

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2021

Dahlonega, Georgia, USA



SITE OF THE FIRST MAJOR US GOLD RUSH



DAHLONEGA

L G H P EST. 1833

FIRST MAJOR U.S. GOLD RUSH



DAHLONEGA

GEORGIA, USA

CITY OF DAHLONEGA, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2021

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO



ELECTED AND APPOINTED OFFICIALS

September 30, 2021

ELECTED OFFICIALS

Mayor Sam Norton
 Council Member - Post 1 Roman Gaddis
 Council Member - Post 2 Joel Cordle
 Council Member - Post 3..... Vacant
 Council Member - Post 4 ... Johnny Ariemma
 Council Member - Post 5 Vacant
 Council Member - Post 6 Ron Larson
 Municipal JudgeHammond Law

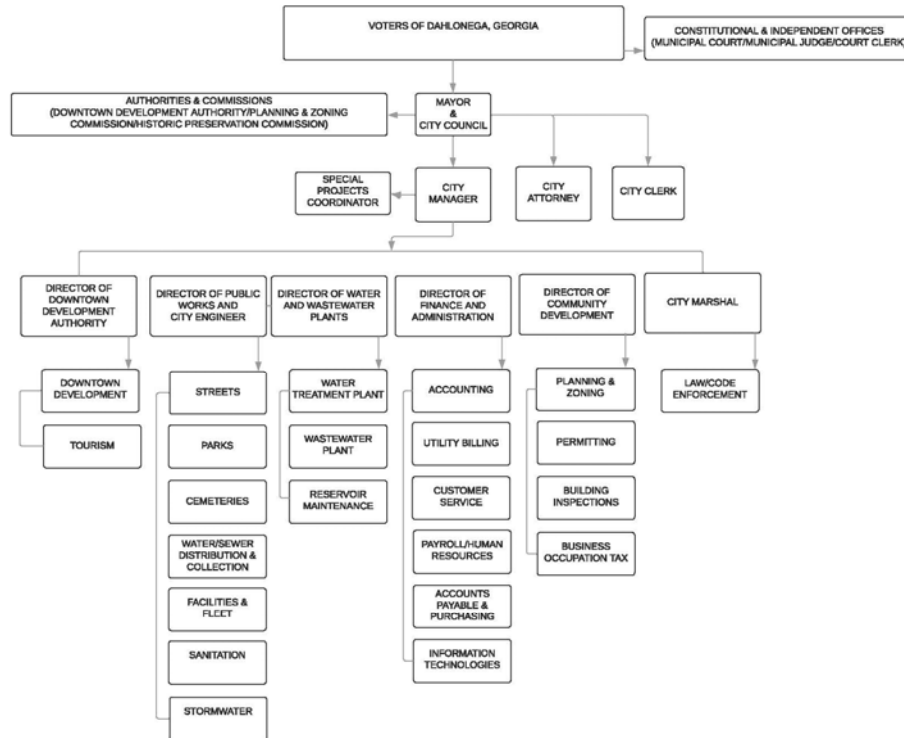
APPOINTED OFFICIALS AND MANAGEMENT

City Manager Bill Schmid
 City Attorney Doug Parks
 City Clerk..... Mary Csukas
 City MarshalVacant
 Public Works Director Mark Buchanan
 W&S Plant Superintendent John Jarrard
 Community Dev Director Jameson Kinley
 DDA Director Mary Csukas
 Finance Director Allison Martin



CITY OF DAHLONEGA ORGANIZATION CHART

September 30, 2021





May 2, 2022

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

We are pleased to present the Annual Comprehensive Financial Report of the City of Dahlonega for the fiscal year ended September 30, 2021, 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 twelfth Annual Comprehensive 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 an 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 the fiscal year 2021. The audit issued an unmodified opinion for the 2021 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 seventy miles northeast of Atlanta. Dahlonega was incorporated on 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 5,242 (April 2010) to 7,537 (April 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. The 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 one hundred cities nationally and four in the state of Georgia to be 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 an estimated 19,000 students system-wide. It is one of only six senior military colleges in the country. We are also the proud home to the US Army 5th Ranger Training Division and Mountain Phase of the US Army Ranger School. Our reputation and brand have been built over decades by the hard work of thousands of individuals.

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

The City operates under a council-manager form of government with six council

members and an elected mayor. 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 water, sewer, and stormwater 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 in the downtown area while preserving its unique heritage.

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, ARPA, Hotel/Motel Tax, SPLOST, TSPLOST, Grant, and General Government Capital Projects), enterprise funds (Water, Sewage, Stormwater, & 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 diverse types of tourists. The City has dedicated 82% of the Hotel/Motel tax proceeds during 2021 to promote its number one industry and to supplement and support the efforts of Dahlonega’s Downtown Development Authority.

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 7,300 resident and commuter students on the Dahlonega campus.

The unemployment rates improved in 2021 after the 2020 downturn due to the economic impact of the Coronavirus Pandemic. Rates fell to 1.9% in 2021.

	Unemployment (Lumpkin County)	Building Permits (City)
2021	1.9%	90
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, a turnaround occurred in 2021; of the ninety permits issued, nineteen were issued for single-family residences and seventy-one for commercial buildings.

The City’s property tax digest is holding relatively steady. The existence of exemptions resulted in only modest changes in the assessed value of the taxable property. The assessed value of the taxable property as of January 2021 was \$206 million – a 1.8% decrease from the previous year.

Impacted only temporarily by the Pandemic, major employers remain active in the community. The city anticipates continued positive momentum with the recent construction of a 75-room national flag hotel that opened in March of 2021.

LONG-TERM FINANCIAL PLANNING

The unassigned fund balance in the General Fund is \$1,301,560 or 30.0 percent of the 2021 final 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 can 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 FY21, \$250,000 was spent on road improvements, and a total of \$56,000 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 stormwater issues, and storm drain improvements are included in the capital program.

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

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

The City continues to place significant importance on tourism. Our downtown and beautiful surroundings draw increased 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 were used to leverage a State grant for the construction of Wimpy Mill Park and an all-abilities kayak launch. The new park officially opened in March 2021 at a total cost exceeding \$590,000.

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 road and bridge 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 \$12 million in known needs over the five-year program. Much of this relates to the 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 newly created Stormwater Utility fund anticipates spending \$2.31 million over the next five years on storm drain repair projects.

AWARDS AND ACKNOWLEDGEMENTS

The City has submitted its last twelve Annual Comprehensive 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 twelve years. To be awarded a Certificate of Achievement

the government must publish an easily readable and efficiently organized Financial Report that satisfies both 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.

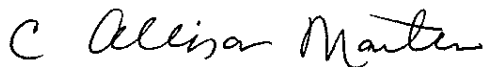
A Certificate of Achievement is valid for a period of only one year. We believe that our current Annual Comprehensive Financial Report meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Annual Comprehensive 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 needed to deliver quality services and for improving the quality of life for Dahlonega's citizens.

Respectfully submitted,



Bill Schmid
City Manager



Allison Martin
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, 2021, 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, 2021, 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 80 through 86 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, 2020, which are not presented with the accompanying financial statements. In our report dated March 25, 2021, 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 2020 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 2020 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 2020 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 2020 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 May 2, 2022, 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, LLC

Certified Public Accountants

Gainesville, Georgia
May 2, 2022

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

As management of the City of Dahlonaga, 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, 2021. 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 at 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 \$33,984,081. Of this, \$13,196,191 (38.8%) represents an unrestricted net position that 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 \$16,095,846. This represents an increase of \$1,965,535 (13.9%) over the prior year's net position balance for governmental activities.
- At the close of the fiscal year, the net position of the City's business-type activities was \$17,888,235. This represents an increase of \$1,377,409 (8.3%) over the prior year's net position balance for business-type activities.

Fund Financial Statements

- As of the close of the current fiscal year, the City of Dahlonaga's governmental funds reported combined ending fund balances of \$7,476,288, an increase of \$1,938,886

(35.0%) 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 \$1,301,560 or 17.4% of the governmental funds' combined ending fund balance.

- The General Fund had revenues of \$5,012,140 for the current fiscal year. Of this amount \$1,337,900 (26.7%) was from property taxes and \$1,204,586 (24.0%) was from sales taxes.

Debt Obligations

- The City had long-term debt obligations from the governmental activities during the fiscal year 2021 of \$850,000 associated with the relocation of the historic Head House.
- Long-term debt obligations from the business-type activities decreased by \$941,235 (-3.10%) from \$30,396,349 on September 30, 2020, to \$29,455,114 September 30, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis document is intended to serve as an introduction to the City of Dahlonaga'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 Dahlonaga 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 the general government, judicial, police department, public works, culture and recreation, and housing and development. Business-type activities include a water and sewage utility, stormwater, 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 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 an 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 flow 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 helps 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 the 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 four non-major governmental funds. The City's major governmental funds are the General Fund, SPLOST Fund, and the 2019 TSPLOST Fund. The City's non-major governmental funds are the Hotel/Motel Tax Fund, Grants Capital Projects Fund, SPLOST Capital Projects Fund, and ARPA Local Fiscal Recovery 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, stormwater utility, 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, Stormwater 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 78 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 88 through 89 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's fiscal year 2021 (FY2021) began strongly with a growing national, state, and local economy. City government revenues and expenditures for operating and capital budgets were healthy. With the reopening of the state, our local tourism economy flourished even with the lingering impacts of the global pandemic adversely impacting other areas of the country.

Due primarily to the Council's quick response to the economic downturn in 2020 and adherence to the operating budget, the City closed FY2021 on a positive note. By September 30, our downtown continued to show increased traffic and tourist activity, 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 by \$1,965,535, or 13.9%, during the year ending September 30, 2021. Net investment in capital assets increased \$197,000 and restricted net position increased \$1,412,655, and unrestricted net position increased \$552,344. 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 American Rescue Plan 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 20.0% of the City's governmental activities revenues came from property taxes and approximately 44.2% came from sales and other taxes. Combined the City is dependent on taxes for approximately 64.2% of its governmental activities revenues.

Net position for business-type activities increased \$1,377,409 or 8.3%. The restricted

net position is presented at \$96,026. Unrestricted net position increased by \$1,992,603, or 32.2%. These funds are available to finance operations. The amount invested in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets decreased by \$617,8871, or 6.0%. The City uses these capital assets to provide services to its customers; consequently, this net position is not available for future spending. This net position represents a capital investment in the business-type activities of the City.

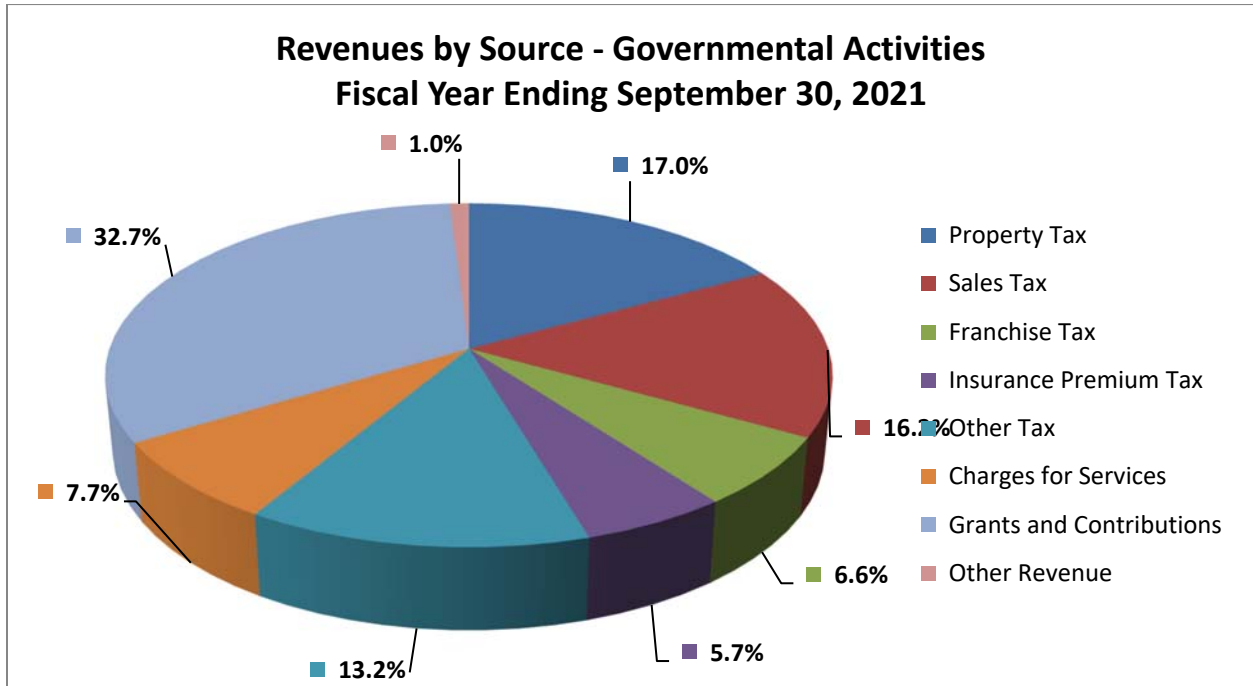
Following is a summary of the City's Statement of Net Position as found on pages 30 and 31 of this report.

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current assets	\$ 9,164,439	\$ 5,764,850	\$ 9,128,148	\$ 7,111,943	\$ 18,292,587	\$ 12,876,793
Capital assets	9,829,272	9,010,205	36,295,408	37,722,126	46,124,680	46,732,331
Total assets	<u>18,993,711</u>	<u>14,775,055</u>	<u>45,423,556</u>	<u>44,834,069</u>	<u>64,417,267</u>	<u>59,609,124</u>
Deferred outflows of resources	<u>440,631</u>	<u>428,953</u>	<u>3,064,621</u>	<u>3,320,859</u>	<u>3,505,252</u>	<u>3,749,812</u>
Current liabilities	1,791,217	292,605	1,557,058	1,377,968	3,348,275	1,670,573
Noncurrent liabilities	1,440,058	696,293	28,909,392	30,169,112	30,349,450	30,865,405
Total liabilities	<u>3,231,275</u>	<u>988,898</u>	<u>30,466,450</u>	<u>31,547,080</u>	<u>33,697,725</u>	<u>32,535,978</u>
Deferred inflows of resources	<u>107,221</u>	<u>84,799</u>	<u>133,492</u>	<u>97,022</u>	<u>240,713</u>	<u>181,821</u>
Net investment in capital assets	8,970,511	8,970,314	9,620,755	10,238,642	18,591,266	19,208,956
Restricted	2,100,598	687,604	96,026	93,333	2,196,624	780,937
Unrestricted	5,024,737	4,472,393	8,171,454	6,178,851	13,196,191	10,651,244
Total net position	<u>\$ 16,095,846</u>	<u>\$ 14,130,311</u>	<u>\$ 17,888,235</u>	<u>\$ 16,510,826</u>	<u>\$ 33,984,081</u>	<u>\$ 30,641,137</u>

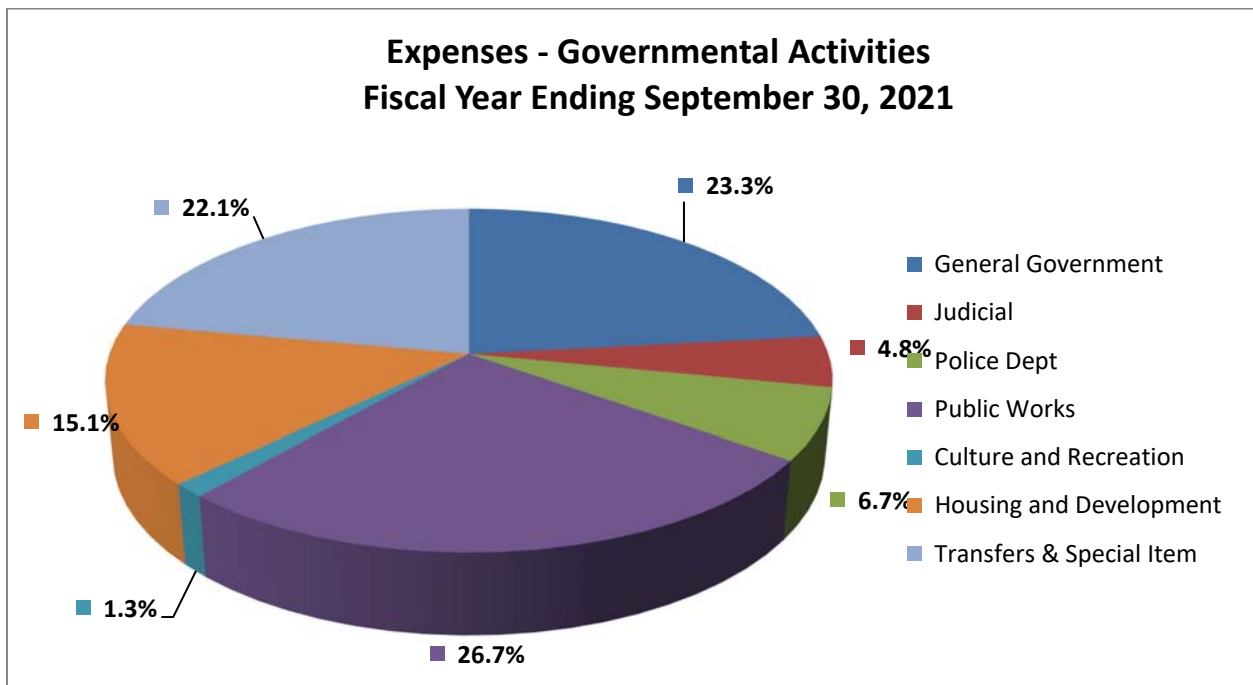
Following is a summary of the City's Statement of Activities as found on page 32 of this report.

