.42%                                        |                  |             |                                              |
| Home Depot                                    | 88               | 9           | 1.10%                                        | 88               | 10          | 0.83%                                        |
| North Georgia Concrete, Inc.                  | 82               | 10          | 1.02%                                        |                  |             |                                              |
| Poly Portables                                |                  |             |                                              | 379              | 3           | 3.59%                                        |
| The Louve Shop                                |                  |             |                                              | 112              | 8           | 1.06%                                        |
| Chestatee Regional Hospital                   |                  |             |                                              | 141              | 7           | 1.34%                                        |
| Total                                         | <u>2,825</u>     |             | <u>35.22%</u>                                | <u>2,898</u>     |             | <u>27.47%</u>                                |
| Total Employment                              | <u>8,020</u>     |             |                                              | <u>10,550</u>    |             |                                              |

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

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

| Function                                                               | Full-time Employees as of September 30, |           |           |           |           |           |           |           |           |           |
|------------------------------------------------------------------------|-----------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                                                        | 2011                                    | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      | 2020      |
| <b>Primary government</b>                                              |                                         |           |           |           |           |           |           |           |           |           |
| General Government                                                     | 7                                       | 5         | 5         | 4         | 5         | 7         | 8         | 6         | 8         | 8         |
| Judicial                                                               | 0                                       | 0         | 0         | 0         | 0         | 1         | 1         | 1         | 1         | 1         |
| Public Safety                                                          | 0                                       | 0         | 0         | 0         | 0         | 0         | 0         | 1         | 1         | 2         |
| Public Works                                                           | 10                                      | 10        | 12        | 14        | 10        | 10        | 13        | 15        | 13        | 14        |
| 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                                      | 13        | 13        | 9         | 15        | 17        | 15        | 15        | 15        | 14        |
| Solid Waste                                                            | 5                                       | 5         | 5         | 6         | 8         | 8         | 8         | 6         | 7         | 7         |
| <b>Total primary government</b>                                        | <b>39</b>                               | <b>35</b> | <b>37</b> | <b>35</b> | <b>40</b> | <b>45</b> | <b>47</b> | <b>46</b> | <b>47</b> | <b>48</b> |
| <b>Component unit</b>                                                  |                                         |           |           |           |           |           |           |           |           |           |
| Housing and Development<br>Dahlonega Downtown<br>Development Authority | 1                                       | 1         | 1         | 1         | 1         | 2         | 2         | 2         | 2         | 2         |
| <b>Total employees</b>                                                 | <b>40</b>                               | <b>36</b> | <b>38</b> | <b>36</b> | <b>41</b> | <b>47</b> | <b>49</b> | <b>48</b> | <b>49</b> | <b>50</b> |

Source: City Payroll Records





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

| <b>Function</b>                                 | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> |
|-------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government                              |             |             |             |             |             |             |             |             |             |             |
| Number of accounts payable checks issued        | 2,698       | 2,409       | 2,307       | 2,302       | 2,825       | 3,077       | 2,955       | 2,761       | 2,736       | 2,153       |
| Number of payroll checks issued*                | 2,524       | 2,209       | 2,267       | 1,341       | 1,342       | 1,380       | 1,665       | 1,753       | 1,797       | 1,821       |
| Highways and streets                            |             |             |             |             |             |             |             |             |             |             |
| Miles of right-of-way maintained                | 37.8        | 37.8        | 37.8        | 37.8        | 37.8        | 37.8        | 37.8        | 40.0        | 42.5        | 42.5        |
| Sanitation                                      |             |             |             |             |             |             |             |             |             |             |
| Refuse collected (tons)                         | 3,089       | 3,073       | 3,098       | 3,243       | 3,208       | 3,027       | 3,336       | 3,441       | 3,478       | 3,192       |
| Recyclables collected (tons)                    | 112         | 129         | 125         | 97          | 159         | 190         | 143         | 216         | 327         | 224         |
| Water System (MGD -Millions of Gallons per Day) |             |             |             |             |             |             |             |             |             |             |
| Number of service connections                   | 2,144       | 2,123       | 2,114       | 2,218       | 2,201       | 2,191       | 2,213       | 2,201       | 2,367       | 2,260       |
| Daily average consumption in gallons            | 1.006       | 1.015       | 0.964       | 1.010       | 1.004       | 0.964       | 1.075       | 1.034       | 1.049       | 0.961       |
| Sewer System (MGD -Millions of Gallons per Day) |             |             |             |             |             |             |             |             |             |             |
| Number of service connections                   | 1,462       | 1,443       | 1,432       | 1,522       | 1,528       | 1,519       | 1,545       | 1,541       | 1,704       | 1,685       |
| Daily average treatment in gallons              | 0.631       | 0.750       | 0.768       | 0.934       | 0.641       | 0.675       | 0.681       | 0.711       | 0.772       | 0.701       |

