CITY OF DAWSONVILLE

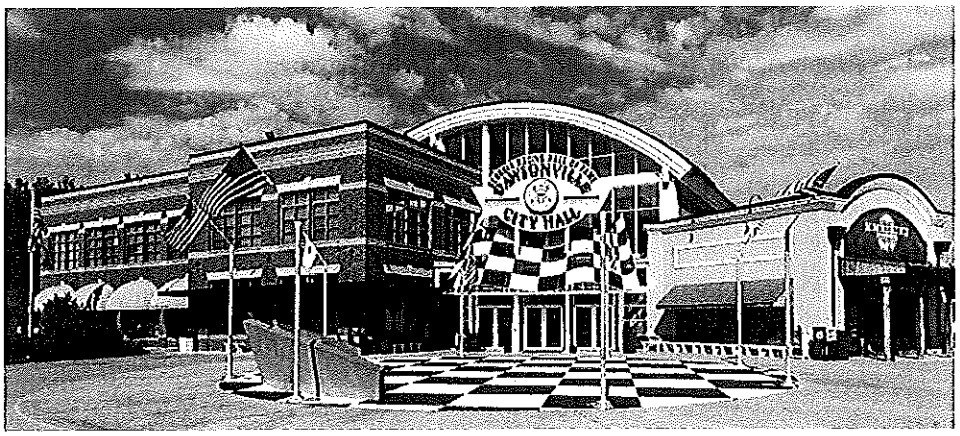
GEORGIA

1859 - 2009

SERVING OUR CITIZENS FOR 150 YEARS

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2014



"Protecting our History and Providing for the Future"

Certified City of Ethics

City of Dawsonville, Georgia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2014

Submitted by:

Bonnie Warne

City Clerk

INTRODUCTORY SECTION

CITY OF DAWSONVILLE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Fiscal Year Ended June 30, 2014

TABLE OF CONTENTS

INTRODUCTORY SECTION

Table of Contents ..... i-iii
Letter of Transmittal ..... iv-vi
Officials and Administration of the City of Dawsonville, Georgia vii
Organization Chart viii

FINANCIAL SECTION

Independent Auditor's Report 1-2

Management's Discussion and Analysis 3-10

Basic Financial Statements

Government-Wide Financial Statements:
- Statement of Net Position 11
- Statement of Activities 12

Fund Financial Statements:

Governmental Funds
- Balance Sheet 13
- Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 14
- Statement of Revenues, Expenditures and Changes in Fund Balances 15
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 16
- Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) General Fund 17

Proprietary Funds
- Statement of Net Position 18
- Statement of Revenues, Expenses and Changes in Net Position 19
- Statement of Cash Flows 20-21

Notes to the Financial Statements 22-44

Required Supplemental Information

Defined Benefit Retirement Plan Schedule of Funding Progress 45

Combining and Individual Fund Statements and Schedules

Non-major Governmental Funds
- Combining Balance Sheet 46
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance 47

Capital Projects Fund
- SPLOST & LMIG Grant Balance Sheet 48
- SPLOST & LMIG Grant Schedule of Revenues, Expenditures and Changes in Fund Balance 49

Special Revenue Fund
- Hotel-Motel Fund Balance Sheet 50
- Hotel-Motel Fund Schedule of Revenues, Expenditures and Changes in Fund Balance 51

TABLE OF CONTENTS (CONT'D)

Permanent Fund
Cemetery Fund Balance Sheet 52
Cemetery Fund Schedule of Revenues, Expenditures and Changes in Fund Balance 53

Supplementary Information

Schedules of Functional Allocations, Water, Sewer and Garbage Fund

Schedule of Net Position 54
Schedule of Revenues, Expenses and Change in Net Position 55
Schedule of Revenues, Expenses and Change in Net Position Budget verses Actual 56

STATISTICAL SECTION

Financial Trends
Net Position by Component 57
Changes in Net Position 58-59
Fund Balances of Governmental Funds 60
Changes in Fund Balances of Governmental Funds 61-62
General Fund History - Revenues, Expenditures and Changes in Fund Balance 63
Water & Sewer Fund History –Revenues, Expenses and Changes in Net Position 64

Revenue Capacity
Assessed Value and Estimated Actual Value of Taxable Property 65
Direct and Overlapping Property Tax Rate - Mills 66
Principal Property Taxpayers 67
Local Option Sales Tax Distribution Commodity Report—Dawson County 68

Debt Capacity
Ratios of Outstanding Debt by Type 69
Direct and Overlapping Governmental Activities Debt 70
Legal Debt Margin Information 71
Pledged-Revenue Coverage Water & Sewage Fund 72
Tax Supported Debt Ratio 73

Demographic and Economic Information
Demographic and Economic Statistics 74
Principal Employers/Dawson County 75
City Government Employees by Function 76

Operating Information
Operating Indicators by Function 77
Capital Asset Statistics by Function 78

TABLE OF CONTENTS (CONT'D)

OTHER REPORTING SECTION

Independent Auditor's Compliance Report
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*.....79-80

State Reporting Section
Schedule of Projects Financed with Special Purpose Local Option Sales Tax.....81

P.O. Box 6
415 Highway 53 E. Suite 100
Dawsonville, Georgia 30534

(706) 265-3256
Fax (706) 265-4214
www.dawsonville-ga.gov

W. James Grogan
Mayor

December 1, 2014

To the Honorable Mayor, Members of the City Council
and Citizens of the City of Dawsonville:

It is our pleasure to present the Comprehensive Annual Financial Report of the City of Dawsonville for the fiscal year ended June 30, 2014 to the Mayor, the City Council, and the citizens of Dawsonville. 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.

Within this report 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 Alexander, Almand & Bangs, LLP to perform the annual independent financial statement audit for fiscal year 2014. The audit issued an unmodified opinion for the 2014 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 MD&A and should be read in conjunction with it. The City of Dawsonville'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 Dawsonville, the county seat of Dawson County, is located in the foothills of the Northeast Georgia Mountains, approximately 50 miles northeast of Atlanta. The population of Dawsonville is estimated to be 2,536. Dawsonville was incorporated December 10, 1859 and was named after William C. Dawson, a compiler of the laws of Georgia and commander of a brigade in the Creek Indian War of 1836. Dawson also served in both houses of the state legislature and in Congress before the Civil War.

The government of the City of Dawsonville is vested in a City Council composed of a mayor and four 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 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, cemetery services, maintenance of highways and streets, planning and zoning, recreational facilities, and tourism event sponsorship.

The Downtown Development Authority of Dawsonville (DDA), a legally separate entity, was created by the City in 1996 to stimulate and sustain economic development in Downtown Dawsonville. The DDA works closely with downtown businesses and city leaders to ensure continued growth and investment into the downtown area while protecting our history and providing for the future.

The City of Dawsonville develops and adopts a balanced budget for each fiscal year. The City Clerk develops this document which is submitted to the Mayor and City Council for adoption. The City includes all governmental funds (General, SPLOST, and Hotel/Motel Tax), enterprise funds (Water/Sewage, and Solid Waste), and component units (Dawsonville 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 Dawsonville for 2013 has seen a gradual improvement from previous years.

Dawsonville is the only municipality located in Dawson County, situated in Northeast Georgia on two major state highways, Highway 53 and Highway 9, with Highway 400 in the County that opens a gateway for the Atlanta suburbs to expand north. This has been a major contributor to the growth of this community.

North Georgia Premium Outlet Mall is the largest employer in the County employing 1,000 to 1,200 employees, and Gold Creek Foods located in the City comes in second employing 590 employees.

The 2010 U.S. Census showed the City of Dawsonville grew more than 139% between 2000 and 2010, from 1,059 residents to 2,536. This population growth continues to impact all levels of service needs.

The housing and banking crisis, which halted the development within the City in 2011, has improved and developers resumed construction resulting in an increase in building permits over the past 2 years.

Farmington Woods has completed construction and opened their 74 unit apartments. A building permit was issued to the Assisted Living Center that will house 25 beds.

The City does not levy ad valorem taxes presently and historically. The City has maintained adequate revenue streams necessary for service delivery without the assessment of a City property tax.

	Labor Force Data (Dawson County)		Building Permits (City)		Population	
	Employed	Unemployment Rate	Residential	Commercial	Dawsonville	Dawson County
2013	11,344	6.7%	15	82	2,466	22,686
2012	11,397	7.7%	15	81	2,294	22,422
2011	11,306	9.0%	3	80	2,319	22,459
2010	11,367	9.8%	14	84	2,390	22,330
2009	11,180	9.8%	14	83	1,617	22,555

Long-term Financial Planning

Unassigned fund balance in the General Fund is $ 1,864,596 to provide cash flow throughout the year and as a buffer against unforeseen events.

The Enterprise Fund consolidated seven water and sewer loans into a $4.675 Series 2014 Bond. A Capital Improvement Plan has been set up that consists of the water and sewer tap revenue to cover improvements made to the water and sewer infrastructure.

Relevant Financial Policies

In March of 2014, Standard and Poor's assigned a credit rating of "AA" (stable) to the City.

The Council adopted a Financial Policy Manual as a guide to the management of the finances of the City on May 5, 2014. 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

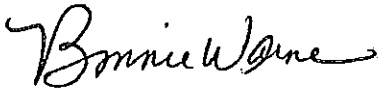
The City, through the DDA, purchased a 14.2 acre tract of property behind City Hall to create Main Street Park.

Awards and Acknowledgements

The City will submit this Comprehensive Annual Financial Report (CAFR) to the Governmental Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting reward program for the first time in 2014. In order to be awarded a Certificate of Achievement the government is required to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

The preparation of the CAFR has been accomplished through the dedicated efforts of the entire staff assisting the City Clerk in conjunction with the external audit firm Alexander, Almand & Bangs, LLP. Appreciation is also expressed to the Mayor and Council for their support and providing the resources needed to deliver quality services for Dawsonville's citizens.

Respectfully submitted,



Bonnie Warne
City Clerk

CITY OF DAWSONVILLE, GEORGIA
OFFICIALS AND ADMINISTRATION
as of June 30, 2014

ELECTED OFFICIALS

Mayor.....W. James Grogan
Mayor Pro-Tem.....Jason Power

Council Member.....Chris Gaines
Council Member.....Jason Power
Council Member.....Angie Smith
Council Member.....Mike Sosebee

APPOINTED OFFICIALS

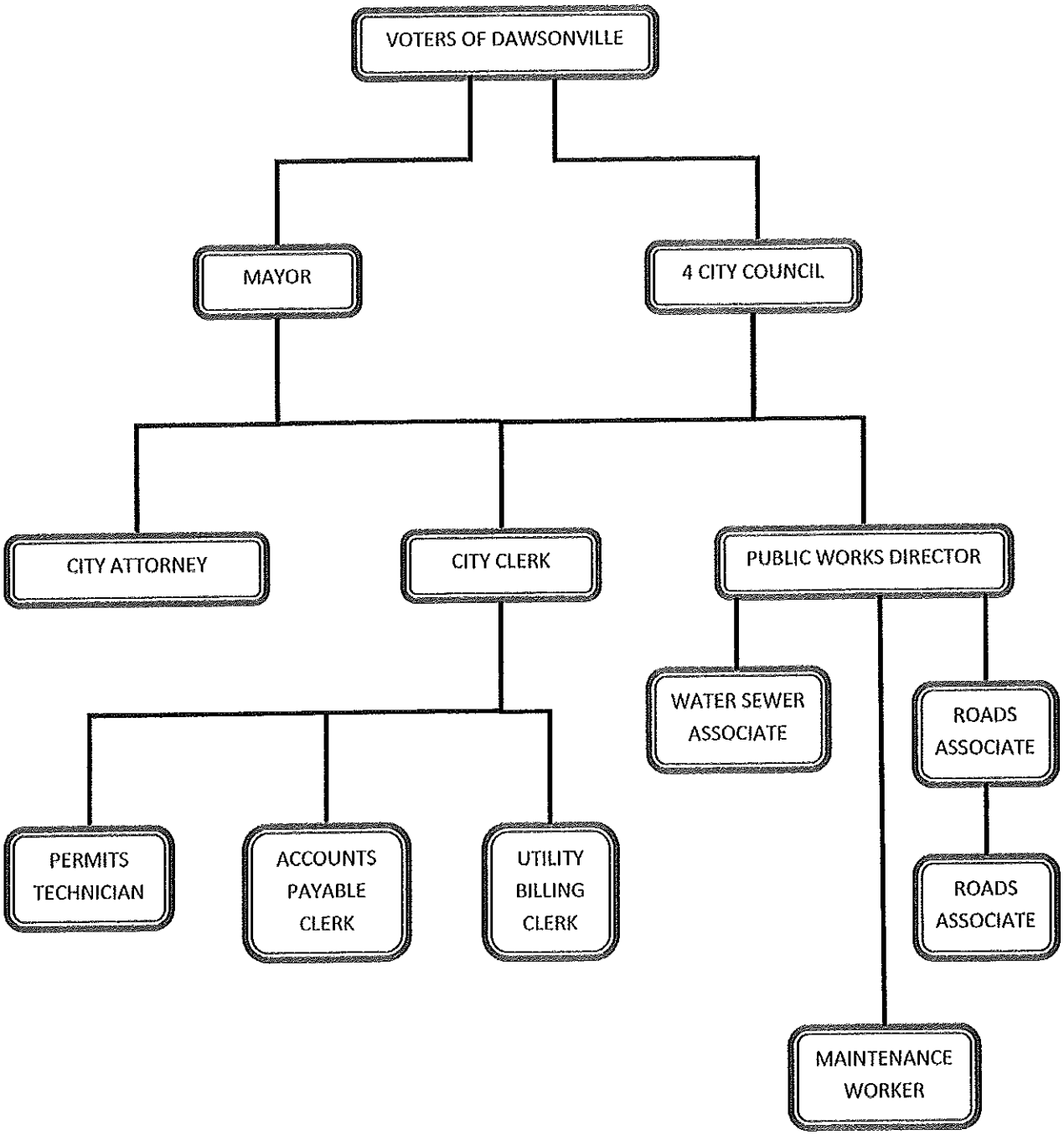
City Clerk.....Bonnie Warne
City Attorney.....Dana Miles

ADMINISTRATION

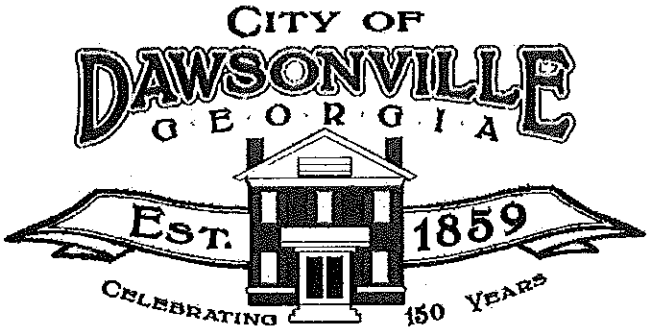
Public Works Director.....Gary Barr

CITY OF DAWSONVILLE, GEORGIA
ORGANIZATION CHART

2014 CITY OF DAWSONVILLE ORGANIZATIONAL CHART



FINANCIAL SECTION



December 1, 2014

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Dawsonville
Dawsonville, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dawsonville, Georgia as of and for the year ended June 30, 2014, 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 entity'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 entity'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, each major fund, and the aggregate remaining fund information of the City of Dawsonville, Georgia as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

302 Bradford St. NW Gainesville, GA 30501 · (770) 536-0511 · Fax (770) 536-7565 · alexanderalmand.com
Members of: The Georgia Society of Certified Public Accountants The American Institute of Certified Public Accountants

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 3 through 10 and Defined Benefit Retirement Plan Schedule of Funding Progress on page 45 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 Dawsonville, Georgia's basic financial statements. The introductory section, combining and individual non-major fund financial statements, the Schedule of Projects Constructed with Special Sales Tax Proceeds, the Schedules of Functional Allocations for the Water, Sewer and Sanitation fund, the Schedule of Revenues, Expenses and Changes in Net Position budget and actual for the Water, Sewer and Sanitation fund and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, the Schedule of Projects Constructed with Special Sales Tax Proceeds, the Schedules of Functional Allocations for the Water, Sewer and Sanitation fund and the Schedule of Revenues, Expenses and Changes in Net Position budget versus actual for the Water, Sewer and Garbage fund 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 non-major fund financial statements, the Schedule of Projects Constructed with Special Sales Tax Proceeds, the Schedules of Functional Allocations for the Water, Sewer and Garbage fund, and the Schedule of Revenues, Expenses and Changes in Net Position budget versus actual for the Water, Sewer and Garbage fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 1 2014, on our consideration of the City of Dawsonville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 City of Dawsonville, Georgia's internal control over financial reporting and compliance.

Alexander, Almand & Bangs, LLP
Gainesville, Georgia

P.O. Box 6
415 Highway 53 E. Suite 100
Dawsonville, Georgia 30534

(706) 265-3256
Fax (706) 265-4214
www.dawsonville-ga.gov

W. James Grogan
Mayor

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Dawsonville (the "City") provides this Management Discussion and Analysis as prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB 34). This narrative overview and analysis of the City of Dawsonville's financial activities is for the fiscal years ending June 30, 2014 and 2013. Please consider this information in conjunction with the accompanying Basic Financial Statements.