	Governmental		Business-Type		Total	
	Activities		Activities			
Revenues	2021	2020	2021	2020	2021	2020
Program revenues:						
Charges for services	\$ 575,365	\$ 435,041	\$ 6,871,303	\$ 6,183,491	\$ 7,446,668	\$ 6,618,532
Operating grants and contributions	62,802	139,538	18,608	17,418	81,410	156,956
Capital grants and contributions	2,372,303	1,533,743	0	0	2,372,303	1,533,743
General revenues:						
Property taxes	1,267,426	1,275,664	0	0	1,267,426	1,275,664
Sales taxes	1,204,586	1,124,693	0	0	1,204,586	1,124,693
Other taxes	1,899,806	1,636,225	0	0	1,899,806	1,636,225
Interest and investment earnings	4,755	44,621	6,886	45,574	11,641	90,195
Gain on sale of assets	23,715	0	28,901	0	52,616	0
Miscellaneous revenue	44,954	52,090	0	0	44,954	52,090
Total revenues	7,455,712	6,241,615	6,925,698	6,246,483	14,381,410	12,488,098
Expenses						
General government	867,342	1,404,229	0	0	867,342	1,404,229
Judicial	289,142	204,229	0	0	289,142	204,229
Public Safety	405,032	370,003	0	0	405,032	370,003
Public Works	1,610,016	1,576,422	0	0	1,610,016	1,576,422
Culture and Recreation	77,376	55,408	0	0	77,376	55,408
Housing and Development	907,565	794,127	0	0	907,565	794,127
Interest on long-term debt	45,122	0	0	0	45,122	0
Water and Sewage	0	0	5,412,156	5,342,261	5,412,156	5,342,261
Solid Waste	0	0	862,315	857,451	862,315	857,451
Stormwater Utility	0	0	562,400	0	562,400	0
Total expenses	4,201,595	4,404,418	6,836,871	6,199,712	11,038,466	10,604,130
Increase (decrease) in net position						
before transfers and special item	3,254,117	1,837,197	88,827	46,771	3,342,944	1,883,968
Transfers and special item	(1,288,582)	(308,274)	1,288,582	308,274	0	0
Increase (decrease) in net position	1,965,535	1,528,923	1,377,409	355,045	3,342,944	1,883,968
Net position - beginning	14,130,311	12,601,388	16,510,826	16,155,781	30,641,137	28,757,169
Net position - ending	\$ 16,095,846	\$ 14,130,311	\$ 17,888,235	\$ 16,510,826	\$ 33,984,081	\$ 30,641,137

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, an 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 \$7,476,288, with \$62,071 reported as non-spendable, \$2,100,598 reported as restricted, \$4,012,059 reported as assigned, and the remaining amount of \$1,301,560 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, 2021, was a decrease of \$77,297, from \$3,016,054 to \$2,938,757. 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 the subsequent year's budget as of September 30, 2021, is \$925,126, to be spent on capital needs. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$1,301,560. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures for the fiscal year 2021. The unassigned fund balance represents 44.3% of total General Fund expenditures.

The SPLOST Fund is required by Georgia State law to account for the collection and expending of proceeds of a one percent Special Purpose Local Option Sales Tax. Of this one percent sales tax the City of

Dahlonega receives 21.0%. The SPLOST fund generated revenues of \$1,144,571 and the fund balance on September 30, 2021, was \$444,345, as the City transferred SPLOST collections to fund stormwater infrastructure and water and sewer system improvements.

The 2019 TSPLOST Fund is required by Georgia State law to account for the collection and expending of proceeds of a one percent Transportation Special Purpose Local Option Sales Tax. Of this one percent sales tax the City of Dahlonega receives 21.0%. The TSPLOST fund generated revenues of \$1,182,787 and the fund balance on September 30, 2021, was \$1,655,914, as the City transferred TSPLOST collections to fund transportation improvement projects.

Enterprise Funds

The Enterprise Funds are comprised of the Water and Sewage Fund, Stormwater Utility, and the Solid Waste Fund. The net change in the total Enterprise Funds' net position balance for the year ended September 30, 2021, was an increase before transfers of \$39,967 and after transfers an increase of \$1,377,409. The total net position for the Enterprise Funds at the beginning of the fiscal year was \$16,510,826 and the net position at the end of the fiscal year was \$17,888,235.

BUDGETARY HIGHLIGHTS

The City revises the General Fund Budget at various times through the end of the fiscal year to reflect changes in estimated revenues and expenditures. Total amendments to the General Fund Budget increased revenues and other financing sources by \$74,586 and increased expenditures and other financing uses by \$829,966. The final budget reflected an anticipated \$1,308,475 use of the prior fund balance with the actual fund balance decreasing by \$78,246.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets

On September 30, 2021, the City reported capital assets net of accumulated depreciation of \$46,124,680. This is a decrease of \$607,651 or 1.30% under fiscal year 2020.

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

- Improvement to Key Historic Property (Head House) \$86,200
- Street Paving \$232,273
- City Hall Improvements (HVAC) \$32,534
- Land Improvements to 147 Park Street North \$92,071
- Public Works Truck \$30,508

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

- Track Loader \$59,276
- Service Trucks \$55,4704
- Stormwater Utility Development \$87,250
- Meter Replacement Program \$39,890

Additional information on the City's capital assets can be found in Note 8 in the Notes to the Financial Statements beginning on page 62 of this report.

Long-Term Debt

On September 30, 2021, the City reported long-term debt of \$30,305,114 net of unamortized bond discounts. This is a decrease of \$91,234 or 0.30% under the fiscal year 2020. 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 64.

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 requests 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, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Current assets				
Cash and cash equivalents	\$ 8,444,733	\$ 7,529,069	\$ 15,973,802	\$ 532,671
Restricted assets				
Cash and cash equivalents	0	384,261	384,261	0
Receivables (net)				
Accounts	8,155	829,689	837,844	0
Taxes	232,518	0	232,518	0
Fines	62,160	0	62,160	0
Intergovernmental	354,802	0	354,802	162,228
Inventory	0	185,040	185,040	0
Prepaid items	62,071	200,089	262,160	3,655
Total current assets	9,164,439	9,128,148	18,292,587	698,554
Noncurrent assets				
Capital assets				
Non-depreciable	3,171,367	3,519,333	6,690,700	0
Depreciable (net)	6,657,905	32,776,075	39,433,980	0
Total noncurrent assets	9,829,272	36,295,408	46,124,680	0
Total assets	18,993,711	45,423,556	64,417,267	698,554
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	440,631	284,160	724,791	40,619
Deferred charges on refunding	0	2,780,461	2,780,461	0
Total deferred outflows of resources	440,631	3,064,621	3,505,252	40,619
LIABILITIES				
Current liabilities				
Payables				
Accounts	228,689	102,104	330,793	12,716
Intergovernmental	9,508	2,838	12,346	0
Deposits	1,400	0	1,400	0
Interest	5,042	13,009	18,051	0
Accrued payroll liabilities	72,849	61,991	134,840	4,326
Compensated absences	67,807	74,012	141,819	0
Unearned revenue	1,361,922	0	1,361,922	0
Contracts payable	44,000	0	44,000	0
Notes payable	0	248,145	248,145	0
Capital leases payable	0	31,724	31,724	0
Liabilities payable from restricted assets				
Interest payable	0	73,768	73,768	0
Customer deposits payable	0	214,467	214,467	0
Revenue bonds payable	0	735,000	735,000	0
Total current liabilities	1,791,217	1,557,058	3,348,275	17,042

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF NET POSITION
September 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Noncurrent liabilities				
Net pension liability	\$ 616,033	\$ 449,473	\$ 1,065,506	\$ 57,778
Compensated absences	18,025	19,674	37,699	0
Contracts payable	806,000	0	806,000	0
Notes payable	0	5,672,133	5,672,133	0
Capital leases payable	0	35,921	35,921	0
Revenue bonds payable	0	22,732,191	22,732,191	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total noncurrent liabilities	1,440,058	28,909,392	30,349,450	57,778
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	3,231,275	30,466,450	33,697,725	74,820
	<hr/>	<hr/>	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	107,221	133,492	240,713	10,056
	<hr/>	<hr/>	<hr/>	<hr/>
NET POSITION				
Net investment in capital assets	8,970,511	9,620,755	18,591,266	0
Restricted for:				
Debt service	0	96,026	96,026	0
Grant specific projects	339	0	339	0
Capital outlay	2,100,259	0	2,100,259	0
Unrestricted	5,024,737	8,171,454	13,196,191	654,297
	<hr/>	<hr/>	<hr/>	<hr/>
Total net position	\$ 16,095,846	\$ 17,888,235	\$ 33,984,081	\$ 654,297
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF DAHLONEGA, GEORGIA

STATEMENT OF ACTIVITIES

For the fiscal year ended September 30, 2021

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities						
General Government	\$ 1,404,802	\$ (537,460)	\$ 139,346	\$ 0	\$ 0	\$ (727,996)
Judicial	289,142	0	237,804	0	0	(51,338)
Public Safety	405,032	0	0	0	0	(405,032)
Public Works	1,610,016	0	114,510	62,802	2,237,801	805,097
Culture and Recreation	77,376	0	0	0	134,502	57,126
Housing and Development	907,565	0	83,705	0	0	(823,860)
Interest on long-term debt	45,122	0	0	0	0	(45,122)
Total governmental activities	<u>4,739,055</u>	<u>(537,460)</u>	<u>575,365</u>	<u>62,802</u>	<u>2,372,303</u>	<u>(1,191,125)</u>
Business-type activities						
Water and Sewage	5,344,656	67,500	5,542,902	18,608	0	149,354
Solid Waste	862,315	0	1,044,199	0	0	181,884
Stormwater	92,440	469,960	284,202	0	0	(278,198)
Total business-type activities	<u>6,299,411</u>	<u>537,460</u>	<u>6,871,303</u>	<u>18,608</u>	<u>0</u>	<u>53,040</u>
Total primary government	<u>11,038,466</u>	<u>0</u>	<u>7,446,668</u>	<u>81,410</u>	<u>2,372,303</u>	<u>(1,138,085)</u>
Component Unit						
Downtown Development Authority						
Housing and Development	261,485	0	0	150	109,232	(152,103)
Primary Government						
	Governmental	Business-Type	Total	Component		
	Activities	Activities		Unit		
Change in net position						
Net (expense) revenue	\$ (1,191,125)	\$ 53,040	\$ (1,138,085)	\$ (152,103)		
General revenues						
Taxes						
Property		1,267,426	0	1,267,426	0	
Sales		1,204,586	0	1,204,586	0	
Franchise		490,384	0	490,384	0	
Insurance premium		422,760	0	422,760	0	
Intangibles		66,314	0	66,314	0	
Alcoholic beverage		222,139	0	222,139	0	
Occupational		150,853	0	150,853	0	
Hotel/Motel		537,292	0	537,292	0	
Other		10,064	0	10,064	0	
Payments from City of Dahlonega		0	0	0	435,740	
Investment income (loss)		4,755	6,886	11,641	484	
Miscellaneous		44,954	0	44,954	1,464	
Gain on sale of assets		23,715	28,901	52,616	0	
Transfers		(1,288,582)	1,288,582	0	0	
Total general revenues and transfers		<u>3,156,660</u>	<u>1,324,369</u>	<u>4,481,029</u>	<u>437,688</u>	
Change in net position		1,965,535	1,377,409	3,342,944	285,585	
Net position - beginning		<u>14,130,311</u>	<u>16,510,826</u>	<u>30,641,137</u>	<u>368,712</u>	
Net position - ending		<u>\$ 16,095,846</u>	<u>\$ 17,888,235</u>	<u>\$ 33,984,081</u>	<u>\$ 654,297</u>	

CITY OF DAHLONEGA, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2021

	<u>General</u>	<u>SPLOST</u>	<u>2019 TSPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 2,769,711	\$ 264,140	\$ 1,496,343	\$ 3,914,539	\$ 8,444,733
Receivables (net)					
Accounts	8,155	0	0	0	8,155
Taxes	173,502	0	0	59,016	232,518
Fines	62,160	0	0	0	62,160
Intergovernmental	5,711	180,205	168,886	0	354,802
Prepaid items	62,071	0	0	0	62,071
Total assets	\$ 3,081,310	\$ 444,345	\$ 1,665,229	\$ 3,973,555	\$ 9,164,439
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Payables					
Accounts	\$ 45,013	\$ 0	\$ 9,315	\$ 174,361	\$ 228,689
Intergovernmental	9,508	0	0	0	9,508
Accrued salaries and payroll expenditures	72,849	0	0	0	72,849
Deposits	1,400	0	0	0	1,400
Unearned revenue	0	0	0	1,361,922	1,361,922
Total liabilities	128,770	0	9,315	1,536,283	1,674,368
Deferred inflows of resources					
Unavailable revenue - property taxes	13,783	0	0	0	13,783
Fund balances					
Nonspendable prepaid items	62,071	0	0	0	62,071
Restricted for:					
Grant specific projects	0	0	0	339	339
Capital outlay	0	444,345	1,655,914	0	2,100,259
Assigned to:					
Capital outlay	0	0	0	2,436,933	2,436,933
City Hall construction	650,000	0	0	0	650,000
Subsequent year's budget	925,126	0	0	0	925,126
Unassigned	1,301,560	0	0	0	1,301,560
Total fund balances	2,938,757	444,345	1,655,914	2,437,272	7,476,288
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,081,310	\$ 444,345	\$ 1,665,229	\$ 3,973,555	\$ 9,164,439

CITY OF DAHLONEGA, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
September 30, 2021

Total fund balance - total governmental funds \$ 7,476,288

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

Capital assets of \$14,830,237, net of accumulated depreciation of (\$5,000,965), are not financial resources and, therefore, are not reported in the funds. 9,829,272

Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the funds. These include unavailable property taxes. 13,783

Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. 440,631

Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. (107,221)

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

These are:

Compensated absences	\$	(85,832)	
Interest payable		(5,042)	
Contracts payable		(850,000)	
Net pension liability		(616,033)	
		(1,556,907)	(1,556,907)

Net position of governmental activities \$ 16,095,846

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2021

	General	SPLOST	2019 TSPLOST	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	\$ 3,838,686	\$ 0	\$ 0	\$ 537,294	\$ 4,375,980
Licenses and permits	205,985	0	0	0	205,985
Fines, fees and forfeitures	237,804	0	0	0	237,804
Charges for services	605,211	0	0	63,826	669,037
Intergovernmental	76,802	1,144,350	1,181,908	0	2,403,060
Interest	2,596	221	879	2,158	5,854
Other	45,056	0	0	0	45,056
Total revenues	5,012,140	1,144,571	1,182,787	603,278	7,942,776
EXPENDITURES					
Current					
General Government	1,330,468	0	0	0	1,330,468
Judicial	293,020	0	0	0	293,020
Public Safety	393,885	0	0	0	393,885
Public Works	1,295,949	0	0	0	1,295,949
Culture and Recreation	47,444	0	0	0	47,444
Housing and Development	470,469	0	0	441,081	911,550
Capital outlay	0	215,312	740,332	433,462	1,389,106
Total expenditures	3,831,235	215,312	740,332	874,543	5,661,422
Excess (deficiency) of revenues over (under) expenditures	1,180,905	929,259	442,455	(271,265)	2,281,354
Other financing sources (uses)					
Transfers in	11,270	72,854	525,855	959,414	1,569,393
Transfers out	(1,293,187)	(557,768)	0	(934,621)	(2,785,576)
Proceeds from long-term debt	0	0	0	850,000	850,000
Proceeds from sale of capital assets	23,715	0	0	0	23,715
Total other financing sources (uses)	(1,258,202)	(484,914)	525,855	874,793	(342,468)
Net change in fund balances	(77,297)	444,345	968,310	603,528	1,938,886
Fund balances, October 1	3,016,054	0	687,604	1,833,744	5,537,402
Fund balances, September 30	\$ 2,938,757	\$ 444,345	\$ 1,655,914	\$ 2,437,272	\$ 7,476,288

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, 2021

Net change in fund balances - total governmental funds \$ 1,938,886

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	\$ 1,358,180	
Depreciation	<u>(497,561)</u>	860,619

In the statement of activities, the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources.

Cost of assets disposed	\$ (73,245)	
Related accumulated depreciation	<u>73,245</u>	0

Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Cost of assets	\$ 78,220	
Related accumulated depreciation	<u>(45,284)</u>	32,936

Distributions of capital assets decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Cost of assets	\$ (74,488)	
Related accumulated depreciation	<u>0</u>	(74,488)

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. (4,160)

The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.

Debt proceeds	\$ (850,000)	
Net change in interest payable	<u>(5,042)</u>	(855,042)

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	\$ 203,054	
Cost of benefits earned net of employee contributions	<u>(155,631)</u>	47,423

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. 19,361

Change in net position of governmental activities		<u><u>\$ 1,965,535</u></u>
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CITY OF DAHLONEGA, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget
REVENUES				
Taxes	\$ 3,332,972	\$ 3,384,972	\$ 3,838,686	\$ 453,714
Licenses and permits	161,900	161,900	205,985	44,085
Fines, fees and forfeitures	131,000	131,000	237,804	106,804
Charges for services	567,460	567,460	605,211	37,751
Intergovernmental	28,646	28,646	76,802	48,156
Interest	42,000	42,000	2,596	(39,404)
Other	22,400	22,400	45,056	22,656
Total revenues	4,286,378	4,338,378	5,012,140	673,762
EXPENDITURES				
Current				
General Government				
Legislative	194,312	206,312	163,006	43,306
Executive	241,941	241,941	242,518	(577)
Elections	11,940	11,940	969	10,971
General Administration	931,050	955,551	923,975	31,576
Judicial				
Municipal Court	309,568	309,568	293,020	16,548
Public Safety				
Law Enforcement	100,115	104,115	104,413	(298)
City Marshal's Office	395,744	425,629	289,472	136,157
Public Works				
Public Works Administration	105,171	146,271	118,669	27,602
Street Construction	1,145,179	1,150,242	1,057,516	92,726
Shop Department	101,137	104,463	95,867	8,596
Cemetery	62,206	62,206	23,897	38,309
Culture and Recreation				
Parks	27,050	54,545	47,444	7,101
Housing and Development				
Community Development	271,952	272,782	215,412	57,370
Downtown Development Authority	299,604	255,057	255,057	0
Debt Service	0	44,547	0	44,547
Total expenditures	4,196,969	4,345,169	3,831,235	513,934
Excess (deficiency) of revenues over (under) expenditures	89,409	(6,791)	1,180,905	1,187,696
Other financing sources (uses)				
Transfers in	11,269	33,855	11,270	(22,585)
Transfers out	(611,773)	(1,315,773)	(1,293,187)	22,586
Proceeds from sale of capital assets	0	0	23,715	23,715
Contingency	(42,000)	(19,766)	0	19,766
Total other financing sources (uses)	(642,504)	(1,301,684)	(1,258,202)	43,482
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(553,095)	(1,308,475)	(77,297)	1,231,178
Fund balances, October 1	553,095	1,308,475	3,016,054	1,707,579
Fund balances, September 30	\$ 0	\$ 0	\$ 2,938,757	\$ 2,938,757

See accompanying notes to the financial statements.

