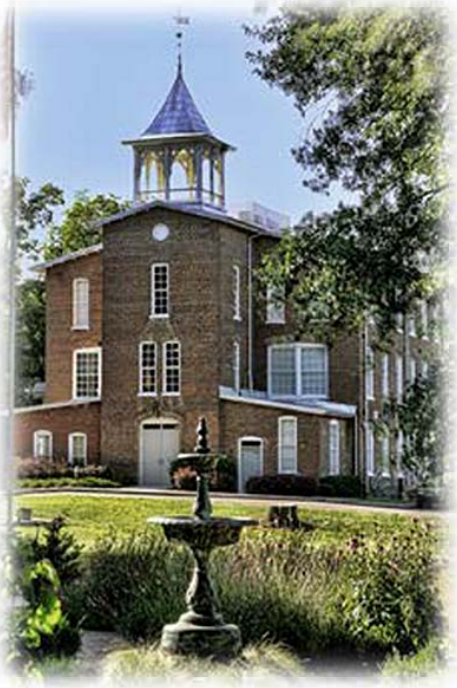




CITY OF DALTON
GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year ENded December 31, 2020







CITY OF DALTON, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended
December 31, 2020

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, 2020

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September 6, 2021

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

We are pleased to present the Comprehensive Annual Financial Report ("CAFR") of the City of Dalton, Georgia, for the year ended December 31, 2020 as mandated by Georgia state statutes. The CAFR presents the City's sound financial position due to conservative fiscal management while maintaining exceptional services to our citizenry.

Management assumes full responsibility for the accuracy, 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.

The City has prepared the financial statements to meet the current applicable requirements of the Governmental Accounting Standards Board ("GASB"). The City of Daltons' financial statements have been audited by Estes & Walcott, Certified Public Accountants, and they have rendered an unmodified opinion for the year ended December 31, 2020. The independent auditors' report is presented in the financial section of this report.

Management's discussion and analysis ("MD&A") immediately follows the independent auditor's 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.

The City receives financial assistance through various federal grant programs. Title 2 U.S. Code of Federal Regulations Part 200; Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") provides oversight and articulates government requirements for receiving and using federal awards. Audits of programs receiving federal funding have been performed. The required reports on supplemental information, compliance, internal controls, and various supplemental schedules are included under the Special Reports Section.

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 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 state redistricting 2020 data shows the 2020 population for Dalton at 34,417. 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. It 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 Employees' Pension Trust and Other Post Employment Benefit 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 City, in accordance with state law and the City's charter, adopts an annual operating budget. The budget functions as the basis for the City of Dalton's financial planning and control. The budget process provides a systematic approach to establishing priorities and directing services. The budget is adopted by the City Council after a required public hearing and the required public notices. The level of legal budgetary control is at the department-fund level.

Local Economy

Dalton is the economic hub of northwest Georgia and continues to benefit economically from the floor-covering industry's production of carpet, rugs, and luxury vinyl flooring. 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.

Like every U.S. city, Dalton's economy has been impacted by the novel coronavirus pandemic ("COVID-19"). The tourism industry and locally owned small businesses have been impacted the most. We encountered a 30% decrease in hotel-motel tax revenue during 2020, but have increased 37% for the first seven months of 2021. Other revenues remained flat due to the influx of federal stimulus funds to citizens and the City's large manufacturing base, as well as several large retail chains that were allowed to stay open during the shutdown. With the recent increase in COVID-19's Delta variant, 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 provided vaccines to the community and has recently started administering Regeneron's monoclonal antibody treatments for the treatment of COVID-19.

The Dalton Metropolitan Statistical Area ("MSA") unemployment was 5.5% at the end of 2020 and is currently 3.4% as of July 2021. We are currently below the national average of 5.4% and the state rate of 3.7%. We ended 2019 at 4.9%.

The City received $553,000 in Community Development Block Grant Funds from the CARES Act Formula Grants and developed three 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, a Meals Program that will provide twenty-eight days of meals to low-income target areas, and a rental assistance program.

The City also received $1,762,000 in CARE's funding that was utilized to cover public safety staff wages and benefits as well as hazard pay that was given to frontline employees during Georgia's State of Emergency due to the COVID-19 pandemic.

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 MSA continues to see growth in both manufacturing and retailers with substantial capital investment. The JDA reports that two new projects were awarded in 2020:

- Novalis Innovative Flooring – the facility will include the most advanced technologies in rigid core luxury vinyl tile manufacturing and will use the latest in automation. The company will invest $30 million in the project and create 120 new jobs. The company opened in August of 2020.
- GEDIA Automotive Group – is 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 sq. ft. facility, invest capital of $85 million, and create 200 jobs. The Company is expected to open in the 4th quarter of 2021.

Dalton's Hamilton Health Care System is recognized for excellence and recently opened two new facilities. The Anna Shaw Children's Institute is a regional leader and advocate for the care of children experiencing autism spectrum disorder, attention-deficit/hyper-activity disorder or developmental delays. The Peeples Cancer Institute combines a world-class oncology clinic with radiation oncology, outpatient infusion, and breast and diagnostic imagining services within one four story building.

Junior Achievement ("JA") of Georgia opened its 4th JA Discovery Center in Georgia on March 4th, 2021. The 15,000 square foot hybrid space will combine JA Biz Town and JA Finance Park to offer experiential simulation to middle school students from neighboring cities and counties.

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 January 2020, City leaders engaged with the firm of Goodwyn Mills 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.

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 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.

In April of 2021, the City issued $18,360,000 in revenue bonds through the City of Dalton Building Authority to finance recreation, economic development, and stormwater projects. Those projects include construction of an aquatics center, Market Street access road, and mitigation of stormwater issues. These funds will be combined with various other funding sources for completion of projects.

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.

During 2019 and 2020, the City made a concerted effort to strengthen the security of the City's data and lessen the vulnerability of cyber-attacks. Additional resources were infused into the City's IT department, which added a full-time employee, contracted for an IT security assessment, enhanced the commercial cyber-security insurance coverage, implemented security awareness training, and invested $915,000 into a hardware-software for system upgrades and data backup redundancy in the network storage environment. The IT and Social Media Policies were updated and the utilization of a Remote Monitoring and Management Program ("RMM") was implemented to ensure equipment meets or exceeds National Institute of Standards and Technology ("NIST") guidelines.

City leaders continue to be committed to improve the City's overall appearance and remove blight. In 2020, the City enacted policy revisions to the City's curbside pickup ordinance and implemented penalties for failure to comply with the ordinance. Code enforcement officers were tasked to address unsafe, unsanitary, or dilapidated structures within the City. Their increased efforts resulted in the demolition of several abandoned homes and the cleanup of numerous vacant lots. These measures have made a noticeable improvement within the City.

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 2020, the City's general fund unrestricted fund balance was equal to 74% of 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 CAFR for the fiscal year ended December 31, 2019. This is the eighteenth 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
City Administrator

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, 2019

Christopher P. Morrill

Executive Director/CEO

City of Dalton, Georgia
City Officials and Administration
December 31, 2020

David Pennington
Mayor

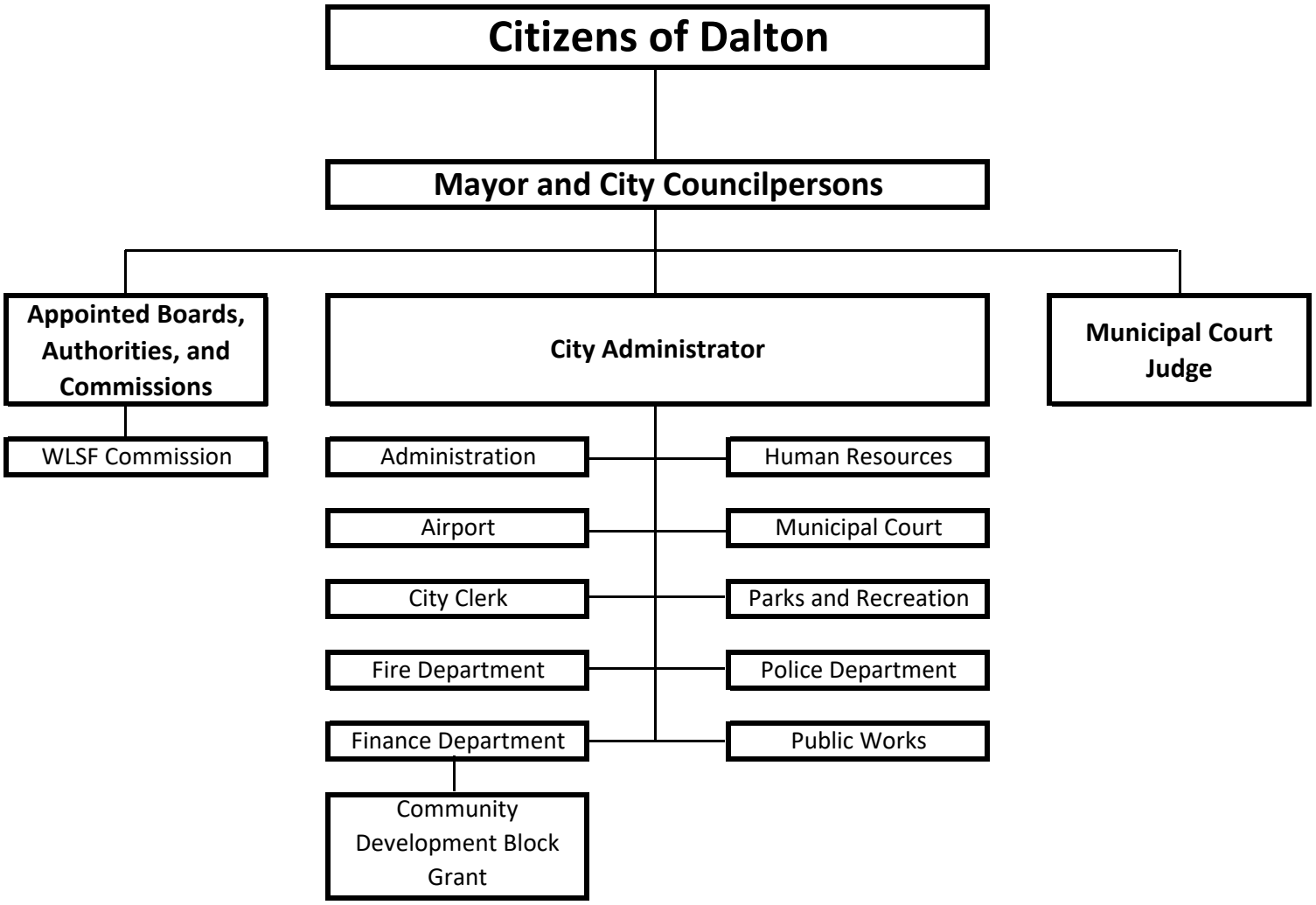
City Council

Derek Waugh, 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, 2020



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, 2020, 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 98%, 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, 2020, 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 combining and individual fund financial statements and schedules and the schedule of projects constructed with special purpose local option sales tax are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of projects constructed with special purpose local option sales tax 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 September 6, 2021, 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
September 6, 2021

City of Dalton, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

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, 2020. 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 $1,137,254,504 (net position) for the calendar year reported. This represents an increase of $41.9 million from the prior year net position.

- Total net position is comprised of the following:
    - Net investment in capital assets of $888.2 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 $195.9 million is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
    - Unrestricted net position of $53.2 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 $35.5 million this year. This represents an increase of $1.9 million from the prior year.

- At the end of the current calendar year, unassigned fund balance for the general fund was $25.5 million, or 74% of total general fund expenditures.

- The business-type activities enterprise funds reported total ending net position of $1,040.5 million as of December 31, 2020. This reflects an increase of $35.5 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, sewer, and information technology. The WLSF Commission transferred $11.1 million to the general fund during 2020. 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, a municipal court custodial fund, a police custodial 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. The municipal court and police custodial funds account for assets, including fines, surcharges, and seizures of cash and property, which are held by the municipal court and the police department in a custodial fashion. 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 166 through 168. 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 2020 year is summarized as follows, based on information presented in the government-wide statement of net position.

Summary Statement of Net Position
Fiscal Years 2020 and 2019

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current assets	$ 38,713,919	$ 36,658,273	$ 56,376,413	$ 52,242,916	$ 95,090,332	$ 88,901,189
Capital assets	87,505,845	88,837,649	1,041,287,075	955,298,708	1,128,792,920	1,044,136,357
Other long-term assets	1,228,282	1,022,821	252,805,728	213,080,819	254,034,010	214,103,640
Total assets	127,448,046	126,518,743	1,350,469,216	1,220,622,443	1,477,917,262	1,347,141,186
Deferred outflows of resources	2,570,532	2,977,711	5,517,470	6,524,145	8,088,002	9,501,856
Total assets and deferred outflows	$130,018,578	$129,496,454	$1,355,986,686	$1,227,146,588	$1,486,005,264	$1,356,643,042
Liabilities:						
Current liabilities	3,184,993	2,955,552	28,420,087	28,836,711	31,605,080	31,792,263
Long-term liabilities	15,266,522	20,635,709	270,198,624	175,517,427	285,465,146	196,153,136
Total liabilities	18,451,515	23,591,261	298,618,711	204,354,138	317,070,226	227,945,399
Deferred inflows of resources	13,317,171	14,192,863	18,363,363	19,178,917	31,680,534	33,371,780
Net position:						
Net investment in capital assets	84,330,845	85,392,649	803,826,075	814,056,708	888,156,920	899,449,357
Restricted	10,520,530	10,018,388	185,424,000	143,023,000	195,944,530	153,041,388
Unrestricted	3,398,517	(3,698,707)	49,754,537	46,533,825	53,153,054	42,835,118
Total net position	98,249,892	91,712,330	1,039,004,612	1,003,613,533	1,137,254,504	1,095,325,863
Total liabilities, deferred inflows, and net position	$130,018,578	$129,496,454	$1,355,986,686	$1,227,146,588	$1,486,005,264	$1,356,643,042

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 $1,137,254,504 at the close of the current year.

The most substantial portion of the City's net position is net investment in capital assets of $888.2 million (78%). 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.

Restricted net position comprises the next largest component, constituting 17% of total net position. Restricted net position experienced a $42.9 million gain during the past year, increasing from $153.0 million to $195.9 million. These funds are subject to limitations in the manner in which they may be spent; these constraints may be imposed by external sources, enabling legislation or constitutional provision.

The remaining balance represents unrestricted net position and comprises 5% of total net position. The statement shows an increase of 24% from the prior year, increasing from $42.8 million to $53.2 million. The positive unrestricted net position does not mean that the City has resources available beyond its long-term commitments, but rather is a result of having currently available resources that are greater than long-term commitments.

Although net position of the business-type activities represents 91% 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 $41.9 million during 2020. The business-type activities net position increased by $35.4 million while the governmental activities net position increased by $6.5 million.

The effects of the City's operations and resulting change in net position for the 2020 year is summarized as follows, based on information presented in the government-wide statement of activities.