FINANCIAL HIGHLIGHTS

Financial highlights of the year include the following:

- The assets of the City of Dawsonville exceeded its liabilities at the close of the year ending June 30, 2014 by $ 12,246,034 (net position).
- The City's net position increased by $ 194,105 for the year ending June 30, 2014 from the prior year. Of this amount, an increase of $ 346,863 was associated with governmental activities and a decrease of $ 152,758 with business-type activities. In the government activities, the City continued progress on installation of sidewalks funded through SPLOST IV contributions.
- The City's net investment in capital assets, decreased $ 258,535 or 3.1% for the year ending June 30, 2014.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Dawsonville's basic financial statements. The City's basic financial statements include three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. These components are described below:

Government-wide financial statements
The government-wide financial statements are designed to provide readers with a broad overview of the City of Dawsonville's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of 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. The statement of net position combines and consolidates governmental funds' current financial resources with capital assets and long-term obligations.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods

Both of 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 of Dawsonville include general government, public safety, highways and streets and other charges. The major business-type activity of the City includes the water and sewer system.

The government-wide financial statements include a legally separate Dawsonville Downtown Development Authority, a component unit of the City. Financial information for the component unit is blended into the City's financial statements.

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. All of the funds of the City of Dawsonville can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. These funds also include the blended component unit.

Governmental funds
Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains three governmental funds – the general fund, a capital projects fund and a hotel-motel tax special revenue fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The general fund is considered a major fund, while capital projects funds, cemetery fund and the hotel-motel tax fund are considered non-major governmental funds.

The City of Dawsonville adopted a full year budget for the period ending June 30, 2014 for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

Proprietary funds
The City of Dawsonville maintains one proprietary enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in the proprietary statement of net position and the proprietary statement of revenues, expense and changes in net position for the water, sewer and sanitation fund, which is considered a major proprietary fund.

Permanent Funds
Permanent funds account for resources that are legally restricted to allow the earnings (and not the principle) to be used to support the governments programs such as cemeteries, libraries, parks and scholarships.

Notes to the financial statements
Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in government-wide and the fund financial statements. The notes can be found immediately following the fund financial statements.

Other information

Required supplementary information is reported in addition to the basic financial statements and accompanying notes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

At June 30, 2014, the City's assets exceeded liabilities by $ 12,246,034. By far the largest portion of the City's net position reflects its net investment in capital assets, less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens and they are not available for future spending. Although the investment in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

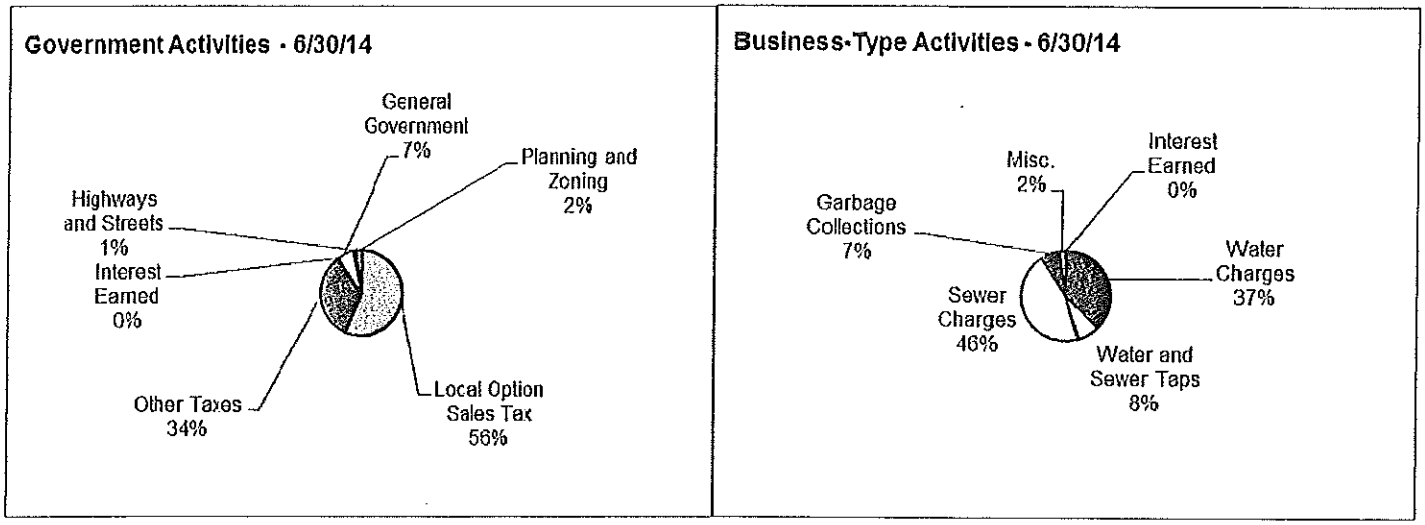
City of Dawsonville's Net Position

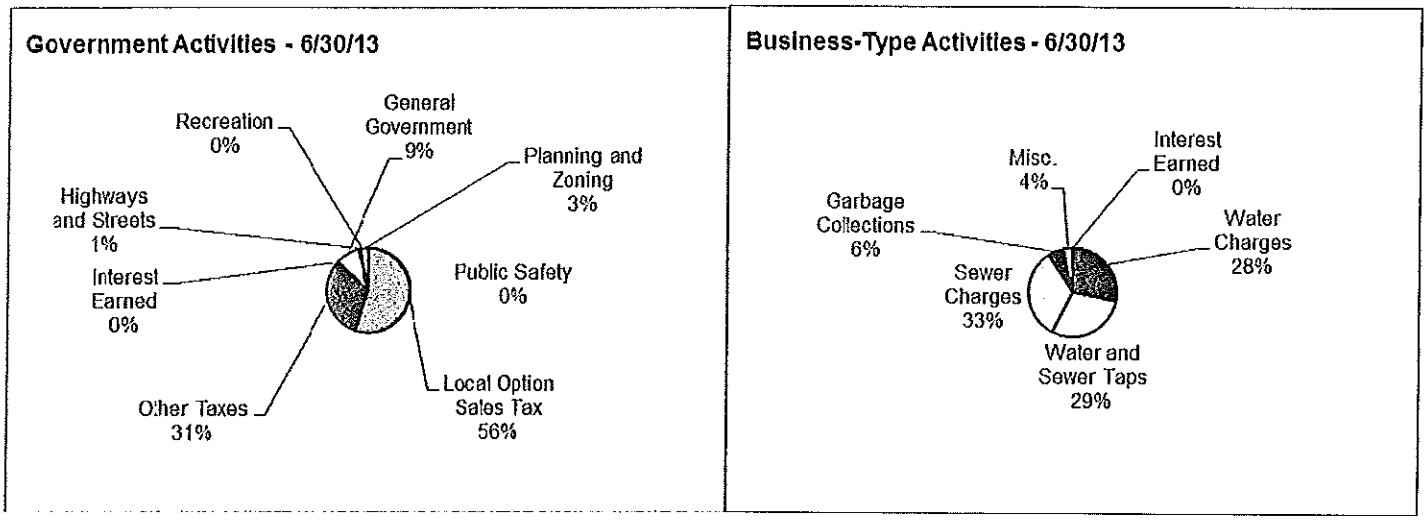
	Total 6/30/2014	Total 6/30/2013	Govt'l Activities 06/30/14	Govt'l Activities 06/30/13	Business Type Activities 06/30/14	Business Type Activities 06/30/13
Current assets	$ 4,183,569	$ 3,629,986	$ 2,196,798	$ 1,817,605	$ 1,986,771	$ 1,812,381
Other assets	-	161,730	-	-	-	161,730
Capital assets	14,464,410	15,005,880	4,066,551	4,180,589	10,397,859	10,825,291
Total assets	18,647,979	18,797,596	6,263,349	5,998,194	12,384,630	12,799,402
Long-term liabilities	5,787,656	6,182,957	1,337,797	1,451,562	4,449,859	4,731,395
Other current liabilities	614,289	562,710	200,663	168,606	413,626	394,104
Total liabilities	6,401,945	6,745,667	1,538,460	1,620,168	4,863,485	5,125,499
Net position:						
Net investment in capital assets	8,356,097	8,605,117	2,623,723	2,625,541	5,732,374	5,979,576
Restricted for cemetery	190,388	196,950	190,388	196,950	-	-
Restricted for tourism	254	168	254	168	-	-
Restricted for capital projects	10,765	18,080	10,765	18,080	-	-
Restricted for debt service	-	217,758	-	-	-	217,758
Unrestricted	3,688,530	3,013,856	1,899,759	1,537,287	1,788,771	1,476,569
Total net position	$ 12,246,034	$ 12,051,929	$ 4,724,889	$ 4,378,026	$ 7,521,145	$ 7,673,903

City of Dawsonville's Changes in Net Position (continued)

	Total 6/30/2014	Total 6/30/2013	Govt'l Activities 06/30/14	Govt'l Activities 06/30/13	Business Type Activities 06/30/14	Business Type Activities 06/30/13
Revenues:						
Program revenues:						
Charges for services	$ 1,316,935	$ 1,293,841	$ 112,106	$ 171,863	$ 1,204,829	$ 1,121,978
Operating grants & contributions	9,993	1,000	9,993	1,000	-	-
Capital grants & contributions	120,929	482,523	16,629	16,523	104,300	466,000
General revenues:						
Taxes	1,250,558	1,255,305	1,250,558	1,255,305	-	-
Gain (loss) on sale of assets	-	-	-	-	-	-
Interest	6,216	6,526	2,243	2,573	3,973	3,953
Total Revenues	2,704,631	3,039,195	1,391,529	1,447,264	1,313,102	1,591,931
Expenses:						
General government	682,148	706,717	682,148	706,717	-	-
Public safety	-	80,000	-	80,000	-	-
Highways and streets	221,424	265,141	221,424	265,141	-	-
Culture/recreation	1,933	5,641	1,933	5,641	-	-
Planning and zoning	97,632	63,448	97,632	63,448	-	-
Housing and development	11,577	23,667	11,577	23,667	-	-
Interest on long-term debt	214,063	245,981	29,952	39,202	184,111	206,779
Bond issuance cost	134,453	-	-	-	134,453	-
Water and sewer	1,147,296	1,153,945	-	-	1,147,296	1,153,945
Total Expense	2,510,526	2,544,540	1,044,666	1,183,816	1,465,860	1,360,724
Increase in net position before transfers	194,105	494,655	346,863	263,448	(152,758)	231,207
Transfers	-	-	-	-	-	-
Change in net position	194,105	494,655	346,863	263,448	(152,758)	231,207
Net position - beginning of year	12,051,929	11,482,815	4,378,026	4,024,578	7,673,903	7,458,237
Prior period adjustment	-	74,459	-	90,000	-	(15,541)
Net position - ending of year	$ 12,246,034	12,051,929	$ 4,724,889	$ 4,378,026	$ 7,521,145	$ 7,673,903

Revenues by Source:



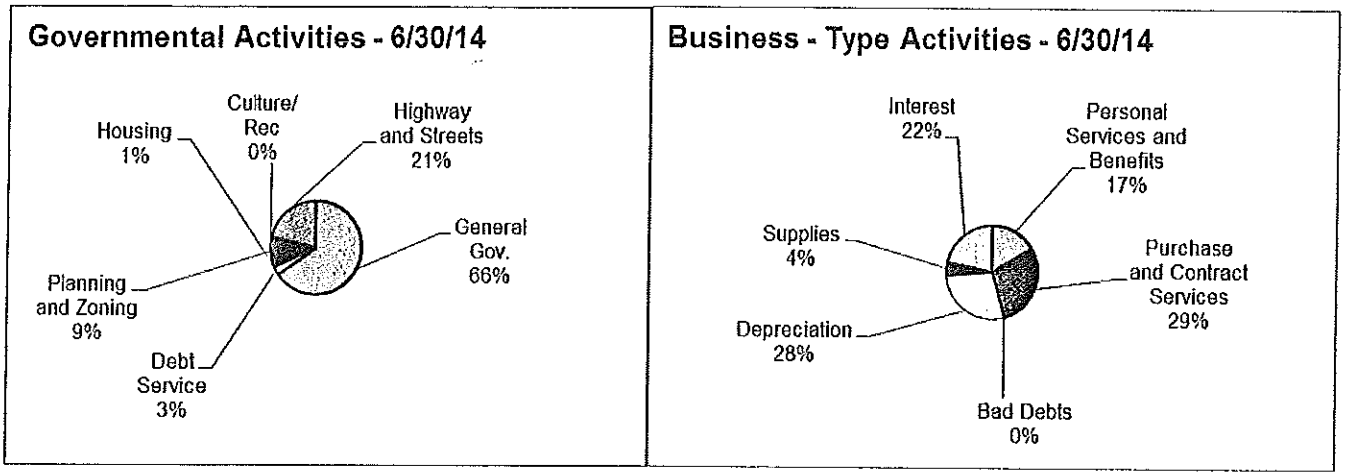


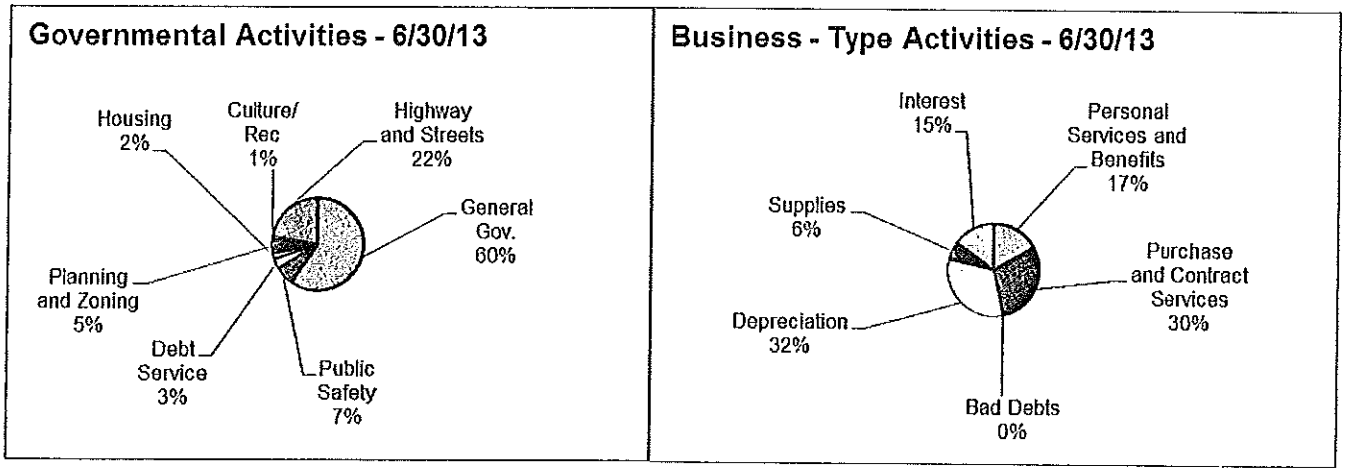
GENERAL FUND BUDGETARY HIGHLIGHTS

Changes from the City's General Fund original budget to the final budget are detailed in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual along with a comparison to actual activity for the year ended June 30, 2014. Fiscal management and expenditure control helped keep the budget in balance.

General Fund revenues of $ 1,367,980 were more than budgeted revenues of $ 1,224,000 for the year ended June 30, 2014. General Fund expenditures were less than budgeted. With total appropriations of $ 1,224,000 the City actually spent $ 1,002,901 or $ 221,099 less than budgeted, for the year ended June 30, 2014.

Expenditures by Function:





ECONOMIC FACTORS

The issues facing the national economy correlate with the City's local economy. Permitting for new home or commercial building construction has turned around. The City strives to be good stewards of the revenues received through fiscal management and expenditure control using a minimal amount of reserved funds to help keep the budget in balance. The City plans to maintain a conservative fiscal position while the economic conditions dictate.

CAPITAL ASSETS

As of June 30, 2014 and 2013 the City had $ 20,012,114 and $ 19,980,171 invested in a variety of capital assets, as in the schedule below. Adjustments for depreciation are $ 573,413 and $ 611,505 for the years ending June 30, 2014 and 2013. Adjustments for accumulated depreciation are $ 5,547,704 and $ 4,974,291 for the years ending June 30, 2014 and 2013. Further detail on capital assets is provided in the notes to the financial statements.

