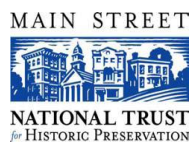


# Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2016

## DAHLONEGA, GEORGIA, USA



TREE CITY USA



SITE OF THE FIRST MAJOR US GOLD RUSH



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# DAHLONEGA

GEORGIA, USA

CITY OF DAHLONEGA, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2016

SUBMITTED BY:

FINANCE DEPARTMENT







# INTRODUCTORY SECTION



## TABLE OF CONTENTS

### INTRODUCTORY SECTION

Table of Contents .....	2-4
Certificate of Achievement for Excellence in Financial Reporting .....	5
List of Elected and Appointed Officials and Organizational Chart .....	6
Letter of Transmittal .....	7 - 11

### FINANCIAL SECTION

Independent Auditor's Report .....	14 - 16
Management's Discussion and Analysis .....	19 - 26

#### Basic Financial Statements:

##### Government-wide Financial Statements

Statement of Net Position .....	29 - 30
Statement of Activities .....	31

##### Fund Financial Statements:

Balance Sheet - Governmental Funds .....	32
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	33
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	35
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP) and Actual - General Fund .....	36
Statement of Net Position - Proprietary Funds .....	37 - 38
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds .....	39
Statement of Cash Flows - Proprietary Funds .....	40 - 41

Notes to the Financial Statements .....	43 - 73
---	---------

#### Required Supplementary Information

##### Pension Plan Schedules:

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios .....	75
Schedule of Contributions .....	76
Notes to Required Supplementary Information .....	77 - 78

#### Supplementary Information:

##### Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet - Nonmajor Governmental Funds .....	81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds .....	82

General Fund	
Comparative Balance Sheets .....	85
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances .....	86
Schedules of Revenues – Budget (GAAP Basis) and Actual .....	87
Schedule of Expenditures – Budget (GAAP Basis) and Actual.....	88 - 90
Special Revenue Funds	
Multiple Grant Special Revenue Fund Comparative Balance Sheets.....	93
Multiple Grant Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual.....	94
Hotel/Motel Tax Special Revenue Fund Comparative Balance Sheets.....	95
Hotel/Motel Tax Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual.....	96
Capital Projects Funds	
Streetscape Comparative Balance Sheets.....	99
Streetscape Statements of Revenues, Expenditures and Changes in Fund Balance .....	100
2014 Special Purpose Local Option Sales Tax Balance Sheet.....	101
2014 Special Purpose Local Option Sales Tax Statement of Revenues, Expenditures and Changes in Fund Balance .....	102
General Government Balance Sheet .....	103
General Government Statement of Revenues, Expenditures and Changes in Fund Balance .....	104
Enterprise Funds	
Water and Sewage Enterprise Fund Comparative Statements of Net Position .....	107 - 108
Water and Sewage Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position .....	109
Water and Sewage Enterprise Fund Comparative Statements of Cash Flows .....	110 - 111
Solid Waste Enterprise Fund Comparative Statements of Net Position.....	112
Solid Waste Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position .....	113
Solid Waste Enterprise Fund Comparative Statements of Cash Flows .....	114
Component Unit:	
Downtown Development Authority Comparative Balance Sheets.....	117
Downtown Development Authority Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual .....	118

## STATISTICAL SECTION

### Financial Trends:

Net Position by Component – Last Ten Fiscal Years .....	123 - 124
---	-----------

Changes in Net Position – Last Ten Fiscal Years.....	125 - 128
Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years.....	129 - 130
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	131 - 132
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	133 - 134
Governmental Funds Tax Revenues by Source – Last Ten Fiscal Years.....	135 - 136
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	137 - 138
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years.....	139 - 140
Principal Taxpayers – September 30, 2016 and 2007.....	141
Property Tax Levies and Collections – Last Ten Fiscal Years .....	142
Local Option Sales Tax Distribution Commodity Report – Lumpkin County – Last Eight Calendar Years .....	143 - 144
Water & Sewage Utility – Ten Largest System Customers – September 30, 2016.....	146
Debt Capacity:	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	147 - 148
Direct and Overlapping Governmental Activities Debt – September 30, 2016 ...	150
Pledged – Revenue Coverage – Water & Sewage Fund – Last Ten Fiscal Years.....	151 - 152
Legal Debt Margin Information – Last Ten Fiscal Years.....	153 - 154
Demographic and Economic Information:	
Demographic and Economic Statistics – Last Ten Fiscal Years.....	155
Principal Employers – Lumpkin County – Current Year & Eight Years Ago.....	156
Operating Information:	
Full-Time City Government Employees by Function – Last Ten Fiscal Years.....	157
Operating Indicators by Function – Last Nine Fiscal Years .....	159 - 160
Capital Asset Statistics by Function – Last Nine Fiscal Years .....	161 - 162

## 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.....	166 - 167
--	-----------

### State Reporting

Schedule of Projects Financed with Special Purpose Local Option Sales Tax .....	169
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Government Finance Officers Association

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

Presented to

**City of Dahlonega  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2015**

Executive Director/CEO





# ELECTED AND APPOINTED OFFICIALS

September 30, 2016

## ELECTED OFFICIALS

Mayor.....Gary McCullough  
 Council Member - Post 1.....Roman Gaddis  
 Council Member - Post 2... Michael Clemons  
 Council Member - Post 3.....Mitchell Ridley  
 Council Member - Post 4.....Bruce Hoffman  
 Council Member - Post 5.....Sam Norton  
 Council Member - Post 6.....Ron Larson  
 Municipal Judge.....Hammond Law

## APPOINTED OFFICIALS AND MANAGEMENT

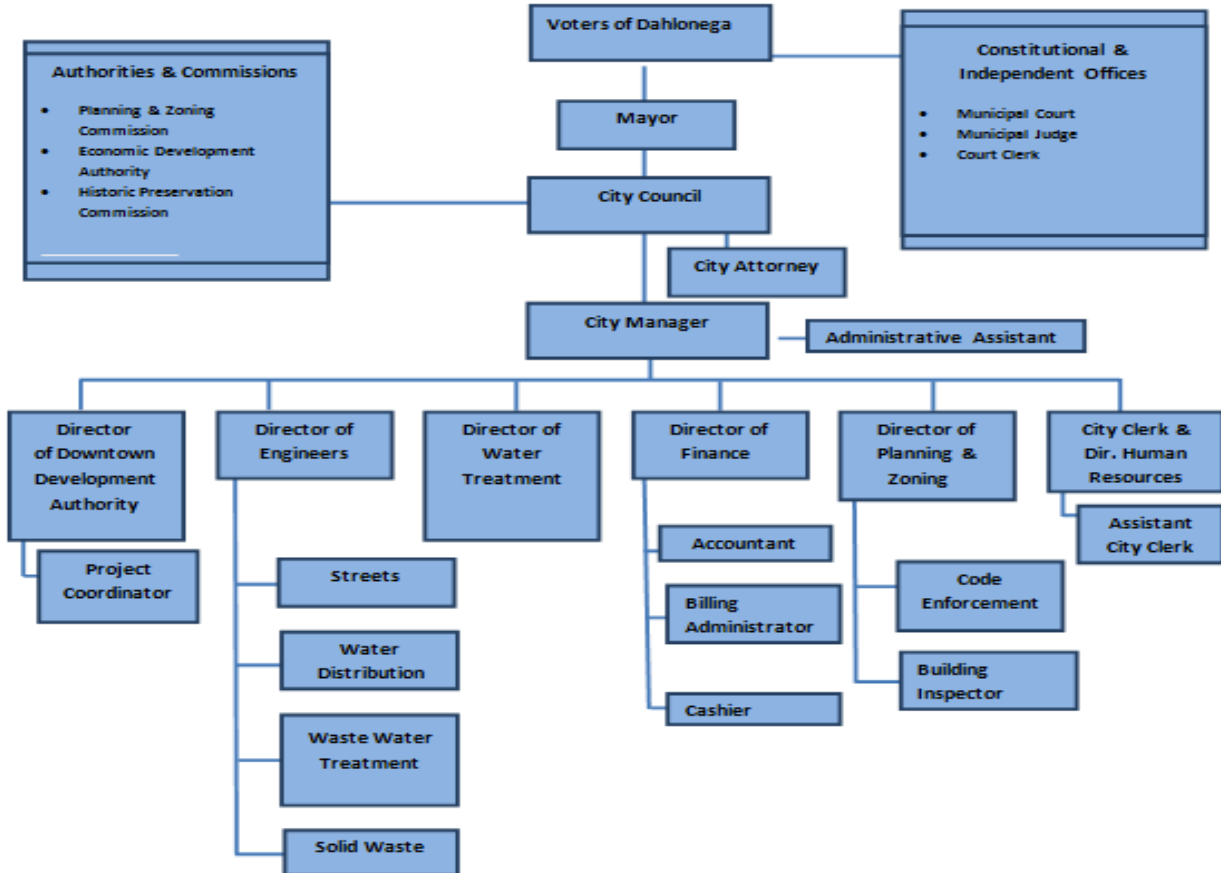
City Manager.....Bill Schmid  
 City Attorney.....Doug Parks  
 City Clerk.....Kym Smith  
 Finance Director.....Melody Marlowe  
 Public Works Director.....Mark Buchanan  
 Water Plant Superintendent.....John Jarrard  
 Planning Director.....Patricia Head  
 DDA Director.....Rebecca Shirley



# CITY OF DAHLONEGA ORGANIZATION CHART

September 30, 2016

*City of Dahlonaga Organizational Chart*





February 27, 2017

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

We are pleased to present the Comprehensive Annual Financial Report of the City of Dahlonega for the fiscal year ended September 30, 2016 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 eighth Comprehensive Annual Financial Report published to fulfill that requirement.

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

Georgia Code requires an annual audit by independent certified public accountants. The City selected Rushton & Company, Certified Public Accountants to perform the annual independent financial statement audit for fiscal year 2016. The audit issued an unmodified opinion for the 2016 fiscal

year which is included within this document.

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



## PROFILE OF THE GOVERNMENT

The City of Dahlonega, the county seat of Lumpkin County, is located in the foothills

of the Northeast Georgia Mountains, approximately 70 miles northeast of Atlanta. As of 2015, the US Bureau of the Census estimated the population of Dahlonega to be 6,052. Dahlonega was incorporated December 21, 1833 and was the site of the first major gold rush in the United States. A US Branch Mint minted Half Eagle, Quarter Eagle, the Gold Dollar (72,529) and the Three Dollar Gold Coin here between 1838 and 1861.

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

We are privileged to be one of the smallest cities in the country to host a public university offering advanced degrees and a wide range of ideas. The five campus University of North Georgia, founded in 1873 in the abandoned US Mint Building, is based here and serves over 18,000 students system wide. It is one of only six senior military colleges in the country. We are also proud home to the US Army 5<sup>th</sup> Ranger Training Division and mountain phase of the US Army Ranger School. Our reputation and brand have been built over decades by the hard work of thousands of individuals.

The City of Dahlonega has been honored with being designated a Preserve America Community. It is one of thirty - eight communities in the State of Georgia to earn this designation. The City was awarded this honor due to its ongoing commitment

to preserve its unique heritage and history. The City was also designated as a National Main Street Community as well as an Appalachian Trail Community and a Tree Community.



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

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

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

The DDA is home to North Georgia Film ([www.northgeorgiafilm.org](http://www.northgeorgiafilm.org)), which was established in 2016 and is one of eight

members of the Association of Film Commissioners International.

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

### LOCAL ECONOMY

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

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



Dahlonega continues to show signs of recovery from the downturned economy with unemployment rates decreasing to 4.5% in 2016.

	Unemployment (Lumpkin Co.)	Building Permits (City)
2016	4.5%	100
2015	4.8%	78
2014	7.3%	156
2013	8.3%	175
2012	8.3%	47
2011	10.3%	47
2010	9.9%	47
2009	11.5%	69
2008	7.0%	77

The number of building permits issued continues the positive trend. The housing and banking crisis had led to a continued slowing of much development within the City, but recovery appears to be sustained as developers are finishing projects and starting new ones.

### LONG-TERM FINANCIAL PLANNING

Unassigned fund balance in the General Fund is \$2,858,457 or 77 percent of the 2017 annual revenue budget. The City maintains these funds to provide cash flow throughout the year and as a buffer against unforeseen events.



## RELEVANT FINANCIAL POLICIES

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

## MAJOR INITIATIVES

The City is undertaking a thorough review of capital needs through a more formalized capital improvement planning process. FY 2016 budget began this assemblage of data, and the FY 2017 budget process brought more structure and revenue planning to the process.

Planning began in July 2015 on an extensive upgrade project at the City's Waste Water Treatment Plant. This \$3.3 million project is being funded by SPLOST revenue. Construction is under way with an estimated completion date of June 2017. Once complete, the community will reap the benefits of a modern facility that will assure clean water for many years to come.

As we rebound from the Recession, much attention is being placed on the City's infrastructure. The Capital Improvement Program includes plans for street repaving and improvement projects and many water and sewer line replacement projects. Due to the steep terrain that exists in much of our city, there is a need to address storm water issues, and storm drain improvements are included in the capital program.



The City continues to place importance on tourism. Our downtown and beautiful surroundings draw more and more visitors to Dahlonega each year. Downtown Dahlonega is one of the nation's foremost historic downtown centers. Shopping and dining choices are abundant.

Dahlonega is becoming a popular place for the film and entertainment industry, and plans are to grow in this area. The North Georgia Film Office provides a liaison between businesses, the film production industry and local and regional partner agencies in North Georgia.

## AWARDS AND ACKNOWLEDGEMENTS

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



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

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

Respectfully submitted,



Bill Schmid  
City Manager



Melody N. Marlowe  
Finance Director



DAHLONEGA

L G H F EST. 1833

FIRST MAJOR U.S. GOLD RUSH

# 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, 2016, 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, 2016, 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 19 through 26 and 75 through 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Dahlonega, Georgia's basic financial statements for the year ended September 30, 2015, which are not presented with the accompanying financial statements. In our report dated February 22, 2016, 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 2015 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 2015 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 2015 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 2015 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

#### **Other Reporting Required by *Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2017, on our consideration of the City of Dahlonega, Georgia internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Dahlonega, Georgia's internal control over financial reporting and compliance.

*Rushton & Company, LLC*

Certified Public Accountants

Gainesville, Georgia  
February 27, 2017



# FINANCIAL SECTION

## MANAGEMENT'S DISCUSSION AND ANALYSIS



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### September 30, 2016

As management of the City of Dahlonega, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here in conjunction with the basic financial statements, accompanying notes to those financial statements, and the additional information that we have furnished in our letter of transmittal, which can be found in the beginning of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

#### FINANCIAL HIGHLIGHTS

##### Government Wide Financial Statements

- At the close of the fiscal year, the assets of the City exceeded its liabilities by \$22,254,313. Of this, \$6,128,332 (27.5%) represents unrestricted net position which may be used to meet the City's ongoing obligations.
- At the close of the fiscal year, the net position of the City's governmental activities was \$10,404,012. This represents an increase of \$446,606 (4.5%) over the prior year net position balance for governmental activities.
- At the close of the fiscal year, the net position of the City's business-type activities was \$11,850,301. This represents a decrease of \$95,960 (-0.8%) under the prior year net position balance for business-type activities.

##### Fund Financial Statements

- As of the close of the current fiscal year, the City of Dahlonega's governmental funds reported combined ending fund balances of \$5,336,900, an increase of

\$681,997 (14.7%) 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 \$2,858,457 or 53.6% of the governmental funds' combined ending fund balance.

- The General Fund had revenues of \$3,561,174 for the current fiscal year. Of this amount \$1,242,228 (34.9%) was from property taxes and \$784,700 (22.0%) was from sales taxes.

##### Debt Obligations

- The City did not have any long-term debt obligations from the governmental activities during fiscal year 2016.
- Long-term debt obligations from the business-type activities decreased by \$838,163 (-2.5%) from \$33,158,802 at September 30, 2015, to \$32,320,639 September 30, 2016.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

##### Government Wide Financial Statements

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



**Statement of Net Position** - presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, culture and recreation, and housing and development. Business-type activities include a water and sewage utility and solid waste collection operation.

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

The government-wide financial statements can be found on pages 29 through 31 of this report.

### **Fund Financial Statements**

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

### **Governmental Funds**

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

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

The City has two major and four non-major governmental funds. The City's major governmental funds are the General Fund and 2014 SPLOST Fund. The City's non-major governmental funds are the Multiple Grant Fund, Hotel/Motel Tax Fund, Streetscape Capital Projects Fund, and General Government Capital Projects Fund.

### **Proprietary Funds**

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

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

The basic proprietary fund financial statements can be found on pages 37 through 41 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 43 through 73 of this report.

### **Other Information**

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

Combining and individual fund statements and schedules can be found on pages 81 through 118 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The City's net position for governmental activities increased \$446,606, or 4.5%, during the year ending September 30, 2016. Net investment in capital assets decreased \$242,661, restricted net position increased \$412,059, and unrestricted net position increased \$277,208. Unrestricted net position is available to finance governmental operations. The City maintains a large amount of its net position in cash to enable the City to have funds for emergencies and avoid short term borrowing.

Approximately 28.6% of the City's governmental activities revenues came from property taxes and approximately 51.1% came from sales and other taxes. Combined the City is dependent on taxes for approximately 79.7% of its governmental activities revenues.

Net position for business-type activities decreased \$95,960, or 0.8%. Restricted net position is presented at \$87,122. Unrestricted net position increased by \$313,671, or 17.1%. These funds are available to finance operations. The amount invested in capital assets (e.g. land, infrastructure, buildings, equipment, and other), less any related debt outstanding that was needed to acquire or construct the assets decreased by \$496,753, or 4.9%. The City uses these capital assets to provide services to the customers of the City; consequently, this net position is not available for future spending. This net position represents a capital investment in the business-type activities of the City. The decrease in this net position class is the effect of continued depreciation of the City's capital assets.

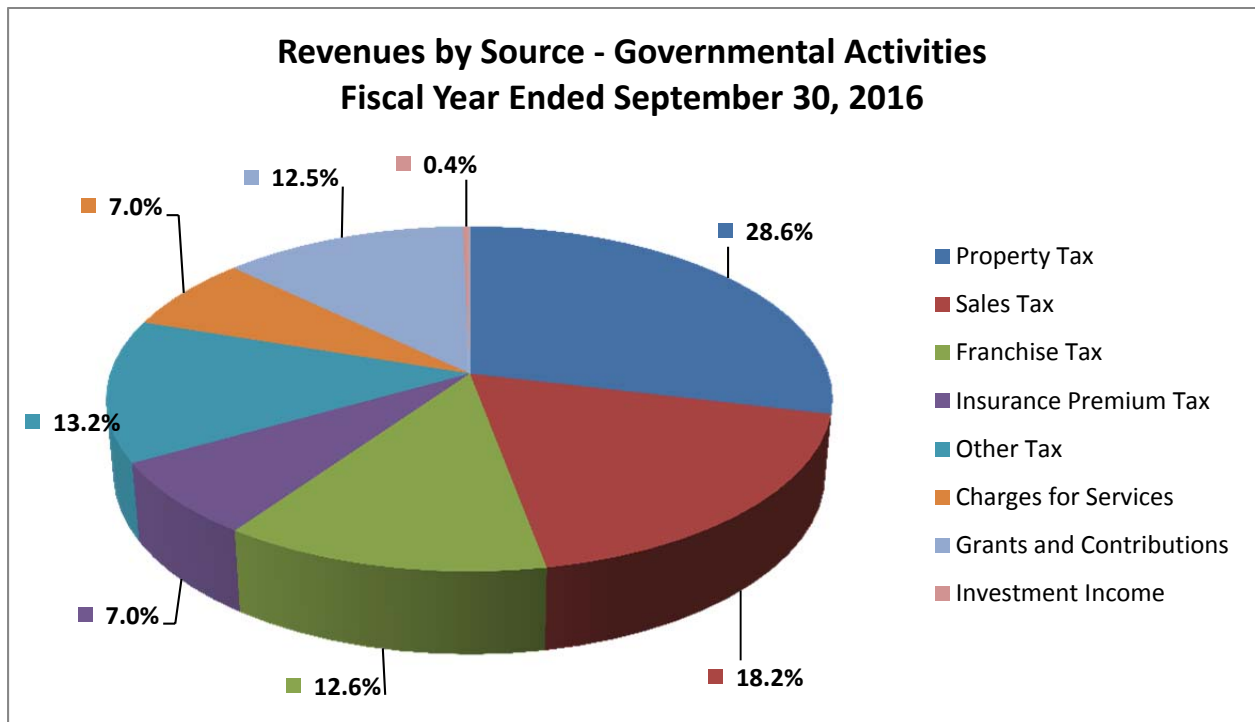
Following is a summary of the City's Statement of Net Position as found on pages 29 and 30 of this report.

