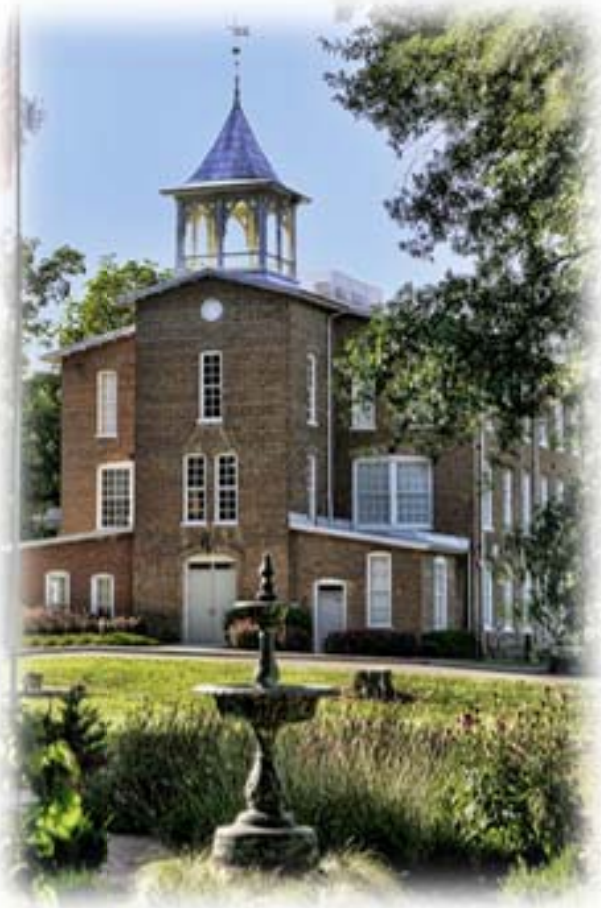




CITY OF DALTON
GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year ENded December 31, 2019







CITY OF DALTON, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended
December 31, 2019

Cindy Jackson, CPA
Chief Financial Officer

By Authority of
Mayor and Council

City of Dalton, Georgia
Comprehensive Annual Financial Report
For The Year Ended December 31, 2019

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July 30, 2020

To the Mayor, Members of Council, and Citizens of the City of Dalton:

The Comprehensive Annual Financial Report ("CAFR") of the City of Dalton, Georgia, for the year ended December 31, 2019 is hereby submitted as mandated by Georgia state statues. These statutes require that every general-purpose local government publish within six months of the close of each fiscal year, unless an extension is approved, a complete set of audited financial statements.

Management assumes full responsibility for the accuracy of the data, and the completeness and reliability of the information presented in this report, based on a comprehensive framework of internal controls established for this purpose. Because 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. To the best of our knowledge and belief, the financial report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

The City has prepared the financial statements to meet the current applicable requirements of the Governmental Accounting Standards Board ("GASB"). The City of Dalton's financial statements have been audited by Estes & Walcott, Certified Public Accountants and they have rendered an unmodified opinion for the year ended December 31, 2019. The independent auditors' report is presented in the financial section of this report.

Management's discussion and analysis ("MD&"A) immediately follows the independent auditors' report. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Dalton is located in northwest Georgia at the foothills of the Appalachian Mountains. Dalton is conveniently located off Interstate 75, within 85 miles north of Atlanta and 25 miles south of Chattanooga, Tennessee and is within a day's drive of half the United States population. Dalton is also served by two major railroads, CSX and Norfolk Southern. The community was originally founded in 1837 as the village of Cross Plains. In honor of founder Captain Edward White's mother, the name was officially changed to Dalton and chartered December 29, 1847.

Dalton occupies 20 square miles and serves an estimated daytime population of 63,000. According to the 2010 U.S. Census, Dalton has a population of 33,123, with Whitfield County's population at 102,599. The Census Bureau estimates the 2019 population for Dalton at 33,665. Dalton boasts a mild climate with four distinctive seasons, an average temperature of 61°, and average annual rainfall of 56 ".

The City operates under a council-administration form of government. The City Council is comprised of a mayor and a four member council elected by the residents on a nonpartisan ballot for four year terms. The mayor is elected at large and the council members are elected by voters in each of the four separate wards. The Council serves as the legislative and policymaking body of the City. They enact laws, determine policies, and adopt the annual budget. The City is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statute to annex property into the City limits.

Equal Opportunity Employer

The basic financial statements of the City include all government activities, organizations, and functions for which the City is financially accountable as defined by the Governmental Accounting Standards Board. The Dalton Building Authority meets the current guidelines of GASB Statement No. 61, and is included as a discretely presented component unit in the City of Dalton's CAFR.

The Senior Center is jointly funded with Whitfield County, but is included in the City's report due to the City's ability to impose its will since the Center's employees are City of Dalton employees. In addition, the City exercises fiduciary responsibility over the Mayor and Council of the City of Dalton Employee's Pension Plan and the City of Dalton Postretirement Plan, both of which are reported in the financial statements as trust funds.

The City of Dalton provides a full range of services to its citizens. These services include police and fire protection, a court system, highway and street maintenance, sanitation, recreational facilities, a golf course, an airport, a senior center, utilities, a convention center (a joint venture), and a solid waste facility (a joint venture). Selected demographic information is provided within the statistical section of this report.

The annual budget functions as the basis for the City of Dalton's financial planning and control. In accordance with state law, the City adopts an annual operating budget consistent with generally accepted accounting principles. The budget is adopted by the City Council after a required public hearing and the required public notices. The budget is required to be adopted no later than December 31st. The budget is prepared by department and fund. Annual budgets are adopted for the general fund, debt service fund, and all special revenue funds. Annual operating budgets of enterprise funds are not legally required, but are utilized for planning, control, and evaluation purposes. The level of legal budgetary control is at the department level. Department directors have the discretion of budget transfers within their respective budget through the finance department, provided that the request does not increase the overall budget and personal services allocation for that department.

Local Economy & COVID-19

Dalton is the economic hub of northwest Georgia and continues to benefit economically by being the "Floor Covering Capital of the World". Dalton is home to the two largest carpet producers in the world (Mohawk Industries and Shaw Industries) and is the third largest manufacturing community per capita in Georgia. According to the Carpet and Rug Institute, the Dalton area continues to be the center of the tufted carpet industry and produces more than 70% of the total output of the world-wide industry of over $9 billion.

Like every U.S. city, Dalton's economy has been impacted by the novel coronavirus pandemic ("COVID-19"). The tourism and locally owned small businesses have been impacted the most. We have encountered a 35% decrease in hotel-motel tax revenue and a 2.2% decrease in sales tax for a six-month period. The sales tax decline is minimal due to several large retail chains that were allowed to stay open during the shutdown. The City government continues to provide essential services and has implemented policies and procedures to ensure the safety of employees and the community. The City government has been impacted minimally and is fiscally able to continue to provide all services to the community.

The Dalton Metropolitan Statistical Area ("MSA") unemployment rate reached a high of 20.5% in April, but has bounced back to 7.6% in June. We are below the national average of 11.1% and at the same rate as the state of 7.6%. We ended 2019 at 4.9%.

As schools physically closed, the City's independent school system continued to provide two meals per day through regular bus routes. The City received $255,000 in Community Development Block Grant Funds from the CARES Act and developed two programs to reduce some of the impact for moderate-to-low income residents. The City utilized the funds to implement a Small Business Loan Forgiveness Program to reimburse businesses payroll costs and a Meals Program that provides fourteen days of meals to low-income target areas.

Dalton embraces its manufacturing base and the carpet industry, but also realizes the need for diversifying the industrial base. The Dalton-Whitfield Joint Development Authority ("JDA") is the economic arm of Dalton and Whitfield County for recruitment of new businesses to the area. The JDA focuses on economic growth of the community by attracting and retaining jobs, diverse investments, and growing the tax base. Dalton's economic development policies are implemented by the JDA. The JDA targets manufacturing, automotive, plastics/chemical, food processing, and data center industries due to the areas skilled work force, water-rich community, and physical location.

The Dalton Metropolitan Area ("MSA") continues to see growth in both manufacturing and retailers with substantial capital investment. The JDA reports that two new projects were awarded in 2019 that will produce 210 jobs and capital investment of $44 million. The projects, Core Scientific and CJ Logistics, will provide warehousing, call center, and data center services. Two projects have been announced in 2020 within the Dalton MSA:

- Novalis Innovative Flooring – the facility will include the most advanced technologies in rigid core luxury vinyl tile ("LVT") manufacturing and will use the latest in automation. The company will invest $30 million in the project and create 120 new jobs. The company is expected to begin in the third quarter of 2020.
- GEDIA Automotive Group – an international company that specializes in producing state-of-the-art automotive parts. The company will begin production with a focus on parts for electric vehicles. The company will construct a 180,000 square foot facility, invest capital of $85 million, and create 200 jobs.

The Dalton MSA based Hanwha Q Cells was named a recipient of the 2019 Corporate Investment/Community Impact Awards ("CiCi"). The company manufactures solar panels and is the largest solar panel production facility in North America. The company constructed a 360,000 square foot facility, will invest $130 million, and create 525 jobs over three years.

From a retail standpoint, vacant retail space was renovated and added two new discount retailers, Roses and Ollies, and a fast food restaurant, Del Taco.

The Anna Shaw Children's Institute opened in May of 2019. The Anna Shaw Children's Institute will treat children coping with autism spectrum disorder, attention deficit hyperactivity disorder, and other developmental delays.

Major Initiatives

Dalton leadership continues to focus on maintaining a strong economic base, increasing diversification of industry, and enhancing residents' quality of life through health, recreational, and leisure aspects of the community.

In May of 2020, Whitfield County voters passed a four-year, $66 million 1% Special Purpose Local Option Sales Tax ("SPLOST") referendum. The 1% SPLOST includes $6.9 million for Tier 1 projects, $28.8 million for quality of life projects, $18.8 million for infrastructure and public works equipment and projects, and $11.5 million for public safety equipment and projects. The City's share of SPLOST revenues is approximately $19.1 million. The City will utilize the SPLOST funds for public safety equipment and projects of $5 million, quality of life projects of $11.6 million, and public works-infrastructure equipment and projects of $2.5 million.

The City utilized $1.3 million from the 2015 1% SPLOST to repair and reconstruct three bridges within the City's street network.

The City implemented a Capital Improvement Plan to identify potential capital projects for fiscal years 2020 through 2024 and infused $3.0 million to initially fund the plan.

City leaders are committed to improve the City's overall appearance and remove blight. The City has identified a Top 10 Targets for Blight Removal and is utilizing resources available to clean up those sites. In 2019, the City's public works department razed a burned out abandoned hotel.

In January 2020, City leaders engaged with the firm of Goodwyn, Mills, and Cawood to create a master plan to improve the appearance of the City's two main Interstate 75 interchanges located at the intersections with West Walnut Avenue (Exit 333), and Chattanooga Road (Exit 336). In addition, the plan includes the Market Street area, which is adjacent to Walnut Avenue interchange and features an outlet mall, restaurants, and hotels. The plan features decorative landscaping and overpass/bridge railings within the I-75 interchanges; streetscape options; reducing curb cuts on Walnut Avenue; additional connectivity streets for the commercial area South of Walnut Avenue; and a land use plan for properties on Chattanooga Road near the I-75 interchange.

The Citizens Government Academy ("CGA") was created in 2018 to provide citizens the opportunity to meet the City leaders and get an up-close look at services provided and operations of the City departments. The 2019 CGA participation increased to 30 participants. The CGA will be held again in the fall of 2020 with a virtual option provided due to COVID.

The City's utility division ("WLSF Commission") continues its pursuit of providing the best service to its customers with new and improved products.

- OptiLink:
  - VidLink, a new streaming video platform was introduced to replace its traditional and obsolete cable television offering. This new service provides customer features previously unavailable to any market in the southeast on a system that required minimal investment. Going forward, this platform will allow new features to be added regularly with little to no cost and can change with needs of customers as the video entertainment industry changes to more non-linear content production.

  - GIGLink, a 1 gigabit symmetrical internet service was launched for residential customers. Dalton is now one of a handful of small cities in the country to offer this level of speed to its customers. This resource allows unprecedented access to information for entertainment, education, and improved quality of life. This system lays the groundwork for even faster business internet connectivity.

The City continues to maintain a healthy fund balance and exceeds the minimum general fund unrestricted fund balance requirement of 25% of operating expenditures. At the end of 2019, the City's general fund unrestricted, unassigned fund balance was equal to 70% of general fund operating expenditures. The general fund unrestricted fund balance is intended to 1) meet future capital needs, 2) offset significant economic downturns and revision in general government activity, 3) provide sufficient working capital, 4) provide sufficient cash flow for current financial needs, and 5) provide for emergency situations.

Awards and Acknowledgement

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Excellence in Financial Reporting to the City of Dalton for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended December 31, 2018. This is the seventeenth consecutive year that the government has received this prestigious award. In order to be awarded the Certificate of Excellence, a government must publish an easily readable and efficiently organized CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Excellence in Financial Reporting is valid for a period of one year. We believe that our current CAFR continues to meet the GFOA's requirements, and are submitting it in anticipation of receiving the Certificate of Excellence in Financial Reporting once again.

The timely preparation of this quality report was made possible by the dedicated service of the finance staff and the technical guidance and assistance afforded by our auditors.

We would also like to thank the City Council for their continued support and management of the City's finances.

Respectfully submitted,

Jason Parker

Jason Parker
City Administrator

Cindy Jackson

Cindy Jackson, CPA
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dalton

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

City of Dalton, Georgia
City Officials and Administration
December 31, 2019

Dennis Mock
Mayor

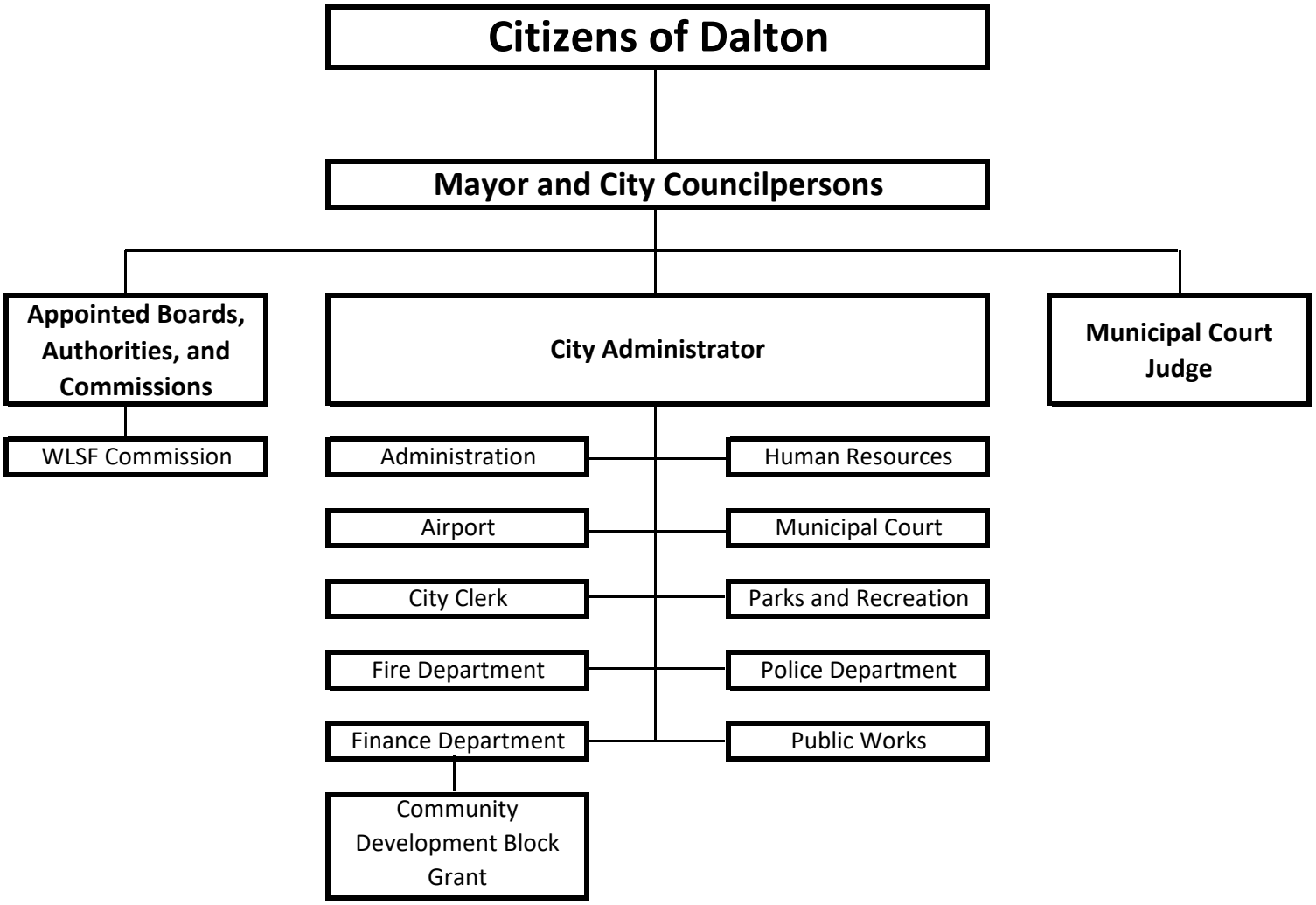
City Council

Denise Wood, Ward 1
Annalee Harlan, Ward 2
Tyree Goodlett, Ward 3
Gary Crews, Ward 4

City Administration

Jason Parker	City Administrator
Cindy Jackson	Chief Financial Officer
Bernadette Chattam	City Clerk
Tom Bundros	WLSF Commission CEO
Todd Pangle	Fire Chief
Greg Batts	Human Resource Director
Mike Miller	Parks & Recreation Director
Cliff Cason	Police Chief
Andrew Parker	Public Works Director

City of Dalton, Georgia
Organizational Chart
December 31, 2019



ESTES & WALCOTT
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor, Members of the City Council,
City Administrator, and Finance Director
City of Dalton, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dalton, Georgia as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Dalton, Georgia'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Water, Light, and Sinking Fund Commission ("WLSF Commission"), which is both a major fund and comprises 97%, 97%, and 99% of the assets, net position, and revenues of the business-type activities, respectively. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the WLSF Commission, is based solely on the report of the other auditors. 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. The financial statements of the WLSF Commission were not audited in accordance with *Government Auditing* Standards. 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 auditors' 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dalton, Georgia, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison information for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the required supplementary information for pension plans, and the required supplementary information for OPEB plans on pages 4 - 20, 95 – 98, and 99 - 101, 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 Dalton, Georgia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of projects constructed with special purpose local option sales tax is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, the schedule of projects constructed with special purpose local option sales tax, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of projects constructed with special purpose local option sales tax, and the schedule of expenditures of federal awards 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 subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2020, on our consideration of the City of Dalton, 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 the City of Dalton, Georgia's internal control over financial reporting and compliance.

Estes & Walcott

Dalton, Georgia
July 30, 2020

The City of Dalton's management is pleased to provide this narrative overview and analysis of the financial activities of the City for the calendar year ended December 31, 2019. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures that follow this section.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows by $1,095,325,863 (net position) for the calendar year reported. This represents an increase of $51.1 million from the prior year net position.

- Total net position is comprised of the following:
    - Net investment in capital assets of $899.5 million includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
    - Net position of $153.0 million is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
    - Unrestricted net position of $42.8 million represents the portion available to maintain the City's continuing obligations to citizens and creditors.

- The City's governmental funds reported total ending fund balance of $33.6 million this year. This represents a decrease of $239,451 from the prior year.

- At the end of the current calendar year, unassigned fund balance for the general fund was $24.0 million, or 70% of total general fund expenditures.

- The business-type activities enterprise funds reported total ending net position of $1,005.0 million as of December 31, 2019. This reflects an increase of $47.2 million from the prior year net position. The Water, Light, and Sinking Fund Commission ("WLSF Commission") is the City's only major enterprise fund and provides utility services including electric, gas, water, wastewater, and information technology. The WLSF Commission transferred $10.9 million to the general fund during 2019. The WLSF Commission passes the cost of this transfer along to their customers. This surcharge is included in charges for services.

The above financial highlights are explained in more detail in the financial analysis section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Dalton's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The City's government-wide financial statements include the statement of net position and the statement of activities. The government-wide statement of net position presents information that includes all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. The City reports assets when it acquires ownership and reports liabilities when incurred. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The statement of activities reports the revenues and expenses of the City. This statement is prepared using the accrual basis of accounting, where revenues are recognized when earned and expenses are recognized when incurred. All current year revenues and expenses are included regardless of when cash is received or paid. The difference is described as the change in net position. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

The statement of net position and the statement of activities divide the City's activities into three types:

- **Governmental activities** – The activities reported in this category are the City's basic services such as general administration, fire, police, public works, recreation, and municipal court. Also included is the Dalton-Whitfield Joint Development Authority, which is a joint venture with Whitfield County. These activities are principally supported by taxes and intergovernmental transfers.

- **Business-type activities** – The City charges fees to customers to recover all or a significant portion of costs for the services provided. The WLSF Commission, whose services include electric, natural gas, water, wastewater, and information technology, along with a municipal golf course and a municipal airport, are included as business-type activities. Also included is the City's share of the net income or cost of the Northwest Georgia Trade and Convention Center Authority and the Dalton-Whitfield Regional Solid Waste Management Authority, which are joint ventures with Whitfield County.

- **Discretely presented component unit** – Component units are legally separate organizations for which the elected officials of the City are financially accountable. The City of Dalton Building Authority is presented as a component unit for the City of Dalton.

The government-wide financial statements are presented on pages 21 through 23 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to track specific resources and expenditures, either for management purposes or because of legal mandates. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The City's funds are divided into three categories:

- **Governmental funds** – These funds account for the same functions reported as governmental activities in the government-wide financial statements. However, fund financial statements are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The focus is on the short-term view of the City's general government operations and the services provided. These statements are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

  Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

  This report also presents certain required supplementary information concerning the City's budget presentations. Budgetary comparison statements are included as required supplementary information for the general fund and are presented as a part of the basic financial statements. Budgetary comparison schedules for all other governmental funds are found in a later section of this report. These statements and schedules demonstrate the City's compliance with the adopted and final budgets.

  The basic governmental fund financial statements are presented on pages 24 through 28 of this report.

  Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

- **Proprietary funds** – These funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City's proprietary funds are classified as enterprise funds and internal service funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization for electric, gas, water, and wastewater utilities, information technology systems, an airport, and a public golf course. Services provided by the two joint ventures to customers include landfill services and a public trade and convention center. Internal service funds are an accounting device used to account for services provided and billed on an internal basis. The City utilizes internal service funds for workers' compensation and health insurance. The activity of the workers' compensation fund and the health insurance fund are reported in governmental activities in the government-wide statement.

  The basic enterprise fund financial statements are presented on pages 29 through 35 of this report.

- **Fiduciary funds** - These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's programs. The City's fiduciary funds consist of a pension trust fund, an other postemployment benefits ("OPEB") trust fund, and a municipal court agency fund. The pension trust fund accounts for the City's single employer pension trust fund. The OPEB trust fund accounts for the City's single employer OPEB trust fund. These funds are reported on two statements: a statement of fiduciary net position and a statement of changes in fiduciary net position. These statements are found on pages 36 and 37 of this report. The municipal court agency fund is custodial in nature, and the balances are reported in the statement of fiduciary net position.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 38 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's defined benefit pension plan and defined benefit OPEB plan. Required supplementary information can be found on pages 95 through 101 of this report.

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 102.

The City has one discretely presented component unit, the City of Dalton Building Authority. The City of Dalton Building Authority does not issue separate financial statements. The City of Dalton Building Authority's financial statements are presented in the financial section of this report on pages 163 through 165. Additional information about the component unit can be found in Note 1-A, Note 4-F, and Note 4-G.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City's overall financial position for the 2019 year is summarized as follows, based on information presented in the government-wide statement of net position.

Summary Statement of Net Position
Fiscal Years 2019 and 2018

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current assets	$ 36,658,273	$ 37,142,595	$ 52,242,916	$ 54,384,829	$ 88,901,189	$ 91,527,424
Capital assets	88,837,649	90,531,225	955,298,708	866,150,192	1,044,136,357	956,681,417
Other long-term assets	1,022,821	534,322	213,080,819	258,557,004	214,103,640	259,091,326
Total assets	126,518,743	128,208,142	1,220,622,443	1,179,092,025	1,347,141,186	1,307,300,167
Deferred outflows of resources	2,977,711	5,920,196	6,524,145	6,577,463	9,501,856	12,497,659
Total assets and deferred outflows	$129,496,454	$134,128,338	$1,227,146,588	$1,185,669,488	$1,356,643,042	$1,319,797,826
Liabilities:						
Current liabilities	2,955,552	5,419,849	28,836,711	31,193,972	31,792,263	36,613,821
Long-term liabilities	20,635,709	36,680,991	175,517,427	188,143,775	196,153,136	224,824,766
Total liabilities	23,591,261	42,100,840	204,354,138	219,337,747	227,945,399	261,438,587
Deferred inflows of resources	14,192,863	4,320,080	19,178,917	9,862,772	33,371,780	14,182,852
Net position:						
Net investment in capital assets	85,392,649	84,604,366	814,056,708	721,653,192	899,449,357	806,257,558
Restricted	10,018,388	8,342,082	143,023,000	190,433,000	153,041,388	198,775,082
Unrestricted	(3,698,707)	(5,239,030)	46,533,825	44,382,777	42,835,118	39,143,747
Total net position	91,712,330	87,707,418	1,003,613,533	956,468,969	1,095,325,863	1,044,176,387
Total liabilities, deferred inflows, and net position	$129,496,454	$134,128,338	$1,227,146,588	$1,185,669,488	$1,356,643,042	$1,319,797,826

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Dalton, assets and deferred outflows exceeded liabilities and deferred inflows by $1,095,325,863 at the close of the current year.

The most substantial portion of the City's net position is net investment in capital assets of $899.5 million (82%). This represents the City's machinery, equipment, and infrastructure less any related debt used to purchase or construct those capital assets. The City uses these assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is 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.

The City reports restricted net position of $153.0 million (14%). These funds are subject to external restrictions on how they may be used. The remaining net position of $42.8 million (4%) is unrestricted and may be used to meet the ongoing operations and obligations of the City.

Although net position of the business-type activities represents 92% of total City-wide net position, the City generally only uses these resources to finance the continuing operations of the business-type activities.

As a whole, the City of Dalton's net position increased by $51.1 million during 2019. The business-type activities net position increased by $47.1 million while the governmental activities net position increased by $4.0 million.

The effects of the City's operations and resulting change in net position for the 2019 year is summarized as follows, based on information presented in the government-wide statement of activities.

Summary Statement of Activities
Fiscal Years 2019 and 2018

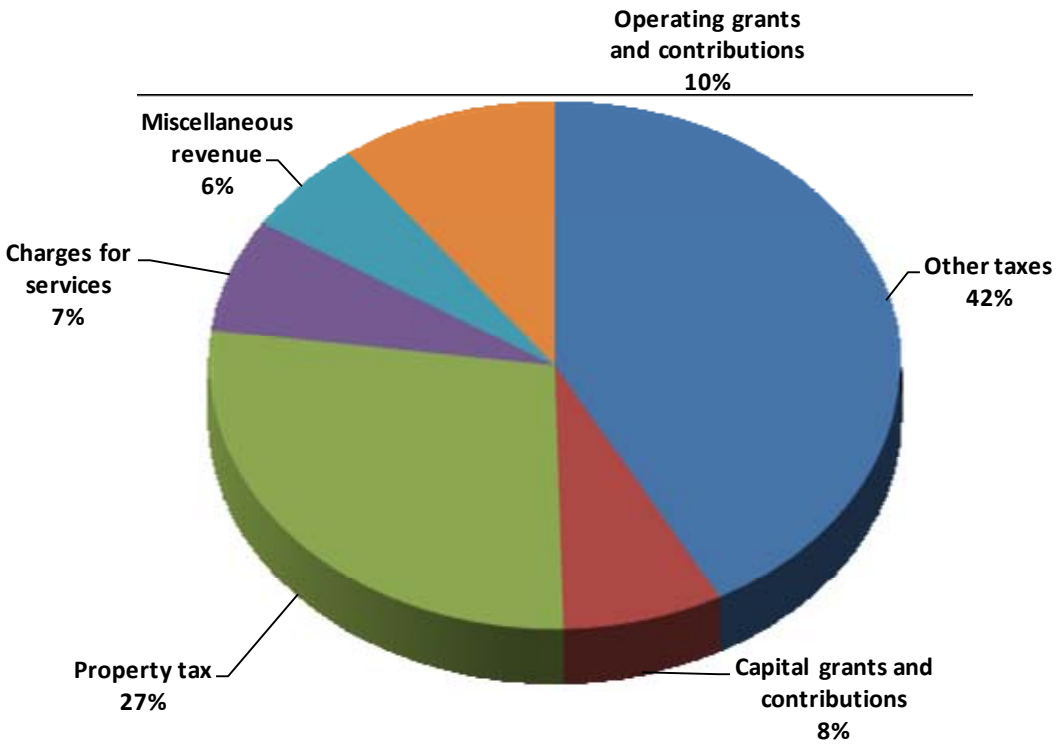
	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program:						
Charges for services	$ 2,232,677	$ 2,917,440	$ 220,772,735	$ 215,775,661	$ 223,005,412	$ 218,693,101
Operating grants	3,278,259	1,965,144	-	-	3,278,259	1,965,144
Capital grants	2,434,707	8,335,199	-	-	2,434,707	8,335,199
General:						
Property taxes	8,879,845	8,705,712	-	-	8,879,845	8,705,712
Other taxes	13,568,997	12,481,242	-	-	13,568,997	12,481,242
Investment earnings	684,787	502,978	5,092,709	2,831,601	5,777,496	3,334,579
Miscellaneous	1,188,289	1,443,222	1,582,000	2,581,500	2,770,289	4,024,722
Total revenues	32,267,561	36,350,937	227,447,444	221,188,762	259,715,005	257,539,699
Program Expenses:						
General government	3,793,196	2,932,157	-	-	3,793,196	2,932,157
Judicial	392,841	409,440	-	-	392,841	409,440
Public safety	16,577,990	17,511,903	-	-	16,577,990	17,511,903
Public works	10,819,102	10,361,515	-	-	10,819,102	10,361,515
Health and welfare	440,499	474,442	-	-	440,499	474,442
Culture and recreation	5,879,397	5,872,966	-	-	5,879,397	5,872,966
Housing and development	332,616	296,359	-	-	332,616	296,359
Interest	244,914	282,702	-	-	244,914	282,702
Utilities	-	-	167,597,557	171,607,098	167,597,557	171,607,098
Trade Center	-	-	540,487	471,563	540,487	471,563
Landfill	-	-	-	-	-	-
Golf course	-	-	953,133	907,034	953,133	907,034
Airport	-	-	993,797	873,083	993,797	873,083
Total expenses	38,480,555	38,141,484	170,084,974	173,858,778	208,565,529	212,000,262
Excess (deficiency)	(6,212,994)	(1,790,547)	57,362,470	47,329,984	51,149,476	45,539,437
Transfers	10,217,906	8,689,931	(10,217,906)	(8,689,931)	-	-
Change in net position	4,004,912	6,899,384	47,144,564	38,640,053	51,149,476	45,539,437
Beginning net position	87,707,418	80,808,034	956,468,969	917,828,916	1,044,176,387	998,636,950
Ending net position	$ 91,712,330	$ 87,707,418	$ 1,003,613,533	$ 956,468,969	$ 1,095,325,863	$ 1,044,176,387

The City's total revenues increased $1.3 million (1%) and the total cost of services and programs provided decreased $4.3 million (2%). Additional information is provided below regarding governmental and business-type activities changes in net position.

Governmental Activities

The following chart depicts revenues of the governmental activities for the year ended December 31, 2019:

Revenues by Source – Governmental Activities



As indicated by the revenue diagram above, other taxes was the largest revenue source for governmental activites. Other taxes includes sales tax, financial institution tax, hotel-motel tax, title advalorem tax, franchise tax, and alcohol beverage tax. The City's governmental activities total revenues decreased $4.1 million (11%).

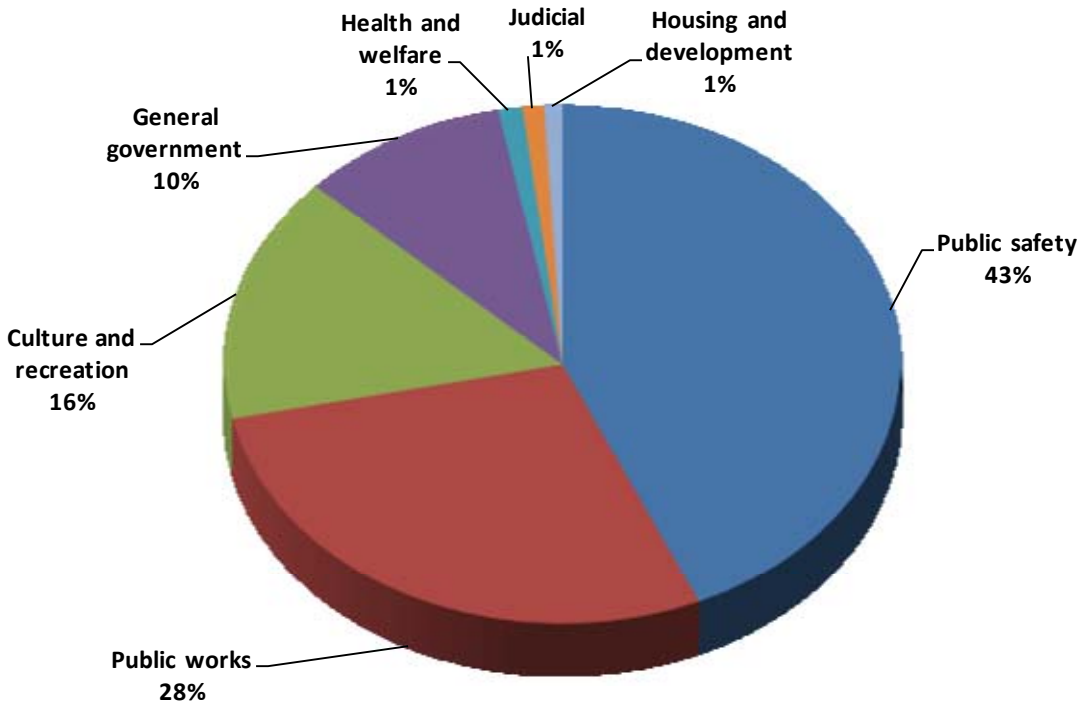
Key elements regarding the governmental activities revenue fluctuations are discussed below:

- The largest decrease occurred in the capital grants category. This category comprises 8% of total revenues and decreased $5.9 million (71%). The decrease is due to the decreased spending for both the 2015 and 2007 SPLOST projects as the most significant components of those projects come to completion.

- The largest increase occurred in the operating grants category. This category comprises 10% of total revenues and increased $1.3 million (67%). Spending increased for paving projects covered under the 2015 SPLOST.

The following chart depicts expenses of the governmental activities for the year ended December 31, 2019:

Expenses by Function – Governmental Activities



As depicted by the expense diagram above, the largest use of City resources was providing public safety services such as fire and police, followed by public works. The City's governmental activities total expenses increased $339,193 (1%).

The general government program expense increased $861,000 (29%) due to a roof replacement at City Hall for $757,000, the transfer of the communications officer from the police department to City administration for $51,000, and legal fees for Service Delivery Strategy negotiations with Whitfield County in the amount of $53,000. The 3% cost of living adjustment ($700,000) and 4% health insurance increase ($135,000) were absorbed by the excess of pension contributions of $2.1 million.

This table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden placed on the City's taxpayers by each of these functions.

	Governmental activities	
	Total cost of services	Net cost of services
General government	$ 3,793,196	$ 2,042,178
Judicial	392,841	(199,948)
Public safety	16,577,990	15,153,012
Public works	10,819,102	8,490,000
Health and welfare	440,499	189,692
Culture and recreation	5,879,397	4,778,243
Housing and development	332,616	(163,179)
Interest	244,914	244,914
Total	$ 38,480,555	$ 30,534,912

The judicial and housing and development net cost of services indicate revenues generated by the court and intergovernmental revenues received in the CDBG and CHIP funds covered the cost of these functions.

Business-type Activities

The City's business-type activities revenues increased $6.3 million (3%) and expenses decreased $3.8 million (2%).

Revenues:

The increase in charges for services of $5.0 million (2%) is primarily attributable to Dalton's utility operations, the WLSF Commission, as follows:

- Electric operating revenues increased $6.0 million (5%), primarily due to increased consumption by data center industrial customers.

- Natural gas operating revenues decreased $3.7 million (12%), primarily due to a decrease in consumption across all customer classes combined with a decrease in the variable portion of rates driven by a decrease in the market cost of natural gas in 2019.

- Water operating revenues increased by $900,000 (5%), primarily due to an overall rate increase of 4% for all customer classes. These increases were offset by decreased consumption from industrial and commercial customers.

- Wastewater operating revenues decreased by $100,000 (1%), primarily due to a decrease in consumption across all customer classes.

- Information technology operating revenues increased $200,000 (1%), primarily due to a rate increase for legacy cable basic and enhanced cable customers beginning March 1, 2019, and increases in internet revenues from residential and commercial customers.

The increase in investment income of $2.3 million (80%) is primarily attributable to the WLSF Commission's operations as follows:

- Interest income decreased $100,000 due to the reinvestment of portfolio securities at lower interest rates.
- The fair value of investments increased $2.4 million in 2019 due to an increase in fair value as a result of the change in the overall bond market.

The decrease in miscellaneous income of $1.0 million (39%) comes from a reduction in contributions in aid of construction of $1 million for the WLSF Commission.

Expenses:

The decrease in program expenses of $3.8 million (2%) is primarily attributable to the WLSF Commission's operations as follows:

- Production expenses decreased $200,000 (1%), primarily due to an increase in the purchase of chemicals for water treatment.
- Purchased electricity expenses increased $1.4 million (4%), primarily due to increased consumption for data center industrial customers.
- Purchased natural gas expenses decreased $2.8 million (13%), primarily due to decreased consumption across all customer classes and a decrease in the weighted average cost of gas. The average monthly index price of natural gas was $2.57 and $3.03 per Dth for 2019 and 2018, respectively.
- Distribution expenses decreased $2.1 million (8%), primarily due to a decrease in contracted maintenance.
- Depreciation expense increased $900,000 (4%), which reflects the addition of assets in the normal course of business.
- General and administrative expenses decreased $1.1 million (6%), primarily due to a decrease in retirement expenses for the defined benefit pension plan.
- Interest expense decreased $600,000 (17%) as a result of a decrease in the revenue bonds outstanding balance, as disclosed in Note 3-I.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $33,573,890. Of this year-end total, 72% ($24,022,865) is unassigned fund balance that is available for spending at the City's discretion. The remainder is nonspendable ($185,196), restricted for particular purposes ($8,995,567), and committed or assigned for particular purposes ($370,262).

The total ending fund balances of governmental funds reflect a decrease of $239,451 (1%) from the prior year. The general fund reported a decrease in fund balance of $1,397,682 (5%) and the other governmental funds reported an increase in fund balances of $1,158,231 (15%).

Major Governmental Fund

The general fund is the City's primary operating fund and is used to account for all governmental financial resources not restricted by state or federal laws, local ordinances, or other externally imposed requirements. At the end of 2019, the fund balance of the general fund was $24.9 million. Unassigned fund balance represents 70% of general fund expenditures, a decrease from the prior year, in which unassigned fund balance represented 83% of expenditures.

The general fund decreased fund balance by $1.4 million during the fiscal year. Key factors are as follows:

- General fund total revenues of $24.5 million were $802,000 more than the prior year's revenue. The City experienced increases in sales tax of $618,000, real and personal property taxes of $179,000, insurance premium tax of $147,000, and interest income of $133,000

- General fund total expenditures of $34.1 million were $3.0 million more than the prior year's expenditures. Wages increased $806,000 due to a 3% COLA, public safety being fully staffed, and the addition of three school resource officers. Other significant expenditures included a roof replacement at City Hall at a cost of $757,000, repairing a slope failure caused by flooding at a cost of $737,000, and an increase in the defined benefit pension match from 50.9% to 58% of covered payroll, at a cost of $197,000.

- Other financing sources of $11.7 million increased $252,000 from the prior year due to increases in the transfer fee from the WLSF Commission of $224,000 and proceeds from sale of assets of $43,000.

- Other financing uses of $3.6 million increased $1.9 million from the prior year due to an increase in capital funding.