Capital Assets at Year-end

	Total 6/30/2014	Total 6/30/2013	Govt'l Activities 6/30/2014	Govt'l Activities 6/30/2013	Business Type Activities 6/30/2014	Business Type Activities 6/30/2013
Land	$ 3,343,989	$ 3,343,989	$ 410,802	$ 410,802	$ 2,933,187	$ 2,933,187
Artifacts	49,751	49,751	49,751	49,751	-	-
Construction in progress	68,614	243,759	-	-	68,614	243,759
Buildings	3,537,289	3,537,289	3,306,824	3,306,824	230,465	230,465
Improvements	34,365	34,365	34,365	34,365	-	-
Vehicles	131,655	108,040	110,171	86,556	21,484	21,484
Equipment	471,373	471,373	228,137	228,137	243,236	243,236
Infrastructure	1,755,061	1,732,317	1,755,061	1,732,317	-	-
Water and Sewer System	9,701,701	9,540,972	-	-	9,701,701	9,540,972
Sewer Treatment Plant	918,316	918,316	-	-	918,316	918,316
Total	$ 20,012,114	$ 19,980,171	$ 5,895,111	$ 5,848,752	14,117,003	14,131,419

The following reconciliation summarizes the change in Capital Assets:

	Total 6/30/2014	Total 6/30/2013	Govt'l Activities 6/30/2014	Govt'l Activities 6/30/2013	Business Type Activities 6/30/2014	Business Type Activities 6/30/2013
Beginning Balance:	$ 19,980,171	$ 19,578,882	$ 5,848,752	$ 5,608,687	$ 14,131,419	$ 13,970,195
Additions:						
Land	-	90,000	-	90,000	-	-
Construction In Progress	-	168,440	-	-	-	168,440
Buildings	-	-	-	-	-	-
Vehicles	23,615	-	23,615	-	-	-
Equipment	-	30,387	-	30,387	-	-
Infrastructure	22,744	167,388	22,744	167,388	-	-
Water and Sewer System	160,729	-	-	-	160,729	-
Dispositions:	-					
Construction In Progress	(175,145)	(54,926)	-	(47,710)	(175,145)	(7,216)
Equipment	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-
Water and Sewer System	-	-	-	-	-	-
Total	$ 20,012,114	$ 19,980,171	$ 5,895,111	$ 5,848,752	$ 14,117,003	$ 14,131,419

LONG-TERM DEBT

As of June 30, 2014, the City was liable for long-term capital lease obligations totaling $ 1,442,828 and for revenue bond debt totaling $ 4,675,000. As of June 30, 2013, the City was liable for long-term capital lease obligations totaling $ 1,555,048 for revenue bond debt totaling $ 3,761,717 and municipal loans of $ 1,083,998. This is a debt reduction of $ 282,935 from prior year. Further detail on long-term debt is provided in the notes to the financial statements.

REQUEST FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the City of Dawsonville's finances for all of Dawsonville's residents, taxpayers, customers, investors, and creditors. This financial report seeks to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the City Clerk, c/o City of Dawsonville, P. O. Box 6, Dawsonville, Georgia 30534.

FINANCIAL SECTION

Basic Financial Statements

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2014

	Primary Government - 2014		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 1,803,459	$ 1,778,371	$ 3,581,830
Restricted assets:			
Cash and cash equivalents	207,293	89,920	297,213
Accounts receivable	142,314	95,060	237,374
Prepaid items	43,732	23,420	67,152
Total current assets	2,196,798	1,986,771	4,183,569
Non-current assets			
Restricted assets:			
Certificates of deposit	-	-	-
Capital assets (net of accumulated depreciation)			
Land and construction in progress	410,802	3,001,801	3,412,603
Artifacts	49,751	-	49,751
Depreciable, capital assets net	3,605,998	7,396,058	11,002,056
Total non-current assets	4,066,551	10,397,859	14,464,410
TOTAL ASSETS	$ 6,263,349	$ 12,384,630	$ 18,647,979

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2014

	Primary Government - 2014		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES AND NET POSITION			
Current liabilities			
Accounts payable and accrued liabilities	$ 87,063	$ 98,781	$ 185,844
Current portion, capital lease debt	113,600	-	113,600
Current portion, bond debt	-	225,000	225,000
Customer deposits payable from restricted assets	-	89,845	89,845
Total current liabilities	200,663	413,626	614,289
Non-current liabilities			
Long-term debt, capital lease	1,329,228	-	1,329,228
Long-term debt, bond debt	-	4,450,000	4,450,000
Unamortized discount on bonds payable	-	(9,515)	(9,515)
Compensated absences	8,569	9,374	17,943
Total non-current liabilities	1,337,797	4,449,859	5,787,656
Total liabilities	1,538,460	4,863,485	6,401,945
Net Position			
Net investment in capital assets	2,623,723	5,732,374	8,356,097
Restricted for cemetery	190,388	-	190,388
Restricted for tourism	254	-	254
Restricted for capital projects	10,765	-	10,765
Unrestricted	1,899,759	1,788,771	3,688,530
Total net position	4,724,889	7,521,145	12,246,034
TOTAL LIABILITIES AND NET POSITION	$ 6,263,349	$ 12,384,630	$ 18,647,979

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions
PRIMARY GOVERNMENT			
Governmental Activities			
General government	$ 682,148	$ 84,070	$ 9,993
Highways and streets	221,424	-	-
Culture/recreation	1,933	-	-
Planning and zoning	97,632	28,036	-
Housing and development	11,577	-	-
Interest on long term debt	29,952	-	-
		-	
Total Government Activities	1,044,666	112,106	9,993
Business-Type Activities			
Water and sewer	1,465,860	1,204,829	-
Total Business-Type Activities	1,465,860	1,204,829	-
Total-Primary Government	$ 2,510,526	$ 1,316,935	$ 9,993

GENERAL REVENUES:
Taxes: Sales
Alcoholic Beverage
Franchise
Other
Interest earned

Total General Revenues

Change In Net Position

NET POSITION - beginning of year

NET POSITION - end of year

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

Capital Grants and Contributions	Net (Expense) Revenue and Changes In Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
$ -	$ (588,085)	$ -	$ (588,085)
16,629	(204,795)	-	(204,795)
-	(1,933)	-	(1,933)
-	(69,596)	-	(69,596)
-	(11,577)	-	(11,577)
-	(29,952)	-	(29,952)
16,629	(905,938)	-	(905,938)
104,300	-	(156,731)	(156,731)
104,300	-	(156,731)	(156,731)
$ 120,929	(905,938)	(156,731)	(1,062,669)
	783,018	-	783,018
	90,626	-	90,626
	143,418	-	143,418
	233,496	-	233,496
	2,243	3,973	6,216
	1,252,801	3,973	1,256,774
	346,863	(152,758)	194,105
	4,378,026	7,673,903	12,051,929
	$ 4,724,889	$ 7,521,145	$ 12,246,034

CITY OF DAWSONVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	General	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 1,803,459	$ -	$ 1,803,459
Restricted assets:			
Cash and cash equvialents	-	207,293	207,293
Receivables (net, where applicable of allowance for uncollectible):			
Taxes receivable	142,102	212	142,314
Prepaid expense	43,732	-	43,732
Due from other funds	6,140	776	6,916
TOTAL ASSETS	$ 1,995,433	$ 208,281	$ 2,203,714
LIABILITIES			
Accounts payable	74,478	734	75,212
Salaries payable	5,073	-	5,073
Interest payable	1,778	-	1,778
Deposits payable	5,000	-	5,000
Due to other funds	776	6,140	6,916
Total liabilities	87,105	6,874	93,979
FUND BALANCE			
Non-spendable:			
Prepaid items	43,732	-	43,732
Restricted:			
Permanent funds	-	190,388	190,388
Special revenue funds	-	254	254
Capital project funds	-	10,765	10,765
Unassigned:	1,864,596	-	1,864,596
Total Fund Balances	1,908,328	201,407	2,109,735
TOTAL LIABILITIES AND FUND BALANCE	$ 1,995,433	$ 208,281	$ 2,203,714

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2014

	2014	
TOTAL GOVERNMENTAL FUND BALANCES		$ 2,109,735
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost	$ 5,895,111	
Accumulated depreciation	(1,828,560)	
Total capital assets, net depreciation		4,066,551
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds .		
Long-term debt	(1,442,828)	
Long-term compensated absences payable	(8,569)	
Total long-term liabilities		(1,451,397)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 4,724,889

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	$ 1,247,700	$ 2,858	$ 1,250,558
Charges for services	1,530	3,800	5,330
Intergovernmental	3,766	16,604	20,370
Licenses and permits	54,461	-	54,461
Interest earned	1,981	287	2,268
Miscellaneous	58,542	-	58,542
Total Revenues	1,367,980	23,549	1,391,529
EXPENDITURES			
Current operating:			
General government	528,218	10,624	538,842
Highways and streets	223,199	-	223,199
Culture/recreation	100	-	100
Planning and zoning	97,632	-	97,632
Housing and development	11,577	2,772	14,349
Capital outlay:	-	23,944	23,944
Debt service:	142,175	-	142,175
Total Expenditures	1,002,901	37,340	1,040,241
EXCESS REVENUES (EXPENDITURES)	365,079	(13,791)	351,288
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	-	-
NET CHANGE IN FUND BALANCES	365,079	(13,791)	351,288
FUND BALANCES - beginning of year	1,543,249	215,198	1,758,447
FUND BALANCES - end of year	$ 1,908,328	$ 201,407	$ 2,109,735

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

		2014	
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS			$ 351,288
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 as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.			
Depreciation expense		$ (160,397)	
Capital outlay - capital projects fund	$ 22,744		
Capital outlay reported in general government function	23,615		
Capital outlay		$ 46,359	
			(114,038)
Governmental funds include the cost of principal debt reducton as an expenditure which is not included in the statement of activities.			112,220
Governmental funds do not include the expense of long-term compensated absences liabilites, which are reflected in the Statement of Net Position.			
Current year liability - long term compensated absences		(8,569)	
Prior year liability - long term compensated absences		5,961	
			(2,608)
Rounding			1
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES			$ 346,863

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 1,127,800	$ 1,127,800	$ 1,247,700	$ 119,900
Charges for services	1,500	1,500	1,530	30
Licenses and permits	42,100	42,100	54,461	12,361
Intergovernmental revenues	1,000	1,000	3,766	2,766
Interest earned	1,500	1,500	1,981	481
Miscellaneous	50,100	50,100	58,542	8,442
Total revenues	1,224,000	1,224,000	1,367,980	143,980
EXPENDITURES				
Current operating:				
General government	615,000	615,000	528,218	86,782
Highways and streets	310,000	310,000	223,199	86,801
Culture/recreation	8,000	8,000	100	7,900
Planning and zoning	120,000	120,000	97,632	22,368
Housing and development	21,000	21,000	11,577	9,423
Debt service:	150,000	150,000	142,175	7,825
Total expenditures	1,224,000	1,224,000	1,002,901	221,099
TOTAL REVENUES OVER EXPENDITURES	-	-	365,079	365,079
OTHER FINANCING SOURCES (USES)				
Contigencies, surplus reserves	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	$ -	$ -	365,079	$ 365,079
FUND BALANCES - beginning of year			1,543,249	
FUND BALANCES - end of year			$ 1,908,328	

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
June 30, 2014

	Total Water Sewer & Garbage Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 1,778,371
Receivables (net of allowance for uncollectible):	
Accounts	95,060
Prepaid expense	23,420
Restricted assets:	
Cash and cash equivalents	89,920
Total current assets	1,986,771
Non-current assets:	
Capital assets:	
Nondepreciable capital assets	3,001,801
Depreciable capital assets, net	7,396,058
Total non-current assets	10,397,859
TOTAL ASSETS	$ 12,384,630

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF NET POSITION
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
June 30, 2014

	Total Water Sewer & Garbage Enterprise Fund
LIABILITIES	
Current liabilities:	
Accounts payable	$ 62,897
Accrued expenses	7,532
Accrued interest payable	28,352
Current portion of long-term debt	225,000
Customer deposits - payable from restricted assets	89,845
Total current liabilities	413,626
Long-term liabilities:	
Compensated absences payable	9,374
Long-term debt (net of current portion)	4,450,000
Unamortized discount on bonds payable	(9,515)
Total long-term liabilities	4,449,859
TOTAL LIABILITIES	4,863,485
NET POSITION	
Net investment in capital assets	5,732,374
Unrestricted	1,788,771
TOTAL NET POSITION	7,521,145
TOTAL LIABILITIES AND NET POSITION	$ 12,384,630

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
For the Year Ended June 30, 2014

	Total Water Sewer & Garbage Enterprise Fund
OPERATING REVENUES	
Charges for services	$ 1,174,729
Miscellaneous	30,100
Total operating revenues	1,204,829
OPERATING EXPENSES	
Personal services and benefits	241,309
Purchased and contractual services	424,440
Bad debts	4,910
Supplies	63,621
Depreciation	413,016
Total operating expenses	1,147,296
OPERATING INCOME (LOSS)	57,533
NON-OPERATING INCOME (LOSS)	
Interest, bond issuance, and other fiscal charges	(318,564)
Interest earned	3,973
Total non-operating income (loss)	(314,591)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(257,058)
Capital contributions - tap fees and other	104,300
CHANGE IN NET POSITION	(152,758)
NET POSITION - beginning of year	7,673,903
NET POSITION - end of year	$ 7,521,145

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF CASH FLOWS
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
For the Year Ended June 30, 2014

	Total Water Sewer & Garbage Enterprise Fund
Cash flows from operating activities	
Cash receipts from customers	$ 1,185,035
Cash receipts from other operating sources	30,100
Cash payments for goods and services	(442,163)
Cash payments to employees for services and benefits	(238,742)
Net cash provided by (used in) operating activities	534,230
Cash Flows from capital and related financing activities	
Proceeds from tap fees	104,300
Proceeds from debt	4,675,000
Acquisition, construction and disposal of capital assets, net	(160,729)
Principal paid on debt	(4,845,715)
Interest, bond issuance, and other fiscal charges paid	(296,608)
Net cash provided by capital and related financing activities	(523,752)
Cash Flows from investing activities	
Proceeds from certificates of deposit	192,402
Interest received	3,973
Net cash provided by investing activities	196,375
Net increase (decrease) in cash and cash equivalents	206,853
Cash and equivalents - beginning of year	1,661,438
Cash and equivalents - end of year	$ 1,868,291

See accompanying notes to the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
STATEMENT OF CASH FLOWS (CONT'D)
WATER, SEWER AND GARBAGE
PROPRIETARY FUND
For the Year Ended June 30, 2014

	Total Water Sewer & Garbage Enterprise Fund
Reconciliation of operating gain (loss) to net cash provided by (used in) operating activities	
Operating income	$ 57,533
Adjustments	
Depreciation	413,016
(Increase) decrease in assets	
Accounts receivable	2,835
Prepaid expense	(5,017)
Interfund receivables	10,381
Increase (decrease) in liabilities	
Accounts payable	40,535
Customer deposits	12,380
Accrued expenses	2,028
Compensated absences payable	539
Unearned revenue	-
Interfund payables	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 534,230
Reconciliation of cash and cash equivalents:	
Cash and cash equivalents	$ 1,778,371
Cash and cash equivalents - restricted	89,920
Total cash and cash equivalents	$ 1,868,291

See accompanying notes to the basic financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Narrative Profile

The City of Dawsonville (the "City") operates under a council/mayor form of government and provides the following services: public safety, highways and streets, culture and recreation, planning and zoning, public improvements and general and administrative services. In addition, the City operates a public utility (water/sewer and sanitation) for the incorporated and immediate surrounding areas.

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting. The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounts Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure. In addition, the City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements to its governmental and business-type activities. The more significant of these accounting policies are described below.

In June 1999, the GASB issued Statement No. 34 "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments." This Statement provides for the most significant change in financial reporting in over twenty years and requires implementation starting with fiscal years ending after June 15, 2004 for governments with total revenues less than $ 10 million. The City implemented the basic model during the year ended December 31, 2004.

B. Financial Reporting Entity

As required by the accounting principles generally accepted in the United States, these financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable.

Blended Component Unit:

Dawsonville Downtown Development Authority

On February 6, 1996, the Mayor and Council of Dawsonville, Georgia determined that there was a need in the City for the revitalization and redevelopment of the central business district of the municipal corporations of the State of Georgia. The board of directors determined among them their respective terms of office as required under O.C.G.A Section 36-42-4. The members appointed 2 members for a 2 year term of office, 2 members for a 4 year term of office, and 3 members for a 6 year of office. Thereafter, the members shall duly elect by majority vote a chairperson and vice chairperson. In addition thereto, a treasurer/secretary or a treasurer and a secretary will also be elected from among the remaining directors or appointed from non-director candidates.

The Dawsonville Downtown Development Authority and the City have a financial and operational relationship which requires that the Dawsonville Downtown Development Authority financial statements be blended into the City's financial statements. The Dawsonville Downtown Development Authority has no employees and all staff work is done by the City staff or by the Authority Board of Directors. The financial statements for the Dawsonville Downtown Development Authority can be obtained at the following address:

Dawsonville Municipal Complex, 415 Highway 53 East, Dawsonville, GA 30534

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basic Financial Statements-GASB Statement No. 34

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Fiduciary activities are not included at the government-wide reporting level. While the previous model emphasized fund types (the total of all funds of a particular type), in the new reporting model the focus is on either the City as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, etc.), which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues from licenses and permits fees, service assessments, and charges for services. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net cost (by function or business-type activity) is normally covered by general revenue (sales or use taxes, intergovernmental revenues, interest income, etc.). Historically, the previous model did not summarize or present net cost by function or activity.

This government-wide focus is more on the substantiality of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The flow of economic resources measurement focus is used for both government-wide financial statements.