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Current assets	\$ 6,679,581	\$ 5,565,883	\$ 3,948,071	\$ 3,532,185	\$ 10,627,652	\$ 9,098,068
Capital assets	5,562,810	5,805,471	37,880,485	39,084,945	43,443,295	44,890,416
<b>Total assets</b>	<b>12,242,391</b>	<b>11,371,354</b>	<b>41,828,556</b>	<b>42,617,130</b>	<b>54,070,947</b>	<b>53,988,484</b>
Deferred outflows of resources	281,346	143,781	3,753,818	3,574,879	4,035,164	3,718,660
Current liabilities	168,464	161,917	1,325,784	1,356,257	1,494,248	1,518,174
Noncurrent liabilities	675,455	528,164	32,314,490	32,917,640	32,989,945	33,445,804
<b>Total liabilities</b>	<b>843,919</b>	<b>690,081</b>	<b>33,640,274</b>	<b>34,273,897</b>	<b>34,484,193</b>	<b>34,963,978</b>
Deferred inflows of resources	1,275,806	867,648	91,799	124,185	1,367,605	991,833
Net investment in capital assets	5,562,810	5,805,471	9,615,293	10,112,046	15,178,103	15,917,517
Restricted	860,756	448,697	87,122	0	947,878	448,697
Unrestricted	3,980,446	3,703,238	2,147,886	1,834,215	6,128,332	5,537,453
<b>Total net position</b>	<b>\$ 10,404,012</b>	<b>\$ 9,957,406</b>	<b>\$ 11,850,301</b>	<b>\$ 11,946,261</b>	<b>\$ 22,254,313</b>	<b>\$ 21,903,667</b>

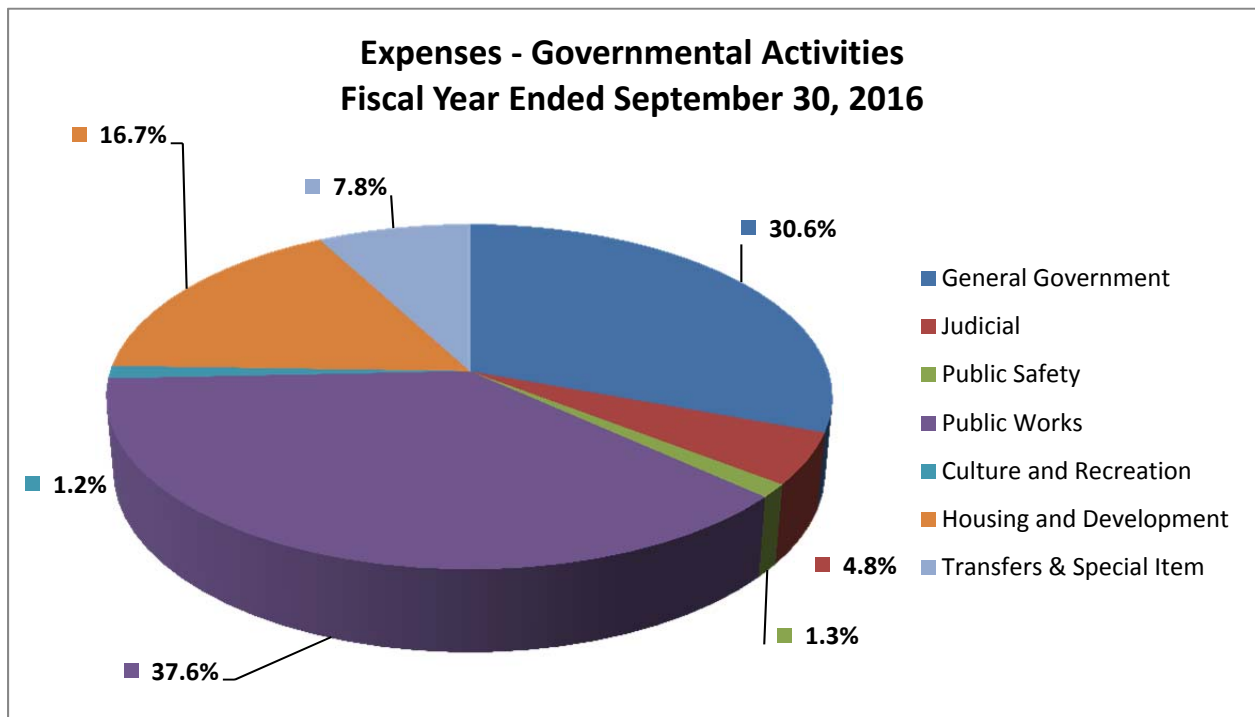
Following is a summary of the City's Statement of Activities as found on page 31 of this report.

Revenues	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Program revenues:						
Charges for services	\$ 298,940	\$ 446,324	\$ 5,547,208	\$ 4,977,852	\$ 5,846,148	\$ 5,424,176
Operating grants and contributions	22,739	146,117	0	0	22,739	146,117
Capital grants and contributions	513,564	595,234	0	0	513,564	595,234
General revenues:						
Property taxes	1,228,757	1,003,607	0	0	1,228,757	1,003,607
Sales taxes	784,700	800,988	0	0	784,700	800,988
Other taxes	1,413,996	1,346,032	0	0	1,413,996	1,346,032
Interest and investment earnings	15,280	5,176	8,991	95,800	24,271	100,976
Miscellaneous revenue	21,763	15,012	25,555	7,659	47,318	22,671
<b>Total revenues</b>	<b>4,299,739</b>	<b>4,358,490</b>	<b>5,581,754</b>	<b>5,081,311</b>	<b>9,881,493</b>	<b>9,439,801</b>
<b>Expenses</b>						
General government	1,179,559	1,121,681	0	0	1,179,559	1,121,681
Judicial	186,557	203,102	0	0	186,557	203,102
Public Safety	48,686	3,257	0	0	48,686	3,257
Public Works	1,448,891	1,018,991	0	0	1,448,891	1,018,991
Culture and Recreation	45,466	70,498	0	0	45,466	70,498
Housing and Development	642,001	570,761	0	0	642,001	570,761
Water and Sewage	0	0	5,129,529	5,747,593	5,129,529	5,747,593
Solid Waste	0	0	753,964	710,897	753,964	710,897
<b>Total expenses</b>	<b>3,551,160</b>	<b>2,988,290</b>	<b>5,883,493</b>	<b>6,458,490</b>	<b>9,434,653</b>	<b>9,446,780</b>
<b>Increase (decrease) in net position before transfers and special item</b>	<b>748,579</b>	<b>1,370,200</b>	<b>(301,739)</b>	<b>(1,377,179)</b>	<b>446,840</b>	<b>(6,979)</b>
Transfers and special item	(301,973)	(597,532)	205,779	597,532	(96,194)	0
<b>Increase (decrease) in net position</b>	<b>446,606</b>	<b>772,668</b>	<b>(95,960)</b>	<b>(779,647)</b>	<b>350,646</b>	<b>(6,979)</b>
<b>Net position - beginning (original)</b>	<b>9,957,406</b>	<b>9,713,813</b>	<b>11,946,261</b>	<b>13,328,597</b>	<b>21,903,667</b>	<b>23,042,410</b>
<b>Prior period adjustments</b>	<b>0</b>	<b>(529,075)</b>	<b>0</b>	<b>(602,689)</b>	<b>0</b>	<b>(1,131,764)</b>
<b>Net position - beginning (restated)</b>	<b>9,957,406</b>	<b>9,184,738</b>	<b>11,946,261</b>	<b>12,725,908</b>	<b>21,903,667</b>	<b>21,910,646</b>
<b>Net position - ending</b>	<b>\$ 10,404,012</b>	<b>\$ 9,957,406</b>	<b>\$ 11,850,301</b>	<b>\$ 11,946,261</b>	<b>\$ 22,254,313</b>	<b>\$ 21,903,667</b>

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



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





## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

### Governmental Funds

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

As of the close of the year, the City's governmental funds reported a combined ending fund balance of \$5,336,900, with \$63,366 reported as nonspendable, \$860,756 reported as restricted, \$1,554,321 reported as assigned, and the remaining amount of \$2,858,457 reported as unassigned.

The General Fund is the operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,858,457. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures for fiscal year 2016. Unassigned fund balance represents 101% of total General Fund expenditures. The net change in the General Fund's fund balance for the year ended September 30, 2016 was a decrease of \$138,458. The decrease is largely due to planned spending of unassigned fund balance in fiscal year 2017 for capital projects. The assignment to subsequent year's budget as of September 30, 2016, is \$476,128.

The 2014 SPLOST Fund is required by Georgia State law to account for the collection and expending of proceeds of a one percent Special Purpose Local Option Sales Tax. Of this one percent sales tax the City of Dahlonga receives 15.87%. The 2014 SPLOST fund generated revenues of \$498,132 and the fund balance at September

30, 2016 was \$855,515 as the City is accumulating 2014 SPLOST fund balance to continue to pay for improvements at the Wastewater Treatment Plant.

### Enterprise Funds

The Enterprise Funds are comprised of the Water and Sewage Fund and the Solid Waste Fund. The net change in the total Enterprise Funds' net position balance for the year ended September 30, 2016 was a decrease before transfers and special item of \$301,739 and after transfers and special item a decrease of 95,960. The special item presented is a result of a change in capitalization threshold. The total net position for the Enterprise Funds at the beginning of the fiscal year was \$11,946,261 and net position at the end of the fiscal year was \$11,850,301.

### BUDGETARY HIGHLIGHTS

The City revised the General Fund Budget at various times through the end of the fiscal year to reflect changes in estimated revenues and expenditures. Total amendments to the General Fund Budget increased revenues and other financing sources by approximately \$250,000 and increased expenditures and other financing uses by approximately \$437,000. The final budget reflected an anticipated \$195,269 use of prior fund balance with actual fund balance increasing by \$298,884.

### CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

At September 30, 2016, the City reported \$43,443,295 in capital assets net of accumulated depreciation. This is a decrease of \$1,447,121 or 3.2% under fiscal year 2015.

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 - 63 of this report.

At September 30, 2016, the City reported long-term debt of \$32,320,639 net of unamortized bond discounts. This is a decrease of \$838,163 or 2.5% under fiscal year 2015. Additional information about the City's long-term debt activity can be found in Note 9 in the Notes to the Financial Statements beginning on page 63 - 65.

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

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

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



# FINANCIAL SECTION

## BASIC FINANCIAL STATEMENTS

**CITY OF DAHLONEGA, GEORGIA**  
**STATEMENT OF NET POSITION**  
**September 30, 2016**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 5,061,882	\$ 1,761,688	\$ 6,823,570	\$ 76,719
Restricted assets				
Cash and cash equivalents	5,241	966,990	972,231	6,032
Receivables (net)				
Accounts	3,004	887,928	890,932	0
Taxes	1,362,221	0	1,362,221	0
Fines	43,191	0	43,191	0
Intergovernmental	86,558	0	86,558	0
Inventory	9,627	130,202	139,829	0
Prepaid items	53,739	255,381	309,120	9,042
Internal balances	54,118	(54,118)	0	0
	<u>6,679,581</u>	<u>3,948,071</u>	<u>10,627,652</u>	<u>91,793</u>
Total current assets				
<b>Noncurrent assets</b>				
Capital assets				
Non-depreciable	2,302,855	3,751,628	6,054,483	0
Depreciable (net)	3,259,955	34,128,857	37,388,812	0
	<u>5,562,810</u>	<u>37,880,485</u>	<u>43,443,295</u>	<u>0</u>
Total noncurrent assets				
<b>Total assets</b>	<u>12,242,391</u>	<u>41,828,556</u>	<u>54,070,947</u>	<u>91,793</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension contributions subsequent to measurement date	104,498	106,928	211,426	9,958
Pension investment return differences	113,658	131,374	245,032	11,205
Pension experience differences	63,190	73,040	136,230	6,230
Deferred charges on refunding	0	3,442,476	3,442,476	0
	<u>281,346</u>	<u>3,753,818</u>	<u>4,035,164</u>	<u>27,393</u>
Total deferred outflows of resources				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables				
Accounts	82,653	95,859	178,512	6,065
Intergovernmental	5,805	4,516	10,321	0
Interest	0	13,531	13,531	0
Accrued payroll liabilities	42,108	46,295	88,403	4,012
Compensated absences	37,898	70,073	107,971	3,876
Unearned revenue	0	85,000	85,000	0
Notes payable	0	123,613	123,613	0
Liabilities payable from restricted assets				
Interest payable	0	83,168	83,168	0
Customer deposits payable	0	183,729	183,729	0
Revenue bonds payable	0	620,000	620,000	0
	<u>168,464</u>	<u>1,325,784</u>	<u>1,494,248</u>	<u>13,953</u>
Total current liabilities				

**CITY OF DAHLONEGA, GEORGIA**  
**STATEMENT OF NET POSITION**  
**September 30, 2016**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<b>Noncurrent liabilities</b>				
Net pension liability	\$ 665,381	\$ 718,837	\$ 1,384,218	\$ 64,350
Compensated absences	10,074	18,627	28,701	1,031
Notes payable	0	5,288,837	5,288,837	0
Revenue bonds payable	0	26,288,189	26,288,189	0
<b>Total noncurrent liabilities</b>	<b>675,455</b>	<b>32,314,490</b>	<b>32,989,945</b>	<b>65,381</b>
<b>Total liabilities</b>	<b>843,919</b>	<b>33,640,274</b>	<b>34,484,193</b>	<b>79,334</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - property taxes	1,186,613	0	1,186,613	0
Pension assumption changes	11,869	12,216	24,085	1,132
Pension investment return differences	44,162	45,452	89,614	4,215
Pension experience differences	33,162	34,131	67,293	3,165
<b>Total deferred inflows of resources</b>	<b>1,275,806</b>	<b>91,799</b>	<b>1,367,605</b>	<b>8,512</b>
<b>NET POSITION</b>				
Net investment in capital assets	5,562,810	9,615,293	15,178,103	0
Restricted for:				
Service awards for citizens	5,241	0	5,241	0
Dahlonega 2000 operations	0	0	0	6,032
Capital outlay	855,515	0	855,515	0
Debt service	0	87,122	87,122	0
Unrestricted	3,980,446	2,147,886	6,128,332	25,308
<b>Total net position</b>	<b>\$ 10,404,012</b>	<b>\$ 11,850,301</b>	<b>\$ 22,254,313</b>	<b>\$ 31,340</b>



# CITY OF DAHLONEGA, GEORGIA

## STATEMENT OF ACTIVITIES

For the fiscal year ended September 30, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities					
General Government	\$ 1,179,559	\$ 103,745	\$ 3,000	\$ 0	\$ (1,072,814)
Judicial	186,557	93,033	0	0	(93,524)
Public Safety	48,686	0	0	0	(48,686)
Public Works	1,448,891	66,500	19,739	513,564	(849,088)
Culture and Recreation	45,466	0	0	0	(45,466)
Housing and Development	642,001	35,662	0	0	(606,339)
Total governmental activities	<u>3,551,160</u>	<u>298,940</u>	<u>22,739</u>	<u>513,564</u>	<u>(2,715,917)</u>
Business-type activities					
Water and Sewage	5,129,529	4,854,210	0	0	(275,319)
Solid Waste	753,964	692,998	0	0	(60,966)
Total business-type activities	<u>5,883,493</u>	<u>5,547,208</u>	<u>0</u>	<u>0</u>	<u>(336,285)</u>
Total primary government	<u>9,434,653</u>	<u>5,846,148</u>	<u>22,739</u>	<u>513,564</u>	<u>(3,052,202)</u>
<b>Component Unit</b>					
Downtown Development Authority					
Housing and Development	210,585	0	1,190	0	(209,395)
<b>Primary Government</b>					
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>	
<b>Change in net position</b>					
Net (expense) revenue	\$ (2,715,917)	\$ (336,285)	\$ (3,052,202)	\$ (209,395)	
General revenues					
Taxes					
Property	1,228,757	0	1,228,757	0	
Sales	784,700	0	784,700	0	
Franchise	542,288	0	542,288	0	
Insurance premium	302,046	0	302,046	0	
Intangibles	14,927	0	14,927	0	
Alcoholic beverage	198,166	0	198,166	0	
Occupational	120,042	0	120,042	0	
Hotel/Motel	227,188	0	227,188	0	
Other	9,339	0	9,339	0	
Payments from City of Dahlonega	0	0	0	181,160	
Investment income (loss)	15,280	8,991	24,271	396	
Gain on sale of assets	6,856	4,071	10,927	0	
Miscellaneous	14,907	21,484	36,391	27,861	
Special item - change in capitalization threshold	(25,150)	(71,044)	(96,194)	0	
Transfers	(276,823)	276,823	0	0	
Total general revenues special items and transfers	<u>3,162,523</u>	<u>240,325</u>	<u>3,402,848</u>	<u>209,417</u>	
Change in net position	446,606	(95,960)	350,646	22	
Net position - beginning	<u>9,957,406</u>	<u>11,946,261</u>	<u>21,903,667</u>	<u>31,318</u>	
Net position - ending	<u>\$ 10,404,012</u>	<u>\$ 11,850,301</u>	<u>\$ 22,254,313</u>	<u>\$ 31,340</u>	

**CITY OF DAHLONEGA, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2016**

	<u>General</u>	<u>2014 SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,930,783	\$ 780,254	\$ 350,845	\$ 5,061,882
Restricted cash and cash equivalents	5,241	0	0	5,241
Receivables (net)				
Accounts	3,004	0	0	3,004
Taxes	1,338,955	0	23,266	1,362,221
Fines	43,191	0	0	43,191
Intergovernmental	1,122	85,436	0	86,558
Due from other funds	82,230	0	0	82,230
Inventory	9,627	0	0	9,627
Prepaid items	53,739	0	0	53,739
<b>Total assets</b>	<b>\$ 5,467,892</b>	<b>\$ 865,690</b>	<b>\$ 374,111</b>	<b>\$ 6,707,693</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Payables				
Accounts	\$ 36,735	\$ 0	\$ 45,918	\$ 82,653
Intergovernmental	5,805	0	0	5,805
Accrued salaries and payroll expenses	42,108	0	0	42,108
Due to other funds	17,937	10,175	0	28,112
<b>Total liabilities</b>	<b>102,585</b>	<b>10,175</b>	<b>45,918</b>	<b>158,678</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	1,212,115	0	0	1,212,115
<b>Fund balances</b>				
Nonspendable:				
Inventory	9,627	0	0	9,627
Prepaid items	53,739	0	0	53,739
Restricted for:				
Service awards for citizens	5,241	0	0	5,241
Capital outlay	0	855,515	0	855,515
Assigned to:				
Capital outlay	100,000	0	328,193	428,193
City Hall construction	650,000	0	0	650,000
Subsequent year's budget	476,128	0	0	476,128
Unassigned	2,858,457	0	0	2,858,457
<b>Total fund balances</b>	<b>4,153,192</b>	<b>855,515</b>	<b>328,193</b>	<b>5,336,900</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 5,467,892</b>	<b>\$ 865,690</b>	<b>\$ 374,111</b>	<b>\$ 6,707,693</b>

**CITY OF DAHLONEGA, GEORGIA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
**September 30, 2016**

**Total fund balance - total governmental funds** \$ 5,336,900

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

Capital assets of \$8,821,626, net of accumulated depreciation of (\$3,258,816), are not financial resources and, therefore, are not reported in the funds. 5,562,810

Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the funds. These include unavailable property taxes of \$25,502. 25,502

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

Deferred outflows of resources:

Pension contributions subsequent to measurement date \$ 104,498

Pension investment return differences 113,658

Pension experience differences 63,190

Deferred inflows of resources:

Pension assumption changes (11,869)

Pension investment return differences (44,162)