Capital Projects Funds

- The SPLOST 2015 capital projects fund is used to account for the acquisition and construction of major capital assets and accumulation of funds to retire the debt associated with the 2015 SPLOST. Revenues are derived primarily from SPLOST. SPLOST revenues totaled $3.9 million, state funding totaled $387,644, and investment earnings totaled $170,811. Expenditures totaled $6.0 million; $3.8 million for various SPLOST projects and $2.2 million to retire debt. At the end of 2019, fund balance was $5.5 million and is restricted to complete the various projects and retire debt.

- The SPLOST 2015 bonded debt capital projects fund is used to account for the issuance of debt associated with the 2015 SPLOST and the acquisition and construction of major capital assets from those funds. Expenditures totaled $43,854 for the library and communication SPLOST projects. At the end of 2019, fund balance was $95,534 and is restricted to complete the various projects.

- The SPLOST 2007 capital projects fund is used to account for the acquisition and construction of major capital assets. Revenues are primarily derived from SPLOST. This SPLOST expired at the end of 2010. Whitfield County, Georgia is fiscally responsible for unspent funds. The City of Dalton accounts for the various infrastructure projects within the City of Dalton limits as the funds are spent.

- The capital acquisition fund is used to account for expenditures for general capital outlays. Revenues are derived from transfers from the general fund. Other financing sources totaled $3.2 million from the general fund and other financing uses totaled $35,000 for funding paid to the golf course. Total expenditures were $439,544 for acquisition of vehicles and equipment. At the end of 2019, fund balance was $2.7 million and is restricted for future capital acquisitions.

Proprietary Funds

The proprietary funds share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. This provides a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

Major Proprietary Fund

The WLSF Commission provides electric, natural gas, water, wastewater, and information technology services to customers in the City of Dalton, Whitfield County, and portions of Murray, Gordon, Catoosa, and Floyd counties.

The WLSF Commission net position represents 97% of total proprietary fund net position. Financial analysis in regards to the WLSF Commission can be found in the business-type activities section.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City of Dalton's general fund budget is prepared and adopted in accordance with Georgia law. Over the course of the year, the original budget was amended by various appropriations approved by Council. In addition, Council approved several adjustments to prevent budget overruns. The amendments to the general fund resulted in a net increase to budgeted revenues of $1,386,425, a net decrease to budgeted expenditures of $973,635, and a net decrease to other financing sources (uses) of $2,524,655.

The following highlights the most significant differences between original and adjusted budgets for revenue:

- Other taxes to adjust for additional revenue due to economic upturn
  - Sales tax $540,000
  - Insurance premium tax $146,000
  - Title ad valorem tax $139,000
- Investment earnings $63,000 to reflect the increase in interest rates
- Court fines $57,000
- Miscellaneous revenue
  - Demolition revenue $95,000
  - Insurance reimbursements $88,000
  - Cash donations $41,000

The budgets for personal services and benefits were decreased $1,214,000. The decrease is due to unfilled positions within the public works and general government functions and overstatement of anticipated pension and hospitalization costs within the departments.

The other financing sources (uses) budget category was amended to reflect increases in sales of capital assets of $308,000, an increase in the WLSF transfer of $198,000, and an increase in the hotel/motel tax revenue transfer of $77,500. Also, transfers out to the capital acquisition fund increased by $3,175,000.

The general fund revenues and other financing sources exceeded the adjusted budget by $189,487 and general fund expenditures and other financing uses were under the adjusted budget by $86,201.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for governmental and business-type activities at December 31, 2019 was $88.8 million and $955.3 million, respectively. The book value of the governmental activities investment in capital assets decreased by $1.7 million. The book value of the business-type activities investment in capital assets increased by $89.1 million. Depreciated cost for capital assets of the City as a whole increased by $87.5 million. See Note 3-E for additional information about changes in capital assets during the calendar year. The following table provides a summary of capital asset balances by asset type.

Capital Assets, Net of Accumulated Depreciation
Fiscal Years 2019 and 2018

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Non-depreciable assets:						
Land	$ 18,308,390	$ 17,966,370	$ 4,525,529	$ 4,525,529	$ 22,833,919	$ 22,491,899
Construction in progress	918,271	298,070	217,300,000	151,062,000	218,218,271	151,360,070
Total non-depreciable	19,226,661	18,264,440	221,825,529	155,587,529	241,052,190	173,851,969
Depreciable assets:						
Land improvements	47,987,805	46,597,481	9,414,120	9,414,120	57,401,925	56,011,601
Buildings and improvements	34,866,568	35,310,771	3,763,489	3,763,489	38,630,057	39,074,260
Machinery, equipment, and furniture	29,590,852	29,266,398	2,641,895	2,619,670	32,232,747	31,886,068
Intangibles	1,102,492	1,102,492	-	-	1,102,492	1,102,492
Utility plant	-	-	1,287,113,000	1,239,378,000	1,287,113,000	1,239,378,000
Infrastructure	107,011,627	106,367,267	-	-	107,011,627	106,367,267
Total depreciable assets	220,559,344	218,644,409	1,302,932,504	1,255,175,279	1,523,491,848	1,473,819,688
Less accumulated depreciation	150,948,356	146,377,624	589,910,325	564,819,616	740,858,681	711,197,240
Book value-depreciable assets	69,610,988	72,266,785	713,022,179	690,355,663	782,633,167	762,622,448
Percentage depreciated	68%	67%	45%	45%	49%	48%
Nuclear fuel, at amortized cost	-	-	20,451,000	20,207,000	20,451,000	20,207,000
Book value - all assets	$ 88,837,649	$ 90,531,225	$ 955,298,708	$ 866,150,192	$1,044,136,357	$ 956,681,417

Major capital asset changes during the current year for governmental activities included the following:

- Public safety vehicle and equipment purchases of $103,000; major purchases include six public safety vehicles.
- General government purchases of $445,000 for a network storage system and three tracts of donated real estate.
- Public works machinery and equipment purchases of $458,000; major purchases include a side loading rubbish truck, two heavy duty trucks, a 4x4 vehicle and a forklift.
- Infrastructure and construction in progress for various road infrastructure projects and bridge maintenance-repair projects ($2.4 million) and recreational facilities ($278,000)

Major capital asset changes during the current year ended for business-type activities were primarily attributable to the WLSF Commission and included the following:

- Increase in plant in service of $47.7 million, offset by an increase in accumulated depreciation of $24.5 million. Construction work in progress increased $66.2 million, primarily from additional construction costs for the WLSF Commission's ownership interest in the construction of Vogtle Units 3 and 4 as well as construction costs for water and wastewater capital projects.

Long-term Debt

At the end of the calendar year, the City had total capital leases and revenue bonds outstanding of $74.5 million. This is a decrease of $4.7 million from the prior year. Refer to Note 3-I for additional information regarding the City's long-term debt.

	Governmental activities		Business-type activities		Totals	
	2019	2018	2019	2018	2019	2018
Capital leases payable	$ 3,445,000	$ 5,873,859	$ -	$ -	$ 3,445,000	$ 5,873,859
Revenue bonds	-	-	71,055,000	73,308,000	71,055,000	73,308,000
Notes	-	53,000	-	-	-	53,000
Total	$ 3,445,000	$ 5,926,859	$ 71,055,000	$ 73,308,000	$ 74,500,000	$ 79,234,859

The City maintains a credit rating of Aa2 from Moody's on general obligation bonds.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2020 general fund budget reflects a 4% ($1.1 million) decrease in revenues when compared to 2019 actual revenues. Budgeted expenditures for 2020 reflect a 3% ($1.2 million) increase when compared to actual 2019 expenditures. The 2020 budgeted other financing sources (uses) indicate a 22% ($1.9 million) decrease when compared to 2019. The City's adopted 2020 general fund budget is balanced with utilization of fund balance of $1.8 million.

The City considered the following factors when preparing the 2020 budget:

- Assessed property values are expected to remain flat and assumes no millage rate change.

- Budgeted revenues are expected to decrease in title ad valorem tax, sales tax, rental revenue, demolition fees, and insurance reimbursements when compared to 2019 actuals.

- A 3% COLA is factored in for full-time employees effective 1/1/20.

- The employer defined benefit pension contribution match will be 79% in 2020 compared to a 58% match in 2019. The defined contribution plan employer match will remain at 5%.The increase is due to the City's commitment to fund the defined contribution plan by the year ending 2023.

- The OPEB premiums will continue to be paid from the OPEB trust fund with no additional employer contributions to the trust in 2019.

- With fully insured health insurance premiums expected to increase 12%, the City decided to change to a self-insured hybrid plan. The change is expected to cut the increase by 8%; therefore, the budgeted 2020 increase for health insurance is 4%.

- The budget reflects the addition of a project engineer for public works and an additional school resource officer.

- The budget includes $250,000 for capital acquisition transfers. The City implemented a five-year capital improvement plan in 2019 with an infusion of cash from the general fund.

- The budget includes an increase in the debt service transfer $725,000 in anticipation of issuing $15 million in debt for capital acquisition and park expansion.

- The City will continue to evaluate the level of services desired by citizens and how to provide those services as economically as possible.

In May of 2020, Whitfield County voters approved a four year 1% SPLOST referendum. The City's share is expected to be $19 million. The issuance of debt budgeted in 2020 is being re-evaluated due to passage of SPLOST. The City will be utilizing funds to purchase public safety vehicles and equipment, renovations to recreation facilities and parks, and infrastructure projects.

All 2015 SPLOST projects are expected to be completed mid-2022. The collections for the four-year 2015 SPLOST exceed the original budget of $24.5 million for City projects. The 2015 bonded SPLOST debt matured in September of 2019.

COVID-19

The City of Dalton continues to provide essential services during the novel coronavirus pandemic ("COVID-19"). We have implemented policies, procedures, and guidelines to ensure the safety of our employees and the community during the Public Health State of Emergency declaration.

The City has encountered minor employee absences due to protocols set for those experiencing symptoms or exposure to the virus. As of April 1, 2020, The City implemented hazard pay for public safety and certain public works employees that will continue until expiration of the Governor's Executive Order set to expire August 11, 2020. Those employees are receiving an additional $1 - $2 per hour increase in wage rate.

Services provided by the City have been minimally impacted such as closing several recreational facilities, allowing employees to work remotely, and some delays in receiving supplies.

Through the date of this report, the City's revenues, expenditures, and cash reserves have not been materially impacted by COVID-19. General fund revenues are tracking approximately $400,000 below budget and COVID-19 expenditures incurred total $475,000. We will be reimbursed for some of those costs from FEMA (up to $131,000 eligible expenditures) and through the CARES Act funding passed through from the State of Georgia (up to $1.8 million eligible expenditures). The City also received $255,000 in additional CDBG funds through the CARES Act. The City has implemented a Forgivable Business Loan Program and a Meals Program with the additional funds received.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances. If you have questions concerning this document or would like to request additional information, contact the City's Chief Financial Officer, 300 West Waugh Street, Dalton, Georgia 30720 or access the City's website at www.cityofdalton-ga.gov.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Dalton, Georgia
Statement of Net Position
December 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	City of Dalton Building Authority
Assets				
Current Assets				
Cash and cash equivalents	$ 26,254,217	$ 4,473,064	$ 30,727,281	$ 1,035,357
Investments	6,900,199	768,000	7,668,199	-
Restricted customer deposit fund	-	3,030,000	3,030,000	-
Receivables:				
Accounts	1,812,043	13,224,030	15,036,073	-
Taxes	688,110	-	688,110	-
Intergovernmental	818,508	-	818,508	-
Interest	-	177,000	177,000	-
Capital leases	-	-	-	3,050,000
Unbilled revenues	-	8,595,000	8,595,000	-
Fuel stocks	-	3,293,000	3,293,000	-
Materials and supplies inventory	174,804	17,190,655	17,365,459	-
Deposits and prepaid items	10,392	1,492,167	1,502,559	301,394
Total Current Assets	36,658,273	52,242,916	88,901,189	4,386,751
Noncurrent Assets				
Nondepreciable capital assets	19,226,661	221,825,529	241,052,190	-
Depreciable capital assets, net	69,610,988	713,022,179	782,633,167	-
Nuclear fuel, at amortized cost	-	20,451,000	20,451,000	-
Restricted customer deposit fund	-	2,342,000	2,342,000	-
Restricted combined renewals and extensions fund	-	22,825,000	22,825,000	-
Restricted combined utilities construction fund	-	45,416,000	45,416,000	-
Restricted nuclear decommissioning	-	63,532,000	63,532,000	-
Regulatory asset	-	57,480,000	57,480,000	-
Capital leases receivable (less current portion)	-	-	-	14,240,000
Investment in joint ventures	1,022,821	21,485,819	22,508,640	-
Total Noncurrent Assets	89,860,470	1,168,379,527	1,258,239,997	14,240,000
Total Assets	126,518,743	1,220,622,443	1,347,141,186	18,626,751
Deferred Outflows of Resources	2,977,711	6,524,145	9,501,856	-
Total Assets and Deferred Outflows	$129,496,454	$1,227,146,588	$1,356,643,042	$ 18,626,751

(continued)

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Net Position
December 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	City of Dalton Building Authority
Liabilities				
Current Liabilities				
Accounts payable and accrued expenses	$ 1,475,637	$ 18,668,503	$ 20,144,140	$ 1,291,384
Internal balances	(1,742,968)	1,742,968	-	-
Accrued interest payable	102,114	-	102,114	-
Claims payable	636,719	-	636,719	-
Unearned revenue	714,050	24,240	738,290	-
Compensated absences payable	1,500,000	40,000	1,540,000	-
Revenue bonds payable	-	2,202,000	2,202,000	2,780,000
Recovery zone economic development bonds payable	-	-	-	270,000
Capital leases payable	270,000	-	270,000	-
Customer deposits	-	6,159,000	6,159,000	-
Total Current Liabilities	2,955,552	28,836,711	31,792,263	4,341,384
Long-Term Liabilities				
Compensated absences payable (less current portion)	3,174,103	63,710	3,237,813	-
Asset retirement obligations	-	87,285,000	87,285,000	-
Revenue bonds payable (less current portion)	-	68,853,000	68,853,000	11,065,000
Recovery zone bonds payable (less current portion)	-	-	-	3,175,000
Capital leases payable (less current portion)	3,175,000	-	3,175,000	-
Net pension liability	7,235,142	10,028,053	17,263,195	-
Net OPEB obligation	7,051,464	9,287,664	16,339,128	-
Total Long-Term Liabilities	20,635,709	175,517,427	196,153,136	14,240,000
Total Liabilities	23,591,261	204,354,138	227,945,399	18,581,384
Deferred Inflows of Resources	14,192,863	19,178,917	33,371,780	-
Net Position				
Net investment in capital assets	85,392,649	814,056,708	899,449,357	-
Restricted for:				
Debt service	9,049	45,416,000	45,425,049	-
Capital projects	8,323,398	22,825,000	31,148,398	-
Public safety	124,022	-	124,022	-
Development	1,238,844	-	1,238,844	-
Public works	103,675	-	103,675	-
Culture and recreation	219,400	-	219,400	-
Nuclear decommissioning	-	63,532,000	63,532,000	-
Noncurrent customer deposits	-	2,342,000	2,342,000	-
Pension	-	7,727,000	7,727,000	-
OPEB	-	1,181,000	1,181,000	-
Unrestricted	(3,698,707)	46,533,825	42,835,118	45,367
Total Net Position	91,712,330	1,003,613,533	1,095,325,863	45,367
Total Liabilities, Deferred Inflows, and Net Position	$129,496,454	$1,227,146,588	$1,356,643,042	$ 18,626,751

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Activities
For the Year Ended December 31, 2019

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions, and Transfers	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit: Building Authority
Primary Government								
General government	$ 3,793,196	$ 344,986	$ 344,293	$ 1,061,739	$ (2,042,178)	$ -	$ (2,042,178)	$ 16,631
Judicial	392,841	592,789	-	-	199,948	-	199,948	-
Public safety	16,577,990	771,204	19,865	633,909	(15,153,012)	-	(15,153,012)	-
Public works	10,819,102	135,324	2,220,799	(27,021)	(8,490,000)	-	(8,490,000)	-
Health and welfare	440,499	53,300	197,507	-	(189,692)	-	(189,692)	-
Culture and recreation	5,879,397	335,074	-	766,080	(4,778,243)	-	(4,778,243)	-
Housing and development	332,616	-	495,795	-	163,179	-	163,179	-
Interest on long-term debt	244,914	-	-	-	(244,914)	-	(244,914)	-
Total Governmental Activities	38,480,555	2,232,677	3,278,259	2,434,707	(30,534,912)	-	(30,534,912)	16,631
Business-Type Activities:								
WLSF:								
Electric system	84,920,632	125,113,000	-	-	-	40,192,368	40,192,368	-
Gas system	24,415,972	27,178,000	-	-	-	2,762,028	2,762,028	-
Water system	22,988,674	21,161,000	-	-	-	(1,827,674)	(1,827,674)	-
Wastewater system	19,393,848	21,616,000	-	-	-	2,222,152	2,222,152	-
Information technology system	15,878,431	22,548,000	-	-	-	6,669,569	6,669,569	-
Landfill	-	1,725,208	-	-	-	1,725,208	1,725,208	-
Trade Center	540,487	-	-	-	-	(540,487)	(540,487)	-
Municipal golf course	953,133	908,766	-	-	-	(44,367)	(44,367)	-
Municipal airport	993,797	522,761	-	-	-	(471,036)	(471,036)	-
Total Business-Type Activities	170,084,974	220,772,735	-	-	-	50,687,761	50,687,761	-
Total - Primary Government	$ 208,565,529	$ 223,005,412	$ 3,278,259	$ 2,434,707	(30,534,912)	50,687,761	20,152,849	16,631
		General Revenues						
		Property taxes levied for:						
		General purposes			8,879,845	-	8,879,845	-
		Selective taxes			12,002,362	-	12,002,362	-
		Hotel motel taxes			1,566,635	-	1,566,635	-
		Investment earnings			684,787	5,092,709	5,777,496	-
		Contributions in aid of construction			-	1,000,000	1,000,000	-
		Donations - unrestricted			451,396	-	451,396	-
		Miscellaneous			736,893	582,000	1,318,893	-
		Total General Revenues			24,321,918	6,674,709	30,996,627	-
		Transfers			10,217,906	(10,217,906)	-	-
		Total General Revenues and Transfers			34,539,824	(3,543,197)	30,996,627	-
		Change in Net Position			4,004,912	47,144,564	51,149,476	16,631
		Net Position Beginning of Year			87,707,418	956,468,969	1,044,176,387	28,736
		Net Position End of Year			$ 91,712,330	$ 1,003,613,533	$ 1,095,325,863	$ 45,367

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

City of Dalton, Georgia
Balance Sheet
Governmental Funds
December 31, 2019

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 16,365,000	$ 9,045,401	$ 25,410,401
Investments	6,900,199	-	6,900,199
Receivables:			
Accounts	1,703,596	108,442	1,812,038
Taxes	688,110	-	688,110
Intergovernmental - federal	8,682	84,563	93,245
Intergovernmental - state	1,600	3,401	5,001
Intergovernmental - local	380,349	339,913	720,262
Interfund	541,409	172,348	713,757
Inventory	174,804	-	174,804
Prepaid items	10,392	-	10,392
Total Assets	$ 26,774,141	$ 9,754,068	$ 36,528,209
Liabilities			
Accounts payable	$ 322,233	$ 364,517	$ 686,750
Accrued expenditures	786,875	-	786,875
Accrued interest payable	-	102,114	102,114
Unearned revenue	167,395	421,257	588,652
Interfund payable	172,348	193,688	366,036
Total Liabilities	1,448,851	1,081,576	2,530,427
Deferred Inflows of Resources			
Unavailable revenue - property taxes	423,892	-	423,892
Fund Balances			
Nonspendable:			
Inventory	174,804	-	174,804
Prepaid items	10,392	-	10,392
Restricted:			
Economic development (tax allocation districts)	-	216,021	216,021
Public safety (police expenditures)	-	124,022	124,022
Housing and development (grant expenditures)	-	2	2
Debt service (debt service expenditures)	-	9,049	9,049
Capital projects (SPLOST 2015 projects and other projects)	-	8,323,398	8,323,398
Public works (cemetery chapel and streetscape)	103,675	-	103,675
Culture and recreation (greenway, disc golf, and Haig Mill)	219,400	-	219,400
Unrestricted:			
Committed:			
Public works (construction contracts)	359,702	-	359,702
Assigned:			
Grant funds (airport grant)	10,560	-	10,560
Unassigned	24,022,865	-	24,022,865
Total Fund Balances	24,901,398	8,672,492	33,573,890
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 26,774,141	$ 9,754,068	$ 36,528,209

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2019

Total Governmental Fund Balances		$ 33,573,890
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets do not represent financial resources and therefore are not reported in the funds but are reported for governmental activities:		
Cost	239,786,005	
Less accumulated depreciation	(150,948,356)	88,837,649
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		423,892
Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net position:		
Interfund receivables	(366,036)	
Interfund payables	366,036	-
Liabilities, including notes, bonds, capital leases, compensated absences, and net pension liability are not due and payable in the current period and therefore are not reported in governmental funds but are reported on the statement of net position:		
Capital leases payable	(3,445,000)	
Compensated absences	(4,674,103)	
Net pension liability	(7,235,142)	
Net OPEB liability	(7,051,464)	(22,405,709)
The Joint Development Authority (JDA) is a joint venture of the City of Dalton and Whitfield County, Georgia. The equity interest in the JDA is shown on the government-wide statement of net position but is reported on the fund balance sheet only to the extent the investment is evidenced by current financial resources, such as amounts due to and from the entity:		
City's portion of equity investment		1,022,821
The internal service funds are used by management to charge the costs of self-insurance. The assets and liabilities of the internal service funds are included in governmental activities columns in the statement of net position.		79,692
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows related to pensions	2,683,349	
Deferred inflows related to pensions	(5,694,040)	
Deferred outflows related to OPEB	294,362	
Deferred inflows related to OPEB	(8,498,823)	(11,215,152)
The business-type activities of the City also benefit from the use of the internal service funds. The amount of the net loss allocated to the business-type activities of the City is reported as an interfund receivable for governmental activities.		1,395,247
Net Position of Governmental Activities		$ 91,712,330

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ 20,916,414	$ 1,566,635	$ 22,483,049
Licenses and permits	344,986	-	344,986
Intergovernmental - federal	12,620	677,318	689,938
Intergovernmental - state	7,245	394,118	401,363
Intergovernmental - local	256,828	4,364,837	4,621,665
Charges for services	1,349,088	-	1,349,088
Fines and forfeitures	433,589	26,414	460,003
Investment earnings	414,555	265,589	680,144
Miscellaneous	808,065	638	808,703
Total Revenues	24,543,390	7,295,549	31,838,939
Expenditures			
Current:			
General government	3,481,163	202,676	3,683,839
Judicial	404,296	-	404,296
Public safety	17,369,899	53,112	17,423,011
Public works	7,247,324	2,220,799	9,468,123
Health and welfare	431,214	20,507	451,721
Culture and recreation	3,908,834	421,503	4,330,337
Housing and development	372,500	448,615	821,115
Capital Outlay:			
General government	109,867	19,552	129,419
Public safety	4,455	78,579	83,034
Public works	749,606	2,115,079	2,864,685
Culture and recreation	15,251	225,278	240,529
Debt Service:			
Principal retirement	-	2,481,859	2,481,859
Interest and fiscal charges	-	244,914	244,914
Total Expenditures	34,094,409	8,532,473	42,626,882
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,551,019)	(1,236,924)	(10,787,943)
Other Financing Sources (Uses)			
Proceeds from sale of assets	325,805	4,781	330,586
Transfers in	11,403,762	3,576,230	14,979,992
Transfers out	(3,576,230)	(1,185,856)	(4,762,086)
Total Other Financing Sources (Uses)	8,153,337	2,395,155	10,548,492
Net Change in Fund Balances	(1,397,682)	1,158,231	(239,451)
Fund Balances Beginning of Year	26,299,080	7,514,261	33,813,341
Fund Balances End of Year	$ 24,901,398	$ 8,672,492	$ 33,573,890

See accompanying notes to the basic financial statements.

City of Dalton, 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 December 31, 2019

Net Changes in Fund Balances - Total Governmental Funds		$ (239,451)
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 outlays exceeded depreciation expense in the current period:		
Depreciation expense	(5,175,142)	
Capital outlay	3,317,667	(1,857,475)
Donations of or contributions for capital assets not reported at the fund level.		379,586
Write off of capital assets are not reported at the fund level.		(215,687)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(34,207)
Elimination of transfers between governmental funds:		
Transfers in	(4,081,992)	
Transfers out	4,081,992	-
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Repayment of capital leases	2,428,859	
Repayment of notes payable	53,000	2,481,859
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds. These items include:		
Net change in accrued compensated absences liability	(169,864)	
Pension contributions in excess of pension expense	2,169,465	
OPEB benefit (expense)	960,413	2,960,014
The Joint Development Authority (JDA) is a joint venture of the City of Dalton and Whitfield County, Georgia. The current year payments to the JDA are reported as expenditures for the housing and development function on the fund statements, but the City's interest in the government-wide net income or loss is reported on the statement of activities:		
City's current year payments to the JDA reported in the funds	157,750	
City's portion of the government-wide JDA current year net income	330,749	488,499
The internal service funds used by management to charge the costs of the operation and maintenance of the health and workers' compensation insurance to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.		41,774
Change in Net Position of Governmental Activities		$ 4,004,912

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes	$ 19,811,000	$ 20,741,650	$ 20,916,414	$ 174,764
Licenses and permits	251,900	344,850	344,986	136
Intergovernmental - federal	7,600	12,600	12,620	20
Intergovernmental - state	3,000	7,175	7,245	70
Intergovernmental - local	255,700	256,800	256,828	28
Charges for services	1,602,350	1,348,910	1,349,088	178
Fines and forfeitures	380,000	433,000	433,589	589
Investment earnings	250,050	413,745	414,555	810
Miscellaneous	423,400	812,695	808,065	(4,630)
Total Revenues	22,985,000	24,371,425	24,543,390	171,965
Expenditures				
Current:				
General government	3,333,880	3,497,985	3,481,163	16,822
Judicial	451,270	406,535	404,296	2,239
Public safety	18,359,150	17,385,960	17,369,899	16,061
Public works	7,914,635	7,275,620	7,247,324	28,296
Health and welfare	416,200	434,200	431,214	2,986
Culture and recreation	3,956,295	3,917,770	3,908,834	8,936
Housing and development	372,500	372,500	372,500	-
Total Current	34,803,930	33,290,570	33,215,230	75,340
Capital Outlay				
General government	292,845	112,190	109,867	2,323
Public safety	-	4,500	4,455	45
Public works	11,000	749,630	749,606	24
Health and welfare	18,000	-	-	-
Culture and recreation	20,000	15,250	15,251	(1)
Total Capital Outlay	341,845	881,570	879,179	2,391
Total Expenditures	35,145,775	34,172,140	34,094,409	77,731
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,160,775)	(9,800,715)	(9,551,019)	249,696
Other Financing Sources (Uses)				
Proceeds from sale of assets	-	308,145	325,805	17,660
Transfers in	11,125,000	11,403,900	11,403,762	(138)
Transfers out	(473,000)	(3,584,700)	(3,576,230)	8,470
Total Other Financing Sources (Uses)	10,652,000	8,127,345	8,153,337	25,992
Net Change in Fund Balances	$ (1,508,775)	$ (1,673,370)	(1,397,682)	$ 275,688
Fund Balances Beginning of Year			26,299,080	
Fund Balances End of Year			$ 24,901,398	

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2019

	Business-type Activities - Enterprise Funds			
	Water, Light and Sinking Fund Commission	Other Proprietary Funds	Total Funds	Governmental Activities - Internal Service Funds
Assets				
Current Assets:				
Cash and cash equivalents	$ 4,372,000	$ 101,064	$ 4,473,064	$ 843,816
Short-term investments	768,000	-	768,000	-
Restricted customer deposit fund	3,030,000	-	3,030,000	-
Accounts receivable, net	13,224,000	30	13,224,030	5
Unbilled revenues	8,595,000	-	8,595,000	-
Interest receivable	177,000	-	177,000	-
Fuel stocks	3,293,000	-	3,293,000	-
Materials and supplies inventory	17,142,000	48,655	17,190,655	-
Deposits and prepaid items	1,492,000	167	1,492,167	-
Total Current Assets	52,093,000	149,916	52,242,916	843,821
Noncurrent Assets:				
Land	-	4,525,529	4,525,529	-
Construction in progress	217,300,000	-	217,300,000	-
Nuclear fuel, at amortized cost	20,451,000	-	20,451,000	-
Depreciable capital assets, net	706,486,000	6,536,179	713,022,179	-
Restricted customer deposit fund	2,342,000	-	2,342,000	-
Restricted combined renewals/extensions fund	22,825,000	-	22,825,000	-
Restricted combined utilities construction fund	45,416,000	-	45,416,000	-
Restricted nuclear decommissioning fund	63,532,000	-	63,532,000	-
Regulatory assets, net	57,480,000	-	57,480,000	-
Investment in joint ventures	-	21,485,819	21,485,819	-
Total Noncurrent Assets	1,135,832,000	32,547,527	1,168,379,527	-
Total Assets	1,187,925,000	32,697,443	1,220,622,443	843,821
Deferred Outflows of Resources	6,466,000	58,145	6,524,145	-
Total Assets and Deferred Outflows	$ 1,194,391,000	$ 32,755,588	$ 1,227,146,588	$ 843,821

(continued)

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2019

	Business-type Activities - Enterprise Funds			
	Water, Light and Sinking Fund Commission	Other Proprietary Funds	Total Funds	Governmental Activities - Internal Service Funds
Liabilities				
Current Liabilities:				
Customer deposits	$ 6,159,000	$ -	$ 6,159,000	$ -
Current maturities of long-term debt	2,202,000	-	2,202,000	-
Accounts payable and accrued expenses	18,635,000	33,503	18,668,503	2,012
Unearned revenue	-	24,240	24,240	125,398
Interfund payable	-	347,721	347,721	-
Claims payable	-	-	-	636,719
Compensated absences payable	-	40,000	40,000	-
Total Current Liabilities	26,996,000	445,464	27,441,464	764,129
Long-Term Liabilities:				
Compensated absences (net of current portion)	-	63,710	63,710	-
Revenue bonds payable (net of current portion)	68,853,000	-	68,853,000	-
Net pension liability	9,897,000	131,053	10,028,053	-
Net OPEB liability	9,134,000	153,664	9,287,664	-
Asset retirement obligations	87,285,000	-	87,285,000	-
Total Long-Term Liabilities	175,169,000	348,427	175,517,427	-
Total Liabilities	202,165,000	793,891	202,958,891	764,129
Deferred Inflows of Resources	18,909,000	269,917	19,178,917	-
Net Position				
Net investment in capital assets	802,995,000	11,061,708	814,056,708	-
Restricted for:				
Debt service	45,416,000	-	45,416,000	-
Capital projects	22,825,000	-	22,825,000	-
Nuclear decommissioning	63,532,000	-	63,532,000	-
Noncurrent customer deposits	2,342,000	-	2,342,000	-
Pension	7,727,000	-	7,727,000	-
OPEB	1,181,000	-	1,181,000	-
Unrestricted	27,299,000	20,630,072	47,929,072	79,692
Total Net Position	973,317,000	31,691,780	1,005,008,780	79,692
Total Liabilities, Deferred Inflows, and Net Position	$ 1,194,391,000	$ 32,755,588	$ 1,227,146,588	$ 843,821

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Reconciliation of the Statement of Net Position of Proprietary Funds
to the Statement of Net Position
December 31, 2019

Total Statement of Net Position - Proprietary Funds Net Position	$ 1,005,008,780
Amounts reported for Business-Type Activities in the Statement of Net Position are different because:	
The business-type activities of the City also benefit from the use of the workers' compensation internal service fund. The amount of the net loss allocated to the business-type activities of the City is reported as an interfund payable for business-type activities.	(1,395,247)
Net Position of Business-Type Activities	$ 1,003,613,533

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			
	Water, Light and Sinking Fund Commission	Other Proprietary Funds	Total	Governmental Activities - Internal Service Funds
Operating Revenues				
Charges for services	$ 217,616,000	$ 1,166,571	$ 218,782,571	$ 758,000
Merchandise sales	-	89,422	89,422	-
Tournaments	-	97,638	97,638	-
Concessions	-	66,041	66,041	-
Miscellaneous	-	11,855	11,855	-
Total Operating Revenues	217,616,000	1,431,527	219,047,527	758,000
Operating Expenses				
Cost of sales and services	121,824,000	740,616	122,564,616	320,400
Personal services and benefits	17,827,000	637,830	18,464,830	-
Depreciation	25,076,000	568,484	25,644,484	-
Claims	-	-	-	411,026
Total Operating Expenses	164,727,000	1,946,930	166,673,930	731,426
Operating Income (Loss)	52,889,000	(515,403)	52,373,597	26,574
Non-Operating Revenues (Expenses)				
Interest income	2,920,000	709	2,920,709	4,643
Interest expense	(2,860,000)	-	(2,860,000)	-
Net increase (decrease) in fair value of investments	2,172,000	-	2,172,000	-
Miscellaneous income	582,000	-	582,000	-
Income (loss) from joint ventures	-	1,184,721	1,184,721	-
Total Non-Operating Revenues (Expenses)	2,814,000	1,185,430	3,999,430	4,643
Income Before Contributions and Transfers	55,703,000	670,027	56,373,027	31,217
Contributions and Transfers				
Contributions in aid of construction	1,000,000	-	1,000,000	-
Transfers in (out)	(10,898,000)	680,094	(10,217,906)	-
Total Contributions and Transfers	(9,898,000)	680,094	(9,217,906)	-
Change in Net Position	45,805,000	1,350,121	47,155,121	31,217
Net Position Beginning of Year	927,512,000	30,341,659	957,853,659	48,475
Net Position End of Year	$ 973,317,000	$ 31,691,780	$ 1,005,008,780	$ 79,692

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Net Position of Proprietary Funds to the Statement of Activities
For the Year Ended December 31, 2019

Changes in Fund Net Position - Total Business-Type Activities	$ 47,155,121
Amounts reported for Business-Type Activities in the Statement of Activities are different because:	
The internal service funds are used by management to charge the costs of the operation and maintenance of the workers' compensation self insurance fund to individual funds. In the statement of activities, the portion of the internal service fund losses as a result of business-type activities is allocated to each business-type activity.	(10,557)
Change in Net Position of Business-Type Activities	$ 47,144,564

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			
	Water, Light and Sinking Fund Commission	Other Proprietary Funds	Total	Governmental Activities - Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash received from customers	$ 216,337,000	$ 1,446,481	$ 217,783,481	$ -
Cash received from overparity in transmission facilities	2,470,000	-	2,470,000	-
Cash received from interfund services provided	-	-	-	883,403
Cash payments for personnel services	(24,875,000)	(694,723)	(25,569,723)	-
Cash payments for goods, services, claims, and fees	(117,485,000)	(715,731)	(118,200,731)	(747,752)
Net Cash Provided by (Used in) Operating Activities	76,447,000	36,027	76,483,027	135,651
Cash Flows from Investing Activities				
Interest on investments	2,884,000	709	2,884,709	4,643
Sales and maturity of investment securities	99,265,000	-	99,265,000	-
Purchases of investment securities	(46,064,000)	-	(46,064,000)	-
Net Cash Provided by (Used in) Investing Activities	56,085,000	709	56,085,709	4,643
Cash Flows from Noncapital Financing Activities				
Transfers out	(10,898,000)	-	(10,898,000)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(10,898,000)	-	(10,898,000)	-
Cash Flows from Capital and Related Financing Activities				
Payments on interfund loans	-	(4,245)	(4,245)	-
Proceeds from interfund transfers	-	35,000	35,000	-
Payments long-term debt	(5,112,000)	-	(5,112,000)	-
Contributions in aid of construction	1,000,000	-	1,000,000	-
Acquisition of capital assets	(119,974,000)	(35,000)	(120,009,000)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	(124,086,000)	(4,245)	(124,090,245)	-
Net Increase (Decrease) in Cash and Cash Equivalents	(2,452,000)	32,491	(2,419,509)	140,294
Cash and Cash Equivalents Beginning of Year	6,824,000	68,573	6,892,573	703,522
Cash and Cash Equivalents End of Year	$ 4,372,000	$ 101,064	$ 4,473,064	$ 843,816

(Continued)

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			
	Water, Light and Sinking Fund Commission	Other Proprietary Funds	Total	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	$ 52,889,000	$ (515,403)	$ 52,373,597	$ 26,574
Adjustments:				
Depreciation	25,076,000	568,484	25,644,484	-
Amortization	4,664,000	-	4,664,000	-
Pension contributions in excess of payments	(2,424,000)	(47,610)	(2,471,610)	-
OPEB (benefit)/expense	(1,245,000)	(20,928)	(1,265,928)	-
(Increase) Decrease in Assets:				
Accounts receivable	1,191,000	6,984	1,197,984	5
Fuel stocks	(545,000)	-	(545,000)	-
Materials and supplies inventory	(238,000)	35,587	(202,413)	-
Increase (Decrease) in Liabilities:				
Accounts payable	(2,458,000)	(10,535)	(2,468,535)	(7,854)
Accrued expenses	-	1,992	1,992	-
Unearned revenue	-	7,970	7,970	125,398
Other	(463,000)	9,653	(453,347)	-
Claims payable	-	-	-	(8,472)
Net Cash Provided by (Used in) Operating Activities	$ 76,447,000	$ 36,194	$ 76,483,194	$ 135,651
Noncash Investing, Capital, and Financing Activities				
Net increase (decrease) in fair value of investments	$ 2,172,000	$ -	$ 2,172,000	$ -
Accrued property additions at year end	$ 1,380,000	$ -	$ 1,380,000	$ -

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Net Position
Fiduciary Funds
December 31, 2019

	Trust Funds	Municipal Court Agency Fund
Assets		
Cash and cash equivalents	$ 612,069	$ 86,763
Investments, at fair value:		
Georgia Municipal Employees Benefit System OPEB Trust Account	3,530,500	-
MetLife Equity Index Fund	14,449,358	-
MetLife Core Bond Index Fund	35,613,676	
MetLife Goldman Sachs Fund	11,482,374	-
Vanguard Institutional Index Fund	36,110,880	-
Vanguard Small Cap Index Fund	13,535,079	-
Vanguard Bond Market Index Fund	10,708,607	-
Total Assets	$ 126,042,543	$ 86,763
Liabilities		
Current Liabilities:		
Accounts payable	$ 143,051	$ 32,154
Other liabilities	-	54,609
Total Liabilities	143,051	86,763
Net Position		
Restricted for pension and other post employment benefits	125,899,492	-
Total Liabilities and Net Position	$ 126,042,543	$ 86,763

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Changes in Fiduciary Net Position
Pension Trust Fund and OPEB Trust Fund
For the Year Ended December 31, 2019

	Trust Funds
Additions	
Contributions:	
Employer	$ 7,729,413
Plan members	850,822
Total contributions	8,580,235
Investment income:	
Interest and dividends	2,673,322
Net increase (decrease) in fair value of investments	18,014,645
Total investment income	20,687,967
Less: investment expense	189,757
Net investment earnings	20,498,210
Total Additions	29,078,445
Deductions	
Administrative expenses	83,979
Premium payments	766,394
Benefit payments	7,499,751
Total Deductions	8,350,124
Change in Net Position	20,728,321
Net Position Beginning of Year	105,171,171
Net Position End of Year	$ 125,899,492

See accompanying notes to the basic financial statements.

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The City of Dalton, Georgia ("City") operates under a council-administration form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, culture and recreation, education, public improvements, planning and zoning, general administrative services, and public utilities.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP") as applied to governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for governmental accounting and financial reporting. The most significant of the City's accounting policies are described below.

1-A Reporting Entity

The reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. This entity includes the legal entity, the City of Dalton, Georgia.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs of services performed or provided by the organizations, or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes, or issues their debt.

The City of Dalton Building Authority ("Building Authority") is a legally separate entity and has been included as a discretely presented component unit in the accompanying financial statements. It is reported as a separate column in the government-wide statements to emphasize that it is legally separate from the City. The City appoints the members of the five-person board and all debt issuances must first be approved by the City Council. Financial information of the Building Authority can be obtained from the City of Dalton Finance Department. Separate financial statements for the Building Authority are not prepared.

Related party organizations - The Dalton Housing Authority is a related organization which has not been included in the reporting entity. The Authority provides low-income housing to eligible families in the City. The Authority's Board consists of six members appointed by City Council, however the City is not financially accountable (impose will or have a financial benefit or burden relationship) for the Authority.