The fund financial statements are, in substance, very similar to the financial statements presented in the previous model. Emphasis here is on the major funds in either the governmental or business-type categories. Non-major funds (by category or fund type) are summarized into a single column.

Unless an internal service fund is combined with the business-type activities (deemed to be an infrequent event), totals on the proprietary fund statements should directly reconcile to the business-type activity column presented in the government-wide statements.

The governmental funds major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the City's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, reconciliation is presented either on the fund statement or on the page following each statement which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The focus of the current model is on the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the component unit. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The model as defined in Statement No. 34 establishes criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a single column in the fund financial statements. The City reports the following major funds.

1. Major Funds
Governmental Fund:
The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary Funds:
The Water, Sewer and Garbage Fund is for the operation of the City's water and sewer utility and trash collection service. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds and obligations under capital leases when due throughout the year. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Fund.

2. Other Governmental Funds

Capital Projects Fund:
This includes the Splost fund, and a LMIG grant which is used to account for the receipt and expenditures related to capital construction projects using Splost, and LMIG funding.

Special Revenue Fund:
This includes the Hotel-Motel tax fund which is used to account for the receipt of Hotel-Motel tax revenues. These funds are used to support tourism.

Permanent Fund:
Permanent Funds account for resources that are legally restricted to allow the earnings (and not the principle) to be used to support the governments programs, such as cemeteries, libraries, parks and scholarships.

3. Non-Current Governmental Assets/Liabilities
GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental column in the government-wide Statement of Net Position.

E. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The Government-wide Financial Statements and the Proprietary and Component Unit Combining Financial Statements are presented on an accrual basis of accounting. The Governmental Funds in the Fund Financial Statements are presented on a modified accrual basis.

Accrual—Revenues are recognized when earned and expenses are recognized when incurred.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Basis of Accounting (cont'd)

Modified Accrual—all governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The City defined the length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements to be 60 days.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

The City recognizes sales tax revenue on a modified accrual basis. Intergovernmental grant revenues, entitlements and contributions are recognized in the year in which all eligibility requirements are met. In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and as deferred revenue by the recipient.

Proprietary funds, which employ the economic resources measurement focus, distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the proprietary fund's ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses, transfers or capital contributions.

F. Budgets

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the Mayor submits to the Council, a proposed operating budget for the calendar year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The current year period budget was adopted for the fiscal year July 1, 2013 to June 30, 2014.
2. The Council holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of the City of Dawsonville.
3. The budget is then revised and adopted or amended by the Council at the first regular meeting in July of the year to which it applies.
4. The budget so adopted may be revised during the year "only" by formal action of the Council in a regular meeting and no increase shall be made therein without provision also being made for financing the increase.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Water and Sewer Fund.
6. The level of budgetary control is at the department level. Budgets for the General Fund and Water and Sewer Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Budgeted amounts are as originally adopted, or as amended by the Council. Individual amendments were not material in relation to the original appropriations, which were amended.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Assets, Liabilities, and Net Assets

1. Cash, Cash Equivalents, and Investments

For purposes of the statement of cash flows, the City considers cash and cash equivalents (including restricted cash and cash equivalents) to be currency on hand, and liquid investments with a maturity of three months or less when purchased.

Cash and cash equivalents are included in both unrestricted as well as restricted assets.

Investments include pooled investments and certificates of deposit (with maturities of three months or greater). Investments and certificates of deposit are reported at fair value.

The City does not maintain an investment policy that limits its investment choices. Georgia law authorizes the City to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the U.S. government or by governmental agency of the United States
- Obligations of any corporation of the U.S. government
- Prime bankers' acceptances
- The State of Georgia local government investment pool
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

2. Inventories

Expendable supplies are recorded as expenditures at the time the items are purchased. The City does not record inventories of supplies at year end due to the lack of materiality.

3. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

4. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent cash, cash equivalents and certificates of deposit set aside for repayment of deposits to utility customers and cash funds required to be maintained by the bond.

5. Property Taxes

The City does not levy property taxes.

6. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise fund's statement of net position.

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Assets, Liabilities, and Net Position (cont'd)

6. Capital Assets (cont'd)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of $ 5,000. The City's infrastructure consists of roads, bridges and water lines. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

All reported capital assets are depreciated except for land, artifacts, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method for all real property and primarily straight line with other methods used periodically for equipment over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Building and Improvements	20-50 years	20-50 years
Machinery and Equipment	5-10 years	5-10 years
Vehicles	5-7 years	5-7 years
Infrastructure	15-40 years	25-65 years
Water/Sewer System and Plant		25-60 years

7. Compensated Absences

Personal leave benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "when due".

8. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent they are "due for payment" during the current year. Capital leases are recognized as a liability in the governmental fund financial statements when due.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D

G. Assets, Liabilities, and Net Position (cont'd)

9. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. The City restricts those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management's intent to set aside these resources for specific services.

Net Position – Net position represent the difference between assets and liabilities. Net investment in capital assets, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Government Fund Type Definitions, the County classifies government fund balances as follows:

- Non-spendable – includes fund balances that cannot be spent either because it is not in spendable forms or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Mayor and City Council.
- Unassigned – includes positive fund balance with the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

Minimum Level of Unassigned Fund Balance - The general fund unassigned fund balance will be maintained at a level sufficient to provide for the required resources to meet operating costs, to allow for unforeseen needs of an emergency nature and to permit orderly adjustment to changes resulting from fluctuations of revenue resources. The City will maintain at least six months of prior year general fund operating and non-operating expenses in the unassigned balance of the general fund.

The City will use restricted/committed amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing so, as in grant agreements that require matching dollar spending. Additionally, the City will use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Assets, Liabilities, and Net Position (cont'd)

9. Fund Equity (cont'd)

Fund balances at June 30, 2014 consist of the following for the governmental funds:

	General	Other Governmental Funds	Total Governmental Funds
Fund balances:			
Non-spendable			
Prepaid items	$ 43,732	$ -	$ 43,732
Restricted:			
Hotel/motel	-	254	254
Cemetery	-	190,388	190,388
Capital projects	-	10,765	10,765
Unassigned:	1,864,596	-	1,864,596
Total fund balance	$ 1,908,328	$ 201,407	$ 2,109,735

10. Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer and sanitation. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from non-exchange transactions or ancillary activities. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund.

The Water and Sewer fund recognizes the portion of tap fees intended to recover current costs (e.g. labor and materials to hook up new customers as operating revenue. The portion intended to recover the costs of the infrastructure is recognized as non-operating revenue or capital contributions. Operating expenses for the proprietary funds include the costs of sales and service, depreciation on capital assets and personnel services and benefits. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses or capital contributions and transfers.

11. Program Revenues

Program revenues are those revenues that are generated directly from the primary activity of the governmental funds. These consist of licenses, permits, inspections, rental income, cemetery lot sales, fire protection service, and grants.

12. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Assets, Liabilities, and Net Position (cont'd)

13. Estimates
The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Credit and Concentration Risk – Investments: The City maintains investments in Georgia Fund 1, a combined state general fund and local government investment pool managed by the Office of the State Treasurer. Georgia Fund 1, formerly referred to as "LGIP" was established by O.C.G.A. 36-83-8. Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company.

The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings on a monthly basis and determines participant's shares sold and redeemed based on $ 1.00 per share. The Georgia Office of the State Treasurer manages Georgia Fund 1. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board, which provides regulatory oversight.

The Georgia Fund 1 is rated AAAf rated investment pool by Standard & Poor's. The weighted average maturity at June 30, 2014 was 62 days. Yield is an actual/365 day basis, net of administrative fees. The City's balance in Georgia Fund 1 at June 30, 2014 was $ 1,640,397.

Custodial Credit Risk – Deposits:
The City maintains a formal adopted deposit, investment and custodial credit risk policies and all deposits at June 30, 2014 were insured or collateralized by pledges held in the City's name in the Georgia Bankers Association, Inc. pledging pool. Public funds are not required to disclose custodial credit risk for external investment pools; therefore, the Georgia Fund 1 is exempt from this requirement.

Interest Rate Risk – Deposits:
Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk than an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. The portfolio's weighted average maturity (WAM) is a key determinate of the tolerance of a fund's investments to risking interest rates. In general, the longer the WAM, the more susceptible the fund is to rising interest rate. According to GASB Statement 40, an acceptable method for reporting interest rate risk is WAM. WAM is the method used for reporting purposes for Georgia Fund 1.

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

A. Deposits and Investments (cont'd)

1. Restricted Assets:

The City's cash, cash equivalents and certificates of deposit are restricted for the following purposes:

	6/30/2014
Capital projects fund:	
Sidewalk projects	$ 16,905
Permanent fund:	
Maintenance and care for the cemetery	190,388
Proprietary fund:	
Customer deposits	89,920
Total restricted cash, cash equivalents and certificates of deposit	$ 297,213

B. Receivables

Receivables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances for uncollectible accounts netted with accounts receivable were $ - 0 - as of June 30, 2014.

Receivables at June 30, 2014 consist of the following:

	General Fund	Other Governmental Funds	Proprietary Water & Sewer Fund	Total
Receivables				
Water, sewer and garbage bills	$ -	$ -	$ 95,060	$ 95,060
Taxes receivable	142,102	212	-	142,314
Gross receivables	$ 142,102	$ 212	$ 95,060	$ 237,374

C. Interfund Balances and Transfers

Interfund transactions are reflected as loans, services provided reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and referred to as either "due to/from other funds". Any residual balances outstanding between the government activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not financial resources.

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

C. Interfund Balances and Transfers (cont'd)

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as reimbursement. All other interfund transactions are treated as transfers. Transfers between government or proprietary funds are netted as part of the reconciliation to the government-wide presentation:

The composition of interfund balances as of June 30, 2014 as follows:

	Interfund Receivables	Interfund Payables
General Fund	$ -	$ 6,916
Other governmental funds:		
Hotel-motel fund reimbursement	776	-
Capital projects fund	6,140	-
Total	$ 6,916	$ 6,916

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

D. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance 6/30/2013	Additions	Deductions	Balance 6/30/2014
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 410,802	$ -	$ -	$ 410,802
Artifacts	49,751	-	-	49,751
Total capital assets not being depreciated	460,553	-	-	$ 460,553
Depreciable capital assets:				
Buildings	3,306,824	-	-	3,306,824
Improvements other than buildings	34,365	-	-	34,365
Vehicles	86,556	23,615	-	110,171
Machinery and equipment	228,137	-	-	228,137
Infastructure	1,732,317	22,744	-	1,755,061
Total depreciable capital assets	5,388,199	46,359	-	5,434,558
Accumulated depreciation:				
Buildings	1,069,539	71,310	-	1,140,849
Improvements other than buildings	21,630	2,197	-	23,827
Vehicles	86,557	-	-	86,557
Machinery and equipment	172,034	17,980	-	190,014
Infastructure	318,403	68,910	-	387,313
Total accumulated depreciation	1,668,163	160,397	-	1,828,560
Total depreciable capital assets - net	3,720,036	(137,653)	-	3,582,383
Governmental activities capital assets, net	$ 4,180,589	$ (114,038)	$ -	$ 4,066,551

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

D. Capital Assets (cont'd)

	Balance 6/30/2013	Additions	Deductions	Balance 6/30/2014
Business-type activities:				
Capital assets not being depreciated				
Land	$ 2,933,187	-	$ -	$ 2,933,187
Construction in progress	243,759	-	175,145	68,614
Total capital assets not being depreciated	3,176,946	-	175,145	3,001,801
Depreciable capital assets:				
Buildings	230,465	-	-	230,465
Machinery and equipment	264,720	-	-	264,720
Water and sewer system	9,540,972	160,729	-	9,701,701
Sewer treatment plant	918,316	-	-	918,316
Total depreciable capital assets	10,954,473	160,729	-	11,115,202
Accumulated depreciation				
Buildings	45,516	5,909	-	51,425
Machinery and equipment	240,780	12,986	-	253,766
Water and sewer system	2,677,662	370,431	-	3,048,093
Sewer treatment plant	342,170	23,690	-	365,860
Total accumulated depreciation	3,306,128	413,016	-	3,719,144
Total depreciable capital assets - net	7,648,345	(252,287)	-	7,396,058
Business-type activities capital assets, net	$ 10,825,291	$ (252,287)	$ 175,145	$ 10,397,859

Depreciation expense was charged to function as follows:	
General government	$ 139,335
Highways and streets	19,229
Culture and recreation	1,833
Planning and zoning	-
Total governmental activities depreciation expense	$ 160,397
Business-type activities	
Water and sewer	$ 413,016

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

E. Compensated Absences

Employees earn personal leave based on 26 bi-weekly payroll periods per year at the rate of 6 hours per bi-weekly payroll period for the first 5 years of employment, 8 hours per bi-weekly payroll period for 5 to 10 years of continuous service, and 10 hours per bi-weekly payroll period for over 10 years of continuous service.

Personal leave cannot be accrued in excess of 240 hours. Employees may be compensated for excess personal leave up to 80 hours per year provided they have banked a minimum of 120 hours of personal leave.

F. Risk Management

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

G. Retirement Plan

1. Plan Description

The City participates in the Georgia Municipal Employees Benefit System (GMEBS) Retirement Fund, an agent multiple-employer defined benefit plan where contributions made by the City are commingled with contributions made by the other participants of the GMEBS Retirement Fund for investment purposes. The Plan periodically issues an overall report to the required agencies. A stand-alone financial report can be obtained at City Hall.

The specific benefit provisions of the City's Plan were established by an adoption agreement executed by the City Council. The Plan provides for benefits upon retirement, death, disablement, and termination of employment. The Plan is affiliated with the Georgia Municipal Employees Benefit System Retirement Fund, an agent multiple-employer pension plan administered by the Georgia Municipal Association (GMA). The City Council retains the authority to amend the adoption agreement, which defines the specific operational provisions of The Plan. An outline of the plan provisions is as follows:

2. Funding Policy

The City is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the GMEBS Plan Trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes.

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

G. Retirement Plan (cont'd)

3. Annual Contribution Cost

The City's annual pension cost and net pension obligation for the pension plan for the current year are as follows:

	July 1, 2014	July 1, 2013	July 1, 2012
Annual required contribution	$ 26,648	$ 26,444	$ 31,425
Interest on net pension obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Annual cost	26,648	26,444	31,425
Required employee contribution	-	-	-
Total contributions made	$ 26,648	$ 26,444	$ 31,425
Recommended contribution as a percentage of payroll	8.98%	10.09%	13.69%

Current valuation date	July 1, 2014
Actuarial cost method	Projected Unit Credit
Amortization method for remaining unfunded liability	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 16 years.
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 50% of market value for 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years.
Actuarial assumptions:	
Net investment rate of return	7.75%
Projected annual salary increased	3.5% plus age and service based merit increases
Inflation rate	3.50%
Cost of living adjustment	0.00%
Membership of the plan:	
Retirees and beneficiaries receiving benefits	3
Terminated plan members entitled to, but not yet receiving benefits	5
Active plan members	12
Total	20

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

G. Retirement Plan (cont'd)

3. Annual Contribution Cost (cont'd)

The recommended contribution meets the guidelines for calculating an annual required contribution as set forth in paragraphs 9-10 of Statement No. 27 issued by the Governmental Accounting Standards Board. These contributions are determined under the projected unit credit actuarial cost method. The asset valuation method for developing the actuarial value of assets is the sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10 percent of the amount that the value exceeds or is less than the market value at the end of year. The actuarial value is adjusted, if necessary, to be within 50% of market value of 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years.

The amortization of the unfunded accrued liability is level dollar over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods. The total amortization must be within a corridor of the 10-year and the 30-year amortization of the unfunded/ (surplus) actuarial accrued liability. In a year when the 10-year or 30-year corridor applies, the following year, the prior year bases are combined into one 10-year or 30-year bases.

Details of the funded status and funding results for the Plan as of July 1, 2014 are presented as Required Supplementary Information immediately following the notes to the financial statements. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Trend Analysis

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability AAL	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	(c) Covered Payroll (prior year)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2014	$ 294,560	$ 376,175	78.30%	$ 81,615	$ 291,757	27.97%
7/1/2013	251,717	347,407	72.46%	95,690	257,486	37.16%
7/1/2012	218,040	307,336	70.95%	89,296	225,663	39.57%
7/1/2011	181,909	297,955	61.05%	116,046	210,223	55.20%
7/1/2010	150,837	277,356	54.38%	126,519	281,976	44.87%
10/1/2009	133,082	239,503	55.57%	106,421	281,976	37.74%
9/1/2008	92,458	227,325	40.67%	134,867	365,102	36.94%
9/1/2007	69,471	193,493	35.90%	124,022	322,927	38.41%
9/1/2006	48,068	168,254	28.57%	120,186	189,119	41.57%

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

H. Long-Term Debt

1. Municipal Loans (Water & Sewer Fund)

During 2001, the City incurred debt from a Georgia Environmental Facilities Authority loan for the purchase of land and construction of a new water tank. In 2008, the City finalized a contract with Georgia Environmental Facilities Authority issued for financing the purchase of land and construction of three wells. These loans were paid in full in the current year in conjunction with the 2014 bond issuance.