Pension experience differences (33,162) 192,153

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

These are compensated absences of (\$47,972) and net pension liability of (\$665,381). (713,353)

Net position of governmental activities \$ 10,404,012

**CITY OF DAHLONEGA, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the fiscal year ended September 30, 2016**

	General	2014 SPLOST	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>				
Taxes	\$ 3,198,809	\$ 0	\$ 227,188	\$ 3,425,997
Licenses and permits	139,407	0	0	139,407
Fines, fees and forfeitures	93,033	0	0	93,033
Charges for services	66,500	0	0	66,500
Intergovernmental	33,239	498,132	3,000	534,371
Interest	15,280	1,931	0	17,211
Other	14,906	0	0	14,906
<b>Total revenues</b>	<b>3,561,174</b>	<b>500,063</b>	<b>230,188</b>	<b>4,291,425</b>
<b>EXPENDITURES</b>				
Current				
General Government	1,141,022	0	3,725	1,144,747
Judicial	186,303	0	0	186,303
Public Safety	48,685	0	0	48,685
Public Works	1,013,774	0	0	1,013,774
Culture and Recreation	32,190	0	0	32,190
Housing and Development	411,562	0	227,188	638,750
Capital outlay	0	0	275,970	275,970
<b>Total expenditures</b>	<b>2,833,536</b>	<b>0</b>	<b>506,883</b>	<b>3,340,419</b>
Excess (deficiency) of revenues over (under) expenditures	727,638	500,063	(276,695)	951,006
Other financing sources (uses)				
Transfers in	0	0	201,319	201,319
Transfers out	(390,847)	(87,295)	0	(478,142)
Proceeds from sale of capital assets	7,814	0	0	7,814
<b>Total other financing sources (uses)</b>	<b>(383,033)</b>	<b>(87,295)</b>	<b>201,319</b>	<b>(269,009)</b>
Net change in fund balances	344,605	412,768	(75,376)	681,997
Fund balances, October 1	3,808,587	442,747	403,569	4,654,903
<b>Fund balances, September 30</b>	<b>\$ 4,153,192</b>	<b>\$ 855,515</b>	<b>\$ 328,193</b>	<b>\$ 5,336,900</b>

**CITY OF DAHLONEGA, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the fiscal year ended September 30, 2016**

**Net change in fund balances - total governmental funds** \$ 681,997

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$221,829 exceed depreciation of (\$302,130) in the current period. (80,301)

In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources. This is the amount by which the cost of disposed assets (\$180,184) exceeded related accumulated depreciation \$42,974. (137,210)

Governmental funds report capital outlays as expenditures, therefore the removal of capital assets resulting from a change in capitalization threshold is not reported in governmental funds. This is the amount by which the cost of assets disposed resulting from change in capitalization threshold (\$158,760) exceeded related accumulated depreciation \$133,610. (25,150)

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. 1,457

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This the amount by which pension contributions of \$113,528 exceed the cost of benefits earned net of employee contributions of (\$91,916). 21,612

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. (15,799)

Change in net position of governmental activities \$ 446,606

**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, 2016**

	Budget		Actual	Variance with
	Original	Final		Final Budget
<b>REVENUES</b>				
Taxes	\$ 2,970,773	\$ 3,173,559	\$ 3,198,809	\$ 25,250
Licenses and permits	144,700	137,500	139,407	1,907
Fines, fees and forfeitures	121,000	130,000	93,033	(36,967)
Charges for services	37,000	61,000	66,500	5,500
Intergovernmental	18,600	25,700	33,239	7,539
Interest	4,000	13,000	15,280	2,280
Other	5,620	11,120	14,906	3,786
<b>Total revenues</b>	<b>3,301,693</b>	<b>3,551,879</b>	<b>3,561,174</b>	<b>9,295</b>
<b>EXPENDITURES</b>				
Current				
General Government				
Legislative	196,180	176,360	172,751	3,609
Executive	375,850	246,060	210,314	35,746
Elections	6,750	15,450	8,645	6,805
General Administration	694,451	769,311	749,312	19,999
Judicial				
Municipal Court	182,620	188,960	186,303	2,657
Public Safety				
Law Enforcement	0	48,800	48,685	115
Public Works				
Street Construction	872,320	912,627	873,929	38,698
Shop Department	79,690	84,560	83,908	652
Cemetery	55,540	58,780	55,937	2,843
Culture and Recreation				
Parks	49,170	49,170	32,190	16,980
Housing and Development				
Building Inspections	241,125	234,525	230,402	4,123
Downtown Development Authority	157,150	181,160	181,160	0
<b>Total expenditures</b>	<b>2,910,846</b>	<b>2,965,763</b>	<b>2,833,536</b>	<b>132,227</b>
Excess (deficiency) of revenues over (under) expenditures	390,847	586,116	727,638	141,522
Other financing sources (uses)				
Transfers out	(390,847)	(390,847)	(390,847)	0
Proceeds from sale of capital assets	0	0	7,814	7,814
<b>Total other financing sources (uses)</b>	<b>(390,847)</b>	<b>(390,847)</b>	<b>(383,033)</b>	<b>7,814</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	195,269	344,605	149,336
Fund balances, October 1	0	(195,269)	3,808,587	4,003,856
<b>Fund balances, September 30</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,153,192</b>	<b>\$ 4,153,192</b>

**CITY OF DAHLONEGA, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**September 30, 2016**

	Water and Sewage	Solid Waste	Totals
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 1,718,371	\$ 43,317	\$ 1,761,688
Restricted assets			
Cash and cash equivalents	966,990	0	966,990
Accounts receivable (net)	768,659	119,269	887,928
Due from other funds	28,112	1,126	29,238
Inventory	130,202	0	130,202
Prepaid items	236,186	19,195	255,381
Total current assets	<u>3,848,520</u>	<u>182,907</u>	<u>4,031,427</u>
<b>Noncurrent assets</b>			
Capital assets			
Non-depreciable	3,751,628	0	3,751,628
Depreciable (net)	33,675,921	452,936	34,128,857
Total noncurrent assets	<u>37,427,549</u>	<u>452,936</u>	<u>37,880,485</u>
<b>Total assets</b>	<u>41,276,069</u>	<u>635,843</u>	<u>41,911,912</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension contributions subsequent to measurement date	80,430	26,498	106,928
Pension investment return differences	97,170	34,204	131,374
Pension experience differences	54,024	19,016	73,040
Deferred charges on refunding	3,442,476	0	3,442,476
Total deferred outflows of resources	<u>3,674,100</u>	<u>79,718</u>	<u>3,753,818</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables			
Accounts	89,999	5,860	95,859
Intergovernmental	4,516	0	4,516
Interest	13,531	0	13,531
Accrued salaries and payroll expenses	34,989	11,306	46,295
Compensated absences	56,336	13,737	70,073
Due to other funds	1,126	82,230	83,356
Unearned revenue	85,000	0	85,000
Notes payable	123,613	0	123,613
Liabilities payable from restricted assets:			
Interest payable	83,168	0	83,168
Customer deposits payable	183,729	0	183,729
Revenue bonds payable	620,000	0	620,000
Total current liabilities	<u>1,296,007</u>	<u>113,133</u>	<u>1,409,140</u>
<b>Noncurrent liabilities</b>			
Net pension liability	536,547	182,290	718,837
Compensated absences	14,976	3,651	18,627
Notes payable	5,288,837	0	5,288,837
Revenue bonds payable	26,288,189	0	26,288,189
Total noncurrent liabilities	<u>32,128,549</u>	<u>185,941</u>	<u>32,314,490</u>
<b>Total liabilities</b>	<u>33,424,556</u>	<u>299,074</u>	<u>33,723,630</u>



**CITY OF DAHLONEGA, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**September 30, 2016**

	<u>Water and Sewage</u>	<u>Solid Waste</u>	<u>Totals</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension assumption changes	\$ 9,181	\$ 3,035	\$ 12,216
Pension investment return differences	34,160	11,292	45,452
Pension experience differences	25,651	8,480	34,131
<b>Total deferred inflows of resources</b>	<u>68,992</u>	<u>22,807</u>	<u>91,799</u>
<b>NET POSITION</b>			
Net investment in capital assets	9,162,357	452,936	9,615,293
Restricted for debt service	87,122	0	87,122
Unrestricted	2,207,142	(59,256)	2,147,886
<b>Total net position</b>	<u>\$ 11,456,621</u>	<u>\$ 393,680</u>	<u>\$ 11,850,301</u>

**CITY OF DAHLONEGA, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended September 30, 2016**

	Water and Sewage	Solid Waste	Totals
<b>OPERATING REVENUES</b>			
Charges for sales and services	\$ 4,854,210	\$ 692,998	\$ 5,547,208
Other	20,104	1,380	21,484
<b>Total operating revenues</b>	<b>4,874,314</b>	<b>694,378</b>	<b>5,568,692</b>
<b>OPERATING EXPENSES</b>			
Costs of sales and services	1,138,931	239,729	1,378,660
Personal services	1,109,259	440,005	1,549,264
Depreciation	1,669,788	74,230	1,744,018
<b>Total operating expenses</b>	<b>3,917,978</b>	<b>753,964</b>	<b>4,671,942</b>
Operating income (loss)	956,336	(59,586)	896,750
Non-operating revenues (expenses)			
Interest revenue	8,800	191	8,991
Interest expense	(1,209,857)	0	(1,209,857)
Gain (loss) on sale of capital assets	(1,694)	4,071	2,377
<b>Total non-operating revenues (expenses)</b>	<b>(1,202,751)</b>	<b>4,262</b>	<b>(1,198,489)</b>
Income (loss) before transfers and special items	(246,415)	(55,324)	(301,739)
Special item - change in capitalization threshold	(71,044)	0	(71,044)
Transfers in (out)			
Transfers in	276,823	0	276,823
Change in net position	(40,636)	(55,324)	(95,960)
Net position -beginning	11,497,257	449,004	11,946,261
Net position - ending	\$ 11,456,621	\$ 393,680	\$ 11,850,301

**CITY OF DAHLONEGA, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended September 30, 2016**

	Water and Sewage	Solid Waste	Totals
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$ 4,546,570	\$ 668,564	\$ 5,215,134
Payments to suppliers	(1,100,083)	(237,948)	(1,338,031)
Payments to employees	(1,104,080)	(439,233)	(1,543,313)
Other receipts	20,104	1,380	21,484
Net cash provided (used) by operating activities	<u>2,362,511</u>	<u>(7,237)</u>	<u>2,355,274</u>
<b>Cash flows from non-capital financing activities:</b>			
Receipts from other funds	221,356	76,782	298,138
Payments to other funds	(5,164)	(1,126)	(6,290)
Net cash provided (used) by non-capital financing activities	<u>216,192</u>	<u>75,656</u>	<u>291,848</u>
<b>Cash flows from capital and related financing activities:</b>			
Receipts from other funds	87,295	0	87,295
Payments for acquisitions of capital assets	(511,764)	(110,042)	(621,806)
Proceeds from the sale of capital assets	9,510	4,071	13,581
Principal payments - revenue bonds	(690,000)	0	(690,000)
Principal payments - promissory notes	(119,964)	0	(119,964)
Interest paid	(1,106,523)	0	(1,106,523)
Net cash provided (used) by capital and related financing activities	<u>(2,331,446)</u>	<u>(105,971)</u>	<u>(2,437,417)</u>
<b>Cash flows from investing activities:</b>			
Interest received	8,800	191	8,991
Net increase (decrease) in cash and cash equivalents	256,057	(37,361)	218,696
Cash and cash equivalents, October 1	<u>2,429,304</u>	<u>80,678</u>	<u>2,509,982</u>
<b>Cash and cash equivalents, September 30</b>	<u><u>\$ 2,685,361</u></u>	<u><u>\$ 43,317</u></u>	<u><u>\$ 2,728,678</u></u>

**CITY OF DAHLONEGA, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended September 30, 2016**

	<u>Water and Sewage</u>	<u>Solid Waste</u>	<u>Totals</u>
<b>Reconciliation of operating income (loss) to net cash cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 956,336	\$ (59,586)	\$ 896,750
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	1,669,788	74,230	1,744,018
(Increase) decrease in accounts receivable	(254,089)	(24,434)	(278,523)
(Increase) decrease in inventory	(14,149)	0	(14,149)
(Increase) decrease in prepaid items	3,107	(3,733)	(626)
(Increase) decrease in pension contributions subsequent to measurement date	33,584	11,822	45,406
(Increase) decrease in pension investment return differences	(97,170)	(34,204)	(131,374)
(Increase) decrease in pension experience differences	(54,024)	(19,016)	(73,040)
Increase (decrease) in accounts payable	49,408	5,514	54,922
Increase (decrease) in intergovernmental payable	482	0	482
Increase (decrease) in payroll liabilities	23,655	7,275	30,930
Increase (decrease) in net pension liability	123,088	43,327	166,415
Increase (decrease) in pension assumption changes	(3,188)	(1,122)	(4,310)
Increase (decrease) in pension investment return differences	(11,860)	(4,175)	(16,035)
Increase (decrease) in pension experience differences	(8,906)	(3,135)	(12,041)
Increase (decrease) in deposits payable	6,449	0	6,449
Increase (decrease) in unearned revenue	(60,000)	0	(60,000)
Total adjustments	<u>1,406,175</u>	<u>52,349</u>	<u>1,458,524</u>
Net cash provided (used) by operating activities	<u>\$ 2,362,511</u>	<u>\$ (7,237)</u>	<u>\$ 2,355,274</u>
<b>Cash and cash equivalents reconciliation:</b>			
Cash and cash equivalents	\$ 1,718,371	\$ 43,317	\$ 1,761,688
Restricted assets			
Cash and cash equivalents	<u>966,990</u>	<u>0</u>	<u>966,990</u>
Total cash and cash equivalents	<u>\$ 2,685,361</u>	<u>\$ 43,317</u>	<u>\$ 2,728,678</u>

# NOTES TO THE FINANCIAL STATEMENTS

# CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS

## SEPTEMBER 30, 2016

### 1. DESCRIPTION OF GOVERNMENT UNIT

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

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### B. Reporting Entity

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

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

**B. Reporting Entity, continued**

**City of Dahlonega Downtown Development Authority**

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

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

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

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

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

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



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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

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

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

**Governmental Fund Types**

Additionally, the City reports the following fund types:

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

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

**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).

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

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

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

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

**Component Unit, 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. Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

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

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

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

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

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

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

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

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

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

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

**F. Revenues and Expenditures/Expenses**

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

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

**G. Budgets and Budgetary Accounting**

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

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

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

**G. Budgets and Budgetary Accounting, continued**

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

The legal level of budgetary control is the departmental level. Any increases in total appropriations of a department require approval and amendment of the budget by the City Council. Except as indicated on the major fund budgetary comparison statement, budget amounts included in this report are as amended as of September 30, 2016.

**H. Cash and Investments**

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

**I. Intergovernmental Receivables**

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

**J. Inventories**

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



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

**K. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond September 30, 2016 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.

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

**L. Capital Assets, continued**

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

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

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

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

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

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

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

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

**N. Net Position Flow Assumption**

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

**O. Fund Balance Flow Assumption**

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

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

### P. Restricted Assets and Restricted Net Position

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

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

### Q. Fund Balances of Governmental Funds

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

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

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

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

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

**Q. Fund Balances of Governmental Funds, continued**

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

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

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

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

**Q. Fund Balances of Governmental Funds, continued**

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

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

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

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

**R. Compensation for Future Absences**

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

**S. Long-Term Obligations**

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

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

**T. Capital Contributions**

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



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

**U. Comparative Data and Reclassifications**

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain 2015 amounts have been reclassified to conform with the 2016 presentation.

**3. DEPOSIT AND INVESTMENT RISK**

**Custodial Credit Risk – Deposits**

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

**Investment Policies**

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

**Credit Risk**

At September 30, 2016, 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, 2016**

**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, 2016 consist of the following:

<b>Major Funds</b>	
General Fund	\$ 3,004
Enterprise Funds	
Water and Sewage	825,402
Less: Allowances for Uncollectibles	(56,743)
Solid Waste	127,927
Less: Allowances for Uncollectibles	<u>(8,658)</u>
 Total Primary Government	 <u><u>\$ 890,932</u></u>

**5. INTERGOVERNMENTAL RECEIVABLES**

Intergovernmental receivables at September 30, 2016 consist of the following:

<b>Major Funds</b>	
General Fund	
Dahlonega Housing Authority	\$ 1,122
 SPLOST Capital Projects Fund	
Lumpkin County Board of Commissioners	<u>85,436</u>
 Total Primary Government	 <u><u>\$ 86,558</u></u>

**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**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 2015, based upon the assessments of January 1, 2015, were levied on September 17, 2015, billed on October 1, 2015, and due on December 1, 2015. Taxes were delinquent and subject to liens on December 2, 2015.

Property taxes for digest year 2016, based upon the assessments of January 1, 2016, were levied on September 20, 2016, billed on October 5, 2016, and due on December 5, 2016. Taxes were delinquent and subject to liens on December 6, 2016. The property taxes for digest year 2016 are for the 2017 budget and unavailable for fiscal year 2016.

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

A summary of interfund receivables and payables as of September 30, 2016 is as follows:

<u>Due To:</u>	<u>Due From:</u>	<u>Amount</u>
General	Solid Waste	\$ 82,230
Water and Sewage	General	17,937
	2014 SPLOST	10,175
Solid Waste	Water and Sewage	1,126
		<u>\$ 111,468</u>

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

**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

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

A summary of interfund transfers as of September 30, 2016 is as follows:

	<b>Transfers out:</b>		
	<b>Major Funds</b>		
	<b>General</b>	<b>2014 SPLOST</b>	<b>Total</b>
<b>Transfers in:</b>			
<b>Major Funds</b>			
Water and Sewage	\$ 189,528	\$ 87,295	\$ 276,823
<b>Nonmajor Funds</b>			
Streetscape	150,000	0	150,000
General Government	51,319	0	51,319
<b>Total</b>	<b>\$ 390,847</b>	<b>\$ 87,295</b>	<b>\$ 478,142</b>

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, 2016**

**8. CAPITAL ASSETS**

Capital asset activity for the primary government for the year ended September 30, 2016 was as follows:

	<u>Balance 9/30/2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 9/30/2016</u>
<b>Governmental activities</b>				
Non-depreciable assets				
Land	\$ 2,206,762	\$ 96,093	\$ 0	\$ 2,302,855
Construction in progress	158,445	0	(158,445)	0
Total non-depreciable assets	<u>2,365,207</u>	<u>96,093</u>	<u>(158,445)</u>	<u>2,302,855</u>
Depreciable assets				
Buildings and improvements	2,035,818	0	0	2,035,818
Equipment	1,197,252	24,497	(179,403)	1,042,346
Infrastructure	3,340,464	123,432	(23,289)	3,440,607
Total depreciable assets	<u>6,573,534</u>	<u>147,929</u>	<u>(202,692)</u>	<u>6,518,771</u>
Accumulated depreciation				
Buildings and improvements	(1,124,831)	(60,009)	0	(1,184,840)
Equipment	(786,319)	(86,264)	156,534	(716,049)
Infrastructure	(1,222,120)	(155,857)	20,050	(1,357,927)
Total accumulated depreciation	<u>(3,133,270)</u>	<u>(302,130)</u>	<u>176,584</u>	<u>(3,258,816)</u>
Total depreciable assets, net	<u>3,440,264</u>	<u>(154,201)</u>	<u>(26,108)</u>	<u>3,259,955</u>
Governmental activities capital assets, net	<u>\$ 5,805,471</u>	<u>\$ (58,108)</u>	<u>\$ (184,553)</u>	<u>\$ 5,562,810</u>
<b>Business-type activities</b>				
Non-depreciable assets				
Land	\$ 3,333,139	\$ 0	\$ 0	\$ 3,333,139
Construction in progress	313,240	418,489	(313,240)	418,489
Total Non-depreciable assets	<u>3,646,379</u>	<u>418,489</u>	<u>(313,240)</u>	<u>3,751,628</u>
Depreciable assets				
Buildings	22,502,653	6,000	0	22,508,653
Improvements	3,856,423	0	(5,761)	3,850,662
Equipment and vehicles	6,026,506	199,446	(452,367)	5,773,585
Water and sewer infrastructure	20,987,325	311,111	(13,700)	21,284,736
Total depreciable assets	<u>53,372,907</u>	<u>516,557</u>	<u>(471,828)</u>	<u>53,417,636</u>
Accumulated depreciation				
Buildings	(4,531,914)	(741,800)	0	(5,273,714)
Improvements	(1,755,461)	(101,055)	2,017	(1,854,499)
Equipment and vehicles	(4,383,509)	(276,399)	384,743	(4,275,165)
Water and sewer infrastructure	(7,263,457)	(624,764)	2,820	(7,885,401)
Total accumulated depreciation	<u>(17,934,341)</u>	<u>(1,744,018)</u>	<u>389,580</u>	<u>(19,288,779)</u>
Total depreciable assets, net	<u>35,438,566</u>	<u>(1,227,461)</u>	<u>(82,248)</u>	<u>34,128,857</u>
Business-type activities capital assets, net	<u>\$ 39,084,945</u>	<u>\$ (808,972)</u>	<u>\$ (395,488)</u>	<u>\$ 37,880,485</u>

Decreases in construction in progress for governmental activities consist of projects placed in service in the amount of \$22,193 and projects abandoned in the amount of \$136,252.