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2021

	<u>Water and Sewage</u>	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Totals</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 6,436,087	\$ 569,898	\$ 523,084	\$ 7,529,069
Restricted assets				
Cash and cash equivalents	384,261	0	0	384,261
Receivables (net)				
Accounts	664,443	125,726	39,520	829,689
Inventory	185,040	0	0	185,040
Prepaid items	188,856	9,751	1,482	200,089
Total current assets	<u>7,858,687</u>	<u>705,375</u>	<u>564,086</u>	<u>9,128,148</u>
Noncurrent assets				
Capital assets				
Non-depreciable	3,514,933	0	4,400	3,519,333
Depreciable (net)	32,169,904	523,284	82,887	32,776,075
Total noncurrent assets	<u>35,684,837</u>	<u>523,284</u>	<u>87,287</u>	<u>36,295,408</u>
Total assets	<u>43,543,524</u>	<u>1,228,659</u>	<u>651,373</u>	<u>45,423,556</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	203,138	81,022	0	284,160
Deferred charges on refunding	2,780,461	0	0	2,780,461
Total deferred outflows of resources	<u>2,983,599</u>	<u>81,022</u>	<u>0</u>	<u>3,064,621</u>
LIABILITIES				
Current liabilities				
Payables				
Accounts	92,097	8,393	1,614	102,104
Intergovernmental	2,604	234	0	2,838
Interest	12,929	80	0	13,009
Accrued salaries and payroll expenses	40,186	18,074	3,731	61,991
Compensated absences	53,443	16,500	4,069	74,012
Notes payable	248,145	0	0	248,145
Capital leases payable	0	31,724	0	31,724
Liabilities payable from restricted assets:				
Interest payable	73,768	0	0	73,768
Customer deposits payable	214,467	0	0	214,467
Revenue bonds payable	735,000	0	0	735,000
Total current liabilities	<u>1,472,639</u>	<u>75,005</u>	<u>9,414</u>	<u>1,557,058</u>
Noncurrent liabilities				
Net pension liability	321,315	128,158	0	449,473
Compensated absences	14,206	4,386	1,082	19,674
Notes payable	5,672,133	0	0	5,672,133
Capital leases payable	0	35,921	0	35,921
Revenue bonds payable	22,732,191	0	0	22,732,191
Total noncurrent liabilities	<u>28,739,845</u>	<u>168,465</u>	<u>1,082</u>	<u>28,909,392</u>
Total liabilities	<u>30,212,484</u>	<u>243,470</u>	<u>10,496</u>	<u>30,466,450</u>

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2021

	<u>Water and Sewage</u>	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Totals</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	\$ 107,887	\$ 25,605	\$ 0	\$ 133,492
NET POSITION				
Net investment in capital assets	9,077,829	455,639	87,287	9,620,755
Restricted for debt service	96,026	0	0	96,026
Unrestricted	7,032,897	584,967	553,590	8,171,454
Total net position	<u>\$ 16,206,752</u>	<u>\$ 1,040,606</u>	<u>\$ 640,877</u>	<u>\$ 17,888,235</u>

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

For the fiscal year ended September 30, 2021

	Water and Sewage	Solid Waste	Stormwater	Totals
OPERATING REVENUES				
Charges for sales and services	\$ 5,542,902	\$ 1,044,199	\$ 284,202	\$ 6,871,303
OPERATING EXPENSES				
Costs of sales and services	1,285,366	324,423	474,188	2,083,977
Personal services	1,115,307	463,247	83,849	1,662,403
Depreciation	1,795,334	71,101	4,363	1,870,798
Total operating expenses	4,196,007	858,771	562,400	5,617,178
Operating income (loss)	1,346,895	185,428	(278,198)	1,254,125
Non-operating revenues (expenses)				
Interest revenue	6,180	456	250	6,886
Interest expense	(1,152,237)	(3,544)	0	(1,155,781)
Distribution of capital assets to Governmental Activities	0	(2,089)	0	(2,089)
Intergovernmental	18,608	0	0	18,608
Gain (loss) on sale of capital assets	(63,912)	28,901	0	(35,011)
Total non-operating revenues (expenses)	(1,191,361)	23,724	250	(1,167,387)
Income (loss) before capital contributions and transfers	155,534	209,152	(277,948)	86,738
Capital contributions				
Contribution of capital assets from governmental activities	0	0	74,488	74,488
Income (loss) before transfers	155,534	209,152	(203,460)	161,226
Transfers in (out)				
Transfers in	371,846	0	844,337	1,216,183
Change in net position	527,380	209,152	640,877	1,377,409
Net position -beginning	15,679,372	831,454	0	16,510,826
Net position - ending	\$ 16,206,752	\$ 1,040,606	\$ 640,877	\$ 17,888,235

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2021

	<u>Water and Sewage</u>	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Totals</u>
Cash flows from operating activities:				
Receipts from customers	\$ 5,654,138	\$ 1,035,780	\$ 244,682	\$ 6,934,600
Payments to suppliers	(1,266,104)	(317,531)	(474,056)	(2,057,691)
Payments to employees	(1,154,648)	(473,308)	(74,967)	(1,702,923)
Other receipts	1,726	1,677	0	3,403
Net cash provided (used) by operating activities	<u>3,235,112</u>	<u>246,618</u>	<u>(304,341)</u>	<u>3,177,389</u>
Cash flows from non-capital financing activities:				
Receipts from other governments	18,608	0	0	18,608
Receipts from other funds	122,044	0	412,773	534,817
Net cash provided (used) by non-capital financing activities	<u>140,652</u>	<u>0</u>	<u>412,773</u>	<u>553,425</u>
Cash flows from capital and related financing activities:				
Receipts from other funds	371,846	0	431,564	803,410
Proceeds from sale of capital assets	5,265	28,901	0	34,166
Payments for acquisitions of capital assets	(396,711)	(26,985)	(17,162)	(440,858)
Principal payments - revenue bonds	(700,000)	0	0	(700,000)
Principal payments - promissory notes	(182,629)	0	0	(182,629)
Principal payments - capital leases	0	(30,406)	0	(30,406)
Interest paid	(1,031,226)	(3,580)	0	(1,034,806)
Net cash provided (used) by capital and related financing activities	<u>(1,933,455)</u>	<u>(32,070)</u>	<u>414,402</u>	<u>(1,551,123)</u>
Cash flows from investing activities:				
Interest received	6,180	456	250	6,886
Net increase (decrease) in cash and cash equivalents	1,448,489	215,004	523,084	2,186,577
Cash and cash equivalents, October 1	5,371,859	354,894	0	5,726,753
Cash and cash equivalents, September 30	<u><u>\$ 6,820,348</u></u>	<u><u>\$ 569,898</u></u>	<u><u>\$ 523,084</u></u>	<u><u>\$ 7,913,330</u></u>

CITY OF DAHLONEGA, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2021

	<u>Water and Sewage</u>	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,346,895	\$ 185,428	\$ (278,198)	\$ 1,254,125
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1,795,334	71,101	4,363	1,870,798
(Increase) decrease in accounts receivables	107,137	(6,742)	(39,520)	60,875
(Increase) decrease in inventory	(26,661)	0	0	(26,661)
(Increase) decrease in prepaid items	1,364	8,020	(1,482)	7,902
(Increase) decrease in deferred outflows related to pension	97,946	25,889	0	123,835
Increase (decrease) in accounts payable	45,865	(1,362)	1,614	46,117
Increase (decrease) in intergovernmental payable	(1,306)	234	0	(1,072)
Increase (decrease) in payroll liabilities	5,057	3,289	8,882	17,228
Increase (decrease) in net pension liability	(180,345)	(37,708)	0	(218,053)
Increase (decrease) in deferred inflows related to pension	38,001	(1,531)	0	36,470
Increase (decrease) in deposits payable	5,825	0	0	5,825
Total adjustments	<u>1,888,217</u>	<u>61,190</u>	<u>(26,143)</u>	<u>1,923,264</u>
Net cash provided (used) by operating activities	<u>\$ 3,235,112</u>	<u>\$ 246,618</u>	<u>\$ (304,341)</u>	<u>\$ 3,177,389</u>
Cash and cash equivalents reconciliation:				
Cash and cash equivalents	\$ 6,436,087	\$ 569,898	\$ 523,084	\$ 7,529,069
Restricted assets				
Cash and cash equivalents	<u>384,261</u>	<u>0</u>	<u>0</u>	<u>384,261</u>
Total cash and cash equivalents	<u>\$ 6,820,348</u>	<u>\$ 569,898</u>	<u>\$ 523,084</u>	<u>\$ 7,913,330</u>
Noncash investing, capital, and financing activities				
Contributions of capital assets from other funds totaled \$74,488.				
Distributions of capital assets to other funds totaled \$2,089.				

NOTES TO THE FINANCIAL STATEMENTS

CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

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 public utilities (water and sewage, solid waste, and stormwater) 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, 2021

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, 2021

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.

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

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

The City reports the following major proprietary funds:

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

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

Stormwater Fund - This fund is used to account for activities connected with the development, operation and maintenance of stormwater services and infrastructure in the City of Dahlonega.

CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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 the end of the current fiscal year.

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, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal year 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, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets, continued

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

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

CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021

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, 2021

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, 2021

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 Annual Comprehensive Financial Report shall be compared with the budget in effect when the Annual Comprehensive 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, 2021

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, 2021

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 prior year amounts have been reclassified to conform with the current year 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 the end of the current fiscal year, 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, 2021

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, 2021 consist of the following:

Major Funds	
General Fund	\$ 8,155
Enterprise Funds	
Water and Sewage	761,158
Less: Allowances for Uncollectibles	(96,715)
Solid Waste	147,532
Less: Allowances for Uncollectibles	(21,806)
Stormwater	40,457
Less: Allowances for Uncollectibles	<u>(937)</u>
 Total Primary Government	 <u><u>\$ 837,844</u></u>

5. INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at September 30, 2021 consist of the following:

Primary Government	
Major Funds	
General Fund	\$ 5,711
SPLOST	180,205
2019 TSPLOST	<u>168,886</u>
 Total Primary Government	 <u><u>\$ 354,802</u></u>
 DDA Component Unit	 <u><u>\$ 162,228</u></u>

CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 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.

Property taxes for digest year 2021, based upon the assessments of January 1, 2021, were levied on August 24, 2021, billed on October 1, 2021, and due on December 1, 2021. Taxes were delinquent and subject to liens on December 2, 2021.

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of interfund transfers for the year ended September 30, 2021 is as follows:

<u>Transfers In:</u>	<u>Transfers Out:</u>	<u>Amount</u>
Water and Sewage	SPLOST	\$ 371,846
General	Nonmajor Governmental	11,270
SPLOST	Nonmajor Governmental	72,854
2019 TSPLOST	General	6,000
	Nonmajor Governmental	519,855
Nonmajor Governmental	Nonmajor Governmental	85,000
	General	874,414
Stormwater	General	412,773
	SPLOST	185,922
	Nonmajor Governmental	245,642
		<u>\$ 2,785,576</u>

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

CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

8. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended September 30, 2021 was as follows:

	Balance Beginning	Increases	Decreases	Balance Ending
Governmental activities				
Non-depreciable assets				
Land	\$ 2,302,855	\$ 92,071	\$ 0	\$ 2,394,926
Construction in progress	187,828	721,155	(132,542)	776,441
Total non-depreciable assets	<u>2,490,683</u>	<u>813,226</u>	<u>(132,542)</u>	<u>3,171,367</u>
Depreciable assets				
Buildings and improvements	2,720,033	118,734	0	2,838,767
Land improvements	32,877	111,803	0	144,680
Equipment	1,398,751	172,285	(73,245)	1,497,791
Infrastructure	6,740,653	278,406	0	7,019,059
Intangibles	162,751	0	0	162,751
Total depreciable assets	<u>11,055,065</u>	<u>681,228</u>	<u>(73,245)</u>	<u>11,663,048</u>
Accumulated depreciation				
Buildings and improvements	(1,451,834)	(89,677)	0	(1,541,511)
Land improvements	(548)	(3,133)	0	(3,681)
Equipment	(935,338)	(159,679)	73,245	(1,021,772)
Infrastructure	(2,139,685)	(274,081)	0	(2,413,766)
Intangibles	(8,138)	(16,275)	0	(24,413)
Total accumulated depreciation	<u>(4,535,543)</u>	<u>(542,845)</u>	<u>73,245</u>	<u>(5,005,143)</u>
Total depreciable assets, net	<u>6,519,522</u>	<u>138,383</u>	<u>0</u>	<u>6,657,905</u>
Governmental activities capital assets, net	<u>\$ 9,010,205</u>	<u>\$ 951,609</u>	<u>\$ (132,542)</u>	<u>\$ 9,829,272</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 3,348,989	\$ 0	\$ 0	\$ 3,348,989
Construction in progress	177,241	120,873	(127,770)	170,344
Total Non-depreciable assets	<u>3,526,230</u>	<u>120,873</u>	<u>(127,770)</u>	<u>3,519,333</u>
Depreciable assets				
Buildings	25,829,508	19,184	0	25,848,692
Improvements	4,342,088	0	0	4,342,088
Equipment and vehicles	7,889,060	360,315	(351,912)	7,897,463
Water and sewer infrastructure	22,312,850	55,494	0	22,368,344
Intangibles	0	87,250	0	87,250
Total depreciable assets	<u>60,373,506</u>	<u>522,243</u>	<u>(351,912)</u>	<u>60,543,837</u>
Accumulated depreciation				
Buildings	(8,535,667)	(909,057)	0	(9,444,724)
Improvements	(2,183,723)	(3,040)	0	(2,186,763)
Equipment and vehicles	(5,089,638)	(397,911)	280,646	(5,206,903)
Water and sewer infrastructure	(10,368,582)	(558,802)	0	(10,927,384)
Intangibles	0	(1,988)	0	(1,988)
Total accumulated depreciation	<u>(26,177,610)</u>	<u>(1,870,798)</u>	<u>280,646</u>	<u>(27,767,762)</u>
Total depreciable assets, net	<u>34,195,896</u>	<u>(1,348,555)</u>	<u>(71,266)</u>	<u>32,776,075</u>
Business-type activities capital assets, net	<u>\$ 37,722,126</u>	<u>\$ (1,227,682)</u>	<u>\$ (199,036)</u>	<u>\$ 36,295,408</u>

CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

8. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 91,901
Public Safety	25,945
Public Works	349,267
Culture and Recreation	28,573
Housing and Development	<u>1,875</u>
Total depreciation expense for governmental activities	<u><u>\$ 497,561</u></u>

Business-type activities

Water and Sewage	\$ 1,795,334
Solid Waste	71,101
Stormwater	<u>4,363</u>
Total depreciation expense for business-type activities	<u><u>\$ 1,870,798</u></u>

**Governmental
Activities**

Current year depreciation expense	\$ 497,561
Prior accumulated depreciation on assets through transfer from enterprise funds	<u>45,284</u>
Additions to accumulated depreciation	<u><u>\$ 542,845</u></u>

CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021 is \$67,645 for business-type activities.

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

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

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

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of September 30, 2021:

<u>Year Ending September 30,</u>	<u>Business-type activities</u>
2022	\$ 33,986
2023	33,986
2024	2,832
Total minimum lease payments	70,804
Less amounts representing interest	(3,159)
Present value of minimum lease payments	<u>\$ 67,645</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, 2021

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, 2021:

- \$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, 2021, the bonds had an outstanding balance of \$22,875,000.

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

Year Ending September 30,	Principal	Interest	Total
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	865,000	752,667	1,617,667
2027-2031	4,755,000	3,344,572	8,099,572
2032-2036	5,625,000	2,467,975	8,092,975
2037-2041	6,930,000	1,164,200	8,094,200
2042	1,555,000	62,200	1,617,200
Totals	<u>\$ 22,875,000</u>	<u>\$ 11,120,935</u>	<u>\$ 33,995,935</u>

CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

10. LONG-TERM DEBT (CONTINUED)

Contracts Payable

The City has entered into an intergovernmental contract loan agreement with the Downtown Development Authority for purchase of a building, in the original amount of \$850,000. At September 30, 2021, the balance of this note is \$850,000. Semi-annual installments of interest and annual installments of principal are due through September 30, 2036; interest at 2.81%. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable.

Annual debt service requirements to maturity are as follows:

Year Ending September 30,	Principal	Interest	Total
2022	\$ 44,000	\$ 26,937	\$ 70,937
2023	48,000	22,648	70,648
2024	49,000	21,300	70,300
2025	51,000	19,923	70,923
2026	52,000	18,490	70,490
2027-2031	282,000	69,772	351,772
2032-2036	324,000	27,819	351,819
Totals	<u>\$ 850,000</u>	<u>\$ 206,889</u>	<u>\$ 1,056,889</u>

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, 2021, the balance of this note is \$4,762,088. 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.

CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

10. LONG-TERM DEBT (CONTINUED)

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, 2021, the balance of this note is \$302,840. 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, 2021, the balance of this note is \$855,350. 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.

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

Year Ending September 30,	Principal	Interest	Total
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	270,749	130,099	400,848
2027-2031	1,322,864	558,105	1,880,969
2032-2036	1,213,948	396,227	1,610,175
2037-2041	1,194,275	227,203	1,421,478
2042-2045	892,696	46,067	938,763
Totals	<u>\$ 5,920,278</u>	<u>\$ 1,935,351</u>	<u>\$ 7,855,629</u>

CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Ending</u>	<u>Due Within One Year</u>
Governmental activities					
Contracts payable	\$ 0	\$ 850,000	\$ 0	\$ 850,000	\$ 44,000
Compensated absences	105,192	85,832	105,192	85,832	67,807
Total governmental activities	<u>\$ 105,192</u>	<u>\$ 935,832</u>	<u>\$ 105,192</u>	<u>\$ 935,832</u>	<u>\$ 111,807</u>
Business-type activities					
Notes from direct borrowing:	\$ 6,102,907	\$ 0	\$ 182,629	\$ 5,920,278	\$ 248,145
Capital leases payable	98,051	0	30,406	67,645	31,724
Revenue bonds	23,575,000	0	700,000	22,875,000	735,000
Unamortized bond premium	620,390	0	28,199	592,191	0
Compensated absences	87,014	93,686	87,014	93,686	74,012
Total business-type activities	<u>\$ 30,483,362</u>	<u>\$ 93,686</u>	<u>\$ 1,028,248</u>	<u>\$ 29,548,800</u>	<u>\$ 1,088,881</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, 2021 was \$45,122 for governmental activities and \$1,155,781 for business-type activities.

CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

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, 2021

12. PENSION PLAN (CONTINUED)

At January 1, 2021, the date of the most recent actuarial valuation, there were 110 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	36
Terminated vested participants entitled to but not yet receiving benefits	17
Active participants	57
Total number of participants	110

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, 2021 was \$356,081, or 14.08% of covered payroll.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At September 30, 2021, the City and Component Unit reported a net pension liability of \$1,123,284. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. For the fiscal year ended September 30, 2021, the City and Component Unit recognized pension expense of \$260,456. In prior years, net pension liabilities have been liquidated in the General Fund, Water and Sewage Enterprise Fund, Solid Waste Enterprise Fund, Stormwater Enterprise Fund and the Downtown Development Authority Component Unit.

CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

12. PENSION PLAN (CONTINUED)

At September 30, 2021, the City and Component Unit reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 317,028	\$ (37,469)
Changes of assumptions	22,870	(77,574)
Net difference between projected and actual earnings on pension plan investments	0	(80,466)
Changes in participant fund allocation	55,260	(55,260)
City contributions subsequent to the measurement date	370,252	0
Totals	<u>\$ 765,410</u>	<u>\$ (250,769)</u>

The \$370,252 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 subsequent fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30	Deferred (Inflows) Outflows of Resources
2022	\$ 49,448
2023	107,729
2024	17,570
2025	(30,358)
Totals	<u>\$ 144,389</u>

Actuarial Assumptions. The total pension liability in the January 1, 2021 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, 2021

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, 2021 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.40%
International equity	20%	7.05%
Real estate	10%	4.50%
Global fixed income	5%	1.25%
Domestic fixed income	20%	1.15%
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, 2021

12. PENSION PLAN (CONTINUED)

Changes in Net Pension Liability (Asset)

	<u>Total Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at 9/30/2019	\$ 8,036,312	\$ 6,630,753	\$ 1,405,559
Changes for the year:			
Service cost	152,506	0	152,506
Interest	589,302	0	589,302
Differences between expected and actual experience	(45,497)	0	(45,497)
Contributions—employer	0	356,081	(356,081)
Net investment income	0	638,718	(638,718)
Benefit payments, including refunds of employee contributions	(396,565)	(396,565)	0
Administrative expense	0	(16,213)	16,213
Net changes	<u>299,746</u>	<u>582,021</u>	<u>(282,275)</u>
Balances at 9/30/2020	<u>\$ 8,336,058</u>	<u>\$ 7,212,774</u>	<u>\$ 1,123,284</u>

Plan's fiduciary net position as a percentage of the total pension liability	86.52%
Covered payroll	2,358,300
Net pension liability as a percentage of covered payroll	47.63%

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 Rate</u>	<u>Net Pension Liability (Asset)</u>
1% decrease	6.375%	\$ 2,118,482
Current discount rate	7.375%	1,123,284
1% increase	8.375%	288,404

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, 2021

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 2021, plan members made voluntary contributions of \$24,880. 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, 2021 follows:

Lodging Tax Receipts	\$537,294	
Disbursements to the Dahlonega - Lumpkin County		
Chamber of Commerce	\$260,398	48.46% of tax receipts
Disbursements for tourism product development	\$180,683	33.62% of tax receipts

The City transferred \$96,270 (including \$11,270 to the General Fund) of unrestricted Hotel/Motel Tax receipts to other funds during the fiscal year.

CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

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 Sewerage 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 (33.16%) and the Authority (0%). The County purchased the surrounding parcels of land outside of the reservoir and the required 150-foot buffer and is solely responsible for the debt (19.25% of all debt related to the reservoir) relating to those parcels. 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 2021. 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 \$1,896 as payment-in-lieu-of-taxes for 2021. 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, 2021

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, 2021, 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, 2021

18. TAX ABATEMENTS

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

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

The following incentive exists for the City:

Purpose	% Abated	Current Year \$ Abated
Koyo Bearings USA, LLC	20%	\$ 7,549

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, 2021

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 \$108,720,000.

21. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL GOVERNMENTAL FUNDS FOR WHICH BUDGETS ARE ADOPTED

During the year, the City incurred expenditures in the Hotel/Motel Tax Fund of \$441,081, which were in excess of the amounts appropriated of \$279,377 due to increased revenue that was disbursed out.

Management concurs with this finding. The City Finance Director will review the comparative financial statements on a periodic basis and recommend any necessary budget amendments to the City Council. This action was taken immediately upon receipt of the comment from our auditors.

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, 2021
(Unaudited)

	Fiscal Year End	
	2021	2020
Total pension liability		
Service cost	\$ 152,506	\$ 173,911
Interest	589,302	563,294
Differences between expected and actual experience	(45,497)	309,796
Changes of assumptions	0	(155,146)
Benefit payments, including refunds of employee contributions	(396,565)	(384,446)
Other	0	0
Net change in total pension liability	299,746	507,409
Total pension liability - beginning	8,036,312	7,528,903
Total pension liability - ending (a)	\$ 8,336,058	\$ 8,036,312
Plan fiduciary net position		
Contributions - employer	\$ 356,081	\$ 258,398
Net investment income	638,718	191,715
Benefit payments, including refunds of employee contributions	(396,565)	(384,446)
Administrative expense	(16,213)	(15,247)
Net change in plan fiduciary net position	582,021	50,420
Plan fiduciary net position - beginning	6,630,753	6,580,333
Plan fiduciary net position - ending (b)	\$ 7,212,774	\$ 6,630,753
Net pension liability (asset) - ending : (a) - (b)	\$ 1,123,284	\$ 1,405,559
Plan's fiduciary net position as a percentage of the total pension liability	86.52%	82.51%
Covered payroll	\$ 2,358,300	\$ 2,358,774
Net pension liability as a percentage of covered payroll	47.63%	59.59%

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

Fiscal Year End

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 114,719	\$ 116,700	\$ 115,608	\$ 85,386	\$ 96,910
508,884	488,440	477,750	446,617	439,359
405,325	(16,733)	(134,264)	178,075	(117,428)
0	114,351	0	0	0
(340,850)	(328,763)	(313,569)	(304,165)	(262,175)
0	0	0	514	(42,028)
688,078	373,995	145,525	406,427	114,638
6,840,825	6,466,830	6,321,305	5,914,878	5,800,240
\$ 7,528,903	\$ 6,840,825	\$ 6,466,830	\$ 6,321,305	\$ 5,914,878
\$ 255,709	\$ 284,180	\$ 255,944	\$ 344,506	\$ 329,784
600,142	800,838	541,207	52,151	487,596
(340,850)	(328,763)	(313,569)	(304,165)	(262,175)
(15,901)	(22,200)	(9,141)	(10,646)	(8,507)
499,100	734,055	474,441	81,846	546,698
6,081,233	5,347,178	4,872,737	4,790,891	4,244,193
\$ 6,580,333	\$ 6,081,233	\$ 5,347,178	\$ 4,872,737	\$ 4,790,891
\$ 948,570	\$ 759,592	\$ 1,119,652	\$ 1,448,568	\$ 1,123,987
87.40%	88.90%	82.69%	77.08%	81.00%
\$ 2,189,155	\$ 1,683,662	\$ 1,596,651	\$ 1,653,134	\$ 1,320,011
43.33%	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, 2021
(Unaudited)

	Fiscal Year End	
	2021	2020
Actuarially determined contribution	\$ 356,081	\$ 370,252
Contributions in relation to the actuarially determined contribution	(356,081)	(370,252)
Contribution deficiency (excess)	\$ 0	\$ 0
Covered payroll	\$ 2,528,984	\$ 2,467,295
Contributions as a percentage of covered payroll	14.08%	15.01%

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

Fiscal Year End				
2019	2018	2017	2016	2015
\$ 356,081	\$ 258,709	\$ 255,709	\$ 278,905	\$ 255,944
<u>(356,081)</u>	<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>	<u>\$ 0</u>
\$ 2,412,015	\$ 2,396,292	\$ 2,224,107	\$ 1,934,317	\$ 1,757,618
14.76%	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, 2021**

1. VALUATION DATE

The actuarially determined contribution rate was determined as of September 30, 2020, 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, 2022.

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, 2021**

3. CHANGES IN BENEFITS

Amounts reported for fiscal years ending in 2020 and later reflect that effective April 1, 2019, participation became mandatory for all Employees, including City Managers. This change had no impact on the valuation results.

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, 2021**

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, 2021

	<u>Special Revenue</u>		<u>Capital Projects</u>		<u>Total</u>
	<u>Hotel/Motel Tax</u>	<u>American Rescue Plan Act</u>	<u>Grants</u>	<u>General Government</u>	<u>Nonmajor Governmental Funds</u>
ASSETS					
Current assets					
Cash and cash equivalents	\$ 114,145	\$ 1,362,261	\$ 6,680	\$ 2,431,453	\$ 3,914,539
Taxes receivable	59,016	0	0	0	59,016
Total assets	\$ 173,161	\$ 1,362,261	\$ 6,680	\$ 2,431,453	\$ 3,973,555
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 173,161	\$ 0	\$ 0	\$ 1,200	\$ 174,361
Unearned revenue	0	1,361,922	0	0	1,361,922
Total liabilities	173,161	1,361,922	0	1,200	1,536,283
Fund balances					
Restricted for grant specific projects	0	339	0	0	339
Assigned to capital outlay	0	0	6,680	2,430,253	2,436,933
Total fund balances	0	339	6,680	2,430,253	2,437,272
Total liabilities and fund balances	\$ 173,161	\$ 1,362,261	\$ 6,680	\$ 2,431,453	\$ 3,973,555

CITY OF DAHLONEGA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2021

	Special Revenue		Capital Projects		Total Nonmajor Governmental Funds
	Hotel/Motel Tax	American Rescue Plan Act	Grants	General Government	
REVENUES					
Taxes	\$ 537,294	\$ 0	\$ 0	\$ 0	\$ 537,294
Charges for services	0	0	0	63,826	63,826
Interest	57	339	114	1,648	2,158
Total revenues	537,351	339	114	65,474	603,278
EXPENDITURES					
Current					
Housing and Development	441,081	0	0	0	441,081
Capital outlay	0	0	0	433,462	433,462
Total expenditures	441,081	0	0	433,462	874,543
Excess (deficiency) of revenues over (under) expenditures	96,270	339	114	(367,988)	(271,265)
Other financing sources (uses)					
Transfers in	0	0	6,667	952,747	959,414
Transfers out	(96,270)	0	(421,595)	(416,756)	(934,621)
Proceeds from long-term debt	0	0	0	850,000	850,000
Total other financing sources (uses)	(96,270)	0	(414,928)	1,385,991	874,793
Net change in fund balance	0	339	(414,814)	1,018,003	603,528
Fund balances, October 1	0	0	421,494	1,412,250	1,833,744
Fund balances, September 30	\$ 0	\$ 339	\$ 6,680	\$ 2,430,253	\$ 2,437,272



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, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 2,769,711	\$ 2,898,859
Receivables (net)		
Accounts	8,155	4,724
Taxes	173,502	154,511
Fines	62,160	53,914
Intergovernmental	5,711	3,536
Due from other funds	0	19,575
Prepaid items	62,071	47,410
	Total assets	\$ 3,182,529
	\$ 3,081,310	\$ 3,182,529
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Payables		
Accounts	\$ 45,013	\$ 58,870
Intergovernmental	9,508	7,757
Accrued salaries and payroll expenditures	72,849	80,670
Deposits payable	1,400	1,235
	Total liabilities	148,532
	128,770	148,532
Deferred inflows of resources		
Unavailable revenue - property taxes	13,783	17,943
	13,783	17,943
Fund balances		
Nonspendable:		
Prepaid items	62,071	47,410
Assigned to:		
City Hall construction	650,000	650,000
Subsequent year's budget	925,126	553,095
Unassigned	1,301,560	1,765,549
	Total fund balances	3,016,054
	2,938,757	3,016,054
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,081,310	\$ 3,182,529

CITY OF DAHLONEGA, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended September 30, 2021 and 2020

	2021	2020
REVENUES		
Taxes	\$ 3,838,686	\$ 3,694,902
Licenses and permits	205,985	237,472
Fines, fees and forfeitures	237,804	165,069
Charges for services	605,211	92,125
Intergovernmental	76,802	152,038
Interest	2,596	44,621
Other	45,056	52,090
	5,012,140	4,438,317
EXPENDITURES		
Current		
General Government	1,330,468	1,379,223
Judicial	293,020	202,835
Public Safety	393,885	345,144
Public Works	1,295,949	1,236,441
Culture and Recreation	47,444	27,878
Housing and Development	470,469	535,092
	3,831,235	3,726,613
Excess (deficiency) of revenues over (under) expenditures	1,180,905	711,704
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Tax Fund	11,270	10,553
Grants Capital Projects Fund	0	(42,666)
General Government Capital Projects Fund	(874,414)	(729,530)
2019 TSPLOST Fund	(6,000)	0
Stormwater Fund	(412,773)	0
Proceeds from sale of capital assets	23,715	0
	(1,258,202)	(761,643)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(77,297)	(49,939)
Fund balances, October 1	3,016,054	3,065,993
Fund balances, September 30	\$ 2,938,757	\$ 3,016,054

CITY OF DAHLONEGA, GEORGIA

GENERAL FUND

SCHEDULE OF REVENUES

BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2021

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

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Property tax	\$ 1,139,000	\$ 1,161,465	\$ 22,465	\$ 1,201,521
Real estate transfer tax	20,000	66,314	46,314	29,092
Motor vehicle tax	57,300	108,402	51,102	78,036
Cost, penalties, and interest	2,500	1,719	(781)	6,203
Total general property taxes	1,218,800	1,337,900	119,100	1,314,852
Local option sales tax	937,972	1,204,586	266,614	1,124,693
Franchise tax	518,500	490,384	(28,116)	518,960
Insurance premium tax	375,000	422,760	47,760	395,901
Alcoholic beverage excise tax	203,900	222,139	18,239	201,536
Occupational tax	123,100	150,853	27,753	130,538
Other taxes	7,700	10,064	2,364	8,422
Total taxes	3,384,972	3,838,686	453,714	3,694,902
Licenses and Permits				
Alcohol licenses	115,300	131,425	16,125	129,175
Building, zoning and use permits	40,600	66,639	26,039	59,607
Parking permits	6,000	7,921	1,921	48,690
Total licenses and permits	161,900	205,985	44,085	237,472
Fines, fees and forfeitures	131,000	237,804	106,804	165,069
Charges for Services	567,460	605,211	37,751	92,125
Intergovernmental	28,646	76,802	48,156	152,038
Interest	42,000	2,596	(39,404)	44,621
Other	22,400	45,056	22,656	52,090
Total revenues	\$ 4,338,378	\$ 5,012,140	\$ 673,762	\$ 4,438,317

CITY OF DAHLONEGA, GEORGIA

GENERAL FUND

SCHEDULE OF EXPENDITURES

BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2021

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

	2021			2020
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
General Government				
Legislative				
Personal services	\$ 123,020	\$ 118,242	\$ 4,778	\$ 105,464
Contract services	78,592	39,347	39,245	43,071
Supplies and materials	4,700	5,417	(717)	6,727
Total Legislative	<u>206,312</u>	<u>163,006</u>	<u>43,306</u>	<u>155,262</u>
Executive				
Personal services	218,604	220,189	(1,585)	254,165
Contract services	19,737	19,692	45	33,135
Supplies and materials	3,600	2,637	963	2,647
Total Executive	<u>241,941</u>	<u>242,518</u>	<u>(577)</u>	<u>289,947</u>
Elections				
Contract services	<u>11,940</u>	<u>969</u>	<u>10,971</u>	<u>10,679</u>
General Administration				
Personal services	480,440	491,450	(11,010)	462,396
Contract services	408,175	389,845	18,330	412,038
Supplies and materials	44,350	42,092	2,258	48,901
Capital outlay	22,586	0	22,586	0
Payments to other agencies	0	588	(588)	0
Total General Administration	<u>955,551</u>	<u>923,975</u>	<u>31,576</u>	<u>923,335</u>
Total General Government	<u>1,415,744</u>	<u>1,330,468</u>	<u>85,276</u>	<u>1,379,223</u>
Judicial				
Municipal Court				
Personal services	161,636	128,627	33,009	83,271
Contract services	144,767	161,675	(16,908)	119,022
Supplies and materials	2,665	2,718	(53)	538
Payments to other agencies	<u>500</u>	<u>0</u>	<u>500</u>	<u>4</u>
Total Judicial	<u>309,568</u>	<u>293,020</u>	<u>16,548</u>	<u>202,835</u>