The Downtown Dalton Development Authority ("DDDA") is a related organization which has not been included in the reporting entity. The Authority provides centralized leadership for communication on downtown issues. The DDDA was created by constitutional ratification by the 1980 general election. The City of Dalton does not appoint a simple majority of the DDDA's governing board. One member of the City Council serves as liaison between the DDDA and the City. The remaining six DDDA board members are elected by the business and property owners in the downtown Dalton district, according to enabling legislation. The City is not able to impose its will on the DDDA. The DDDA's power to issue bonds, notes, or other obligations is not subject to approval by the City of Dalton. The Authority is not a component unit because it meets none of the three criteria for consideration as a component unit. The DDDA is different from many other downtown development authorities in Georgia. Several Georgia cities created downtown development authorities by local constitutional amendments approved by the Georgia General Assembly. In 1981, the General Assembly passed enabling legislation which provided for the establishment of downtown development authorities from that point forward, and some municipalities elected to surrender provisions of existing authorities and operate under the provisions of the new Code. However, the City of Dalton chose to retain the provisions of its original act created by local constitutional amendment with enabling legislation.

1-A Reporting Entity (continued)

Joint ventures - The City participates with Whitfield County in the Dalton-Whitfield Regional Solid Waste Management Authority ("DWRSWMA"). The City has fifty percent equity in this entity. Separately issued financial statements of the DWRSWMA can be obtained from their administrative office: 4350 Gazaway Drive SE, Dalton, Georgia 30720.

The City participates with Whitfield County in the Northwest Georgia Trade and Convention Center Authority ("Convention Center"). The Convention Center was formerly accounted for within the City as an enterprise fund. The Convention Center became a separate authority in 2003. The County and City retained their respective shares of their equity balances as of December 31, 2002. The City and County each now have fifty percent interest in the income or loss of this entity. Separately issued financial statements of the Convention Center can be obtained from their administrative office: 2211 Dug Gap Battle Road, Dalton, Georgia 30720.

The City participates with Whitfield County in the Dalton-Whitfield Joint Development Authority ("JDA"), formerly known as the Dalton-Whitfield Economic Development Authority ("EDA"). The JDA was created during 2007 to replace and to serve the same purpose as the EDA. Both entities existed as of December 31, 2019, but shared a board and activity. The EDA will be dissolved in the near future and the JDA will continue to operate. The City has fifty percent equity in this entity. Separately issued financial statements of the JDA can be obtained from their administrative office: 100 S. Hamilton Street, Dalton, Georgia 30720.

Under Georgia law, the City, in conjunction with other cities and counties in the region, is a member of the Northwest Georgia Regional Commission ("NWGRC") and is required to pay annual dues thereto. The City utilizes the NWGRC for projects such as performing planning and administrative services. During its year ended December 31, 2019, the City paid $33,500 in dues to the NWGRC. Membership in a NWGRC is required by the Official Code of Georgia Annotated ("OCGA") Section 50-8-39 which provides for the organizational structure of the NWGRC in Georgia. The NWGRC board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the NWGRC. Separately issued financial statements may be obtained from the NWGRC, PO Box 1798, Rome, Georgia 30162.

1-B Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide financial statements - The government-wide financial statements include the statement of net position and the statement of activities. They include all funds of the reporting entity except for fiduciary funds. Individual funds are not displayed at this financial reporting level. These statements distinguish governmental activities, which are generally supported by City general revenues, from business-type activities, which are generally financed in whole or in part by charges to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the City's business-type activities. Direct expenses are those that are specifically associated with a function and therefore are clearly identifiable to that particular function. The City does allocate the indirect expenses of the internal service funds to the functions in the statement of activities.

1-B Basis of Presentation (continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services, which includes fees and other charges to users of the City's services, (2) operating grants and contributions which finance annual operating activities including restricted investment income, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. When identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue; for grants and contributions, the determining factor is to which function the revenues are restricted.

Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns.

Fund accounting - The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses three categories of funds: governmental, proprietary, and fiduciary.

Governmental funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The City’s governmental funds include one major fund and thirteen nonmajor funds.

Major 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.

Nonmajor governmental funds – The City’s nonmajor governmental funds include special revenue funds, capital projects funds, and a debt service fund. The special revenue funds include the hotel/motel tax fund, the confiscated assets fund, the community development block grant fund, the community HOME investment program grant fund, the airport improvement grant fund, the tax allocation district #1 fund, the tax allocation district #3 fund, and the economic development fund. The capital projects funds include the SPLOST 2015 capital projects fund, the SPLOST 2015 bonded debt capital projects fund, the SPLOST 2007 capital projects fund, and the capital acquisition fund.

1-B Basis of Presentation (continued)

Proprietary funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The City's proprietary funds are classified as major and nonmajor enterprise funds and internal service funds.

Major enterprise fund – The Water, Light, and Sinking Fund Commission ("WLSF Commission") is used to account for the operations of Dalton Utilities, a public utility providing electric, natural gas, water, wastewater, and information technology services to the City and to customers in Dalton, Whitfield County, and portions of Murray, Gordon, Catoosa, and Floyd counties.

Nonmajor enterprise funds - Nonmajor enterprise funds include the municipal golf course, the municipal airport, the Northwest Georgia Trade and Convention Center Authority, and the Dalton-Whitfield Regional Solid Waste Management Authority.

Internal service funds – These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The internal service funds are for workers' compensation insurance and health insurance.

Fiduciary funds – Fiduciary funds are used to report assets that, by definition, are being held in a trustee or agency capacity for the benefit of others and are therefore not available to support City programs. Fiduciary fund reporting focuses on net position. The City has three fiduciary funds which include two trust funds and one agency fund. The fiduciary funds are not included in the government-wide financial statements.

Pension trust fund – The pension trust fund accounts for the activities of the Mayor and Council of the City of Dalton Employee's Pension Plan, which accumulates resources for pension benefit payments to qualified City employees.

Other postemployment benefit ("OPEB") trust fund – The OPEB trust fund accounts for the activities of the City of Dalton Postretirement Plan, which accumulates resources for postemployment benefit payments to qualified City retirees.

Municipal court agency fund – The municipal court agency fund accounts for the activities of the municipal court. It holds the assets in a custodial nature, and remits them to the appropriate authority.

1-C Measurement Focus

Government-wide financial statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund financial statements - Governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

1-C Measurement Focus (continued)

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

The pension and OPEB trust funds are accounted for on a flow of economic resources measurement focus. The statement of fiduciary net position presents the trust funds' assets, liabilities, and net position. The statement of changes in fiduciary net position reports additions to and deductions from net position. Agency funds are not involved in the measurement of results of operations and therefore, measurement focus is not applicable to them.

1-D Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. The two trust funds and the municipal court agency fund use the accrual basis at the fund reporting level. Differences in the accrual basis and the modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - exchange transactions - Revenue resulting from exchange transactions in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, the phrase "available for exchange transactions" means expected to be received within 60 days of year end.

Revenues - non-exchange transactions **-** Non-exchange transactions in which the City receives value without directly giving equal value in return include grants and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the year for which the taxes are levied (Note 3-C). Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales tax, interest, and federal and state grants.

WLSF Commission - The WLSF Commission follows GAAP and governmental accounting and financial reporting standards issued by GASB and also conforms to the provisions of GASB accounting for the effects of rate regulation. In the event that a portion of the WLSF Commission's operations are no longer subject to the provisions of GASB's accounting for the effects of rate regulation as a result of a change in regulation or the effects of competition, the WLSF Commission would be required to write off related regulatory assets and liabilities that are not specifically recoverable through regulated rates (Note 3-D). In addition, the WLSF Commission would be required to determine if any impairment of other assets, including capital assets, exists, and write down the assets, if impaired, to their fair value.

1-D Basis of Accounting (continued)

The WLSF Commission's accounts are maintained separately for each system generally in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission for the electric and natural gas sectors (with the exception of its capital asset accounts) and generally in accordance with the Uniform System of Accounts prescribed by the National Association of Regulatory Utility Commissioners for the water, wastewater, and information technology sectors (with the exception of its capital asset accounts).

Rates charged to customers are established solely by the WLSF Commission. Electric, natural gas, water, wastewater, and information technology customers are billed so that operating revenues and investment earnings shall be sufficient to meet operating and maintenance expenses, and certain reserve requirements. In addition, no funds obtained from ad valorem taxes are to be used for operating and maintenance expenses of the WLSF Commission.

WLSF Commission revenue for utility services is recorded when the commodity or service is delivered and includes an estimate for utility services provided but unbilled at the end of the year. Unbilled revenues included in operating revenues were $8,600,000 for the year ended December 31, 2019.

In the information technology sector, the WLSF Commission has adopted the industry standard of billing customers in advance for telecommunication services. Such amounts are recorded on the statement of net position and recognized as revenues in the periods the services are provided. Unearned revenues included in accounts payable and accrued expenses were $700,000 for the year ended December 31, 2019.

Electricity that is purchased and not used by the WLSF Commission is sold back to Southern Power Company ("SPC"), the wholesale power subsidiary of the Southern Company. In 2019, MW hours sold back to SPC totaled 24,852, with proceeds of $700,000, which are presented as an offset to purchased energy expense.

Deferred/unearned revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (they are measurable but not available) rather than as revenue.

Grants and entitlements received (e.g., cash advances) before the eligibility requirements are met also are recorded as deferred revenue.

Deferred revenue is reclassified as "unearned revenue" on the government-wide statement of net position.

Expenses/expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E Assets, Liabilities, and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, amounts in demand deposits, non-negotiable certificates of deposit, and short-term investments with a maturity date within three months of the date acquired by the City. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. All other investments are stated at fair value based on quoted market prices. The carrying amount is a reasonable estimate of fair value for such short-term investments. Restricted cash and cash equivalents refers to those funds limited by law, regulations, or WLSF Commission action as to their allowable disbursement. Unrestricted cash and cash equivalents refers to all other funds not meeting the requirements of restricted cash and cash equivalents.

Georgia law authorizes the City to invest in the following types 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 United States government or governmental agency
- Obligations of any corporation of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

The WLSF Commission's investment policy allows the following types of investments:

- Government obligations which are direct general obligations of the U.S. government or obligations that are unconditionally guaranteed by the U.S. government
- Obligations of the Federal Home Loan Bank that are senior debt obligations
- Repurchase agreements with a term of thirty days or less
- Certificates of deposit of national or state banks
- Securities or other interests in any no-load and open-end management-type investment company or investment trust registered under the Investment Company Act of 1940
- Investments in the local government investment pool (i.e., Georgia Fund I)
- Any other investments to the extent and at the time permitted by then-applicable law for the investment of public funds

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for taxes uncollectible, where applicable.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund receivables and interfund payables. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4 Inventories

The governmental and proprietary funds' inventories are stated at the lower of cost or net realizable value. Cost is determined on a first-in, first-out basis. Inventories of the governmental and proprietary funds are expensed when consumed.

The WLSF Commission values inventory, including fuel stocks, using the average cost method. Storage gas inventory is stated at the lower of cost or market using the weighted-average cost method. No lower of cost or market adjustment was recorded as of December 31, 2019.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019 and prepaid deposits are recorded as prepaid items. The expense or expenditure is recognized during the benefiting period.

1-E-6 Restricted Assets

The WLSF Commission has investments in certain restricted funds, including the customer deposit fund included in current assets on the statement of net position and the combined utilities renewals and extensions fund and the nuclear decommissioning fund included in noncurrent assets on the statement of net position. The nuclear decommissioning fund holds funds in accordance with the Nuclear Regulatory Commission's ("NRC") guidelines. The other restricted funds are segregated from the operating funds at the discretion of the WLSF Commission. Investments in the nuclear decommissioning fund and the other restricted funds are stated at fair market value. The combined utilities construction fund is invested in a non-participating fixed interest earning contract that is reported using cost based measures.

1-E-7 Capital Assets

General 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 funds' statement of net position.

Capital assets, which include property, plant, equipment, and infrastructure assets, are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City's infrastructure consists of roads, bridges, airport infrastructure, and water lines. During initial capitalization of general infrastructure assets, the City chose to include all such items regardless of their acquisition date or amount. The City estimated the historical cost for the initial reporting of these assets. The City maintains a capitalization threshold of five thousand dollars for machinery, equipment, furniture and fixtures, and works of art; a threshold of ten thousand dollars for land improvements, building improvements, and intangibles; and no threshold for land, buildings, infrastructure assets, vehicles, motorized equipment, computers and computer related equipment, and weapons and bullet proof vests. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value as of the date received. 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 in enterprise funds is capitalized.

1-E-7 Capital Assets (continued)

All reported capital assets are depreciated except for land, 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 over the following useful lives:

	Estimated Lives	
Description	Governmental Activities	Business-type Activities
Land improvements	10 - 45 years	10 - 45 years
Buildings	25 - 50 years	25 - 50 years
Building improvements	5 - 15 years	5 - 25 years
Vehicles	6 years	6 years
Machinery	5 - 12 years	5 - 15 years
Equipment	5 - 12 years	5 - 40 years
Furniture and fixtures	20 years	--
Utility plant	--	5 - 60 years
Intangibles	5 years	--
Bridges and culverts	40 - 50 years	--
Streets	20 - 50 years	--
Mast arms	20 - 50 years	--

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments. The City is obligated under certain capital leases, independently and through the City of Dalton Building Authority, a component unit, as disclosed in Note 3-I, as of December 31, 2019.

Participation in electric generation and transmission facilities - The WLSF Commission participates in ownership of electric generation and transmission facilities to meet the present and future service demands of its customers. They have entered into agreements with Georgia Power Company ("GPC"), acting as agent, Oglethorpe Power Corporation ("OPC"), and Municipal Electric Authority of Georgia ("MEAG") for the construction, purchase, ownership, operation, and maintenance of the following facilities:

Electric Plant in Service	WLSF Ownership Percentage	Gross Investment Balance as of December 31, 2019
Plant Hatch, Nuclear Units 1 and 2	2.2%	$ 73,317,000
Plant Vogtle, Nuclear Units 1 and 2	1.6%	108,857,000
Plant Wansley, Coal-Fired Units 1 and 2	1.4%	29,751,000
Plant Scherer, Coal-Fired Units 1 and 2	1.4%	42,560,000

In addition, the WLSF Commission is a joint owner of the new nuclear units under construction at Plant Vogtle ("Vogtle Units 3 and 4"), with an interest in those units of 1.6%. As of December 31, 2019, the WLSF Commission's portion of total work in progress related to Vogtle Units 3 and 4 was $194.1 million (net of the $59.3 million received from Toshiba in 2017 under the Guarantee Settlement Agreement). See Note 4-C for additional information about the Vogtle nuclear development projects and the Guarantee Settlement Agreement.

1-E-7 Capital Assets (continued)

The WLSF Commission's proportionate share of direct expenses for joint operation of the above plants is included in the corresponding operating expense captions in the accompanying statements of revenues, expenses, and changes in fund net position. The WLSF Commission is responsible for providing its own financing for its ownership in the above plants.

WSLF Commission utility plant - Utility plant constructed or purchased by the WLSF Commission is stated at cost, which includes material and labor costs and applicable overheads. Property received as a contribution is recorded at its estimated fair value on the date received. The costs of maintenance, repairs, and minor replacements of property are charged to expense. The costs of renewals and improvements are capitalized. Detailed property records are not maintained for assets other than automobiles and electric transmission plants in service acquired prior to 1998. Property descriptions and dollar amounts from individual invoices are maintained in the capital asset system for all post-1998 records. The cost of property retired or otherwise disposed of in the normal course of business is charged to accumulated depreciation at the time such property is removed from service.

The WLSF Commission defines capital assets as assets with an initial individual cost of more than $2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed.

The cost of WLSF Commission property retired or disposed of in the normal course of business which does not have detailed property records is estimated by management. Property retirements and disposals totaled $2,100,000 for the year ended December 31, 2019. The property retired or disposed of in the normal course of business approximates its original cost.

The WLSF Commission continues to amortize into income a deferred gain recognized on the sale of integrated transmission system ("ITS") assets in 2012. The gain, presented in the statement of net position in deferred inflows of resources, is being recognized to income ratably over the useful life of the ITS facilities (approximately 37 years) as an annual reduction to depreciation expense of $200,000.

In accordance with GASB's accounting for the impairment of capital assets, the WLSF Commission periodically evaluates the carrying value of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The WLSF Commission is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will no longer be used by the WLSF Commission will be reported at the lower of carrying value or fair value. There were no impairments during 2019.

Amortization of nuclear fuel - The cost of nuclear fuel, including a provision for the disposal of spent fuel, is amortized to fuel expense based on usage. Nuclear fuel amortization is included in production expense and totaled $4,700,000 during 2019.

Depreciation and nuclear decommissioning - Depreciation of the major classes of utility plant is computed on additions when placed in service using rates computed under the composite straight-line method, which approximated 1.9% in 2019, and is based on the following remaining useful lives:

Electric system	29-59 years
Natural gas system	30-75 years
Water system	40-70 years
Wastewater system	40-50 years
Information technology system	6-40 years

1-E-7 Capital Assets (continued)

Depreciation studies are conducted periodically to update the composite rates that are approved by the WLSF Commission Board. When property subject to composite rates is retired or otherwise disposed of in the normal course of business, its original cost, together with the cost of removal, less salvage, is charged to accumulated depreciation. For other property dispositions, the applicable cost and accumulated depreciation are removed from the statement of net position accounts and a gain or loss is recognized.

The NRC requires all licensees operating commercial nuclear power reactors to establish a plan for providing, with reasonable assurance, funds for decommissioning. While the WLSF Commission does not operate the nuclear plants, its joint ownership requires it to bear its share of the related decommissioning costs. The WLSF Commission has an external trust fund to comply with the NRC's regulations. The NRC's minimum external funding requirements are based on a generic estimate of the cost to decommission the radioactive portions of a nuclear unit based on the size and type of reactor. The WLSF Commission has transferred and will continue to transfer sufficient funds to the external trust to ensure that, over time, the deposits and earnings of the trust will provide the minimum funding amounts prescribed by the NRC.

Site study cost is the estimate to decommission a specific facility as of the site study year. The estimated costs of decommissioning based on the most current study completed in 2018 for the WLSF Commission’s ownership interests in plants Hatch and Vogtle were as follows:

	Plant Hatch	Plant Vogtle
Decommissioning periods		
Beginning year	2034	2047
Completion year	2075	2079
Site study cost	$ 1,920,275,000	$ 1,842,977,000
WLSF's portion	2.2%	1.6%
	$ 42,246,000	$ 29,488,000

The decommissioning cost estimates are based on prompt dismantlement and removal of the plants from service. The actual decommissioning costs may vary from the above estimates because of changes in the assumed dates of decommissioning, changes in NRC requirements, or changes in the assumptions used in making these estimates.

1-E-8 Parity Income

The WLSF Commission is required, under the Integrated Transmission System Agreement ("ITS Agreement") with GPC, Georgia Transmission Corporation, and MEAG, to maintain a specified level of investment (i.e., parity) in transmission facilities necessary to provide for the transporting of electric energy for customers within the state of Georgia, which is in proportion to the WLSF Commission's use of such system. Parity will therefore fluctuate in response to any changes in the WLSF Commission's load requirements, as well as any changes in the level of investment in transmission facilities made by the other participants in the ITS Agreement. As of December 31, 2019, the WLSF Commission's investment in ITS facilities was greater than parity, as defined by the ITS Agreement. The required level of investment and the excess investment in the transmission facilities are included in utility plant. The excess investment earns parity income from the other participants in the ITS Agreement, which is reported as parity income.

1-E-8 Parity Income (continued)

The WLSF Commission's total investment in ITS facilities at December 31, 2019 was $116,700,000. In 2019, the WLSF Commission recognized $200,000 into income from the deferred inflow of resources resulting from the sale of transmission lines in 2012 (Note 1-E-7). The unrecognized gain presented within deferred inflows of resources is $5,246,000 at December 31, 2019. Parity income for the year ended December 31, 2019 totaled $2,500,000.

1-E-9 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' 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. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the City's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable. The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated absence 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.

1-E-10 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 that they are due for payment during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-11 Bond Premiums, Discounts, and Issuance Costs

On the government-wide statement of net position and the proprietary fund statement of net position, bond premiums and discounts are netted against bonds payable. On the government-wide statement of activities and proprietary fund statement of revenues, expenses, and changes in fund net position, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method and bond issuance costs are reported as expenses.

At the government fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separate from the face amount of the bonds issued. Bond issuance costs are reported as expenditures.

1-E-12 Net Position and Fund Balances

The City's net position on the government-wide statement of net position is classified as follows:

Net investment in capital assets - This represents the City's total investment in capital assets, net of accumulated depreciation and net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

1-E-12 Net Position and Fund Balances (continued)

Restricted net position - This represents resources for which the City is legally or contractually obligated to spend resources for continuation of federal programs, economic development, debt service, and capital projects in accordance with restrictions imposed by external third parties.

Unrestricted net position This represents resources derived from property taxes, sales taxes, grants and contributions not restricted to specific programs, charges for services, and miscellaneous revenues. These resources are used for transactions relating to general operations of the City, and may be used at the discretion of the City Council to meet current expenses for those purposes.

It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund equity at the governmental fund financial reporting level is classified as fund balance. Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The City's fund balances are classified as follows:

1) **Non-spendable fund balance** - Non-cash assets such as inventories or prepaid items. Non-spendable fund balance for governmental funds totaled $185,196 at December 31, 2019.

2) **Restricted fund balance** - Funds with limitations imposed on their use by external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted fund balance for governmental funds totaled $8,995,567 at December 31, 2019. The major projects that comprise this total include: $8,323,398 held in three capital projects funds to be used for 2015 SPLOST projects as approved by voter referendum (see Schedule of Projects Constructed with Special Purpose Local Option Sales Tax for project to date information) and to be used for general projects, $216,021 held in three special revenue funds for economic development both generally and within specific tax allocation districts, $88,675 held in the general fund for cemetery chapel renovations and infant headstones, $10,000 held in the general fund for a greenway project, $10,000 held in the general fund for a disc golf course at Heritage Point Park, $15,000 held in the general fund for streetscape projects, $199,400 held in the general fund for the Haig Mill Lake project, and $124,022 held in the confiscated assets special revenue fund for future police expenditures.

3) **Committed fund balance** - Amounts that can only be used for specific purposes pursuant to a majority vote of the City Council, the City's highest level of decision making authority, by resolution. Commitments may only be modified or rescinded by a majority vote of the Council. Commitments must be adopted prior to the end of the year; however, the amount to be committed may be determined up to 120 days after year end. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Committed fund balance for governmental funds totaled $359,702 at December 31, 2019 and is held in the general fund for existing public works construction contracts.

4) **Assigned fund balance** - Amounts intended by the City Council for specific purposes. Under the City's adopted policy, amounts may be assigned by the finance committee, under the authorization of the City Council. Amounts appropriated to eliminate a projected deficit in the subsequent year's budget shall constitute assignments and are documented by adoption of the City's annual operating budget. Equity amounts reported in special revenue funds, capital projects funds, and debt service funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments of fund balance. Assigned fund balance for governmental funds totaled $10,560 at December 31, 2019 and is held in the general fund for the airport improvement grant match.

1-E-12 Net Position and Fund Balances (continued)

5) **Unassigned fund balance** - Residual spendable fund balance for the general fund after subtracting all above amounts. The general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance, as all fund balances of other governmental funds are, at a minimum, assigned to specific purposes. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Non-spendable fund balances and restricted fund balances are considered restricted net position on the statement of net position. Committed, assigned, and unassigned fund balances are considered unrestricted net position on the statement of net position.

When expenditures are incurred by the City that would qualify for payment with either restricted or unrestricted funds, it will be paid from restricted funds. When an expenditure is incurred that qualifies for payment from one of the three unrestricted fund balances categories, it will be applied in the following order: committed, assigned, then unassigned.

1-E-13 Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category; deferred outflows of resources related to pension and deferred outflows of resources related to OPEB, which are reported in the government-wide and proprietary funds' statements of net position.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The City has three items that qualify for reporting in this category. The first is unavailable revenue, which arises only under the modified accrual basis of accounting, and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, and these amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other two are deferred inflows of resources related to pension and deferred inflows of resources related to OPEB, which are reported in the government-wide and proprietary funds' statements of net position.

The WLSF Commission reports deferred inflows and outflows of resources related to pension and OPEB, and also reports deferred inflows of resources related to the sale of certain ITS assets during 2012 as disclosed in Notes 1-E-7 and 1-E-8.

1-E-14 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, wastewater, electricity, information technology systems, natural gas, golfing, airport fees, and premiums for the workers' compensation program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of each fund.

Non-operating revenues are those revenues that are not generated from the primary activity of the proprietary funds. These revenues include interest and investment income and changes in the fair value of investments. Non-operating expenses include interest expense on debt.

1-E-15 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Payments for external services, labor, supplies, and other items provided by one department to another department are treated as reductions of the provider's expenditures/expenses and increases in the recipient's expenditures/expenses. 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 presented as reductions in internal balances.

On the government-wide statement of activities, transfers between governmental and business-type activities are reported as general revenues. Direct expenses are not eliminated from the various functional categories. Interfund transfers reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

Interfund activity for services provided and used, such as utility services provided by the WLSF Commission, are not eliminated in the process of consolidation.

1-E-16 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. Significant management estimates include the estimation of pension and OPEB liabilities and the useful lives of depreciable assets. Significant management estimates related to the WLSF Commission include the estimation of unbilled revenues, the impacts of regulation, and the valuation of investments.

1-E-17 Major Customers

WLSF Commission sales to one major customer for the year ended December 31, 2019 comprised approximately 14% of total sales and 13% of electricity sales. WLSF Commission sales to a second major customer for the year ended December 31, 2019 comprised approximately 12% of total sales and 17% of electricity sales. No other customer accounted for more than 10% percent of the WLSF Commission's electricity or total sales during 2019.

The DWRSWMA's fee revenue from two major customers during the year ended December 31, 2019 comprised approximately 34% of total fee revenue. The larger of these comprised 21% of fee revenue for the year then ended.

1-E-18 Comparative Data

Comparative total data for the prior year has been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

1-F Reclassifications

Certain 2018 amounts have been reclassified to conform to the 2019 presentation, with no material impact on total assets, total liabilities, total net position, total revenues, total expenditures, or total expenses.

1-G Subsequent Events

In December 2019, a strain of coronavirus ("COVID-19") began to spread worldwide, resulting in a severe impact to the United States economy in March 2020. The spread of COVID-19 has had a negative impact on virtually all businesses and individuals which comprise the tax base of all levels of government. The extent of this impact is uncertain but is expected to have negative results on financial operations, however the impact cannot be reasonably estimated at this time.

Management has evaluated subsequent events through July 30, 2020, the date the financial statements were available to be issued.

Note 2 – Stewardship, Compliance, and Accountability

2-A Budgetary Information

The City adopts an annual operating budget for the general fund, special revenue funds, and the debt service fund. A project budget is adopted for each capital projects fund. The annual budgets are adopted on a basis consistent with GAAP. The budget for the capital projects fund is adopted on a basis consistent with GAAP except the budget period is a project period rather than an annual period. Formal budgetary integration is employed for management control purposes in the enterprise funds. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget is the department/function level within each individual fund. The department head is authorized to transfer budget line-items within the department's budget. However, any change in total to a fund or departmental appropriation within a fund requires City Council approval. All unexpended annual appropriations lapse at year end.

Note 3 - Detailed Notes on All Funds

3-A Investments

All investments are carried at fair value based on quoted market prices as required by GASB's accounting and reporting for investments and external investment pools, which requires that governmental entities report investments at fair value in the statement of net position and balance sheets and recognize all investment income, including changes in the fair value of investments, as other income in the statement of activities and statement of revenues, expenses/expenditures, and changes in fund net position/balances.

Custodial credit risk for investments is the risk that, in the event of the failure of a counterparty to a transaction, the City will not be able to recover the value of the investment or the collateral securities that are in the possession of an outside party. The City has an investment policy for credit risk that limits its investments to those authorized by Georgia law.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Level 3 inputs are significant unobservable inputs.

3-A Investments (continued)

The City has the following recurring fair value measurements as of December 31, 2019:

- Cash, money market accounts, and certificates of deposit in the amount of $25,410,401 for governmental funds, $101,064 for nonmajor proprietary funds, $612,069 for trust funds, $86,763 for agency funds, $843,816 for internal service funds, and $1,035,357 for the discretely presented component unit are presented in the financial statements and are reported at cost or amortized cost and are not subject to fair value hierarchy measurement.
- Investments in the local government investment pool, a 2a-7-like investment, in the amount of $6,900,199 for governmental funds are presented in the financial statements and, while reported at fair value, are not subject to the fair value hierarchy measurement. The pool is managed to maintain a constant net asset value of $1.00. The fund is rated AAAf by S&P. The primary objectives of the pool are safety of capital, liquidity, investment income, and diversification. The weighted average maturity was 39 days at December 31, 2019.
- Investments in index and other mutual funds in the amount of $60,354,566 for trust funds are valued based on quoted prices in active markets for identical assets (level 1).
- Investments in index and other mutual funds in the amount of $61,545,408 for trust funds are valued based on significant other observable inputs (level 2).
- Investments in the Georgia Municipal Employees Benefit System OPEB Trust in the amount of $3,530,500 for trust funds are valued using significant unobservable inputs (level 3).

Investments (pension trust fund) – In general, the cash and investments held by the Mayor and Council of the City of Dalton Employee's Pension Plan ("Pension Plan") in the pension trust fund are exempt from the City's investment and cash management policies, including the requirement that deposits be federally insured. The City of Dalton Pension Board has adopted a separate investment policy for the pension trust fund.

The assets of the Pension Plan are invested in an immediate participation contract with Metropolitan Life Insurance Company and in mutual funds with Vanguard. The pension trust fund investments follow State of Georgia Code Sections 47-20-82, 47-20-83, and 47-20-84 for authorized investments.

The pension investment policy limits investment in equity securities to 55% (book value – cost) of total asset value. Investments in international equities and derivative investments are prohibited. The investment manager is restricted from using financial leverage or engaging in short sale techniques. Domestic equities must be traded on the New York or American Stock Exchange, NASDAQ system, or any other major exchange and single securities may not comprise more than 5% (market value) of the investment's equity mix. Domestic fixed income shall be of investment grade quality and the average credit quality of the Pension Plan's fixed income assets should be rated A or higher as rated by Standard & Poor's or Moody's rating services.

3-A Investments (continued)

Investments subject to credit risk include the following investments maintained in the pension trust fund and in the OPEB trust fund:

	Fair Value	Rating
MetLife Equity Index Fund	$ 14,449,358	Not rated
MetLife Core Bond Index Fund	35,613,676	Not rated
MetLife Goldman Sachs Fund	11,482,374	Not rated
Vanguard Institutional Index Fund	36,110,880	Not rated
Vanguard Institutional Small Cap Index Fund	13,535,079	Not rated
Vanguard Bond Market Index Fund	10,708,607	Not rated
Total pension trust fund investments	$ 121,899,974	
Georgia Municipal Employees Benefit System OPEB Trust Account	$ 3,530,500	Not rated
Total OPEB trust fund investments	$ 3,530,500	

Investments (WLSF Commission) – The WLSF Commission invests in two categories of securities: U.S. government and government agency securities and repurchase agreements that are registered and held by the WLSF Commission or an agent in the WLSF Commission's name. The contractual maturities of these securities range from one month to 20 years.

The WLSF Commission has the following recurring fair value measurements as of December 31, 2019:

- Cash and certificates of deposit in the amount of $23,000,000 are reported at cost or amortized cost and are not subject to fair value hierarchy measurement.
- U.S. government securities in the amount of $66,300,000 are valued based on observable market data and valuations of similar inputs (level 2 inputs).
- No investment securities are valued using level 3 inputs.

The fair value analysis of the investments for the year ended December 31, 2019 is as follows:

Fund Type	Cost	Fair Value at 1/1/19	Fair Value		Fair Value at 12/31/19	Change in Fair Value
			Purchases	Sales		
Customer deposit fund	$ 3,030,000	$ 2,975,000	$ 3,003,000	$ 3,000,000	$ 3,030,000	$ 52,000
Combined utilities renewals and extensions fund	22,815,000	24,465,000	6,714,000	8,394,000	22,825,000	40,000
Nuclear decommissioning fund:						
Toshiba proceeds	-	19,706,000	-	19,826,000	-	120,000
Other funds	63,760,000	68,813,000	36,347,000	43,588,000	63,532,000	1,960,000
Total	$ 89,605,000	$ 115,959,000	$ 46,064,000	$ 74,808,000	$ 89,387,000	$ 2,172,000

The change in fair value includes $400,000 related to interest income accrued on the zero coupon bonds in the nuclear decommissioning fund.

3-A Investments (continued)

The following fund is invested in a non-participating fixed interest earning contract and is reported at cost for the year ended December 31, 2019 is as follows:

		Cost		
Fund Type	Cost at 12/31/18	Purchases	Sales	Cost at 12/31/19
Combined utilities construction fund	$ 69,873,000	$ -	$ 24,457,000	$ 45,416,000

The WLSF Commission had the following investments and maturities for the year ended December 31, 2019:

			Investment Maturities (in Years)			
	Credit Quality	Fair Value	Less than 1	1 to 5	6 to 10	10 +
Cash and cash equivalents	Not Rated	$ 23,042,000	$ 23,042,000	$ -	$ -	$ -
Federal Home Loan Bank	AAA/Aaa	14,438,000	-	3,920,000	10,518,000	-
Federal Home Loan Mortgage Corporation	AAA/Aaa	36,348,000	-	12,483,000	21,887,000	1,978,000
Federal National Mortgage Association	AAA/Aaa	2,039,000	2,039,000	-	-	-
Federal Farm Credit Banks	AAA/Aaa	6,703,000	-	997,000	5,706,000	-
Coupons (Resolution Fund Corporation)	AAA/Aaa	5,157,000	2,998,000	2,159,000	-	-
Union City GA Revenue	AAA/Aaa	1,157,000	-	-	1,157,000	-
HSBC Bank USA	AA1/A-1+	503,000	248,000	-	255,000	-
Total		$ 89,387,000	$ 28,327,000	$ 19,559,000	$ 39,523,000	$ 1,978,000

Interest rate risk for investments is the risk a government may face should changes in the interest rate affect the fair value of its investments. The WLSF Commission's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk for investments is the risk that, in the event of the failure of a counterparty to a transaction, the WLSF Commission will not be able to recover the value of the investment or the collateral securities that are in the possession of an outside party. The WLSF bond ordinance follows Georgia state law in restricting investments to obligations of the United States government.

Concentration of credit risk for investments is the risk of loss attributed to the magnitude of an investment in a single issuer. The WLSF Commission does not place a limit on the amount it may invest in any one issuer.

3-B Receivables

Receivables at December 31, 2019 consisted of taxes, interest, accounts (billings for user charges), and intergovernmental receivables arising from grants and contracts.

Receivables and payables 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, collectibility.

3-C Property Taxes

Property tax rates are set by the City each year and are limited by statutory or constitutional provision. The Whitfield County tax assessor's office sets property values and assesses property tax bills in accordance with those values and tax rates set by all applicable taxing authorities. The Whitfield County tax commissioner's office collects property taxes for the City. Property taxes are levied as of January 1 on property values assessed as of the same date. The tax bills are mailed on October 20 and are considered due upon receipt by the taxpayer; however, the actual due date is based on a period ending sixty days after the tax billing. After December 20, the bill becomes delinquent and penalties and interest may be assessed by the City. If the tax is unpaid after ninety days from due date, a lien is placed against the property.

Taxes receivable at December 31, 2019 consists of uncollected property taxes levied during the year ended December 31, 2019 and prior years. A 1% allowance for uncollectible taxes has been considered in reporting taxes receivable. The amount of taxes uncollected sixty days subsequent to year end for all tax years has been included in taxes receivable, and corresponding deferred revenue has been recorded. Taxes receivable are reported in the general fund and in the special revenue tax allocation district funds, and are summarized below.

Gross property taxes receivable	$	695,061
Allowance for uncollectible taxes		(6,951)
Taxes receivable	$	688,110
Taxes uncollected 60 days subsequent to year end, net of allowance, reported in deferred inflows	$	423,892

3-D Regulatory Assets and Liabilities

As the WLSF Commission has the authority to set rates, they follow GASB's accounting for the effects of rate regulation, which provides for the reporting of assets and liabilities consistent with the economic effect of the rate structure. Regulatory assets represent probable future revenues associated with certain costs that are expected to be recovered from customers through the rate-making process. Regulatory liabilities represent probable future reductions in revenues associated with amounts that are expected to be credited to customers through the rate-making process.

Regulatory assets and liabilities reflected in the statement of net position as of December 31, 2019 relate to the following:

Asset retirement obligations (a)	$ 48,224,000
Cost of removal (b)	(25,880,000)
Pension (c)	21,024,000
OPEB (d)	14,112,000
Total regulatory assets - net	$ 57,480,000

(a) Amount being recovered over the life of the related capital asset and will be settled following completion of the related activities.
(b) Amount will be settled and trued up following completion of related activities.
(c) The adoption of GASB 68 in 2015 required the recognition of the funded status of defined benefit pensions in the statement of net position, with a cumulative effect of adpotion recorded as a restatement of beginning net position for 2015. The WLSF Commission Board, however, is recognizing this cumulative impact amount as a regulatory asset, which resulted in no restatement to the beginning net position for 2015. This recorded amount could change annually based on actuarial values. See Note 3-J for additional information.
(d) The adoption of GASB 75 in 2018 required the recognition of the funded status of defined OPEB in the statement of net position, with a cumulative effect of adpotion recorded as a restatement of beginning net position for 2018. The WLSF Commission Board, however, is recognizing this cumulative impact amount as a regulatory asset, which resulted in no restatement to the beginning net position for 2018. This recorded amount could change annually based on actuarial values. See Note 3-K for additional information.

3-E Capital Assets

Governmental capital asset activity for the year ended December 31, 2019 was as follows:

	Balance 12/31/2018	Additions	Reclass-ifications	Disposals	Balance 12/31/2019
Capital assets not being depreciated:					
Land	$ 17,966,370	$ 342,020	$ -	$ -	$ 18,308,390
Construction in progress	298,070	809,183	(159,180)	(29,802)	918,271
Total capital assets not being depreciated	18,264,440	1,151,203	(159,180)	(29,802)	19,226,661
Other capital assets:					
Land improvements	46,597,481	1,231,144	159,180	-	47,987,805
Buildings	31,290,513	-	-	-	31,290,513
Building improvements	4,020,258	-	-	(444,203)	3,576,055
Vehicles	6,317,177	183,969	-	(83,653)	6,417,493
Machinery	14,085,957	264,852	-	(262,439)	14,088,370
Equipment	8,686,572	221,725	-	-	8,908,297
Furniture & fixtures	176,692	-	-	-	176,692
Intangibles	1,102,492	-	-	-	1,102,492
Bridge and bridge culvert	8,752,560	605,322	-	-	9,357,882
Streets and streetscape	97,350,489	-	-	-	97,350,489
Mast arm lighting	264,218	39,038	-	-	303,256
Total other capital assets	218,644,409	2,546,050	159,180	(790,295)	220,559,344
Total cost	236,908,849	3,697,253	-	(820,097)	239,786,005
Accumulated depreciation:					
Land improvements	20,915,150	1,772,060	-	-	22,687,210
Buildings	11,113,166	630,494	-	-	11,743,660
Building improvements	1,844,688	157,855	-	(259,462)	1,743,081
Vehicles	4,326,899	602,183	-	(82,509)	4,846,573
Machinery	9,409,522	555,683	-	(262,439)	9,702,766
Equipment	3,036,467	353,715	-	-	3,390,182
Furniture & fixtures	168,678	2,520	-	-	171,198
Intangibles	1,101,210	1,282	-	-	1,102,492
Bridge and bridge culvert	6,843,873	179,087	-	-	7,022,960
Streets and streetscape	87,419,516	907,052	-	-	88,326,568
Mast arm lighting	198,455	13,211	-	-	211,666
Total accumulated depreciation	146,377,624	5,175,142	-	(604,410)	150,948,356
Governmental activities capital assets, net	$ 90,531,225	$ (1,477,889)	$ -	$ (215,687)	$ 88,837,649

3-E Capital Assets (continued)

Depreciation expense was allocated to the governmental activities functions for the year ended December 31, 2019 as follows:

General government	$ 364,335
Judicial	1,096
Public safety	1,039,743
Public works	2,050,748
Culture and recreation	1,689,473
Health and welfare	29,747
	$ 5,175,142

Business-type capital asset activity for the year ended December 31, 2019 was as follows:

	Balance at 12/31/2018	Additions	Disposals and Reclassifications	Balance at 12/31/2019
Capital assets not being depreciated:				
Land	$ 4,525,529	$ -	$ -	$ 4,525,529
Construction in progress	151,062,000	66,238,000	-	217,300,000
Total capital assets not being depreciated	155,587,529	66,238,000	-	221,825,529
Other capital assets:				
Land improvements	9,414,120	-	-	9,414,120
Buildings	3,692,434	-	-	3,692,434
Building improvements	71,055	-	-	71,055
Vehicles	51,991	-	-	51,991
Machinery and equipment	2,567,678	37,425	(15,198)	2,589,905
Utility plant	1,239,378,000	52,004,000	(4,269,000)	1,287,113,000
Total other capital assets	1,255,175,278	52,041,425	(4,284,198)	1,302,932,505
Total cost	1,410,762,807	118,279,425	(4,284,198)	1,524,758,034
Accumulated depreciation:				
Land improvements	4,982,376	335,993	-	5,318,369
Buildings	2,135,213	78,224	-	2,213,437
Building improvements	67,166	217	-	67,383
Vehicles	48,769	2,417	-	51,186
Machinery and equipment	1,494,091	151,633	(12,773)	1,632,951
Utility plant	556,092,000	25,447,000	(912,000)	580,627,000
Total accumulated depreciation	564,819,615	26,015,484	(924,773)	589,910,326
Nuclear fuel, at amortized cost	20,207,000	4,908,000	(4,664,000)	20,451,000
Business-type activities capital assets, net	$ 866,150,192	$ 97,171,941	$ (8,023,425)	$ 955,298,708

3-F Interfund Balances and Transfers

Interfund balances at December 31, 2019 consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The City expects to repay all interfund balances within one year. Interfund balances at December 31, 2019 consisted of the following:

	Payable from:			
Payable to:	General fund	Nonmajor governmental funds	Nonmajor enterprise funds	Total
General fund	$ -	$ 193,688	$ 347,721	$ 541,409
Nonmajor governmental funds	172,348	-	-	172,348
Total	$ 172,348	$ 193,688	$ 347,721	$ 713,757

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, to segregate money for anticipated capital projects, to provide additional resources for current operations or debt service, and to return money to the fund from which it was originally provided once a project is completed. All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer. Interfund transfers for the year ended December 31, 2019 consisted of the following:

	Transfer from:			
Transfer to:	General fund	WLSF Commission fund	Nonmajor governmental funds	Total
General fund	$ -	$ 10,898,000	$ 505,762	$ 11,403,762
Nonmajor governmental funds	3,576,230	-	-	3,576,230
Nonmajor enterprise funds	-	-	680,094	680,094
Total	$ 3,576,230	$ 10,898,000	$ 1,185,856	$ 15,660,086

3-G Compensated Absences

Employees of the City of Dalton are entitled to paid vacations, sick days, and loss leave depending on the length of their service. As of April 1, 1998, employees are entitled to accumulate ten sick days a year up to a maximum of one hundred twenty sick days. Upon retirement, up to sixty days can be added to the length of service for retirement purposes. As of April 1, 1998, employees are entitled to accumulate twelve vacation days a year up to a maximum of forty. When separated from services, employees are entitled to receive payment for accumulated vacation time. Prior to April 1, 1998, employees with sick and vacation days in excess of these amounts capped leave hours as of that date. Therefore, employees hired prior to April 1, 1998 can have leave hours in excess of maximum amounts above.