Summary Statement of Activities
Fiscal Years 2020 and 2019

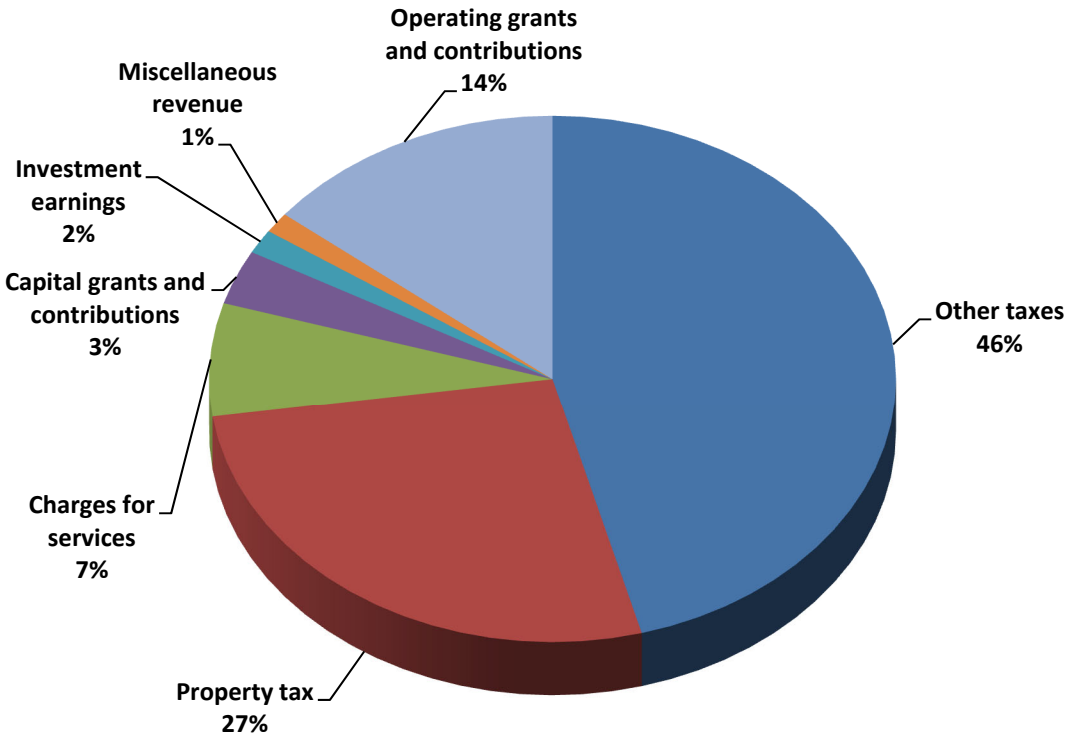
	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program:						
Charges for services	$ 2,081,249	$ 2,232,677	$ 206,338,327	$ 220,772,735	$ 208,419,576	$ 223,005,412
Operating grants	4,258,266	3,278,259	-	-	4,258,266	3,278,259
Capital grants	1,001,027	2,434,707	-	-	1,001,027	2,434,707
General:						
Property taxes	8,037,569	8,879,845	-	-	8,037,569	8,879,845
Other taxes	13,698,666	13,568,997	-	-	13,698,666	13,568,997
Investment earnings	444,764	684,787	2,242,309	5,092,709	2,687,073	5,777,496
Miscellaneous	376,430	1,188,289	638,325	1,582,000	1,014,755	2,770,289
Total revenues	29,897,971	32,267,561	209,218,961	227,447,444	239,116,932	259,715,005
Program Expenses:						
General government	3,656,268	3,793,196	-	-	3,656,268	3,793,196
Judicial	416,055	392,841	-	-	416,055	392,841
Public safety	16,192,777	16,577,990	-	-	16,192,777	16,577,990
Public works	8,589,780	10,819,102	-	-	8,589,780	10,819,102
Health and welfare	508,059	440,499	-	-	508,059	440,499
Culture and recreation	5,630,740	5,879,397	-	-	5,630,740	5,879,397
Housing and development	427,573	332,616	-	-	427,573	332,616
Economic development	482,500	-	-	-	482,500	-
Interest	200,751	244,914	-	-	200,751	244,914
Utilities	-	-	158,347,951	167,597,557	158,347,951	167,597,557
Trade Center	-	-	848,713	540,487	848,713	540,487
Landfill	-	-	-	-	-	-
Golf course	-	-	944,916	953,133	944,916	953,133
Airport	-	-	942,208	993,797	942,208	993,797
Total expenses	36,104,503	38,480,555	161,083,788	170,084,974	197,188,291	208,565,529
Excess (deficiency)	(6,206,532)	(6,212,994)	48,135,173	57,362,470	41,928,641	51,149,476
Transfers	12,744,094	10,217,906	(12,744,094)	(10,217,906)	-	-
Change in net position	6,537,562	4,004,912	35,391,079	47,144,564	41,928,641	51,149,476
Beginning net position	91,712,330	87,707,418	1,003,613,533	956,468,969	1,095,325,863	1,044,176,387
Ending net position	$ 98,249,892	$ 91,712,330	$1,039,004,612	$1,003,613,533	$1,137,254,504	$1,095,325,863

The City's total revenues decreased $20.6 million (8%) and the total cost of services and programs provided decreased $11.4 million (5%). 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, 2020:

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 $2.4 million (7%).

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

- The largest decrease occurred in the capital grants category. This category comprises 3% of total revenues and decreased $1.4 million (59%). 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.

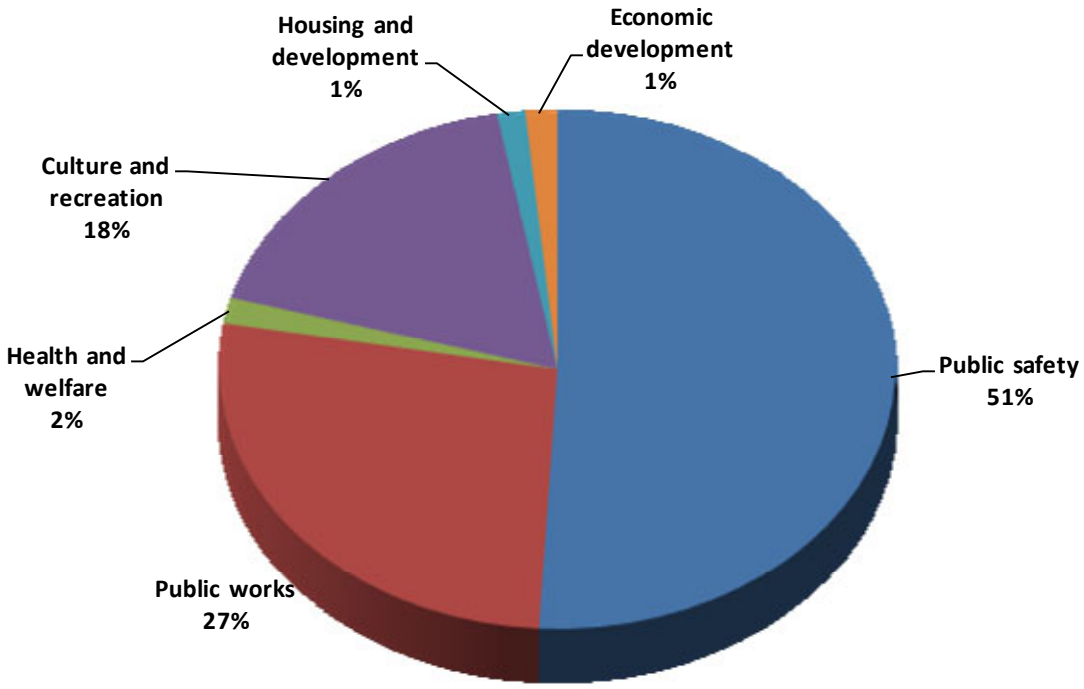
- Property taxes decreased $842,000 (10%) due to a decreased millage rate below the rollback millage rate.

- The largest increase occurred in the operating grants category. This category comprises 14% of total revenues and increased $980,000 (30%). The City received a CARES grant totaling $1.8 million from the Department of the Treasury to supplement operations as a result of COVID-19. This increase in funding was offset by decreased spending for the 2015 SPLOST projects paving projects.

- Other taxes saw a modest increase of $130,000 (5%) due to increase in sales tax of $540,000 (9%) netted against a decrease in hotel motel tax of $476,000 (30%). The increase in sales tax was due to a large number of City businesses being deemed esscential during the COVID-19 shut down. The decrease in hotel motel tax was due to travel restrictions imposed during the COVID-19 public health emergency.

The following chart depicts expenses of the governmental activities for the year ended December 31, 2020:

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 decreased $2.4 million (6%).

The public works program expense decreased $2.2 million (21%) due primarily to reduced spending for the 2015 SPLOST projects paving projects of $1.8 million. A 3% cost of living increase, totaling $721,000, a 4% increase in health insurance costs, totaling $140,000, and public safety and public works hazard pay of $836,00 were absorbed by the change in the allocable net pension liability to the public works function of $3.8 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	$ 3,656,268	$ 3,046,370
Judicial	416,055	(91,140)
Public safety	16,192,777	13,591,321
Public works	8,589,780	6,142,097
Health and welfare	508,059	138,782
Culture and recreation	5,630,740	5,343,003
Housing and development	427,573	(89,723)
Economic development	482,500	482,500
Interest	200,751	200,751
Total	$ 36,104,503	$ 28,763,961

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

Business-type Activities

The City's business-type activities revenues decreased $18.2 million (8%) and expenses decreased $9.0 million (5%).

Revenues:

The decrease in charges for services of $14.4 million (7%) is primarily attributable to Dalton's utility operations, the WLSF Commission, as follows:

- Electric operating revenues decreased $7.2 million (6%), primarily due to decreased consumption in all customer classes from the effects of COVID-19.

- Natural gas operating revenues decreased $5.8 million (21%), primarily due to a decrease in consumption across all customer classes from the effects of COVID-19, combined with a decrease in the variable portion of rates driven by a decrease in the market cost of natural gas in 2020.

- Water operating revenues increased by $909,000 (4%), primarily due to an overall rate increase of 4% for all customer classes. This increase was partially offset by decreased consumption from industrial and commercial customers from the effects of COVID-19.

- Wastewater operating revenues decreased by $1.5 million (7%), primarily due to a decrease in consumption from industrial and commercial customers from the effects of COVID-19. This decrease was partially offset by an overall rate increase of 4.0% for all customer classes.

- Information technology operating revenues decreased $470,000 (2%), due to a decrease in cable TV revenues, partially offset by rate increases for residential and commercial internet and cable TV customers beginning April 1, 2020.

The decrease in investment income of $2.9 million (56%) is primarily attributable to the WLSF Commission's operations as follows:

- Interest income decreased $906,000 due to the reinvestment of portfolio securities at lower interest rates.
- The fair value of investments decreased $1.9 million due to a decrease in fair value as a result of the change in the overall bond market.

The decrease in miscellaneous income of $944,000 (60%) comes from a reduction in contributions in aid of construction of $1 million for the WLSF Commission.

Expenses:

The decrease in program expenses of $9.0 million (5%) is primarily attributable to the WLSF Commission's operations as follows:

- Production expenses decreased by $890,000 (2%), primarily due to a decrease in nuclear fuel expenses.
- Purchased electricity expenses decreased $3.7 million (10%), primarily due to decreased consumption for data center industrial customers.
- Purchased natural gas expenses decreased $5.6 million (30%), 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 $2.01 and $2.57 per Dth for 2020 and 2019, respectively.
- Distribution expenses decreased by $631,000 (2%), primarily due to a decrease in the required employer pension plan contributions.
- Depreciation and amortization expense increased $633,000 (3%), which reflects the addition of depreciable assets in the normal course of business.
- General and administrative expenses increased by $823,000 (5%), primarily due to an increase in credit card fee charges and contracted maintenance.
- Interest expense increased $49,000 (2%) as a result of additional interest expense incurred for the 2020 Revenue Bond offering in the amount of $100 million.

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 $35,503,940. Of this year-end total, 72% ($25,501,488) is unassigned fund balance that is available for spending at the City's discretion. The remainder is nonspendable ($144,225), restricted for particular purposes ($9,292,248), and committed or assigned for particular purposes ($565,979).

The total ending fund balances of governmental funds reflect an increase of $1.9 million (6%) from the prior year. The general fund reported an increase in fund balance of $1,631,711 (7%) and the other governmental funds reported an increase in fund balances of $298,339 (3%).

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 2020, the fund balance of the general fund was $26.5 million. Unassigned fund balance represents 74% of general fund expenditures, an increase from the prior year, in which unassigned fund balance represented 70% of expenditures.

The general fund increased fund balance by $1.6 million during the fiscal year. Key factors are as follows:

- General fund total revenues of $24.5 million were $14,000 less than the prior year's revenue. The City experienced increases in sales tax of $540,000, intergovernmental revenue from Whitfield County of $200,000, and federal and state grants and contracts of $811,000. The City experienced offsetting decreases in real and personal property taxes of $976,000, title ad valorem tax of $212,000, investment earnings of $184,000, and miscellaneous revenues of $156,000

- General fund total expenditures of $34.3 million were $214,000 more than the prior year's expenditures. Wages increased $1.1 million due to a 3% COLA, and targeted public safety - public works employees receiving hazard pay for six months. The defined benefit pension costs increase $681,000 due to a 13% increase in the employer contribution rate and hazard pay for those under the plan. Contracted services and supplies decreased $1.6 million from the prior year due to closing parks and playgrounds, canceling recreation programs and in-person training, and other activities that were limited or eliminated due to the coronavirus.

- Other financing sources of $15.5 million increased $3.8 million from the prior year due to a one time transfer from the DWRSWMA joint venture of $2.5 million, a transfer from the CARES Act special revenue fund of $1.8 million to subsidize City expenditures due to coronavirus, and an increase in the transfer fee from the WLSF Commission of $178,000. These increases were offset by a decrease in proceeds from sales of capital assets of $322,000.

- Other financing uses of $4.1 million increased $517,000 from the prior year due to a decrease in capital funding to capital projects funds of $2.0 million, offset by an increase in transfers to the economic development fund of $2.5 million.

Capital Projects Funds

- The SPLOST 2020 capital projects fund is used to account for the acquisition and construction of major capital assets associated with the 2020 SPLOST. Significant activity in this fund will begin in 2021.

- 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 $656,000, state funding totaled $421,000, and investment earnings totaled $57,000. Expenditures totaled $1.1 million for various SPLOST projects. At the end of 2020, fund balance was $5.6 million and is restricted to complete the various projects. The debt was retired in 2019.

- 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 $96,000 for the communication SPLOST project. At the end of 2020, the fund balance was fully depleted.

- 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. Funds available for City projects have been fully expended.

- The capital acquisition fund is used to account for expenditures for general capital outlays. Revenues are derived primarily from transfers from the general fund. Other financing sources totaled $1.2 million from the general fund and other financing uses totaled $165,000 for funding paid to the airport fund. Total expenditures were $2.9 million for acquisition of vehicles, equipment, and facility repairs. At the end of 2020, fund balance was $942,000 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 $849,000, a net increase to budgeted expenditures of $560,000, and a net increase to other financing sources (uses) of $1.2 million.