CITY OF DAHLONEGA, GEORGIA

GENERAL FUND

SCHEDULE OF EXPENDITURES

BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2021

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

	2021			2020
	Final Budget	Actual	Variance	Actual
Public Safety				
Law Enforcement				
Contract services	\$ 25,179	\$ 24,722	\$ 457	\$ 18,887
Supplies and materials	16,936	17,691	(755)	15,555
Payments to other agencies	62,000	62,000	0	58,000
Total Law Enforcement	<u>104,115</u>	<u>104,413</u>	<u>(298)</u>	<u>92,442</u>
City Marshal's Office				
Personal services	365,954	264,586	101,368	223,492
Contract services	2,990	2,619	371	3,223
Supplies and materials	36,685	22,267	14,418	17,787
Capital outlay	20,000	0	20,000	8,200
Total Marshal	<u>425,629</u>	<u>289,472</u>	<u>136,157</u>	<u>252,702</u>
Total Public Safety	<u>529,744</u>	<u>393,885</u>	<u>135,859</u>	<u>345,144</u>
Public Works				
Public Works Administration				
Personal services	141,273	113,803	27,470	0
Contract services	2,640	2,610	30	0
Supplies and materials	2,358	2,256	102	0
Total Street Construction	<u>146,271</u>	<u>118,669</u>	<u>27,602</u>	<u>0</u>
Street Construction				
Personal services	826,997	795,624	31,373	825,798
Contract services	123,495	72,094	51,401	52,245
Supplies and materials	160,521	155,658	4,863	172,167
Capital outlay	25,000	14,821	10,179	19,264
Payments to other agencies	14,229	19,319	(5,090)	0
Total Street Construction	<u>1,150,242</u>	<u>1,057,516</u>	<u>92,726</u>	<u>1,069,474</u>
Shop Department				
Personal services	74,588	64,352	10,236	70,850
Contract services	9,075	8,002	1,073	6,313
Supplies and materials	20,800	23,513	(2,713)	37,452
Total Shop Department	<u>104,463</u>	<u>95,867</u>	<u>8,596</u>	<u>114,615</u>
Cemetery				
Personal services	46,150	9,313	36,837	43,498
Contract services	7,799	5,925	1,874	4,234
Supplies and materials	8,257	8,659	(402)	4,620
Total Cemetery	<u>62,206</u>	<u>23,897</u>	<u>38,309</u>	<u>52,352</u>
Total Public Works	<u>1,463,182</u>	<u>1,295,949</u>	<u>167,233</u>	<u>1,236,441</u>

CITY OF DAHLONEGA, GEORGIA

GENERAL FUND

SCHEDULE OF EXPENDITURES

BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2021

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

	2021			2020
	Final Budget	Actual	Variance	Actual
Culture and Recreation				
Parks				
Contract services	\$ 35,300	\$ 28,309	\$ 6,991	\$ 14,265
Supplies and materials	19,245	19,135	110	13,613
Total Culture and Recreation	<u>54,545</u>	<u>47,444</u>	<u>7,101</u>	<u>27,878</u>
Housing and Development				
Community Development				
Personal services	186,452	163,286	23,166	204,362
Contract services	78,800	44,871	33,929	38,092
Supplies and materials	7,530	7,255	275	11,619
Total Community Development	<u>272,782</u>	<u>215,412</u>	<u>57,370</u>	<u>254,073</u>
Downtown Development Authority				
Payment to others	255,057	255,057	0	281,019
Total Housing and Development	<u>527,839</u>	<u>470,469</u>	<u>57,370</u>	<u>535,092</u>
Debt Service	<u>44,547</u>	<u>0</u>	<u>44,547</u>	<u>0</u>
Total expenditures	<u>\$ 4,345,169</u>	<u>\$ 3,831,235</u>	<u>\$ 513,934</u>	<u>\$ 3,726,613</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.

American Rescue Plan Act Fund

This fund is used to account for all revenues and expenditures related to the American Rescue Plan Act grant.

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
AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND
BALANCE SHEET
September 30, 2021

ASSETS

Cash and cash equivalents	\$ 1,362,261
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LIABILITIES AND FUND BALANCES

Liabilities

Unearned revenue	\$ 1,361,922
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FUND BALANCES

Restricted for grant specific projects	<u>339</u>
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Total liabilities and fund balances	<u><u>\$ 1,362,261</u></u>
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CITY OF DAHLONEGA, GEORGIA
AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 0	\$ 339	\$ 339
Total revenues	<u>0</u>	<u>339</u>	<u>339</u>
EXPENDITURES			
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	339	339
Fund balances, October 1	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 339</u></u>	<u><u>\$ 339</u></u>

CITY OF DAHLONEGA, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
September 30, 2021 and 2020

	2021	2020
ASSETS		
Cash	\$ 114,145	\$ 0
Taxes receivable	59,016	40,408
Total assets	\$ 173,161	\$ 40,408
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 173,161	\$ 20,833
Due to other funds	0	19,575
Total liabilities	\$ 173,161	\$ 40,408

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, 2021

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

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/Motel taxes	\$ 375,646	\$ 537,294	\$ 161,648	\$ 351,774
Interest	0	57	57	0
Total revenues	375,646	537,351	161,705	351,774
EXPENDITURES				
Current				
Housing and Development				
Tourism				
Chamber of Commerce	250,000	260,398	(10,398)	250,000
Downtown Development Authority	29,377	180,683	(151,306)	0
Total expenditures	279,377	441,081	(161,704)	250,000
Excess (deficiency) of revenues over (under) expenditures	96,269	96,270	1	101,774
Other financing sources (uses)				
Transfers in (out)				
General Fund	(11,269)	(11,270)	(1)	(10,553)
Grants Capital Projects Fund	(40,000)	(40,000)	0	0
General Government Capital Projects Fund	(45,000)	(45,000)	0	(91,221)
Total other financing sources (uses)	(96,269)	(96,270)	(1)	(101,774)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	0
Fund balances, October 1	0	0	0	0
Fund balances, September 30	\$ 0	\$ 0	\$ 0	\$ 0



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, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 6,680	\$ 330,027
Due from other funds	0	113,415
Total assets	\$ 6,680	\$ 443,442
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 0	\$ 21,948
Fund balances		
Assigned to capital outlay	6,680	421,494
Total liabilities and fund balances	\$ 6,680	\$ 443,442

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUES		
Intergovernmental	\$ 0	\$ 176,854
Interest	114	0
	<u>114</u>	<u>176,854</u>
Total revenues	<u>114</u>	<u>176,854</u>
EXPENDITURES		
Capital Outlay		
Public Works	0	461,330
Culture and Recreation	0	21,227
	<u>0</u>	<u>482,557</u>
Total expenditures	<u>0</u>	<u>482,557</u>
Excess (deficiency) of revenues over (under) expenditures	<u>114</u>	<u>(305,703)</u>
Other financing sources		
Transfers in		
General Fund	0	42,666
General Government Capital Projects Fund	43,059	23,527
2019 TSPLOST Fund	(391,800)	320,002
Hotel Motel Tax Fund	6,667	0
SPLOST Fund	(72,854)	113,415
	<u>(414,928)</u>	<u>499,610</u>
Total other financing sources	<u>(414,928)</u>	<u>499,610</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	<u>(414,814)</u>	<u>193,907</u>
Fund balances, October 1	<u>421,494</u>	<u>227,587</u>
Fund balances, September 30	<u><u>\$ 6,680</u></u>	<u><u>\$ 421,494</u></u>

CITY OF DAHLONEGA, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
September 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 264,140	\$ 189,787
Intergovernmental receivable	180,205	159,087
Total assets	\$ 444,345	\$ 348,874
 LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	\$ 0	\$ 348,874
Fund balances		
Restricted for capital outlay	444,345	0
Total liabilities and fund balances	\$ 444,345	\$ 348,874

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, 2021 and 2020

	2021	2020
REVENUES		
Intergovernmental	\$ 1,144,350	\$ 534,290
Interest	221	814
	1,144,571	535,104
Total revenues		
 EXPENDITURES		
Capital outlay		
Public Works	215,312	0
	929,259	535,104
Excess (deficiency) of revenues over (under) expenditures		
Other financing sources (uses)		
Transfers in (out)		
General Government Capital Projects Fund	0	(113,415)
Grants Capital Projects Fund	72,854	(113,415)
Stormwater Fund	(185,922)	0
Water and Sewage Fund	(371,846)	(308,274)
	(484,914)	(535,104)
Total other financing sources (uses)		
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	444,345	0
Fund balances, October 1	0	0
Fund balances, September 30	\$ 444,345	\$ 0

CITY OF DAHLONEGA, GEORGIA
GENERAL GOVERNMENT CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
September 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 2,431,453	\$ 1,317,027
Due from other funds	0	113,415
Total assets	\$ 2,431,453	\$ 1,430,442
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 1,200	\$ 18,192
Fund balances		
Assigned to capital outlay	2,430,253	1,412,250
Total liabilities and fund balances	\$ 2,431,453	\$ 1,430,442

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, 2021 and 2020

	2021	2020
REVENUES		
Charges for services	\$ 63,826	\$ 7,876
Interest	1,648	0
	Total revenues	7,876
	65,474	7,876
	Total revenues	7,876
	65,474	7,876
EXPENDITURES		
Capital Outlay		
General Government	230,269	225,211
Public Works	138,741	310,005
Culture and Recreation	4,859	49,000
Housing and Development	59,593	0
	Total expenditures	584,216
	433,462	584,216
	Total expenditures	584,216
	433,462	584,216
Excess (deficiency) of revenues over (under) expenditures	(367,988)	(576,340)
Other financing sources (uses)		
Transfers in (out)		
General Fund	874,414	729,530
Hotel/Motel Tax Fund	78,333	91,221
2019 TSPLOST Fund	(128,055)	0
Grants Capital Projects Fund	(43,059)	(23,527)
Stormwater Fund	(245,642)	0
Water and Sewage Enterprise Fund	0	113,415
Proceeds from long-term debt	850,000	0
	Total other financing sources (uses)	910,639
	1,385,991	910,639
	Total other financing sources (uses)	910,639
	1,385,991	910,639
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	1,018,003	334,299
Fund balances, October 1	1,412,250	1,077,951
Fund balances, September 30	\$ 2,430,253	\$ 1,412,250

CITY OF DAHLONEGA, GEORGIA
2019 TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
September 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 1,496,343	\$ 536,060
Intergovernment receivable	168,886	151,544
Total assets	\$ 1,665,229	\$ 687,604
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 9,315	\$ 0
 Fund balances		
Restricted to capital outlay	1,655,914	687,604
Total liabilities and fund balances	\$ 1,665,229	\$ 687,604

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, 2021 and 2020

	2021	2020
REVENUES		
Intergovernmental	\$ 1,181,908	\$ 807,606
Interest	879	1,678
	1,182,787	809,284
EXPENDITURES		
Capital outlay		
Public Works	740,332	0
	442,455	809,284
Excess (deficiency) of revenues over (under) expenditures		
Other financing sources (uses)		
Transfers in (out)		
Grant Capital Projects Fund	391,800	(320,002)
General Fund	6,000	0
General Government Capital Projects Fund	128,055	0
	525,855	(320,002)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	968,310	489,282
Fund balances, October 1	687,604	198,322
Fund balances, September 30	\$ 1,655,914	\$ 687,604



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.

Stormwater Fund

This fund is used to account for activities connected with the development, operation and maintenance of Stormwater services and infrastructure in the City of Dahlonega.

CITY OF DAHLONEGA, GEORGIA
WATER AND SEWAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
September 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,436,087	\$ 4,993,782
Accounts receivable (net)	664,443	771,580
Due from other funds	0	122,044
Inventory	185,040	158,379
Prepaid items	188,856	196,432
Total current assets	7,474,426	6,242,217
Restricted assets		
Debt Redemption		
Cash and cash equivalents	170,053	169,435
Customer Deposits		
Cash and cash equivalents	214,208	208,642
Total restricted assets	384,261	378,077
Capital assets		
Land	3,348,989	3,348,989
Construction in progress	165,944	129,741
Improvements	61,718	61,718
Buildings	29,361,300	29,342,116
Water and sewer lines and towers	22,720,119	22,664,625
Machinery and equipment	7,299,885	7,035,731
Intangible	0	47,500
Accumulated depreciation	(27,273,118)	(25,477,783)
Total capital assets (net of accumulated depreciation)	35,684,837	37,152,637
Total assets	43,543,524	43,772,931
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension	203,138	301,084
Deferred charges on refunding	2,780,461	2,912,864
Total deferred outflows of resources	2,983,599	3,213,948

CITY OF DAHLONEGA, GEORGIA
WATER AND SEWAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
September 30, 2021 and 2020

	2021	2020
LIABILITIES		
Current liabilities		
Payables		
Accounts	\$ 92,097	\$ 46,232
Intergovernmental	2,604	3,910
Interest	12,929	0
Accrued salaries and payroll expenses	40,186	37,264
Compensated absences	53,443	51,756
Notes payable	248,145	182,629
	449,404	321,791
Current liabilities payable from restricted assets		
Interest payable	73,768	76,102
Customer deposits payable	214,467	208,642
Revenue bonds payable	735,000	700,000
	1,023,235	984,744
Noncurrent liabilities		
Net pension liability	321,315	501,660
Compensated absences	14,206	13,758
Notes payable	5,672,133	5,920,278
Revenue bonds payable	22,732,191	23,495,390
	28,739,845	29,931,086
Total liabilities	30,212,484	31,237,621
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension	107,887	69,886
NET POSITION		
Net investment in capital assets	9,077,829	9,767,204
Restricted for debt service	96,026	93,333
Unrestricted	7,032,897	5,818,835
	\$ 16,206,752	\$ 15,679,372

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, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Charges for sales and services		
Water sales	\$ 2,975,666	\$ 2,945,329
Sewer charges	2,105,384	2,011,851
Tap fees	390,980	201,371
Other charges and fees	70,872	89,002
Total operating revenues	5,542,902	5,247,553
OPERATING EXPENSES		
Cost of sales and services	1,285,366	1,164,888
Personal services	1,115,307	1,214,874
Depreciation	1,795,334	1,806,585
Total operating expenses	4,196,007	4,186,347
Operating income (loss)	1,346,895	1,061,206
Non-operating revenues (expenses)		
Interest revenue	6,180	45,574
Interest expense	(1,152,237)	(1,155,914)
Intergovernmental	18,608	12,863
Gain (loss) on sale of capital assets	(63,912)	0
Total non-operating revenues (expenses)	(1,191,361)	(1,097,477)
Net income (loss) before transfers	155,534	(36,271)
Transfers in (out)		
SPLOST Fund	371,846	308,274
Change in net position	527,380	272,003
Net position, October 1	15,679,372	15,407,369
Net position, September 30	\$ 16,206,752	\$ 15,679,372

CITY OF DAHLONEGA, GEORGIA
WATER AND SEWAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Receipts from customers	\$ 5,654,138	\$ 5,151,815
Payments to suppliers	(1,266,104)	(1,159,823)
Payments to employees	(1,154,648)	(1,210,636)
Other receipts	1,726	22,539
	<u>3,235,112</u>	<u>2,803,895</u>
Net cash provided (used) by operating activities		
Cash flows from non-capital financing activities:		
Receipts from other governments	18,608	12,863
Payments to other funds	0	(18,008)
Receipts from other funds	122,044	0
	<u>140,652</u>	<u>(5,145)</u>
Net cash provided (used) by non-capital financing activities		
Cash flows from capital and related financing activities:		
Receipts from other funds	371,846	308,274
Receipts from other governments	0	12,694
Proceeds from sale of capital assets	5,265	0
Payments for acquisitions of capital assets	(396,711)	(1,241,504)
Payment of capital related accounts payable	0	(13,500)
Principal payments - revenue bonds	(700,000)	(680,000)
Principal payments - promissory notes	(182,629)	(179,710)
Interest paid	(1,031,226)	(1,073,769)
	<u>(1,933,455)</u>	<u>(2,867,515)</u>
Net cash provided (used) by capital and related financing activities		
Cash flows from investing activities:		
Interest received	6,180	45,574
	<u>6,180</u>	<u>45,574</u>
Net increase (decrease) in cash and cash equivalents	1,448,489	(23,191)
Cash and cash equivalents, October 1	5,371,859	5,395,050
	<u>5,371,859</u>	<u>5,395,050</u>
Cash and cash equivalents, September 30	<u>\$ 6,820,348</u>	<u>\$ 5,371,859</u>

CITY OF DAHLONEGA, GEORGIA
WATER AND SEWAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended September 30, 2021 and 2020

	2021	2020
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 1,346,895	\$ 1,061,206
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,795,334	1,806,585
(Increase) decrease in accounts receivable	107,137	(69,751)
(Increase) decrease in inventory	(26,661)	12,766
(Increase) decrease in prepaid items	1,364	11,580
(Increase) decrease in deferred outflows related to pension	97,946	(60,753)
Increase (decrease) in accounts payable	45,865	(19,281)
Increase (decrease) in intergovernmental payable	(1,306)	0
Increase (decrease) in payroll liabilities	5,057	(8,175)
Increase (decrease) in net pension liability	(180,345)	145,755
Increase (decrease) in deferred inflows related to pension	38,001	(72,589)
Increase (decrease) in deposits payable	5,825	(3,448)
	1,888,217	1,742,689
Total adjustments		
Net cash provided (used) by operating activities	\$ 3,235,112	\$ 2,803,895
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	\$ 6,436,087	\$ 4,993,782
Debt Redemption		
Cash and cash equivalents	170,053	169,435
Customer Deposits		
Cash and cash equivalents	214,208	208,642
	214,208	208,642
Total cash and cash equivalents	\$ 6,820,348	\$ 5,371,859