**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**8. CAPITAL ASSETS (CONTINUED)**

During the fiscal year ended September 30, 2016, the City increased its capitalization threshold from \$2,000 to \$5,000. All items with an initial, individual cost between these two thresholds have been removed and are reflected above as decreases. The net difference between cost and accumulated depreciation is reported in the Statement of Activities as a special item.

Depreciation expense was charged to functions/programs as follows:

**Primary Government**

**Governmental activities**

General Government	\$ 53,122
Public Works	223,686
Culture and Recreation	20,276
Housing and Development	<u>5,046</u>

Total depreciation expense for governmental activities \$ 302,130

**Business-type activities**

Water and Sewage	\$ 1,669,788
Solid Waste	<u>74,230</u>

Total depreciation expense for business-type activities \$ 1,744,018

**9. LONG-TERM DEBT**

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

**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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

**Revenue Bonds**

Revenue bonds have been issued for business-type activities and are comprised of the following individual issues at September 30, 2016:

- \$26,865,000 – Series 2015 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. The bonds are secured by sales tax proceeds and then from the levy of property tax. As of September 30, 2016, the bonds had an outstanding balance of \$26,175,000.

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

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 620,000	\$ 998,018	\$ 1,618,018
2018	640,000	979,418	1,619,418
2019	660,000	960,218	1,620,218
2020	680,000	940,418	1,620,418
2021	700,000	913,218	1,613,218
2022-2026	4,010,000	4,081,788	8,091,788
2027-2031	4,755,000	3,344,573	8,099,573
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	62,197	1,617,197
Totals	<u>\$ 26,175,000</u>	<u>\$ 15,912,023</u>	<u>\$ 42,087,023</u>

**Notes Payable**

The City has entered into an agreement with the Georgia Environmental Facilities Authority for land and construction of a reservoir, in the original amount of \$6,433,843. At September 30, 2016, the balance of this note is \$5,412,450. Monthly installments of principal and interest are due through January 1, 2045; interest at 3.00%. The payments for this note payable are currently funded through transfers from the General Fund.



**CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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

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

Year Ending September 30,	Principal	Interest	Total
2017	\$ 123,613	\$ 160,683	\$ 284,296
2018	127,372	156,923	284,295
2019	131,247	153,049	284,296
2020	135,239	149,057	284,296
2021	139,352	144,944	284,296
2022-2026	762,975	658,503	1,421,478
2027-2031	886,285	535,193	1,421,478
2032-2036	1,029,524	391,954	1,421,478
2037-2041	1,195,912	225,566	1,421,478
2042-2045	880,931	44,832	925,763
Totals	<u>\$ 5,412,450</u>	<u>\$ 2,620,704</u>	<u>\$ 8,033,154</u>

**Changes in Long-Term Debt**

The following is a summary of changes in long-term debt of the City for the year ended September 30, 2016:

	Balance 9/30/2015	Additions	Deductions	Balance 9/30/2016	Due Within One Year
<b>Governmental activities</b>					
Compensated absences	\$ 32,173	\$ 47,972	\$ 32,173	\$ 47,972	\$ 37,898
<b>Business-type activities</b>					
Notes payable	\$ 5,532,414	\$ 0	\$ 119,964	\$ 5,412,450	\$ 123,613
Revenue Refunding Bonds	26,865,000	0	690,000	26,175,000	620,000
Unamortized bond premium	761,388	0	28,199	733,189	0
Compensated absences	78,002	88,700	78,002	88,700	70,073
Total business-type activities	<u>\$ 33,236,804</u>	<u>\$ 88,700</u>	<u>\$ 916,165</u>	<u>\$ 32,409,339</u>	<u>\$ 813,686</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, 2016 was \$1,209,857 for business-type activities.

## **10. PENSION PLAN**

*Plan Description.* The City is a participating member of the Georgia Municipal Employees Benefit System (GMEBS), a state-wide agent, multiple-employer retirement system, administered by the Georgia Municipal Association. This is a defined benefit pension plan, which provides retirement, disability and death benefits to plan members and beneficiaries. The City has established provisions, which assign the authority to the City Council members to establish and amend the benefit provisions of the plan. The City elected to participate in GMEBS as of May 1, 1973, as a result of City Ordinance and a contract between the City and GMA. The Plan's assets may be used only for the payment of benefits to the members of the Plan, in accordance with the terms of the Plan. See Note 2 – Summary of Significant Accounting Policies for reporting of investments. All City employees who work a minimum of forty hours per week are eligible to participate in the Plan after completing one year of service. Mayor and Council are eligible immediately. 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, 2016**

**10. PENSION PLAN (CONTINUED)**

At January 1, 2016, the date of the most recent actuarial valuation, there were 86 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	28
Terminated vested participants entitled to but not yet receiving benefits	13
Active participants	45
Total number of participants	86

*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. Members with thirty years of total service are eligible to retire at age 62 with no reduction in benefit. Officials 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 1.25% - 1.75% with a ten year vesting schedule for terminations on or after July 1, 2001. The benefit formula is 1.00% - 1.75% with a ten year vesting schedule for terminations prior to July 1, 2001.

*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, 2016 was \$278,905, or 16.87% of covered employee payroll.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* At September 30, 2016, the City and Component Unit reported a net pension liability of \$1,448,568. The net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2016. For the fiscal year ended September 30, 2016, the City and Component Unit recognized pension expense of \$207,224.

**CITY OF DAHLONEGA - NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**10. PENSION PLAN (CONTINUED)**

At September 30, 2016, the City and Component Unit reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 142,460	\$ (70,458)
Changes of assumptions	0	(25,217)
Net difference between projected and actual earnings on pension plan investments	256,237	(93,829)
City contributions subsequent to the measurement date	221,384	0
Totals	<u>\$ 620,081</u>	<u>\$ (189,504)</u>

The \$221,384 of deferred outflows of resources resulting from the City's and Component Unit's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the fiscal year ending September 30, 2017. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

<b>Year Ending September 30</b>	<b>Deferred (Inflows) Outflows of Resources</b>
2017	\$ 36,506
2018	36,506
2019	36,506
2020	99,675
Totals	<u>\$ 209,193</u>

*Actuarial Assumptions.* The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Projected salary increases	3.25% plus service based merit increases
Cost of living adjustments	2.00%
Net investment rate of return	7.75%

**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**10. PENSION PLAN (CONTINUED)**

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

The mortality and economic actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through June 30, 2014.

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Long-Term Nominal Real Rate of Return</u>
Domestic equity	50%	5.95%	9.20%
International equity	15%	6.45%	9.70%
Fixed income	25%	1.55%	4.80%
Real estate	10%	3.75%	7.00%
Cash	0%		
Total	<u>100%</u>		

*Discount Rate.* The discount rate used to measure the total pension liability was 7.75 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, 2016**

**10. PENSION PLAN (CONTINUED)**

*Changes in Net Pension Liability (Asset)*

	<b>Total Pension Liability (Asset)</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability (Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances at 9/30/2014</b>	\$ 5,914,878	\$ 4,790,891	\$ 1,123,987
<b>Changes for the year:</b>			
Service cost	85,386	0	85,386
Interest	446,617	0	446,617
Differences between expected and actual experience	178,075	0	178,075
Contributions – employer	0	344,506	(344,506)
Net investment income	0	52,151	(52,151)
Benefit payments, including refunds of employee contributions	(304,165)	(304,165)	0
Administrative expense	0	(10,646)	10,646
Other changes	514	0	514
<b>Net changes</b>	<b>406,427</b>	<b>81,846</b>	<b>324,581</b>
<b>Balances at 9/30/2015</b>	<b>\$ 6,321,305</b>	<b>\$ 4,872,737</b>	<b>\$ 1,448,568</b>

*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 (6.75 percent) or one percentage-point higher (8.75 percent) than the current rate:

	<b>Discount Rate</b>	<b>Net Pension Liabilty (Asset)</b>
1% decrease	6.75%	\$ 2,286,047
Current discount rate	7.75%	1,448,568
1% increase	8.75%	752,092

*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.

**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**11. DEFERRED COMPENSATION PLANS**

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

The City has no fiduciary relationship with the Plans, and Plan assets are not available to the City or its general creditors. The Plan assets are held in trust by the administrators for the exclusive benefit of the participants of the Plans. During fiscal year 2016, plan members made voluntary contributions of \$44,194. Beginning January 1, 2014, the City no longer contributes to any of the deferred compensation plans.

**12. HOTEL/MOTEL LODGING TAX**

The City has levied a 5% 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, 2016 follows:

Lodging Tax Receipts	\$227,188
Disbursements to the Dahlonega - Lumpkin County Chamber of Commerce	\$227,188 100% of tax receipts



**CITY OF DAHLONEGA – NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**13. JOINT VENTURES**

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During its fiscal year ended September 30, 2016, the City paid \$6,733 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from Georgia Mountains Regional Commission, PO Box 1720, Gainesville, GA 30503.

On March 6, 1998, the City of Dahlonega, Georgia (City), Lumpkin County (County) and the Lumpkin County Water and Sewage Authority (Authority) formed a joint authority to construct a reservoir. The City and County have signed an agreement to each own 54% and 46% undivided interest in the reservoir assets, respectively. The responsibility of constructing the reservoir and liability for the debt was divided between the City (47.59%), the County (52.41%) and the Authority (0%). A Georgia Environmental Facilities Authority note for which the City and County will be responsible for based on the preceding debt percentages originally funded the project. The City has been paying principal and interest payments based on their percentage of 47.59% during fiscal year 2016. Separate financial statements are not issued for this joint venture.

**14. RELATED ORGANIZATIONS**

The Housing Authority of the City of Dahlonega is considered a related organization to the City of Dahlonega. The City appoints members to the Authority, but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Dahlonega. The City received \$1,093 as payment-in-lieu-of-taxes for 2016. Separate financial statements may be obtained from Housing Authority of the City of Dahlonega, 90 Thompson Circle, Dahlonega, GA 30553.

**15. RISK MANAGEMENT**

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

**15. RISK MANAGEMENT (CONTINUED)**

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, 2016, the City has no losses that are probable or estimable and accordingly has not recognized any liability.

**16. 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.

# 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, 2016**  
**(Unaudited)**

	<u>Fiscal</u> <u>Year End</u>	<u>Fiscal</u> <u>Year End</u>
	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>		
Service cost	\$ 85,386	\$ 96,910
Interest	446,617	439,359
Differences between expected and actual experience	178,075	(117,428)
Benefit payments, including refunds of employee contributions	(304,165)	(262,175)
Other	514	(42,028)
	<hr/>	<hr/>
Net change in total pension liability	406,427	114,638
	<hr/>	<hr/>
Total pension liability - beginning	5,914,878	5,800,240
	<hr/>	<hr/>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 6,321,305</u></u>	<u><u>\$ 5,914,878</u></u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 344,506	\$ 329,784
Net investment income	52,151	487,596
Benefit payments, including refunds of employee contributions	(304,165)	(262,175)
Administrative expense	(10,646)	(8,507)
	<hr/>	<hr/>
Net change in total pension liability	81,846	546,698
	<hr/>	<hr/>
Plan fiduciary net position - beginning	4,790,891	4,244,193
	<hr/>	<hr/>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 4,872,737</u></u>	<u><u>\$ 4,790,891</u></u>
<b>Net pension liability (asset) - ending : (a) - (b)</b>	<u><u>\$ 1,448,568</u></u>	<u><u>\$ 1,123,987</u></u>
Plan's fiduciary net position as a percentage of the total pension liability	77.08%	81.00%
Covered-employee payroll	\$ 1,653,134	\$ 1,320,011
Net pension liability as a percentage of covered-employee payroll	87.63%	85.15%

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

**CITY OF DAHLONEGA, GEORGIA**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**September 30, 2016**  
**(Unaudited)**

	<u>Fiscal Year End</u>	<u>Fiscal Year End</u>
	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 278,905	\$ 255,944
Contributions in relation to the actuarially determined contribution	<u>(278,905)</u>	<u>(255,944)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 1,653,134	\$ 1,320,011
Contributions as a percentage of covered-employee payroll	16.87%	19.39%

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

**CITY OF DAHLONEGA – NOTES TO THE REQUIRED SUPPLEMENTARY  
INFORMATION  
SEPTEMBER 30, 2016**

**1. VALUATION DATE**

The actuarially determined contribution rate was determined as of September 30, 2015, 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, 2016.

**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 30 years

Asset valuation method = Smoothed market value with a 5-year smoothing period.

Net investment rate of return = 7.75%

Projected salary increases = 3.25% per year with age based scale

Cost of living adjustments = 2.00%

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and on year for females. Disabled mortality rates were based on the Social Security Administration standard rate.

**CITY OF DAHLONEGA – NOTES TO THE REQUIRED SUPPLEMENTARY  
INFORMATION  
SEPTEMBER 30, 2016**

**3. CHANGES IN BENEFITS**

Effective May 19, 2015, the Plan was amended to change the Normal Retirement Age for the City Manager from 65 with 5 years of service to age 65 and to provide immediate vesting for the City Manager. January 1, 2015, the Plan was amended to provide for immediate participation for employees. This change had no impact on service credited under the Plan and has no impact on benefits

**4. CHANGES OF ASSUMPTIONS**

There have been no substantive changes since the last actuarial valuation.





# COMBINING STATEMENTS

## NONMAJOR GOVERNMENTAL FUNDS

**CITY OF DAHLONEGA, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**September 30, 2016**

	Special Revenue		Capital Projects		Total Nonmajor Governmental Funds
	Multiple Grant	Hotel/Motel Tax	Streetscape	General Government	
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 117	\$ 22,535	\$ 276,874	\$ 51,319	\$ 350,845
Taxes receivable	0	23,266	0	0	23,266
<b>Total assets</b>	<b>\$ 117</b>	<b>\$ 45,801</b>	<b>\$ 276,874</b>	<b>\$ 51,319</b>	<b>\$ 374,111</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 117	\$ 45,801	\$ 0	\$ 0	\$ 45,918
<b>Fund balances</b>					
Assigned to capital outlay	0	0	276,874	51,319	328,193
<b>Total liabilities and fund balances</b>	<b>\$ 117</b>	<b>\$ 45,801</b>	<b>\$ 276,874</b>	<b>\$ 51,319</b>	<b>\$ 374,111</b>

**CITY OF DAHLONEGA, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the fiscal year ended September 30, 2016**

	Special Revenue		Capital Projects		Total Nonmajor Governmental Funds
	Multiple Grant	Hotel/Motel Tax	Streetscape	General Government	
<b>REVENUES</b>					
Taxes	\$ 0	\$ 227,188	\$ 0	\$ 0	\$ 227,188
Intergovernmental	3,000	0	0	0	3,000
<b>Total revenues</b>	<u>3,000</u>	<u>227,188</u>	<u>0</u>	<u>0</u>	<u>230,188</u>
<b>EXPENDITURES</b>					
Current					
General Government	3,725	0	0	0	3,725
Housing and Development	0	227,188	0	0	227,188
Capital outlay	0	0	275,970	0	275,970
<b>Total expenditures</b>	<u>3,725</u>	<u>227,188</u>	<u>275,970</u>	<u>0</u>	<u>506,883</u>
Excess (deficiency) of revenues over (under) expenditures	(725)	0	(275,970)	0	(276,695)
Other financing sources (uses)					
Transfers in	0	0	150,000	51,319	201,319
Net change in fund balance	(725)	0	(125,970)	51,319	(75,376)
Fund balances, October 1	725	0	402,844	0	403,569
<b>Fund balances, September 30</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 276,874</u>	<u>\$ 51,319</u>	<u>\$ 328,193</u>



# GENERAL FUND

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

**CITY OF DAHLONEGA, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE BALANCE SHEETS**  
**September 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,930,783	\$ 3,621,711
Restricted cash and cash equivalents	5,241	5,225
Receivables (net)		
Accounts	3,004	5,569
Taxes	1,338,955	892,058
Fines	43,191	69,118
Intergovernmental	1,122	44
Due from other funds	82,230	11,737
Inventory	9,627	10,227
Prepaid items	53,739	46,220
	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 5,467,892</b>	<b>\$ 4,661,909</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>Liabilities</b>		
Payables		
Accounts	\$ 36,735	\$ 46,257
Intergovernmental	5,805	7,583
Accrued salaries and payroll expenses	42,108	24,159
Due to other funds	17,937	843
	<hr/>	<hr/>
Total liabilities	102,585	78,842
	<hr/>	<hr/>
<b>Deferred inflows of resources</b>		
Unavailable revenue - property taxes	1,212,115	774,480
	<hr/>	<hr/>
<b>Fund balances</b>		
Nonspendable:		
Inventory	9,627	10,227
Prepaid items	53,739	46,220
Restricted for:		
Service awards for citizens	5,241	5,225
Assigned to:		
Capital outlay	100,000	100,000
City Hall construction	650,000	650,000
Subsequent year's budget	476,128	0
Unassigned	2,858,457	2,996,915
	<hr/>	<hr/>
Total fund balances	4,153,192	3,808,587
	<hr/>	<hr/>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 5,467,892</b>	<b>\$ 4,661,909</b>
	<hr/> <hr/>	<hr/> <hr/>

**CITY OF DAHLONEGA, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the fiscal years ended September 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>		
Taxes	\$ 3,198,809	\$ 2,976,359
Licenses and permits	139,407	229,248
Fines, fees and forfeitures	93,033	143,331
Charges for services	66,500	73,745
Intergovernmental	33,239	192,987
Interest	15,280	5,176
Other	14,906	15,013
	<b>3,561,174</b>	<b>3,635,859</b>
<b>EXPENDITURES</b>		
Current		
General Government	1,141,022	1,101,806
Judicial	186,303	204,662
Public Safety	48,685	3,257
Public Works	1,013,774	1,123,710
Culture and Recreation	32,190	39,890
Housing and Development	411,562	391,554
	<b>2,833,536</b>	<b>2,864,879</b>
<b>Total expenditures</b>	<b>2,833,536</b>	<b>2,864,879</b>
Excess of revenues over expenditures	<b>727,638</b>	<b>770,980</b>
Other financing sources (uses)		
Transfers in (out)		
Multiple Grant Special Revenue Fund	0	(3,804)
Streetscape Capital Projects Fund	(150,000)	(184,000)
General Government Capital Projects Fund	(51,319)	0
Water and Sewage Enterprise Fund	(189,528)	(284,292)
Proceeds from sale of capital assets	7,814	0
	<b>(383,033)</b>	<b>(472,096)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<b>344,605</b>	<b>298,884</b>
Fund balances, October 1	<b>3,808,587</b>	<b>3,509,703</b>
<b>Fund balances, September 30</b>	<b>\$ 4,153,192</b>	<b>\$ 3,808,587</b>