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

- Increased budgeted tax revenue of $154,000 due to:
  - Real and personal property tax decrease of $1.0 million due to a reduction in the millage rate below the rollback millage rate and a decrease in the collection rate
  - Title ad valorem tax increase of $303,000 due to legislative changes in allocation rates
  - Sales tax increase of $672,000 due to increased sales volume in the City
  - Insurance premium tax increase of $138,000

- Increased budgeted intergovernmental revenue of $996,000 due to:
  - Intergovernmental revenue from Whitfield County of $200,000 for paving projects as directed by the Service Delivery Strategy
  - State contract revenue of $766,000 for paving contracts

- Decreased budgeted charges for services of $166,000 due to:
  - Shutdown of recreational programs, municipal court, and the senior center for a period of time due to COVID-19

- Decreased investment earnings of $169,000 to reflect the decrease in interest rates

The budgets for expenditures by department remained stable from original to final other than for public works. Public works budgeted expenditures were increased by $484,000 primarily to cover the cost of capital expenditures for heavy equipment for the public works department.

The other financing sources budget category was amended to reflect a decrease in the WLSF transfer in of $71,000, a decrease in the hotel/motel tax revenue transfer in of $339,000, an increase in the CARES Act grant transfer in of $1.8 million, and an increase in the DWRSWMA transfer in of $2.5 million. The other financing (uses) budget category was amended to reflect an increase in the capital acquisition fund transfer out of $966,000, an increase in the economic development fund transfer out of $2.5 million, and a decrease in the debt service transfer out of $743,000 due to the postponement of debt issuance until 2021.

The general fund revenues and other financing sources were under the adjusted budget by $16,000 and general fund expenditures and other financing uses were under the adjusted budget by $2.0 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for governmental and business-type activities at December 31, 2020 was $87.5 million and $1,041.3 million, respectively. The book value of the governmental activities investment in capital assets decreased by $1.3 million. The book value of the business-type activities investment in capital assets increased by $86.0 million. Depreciated cost for capital assets of the City as a whole increased by $84.7 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 2020 and 2019

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Non-depreciable assets:						
Land	$ 18,708,540	$ 18,308,390	$ 4,525,529	$ 4,525,529	$ 23,234,069	$ 22,833,919
Construction in progress	659,775	918,271	294,436,000	217,300,000	295,095,775	218,218,271
Total non-depreciable	19,368,315	19,226,661	298,961,529	221,825,529	318,329,844	241,052,190
Depreciable assets:						
Land improvements	48,729,707	47,987,805	9,414,120	9,414,120	58,143,827	57,401,925
Buildings and improvements	34,866,568	34,866,568	3,763,489	3,763,489	38,630,057	38,630,057
Machinery, equipment, and furniture	31,103,614	29,590,852	2,787,911	2,641,895	33,891,525	32,232,747
Intangibles	1,211,447	1,102,492	-	-	1,211,447	1,102,492
Utility plant	-	-	1,322,496,000	1,287,113,000	1,322,496,000	1,287,113,000
Infrastructure	108,099,656	107,011,627	-	-	108,099,656	107,011,627
Total depreciable assets	224,010,992	220,559,344	1,338,461,520	1,302,932,504	1,562,472,512	1,523,491,848
Less accumulated depreciation	155,873,462	150,948,356	616,171,974	589,910,326	772,045,436	740,858,682
Book value-depreciable assets	68,137,530	69,610,988	722,289,546	713,022,178	790,427,076	782,633,166
Percentage depreciated	70%	68%	46%	45%	49%	49%
Nuclear fuel, at amortized cost	-	-	20,036,000	20,451,000	20,036,000	20,451,000
Book value - all assets	$ 87,505,845	$ 88,837,649	$1,041,287,075	$ 955,298,707	$1,128,792,920	$1,044,136,356

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

- General government purchases of $508,000 for a firewall system and related software and $96,000 for the communications project.
- Public safety vehicle and equipment purchases of $603,000; the total included fifteen vehicles and a breathing apparatus system.
- Public works vehicle and equipment purchases of $489,000; major purchases include three trucks and five pieces of heavy equipment and machinery.
- Public works infrastructure purchases of $1.5 million; includes bridge repair, drainage/detention/flood projects, mast arms, land purchases and improvement, and guardrail projects.
- Culture and recreation purchases of $516,000 for construction in progress, land improvements, and two vehicles; major project underway is the James Brown Center.

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 $35.4 million, offset by an increase in accumulated depreciation of $25.7 million. Construction work in progress increased $77.1 million, primarily from additional construction costs for the WLSF Commission's ownership interest in the construction of Vogtle Units 3 and 4.

Long-term Debt

At the end of the calendar year, the City had total capital leases and revenue bonds outstanding of $171.8 million. This is an increase of $97.3 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	
	2020	2019	2020	2019	2020	2019
Capital leases payable	$ 3,175,000	$ 3,445,000	$ -	$ -	$ 3,175,000	$ 3,445,000
Revenue bonds	-	-	168,619,000	71,055,000	168,619,000	71,055,000
Total	$ 3,175,000	$ 3,445,000	$ 168,619,000	$ 71,055,000	$ 171,794,000	$ 74,500,000

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

State statutes limit the amount of general obligation debt a governmental entity may issue, which is up to 10% of its total assessed valuation. The current debt limitation for the City of Dalton is $399.1 million, which is significantly in excess of the City's general obligation debt outstanding of $40.4 million. Refer to note 4-D for conduit debt obligation with limited commitments with the City of Dalton Public School Systems issuance of 2018 general obligation bonds.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2021 general fund budget reflects a $545,000 (2%) decrease in revenues when compared to 2020 actual revenues. Budgeted expenditures for 2021 reflect an $872,000 (3%) increase when compared to actual 2020 expenditures. The 2021 budgeted other financing sources (uses) indicate a $198,000 (2%) decrease when compared to 2020 actual. The City's adopted 2021 general fund budget is balanced without utilization of fund balance.

The City considered the following factors when preparing the 2021 budget:

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

- The expected decrease in revenues and other financing sources when compared to 2020 actual are from the reduction of grants related to the coronavirus pandemic in the amount of $1.8 million and the transfer from DWRSWMA of $2.5 million. Other revenue sources impacted by the coronavirus pandemic are expected to rebound to pre-pandemic levels such as business licenses, mixed drink tax, recreation programs, court fines and forfeitures, and hotel motel tax.

- The employer defined benefit pension contribution required match will decrease 9% in 2021 compared to 2020. The defined contribution plan employer match will remain at 5%.

- The OPEB premiums will continue to be paid from the OPEB trust fund with no additional employer contributions to the trust in 2021.

- Health insurance premiums will increase 12% for 2021. The City will absorb the increase and forego a cost of living increase for employees.

- The 2021 budget reflects no additional personnel and assumes positions are at 98% capacity for public safety and public works.

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.

2020 SPLOST projects are underway and SPLOST collections are tracking 23% over budget as of August.

The capital projects fund did not receive any funding in the adopted 2021 budget, but Council subsequently approved $1.3 million to be transferred from the general fund's surplus fund balance to the capital projects fund for departmental equipment and facility repairs.

In April of 2021, the City issued revenue bonds in the amount of $18.4 million to fund stormwater, recreation, and infrastructure for economic development projects.

The City received $4.4 million in May of 2021 from the American Rescue Plan Act, signed into law on March 11, 2021. The City is awaiting release of the Final Rule from Treasury to determine how the funds will be spent.

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

COVID-19 and Delta Variant

The City continues to provide essential services during the novel coronavirus pandemic ("COVID-19") and the current Delta variant. We have implemented policies, procedures, and guidelines to ensure the safety of our employees and the community.

The City adopted a Pandemic Leave Policy, implemented a Food Program, Business Loan Forgiveness Program, and Rental Assistance Program with CDBG funds, required mask usage within City buildings, and provides public meetings with Zoom platform option. The City has encountered minor employee absences due to protocols set for those experiencing symptoms or exposure to the virus, but has experienced a high rate of unfilled positions due to the influx of government funding to citizens.

The City has engaged its Fire Department to work in conjunction with local health professionals to provide the COVID-19 vaccines to the public at no cost, as well as monoclonal antibody treatments (Regeneron) for the public that have recently been diagnosed with the virus.

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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	City of Dalton Building Authority
Assets				
Current Assets				
Cash and cash equivalents	$ 34,432,823	$ 7,240,362	$ 41,673,185	$ 22,478,827
Investments	603,826	768,000	1,371,826	-
Restricted customer deposit fund	-	2,969,000	2,969,000	-
Receivables:				
Accounts	1,955,945	14,330,690	16,286,635	-
Taxes	1,023,473	-	1,023,473	-
Intergovernmental	553,627	-	553,627	-
Interest	-	416,000	416,000	-
Capital leases	-	-	-	9,713,000
Unbilled revenues	-	8,126,000	8,126,000	-
Fuel stocks	-	3,644,000	3,644,000	-
Materials and supplies inventory	132,725	17,231,361	17,364,086	-
Deposits and prepaid items	11,500	1,651,000	1,662,500	-
Total Current Assets	38,713,919	56,376,413	95,090,332	32,191,827
Noncurrent Assets				
Nondepreciable capital assets	19,368,315	298,961,529	318,329,844	-
Depreciable capital assets, net	68,137,530	722,289,546	790,427,076	-
Nuclear fuel, at amortized cost	-	20,036,000	20,036,000	-
Restricted customer deposit fund	-	-	-	-
Restricted combined renewals and extensions fund	-	4,654,000	4,654,000	-
Restricted combined utilities construction fund	-	106,741,000	106,741,000	-
Restricted nuclear decommissioning	-	60,066,000	60,066,000	-
Regulatory asset	-	61,409,000	61,409,000	-
Capital leases receivable (less current portion)	-	-	-	28,327,000
Investment in joint ventures	1,228,282	19,935,728	21,164,010	-
Total Noncurrent Assets	88,734,127	1,294,092,803	1,382,826,930	28,327,000
Total Assets	127,448,046	1,350,469,216	1,477,917,262	60,518,827
Deferred Outflows of Resources	2,570,532	5,517,470	8,088,002	-
Total Assets and Deferred Outflows	$130,018,578	$1,355,986,686	$1,486,005,264	$ 60,518,827

(continued)

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Net Position
December 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	City of Dalton Building Authority
Liabilities				
Current Liabilities				
Accounts payable and accrued expenses	$ 1,885,081	$ 18,144,583	$ 20,029,664	$ 22,410,966
Internal balances	(1,936,887)	1,936,887	-	-
Accrued interest payable	95,094	-	95,094	-
Claims payable	1,225,510	-	1,225,510	-
Unearned revenue	141,195	32,617	173,812	-
Compensated absences payable	1,500,000	40,000	1,540,000	-
Revenue bonds payable	-	2,312,000	2,312,000	9,438,000
Recovery zone economic development bonds payable	-	-	-	275,000
Capital leases payable	275,000	-	275,000	-
Customer deposits	-	5,954,000	5,954,000	-
Total Current Liabilities	3,184,993	28,420,087	31,605,080	32,123,966
Long-Term Liabilities				
Compensated absences payable (less current portion)	3,127,592	68,584	3,196,176	-
Asset retirement obligations	-	90,041,000	90,041,000	-
Revenue bonds payable (less current portion)	-	166,307,000	166,307,000	25,427,000
Recovery zone bonds payable (less current portion)	-	-	-	2,900,000
Capital leases payable (less current portion)	2,900,000	-	2,900,000	-
Net pension liability	1,701,610	3,908,788	5,610,398	-
Net OPEB liability	7,537,320	9,873,252	17,410,572	-
Total Long-Term Liabilities	15,266,522	270,198,624	285,465,146	28,327,000
Total Liabilities	18,451,515	298,618,711	317,070,226	60,450,966
Deferred Inflows of Resources	13,317,171	18,363,363	31,680,534	-
Net Position				
Net investment in capital assets	84,330,845	803,826,075	888,156,920	-
Restricted for:				
Debt service	41,007	106,741,000	106,782,007	-
Capital projects	6,502,793	4,654,000	11,156,793	-
Public safety	133,174	-	133,174	-
Development	3,522,139	-	3,522,139	-
Public works	103,675	-	103,675	-
Culture and recreation	217,742	-	217,742	-
Nuclear decommissioning	-	60,066,000	60,066,000	-
Pension	-	11,835,000	11,835,000	-
OPEB	-	2,128,000	2,128,000	-
Unrestricted	3,398,517	49,754,537	53,153,054	67,861
Total Net Position	98,249,892	1,039,004,612	1,137,254,504	67,861
Total Liabilities, Deferred Inflows, and Net Position	$130,018,578	$1,355,986,686	$1,486,005,264	$ 60,518,827

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Activities
For the Year Ended December 31, 2020

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	$ 3,656,268	$ 341,327	$ 268,571	$ -	$ (3,046,370)	$ -	$ (3,046,370)	$ 22,494
Judicial	416,055	507,195	-	-	91,140	-	91,140	-
Public safety	16,192,777	783,270	1,778,107	40,079	(13,591,321)	-	(13,591,321)	-
Public works	8,589,780	139,385	1,347,350	960,948	(6,142,097)	-	(6,142,097)	-
Health and welfare	508,059	22,335	346,942	-	(138,782)	-	(138,782)	-
Culture and recreation	5,630,740	287,737	-	-	(5,343,003)	-	(5,343,003)	-
Housing and development	427,573	-	517,296	-	89,723	-	89,723	-
Economic development	482,500	-	-	-	(482,500)	-	(482,500)	-
Interest on long-term debt	200,751	-	-	-	(200,751)	-	(200,751)	-
Total Governmental Activities	36,104,503	2,081,249	4,258,266	1,001,027	(28,763,961)	-	(28,763,961)	22,494
Business-Type Activities:								
WLSF:								
Electric system	80,473,178	118,143,000	-	-	-	37,669,822	37,669,822	-
Gas system	18,880,574	21,421,000	-	-	-	2,540,426	2,540,426	-
Water system	23,358,791	22,070,000	-	-	-	(1,288,791)	(1,288,791)	-
Wastewater system	19,903,976	20,099,000	-	-	-	195,024	195,024	-
Information technology system	15,731,432	22,078,000	-	-	-	6,346,568	6,346,568	-
Landfill	-	1,200,962	-	-	-	1,200,962	1,200,962	-
Convention Center	848,713	-	-	-	-	(848,713)	(848,713)	-
Municipal golf course	944,916	896,164	-	-	-	(48,752)	(48,752)	-
Municipal airport	942,208	430,201	-	-	-	(512,007)	(512,007)	-
Total Business-Type Activities	161,083,788	206,338,327	-	-	-	45,254,539	45,254,539	-
Total - Primary Government	$ 197,188,291	$ 208,419,576	$ 4,258,266	$ 1,001,027	(28,763,961)	45,254,539	16,490,578	22,494
		General Revenues						
		Property taxes levied for:						
		General purposes			8,037,569	-	8,037,569	-
		Selective taxes			12,607,683	-	12,607,683	-
		Hotel/motel taxes			1,090,983	-	1,090,983	-
		Investment earnings			444,764	2,242,309	2,687,073	-
		Donations - unrestricted			23,078	-	23,078	-
		Miscellaneous			353,352	638,325	991,677	-
		Total General Revenues			22,557,429	2,880,634	25,438,063	-
		Transfers			12,744,094	(12,744,094)	-	-
		Total General Revenues and Transfers			35,301,523	(9,863,460)	25,438,063	-
		Change in Net Position			6,537,562	35,391,079	41,928,641	22,494
		Net Position Beginning of Year			91,712,330	1,003,613,533	1,095,325,863	45,367
		Net Position End of Year			$ 98,249,892	$ 1,039,004,612	$ 1,137,254,504	$ 67,861