	Balance 6/30/2013	Issued	Retired	Balance 6/30/2014	Due One Year
Georgia Environmental Facilities Authority loan dated November 15, 2000 with 4.72% interest and quarterly payments of $ 10,323.54 beginning January 1, 2003 and ending October 1, 2023. Original loan $ 532,603.	$ 314,649	$ -	$ 314,649	$ -	$ -
Georgia Environmental Facilities Authority loan dated February 1, 2008, with 4.12% interest and monthly payments of $ 5,832.29 beginning March 1, 2008 and ending February 1, 2028. Original loan $ 952,487.	769,349	-	769,349	-	-
Total Municpal Loans (Water & Sewer Fund)	$ 1,083,998	$ -	$ 1,083,998	$ -	$ -

2. Revenue Bonds (Water & Sewer Fund)

The 1997 Series Revenue Bonds were issued to provide financing for acquiring, constructing and installing additions, extensions and improvements to the existing water and sewer system of the City. The bonds are collateralized by the revenue of the water and sewer system. These bonds were redeemed in conjunction with the 2014 bond issuance.

The 2003 Series Revenue Bonds were issued to provide financing for acquiring, constructing and installing additions, extensions and improvements to the existing water and sewer system of the City. The bonds are collateralized by the revenue of the water and sewer system. These bonds were redeemed in conjunction with the 2014 bond issuance.

The 2006 Series Revenue Bonds were issued to provide financing for acquiring, constructing and installing additions, extensions and improvements to the existing water and sewer system of the City. The bonds are collateralized by the revenue of the water and sewer system. These bonds were redeemed in conjunction with the 2014 bond issuance.

On April 1, 2014, the Downtown Development Authority issued Series 2014 Revenue Bonds for the purpose of prepaying the outstanding loans to the City from GEFA (see Municipal Bonds above), redeeming the City's outstanding Water and Sewer Revenue Bonds (see Revenue Bonds below), acquisition of the system, and to pay the cost of issuance of the Series 2014 Bonds. The City entered into an Intergovernmental Lease Agreement with the Downtown Development Authority by which the City has agreed to pay the bond debt installments under a lease-purchase arrangement until the full debt is satisfied. The City has agreed, if necessary, to levy an annual property tax to produce revenues sufficient to fulfill the debt obligation.

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

H. Long-Term Debt (cont'd)

2. Revenue Bonds (Water & Sewer Fund – cont'd)

Changes in bond debt liability for the year ending June 30, 2014 are as follows:

	Balance 6/30/2013	Issued	Retired	Balance 6/30/2014	Due One Year
Series 1997-A, Water & Sewer Revenue Bond dated December 31, 1997 with 4.5% interest and monthly payments of $ 606 beginning January 11, 1998 and ending December 31, 2037. Original loan $ 134,540.	$ 107,689	$ -	$ 107,689	$ -	$ -
Series 1997 - B, Water & Sewer Revenue Bond dated December 11, 1997 with 4.5% interest with monthly payment of $ 960 beginning January 11, 1998 and ending December 11, 2037. Original loan $ 213,300.	170,570	-	170,570	-	-
Series 1997-C, Water & Sewer Revenue Bond dated December 11, 1997 with 4.5% interest with monthly payments of $ 1,081 beginning January 11, 1998 and ending December 11, 2037. Orignal loan $ 240,120.	192,160	-	192,160	-	-
Series 2003, Water & Sewer Revenue Bond dated May 4, 2004 with 4.375% interest with monthly payment of $ 2,022 beginning June 30, 2004 and ending May 3, 2044. Original loan $ 457,250.	410,196	-	410,196	-	-
Series 2006, Water & Sewer Revenue Bond dated March 7, 2007 with interest currently at 4.125% and not to exceed 4.5% with monthly payments of $ 13,910 beginning April 7, 2007 and ending March 7, 2047. Original loan $ 3,091,100.	2,881,102	-	2,881,102	-	-
Series 2014, Water & Sewer Revenue Bond dated February 1, 2014 with interest currently at 2.0% and not to exceed 3.5% beginning February 1, 2014 and ending February 1, 2033. Original loan $ 4,675,000.	-	4,675,000	-	4,675,000	225,000
Total Revenue Bond Debt (Water & Sewer Fund)	$ 3,761,717	$ 4,675,000	$ 3,761,717	$ 4,675,000	$225,000

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

H. Long-Term Debt (cont'd)

2. Revenue Bonds (Water & Sewer Fund – cont'd)

Debt-service requirements for long-term revenue bond debt are as follows:

	Principal	Interest	Total
2015	$ 225,000	$ 97,158	$ 322,158
2016	200,000	121,770	321,770
2017	205,000	115,770	320,770
2018	210,000	109,620	319,620
2019	220,000	103,320	323,320
2020-2024	1,150,000	456,540	1,606,540
2025-2029	1,285,000	308,255	1,593,255
2030-2033	1,180,000	101,220	1,281,220
Total	$ 4,675,000	$ 1,413,653	$ 6,088,653

3. Downtown Development Authority Series 2005 Revenue Bonds (Component Unit) And Intergovernmental Capital Lease Agreement (General Fund)

On December 22, 2005, the Downtown Development Authority issued Series 2005 Revenue Bonds for the purpose of financing or refinancing the costs of acquiring property known as the Dawsonville Municipal Complex for the City of Dawsonville. The value of capital assets recorded under the capital lease agreement for the Dawsonville Municipal Complex building totals $ 2,575,106. Subsequently, the City entered into an Intergovernmental Lease Agreement with the Downtown Development Authority by which the City has agreed to pay the bond debt installments under a lease-purchase arrangement until the full debt is satisfied. The City has agreed, if necessary, to levy ad valorem tax on property to produce revenues sufficient to fulfill the debt obligation.

The Series 2005 – A Bonds provide financing for the portion of the Dawsonville Municipal Complex that houses the City government facilities and thereby designated as a "qualified tax-exempt" obligation eligible for preferential governmental finance rates. Series 2005 – B Bonds fund the portion of the property that is to be used for commercial development and thereby preferred governmental finance rates are not applicable.

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

H. Long-Term Debt (cont'd)

3. Downtown Development Authority Series 2005 Revenue Bonds (Component Unit) And Intergovernmental Capital Lease Agreement (General Fund) (cont'd)

	Balance 6/30/2013	Issued	Retired	Balance 6/30/2014	Due One Year
Series 2005-A, DDA Revenue Bonds dated December 22, 2005 with interest rate per annum equal to the "Prime Rate" as published in the Money Rates section of The Wall Street Journal - Southeastern Edition. Monthly payments of $ 11,802.39 beginning January 22, 2006 and ending December 22, 2025. Original loan $ 2,166,922.	$ 1,555,048	$ -	$ 112,220	$ 1,442,828	$ 113,600
Total Bond Debt (DDA)	$ 1,555,048	$ -	$ 112,220	$ 1,442,828	$ 113,600

Debt-service requirements for long-term debt are as follows:

	Principal	Interest	Total
2015	113,600	28,029	141,629
2016	114,220	27,409	141,629
2017	116,693	24,936	141,629
2018	119,220	22,409	141,629
2019	121,801	19,828	141,629
2020-2024	648,140	60,218	708,358
2025	209,154	3,563	212,717
	$ 1,442,828	$ 186,392	$ 1,629,220

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONT'D)

H. Long-Term Debt (cont'd)

4. Compensated Absences (General Fund and Water & Sewer Fund)

Long-term compensated absences liability consists of the following as of June 30, 2014:

	Balance 6/30/2013	Issued	Retired	Balance 6/30/2014	Due One Year
Governmental Activities					
Compensated Absences	$ 5,961	$ 14,864	$ 12,256	$ 8,569	$ -
Water & Sewer Fund					
Compensated Absences	8,835	17,354	16,815	9,374	-
Total Compensated Absences	$ 14,796	$ 32,218	$ 29,071	$ 17,943	$ -

Compensated absences are liquidated in the general fund for governmental activities and in the enterprise fund for business-type activities.

I. Restricted Equity Balances

1. Permanent Fund

Restricted for cemetery – An amount of $ 190,388 has been restricted in the Cemetery Fund since this amount is not legally available for appropriation. Of these funds, $ 190,388 is expendable for cemetery perpetual care.

2. Special Revenue Fund

Restricted for tourism – A total of $ 254 has been restricted for tourism expenditures in the Hotel-Motel Fund since this amount is not legally available for appropriation.

3. Capital Projects Fund

Restricted for capital projects – An amount of $ 10,765 has been restricted in the SPLOST capital projects fund for restricted assets since this amount is not legally available for appropriation.

Note 3 – COMMITMENTS AND CONTINGENCIES

Liability

A. Intergovernmental agreement for LOCAL OPTION SALES TAX (LOST) revenues.

Effective January 1, 2013 through December 31, 2022, the local option sales tax proceeds shall be divided between parties with Dawson County to receive 88% of the LOST proceeds and the City to receive 12% of LOST proceeds. The City will no longer pay for law enforcement services and fire protection services, those services will still be covered by Dawson County; however, those funds are received from LOST proceeds and the Dawson County will not receive any disbursements from the City for those services.

B. Litigation

Various claims and lawsuits are pending against the City. Although the outcome of these matters is not presently determinable, it is the opinion of the management and the City's Council that any potential liability resulting from the resolution of these matters would be covered under liability insurance and not have a materially adverse effect on the financial condition of the County.

Note 4 – GRHOF MUSEUM ARTIFACTS

During 2001, the City of Dawsonville acquired the collateral goods and artifacts of the Georgia Racing Hall of Fame Museum for $ 69,000. The City of Dawsonville has disposed and sold some of the artifacts during the years and now has a remaining cost basis of $ 49,751. The collection includes racing artifacts and memorabilia, which are expected to maintain intrinsic value and are, therefore, not depreciated. Also included in the purchase were various equipment and fixtures that are not depreciated because individual items are valued below the City's capitalization threshold. In January 2011, the Georgia Racing Hall of Fame established its own entity as the Dawsonville History Museum, Inc. The City still owns the collateral goods and artifacts of the Georgia Racing Hall of Fame.

Note 5 – JOINT VENTURE

Georgia Mountains Regional Commission (GMRC)

Under Georgia law, the City, in conjunction with other cities and counties in the thirty County Northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. Membership in GMRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organization structure of the GMRC in Georgia. The GMRC Board membership includes the chief elected official of each county and municipality of the area and private sector individuals from each County and three minority members. Annual dues are paid by the Dawson County Board of Commissioners to include the City of Dawsonville and overall county populace.

OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a GMRC. Separate financial statements may be obtained from:

Georgia Mountains Regional Commission
1310 West Ridge Road
Gainesville, Georgia 30501

Note 6 – HOTEL/MOTEL TAX

During the year ended June 30, 2014, the City had receipts of $ 2,858 based on the tax rate of 6%. These funds are held for disbursement to the Dawson County Chamber of Commerce for the purpose of promoting tourism. The City complied with the requirements of *OCGA 48-13-51.*

Note 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 1, 2014, the date the financial statements were available to be issued. Subsequent to year-end the City was granted a GEFA loan through the Drinking Water State Revolving Loan Fund in the amount of $ 1,000,000 for the purpose of upgrading the water/sewer system. The Downtown Development Authority purchased land and the City entered into a lease agreement. The City, in conjunction with the DDA, plans to turn the land into a park. The City has received a matching grant of $ 300,000 through the USDA, Appalachian Regional Commission to further upgrade the water/sewer system. The City entered into an intergovernmental agreement (SPLOST VI) with Dawson County. Under this agreement, the special local option sales tax proceeds shall be divided between parties with Dawson County to receive 85% of the SPLOST proceeds and the City to receive 15% of SPLOST proceeds. Dawson County voters overwhelmingly approved SPLOST VI on November 11, 2014. SPLOST VI is expected to begin in June, 2015.

FINANCIAL SECTION

Required Supplementary Information

CITY OF DAWSONVILLE, GEORGIA
DEFINED BENEFIT RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS-RETIREMENT PLAN

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability AAL	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2014	$ 294,560	$ 376,175	78.30%	$ 81,615	$ 291,757	27.97%
7/1/2013	251,717	347,407	72.46%	95,690	257,486	37.16%
7/1/2012	218,040	307,336	70.95%	89,296	225,663	39.57%
7/1/2011	181,909	297,955	61.05%	116,046	210,223	55.20%
7/1/2010	150,837	277,356	54.38%	126,519	281,976	44.87%
10/1/2009	133,082	239,503	55.57%	106,421	281,976	37.74%
9/1/2008	92,458	227,325	40.67%	134,867	365,102	36.94%
9/1/2007	69,471	193,493	35.90%	124,022	322,927	38.41%
9/1/2006	48,068	168,254	28.57%	120,186	189,119	41.57%

FINANCIAL SECTION

Combining and Individual Fund Financial Statements and Schedules

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2014

	Non-Major Fund Capital Projects Fund Splost and LMIG Grant	Non-Major Fund Special Revenue Fund Hotel-Motel	Non-Major Fund Permanent Fund Cemetery	Total Non-Major Governmental Funds
ASSETS				
Restricted assets:				
Cash and cash equivalents	$ 16,905	$ -	$ 190,388	$ 207,293
Taxes receivable	-	212	-	212
Due from other funds	-	776	-	776
TOTAL ASSETS	16,905	988	190,388	208,281
LIABILITIES				
Current - accounts payable	-	734	-	734
Due to other funds	6,140	-	-	6,140
TOTAL LIABILITIES	6,140	734	-	6,874
FUND BALANCE				
Restricted for capital projects	10,765	-	-	10,765
Restricted for tourism	-	254	-	254
Restricted for cemetary	-	-	190,388	190,388
TOTAL FUND BALANCES	10,765	254	190,388	201,407
TOTAL LIABILITIES AND FUND BALANCE	$ 16,905	$ 988	$ 190,388	$ 208,281

CITY OF DAWSONVILLE,
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPEDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2014

	Non-Major Fund Capital Projects Fund SPLOST and LMIG Grant	Non-Major Fund Special Revenue Fund Hotel-Motel	Non-Major Fund Permanent Fund Cemetery	Total Non-Major Governmental Funds
REVENUES				
Taxes	$ -	$ 2,858	$ -	$ 2,858
Charge for services	-	-	3,800	3,800
Intergovernmental revenues	16,604	-	-	16,604
Interest earned	25	-	262	287
Total revenues	16,629	2,858	4,062	23,549
EXPENDITURES				
Current operating:				
General government	-	-	10,624	10,624
Housing and development - tourism	-	2,772	-	2,772
Capital outlay:				
Highways and streets - sidewalks	23,944	-	-	23,944
Total expenditures	23,944	2,772	10,624	37,340
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,315)	86	(6,562)	(13,791)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
NET CHANGE IN FUND BALANCE	(7,315)	86	(6,562)	(13,791)
FUND BALANCES - beginning of year	18,080	168	196,950	215,198
FUND BALANCES - end of year	$ 10,765	$ 254	$ 190,388	$ 201,407

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUND
SPLOST AND LMIG GRANT
BALANCE SHEET
June 30, 2014

	SPLOST and LMIG Grant
ASSETS	
Restricted assets:	
Cash and cash equivalents	$ 16,905
TOTAL ASSETS	16,905
LIABILITIES	
Due to general fund	6,140
FUND BALANCE	
Restricted for capital projects	10,765
TOTAL LIABILITIES AND FUND BALANCE	$ 16,905

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUND
SPLOST, AND LMIG GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenues	$ 16,900	$ 16,604	$ (296)
Interest earned	-	25	25
Total revenues	16,900	16,629	(271)
EXPENDITURES			
Capital outlay:			
Highways and streets - sidewalks	16,900	23,944	7,044
Total expenditures	16,900	23,944	7,044
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(7,315)	(7,315)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
NET CHANGE IN FUND BALANCE	-	(7,315)	-
FUND BALANCES - beginning of year	-	18,080	-
FUND BALANCES - end of year	$ -	$ 10,765	$ -

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUND
HOTEL-MOTEL FUND
BALANCE SHEET
June 30, 2014

	Hotel-Motel Fund
ASSETS	
Taxes receivable	$ 212
Due from other funds	776
TOTAL ASSETS	988
LIABILITIES	
Current - accounts payable	734
TOTAL LIABILITIES	734
FUND BALANCE	
Restricted for tourism	254
TOTAL LIABILITIES AND FUND BALANCE	$ 988

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUND
HOTEL-MOTEL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Hotel-motel taxes	$ 2,500	$ 2,858	$ 358
Total revenues	2,500	2,858	358
EXPENDITURES			
Current operating:			
Housing and development - tourism	2,500	2,772	272
Total expenditures	2,500	2,772	272
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	86	86
NET CHANGE IN FUND BALANCES	-	86	86
FUND BALANCES - beginning of year	-	168	-
FUND BALANCES - end of year	$ -	$ 254	$ -

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENAL FUND
PERMANENT FUND
CEMETERY FUND
BALANCE SHEET
June 30, 2014