3-H Operating Leases

The City of Dalton is obligated under several operating leases for office equipment that expire over the next five years. Rent expense for these operating leases for 2019 was approximately $17,000. The annual minimum lease payments under operating leases as of December 31, 2019 are as follows:

2020	$	10,761
2021		3,940
2022		2,579
2023		1,125
2024		94
2025 and thereafter		-

3-I Long-term Debt

Notes Payable - On April 8, 2011, the City executed a note with the Dalton Housing Authority for the purpose of purchasing property to be used for the Dalton Community Center. The agreement requires that the Housing Authority's payment in lieu of taxes of $101,712 be reduced by $53,000 per year for ten years, through 2019. The implicit interest rate on the agreement is 0%. The note was satisfied during 2019.

Building Authority Recovery Zone Economic Development Bonds, dated April 8, 2010, were issued as a public offering in the amount of $5,600,000, with an effective interest rate of 5.4%. The bonds have a 45% federal subsidy rebate on the interest expense, reducing the effective interest rate to 3.0%. As these bonds are issued in the name of the City of Dalton Building Authority, they are reflected as a capital lease payable on the government-wide financial statements.

Bond debt service requirements to maturity are as follows:

Date Due	Principal	Interest	Federal Subsidy	Total
2020	$ 270,000	$ 204,228	$ (91,903)	$ 382,325
2021	275,000	190,188	(85,585)	379,603
2022	285,000	175,063	(78,778)	381,285
2023	290,000	159,388	(71,725)	377,663
2024	300,000	142,568	(64,156)	378,412
2025 - 2029	1,660,000	431,107	(193,997)	1,897,110
2030	365,000	22,813	(10,266)	377,547
	$ 3,445,000	$ 1,325,355	$ (596,410)	$ 4,173,945

During 2012, the City became aware that sequestration cuts at the federal level would result in the above federal subsidy being reduced by an unknown amount. The City has not received any formal notification, but the subsidy for 2019 was reduced by $6,071 (6.2%), from $97,916 to $91,845. The federal government has indicated sequestration cuts will continue, but the duration and amount of those cuts is unknown at this time. The City does not believe it will have a material effect on its financial statements.

3-I Long-term Debt (continued)

Building Authority Series 2015 Revenue Bonds, dated August 1, 2015, were issued as a private placement offering in the amount of $26,940,000, with an effective interest rate of 1.297%. The purpose of these bonds was to finance certain SPLOST projects for the City, Whitfield County, Georgia, and other cities within Whitfield County in advance of SPLOST receipts. The City and Whitfield County entered into an intergovernmental contract, also dated August 1, 2015, regarding the allocation of the proceeds of this bond issuance and the related debt repayments. The allocations were based upon the referendum-approved SPLOST projects and each government entities' respective share of the projects. The City received proceeds of $4,276,043, Whitfield County received proceeds of $22,331,677, and proceeds of $332,280 were set aside to pay for bond issuance costs. The City is responsible for repayment of $8,505,956 and Whitfield County is responsible for repayment of $18,434,044, each government's allocable share of the funds received, issuance costs shared, and county-wide projects performed by Whitfield County. As these bonds are issued in the name of the City of Dalton Building Authority, they are reflected as a capital lease payable on the government-wide financial statements. Only the City's allocable share of the debt repayment is included in the financial statements. Whitfield County, Georgia will report their allocable share of the debt repayment in their financial statements. These bonds were satisfied during 2019.

Revenue Bonds – City of Dalton, Georgia, Combined Utilities Revenue Bonds, Series 2017, dated November 21, 2017 and maturing March 1, 2038, were issued as a public offering in the amount of $66,660,000. The bonds were issued primarily for the benefit of the WLSF Commission to fund water and wastewater projects with a par amount of $66,660,000 and all-in true interest cost of 3.24% for a total debt service amount of $103,620,575. The bonds require that the WLSF Commission produce net revenues not less than 120% of the debt service requirement for the then current sinking fund year. The WLSF Commission was in compliance with that requirement as of December 31, 2019.

At December 31, 2019, WLSF Commission debt consisted of the following:

Bond offering principal	$ 62,897,000
Unamortized debt premium, net of $0.7 M of debt issuance costs	8,158,000
Less: current maturities	(2,202,000)
Total long-term debt	$ 68,853,000

Bond debt service requirements to maturity are as follows:

Date Due	Principal	Interest	Total
2020	$ 2,202,000	$ 2,915,000	$ 5,117,000
2021	2,312,000	2,805,000	5,117,000
2022	2,430,000	2,690,000	5,120,000
2023	2,554,000	2,568,000	5,122,000
2024	2,687,000	2,441,000	5,128,000
2025 - 2029	15,657,000	10,044,000	25,701,000
2030 - 2034	20,017,000	5,744,000	25,761,000
2035 - 2038	15,038,000	1,284,000	16,322,000
	$ 62,897,000	$ 30,491,000	$ 93,388,000

All long-term obligations of the City's governmental funds will be financed through future debt service fund available financial sources as they become due. Principal and interest payments related to the WLSF Commission are financed from income derived from the operation of their systems.

3-I Long-term Debt (continued)

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. In prior years, the funds used to relieve the liability included the general fund, the WLSF Commission fund, and the municipal golf course fund. The net pension liability will be paid from the pension trust fund. The net OPEB obligation will be paid from the OPEB trust fund. Any remaining net pension liability or net OPEB obligation which can not be satisfied by those funds will be paid from funds which have participants that comprise the obligation balance, primarily the general fund and the WLSF Commission fund.

Asset retirement obligations and other costs of removal – The WLSF Commission records asset retirement obligations ("ARO") for legal obligations associated with the ultimate costs of retiring long-lived assets. The present value of the ultimate costs for an asset's future retirement must be recorded in the period in which the liability is incurred. The costs must be capitalized as part of the related long-lived asset and depreciated over the asset's useful life.

Additionally, through 2009, the WLSF Commission accrued for other future retirement costs for long-lived assets that the WLSF Commission does not have a legal obligation to retire through depreciation expense as provided in the rates. Accordingly, the accumulated retirement costs for these obligations are reflected as a regulatory liability in the statement of net position. These other removal costs are included as an offset to regulatory assets in the statement of net position.

The ARO recognized in the financial statements to retire long-lived assets primarily relates to the WLSF Commission's ownership interests in the jointly owned nuclear plants Hatch and Vogtle, as well as coal ash ponds, landfills, and gypsum cells related to jointly owned coal-fired plants Wansley and Scherer. The WLSF Commission recognizes in the statement of revenues, expenses, and change in fund net position allowed removal costs for both legal obligations and for other costs of removal in accordance with regulatory treatment. Any differences between costs recognized for accounting purposes and those reflected in rates are recognized as either a regulatory asset or liability.

Details of the AROs reflected in the statement of net position as of December 31, 2019 are as follows:

ARO balance at December 31, 2018	$	84,341,000
Accretion		2,362,000
Cash flow revisions		582,000
ARO balance at December 31, 2019	$	87,285,000

In 2019, the WLSF Commission recorded cash flow revisions of $582,000 to its AROs related to the jointly owned coal-fired plants, associated with the Coal Combustion Residuals from Electric Utilities final rule published by the Environmental Protections Agency ("EPA") in April 2015 ("CCR Rule"). The revision is based on the completion in 2018 by GPC, acting as agent, of a strategic assessment related to its plans to close the ash ponds at all of its generating plants in compliance with the CCR Rule. This assessment including engineering and constructability studies related to design assumptions for ash pond closures and advanced engineering methods. The results indicated that additional closure costs will be required to close these ash ponds, primarily due to changes in closure strategies, the estimated amount of ash to be excavated, and additional water management requirements necessary to support closure strategies. These factors also impact the estimate timing of future cash outlays.

3-I Long-term Debt (continued)

Changes in long-term liabilities - The City's long-term obligations consisted of the following at December 31, 2019:

	Outstanding 12/31/2018	Additions	Reductions	Revisions	Outstanding 12/31/2019	Amounts Due in One Year
Governmental activities:						
Capital leases payable	$ 5,874,856	$ -	$ (2,429,856)	$ -	$ 3,445,000	$ 270,000
Notes payable - direct borrowing	53,000	-	(53,000)	-	-	-
Compensated absences	4,504,239	1,785,128	(1,615,264)	-	4,674,103	1,500,000
Total governmental activities	$ 10,432,095	$ 1,785,128	$ (4,098,120)	$ -	$ 8,119,103	$ 1,770,000
Business-type activities						
Unearned revenue - TVA right of use	$ 17,000	$ -	$ (17,000)	$ -	$ -	$ -
Asset retirement obligations	84,341,000	2,362,000	-	582,000	87,285,000	-
Revenue bonds payable	65,069,000	-	(2,172,000)	-	62,897,000	2,202,000
Unamortized premium on revenue bonds	8,239,000	-	(81,000)	-	8,158,000	-
Compensated absences	94,057	41,290	(31,637)	-	103,710	40,000
Total business-type activities	$ 157,760,057	$ 2,403,290	$ (2,301,637)	$ 582,000	$ 158,443,710	$ 2,242,000

3-J Pensions

Plan description - The Mayor and Council of the City of Dalton Employee's Pension Plan ("Pension Plan") was established to provide retirement benefits for eligible employees. The Pension Plan is a defined benefit single employer public employee retirement system. The Pension Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The Pension Plan is subject to the provisions of Section 401(a) and 501(a) of the Internal Revenue Code. The Mayor and Council of the City of Dalton serve as the Pension Plan administrator. The Pension Plan is accounted for in the pension trust fund, financial statements for which are found on pages 36 - 37 and 160 - 161 of this report. The Pension Plan is audited on a biennial basis and issues stand-alone financial statements in conjunction with those audits. The most recent stand alone financial statement issued by the Pension Plan was for the year ended December 31, 2018. The most recent unaudited stand-alone financial statement issued by the Pension Plan was for the year ended December 31, 2019, and may be obtained from the City of Dalton Finance Department. The Pension Plan's fiduciary net position has been determined on the same basis used by the Pension Plan and is equal to the market value of assets calculated under the accrual basis of accounting.

Summary of significant accounting policies - The City of Dalton Pension Plan financial statements are prepared on the accrual basis of accounting. Contributions from the City and the City's employees are recognized as revenue in the period that contributions are due. Investment income is recognized as earned by the Pension Plan. The net appreciation (depreciation) in the fair value of investments held by the Pension Plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the statement of net position. Benefits and refunds of the Pension Plan are recognized when due and payable in accordance with the terms of the Pension Plan. All contributions to the Pension Plan, less any administrative expenses paid out, are invested into insurance contracts with the Metropolitan Life Insurance Company or in index funds with Vanguard. The Pension Plan's investment contracts and index funds are valued at fair value. The value of the assets is determined in regards to applicable laws and regulations. The value of any assets not publicly traded will reflect prevailing interest rates and prices of publicly traded securities of similar quality.

3-J Pensions (continued)

Eligibility - All full-time employees of a participating employer who were hired prior to July 1, 2002 are eligible to participate in the Pension Plan after completing six months of service as a covered employee, except that the Mayor, Councilmembers, Commissioners, and Authority Members are not eligible to participate in the Pension Plan. Participating employers include the City, including the Public Safety Commission, the WLSF Commission, and the Recreation Commission; the Dalton-Whitfield Convention and Visitors Bureau; and the Dalton-Whitfield Regional Solid Waste Management Authority. Employees who began work after July 1, 2002 are eligible for participation in the defined contribution plan (Note 3-L). The Pension Plan provides pension benefits, early retirement benefits, and death benefits.

Benefits - Benefits fully vest after ten years of service. Normal retirement benefits are available to employees of any age after thirty years of service. Employees who retire at the normal retirement date are entitled to monthly pension payments for the remainder of their lives equal to .15% of their average monthly compensation, multiplied by their years of credited service for which they were employed by a participating employer of the Pension Plan. These benefit payments are subject to a discretionary annual cost-of-living adjustment as determined and approved on an annual basis by the Mayor and Council of the City of Dalton. The participant's average monthly compensation is equal to the average of the participant's highest 36 consecutive basic monthly earnings during their last 120 months of employment; basic monthly earnings are equal to total compensation for a calendar year, excluding lump sum payments for severance and unused sick and vacation leave, and are deemed to be earned uniformly throughout each calendar year; annual compensation is limited to $200,000 per year. Monthly pension benefits will be paid as a life annuity to the participant, with ten years guaranteed. Pension Plan provisions include a 55% survivor annuity payable to the participant's surviving spouse, commencing after the ten years of the full benefit amount. The surviving spouse may receive death benefits for life.

Pension Plan provisions include early retirement benefits whereby an employee may terminate his employment with the City after accumulating fifteen years of service and reaching the age of fifty or after accumulating ten years of service and reaching the age of fifty-five. The retirement benefits are reduced by 0.5% for each month by which the participant's early retirement age precedes their normal retirement age.

The benefit terms of the Pension Plan have not changed from the prior measurement date.

Current membership of active and inactive participants as of the most recent Pension Plan valuation date of January 1, 2020 is as follows:

Actively employed participants		198
Average age		50.4 years
Average service		22.3 years
Total annualized compensation for the prior year	$	12,885,826
Total expected compensation for the current year	$	13,304,622
Participants receiving a benefit		
Service retirees		300
Beneficiaries		68
Inactive participants - deferred; vested		19

3-J Pensions (continued)

Contribution requirements - In accordance with the most recent actuarial report, the Pension Plan's funding policy for employers should be decreased from 56.8% (at the last valuation date) to 53.1% of covered payroll to adequately fund the Pension Plan's ongoing costs and an amortization of the unfunded actuarial accrued liability over a 10-year period with level dollar payments. Employees are required to pay 5% of their pensionable earnings to the Pension Plan. The funding policy of the Pension Plan is established and may be amended by the Mayor and the Council.

Investments - The Pension Plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote. The Board has full power to invest or reinvest Pension Plan assets in any kind of property which the Pension Board deems proper. It is the policy of the Pension Board to purse an investment strategy which reduces risk through prudent diversification of the portfolio. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class for the investments of the Pension Plan are as follows:

Investment Category	Target Allocation	Expected Long Term Real Return
Domestic large cap stocks	40%	6.00% per annum
Domestic small cap stocks	15%	6.75% per annum
Domestic fixed income	45%	2.00% per annum
Total or weighted arithmetic average	100%	4.31% per annum

For the year ended December 31, 2019, the annual money-weighted rate of return on the Pension Plan's investments, net of Pension Plan investment expense, was 19.35%. The money-weighted rate of return expressed investment performance, net of investment expense, adjusted for the changing amounts actually invested.

3-J Pensions (continued)

The following actuarial assumptions used in the determination of the City's net pension liability were based on the results of an actuarial experience study for the period January 1, 2019 through December 31, 2019:

Actuarial Assumptions	
Discount rate:	6.81% per annum (2.50% per annum is attributable to long term inflation); this rate was used to discount all future benefit payments.
Investment return:	6.81% per year
Salary increases:	3.25% per year
Cost of living increase:	None assumed
Mortality basis:	Sex-distinct rates set forth in the RP-2000 Combined Mortality Table, with full generational improvements in mortality using Schedule AA.
Retirement:	Retirement is assumed to occur at normal retirement age.
Other decrements:	Assumed employment termination is based on age and ranges from 23.00% at age 20 to 4.00% at age 55. Assumed disability is based on age and gender and ranges from 0.04% for males and 0.02% for females at age 20 to 2.24% for males and 1.27% for females at age 65.
Non-investment expenses:	$50,000 per year
Future contributions:	Contributions from the employer and employees are assumed to be made as legally required.
Changes:	No assumptions were changed since the prior measurement date.

Discount rate - The discount rate used to measure the total pension liability was 6.81%. There has been no change to the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employees and the participating employers make their contributions at the actuarially determined rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 6.81% was applied to all periods of projected benefit payments to determine the total pension liability.

3-J Pensions (continued)

Net pension liability of the City – The net pension liability reported by the City is based on the measurement date of December 31, 2019. The components of the net pension liability of the City as of the Pension Plan's year end were as follows:

	Allocable Total Pension Liability	Allocable Plan Fiduciary Net Position	Allocable Net Pension Liability
Balance at December 31, 2018	$ 132,267,357	$ 97,337,274	$ 34,930,083
Changes for the year:			
Service cost	1,351,241	-	1,351,241
Expected interest growth	8,700,205	6,538,737	2,161,468
Unexpected interest growth	-	12,025,748	(12,025,748)
Demographic experience	(732,843)	-	(732,843)
Contributions - employer	-	7,254,135	(7,254,135)
Contributions - employee	-	623,081	(623,081)
Benefit payments and refunds	(7,038,554)	(7,038,554)	-
Administrative expenses	-	(64,910)	64,910
Allocation changes	(2,309,380)	(1,700,680)	(608,700)
Net changes	(29,331)	17,637,557	(17,666,888)
Balance at December 31, 2019	$ 132,238,026	$ 114,974,831	$ 17,263,195

The following represents the net pension liability allocable to the City as of the measurement date and the Pension Plan's year end, December 31, 2019, calculated using the discount rate of 6.81%, as well as what the net pension liability would be using a discount rate that is 1% lower or 1% higher than the current rate:

	Discount Rate Minus 1.00%	Discount Rate 6.81%	Discount Rate Plus 1.00%
Allocable total pension liability	$ 146,691,411	$ 132,238,026	$ 120,111,471
Allocable plan fiduciary net position	114,974,831	114,974,831	114,974,831
Net pension liability for City	$ 31,716,580	$ 17,263,195	$ 5,136,640

3-J Pensions (continued)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended December 31, 2019, the City recognized pension expense of $2,871,993. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of December 31, 2018	$ 10,246,145	$ 3,697,526
Change due to:		
Amortization payments	(4,224,012)	(4,407,698)
Investment gain/loss	-	12,027,247
Demographic gain/loss	-	732,843
Allocation changes	(150,354)	298,055
Total change	(4,374,366)	8,650,447
Balance as of December 31, 2019	$ 5,871,779	$ 12,347,973

The above amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows / (Inflows) Recognized to Expense
2020	$ 1,960,880	$ 3,852,251	$ (1,891,371)
2021	1,955,449	3,489,972	(1,534,523)
2022	1,955,450	2,502,875	(547,425)
2023	-	2,502,875	(2,502,875)
2024	-	-	-

The deferred outflows of resources, net pension liability, and deferred inflows of resources were allocated and reported among the Pension Plan's participants, which includes City departments, the WLSF Commission, and the DWRSWMA, a joint venture. Amounts recorded for DWRSWMA are not reflected on the statements of net position, as the balances and activity are reported as a net investment in the joint venture. The allocations were as follows:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources
Governmental activities	$ 2,683,349	$ 7,235,142	$ 5,694,040
WLSF Commission	3,136,000	9,897,000	6,536,000
Municipal golf course	52,430	131,053	117,933
DWRSWMA	246,818	1,131,160	393,854
	$ 6,118,597	$ 18,394,355	$ 12,741,827

3-J Pensions (continued)

Additional information on the Pension Plan, including the schedule of changes in the net pension liability, the schedule of funding progress, the schedule of actuarially determined contributions, the schedule of annual money-weighted returns, and the notes to required supplementary information, is presented in the financial statements as required supplementary information, which immediately follows these notes to the basic financial statements.

In addition to the Pension Plan above, various City employees are also covered under the pension plans of the Georgia Firefighters' Pension Fund and the Peace Officers' Annuity and Benefit Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports.

3-K Other Postemployment Benefits

Plan description - The City of Dalton OPEB Plan ("OPEB Plan") was established to provide other postemployment benefits for eligible retirees and beneficiaries. The OPEB Plan is a single employer defined benefit healthcare plan, providing both health and life insurance at the same levels afforded to active employees. The OPEB Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10.1). The Mayor and Council of the City of Dalton serve as the OPEB Plan administrator. The Mayor and Council hold the authority to amend or establish benefit provisions and employee and employer contribution rates. The OPEB Plan is accounted for in the OPEB trust fund, financial statements for which are found on pages 36 - 37 and 160 – 161 of this report. The most recent unaudited stand-alone financial statement issued by the OPEB Plan was for the year ended December 31, 2019, and may be obtained from the City of Dalton Finance Department. The OPEB Plan's fiduciary net position has been determined on the same basis used by the OPEB Plan and is equal to the market value of assets calculated under the accrual basis of accounting.

Summary of significant accounting policies – The OPEB Plan financial statements are prepared on the accrual basis of accounting. Contributions from the City and the City's employees are recognized as revenue in the period that contributions are due. Investment income is recognized as earned by the OPEB Plan. The net appreciation (depreciation) in the fair value of investments held by the OPEB Plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the statement of net position. All contributions to the OPEB Plan, less insurance premiums and administrative expenses paid out, are invested in a trust fund with Georgia Municipal Association, and are valued at fair value. The value of the assets is determined in regards to applicable laws and regulations. The value of any assets not publicly traded will reflect prevailing interest rates and prices of publicly traded securities of similar quality.

Eligibility – All full-time employees of a participating employer who were hired prior to September 1, 2007 are eligible to participate in the OPEB Plan. The OPEB Plan covers eligible retirees and beneficiaries of the City of Dalton, including the Public Safety Commission; the WLSF Commission; the Recreation Commission; the Northwest Georgia Trade and Convention Center Authority; and the Dalton Whitfield Regional Solid Waste Management Authority. All full-time employees hired prior to September 1, 2007 become eligible for health insurance coverage based upon the earlier of attaining: (1) age 65 with 5 years of service, (2) age 55 with 25 years of service, or (3) any age with 30 years of service. If a retiree is eligible for health insurance coverage, the OPEB Plan will also provide health insurance coverage for the retiree's spouse so long as the retiree is covered. Employees hired after September 1, 2007 are not eligible for health insurance benefits after retirement.

Benefits – Eligible individuals receive subsidized healthcare coverage until age 65 or for no more than five years if hired after May 31, 1998. The OPEB Plan provides life insurance until age 70 in an amount equal to the participant's basic annual compensation in force on the date of retirement, rounded to the next higher $1,000. The maximum benefit provided is $25,000 ($30,000 for retirees who retired before June 1, 1989). The benefit terms of the OPEB Plan have not changed from the prior measurement date.

3-K Other Postemployment Benefits (continued)

Membership in the OPEB Plan consisted of the following at December 31, 2019:

Current retirees and beneficiaries receiving benefits	161
Active employees not yet receiving benefits	673
Total number of covered individuals	834

Funding policy - The Mayor and Council determine the contribution requirements to the OPEB Plan on an annual basis. The participating employers do not contribute to the plan at this time, and have not since 2014. Eligible retirees are required to share in the cost of health insurance coverage. Annual contribution rates for 2019 are as follows:

Coverage	Annual Retiree Premium
Individual	$ 1,176
Individual + 1	3,588

Investments – The OPEB Plan's policy in regard to the allocation of invested assets is established and may be amended by the Mayor and Council by a majority vote. The Mayor and Council have full power to invest or reinvest OPEB Plan assets in any kind of property which they deem proper. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class for the investments of the OPEB Plan are as follows:

Investment Category	Target Allocation	Expected Long Term Real Return
Domestic equities	50%	5.95% per annum
International equities	15%	6.45% per annum
Domestic fixed income	25%	1.55% per annum
Real estate	10%	3.75% per annum
Total or weighted arithmetic average	100%	4.71% per annum

3-K Other Postemployment Benefits (continued)

The following actuarial assumptions used in the determination of the net OPEB liability were based on the results of an actuarial experience study for the period January 1, 2019 through December 31, 2019:

Actuarial Assumptions	
Discount rate:	3.59% per annum; this rate was used to discount all future benefit payments and is based on a blend of the expected long-term return on assets (for benefit payments during the first three years after the valuation date) and a yield on 20-year Grade AA/Aa or higher municipal bonds of 3.26% per annum (for benefit payments beyond the first three years after the valuation date); the expected long-term return on assets was determined as of the valuation date by the trust's investment manager and municipal bond return was based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.
Expected long-term return on assets:	7.96% per annum (3.25% per annum is attributable to long-term inflation)
Salary increases:	3.25% per annum
Cost of living increases:	Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates; life insurance premiums are not assumed to increase.
Healthcare cost trend rates:	Increases in healthcare costs are assumed to be 7.00% for the 2019 fiscal year graded down by 0.50% per year to 5.00% for the 2023 and later fiscal years.
Age-related morbidity:	Healthcare costs are assumed to increase at the rate of 3.50% for each year of age.
Implied subsidy:	Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy of $375 for the retiree and $425 for the retiree's spouse has been assumed at age 65 for the 2019 fiscal year; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates.
Mortality basis:	Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general employees, with full generational improvements in mortality using Scale MP-2017.
Retirement:	Retirement is assumed to occur at the earliest age of 65 with five years of service, age 55 with 25 years of service, age 50 with 15 years of service, or any age with 30 years of service.
Other decrements:	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1).
Coverage election:	100% of eligible employees are assumed to elect medical coverage upon retirement or disability; all retirees (current and future) have been assumed to continue their current health plan coverage election.
Spouses and dependents:	Husbands are assumed to be three years older than wives; retirees are not assumed to have any dependent children.
COBRA:	Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.

3-K Other Postemployment Benefits (continued)

Actuarial Assumptions

Changes: Since the prior measurement date, the discount rate was decreased from 3.75% per annum to 3.59% per annum, the implied monthly subsidy at age 62 for the 2019 fiscal year was decreased from $484 for the retiree and $511 for the retiree's spouse to $375 for the retiree and $425 for the retiree's spouse, and the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements mortality using Scale AA to the PUB-2010 Mortality Table with generational improvements in mortality using Scale MP-2017.

Discount rate - The discount rate used to measure the total OPEB liability was 3.59%. That rate is based on a blend of the expected long-term return on assets for benefit payments during the first three years after the valuation date and a yield on 20-year Grade AA/Aa or higher municipal bonds of 3.26% per annum for benefit payments beyond the first three years after the valuation date. The expected long-term rate of return on assets was determined as of the valuation date by the trust's investment manager and the municipal bond return was based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.

Net OPEB liability – The net OPEB liability is based on the measurement date of December 31, 2019. The components of the net OPEB liability of the City as of the OPEB Plan's year end were as follows:

	Allocable Total OPEB Liability	Allocable Plan Fiduciary Net Position	Allocable Net OPEB Liability
Balance at December 31, 2018	$ 31,024,832	$ 3,127,445	$ 27,897,387
Changes for the year:			
Service cost	328,993	-	328,993
Expected interest growth	1,093,785	226,716	867,069
Unexpected investment income	-	459,626	(459,626)
Demographic experience	(4,631,857)	-	(4,631,857)
Contributions - retiree	-	179,526	(179,526)
Benefit payments	(733,418)	(733,418)	-
Administrative expenses	-	(14,084)	14,084
Assumption changes	(7,491,086)	-	(7,491,086)
Allocation changes	(7,018)	(708)	(6,310)
Net changes	(11,440,601)	117,658	(11,558,259)
Balance at December 31, 2019	$ 19,584,231	$ 3,245,103	$ 16,339,128

3-K Other Postemployment Benefits (continued)

The following represents the net OPEB liability of the City as of the measurement date and the OPEB Plan's year end, December 31, 2019, calculated using the healthcare cost trend rate of 7.00% downgraded to 5.00%, as well as what the net OPEB liability would be using a healthcare cost trend rate that is 1% lower or 1% higher than the current rate:

	Trend Rates Minus 1.00%	Healthcare Trend Rate 7.00% - 5.00%	Trend Rates Plus 1.00%
Allocable total OPEB liability	$ 18,408,284	$ 19,584,231	$ 20,871,603
Allocable plan fiduciary net position	3,245,103	3,245,103	3,245,103
Net OPEB liability for City	$ 15,163,181	$ 16,339,128	$ 17,626,500

The following represents the net OPEB liability of the City as of the measurement date and the OPEB Plan's year end, December 31, 2019, calculated using the discount rate of 3.59%, as well as what the net OPEB liability would be using a discount rate that is 1% lower or 1% higher than the current rate:

	Discount Rate Minus 1.00%	Discount Rate 3.59%	Discount Rate Plus 1.00%
Allocable total OPEB liability	$ 20,720,234	$ 19,584,231	$ 18,541,194
Allocable plan fiduciary net position	3,245,103	3,245,103	3,245,103
Net OPEB liability for City	$ 17,475,131	$ 16,339,128	$ 15,296,091

OPEB expense and deferred outflows and inflows of resources related to other postemployment benefits – For the year ended December 31, 2019, the City recognized an OPEB benefit of $2,226,343. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of December 31, 2018	$ 2,251,514	$ 5,067,326
Change due to:		
Amortization payments	(1,643,614)	(4,899,635)
Investment gain/loss	-	459,626
Demographic gain/loss	-	4,631,858
Assumption changes	-	7,491,086
Allocation changes	(170)	(1,486)
Amortization of allocation changes	3,022,347	3,029,033
Total change	1,378,563	10,710,482
Balance as of December 31, 2019	$ 3,630,077	$ 15,777,808

3-K Other Postemployment Benefits (continued)

The above amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows/ (Inflows) Recognized to Expense
2020	$ 1,031,866	$ 4,162,240	$ (3,130,374)
2021	697,392	2,808,434	(2,111,042)
2022	691,881	2,470,092	(1,778,211)
2023	604,469	2,470,093	(1,865,624)
2024	604,469	2,378,167	(1,773,698)

The deferred outflows of resources, net OPEB liability, and deferred inflows of resources were allocated and reported among the OPEB Plan's participating employers, which includes City departments, the WLSF Commission, the Northwest Georgia Trade and Convention Center Authority, and the Dalton-Whitfield Solid Waste Authority. Allocations to the participating employers were as follows:

	Deferred Outflows of Resources	Net OPEB Liability	Deferred Inflows of Resources
Governmental activities	$ 294,362	$ 7,051,464	$ 8,498,823
WLSF Commission	3,330,000	9,134,000	7,127,000
Municipal golf course	5,715	153,664	151,984
Convention Center	135,331	187,811	146,542
DWRSWMA	20,076	546,822	548,060
	$ 3,785,484	$ 17,073,761	$ 16,472,409

Additional information on the OPEB Plan, including the schedule of changes in the net OPEB liability, the schedule of funding progress, and the notes to required supplementary information, is presented in the financial statements as required supplementary information, which immediately follows the notes to the basic financial statements.

3-L Defined Contribution Plan

Employees with an employment commencement date, including former employees rehired after a severance, on or after July 1, 2002 will not be allowed to participate in the Pension Plan (Note 3-J). Employees hired or re-hired after July 1, 2002 will be covered by the City of Dalton Employee Retirement Plan ("Retirement Plan"), which is a combined profit sharing/money purchase plan. The Mayor and Council of the City approved the Retirement Plan, maintain it, and are the authority under which the contribution requirements are established or may be amended. The Mayor and Council engaged VALIC to administer the Retirement Plan. All full-time employees who have completed six months of continuous service are eligible to participate in the Retirement Plan. The Retirement Plan is considered a defined contribution plan in which the employer provides $1.00 for every $1.00 of deferred compensation the employee makes to the Retirement Plan. The employer will make this match up to the first 5% of the employee's compensation, up to an annual limit of $200,000. Employees hired on or after December 27, 2014 become vested in the employer's contributions over a three-year period. Employees hired prior to December 27, 2014 become vested in employer matching contributions after 1 year of service. Participation is not mandatory; however, non-participating employees will not receive any matching employer contributions. In 2014, the Retirement Plan was revised to include a Roth contribution option. Employees who participate in the Pension Plan are allowed to make contributions to the Retirement Plan up to IRS annual limitations, but do not receive matching employer contributions. For the year 2019, employee contributions totaled $625,149 and employer contributions totaled $400,863. For the year 2019, forfeitures of employer matching contributions totaled $13,819 and the ending balance in the forfeiture account was $29,754.

3-M Net Position

Net investment in capital assets reported on the government-wide statement of net position as of December 31, 2019 is calculated as follows:

	Governmental Activities	Business-type Activities	Total
Cost of capital assets	$ 239,786,005	$ 1,545,209,034	$ 1,784,995,039
Less: accumulated depreciation	150,948,356	589,910,326	740,858,682
Book value	88,837,649	955,298,708	1,044,136,357
Less: capital related debt	3,445,000	62,897,000	66,342,000
Less: premium on capital related debt	-	8,158,000	8,158,000
Less: asset retirement obligations	-	87,285,000	87,285,000
Less: deferred inflows of resources - ITS sale	-	5,246,000	5,246,000
Add: regulatory asset - AROs	-	22,344,000	22,344,000
Net investment in capital assets	$ 85,392,649	$ 814,056,708	$ 899,449,357

3-N Interutility Sales

The WLSF Commission records sales of electricity, natural gas, water, wastewater, and information technology (at rates charged to customers for similar services) among its utility systems as revenue of the selling utility system and expense of the purchasing utility system. During the year ended December 31, 2019, interutility sales were as follows:

Electric	$	4,647,000
Natural gas		12,000
Water		142,000
Wastewater		95,000
Information technology		2,474,000
Total	$	7,370,000

Note 4 - Other Notes

4-A Hotel/Motel Lodging Tax

The City levies a 7% hotel/motel tax in accordance with the provisions of O.C.G.A. 48-13-51(b). A summary of the transactions is as follows:

Hotel/motel tax revenue	$	1,566,635
Expenditures for promotion of tourism and support:		
Northwest Georgia Trade and Convention Center Authority		645,094
Dalton Area Convention and Visitors Bureau		397,202
Train car		22,615
Other tourism expenditures		501,724
Total expenditures	$	1,566,635
Percentage of expenditures to revenue		100.0%

4-B 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, and natural disasters. The government has transferred risk of loss to commercial insurers for the majority of the risks for which it is exposed, except for workers' compensation, for which it is self-insured. The City pays annual premiums to the workers' compensation fund, and these premiums are used to pay related claims, claim reserves, and administrative costs. In addition, workers' compensation claims in excess of $500,000 per covered individual are covered through a private insurer. There were no significant reductions in insurance coverage from coverage in the prior year.

4-B Risk Management (continued)

The workers' compensation internal service fund pays premiums to a private insurance carrier to process and investigate claims. A reserve has been made for estimated claims incurred but not paid at December 31, 2019. The private insurance carrier estimated claims incurred but not paid at December 31, 2019 were $636,719. Because actual claims estimates depend on such complex factors as inflation, changes in governing laws and standards, and court awards, the process used in computing claims estimates is reevaluated periodically to take into consideration the history, frequency, and severity of recent claims and other economic and social factors. These estimates are computed using actual claims experience amounts and include any specific, incremental claim adjustment expenses and estimated recoveries. Due to the numerous factors affecting when claims are paid, no estimate of claims due within one year is made. For the years ended December 31, 2019, 2018, and 2017 there were no settlements in excess of insurance coverage.

The City of Dalton Board of Education also participates in the workers' compensation fund. Thirty-nine percent of the liability is attributable to the City of Dalton Board of Education. The City of Dalton Board of Education is a separate and distinct organization operating under state legislation and is not a component unit of the City.

Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Current Year Claims Payments	End of Fiscal Year Liability
2019	$ 645,191	$ 916,934	$ (925,406)	$ 636,719
2018	620,916	632,259	(607,984)	645,191
2017	677,281	573,661	(630,026)	620,916

The workers' compensation fund had an increase in net position for 2019. This change in net position must be allocated among the different functions of the entities that use the workers' compensation internal service fund. The increase was allocated based on the percentages of claims incurred for the workers' compensation fund. The following table shows the allocation of the net change to each function and activity.

	Net Income Allocated
Governmental activities:	
General government	$ 3,484
Public safety	(16,956)
Public works	44,120
Culture & recreation	11,126
Total governmental activities	41,774
Business-type activities:	
WLSF Commission	(10,557)
Total business-type activities	(10,557)
Increase in net position	$ 31,217

4-B Risk Management (continued)

Of the total allocation to the governmental activities public works function, $72,302 of income allocated is attributable to the City's DWRSWMA joint venture. Of the total allocation to the governmental activities culture and recreation function, $12,300 of income allocated is attributable to the City's Northwest Georgia Trade and Convention Center Authority joint venture.

As of January 1, 2020, the City began participating in a fully insured workers' compensation plan. This change transfers the risk of loss for these benefits to the commercial insurance provider for claims incurred after January 1, 2020. Claims incurred prior to that date will be satisfied out of the existing workers' compensation plan fund.

As of January 1, 2020, the City began participating in a self-insured health insurance plan for all medical, dental, and vision benefits. This change transfers the risk of loss for these benefits to the City for claims incurred after January 1, 2020.

The WLSF Commission has transferred risk of loss to commercial insurers for the majority of the risks for which it is exposed, except for any potential environmental liabilities, as disclosed in Note 4-C.

The WLSF Commission maintains private insurance through its participation with GPC and agreements of indemnity with the NRC to cover third-party liability arising from a nuclear incident, which might occur at the nuclear plants in which the WLSF Commission has an interest. In the event a public liability loss arising from a nuclear incident at a facility currently covered by government indemnification exceeds $450,000,000, under the current provisions of the Price-Anderson Act, the owners of a nuclear power plant could be assessed a deferred assessment of up to $137,608,800 per incident for each licensed reactor operated by it, but not more than $20,496,000 per reactor per incident to be paid in a calendar year. The WLSF Commission is liable for its share of any such deferred assessment, based on its ownership percentage in nuclear plants as set forth in Note 1.

GPC, on behalf of all co-owners of Plants Hatch and Vogtle, is a member of Nuclear Electric Insurance Limited ("NEIL"). NEIL is a mutual insurer established to provide insurance coverage against property damage to its members' nuclear generating facilities. In the event that losses exceed accumulated reserve funds, the members are subject to retroactive premium assessments in proportion to their participation in the mutual insurer. The WLSF Commission's maximum annual assessment would be $2,473,943 under current policies.