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

City of Dalton, Georgia
Balance Sheet
Governmental Funds
December 31, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 24,013,555	$ 9,627,005	$ 33,640,560
Investments	603,826	-	603,826
Receivables:			
Accounts	1,295,347	86,194	1,381,541
Taxes	1,023,473	-	1,023,473
Intergovernmental - federal	48,866	77,177	126,043
Intergovernmental - state	1,088	1,237	2,325
Intergovernmental - local	279,029	146,230	425,259
Interfund	511,834	-	511,834
Inventory	132,725	-	132,725
Prepaid items	11,500	-	11,500
Total Assets	$ 27,921,243	$ 9,937,843	$ 37,859,086
Liabilities			
Accounts payable	$ 378,360	$ 763,010	$ 1,141,370
Accrued expenditures	344,779	-	344,779
Accrued interest payable	-	95,094	95,094
Unearned revenue	141,195	-	141,195
Interfund payable	-	108,908	108,908
Total Liabilities	864,334	967,012	1,831,346
Deferred Inflows of Resources			
Unavailable revenue - property taxes	523,800	-	523,800
Fund Balances			
Nonspendable:			
Inventory	132,725	-	132,725
Prepaid items	11,500	-	11,500
Restricted:			
Economic development (tax allocation districts)	-	2,293,855	2,293,855
Public safety (police expenditures)	-	133,174	133,174
Housing and development (grant expenditures)	-	2	2
Debt service (debt service expenditures)	-	41,007	41,007
Capital projects (SPLOST 2015 projects and other projects)	-	6,502,793	6,502,793
Public works (cemetery chapel and streetscape)	103,675	-	103,675
Culture and recreation (greenway, disc golf, and Haig Mill)	217,742	-	217,742
Unrestricted:			
Committed:			
Public works (construction contracts)	565,979	-	565,979
Unassigned	25,501,488	-	25,501,488
Total Fund Balances	26,533,109	8,970,831	35,503,940
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 27,921,243	$ 9,937,843	$ 37,859,086

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, 2020

Total Governmental Fund Balances		$ 35,503,940
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	243,379,307	
Less accumulated depreciation	(155,873,462)	87,505,845
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		523,800
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	(108,908)	
Interfund payables	108,908	-
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	(3,175,000)	
Compensated absences	(4,627,592)	
Net pension liability	(1,701,610)	
Net OPEB liability	(7,537,320)	(17,041,522)
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		1,228,282
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.		(257,775)
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	2,103,240	
Deferred inflows related to pensions	(6,854,637)	
Deferred outflows related to OPEB	467,292	
Deferred inflows related to OPEB	(6,462,534)	(10,746,639)
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.		1,533,961
Net Position of Governmental Activities		$ 98,249,892

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, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ 20,545,326	$ 1,091,001	$ 21,636,327
Licenses and permits	341,327	-	341,327
Intergovernmental - federal	48,866	2,498,370	2,547,236
Intergovernmental - state	781,539	422,968	1,204,507
Intergovernmental - local	507,312	981,738	1,489,050
Charges for services	1,295,386	-	1,295,386
Fines and forfeitures	408,294	36,242	444,536
Investment earnings	230,467	208,392	438,859
Miscellaneous	370,976	198	371,174
Total Revenues	24,529,493	5,238,909	29,768,402
Expenditures			
Current:			
General government	2,866,063	574,552	3,440,615
Judicial	427,469	-	427,469
Public safety	18,588,143	283,071	18,871,214
Public works	7,275,410	369,333	7,644,743
Health and welfare	428,433	133,376	561,809
Culture and recreation	3,957,359	357,616	4,314,975
Housing and development	217,450	415,584	633,034
Economic development	-	482,500	482,500
Capital Outlay:			
General government	-	603,537	603,537
Public safety	-	584,768	584,768
Public works	538,509	1,517,093	2,055,602
Health and welfare	9,222	-	9,222
Culture and recreation	-	516,348	516,348
Debt Service:			
Principal retirement	-	270,000	270,000
Interest and fiscal charges	-	200,751	200,751
Total Expenditures	34,308,058	6,308,529	40,616,587
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,778,565)	(1,069,620)	(10,848,185)
Other Financing Sources (Uses)			
Proceeds from sale of assets	3,699	30,442	34,141
Transfers in	15,499,745	4,093,168	19,592,913
Transfers out	(4,093,168)	(2,755,651)	(6,848,819)
Total Other Financing Sources (Uses)	11,410,276	1,367,959	12,778,235
Net Change in Fund Balances	1,631,711	298,339	1,930,050
Fund Balances Beginning of Year	24,901,398	8,672,492	33,573,890
Fund Balances End of Year	$ 26,533,109	$ 8,970,831	$ 35,503,940

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, 2020

Net Changes in Fund Balances - Total Governmental Funds		$ 1,930,050
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 depreciation expense exceeded capital outlays in the current period:		
Depreciation expense	(5,119,781)	
Capital outlay	3,769,477	(1,350,304)
Donations of or contributions for capital assets not reported at the fund level.		18,500
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		99,908
Elimination of transfers between governmental funds:		
Transfers in	(6,016,913)	
Transfers out	6,016,913	-
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		270,000
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	46,511	
Pension benefit (expense)	3,792,826	
OPEB benefit (expense)	1,723,363	5,562,700
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 portion of the government-wide JDA current year net income		205,461
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.		(198,753)
Change in Net Position of Governmental Activities		$ 6,537,562

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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes	$ 20,385,000	$ 20,539,050	$ 20,545,326	$ 6,276
Licenses and permits	347,500	342,525	341,327	(1,198)
Intergovernmental - federal	22,800	48,300	48,866	566
Intergovernmental - state	4,000	781,500	781,539	39
Intergovernmental - local	314,400	507,300	507,312	12
Charges for services	1,479,550	1,313,825	1,295,386	(18,439)
Fines and forfeitures	410,000	410,000	408,294	(1,706)
Investment earnings	400,200	231,200	230,467	(733)
Miscellaneous	333,150	371,935	370,976	(959)
Total Revenues	23,696,600	24,545,635	24,529,493	(16,142)
Expenditures				
Current:				
General government	3,062,690	3,091,805	2,866,063	225,742
Judicial	453,340	452,340	427,469	24,871
Public safety	19,014,600	19,036,425	18,588,143	448,282
Public works	8,148,600	8,075,450	7,275,410	800,040
Health and welfare	469,210	474,860	428,433	46,427
Culture and recreation	4,351,495	4,364,305	3,957,359	406,946
Housing and development	215,000	217,450	217,450	-
Total Current	35,714,935	35,712,635	33,760,327	1,952,308
Capital Outlay				
Public works	11,000	567,910	538,509	29,401
Health and welfare	-	9,250	9,222	28
Culture and recreation	20,000	15,900	-	15,900
Total Capital Outlay	31,000	593,060	547,731	45,329
Total Expenditures	35,745,935	36,305,695	34,308,058	1,997,637
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,049,335)	(11,760,060)	(9,778,565)	1,981,495
Other Financing Sources (Uses)				
Proceeds from sale of assets	-	3,650	3,699	49
Transfers in	11,647,000	15,499,685	15,499,745	60
Transfers out	(1,423,000)	(4,098,170)	(4,093,168)	5,002
Total Other Financing Sources (Uses)	10,224,000	11,405,165	11,410,276	5,111
Net Change in Fund Balances	$ (1,825,335)	$ (354,895)	1,631,711	$ 1,986,606
Fund Balances Beginning of Year			24,901,398	
Fund Balances End of Year			$ 26,533,109	

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2020

	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	$ 7,128,000	$ 112,362	$ 7,240,362	$ 792,263
Short-term investments	768,000	-	768,000	-
Restricted customer deposit fund	2,969,000	-	2,969,000	-
Accounts receivable, net	14,330,000	690	14,330,690	574,404
Unbilled revenues	8,126,000	-	8,126,000	-
Interest receivable	416,000	-	416,000	-
Fuel stocks	3,644,000	-	3,644,000	-
Materials and supplies inventory	17,177,000	54,361	17,231,361	-
Deposits and prepaid items	1,651,000	-	1,651,000	-
Total Current Assets	56,209,000	167,413	56,376,413	1,366,667
Noncurrent Assets:				
Land	-	4,525,529	4,525,529	-
Construction in progress	294,436,000	-	294,436,000	-
Nuclear fuel, at amortized cost	20,036,000	-	20,036,000	-
Depreciable capital assets, net	716,157,000	6,132,546	722,289,546	-
Restricted combined renewals/extensions fund	4,654,000	-	4,654,000	-
Restricted combined utilities construction fund	106,741,000	-	106,741,000	-
Restricted nuclear decommissioning fund	60,066,000	-	60,066,000	-
Regulatory assets, net	61,409,000	-	61,409,000	-
Investment in joint ventures	-	19,935,728	19,935,728	-
Total Noncurrent Assets	1,263,499,000	30,593,803	1,294,092,803	-
Total Assets	1,319,708,000	30,761,216	1,350,469,216	1,366,667
Deferred Outflows of Resources	5,468,000	49,470	5,517,470	-
Total Assets and Deferred Outflows	$ 1,325,176,000	$ 30,810,686	$ 1,355,986,686	$ 1,366,667

(continued)

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2020

	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	$ 5,954,000	$ -	$ 5,954,000	$ -
Current maturities of long-term debt	2,312,000	-	2,312,000	-
Accounts payable and accrued expenses	18,121,000	23,583	18,144,583	398,932
Unearned revenue	-	32,617	32,617	-
Interfund payable	-	402,926	402,926	-
Claims payable	-	-	-	1,225,510
Compensated absences payable	-	40,000	40,000	-
Total Current Liabilities	26,387,000	499,126	26,886,126	1,624,442
Long-Term Liabilities:				
Compensated absences (net of current portion)	-	68,584	68,584	-
Revenue bonds payable (net of current portion)	166,307,000	-	166,307,000	-
Net pension liability	3,900,000	8,788	3,908,788	-
Net OPEB liability	9,709,000	164,252	9,873,252	-
Asset retirement obligations	90,041,000	-	90,041,000	-
Total Long-Term Liabilities	269,957,000	241,624	270,198,624	-
Total Liabilities	296,344,000	740,750	297,084,750	1,624,442
Deferred Inflows of Resources	18,106,000	257,363	18,363,363	-
Net Position				
Net investment in capital assets	793,168,000	10,658,075	803,826,075	-
Restricted for:				
Debt service	106,741,000	-	106,741,000	-
Capital projects	4,654,000	-	4,654,000	-
Nuclear decommissioning	60,066,000	-	60,066,000	-
Pension	11,835,000	-	11,835,000	-
OPEB	2,128,000	-	2,128,000	-
Unrestricted	32,134,000	19,154,498	51,288,498	(257,775)
Total Net Position	1,010,726,000	29,812,573	1,040,538,573	(257,775)
Total Liabilities, Deferred Inflows, and Net Position	$ 1,325,176,000	$ 30,810,686	$ 1,355,986,686	$ 1,366,667

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, 2020

Total Statement of Net Position - Proprietary Funds Net Position	$ 1,040,538,573
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.	(1,533,961)
Net Position of Business-Type Activities	$ 1,039,004,612

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, 2020

	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	$ 203,811,000	$ 1,149,875	$ 204,960,875	$ 7,825,453
Merchandise sales	-	72,527	72,527	-
Tournaments	-	59,984	59,984	-
Concessions	-	36,222	36,222	-
Miscellaneous	-	7,757	7,757	-
Total Operating Revenues	203,811,000	1,326,365	205,137,365	7,825,453
Operating Expenses				
Cost of sales and services	111,768,000	677,430	112,445,430	1,780,858
Personal services and benefits	17,827,000	635,783	18,462,783	-
Depreciation	25,709,000	570,148	26,279,148	-
Claims	-	-	-	6,387,967
Total Operating Expenses	155,304,000	1,883,361	157,187,361	8,168,825
Operating Income (Loss)	48,507,000	(556,996)	47,950,004	(343,372)
Non-Operating Revenues (Expenses)				
Interest income	2,014,000	309	2,014,309	5,905
Interest expense	(2,909,000)	-	(2,909,000)	-
Net increase (decrease) in fair value of investments	228,000	-	228,000	-
Miscellaneous income	645,000	-	645,000	-
Income (loss) from joint ventures	-	352,249	352,249	-
Total Non-Operating Revenues (Expenses)	(22,000)	345,883	323,883	5,905
Income Before Contributions and Transfers	48,485,000	(211,113)	48,273,887	(337,467)
Contributions and Transfers				
Transfers in (out)	(11,076,000)	(1,668,094)	(12,744,094)	-
Total Contributions and Transfers	(11,076,000)	(1,668,094)	(12,744,094)	-
Change in Net Position	37,409,000	(1,879,207)	35,529,793	(337,467)
Net Position Beginning of Year	973,317,000	31,691,780	1,005,008,780	79,692
Net Position End of Year	$ 1,010,726,000	$ 29,812,573	$ 1,040,538,573	$ (257,775)

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, 2020

Changes in Fund Net Position - Total Business-Type Activities	$ 35,529,793
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.	(138,714)
Change in Net Position of Business-Type Activities	$ 35,391,079

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	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	$ 202,878,000	$ 1,334,082	$ 204,212,082	$ -
Cash received from overparity in transmission facilities	2,700,000	-	2,700,000	-
Cash received from interfund services provided	-	-	-	7,125,656
Cash payments for personnel services and benefits	(26,851,000)	(759,186)	(27,610,186)	-
Cash payments for goods, services, claims, and fees	(103,624,000)	(680,168)	(104,304,168)	(7,183,114)
Net Cash Provided by (Used in) Operating Activities	75,103,000	(105,272)	74,997,728	(57,458)
Cash Flows from Noncapital Financing Activities				
Proceeds from interfund loans	-	55,205	55,205	-
Proceeds from interfund transfers	-	234,246	234,246	-
Transfers out	(11,076,000)	-	(11,076,000)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(11,076,000)	289,451	(10,786,549)	-
Cash Flows from Capital and Related Financing Activities				
Proceeds from issuance of capital related debt	100,000,000	-	100,000,000	-
Payments long-term debt	(5,345,000)	-	(5,345,000)	-
Acquisition and construction of capital assets	(118,302,000)	(176,015)	(118,478,015)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	(23,647,000)	(176,015)	(23,823,015)	-
Cash Flows from Investing Activities				
Investment earnings	1,775,000	309	1,775,309	5,905
Proceeds from disposal of capital assets	-	2,825	2,825	-
Sales and maturity of investment securities	176,627,000	-	176,627,000	-
Purchases of investment securities	(216,026,000)	-	(216,026,000)	-
Net Cash Provided by (Used in) Investing Activities	(37,624,000)	3,134	(37,620,866)	5,905
Net Increase (Decrease) in Cash and Cash Equivalents	2,756,000	11,298	2,767,298	(51,553)
Cash and Cash Equivalents Beginning of Year	4,372,000	101,064	4,473,064	843,816
Cash and Cash Equivalents End of Year	$ 7,128,000	$ 112,362	$ 7,240,362	$ 792,263