# CITY OF DAHLONEGA, GEORGIA

## GENERAL FUND

### SCHEDULE OF REVENUES

#### BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2016

(With comparative actual amounts for the fiscal year ended September 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
<b>Taxes</b>				
General property taxes				
Property tax	\$ 1,052,473	\$ 1,052,795	\$ 322	\$ 837,129
Real estate transfer tax	14,500	14,927	427	20,582
Motor vehicle tax	167,000	167,414	414	186,329
Cost, penalties, and interest	6,000	7,092	1,092	11,510
Total general property taxes	1,239,973	1,242,228	2,255	1,055,550
Local option sales tax	778,600	784,700	6,100	800,988
Franchise tax	536,340	542,288	5,948	528,287
Insurance premium tax	302,046	302,046	0	282,726
Alcoholic beverage excise tax	190,000	198,166	8,166	193,583
Occupational tax	119,600	120,042	442	109,168
Other taxes	7,000	9,339	2,339	6,057
Total taxes	3,173,559	3,198,809	25,250	2,976,359
<b>Licenses and Permits</b>				
Alcohol licenses	101,800	103,745	1,945	103,408
Building permits	35,700	35,662	(38)	125,840
Total licenses and permits	137,500	139,407	1,907	229,248
<b>Fines, fees and forfeitures</b>	130,000	93,033	(36,967)	143,331
<b>Charges for Services</b>				
Cemetery	60,000	66,500	6,500	72,400
Other	1,000	0	(1,000)	1,345
Total charges for services	61,000	66,500	5,500	73,745
<b>Intergovernmental</b>	25,700	33,239	7,539	192,987
<b>Interest</b>	13,000	15,280	2,280	5,176
<b>Other</b>	11,120	14,906	3,786	15,013
<b>Total revenues</b>	\$ 3,551,879	\$ 3,561,174	\$ 9,295	\$ 3,635,859



# CITY OF DAHLONEGA, GEORGIA

## GENERAL FUND

### SCHEDULE OF EXPENDITURES BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2016

(With comparative actual amounts for the fiscal year ended September 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
<b>EXPENDITURES</b>				
<b>General Government</b>				
Legislative				
Personal services	\$ 111,670	\$ 110,303	\$ 1,367	\$ 93,471
Contract services	57,090	59,659	(2,569)	39,624
Supplies and materials	7,600	2,789	4,811	8,013
Total Legislative	<u>176,360</u>	<u>172,751</u>	<u>3,609</u>	<u>141,108</u>
Executive				
Personal services	185,410	177,626	7,784	199,644
Contract services	27,350	31,043	(3,693)	18,276
Supplies and materials	3,300	1,645	1,655	4,633
Capital outlay	30,000	0	30,000	0
Total Executive	<u>246,060</u>	<u>210,314</u>	<u>35,746</u>	<u>222,553</u>
Elections				
Personal services	3,850	0	3,850	0
Contract services	11,350	8,645	2,705	837
Supplies and materials	250	0	250	0
Total Elections	<u>15,450</u>	<u>8,645</u>	<u>6,805</u>	<u>837</u>
General Administration				
Personal services	274,311	266,709	7,602	217,806
Contract services	422,000	420,609	1,391	466,665
Supplies and materials	45,200	44,497	703	39,289
Capital outlay	27,800	17,497	10,303	13,548
Total General Administration	<u>769,311</u>	<u>749,312</u>	<u>19,999</u>	<u>737,308</u>
Total General Government	<u>1,207,181</u>	<u>1,141,022</u>	<u>66,159</u>	<u>1,101,806</u>
<b>Judicial</b>				
Municipal Court				
Personal services	42,070	41,207	863	10,813
Contract services	135,890	135,538	352	181,854
Supplies and materials	2,000	988	1,012	2,007
Payments to other agencies	9,000	8,570	430	9,988
Total Judicial	<u>188,960</u>	<u>186,303</u>	<u>2,657</u>	<u>204,662</u>

# CITY OF DAHLONEGA, GEORGIA

## GENERAL FUND

### SCHEDULE OF EXPENDITURES BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended September 30, 2016

(With comparative actual amounts for the fiscal year ended September 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
<b>Public Safety</b>				
Law Enforcement				
Contract services	\$ 48,800	\$ 47,858	\$ 942	\$ 2,117
Supplies and materials	0	827	(827)	1,140
Total Public Safety	48,800	48,685	115	3,257
<b>Public Works</b>				
Street Construction				
Personal services	511,610	526,326	(14,716)	461,247
Contract services	63,280	71,849	(8,569)	47,299
Supplies and materials	157,900	152,323	5,577	140,064
Capital outlay	179,837	123,431	56,406	355,272
Total Street Construction	912,627	873,929	38,698	1,003,882
Shop Department				
Personal services	56,700	55,587	1,113	46,573
Contract services	5,360	5,449	(89)	4,663
Supplies and materials	22,500	22,872	(372)	19,977
Total Shop Department	84,560	83,908	652	71,213
Cemetery				
Personal services	37,240	36,061	1,179	37,490
Contract services	12,690	11,845	845	1,240
Supplies and materials	8,850	8,031	819	9,885
Total Cemetery	58,780	55,937	2,843	48,615
Total Public Works	1,055,967	1,013,774	42,193	1,123,710
<b>Culture and Recreation</b>				
Parks				
Contract services	20,100	5,749	14,351	9,749
Supplies and materials	22,070	19,441	2,629	20,882
Capital outlay	7,000	7,000	0	9,259
Total Culture and Recreation	49,170	32,190	16,980	39,890

**CITY OF DAHLONEGA, GEORGIA**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES**

**BUDGET (GAAP BASIS) AND ACTUAL**

**For the fiscal year ended September 30, 2016**

**(With comparative actual amounts for the fiscal year ended September 30, 2015)**

	2016			2015
	Final Budget	Actual	Variance	Actual
<b>Housing and Development</b>				
Building Inspections				
Personal services	\$ 205,700	\$ 203,661	\$ 2,039	\$ 181,408
Contract services	18,950	16,175	2,775	22,227
Supplies and materials	9,875	10,566	(691)	8,806
Capital outlay	0	0	0	21,963
Total Building Inspections	<u>234,525</u>	<u>230,402</u>	<u>4,123</u>	<u>234,404</u>
Downtown Development Authority				
Payment to others	<u>181,160</u>	<u>181,160</u>	<u>0</u>	<u>157,150</u>
Total Housing and Development	<u>415,685</u>	<u>411,562</u>	<u>4,123</u>	<u>391,554</u>
<b>Total expenditures</b>	<u><u>\$ 2,965,763</u></u>	<u><u>\$ 2,833,536</u></u>	<u><u>\$ 132,227</u></u>	<u><u>\$ 2,864,879</u></u>



# SPECIAL REVENUE FUNDS

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

## **Multiple Grant Fund**

This fund is used to account for the grant revenues and expenditures for various government purposes.

## **Hotel/Motel Tax Fund**

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

**CITY OF DAHLONEGA, GEORGIA**  
**MULTIPLE GRANT SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**September 30, 2016 and 2015**

	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 117	\$ 0
Due from other funds	0	843
<b>Total assets</b>	\$ 117	\$ 843
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	\$ 117	\$ 118
<b>Fund balances</b>		
Restricted for employee wellness program	0	725
<b>Total liabilities and fund balances</b>	\$ 117	\$ 843

**CITY OF DAHLONEGA, GEORGIA**  
**MULTIPLE GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**

For the fiscal year ended September 30, 2016

(With comparative actual amounts for the fiscal year ended September 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Intergovernmental	\$ 17,000	\$ 3,000	\$ (14,000)	\$ 39,537
<b>Total revenues</b>	<u>17,000</u>	<u>3,000</u>	<u>(14,000)</u>	<u>39,537</u>
<b>EXPENDITURES</b>				
Current				
General Government	5,000	3,725	1,275	5,040
Public Works	12,000	0	12,000	9,734
Culture and Recreation	0	0	0	20,000
Capital Outlay				
Public Works	0	0	0	7,607
<b>Total expenditures</b>	<u>17,000</u>	<u>3,725</u>	<u>13,275</u>	<u>42,381</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>(725)</u>	<u>725</u>	<u>(2,844)</u>
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	0	0	3,804
Streetscape Capital Projects Fund	0	0	0	(32,320)
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(28,516)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>(725)</u>	<u>725</u>	<u>(31,360)</u>
Fund balances, October 1	<u>0</u>	<u>725</u>	<u>725</u>	<u>32,085</u>
<b>Fund balances, September 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 725</u></u>

**CITY OF DAHLONEGA, GEORGIA**  
**HOTEL/MOTEL TAX SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**September 30, 2016 and 2015**

	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 22,535	\$ 20,964
Taxes receivable	23,266	18,210
<b>Total assets</b>	<b>\$ 45,801</b>	<b>\$ 39,174</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	\$ 45,801	\$ 39,174



**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, 2016

(With comparative actual amounts for the fiscal year ended September 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Hotel/Motel taxes	\$ 228,000	\$ 227,188	\$ (812)	\$ 205,626
<b>Total revenues</b>	<u>228,000</u>	<u>227,188</u>	<u>(812)</u>	<u>205,626</u>
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Tourism				
Chamber of Commerce	228,000	227,188	812	205,626
<b>Total expenditures</b>	<u>228,000</u>	<u>227,188</u>	<u>812</u>	<u>205,626</u>
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0
Fund balances, October 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balances, September 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>



# CAPITAL PROJECTS FUNDS

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

## **Streetscape Capital Projects Fund**

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

## **2014 Special Purpose Local Option Sales Tax Fund**

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

## **General Government Capital Projects Fund**

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

**CITY OF DAHLONEGA, GEORGIA**  
**STREETSCAPE CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**September 30, 2016 and 2015**

	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 276,874	\$ 422,053
<b>Total assets</b>	\$ 276,874	\$ 422,053
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	\$ 0	\$ 19,209
<b>Fund balances</b>		
Assigned to capital outlay	276,874	402,844
<b>Total liabilities and fund balances</b>	\$ 276,874	\$ 422,053

**CITY OF DAHLONEGA, GEORGIA**  
**STREETSCAPE CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the fiscal years ended September 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>REVENUES</b>		
<b>Total revenues</b>	<u>\$ 0</u>	<u>\$ 0</u>
<b>EXPENDITURES</b>		
Capital Outlay		
Public Works	<u>275,970</u>	<u>158,445</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(275,970)</u>	<u>(158,445)</u>
Other financing sources		
Transfers in		
General Fund	150,000	184,000
Multiple Grant Fund	<u>0</u>	<u>32,320</u>
<b>Total other financing sources</b>	<u>150,000</u>	<u>216,320</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	(125,970)	57,875
Fund balances, October 1	<u>402,844</u>	<u>344,969</u>
<b>Fund balances, September 30</b>	<u><u>\$ 276,874</u></u>	<u><u>\$ 402,844</u></u>

**CITY OF DAHLONEGA, GEORGIA**  
**2014 SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**September 30, 2016 and 2015**

	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 780,254	\$ 412,986
Intergovernmental receivable	85,436	89,701
<b>Total assets</b>	<b>\$ 865,690</b>	<b>\$ 502,687</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Due to other funds	\$ 10,175	\$ 59,940
<b>Fund balances</b>		
Restricted for capital outlay	855,515	442,747
<b>Total liabilities and fund balances</b>	<b>\$ 865,690</b>	<b>\$ 502,687</b>

**CITY OF DAHLONEGA, GEORGIA**  
**2014 SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the fiscal years ended September 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>		
Intergovernmental	\$ 498,132	\$ 508,468
Interest	1,931	358
<b>Total revenues</b>	500,063	508,826
Other financing sources		
Transfers out		
Water and Sewage Enterprise Fund	(87,295)	(313,240)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	412,768	195,586
Fund balances, October 1	442,747	247,161
<b>Fund balances, September 30</b>	<b>\$ 855,515</b>	<b>\$ 442,747</b>

**CITY OF DAHLONEGA, GEORGIA**  
**GENERAL GOVERNMENT CAPITAL PROJECTS FUND**  
**BALANCE SHEET**  
**September 30, 2016**

**ASSETS**

Cash and cash equivalents	\$ 51,319
	<u>51,319</u>
<b>Total assets</b>	<b>\$ 51,319</b>
	<u><u>51,319</u></u>

**LIABILITIES AND FUND BALANCES**

**Liabilities**

**Fund balances**

Assigned to capital outlay	\$ 51,319
	<u>51,319</u>
<b>Total liabilities and fund balances</b>	<b>\$ 51,319</b>
	<u><u>51,319</u></u>



**CITY OF DAHLONEGA, GEORGIA**  
**GENERAL GOVERNMENT CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the fiscal year ended September 30, 2016**

**REVENUES**

<b>Total revenues</b>	\$ <u>0</u>
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**EXPENDITURES**

Other financing sources	
Transfers in	
General Fund	51,319
	<u>51,319</u>

Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	51,319
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Fund balances, October 1	<u>0</u>
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<b>Fund balances, September 30</b>	<b>\$ <u><u>51,319</u></u></b>
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# ENTERPRISE FUNDS

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

## **Water and Sewage Fund**

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

## **Solid Waste Fund**

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

**CITY OF DAHLONEGA, GEORGIA**  
**WATER AND SEWAGE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**September 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,718,371	\$ 1,605,948
Accounts receivable (net)	768,659	514,570
Due from other funds	28,112	59,940
Inventory	130,202	116,053
Prepaid items	236,186	233,081
Total current assets	2,881,530	2,529,592
<b>Restricted assets</b>		
Debt Redemption		
Cash and cash equivalents	170,290	35,052
Construction Fund		
Cash and cash equivalents	612,971	611,024
Customer Deposits		
Cash and cash equivalents	183,729	177,280
Total restricted assets	966,990	823,356
<b>Capital assets</b>		
Land	3,333,139	3,333,139
Construction in progress	418,489	313,240
Improvements	3,839,078	3,844,840
Buildings	22,253,587	22,247,587
Water and sewer lines and towers	21,284,736	20,987,325
Machinery and equipment	5,065,707	5,232,627
Accumulated depreciation	(18,767,187)	(17,290,937)
Total capital assets (net of accumulated depreciation)	37,427,549	38,667,821
<b>Total assets</b>	41,276,069	42,020,769
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension contributions subsequent to measurement date	80,430	114,014
Pension investment return differences	97,170	0
Pension experience differences	54,024	0
Deferred charges on refunding	3,442,476	3,574,879
<b>Total deferred outflows of resources</b>	3,674,100	3,688,893

**CITY OF DAHLONEGA, GEORGIA**  
**WATER AND SEWAGE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**September 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables		
Accounts	\$ 89,999	\$ 40,591
Intergovernmental	4,516	4,034
Interest	13,531	13,831
Accrued salaries and payroll expenses	34,989	18,801
Compensated absences	56,336	50,438
Due to other funds	1,126	6,290
Unearned revenue	85,000	145,000
Notes payable	123,613	119,964
	<b>409,110</b>	<b>398,949</b>
<b>Current liabilities payable from restricted assets</b>		
Interest payable	83,168	77,526
Customer deposits payable	183,729	177,280
Revenue bonds payable	620,000	690,000
	<b>886,897</b>	<b>944,806</b>
<b>Noncurrent liabilities</b>		
Net pension liability	536,547	413,459
Compensated absences	14,976	13,407
Notes payable	5,288,837	5,412,450
Revenue bonds payable	26,288,189	26,936,388
	<b>32,128,549</b>	<b>32,775,704</b>
<b>Total liabilities</b>	<b>33,424,556</b>	<b>34,119,459</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension assumption changes	9,181	12,369
Pension investment return differences	34,160	46,020
Pension experience differences	25,651	34,557
	<b>68,992</b>	<b>92,946</b>
<b>NET POSITION</b>		
Net investment in capital assets	9,162,357	9,694,922
Restricted for debt service	87,122	0
Unrestricted	2,207,142	1,802,335
	<b>\$ 11,456,621</b>	<b>\$ 11,497,257</b>

**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, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Water sales	\$ 2,607,131	\$ 2,204,955
Sewer charges	1,866,708	1,607,254
Tap fees	380,371	556,400
Other	20,104	5,388
	<b>4,874,314</b>	<b>4,373,997</b>
<b>OPERATING EXPENSES</b>		
Cost of sales and services	1,138,931	1,014,551
Personal services	1,109,259	1,012,176
Depreciation	1,669,788	1,692,913
	<b>3,917,978</b>	<b>3,719,640</b>
Operating income (loss)	<b>956,336</b>	<b>654,357</b>
Non-operating revenues (expenses)		
Interest revenue	8,800	95,658
Interest expense	(1,209,857)	(1,575,371)
Loss on sale of capital assets	(1,694)	(79,935)
Debt issue costs	0	(372,647)
	<b>(1,202,751)</b>	<b>(1,932,295)</b>
Net income (loss) before transfers and special items	<b>(246,415)</b>	<b>(1,277,938)</b>
Special item - change in capitalization threshold	<b>(71,044)</b>	<b>0</b>
Transfers in (out)		
General Fund	189,528	284,292
SPLOST Capital Projects Fund	87,295	313,240
	<b>276,823</b>	<b>597,532</b>
Change in net position	<b>(40,636)</b>	<b>(680,406)</b>
Net position, October 1 (original)	11,497,257	12,628,744
Prior period adjustments	0	(451,081)
Net position, October 1 (restated)	<b>11,497,257</b>	<b>12,177,663</b>
<b>Net position, September 30</b>	<b>\$ 11,456,621</b>	<b>\$ 11,497,257</b>

**CITY OF DAHLONEGA, GEORGIA**  
**WATER AND SEWAGE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended September 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 4,546,570	\$ 4,394,268
Payments to suppliers	(1,100,083)	(974,761)
Payments to employees	(1,104,080)	(1,056,479)
Other receipts	20,104	5,388
	<u>2,362,511</u>	<u>2,368,416</u>
Net cash provided (used) by operating activities		
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	221,356	290,270
Payments to other funds	(5,164)	(59,940)
	<u>216,192</u>	<u>230,330</u>
Net cash provided (used) by non-capital financing activities		
<b>Cash flows from capital and related financing activities:</b>		
Receipts from other funds	87,295	313,240
Payments for acquisitions of capital assets	(511,764)	(424,219)
Proceeds from the sale of capital assets	9,510	0
Proceeds from debt issuance - revenue bonds	0	27,626,388
Principal payments - revenue bonds	(690,000)	(24,595,000)
Principal payments - promissory notes	(119,964)	(3,316,512)
Debt issue costs and deferred charges	0	(3,947,526)
Interest paid	(1,106,523)	(1,091,409)
	<u>(2,331,446)</u>	<u>(5,435,038)</u>
Net cash provided (used) by capital and related financing activities		
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	0	2,239,411
Interest received	8,800	95,658
	<u>8,800</u>	<u>2,335,069</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	256,057	(501,223)
Cash and cash equivalents, October 1	<u>2,429,304</u>	<u>2,930,527</u>
<b>Cash and cash equivalents, September 30</b>	<u>\$ 2,685,361</u>	<u>\$ 2,429,304</u>

**CITY OF DAHLONEGA, GEORGIA**  
**WATER AND SEWAGE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended September 30, 2016 and 2015**

	2016	2015
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 956,336	\$ 654,357
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,669,788	1,692,913
(Increase) decrease in accounts receivable	(254,089)	(13,521)
(Increase) decrease in inventory	(14,149)	30,167
(Increase) decrease in prepaid items	3,107	43,157
(Increase) decrease in pension contributions subsequent to measurement date	33,584	(114,014)
(Increase) decrease in pension investment return differences	(97,170)	0
(Increase) decrease in pension experience differences	(54,024)	0
Increase (decrease) in accounts payable	49,408	(33,815)
Increase (decrease) in intergovernmental payable	482	281
Increase (decrease) in payroll liabilities	23,655	14,387
Increase (decrease) in net pension liability	123,088	(37,622)
Increase (decrease) in pension assumption changes	(3,188)	12,369
Increase (decrease) in pension investment return differences	(11,860)	46,020
Increase (decrease) in pension experience differences	(8,906)	34,557
Increase (decrease) in deposits payable	6,449	29,630
Increase (decrease) in unearned revenue	(60,000)	9,550
Total adjustments	1,406,175	1,714,059
Net cash provided (used) by operating activities	\$ 2,362,511	\$ 2,368,416
<b>Cash and cash equivalents reconciliation:</b>		
Cash and cash equivalents	\$ 1,718,371	\$ 1,605,948
Debt Redemption		
Cash and cash equivalents	170,290	35,052
Construction Fund		
Cash and cash equivalents	612,971	611,024
Customer Deposits		
Cash and cash equivalents	183,729	177,280
Total cash and cash equivalents	\$ 2,685,361	\$ 2,429,304