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 |         |         |         |         |
|------------------------------------------------------------------|-------------|---------|---------|---------|---------|
|                                                                  | 2011        | 2012    | 2013    | 2014    | 2015    |
| 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<br>(MGD - Millions of Gallons per Day) |             |         |         |         |         |
| Water System:                                                    |             |         |         |         |         |
| Number of miles of water mains                                   | 59          | 59      | 59      | 59      | 61      |
| Number of fire hydrants                                          | 437         | 437     | 437     | 437     | 449     |
| Number of water treatment plants                                 | 1           | 1       | 1       | 1       | 1       |
| Number of operational wells                                      | 0           | 0       | 0       | 0       | 0       |
| Maximum daily capacity of<br>treatment plants in gallons         | 4.0 MGD     | 4.0 MGD | 4.0 MGD | 4.0 MGD | 4.0 MGD |
| Sewer System:                                                    |             |         |         |         |         |
| Miles of sanitary sewers                                         | 42          | 42      | 42      | 42      | 42      |
| Number of wastewater<br>treatment plants                         | 1           | 1       | 1       | 1       | 1       |
| Maximum daily capacity of<br>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 |          |          |         |         |
|-------------|----------|----------|---------|---------|
| 2016        | 2017     | 2018     | 2019    | 2020    |
| 37.8        | 37.8     | 38.0     | 42.5    | 42.5    |
| 3           | 3        | 3        | 3       | 3       |
| 3.58        | 3.58     | 12.15    | 12.15   | 12.15   |
| 61          | 61       | 61       | 61      | 61      |
| 493         | 496      | 513      | 517     | 517     |
| 1           | 1        | 1        | 1       | 1       |
| 0           | 0        | 0        | 0       | 0       |
| 6.0 MGD     | 6.0 MGD  | 6.0 MGD  | 6.0 MGD | 6.0MGD  |
| 48          | 48       | 51.6     | 51.6    | 51.6    |
| 1           | 1        | 1        | 1       | 1       |
| 1.1 MGD     | 1.44 MGD | 1.44 MGD | 1.44MGD | 1.44MGD |
| 4           | 6        | 7        | 7       | 6       |



# 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, 2020, 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 March 25, 2021.

**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  
March 25, 2021





# 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, 2020**

| Project                                                 | Estimated Cost * |              | Expenditures |              |              |
|---------------------------------------------------------|------------------|--------------|--------------|--------------|--------------|
|                                                         | Original         | Current      | Prior Years  | Current Year | Total        |
| <b><u>2014 Referendum</u></b>                           |                  |              |              |              |              |
| Sewer Plant Upgrade and Related Sewer Line Replacements | \$ 3,000,000     | \$ 3,007,630 | \$ 2,926,187 | \$ 81,443    | \$ 3,007,630 |

Date of Completion - December 2019

| Project                                      | Estimated Cost *    |                     | Expenditures |                   |                   |
|----------------------------------------------|---------------------|---------------------|--------------|-------------------|-------------------|
|                                              | Original            | Current             | Prior Years  | Current Year      | Total             |
| <b><u>2020 Referendum</u></b>                |                     |                     |              |                   |                   |
| Roads & Bridges Resurfacing and Improvements | \$ 992,250          | \$ 992,250          | \$ 0         | \$ 113,415        | \$ 113,415        |
| Stormwater Infrastructure                    | 992,250             | 992,250             | 0            | 113,415           | 113,415           |
| Water & Sewer System Improvements            | 1,984,500           | 1,984,500           | 0            | 226,831           | 226,831           |
| <b>Total</b>                                 | <b>\$ 3,969,000</b> | <b>\$ 3,969,000</b> | <b>\$ 0</b>  | <b>\$ 453,661</b> | <b>\$ 453,661</b> |

Date of Completion - March 2026

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

**CITY OF DAHLONEGA, GEORGIA**  
**SCHEDULE OF PROJECTS FINANCED WITH**  
**TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**For the fiscal year ended September 30, 2020**

| Project                                                                                                                 | Estimated Cost * |              | Expenditures   |                 |       |
|-------------------------------------------------------------------------------------------------------------------------|------------------|--------------|----------------|-----------------|-------|
|                                                                                                                         | Original         | Current      | Prior<br>Years | Current<br>Year | Total |
|                                                                                                                         | Original         | Current      | Years          | Year            | Total |
| <b><u>2019 Referendum</u></b>                                                                                           |                  |              |                |                 |       |
| Roads and Bridges                                                                                                       |                  |              |                |                 |       |
| Construction and Improvement,<br>Sidewalks Construction<br>& Improvements, Bicycle Paths<br>Construction & Improvements | \$ 2,310,000     | \$ 2,310,000 | \$ 0           | \$ 320,002      | \$ 0  |

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