CITY OF DAHLONEGA, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
September 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 569,898	\$ 354,894
Prepaid items	9,751	17,771
Accounts receivable (net)	125,726	118,984
Total current assets	705,375	491,649
Capital assets		
Improvements	16,921	16,921
Buildings	249,728	249,728
Machinery and equipment	834,469	1,002,671
Accumulated depreciation	(577,834)	(699,831)
Total capital assets (net of accumulated depreciation)	523,284	569,489
Total assets	1,228,659	1,061,138
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension	81,022	106,911
LIABILITIES		
Current liabilities		
Accounts payable	8,393	9,755
Intergovernmental payable	234	0
Accrued salaries and payroll expenses	18,074	14,171
Compensated absences	16,500	16,985
Capital leases payable	31,724	30,406
Interest payable	80	116
Total current liabilities	75,005	71,433
Noncurrent liabilities		
Net pension liability	128,158	165,866
Capital leases payable	35,921	67,645
Compensated absences	4,386	4,515
Total noncurrent liabilities	168,465	238,026
Total liabilities	243,470	309,459
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension	25,605	27,136
NET POSITION		
Net investment in capital assets	455,639	471,438
Unrestricted	584,967	360,016
Total net position	\$ 1,040,606	\$ 831,454

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for sales and services	\$ 1,042,522	\$ 935,938
Other	1,677	0
	<u>1,044,199</u>	<u>935,938</u>
OPERATING EXPENSES		
Cost of sales and services	324,423	325,232
Personal services	463,247	460,830
Depreciation	71,101	66,581
	<u>858,771</u>	<u>852,643</u>
Operating income (loss)	<u>185,428</u>	<u>83,295</u>
Non-operating revenues (expenses)		
Interest income	456	0
Interest expense	(3,544)	(4,808)
Intergovernmental	0	4,555
Distribution of capital assets to Governmental Activities	(2,089)	0
Gain on sale of capital assets	28,901	0
	<u>23,724</u>	<u>(253)</u>
Change in net position	209,152	83,042
Net position, October 1	<u>831,454</u>	<u>748,412</u>
Net position, September 30	<u><u>\$ 1,040,606</u></u>	<u><u>\$ 831,454</u></u>

CITY OF DAHLONEGA, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended September 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	\$ 1,035,780	\$ 924,862
Payments to suppliers	(317,531)	(328,987)
Payments to employees	(473,308)	(454,353)
Other receipts	1,677	0
Net cash provided (used) by operating activities	246,618	141,522
Cash flows from non-capital financing activities:		
Receipts from other governments	0	4,556
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	28,901	0
Payments for acquisitions of capital assets	(26,985)	(69,523)
Principal payments on capital leases payable	(30,406)	(29,143)
Interest paid	(3,580)	(4,842)
Net cash provided (used) by capital and related financing activities	(32,070)	(103,508)
Cash flows from investing activities:		
Interest received	456	0
Net increase (decrease) in cash and cash equivalents	215,004	42,570
Cash and cash equivalents, October 1	354,894	312,324
Cash and cash equivalents, September 30	\$ 569,898	\$ 354,894
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 185,428	\$ 83,295
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	71,101	66,581
(Increase) decrease in accounts receivable	(6,742)	(11,076)
(Increase) decrease in prepaid items	8,020	(3,575)
(Increase) decrease in deferred outflows related to pension	25,889	(21,111)
Increase (decrease) in accounts payable	(1,362)	26
Increase (decrease) in intergovernmental payable	234	(206)
Increase (decrease) in payroll liabilities	3,289	2,165
Increase (decrease) in net pension liability	(37,708)	50,645
Increase (decrease) in deferred inflows related to pension	(1,531)	(25,222)
Total adjustments	61,190	58,227
Net cash provided (used) by operating activities	\$ 246,618	\$ 141,522

Noncash investing, capital, and financing activities

Distributions of capital assets to other funds totaled \$2,089 and \$0 for the fiscal years ended September 30, 2021 and 2020, respectively.

CITY OF DAHLONEGA, GEORGIA
STORMWATER ENTERPRISE FUND
STATEMENT OF NET POSITION
September 30, 2021

ASSETS

Current assets

Cash and cash equivalents	\$	523,084
Accounts receivable (net)		39,520
Prepaid items		1,482
Total current assets		564,086

Capital assets

Construction in progress		4,400
Intangible		87,250
Accumulated depreciation		(4,363)
Total capital assets (net of accumulated depreciation)		87,287

Total assets

651,373

LIABILITIES

Current liabilities

Accounts payable		1,614
Accrued salaries and payroll expenses		3,731
Compensated absences		4,069
Total current liabilities		9,414

Noncurrent liabilities

Compensated absences		1,082
Total liabilities		10,496

NET POSITION

Investment in capital assets		87,287
Unrestricted		553,590
Total net position	\$	640,877

CITY OF DAHLONEGA, GEORGIA
STORMWATER ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGE IN NET POSITION
For the fiscal year ended September 30, 2021

OPERATING REVENUES	
Charges for sales and services	\$ 284,202
OPERATING EXPENSES	
Cost of sales and services	474,188
Personal services	83,849
Depreciation	4,363
Total operating expenses	<u>562,400</u>
Operating income (loss)	(278,198)
Non-operating revenues (expenses)	
Interest income	250
Net income (loss) before capital contributions and transfers	(277,948)
Capital contributions	
Contribution of capital assets from governmental activities	74,488
Net income (loss) before transfers	<u>(203,460)</u>
Transfers in (out)	
General Fund	412,773
SPLOST Fund	185,922
General Government Capital Projects Fund	245,642
Total transfers in (out)	<u>844,337</u>
Change in net position	640,877
Net position, October 1	<u>0</u>
Net position, September 30	<u><u>\$ 640,877</u></u>

CITY OF DAHLONEGA, GEORGIA
STORMWATER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the fiscal year ended September 30, 2021

	2021
Cash flows from operating activities:	
Receipts from customers	\$ 244,682
Payments to suppliers	(474,056)
Payments to employees	(74,967)
Net cash provided (used) by operating activities	(304,341)
Cash flows from non-capital financing activities:	
Receipts from other funds	412,773
Cash flows from capital and related financing activities:	
Receipts from other funds	431,564
Payments for acquisitions of capital assets	(17,162)
Net cash provided (used) by capital and related financing activities	414,402
Cash flows from investing activities:	
Interest received	250
Net increase (decrease) in cash and cash equivalents	523,084
Cash and cash equivalents, October 1	0
Cash and cash equivalents, September 30	\$ 523,084
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (278,198)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	4,363
(Increase) decrease in accounts receivable	(39,520)
(Increase) decrease in prepaid items	(1,482)
Increase (decrease) in accounts payable	1,614
Increase (decrease) in payroll liabilities	8,882
Total adjustments	(26,143)
Net cash provided (used) by operating activities	\$ (304,341)

Noncash investing, capital, and financing activities

Contributions of capital assets from other funds totaled \$74,488 for the fiscal year ended September 30, 2021.

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, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 532,671	\$ 409,676
Intergovernmental receivable	162,228	0
Prepaid items	3,655	3,249
Total assets	\$ 698,554	\$ 412,925
 LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts payable	\$ 12,716	\$ 6,050
Accrued salaries and payroll liabilities	4,326	6,322
Total liabilities	17,042	12,372
Fund balances		
Nonspendable:		
Prepaid items	3,655	3,249
Assigned to:		
Dahlonega 2000 operations	0	19,107
Redevelopment projects	179,831	179,831
Operations	498,026	198,366
Total fund balances	681,512	400,553
Total liabilities and fund balances	\$ 698,554	\$ 412,925

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, 2021
(With comparative actual amounts for the fiscal year ended September 30, 2020)

	<u>2021</u>			<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Intergovernmental	\$ 284,434	\$ 544,971	\$ 260,537	\$ 282,214
Contributions	0	150	150	245
Other	1,000	1,948	948	1,860
Total revenues	<u>285,434</u>	<u>547,069</u>	<u>261,635</u>	<u>284,319</u>
EXPENDITURES				
Current				
Housing and Development				
Personal services	193,920	98,227	95,693	210,472
Contract services	75,614	42,628	32,986	80,308
Supplies and materials	15,900	16,023	(123)	18,520
Payments to others	0	109,232	(109,232)	0
Total expenditures	<u>285,434</u>	<u>266,110</u>	<u>19,324</u>	<u>309,300</u>
Excess of revenues over (under) expenditures	0	280,959	280,959	(24,981)
Fund balances, October 1	<u>0</u>	<u>400,553</u>	<u>400,553</u>	<u>425,534</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 681,512</u></u>	<u><u>\$ 681,512</u></u>	<u><u>\$ 400,553</u></u>



STATISTICAL SECTION





This part of the City of Dahlonega’s annual comprehensive 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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Financial Trends.....134 - 147

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.....148 - 156

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

Debt Capacity.....158 - 165

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.....166 - 167

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.....168 - 171

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

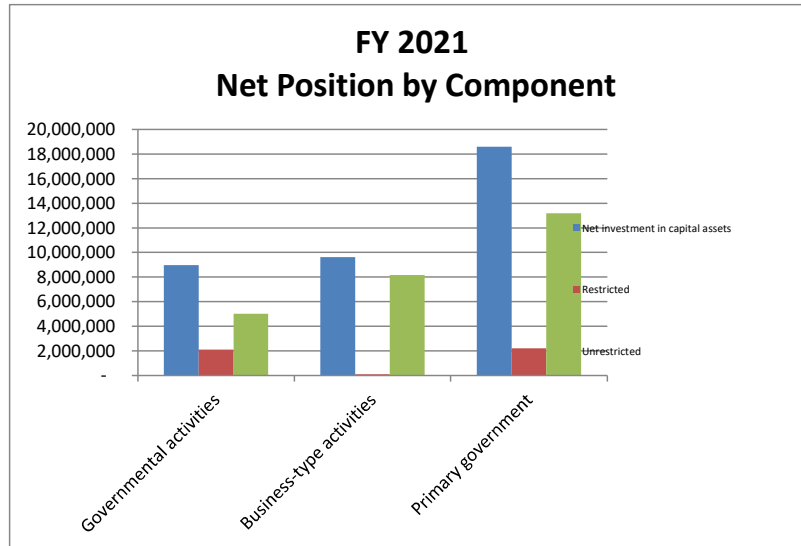
NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 5,138,468	\$ 5,542,733	\$ 5,598,272	\$ 5,805,471
Restricted	516,149	459,082	252,358	448,697
Unrestricted	3,333,580	3,172,941	3,863,183	3,703,238
Total governmental activities net position	<u>\$ 8,988,197</u>	<u>\$ 9,174,756</u>	<u>\$ 9,713,813</u>	<u>\$ 9,957,406</u>
Business-type activities				
Net investment in capital assets	\$ 11,091,994	\$ 10,569,488	\$ 10,254,910	\$ 6,537,167
Restricted	194,395	200,921	136,705	0
Unrestricted	2,946,946	2,988,023	2,936,982	5,409,094
Total business-type activities net position	<u>\$ 14,233,335</u>	<u>\$ 13,758,432</u>	<u>\$ 13,328,597</u>	<u>\$ 11,946,261</u>
Primary government				
Net investment in capital assets	\$ 16,230,462	\$ 16,112,221	\$ 15,853,182	\$ 12,342,638
Restricted	710,544	660,003	389,063	448,697
Unrestricted	6,280,526	6,160,964	6,800,165	9,112,332
Total primary government net position	<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	2021				
\$	5,562,810	\$	5,472,664	\$	7,448,103	\$	8,326,640	\$	8,970,314	\$	8,970,511
	860,756		566,808		5,295		203,743		687,604		2,100,598
	3,980,446		4,645,595		4,190,530		4,071,005		4,472,393		5,024,737
\$	<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>	\$	<u>16,095,846</u>
\$	9,615,293	\$	11,231,363	\$	10,460,247	\$	10,002,631	\$	10,238,642	\$	9,620,755
	87,122		92,082		90,000		91,667		93,333		96,026
	2,147,886		3,060,769		4,146,739		6,061,483		6,178,851		8,171,454
\$	<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>	\$	<u>17,888,235</u>
\$	15,178,103	\$	16,704,027	\$	17,908,350	\$	18,329,271	\$	19,208,956	\$	18,591,266
	947,878		658,890		95,295		295,410		780,937		2,196,624
	6,128,332		7,706,364		8,337,269		10,132,488		10,651,244		13,196,191
\$	<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>	\$	<u>33,984,081</u>



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

Expenses	Fiscal Year			
	2012	2013	2014	2015
Governmental activities:				
General Government	\$ 1,039,743	\$ 1,325,328	\$ 1,038,602	\$ 1,121,681
Judicial	225,240	226,361	235,365	203,102
Public Safety	80,483	14,336	7,420	3,257
Public Works	1,085,828	1,205,726	1,157,314	1,018,991
Culture and Recreation	26,427	33,482	39,822	70,495
Housing and Development	530,445	485,038	577,068	570,761
Interest on long-term debt	569	0	0	0
Total governmental activities expenses	<u>2,988,735</u>	<u>3,290,271</u>	<u>3,055,591</u>	<u>2,988,287</u>
Business-type activities:				
Water and Sewage	5,364,216	5,251,093	5,338,885	5,747,593
Solid Waste	470,213	480,443	657,150	710,897
Stormwater	92,440	0	0	0
Total business-type activities expenses	<u>5,926,869</u>	<u>5,731,536</u>	<u>5,996,035</u>	<u>6,458,490</u>
Total primary government expenses	<u>\$ 8,915,604</u>	<u>\$ 9,021,807</u>	<u>\$ 9,051,626</u>	<u>\$ 9,446,777</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	\$ 82,110	\$ 91,347	\$ 108,752	\$ 103,408
Judicial	197,935	182,597	178,888	143,331
Public Works	87,250	31,750	47,680	73,745
Housing and Development	15,294	79,081	80,495	125,840
Operating grants and contributions	34,910	48,858	21,739	146,117
Capital grants and contributions	953,515	968,085	750,691	595,234
Total governmental activities program revenues	<u>1,371,014</u>	<u>1,401,718</u>	<u>1,188,245</u>	<u>1,187,675</u>
Business-Type activities:				
Charges for services:				
Water and Sewage	3,454,006	3,892,527	4,503,335	4,368,609
Solid Waste	566,395	571,479	577,185	609,243
Stormwater	0	0	0	0
Operating grants and contributions	0	0	0	0
Capital grants and contributions	0	0	604	0
Total business-type activities program revenues	<u>4,020,401</u>	<u>4,464,006</u>	<u>5,081,124</u>	<u>4,977,852</u>
Total primary government program revenues	<u>\$ 5,391,415</u>	<u>\$ 5,865,724</u>	<u>\$ 6,269,369</u>	<u>\$ 6,165,527</u>

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 1,179,559	\$ 1,211,344	\$ 1,310,477	\$ 1,306,925	\$ 1,404,229	\$ 867,342	
186,557	193,749	221,007	211,279	204,229	289,142	
48,686	129,907	259,183	331,487	370,003	405,032	
1,448,891	1,187,875	1,282,952	1,467,245	1,576,422	1,610,016	
45,466	36,520	38,205	43,632	55,408	77,376	
642,001	814,697	860,975	864,643	794,127	907,565	
0	0	0	0	0	45,122	
<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>	<u>4,201,595</u>	
5,129,529	5,236,533	5,340,214	5,652,223	5,342,261	5,412,156	
753,964	816,917	815,093	830,675	857,451	862,315	
0	0	0	0	0	562,400	
<u>5,883,493</u>	<u>6,053,450</u>	<u>6,155,307</u>	<u>6,482,898</u>	<u>6,199,712</u>	<u>6,836,871</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>	<u>\$ 11,038,466</u>	
\$ 103,745	\$ 122,775	\$ 140,125	\$ 141,500	\$ 177,865	\$ 139,346	
93,033	149,322	120,874	218,939	165,069	237,804	
66,500	54,600	49,731	67,139	32,900	114,510	
35,662	34,932	29,796	84,919	59,607	83,705	
22,739	23,739	96,955	20,641	139,538	62,802	
513,564	1,164,541	975,500	1,077,432	1,533,743	2,372,303	
<u>835,243</u>	<u>1,549,909</u>	<u>1,412,981</u>	<u>1,610,570</u>	<u>2,108,722</u>	<u>3,010,470</u>	
4,854,210	6,186,150	4,992,916	5,799,883	5,247,553	5,542,902	
692,998	894,973	888,070	931,094	935,938	1,044,199	
0	0	0	0	0	284,202	
0	0	0	0	17,418	18,608	
0	0	0	373,308	0	0	
<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>6,889,911</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>	<u>\$ 9,900,381</u>	