**CITY OF DAHLONEGA, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**September 30, 2016 and 2015**

	2016	2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 43,317	\$ 80,678
Accounts receivable (net)	119,269	94,835
Due from other funds	1,126	0
Prepaid items	19,195	15,462
Total current assets	182,907	190,975
<b>Capital assets</b>		
Improvements	11,583	11,583
Buildings	255,066	255,066
Machinery and equipment	707,878	793,877
Accumulated depreciation	(521,591)	(643,402)
Total capital assets (net of accumulated depreciation)	452,936	417,124
<b>Total assets</b>	635,843	608,099
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension contributions subsequent to measurement date	26,498	38,320
Pension investment return differences	34,204	0
Pension experience differences	19,016	0
<b>Total deferred outflow of resources</b>	79,718	38,320
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	5,860	346
Accrued salaries and payroll expenses	11,306	7,262
Compensated absences	13,737	11,184
Due to other funds	82,230	5,448
Total current liabilities	113,133	24,240
<b>Noncurrent liabilities</b>		
Net pension liability	182,290	138,963
Compensated absences	3,651	2,973
Total noncurrent liabilities	185,941	141,936
<b>Total liabilities</b>	299,074	166,176
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension assumption changes	3,035	4,157
Pension investment return differences	11,292	15,467
Pension experience differences	8,480	11,615
<b>Total deferred inflows of resources</b>	22,807	31,239
<b>NET POSITION</b>		
Investment in capital assets	452,936	417,124
Unrestricted	(59,256)	31,880
<b>Total net position</b>	\$ 393,680	\$ 449,004

**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, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 692,998	\$ 609,243
Other	1,380	2,271
<b>Total operating revenues</b>	<u>694,378</u>	<u>611,514</u>
<b>OPERATING EXPENSES</b>		
Cost of sales and services	239,729	249,979
Personal services	440,005	392,190
Depreciation	74,230	68,728
<b>Total operating expenses</b>	<u>753,964</u>	<u>710,897</u>
Operating income (loss)	<u>(59,586)</u>	<u>(99,383)</u>
Non-operating revenues (expenses)		
Interest revenue	191	142
Gain on sale of capital assets	4,071	0
<b>Total non-operating revenues (expenses)</b>	<u>4,262</u>	<u>142</u>
Change in net position	<u>(55,324)</u>	<u>(99,241)</u>
Net position, October 1 (original)	449,004	699,853
Prior period adjustments	0	(151,608)
Net position, October 1 (restated)	<u>449,004</u>	<u>548,245</u>
<b>Net position, September 30</b>	<u><u>\$ 393,680</u></u>	<u><u>\$ 449,004</u></u>

**CITY OF DAHLONEGA, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended September 30, 2016 and 2015**

	2016	2015
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 668,564	\$ 598,384
Payments to suppliers	(237,948)	(255,550)
Payments to employees	(439,233)	(404,121)
Other receipts	1,380	2,271
	(7,237)	(59,016)
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	76,782	10,009
Payments to other funds	(1,126)	0
	75,656	10,009
<b>Cash flows from capital and related financing activities:</b>		
Payments for acquisitions of capital assets	(110,042)	0
Proceeds from the sale of capital assets	4,071	0
	(105,971)	0
<b>Cash flows from investing activities:</b>		
Interest received	191	142
	(37,361)	(48,865)
Net increase (decrease) in cash and cash equivalents		
Cash and cash equivalents, October 1	80,678	129,543
	\$ 43,317	\$ 80,678
<b>Cash and cash equivalents, September 30</b>	<b>\$ 43,317</b>	<b>\$ 80,678</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (59,586)	\$ (99,383)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	74,230	68,728
(Increase) decrease in accounts receivable	(24,434)	(10,859)
(Increase) decrease in prepaid items	(3,733)	(674)
(Increase) decrease in contributions subsequent to measurement period	11,822	(38,320)
(Increase) decrease in pension investment return differences	(34,204)	0
(Increase) decrease in pension experience differences	(19,016)	0
Increase (decrease) in accounts payable	5,514	(4,897)
Increase (decrease) in payroll liabilities	7,275	7,795
Increase (decrease) in net pension liability	43,327	(12,645)
Increase (decrease) in pension assumption changes	(1,122)	4,157
Increase (decrease) in pension investment return differences	(4,175)	15,467
Increase (decrease) in pension experience differences	(3,135)	11,615
	52,349	40,367
Total adjustments		
Net cash provided (used) by operating activities	\$ (7,237)	\$ (59,016)



# 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, 2016 and 2015**

	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 76,719	\$ 73,398
Accounts receivable (net)	0	235
Prepaid items	9,042	7,351
Restricted assets		
Cash and cash equivalents	6,032	5,813
<b>Total assets</b>	<b>\$ 91,793</b>	<b>\$ 86,797</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 6,065	\$ 441
Accrued salaries and payroll liabilities	4,012	3,169
<b>Total liabilities</b>	10,077	3,610
 <b>Fund balances</b>		
Nonspendable:		
Prepaid items	9,042	7,351
Restricted for Dahlonega 2000 operations	6,032	5,813
Assigned to:		
Redevelopment projects	33,643	37,023
Operations	32,999	33,000
<b>Total fund balances</b>	81,716	83,187
<b>Total liabilities and fund balances</b>	<b>\$ 91,793</b>	<b>\$ 86,797</b>

**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, 2016**  
**(With comparative actual amounts for the fiscal year ended September 30, 2015)**

	2016			2015
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Charges for services	\$ 6,800	27,408	\$ 20,608	\$ 0
Intergovernmental	181,160	181,160	0	157,150
Interest	150	396	246	192
Contributions	1,000	1,190	190	1,180
Other	0	451	451	291
<b>Total revenues</b>	<b>189,110</b>	<b>210,605</b>	<b>21,495</b>	<b>158,813</b>
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Personal services	124,880	125,227	(347)	123,838
Contract services	81,075	69,943	11,132	74,325
Supplies and materials	10,860	16,906	(6,046)	4,541
<b>Total expenditures</b>	<b>216,815</b>	<b>212,076</b>	<b>4,739</b>	<b>202,704</b>
Excess of revenues over (under) expenditures	(27,705)	(1,471)	26,234	(43,891)
Fund balances, October 1	27,705	83,187	55,482	127,078
<b>Fund balances, September 30</b>	<b>\$ 0</b>	<b>\$ 81,716</b>	<b>\$ 81,716</b>	<b>\$ 83,187</b>





# STATISTICAL SECTION





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

**CONTENTS**

**PAGES**

**Financial Trends.....123 - 136**

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.....137 - 146**

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

**Debt Capacity.....147 - 154**

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.....155 - 156**

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.....157 - 162**

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

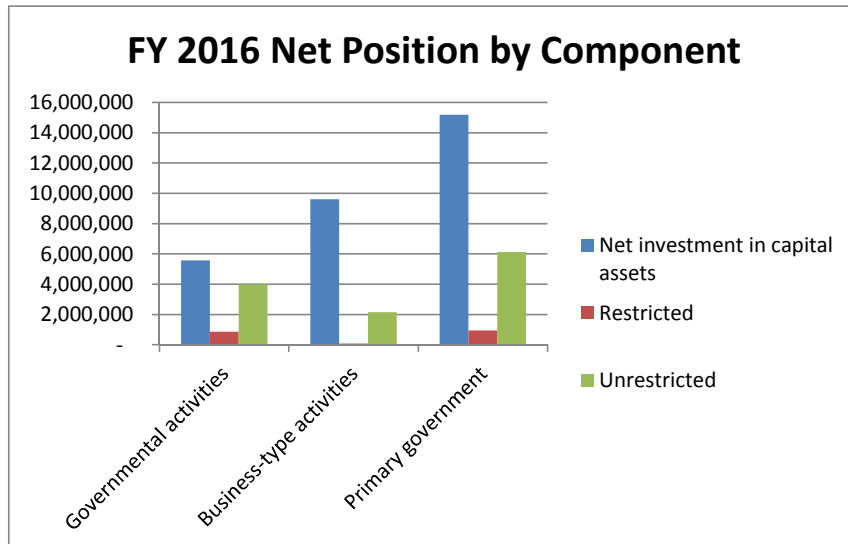
## NET POSITION BY COMPONENT

### LAST TEN FISCAL YEARS

#### (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2007	2008	2009	2010
Governmental activities				
Net investment in capital assets	\$ 4,158,131	\$ 4,176,172	\$ 4,462,981	\$ 4,360,841
Restricted	278,314	278,314	468,257	571,645
Unrestricted	2,457,506	2,975,198	3,320,000	3,442,292
Total governmental activities net position	<u>\$ 6,893,951</u>	<u>\$ 7,429,684</u>	<u>\$ 8,251,238</u>	<u>\$ 8,374,778</u>
Business-type activities				
Net investment in capital assets	\$ 12,188,032	\$ 12,490,290	\$ 15,609,939	\$ 13,637,369
Restricted	86,896	0	0	124,070
Unrestricted	877,159	2,144,761	317,421	2,615,921
Total business-type activities net position	<u>\$ 13,152,087</u>	<u>\$ 14,635,051</u>	<u>\$ 15,927,360</u>	<u>\$ 16,377,360</u>
Primary government				
Net investment in capital assets	\$ 16,346,163	\$ 16,666,462	\$ 20,072,920	\$ 17,998,210
Restricted	365,210	278,314	468,257	695,715
Unrestricted	3,334,665	5,119,959	3,637,421	6,058,213
Total primary government net position	<u>\$ 20,046,038</u>	<u>\$ 22,064,735</u>	<u>\$ 24,178,598</u>	<u>\$ 24,752,138</u>

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 4,477,984	\$ 5,138,468	\$ 5,542,733	\$ 5,598,272	\$ 5,805,471	\$ 5,562,810
1,061,542	516,149	459,082	252,358	448,697	860,756
3,489,170	3,333,580	3,172,941	3,863,183	3,703,238	3,980,446
<u>\$ 9,028,696</u>	<u>\$ 8,988,197</u>	<u>\$ 9,174,756</u>	<u>\$ 9,713,813</u>	<u>\$ 9,957,406</u>	<u>\$ 10,404,012</u>
\$ 11,446,338	\$ 11,091,994	\$ 10,569,488	\$ 10,254,910	\$ 6,537,167	\$ 9,615,293
22,823	194,395	200,921	136,705	-	87,122
3,351,427	2,946,946	2,988,023	2,936,982	5,409,094	2,147,886
<u>\$ 14,820,588</u>	<u>\$ 14,233,335</u>	<u>\$ 13,758,432</u>	<u>\$ 13,328,597</u>	<u>\$ 11,946,261</u>	<u>\$ 11,850,301</u>
\$ 15,924,322	\$ 16,230,462	\$ 16,112,221	\$ 15,853,182	\$ 12,342,638	\$ 15,178,103
1,084,365	710,544	660,003	389,063	448,697	947,878
6,840,597	6,280,526	6,160,964	6,800,165	9,112,332	6,128,332
<u>\$ 23,849,284</u>	<u>\$ 23,221,532</u>	<u>\$ 22,933,188</u>	<u>\$ 23,042,410</u>	<u>\$ 21,903,667</u>	<u>\$ 22,254,313</u>



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

Expenses	Fiscal Year			
	2007	2008	2009	2010
Governmental activities:				
General Government	\$ 853,427	\$ 1,034,756	\$ 1,000,735	\$ 1,041,292
Judicial	208,731	185,803	253,877	282,317
Public Safety	0	85,007	105,371	60,651
Public Works	684,195	788,450	821,886	909,630
Culture and Recreation	83,646	50,405	64,597	47,874
Housing and Development	534,461	664,948	508,066	490,080
Interest on long-term debt	5,770	2,117	1,938	1,399
Total governmental activities expenses	<u>2,370,230</u>	<u>2,811,486</u>	<u>2,756,470</u>	<u>2,833,243</u>
Business-type activities:				
Water and Sewage	3,017,628	3,218,598	3,293,531	4,068,774
Solid Waste	472,945	504,539	468,490	451,793
Total business-type activities expenses	<u>3,490,573</u>	<u>3,723,137</u>	<u>3,762,021</u>	<u>4,520,567</u>
Total primary government expenses	<u>\$ 5,860,803</u>	<u>\$ 6,534,623</u>	<u>\$ 6,518,491</u>	<u>\$ 7,353,810</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General Government	\$ 56,644	\$ 66,905	\$ 83,755	\$ 77,355
Judicial	171,700	135,489	186,801	262,317
Public Works	52,940	45,800	29,900	30,950
Housing and Development	129,677	70,473	27,729	36,343
Operating grants and contributions	18,959	6,366	24,747	6,410
Capital grants and contributions	0	31,500	906,645	524,614
Total governmental activities program revenues	<u>429,920</u>	<u>356,533</u>	<u>1,259,577</u>	<u>937,989</u>
Business-Type activities:				
Charges for services:				
Water and Sewage	3,368,076	3,219,289	2,878,205	3,520,548
Solid Waste	476,076	494,200	532,465	523,681
Capital grants and contributions	1,389,610	997,723	965,685	100,158
Total business-type activities program revenues	<u>5,233,762</u>	<u>4,711,212</u>	<u>4,376,355</u>	<u>4,144,387</u>
Total primary government program revenues	<u>\$ 5,663,682</u>	<u>\$ 5,067,745</u>	<u>\$ 5,635,932</u>	<u>\$ 5,082,376</u>

Fiscal Year						
	2011	2012	2013	2014	2015	2016
\$	1,036,537	\$ 1,039,743	\$ 1,325,328	\$ 1,038,602	\$ 1,121,681	\$ 1,179,559
	233,740	225,240	226,361	235,365	203,102	186,557
	84,785	80,483	14,336	7,420	3,257	48,686
	1,051,610	1,085,828	1,205,726	1,157,314	1,018,991	1,448,891
	23,294	26,427	33,482	39,822	70,495	45,466
	540,307	530,445	485,038	577,068	570,761	642,001
	834	569	0	0	0	0
	<u>2,971,107</u>	<u>2,988,735</u>	<u>3,290,271</u>	<u>3,055,591</u>	<u>2,988,287</u>	<u>3,551,160</u>
	5,555,316	5,364,216	5,251,093	5,338,885	5,747,593	5,129,529
	459,381	470,213	480,443	657,150	710,897	753,964
	<u>6,014,697</u>	<u>5,834,429</u>	<u>5,731,536</u>	<u>5,996,035</u>	<u>6,458,490</u>	<u>5,883,493</u>
\$	<u>\$ 8,985,804</u>	<u>\$ 8,823,164</u>	<u>\$ 9,021,807</u>	<u>\$ 9,051,626</u>	<u>\$ 9,446,777</u>	<u>\$ 9,434,653</u>
\$	80,081	\$ 82,110	\$ 91,347	\$ 108,752	\$ 103,408	\$ 103,745
	223,361	197,935	182,597	178,888	143,331	93,033
	40,150	87,250	31,750	47,680	73,745	66,500
	50,674	15,294	79,081	80,495	125,840	35,662
	24,392	34,910	48,858	21,739	146,117	22,739
	<u>660,679</u>	<u>953,515</u>	<u>968,085</u>	<u>750,691</u>	<u>595,234</u>	<u>513,564</u>
	<u>1,079,337</u>	<u>1,371,014</u>	<u>1,401,718</u>	<u>1,188,245</u>	<u>1,187,675</u>	<u>835,243</u>
	3,555,939	3,454,006	3,892,527	4,503,335	4,368,609	4,854,210
	545,217	566,395	571,479	577,185	609,243	692,998
	0	0	0	604	0	0
	<u>4,101,156</u>	<u>4,020,401</u>	<u>4,464,006</u>	<u>5,081,124</u>	<u>4,977,852</u>	<u>5,547,208</u>
\$	<u>\$ 5,180,493</u>	<u>\$ 5,391,415</u>	<u>\$ 5,865,724</u>	<u>\$ 6,269,369</u>	<u>\$ 6,165,527</u>	<u>\$ 6,382,451</u>

# CITY OF DAHLONEGA, GEORGIA

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

	Fiscal Year			
	2007	2008	2009	2010
Net (expense)/revenue				
Governmental activities	\$ (1,940,310)	\$ (2,454,953)	\$ (1,940,310)	\$ (1,895,254)
Business-type activities	1,743,189	988,075	1,743,189	(376,180)
Total primary government net (expense)/revenue	<u>(197,121)</u>	<u>(1,466,878)</u>	<u>(197,121)</u>	<u>(2,271,434)</u>
<b>General revenues and other changes in net assets</b>				
Governmental activities:				
Taxes				
Property	839,600	878,253	929,774	903,412
Local option sales	837,951	832,447	723,690	744,801
Franchise	454,128	488,607	493,335	460,629
Insurance premium	190,631	198,849	203,612	201,702
Intangibles	23,432	28,148	8,306	11,854
Alcoholic beverage	147,210	156,736	166,266	176,223
Occupational	117,176	123,662	126,506	110,811
Hotel/Motel and other	115,031	129,217	119,547	121,833
Investment earnings	121,675	102,272	50,981	41,210
Gain on sale of assets	0	294,980	67,352	0
Miscellaneous	10,510	41,811	47,647	47,543
Special items	0	0	0	0
Transfers	(215,647)	(284,296)	(618,569)	(801,224)
Total governmental activities	<u>2,641,697</u>	<u>2,990,686</u>	<u>2,318,447</u>	<u>2,018,794</u>
Business-type activities				
Investment earnings	70,758	78,261	29,226	22,442
Gain on sale of assets	1,123	6,685	12,521	0
Miscellaneous	0	5,405	17,659	2,514
Special items	0	0	0	0
Transfers	215,647	284,296	618,569	801,224
Total business-type activities	<u>287,528</u>	<u>374,647</u>	<u>677,975</u>	<u>826,180</u>
Total primary government	<u>2,929,225</u>	<u>3,365,333</u>	<u>2,996,422</u>	<u>2,844,974</u>
<b>Change in net position</b>				
Governmental activities	701,387	535,733	378,137	123,540
Business-type activities	2,030,717	1,362,722	2,421,164	450,000
Total primary government	<u>\$ 2,732,104</u>	<u>\$ 1,898,455</u>	<u>\$ 2,799,301</u>	<u>\$ 573,540</u>



Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ (1,891,770)	\$ (1,617,721)	\$ (1,888,553)	\$ (1,867,346)	\$ (1,800,612)	\$ (2,715,917)
<u>(1,913,541)</u>	<u>(1,814,028)</u>	<u>(1,267,530)</u>	<u>(914,911)</u>	<u>(1,480,638)</u>	<u>(336,285)</u>
<u>(3,805,311)</u>	<u>(3,431,749)</u>	<u>(3,156,083)</u>	<u>(2,782,257)</u>	<u>(3,281,250)</u>	<u>(3,052,202)</u>
890,743	861,790	919,297	1,025,084	1,003,607	1,228,757
763,535	756,139	732,042	745,133	800,988	784,700
478,013	505,998	497,013	490,264	528,287	542,288
195,840	245,897	261,157	270,403	282,726	302,046
8,191	12,388	15,712	11,312	20,582	14,927
164,240	162,457	174,592	171,576	193,583	198,166
115,560	111,636	116,076	116,749	109,168	120,042
149,661	149,373	156,184	180,499	211,683	236,527
10,755	9,773	10,243	5,202	5,176	15,280
0	0	0	0	0	6,856
53,442	46,030	17,088	9,569	15,012	14,907
0	0	0	0	0	(25,150)
<u>(284,292)</u>	<u>(1,384,292)</u>	<u>(824,292)</u>	<u>(619,388)</u>	<u>(597,532)</u>	<u>(276,823)</u>
<u>2,545,688</u>	<u>1,477,189</u>	<u>2,075,112</u>	<u>2,406,403</u>	<u>2,573,280</u>	<u>3,162,523</u>
67,471	135,030	112,426	105,522	95,800	8,991
0	0	0	0	0	4,071
5,006	4,390	1,279	3,166	7,659	21,484
0	(296,937)	0	0	0	(71,044)
<u>284,292</u>	<u>1,384,292</u>	<u>824,292</u>	<u>619,388</u>	<u>597,532</u>	<u>276,823</u>
<u>356,769</u>	<u>1,226,775</u>	<u>937,997</u>	<u>728,076</u>	<u>700,991</u>	<u>240,325</u>
<u>2,902,457</u>	<u>2,703,964</u>	<u>3,013,109</u>	<u>3,134,479</u>	<u>3,274,271</u>	<u>3,402,848</u>
653,918	(140,532)	186,559	539,057	772,668	446,606
<u>(1,556,772)</u>	<u>(587,253)</u>	<u>(329,533)</u>	<u>(186,835)</u>	<u>(779,647)</u>	<u>(95,960)</u>
<u>\$ (902,854)</u>	<u>\$ (727,785)</u>	<u>\$ (142,974)</u>	<u>\$ 352,222</u>	<u>\$ (6,979)</u>	<u>\$ 350,646</u>