All retrospective assessments, whether generated for liability, property, or replacement power, may be subject to applicable state premium taxes.

4-C Commitments and Contingent Liabilities

Vogtle Units 3 & 4 nuclear development – The WLSF Commission is participating with GPC and the other joint owners of the Vogtle plant in the construction of two additional nuclear units at the site. The revised estimated certified cost for the WLSF Commission's 1.6% of the total cost was $273 million as of December 31, 2019. The sources of construction funds for the WLSF Commission's portion of Vogtle Units 3 and 4 will be from a combination of internally generated funds and investment funds restricted for renewals and extensions. Through December 31, 2019, the WLSF Commission has spent $194 million on the new nuclear units under construction, net of the $59.3 million received from Toshiba in 2017 under the Guarantee Settlement Agreement (discussed below), all of which is included in construction in progress in Note 3-E.

4-C Commitments and Contingent Liabilities (continued)

In 2008, GPC, acting for itself and as agent for OPC, MEAG, and the WLSF Commission (collectively, the "Vogtle Owners"), entered into an agreement with a consortium consisting of Westinghouse Electric Company, LLC ("Westinghouse") and Stone & Webster, Inc., which was subsequently acquired by Westinghouse and changed its name to WECTEC Global Project Services Inc. ("WECTEC"), (Westinghouse and WECTEC, collectively, the "EPC Contractor") pursuant to which the EPC Contractor agreed to design, engineer, procure, construct, and test two AP1000 nuclear units with electric generating capacity of approximately 1,100 MWs each and related facilities at Plant Vogtle (the "Vogtle 3 & 4 Agreement").

Under the terms of the Vogtle 3 & 4 Agreement, the Vogtle Owners agreed to pay a purchase price subject to certain price escalations and adjustments, including fixed escalation amounts and index-based adjustments, as well as adjustments for change orders, and performance bonuses for early completion and unit performance. Toshiba Corporation guaranteed certain payment obligations of Westinghouse under the Vogtle 3 and 4 Agreement (the "Toshiba Guarantee"), including any liability of Westinghouse for abandonment of work.

Until March 2017, construction on Plant Vogtle Units 3 and 4 continued under the Vogtle 3 and 4 Agreement. In March 2017, the EPC Contractor filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code. GPC, acting for itself and as agent for the other Vogtle Owners, entered into an Interim Assessment Agreement with the EPC Contractor to allow construction to continue. The Interim Assessment Agreement expired in July 2017 when GPC, acting for itself and as agent for the other Vogtle Owners, and the EPC Contractor entered into the Vogtle Services Agreement. Under the Vogtle Services Agreement, Westinghouse provides facility design and engineering services, procurement and technical support, and staff augmentation on a time and materials cost basis. The Vogtle Services Agreement provides that it will continue until the start-up and testing of Plant Vogtle Units 3 and 4 are complete and electricity is generated and sold from both units. The Vogtle Service Agreement is terminable by the Vogtle Owners upon 30 days written notice.

On June 9, 2017, GPC and the other Vogtle Owners and Toshiba entered into a settlement agreement regarding the Toshiba Guarantee (the "Guarantee Settlement Agreement"). Pursuant to the Guarantee Settlement Agreement, Toshiba acknowledged the amount of its obligations under the Toshiba Guarantee was $3.7 billion (the "Guarantee Obligations"), of which our proportionate share was $59.3 million. The Guarantee Settlement Agreement provided for a schedule of payments for the Guarantee Obligations beginning in October 2017 and continuing through January 2021. Toshiba made the first three payments as scheduled. On December 8, 2017, the Vogtle Owners, certain affiliates of MEAG, and Toshiba entered into Amendment No. 1 to the Guarantee Settlement Agreement (the "Settlement Agreement Amendment"). Under the Settlement Agreement Amendment Toshiba satisfied the remaining scheduled payment obligations on December 14, 2017, and was deemed to be the owner of certain pre-petition bankruptcy claims of the Vogtle Owners and certain affiliates of MEAG against Westinghouse. Additionally, the Vogtle Owners surrendered certain letters of credit securing a portion of Westinghouse's potential obligations under the EPC Agreement.

In October 2017, GPC, acting for itself and as agent for the Vogtle Owners, executed the Bechtel Agreement, a cost reimbursable plus fee arrangement, whereby Bechtel is reimbursed for actual costs plus a base fee and an at-risk fee, which is subject to adjustment based on Bechtel's performance against costs and schedule targets. Each Vogtle owner is severally (not jointly) liable for its proportionate share, based on its ownership interest, of all amounts owed to Bechtel under the Bechtel Agreement. The Vogtle Owners may terminate the Bechtel Agreement at any time for their convenience, provided that the Vogtle Owners will be required to pay amounts related to work performed prior to the termination (including the applicable portion of the base fee), certain termination-related costs, and, at certain stages of the work, the applicable portion of the at-risk fee. Bechtel may terminate the Bechtel Agreement under certain circumstances, including certain Vogtle Owner suspensions of work, certain breaches of the Bechtel Agreement by the Vogtle Owners, Vogtle Owner insolvency, and certain other events.

4-C Commitments and Contingent Liabilities (continued)

In November 2017, the Vogtle Owners entered into an amendment to their joint ownership agreements for Vogtle 3 and 4 (as amended, the "Joint Ownership Agreements") to provide for, among other conditions, additional Vogtle Owner approval requirements. Effective August 31, 2018, the Vogtle Owners further amended the joint ownership agreements to clarify and provide procedures for certain provisions of the joint ownership agreements related to adverse events that require the vote of the holders of at least 90% of the ownership interests in Vogtle 3 and 4 to continue construction (as amended, and together with the November 2017 amendment, the "Vogtle Joint Ownership Agreements"). The Vogtle Joint Ownership Agreements also confirm that the Vogtle Owners' sole recourse against GPC or Southern Nuclear for any action or inaction in connection with their performance as agent for the Vogtle Owners is limited to removal of GPC and/or Southern Nuclear as agent, except in cases of willful misconduct.

In the second quarter 2018, Southern Nuclear, at the request of GPC, completed a full cost reforecast for the project, which resulted in an increase to the base capital cost forecast and estimated contingency to complete construction and start-up of Plant Vogtle Units 3 and 4. Although GPC believes these incremental costs are reasonable and necessary to complete the project and the Georgia Public Service Commission ("GPSC") has stated the estimate included in the seventeenth VCM proceeding does not represent a cost cap, GPC did not seek rate recovery of its portion of the increased costs included in the revised base capital cost forecast (or any related financing costs) in the nineteenth VCM report filed with the GPSC on August 31, 2018.

As a result of the increase in the total project capital cost forecast and GPC's decision not to seek rate recovery of the increase in the base capital costs, the holders of at least 90% of the ownership interests in Plant Vogtle Units 3 and 4 were required to vote to continue construction as these events qualified as adverse events under the Vogtle Join Ownership Agreements. On September 26, 2018, the Vogtle Owners unanimously voted to continue construction of Plant Vogtle Units 3 and 4. In connection with the vote to continue construction, GPC entered into (i) a binding term sheet ("Vogtle Owner Term Sheet") with the other Vogtle Owners and certain MEAG wholly-owned subsidiaries, including MEAG Power SPVJ, LLC ("MEAG SPVJ"), to take certain actions which partially mitigate potential financial exposure for the other Vogtle Owners and (ii) a term sheet ("MEAG Term Sheet") with MEAG and MEAG SPVJ to provide funding with respect to MEAG SPVJ's ownership interest in Plant Vogtle Units 3 and 4 under certain circumstances. On January 14, 2019, GPC, MEAG, and MEAG SPVJ entered into an agreement to implement the provisions of the MEAG Term Sheet ("MEAG Funding Agreement"). On February 18, 2019, GPC, the other Vogtle Owners, and MEAG's wholly-owned subsidiaries MEAG SPVJ, MEAG Power SPVM, LLC, and MEAG Power SPVP, LLC entered into certain amendments to the Vogtle Joint Ownership Agreements to implement the provisions of the Vogtle Owner Term Sheet ("Global Amendments").

Pursuant to the Global Amendments, and consistent with the Vogtle Owner Term Sheet, the Vogtle Joint Ownership Agreements were modified as follows: (i) each Vogtle Owner must pay its proportionate share of qualifying construction costs for Plant Vogtle Units 3 and 4 based on its ownership percentage up to the estimated cost at completion ("EAC") for Plant Vogtle Units 3 and 4 which formed the basis of GPC's revised forecast in the nineteenth VCM plus $800 million; (ii) GPC will be responsible for 55.7% of actual qualifying construction costs between $800 million and $1.6 billion over the EAC in the nineteenth VCM, with the remaining Vogtle Owners responsible for 44.3% of such costs pro rata in accordance with their respective ownership interests; and (iii) GPC will be responsible for 65.7% of qualifying construction costs between $1.6 billion and $2.1 billion over the EAC in the nineteenth VCM, with the remaining Vogtle Owners responsible for 34.3% of such costs pro rata in accordance with their respective ownership interests.

4-C Commitments and Contingent Liabilities (continued)

If the EAC is revised and exceeds the EAC in the nineteenth VCM by more than $2.1 billion, each of the Vogtle Owners will have a one-time option at the time the project budget forecast is so revised to tender a portion of its ownership interest to GPC in exchange for GPC's agreement to pay 100% of such Vogtle Owner's remaining share of total construction costs in excess of the EAC in the nineteenth VCM plus $2.1 billion. In this event, GPC will have the option of cancelling the project in lieu of purchasing a portion of the ownership interest of any other Vogtle Owner. If GPC accepts the offer to purchase a portion of another Vogtle Owner's ownership interest in Plant Vogtle Units 3 and 4, the ownership interest(s) to be conveyed from the tendering Vogtle Owner(s) to GPC will be calculated based on the proportion of the cumulative amount of construction costs paid by each such tendering Vogtle Owner(s) and by GPC as of the COD of Plant Vogtle Unit 4. For purposes of this calculation, payments made by GPC on behalf of another Vogtle Owner in accordance with the second and third items described in the paragraph above will be treated as payments made by the applicable Vogtle Owner.

In the event the actual costs of construction at completion of a Unit are less than the EAC reflected in the nineteenth VCM report and such Unit is placed in service in accordance with the schedule projected in the nineteenth VCM report (i.e. Plant Vogtle Unit 3 is placed in service by November 2021 or Plant Vogtle Unit 4 is placed in service by November 2022), GPC will be entitled to 60.7% of the cost savings with respect to the relevant Unit and the remaining Vogtle Owners will be entitled to 39.3% of such savings on a pro rata basis in accordance with their respective ownership interests.

Pursuant to the Global Amendments, and consistent with the Vogtle Owner Term Sheet, the provisions of the Vogtle Joint Ownership Agreements requiring that Vogtle Owners holding 90% of the ownership interests in Plant Vogtle Units 3 and 4 vote to continue construction following certain adverse events ("Project Adverse Events") were modified. Pursuant to the Global Amendments, the holders of at least 90% of the ownership interests in Plant Vogtle Units 3 and 4 must vote to continue construction if certain Project Adverse Events occur, including: (i) the bankruptcy of Toshiba; (ii) the termination or rejection in bankruptcy of certain agreements, including the Vogtle Services Agreement, the Bechtel Agreement, or the agency agreement with Southern Nuclear; (iii) GPC publicly announces its intention not to submit for rate recovery any portion of its investment in Plant Vogtle Units 3 and 4 or the GPSC determines that any of GPC's costs relating to the construction of Plant Vogtle Units 3 and 4 will not be recovered in retail rates, excluding any additional amounts paid by GPC on behalf of the other Vogtle Owners pursuant to the Global Amendments described above and the first 6% of costs during any six-month VCM reporting period that are disallowed by the GPSC for recovery, or for which GPC elects not to seek cost recovery, through retail rates; and (iv) an incremental extension of one year or more over the most recently approved schedule. Under the Global Amendments, GPC may cancel the project at any time in its sole discretion.

The Global Amendments provide that if the holders of at least 90% of the ownership interests fail to vote in favor of continuing the project following any future Project Adverse Event, work on Plant Vogtle Units 3 and 4 will continue for a period of 30 days if the holders of more than 50% of the ownership interests vote in favor of continuing construction (Majority Voting Owners). In such a case, the Vogtle Owners (i) have agreed to negotiate in good faith towards the resumption of the project, (ii) if no agreement is reached during such 30-day period, the project will be cancelled, and (iii) in the event of such a cancellation, the Majority Voting Owners will be obligated to reimburse any other Vogtle Owner for the incremental costs it incurred during such 30-day negotiation period.

In April 2019, Southern Nuclear established aggressive target values for monthly construction production and system turnover activities as part of a strategy to maintain and, where possible, build margin to the regulatory-approved in-service dates of November 2021 for Unit 3 and November 2022 for Unit 4. Through early 2020, the project faced challenges with the April 2019 aggressive strategy targets, including, but not limited to, electrical and pipefitting labor productivity and closure rates for work packages, which resulted in a backlog of activities and completion percentages below the April 2019 aggressive strategy targets.

4-C Commitments and Contingent Liabilities (continued)

In February 2020, Southern Nuclear updated its cost and schedule forecast, which did not change the total project capital cost forecast and confirmed the expected in-service dates of November 2021 for Unit 3 and November 2022 for Unit 4. This update included initiatives to improve productivity while refining and extending system turnover plans and certain near-term milestone dates. Other milestone dates did not change. Achievement of the aggressive site work plan relies on meeting increased monthly production and activity target values during 2020. Through March 2020, Unit 3 mechanical, electrical, and subcontract activities started to build a backlog; however, overall production was generally consistent with the updated aggressive site work plan.

In mid-March 2020, Southern Nuclear began implementing policies and procedures designed to mitigate the risk of transmission of COVID-19 at the construction site, including worker distancing measures, isolating individuals who have tested positive for COVID-19, are showing symptoms consistent with COVID-19, are being tested for COVID-19, or have been in close contact with such persons, requiring self-quarantine, and adopting additional precautionary measures. Multiple members of the workforce have tested positive for COVID-19. The COVID-19 pandemic has impacted productivity levels and pace of activity completion.

On April 15, 2020, GPC, acting for itself and as agent for the other Vogtle Owners, announced a reduction in workforce at Plant Vogtle Units 3 and 4 expected to total approximately 20% of the existing workforce. This reduction in workforce was a mitigation action intended to address the impact of the COVID-19 pandemic on the Plant Vogtle Units 3 and 4 workforce and construction site, including ongoing challenges with labor productivity that have been exacerbated by the impact of the COVID-19 pandemic. It is expected to provide operational efficiencies by increasing productivity of the remaining workforce and reducing workforce fatigue and absenteeism. It is also expected to allow for increased social distancing by the workforce and facilitate compliance with the latest recommendations from the Centers for Disease Control and Prevention.

To meet the 2020 targets in the aggressive site work plan for both Unit 3 and Unit 4, construction productivity, including subcontractors, must improve and be sustained above historical average levels. In addition, appropriate levels of craft laborers, particularly electrical and pipefitter craft labor, must be maintained. The workforce levels resulting from the April 2020 reduction are expected to last at least through the summer as GPC continues to monitor the impacts of the COVID-19 pandemic on the construction site. The WLSF Commission's proportionate share of the estimated incremental cost of this mitigation action, which is currently estimated to total approximately $700 thousand and is included in the first quarter 2020 contingency allocation, assumes absenteeism rates normalize and the intended productivity efficiencies are realized in the coming months. Based on these assumptions, while this mitigation action has extended and may further extend certain milestone dates in the updated aggressive site work plan, GPC does not expect it to affect either the total project capital cost forecast or the ability to achieve the regulatory-approved in-service dates of November 2021 and November 2022 for Plant Vogtle Units 3 and 4, respectively.

As construction, including subcontract work, continues and testing and system turnover activities increase, challenges with management of contractors and vendors; subcontractor performance; supervision of craft labor and related productivity, particularly in the installation of electrical and mechanical commodities, ability to attract and retain craft labor, and/or related cost escalation; procurement, fabrication, delivery, assembly, installation, system turnover, and the initial testing and start-up, including any required engineering changes or any remediation related thereto, of plant systems, structures, or components (some of which are based on new technology that only within the last few years began initial operation in the global nuclear industry at this scale), any of which may require additional labor and/or materials; regional transmission upgrades; or other issues could arise and change the projected schedule and estimated cost.

In addition, the continuing effects of the COVID-19 pandemic could further disrupt or delay construction, testing, supervisory, and support activities at Plant Vogtle Units 3 and 4. The ultimate impact of the COVID-19 pandemic on the construction schedule and budget for Plant Vogtle Units 3 and 4 cannot be determined at this time.

4-C Commitments and Contingent Liabilities (continued)

There have been technical and procedural challenges to the construction and licensing of Plant Vogtle Units 3 and 4 at the federal and state level and additional challenges may arise. Processes are in place that are designed to assure compliance with the requirements specified in the Westinghouse Design Control Document and the combined construction and operating licenses, including inspections by Southern Nuclear and the NRC that occur throughout construction. As a result of such compliance processes, certain license amendment requests have been filed and approved or are pending before the NRC. Various design and other licensing-based compliance matters, including the timely submittal by Southern Nuclear of the Inspections, Tests, Analyses, and Acceptance Criteria ("ITAAC") documentation for each unit and the related reviews and approvals by the NRC necessary to support NRC authorization to load fuel, may arise, which may result in additional license amendments or require other resolution. As part of the aggressive site work plan, in January 2020, Southern Nuclear notified the NRC of its intent to load fuel in 2020. On April 20, 2020, Nuclear Watch South filed a request for hearing and contention with the NRC that challenges the closure of certain ITAAC. If any license amendment requests or other licensing-based compliance issues are not resolved in a timely manner, there may be delays in the project schedule that could result in increased costs.

The ultimate outcome of these matters cannot be determined at this time. However, any extension of the regulatory-approved project schedule is currently estimated to result in additional base capital costs of approximately $1.75 million per month, based on the WLSF Commission's ownership interests.

General litigation matters – The WLSF Commission is subject to certain claims and legal actions arising in the ordinary course of business. Litigation over claims of various types, including property damage, personal injury, common law nuisance, and citizen enforcement of environmental requirements, has increased generally throughout the U.S. The ultimate outcome of such pending or potential litigation against the WLSF Commission cannot be predicted at this time; however, for current proceedings not specifically reported herein, management does not anticipate that the ultimate liabilities, if any, arising from such current proceedings would have a material effect on the WLSF Commission's financial statements.

Land Application System - In October 2019, the WLSF Commission received two ante litem notices asserting state law tort claims related to the WLSF Commission's Land Application System, which allege negligence which caused personal injuries and property damages to claimants in a total amount of $5 million. On October 31, 2019, the WLSF Commission denied the claims of the ante litem notice. At this time, no suit has been filed by the claimants. The WLSF Commission intends to vigorously pursue and defend this matter. However, the ultimate outcome of this matter cannot be determined at this time.

Certain environmental contingencies and litigation - The WLSF Commission is subject to present and developing environmental regulations by various federal, state, and local jurisdictions.

Five-year permit for wastewater treatment - During 1997, the WLSF Commission was issued a five-year permit for its wastewater treatment systems by the Environmental Protection Division ("EPD") of the Georgia Department of Natural Resources. The permit was contingent upon the undertaking by the WLSF Commission to make certain improvements to its wastewater treatment systems and included a compliance schedule for those improvements. The WLSF Commission completed all improvements required under the 1997 permit. In March 2002, the WLSF Commission requested and received a two-year extension of the permit to allow time for a full watershed assessment to be performed. The assessment was completed on December 24, 2003 and a permit renewal application was submitted in accordance with the requirements of the existing permit. The existing five-year permit was issued March 26, 2007, and expired March 25, 2012. On March 23, 2012, the WLSF Commission was granted an indefinite extension by the EPD on its existing permit while its application for a reissuance of the five-year permit is evaluated. On March 23, 2015, a new permit was received by the WLSF Commission, effective April 1, 2015 but was appealed. It was amended on October 13, 2015 and will expired at midnight on March 31, 2020. The WLSF Commission is allowed to operate on the expired permit due to the length of time to review applications, which has been submitted to the EPA.

4-C Commitments and Contingent Liabilities (continued)

Fuel commitments - The WLSF Commission has entered into various long-term commitments for the procurement and delivery of natural gas and electricity to consumers, which are not recognized on the statement of net position. In 2019, the WLSF Commission incurred purchased gas expense of $19,000,000 and purchased electricity expense of $38,200,000, the majority of which was purchased under long-term commitments. The WLSF Commission expects that a substantial amount of its future gas and purchased electricity needs will continue to be purchased under long-term commitments.

COVID-19- The COVID-19 pandemic has negatively impacted global supply chains and global demand for goods and services and public policy responses of social distancing and closing non-essential business have further restricted economic activity. In addition, a large supply shock of excess oil production due to actions by members of the Organization of the Petroleum Exporting Countries has significantly reduced oil prices, creating further volatility in financial markets. The combination of these economic shocks has driven the global and U.S. economies into a significant downturn. The drivers, speed, and depth of this economic contraction are unprecedented and have reduced utility demand, primarily in the commercial and industrial classes. As a partial offset to these reductions, social distancing and shelter-in place polices are increasing demand from residential customers in the short-term. While these impacts on demand are expected to continue throughout, and for a period of time following, the pandemic, the ultimate extent of the negative impact on revenues and the WLSF Commission's financial condition depends on the depth and duration of the economic contraction in WLSF Commission's service territory and cannot be determined at this time. Additionally, as noted above under 'Vogtle Units 3 and 4 Nuclear Development,' the continuing effects of COVID-19 could further disrupt or delay activities at Plant Vogtle Units 3 and 4, which could result in schedule delay and cost increases but the ultimate impacts of the pandemic on the construction schedule and budget for Plant Vogtle Units 3 and 4 cannot be determined at this time.

4-D Conduit Debt Obligations

Conduit debt obligations with limited commitments – In April 2018, the City issued general obligation bonds for the use and benefit of the City of Dalton Board of Education to finance the construction and equipping of a new school building. The City of Dalton Board of Educations is the obligor of the debt pursuant to a contractual agreement. The City of Dalton Board of Education is not a component unit of the City. The bonds are payable solely from a voter-approved property tax, as facilitated through a Dalton Public Schools debt service millage rate. In addition, no commitments beyond the pledged tax funds, the payments from the City of Dalton Board of Education, and maintenance of the tax-exempt status of the conduit debt obligations were extended by the City for any of those bonds. At December 31, 2019, the bonds have an aggregate outstanding principal amount payable of $40,380,000.

4-E Joint Ventures

The City participates with Whitfield County in the Dalton-Whitfield Regional Solid Waste Management Authority. All budgetary and financial records are maintained by the City of Dalton. The DWRSWMA issued separate audited financial statements dated July 15, 2020.

The City and Whitfield County share equally in operations of the DWRSWMA, which operates solid waste disposal sites within Whitfield County. Administration is accomplished through a five-member board with each government appointing two members and those four appointing the fifth member. Current expenditures are funded through user fees and, if necessary, equal transfers from both governments. The City's equity interest in this joint venture is reported as an enterprise fund. The City's share of the resulting income or loss from the joint venture is shown separately as charge for services on the statement of activities.

4-E Joint Ventures (continued)

State and federal laws and regulations require the DWRSWMA to place a final cover on its landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at each site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the DWRSWMA reports a portion of the closure and post-closure care costs as a non-operating expense in each period based on landfill capacity used as of each balance sheet date. The accrual for closure and post-closure cost is summarized by location as follows:

Landfill sites:	Westside	Old Dixie II, IV, & V	Old Dixie VI Sites I & II	Old Dixie VI Sites III & IV	Balefill	Total
Estimated future costs:						
Closure	Completed	Completed	$ 3,216,000	$ 2,217,000	$ 1,767,000	$ 7,200,000
Post-closure	$ 465,000	$ 1,170,000	2,165,000	1,493,000	1,243,000	6,536,000
	465,000	1,170,000	5,381,000	3,710,000	3,010,000	13,736,000
Percentage of total landfill capacity used as of December 31, 2019	100.0%	100.0%	100.0%	67.2%	84.4%	
	465,000	1,170,000	5,381,000	2,494,000	2,540,000	12,050,000
Land acquisition	50,000	-	-	-	-	50,000
Accrual at 12/31/19	$ 515,000	$ 1,170,000	$ 5,381,000	$ 2,494,000	$ 2,540,000	$ 12,100,000

The DWRSWMA will record the remaining estimated cost of closure and post-closure care costs of $1,636,000 as the remaining capacity is filled. Estimated remaining landfill life is more than 30 years. The above estimates are based on what it would cost to perform all closure and post-closure care in 2019. Actual costs when incurred may be higher due to inflation, changes in technology, or changes in laws and regulations.

The DWRSWMA landfill closure and post-closure requirements are being funded from user fees and interest earned from investments. If these revenues are inadequate or additional post-closure care requirements are determined, these costs may need to be covered by charges to future landfill users.

According to the latest inspection reports issued by the Georgia Department of Natural Resources, dated July 27, 2020, the DWRSWMA was in compliance for closure and post-closure care financial assurance requirements for the 2018 year.

4-E Joint Ventures (continued)

Condensed audited financial statements for the DWRSWMA at December 31, 2019 are as follows:

Statement of Net Position		
Assets		
Current assets	$	24,115,071
Capital assets, net		20,425,231
Total assets		44,540,302
Deferred outflows of resources		266,894
Total assets and deferred outflows	$	44,807,196
Liabilities		
Current liabilities	$	609,483
Non-current liabilities		14,003,171
Total liabilities		14,612,654
Deferred inflows of resources		941,914
Net position		29,252,628
Total liabilities, deferred inflows, and net position	$	44,807,196
Statement of Revenues, Expenses, and Changes in Fund Net Position		
Operating revenues	$	8,677,391
Operating expenses		4,275,199
Depreciation		1,547,632
Operating income (loss)		2,854,560
Non-operating revenues (expenses)		595,173
Change in net position		3,449,733
Beginning net position		25,802,895
Ending net position	$	29,252,628

4-E Joint Ventures (continued)

The City participates with Whitfield County in the Northwest Georgia Trade and Convention Center Authority. All budgetary and financial records are maintained by the City of Dalton. The Convention Center issued separate audited financial statements dated June 30, 2020.

The City and Whitfield County share equally in operations of the Convention Center, which operates to promote tourism within the City of Dalton and Whitfield County by hosting conventions, special events, and trade shows. Current expenditures are funded through user fees and, if necessary, equal transfers from both governments. The City's equity interest in this joint venture is reported as an enterprise fund. The City's share of the resulting income or loss from the joint venture is shown separately as charge for services on the statement of activities.

Condensed audited financial statements for the Convention Center at December 31, 2019 are as follows:

Statement of Net Position	
Assets	
Current assets	$ 1,221,610
Capital assets, net	10,272,543
Total assets	11,494,153
Deferred outflows of resources	135,331
Total assets and deferred outflows	$ 11,629,484
Liabilities	
Current liabilities	$ 488,848
Non-current liabilities	279,611
Total liabilities	768,459
Deferred inflows of resources	146,542
Net position	10,714,483
Total liabilities, deferred inflows, and net position	$ 11,629,484
Statement of Revenues, Expenses, and Changes in Fund Net Position	
Operating revenues	$ 1,450,648
Operating expenses	1,808,189
Depreciation	690,366
Operating income (loss)	(1,047,907)
Non-operating revenues (expenses)	1,257,142
Change in net position	209,235
Beginning net position	10,505,248
Ending net position	$ 10,714,483

4-E Joint Ventures (continued)

The City participates with Whitfield County in the Dalton-Whitfield Joint Development Authority and the Dalton-Whitfield Economic Development Authority, which are reported as one entity as disclosed in Note 1. All budgetary and financial records are maintained by the JDA, which is housed at the Dalton-Whitfield Chamber of Commerce. The JDA issued separate audited financial statements dated July 15, 2020.

The City and Whitfield County share equally in operations of the JDA, which operates to promote economic development within the City of Dalton and Whitfield County. Current expenditures are funded through equal transfers from both governments and a large donation from a local advised fund. The City's transfer to this entity is shown as an expenditure of the general fund, and the City's equity interest in this joint venture is shown as an investment in a joint venture for governmental activities in the government-wide statement of net position. The City's share of the resulting income or loss from the joint venture is shown as an expense for economic development on the statement of activities.

Condensed audited financial statements for the JDA at December 31, 2019 are as follows:

Statement of Net Position		
Assets		
Current assets	$	2,393,525
Capital assets, net		1,353
Total assets	$	2,394,878
Current liabilities	$	349,236
Net position		2,045,642
Total liabilities and net position	$	2,394,878
Statement of Activities		
Program revenues	$	3,056,573
General revenues		1,228,447
Economic development expenses		3,308,021
Change in net position		976,999
Beginning net position		1,068,643
Ending net position	$	2,045,642

4-F Component Unit

The City of Dalton Building Authority is a legally separate entity and has been included as a discretely presented component unit in the accompanying financial statements. It is reported as a separate column in the government-wide statements to emphasize that it is legally separate from the City. The City of Dalton Board of Education, Whitfield County, Georgia, and the City of Dalton, Georgia each have outstanding debt in the Building Authority's name, as discussed in Note 3-I. All debt proceeds and payments related to Building Authority issued debt flow through the Building Authority. The entity reports inflows from the City of Dalton Board of Education, Whitfield County, and the City as transfers in and reports the related outflows of principal, interest, and sinking fund payments as debt service expenditures, as the entity is primarily a conduit for the respective governmental entities. The Building Authority holds various cash balances from proceeds from debt on behalf of the City, Whitfield County, or of the Board of Education. Amounts held in the Building Authority's cash account are reported as a receivable or payable in the financials.

4-G Debt Contingency

The City of Dalton Building Authority issued revenue bonds as a private placement offering during 2015 to finance SPLOST projects within Whitfield County. Based on an intergovernmental agreement, the City is responsible for repayment of $8,505,956 and Whitfield County is responsible for repayment of $18,434,044, as disclosed in Note 3-I. These bonds were satisfied during 2019.

The City of Dalton Building Authority issued revenue bonds as a public offering during 2018 to finance the building and equipping of a new school for the City of Dalton Board of Education. The amount of the bonds outstanding as of December 31, 2019 is $10,890,000.

The City of Dalton Building Authority issued revenue bonds as a private placement offering during 2018 to finance a fire station project within Whitfield County. The amount of the bonds outstanding as of December 31, 2019 is $2,955,000.

4-H Tax Abatements

The Dalton-Whitfield Joint Development Authority (a joint venture between the City and Whitfield County, as disclosed in Note 1-A) has entered into several agreements for abatement of property taxes. The JDA provides tax incentives, based upon certain criteria, to potential and existing entities for the purpose of furthering economic growth in the Dalton-Whitfield area. The JDA is not a taxing authority. The tax abatements offered are abatements of Whitfield County, Georgia property tax and City of Dalton, Georgia property tax. Whitfield County and the City must approve the tax incentive agreements prior to their execution.

The criteria that makes an entity eligible for tax abatements through the JDA include providing new capital investment and/or new jobs in the Dalton-Whitfield area. The amount of the tax abatement transaction is determined based upon a specified rubric. Planned new jobs, community investment, diversification, wage levels, project location, and other factors are considered in determining the amount of tax abatement offered to an entity. The tax abatement period for a project can last up to fifteen years.

The entity must be willing to enter into a contractual agreement with the JDA and willing to enter into a bond financed sale leaseback transaction (“Industrial Revenue Bonds”) which transfers title to improvements (land, buildings, equipment) during the life of the tax deferment/abatement plan to the JDA, as provided by Georgia state law. The local taxing jurisdictions and the public receive notice of the title transfer pursuant to an Industrial Revenue Bond validation.

Entities with tax abatements are required to file an annual report with the JDA which certifies the number of jobs created, the cumulative amount of capital investment, and other applicable measurements. In the event the entity fails to meet specified goals, a percentage method described in each agreement is used to determine the shortfall. The shortfall percentage is multiplied by the amount of taxes abated for the year for the project to arrive at a recovery payment. The recovery payment is due with the annual report.

4-H Tax Abatements (continued)

Sixteen tax abatement agreements are outstanding as of December 31, 2019. Reductions in tax revenues attributable to local governments are as follows:

Government Entity	2019 Tax Reduction
City of Dalton, Georgia	$ 77,516
Whitfield County, Georgia	2,361,082
City of Dalton Board of Education	341,847
Whitfield County Board of Education	3,536,511

REQUIRED SUPPLEMENTARY INFORMATION

City of Dalton, Georgia
Required Supplementary Information
Schedule of Changes in the Net Pension Liability
December 31, 2019

	2015	2016	2017	2018	2019
Total pension liability:					
Service cost	$ 1,743,901	$ 1,652,021	$ 1,592,733	$ 1,453,620	$ 1,439,780
Expected interest growth	8,238,500	8,495,017	8,713,989	8,904,957	9,270,324
Demographic experience	(1,273,686)	216,267	(54,192)	(798,265)	(780,862)
Benefit payments and refunds	(6,513,889)	(6,904,562)	(7,133,475)	(7,440,532)	(7,499,751)
Assumption changes	1,890,054	-	-	3,352,582	-
Allocation changes	-	-	-	-	674
Net change in total pension liability	4,084,880	3,458,743	3,119,055	5,472,362	2,430,165
Total pension liability - beginning (a)	122,337,634	126,422,514	129,881,257	133,000,312	138,472,674
Total pension liability - ending (c)	$ 126,422,514	$ 129,881,257	$ 133,000,312	$ 138,472,674	$ 140,902,839
Plan fiduciary net position:					
Employer contributions	$ 7,099,703	$ 6,841,734	$ 7,225,029	$ 7,311,443	$ 7,729,413
Employee contributions	784,871	769,249	727,343	688,300	663,908
Benefit payments and refunds	(6,513,878)	(6,904,591)	(7,133,475)	(7,440,532)	(7,499,751)
Administrative expenses	(59,791)	(42,900)	(59,239)	(50,901)	(69,262)
Expected interest growth	5,718,288	5,800,923	6,299,827	7,130,290	6,967,184
Unexpected investment income	(5,527,933)	814,584	5,258,879	(10,188,016)	12,813,826
Allocation changes	-	-	-	-	(684)
Net change in plan fiduciary net position	1,501,260	7,278,999	12,318,364	(2,549,416)	20,604,634
Plan fiduciary net position - beginning (b)	83,354,643	84,855,903	92,134,902	104,453,266	101,903,850
Plan fiduciary net position - ending (d)	$ 84,855,903	$ 92,134,902	$ 104,453,266	$ 101,903,850	$ 122,508,484
Net pension liability - beginning (a) - (b)	$ 38,982,991	$ 41,566,611	$ 37,746,355	$ 28,547,046	$ 36,568,824
Net pension liability - ending (c) - (d)	$ 41,566,611	$ 37,746,355	$ 28,547,046	$ 36,568,824	$ 18,394,355
Pension Plan's fiduciary net position as a percentage of total pension liability	67%	71%	79%	74%	87%
Covered payroll	$ 16,758,095	$ 15,756,935	$ 15,113,517	$ 14,091,077	$ 13,722,784
Net pension liability as a percentage of covered payroll	248%	240%	189%	260%	134%

Note: 2015 was the first year that data was measured in accordance with GASB 68.
Note: Only five years of information are presented in the schedule above; ten years of information will be presented as it becomes available.

City of Dalton, Georgia
Required Supplementary Information
Schedule of Funding Progress for Pensions
December 31, 2019

Measurement Date	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Funded Percentage	Covered Payroll	Net Pension Liability as a % of Covered Payroll
01/01/2011	$ 94,177,910	$ 60,436,552	$ 33,741,358	64%	$ 21,461,361	157%
01/01/2012	96,181,160	61,883,573	34,297,587	64%	19,632,308	175%
01/01/2013	103,250,126	66,758,929	36,491,197	65%	17,874,717	204%
12/31/2013	118,614,630	75,640,022	42,974,608	64%	17,324,713	248%
12/31/2014	122,337,631	83,354,743	38,982,888	68%	17,324,713	225%
12/31/2015	126,422,514	84,855,903	41,566,611	67%	16,758,095	248%
12/31/2016	129,881,257	92,134,902	37,746,355	71%	15,756,935	240%
12/31/2017	133,000,312	104,453,266	28,547,046	79%	15,113,517	189%
12/31/2018	138,472,674	101,903,850	36,568,824	74%	14,091,077	260%
12/31/2019	140,902,839	122,508,484	18,394,355	87%	13,722,784	134%

Note: 2015 was the first year that data was measured in accordance with GASB 68.

City of Dalton, Georgia
Required Supplementary Information
Schedule of Actuarially Determined Contributions for Pensions
December 31, 2019

Year End	Actuarially Determined Contribution (1)	Contributions Recognized by the Plan (2)	Difference Between (1) and (2)	Covered Payroll	Contributions as a % of Covered Payroll
12/31/2010	$ 3,657,993	$ 3,657,993	$ -	$ 21,418,412	17%
12/31/2011	3,977,435	3,977,435	-	21,461,361	19%
12/31/2012	4,220,538	4,220,538	-	19,632,308	21%
12/31/2013	4,374,373	4,374,373	-	17,874,717	24%
12/31/2014	6,789,929	6,789,929	-	17,324,713	39%
12/31/2015	7,099,703	7,099,703	-	16,758,095	42%
12/31/2016	6,657,107	6,841,734	(184,627)	15,756,935	43%
12/31/2017	7,409,656	7,225,029	184,627	15,113,517	48%
12/31/2018	7,311,443	7,311,443	-	14,091,077	52%
12/31/2019	7,728,729	7,729,413	(684)	13,722,784	56%

Note: 2015 was the first year that data was measured in accordance with GASB 68.

City of Dalton, Georgia
Required Supplementary Information
Schedule of Annual Money-Weighted Rates of Return and Notes to Required Supplementary Information for Pensions
December 31, 2019

Schedule of Annual Money-Weighted Rates of Return, Net of Investment Expense:

December 31, 2019	19.35%

Notes to Required Supplementary Information:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

Employers reporting date:	December 31, 2019
Measurement date:	December 31, 2019
Actuarial valuation date:	January 1, 2019
Actuarial cost method:	Entry age normal cost method
Amortization method:	The unfunded actuarial accrued liability is amortized over a 10 year period with level dollar payments.
Asset method:	The actuarial value of assets is equal to the market value of assets.
Interest rate:	6.81% per annum
Discount rate:	6.81% per annum
Inflation:	2.50% per year
Salary increases:	3.25% per year
Changes in assumptions:	No assumptions were changed since the prior measurement date.

Note: 2015 is the first year that data has been measured in accordance with GASB 68.

City of Dalton, Georgia
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability
December 31, 2019

	2018	2019
Total OPEB liability:		
Service cost	$ 718,157	$ 343,785
Expected interest growth	1,345,164	1,142,963
Demographic experience	(4,699,489)	(4,840,113)
Benefit payments and refunds	(755,998)	(766,394)
Assumption changes	96,681	(7,827,897)
Net change in total OPEB liability	(3,295,485)	(11,947,656)
Total OPEB liability - beginning (a)	35,707,910	32,412,425
Total OPEB liability - ending (c)	$ 32,412,425	$ 20,464,769
Plan fiduciary net position:		
Retiree contributions	$ 193,146	$ 187,598
Benefit payments and refunds	(755,998)	(766,394)
Administrative expenses	(24,560)	(14,717)
Expected interest growth	296,647	236,909
Unexpected investment income	(456,718)	480,291
Net change in plan fiduciary net position	(747,483)	123,687
Plan fiduciary net position - beginning (b)	4,014,804	3,267,321
Plan fiduciary net position - ending (d)	$ 3,267,321	$ 3,391,008
Net OPEB liability - beginning (a) - (b)	$ 31,693,106	$ 29,145,104
Net OPEB liability - ending (c) - (d)	$ 29,145,104	$ 17,073,761
OPEB Plan's fiduciary net position as a percentage of total OPEB liability	10%	17%
Covered payroll	$ 31,589,049	$ 34,333,776
Net OPEB liability as a percentage of covered payroll	92%	50%

Note: 2018 was the first year that data was measured in accordance with GASB 75.
Note: Only two years of information are presented in the schedule above; ten years of information will be presented as it becomes available.

City of Dalton, Georgia
Required Supplementary Information
Schedule of Funding Progress for OPEB
December 31, 2019

Measurement Date	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability	Funded Percentage	Covered Payroll	Net OPEB Liability as a % of Covered Payroll
12/31/2014	$ 32,051,221	$ 4,586,540	$ 27,464,681	14%	$ 33,536,675	82%
12/31/2015	33,110,465	4,101,366	29,009,099	12%	33,536,675	86%
12/31/2016	33,266,025	3,910,615	29,355,410	12%	NA	NA
12/31/2017	35,707,910	4,014,804	31,693,106	11%	NA	NA
12/31/2018	32,412,425	3,267,321	29,145,104	10%	31,589,049	92%
12/31/2019	20,464,769	3,391,008	17,073,761	17%	34,333,776	50%

NA - Not available
Note: 2018 was the first year that data was measured in accordance with GASB 75.
Note: Only six years of information are presented in the schedule above; ten years of information will be presented as it becomes available.