	Cemetery Fund
ASSETS	
Restricted assets:	
Cash and cash equivalents	$ 190,388
TOTAL ASSETS	190,388
FUND BALANCES	
Restricted for cemetery fund	190,388
TOTAL FUND BALANCES	$ 190,388

CITY OF DAWSONVILLE, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
PERMANENT FUND
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Cemetery lot sales	$ 14,000	$ 3,750	$ (10,250)
Real estate fees	200	50	(150)
Interest income	400	262	(138)
Total revenues	14,600	4,062	(10,538)
EXPENDITURES			
Repairs and maintenance	8,200	7,630	(570)
Miscellaneous expenditures	6,400	2,994	(3,406)
Total expenditures	14,600	10,624	(3,976)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(6,562)	(6,562)
NET CHANGE IN FUND BALANCES	-	(6,562)	-
FUND BALANCES - beginning of year	-	196,950	-
FUND BALANCES - end of year	$ -	$ 190,388	$ -

FINANCIAL SECTION

Supplementary Information

CITY OF DAWSONVILLE, GEORGIA
SCHEDULE OF FUNCTIONAL ALLOCATIONS
WATER, SEWER AND GARBAGE FUND
SCHEDULE OF NET POSITION
June 30, 2014

	Water Sewer	Garbage	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,659,962	$ 118,409	$ 1,778,371
Receivables (net of allowance for uncollectible):			
Accounts	79,113	15,947	95,060
Interfund receivables	-	-	-
Prepaid expense	23,420	-	23,420
Restricted assets:			-
Cash and cash equivalents	89,920	-	89,920
Certificates of deposit	-	-	-
Total current assets	1,852,415	134,356	1,986,771
Non-current assets:			
Restricted assets:			
Certificates of deposit	-	-	-
Capital assets:			
Land	2,933,187	-	2,933,187
Nondepreciable capital assets	68,614	-	68,614
Depreciable capital assets, net	7,396,058	-	7,396,058
Total non-current Assets	10,397,859	-	10,397,859
TOTAL ASSETS	$ 12,250,274	$ 134,356	$ 12,384,630

CITY OF DAWSONVILLE, GEORGIA
SCHEDULE OF FUNCTIONAL ALLOCATIONS
WATER, SEWER AND GARBAGE FUND
SCHEDULE OF NET POSITION
June 30, 2014

	Water Sewer	Garbage	Total
LIABILITIES			
Current liabilities:			
Accounts payable	$ 57,027	$ 5,870	$ 62,897
Accrued expenses	7,532	-	7,532
Accrued interest payable	28,352	-	28,352
Current portion of long-term debt	225,000	-	225,000
Customer deposits - payable from restricted assets	89,845	-	89,845
Total current liabilities	407,756	5,870	413,626
Long-term liabilities:			
Long-term debt (net of current portion)	4,450,000	-	4,450,000
Unamortized discount on bonds payable	(9,515)	-	(9,515)
Compensated absences payable	9,374	-	9,374
Total long-term liabilities	4,449,859	-	4,449,859
TOTAL LIABILITIES	4,857,615	5,870	4,863,485
NET POSITION			
Invested in capital assets, net of related debt	5,732,374	-	5,732,374
Unrestricted	1,660,285	128,486	1,788,771
TOTAL NET POSITION	7,392,659	128,486	7,521,145
TOTAL LIABILITIES AND NET POSITION	$ 12,250,274	$ 134,356	$ 12,384,630

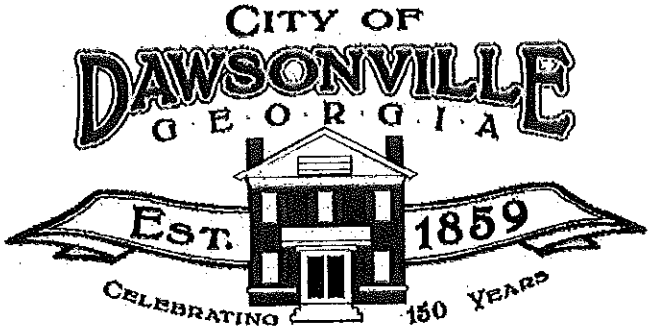
CITY OF DAWSONVILLE, GEORGIA
SCHEDULE OF FUNCTIONAL ALLOCATIONS
WATER, SEWER AND GARBAGE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
For the Year Ended June 30, 2014

	Water Sewer	Garbage	Total
OPERATING REVENUES			
Charges for services	$ 1,084,192	$ 90,537	$ 1,174,729
Miscellaneous	28,639	1,461	30,100
Total operating revenues	1,112,831	91,998	1,204,829
OPERATING EXPENSES			
Personal services and benefits	241,309	-	241,309
Purchased and contractual services	353,927	70,513	424,440
Bad debts	4,292	618	4,910
Supplies	63,621	-	63,621
Depreciation and amortization	413,016	-	413,016
Total operating expenses	1,076,165	71,131	1,147,296
OPERATING INCOME (LOSS)	36,666	20,867	57,533
NON-OPERATING INCOME (LOSS)			
Bond issuance costs	(134,453)	-	(134,453)
Tap fees	104,300	-	104,300
Interest and fiscal charges	(184,111)	-	(184,111)
Interest earned	3,973	-	3,973
TOTAL NON-OPERATING INCOME (LOSS)	(210,291)	-	(210,291)
NET INCOME BEFORE TRANSFERS	(173,625)	20,867	(152,758)
Transfers in (out)	-	-	-
Change in net position	(173,625)	20,867	(152,758)
NET POSITION - beginning of year	7,566,284	107,619	7,673,903
NET POSITION - end of year	$ 7,392,659	$ 128,486	$ 7,521,145

CITY OF DAWSONVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget -
OPERATING REVENUES			
Charges for services :			
Water fees	$ 537,805	$ 488,989	$ (48,816)
Sewer fees	568,138	595,203	27,065
Garbage fees	83,650	90,537	6,887
Miscellaneous	30,000	30,100	100
Total operating revenues	1,219,593	1,204,829	(14,764)
OPERATING EXPENSES			
Cost of sales and service:			
Advertising	2,300	1,111	1,189
Bad debts	5,150	4,910	240
Communications	14,700	17,273	(2,573)
Depreciation	437,000	413,016	23,984
Dues and subscriptions	8,700	9,452	(752)
Education and training	2,400	1,527	873
Food	4,500	3,512	988
Garbage service	75,200	74,309	891
Gas and fuel	10,700	8,305	2,395
Insurance	20,000	13,234	6,766
Licenses	400	-	400
Printing and binding	1,500	1,876	(376)
Professional	62,300	67,700	(5,400)
Rental equipment	1,400	5,678	(4,278)
Repairs and maintenance	37,000	57,592	(20,592)
Supplies	95,900	63,621	32,279
Travel	500	176	324
Technical services	37,500	47,748	(10,248)
Utilities	108,000	114,947	(6,947)
Total cost of sales and service:	925,150	905,987	19,163
Personal services and benefits:			
Salaries	164,892	163,445	1,447
Payroll taxes	11,778	11,094	684
Group insurance	51,030	47,349	3,681
Workers compensation	14,000	4,954	9,046
Retirement	16,600	14,467	2,133
Total personal services and benefits	258,300	241,309	16,991
OPERATING INCOME (LOSS)	36,143	57,533	21,390
NON-OPERATING INCOME (LOSS)			
Bond issuance cost	(129,535)	(134,453)	(4,918)
Tap fees	-	104,300	104,300
Interest and fiscal charges	(210,000)	(184,111)	25,889
Interest earned	2,900	3,973	1,073
TOTAL NON-OPERATING INCOME (LOSS)	(336,635)	(210,291)	126,344
CHANGE IN NET POSITION	(300,492)	(152,758)	147,734
NET POSITION - beginning of year		7,673,903	
NET POSITION - end of year		$ 7,521,145	

STATISTICAL SECTION



CITY OF DAWSONVILLE, GEORGIA

INTRODUCTION TO THE STATISTICAL SECTION

(Unaudited)

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

Contents **Pages**

Financial Trends..... 57-64

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..... 65-68

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

Debt Capacity..... 69-73

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..... 74-76

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..... 77-78

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 comprehensive annual financial report for the relevant year.

CITY OF DAWSONVILLE, GEORGIA

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year Ending 6/30					Six-Months Ending 6/30	Fiscal Year Ending 12/31			
	2014	2013	2012	2011	2010	2009 (1)	2008	2007	2006	2005
GOVERNMENTAL ACTIVITIES										
Net Investment in capital assets	2,623,723	2,625,541	2,193,856	2,238,622	2,381,617	2,292,575	2,345,371	2,305,666	1,177,848	909,899
Restricted	201,407	215,198	304,838	341,926	169,888	158,873	157,358	144,101	148,912	144,661
Unrestricted	1,899,759	1,537,287	1,525,884	1,182,435	1,102,263	803,025	713,782	602,794	1,007,849	933,424
Total governmental activities net position	$ 4,724,889	$ 4,378,026	$ 4,024,578	$ 3,762,983	$ 3,653,768	$ 3,254,473	$ 3,216,511	$ 3,052,561	$ 2,334,609	$ 1,987,984
BUSINESS-TYPE ACTIVITIES										
Net Investment in capital assets	5,732,374	5,979,576	6,134,502	6,445,279	6,547,234	6,117,659	6,098,134	6,177,669	5,398,575	4,846,512
Restricted	-	217,758	216,476	215,221	106,332	169,576	169,419	-	-	-
Unrestricted	1,788,771	1,476,569	1,107,259	1,184,364	1,702,406	1,111,983	1,336,788	1,382,526	534,546	(975,916)
Total business-type activities net position	$ 7,521,145	$ 7,673,903	$ 7,458,237	$ 7,844,864	$ 8,355,972	$ 7,399,218	$ 7,604,341	$ 7,560,195	$ 5,933,121	$ 3,870,596
PRIMARY GOVERNMENT										
Net Investment in capital assets	8,356,097	8,605,117	8,328,358	8,683,901	8,928,851	8,410,234	8,443,505	8,483,335	6,576,423	5,756,411
Restricted	201,407	432,956	521,314	557,147	276,220	328,449	326,777	144,101	148,912	144,661
Unrestricted	3,688,530	3,013,856	2,633,143	2,366,799	2,804,669	1,915,008	2,050,570	1,985,320	1,542,395	(42,492)
Total primary government net position	$ 12,246,034	$ 12,051,929	$ 11,482,815	$ 11,607,847	$ 12,009,740	$ 10,653,691	$ 10,820,852	$ 10,612,756	$ 8,267,730	$ 5,858,580

(1) The City converted to a June 30 fiscal year end in 2009; consequently budgets and financial reporting are presented for the six month period of January 1 to June 30, 2009.

CITY OF DAWSONVILLE, GEORGIA

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year Ending 6/30					Six-Months Ending 6/30	Fiscal Year Ending 12/31			
	2014	2013	2012	2011	2010	2009 (1)	2008	2007	2006	2005
EXPENSES										
GOVERNMENTAL ACTIVITIES:										
General Government	$ 682,148	$ 706,717	$ 728,050	$ 706,602	$ 673,355	$ 284,632	$ 681,153	$ 605,238	$ 564,568	$ 516,006
Public Safety	-	80,000	160,000	160,000	166,550	80,000	180,575	172,074	186,000	160,000
Highways and Streets	221,424	265,141	157,539	63,848	55,414	21,038	176,614	140,304	152,517	56,857
Culture and Recreation	1,933	5,641	5,993	66,023	20,821	10,220	14,817	7,967	7,799	7,058
Planning and zoning	97,632	63,448	79,660	68,694	93,952	125,549	193,851	164,801	163,068	146,423
Housing and development	11,577	23,667	5,357	3,062	2,655	7,476	75,779	47,796	44,479	29,291
Interest	29,952	39,202	46,422	47,563	50,320	29,087	93,135	141,398	140,045	-
Total Governmental Activitie	1,044,666	1,183,816	1,183,021	1,115,792	1,063,067	558,002	1,415,924	1,279,578	1,258,476	915,635
BUSINESS-TYPE ACTIVITIES:										
Water and Sewage	1,465,860	1,360,724	1,353,080	1,489,493	1,525,155	745,660	1,390,480	1,143,458	788,091	753,841
Total Business-type Activities	1,465,860	1,360,724	1,353,080	1,489,493	1,525,155	745,660	1,390,480	1,143,458	788,091	753,841
Total Expenses	$ 2,510,526	$ 2,544,540	$ 2,536,101	$ 2,605,285	$ 2,588,222	$ 1,303,662	$ 2,806,404	$ 2,423,036	$ 2,046,567	$ 1,669,476
PROGRAM REVENUES										
GOVERNMENTAL ACTIVITIES:										
Charges for services:										
General Government	$ 84,070	$ 129,225	$ 109,271	$ 94,318	$ 96,988	$ 45,711	$ 83,295	$ 119,930	$ 96,710	$ 73,190
Public Safety	-	1,500	19,261	900	2,600	1,700	12,171	-	3,550	300
Highways and Streets	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	19,182	20,512	2,351	-	-	-	-
Planning and zoning	28,036	41,138	36,659	10,381	33,180	8,631	57,643	79,482	92,818	89,288
Housing and Development	-	-	-	-	-	-	41,132	34,753	38,694	28,624
Operating grants and contributions	9,993	1,000	1,000	4,500	7,458	1,667	1,000	155	25,357	31,023
Capital grants and contributions	16,629	16,523	4,320	112,275	73,466	-	210,000	383,095	129,726	123,862
Total governmental activities program revenues	138,728	189,386	170,511	241,556	234,204	60,060	405,241	617,415	387,055	346,287
BUSINESS-TYPE ACTIVITIES:										
Charges for Services:										
Water and Sewage	1,204,829	1,121,978	962,042	972,252	990,093	459,627	1,141,837	1,375,960	1,134,082	771,323
Capital grants and contributions	104,300	466,000	-	-	563,762	97,698	266,206	1,488,705	1,522,107	868,825
Total Business-type Activities	1,309,129	1,587,978	962,042	972,252	1,553,855	557,325	1,408,043	2,864,665	2,656,189	1,640,148
Total Program Revenues	$ 1,447,857	$ 1,777,364	$ 1,132,553	$ 1,213,808	$ 1,788,059	$ 617,385	$ 1,813,284	$ 3,482,080	$ 3,043,244	$ 1,986,435
Net (Expense) / Revenue										
Governmental activities	$ (905,938)	$ (994,430)	$ (1,012,510)	$ (874,236)	$ (828,863)	$ (497,942)	$ (1,010,683)	$ (662,163)	$ (871,421)	$ (569,348)
Business-type activities	(156,731)	227,254	(391,038)	(517,241)	28,700	(188,335)	17,563	1,721,207	1,868,098	886,307
Total Net Expense	$ (1,062,669)	$ (767,176)	$ (1,403,548)	$ (1,391,477)	$ (800,163)	$ (686,277)	$ (993,120)	$ 1,059,044	$ 996,677	$ 316,959

(1) The City converted to a June 30 fiscal year end in 2009; consequently budgets and financial reporting are presented for the six month period of January 1 to June 30, 2009.

CITY OF DAWSONVILLE, GEORGIA

CHANGES IN NET POSITION (continued)

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year Ending 6/30					Six-Months Ending 6/30	Fiscal Year Ending 12/31			
	2014	2013	2012	2011	2010	2009 (1)	2008	2007	2006	2005
GENERAL REVENUES										
GOVERNMENTAL ACTIVITIES:										
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Tax	783,018	802,222	892,217	832,894	782,352	405,666	828,564	908,586	822,087	651,197
Other excise taxes	90,626	84,451	80,496	78,869	176,932	95,571	160,972	145,715	116,999	54,482
Franchise taxes	143,418	148,922	120,715	120,936	111,417	5,782	112,788	172,502	73,292	44,411
Intergovernmental-unrestricted	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	2,243	2,573	2,254	3,737	5,539	3,970	16,247	51,312	58,653	19,581
Gain (loss) on sale of capital assets	-	-	-	-	22,385	-	-	-	282,211	-
Miscellaneous	233,496	219,710	178,423	80,839	-	-	-	-	-	60,630
Transfers in/out	-	-	-	-	-	25,015	-	-	-	-
Special Item	-	90,000	-	-	129,433	-	-	-	-	-
Total general revenues, transfers, and special item	1,252,801	1,347,878	1,274,105	1,117,275	1,228,058	536,004	1,118,571	1,278,115	1,353,242	830,301
BUSINESS-TYPE ACTIVITIES:										
Unrestricted investment earnings	3,973	3,953	4,413	7,633	12,054	8,227	82,645	97,867	34,404	7,921
Gain (loss) on sale of capital assets	-	-	(2)	(1,500)	-	(25,015)	-	-	24,827	-
Miscellaneous	-	-	-	-	-		-	-	-	-
Transfers in/out	-	-	-	-	-	-	-	-	-	-
Special Item	-	(15,541)	-	-	916,000	-	-	-	-	-
Total Business-type Activities	3,973	(11,588)	4,411	6,133	928,054	(16,788)	82,645	97,867	59,231	7,921
Total Primary Government	$ 1,256,774	$ 1,336,290	$ 1,278,516	$ 1,123,408	$ 2,156,112	$ 519,216	$ 1,201,216	$ 1,375,982	$ 1,412,473	$ 838,222
Change in Net Position										
Governmental Activities	$ 346,863	$ 353,448	$ 261,595	$ 243,039	$ 399,195	$ (292,859)	$ 289,708	$ 449,252	$ 524,379	$ 1,438
Business-type Activities	(152,758)	215,666	(386,627)	(511,108)	956,754	11,912	111,345	126,567	87,931	36,621
Total Change in Net Position	$ 194,105	$ 569,114	$ (125,032)	$ (268,069)	$ 1,355,949	$ (280,947)	$ 401,053	$ 575,819	$ 612,310	$ 38,059

(1) The City converted to a June 30 fiscal year end in 2009; consequently budgets and financial reporting are presented for the six month period of January 1 to June 30, 2009.