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

Fiscal Year	Property Tax	Intangible Tax	Franchise Tax	Occupational Tax
2007	839,600	23,432	454,128	117,176
2008	878,253	28,148	488,607	123,662
2009	929,774	8,306	493,335	126,506
2010	903,412	11,854	460,629	110,811
2011	890,743	8,191	478,013	115,560
2012	861,790	12,388	505,998	111,636
2013	919,297	15,712	497,013	116,076
2014	1,025,084	11,312	490,264	116,749
2015	1,003,607	20,582	528,287	109,168
2016	1,228,757	14,927	542,288	120,042
Change 2007 - 2016	46.35%	-36.30%	19.41%	2.45%

<b>Insurance Premium Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Hotel/Motel and Other Tax</b>	<b>Local Option Sales Tax</b>	<b>Total</b>
190,631	147,210	115,031	837,951	2,725,159
198,849	156,736	129,217	832,447	2,835,919
203,612	166,266	119,547	723,690	2,771,036
201,702	176,223	121,833	744,801	2,731,265
195,840	164,240	149,661	763,535	2,765,783
245,897	162,457	149,373	756,139	2,805,678
261,157	174,592	156,184	732,042	2,872,073
270,403	171,576	180,499	745,133	3,011,020
282,726	193,583	211,683	800,988	3,150,624
302,046	198,166	236,527	784,700	3,427,453
58.45%	34.61%	105.62%	-6.35%	25.77%

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

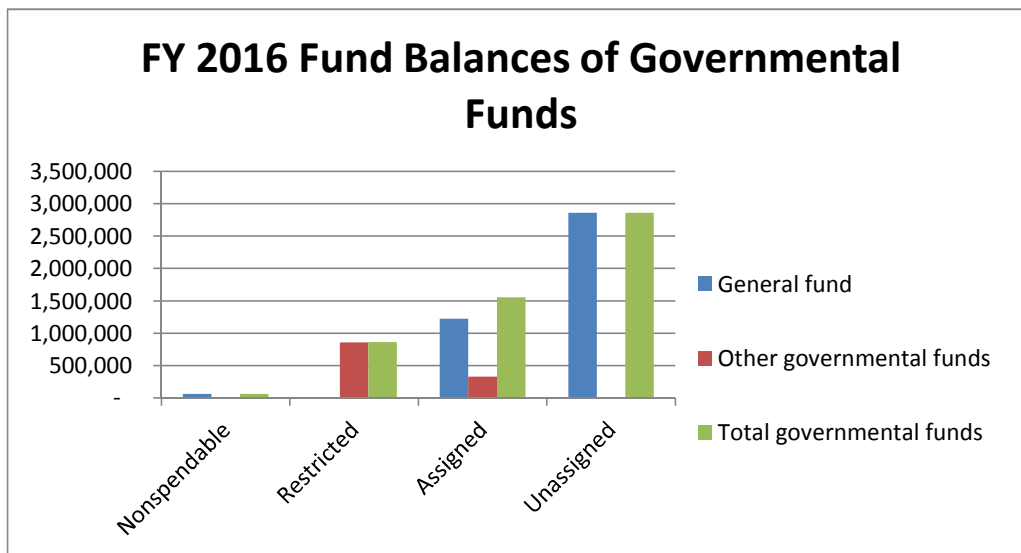
	Fiscal Year			
	2007	2008	2009	2010
General fund				
Reserved	(1) \$ 315,793	\$ 316,579	\$ 346,729	\$ 357,608
Unreserved	2,459,781	2,961,152	3,265,866	3,413,767
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total general fund	<u>2,775,574</u>	<u>3,277,731</u>	<u>3,612,595</u>	<u>3,771,375</u>
All other governmental funds				
Unreserved, reported in:				
Special revenue funds	(3,564)	3,238	18,608	4,253
Capital project funds	0	0 (2)	165,993	259,819
Restricted	0	0	0	0
Assigned	0	0	0	0
Total all other governmental funds	<u>(3,564)</u>	<u>3,238</u>	<u>184,601</u>	<u>264,072</u>
Total governmental funds	<u>\$ 2,772,010</u>	<u>\$ 3,280,969</u>	<u>\$ 3,797,196</u>	<u>\$ 4,035,447</u>

Note (1): The City began reserving amounts for cemetery care.

Note (2): The City created the first Capital Projects Fund, Special Purpose Local Option Sales Tax.

Note (3): The City implemented GASB 54 in fiscal year 2011.

(3)	Fiscal Year					
	2011	2012	2013	2014	2015	2016
	\$0	\$0	\$0	\$0	\$0	\$0
	0	0	0	0	0	0
	72,242	82,918	75,731	66,009	56,447	63,366
	321,828	359,076	365,590	5,197	5,225	5,241
	2,134,368	1,798,609	1,972,372	1,029,371	750,000	1,226,128
	1,196,824	1,265,550	826,346	2,309,948	2,996,915	2,858,457
	<u>3,725,262</u>	<u>3,506,153</u>	<u>3,240,039</u>	<u>3,410,525</u>	<u>3,808,587</u>	<u>4,153,192</u>
	0	0	0	0	0	0
	0	0	0	0	0	0
	739,714	157,073	93,492	247,161	443,472	855,515
	104,942	179,431	301,557	436,454	402,844	328,193
	<u>844,656</u>	<u>336,504</u>	<u>395,049</u>	<u>683,615</u>	<u>846,316</u>	<u>1,183,708</u>
	<u>\$ 4,569,918</u>	<u>\$ 3,842,657</u>	<u>\$ 3,635,088</u>	<u>\$ 4,094,140</u>	<u>\$ 4,654,903</u>	<u>\$ 5,336,900</u>



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

	Fiscal Year			
	2007	2008	2009	2010
<b>Revenues</b>				
Taxes	\$ 2,721,488	\$ 2,824,520	\$ 2,750,812	\$ 2,752,538
Licenses and permits	186,291	137,327	111,484	113,675
Fines, fees and forfeitures	171,700	135,489	186,801	262,317
Charges for services	52,970	45,851	29,900	30,973
Intergovernmental	18,827	11,740	534,270	527,429
Interest	121,675	102,272	50,981	43,897
Contributions	132	1,126	747	908
Other	10,510	41,811	47,647	47,543
<b>Total revenues</b>	<b>3,283,593</b>	<b>3,300,136</b>	<b>3,712,642</b>	<b>3,779,280</b>
<b>Expenditures</b>				
General Government	1,243,109	1,007,524	1,342,371	1,001,586
Judicial	208,740	185,931	256,045	283,124
Public Safety	0	85,007	105,371	60,651
Public Works	646,641	758,950	782,237	770,852
Culture and Recreation	75,841	135,478	54,167	33,446
Housing and Development	546,511	663,407	518,510	500,446
Debt Service				
Principal	2,454	11,740	11,739	12,279
Interest	445	1,938	1,938	1,399
Capital outlay	0	0	0	76,022
<b>Total expenditures</b>	<b>2,723,741</b>	<b>2,849,975</b>	<b>3,072,378</b>	<b>2,739,805</b>
Excess of revenues over (under) expenditures	559,852	450,161	640,264	1,039,475
<b>Other financing sources (uses)</b>				
Transfers in	2,000	0	48,869	160,363
Transfers out	(217,647)	(284,296)	(667,438)	(961,587)
Issuance of capital leases	12,988	48,114	0	0
Sales of capital assets	0	294,980	494,532	0
<b>Total other financing sources (uses)</b>	<b>(202,659)</b>	<b>58,798</b>	<b>(124,037)</b>	<b>(801,224)</b>
Net change in fund balances	357,193	508,959	516,227	238,251
Fund balance, October 1 (original)	2,399,381	2,772,010	3,280,969	3,797,196
Prior period adjustments	15,436	0	0	0
<b>Fund balance , September 30</b>	<b>\$ 2,772,010</b>	<b>\$ 3,280,969</b>	<b>\$ 3,797,196</b>	<b>\$ 4,035,447</b>
Debt service as a percentage of noncapital expenditures	0.13%	0.51%	0.52%	0.51%

Fiscal Year						
2011	2012	2013	2014	2015	2016	
\$ 2,764,816	\$ 2,810,422	\$ 2,862,021	\$ 2,986,457	\$ 3,181,985	\$ 3,425,997	
130,755	97,404	170,428	189,247	229,248	139,407	
223,361	197,935	182,597	178,888	143,331	93,033	
40,150	87,250	31,750	47,680	73,745	66,500	
632,285	937,521	1,016,820	772,309	740,992	534,371	
11,618	10,502	10,366	5,323	5,534	17,211	
51,923	50,175	0	0	0	0	
53,442	46,030	17,087	9,569	15,013	14,906	
<u>3,908,350</u>	<u>4,237,239</u>	<u>4,291,069</u>	<u>4,189,473</u>	<u>4,389,848</u>	<u>4,291,425</u>	
997,408	1,023,206	1,294,435	1,006,061	1,106,846	1,144,747	
233,740	225,240	226,361	235,365	204,662	186,303	
84,785	80,483	14,336	7,420	3,257	48,685	
1,091,728	1,286,270	1,202,632	1,180,582	1,133,444	1,013,774	
8,820	14,625	24,955	29,123	59,890	32,190	
538,476	637,982	529,148	579,082	597,180	638,750	
12,843	10,207	0	0	0	0	
834	569	0	0	0	0	
120,953	301,626	382,479	74,300	166,052	275,970	
<u>3,089,587</u>	<u>3,580,208</u>	<u>3,674,346</u>	<u>3,111,933</u>	<u>3,271,331</u>	<u>3,340,419</u>	
<u>818,763</u>	<u>657,031</u>	<u>616,723</u>	<u>1,077,540</u>	<u>1,118,517</u>	<u>951,006</u>	
44,400	100,000	163,445	150,000	220,124	201,319	
(328,692)	(1,484,292)	(987,737)	(769,388)	(817,656)	(478,142)	
0	0	0	0	0	0	
0	0	0	900	0	7,814	
<u>(284,292)</u>	<u>(1,384,292)</u>	<u>(824,292)</u>	<u>(618,488)</u>	<u>(597,532)</u>	<u>(269,009)</u>	
534,471	(727,261)	(207,569)	459,052	520,985	681,997	
4,035,447	4,569,918	3,842,657	3,635,088	4,094,140	4,654,903	
0	0	0	0	39,778	0	
<u>\$ 4,569,918</u>	<u>\$ 3,842,657</u>	<u>\$ 3,635,088</u>	<u>\$ 4,094,140</u>	<u>\$ 4,654,903</u>	<u>\$ 5,336,900</u>	
0.49%	0.40%	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
2007	812,855	23,432	454,128	117,176
2008	895,002	28,148	488,607	123,662
2009	917,856	8,306	493,335	126,506
2010	924,685	11,854	460,629	110,811
2011	889,776	8,191	478,013	115,560
2012	866,534	12,388	505,998	111,636
2013	909,245	15,712	497,013	116,076
2014	1,000,521	11,312	490,264	116,749
2015	1,034,968	20,582	528,287	109,168
2016	1,227,301	14,927	542,288	120,042
Change 2006 - 2015	50.99%	-36.30%	19.41%	2.45%



<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>
190,631	147,210	115,031	837,951	2,698,414
198,849	156,736	129,217	832,447	2,852,668
203,612	166,266	119,547	723,690	2,759,118
201,702	176,223	121,833	744,801	2,752,538
195,840	164,240	149,661	763,535	2,764,816
245,897	162,457	149,373	756,139	2,810,422
261,157	174,592	156,184	732,042	2,862,021
270,403	171,576	180,499	745,133	2,986,457
282,726	193,583	211,683	800,988	3,181,985
302,046	198,166	236,527	784,700	3,425,997
58.45%	34.61%	105.62%	-6.35%	26.96%

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

Fiscal Year Ended September 30,	Personal Property			
	Real Property	Motor Vehicles	Mobile Homes	Heavy Equipment
2007	191,169,276	4,479,710	416,297	15,385
2008 (1)	223,443,124	4,070,310	409,680	0
2009	236,400,584	5,429,330	447,042	0
2010 (2)	242,256,781	6,236,220	455,958	0
2011	236,054,887	5,564,160	455,631	0
2012	226,846,158	5,666,920	290,325	0
2013	202,463,250	5,752,110	268,190	0
2014	202,991,937	5,940,190	244,393	0
2015	205,996,244	4,641,760	101,682	0
2016	208,211,843	3,278,000	83,122	0

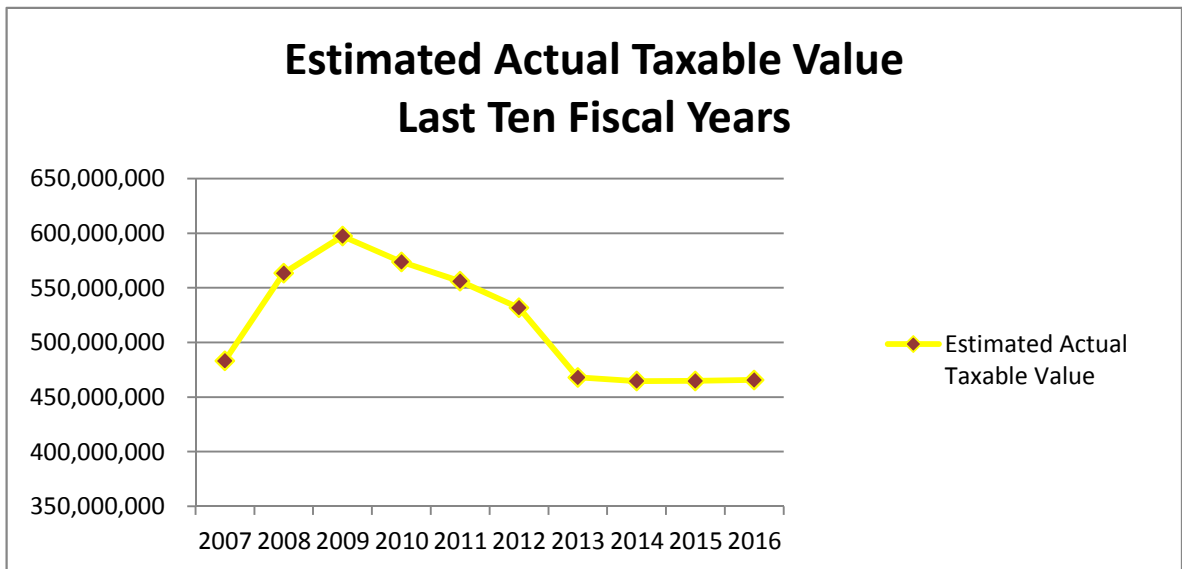
**Source:** Georgia Department of Revenue, Property Tax Division and Lumpkin County Tax Commissioners Office.

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

**Note (1):** There was a property revaluation in 2008 that substantially increased real property values.

**Note (2):** Exemptions Adjustments change due to local legislation passed.

<b>Exemption Adjustments</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
(2,759,674)	193,320,994	4.370	483,302,485	40%
(2,542,905)	225,380,209	3.959	563,450,523	40%
(3,359,688)	238,917,268	3.950	597,293,170	40%
(19,471,830)	229,477,129	3.950	573,692,823	40%
(19,687,619)	222,387,059	3.988	555,967,648	40%
(20,141,768)	212,661,635	4.212	531,654,088	40%
(21,277,495)	187,206,055	4.656	468,015,138	40%
(23,345,456)	185,831,064	4.739	464,577,660	40%
(24,797,329)	185,942,357	4.739	464,855,893	40%
(25,315,056)	186,257,909	5.781	465,644,773	40%



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

Tax Year	Fiscal Year	Overlapping Rates		
		City of Dahlonega	Lumpkin County Board of Education	State of Georgia
		Operating Millage	Operating Millage	
2006	2007	4.370	14.190	0.250
2007	2008	3.959	11.860	0.250
2008	2009	3.950	11.840	0.250
2009	2010	3.950	12.800	0.250
2010	2011	3.988	12.800	0.250
2011	2012	4.212	14.259	0.250
2012	2013	4.656	16.239	0.200
2013	2014	4.739	16.540	0.150
2014	2015	4.739	16.651	0.100
2015	2016	5.781	16.829	0.050

Source: Lumpkin County Tax Commissioners Office.

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

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

**Overlapping Rates**

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<b>Lumpkin County</b>				<b>Total Direct &amp; Overlapping Rates</b>
<b>Operating Millage (Unincorporated)</b>	<b>Operating Millage (Incorporated)</b>	<b>Special Assesment</b>	<b>Total County Millage</b>	
8.346	9.385	0.226	17.957	36.767
6.912	7.724	0.187	14.823	30.892
6.893	7.707	0.178	14.778	30.818
6.947	7.842	0.600	15.389	32.389
7.318	7.907	0.318	15.543	32.581
7.852	8.881	0.414	17.147	35.868
8.962	10.436	0.473	19.871	40.966
9.121	10.743	0.481	20.345	41.774
9.160	10.877	0.452	20.489	41.979
10.662	12.566	0.481	23.709	46.369

**CITY OF DAHLONEGA, GEORGIA**  
**PRINCIPAL TAXPAYERS**  
**September 30**

Taxpayer	Fiscal Year					
	2016			2007		
	Taxable Assessed Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Assessed Value
Koyo Bearings N America LLC (Torrington Company)	\$ 11,561,337	1	6.17%	\$ 10,183,332	1	5.27%
Forestar (USA) Real Estate	7,972,301	2	4.26%			
Georgia Power Company	6,852,986	3	3.66%	4,204,232	6	2.17%
Laurel Heights Mobile Homes	5,418,327	4	2.89%			
Windstream Standard Inc.	4,925,423	5	2.63%			
Birch River Chestatee Co. LLC	4,080,544	6	2.18%			
Amicalola EMC	4,214,014	7	2.25%	4,033,065	7	2.09%
Dahlonega Group LLC	3,273,238	8	1.75%			
HD Development of Maryland	3,784,103	9	2.02%			
Wal-Mart Stores East Inc. (Jacony Lindbergh Prop)	2,745,785	10	1.47%	3,766,292	5	1.95%
Southern Health Corp of Dahlonega Inc				2,511,774	9	1.30%
Green, Serman & Roberta				2,825,163	8	1.46%
Standard Telephone Co				7,804,054	2	4.04%
Owens Valley Farm LP				6,490,573	3	3.36%
Inland Container Corp				4,777,514	4	2.47%
Noblin, Edna A Estate				3,025,378	10	1.56%
<b>Total</b>	<b>\$ 54,828,058</b>		<b>29.44%</b>	<b>\$ 49,621,377</b>		<b>25.67%</b>

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

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

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

Fiscal Year 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
2007	844,813	794,985	94.10%	49,828	844,813	100.00%
2008	892,280	833,749	93.44%	58,531	892,280	100.00%
2009	943,723	878,664	93.11%	64,679	943,343	99.96%
2010	906,435	849,024	93.67%	56,902	905,926	99.94%
2011	886,880	848,725	95.70%	36,667	885,392	99.83%
2012	895,731	813,540	90.82%	80,383	893,923	99.80%
2013	865,229	830,405	95.98%	32,023	862,428	99.68%
2014	881,181	800,559	90.85%	76,187	876,746	99.50%
2015	887,731	836,412	94.22%	34,542	870,954	98.11%
2016	1,076,757	1,048,092	97.34%	0	1,048,092	97.34%

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	2016			2015		
	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
General	\$ 516,197	2	16.17%	\$ 634,995	1	19.89%
Food	561,315	1	17.58%	523,276	2	16.39%
Wholesale 2	229,716	6	7.19%	345,227	5	10.81%
Miscellaneous Services	377,541	4	11.82%	363,108	4	11.37%
Other Retail 2	445,645	3	13.96%	382,538	3	11.98%
Utilities	323,143	5	10.12%	324,706	6	10.17%
Automotive	72,579	10	2.27%	65,570	10	2.05%
Manufacturing	218,679	7	6.85%	194,204	7	6.08%
Home Furnishing	209,146	8	6.55%	181,828	8	5.69%
Miscellaneous	93,828	9	2.94%	73,069	9	2.29%
Accomodations 2	67,939		2.13%	58,005		1.82%
Construction 2	27,721		0.87%	46,445		1.45%
Lumber						
Apparel						
<b>Total</b>	<b>\$ 3,143,449</b>		<b>98%</b>	<b>\$ 3,192,971</b>		<b>100%</b>

Commodity	2011			2010		
	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
General	\$ 586,756	1	17.72%	\$ 552,698	1	18.47%
Food	477,327	2	14.41%	433,504	2	14.49%
Wholesale 2	368,513	5	11.13%	256,572	7	8.57%
Miscellaneous Services	330,063	6	9.97%	306,114	5	10.23%
Other Retail 2	386,448	4	11.67%	360,584	3	12.05%
Utilities	326,876	7	9.87%	298,788	6	9.98%
Automotive	422,388	3	12.75%	346,788	4	11.59%
Manufacturing	175,356	8	5.29%	223,067	8	7.45%
Home Furnishing	114,015	9	3.44%	107,528	9	3.59%
Miscellaneous	45,055		1.36%	34,203		1.14%
Accomodations 2	53,216	10	1.61%	44,399	10	1.48%
Construction 2	26,144		0.79%	28,377		0.95%
Lumber						
Apparel						
<b>Total</b>	<b>\$ 3,312,157</b>		<b>100%</b>	<b>\$ 2,992,622</b>		<b>100%</b>

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

Note 1: Data is not available for City of Dahlonega; Lumpkin County totals are reported on this schedule.