(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, 2020

	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)	$ 48,507,000	$ (556,996)	$ 47,950,004	$ (343,372)
Adjustments:				
Depreciation	25,709,000	570,148	26,279,148	-
Amortization	4,511,000	-	4,511,000	-
Pension (benefit)/expense	(6,578,000)	(84,505)	(6,662,505)	-
OPEB (benefit)/expense	1,522,000	(31,051)	1,490,949	-
(Increase) Decrease in Assets:				
Accounts receivable	(637,000)	(660)	(637,660)	(574,399)
Fuel stocks	(351,000)	-	(351,000)	-
Materials and supplies inventory	(35,000)	(5,706)	(40,706)	-
Prepaid expenses and deposits	-	167	167	-
Increase (Decrease) in Liabilities:				
Accounts payable	(514,000)	2,801	(511,199)	396,920
Accrued expenses	-	(12,721)	(12,721)	-
Customer deposits	2,342,000	-	2,342,000	-
Unearned revenue	-	8,377	8,377	(125,398)
Other	627,000	4,874	631,874	-
Claims payable	-	-	-	588,791
Net Cash Provided by (Used in) Operating Activities	$ 75,103,000	$ (105,272)	$ 74,997,728	$ (57,458)
Noncash Investing, Capital, and Financing Activities				
Net increase (decrease) in fair value of investments	$ 228,000	$ -	$ 228,000	$ -
Accrued property additions at year end	$ 4,000	$ -	$ 4,000	$ -

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Net Position
Fiduciary Funds
December 31, 2020

	Trust Funds	Custodial Funds	Municipal Court Agency Fund
Assets			
Cash and cash equivalents	$ 603,003	$ 262,901	$ 52,186
Investments, at fair value:			
Georgia Municipal Employees Benefit System OPEB Trust Account	3,354,869	-	-
MetLife Equity Index Fund	18,338,135	-	-
MetLife Core Bond Index Fund	38,992,068	-	
MetLife Goldman Sachs Fund	12,557,451	-	-
Vanguard Institutional Index Fund	42,752,686	-	-
Vanguard Small Cap Index Fund	16,122,712	-	-
Vanguard Bond Market Index Fund	11,536,930	-	-
Total Assets	$ 144,257,854	$ 262,901	$ 52,186
Liabilities			
Current Liabilities:			
Accounts payable	$ 118,848	$ -	$ -
Other liabilities	-	-	52,186
Total Liabilities	118,848	-	52,186
Net Position			
Restricted for pension, OPEB, or others	144,139,006	262,901	-
Total Liabilities and Net Position	$ 144,257,854	$ 262,901	$ 52,186

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Changes in Fiduciary Net Position
Trust Funds and Custodial Funds
For the Year Ended December 31, 2020

	Trust Funds	Custodial Funds
Additions		
Contributions:		
Employer	$ 9,130,195	$ -
Plan members	875,659	-
Total contributions	10,005,854	-
Fine/confiscation collections	-	271,300
Investment income:		
Interest and dividends	2,433,617	-
Net increase (decrease) in fair value of investments	14,566,862	-
Total investment income	17,000,479	-
Less: investment expense	196,471	-
Net investment earnings	16,804,008	-
Total Additions	26,809,862	271,300
Deductions		
Administrative expenses	101,958	-
Premium payments	805,454	-
Benefit payments	7,662,936	-
Fine/confiscation remittances	-	214,927
Total Deductions	8,570,348	214,927
Change in Net Position	18,239,514	56,373
Net Position Beginning of Year, as restated	125,899,492	206,528
Net Position End of Year	$ 144,139,006	$ 262,901

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, 2020, 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, 2020, the City paid $33,665 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 fifteen 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 CARES Act 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 2020 capital projects fund, 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 five fiduciary funds which include two trust funds, two custodial 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 custodial fund – The municipal court custodial fund reports resources which are not held in a trust, and are in the name of the City, but are held for parties outside the City. The fund accounts for various fees, fines, and surcharges held by the municipal court.

Police custodial fund – The police custodial fund reports resources which are not held in a trust, and are in the name of the City, but are held for parties outside the City. The fund accounts for various confiscations held by the police department.

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.

1-C Measurement Focus (continued)

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.

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 fiduciary funds are accounted for on a flow of economic resources measurement focus. The statement of fiduciary net position presents the trust funds' and custodial fund's 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 fiduciary funds 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.

1-D Basis of Accounting (continued)

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.

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, debt service requirements, 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 $8,100,000 for the year ended December 31, 2020.

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, 2020.

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 2020, MW hours sold back to SPC totaled 76,466, with proceeds of $1,600,000, 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

At December 31, 2020, the City's bank balance was $34,756,503, and $33,900,125 of that amount was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the name of the City.

At December 31, 2020, the City of Dalton Building Authority's bank balance was $22,497,398, and $22,064,802 of that amount was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the name of the Building Authority.

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, 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, 2020.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020 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 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.

1-E-7 Capital Assets (continued)

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.

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, 2020.

1-E-7 Capital Assets (continued)

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, 2020
Plant Hatch, Nuclear Units 1 and 2	2.2%	$ 75,560,000
Plant Vogtle, Nuclear Units 1 and 2	1.6%	110,543,000
Plant Wansley, Coal-Fired Units 1 and 2	1.4%	30,295,000
Plant Scherer, Coal-Fired Units 1 and 2	1.4%	43,193,000

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, 2020, the WLSF Commission's portion of total work in progress related to Vogtle Units 3 and 4 was $239.8 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.

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 $1,700,000 for the year ended December 31, 2020. 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.

1-E-7 Capital Assets (continued)

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 2020.

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 $4,500,000 during 2020.

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 2020, 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

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.

1-E-7 Capital Assets (continued)

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. See Note 3-I for details regarding asset retirement obligations, including nuclear decommissioning.

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, 2020, 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.

The WLSF Commission's total investment in ITS facilities at December 31, 2020 was $125,600,000. In 2020, 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 $5,075,000 at December 31, 2020. Parity income for the year ended December 31, 2020 totaled $2,700,000.

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.

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 $144,225 at December 31, 2020.

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

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 $9,292,248 at December 31, 2020. The major projects that comprise this total include: $6,502,793 held in four capital projects funds to be used for 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; $2,293,855 held in three special revenue funds for economic development both generally and within specific tax allocation districts; $133,174 held in the confiscated assets special revenue fund for future police expenditures; $41,007 held in the debt service funds to pay future debt service; and $88,675 for cemetery chapel renovations and infant headstones, $10,000 for a greenway project, $8,342 for a disc golf course at Heritage Point Park, $15,000 for streetscape projects, and $199,400 for the Haig Mill Lake project, all held in the general fund.

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 $565,979 at December 31, 2020 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 $0 at December 31, 2020.

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 the 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, 2020 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, 2020 comprised approximately 12% of total sales and 18% of electricity sales. No other customer accounted for more than 10% percent of the WLSF Commission's electricity or total sales during 2020.

The DWRSWMA's fee revenue from three major customers during the year ended December 31, 2020 comprised approximately 42% of total fee revenue. Each represented 18%, 12%, and 11%, respectively, 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 2019 amounts have been reclassified to conform to the 2020 presentation, with no material impact on total assets, total liabilities, total net position, total revenues, total expenditures, or total expenses.

1-G Subsequent Events

Subsequent to year end, April 20, 2021, the City of Dalton Building Authority issued $18,360,000 principal amount of Series 2021 Revenue Bonds for the benefit of the City. The bonds were issued to refund the 2010 Recovery Zone bonds in the amount of $2,725,000 (Note 3-I), and provided new project funding of $15,635,000 for stormwater, a recreation facility, and economic development. The bonds were issued with an all-in true interest cost of 1.82%, a total debt service of $23,953,335, and mature on 2/1/2041.

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. 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.

2-B Deficit Fund Equity

At December 31, 2020, the nonmajor SPLOST 2020 capital projects fund had a deficit fund balance of $600. The deficit was caused by a liability being incurred for startup costs prior to collection of any SPLOST revenues. The deficit will be eliminated as revenues are collected next year.

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.

The City has the following recurring fair value measurements as of December 31, 2020:

- Cash, money market accounts, and certificates of deposit in the amount of $33,640,560 for governmental funds, $112,362 for nonmajor proprietary funds, $603,003 for trust funds, $252,914 for custodial funds, $52,186 for agency funds, $792,263 for internal service funds, and $22,478,827 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 $603,826 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 54 days at December 31, 2020.
- Investments in index and other mutual funds in the amount of $70,412,328 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 $69,887,654 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 $3,354,869 for trust funds are valued using significant unobservable inputs (level 3).

3-A Investments (continued)

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.

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	$ 18,338,135	Not rated
MetLife Core Bond Index Fund	38,992,068	Not rated
MetLife Goldman Sachs Fund	12,557,451	Not rated
Vanguard Institutional Index Fund	42,752,686	Not rated
Vanguard Institutional Small Cap Index Fund	16,122,712	Not rated
Vanguard Bond Market Index Fund	11,536,930	Not rated
Total pension trust fund investments	$ 140,299,982	
Georgia Municipal Employees Benefit System OPEB Trust Account	$ 3,354,869	Not rated
Total OPEB trust fund investments	$ 3,354,869	

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, 2020:

- Cash and certificates of deposit in the amount of $8,059,000 are reported at cost or amortized cost and are not subject to fair value hierarchy measurement.
- U.S. government securities in the amount of $59,630,000 are valued based on observable market data and valuations of similar inputs (level 2 inputs).
- No investment securities are valued using level 3 inputs.

3-A Investments (continued)

The fair value analysis of the investments for the year ended December 31, 2020 is as follows:

Fund Type	Cost	Fair Value at 1/1/20	Fair Value		Fair Value at 12/31/20	Change in Fair Value
			Purchases	Sales		
Customer deposit fund	$ 3,065,000	$ 3,030,000	$ 3,012,000	$ 2,984,000	$ 2,969,000	$ (89,000)
Combined utilities renewals and extensions fund	4,651,000	22,825,000	23,151,000	41,463,000	4,654,000	141,000
Nuclear decommissioning fund:						
Other funds	58,311,000	63,532,000	89,863,000	93,505,000	60,066,000	176,000
Total	$ 66,027,000	$ 89,387,000	$ 116,026,000	$ 137,952,000	$ 67,689,000	$ 228,000

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

The WSLF Commission has the following two combined utilities construction funds that are reported at cost for the year ended December 31, 2020 is as follows:

Fund Type	Cost at 1/1/20	Cost		Cost at 12/31/20
		Purchases	Sales	
Combined utilities construction fund (2020)	$ -	$ 100,000,000	$ -	$ 100,000,000
Combined utilities construction fund (2017)	45,416,000	-	38,675,000	6,741,000
Total	$ 45,416,000	$ 100,000,000	$ 38,675,000	$ 106,741,000

The WLSF Commission had the following investments and maturities for the year ended December 31, 2020:

	Credit Quality	Fair Value	Investment Maturities (in Years)			
			Less than 1	1 to 5	6 to 10	10 +
Cash and cash equivalents	Not Rated	$ 8,059,000	$ 8,059,000	$ -	$ -	$ -
Federal Home Loan Bank	AAA/Aaa	9,617,000	-	-	9,617,000	-
Federal National Mortgage Association	AAA/Aaa	9,745,000	-	-	8,760,000	985,000
Federal Farm Credit Banks	AAA/Aaa	20,219,000	-	-	7,100,000	13,119,000
City of Atlanta GA Dept of Aviation	AAA/Aaa	3,628,000	-	-	-	3,628,000
City of Atlanta GA Wtr & WW Rev	AAA/Aaa	4,305,000	-	-	1,433,000	2,872,000
Downtown Savannah Authority	AAA/Aaa	822,000	-	-	822,000	-
Metro Atlanta Rapid Transit Auth	AAA/Aaa	3,930,000	-	-	2,087,000	1,843,000
State of GA	AAA/Aaa	3,713,000	-	-	-	3,713,000
Coupons (Resolution Fund Corporation)	AAA/Aaa	2,200,000	-	2,200,000	-	-
Union City GA Revenue	AAA/Aaa	1,192,000	-	-	1,192,000	-
HSBC Bank USA	AA1/A-1+	259,000	-	-	259,000	-
Total		$ 67,689,000	$ 8,059,000	$ 2,200,000	$ 31,270,000	$ 26,160,000

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.

3-A Investments (continued)

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, 2020 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, 2020 consists of uncollected property taxes levied during the year ended December 31, 2020 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	$ 1,033,811
Allowance for uncollectible taxes	(10,338)
Taxes receivable	$ 1,023,473
Taxes uncollected 60 days subsequent to year end, net of allowance, reported in deferred inflows	$ 523,800

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, 2020 relate to the following:

Asset retirement obligations (a)	$ 52,154,000
Cost of removal (b)	(25,880,000)
Pension (c)	21,024,000
OPEB (d)	14,112,000
Total regulatory assets - net	$ 61,410,000

(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, 2020 was as follows:

	Balance 12/31/2019	Additions	Reclass-ifications	Disposals	Balance 12/31/2020
Capital assets not being depreciated:					
Land	$ 18,308,390	$ 400,150	$ -	$ -	$ 18,708,540
Construction in progress	918,271	528,072	(786,568)	-	659,775
Total capital assets not being depreciated	19,226,661	928,222	(786,568)	-	19,368,315
Other capital assets:					
Land improvements	47,987,805	723,135	18,767	-	48,729,707
Buildings	31,290,513	-	-	-	31,290,513
Building improvements	3,576,055	-	-	-	3,576,055
Vehicles	6,417,493	676,120	-	(50,237)	7,043,376
Machinery	14,088,370	343,603	-	(144,438)	14,287,535
Equipment	8,908,297	687,714	-	-	9,596,011
Furniture & fixtures	176,692	-	-	-	176,692
Intangibles	1,102,492	108,955	-	-	1,211,447
Bridge and bridge culvert	9,357,882	17,885	717,936	-	10,093,703
Streets and streetscape	97,350,489	258,860	49,865	-	97,659,214
Mast arm lighting	303,256	43,483	-	-	346,739
Total other capital assets	220,559,344	2,859,755	786,568	(194,675)	224,010,992
Total cost	239,786,005	3,787,977	-	(194,675)	243,379,307
Accumulated depreciation:					
Land improvements	22,687,210	1,778,044	-	-	24,465,254
Buildings	11,743,660	626,153	-	-	12,369,813
Building improvements	1,743,081	151,800	-	-	1,894,881
Vehicles	4,846,573	577,005	-	(50,237)	5,373,341
Machinery	9,702,766	537,247	-	(144,438)	10,095,575
Equipment	3,390,182	352,777	-	-	3,742,959
Furniture & fixtures	171,198	2,519	-	-	173,717
Intangibles	1,102,492	4,708	-	-	1,107,200
Bridge and bridge culvert	7,022,960	201,755	-	-	7,224,715
Streets and streetscape	88,326,568	872,566	-	-	89,199,134
Mast arm lighting	211,666	15,207	-	-	226,873
Total accumulated depreciation	150,948,356	5,119,781	-	(194,675)	155,873,462
Governmental activities capital assets, net	$ 88,837,649	$ (1,331,804)	$ -	$ -	$ 87,505,845