Notes to Required Supplementary Information:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

Employers reporting date:	December 31, 2019
Measurement date:	December 31, 2019
Actuarial valuation date:	January 1, 2019
Discount rate:	3.59% per annum; this rate was used to discount all future benefit payments and is based on a blend of the expected long-term return on assets (for benefit payments during the first three years after the valuation date) and a yield on 20-year Grade AA/Aa or higher municipal bonds of 3.26% per annum (for benefit payments beyond the first three years after the valuation date); the expected long-term return on assets was determined as of the valuation date by the trust's investment manager and municipal bond return was based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.
Expected long-term return on assets:	7.96% per annum
Inflation:	3.25% per annum
Salary increases:	3.25% per annum
Healthcare cost trend rates:	Increases in healthcare costs are assumed to be 7.00% for the 2019 fiscal year graded down by 0.50% per year to 5.00% for the 2023 and later fiscal years.
COLA increases:	Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates; life insurance premiums are not assumed to increase.
Changes in assumptions:	Since the prior measurement date, the discount rate was decreased from 3.75% per annum to 3.59% per annum, the implied monthly subsidy at age 62 for the 2019 fiscal year was decreased from $484 for the retiree and $511 for the retiree's spouse to $375 for the retiree and $425 for the retiree's spouse, and the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements in mortality using Scale AA to the PUB-2010 Mortality Table with generational improvements in mortality using Scale MP-2017.

Note: 2018 is the first year that data has been measured in accordance with GASB 75.

COMBINING FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond, capital lease, and notes payable principal and interest from governmental resources.

Capital Projects Funds

The Capital Projects Funds are used to account for the resources that are restricted, committed, or assigned for certain capital outlays. Ongoing capital outlays that are accounted for in these funds include SPLOST and LOST projects as well as general capital acquisition.

City of Dalton, Georgia
Combining Balance Sheet - By Fund Type
Nonmajor Governmental Funds
December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 277,243	$ 9,049	$ 8,759,109	$ 9,045,401
Receivables:				
Accounts	108,442	-	-	108,442
Intergovernmental - federal	84,563	-	-	84,563
Intergovernmental - state	3,401	-	-	3,401
Intergovernmental - local	63,975	102,114	173,824	339,913
Interfund	516	-	171,832	172,348
Total Assets	$ 538,140	$ 111,163	$ 9,104,765	$ 9,754,068
Liabilities				
Accounts payable	$ 65,197	$ -	$ 299,320	$ 364,517
Accrued interest payable	-	102,114	-	102,114
Interfund payable	132,898	-	60,790	193,688
Unearned revenue	-	-	421,257	421,257
Total Liabilities	198,095	102,114	781,367	1,081,576
Fund Balances				
Restricted for:				
Economic development	216,021	-	-	216,021
Public safety	124,022	-	-	124,022
Housing and development	2	-	-	2
Debt service	-	9,049	-	9,049
Capital projects	-	-	8,323,398	8,323,398
Total Fund Balances	340,045	9,049	8,323,398	8,672,492
Total Liabilities and Fund Balances	$ 538,140	$ 111,163	$ 9,104,765	$ 9,754,068

City of Dalton, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By Fund Type
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Hotel motel tax	$ 1,566,635	$ -	$ -	$ 1,566,635
Intergovernmental - federal	677,318	-	-	677,318
Intergovernmental - state	6,474	-	387,644	394,118
Intergovernmental - local	63,975	53,000	4,247,862	4,364,837
Fines and forfeitures	26,414	-	-	26,414
Investment earnings	2,151	92,627	170,811	265,589
Miscellaneous	638	-	-	638
Total Revenues	2,343,605	145,627	4,806,317	7,295,549
Expenditures				
Current:				
General government	202,676	-	-	202,676
Public safety	53,112	-	-	53,112
Public works	20,000	-	2,200,799	2,220,799
Health and welfare	20,507	-	-	20,507
Culture and recreation	397,201	-	24,302	421,503
Housing and development	448,615	-	-	448,615
Capital Outlay				
General government	-	-	19,552	19,552
Public safety	-	-	78,579	78,579
Public works	-	-	2,115,079	2,115,079
Culture and recreation	22,615	-	202,663	225,278
Debt Service:				
Principal retirement	-	313,000	2,168,859	2,481,859
Interest and fiscal charges	-	216,784	28,130	244,914
Total Expenditures	1,164,726	529,784	6,837,963	8,532,473
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,178,879	(384,157)	(2,031,646)	(1,236,924)
Other Financing Sources (Uses)				
Proceeds from sale of assets	4,781	-	-	4,781
Transfers in	8,006	393,000	3,175,224	3,576,230
Transfers out	(1,150,856)	-	(35,000)	(1,185,856)
Total Other Financing Sources (Uses)	(1,138,069)	393,000	3,140,224	2,395,155
Net Change in Fund Balances	40,810	8,843	1,108,578	1,158,231
Fund Balances Beginning of Year	299,235	206	7,214,820	7,514,261
Fund Balances End of Year	$ 340,045	$ 9,049	$ 8,323,398	$ 8,672,492

GENERAL FUND

The General Fund accounts for all sources of financial resources applicable to the general operations of the City which are not accounted for in another fund.

City of Dalton, Georgia
Comparative Balance Sheet
General Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 16,365,000	$ 15,514,371
Investments	6,900,199	9,826,441
Receivables:		
Accounts	1,703,596	1,369,491
Taxes	688,110	729,920
Intergovernmental - federal	8,682	-
Intergovernmental - state	1,600	-
Intergovernmental - local	380,349	253,876
Interfund	541,409	617,704
Inventory	174,804	156,337
Prepaid items	10,392	1,649
Total Assets	$ 26,774,141	$ 28,469,789
Liabilities		
Accounts payable	$ 322,233	$ 756,751
Accrued expenditures	786,875	792,541
Unearned revenue	167,395	140,945
Interfund payable	172,348	22,600
Total Liabilities	1,448,851	1,712,837
Deferred Inflows of Resources		
Unavailable revenue - property taxes	423,892	457,872
Fund Balances		
Nonspendable:		
Inventory	174,804	156,337
Prepaid items	10,392	1,649
Restricted:		
Public works (cemetery)	88,675	93,499
Public works (streetscape)	15,000	15,000
Culture and recreation (greenway project)	10,000	10,000
Culture and recreation (Heritage Point Park disc golf)	10,000	-
Culture and recreation (Haig Mill Lake project)	199,400	175,000
Unrestricted:		
Committed:		
Public works (construction contracts)	359,702	-
Assigned:		
Grant funds (airport grant)	10,560	13,316
Unassigned	24,022,865	25,834,279
Total Fund Balances	24,901,398	26,299,080
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 26,774,141	$ 28,469,789

City of Dalton, Georgia
Schedule of Revenues - Budget and Actual - General Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Taxes:					
Real and personal property taxes	$ 8,568,000	$ 8,740,850	$ 8,914,052	$ 173,202	$ 8,735,418
Vehicle tax	96,000	79,615	79,615	-	102,421
Title ad valorem tax	912,000	1,103,045	1,103,678	633	1,307,653
Sales tax	5,800,000	6,340,000	6,340,498	498	5,722,822
Insurance premium tax	2,373,000	2,519,000	2,519,375	375	2,372,871
Financial institution tax	-	112,650	112,680	30	111,980
Recording intangibles	45,000	34,800	34,840	40	45,467
Franchise tax	474,000	417,300	417,067	(233)	442,252
Real estate transfer tax	24,000	18,910	18,912	2	18,468
Occupation tax	734,000	562,800	563,024	224	582,445
Beer tax	538,000	568,000	568,031	31	550,978
Wine tax	78,000	78,680	78,681	1	72,115
Liquor tax	93,000	94,700	94,709	9	93,829
Mixed drink tax	76,000	71,300	71,252	(48)	75,826
Total taxes	19,811,000	20,741,650	20,916,414	174,764	20,234,545
Licenses and permits:					
Alcohol beverage licenses	249,000	267,500	267,542	42	253,458
Business licenses	-	61,300	61,300	-	57,500
Other permits	2,900	16,050	16,144	94	4,600
Total licenses and permits	251,900	344,850	344,986	136	315,558
Intergovernmental:					
Whitfield County	177,000	177,000	177,000	-	177,000
Housing Authority	48,700	48,700	48,712	12	48,712
Payments in lieu of taxes	30,000	31,100	31,116	16	35,715
Federal grants and contracts	7,600	12,600	12,620	20	21,044
State grants and contracts	3,000	7,175	7,245	70	1,886
Total intergovernmental	266,300	276,575	276,693	118	284,357
Charges for services:					
Senior center	56,000	53,785	53,300	(485)	49,575
Program admission and fees	134,600	140,025	140,026	1	147,101
Concession revenue	272,900	181,910	182,748	838	222,214
Garbage and recycling revenue	3,500	4,300	4,294	(6)	1,771
Public works fees	95,000	-	-	-	89,156
Municipal court fees	700,000	593,000	592,789	(211)	715,497
Public safety fees	29,350	32,250	32,289	39	33,712
School resource officer	261,000	278,910	278,912	2	177,985
Cemetery fees	50,000	64,730	64,730	-	64,330
Total charges for services	1,602,350	1,348,910	1,349,088	178	1,501,341

(Continued)

City of Dalton, Georgia
Schedule of Revenues - Budget and Actual - General Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Fines and forfeitures	380,000	433,000	433,589	589	386,456
Investment earnings	250,050	413,745	414,555	810	281,196
Miscellaneous:					
Penalties, fines, and interest	64,700	122,700	123,261	561	84,280
Rental income	267,900	253,165	253,190	25	221,421
Donations	19,300	71,625	71,810	185	161,026
Reimbursements	-	110,920	99,440	(11,480)	30,107
Miscellaneous	71,500	254,285	260,364	6,079	240,778
Total miscellaneous	423,400	812,695	808,065	(4,630)	737,612
Total revenues	$ 22,985,000	$ 24,371,425	$ 24,543,390	$ 171,965	$ 23,741,065
		413,150	412,830		
		(177,000)	(177,000)		
		24,443,420	24,633,364		
		24,679,570	24,869,194		
		308,145	325,804		

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - General Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
General Government:					
Legislative					
Personal services and benefits	$ 50,820	$ 53,915	$ 53,224	$ 691	$ 49,275
Other	86,500	83,405	83,250	155	76,638
Total	137,320	137,320	136,474	846	125,913
Administrative					
Personal services and benefits	290,210	314,883	314,463	420	263,186
Other	312,700	271,877	270,597	1,280	109,343
Total	602,910	586,760	585,060	1,700	372,529
City Clerk					
Personal services and benefits	270,525	277,690	277,501	189	260,437
Other	42,500	35,335	32,632	2,703	37,206
Total	313,025	313,025	310,133	2,892	297,643
Elections					
Other	15,500	6,550	5,858	692	1,390
Total	15,500	6,550	5,858	692	1,390
Finance					
Personal services and benefits	392,190	374,575	374,383	192	363,569
Other	315,800	285,265	281,826	3,439	293,986
Capital outlay	-	7,690	7,686	4	-
Total	707,990	667,530	663,895	3,635	657,555
Human Resources					
Personal services and benefits	325,010	320,400	319,749	651	302,943
Other	83,750	53,900	50,205	3,695	62,967
Total	408,760	374,300	369,954	4,346	365,910
Technology					
Personal services and benefits	245,055	165,665	164,744	921	147,546
Other	134,710	270,065	268,781	1,284	202,802
Capital outlay	292,845	104,500	102,181	2,319	69,514
Total	672,610	540,230	535,706	4,524	419,862
Buildings and Grounds					
Other	768,610	984,460	983,950	510	228,092
Total	768,610	984,460	983,950	510	228,092
Total General Government	3,626,725	3,610,175	3,591,030	19,145	2,468,894

(Continued)

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - General Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Judicial:					
Municipal Court					
Personal services and benefits	220,430	209,020	208,584	436	206,953
Other	230,840	197,515	195,712	1,803	196,278
Total	451,270	406,535	404,296	2,239	403,231
Total Judicial	451,270	406,535	404,296	2,239	403,231
Public Safety:					
Fire Department					
Personal services and benefits	8,225,860	7,988,205	7,988,006	199	7,666,412
Other	885,620	918,735	914,463	4,272	825,244
Capital outlay	-	-	-	-	12,253
Total	9,111,480	8,906,940	8,902,469	4,471	8,503,909
Police Department					
Personal services and benefits	7,806,630	7,142,535	7,139,024	3,511	6,870,083
Other	1,441,040	1,336,485	1,328,406	8,079	1,292,974
Capital outlay	-	4,500	4,455	45	6,000
Total	9,247,670	8,483,520	8,471,885	11,635	8,169,057
Total Public Safety	18,359,150	17,390,460	17,374,354	16,106	16,672,966
Public Works:					
Public Works					
Personal services and benefits	5,000,695	4,654,790	4,649,309	5,481	4,349,111
Other	2,913,940	2,525,870	2,503,054	22,816	2,640,155
Capital outlay	11,000	11,000	10,999	1	38,179
Total	7,925,635	7,191,660	7,163,362	28,298	7,027,445
Infrastructure					
Other	-	94,960	94,961	(1)	174,441
Capital outlay	-	738,630	738,607	23	-
Total	-	833,590	833,568	22	174,441
Total Public Works	7,925,635	8,025,250	7,996,930	28,320	7,201,886

(Continued)

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - General Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Health and Welfare:					
Senior Center					
Personal services and benefits	270,920	293,482	293,343	139	275,228
Other	136,290	131,728	128,887	2,841	134,032
Capital outlay	18,000	-	-	-	16,627
Total	425,210	425,210	422,230	2,980	425,887
Special Projects					
Other	8,990	8,990	8,984	6	8,984
Total	8,990	8,990	8,984	6	8,984
Total Health and Welfare	434,200	434,200	431,214	2,986	434,871
Culture and Recreation:					
Recreation Department					
Personal services and benefits	2,185,710	2,297,315	2,295,416	1,899	1,954,526
Other	1,424,585	1,272,845	1,265,866	6,979	1,275,679
Capital outlay	20,000	7,550	7,550	-	11,752
Total	3,630,295	3,577,710	3,568,832	8,878	3,241,957
Special Projects					
Other	336,000	337,560	337,560	-	336,000
Total	336,000	337,560	337,560	-	336,000
Infrastructure					
Other	10,000	10,050	9,992	58	-
Capital outlay	-	7,700	7,701	(1)	-
Total	10,000	17,750	17,693	57	-
Total Culture and Recreation	3,976,295	3,933,020	3,924,085	8,935	3,577,957
Housing and Development:					
Special Projects					
Other	372,500	372,500	372,500	-	300,000
Total	372,500	372,500	372,500	-	300,000
Total Housing and Development	372,500	372,500	372,500	-	300,000
Total expenditures	$ 35,145,775	$ 34,172,140	$ 34,094,409	$ 77,731	$ 31,059,805

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - Sub-Budgets - General Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Police Department:					
Administration					
Personal services and benefits	$ 763,845	$ 641,062	$ 639,936	1,126	$ 647,946
Other	547,830	502,145	500,268	1,877	489,305
Total	1,311,675	1,143,207	1,140,204	3,003	1,137,251
Patrol					
Personal services and benefits	4,767,200	4,427,930	4,427,080	850	4,095,092
Other	516,160	513,800	512,780	1,020	458,691
Capital outlay	-	4,500	4,455	45	6,000
Total	5,283,360	4,946,230	4,944,315	1,915	4,559,783
Criminal Investigation Division					
Personal services and benefits	1,371,980	1,265,798	1,265,601	197	1,309,415
Other	134,905	102,555	100,184	2,371	107,104
Total	1,506,885	1,368,353	1,365,785	2,568	1,416,519
Support Services					
Personal services and benefits	903,605	807,745	806,407	1,338	817,630
Other	242,145	217,985	215,174	2,811	237,874
Total	1,145,750	1,025,730	1,021,581	4,149	1,055,504
Total Police Department	$ 9,247,670	$ 8,483,520	$ 8,471,885	$ 11,635	$ 8,169,057

(Continued)

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - Sub-Budgets - General Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Public Works Department:					
Administration					
Personal services and benefits	$ 600,240	$ 587,675	$ 587,342	$ 333	$ 510,869
Other	821,450	710,700	707,432	3,268	702,074
Total	1,421,690	1,298,375	1,294,774	3,601	1,212,943
Street					
Personal services and benefits	833,230	646,090	644,991	1,099	623,501
Other	243,410	149,820	149,691	129	173,824
Capital outlay	-	-	-	-	25,400
Total	1,076,640	795,910	794,682	1,228	822,725
Sanitation					
Personal services and benefits	1,543,260	1,586,750	1,586,185	565	1,419,376
Other	438,050	416,815	415,771	1,044	379,179
Total	1,981,310	2,003,565	2,001,956	1,609	1,798,555
Shop					
Personal services and benefits	604,175	511,535	510,543	992	490,433
Other	778,640	708,600	694,631	13,969	820,928
Total	1,382,815	1,220,135	1,205,174	14,961	1,311,361
Traffic engineer					
Personal services and benefits	477,610	443,280	442,948	332	433,907
Other	99,835	100,030	98,634	1,396	110,763
Total	577,445	543,310	541,582	1,728	544,670
Landscaping					
Personal services and benefits	648,660	582,180	581,271	909	586,082
Other	250,235	199,130	196,201	2,929	195,814
Capital outlay	11,000	11,000	10,999	1	12,779
Total	909,895	792,310	788,471	3,839	794,675
Stormwater					
Personal services and benefits	293,520	297,280	296,029	1,251	284,943
Other	282,320	240,775	240,694	81	257,573
Total	575,840	538,055	536,723	1,332	542,516
Total Public Works Department	$ 7,925,635	$ 7,191,660	$ 7,163,362	$ 28,298	$ 7,027,445

(Continued)

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - Sub-Budgets - General Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Recreation Department:					
Administration					
Personal services and benefits	$ 846,765	$ 855,205	$ 854,554	$ 651	$ 770,337
Other	176,950	162,230	160,252	1,978	163,116
Total	1,023,715	1,017,435	1,014,806	2,629	933,453
Programs					
Personal services and benefits	364,815	323,395	322,913	482	310,930
Other	460,360	392,135	389,134	3,001	403,140
Total	825,175	715,530	712,047	3,483	714,070
Parks					
Personal services and benefits	974,130	1,118,715	1,117,949	766	873,259
Other	787,275	718,480	716,480	2,000	709,423
Capital outlay	20,000	7,550	7,550	-	11,752
Total	1,781,405	1,844,745	1,841,979	2,766	1,594,434
Total Recreation Department	$ 3,630,295	$ 3,577,710	$ 3,568,832	$ 8,878	$ 3,241,957

NONMAJOR SPECIAL REVENUE FUNDS

Hotel/Motel Tax Fund – Established to account for the collection of excise tax on charges for hotel/motel accommodations in the City. The rate imposed is 7%. The levy is used to promote tourism, trade shows, and other related purposes.

Confiscated Assets Fund – Established to account for the City's share of forfeited revenues that are restricted for law enforcement purposes.

Community Development Block Grant Fund – Established to account for grant proceeds from the Department of Housing and Urban Development for the operations of the City's community development program. The program is used to develop viable urban communities by providing a suitable living environment and expanding economic opportunities, principally for low to moderate income areas.

Community HOME Investment Program Grant Fund – Established to account for grant proceeds from the Department of Housing and Urban Development for the operations of the City's home improvement program. The program provides assistance to low and very low income families for home improvements.

Airport Improvement Grant Fund – Established to account for grant proceeds from the Georgia Department of Transportation for improvements at the Dalton Municipal Airport.

Tax Allocation District #1 Fund – Established to account for property tax collections derived from the City tax allocation districts for the purpose of stimulating private redevelopment within a specified area in downtown Dalton.

Tax Allocation District #3 Fund – Established to account for property tax collections derived from the City tax allocation districts for the purpose of stimulating private redevelopment within a specified area on West Walnut Avenue.

Economic Development Fund – Established to account for payments in lieu of taxes derived from an agreement between a business and the Dalton-Whitfield Joint Development Authority, with the proceeds restricted for economic development.

City of Dalton, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	Hotel/ Motel Tax	Confiscated Assets	Community Development Block Grant	Community HOME Invest. Program Grant	Airport Improvement Grant	Tax Allocation District #1	Tax Allocation District #3	Economic Development	Total Nonmajor Special Revenue Funds
Assets									
Cash and cash equivalents	$ -	$ 125,195	$ 1	$ 1	$ -	$ 19,203	$ 68	$ 132,775	$ 277,243
Receivables:									
Accounts	108,442	-	-	-	-	-	-	-	108,442
Intergovernmental - federal	-	-	23,350	-	61,213	-	-	-	84,563
Intergovernmental - state	-	-	-	-	3,401	-	-	-	3,401
Intergovernmental - local	-	-	-	-	-	-	-	63,975	63,975
Interfund	-	516	-	-	-	-	-	-	516
Total Assets	$ 108,442	$ 125,711	$ 23,351	$ 1	$ 64,614	$ 19,203	$ 68	$ 196,750	$ 538,140
Liabilities									
Accounts payable	$ 40,513	$ 1,689	$ 22,995	$ -	$ -	$ -	$ -	$ -	$ 65,197
Interfund payable	67,929	-	355	-	64,614	-	-	-	132,898
Total Liabilities	108,442	1,689	23,350	-	64,614	-	-	-	198,095
Fund Balances									
Restricted for:									
Economic development	-	-	-	-	-	19,203	68	196,750	216,021
Public safety	-	124,022	-	-	-	-	-	-	124,022
Housing and development	-	-	1	1	-	-	-	-	2
Total Fund Balances	-	124,022	1	1	-	19,203	68	196,750	340,045
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 108,442	$ 125,711	$ 23,351	$ 1	$ 64,614	$ 19,203	$ 68	$ 196,750	$ 538,140

City of Dalton, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	Hotel/ Motel Tax	Confiscated Assets	Community Development Block Grant	Community HOME Invest. Program Grant	Airport Improvement Grant	Tax Allocation District #1	Tax Allocation District #3	Economic Development	Total Nonmajor Special Revenue Funds
Revenues									
Hotel/motel taxes	$ 1,566,635	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,566,635
Payments in lieu of taxes	-	-	-	-	-	-	-	63,975	63,975
Intergovernmental - federal	-	-	397,454	163,333	116,531	-	-	-	677,318
Intergovernmental - state	-	-	-	-	6,474	-	-	-	6,474
Fines and forfeitures	-	26,414	-	-	-	-	-	-	26,414
Investment earnings	-	1,051	-	-	-	23	-	1,077	2,151
Miscellaneous	638	-	-	-	-	-	-	-	638
Total Revenues	1,567,273	27,465	397,454	163,333	123,005	23	-	65,052	2,343,605
Expenditures									
Current:									
General government	-	-	73,197	-	129,479	-	-	-	202,676
Public safety	-	53,112	-	-	-	-	-	-	53,112
Public works	-	-	20,000	-	-	-	-	-	20,000
Health and welfare	-	-	20,507	-	-	-	-	-	20,507
Culture and recreation	397,201	-	-	-	-	-	-	-	397,201
Housing and development	-	-	283,750	164,865	-	-	-	-	448,615
Total Current	397,201	53,112	397,454	164,865	129,479	-	-	-	1,142,111
Capital Outlay:									
Culture and recreation	22,615	-	-	-	-	-	-	-	22,615
Total Capital Outlay	22,615	-	-	-	-	-	-	-	22,615
Total Expenditures	419,816	53,112	397,454	164,865	129,479	-	-	-	1,164,726
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,147,457	(25,647)	-	(1,532)	(6,474)	23	-	65,052	1,178,879
Other Financing Sources (Uses)									
Proceeds from sale of assets	-	4,781	-	-	-	-	-	-	4,781
Transfers in (out)	(1,147,457)	-	-	1,532	6,474	(3,399)	-	-	(1,142,850)
Total Other Financing Sources (Uses)	(1,147,457)	4,781	-	1,532	6,474	(3,399)	-	-	(1,138,069)
Net Change in Fund Balances	-	(20,866)	-	-	-	(3,376)	-	65,052	40,810
Fund Balances Beginning of Year	-	144,888	1	1	-	22,579	68	131,698	299,235
Fund Balances End of Year	$ -	$ 124,022	$ 1	$ 1	$ -	$ 19,203	$ 68	$ 196,750	$ 340,045

City of Dalton, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Accounts receivable	$ 108,442	$ 110,582
Total Assets	$ 108,442	$ 110,582
Liabilities		
Accounts payable	$ 40,513	$ 20,021
Interfund payable	67,929	90,561
Total Liabilities	$ 108,442	$ 110,582

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Hotel/Motel Tax Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Hotel/motel taxes	$ 1,400,000	$ 1,566,860	$ 1,566,635	$ (225)	$ 1,564,560
Miscellaneous	-	640	638	(2)	1,387
Total Revenues	1,400,000	1,567,500	1,567,273	(227)	1,565,947
Expenditures					
Current:					
Culture and recreation:					
Other	373,000	383,710	397,201	(13,491)	404,802
Capital Outlay:					
Culture and recreation:					
Capital outlay	36,440	12,930	22,615	(9,685)	-
Total Expenditures	409,440	396,640	419,816	(23,176)	404,802
Excess (Deficiency) of Revenues Over (Under) Expenditures	990,560	1,170,860	1,147,457	(23,403)	1,161,145
Other Financing (Uses)					
Transfers out	(990,560)	(1,155,860)	(1,147,457)	8,403	(1,161,145)
Net Change in Fund Balances	$ -	$ 15,000	-	$ (15,000)	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Dalton, Georgia
Comparative Balance Sheet
Confiscated Assets Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 125,195	$ 148,943
Interfund receivable	516	-
Total Assets	$ 125,711	$ 148,943
Liabilities		
Accounts payable	$ 1,689	$ 4,055
Total Liabilities	1,689	4,055
Fund Balances		
Restricted - public safety	124,022	144,888
Total Fund Balances	124,022	144,888
Total Liabilities and Fund Balances	$ 125,711	$ 148,943

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Confiscated Assets Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - federal	$ 40,000	$ 39,825	$ -	$ (39,825)	$ 24,968
Fines and forfeitures	60,000	51,950	26,414	(25,536)	61,550
Investment earnings	660	1,085	1,051	(34)	1,129
Total Revenues	100,660	92,860	27,465	(65,395)	87,647
Expenditures					
Current:					
Public Safety:					
Other	82,730	102,730	53,112	49,618	77,614
Capital Outlay:					
Public Safety:					
Capital outlay	-	-	-	-	7,470
Total Expenditures	82,730	102,730	53,112	49,618	85,084
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,930	(9,870)	(25,647)	(15,777)	2,563
Other Financing Sources					
Proceeds from sale of assets	-	7,800	4,781	(3,019)	14,244
Net Change in Fund Balances	$ 17,930	$ (2,070)	(20,866)	$ (18,796)	16,807
Fund Balances Beginning of Year			144,888		128,081
Fund Balances End of Year			$ 124,022		$ 144,888

City of Dalton, Georgia
Comparative Balance Sheet
Community Development Block Grant Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 1	$ 1
Intergovernmental receivable - federal	23,350	17,427
Total Assets	$ 23,351	$ 17,428
Liabilities		
Accounts payable	$ 22,995	$ 8,549
Interfund payable	355	8,878
Total Liabilities	23,350	17,427
Fund Balances		
Restricted - housing and development	1	1
Total Fund Balances	1	1
Total Liabilities and Fund Balances	$ 23,351	$ 17,428

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - CDBG Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - federal	$ 390,000	$ 397,455	$ 397,454	$ (1)	$ 375,553
Total Revenues	390,000	397,455	397,454	(1)	375,553
Expenditures					
Current:					
General Government:					
Other	78,000	73,195	73,197	(2)	80,186
Public Works:					
Other	-	20,000	20,000	-	-
Health and Welfare:					
Other	30,000	20,510	20,507	3	29,705
Housing and Development:					
Other	282,000	283,750	283,750	-	-
Capital outlay:					
Public Works:					
Capital outlay	-	-	-	-	265,662
Total Expenditures	390,000	397,455	397,454	1	375,553
Net Change in Fund Balances	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			1		1
Fund Balances End of Year			$ 1		$ 1

City of Dalton, Georgia
Comparative Balance Sheet
Community HOME Investment Program Grant
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 1	$ 1
Receivables:		
Intergovernmental - federal	-	54,585
Interfund	-	100
Total Assets	$ 1	$ 54,686
Liabilities		
Accounts payable	$ -	$ 54,685
Total Liabilities	-	54,685
Fund Balances		
Restricted - housing and development	1	1
Total Fund Balances	1	1
Total Liabilities and Fund Balances	$ 1	$ 54,686

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - CHIP Grant
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - federal	$ 100,000	$ 163,350	$ 163,333	$ (17)	$ 54,585
Total Revenues	100,000	163,350	163,333	(17)	54,585
Expenditures					
Current:					
Housing and Development:					
Other	105,000	168,350	164,865	3,485	54,964
Total Expenditures	105,000	168,350	164,865	3,485	54,964
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(5,000)	(1,532)	3,468	(379)
Other Financing Sources					
Transfers in	5,000	5,000	1,532	(3,468)	379
Net Change in Fund Balances	$ -	$ -	-	$ -	$ -
Fund Balances Beginning of Year			1		1
Fund Balances End of Year			$ 1		$ 1

City of Dalton, Georgia
Comparative Balance Sheet
Airport Improvement Grant Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Receivables:		
Intergovernmental - federal	$ 61,213	$ 26,821
Intergovernmental - state	3,401	685
Total Assets	$ 64,614	$ 27,506
Liabilities		
Accounts payable	$ -	$ 25,791
Interfund payable	64,614	1,715
Total Liabilities	$ 64,614	$ 27,506

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Airport Improvement Grant Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - federal	$ 1,260,000	$ 116,535	$ 116,531	$ (4)	$ 1,225,094
Intergovernmental - state	70,000	6,475	6,474	(1)	66,095
Total Revenues	1,330,000	123,010	123,005	(5)	1,291,189
Expenditures					
Current:					
General Government:					
Other	-	129,485	129,479	6	-
Capital outlay:					
General Government:					
Capital outlay	1,400,000	-	-	-	1,373,310
Total Expenditures	1,400,000	129,485	129,479	6	1,373,310
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,000)	(6,475)	(6,474)	1	(82,121)
Other Financing Sources					
Transfers in	70,000	6,475	6,474	(1)	82,121
Net Change in Fund Balances	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Dalton, Georgia
Comparative Balance Sheet
Tax Allocation District #1
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 19,203	$ 25,105
Receivables:		
Taxes	-	301
Total Assets	$ 19,203	$ 25,406
Liabilities		
Accounts payable	$ -	$ 2,600
Total Liabilities	-	2,600
Deferred Inflows of Resources		
Unavailable revenue - property taxes	-	227
Fund Balances		
Restricted - economic development	19,203	22,579
Total Fund Balances	19,203	22,579
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 19,203	$ 25,406

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Tax Allocation District #1
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Real and personal property taxes	$ 10,000	$ 9,950	$ -	$ (9,950)	$ 2,733
Investment earnings	-	50	23	(27)	53
Miscellaneous	-	-	-	-	10,000
Total Revenues	10,000	10,000	23	(9,977)	12,786
Expenditures					
Current:					
General Government:					
Other	25,000	11,600	-	11,600	3,870
Total Expenditures	25,000	11,600	-	11,600	3,870
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,000)	(1,600)	23	1,623	8,916
Other Financing Sources (Uses)					
Transfers in	15,000	5,000	-	(5,000)	-
Transfers out	-	(3,400)	(3,399)	1	-
Total Other Financing Sources (Uses)	15,000	1,600	(3,399)	(4,999)	-
Net Change in Fund Balances	$ -	$ -	(3,376)	$ (3,376)	8,916
Fund Balances Beginning of Year			22,579		13,663
Fund Balances End of Year			$ 19,203		$ 22,579

City of Dalton, Georgia
Comparative Balance Sheet
Tax Allocation District #3
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 68	$ 68
Total Assets	$ 68	$ 68
Fund Balances		
Restricted - economic development	68	68
Total Fund Balances	$ 68	$ 68

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Tax Allocation District #3
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures					
Current:					
General Government:					
Other	$ -	$ -	$ -	$ -	$ 6,912
Total Expenditures	-	-	-	-	6,912
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	(6,912)
Net Change in Fund Balances	$ -	$ -	-	$ -	(6,912)
Fund Balances Beginning of Year			68		6,980
Fund Balances End of Year			$ 68		$ 68

City of Dalton, Georgia
Comparative Balance Sheet
Economic Development Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 132,775	$ 46,282
Receivables:		
Intergovernmental - local	63,975	85,416
Total Assets	$ 196,750	$ 131,698
Fund Balances		
Restricted - economic development	$ 196,750	$ 131,698
Total Fund Balances	$ 196,750	$ 131,698

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Economic Development Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Payments in lieu of taxes	$ 39,000	$ 64,000	$ 63,975	$ (25)	$ 85,416
Investment earnings	-	1,100	1,077	(23)	372
Total Revenues	39,000	65,100	65,052	(48)	85,788
Expenditures					
Current:					
General Government:					
Other	39,000	39,000	-	39,000	-
Total Expenditures	39,000	39,000	-	39,000	-
Net Change in Fund Balances	$ -	$ 26,100	65,052	$ 38,952	85,788
Fund Balances Beginning of Year			131,698		45,910
Fund Balances End of Year			$ 196,750		$ 131,698

NONMAJOR DEBT SERVICE FUND

City of Dalton, Georgia
Comparative Balance Sheet
Debt Service Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 9,049	$ 206
Receivables:		
Intergovernmental - local	102,114	108,796
Total Assets	$ 111,163	$ 109,002
Liabilities		
Accrued interest payable	$ 102,114	$ 108,796
Total Liabilities	102,114	108,796
Fund Balances		
Restricted - debt service	9,049	206
Total Fund Balances	9,049	206
Total Liabilities and Fund Balances	$ 111,163	$ 109,002

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - local	$ 53,000	$ 53,000	$ 53,000	$ -	$ 53,000
Investment earnings	93,880	83,800	92,627	8,827	97,027
Miscellaneous	-	-	-	-	8
Total Revenues	146,880	136,800	145,627	8,827	150,035
Expenditures					
Debt Service:					
Principal retirement	308,000	313,000	313,000	-	308,997
Interest and fiscal charges	226,840	216,800	216,784	16	226,802
Total Expenditures	534,840	529,800	529,784	16	535,799
Excess (Deficiency) of Revenues Over (Under) Expenditures	(387,960)	(393,000)	(384,157)	8,843	(385,764)
Other Financing Sources (Uses)					
Transfers in	387,960	393,000	393,000	-	385,960
Net Change in Fund Balances	$ -	$ -	8,843	$ 8,843	196
Fund Balances Beginning of Year			206		10
Fund Balances End of Year			$ 9,049		$ 206

NONMAJOR CAPITAL PROJECTS FUNDS

2015 SPLOST Capital Projects Fund – Established to account for a portion of 2015 SPLOST proceeds and related current and capital expenditure of those proceeds. The Building Authority issued debt during 2015 to prefund certain City and county-wide SPLOST projects, and the proceeds and related projects will be accounted for and reported in this fund.

2015 SPLOST Bonded Debt Capital Projects Fund – Established to account for a portion of 2015 SPLOST proceeds and related current and capital expenditure of those proceeds. The Building Authority issued debt during 2015 to prefund certain City and county-wide SPLOST projects, and the repayment of that debt with SPLOST revenues collected will be accounted for and reported in this fund. Further, all SPLOST projects that were not prefunded by the debt issuance will be accounted for and reported in this fund.

2007 SPLOST Capital Projects Fund – Established to account for all 2007 SPLOST proceeds and related current and capital expenditure of those proceeds.

Capital Acquisition Fund – Established to account for other capital asset activity. The activity in this fund is primarily related to the purchase of machinery, equipment, vehicles, and furniture and fixtures.

City of Dalton, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2019

	SPLOST 2015 Capital Projects Fund	SPLOST 2015 Bonded Debt Capital Projects Fund	SPLOST 2007 Capital Projects Fund	Capital Acquisition Fund	Total Nonmajor Capital Projects Funds
Assets					
Cash and cash equivalents	$ 5,759,109	$ -	$ -	$ 3,000,000	$ 8,759,109
Receivables:					
Intergovernmental - local	17,500	95,534	60,790	-	173,824
Interfund	171,832	-	-	-	171,832
Total Assets	$ 5,948,441	$ 95,534	$ 60,790	$ 3,000,000	$ 9,104,765
Liabilities					
Accounts payable	$ -	$ -	$ -	$ 299,320	$ 299,320
Interfund payable	-	-	60,790	-	60,790
Unearned revenue	421,257	-	-	-	421,257
Total Liabilities	421,257	-	60,790	299,320	781,367
Fund Balances					
Restricted for:					
Capital projects	5,527,184	95,534	-	2,700,680	8,323,398
Total Fund Balances	5,527,184	95,534	-	2,700,680	8,323,398
Total Liabilities and Fund Balances	$ 5,948,441	$ 95,534	$ 60,790	$ 3,000,000	$ 9,104,765

City of Dalton, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019

	SPLOST 2015 Capital Projects Fund	SPLOST 2015 Bonded Debt Capital Projects Fund	SPLOST 2007 Capital Projects Fund	Capital Acquisition Fund	Total Nonmajor Capital Projects Funds
Revenues					
Intergovernmental - state	$ 387,644	$ -	$ -	$ -	$ 387,644
Intergovernmental - local	3,937,405	-	310,457	-	4,247,862
Investment earnings	170,811	-	-	-	170,811
Total Revenues	4,495,860	-	310,457	-	4,806,317
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	2,200,799	-	-	-	2,200,799
Culture and recreation	-	24,302	-	-	24,302
Total Current	2,200,799	24,302	-	-	2,225,101
Capital Outlay:					
General government	-	19,552	-	-	19,552
Public safety	78,579	-	-	-	78,579
Public works	1,365,078	-	310,457	439,544	2,115,079
Culture and recreation	202,663	-	-	-	202,663
Total Capital Outlay	1,646,320	19,552	310,457	439,544	2,415,873
Debt Service:					
Principal retirement	2,168,859	-	-	-	2,168,859
Interest and fiscal charges	28,130	-	-	-	28,130
Total Debt Service	2,196,989	-	-	-	2,196,989
Total Expenditures	6,044,108	43,854	310,457	439,544	6,837,963
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,548,248)	(43,854)	-	(439,544)	(2,031,646)
Other Financing Sources (Uses)					
Transfers in	-	-	-	3,175,224	3,175,224
Transfers out	-	-	-	(35,000)	(35,000)
Total Other Financing Sources (Uses)	-	-	-	3,140,224	3,140,224
Net Change in Fund Balances	(1,548,248)	(43,854)	-	2,700,680	1,108,578
Fund Balances Beginning of Year	7,075,432	139,388	-	-	7,214,820
Fund Balances End of Year	$ 5,527,184	$ 95,534	$ -	$ 2,700,680	$ 8,323,398

City of Dalton, Georgia
Comparative Balance Sheet
SPLOST 2015 Capital Projects Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 5,759,109	$ 5,695,389
Intergovernmental receivable - local	17,500	1,747,223
Interfund receivable	171,832	22,500
Total Assets	$ 5,948,441	$ 7,465,112
Liabilities		
Accounts payable	$ -	$ 389,680
Unearned revenue	421,257	-
Total Liabilities	421,257	389,680
Fund Balances		
Restricted - capital projects	5,527,184	7,075,432
Total Fund Balances	5,527,184	7,075,432
Total Liabilities and Fund Balances	$ 5,948,441	$ 7,465,112

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - SPLOST 2015 Capital Projects Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019	2018	Project to Date			
	Actual	Actual	Original Budget	Final Budget	Actual	Remaining Budget
Revenues						
Intergovernmental - state	$ 387,644	$ 613,400	$ -	$ 1,555,782	$ 1,555,782	$ -
Intergovernmental - local	3,937,405	6,945,391	24,913,115	26,038,117	26,033,850	4,267
Investment earnings	170,811	111,455	-	349,523	345,486	4,037
Total Revenues	4,495,860	7,670,246	24,913,115	27,943,422	27,935,118	8,304
Expenditures						
Current:						
Public Safety:						
Other	-	-	-	500	447	53
Public Works:						
Bridge maintenance	-	94,377	-	131,066	131,066	-
Drainage projects	-	-	-	8,130	8,130	-
Street resurfacing	2,200,799	1,254,005	5,000,000	7,732,200	5,434,030	2,298,170
Total Current	2,200,799	1,348,382	5,000,000	7,871,896	5,573,673	2,298,223
Capital Outlay:						
Public Safety:						
Police Department vehicles	78,579	200,495	1,123,957	1,123,457	1,101,241	22,216
Public Works:						
Bridge maintenance	1,323,258	-	1,000,000	1,341,055	1,323,258	17,797
Sidewalk construction	-	-	2,000,000	1,527,879	-	1,527,879
Drainage projects	41,820	-	2,000,000	2,097,678	437,165	1,660,513
Culture and Recreation:						
Haig Mill recreation project	202,663	2,761,597	5,000,000	5,293,814	5,284,954	8,860
Total Capital Outlay	1,646,320	2,962,092	11,123,957	11,383,883	8,146,618	3,237,265
Debt Service:						
Principal retirement	2,168,859	2,141,077	8,505,956	8,504,958	8,504,958	-
Interest and fiscal charges	28,130	55,900	283,202	283,168	283,168	-
Total Debt Service	2,196,989	2,196,977	8,789,158	8,788,126	8,788,126	-
Total Expenditures	6,044,108	6,507,451	24,913,115	28,043,905	22,508,417	5,535,488
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,548,248)	1,162,795	-	(100,483)	5,426,701	(5,527,184)
Other Financing Sources (Uses)						
Transfers in	-	100,483	-	100,483	100,483	-
Total Other Financing Sources (Uses	-	100,483	-	100,483	100,483	-
Net Change in Fund Balances	(1,548,248)	1,263,278	$ -	$ -	$ 5,527,184	$ (5,527,184)
Fund Balances Beginning of Year	7,075,432	5,812,154				
Fund Balances End of Year	$ 5,527,184	$ 7,075,432				

Note: This capital projects fund is project based, and therefore the budget presented above represents anticipated expenditures over multiple years.