Note 2: The Georgia Department of Revenue added new commodity codes during 2009.



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%
<hr/>			<hr/>			<hr/>		
<u>\$ 2,971,455</u>		<u>100%</u>	<u>\$ 2,929,658</u>		<u>100%</u>	<u>\$ 3,025,022</u>		<u>100%</u>

2009			2008			2007		
Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
\$ 632,180	1	21.49%	\$ 742,197	1	22.73%	\$ 772,755	1	22.14%
476,912	2	16.21%	573,889	3	17.58%	715,107	2	20.49%
82,060	9	2.79%						
265,123	5	9.01%	284,601	5	8.72%	158,846	8	4.55%
229,255	7	7.79%						
300,415	4	10.21%	350,997	4	10.75%	313,995	5	8.99%
355,432	3	12.08%	590,324	2	18.08%	509,795	3	14.60%
241,531	6	8.21%	236,363	6	7.24%	277,504	6	7.95%
164,990	8	5.61%	131,107	9	4.02%	136,036	9	3.90%
56,113		1.91%	153,864	8	4.71%	199,886	7	5.73%
29,790		1.01%						
32,685		1.11%						
69,546	10	2.36%	185,651	7	5.69%	390,883	4	11.20%
5,620		0.19%	15,818	10	0.48%	16,062	10	0.46%
<hr/>			<hr/>			<hr/>		
<u>\$ 2,941,650</u>		<u>100%</u>	<u>\$ 3,264,811</u>		<u>100%</u>	<u>\$ 3,490,868</u>		<u>100%</u>



**CITY OF DAHLONEGA, GEORGIA**  
**WATER & SEWAGE UTILITY TEN LARGEST SYSTEM CUSTOMERS**  
**SEPTEMBER 30, 2016**

<u>Customer</u>	<u>Type of Business</u>	<u>Total Water Billings</u>	<u>Total Sewer Billings</u>	<u>Total Billings</u>	<u>Percentage of System Revenues</u>
University of North Georgia	Senior Military College	\$ 368,708	\$ 334,616	\$ 703,324	15.72%
Koyo Bearings USA (formerly Timken USA Corp.)	Manufacturer - Automobile Parts	345,049	348,220	693,269	15.50%
Lumpkin County Board of Education	Local Government	47,011	36,066	83,077	1.86%
Lumpkin County Board of Commissioners	Local Government	44,606	37,782	82,389	1.84%
Chestatee Medical Center	Hospital	32,789	30,506	63,294	1.41%
Camp Glisson	Not for Profit - Religious	32,212	16,187	48,399	1.08%
Gold City Nursing Home	Nursing Home	22,972	21,596	44,568	1.00%
Gold City Personal Care Home	Assisted Living Home	26,529	15,179	41,708	0.93%
Tyson's	Manufacturer - Poultry Processor	20,732	20,698	41,430	0.93%
Holiday Inn Express	Hospitality - Hotel	19,664	18,539	38,202	0.85%
Total		<u>\$ 591,565</u>	<u>\$ 544,771</u>	<u>\$ 1,136,337</u>	<u>25.40%</u>
<b>Total Water and Sewage sales:</b>		<u><u>\$ 4,473,839</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	Capital	Water	Notes	Capital
	Obligation	Leases	& Sewage	Payable	Leases
	Bonds		Bonds		
2007	0	10,534	65,000	12,823,146	62,897
2008	0	47,067	26,890,682	12,581,247	115,208
2009	0	35,328	26,383,926	12,114,383	84,875
2010	0	23,050	25,886,883	11,466,004	53,155
2011	0	10,207	25,619,558	10,852,312	19,985
2012	0	0	25,257,068	10,211,833	2,711
2013	0	0	24,799,334	9,544,352	0
2014	0	0	24,236,446	8,848,926	0
2015	0	0	27,626,388	5,532,414	0
2016	0	0	26,908,189	5,412,450	0

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 on pages 143 and 144 for personal income and population data.

<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita<sup>(2)</sup></b>
12,961,577	10.37%	2,844
39,634,204	30.78%	8,522
38,618,512	28.85%	8,098
37,429,092	28.09%	7,727
36,502,062	40.26%	6,963
35,471,612	44.15%	6,755
34,343,686	42.75%	5,861
33,085,372	41.18%	5,470
33,158,802	41.27%	5,233
32,320,639	40.23%	5,340



**CITY OF DAHLONEGA, GEORGIA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2016**

<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	\$ 6,411,140	100%	\$ 6,411,140
Subtotal, overlapping debt			<u>6,411,140</u>
City of Dahlonega direct debt			<u>0</u>
Total direct and overlapping debt			<u><u>\$ 6,411,140</u></u>

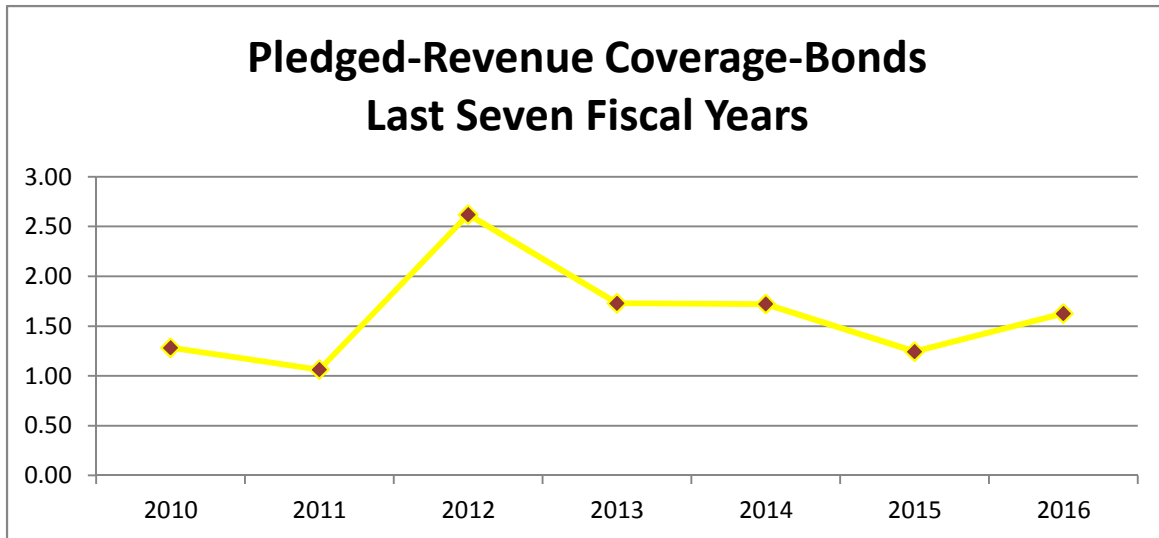
Source: Debt outstanding data per 12/31/2015 Lumpkin County CAFR.

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 SEVEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Net Operating Income</b>	<b>Plus Depreciation</b>	<b>Plus Interest Income</b>	<b>Net Revenues Available For Debt Service</b>	<b>Actual Debt Service Bonds</b>	<b>Less SPLOST Revenues *</b>
2010	411,908	1,275,219	99,306	1,786,433	1,908,719	515,000
2011	(69,046)	1,768,427	59,933	1,759,314	1,656,832	-
2012	(126,832)	1,741,114	59,933	1,674,215	1,739,044	1,100,000
2013	370,660	1,728,315	105,973	2,204,948	1,815,044	540,000
2014	876,501	1,708,276	101,393	2,686,170	1,896,294	335,096
2015	654,357	1,692,913	95,658	2,442,928	1,964,821	-
2016	956,336	1,669,788	8,800	2,634,924	1,620,310	-

\*SPLOST Proceeds related to debt repayment included.





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

<b>Net Debt Service on Bonds</b>	<b>Actual Debt Service GEFA</b>	<b>Transfer from General Fund Reservoir</b>	<b>Net Debt Service on GEFA</b>	<b>Total Debt Service</b>	<b>Coverage Bonds</b>	<b>Coverage GEFA</b>
1,393,719	1,038,759	286,224	752,535	2,146,254	1.28	0.83
1,656,832	1,022,760	284,292	738,468	2,395,300	1.06	0.73
639,044	1,023,077	284,292	738,785	1,377,829	2.62	1.22
1,275,044	1,023,077	284,292	738,785	2,013,829	1.73	1.09
1,561,198	1,023,077	284,292	738,785	2,299,983	1.72	1.17
1,964,821	1,020,200	284,292	735,908	2,700,729	1.24	0.90
1,620,310	284,296	189,528	94,768	1,715,078	1.63	1.54

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

	Fiscal Year			
	2007	2008	2009	2010
Debt Limit	\$ 19,332,099	\$ 22,538,021	\$ 23,891,727	\$ 22,947,713
Total net debt applicable to limit	0	0	0	0
Legal debt margin	\$ 19,332,099	\$ 22,538,021	\$ 23,891,727	\$ 22,947,713
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					
2011	2012	2013	2014	2015	2016
\$ 22,238,706	\$ 21,266,164	\$ 18,583,106	\$ 18,594,236	\$ 18,732,453	\$ 18,625,791
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 22,238,706</u>	<u>\$ 21,266,164</u>	<u>\$ 18,583,106</u>	<u>\$ 18,594,236</u>	<u>\$ 18,732,453</u>	<u>\$ 18,625,791</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2016**

Total Assessed value	\$ 186,257,909
Debt limit (10% of total assessed value) <sup>(1)</sup>	18,625,791
Debt applicable to limit:	
General obligation bonds	0
Less: Amount set aside for repayment of general obligation debt	<u>0</u>
Total net debt applicable to limit	<u>0</u>
Legal debt margin	<u>\$ 18,625,791</u>

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

<b>Fiscal Year</b>	<b>Lumpkin County Population<sup>(a)</sup></b>	<b>City of Dahlonega Population<sup>(a)</sup></b>	<b>Lumpkin County Per Capita Income<sup>(a)</sup></b>	<b>Lumpkin County Public School Enrollment<sup>(b)</sup></b>	<b>Lumpkin County Unemployment Rate<sup>(c)</sup></b>
2007	26,511	4,557	27,427	3,344	4.2%
2008	27,056	4,651	27,684	3,732	7.0%
2009	27,743	4,769	26,627	3,822	11.5%
2010	28,180	4,844	26,524	3,916	9.9%
2011	29,966	5,242	28,236	3,843	10.3%
2012	30,031	5,251	28,199	3,834	8.3%
2013	30,611	5,860	29,062	4,248	8.3%
2014	30,918	6,049	Unavailable	3,706	7.3%
2015	31,176	6,337	Unavailable	3,800	4.8%
2016	31,408	6,052	35,477	3,822	4.5%

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

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 TEN YEARS AGO**

<u>Employer</u>	<u>2016</u>			<u>2006</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	882	1	7.28%	697	1	6.41%
Lumpkin County Board of Education	636	2	5.25%	615	2	5.66%
Lumpkin County Board of Commissioners	281	3	2.32%	286	4	2.63%
Koyo Bearings USA (formerly Timken USA Corp.)	235	4	1.94%	251	6	2.31%
Wal-Mart Super Center	212	5	1.75%	265	5	2.44%
Chestatee Regional Hospital	147	6	1.21%	223	7	2.05%
RefigiWear, Inc.	129	7	1.06%	110	8	1.01%
Gold City Community Living	124	8	1.02%			
Home Depot	102	9	0.84%	92	9	0.85%
The Louve Shop	100	10	0.83%			
Mohawk Industries				350	3	3.22%
Ridge Creek School (formerly Hidden Lake Academy)				83	10	0.76%
<b>Total</b>	<b>2,848</b>		<b>40.62%</b>	<b>2,972</b>		<b>27.34%</b>

Source: Lumpkin County Board of Commissioners CAFR and City of Dahlonega Occupation Tax records.

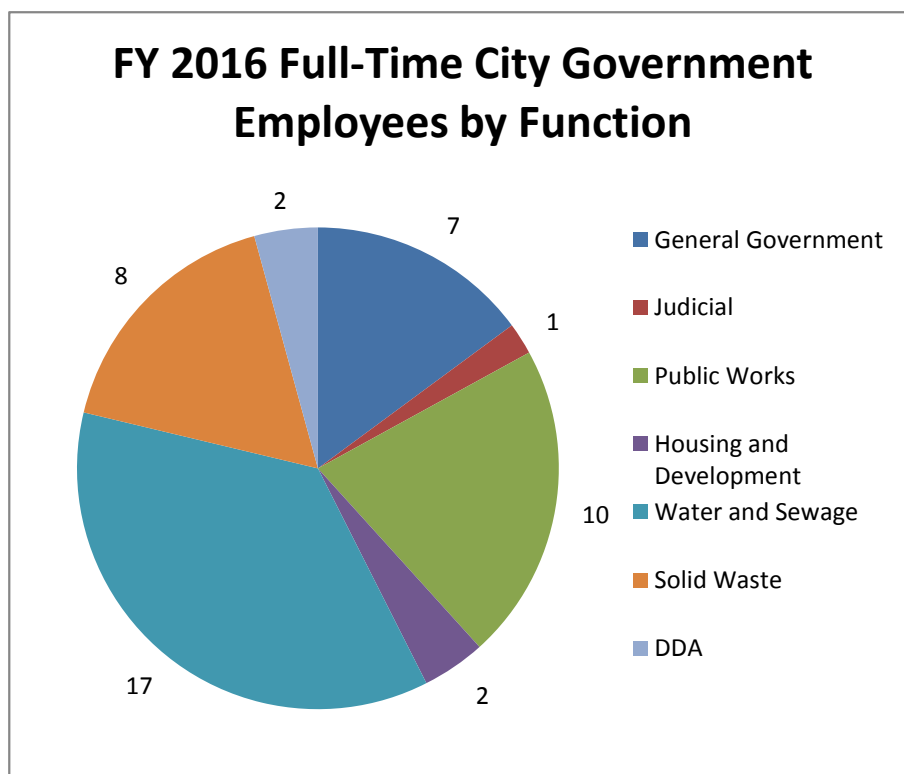
Note 1: Percentage of employment data in 2006 was based on estimated annual average employment of 10,870, which was obtained from Woods & Poole 2011 Economic Data Pamphlet.

Note 1: Percentage of employment data in 2016 was based on estimated annual average employment of 7,011, which was obtained from U.S. Department of Labor.

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

Function	Full-time Employees as of September 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Primary government</b>										
General Government	6	7	7	7	7	5	5	4	5	7
Judicial	1	1	1	0	0	0	0	0	0	1
Public Works	11	11	10	10	10	10	12	14	10	10
Culture and Recreation	0	0	0	0	0	0	0	0	0	0
Housing and Development	3	2	2	2	2	2	2	2	2	2
Water and Sewage	15	17	15	15	15	13	13	9	15	17
Solid Waste	6	6	5	5	5	5	5	6	8	8
<b>Total primary government</b>	<b>42</b>	<b>44</b>	<b>40</b>	<b>39</b>	<b>39</b>	<b>35</b>	<b>37</b>	<b>35</b>	<b>40</b>	<b>45</b>
<b>Component unit</b>										
Housing and Development Dahlonega Downtown Development Authority	1	1	1	1	1	1	1	1	1	2
<b>Total employees</b>	<b>43</b>	<b>45</b>	<b>41</b>	<b>40</b>	<b>40</b>	<b>36</b>	<b>38</b>	<b>36</b>	<b>41</b>	<b>47</b>

Source: City Payroll Records





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

Function	Fiscal Year				
	2008	2009	2010	2011	2012
General Government					
Number of accounts payable checks issued	3,105	3,011	3,418	2,698	2,409
Number of payroll checks issued*	2,634	2,567	2,430	2,524	2,209
Highways and streets					
Miles of right-of-way maintained	37.8	37.8	37.8	37.8	37.8
Sanitation					
Refuse collected (tons)	3,083	3,253	3,161	3,089	3,073
Recyclables collected (tons)	97	91	114	112	129
Water System (MGD -Millions of Gallons per Day)					
Number of service connections	2,066	2,102	2,074	2,144	2,123
Daily average consumption in gallons	0.910	0.898	0.924	1.006	1.015
Sewer System (MGD -Millions of Gallons per Day)					
Number of service connections	1,344	1,402	1,383	1,462	1,443
Daily average treatment in gallons	0.482	0.488	0.619	0.631	0.750

Source: Various City Departments.

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

Note 2: Comparative information prior to fiscal year 2008 is not available.

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



2013	2014	2015	2016
2,307	2,302	2,825	3,077
2,267	1,341	1,342	1,380
37.8	37.8	37.8	37.8
3,098 125	3,243 97	3,208 159	3,027 190
2,114	2,218	2,201	2,191
0.964	1.010	1.004	0.964
1,432	1,522	1,528	1,519
0.768	0.934	0.641	0.067

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

Function	Fiscal Year				
	2008	2009	2010	2011	2012
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	56	58	58	59	59
Number of fire hydrants	433	433	433	437	437
Number of water treatment plants	1	1	1	1	1
Number of operational wells	2	2	2	0	0
Maximum daily capacity of treatment plants in gallons	1.5 MGD	1.5 MGD	4.0 MGD	4.0 MGD	4.0 MGD
Sewer System:					
Miles of sanitary sewers	40	42	42	42	42
Number of wastewater treatment plants	1	1	1	1	1
Maximum daily capacity of treatment plant in gallons	1.1 MGD	1.1 MGD	1.1 MGD	1.1 MGD	1.1 MGD
Solid Waste					
Collection Trucks	4	4	4	4	4

Source: Various City Departments.

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

Note 2: Comparative information prior to fiscal year 2008 is not available.

2013	2014	2015	2016
37.8	37.8	37.8	37.8
3	3	3	3
3.58	3.58	3.58	3.58
59	59	61	61
437	437	449	493
1	1	1	1
0	0	0	0
4.0 MGD	4.0 MGD	4.0 MGD	6.0 MGD
42	42	42	48
1	1	1	1
1.1 MGD	1.1 MGD	1.1 MGD	1.1 MGD
4	4	4	4



# 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, 2016, and the related notes to the financial statements, which collectively comprise the City of Dahlonega, Georgia's basic financial statements and have issued our report thereon dated February 27, 2017.

**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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Dahlonega's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Rushton & Company, LLC*

Certified Public Accountants

Gainesville, Georgia  
February 27, 2017



# 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, 2016**

<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>
<b><u>2014 Referendum</u></b>					
Sewer Plant Upgrade and Related Sewer Line Replacements	\$ 3,000,000	\$ 3,000,000	\$ 313,240	\$ 87,295	\$ 400,535

\* 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.