3-E Capital Assets (continued)

Depreciation expense was allocated to the governmental activities functions for the year ended December 31, 2020 as follows:

General government	$ 440,511
Public safety	902,388
Public works	2,100,428
Culture and recreation	1,647,597
Health and welfare	28,857
	$ 5,119,781

Business-type capital asset activity for the year ended December 31, 2020 was as follows:

	Balance at 12/31/2019	Additions	Disposals and Reclassifications	Balance at 12/31/2020
Capital assets not being depreciated:				
Land	$ 4,525,529	$ -	$ -	$ 4,525,529
Construction in progress	217,300,000	77,136,000	-	294,436,000
Total capital assets not being depreciated	221,825,529	77,136,000	-	298,961,529
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	4	-	51,995
Machinery and equipment	2,589,905	176,011	(30,000)	2,735,916
Utility plant	1,287,113,000	39,790,000	(4,407,000)	1,322,496,000
Total other capital assets	1,302,932,505	39,966,015	(4,437,000)	1,338,461,520
Total cost	1,524,758,034	117,102,015	(4,437,000)	1,637,423,049
Accumulated depreciation:				
Land improvements	5,318,369	334,184	-	5,652,553
Buildings	2,213,437	78,224	-	2,291,661
Building improvements	67,383	215	-	67,598
Vehicles	51,186	810	-	51,996
Machinery and equipment	1,632,951	156,715	(20,500)	1,769,166
Utility plant	580,627,000	26,080,000	(368,000)	606,339,000
Total accumulated depreciation	589,910,326	26,650,148	(388,500)	616,171,974
Nuclear fuel, at amortized cost	20,451,000	4,096,000	(4,511,000)	20,036,000
Business-type activities capital assets, net	$ 955,298,708	$ 94,547,867	$ (8,559,500)	$ 1,041,287,075

3-F Interfund Balances and Transfers

Interfund balances at December 31, 2020 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, 2020 consisted of the following:

	Payable from:		
Payable to:	Nonmajor governmental funds	Nonmajor enterprise funds	Total
General fund	$ 108,908	$ 402,926	$ 511,834

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, 2020 consisted of the following:

	Transfer from:				
Transfer to:	General fund	WLSF Commission fund	Nonmajor governmental funds	Nonmajor enterprise funds	Total
General fund	$ -	$ 11,076,000	$ 1,923,745	$ 2,500,000	$ 15,499,745
Nonmajor governmental funds	4,093,168	-	-	-	4,093,168
Nonmajor enterprise funds	-	-	831,906	-	831,906
Total	$ 4,093,168	$ 11,076,000	$ 2,755,651	$ 2,500,000	$ 20,424,819

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 2020 was approximately $14,000. The annual minimum lease payments under operating leases as of December 31, 2020 are as follows:

2021	$	7,341
2022		3,846
2023		188
2024 and thereafter		-

3-I Long-term Debt

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
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	310,000	125,168	(56,326)	378,842
2026 - 2030	1,715,000	328,752	(147,937)	1,895,815
	$ 3,175,000	$ 1,121,127	$ (504,507)	$ 3,791,620

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 2020 was reduced by $5,423 (5.9%), from $91,903 to $86,480. 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)

City of Dalton, Georgia, Combined Utilities Revenue Bonds, Series 2020, dated December 10, 2020 and maturing March 1, 2041, were issued as a public offering in the amount of $84,510,000. The bonds were issued primarily for the benefit of the WLSF Commission to fund electric capital projects, excluding Vogtle Units 3 & 4, with a par amount of $84,510,000 plus an original issue premium of $16,301,111, and all-in true interest cost of 2.46% for a total debt service amount of $128,268,314. 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, 2020.

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, 2020.

At December 31, 2020, WLSF Commission debt consisted of the following:

Bond offering principal	$ 145,284,000
Unamortized debt premium, net of $1.5 M of debt issuance costs	23,335,000
Less: current maturities	(2,312,000)
Total long-term debt	$ 166,307,000

Bond debt service requirements to maturity are as follows:

Date Due	Principal	Interest	Total
2021	$ 2,312,000	$ 5,524,000	$ 7,836,000
2022	5,020,000	6,376,000	11,396,000
2023	5,279,000	6,121,000	11,400,000
2024	5,552,000	5,855,000	11,407,000
2025	5,837,000	5,573,000	11,410,000
2026 - 2030	33,986,000	23,114,000	57,100,000
2031 - 2035	43,315,000	13,913,000	57,228,000
2036 - 2040	37,828,000	4,735,000	42,563,000
2041	6,155,000	124,000	6,279,000
	$ 145,284,000	$ 71,335,000	$ 216,619,000

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, the airport 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, 2020 are as follows:

ARO balance at December 31, 2019	$	87,285,000
Accretion		2,477,000
Cash flow revisions		279,000
ARO balance at December 31, 2020	$	90,041,000

In 2020, the WLSF Commission recorded cash flow revisions of $279,000 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").

3-I Long-term Debt (continued)

Changes in long-term liabilities - The City's long-term obligations consisted of the following at December 31, 2020:

	Outstanding 12/31/2019	Additions	Reductions	Revisions	Outstanding 12/31/2020	Amounts Due in One Year
Governmental activities:						
Capital leases payable	$ 3,445,000	$ -	$ (270,000)	$ -	$ 3,175,000	$ 275,000
Compensated absences	4,674,103	2,022,515	(2,069,026)	-	4,627,592	1,500,000
Total governmental activities	$ 8,119,103	$ 2,022,515	$ (2,339,026)	$ -	$ 7,802,592	$ 1,775,000
Business-type activities						
Asset retirement obligations	87,285,000	2,477,000	-	279,000	90,041,000	-
Revenue bonds payable	62,897,000	84,510,000	(2,123,000)	-	145,284,000	2,312,000
Unamortized premium on revenue bonds	8,158,000	16,301,000	(1,124,000)	-	23,335,000	-
Compensated absences	103,710	44,244	(39,370)	-	108,584	40,000
Total business-type activities	$ 158,443,710	$ 103,332,244	$ (3,286,370)	$ 279,000	$ 258,768,584	$ 2,352,000

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 163 - 164 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, 2020, 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, 2021 is as follows:

Actively employed participants		188
Average age		50.9 years
Average service		23.1 years
Total annualized compensation for the prior year	$	13,308,216
Total expected compensation for the current year	$	13,740,735
Participants receiving a benefit		
Service retirees		299
Beneficiaries		74
Inactive participants - deferred; vested		18

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 53.1% (at the last valuation date) to 23.6% of covered payroll to adequately fund the Pension Plan's ongoing costs and an amortization of the unfunded actuarial accrued liability over a 20-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, 2010, the annual money-weighted rate of return on the Pension Plan's investments, net of Pension Plan investment expense, was 13.33%. 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, 2020 through December 31, 2020:

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 PUB-2010 Mortality Table for general employees (without pay adjustments), with full generational improvements in mortality using Scale MP-2017.
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:	Since the prior measurement date, the mortality basis was changed from the RP-2000 Combined Mortality Table with generational projections using scale AA to the PUB-2010 Mortality Table for general employees with generational projections using Scale MP-2017.

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, 2020. 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, 2019	$ 132,238,026	$ 114,974,831	$ 17,263,195
Changes for the year:			
Service cost	1,251,798	-	1,251,798
Expected interest growth	8,275,754	7,382,532	893,222
Unexpected interest growth	-	6,945,330	(6,945,330)
Demographic experience	(879,365)	-	(879,365)
Contributions - employer	-	8,012,847	(8,012,847)
Contributions - employee	-	594,293	(594,293)
Benefit payments and refunds	(6,725,149)	(6,725,149)	-
Administrative expenses	-	(69,576)	69,576
Assumption changes	3,684,376	-	3,684,376
Allocation changes	(8,578,825)	(7,458,891)	(1,119,934)
Net changes	(2,971,411)	8,681,386	(11,652,797)
Balance at December 31, 2020	$ 129,266,615	$ 123,656,217	$ 5,610,398

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, 2020, 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	$ 143,775,712	$ 129,266,615	$ 117,165,397
Allocable plan fiduciary net position	123,656,217	123,656,217	123,656,217
Net pension liability for City	$ 20,119,495	$ 5,610,398	$ (6,490,820)

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, 2020, the City recognized pension benefit of $7,986,331. At December 31, 2020, 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, 2019	$ 5,871,779	$ 12,347,973
Change due to:		
Amortization payments	(4,788,748)	(5,615,233)
Investment gain/loss	-	5,721,533
Demographic gain/loss	-	879,365
Assumption changes	3,684,376	-
Allocation changes	(117,321)	1,459,108
Total change	(1,221,693)	2,444,773
Balance as of December 31, 2020	$ 4,650,086	$ 14,792,746

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
2021	$ 2,700,289	$ 5,216,236	$ (2,515,947)
2022	1,949,797	4,016,678	(2,066,881)
2023	-	4,016,678	(4,016,678)
2024	-	1,543,154	(1,543,154)
2025	-	-	-

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	$ 2,103,240	$ 1,701,610	$ 6,854,637
WLSF Commission	2,507,000	3,900,000	7,795,000
Municipal golf course	39,846	8,788	143,109
DWRSWMA	210,140	782,341	466,644
	$ 4,860,226	$ 6,392,739	$ 15,259,390

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 163 - 164 of this report. The most recent unaudited stand-alone financial statement issued by the OPEB Plan was for the year ended December 31, 2020, 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 and the Recreation Commission; the WLSF 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, 2020:

Current retirees and beneficiaries receiving benefits	158
Active employees not yet receiving benefits	665
Total number of covered individuals	823

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 2020 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, 2020 through December 31, 2020:

Actuarial Assumptions	
Discount rate:	2.29% 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 1.93% 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:	7.21% per annum (2.50% 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 2020 fiscal year graded down by 0.50% per year to 5.00% for the 2024 and later fiscal years.
Age-related morbidity:	Insurance premiums are assumed to increase with each year of age in accordance with the rates set forth in the Society of Actuaries report "Health Care Costs - From Birth to Death" prepared by Dale H. Yamamoto (June, 2013). Rates set forth in Chart 2 (Group Costs by Age for 2009/10) were used to develop the morbidity rates prior to age 65 and the rates set forth in Table 4 (Development of Plan Specific Medicare Age Curve) were used to develop the morbidity rates after age 65.
Implied subsidy:	Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy has been assumed for the 2020 fiscal year 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-2020.
Retirement:	Retirement is assumed to occur at the earliest age of 65 with five years of service, age 55 with ten years of service, age 50 with fifteen years of service, or any age with thirty 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.

3-K Other Postemployment Benefits (continued)

Actuarial Assumptions

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.
Changes:	Since the prior measurement date, the discount rate was decreased from 3.59% per annum to 2.29% per annum; the healthcare cost trend rates were changed from 6.50% for the 2020 fiscal year graded down to 5.00% for the 2023 and later fiscal years to 7.00% for the 2020 fiscal year graded down to 5.00% for the 2024 and later fiscal years; the morbidity assumption was changed from 3.50% at each age to the rates described above; and the mortality improvement scale was changed from Scale MP-2017 to Scale MP- 2020.

Discount rate – The discount rate used to measure the total OPEB liability was 2.29%. 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 1.93% 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, 2020. 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, 2019	$ 19,584,231	$ 3,245,103	$ 16,339,128
Changes for the year:			
Service cost	355,115	-	355,115
Expected interest growth	432,182	211,916	220,266
Unexpected investment income	-	245,712	(245,712)
Demographic experience	(35,047)	-	(35,047)
Contributions - retiree	-	189,364	(189,364)
Benefit payments	(768,399)	(768,399)	-
Administrative expenses	-	(23,068)	23,068
Assumption changes	993,964	-	993,964
Allocation changes	(60,944)	(10,098)	(50,846)
Net changes	916,871	(154,573)	1,071,444
Balance at December 31, 2020	$ 20,501,102	$ 3,090,530	$ 17,410,572

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, 2020, 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	$ 19,273,380	$ 20,501,102	$ 21,843,422
Allocable plan fiduciary net position	3,090,530	3,090,530	3,090,530
Net OPEB liability for City	$ 16,182,850	$ 17,410,572	$ 18,752,892

The following represents the net OPEB liability of the City as of the measurement date and the OPEB Plan's year end, December 31, 2020, calculated using the discount rate of 2.29%, 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 2.29%	Discount Rate Plus 1.00%
Allocable total OPEB liability	$ 21,714,514	$ 20,501,102	$ 19,388,864
Allocable plan fiduciary net position	3,090,530	3,090,530	3,090,530
Net OPEB liability for City	$ 18,623,984	$ 17,410,572	$ 16,298,334

OPEB expense and deferred outflows and inflows of resources related to other postemployment benefits – For the year ended December 31, 2020, the City recognized an OPEB benefit of $2,701,409. At December 31, 2020, 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, 2019	$ 3,630,077	$ 15,777,808
Change due to:		
Amortization payments	(579,691)	(3,599,924)
Investment gain/loss	-	245,712
Demographic gain/loss	-	35,047
Assumption changes	993,964	-
Allocation changes	(2,017)	(40,068)
Amortization of allocation changes	(604,417)	(605,787)
Total change	(192,161)	(3,965,020)
Balance as of December 31, 2020	$ 3,437,916	$ 11,812,788

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
2021	$ 850,812	$ 2,855,827	$ (2,005,015)
2022	845,183	2,518,828	(1,673,645)
2023	758,044	2,518,829	(1,760,785)
2024	758,044	2,427,190	(1,669,146)
2025	153,627	1,489,568	(1,335,941)
Thereafter	72,206	2,546	69,660

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	$ 467,292	$ 7,537,320	$ 6,462,534
WLSF Commission	2,961,000	9,709,000	5,236,000
Nonmajor proprietary funds	9,624	164,252	114,254
Convention Center	114,438	200,752	108,270
DWRSWMA	37,296	638,848	442,038
	$ 3,589,650	$ 18,250,172	$ 12,363,096

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 2020, employee contributions totaled $862,827 and employer contributions totaled $582,260. For the year 2020, forfeitures of employer matching contributions totaled $5,588 and the ending balance in the forfeiture account was $35,391.

3-M Net Position

Net investment in capital assets reported on the government-wide statement of net position as of December 31, 2020 is calculated as follows:

	Governmental Activities	Business-type Activities	Total
Cost of capital assets	$ 243,379,307	$ 1,657,459,049	$ 1,900,838,356
Less: accumulated depreciation	155,873,462	616,171,974	772,045,436
Book value	87,505,845	1,041,287,075	1,128,792,920
Less: capital related debt	3,175,000	145,284,000	148,459,000
Less: premium on capital related debt	-	23,335,000	23,335,000
Less: asset retirement obligations	-	90,041,000	90,041,000
Less: deferred inflows of resources - ITS sale	-	5,075,000	5,075,000
Add: regulatory asset - AROs	-	26,274,000	26,274,000
Net investment in capital assets	$ 84,330,845	$ 803,826,075	$ 888,156,920

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, 2020, interutility sales were as follows:

Electric	$	4,447,000
Natural gas		11,000
Water		130,000
Wastewater		86,000
Information technology		2,492,000
Total	$	7,166,000

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	$	1,090,983
Expenditures for promotion of tourism and support:		
Northwest Georgia Trade and Convention Center Authority		597,660
Dalton Area Convention and Visitors Bureau		332,061
Other tourism expenditures		161,262
Total expenditures	$	1,090,983
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 health and workers' compensation.