CITY OF DAWSONVILLE, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending 6/30					Six-Months Ending 6/30	Fiscal Year Ending 12/31			
	2014	2013	2012	2011	2010	2009 (1)	2008	2007	2006	2005
General Fund										
Nonspendable (2)	$ 43,732	$ 13,530	$ 36,897	$ 8,840	$ 17,497	$ 20,593	$ -	$ -	$ -	$ 3,836
Committed	-	-	-	-	-	-	-	290,000	-	
Assigned	-	-	-	-	-	-	-	-	-	
Unassigned	1,864,596	1,529,719	1,494,558	1,175,171	924,863	563,359	491,287	321,546	11,244,729	933,162
Total General Fund:	$ 1,908,328	$ 1,543,249	$ 1,531,455	$ 1,184,011	$ 942,360	$ 583,952	$ 491,287	$ 611,546	$ 11,244,729	$ 936,998
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	201,407	215,198	304,838	341,926	331,348	383,811	388,167	144,134	148,912	144,661
Committed	-	-	-	-	-	-			-	-
Assigned	-	-	-	-	-	-			-	-
Unassigned	-	-	-	-	-	-			-	-
Total all Other Governmental Funds:	$ 201,407	$ 215,198	$ 304,838	$ 341,926	$ 331,348	$ 383,811	$ 388,167	$ 144,134	$ 148,912	$ 144,661

(1) The City converted to a June 30 fiscal year end in 2009; consequently budgets and financial reporting are presented for the six month period of January 1 to June 30, 2009.

(2) Unassigned balance adjusted for prepaids

CITY OF DAWSONVILLE, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending 6/30					Six-Months Ending 6/30	Fiscal Year Ending 12/31			
	2014	2013	2012	2011	2010	2009 (1)	2008	2007	2006	2005
REVENUES										
Taxes	$ 1,250,558	$ 1,255,305	$ 1,271,852	$ 1,113,537	$ 1,070,702	$ 507,019	$ 1,102,324	$ 1,516,803	$ 1,012,379	$ 810,721
Charges for services	5,330	25,465	35,644	33,866	34,072	6,286	53,983	67,465	54,083	39,419
Intergovernmental	20,370	17,523	5,055	111,682	73,466	-	211,000	93,095	55,057	105,798
Licenses and permits	54,461	69,713	63,134	35,471	64,880	34,697	89,568	108,382	118,018	115,638
Fines, fees and forfeitures	-	-	-	-	50	-	13,620	5,500	-	-
Interest	2,268	2,573	2,520	4,330	5,539	1,754	16,247	51,312	58,653	19,581
Contributions	-	-	-	4,500	7,458	1,667	5,887	155	300	31,479
Miscellaneous	58,542	76,685	66,412	55,444	80,913	19,625	31,183	52,818	59,870	36,345
Total Revenues	1,391,529	1,447,264	1,444,617	1,358,830	1,337,080	571,048	1,523,812	1,895,530	1,358,360	1,158,981
EXPENDITURES										
General Government	538,842	577,984	494,045	461,597	437,813	189,673	497,441	496,324	462,051	434,950
Public Safety	-	80,000	160,000	160,000	166,550	80,000	180,575	172,074	186,000	160,000
Highways and Streets	223,199	247,217	136,796	49,684	46,966	17,620	171,526	136,178	148,824	57,789
Culture and Recreation	100	1,991	2,343	62,373	17,429	8,953	11,975	4,538	3,636	5,000
Planning and Zoning	97,632	63,448	79,054	67,241	91,462	101,178	139,827	147,010	156,056	140,562
Housing and Development	14,349	26,635	7,800	12,811	4,016	7,476	75,779	47,795	44,479	29,292
Debt Service										
Principal	112,223	368,955	118,900	117,135	117,715	53,842	92,988	75,160	254	-
Interest	29,952	39,202	46,422	47,563	50,320	29,087	93,135	141,398	140,045	-
Capital Outlay	23,944	119,678	88,901	128,197	228,297	19,925	192,854	1,428,014	143,851	273,373
Total Expenditures	1,040,241	1,525,110	1,134,261	1,106,601	1,160,568	507,754	1,456,100	2,648,491	1,285,196	1,100,966
Excess (Deficiency) of Revenues over Expenditures	$ 351,288	$ (77,846)	$ 310,356	$ 252,229	$ 176,512	$ 63,294	$ 67,712	$ (752,961)	$ 73,164	$ 58,015

(1) The City converted to a June 30 fiscal year end in 2009; consequently budgets and financial reporting are presented for the six month period of January 1 to June 30, 2009.

CITY OF DAWSONVILLE, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (continued)

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending 6/30					Six-Months Ending 6/30	Fiscal Year Ending 12/31			
	2014	2013	2012	2011	2010	2009 (1)	2008	2007	2006	2005
OTHER FINANCING SOURCES (USES)										
Transfers In	$ -	$ -	$ -		$ -	$ 25,015	$ 56,062	$ 102,000	$ -	$ -
Transfers Out	-	-	-		-	-	-	-	(135,196)	-
General Obligation bonds issued	-	-	-		-	-	-	-	-	-
Premium on general obligation bonds	-	-	-		-	-	-	-	-	-
Refunding bonds issued	-	-	-		-	-	-	-	-	-
Premium on refunding bonds issued	-	-	-		-	-	-	-	-	-
Discount on special assessment bonds issued	-	-	-		-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-		-	-	-	-	-	-
Capital lease	-	-	-		-	-	-	-	-	-
Sales of general capital assets	-	-	-		-	-	-	-	-	-
Insurance recoveries	-	-	-		-	-	-	13,000	374,014	-
Total Other Financing Sources (Uses)	-	-	-	-	-	25,015	56,062	115,000	238,818	-
Net change in fund balances before special item	351,288	(77,846)	310,356	252,229	176,512	88,309	123,774	(637,961)	311,982	58,015
Special Item	-	-	-	-	129,433	-	-	-	-	-
Net change in fund balances	$ 351,288	$ (77,846)	$ 310,356	$ 252,229	$ 305,945	$ 88,309	$ 123,774	$ (637,961)	$ 311,982	$ 58,015
Debt service as a percentage of noncapital expenditures	11.68%	29.68%	15.81%	16.83%	18.02%	17.00%	14.73%	17.74%	12.29%	0.00%

(1) The City converted to a June 30 fiscal year end in 2009; consequently budgets and financial reporting are presented for the six month period of January 1 to June 30, 2009.

CITY OF DAWSONVILLE, GEORGIA

GENERAL FUND HISTORY

Last Five Fiscal Years

	Fiscal Year Ending 6/30				
	2014	2013	2012	2011	2010
Revenues					
Taxes	$ 1,247,700	$ 1,252,245	$ 1,269,333	$ 1,111,489	$ 1,062,696
Charges for services	1,530	6,545	20,514	13,476	18,992
Intergovernmental	3,766	1,000	1,000	-	-
Licenses and permits	54,461	-	63,134	35,471	64,880
Fines, fees and forfeitures	-	69,713	-	-	50
Interest	1,981	2,130	1,596	2,219	2,124
Contributions	-	-	-	4,500	7,458
Miscellaneous	58,542	76,685	66,412	55,444	80,913
Total Revenues	1,367,980	1,408,318	1,421,989	1,222,599	1,237,113
Expenditures					
General Government	528,218	564,015	484,482	453,284	431,229
Public Safety	-	80,000	160,000	160,000	166,550
Highways and Streets	223,199	247,217	136,796	49,684	46,966
Culture and Recreation	100	1,991	2,343	62,373	17,429
Planning and Zoning	97,632	63,448	79,054	67,241	91,462
Housing and Development	11,577	23,667	5,357	3,060	2,655
Debt Service	142,175	-	165,322	164,698	168,035
Capital Outlay	-	408,157	41,191	20,608	83,812
Total Expenditures	1,002,901	1,388,495	1,074,545	980,948	1,008,138
Excess (Deficiency) of Revenues over Expenditures	365,079	19,823	347,444	241,651	228,975
Other Financing Sources (Uses) Transfers in (out)	-	(8,029)	-	-	-
Net Change in Fund Balances	365,079	11,794	347,444	241,651	228,975
Fund Balance- beginning of year	1,543,249	1,531,455	1,184,011	842,360	583,952
Prior Period Adjustment	-	-	-	-	129,433
Fund Balance- end of year	$ 1,908,328	$ 1,543,249	$ 1,531,455	$ 1,084,011	$ 942,360

Note: This schedule is provided to comply with ongoing debt requirements. The required budget schedule for the General Fund is included in the basic financial statements.

CITY OF DAWSONVILLE, GEORGIA
WATER & SEWER FUND HISTORY
Last Five Fiscal Years

	Fiscal Year Ending 6/30				
	2014	2013	2012	2011	2010
Operating Revenues					
Charges for services	$ 1,084,192	$ 974,718	$ 856,769	$ 861,402	$ 880,131
Miscellaneous	28,639	55,997	19,451	24,857	24,660
Total Operating Revenues	1,112,831	1,030,715	876,220	886,259	904,791
Operating Expenses					
Personal Services & Benefits	241,309	230,094	237,321	293,687	315,853
Purchased/Contracted Services	353,927	332,076	340,112	357,797	383,788
Bad Debts	4,292	3,308	3,044	4,900	2,010
Supplies	63,621	85,017	63,161	113,470	100,728
Depreciation & Amortization	413,016	434,167	430,143	436,485	431,794
Total Expenditures	1,076,165	1,084,662	1,073,781	1,206,339	1,234,173
Operating Income (Loss)	36,666	(53,947)	(197,561)	(320,080)	(329,382)
Non-Operating Income (Loss)					
Intergovernmental Revenues	-	-	-	-	563,762
Contributions & Donations	-	-	-	-	-
Gain (loss) on Sale of Assets	-	-	(2)	(1,500)	-
Interest & Fiscal Charges	(318,564)	(206,779)	(212,453)	(216,913)	(225,319)
Interest Earned	3,973	3,953	4,413	7,610	12,018
Total Non-Operating Income (Loss)	(314,591)	(202,826)	(208,042)	(210,803)	350,461
Net Income Before Transfers	(277,925)	(256,773)	(405,603)	(530,883)	21,079
Tap Fees & Other					
Tap Fees & Other	104,300	466,000	-	-	-
Transfers In (Out)	-	-	-	-	-
Change in Net Assets	(173,625)	209,227	(405,603)	(530,883)	21,079
Net Assets- beginning of year	7,566,284	7,372,598	7,778,201	8,309,084	7,372,005
Prior Period Adjustment	-	(15,541)	-	-	916,000
Net Assets- end of year	$ 7,392,659	$ 7,566,284	$ 7,372,598	$ 7,778,201	$ 8,309,084

Note: This schedule is provided to comply with ongoing debt requirements. Financial results related to the Garbage Function are excluded in this presentation. As such, amounts will differ from the total reported in the City's basic financial statements. Details of the functional allocations can be found in supplementary schedules to the City's annual financial statements. The required budget budget schedule for the Water & Sewer Fund is also included in supplementary information.

CITY OF DAWSONVILLE, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

	Real Property				Personal Property (1)							
Tax Year	Residential Property	Agricultural & Conservation Property	Commercial & Industrial Property	Public Utilities	Motor Vehicles	Mobile Homes	Gross Tax Digest / Bond Digest (2)	Exemption Adjustments	Total Taxable Assessed Value (3)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Value
2014	$ 44,089,580	$ 8,824,035	$ 24,605,640	$ 1,821,331	$ 169,780	$ 1,340	$ 79,511,706	$ (1,741,813)	77,769,893	0.00	194,424,733	40%
2013	40,167,378	8,526,540	21,789,893	2,003,986	207,450	2,410	72,697,657	(2,649,546)	70,048,111	0.00	175,120,278	40%
2012	43,109,208	8,537,257	18,067,672	1,783,236	252,490	12,657	71,762,520	(2,649,546)	69,112,974	0.00	172,782,435	40%
2011	48,561,693	11,203,280	18,849,201	1,743,018	198,620	16,922	80,572,734	(3,122,450)	77,450,284	0.00	193,625,710	40%
2010	55,080,051	15,635,971	19,713,929	1,731,940	159,750	17,417	92,339,058	(4,483,511)	87,855,547	0.00	219,638,868	40%
2009	60,623,516	14,703,393	19,203,214	1,660,263	256,800	18,319	96,465,505	(4,420,906)	92,044,599	0.00	230,111,498	40%
2008	62,920,628	14,514,520	16,843,308	1,647,243	343,850	18,861	96,288,410	(3,967,027)	92,321,383	0.00	230,803,458	40%
2007	54,953,584	8,360,491	15,061,689	1,682,388	342,400	3,582	80,404,134	(2,030,889)	78,373,245	0.00	195,933,113	40%
2006	40,490,164	2,771,809	11,217,977	1,588,856	376,100	4,085	56,448,991	(1,188,547)	55,260,444	0.00	138,151,110	40%
2005	24,172,070	1,999,563	13,428,896	1,481,916	264,110	16,207	41,362,762	(891,512)	40,471,250	0.00	101,178,125	40%

Source: Georgia Department of Revenue

(1) The City does not presently levy ad valorem tax, therefore inventory and equipment valuations are not reported.

(2) Digest is not adjusted for bond exemptions since no taxes were levied for bond debt service and therefore the exemptions were not calculated by the Dawson County Tax Commissioner.

(3) Total assessed value, after deducting exemptions for purposes of levying tax for the maintenance and operation of the City, if the City had leveid such tax.

CITY OF DAWSONVILLE, GEORGIA

PROPERTY TAX RATES - MILLS

DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

	Direct Rate	Overlapping Rates				
	City of Dawsonville	Dawson County Board of Education		State of Georgia	Dawson County	
Tax Year	Operating Millage	Operating Millage	Debt Service	Operating Millage	Operating Millage	Total Direct and Overlapping Rates
2013	0.000	17.246	0.000	0.150	8.138	25.534
2012	0.000	15.546	0.400	0.200	8.138	24.284
2011	0.000	15.546	0.400	0.250	8.138	24.334
2010	0.000	13.646	0.400	0.250	8.138	22.434
2009	0.000	13.646	0.400	0.250	8.138	22.434
2008	0.000	13.646	0.400	0.250	8.138	22.434
2007	0.000	13.646	0.400	0.250	8.138	22.434
2006	0.000	13.646	0.400	0.250	8.138	22.434
2005	0.000	13.646	0.400	0.250	8.138	22.434
2004	0.000	13.646	0.400	0.250	8.138	22.434

Source: Georgia Department of Revenue

Note: Mills - rate per $1,000 of taxable assessed value

CITY OF DAWSONVILLE, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

		2014			2005		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1))	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Farmington Woods, LP	Apartment Complex	$ 2,498,340	1	3.14%	$		
Dawsonville Fee Owner, LLC	Shopping Center Owner	2,307,249	2	2.90%			
Atlanta Motorsports Park, LLC	Motorsports Park	1,613,027	3	2.03%			
Gold Creek Foods, LC	Poultry Processing	1,584,077	5	1.99%	2,119,427	1	5.12%
SCC Villas, LLC	Southern Catholic College Dorms	1,243,818	4	1.56%			
Windstream Standard, Inc.	Public Utility	933,319	7	1.17%			
EHK Investments, LLC	Family Owned Real Estate	872,279	8	1.10%			
Starmount Properties Inc.	Apartment Complex	764,164	9	0.96%	779,460	8	1.88%
Meadow Trace, Inc.	Residential Development	674,004	10	0.85%			
Phoenix One, LLC	Residential Development				1,996,976	2	4.83%
Standard Telephone Co.	Public Utility				1,323,816	3	3.20%
Springlake, LLC	Residential Development				1,320,860	4	3.19%
Maple Street Development, LLC	Residential Development				1,238,428	5	2.99%
Howser Mill , LLC	Residential Development				1,157,227	6	2.80%
Burts Crossing Construction	Residential Development				884,162	7	2.14%
RBM Capital, LLC	Residential Development				701,908	9	1.70%
Classic Homes of Dawson Inc.	Residential Development				697,442	10	1.69%
Totals		12,490,275		15.71%	12,219,704		29.54%

Source: Dawson County Tax Commissioner

Note: The City of Dawsonville does not levy property tax. Rank is based on the amount of County maintenance & operations taxes billed since exemptions that reduce the assessed value can vary by entity.