City of Dalton, Georgia
Comparative Balance Sheet
SPLOST 2015 Bonded Debt Capital Projects Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Intergovernmental receivable - local	$ 95,534	$ 139,388
Total Assets	$ 95,534	$ 139,388
Fund Balances		
Restricted - capital projects	$ 95,534	$ 139,388
Total Fund Balances	$ 95,534	$ 139,388

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -
SPLOST 2015 Bonded Debt Capital Projects Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019	2018	Project to Date			
	Actual	Actual	Original Budget	Final Budget	Actual	Remaining Budget
Revenues						
Investment earnings	$ -	$ 1,401	$ -	$ 26,413	$ 11,846	$ 14,567
Total Revenues	-	1,401	-	26,413	11,846	14,567
Expenditures						
Current:						
General Government:						
Other	-	-	113,000	-	-	-
Public Safety:						
Other	-	-	36,610	36,557	36,557	-
Culture and Recreation:						
Library	24,302	91,110	-	162,551	162,551	-
Other	-	-	87,000	82,454	82,454	-
Total Current	24,302	91,110	236,610	281,562	281,562	-
Capital Outlay:						
General Government:						
Communication project	19,552	1,951	-	3,901,222	3,805,689	95,533
Public Safety:						
Fire Department vehicles	-	-	1,565,000	1,558,372	1,558,372	-
Police Department vehicles	-	-	474,433	474,433	474,433	-
Culture and Recreation:						
Tennis courts	-	-	600,000	529,368	529,368	-
Lakeshore renovation	-	132,034	1,365,000	1,488,294	1,473,727	14,567
Brookwood Bridge	-	-	35,000	33,278	33,278	-
Total Capital Outlay	19,552	133,985	4,039,433	7,984,967	7,874,867	110,100
Debt Service:						
Issuance costs/fiscal fees	-	-	166,140	165,357	165,356	1
Total Debt Service	-	-	166,140	165,357	165,356	1
Total Expenditures	43,854	225,095	4,442,183	8,431,886	8,321,785	110,101
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,854)	(223,694)	(4,442,183)	(8,405,473)	(8,309,939)	95,534
Other Financing Sources (Uses)						
Issuance of debt	-	-	4,442,183	8,505,956	8,505,956	-
Transfers out	-	(100,483)	-	(100,483)	(100,483)	-
Total Other Financing Sources (Uses	-	(100,483)	4,442,183	8,405,473	8,405,473	-
Net Change in Fund Balances	(43,854)	(324,177)	$ -	$ -	$ 95,534	$ 95,534
Fund Balances Beginning of Year	139,388	463,565				
Fund Balances End of Year	$ 95,534	$ 139,388				

Note: This capital projects fund is project based, and therefore the budget presented above represents anticipated expenditures over multiple years.

City of Dalton, Georgia
Comparative Balance Sheet
SPLOST 2007 Capital Projects Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Intergovernmental receivable - local	$ 60,790	$ 164,584
Total Assets	$ 60,790	$ 164,584
Liabilities		
Interfund payable	$ 60,790	$ 164,584
Total Liabilities	$ 60,790	$ 164,584

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - SPLOST 2007 Capital Projects Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - local	$ 287,900	$ 315,000	$ 310,457	$ (4,543)	$ 572,484
Total Revenues	287,900	315,000	310,457	(4,543)	572,484
Expenditures					
Capital Outlay:					
Public Works:					
Road projects	287,900	315,000	310,457	4,543	572,484
Total Expenditures	287,900	315,000	310,457	4,543	572,484
Net Change in Fund Balances	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Dalton, Georgia
Comparative Balance Sheet
Capital Acquisition Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 3,000,000	$ 215,175
Total Assets	$ 3,000,000	$ 215,175
Liabilities		
Accounts payable	$ 299,320	$ 215,175
Total Liabilities	299,320	215,175
Fund Balances		
Restricted - capital projects	2,700,680	-
Total Fund Balances	2,700,680	-
Total Liabilities and Fund Balances	$ 3,000,000	$ 215,175

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Acquisition Fund
For the Year Ended December 31, 2019
(With Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures					
Current:					
Public Safety:					
Other	$ -	$ -	$ -	$ -	$ 8,100
Culture and Recreation:					
Other	-	-	-	-	53,387
Total Current	-	-	-	-	61,487
Capital Outlay:					
General Government:					
Equipment and vehicles	-	-	-	-	35,688
Public Safety:					
Equipment and vehicles	-	-	-	-	287,291
Public Works:					
Equipment and vehicles	-	439,545	439,544	1	742,971
Culture and Recreation:					
Equipment and vehicles	-	-	-	-	114,214
Total Capital Outlay	-	439,545	439,544	1	1,180,164
Total Expenditures	-	439,545	439,544	1	1,241,651
Other Financing Sources (Uses)					
Transfers in	-	3,175,875	3,175,224	(651)	1,241,651
Transfers out	-	(35,000)	(35,000)	-	-
Total Other Financing Sources (Uses)	-	3,140,875	3,140,224	(651)	1,241,651
Net Change in Fund Balances	$ -	$ 2,701,330	2,700,680	$ (650)	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ 2,700,680		$ -

NONMAJOR PROPRIETARY FUNDS

Enterprise Funds

Municipal Golf Course Fund – This fund is used to account for the maintenance and operations of Nob North Golf Course.

Dalton Municipal Airport Fund – This fund is used to account for the maintenance and operations of the Dalton Municipal Airport.

Northwest Georgia Trade and Convention Center Authority – This fund is used to account for the maintenance and operations of the Northwest Georgia Trade and Convention Center Authority, which operates to promote tourism by hosting conventions, special events, and trade shows for the benefit of the City of Dalton and Whitfield County. The City operates this entity in conjunction with Whitfield County, and has a fifty percent equity interest.

Dalton-Whitfield Regional Solid Waste Management Authority – This fund is used to account for the Dalton-Whitfield Regional Solid Waste Management Authority, which operates and maintains solid waste disposal sites within Whitfield County. The City operates this entity in conjunction with Whitfield County, and has a fifty percent equity interest.

City of Dalton, Georgia
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2019

	Municipal Golf Course	Municipal Airport	Northwest Georgia Trade and Convention Center Authority	Dalton/Whitfield Regional Solid Waste Mgt Authority	Total Nonmajor Enterprise Funds
Assets					
Current Assets:					
Cash and cash equivalents	$ 1,460	$ 99,604	$ -	$ -	$ 101,064
Receivables:					
Accounts	-	30	-	-	30
Inventory	34,971	13,684	-	-	48,655
Prepaid items	167	-	-	-	167
Total Current Assets	36,598	113,318	-	-	149,916
Noncurrent Assets:					
Capital Assets:					
Land	739,352	3,786,177	-	-	4,525,529
Depreciable capital assets, net	633,066	5,903,113	-	-	6,536,179
Other Assets:					
Investment in joint ventures	-	-	6,859,163	14,626,656	21,485,819
Total Noncurrent Assets	1,372,418	9,689,290	6,859,163	14,626,656	32,547,527
Total Assets	1,409,016	9,802,608	6,859,163	14,626,656	32,697,443
Deferred Outflows of Resources	58,145	-	-	-	58,145
Total Assets and Deferred Outflows	$ 1,467,161	$ 9,802,608	$ 6,859,163	$ 14,626,656	$ 32,755,588
Liabilities					
Current Liabilities:					
Accounts payable	4,439	4,093	-	-	8,532
Accrued expenses	18,922	6,049	-	-	24,971
Unearned revenue	19,426	4,814	-	-	24,240
Interfund payable	347,721	-	-	-	347,721
Compensated absences payable	36,000	4,000	-	-	40,000
Total Current Liabilities	426,508	18,956	-	-	445,464
Long-Term Liabilities:					
Compensated absences payable (net of current portion)	57,488	6,222	-	-	63,710
Net pension liability	131,053	-	-	-	131,053
Net OPEB liability	153,664	-	-	-	153,664
Total Long-Term Liabilities	342,205	6,222	-	-	348,427
Total Liabilities	768,713	25,178	-	-	793,891
Deferred Inflows of Resources	269,917	-	-	-	269,917
Net Position					
Net investment in capital assets	1,372,418	9,689,290	-	-	11,061,708
Unrestricted	(943,887)	88,140	6,859,163	14,626,656	20,630,072
Total Net Position	428,531	9,777,430	6,859,163	14,626,656	31,691,780
Total Liabilities, Deferred Inflows, and Net Position	$ 1,467,161	$ 9,802,608	$ 6,859,163	$ 14,626,656	$ 32,755,588

City of Dalton, Georgia
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2019

	Municipal Golf Course	Municipal Airport	Northwest Georgia Trade and Convention Center	Dalton/Whitfield Regional Solid Waste Mgt Authority	Total Nonmajor Enterprise Funds
Operating Revenues					
Charges for services	$ 653,356	$ 513,215	$ -	$ -	$ 1,166,571
Merchandise sales	89,422	-	-	-	89,422
Tournaments	97,638	-	-	-	97,638
Concessions	66,041	-	-	-	66,041
Miscellaneous	2,309	9,546	-	-	11,855
Total Operating Revenues	908,766	522,761	-	-	1,431,527
Operating Expenses					
Cost of sales and services	341,328	399,288	-	-	740,616
Personal services and benefits	497,045	140,785	-	-	637,830
Depreciation	114,760	453,724	-	-	568,484
Total Operating Expenses	953,133	993,797	-	-	1,946,930
Operating Income (Loss)	(44,367)	(471,036)	-	-	(515,403)
Non-Operating Revenues (Expenses)					
Investment earnings (expense)	110	599	-	-	709
Income (loss) from joint ventures	-	-	(540,487)	1,725,208	1,184,721
Total Non-Operating Revenues (Expenses)	110	599	(540,487)	1,725,208	1,185,430
Income (Loss) Before Transfers In	(44,257)	(470,437)	(540,487)	1,725,208	670,027
Transfers in	35,000	-	645,094	-	680,094
Change in Net Position	(9,257)	(470,437)	104,607	1,725,208	1,350,121
Net Position Beginning of Year	437,788	10,247,867	6,754,556	12,901,448	30,341,659
Net Position End of Year	$ 428,531	$ 9,777,430	$ 6,859,163	$ 14,626,656	$ 31,691,780

City of Dalton, Georgia
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2019

	Municipal Golf Course	Municipal Airport	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from customers	$ 912,137	$ 534,344	$ 1,446,481
Cash payments for personnel services and benefits	(560,806)	(133,917)	(694,723)
Cash payments for goods and services	(350,565)	(365,166)	(715,731)
Net Cash Provided by (Used in) Operating Activities	766	35,261	36,027
Cash Flows from Investing Activities			
Investment earnings (expense)	110	599	709
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(35,000)	-	(35,000)
Payments on interfund loan	(4,245)	-	(4,245)
Proceeds from interfund transfer	35,000	-	35,000
Net Cash Provided by (Used in) Capital and Related Financing Activities	(4,245)	-	(4,245)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,369)	35,860	32,491
Cash and Cash Equivalents Beginning of Year	4,829	63,744	68,573
Cash and Cash Equivalents End of Year	$ 1,460	$ 99,604	$ 101,064
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ (44,367)	$ (471,036)	$ (515,403)
Adjustments:			
Depreciation	114,760	453,724	568,484
Pension contributions in excess of payments	(47,610)	-	(47,610)
OPEB (benefit)/expense	(20,928)	-	(20,928)
(Increase) Decrease in Assets:			
Accounts receivable	-	6,984	6,984
Inventory	1,623	33,964	35,587
Prepaid items	(167)	-	(167)
Increase (Decrease) in Liabilities:			
Accounts payable	(10,693)	158	(10,535)
Accrued expenses	(124)	2,116	1,992
Unearned revenue	3,371	4,599	7,970
Compensated absences payable	4,901	4,752	9,653
Net Cash Provided by (Used in) Operating Activities	$ 766	$ 35,261	$ 36,027

City of Dalton, Georgia
Combining Schedule of Net Position
Water, Light, and Sinking Commission Fund
December 31, 2019

	Electric System	Gas System	Water System	Wastewater System	Information Technology System	Total
Assets						
Current Assets:						
Cash and cash equivalents	$ 2,493,000	$ 568,000	$ 437,000	$ 437,000	$ 437,000	$ 4,372,000
Short-term investments	437,000	100,000	77,000	77,000	77,000	768,000
Restricted customer deposit fund	1,940,000	424,000	333,000	333,000	-	3,030,000
Accounts receivable, net	8,074,000	1,718,000	1,350,000	1,350,000	732,000	13,224,000
Unbilled revenues	5,139,000	1,279,000	1,306,000	871,000	-	8,595,000
Interest receivable	123,000	3,000	20,000	21,000	10,000	177,000
Fuel stocks	1,863,000	1,430,000	-	-	-	3,293,000
Materials and supplies inventory	13,733,000	525,000	832,000	60,000	1,992,000	17,142,000
Deposits and prepaid items	888,000	208,000	132,000	132,000	132,000	1,492,000
Total Current Assets	34,690,000	6,255,000	4,487,000	3,281,000	3,380,000	52,093,000
Noncurrent Assets:						
Construction in progress	195,504,000	-	21,686,000	110,000	-	217,300,000
Nuclear fuel, at amortized cost	20,451,000	-	-	-	-	20,451,000
Depreciable capital assets, net	319,330,000	21,144,000	169,904,000	149,488,000	46,620,000	706,486,000
Restricted customer deposit fund	2,342,000	-	-	-	-	2,342,000
Restricted combined utilities renewals/extensions fund	9,814,000	685,000	4,793,000	5,022,000	2,511,000	22,825,000
Restricted combined utilities construction fund	-	1,362,000	42,237,000	1,817,000	-	45,416,000
Restricted nuclear decommissioning fund	63,532,000	-	-	-	-	63,532,000
Regulatory asset, net	31,127,000	5,271,000	12,649,000	5,973,000	2,460,000	57,480,000
Total Noncurrent Assets	642,100,000	28,462,000	251,269,000	162,410,000	51,591,000	1,135,832,000
Total Assets	676,790,000	34,717,000	255,756,000	165,691,000	54,971,000	1,187,925,000
Deferred Outflows of Resources	1,616,000	970,000	2,328,000	1,099,000	453,000	6,466,000
Total Assets and Deferred Outflows	$ 678,406,000	$ 35,687,000	$ 258,084,000	$ 166,790,000	$ 55,424,000	$ 1,194,391,000

City of Dalton, Georgia
Combining Schedule of Net Position
Water, Light, and Sinking Commission Fund
December 31, 2019

	Electric System	Gas System	Water System	Wastewater System	Information Technology System	Total
Liabilities						
Current Liabilities:						
Customer deposits	$ 3,943,000	$ 862,000	$ 677,000	$ 677,000	$ -	$ 6,159,000
Current maturities of long-term debt	-	66,000	2,048,000	88,000	-	2,202,000
Accounts payable and accrued expenses	9,635,000	3,156,000	1,961,000	1,982,000	1,901,000	18,635,000
Total Current Liabilities	13,578,000	4,084,000	4,686,000	2,747,000	1,901,000	26,996,000
Long-Term Liabilities:						
Long-term debt	-	2,066,000	64,033,000	2,754,000	-	68,853,000
Net pension liability	2,474,000	1,485,000	3,563,000	1,682,000	693,000	9,897,000
Net OPEB liability	2,284,000	1,370,000	3,288,000	1,553,000	639,000	9,134,000
Asset retirement obligations	87,285,000	-	-	-	-	87,285,000
Total Long-Term Liabilities	92,043,000	4,921,000	70,884,000	5,989,000	1,332,000	175,169,000
Total Liabilities	105,621,000	9,005,000	75,570,000	8,736,000	3,233,000	202,165,000
Deferred Inflows of Resources	8,662,000	2,048,000	4,919,000	2,323,000	957,000	18,909,000
Net Position						
Net investment in capital assets	465,098,000	19,012,000	125,509,000	146,756,000	46,620,000	802,995,000
Restricted for:						
Debt service	-	1,362,000	42,237,000	1,817,000	-	45,416,000
Capital projects	9,814,000	685,000	4,793,000	5,022,000	2,511,000	22,825,000
Nuclear decommissioning	63,532,000	-	-	-	-	63,532,000
Noncurrent customer deposits	2,342,000	-	-	-	-	2,342,000
Pension	1,931,000	1,159,000	2,782,000	1,314,000	541,000	7,727,000
OPEB	294,000	179,000	425,000	200,000	83,000	1,181,000
Unrestricted	21,112,000	2,237,000	1,849,000	622,000	1,479,000	27,299,000
Total Net Position	564,123,000	24,634,000	177,595,000	155,731,000	51,234,000	973,317,000
Total Liabilities, Deferred Inflows, and Net Position	$ 678,406,000	$ 35,687,000	$ 258,084,000	$ 166,790,000	$ 55,424,000	$ 1,194,391,000

City of Dalton, Georgia
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
Water, Light, and Sinking Commission Fund
For the Year Ended December 31, 2019

	Electric System	Gas System	Water System	Wastewater System	Information Technology System	Total
Operating Revenues						
Electric	$ 122,643,000	$ -	$ -	$ -	$ -	$ 122,643,000
Parity income	2,470,000	-	-	-	-	2,470,000
Natural gas	-	27,178,000	-	-	-	27,178,000
Water	-	-	21,161,000	-	-	21,161,000
Sewer	-	-	-	21,616,000	-	21,616,000
Information technology	-	-	-	-	22,548,000	22,548,000
Total Operating Revenues	125,113,000	27,178,000	21,161,000	21,616,000	22,548,000	217,616,000
Operating Expenses						
Production	26,154,000	-	4,413,000	9,263,000	-	39,830,000
Purchased electricity	38,241,000	-	-	-	-	38,241,000
Purchased natural gas	-	19,000,000	-	-	-	19,000,000
Distribution	7,296,000	2,032,000	3,878,000	1,587,000	11,044,000	25,837,000
Depreciation and amortization	9,041,000	786,000	6,008,000	5,581,000	3,660,000	25,076,000
General administration	4,187,000	2,511,000	6,027,000	2,846,000	1,172,000	16,743,000
Total Operating Expenses	84,919,000	24,329,000	20,326,000	19,277,000	15,876,000	164,727,000
Operating Income (Loss)	40,194,000	2,849,000	835,000	2,339,000	6,672,000	52,889,000
Non-Operating Revenues (Expenses)						
Interest income	1,604,000	102,000	1,063,000	100,000	51,000	2,920,000
Interest expense	-	(86,000)	(2,660,000)	(114,000)	-	(2,860,000)
Net increase (decrease) in fair value of investments	2,136,000	12,000	10,000	10,000	4,000	2,172,000
Miscellaneous income (expense)	332,000	76,000	58,000	58,000	58,000	582,000
Total Non-Operating Revenues (Expenses)	4,072,000	104,000	(1,529,000)	54,000	113,000	2,814,000
Income Before Reallocations and Transfers	44,266,000	2,953,000	(694,000)	2,393,000	6,785,000	55,703,000
Reallocations and Transfers						
Reallocations	16,670,000	946,000	1,191,000	(5,022,000)	(13,785,000)	-
Contributions in aid of construction	1,000,000	-	-	-	-	1,000,000
Transfers out	(6,211,000)	(1,417,000)	(1,090,000)	(1,090,000)	(1,090,000)	(10,898,000)
Total Contributions and Transfers	11,459,000	(471,000)	101,000	(6,112,000)	(14,875,000)	(9,898,000)
Change in Net Position	55,725,000	2,482,000	(593,000)	(3,719,000)	(8,090,000)	45,805,000
Net Position Beginning of Year	508,398,000	22,152,000	178,188,000	159,450,000	59,324,000	927,512,000
Net Position End of Year	$ 564,123,000	$ 24,634,000	$ 177,595,000	$ 155,731,000	$ 51,234,000	$ 973,317,000

City of Dalton, Georgia
Comparative Statement of Net Position
Municipal Golf Course Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,460	$ 4,829
Inventory	34,971	36,594
Prepaid items	167	-
Total Current Assets	36,598	41,423
Noncurrent Assets:		
Capital Assets:		
Land	739,352	739,352
Depreciable capital assets, net	633,066	712,826
Total Noncurrent Assets	1,372,418	1,452,178
Total Assets	1,409,016	1,493,601
Deferred Outflows of Resources	58,145	116,463
Total Assets and Deferred Outflows	$ 1,467,161	$ 1,610,064
Liabilities		
Current Liabilities:		
Accounts payable	$ 4,439	$ 15,132
Accrued expenses	18,922	19,046
Unearned revenue	19,426	16,055
Interfund payable	347,721	351,966
Compensated absences payable	36,000	36,000
Total Current Liabilities	426,508	438,199
Long-Term Liabilities:		
Compensated absences payable (net of current portion)	57,488	52,587
Net pension liability	131,053	299,267
Net OPEB liability	153,664	291,451
Total Long-Term Liabilities	342,205	643,305
Total Liabilities	768,713	1,081,504
Deferred Inflows of Resources	269,917	90,772
Net Position		
Net investment in capital assets	1,372,418	1,452,178
Unrestricted	(943,887)	(1,014,390)
Total Net Position	428,531	437,788
Total Liabilities, Deferred Inflows, and Net Position	$ 1,467,161	$ 1,610,064

City of Dalton, Georgia
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
Municipal Golf Course Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for services	$ 653,356	$ 336,027
Merchandise sales	89,422	51,630
Tournaments	97,638	76,883
Concessions	66,041	27,536
Miscellaneous	2,309	2,344
Total Operating Revenues	908,766	494,420
Operating Expenses		
Cost of sales and services	341,328	309,689
Personal services and benefits	497,045	491,234
Depreciation	114,760	106,111
Total Operating Expenses	953,133	907,034
Operating Income (Loss)	(44,367)	(412,614)
Non-Operating Revenues (Expenses)		
Investment earnings (expense)	110	(21)
Gain on sale of assets	-	2,500
Total Non-Operating Revenues (Expenses)	110	2,479
Income (Loss) Before Transfers In	(44,257)	(410,135)
Transfers in (out)	35,000	-
Change in Net Position	(9,257)	(410,135)
Net Position Beginning of Year	437,788	847,923
Net Position End of Year	$ 428,531	$ 437,788

City of Dalton, Georgia
Comparative Statement of Net Position
Dalton Municipal Airport Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	$ 99,604	$ 63,744
Receivables:		
Accounts	30	7,014
Inventory	13,684	47,648
Total Current Assets	113,318	118,406
Noncurrent Assets:		
Capital Assets:		
Land	3,786,177	3,786,177
Depreciable capital assets, net	5,903,113	6,356,837
Total Noncurrent Assets	9,689,290	10,143,014
Total Assets	$ 9,802,608	$ 10,261,420
Liabilities		
Current Liabilities:		
Accounts payable	$ 4,093	$ 3,935
Accrued expenses	6,049	3,933
Unearned revenue	4,814	215
Compensated absences payable	4,000	4,000
Total Current Liabilities	18,956	12,083
Long-Term Liabilities:		
Compensated absences payable (net of current portion)	6,222	1,470
Total Liabilities	25,178	13,553
Net Position		
Net investment in capital assets	9,689,290	10,143,014
Unrestricted	88,140	104,853
Total Net Position	9,777,430	10,247,867
Total Liabilities and Net Position	$ 9,802,608	$ 10,261,420

City of Dalton, Georgia
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
Dalton Municipal Airport Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for services	$ 513,215	$ 462,440
Miscellaneous	9,546	389
Total Operating Revenues	522,761	462,829
Operating Expenses		
Cost of sales and services	399,288	352,882
Personal services and benefits	140,785	119,768
Depreciation	453,724	400,433
Total Operating Expenses	993,797	873,083
Operating (Loss)	(471,036)	(410,254)
Nonoperating Revenues (Expenses)		
Capital contributions	-	1,343,509
Investment earnings	599	622
Total Nonoperating Revenues (Expenses)	599	1,344,131
Change in Net Position	(470,437)	933,877
Net Position Beginning of Year	10,247,867	9,313,990
Net Position End of Year	$ 9,777,430	$ 10,247,867

INTERNAL SERVICE FUNDS

Workers' Compensation Fund – This fund is used to account for the financing of workers' compensation insurance provided to other departments of the City on a cost reimbursement basis. The City will transfer the risk of loss to a commercial insurer for workers' compensation insurance in 2020.

Health Insurance Fund – This fund is used to account for the financing of health insurance provided to other departments of the City on a cost reimbursement basis. Significant activity will begin in this fund in 2020, when the City becomes self-insured for health insurance.

City of Dalton, Georgia
Combining Statement of Net Position
Internal Service Funds
December 31, 2019

	Workers' Compensation Fund	Health Insurance Fund	Total Internal Service Funds
Assets			
Current Assets:			
Cash and cash equivalents	$ 718,423	$ 125,393	$ 843,816
Accounts receivable	-	5	5
Total Assets	$ 718,423	$ 125,398	$ 843,821
Liabilities			
Current Liabilities:			
Accounts payable	$ 2,012	$ -	$ 2,012
Claims payable	636,719	-	636,719
Unearned revenue	-	125,398	125,398
Total Liabilities	638,731	125,398	764,129
Net Position			
Unrestricted	79,692	-	79,692
Total Net Position	79,692	-	79,692
Total Liabilities and Net Position	$ 718,423	$ 125,398	$ 843,821

City of Dalton, Georgia
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For The Year Ended December 31, 2019

	Workers' Compensation Fund	Health Insurance Fund	Total Internal Service Funds
Operating Revenues			
Charges for services	$ 758,000	$ -	$ 758,000
Operating Expenses			
Claims	411,026	-	411,026
Premiums and administrative fees	320,400	-	320,400
Total Operating Expenses	731,426	-	731,426
Operating Income (Loss)	26,574	-	26,574
Non-Operating Revenues and Expenses			
Investment earnings	4,643	-	4,643
Change in Net Position	31,217	-	31,217
Net Position Beginning of Year	48,475	-	48,475
Net Position End of Year	$ 79,692	$ -	$ 79,692

City of Dalton, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For The Year Ended December 31, 2019

	Workers' Compensation Fund	Health Insurance Fund	Total Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from interfund services provided	$ 758,010	$ 125,393	$ 883,403
Cash payments for claims and fees	(747,752)	-	(747,752)
Net Cash Provided by (Used in) Operating Activities	10,258	125,393	135,651
Cash Flows from Investing Activities			
Investment earnings	4,643	-	4,643
Net Increase (Decrease) in Cash and Cash Equivalents	14,901	125,393	140,294
Cash and Cash Equivalents Beginning of Year	703,522	-	703,522
Cash and Cash Equivalents End of Year	$ 718,423	$ 125,393	$ 843,816
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ 26,574	$ -	$ 26,574
(Increase) Decrease in Assets:			
Accounts receivable	10	(5)	5
Increase (Decrease) in Liabilities:			
Accounts payable	(7,854)	-	(7,854)
Claims payable	(8,472)	-	(8,472)
Unearned revenue	-	125,398	125,398
Net Cash Provided by (Used in) Operating Activities	$ 10,258	$ 125,393	$ 135,651

City of Dalton, Georgia
Comparative Statement of Net Position
Workers' Compensation Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	$ 718,423	$ 703,522
Accounts receivable	-	10
Total Assets	$ 718,423	$ 703,532
Liabilities		
Current Liabilities:		
Accounts payable	$ 2,012	$ 9,866
Claims payable	636,719	645,191
Total Liabilities	638,731	655,057
Net Position		
Unrestricted	79,692	48,475
Total Net Position	79,692	48,475
Total Liabilities and Net Position	$ 718,423	$ 703,532

City of Dalton, Georgia
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
Workers' Compensation Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for services	$ 758,000	$ 708,000
Operating Expenses		
Claims	411,026	504,650
Premiums and administrative fees	320,400	319,648
Total Operating Expenses	731,426	824,298
Operating Income (Loss)	26,574	(116,298)
Non-Operating Revenues and Expenses		
Investment earnings	4,643	5,452
Change in Net Position	31,217	(110,846)
Net Position Beginning of Year	48,475	159,321
Net Position End of Year	$ 79,692	$ 48,475

City of Dalton, Georgia
Comparative Statement of Net Position
Health Insurance Fund
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	$ 125,393	$ -
Accounts receivable	5	-
Total Assets	$ 125,398	$ -
Liabilities		
Current Liabilities:		
Unearned revenue	$ 125,398	$ -
Total Liabilities	$ 125,398	$ -

City of Dalton, Georgia
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
Health Insurance Fund
For the Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for services	$ -	$ -
Operating Expenses		
Claims	-	-
Premiums and administrative fees	-	-
Total Operating Expenses	-	-
Operating Income (Loss)	-	-
Non-Operating Revenues and Expenses		
Investment earnings	-	-
Change in Net Position	-	-
Net Position Beginning of Year	-	-
Net Position End of Year	$ -	$ -

FIDUCIARY FUNDS

The Fiduciary Funds are used to account for assets held by the City in a fiduciary capacity.

Pension Trust Fund – Established to account for the activities of the Mayor and Council of the City of Dalton Employee's Pension Plan.

OPEB Trust Fund – Established to account for the activities of the City of Dalton OPEB Plan.

Municipal Court Fund – Established to account for funds collected by the City court on behalf of individuals and other governmental entities.

City of Dalton, Georgia
Combining Statement of Net Position
Fiduciary Funds - Pension Trust Fund and OPEB Trust Fund
December 31, 2019

	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
Assets			
Cash and cash equivalents	$ 612,069	$ -	$ 612,069
Investments, at fair value:			
Georgia Municipal Employees Benefit System OPEB Trust Account	-	3,530,500	3,530,500
MetLife Equity Index Fund	14,449,358	-	14,449,358
MetLife Core Bond Index Fund	35,613,676	-	35,613,676
MetLife Goldman Sachs Fund	11,482,374	-	11,482,374
Vanguard Institutional Index Fund	36,110,880	-	36,110,880
Vanguard Small Cap Index Fund	13,535,079	-	13,535,079
Vanguard Bond Market Index Fund	10,708,607	-	10,708,607
Total Assets	$ 122,512,043	$ 3,530,500	$ 126,042,543
Liabilities			
Current Liabilities:			
Accounts payable	$ 3,559	$ 139,492	$ 143,051
Total Liabilities	3,559	139,492	143,051
Net Position			
Restricted for pension and other post employment benefits	122,508,484	3,391,008	125,899,492
Total Liabilities and Net Position	$ 122,512,043	$ 3,530,500	$ 126,042,543

City of Dalton, Georgia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Pension Trust Fund and OPEB Trust Fund
For the Year Ended December 31, 2019

	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
Additions			
Contributions:			
Employer	$ 7,729,413	$ -	$ 7,729,413
Plan members	663,224	187,598	850,822
Total contributions	8,392,637	187,598	8,580,235
Investment income:			
Interest and dividends	2,626,330	46,992	2,673,322
Net increase (decrease) in fair value of investments	17,334,555	680,090	18,014,645
Total investment income	19,960,885	727,082	20,687,967
Less: investment expense	179,875	9,882	189,757
Net investment earnings	19,781,010	717,200	20,498,210
Total Additions	28,173,647	904,798	29,078,445
Deductions			
Administrative expenses	69,262	14,717	83,979
Premium payments	-	766,394	766,394
Benefit payments	7,499,751	-	7,499,751
Total Deductions	7,569,013	781,111	8,350,124
Change in Net Position	20,604,634	123,687	20,728,321
Net Position Beginning of Year	101,903,850	3,267,321	105,171,171
Net Position End of Year	$ 122,508,484	$ 3,391,008	$ 125,899,492

City of Dalton, Georgia
Statement of Changes in Assets and Liabilities
Fiduciary Funds - Municipal Court Agency Fund
For The Year Ended December 31, 2019

	2018	Increases	Decreases	2019
Assets				
Cash and cash equivalents	$ 90,080	$ 1,394,706	$ (1,398,023)	$ 86,763
Liabilities				
Accounts payable	$ 15,045	$ 224,770	$ (207,661)	$ 32,154
Interfund payable	-	1,246,194	(1,246,194)	-
Other liabilities	75,035	1,375,261	(1,395,687)	54,609
Total Liabilities	$ 90,080	$ 2,846,225	$ (2,849,542)	$ 86,763

DISCRETELY PRESENTED COMPONENT UNIT

The City of Dalton Building Authority is a component unit of the City of Dalton, Georgia. The City treats the Authority as a discretely presented component unit in the government-wide financial statements.

The Authority does not issue separate financial statements, so its activity is required to be disclosed in the financial section of the City's Comprehensive Annual Financial Report.

City of Dalton, Georgia
Comparative Statement of Net Position
Discretely Presented Component Unit - City of Dalton Building Authority
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,035,357	$ 7,213,191
Capital leases receivable	3,050,000	9,845,000
Prepaid bond payment	301,394	295,240
Total Current Assets	4,386,751	17,353,431
Noncurrent Assets:		
Capital leases receivable (less current portion)	14,240,000	17,290,000
Total Assets	$ 18,626,751	$ 34,643,431
Liabilities		
Current Liabilities:		
Accounts payable	1,291,384	7,479,695
Revenue bonds payable	2,780,000	9,585,000
Recovery zone economic development bonds payable	270,000	260,000
Total Current Liabilities	4,341,384	17,324,695
Long-Term Liabilities:		
Revenue bonds payable (less current portion)	11,065,000	13,845,000
Recovery zone economic development bonds payable (less current portion)	3,175,000	3,445,000
Total Long-Term Liabilities	14,240,000	17,290,000
Total Liabilities	18,581,384	34,614,695
Net Position		
Unrestricted	45,367	28,736
Total Net Position	45,367	28,736
Total Liabilities and Net Position	$ 18,626,751	$ 34,643,431

City of Dalton, Georgia
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
Discretely Presented Component Unit - City of Dalton Building Authority
For the Years Ended December 31, 2019 and 2018

	2019	2018
Operating Revenues (Expenses)		
Bond issuance fees	$ 28,390	$ 39,312
Fiscal and administrative fees	(11,885)	(10,655)
Total Operating Revenues (Expenses)	16,505	28,657
Non-Operating Revenues (Expenses)		
Interest earnings	106,007	222,934
Interest and fiscal charges, net of subsidy	(709,675)	(598,753)
Total Non-Operating Revenues (Expenses)	(603,668)	(375,819)
Income (Loss) Before Transfers In (Out)	(587,163)	(347,162)
Transfers In (Out)		
Transfers in (inflows of debt service principal and interest from the City of Dalton, City of Dalton Board of Education, and Whitfield County)	811,789	702,292
Transfer out (outflows of interest earnings and interest subsidy to the City of Dalton, City of Dalton Board of Education, and Whitfield County)	(207,995)	(326,394)
Total Transfers In (Out)	603,794	375,898
Change in Net Position	16,631	28,736
Net Position Beginning of Year	28,736	-
Net Position End of Year	$ 45,367	$ 28,736

City of Dalton, Georgia
Comparative Statement of Cash Flows
Discretely Presented Component Unit - City of Dalton Building Authority
For the Years Ended December 31, 2019 and 2018

	2019	2018
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Bond issuance fees	$ 28,390	$ 39,312
Fiscal and administrative fees	(18,800)	(2,596)
Net Cash Provided by (Used in) Operating Activities	9,590	36,716
Cash Flows from Capital and Related Financing Activities		
Proceeds from issuance of debt, net of issuance costs	-	17,073,854
Payments to City of Dalton and Whitfield County for capital use of debt proceeds	(2,860,553)	(15,121,990)
Payments to City of Dalton Board of Education for sinking fund interest earned	(657)	(194,996)
Receipts from City of Dalton, City of Dalton Board of Education, and Whitfield County for sinking fund payments	3,276,487	541,039
Receipts from City of Dalton, City of Dalton Board of Education, and Whitfield County for payment of debt and interest	3,902,361	7,431,318
Interest subsidy received on capital debt	102,114	103,539
Interest earnings	106,007	222,934
Principal paid on capital debt	(9,901,394)	(9,282,000)
Interest paid on capital debt	(811,789)	(702,292)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(6,187,424)	71,406
Net Increase (Decrease) in Cash and Cash Equivalents	(6,177,834)	108,122
Cash and Cash Equivalents Beginning of Year	7,213,191	7,105,069
Cash and Cash Equivalents End of Year	$ 1,035,357	$ 7,213,191

STATISTICAL SECTION

This part of the City of Dalton, Georgia'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.

Financial Trends

These schedules contain trend information to help readers understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help readers assess the City's most significant local revenue source – its property tax.