For the 2020 year, the employees of the City were covered by a self-insured health insurance plan. The purpose of the health insurance fund is to pay medical claims on City employees. The insurance plan is a hybrid plan, in which the City funds the plan a contractual dollar amount each month, and claims and administrative fees are paid out of that funding. Should the plan experience claims and administrative fees that exceed the contractual monthly amount, the private insurance carrier is responsible for the overages. Should the plan experience claims and administrative fees that are less than the contractual monthly amount, the remaining balance is rolled to the following month. The health insurance fund is funded by premium payments from individual departments of the City and others within the Plan. The City of Dalton was fully insured through commercial insurance for health insurance prior to January 1, 2020.

4-B Risk Management (continued)

A reserve has been made for estimated health insurance claims incurred but not paid at December 31, 2020. The private insurance carrier estimated claims incurred but not paid at December 31, 2020 were $1,074,711. 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 year ended December 31, 2020 there were no settlements in excess of insurance coverage.

Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Current Year Claims Payments	End of Fiscal Year Liability
2020	$ -	$ 8,847,092	$ 7,772,381	$ 1,074,711

The City obtained commercial insurance for workers compensation effective January 1, 2020. For prior years, the City was self-insured.

A reserve has been made for remaining self-insured workers' compensation estimated claims incurred but not paid at December 31, 2020, totaling $150,799. Any amount not paid as claims will be refunded proportionally to the participating premium paying departments and entities. For the years ended December 31, 2019, 2018, and 2017 there were no settlements in excess of stop-loss insurance coverage.

The City of Dalton Board of Education also participates in the workers' compensation fund. Twenty-nine percent of the current year claims are 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
2020	$ 636,719	$ 170,161	$ (656,081)	$ 150,799
2019	645,191	916,934	(925,406)	636,719
2018	620,916	632,259	(607,984)	645,191

4-B Risk Management (continued)

The health insurance and workers' compensation funds had each had decreases in net position for 2020. This change in net position must be allocated among the different functions of the entities that use the health insurance and workers' compensation internal service funds. The decrease in net position for the health insurance fund was allocated based on the percentage of active covered employees for the year. The decrease in net position for the workers' compensation fund was allocated based on the percentages of claims incurred for the year. The following table shows the allocation of the net change to each function and activity.

	Health Insurance Net Loss Allocated	Workers' Compensation Net Loss Allocated
Governmental activities:		
General government	$ 4,423	$ (3,221)
Judicial	2,090	-
Health & welfare	1,672	-
Public safety	78,180	43,021
Public works	28,011	28,690
Culture & recreation	15,887	-
Total governmental activities	130,263	68,490
Business-type activities:		
Municipal airport	418	-
Municipal golf course	3,345	-
WLSF Commission	123,749	11,202
Total business-type activities	127,512	11,202
Decrease in net position	$ 257,775	$ 79,692

Of the total allocation of the workers' compensation fund loss to the governmental activities public works function, $25,167 of loss allocated is attributable to the City's DWRSWMA joint venture.

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.

4-B Risk Management (continued)

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 $2,509,479 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. As of July 29, 2021, and inclusive of the matters discussed below related to delays in the anticipated in-services dates of the Units, the revised estimated certified cost for the WLSF Commission's 1.6% of the total cost was $302.8 million. 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, 2020, the WLSF Commission has spent $240 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.

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 & 4 Agreement (the "Toshiba Guarantee"), including any liability of Westinghouse for abandonment of work.

Until March 2017, construction on Plant Vogtle Units 3 & 4 continued under the Vogtle 3 & 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 & 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.

4-C Commitments and Contingent Liabilities (continued)

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 Vogtle 3 & 4 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.

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.

4-C Commitments and Contingent Liabilities (continued)

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 in conjunction with the nineteenth VCM report in 2018, 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.

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.

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, among other events: (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.

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.

4-C Commitments and Contingent Liabilities (continued)

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.

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, showed symptoms consistent with COVID-19, have tested positive for COVID-19, or have been in close contact with such persons, requiring self-quarantine, and adopting additional precautionary measures. Since March 2020, the number of active cases at the site has fluctuated and impacted productivity levels and pace of activity completion. The site has experienced an overall decline in the number of active cases since a peak in January 2021. The lower productivity levels and slower pace of activity completion experienced since March 2020 contributed to a backlog to the aggressive site work plan established at the beginning of 2020. GPC estimates the productivity impacts of the COVID-19 pandemic have consumed approximately three to four months of schedule margin previously embedded in the site work plan for Unit 3 and Unit 4. In addition, the project continued to face challenges including, but not limited to, higher than expected absenteeism; overall construction and subcontractor labor productivity; system turnover and testing activities; and electrical equipment and commodity installation. As a result of these factors, in January 2021, Southern Nuclear further extended certain milestone dates, including the start of hot functional testing and fuel load for Unit 3, from those established in October 2020.

Following the January 2021 milestone extensions, Southern Nuclear has been performing additional construction remediation work necessary to ensure quality and design standards are met as system turnovers are completed to support hot functional testing and fuel load for Unit 3. Hot functional testing for Unit 3 was completed in July 2021. As a result of challenges including, but not limited to, construction productivity, construction remediation work, the pace of system turnovers, spent fuel pool repairs, and the timeframe and duration for hot functional and other testing, at the end of the second quarter 2021, Southern Nuclear further extended certain milestone dates, including the fuel load for Unit 3, from those established in January 2021. The site work plan currently targets fuel load for Unit 3 in the fourth quarter 2021 and an in-service date of March 2022. As the site work plan includes minimal margin to these milestone dates, an in-service date in the second quarter 2022 for Unit 3 is projected, although any further delays could result in a later in-service date.

As the result of productivity challenges, at the end of the second quarter 2021, Southern Nuclear also further extended milestone dates for Unit 4 from those established in January 2021. The site work plan targets an in-service date of November 2022 and primarily depends on overall construction productivity and production levels significantly improving as well as appropriate levels of craft laborers, particularly electricians and pipefitters, being added and maintained. As the site work plan includes minimal margin to the milestone dates, an in-service date in the first quarter 2023 for Unit 4 is projected, although any further delays could result in a later in-service date.

4-C Commitments and Contingent Liabilities (continued)

In addition, the continuing effects of the COVID-19 pandemic could further disrupt or delay construction and testing activities at Vogtle Units 3 and 4. The WLSF Commission's proportionate share of the estimated incremental cost associated with COVID-19 mitigation actions and impacts on construction productivity is currently estimated to be between $5.6 million and $7.0 million and is included in the total project capital cost forecast.

As construction, including subcontract work, continues and testing and system turnover activities increase, ongoing or future challenges with management of contractors and vendors; subcontractor performance; supervision of craft labor and related productivity, particularly in the installation of electrical, mechanical, and instrumentation and controls 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), including the spent fuel pools, any of which may require additional labor and/or materials; or other issues could continue or arise and change the projected schedule and estimated cost.

There have been technical and procedural challenges to the construction and licensing of Vogtle Units 3 and 4 at the federal and state level and additional challenges may arise. Processes are in place that are designed to ensure 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. In connection with the additional construction remediation work described above, Southern Nuclear reviewed the project's construction quality programs and, where needed, is implementing improvement plans consistent with these processes. In June 2021, the NRC began a special inspection to review the root cause of this additional construction remediation work and the corresponding corrective action plans. Findings resulting from this or other inspections could require additional remediation and/or further NRC oversight. In addition, certain license amendment requests have been filed and approved or are pending before the NRC. On March 15, 2021, the NRC denied the Blue Ridge Environmental Defense League's ("BREDL") December 2020 motion to reopen proceedings on BREDL's petition challenging a requested license amendment, which has been issued by the NRC staff.

In September 2020, Southern Nuclear notified the NRC of its intent to load fuel for Unit 3 in 2021. Various design and other licensing-based compliance matters, including the timely submittal by Southern Nuclear of the ITAAC documentation for each unit and the related reviews and approvals by the NRC necessary to support NRC authorization to load fuel, have arisen or may arise, which may result in additional license amendments or require other resolution. If any license amendment requests or other licensing-based compliance issues, including inspections and ITAACs, 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 in-service date beyond the second quarter 2022 for Unit 3 or the first quarter for Unit 4 is currently estimated to result in additional base capital costs for the WLSF Commission of approximately $0.9 million per month for Unit 3 and approximately $0.5 million for Unit 4.

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.

4-C Commitments and Contingent Liabilities (continued)

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.

Clean Water Act Claim – In 2020, the WLSF Commission was named as a defendant in a claim that it was in violation of the Clean Water Act and two additional state laws. The WLSF Commission responded by denying these allegations. At this time, the WLSF Commission is unable to determine the potential liability that could result from an unfavorable outcome. 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 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.

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 2020, the WLSF Commission incurred purchased gas expense of $13,400,000 and purchased electricity expense of $34,500,000, 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.

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 Education 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, 2020, 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, 2021.

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.

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	$ 423,000	$ 1,078,000	2,165,000	1,493,000	1,243,000	6,402,000
	423,000	1,078,000	5,381,000	3,710,000	3,010,000	13,602,000
Percentage of total landfill capacity used as of December 31, 2020	100.0%	100.0%	100.0%	66.9%	95.9%	
	423,000	1,078,000	5,381,000	2,482,000	2,886,000	12,250,000
Land acquisition	50,000	-	-	-	-	50,000
Accrual at 12/31/20	$ 473,000	$ 1,078,000	$ 5,381,000	$ 2,482,000	$ 2,886,000	$ 12,300,000

The DWRSWMA will record the remaining estimated cost of closure and post-closure care costs of $1,302,000 as the remaining capacity is filled. Estimated remaining landfill life is more than 19 years. The above estimates are based on what it would cost to perform all closure and post-closure care in 2020. 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 October 14, 2020, the DWRSWMA was in compliance for closure and post-closure care financial assurance requirements for the 2020 year.

4-E Joint Ventures (continued)

Condensed audited financial statements for the DWRSWMA at December 31, 2020 are as follows:

Statement of Net Position		
Assets		
Current assets	$	21,594,693
Capital assets, net		20,108,987
Total assets		41,703,680
Deferred outflows of resources		247,436
Total assets and deferred outflows	$	41,951,116
Liabilities		
Current liabilities	$	411,903
Non-current liabilities		13,975,294
Total liabilities		14,387,197
Deferred inflows of resources		908,682
Net position		26,655,237
Total liabilities, deferred inflows, and net position	$	41,951,116

Statement of Revenues, Expenses, and Changes in Fund Net Position	
Operating revenues	8,572,906
Operating expenses	4,580,828
Depreciation	1,345,698
Operating income (loss)	2,646,380
Non-operating revenues (expenses)	(5,243,771)
Change in net position	(2,597,391)
Beginning net position	29,252,628
Ending net position	$ 26,655,237

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 July 15, 2021.

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, 2020 are as follows:

Statement of Net Position	
Assets	
Current assets	$ 785,096
Capital assets, net	10,189,555
Total assets	10,974,651
Deferred outflows of resources	114,438
Total assets and deferred outflows	$ 11,089,089
Liabilities	
Current liabilities	$ 481,870
Non-current liabilities	286,571
Total liabilities	768,441
Deferred inflows of resources	108,270
Net position	10,212,378
Total liabilities, deferred inflows, and net position	$ 11,089,089
Statement of Revenues, Expenses, and Changes in Fund Net Position	
Operating revenues	$ 408,730
Operating expenses	1,371,841
Depreciation	731,537
Operating income (loss)	(1,694,648)
Non-operating revenues (expenses)	1,192,543
Change in net position	(502,105)
Beginning net position	10,714,483
Ending net position	$ 10,212,378

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 16, 2021.

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 fees charged related to bond issuances. 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, 2020 are as follows:

Statement of Net Position		
Assets		
Current assets	$	1,728,557
Capital assets, net		3,916
Noncurrent assets		1,491,452
Total assets	$	3,223,925
Current liabilities	$	767,361
Net position		2,456,564
Total liabilities and net position	$	3,223,925
Statement of Activities		
Program revenues	$	561,427
General revenues		815,000
Economic development expenses		965,505
Change in net position		410,922
Beginning net position		2,045,642
Ending net position	$	2,456,564

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 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, 2020 is $8,365,000.

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. These bonds were satisfied through proceeds from the following issuance during 2020.

The City of Dalton Building Authority issued revenue bonds as a private placement offering during 2020 to finance certain SPLOST projects and other projects and renovations within Whitfield County. The amount of the bonds outstanding as of December 31, 2020 is $26,500,000.

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.

4-H Tax Abatements (continued)

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.

Eighteen tax abatement agreements are outstanding as of December 31, 2020. Reductions in tax revenues attributable to local governments are as follows:

Government Entity	2020 Tax Reduction
City of Dalton, Georgia	$ 56,616
Whitfield County, Georgia	2,485,663
City of Dalton Board of Education	310,130
Whitfield County Board of Education	3,749,641

5-A Restatement of Net Position Due to Implementation of New Standards

Effective January 1, 2020, the City implemented GASB Statement No. 84, *Fiduciary Activities*, which established criteria for identifying and reporting fiduciary activities. The implementation of this statement resulted in changing the presentation of the financial statements by beginning to report and record the activity of the municipal court and police custodial funds. Beginning net position has been restated to reflect this change.