CITY OF DAHLONEGA, GEORGIA

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

	Fiscal Year			
	2012	2013	2014	2015
Net (expense)/revenue				
Governmental activities	\$ (1,617,721)	\$ (1,888,553)	\$ (1,867,346)	\$ (1,800,612)
Business-type activities	(1,814,028)	(1,267,530)	(914,911)	(1,480,638)
Total primary government net (expense)/revenue	<u>(3,431,749)</u>	<u>(3,156,083)</u>	<u>(2,782,257)</u>	<u>(3,281,250)</u>
General revenues and other changes in net position				
Governmental activities:				
Taxes				
Property	861,790	919,297	1,025,084	1,003,607
Local option sales	756,139	732,042	745,133	800,988
Franchise	505,998	497,013	490,264	528,287
Insurance premium	245,897	261,157	270,403	282,726
Intangibles	12,388	15,712	11,312	20,582
Alcoholic beverage	162,457	174,592	171,576	193,583
Occupational	111,636	116,076	116,749	109,168
Hotel/Motel and other	149,373	156,184	180,499	211,683
Investment earnings	9,773	10,243	5,202	5,176
Gain on sale of assets	0	0	0	0
Miscellaneous	46,030	17,088	9,569	15,012
Special items	0	0	0	0
Transfers	(1,384,292)	(824,292)	(619,388)	(597,532)
Total governmental activities	<u>1,477,189</u>	<u>2,075,112</u>	<u>2,406,403</u>	<u>2,573,280</u>
Business-type activities				
Investment earnings	135,030	112,426	105,522	95,800
Gain on sale of assets	0	0	0	0
Miscellaneous	4,390	1,279	3,166	7,659
Special items	(296,937)	0	0	0
Transfers	1,384,292	824,292	619,388	597,532
Total business-type activities	<u>1,226,775</u>	<u>937,997</u>	<u>728,076</u>	<u>700,991</u>
Total primary government	<u>2,703,964</u>	<u>3,013,109</u>	<u>3,134,479</u>	<u>3,274,271</u>
Change in net position				
Governmental activities	(140,532)	186,559	539,057	772,668
Business-type activities	(587,253)	(329,533)	(186,835)	(779,647)
Total primary government	<u>\$ (727,785)</u>	<u>\$ (142,974)</u>	<u>\$ 352,222</u>	<u>\$ (6,979)</u>

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ (2,715,917)	\$ (2,024,183)	\$ (2,559,818)	\$ (2,614,641)	\$ (2,296,096)	\$ (1,191,125)
(336,285)	1,027,673	(274,321)	621,387	1,197	53,040
(3,052,202)	(996,510)	(2,834,139)	(1,993,254)	(2,294,899)	(1,138,085)
1,228,757	1,446,401	1,483,241	1,472,272	1,275,664	1,267,426
784,700	826,802	859,090	937,368	1,124,693	1,204,586
542,288	521,189	508,623	540,376	518,960	490,384
302,046	327,175	348,388	373,237	395,901	422,760
14,927	19,613	18,497	21,551	29,092	66,314
198,166	213,415	210,519	219,640	201,536	222,139
120,042	114,773	116,078	130,849	130,538	150,853
236,527	268,737	431,416	430,737	360,198	547,356
15,280	23,278	34,533	129,394	44,621	4,755
6,856	0	8,734	460	0	23,715
14,907	15,419	12,010	17,188	52,090	44,954
(25,150)	0	0	0	0	0
(276,823)	(1,471,564)	(512,450)	(700,971)	(308,274)	(1,288,582)
3,162,523	2,305,238	3,518,679	3,572,101	3,825,019	3,156,660
8,991	13,746	29,194	125,283	45,574	6,886
4,071	0	23,655	0	0	28,901
21,484	20,930	21,794	11,154	0	0
(71,044)	0	0	0	0	0
276,823	1,471,564	512,450	700,971	308,274	1,288,582
240,325	1,506,240	587,093	837,408	353,848	1,324,369
3,402,848	3,811,478	4,105,772	4,409,509	4,178,867	4,481,029
446,606	281,055	958,861	957,460	1,528,923	1,965,535
(95,960)	2,533,913	312,772	1,458,795	355,045	1,377,409
\$ 350,646	\$ 2,814,968	\$ 1,271,633	\$ 2,416,255	\$ 1,883,968	\$ 3,342,944

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

Fiscal Year	Property Tax	Intangible Tax	Franchise Tax	Occupational Tax
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
2021	1,267,426	66,314	490,384	150,853
Change 2012 - 2021	47.07%	435.31%	-3.09%	35.13%

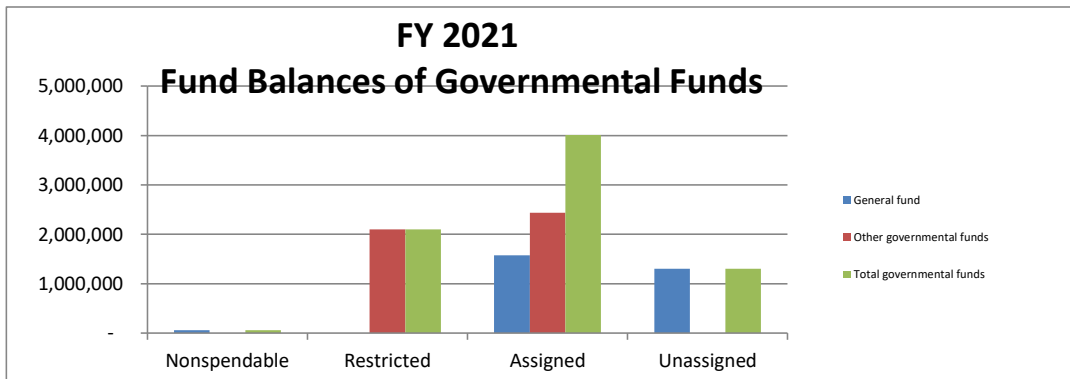
<u>Insurance Premium Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Hotel/Motel and Other Tax</u>	<u>Local Option Sales Tax</u>	<u>Total</u>
\$ 245,897	\$ 162,457	\$ 149,373	\$ 756,139	\$ 2,805,678
261,157	174,592	156,184	732,042	2,872,073
270,403	171,576	180,499	745,133	3,011,020
282,726	193,583	211,683	800,988	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
422,760	222,139	547,356	1,204,586	4,371,818
71.93%	36.74%	266.44%	59.31%	55.82%

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

	FISCAL YEAR			
	2012	2013	2014	2015
General fund				
Nonspendable	\$ 82,918	\$ 75,731	\$ 66,009	\$ 56,447
Restricted	359,076	365,590	5,197	5,225
Assigned	1,798,609	1,972,372	1,029,371	750,000
Unassigned	1,265,550	826,346	2,309,948	2,996,915
Total general fund	<u>3,506,153</u>	<u>3,240,039</u>	<u>3,410,525</u>	<u>3,808,587</u>
All other governmental funds				
Restricted	157,073	93,492	247,161	443,472
Assigned	179,431	301,557	436,454	402,844
Total all other governmental funds	<u>336,504</u>	<u>395,049</u>	<u>683,615</u>	<u>846,316</u>
Total governmental funds	<u>\$ 3,842,657</u>	<u>\$ 3,635,088</u>	<u>\$ 4,094,140</u>	<u>\$ 4,654,903</u>

FISCAL YEAR

2016	2017	2018	2019	2020	2021
\$ 63,366	\$ 77,552	\$ 43,855	\$ 45,681	\$ 47,410	\$ 62,071
5,241	5,264	5,295	5,421	0	0
1,226,128	1,521,597	2,216,867	1,520,188	1,203,095	1,575,126
2,858,457	2,586,085	1,736,233	1,494,703	1,765,549	1,301,560
<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>	<u>2,938,757</u>
855,515	561,544	0	198,322	687,604	2,100,598
328,193	901,343	507,826	1,305,538	1,833,744	2,436,933
<u>1,183,708</u>	<u>1,462,887</u>	<u>507,826</u>	<u>1,503,860</u>	<u>2,521,348</u>	<u>4,537,531</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>	<u>\$ 7,476,288</u>



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

	Fiscal Year			
	2012	2013	2014	2015
Revenues				
Taxes	\$ 2,810,422	\$ 2,862,021	\$ 2,986,457	\$ 3,181,985
Licenses and permits	97,404	170,428	189,247	229,248
Fines, fees and forfeitures	197,935	182,597	178,888	143,331
Charges for services	87,250	31,750	47,680	73,745
Intergovernmental	937,521	1,016,820	772,309	740,992
Interest	10,502	10,366	5,323	5,534
Contributions	50,175	0	0	0
Other	46,030	17,087	9,569	15,013
Total revenues	<u>4,237,239</u>	<u>4,291,069</u>	<u>4,189,473</u>	<u>4,389,848</u>
Expenditures				
General Government	1,023,206	1,294,435	1,006,061	1,106,846
Judicial	225,240	226,361	235,365	204,662
Public Safety	80,483	14,336	7,420	3,257
Public Works	1,286,270	1,202,632	1,180,582	1,133,444
Culture and Recreation	14,625	24,955	29,123	59,890
Housing and Development	637,982	529,148	579,082	597,180
Debt Service				
Principal	10,207	0	0	0
Interest	569	0	0	0
Capital outlay	301,626	382,479	74,300	166,052
Total expenditures	<u>3,580,208</u>	<u>3,674,346</u>	<u>3,111,933</u>	<u>3,271,331</u>
Excess of revenues over (under) expenditures	<u>657,031</u>	<u>616,723</u>	<u>1,077,540</u>	<u>1,118,517</u>
Other financing sources (uses)				
Transfers in	100,000	163,445	150,000	220,124
Transfers out	(1,484,292)	(987,737)	(769,388)	(817,656)
Proceeds from long-term debt	0	0	0	0
Sales of capital assets	0	0	900	0
Total other financing sources (uses)	<u>(1,384,292)</u>	<u>(824,292)</u>	<u>(618,488)</u>	<u>(597,532)</u>
Net change in fund balances	(727,261)	(207,569)	459,052	520,985
Fund balance, October 1 (original)	4,569,918	3,842,657	3,635,088	4,094,140
Prior period adjustments	0	0	0	39,778
Fund balance, September 30	<u>\$ 3,842,657</u>	<u>\$ 3,635,088</u>	<u>\$ 4,094,140</u>	<u>\$ 4,654,903</u>
Debt service as a percentage of noncapital expenditures	0.40%	0.00%	0.00%	0.00%

Fiscal Year

	2016	2017	2018	2019	2020	2021
\$	3,425,997	\$ 3,739,112	\$ 3,985,932	\$ 4,112,407	\$ 4,046,676	\$ 4,375,980
	139,407	158,057	189,851	245,058	237,472	205,985
	93,033	149,322	120,874	218,939	165,069	237,804
	66,500	54,250	29,800	93,500	100,001	669,037
	534,371	1,187,028	1,072,074	1,094,407	1,670,788	2,403,060
	17,211	24,532	34,914	133,060	47,113	5,854
	0	0	0	0	0	0
	14,906	15,416	12,010	17,188	52,090	45,056
	<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>	<u>7,942,776</u>
	1,144,747	1,187,412	1,472,646	1,317,618	1,379,223	1,330,468
	186,303	195,918	222,624	212,919	202,835	293,020
	48,685	129,907	306,419	350,324	345,144	393,885
	1,013,774	1,108,826	1,170,933	1,225,232	1,234,334	1,295,949
	32,190	16,244	17,030	28,255	29,985	47,444
	638,750	824,412	865,186	851,236	785,092	911,550
	0	0	0	0	0	0
	0	0	0	0	0	0
	275,970	76,949	2,030,210	1,192,903	1,066,773	1,389,106
	<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>	<u>5,661,422</u>
	951,006	1,788,049	(639,593)	736,072	1,275,823	2,281,354
	201,319	676,128	1,058,471	1,758,103	1,444,329	1,569,393
	(478,142)	(2,147,692)	(1,570,921)	(2,434,858)	(1,752,603)	(2,785,576)
	0	0	0	0	0	850,000
	7,814	0	8,734	460	0	23,715
	<u>(269,009)</u>	<u>(1,471,564)</u>	<u>(503,716)</u>	<u>(676,295)</u>	<u>(308,274)</u>	<u>(342,468)</u>
	681,997	316,485	(1,143,309)	59,777	967,549	1,938,886
	4,654,903	5,336,900	5,653,385	4,510,076	4,569,853	5,537,402
	0	0	0	0	0	0
\$	<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>	<u>\$ 7,476,288</u>
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Fiscal Year	Property Tax	Intangibles Tax	Franchise Tax	Occupational Tax
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
2021	1,271,586	66,314	490,384	150,853
Change 2012-2021	46.74%	435.31%	-3.09%	35.13%

<u>Insurance Premium Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Hotel/Motel and Other Tax</u>	<u>Local Option Sales Tax</u>	<u>Total</u>
\$ 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
422,760	222,139	547,358	1,204,586	4,375,980
71.93%	36.74%	266.44%	59.31%	55.71%

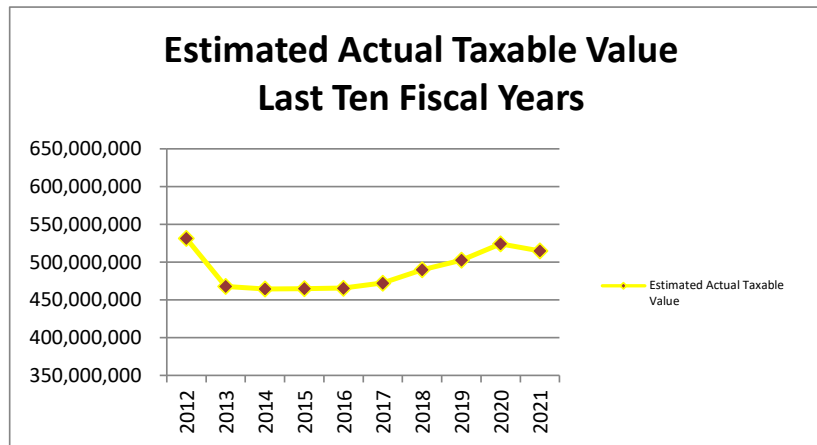
CITY OF DAHLONEGA, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended September 30,</u>	<u>Personal Property</u>			
	<u>Real Property</u>	<u>Motor Vehicles</u>	<u>Mobile Homes</u>	<u>Heavy Equipment</u>
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
2021	237,228,010	877,140	52,578	0

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

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

Exemption Adjustments	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ (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%
(32,144,432)	206,013,296	5.776	515,033,240	40%



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

		<u>Overlapping Rates</u>				
		<u>City of Dahlonega</u>	<u>Lumpkin County Board of Education</u>	<u>Lumpkin County Board of Commissioners</u>	<u>State of Georgia</u>	<u>Total</u>
<u>Tax Year</u>	<u>Fiscal Year</u>	<u>Operating Millage</u>	<u>Operating Millage</u>	<u>Operating Millage</u>	<u>State Millage</u>	<u>Direct & Overlapping Rates</u>
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
2020	2021	5.776	16.176	11.940	0.000	33.892

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					
	2021			2012		
	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Total Taxable Assessed Value
Koyo Bearings North America LLC (formerly Koyo Bearings USA, Timkin USA Corp., Torrington Company)	\$ 12,527,508	1	6.08%	\$ 6,319,486	1	2.97%
Roberta A. Green, Trustee	5,419,988	2	2.63%			
Dahlonega Student Housing Partners LLC	4,050,056	3	1.97%			
Dahlonega Group LLC	3,095,463	4	1.50%	3,499,878	3	1.65%
Georgia Power Company	2,670,422	5	1.30%	2,500,409	5	1.18%
Butler Mini Mall LLC	2,271,893	6	1.10%			
Wal-Mart Stores East LP US02513 (Prior Yr Wal-Mart Stores East Inc. (Jacony Lindbergh Prop))	2,149,196	7	1.04%	2,099,860	8	0.99%
Kingwood Dahlonega International Resort, LLC	1,964,197	8	0.95%			
Greenbriar Apartments LLC	1,560,796	9	0.76%			
Green, Roberta (formerly Roberta Green)	1,548,697	10	0.75%	1,659,049	9	0.78%
Birch River Chestatee Co. LLC				4,148,701	2	1.95%
Green, Sherman & Roberta				3,308,510	4	1.56%
Southern Health Corp of Dahlonega Inc				2,376,217	6	1.12%
Windstream Standard LLC (formerly Windstream Standard Inc.)				2,297,942	7	1.08%
Dahlonega Investory LLC				1,560,721	10	0.73%
Total	\$ 37,258,216		17.77%	\$ 29,770,773		14.00%

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

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

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

Fiscal Year Ended September 30	Total Adjusted Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	32,269	868,681	98.58%
2016	1,076,757	1,048,092	97.34%	15,547	1,063,639	98.78%
2017	1,281,146	1,248,962	97.49%	13,648	1,262,609	98.55%
2018	1,291,037	1,204,934	93.33%	5,931	1,210,865	93.79%
2019	1,285,406	1,184,426	92.14%	20,975	1,205,401	93.78%
2020	1,219,340	1,177,570	96.57%	9,919	1,187,489	97.39%
2021	1,189,991	1,130,521	95.00%		1,130,521	95.00%

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	2021			2020		
	Total	Rank	% of Total	Total	Rank	% of Total
	Distributed			Distributed		
General	\$ 884,425	2	17.73%	\$ 1,272,715	1	28.65%
Food	623,786	4	12.50%	498,101	3	11.21%
Wholesale	244,619	9	4.90%	189,003	9	4.25%
Miscellaneous Services	655,776	3	13.14%	492,146	4	11.08%
Other Retail	1,106,142	1	22.17%	786,258	2	17.70%
Utilities	339,294	5	6.80%	344,002	5	7.74%
Automotive	117,283		2.35%	106,337		2.39%
Manufacturing	333,626	6	6.69%	238,214	6	5.36%
Home Furnishing	249,567	8	5.00%	221,424	7	4.98%
Miscellaneous	251,212	7	5.04%	189,118	8	4.26%
Accommodations	156,184	10	3.13%	93,320	10	2.10%
Construction	27,328		0.55%	11,613		0.26%
Total	<u>\$ 4,989,243</u>		<u>100%</u>	<u>\$ 4,442,253</u>		<u>100%</u>

Commodity	2016			2015		
	Total	Rank	% of Total	Total	Rank	% of Total
	Distributed			Distributed		
General	\$ 516,197	2	19.65%	\$ 634,995	1	24.82%
Food	561,315	1	21.37%	523,276	2	20.46%
Wholesale	229,716	6	8.74%	345,227	5	13.50%
Miscellaneous Services	377,541	4	14.37%	363,108	4	14.20%
Other Retail	445,645	3	16.96%	382,538	3	14.95%
Utilities	323,143	5	12.30%	324,706	6	12.69%
Automotive	72,579	10	2.76%	65,570	10	2.56%
Manufacturing	218,679	7	8.32%	194,204	7	7.59%
Home Furnishing	209,146	8	7.96%	181,828	8	7.11%
Miscellaneous	93,828	9	3.57%	73,069	9	2.86%
Accommodations	67,939		2.59%	58,005		2.27%
Construction	27,721		1.06%	46,445		1.82%
Total	<u>\$ 2,627,252</u>		<u>100%</u>	<u>\$ 2,557,976</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.