(1) Percentages are based on the City's gross tax digest of $79,511,706 for calendar year 2014, and $41,362,762 for calendar year 2005.

CITY OF DAWSONVILLE, GEORGIA

LOCAL OPTION SALES TAX DISTRIBUTION COMMODITY REPORT

Last Five Fiscal Years

	2014			2013			2012			2011			2010 (2)		
Commodity (1)	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total	Total Distributed	Rank	% of Total
General Merchandise	$ 2,764,194	1	42.83%	$ 2,673,032	1	41.13%	$ 2,498,906	1	39.53%	$ 2,409,097	1	41.41%	$ 2,266,047	1	40.96%
Food/Bars	1,085,753	2	16.82%	1,028,600	2	15.83%	1,009,891	2	15.98%	956,843	2	16.45%	963,993	2	17.43%
Other Retail	687,741	3	10.66%	638,624	3	9.83%	683,850	3	10.82%	625,220	3	10.75%	557,920	3	10.09%
Miscellaneous Service	508,180	4	7.87%	518,276	4	7.97%	440,234	4	6.96%	429,890	4	7.39%	412,837	4	7.46%
Wholesale	415,047	5	6.43%	413,819	5	6.37%	295,437	7	4.67%	222,080	7	3.82%	161,489	9	2.92%
Utility	271,837	6	4.21%	265,324	7	4.08%	266,483	8	4.22%	267,470	6	4.60%	265,038	6	4.79%
Manufacturing	236,342	7	3.66%	209,783	8	3.23%	183,078	10	2.90%	175,519	9	3.02%	183,617	8	3.32%
Home Furnishing	197,512	8	3.06%	183,122	9	2.82%	197,110	9	3.12%	161,310	10	2.77%	228,475	7	4.13%
Auto	119,989	9	1.86%	349,819	6	5.38%	402,974	5	6.37%	346,102	5	5.95%	404,633	5	7.31%
Other Services	98,596	10	1.53%	166,787	10	2.57%	309,177	6	4.89%	178,822	8	3.07%	30,074		0.54%
Accommodations	54,951		0.85%	40,119		0.62%	23,754		0.38%	38,495		0.66%	52,721	10	0.95%
Construction	13,600		0.21%	12,368		0.19%	10,709		0.17%	6,876		0.12%	4,916		0.09%
Totals	6,453,742		100.00%	6,499,673		100.00%	6,321,603		100.00%	5,817,724		100.00%	5,531,760		100.00%

Source: Georgia Department of Revenue, Local Government Services

(1) Data is not available for City of Dawsonville; Dawson County totals are reported on this schedule.

(2) The Georgia Department of Revenue added new commodity codes during 2009. Comparative information prior to fiscal year beginning 7/1/09 and presented here as fiscal year ending 2010 is not available.

CITY OF DAWSONVILLE, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended		Governmental Activities: Intergovernmental Contractual Agreement (4)	Governmental Activities: Capital Leases	Business-Type Activities: Water & Sewer Revenue Bonds	Business-Type Activities: Municipal Loans	Business-Type Activities: Interim Financing Bank Note (3)	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2014		1,442,828	-	4,675,000	-	-	6,117,828	6.75%	2,412
2013		1,555,048	-	3,761,717	1,083,998	-	6,400,763	7.38%	2,596
2012		1,924,006	-	3,816,575	1,147,157	-	6,887,738	8.68%	3,003
2011		2,042,906	-	3,867,828	1,207,565	-	7,118,299	9.25%	3,070
2010		2,160,041	-	3,917,948	1,265,372	-	7,343,361	9.79%	3,073
2009	(2)	2,277,756	-	3,961,563	1,320,784	-	7,560,103	13.66%	4,675
2008		2,331,596	-	3,984,590	1,347,661	-	7,663,847	14.62%	4,860
2007		2,424,586	-	4,030,224	1,391,909	-	7,846,719	17.20%	5,577
2006		2,499,746	-	974,889	461,936	2,646,360	6,582,931	17.86%	5,348
2005		2,500,000	-	987,315	480,865	-	3,968,180	11.90%	3,509

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

(1) See the Schedule of Demographic and Economic Statistics on page74 for personal income and population data.

(2) The City converted to a June 30 fiscal year end in 2009; consequently financial reporting is presented for the six month period ending June 30, 2009. Preceeding periods are based on a fiscal year end of December 31.

(3) Bank note payable represents the pre-funding obligation to a local bank for interim financing pending issuance of the Series 2006 Bonds. The liability is subsequently re-categorized under bond debt obligation beginning in 2007.

(4) The City maintains liability through an intergovernmental contractual ageement for bonds issued by the Downtown Development Authority, a component unit of the City. See notes to the financial statements for further detail.

CITY OF DAWSONVILLE, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

GENERAL OBLIGATION AND REVENUE BONDS

June 30, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Available	Estimated Share of Overlapping Debt
City of Dawsonville Direct Debt			
Intergovernmental Contractual Obligations	$ 1,442,828	100%	$ 1,442,828
Water & Sewer Revenue Bonds	4,675,000	100%	4,675,000
Total Direct	6,117,828		6,117,828
Overlapping Debt:			
Dawson County Board of Commissioners	19,352,000	6.13%	1,186,278
Dawson County School System	9,900,000	6.13%	606,870
Total Overlapping Debt	29,252,000		1,793,148
Total	$ 35,369,828		$ 7,910,976

Source: Direct debt outstanding provided by the City as of June 30, 2014, as represented in current financial statements. Overlapping debt outstanding data as per reported in the Dawson County CAFR for December 31, 2013.

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. This proces 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.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county total taxable assessed value.

CITY OF DAWSONVILLE, GEORGIA

LEGAL DEBT MARGIN - GENERAL OBLIGATION DEBT

Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Assessed value of property	$ 79,511,706	$ 72,697,657	$ 71,762,520	$ 80,752,734	$ 92,339,058	$ 96,465,505	$ 96,288,410	$ 80,404,134	$ 56,448,991	$ 41,362,762
Debt Limit (10% of total assessed value)	7,951,171	7,269,766	7,176,252	8,075,273	9,233,906	9,646,551	9,628,841	8,040,413	5,644,899	4,136,276
Amount of Debt applicable to limit:										
General obligation bonds and contracts payable	1,442,828	1,555,048	1,924,006	2,042,906	2,160,041	2,277,756	2,331,596	2,424,586	2,499,746	2,500,000
Less: Resources restricted to paying principal	-									
Total net debt applicable to limit	1,442,828	1,555,048	1,924,006	2,042,906	2,160,041	2,277,756	2,331,596	2,424,586	2,499,746	2,500,000
Legal debt margin	$ 6,508,343	$ 5,714,718	$ 5,252,246	$ 6,032,367	$ 7,073,865	$ 7,368,795	$ 7,297,245	$ 5,615,827	$ 3,145,153	$ 1,636,276
Total net debt applicable to the limit as a percentage of debt limit	18.15%	21.39%	26.81%	25.30%	23.39%	23.61%	24.21%	30.15%	44.28%	60.44%

CITY OF DAWSONVILLE, GEORGIA

PLEDGED-REVENUE COVERAGE

WATER, SEWER & GARBAGE FUND

Last Ten Fiscal Years

	Public Utilities Revenue Bonds & Pledged Municipal Loans					
Fiscal Year	Operating Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	1,208,802	734,280	474,522	170,715	296,608	1.02
2013	1,125,931	719,778	406,153	118,017	208,528	0.76
2012	966,455	710,484	255,971	111,661	213,678	0.79
2011	979,885	836,095	143,790	107,928	217,410	0.44
2010	1,002,147	868,042	134,105	99,025	226,311	0.41
2009 (3)	467,854	439,860	27,994	49,905	112,764	0.17
2008	1,224,482	805,842	418,640	96,362	214,166	1.35
2007	1,473,827	768,370	705,457	55,603	64,468	5.88
2006	1,158,909	536,416	622,493	31,355	65,943	6.40
2005	779,244	525,663	253,581	29,927	86,794	2.17

(1) Total operating revenue including interest.

(2) Total operating expenses exclusive of depreciation.

(3) The City converted to a June 30 fiscal year end in 2009; consequently financial reporting is presented for the six month period ending June 30, 2009.

CITY OF DAWSONVILLE, GEORGIA

TAX SUPPORTED DEBT RATIOS

June 30, 2014

	Direct Tax Supported Debt (1)	Overlapping Tax Supported Debt (1)	Overall Tax Supported Debt (6)
Per Capita Debt (2)	$ 2,412	$ 707	$ 3,119
Percentage of Gross Tax Digest (3)	7.69%	2.26%	9.95%
Percentage of Direct Fair Market Value (4)	3.15%	0.92%	4.07%
Per Capita Debt as Percentage of Per Capita Income (5)	6.75%	1.98%	8.72%

Note: This schedule is provided to comply with ongoing debt covenant requirements.

(1) Direct and overlapping debt is shown in total on page 70.
(2) Based on 2014 City of Dawsonville population of 2,536, see page 74.
(3) Based on 2014 Gross Tax Digest of $79,511,706, see page 65.
(4) Based on 2014 estimated actual value of $194,424,733, see page 65.
(5) Based on 2014 estimated per capita income figure for Dawson County of $35,760, see page 74.
(6) Based on amount of overlapping debt applicable to City of Dawsonbille taxable property.

CITY OF DAWSONVILLE, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year Ended		Population Dawson County	Population City of Dawsonville	Estimated City of Dawsonville Personal Income (5)	Dawson Co. Per Capita Personal Income (3)		Dawson County Unemployment Rate (1)
2014	(2)	22,330	2,536	90,686,112	35,760	(4)	5.8%
2013		22,686	2,466	86,708,895	35,162	(4)	6.7%
2012		22,422	2,294	79,312,756	34,574		7.7%
2011		22,459	2,319	76,935,144	33,176		9.0%
2010		22,330	2,390	75,014,930	31,387		9.8%
2009		22,555	1,617	55,349,910	34,230		9.8%
2008		22,006	1,577	52,421,057	33,241		5.9%
2007		21,484	1,407	45,638,859	32,437		3.8%
2006		20,643	1,231	36,849,985	29,935		3.8%
2005		19,731	1,131	33,339,618	29,478		4.2%

Data Sources: U.S. Census Bureau, unless otherwise noted.

(1) Data provided through the Georgia Department of Labor.

(2) U.S. Census population data for 2014 not available; information shown is estimate provided by Suburban Stats demographics.

(3) Data provided through Federal Reserve Economic Data and U.S. Bureau of Economic Analysis.

(4) Current per capita data unavailable. Calculated estimate by applying to the preceeding year the compound annual growth rate realized for 2002-2012 of 1.7% per Federal Reserve Economic Data.

(5) Personal Income figures specifically for the City are not available. Calculated estimate by multiplying county per capita rate by City population.

CITY OF DAWSONVILLE, GEORGIA

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

	2014			2005		
Taxpayer	Employees	Rank	Percentage of City Employment	Employees	Rank	Percentage of City Employment
Gold Creek Foods, LC	590	1	37.94%	130	3	12.88%
Dawson County Board of Commissioners	256	2	16.46%	215	2	21.31%
Dawson County Board of Education (1)	248	3	15.95%	308	1	30.53%
Food Lion Sotre # 2132	40	5	2.57%			
Atlanta Motor Sports Park LLC	30	4	1.93%			
Bojangles Restaurant	25	7	1.61%			
Dairy Queen of Dawsonville	18	8	1.16%	15	7	1.49%
United Community Bank	13	9	4.02%	21	5	2.08%
Amicalola Propane, Inc.	12	10	0.77%			
Kangaroo Store # 3318				10	10	0.99%
Southern Catholic College				24	4	2.38%
Davis Machine Inc.				18	6	1.79%
Pioneer Marketing Research Inc.				14	8	1.39%
Southern Foodservice Management				11	9	1.09%
Fred's Store # 1450				10	10	0.99%
All Others	323		20.77%	233		23.09%
Totals	1,555		103.19%	1,009		100.00%

Source: Employment data based on business license applications and phone surveys.

(1) Represented in the employment figures presented are employees of the BOE offices, Dawson County High School, Dawson County Middle School, Robinson Elementary and Hightower Academy.

CITY OF DAWSONVILLE, GEORGIA

CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

	2014		2013		2012		2011		2010		2009		2008		2007		2006		2005	
Function	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General government:																				
Mayor and council	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5	-	5
Finance and administration	1	1	1	1	1	1	1	1	1	1	2	-	2	-	1	1	2	-	2	-
Planning and zoning	1	-	1	-	1	-	1	-	1	-	2	-	2	-	2	-	2	-	2	-
Highways and streets	3	-	1	1	1	1	-	-	-	-	-	-	-	-	1	-	-	-	-	-
Water and sewer	3	-	3	-	3	-	4	-	5	-	4	-	4	-	4	1	3	-	3	-
Totals	8	6	6	7	6	7	6	6	7	6	8	5	8	5	8	7	7	5	7	5

CITY OF DAWSONVILLE, GEORGIA

OPERATING INDICATORS BY FUNCTION

Last Six Fiscal Years

Function	2014	2013	2012	2011	2010	2009 (1)
General Government:						
Number of accounts payable checks issued	730	656	554	1,004	1,067	477
Number of payroll checks issued	286	290	278	273	280	169
Highways and streets						
Miles of streets maintained	10.87	10.87	10.08	10.07	10.07	10.07
Miles of sidewalks maintained	5.93	5.70	5.52	5.09	4.80	4.43
Water System						
Number of service connections	1,250	1,118	1,131	1,096	1,135	1,023
Daily avergae consumption in gallons	190,688	187,092	294,304	194,215	183,486	102,630
Sewer System						
Number of service connections	1,075	941	934	904	946	839
Daily average tratment in gallons	176,698	166,530	270,731	172,218	160,841	73,851

Source: Various City departments.

(1) The City converted to a June 30 fiscal year end in 2009; consequently financial reporting is presented for the six month period ending June 30, 2009.

(2) Comparative information prior to the short-year ending 6/30/2209 is not available.

CITY OF DAWSONVILLE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function	2014	2013	2012	2011	2010	2009 (1)	2008	2007	2006	2005
General Government:										
Municipal facilities	1	1	1	1	1	1	1	1	1	1
Rental houses	2	2	2	2	2	2	2	2	2	2
Undeveloped land acreage	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	0.33	0.33
Culture and Recreation										
Parks	2	1	1	1	1	1	1	1	1	0
Park acreage	15	1	1	1	1	1	1	1	1	0
Highways and Streets										
Maintenance facilities	1	1	1	1	1	1				
Miles of streets maintained	10.87	10.87	10.08	10.07	10.07	10.07	10.40	10.40	10.40	10.00
Miles of sidewalks maintained	5.93	5.70	5.52	5.09	4.80	4.43	4.20	4.04	3.81	3.61
Water System										
Miles of mains	25.5	25.5	24.9	24.9	24.6	24.6	24.5	23.4	22.5	21.2
Number of fire hydrants	275	268	268	268	268	268	268	252	240	228
Number of developed wells	5	5	5	5	5	5	5	5	2	2
Maximum daily capacity in gallons	835,200	835,200	835,200	835,200	835,200	835,200	835,200	835,200	201,600	201,600
Sewer System										
Miles of sewer	10.7	10.7	12.0	12.9	14.0	14.2	14.2	14.4	14.4	15.0
Waste water treatment plants	1	1	1	1	1	1	1	1	1	1
Maximum daily capacity of treatment plant in gallons	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	120,000	120,000

Source: Various City departments.

(1) The City converted to a June 30 fiscal year end in 2009; consequently financial reporting is presented for the six month period ending June 30, 2009.

OTHER REPORTING SECTION

CITY OF
DAWSONVILLE
GEORGIA
EST. 1859
CELEBRATING 150 YEARS

December 1, 2014

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*

To the Mayor and City Council
City of Dawsonville
Dawsonville, Georgia

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of the City of Dawsonville, Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Dawsonville, Georgia's basic financial statements, and have issued our report thereon dated December 1, 2014.

Internal Control Over Financial Reporting

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

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 Dawsonville, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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*.

302 Bradford St. NW Gainesville, GA 30501 (770) 536-0511 Fax (770) 536-7565 alexanderalmand.com
Members of: The Georgia Society of Certified Public Accountants The American Institute of Certified Public Accountants

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alexander, Almand & Bangs, LLP
Gainesville, Georgia

CITY OF DAWSONVILLE, GEORGIA
SPECIAL LOCAL OPTION SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
BUDGET AND ACTUAL - PROJECT TO DATE
From Inception Through June 30, 2014

Project	Original Budget	Current Project Budget	Prior Year Project to Date	Current Year	Total	Percent Complete	Fund Balance
Sidewalk Project	$ 500,000	$ 508,190	$ 490,086	$ 7,340	$ 497,426	97.88%	$ 10,764

Reconcilation to Capital Projects Fund:

Total Expenditures - Capital Projects Fund	$ 23,944
LMIG Grant Expenditures	(16,604)
SPLOST Expenditures - current year	$ 7,340

This page is intentionally blank.