Debt Capacity

These schedules present information to help readers assess 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

These schedules offer demographic and economic indicators to help readers understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help readers understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Dalton, Georgia
Net Position by Component
Ten Year Summary
Prepared using the accrual basis of accounting
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	$ 69,252,168	$ 70,314,771	$ 72,911,193	$ 73,764,869	$ 73,121,548	$ 67,728,129	$ 75,726,246	$ 81,410,981	$ 84,604,366	$ 85,392,649
Restricted	5,617,799	577,427	240,347	251,557	262,248	8,151,582	8,541,404	7,061,016	8,342,082	10,018,388
Unrestricted	10,953,991	15,469,318	15,011,536	15,567,935	18,273,295	2,830,865	2,313,750	(7,663,963)	(5,239,030)	(3,698,707)
Total governmental activities	$ 85,823,958	$ 86,361,516	$ 88,163,076	$ 89,584,361	$ 91,657,091	$ 78,710,576	$ 86,581,400	$ 80,808,034	$ 87,707,418	$ 91,712,330
Business-type activities										
Net investment in capital assets	$ 649,134,503	$ 679,345,721	$ 687,108,798	$ 698,090,762	$ 710,531,416	$ 725,497,305	$ 744,179,712	$ 658,650,654	$ 721,653,192	$ 814,056,708
Restricted	90,783,000	77,948,000	75,034,000	73,322,000	86,089,000	97,394,000	96,509,000	214,165,000	190,433,000	143,023,000
Unrestricted	30,672,743	31,802,060	43,307,413	40,716,151	35,507,326	36,613,661	44,191,799	45,013,262	44,382,777	46,533,825
Total business-type activities	$ 770,590,246	$ 789,095,781	$ 805,450,211	$ 812,128,913	$ 832,127,742	$ 859,504,966	$ 884,880,511	$ 917,828,916	$ 956,468,969	$ 1,003,613,533
Primary government										
Net investment in capital assets	$ 718,386,671	$ 749,660,492	$ 760,019,991	$ 771,855,631	$ 783,652,964	$ 793,225,434	$ 819,905,958	$ 740,061,635	$ 806,257,558	$ 899,449,357
Restricted	96,400,799	78,525,427	75,274,347	73,573,557	86,351,248	105,545,582	105,050,404	221,226,016	198,775,082	153,041,388
Unrestricted	41,626,734	47,271,378	58,318,949	56,284,086	53,780,621	39,444,526	46,505,549	37,349,299	39,143,747	42,835,118
Total primary government	$ 856,414,204	$ 875,457,297	$ 893,613,287	$ 901,713,274	$ 923,784,833	$ 938,215,542	$ 971,461,911	$ 998,636,950	$ 1,044,176,387	$ 1,095,325,863

City of Dalton, Georgia
Changes in Net Position
Ten Year Summary
Prepared using the accrual basis of accounting
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities										
General government	$ 2,612,956	$ 3,312,603	$ 3,302,093	$ 2,633,853	$ 2,579,345	$ 2,971,036	$ 3,029,543	$ 2,574,600	$ 2,932,157	$ 3,793,196
Judicial	647,196	488,815	369,253	397,765	371,645	437,044	433,156	424,203	409,440	392,841
Public safety	14,539,913	14,459,706	13,990,949	15,095,340	15,070,993	15,703,840	16,548,965	16,145,618	17,511,903	16,577,990
Public works	9,265,438	7,841,578	9,010,672	8,447,680	8,252,341	9,170,285	9,367,281	9,403,531	10,361,515	10,819,102
Health and welfare	611,320	634,598	488,545	487,293	508,735	522,072	468,925	419,892	474,442	440,499
Culture and recreation	4,301,151	4,641,686	4,967,978	5,088,564	4,989,858	5,390,895	5,833,592	5,627,651	5,872,966	5,879,397
Housing and development	596,388	312,225	379,694	389,213	396,836	454,327	260,840	121,645	296,359	332,616
Interest on long-term debt	325,111	354,337	459,985	274,506	281,844	270,543	372,838	324,325	282,702	244,914
Total governmental activities expenses	32,899,473	32,045,548	32,969,169	32,814,214	32,451,597	34,920,042	36,315,140	35,041,465	38,141,484	38,480,555
Business-type activities										
Electric system	85,200,911	87,423,887	80,988,971	87,048,375	95,797,217	90,044,256	94,539,437	95,303,240	84,556,426	84,920,632
Gas system	20,770,369	18,319,278	15,924,970	18,785,179	23,036,534	18,640,407	17,682,431	25,731,143	27,824,233	24,415,972
Water system	18,527,773	17,740,827	16,929,002	17,926,588	17,745,718	18,085,121	18,225,184	18,128,394	22,897,890	22,988,674
Wastewater system	20,783,836	19,242,572	19,170,608	20,623,351	19,796,633	20,152,765	20,743,975	19,269,419	20,089,467	19,393,848
Information technology system	17,948,994	18,585,143	19,276,365	20,223,612	19,076,834	19,738,019	19,376,077	16,522,358	16,239,082	15,878,431
Landfill	64,727	302,599	365,350	439,487	189,472	-	-	-	-	-
Trade Center	745,787	717,958	547,930	557,720	499,660	593,614	492,074	515,534	471,563	540,487
Municipal golf course	939,516	788,790	858,544	981,056	814,233	925,758	901,402	898,210	907,034	953,133
Municipal airport	482,586	503,145	518,119	604,497	904,203	813,242	846,647	853,995	873,083	993,797
Total business-type activities expenses	165,464,499	163,624,199	154,579,859	167,189,865	177,860,504	168,993,182	172,807,227	177,222,293	173,858,778	170,084,974
Total primary government expenses	$ 198,363,972	$ 195,669,747	$ 187,549,028	$ 200,004,079	$ 210,312,101	$ 203,913,224	$ 209,122,367	$ 212,263,758	$ 212,000,262	$ 208,565,529

(continued)

City of Dalton, Georgia
Changes in Net Position
Ten Year Summary
Prepared using the accrual basis of accounting
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program revenues										
Governmental activities										
Charges for services										
General government	$ 964,306	$ 983,375	$ 986,862	$ 982,441	$ 968,883	$ 957,103	$ 969,673	$ 988,534	$ 898,003	$ 344,986
Judicial	1,066,062	739,273	767,234	751,680	884,819	689,686	803,218	743,691	715,497	592,789
Public safety	632,724	572,989	604,417	657,613	711,717	440,278	493,428	650,221	659,703	771,204
Public works	100,749	136,400	142,808	157,151	181,188	173,184	163,724	231,156	215,827	135,324
Health and welfare	68,581	56,612	46,253	54,355	51,710	47,783	50,800	51,076	49,575	53,300
Culture and recreation	322,813	223,093	324,948	395,533	373,946	374,869	400,749	405,590	378,835	335,074
Housing and development	215,308	-	-	-	-	-	-	-	-	-
Operating grants and contributions	2,065,115	1,383,138	2,258,686	657,771	1,003,133	2,681,730	1,699,959	2,092,951	1,965,144	3,278,259
Capital grants and contributions	2,801,087	2,353,880	1,182,154	2,669,259	1,317,808	1,895,627	10,147,970	10,100,807	8,335,199	2,434,707
Total governmental activities program revenues	8,236,745	6,448,760	6,313,362	6,325,803	5,493,204	7,260,260	14,729,521	15,264,026	13,217,783	7,945,643

(continued)

City of Dalton, Georgia
Changes in Net Position
Ten Year Summary
Prepared using the accrual basis of accounting
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities										
Charges for services										
Electric system	$ 106,911,000	$ 105,347,000	$ 102,836,000	$ 106,843,000	$ 112,194,000	$ 119,596,000	$ 121,900,000	$ 119,178,000	$ 118,828,000	$ 125,113,000
Gas system	21,001,000	19,701,000	15,938,000	20,828,000	26,159,000	19,963,000	19,621,000	28,176,000	30,855,000	27,178,000
Water system	20,170,000	20,039,000	19,449,000	19,119,000	20,127,000	20,491,000	20,824,000	20,128,000	20,246,000	21,161,000
Wastewater system	22,134,000	20,814,000	19,438,000	19,204,000	20,772,000	21,863,000	21,878,000	22,306,000	21,720,000	21,616,000
Information technology system	19,314,000	18,989,000	19,281,000	19,620,000	20,065,000	20,148,000	20,995,000	21,401,000	22,341,000	22,548,000
Joint ventures - Landfill & Trade Center	-	-	-	-	-	448,366	522,810	651,831	828,412	1,725,208
Municipal golf course	825,777	905,637	1,033,346	927,834	915,270	868,829	923,590	820,183	494,420	908,766
Municipal airport	91,349	103,407	117,765	211,314	558,553	455,791	494,593	468,152	462,829	522,761
Total business-type activities program revenues	190,447,126	185,899,044	178,093,111	186,753,148	200,790,823	203,833,986	207,158,993	213,129,166	215,775,661	220,772,735
Total primary government program revenues	$ 198,683,871	$ 192,347,804	$ 184,406,473	$ 193,078,951	$ 206,284,027	$ 211,094,246	$ 221,888,514	$ 228,393,192	$ 228,993,444	$ 228,718,378
Net revenues (expenses)										
Governmental activities	$ (24,662,728)	$ (25,596,788)	$ (26,655,807)	$ (26,488,411)	$ (26,958,393)	$ (27,659,782)	$ (21,585,619)	$ (19,777,439)	$ (24,923,701)	$ (30,534,912)
Business-type activities	24,982,627	22,274,845	23,513,252	19,563,283	22,930,319	34,840,804	34,351,766	35,906,873	41,916,883	50,687,761
Total primary government net revenue (expense)	$ 319,899	$ (3,321,943)	$ (3,142,555)	$ (6,925,128)	$ (4,028,074)	$ 7,181,022	$ 12,766,147	$ 16,129,434	$ 16,993,182	$ 20,152,849

(continued)

City of Dalton, Georgia
Changes in Net Position
Ten Year Summary
Prepared using the accrual basis of accounting
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for										
General purposes	$ 9,006,423	$ 8,757,658	$ 9,303,685	$ 7,876,135	$ 8,371,150	$ 9,143,523	$ 8,197,757	$ 8,552,650	$ 8,705,712	$ 8,879,845
Debt service	33,115	4,718	4,683	-	-	-	-	-	-	-
Recreation	58,150	-	-	-	-	-	-	-	-	-
Selective taxes	5,686,337	5,858,375	6,103,688	9,380,518	9,843,608	9,932,992	9,378,765	10,149,190	10,916,682	12,002,362
Hotel motel taxes	862,298	1,060,665	1,093,798	1,170,315	1,235,285	1,364,880	1,410,761	1,501,172	1,564,560	1,566,635
Investment earnings	122,113	227,288	253,696	241,177	222,324	224,686	227,495	299,310	502,978	684,787
Donations	192,349	584,123	1,820,028	346,807	63,476	20,891	50,252	261,115	714,102	451,396
Miscellaneous	436,717	495,556	596,278	514,289	465,825	559,299	633,166	497,349	729,120	736,893
Transfers	9,177,782	9,145,963	9,281,511	8,380,455	8,829,455	9,400,547	9,567,313	6,737,695	8,689,931	10,217,906
Total governmental activities general revenues and other changes in net position	25,575,284	26,134,346	28,457,367	27,909,696	29,031,123	30,646,818	29,465,509	27,998,481	31,823,085	34,539,824
Business-type activities										
Investment earnings	7,389,350	3,945,453	1,192,689	(4,695,126)	5,663,965	1,715,779	180,242	1,371,485	2,831,601	5,092,709
Contributions	-	-	597,000	-	-	-	-	-	2,000,000	1,000,000
Miscellaneous	1,801,747	1,431,200	333,000	191,000	234,000	150,000	410,850	591,000	581,500	582,000
Transfers	(9,177,782)	(9,145,963)	(9,281,511)	(8,380,455)	(8,829,455)	(9,400,547)	(9,567,313)	(6,737,695)	(8,689,931)	(10,217,906)
Total business-type activities general revenues and other changes in net position	13,315	(3,769,310)	(7,158,822)	(12,884,581)	(2,931,490)	(7,534,768)	(8,976,221)	(4,775,210)	(3,276,830)	(3,543,197)
Total primary government general revenues and other changes in net position	$ 25,588,599	$ 22,365,036	$ 21,298,545	$ 15,025,115	$ 26,099,633	$ 23,112,050	$ 20,489,288	$ 23,223,271	$ 28,546,255	$ 30,996,627
Change in net position										
Governmental activities	$ 912,556	$ 537,558	$ 1,801,560	$ 1,421,285	$ 2,072,730	$ 2,987,036	$ 7,879,890	$ 8,221,042	$ 6,899,384	$ 4,004,912
Business-type activities	24,995,942	18,505,535	16,354,430	6,678,702	19,998,829	27,306,036	25,375,545	31,131,663	38,640,053	47,144,564
Total primary government change in net position	$ 25,908,498	$ 19,043,093	$ 18,155,990	$ 8,099,987	$ 22,071,559	$ 30,293,072	$ 33,255,435	$ 39,352,705	$ 45,539,437	$ 51,149,476

City of Dalton, Georgia
Fund Balances of Governmental Funds
Ten Year Summary
Prepared using the modified accrual basis of accounting
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Nonspendable	$ 97,011	$ 185,083	$ 207,539	$ 212,643	$ 179,680	$ 155,856	$ 249,062	$ 171,680	$ 157,986	$ 185,196
Restricted	91,959	91,959	91,029	91,029	96,029	96,029	99,974	114,974	293,499	323,075
Unrestricted	17,568,683	16,928,666	19,548,598	20,788,168	22,097,252	21,579,429	20,912,480	23,563,828	25,847,595	24,393,127
Total general fund	$ 17,757,653	$ 17,205,708	$ 19,847,166	$ 21,091,840	$ 22,372,961	$ 21,831,314	$ 21,261,516	$ 23,850,482	$ 26,299,080	$ 24,901,398
Nonmajor governmental funds										
Nonspendable	$ 8,897	$ 750	$ -	$ -	$ -	$ -	$ -	$ 40	$ -	$ -
Restricted	5,493,273	378,447	99,366	129,188	78,958	7,974,454	8,204,724	6,470,325	7,514,261	8,672,492
Total nonmajor governmental funds	$ 5,502,170	$ 379,197	$ 99,366	$ 129,188	$ 78,958	$ 7,974,454	$ 8,204,724	$ 6,470,365	$ 7,514,261	$ 8,672,492

City of Dalton, Georgia
Changes in Fund Balances of Governmental Funds
Ten Year Summary
Prepared using the modified accrual basis of accounting
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	$ 15,646,323	$ 15,681,416	$ 16,505,854	$ 18,426,968	$ 19,450,043	$ 19,727,131	$ 18,940,840	$ 20,473,181	$ 21,219,393	$ 22,483,049
Licenses and permits	964,306	983,375	986,862	982,441	968,883	957,103	969,673	988,534	898,003	344,986
Intergovernmental revenues	4,866,202	3,729,380	3,440,782	3,327,030	2,320,941	4,577,357	11,847,929	12,193,758	10,300,343	5,712,966
Charges for services	1,572,660	1,140,030	1,263,013	1,336,866	1,476,461	1,277,199	1,409,091	1,413,867	1,501,341	1,349,088
Fines and forfeitures	506,110	462,225	453,345	484,730	549,231	405,566	456,663	454,847	448,006	460,003
Investment earnings	117,557	231,567	250,949	238,043	219,226	221,899	224,509	295,916	497,526	680,144
Miscellaneous	943,058	1,162,138	2,558,705	994,634	752,890	591,054	815,699	975,514	763,251	808,703
Total Revenues	24,616,216	23,390,131	25,459,510	25,790,712	25,737,675	27,757,309	34,664,404	36,795,617	35,627,863	31,838,939
Expenditures										
General government	2,022,594	2,081,391	2,139,627	2,219,861	2,146,368	2,399,552	2,596,194	2,222,011	2,495,241	3,683,839
Judicial	654,770	486,374	362,015	381,534	414,003	437,298	433,736	436,770	403,231	404,296
Public safety	13,732,562	13,883,732	13,445,167	13,965,925	15,017,013	15,391,367	15,814,820	16,356,131	16,740,427	17,423,011
Public works	7,419,974	6,120,255	7,236,418	6,746,059	7,294,473	7,636,525	7,857,512	8,226,802	8,512,089	9,468,123
Health and welfare	607,982	637,408	463,605	447,700	479,815	507,489	441,560	412,987	447,949	451,721
Culture and recreation	3,047,410	3,501,267	3,501,067	3,542,935	3,711,990	3,892,767	4,272,271	4,114,484	4,115,504	4,330,337
Housing and development	589,742	386,679	322,625	370,981	463,332	448,165	425,513	351,590	354,964	821,115
Capital outlay	4,960,817	8,038,782	6,656,062	5,492,823	3,017,443	6,647,103	9,752,687	10,579,620	6,649,492	3,317,667
Debt service:										
Principal retirement	1,298,247	1,568,034	598,561	603,204	509,958	513,798	2,604,114	2,650,290	2,450,074	2,481,859
Interest and fiscal charges	477,827	333,806	293,792	274,506	281,844	270,543	372,838	324,325	282,702	244,914
Debt issuance costs	-	-	-	-	-	165,356	-	-	-	-
Total Expenditures	34,811,925	37,037,728	35,018,939	34,045,528	33,336,239	38,309,963	44,571,245	45,675,010	42,451,673	42,626,882
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,195,709)	(13,647,597)	(9,559,429)	(8,254,816)	(7,598,564)	(10,552,654)	(9,906,841)	(8,879,393)	(6,823,810)	(10,787,943)

(continued)

City of Dalton, Georgia
Changes in Fund Balances of Governmental Funds
Ten Year Summary
Prepared using the modified accrual basis of accounting
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other Financing Sources (Uses)										
Issuance of debt	$ 6,130,000	$ -	$ -	$ 1,148,857	$ -	$ 8,505,956	$ -	$ -	$ -	$ -
Proceeds from sale of assets	-	-	-	-	-	-	-	-	282,864	330,586
Transfers in	15,230,728	11,188,924	13,521,540	11,547,319	11,535,763	13,817,596	13,068,767	11,842,350	13,005,179	14,979,992
Transfers out	(6,052,946)	(2,042,961)	(4,526,557)	(3,166,864)	(2,706,308)	(4,417,049)	(3,501,454)	(2,108,350)	(2,971,739)	(4,762,086)
Total Other Financing Sources (Uses)	15,307,782	9,145,963	8,994,983	9,529,312	8,829,455	17,906,503	9,567,313	9,734,000	10,316,304	10,548,492
Net Change in Fund Balance	$ 5,112,073	$ (4,501,634)	$ (564,446)	$ 1,274,496	$ 1,230,891	$ 7,353,849	$ (339,528)	$ 854,607	$ 3,492,494	$ (239,451)
Debt service as a % of noncapital expenditures	5.9%	6.6%	3.1%	3.1%	2.6%	2.5%	8.5%	8.5%	7.6%	6.9%

City of Dalton, Georgia
Assessed Value and Estimated Actual Value of Taxable Property
Ten Year Summary
(Unaudited)

Fiscal Year	Real Property	Personal Property	Public Utilities	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2010	$ 2,179,604,008	$ 1,404,109,825	$ 35,274,050	$ 263,376,173	$ 3,355,611,710	2.875
2011	2,123,448,963	1,433,785,109	32,304,213	276,731,830	3,312,806,455	2.780
2012	2,084,647,818	1,551,656,253	28,039,843	298,161,930	3,366,181,984	2.697
2013	2,056,904,020	1,543,923,211	20,583,698	297,794,168	3,323,616,761	2.616
2014	2,052,246,308	1,674,478,338	26,323,418	318,453,929	3,434,594,135	2.537
2015	2,082,112,700	1,652,510,636	26,322,153	325,665,644	3,435,279,845	2.511
2016	2,101,523,870	1,554,900,785	25,412,165	310,145,903	3,371,690,917	2.506
2017	2,198,330,501	1,588,229,275	23,732,060	316,394,309	3,493,897,527	2.506
2018	2,191,478,801	1,690,279,886	23,110,695	324,560,279	3,580,309,103	2.505
2019	2,276,262,177	1,666,670,790	21,956,165	329,697,205	3,635,191,927	2.482

Source: Whitfield County Board of Tax Assessors

Note: Real property includes commercial and residential property. All property is assessed at 100% of estimated actual value. For this reason, assessed value is equal to estimated actual value. Tax rates are per $1,000 of assessed value.

City of Dalton, Georgia
Direct and Overlapping Property Tax Rates
Ten Year Summary
(Unaudited)

Fiscal Year	City Millage	Dalton Public Schools Millage	Dalton Public Schools Debt Service Millage	Special Districts Millage	Whitfield County Millage	Total Direct and Overlapping Rates
2010	2.875	7.845	0.000	0.950	5.061	16.731
2011	2.780	7.845	0.000	0.950	5.061	16.636
2012	2.697	7.845	0.000	0.950	6.061	17.553
2013	2.616	7.845	0.000	0.950	6.061	17.472
2014	2.537	8.200	0.000	0.950	6.061	17.748
2015	2.511	8.200	0.000	0.950	7.061	18.722
2016	2.506	8.200	0.000	0.950	9.561	21.217
2017	2.506	8.200	0.000	0.950	9.329	20.985
2018	2.505	8.200	0.570	2.500	9.312	23.087
2019	2.482	8.200	0.570	2.500	8.812	22.564

Source: Whitfield County Board of Tax Assessors

Note: The City of Dalton taxes on 100% of assessed value; Whitfield County taxes on 40% of assessed value.

Note: Overlapping rates are those of local and county governments that apply to property owners within the City of Dalton. Not all overlapping rates apply to all City of Dalton property owners. For example, the rates for special districts apply only to those

City of Dalton, Georgia
Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

	2019			2010		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Shaw Industries, Inc.	$ 579,182,263	1	15.9%	$ 491,333,830	1	14.6%
Mohawk Industries, Inc.	184,299,950	2	5.1%	100,200,749	3	3.0%
Engineered Floors, LLC (1)	123,271,528	3	3.4%	-	NA	0.0%
The Peeples Group	110,975,866	4	3.1%	18,224,908	9	0.5%
Tandus Centiva, Inc.	79,789,327	5	2.2%	52,157,220	5	1.6%
Lexmark Carpet Mills, Inc.	44,920,862	6	1.2%	19,491,962	8	0.6%
Dalton Whitfield Joint Development Authority	53,760,687	7	1.5%	-	NA	0.0%
Shiroki Georgia, LLC	29,752,554	8	0.8%	-	NA	0.0%
Barrett Investments - Barrett Family Partnership	28,423,992	9	0.8%	-	NA	0.0%
Columbia Recycling	28,412,326	10	0.8%	-	NA	0.0%
Beaulieu of America, LLC (1)	-	NA	0.0%	116,506,810	2	3.5%
J & J Industries (1)	-	NA	0.0%	61,179,092	4	1.8%
CBL & Associates Properties, Inc.	-	NA	0.0%	31,401,488	6	0.9%
Windstream (formerly Alltel)	-	NA	0.0%	26,575,342	7	0.8%
Indian Summer Carpet Mills, Inc.	-	NA	0.0%	17,858,622	10	0.5%

Source: Whitfield County Tax Commissioner
(1): J & J Industries and Beaulieu of America, LLC were purchased by Engineered Floors, LLC.

City of Dalton, Georgia
Property Tax Levies and Collections
Ten Year Summary
(Unaudited)

Fiscal Year	Taxes Levied	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2010	$ 9,207,744	$ (59,505)	$ 9,148,239	$ 6,935,407	75.8%	$ 2,209,755	$ 9,145,162	99.3%
2011	8,779,547	(132,701)	8,646,846	7,444,424	86.1%	1,202,234	8,646,658	98.5%
2012	8,608,658	(41,203)	8,567,455	7,595,137	88.7%	972,249	8,567,386	99.5%
2013	8,281,354	(1,013)	8,280,341	7,339,021	88.6%	941,159	8,280,180	100.0%
2014	8,325,685	(122,731)	8,202,954	7,348,018	89.6%	854,821	8,202,839	98.5%
2015	8,366,569	(10,792)	8,355,777	7,466,921	89.4%	888,546	8,355,467	99.9%
2016	8,206,241	(17,806)	8,188,435	7,420,789	90.6%	766,731	8,187,520	99.8%
2017	8,603,323	(86,925)	8,516,398	7,625,345	89.5%	868,981	8,494,326	98.7%
2018	8,844,077	(189,333)	8,654,744	8,084,007	93.4%	496,432	8,580,439	97.0%
2019	8,918,132	(37,655)	8,880,477	8,286,628	93.3%	-	8,286,628	92.9%

Source: Whitfield County Board of Tax Assessors

City of Dalton, Georgia
Ratios of Outstanding Debt by Type
Ten Year Summary
(Unaudited)

Fiscal Year	Governmental Activities: General Obligation Bonds	Governmental Activities: Capital Leases	Governmental Activities: Notes Payable	Business-Type Activities: Revenue Bonds	Business-Type Activities: Asset Retirement Obligations	Total Primary Government	Percentage of Personal Income	Per Capita
2010	$ -	$ 6,585,000	$ 1,185,079	$ 29,973,000	$ 29,186,000	$ 66,929,079	7.6%	$ 2,020
2011	-	5,375,000	827,045	11,820,000	30,770,000	48,792,045	5.4%	1,460
2012	-	5,150,000	453,484	-	36,954,000	42,557,484	4.5%	1,274
2013	-	5,831,137	318,000	-	38,479,000	44,628,137	4.5%	1,336
2014	-	5,374,179	265,000	-	40,078,000	45,717,179	4.4%	1,364
2015	-	13,419,337	212,000	-	55,641,000	69,272,337	6.5%	2,046
2016	-	10,868,223	159,000	-	62,848,000	73,875,223	6.4%	2,168
2017	-	8,270,933	106,000	74,953,000	64,695,000	148,024,933	12.9%	4,386
2018	-	5,873,859	53,000	73,308,000	84,341,000	163,575,859	13.9%	4,877
2019	-	3,445,000	-	71,055,000	87,285,000	161,785,000	13.2%	4,806

Note: Details regarding the City's outstanding debt are disclosed in Note 3-I of the Notes to the Basic Financial Statements.

City of Dalton, Georgia
Ratios of General Obligation Debt Outstanding
Ten Year Summary
(Unaudited)

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
2010	$ -	0.0%	$ -
2011	-	0.0%	-
2012	-	0.0%	-
2013	-	0.0%	-
2014	-	0.0%	-
2015	-	0.0%	-
2016	-	0.0%	-
2017	-	0.0%	-
2018	-	0.0%	-
2019	-	0.0%	-

Source: The actual taxable value of property is obtained from the Schedule of Assessed and Estimated Actual Value of Taxable Property. Population data can be found in the Schedule of Demographic and Economic Statistics.

Note: Details regarding the City's outstanding debt is disclosed in Note 3-I of the Notes to the Basic Financial Statements.

City of Dalton, Georgia
Direct and Overlapping Governmental Activities Debt
As of December 31, 2019
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Applicable Percentage	Estimated Share of Direct and Overlapping Debt
Debt repaid with revenues other than property taxes:			
Dalton Public School System agreement with City - 2018 General Obligation Bonds	$ 40,380,000	100.0%	$ 40,380,000
Dalton Public School System agreement with Building Authority - Revenue Bonds, Series 2018	10,890,000	100.0%	10,890,000
Whitfield County agreement with Building Authority - Series 2018 Bonds	2,955,000	32.0%	945,445
Total overlapping debt			52,215,445
City direct debt			3,445,000
Total direct and overlapping debt			$ 55,660,445

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Dalton, Georgia. This process recognizes that when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

Note: The allocation of Whitfield County debt to City residents is based upon the proportion of City population to Whitfield County population from the 2010 census.

City of Dalton, Georgia
Legal Debt Margin Information
Ten Year Summary
(Unaudited)

	For the year ending December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	$ 361,898,788	$ 358,953,829	$ 366,434,391	$ 362,141,093	$ 375,304,806	$ 376,094,549	$ 368,183,682	$ 381,029,184	$ 390,486,938	$ 396,488,913
Total net debt applicable to limit	-	-	-	-	-	-	-	-	40,380,000	40,380,000
Legal debt margin	$ 361,898,788	$ 358,953,829	$ 366,434,391	$ 362,141,093	$ 375,304,806	$ 376,094,549	$ 368,183,682	$ 381,029,184	$ 350,106,938	$ 356,108,913
Total net debt applicable to limit as a % of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.3%	10.2%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	$ 3,635,191,927
Add: exempt property	329,697,205
Total assessed value	3,964,889,132
	10.0%
Debt limit (10% of assessed value)	$ 396,488,913
Debt applicable to limit	
Total general obligation debt	$ 40,380,000
Legal debt margin	$ 356,108,913

City of Dalton, Georgia
Pledged-Revenue Coverage
Ten Year Summary
(Unaudited)

	Utility Revenue Bonds					
				Debt Service		
Fiscal Year	Utility Service Charges	Utility Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2010	$ 167,388,000	$ 120,981,000	$ 46,407,000	$ 18,105,000	$ 2,191,000	2.3
2011	162,948,000	120,490,000	42,458,000	11,820,000	702,000	3.4
2012	176,942,000	124,071,000	43,245,000	-	-	-
2013	185,614,000	133,951,000	42,490,000	-	-	-
2014	199,317,000	147,769,000	51,548,000	-	-	-
2015	202,061,000	137,377,000	64,684,000	-	-	-
2016	205,218,000	141,634,000	63,584,000	-	-	-
2017	211,189,000	151,736,000	59,453,000	-	2,414,000	24.6
2018	213,990,000	143,950,000	70,040,000	2,172,000	3,020,000	13.5
2019	217,616,000	139,651,000	77,965,000	2,202,000	2,915,000	15.2

Note: Details regarding the City's outstanding debt can be found in Note 3-I of the Notes to the Basic Financial Statements. Operating expenses do not include interest, depreciation, or amortization.

City of Dalton, Georgia
Demographic and Economic Statistics
Ten Year Summary
(Unaudited)

Fiscal Year	Estimated Population		Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate	School Enrollment
2010	33,128		$ 876,666	$ 26,463	13.0%	6,840
2011	33,413	*	910,470	27,249	12.4%	6,974
2012	33,413	*	953,874	28,548	10.4%	7,225
2013	33,414	*	983,407	29,431	9.2%	7,518
2014	33,529	*	1,028,267	30,668	7.2%	7,703
2015	33,853	*	1,067,689	31,539	5.9%	7,835
2016	34,077	*	1,153,063	33,837	6.0%	7,966
2017	33,748	*	1,146,858	33,983	5.6%	7,899
2018	33,540	*	1,173,363	34,984	5.0%	7,998
2019	33,665	*	1,222,578	36,316	4.9%	7,921

Source: Per Capita Personal Income and Unemployment Rate information was provided by the Georgia Department of Labor. School Enrollment information was provided by the Dalton Independent School System. Population information was provided by the US Census Bureau.

* Estimated

City of Dalton, Georgia
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2019			2010		
Taxpayer	Employees (1)	Rank	Percentage of Total City Employees	Employees (1)	Rank	Percentage of Total City Employees
Shaw Industries, Inc.	4,638	1	13.8%	4,381	1	13.2%
Mohawk Industries, Inc.	3,372	2	10.0%	2,168	2	6.5%
Hamilton Medical Center	1,700	3	5.0%	1,836	3	5.5%
Dalton Public School System	1,213	4	3.6%	961	5	2.9%
Engineered Floors, LLC (2)	1,037	5	3.1%	-	NA	0.0%
Tandus Centiva, Inc.	912	6	2.7%	610	7	1.8%
City of Dalton, Georgia	711	7	2.1%	702	6	2.1%
Columbia Recycling Corp.	405	8	1.2%	-	NA	0.0%
Wal-Mart Stores, LP	403	9	1.2%	-	NA	0.0%
Shiroki Georgia, LLC	392	10	1.2%	310	9	0.9%
Beaulieu of America, LLC (2)	-	NA	0.0%	1,686	4	5.1%
J & J Industries (2)	-	NA	0.0%	551	8	1.7%
Kroger	-	NA	0.0%	290	10	0.9%

NA	Information not available
(1):	Includes City of Dalton only
(2):	J & J Industries and Beaulieu of America, LLC were purchased by Engineered Floors, LLC
Source:	Dalton-Whitfield Chamber of Commerce and City occupation tax data
Note:	The above figures for the City of Dalton include WLSF Commission employees and employees leased to joint ventures

City of Dalton, Georgia
Full-Time Equivalent City Government Employees by Function/Program
Ten Year Summary
(Unaudited)

Function/Program	For the year ending December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Administration and elected officials	7	7	7	7	7	7	6	6	7	8
Human Resources	3	3	3	3	3	3	3	3	3	3
City Clerk	3	3	3	3	3	3	3	3	3	3
IT	1	1	1	1	2	2	2	2	2	2
Finance	4	4	4	4	5	5	5	5	5	5
Municipal Court	8	4	4	4	5	5	5	5	5	5
Public Safety										
Police - Officers	81	82	79	81	82	83	81	85	85	88
Police - Civilians	15	13	15	14	15	15	15	13	13	13
Fire - Firefighters and officers	85	88	83	89	88	93	91	92	90	93
Fire - Civilians	-	1	1	2	3	3	3	3	3	3
Public Works										
Refuse collection	31	31	31	31	30	29	30	28	26	27
Streets	10	11	11	11	11	11	11	11	10	10
Other	23	24	27	25	25	30	30	30	34	34
DWRSWMA (Landfill)	38	38	37	36	36	36	36	36	40	39
WLSF (Dalton Utilities)	402	307	301	304	310	308	308	309	310	315
Culture and Recreation										
Recreation	25	25	28	29	27	27	28	29	30	32
Golf Course	9	7	6	6	6	8	10	7	7	7
Senior Center	5	4	4	4	4	4	4	4	4	5
Trade Center	-	-	5	12	15	15	15	17	17	14
Economic Development and Assistance										
Airport	-	-	-	-	1	2	2	2	2	3

Source: City of Dalton and WLSF Commission payroll departments

Note: A full time employee is scheduled to work 1,560 hours per year (including vacation and sick leave).

Note: The City leases employees to the Dalton-Whitfield Solid Waste Management Authority, the Dalton Whitfield Community Development Corporation, the Dalton-Whitfield Convention and Visitors Bureau, the Downtown Dalton Development Authority, and the Northwest Georgia Trade and Convention Center Authority.

Note: The Northwest Georgia Trade and Convention Center Authority management and employees were outsourced from 2009 through 2011.

City of Dalton, Georgia
Operating Indicators by Function/Program
Ten Year Summary
(Unaudited)

Function/Program	For the year ending December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Physical arrests	3,221	3,868	4,212	4,682	4,109	4,014	3,668	4,424	4,897	4,712
Traffic citations and warnings	9,384	12,621	10,831	11,375	12,943	11,174	10,826	11,710	13,857	12,644
Fire										
Calls answered	1,517	2,766	2,744	2,537	2,663	2,896	3,590	3,719	3,867	3,906
Inspections conducted	469	468	220	610	598	259	717	1,080	1,536	3,090
Public Works										
Streets resurfaced (miles)	6	-	2	2	4	7	4	7	8	6
Refuse collected (tons	7,862	7,942	8,093	8,817	9,838	11,264	11,405	11,748	12,397	12,848
Culture and Recreation										
Youth athletic enrollment	3,098	3,575	2,698	4,258	4,273	4,500	4,535	4,580	4,862	4,869
Adult athletic enrollment	2,441	2,398	2,292	2,089	2,001	1,950	1,935	1,940	1,780	1,756
Special events	20,000	25,000	25,120	20,000	26,452	29,000	28,960	29,558	29,360	29,736
Tournaments	18,225	21,655	22,868	24,268	25,267	25,398	26,243	25,253	24,868	24,532
Round of golf	NA	NA	NA	NA	NA	NA	NA	21,758	12,505	24,909
Tournament rounds of golf	NA	NA	NA	NA	NA	NA	NA	1,877	1,454	2,493
Senior Center meals	NA	NA	NA	NA	NA	NA	NA	17,250	17,500	18,000
Special needs participation	NA	NA	NA	NA	NA	NA	NA	1,108	1,230	1,454

(continued)

(1) In millions of gallons
(2) Includes Whitfield County
Source: Various City departments
NA Not available

City of Dalton, Georgia
Operating Indicators by Function/Program
Ten Year Summary
(Unaudited)

Function/Program	For the year ending December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
WLSF (Dalton Utilities) (1) (2)										
Electric System										
Number of service connections	15,532	15,500	15,625	16,512	16,664	16,882	16,907	16,802	16,874	16,815
Daily average consumption	4,178	3,977	3,976	4,236	4,485	4,762	4,931	5,073	5,233	5,663
Maximum daily peak (MW's)	262	262	243	237	256	267	275	271	283	301
Natural Gas System										
Number of service connections	7,789	7,602	7,623	7,594	7,813	7,554	7,534	7,445	7,426	7,456
Daily average consumption	6,305	5,679	4,798	5,819	7,840	7,295	8,622	13,716	14,492	13,515
Maximum daily peak (Dkthms)	19,055	16,487	17,217	18,163	23,440	24,166	25,681	27,824	37,489	32,948
Sewer system										
Number of service connections	12,323	12,317	12,450	12,616	12,773	12,884	12,916	12,847	13,006	13,090
Daily average treatment	21	21	20	22	20	21	19	23	24	20
Maximum daily capacity (Mil/gallons)	67	67	67	67	67	67	67	67	67	67
Water system										
Number of service connections	35,559	35,501	35,674	35,236	35,423	35,532	36,217	36,084	35,580	35,872
Daily average consumption (Mil/gallons)	21	1	22	23	25	27	27	27	28	27
Maximum daily capacity (Mil/gallons)	66	66	66	66	66	66	66	66	66	66
Optilink (Telecom) System										
Number of service connections	11,776	11,827	12,033	12,234	12,502	12,934	13,393	13,534	13,624	13,169

City of Dalton, Georgia
Capital Asset Statistics by Function/Program
Ten Year Summary
(Unaudited)

Function/Program	For the year ending December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	58	58	58	58	63	63	65	65	65	65
Fire										
Number of stations	5	5	5	5	5	5	5	5	5	5
Streets and Sanitation										
Miles of streets	173	174	174	178	180	180	180	180	181	191
Streetlights	4,485	4,505	4,525	4,545	4,610	4,615	4,620	4,633	4,638	4,649
Culture and Recreation										
Community centers	3	3	3	3	3	3	3	3	3	3
Parks	12	12	13	13	13	13	13	13	14	14
Park acreage	644	644	719	719	719	719	734	734	1,260	1,260
Golf courses	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	2	2	2	2	2	2	2	2
Tennis courts	22	22	22	22	22	22	28	28	28	28
WLSF (Dalton Utilities)										
Electric System										
Miles of distribution	204	206	301	310	317	334	339	356	356	390
Number of substations	9	9	9	10	10	11	11	11	11	12
Natural gas system										
Miles of distribution	276	277	324	279	285	292	296	298	341	363
Sewer system										
Miles of sewer	298	299	319	323	323	324	328	336	335	337
Number of treatment plants	5	5	5	5	5	5	5	5	5	5
Water system										
Miles of water mains	1,259	1,259	1,249	1,248	1,250	1,251	1,244	1,234	1,223	1,224
Number of fire hydrants	5,230	5,004	5,004	5,008	5,010	5,029	5,040	5,055	5,077	5,092
Optilink (Telecom) System										
Miles of fiber optics	592	601	601	626	827	1,096	1,317	1,367	1,422	1,479

Source: Various City departments
Note: Dalton Utilities figures include Whitfield County

City of Dalton, Georgia
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax
For the Year Ended December 31, 2019

Project Name	Original Estimated Project Cost	Revised Estimated SPLOST Funds	Prior Years	Current Year	Total	Estimated Percentage Complete
SPLOST 2015 (2015 Referendum):						
County-wide communications project	$ 3,901,000	$ 3,901,222	$ 3,786,136	$ 19,552	$ 3,805,688	98%
County-wide library project	163,000	162,551	138,249	24,302	162,551	100%
Lakeshore Park recreation project	2,200,000	2,133,394	2,133,394	-	2,133,394	100%
Public safety vehicles	3,200,000	3,193,319	3,092,471	78,579	3,171,050	99%
Haig Mill reservoir recreation project	5,000,000	5,293,814	5,091,151	202,663	5,293,814	100%
Streets, bridges, and stormwater projects	10,000,000	11,282,226	2,599,633	3,178,233	5,777,866	51%
	$ 24,464,000	$ 25,966,526	$ 16,841,034	$ 3,503,329	$ 20,344,363	78%
SPLOST 2008 (2007 Referendum):						
Road Projects	$ 30,384,359	$ 11,710,215	$ 13,778,946	$ 310,457	$ 14,089,403	120%
Total	$ 54,848,359	$ 37,676,741	$ 30,619,980	$ 3,813,786	$ 34,433,766	

Note: This schedule is presented on the modified accrual basis of accounting.

Note: Expenditures presented on this schedule are $2,584,633 less than those presented on the combining statement of revenues, expenditures, and changes in fund balances for SPLOST nonmajor capital projects funds. That variance is due to two factors: a) $2,196,989 in current year expenditures in SPLOST capital projects funds for debt service, which are not SPLOST expenditures, and were funded by proceeds from the issuance of debt during 2015; and b) $387,644 in current year expenditures in SPLOST capital projects funds for drainage and paving projects, which are SPLOST projects but were funded by state LMIG grants.

ESTES & WALCOTT
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor, Members of the City Council,
City Administrator, and Finance Director
City of Dalton, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dalton, Georgia, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Dalton, Georgia's basic financial statements and have issued our report thereon dated July 30, 2020. Our report includes a reference to other auditors who audited the financial statements of the WLSF Commission, as described in our report on the City of Dalton, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Dalton, 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 Dalton, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Dalton, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (2019-001)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Dalton, 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*.

City of Dalton, Georgia's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Estes & Walcott

Dalton, Georgia
July 30, 2020

City of Dalton, Georgia
Schedule of Findings and Responses
December 31, 2019

Findings – Financial Statement Audit

2019-001	Criteria:	Controls should be in place in order to sufficiently prevent, or detect and correct misstatements on a timely basis.
	Condition:	Controls related to concession inventory at the Recreation Department are inadequate.
	Cause:	The department has not implemented controls sufficient to reduce the risk of asset misappropriation.
	Effect:	Concession revenues or inventory misappropriation may not be prevented or detected on a timely basis.
	Recommendation:	The department should implement controls to monitor inventories and to reconcile concession receipts to inventory consumption on a regular basis.
	Management Response:	We concur. The City has purchased and placed point of sale software in the concession venues. This automated cash and credit card system also contains an inventory module. The recreation department is currently utilizing the system for revenues and will implement the system for inventory before the end of 2020. The recreation department is also developing written procedures for inventory controls.

City of Dalton, Georgia
Schedule of Prior Year Audit Findings
December 31, 2019

Prior Year Findings – Financial Statement Audit

2018-001 Condition:	Controls related to concession revenues and inventory at the Recreation Department are inadequate.
Current Status:	The City has the same finding this year. Management has made significant progress in their efforts to eliminate this finding, but the inventory module for the Recreation Department has yet to be implemented. Management believes this will not be a finding next year.