2019			2018			2017		
Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
\$ 675,989	2	18.28%	\$ 542,529	2	18.66%	\$ 527,857	2	19.10%
556,464	3	15.05%	517,006	3	17.78%	559,238	1	20.24%
194,286	8	5.25%	201,019	8	6.91%	213,165	8	7.71%
436,571	4	11.81%	413,357	4	14.21%	401,825	4	14.54%
686,003	1	18.55%	615,404	1	21.16%	512,253	3	18.54%
326,225	5	8.82%	310,575	5	10.68%	297,162	5	10.75%
80,234		2.17%	76,187		2.62%	67,966	10	2.46%
224,775	7	6.08%	244,230	7	8.40%	237,664	6	8.60%
234,783	6	6.35%	250,360	6	8.61%	231,915	7	8.39%
180,736	9	4.89%	172,450	9	5.93%	117,982	9	4.27%
91,444	10	2.47%	83,191	10	2.86%	74,142		2.68%
9,854		0.27%	24,147		0.83%	49,943		1.81%
<u>\$ 3,697,364</u>		<u>100%</u>	<u>\$ 2,907,926</u>		<u>100%</u>	<u>\$ 2,763,255</u>		<u>100%</u>

2014			2013			2012		
Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
\$ 617,100	1	20.77%	\$ 577,872	1	19.72%	\$ 550,564	1	18.20%
482,820	2	16.25%	458,446	2	15.65%	403,961	3	13.35%
358,125	3	12.05%	342,749	3	11.70%	299,778	5	9.91%
343,710	4	11.57%	328,427	4	11.21%	297,345	6	9.83%
343,033	5	11.54%	327,106	5	11.17%	340,327	4	11.25%
320,193	6	10.78%	312,642	6	10.67%	294,672	7	9.74%
62,453	10	2.10%	226,592	7	7.73%	455,830	2	15.07%
146,938	8	4.94%	152,410	8	5.20%	132,012	8	4.36%
153,531	7	5.17%	98,441	9	3.36%	96,536	9	3.19%
74,632	9	2.51%	39,579	10	1.35%	86,651	10	2.86%
53,205		1.79%	49,098		1.68%	44,927		1.49%
15,715		0.53%	16,296		0.56%	22,419		0.74%
<u>\$ 2,971,455</u>		<u>100%</u>	<u>\$ 2,929,658</u>		<u>100%</u>	<u>\$ 3,025,022</u>		<u>100%</u>

CITY OF DAHLONEGA, GEORGIA
WATER & SEWAGE UTILITY TEN LARGEST SYSTEM CUSTOMERS
SEPTEMBER 30, 2021

Customer	Type of Business	Total Water Billings	Total Sewer Billings	Total Billings	Percentage of System Revenues
University of North Georgia	University	\$ 294,085	\$ 266,666	\$ 560,751	11.04%
Koyo Bearings USA (formerly Timken USA Corp.)	Manufacturer - Automobile Parts	344,188	381,652	725,840	14.29%
L. C. Water Authority	Water Authority	215,619	-	215,619	4.24%
Corvias Campus Living-USG,	University Housing	120,736	65,125	185,861	3.66%
The Bellamy	Apartment Complex	80,200	44,235	124,436	2.45%
Lumpkin County Board of Commissioners	Local Government	62,179	55,567	117,746	2.32%
Lumpkin County Board of Education	Local Government	56,043	50,398	106,441	2.09%
U.S. Government	Military Housing	57,527	44,735	102,262	2.01%
Tyson's	Poultry Processor	34,816	38,208	73,024	1.44%
Willow Trace	Apartment Complex	38,408	25,177	63,585	1.25%
Total		<u>\$ 1,303,801</u>	<u>\$ 971,763</u>	<u>\$ 2,275,564</u>	<u>44.79%</u>
Total Water and Sewage sales:		<u><u>\$ 5,081,050</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	Contracts Payable	Capital Leases	Water & Sewage Bonds	Notes Payable	Capital Leases
2012	\$0	\$0	\$0	\$ 25,257,068	\$ 10,211,833	\$ 2,711
2013	0	0	0	24,799,334	9,544,352	0
2014	0	0	0	24,236,446	8,848,926	0
2015	0	0	0	27,626,388	5,532,414	0
2016	0	0	0	26,908,189	5,412,450	0
2017	0	0	0	26,259,989	6,031,983	0
2018	0	0	0	25,591,789	6,571,807	0
2019	0	0	0	24,903,590	6,282,617	127,194
2020	0	0	0	24,195,391	6,102,907	98,051
2021	0	850,000	0	23,467,191	5,920,278	67,645

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

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

	Total Primary Government	Percentage of Personal Income		Per Capita
\$	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
	30,305,114	2.31%		4,021

CITY OF DAHLONEGA, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Available</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Lumpkin County Board of Commissioners	\$6,844,000	100%	\$ 6,844,000
Lumpkin County Board of Education	3,850,000	100%	<u>3,850,000</u>
Subtotal, overlapping debt			<u>10,694,000</u>
City of Dahlonega direct debt	850,000	100%	<u>850,000</u>
Total direct and overlapping debt			<u><u>\$ 11,544,000</u></u>

Source: Debt outstanding data per 12/31/2020 Lumpkin County Comprehensive Annual Financial Report and Lumpkin County Board of Education Annual Financial Report For Fiscal Year Ended 06/30/2020.

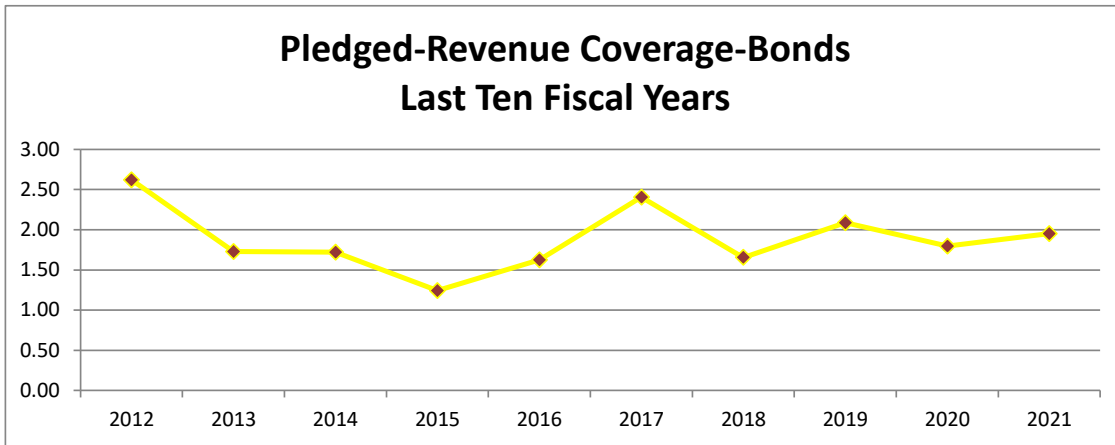
Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Dahlonega. The process recognizes 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 *
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
2021	1,346,895	1,795,334	6,180	3,148,409	1,613,218	0

*SPLOST Proceeds related to debt repayment included.



<u>Net Debt Service on Bonds</u>	<u>Actual Debt Service GEFA</u>	<u>Transfer from General Fund Reservoir</u>	<u>Net Debt Service on GEFA</u>	<u>Total Debt Service</u>	<u>Coverage Bonds</u>	<u>Coverage GEFA</u>
\$ 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
1,613,218	300,637	0	300,637	1,913,854	1.95	1.65

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

	Fiscal Year			
	2012	2013	2014	2015
Debt Limit	\$ 21,266,164	\$ 18,720,606	\$ 18,583,106	\$ 18,594,236
Total net debt applicable to limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin	<u>\$ 21,266,164</u>	<u>\$ 18,720,606</u>	<u>\$ 18,583,106</u>	<u>\$ 18,594,236</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					
2016	2017	2018	2019	2020	2021
\$ 18,625,791	\$ 18,893,167	\$ 19,593,823	\$ 20,109,607	\$ 20,972,483	\$ 20,601,330
0	0	0	0	0	850,000
<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>	<u>\$ 19,751,330</u>

0.00% 0.00% 0.00% 0.00% 0.00% 4.13%

Legal Debt Margin Calculation for Fiscal Year 2021

Total Assessed value	<u>\$ 206,013,296</u>
Debt limit (10% of total assessed value)(1)	20,601,330
Debt applicable to limit:	
General obligation bonds (Contracts Payable)	850,000
Less: Amount set aside for repayment of general obligation debt	<u>0</u>
Total net debt applicable to limit	<u>850,000</u>
Legal debt margin	<u>\$ 19,751,330</u>

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

Fiscal Year	Lumpkin County Population^(a)	City of Dahlonega Population^(a)	Lumpkin County Personal Income (amounts expressed in thousands)^(a)	Lumpkin County Per Capita Income	Lumpkin County Public School Enrollment^(b)	Lumpkin County Unemployment Rate^(c)
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%
2021	33,488	7,537	1,314,452	38,450	3,724	1.9%

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

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

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

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

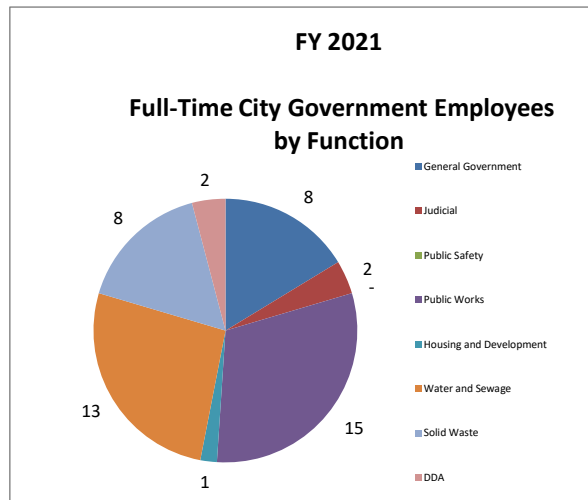
<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
University of North Georgia	960	1	13.03%	837	1	6.91%
Lumpkin County Board of Education	540	2	7.33%	554	2	4.57%
Lumpkin County Board of Commissioners	260	3	3.53%	250	3	2.06%
Koyo Bearings USA (formerly Timken USA Corp.)	209	4	2.84%	175	5	1.44%
Wal-Mart Super Center	201	5	2.73%	183	4	1.51%
Mt. Sinai Wellness Center, LLC	180	6	2.44%			
RefigiWear, Inc.	161	7	2.19%	120	8	0.99%
GDC Enterprises, Inc. dba Wahoo Docks	117	8	1.59%			
Home Depot	88	9	1.19%			
North Georgia Concrete, Inc.	65	10	0.88%			
Aramark				132	6	1.09%
The Louve Shop				93	9	0.77%
Chestatee Regional Hospital				123	7	1.01%
Gold City Community Living				89	10	0.73%
Total	<u>2,781</u>		<u>37.74%</u>	<u>2,556</u>		<u>21.09%</u>
Total Employment	<u>7,368</u>			<u>12,113</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.
(http://www.bls.gov/regions/southeast/news-release/countyemploymentandwages_georgia.htm)

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

Function	Full-time Employees as of September 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Primary government										
General Government	5	5	4	5	7	8	6	8	8	8
Judicial	0	0	0	0	1	1	1	1	1	2
Public Safety	0	0	0	0	0	0	1	1	2	0
Public Works	10	12	14	10	10	13	15	13	14	15
Culture and Recreation	0	0	0	0	0	0	0	0	0	0
Housing and Development	2	2	2	2	2	2	2	2	2	1
Water and Sewage	13	13	9	15	17	15	15	15	14	13
Solid Waste	5	5	6	8	8	8	6	7	7	8
Total primary government	<u>35</u>	<u>37</u>	<u>35</u>	<u>40</u>	<u>45</u>	<u>47</u>	<u>46</u>	<u>47</u>	<u>48</u>	<u>47</u>
Component unit										
Housing and Development Dahlonega Downtown Development Authority	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total employees	<u><u>36</u></u>	<u><u>38</u></u>	<u><u>36</u></u>	<u><u>41</u></u>	<u><u>47</u></u>	<u><u>49</u></u>	<u><u>48</u></u>	<u><u>49</u></u>	<u><u>50</u></u>	<u><u>49</u></u>

Source: City Payroll Records



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

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Number of accounts payable checks issued	2,409	2,307	2,302	2,825	3,077	2,955	2,761	2,736	2,153	2,160
Number of payroll checks issued*	2,209	2,267	1,341	1,342	1,380	1,665	1,753	1,797	1,821	1,793
Highways and streets										
Miles of right-of-way maintained	37.8	37.8	37.8	37.8	37.8	37.8	40.0	42.5	42.5	42.5
Sanitation										
Refuse collected (tons)	3,073	3,098	3,243	3,208	3,027	3,336	3,441	3,478	3,192	3,639
Recyclables collected (tons)	129	125	97	159	190	143	216	327	224	150
Water System (MGD -Millions of Gallons per Day)										
Number of service connections	2,123	2,114	2,218	2,201	2,191	2,213	2,201	2,367	2,260	2,305
Daily average consumption in gallons	1.015	0.964	1.010	1.004	0.964	1.075	1.034	1.049	0.961	0.994
Sewer System (MGD -Millions of Gallons per Day)										
Number of service connections	1,443	1,432	1,522	1,528	1,519	1,545	1,541	1,704	1,685	1,719
Daily average treatment in gallons	0.750	0.768	0.934	0.641	0.675	0.681	0.711	0.772	0.701	0.719

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				
	2012	2013	2014	2015	2016
Highways and streets					
Miles of streets	37.8	37.8	37.8	37.8	37.8
Culture and Recreation					
Parks	3	3	3	3	3
Park acreage	3.58	3.58	3.58	3.58	3.58
Water and Sewerage System (MGD - Millions of Gallons per Day)					
Water System:					
Number of miles of water mains	59	59	59	61	61
Number of fire hydrants	437	437	437	449	493
Number of water treatment plants	1	1	1	1	1
Number of operational wells	0	0	0	0	0
Maximum daily capacity of treatment plants in gallons	4.0 MGD	4.0 MGD	4.0 MGD	4.0 MGD	6.0 MGD
Sewer System:					
Miles of sanitary sewers	42	42	42	42	48
Number of wastewater treatment plants	1	1	1	1	1
Maximum daily capacity of treatment plant in gallons	1.1 MGD	1.1 MGD	1.1 MGD	1.1 MGD	1.1 MGD
Solid Waste					
Collection Trucks	4	4	4	4	4

Source: Various City Departments.

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

Fiscal Year				
2017	2018	2019	2020	2021
37.8	38.0	42.5	42.5	42.5
3	3	3	3	4
3.58	12.15	12.15	12.15	13.25
61	61	61	61	62
496	513	517	517	519
1	1	1	1	1
0	0	0	0	0
6.0 MGD	6.0 MGD	6.0 MGD	6.0 MGD	6.0 MGD
48	51.6	51.6	51.6	51.6
1	1	1	1	1
.44 MGD	1.44 MGD	1.44MGD	1.44MGD	1.44 MGD
6	7	7	6	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, 2021, 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 May 2, 2022.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are listed below.

Comment 2021-001

Condition: The City incurred expenditures in the Hotel/Motel Tax Fund of \$441,081, which were in excess of the amounts appropriated of \$279,377 due to increased revenue that was disbursed out.

Criteria: OCGA Code Section 36-81-3 requires local governments to operate under an approved annual budget for the General Fund, special revenue funds, and debt service funds.

Effect: Failure to approve and maintain expenditures within the balanced budget for the General Fund, special revenue funds, and debt service funds will place the City in violation of state law.

Cause: The City did not amend their budget for the Hotel/Motel Tax Fund for increases in revenue and expenditures during the fiscal year.

Recommendation: The City should adopt a plan to more closely monitor budgets during the fiscal year.

Management Response: Management concurs with this finding. The City Finance Director will review the comparative financial statements on a periodic basis and recommend any necessary budget amendments to the City Council. This action was taken immediately upon receipt of the comment from our auditors.

City of Dahlonega, Georgia's Response to Findings

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

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, LLC

Certified Public Accountants

Gainesville, Georgia
May 2, 2022

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, 2021

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2020 Referendum</u>					
Roads & Bridges Resurfacing and Improvements	\$ 992,250	\$ 992,250	\$ 113,415	\$ 142,458	\$ 255,873
Stormwater Infrastructure	992,250	992,250	113,415	185,922	299,337
Water & Sewer System Improvements	1,984,500	1,984,500	226,831	371,846	598,677
Total	\$ 3,969,000	\$ 3,969,000	\$ 453,661	\$ 700,226	\$ 1,153,887

Total expenditures and transfers out of SPLOST Capital Projects Fund	\$ 773,080
Expenditures financed through other revenue sources for:	
Roads and Bridges, Sidewalks, and Bicycle paths	(72,854)
	<u>\$ 700,226</u>

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, 2021

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<u>2019 Referendum</u>					
Roads and Bridges					
Construction and Improvement,					
Sidewalks Construction					
& Improvements, Bicycle Paths					
Construction & Improvements	\$ 2,310,000	\$ 2,310,000	\$ 320,002	\$ 119,982	\$ 439,984
Total expenditures and transfers out of 2019 TSPLOST Capital Projects Fund				\$ 740,332	
Expenditures financed through other revenue sources for:					
Roads and Bridges, Sidewalks, and Bicycle paths				(620,350)	
				<u>\$ 119,982</u>	

* 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.