	2019 Originally Reported	2019 Adjusted	Increase/ (Decrease)
Fiduciary funds:			
Ending net position	$ 125,899,492	$ 126,073,866	$ 174,374
Municipal court custodial fund:			
Ending net position	$ -	$ 32,154	$ 32,154
Police custodial fund:			
Ending net position	$ -	$ 174,374	$ 174,374
Municipal court agency fund:			
Assets	$ 86,763	$ (32,154)	$ 54,609
Liabilities	86,763	(32,154)	54,609

REQUIRED SUPPLEMENTARY INFORMATION

City of Dalton, Georgia
Required Supplementary Information
Schedule of Changes in the Net Pension Liability
December 31, 2020

	2015	2016	2017	2018	2019	2020
Total pension liability:						
Service cost	$ 1,743,901	$ 1,652,021	$ 1,592,733	$ 1,453,620	$ 1,439,780	$ 1,426,355
Expected interest growth	8,238,500	8,495,017	8,713,989	8,904,957	9,270,324	9,429,765
Demographic experience	(1,273,686)	216,267	(54,192)	(798,265)	(780,862)	(1,001,988)
Benefit payments and refunds	(6,513,889)	(6,904,562)	(7,133,475)	(7,440,532)	(7,499,751)	(7,662,936)
Assumption changes	1,890,054	-	-	3,352,582	-	4,198,143
Allocation changes	-	-	-	-	674	-
Net change in total pension liability	4,084,880	3,458,743	3,119,055	5,472,362	2,430,165	6,389,339
Total pension liability - beginning (a)	122,337,634	126,422,514	129,881,257	133,000,312	138,472,674	140,902,839
Total pension liability - ending (c)	$ 126,422,514	$ 129,881,257	$ 133,000,312	$ 138,472,674	$ 140,902,839	$ 147,292,178
Plan fiduciary net position:						
Employer contributions	$ 7,099,703	$ 6,841,734	$ 7,225,029	$ 7,311,443	$ 7,729,413	$ 9,130,197
Employee contributions	784,871	769,249	727,343	688,300	663,908	677,164
Benefit payments and refunds	(6,513,878)	(6,904,591)	(7,133,475)	(7,440,532)	(7,499,751)	(7,662,936)
Administrative expenses	(59,791)	(42,900)	(59,239)	(50,901)	(69,262)	(79,278)
Expected interest growth	5,718,288	5,800,923	6,299,827	7,130,290	6,967,184	8,411,988
Unexpected investment income	(5,527,933)	814,584	5,258,879	(10,188,016)	12,813,826	7,913,820
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	18,390,955
Plan fiduciary net position - beginning (b)	83,354,643	84,855,903	92,134,902	104,453,266	101,903,850	122,508,484
Plan fiduciary net position - ending (d)	$ 84,855,903	$ 92,134,902	$ 104,453,266	$ 101,903,850	$ 122,508,484	$ 140,899,439
Net pension liability - beginning (a) - (b)	$ 38,982,991	$ 41,566,611	$ 37,746,355	$ 28,547,046	$ 36,568,824	$ 18,394,355
Net pension liability - ending (c) - (d)	$ 41,566,611	$ 37,746,355	$ 28,547,046	$ 36,568,824	$ 18,394,355	$ 6,392,739
Pension Plan's fiduciary net position as a percentage of total pension liability	67%	71%	79%	74%	87%	96%
Covered payroll	$ 16,758,095	$ 15,756,935	$ 15,113,517	$ 14,091,077	$ 13,722,784	$ 13,304,622
Net pension liability as a percentage of covered payroll	248%	240%	189%	260%	134%	48%

Note: 2015 was the first year that data was measured in accordance with GASB 68.
Note: Only six years of information is 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, 2020

Measurement Date	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Funded Percentage	Covered Payroll	Net Pension Liability as a % of Covered Payroll
01/01/2012	$ 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%
12/31/2020	147,292,178	140,899,439	6,392,739	96%	13,304,622	48%

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, 2020

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
12/31/2011	$ 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%
12/31/2020	9,130,197	9,130,197	-	13,304,622	69%

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, 2020

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

December 31, 2020	13.33%

Notes to Required Supplementary Information for Pension:

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, 2020
Measurement date:	December 31, 2020
Actuarial valuation date:	January 1, 2020
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:	Since the prior measurement date, the mortality basis was changed from the RP-2000 Combined Mortality Table with generational projections using Scale AA to the PUB-2010 Mortality Table for general employees with generational projections using Scale MP-2017.

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, 2020

	2018	2019	2020
Total OPEB liability:			
Service cost	$ 718,157	$ 343,785	$ 372,240
Expected interest growth	1,345,164	1,142,963	453,023
Demographic experience	(4,699,489)	(4,840,113)	(36,737)
Benefit payments and refunds	(755,998)	(766,394)	(805,454)
Assumption changes	96,681	(7,827,897)	1,041,897
Net change in total OPEB liability	(3,295,485)	(11,947,656)	1,024,969
Total OPEB liability - beginning (a)	35,707,910	32,412,425	20,464,769
Total OPEB liability - ending (c)	$ 32,412,425	$ 20,464,769	$ 21,489,738
Plan fiduciary net position:			
Retiree contributions	$ 193,146	$ 187,598	$ 198,496
Benefit payments and refunds	(755,998)	(766,394)	(805,454)
Administrative expenses	(24,560)	(14,717)	(24,180)
Expected interest growth	296,647	236,909	222,135
Unexpected investment income	(456,718)	480,291	257,561
Net change in plan fiduciary net position	(747,483)	123,687	(151,442)
Plan fiduciary net position - beginning (b)	4,014,804	3,267,321	3,391,008
Plan fiduciary net position - ending (d)	$ 3,267,321	$ 3,391,008	$ 3,239,566
Net OPEB liability - beginning (a) - (b)	$ 31,693,106	$ 29,145,104	$ 17,073,761
Net OPEB liability - ending (c) - (d)	$ 29,145,104	$ 17,073,761	$ 18,250,172
OPEB Plan's fiduciary net position as a percentage of total OPEB liability	10%	17%	15%
Covered payroll	$ 31,589,049	$ 34,333,776	$ 40,206,869
Net OPEB liability as a percentage of covered payroll	92%	50%	45%

Note: 2018 was the first year that data was measured in accordance with GASB 75.
Note: Only three years of information is 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, 2020

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%
12/31/2020	21,489,738	3,239,566	18,250,172	15%	40,206,869	45%

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

Notes to Required Supplementary Information for OPEB:

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, 2020
Measurement date:	December 31, 2020
Actuarial valuation date:	January 1, 2020
Discount rate:	3.29% 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 1.93% 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:	7.21% per annum
Inflation:	2.50% per annum
Salary increases:	3.25% per annum
Healthcare cost trend rates:	Increases in healthcare costs are assumed to be 7.00% for the 2020 fiscal year graded down by 0.50% per year to 5.00% for the 2024 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 3.59% per annum to 2.29% per annum; the healthcare cost trend rates were changed from 6.50% for the 2020 fiscal year graded down to 5.00% for the 2023 and later fiscal years to 7.00% for the 2020 fiscal year graded down to 5.00% for the 2024 and later fiscal years; the morbidity assumption was changed from 3.50% at each age to the rates described above; and the mortality improvement scale was changed from Scale MP-2017 to Scale MP-2020.

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, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 2,377,939	$ 41,007	$ 7,208,059	$ 9,627,005
Receivables:				
Accounts	86,194	-	-	86,194
Intergovernmental - federal	77,177	-	-	77,177
Intergovernmental - state	1,237	-	-	1,237
Intergovernmental - local	51,136	95,094	-	146,230
Total Assets	$ 2,593,683	$ 136,101	$ 7,208,059	$ 9,937,843
Liabilities				
Accounts payable	$ 67,484	$ -	$ 695,526	$ 763,010
Accrued interest payable	-	95,094	-	95,094
Interfund payable	99,168	-	9,740	108,908
Total Liabilities	166,652	95,094	705,266	967,012
Fund Balances				
Restricted for:				
Economic development	2,293,855	-	-	2,293,855
Public safety	133,174	-	-	133,174
Housing and development	2	-	-	2
Debt service	-	41,007	-	41,007
Capital projects	-	-	6,502,793	6,502,793
Total Fund Balances	2,427,031	41,007	6,502,793	8,970,831
Total Liabilities and Fund Balances	$ 2,593,683	$ 136,101	$ 7,208,059	$ 9,937,843

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, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Real and personal property taxes	$ 18	$ -	$ -	$ 18
Hotel/motel taxes	1,090,983	-	-	1,090,983
Intergovernmental - federal	2,498,370	-	-	2,498,370
Intergovernmental - state	1,710	-	421,258	422,968
Intergovernmental - local	51,136	-	930,602	981,738
Fines and forfeitures	36,242	-	-	36,242
Investment earnings	9,982	127,611	70,799	208,392
Miscellaneous	198	-	-	198
Total Revenues	3,688,639	127,611	1,422,659	5,238,909
Expenditures				
Current:				
General government	121,560	-	452,992	574,552
Public safety	29,057	-	254,014	283,071
Public works	-	-	369,333	369,333
Health and welfare	133,376	-	-	133,376
Culture and recreation	332,061	-	25,555	357,616
Housing and development	415,584	-	-	415,584
Economic development	482,500	-	-	482,500
Capital Outlay				
General government	-	-	603,537	603,537
Public safety	-	-	584,768	584,768
Public works	-	-	1,517,093	1,517,093
Culture and recreation	-	-	516,348	516,348
Debt Service:				
Principal retirement	-	270,000	-	270,000
Interest and fiscal charges	-	200,751	-	200,751
Total Expenditures	1,514,138	470,751	4,323,640	6,308,529
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,174,501	(343,140)	(2,900,981)	(1,069,620)
Other Financing Sources (Uses)				
Proceeds from sale of assets	1,180	-	29,262	30,442
Transfers in	2,501,710	375,098	1,216,360	4,093,168
Transfers out	(2,590,405)	-	(165,246)	(2,755,651)
Total Other Financing Sources (Uses)	(87,515)	375,098	1,080,376	1,367,959
Net Change in Fund Balances	2,086,986	31,958	(1,820,605)	298,339
Fund Balances Beginning of Year	340,045	9,049	8,323,398	8,672,492
Fund Balances End of Year	$ 2,427,031	$ 41,007	$ 6,502,793	$ 8,970,831

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, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 24,013,555	$ 16,365,000
Investments	603,826	6,900,199
Receivables:		
Accounts	1,295,347	1,703,596
Taxes	1,023,473	688,110
Intergovernmental - federal	48,866	8,682
Intergovernmental - state	1,088	1,600
Intergovernmental - local	279,029	380,349
Interfund	511,834	541,409
Inventory	132,725	174,804
Prepaid items	11,500	10,392
Total Assets	$ 27,921,243	$ 26,774,141
Liabilities		
Accounts payable	$ 378,360	$ 322,233
Accrued expenditures	344,779	786,875
Unearned revenue	141,195	167,395
Interfund payable	-	172,348
Total Liabilities	864,334	1,448,851
Deferred Inflows of Resources		
Unavailable revenue - property taxes	523,800	423,892
Fund Balances		
Nonspendable:		
Inventory	132,725	174,804
Prepaid items	11,500	10,392
Restricted:		
Public works (cemetery)	88,675	88,675
Public works (streetscape)	15,000	15,000
Culture and recreation (greenway project)	10,000	10,000
Culture and recreation (Heritage Point Park disc golf)	8,342	10,000
Culture and recreation (Haig Mill Lake project)	199,400	199,400
Unrestricted:		
Committed:		
Public works (construction contracts)	565,979	359,702
Assigned:		
Grant funds (airport grant)	-	10,560
Unassigned	25,501,488	24,022,865
Total Fund Balances	26,533,109	24,901,398
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 27,921,243	$ 26,774,141

City of Dalton, Georgia
Schedule of Revenues - Budget and Actual - General Fund
For the Year Ended December 31, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Taxes:					
Real and personal property taxes	$ 8,968,000	$ 7,939,300	$ 7,937,643	$ (1,657)	$ 8,914,052
Vehicle tax	80,000	65,500	65,429	(71)	79,615
Title ad valorem tax	589,000	891,500	892,028	528	1,103,678
Sales tax	6,200,000	6,871,950	6,880,419	8,469	6,340,498
Insurance premium tax	2,519,000	2,657,000	2,657,507	507	2,519,375
Financial institution tax	112,000	103,000	102,308	(692)	112,680
Recording intangibles	40,000	55,000	55,181	181	34,840
Franchise tax	397,000	386,000	384,288	(1,712)	417,067
Real estate transfer tax	17,000	22,100	22,195	95	18,912
Business licenses	580,000	579,000	578,442	(558)	563,024
Beer tax	564,000	607,000	607,344	344	568,031
Wine tax	77,000	84,000	84,641	641	78,681
Liquor tax	92,000	114,000	114,392	392	94,709
Mixed drink tax	71,000	61,000	60,174	(826)	71,252
Penalties, fines, and interest	79,000	102,700	103,335	635	119,793
Total taxes	20,385,000	20,539,050	20,545,326	6,276	21,036,207
Licenses and permits:					
Alcohol beverage licenses	268,000	272,025	271,954	(71)	267,542
Insurance business licenses	58,000	57,900	57,380	(520)	61,300
Other permits	20,500	3,500	2,675	(825)	16,144
Penalties, fines, and interest	1,000	9,100	9,318	218	3,468
Total licenses and permits	347,500	342,525	341,327	(1,198)	348,454
Intergovernmental:					
Whitfield County	177,000	377,000	377,000	-	177,000
Housing Authority	101,700	101,700	101,712	12	48,712
Payments in lieu of taxes	35,700	28,600	28,600	-	31,116
Federal grants and contracts	22,800	48,300	48,866	566	12,620
State grants and contracts	4,000	781,500	781,539	39	7,245
Total intergovernmental	341,200	1,337,100	1,337,717	617	276,693
Charges for services:					
Senior center	55,100	23,000	22,335	(665)	53,300
Program admission and fees	140,000	68,200	66,550	(1,650)	140,026
Concession revenue	192,200	220,550	221,187	637	182,748
Garbage and recycling revenue	1,000	23,150	7,711	(15,439)	4,294
Public works fees	-	1,900	1,899	(1)	-
Municipal court fees	610,000	508,000	507,195	(805)	592,789
Public safety fees	44,250	43,025	42,095	(930)	32,289
School resource officer	387,000	297,000	296,639	(361)	278,912
Cemetery fees	50,000	129,000	129,775	775	64,730
Total charges for services	1,479,550	1,313,825	1,295,386	(18,439)	1,349,088

(Continued)

City of Dalton, Georgia
Schedule of Revenues - Budget and Actual - General Fund
For the Year Ended December 31, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Fines and forfeitures	410,000	410,000	408,294	(1,706)	433,589
Investment earnings	400,200	231,200	230,467	(733)	414,555
Miscellaneous:					
Rental income	228,900	199,600	199,679	79	253,190
Donations	20,500	23,100	23,078	(22)	71,810
Reimbursements	-	43,585	43,566	(19)	99,440
Miscellaneous	83,750	105,650	104,653	(997)	260,364
Total miscellaneous	333,150	371,935	370,976	(959)	684,804
Total revenues	$ 23,696,600	$ 24,545,635	$ 24,529,493	$ (16,142)	$ 24,543,390

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - General Fund
For the Year Ended December 31, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
General Government:					
Legislative					
Personal services and benefits	$ 71,660	$ 48,260	$ 46,989	$ 1,271	$ 53,224
Purchased and contracted services	39,610	57,610	54,037	3,573	34,550
Supplies	46,890	52,290	50,017	2,273	48,700
Total	158,160	158,160	151,043	7,117	136,474
Administrative					
Personal services and benefits	400,675	400,675	387,914	12,761	314,463
Purchased and contracted services	300,850	222,475	174,551	47,924	252,591
Supplies	15,500	15,375	8,735	6,640	18,006
Total	717,025	638,525	571,200	67,325	585,060
City Clerk					
Personal services and benefits	289,065	310,410	307,156	3,254	277,501
Purchased and contracted services	33,810	33,025	19,429	13,596	21,271
Supplies	13,000	14,925	13,820	1,105	11,361
Total	335,875	358,360	340,405	17,955	310,133
Elections					
Purchased and contracted services	-	-	-	-	5,858
Total	-	-	-	-	5,858
Finance					
Personal services and benefits	411,280	425,680	419,998	5,682	374,383
Purchased and contracted services	293,965	276,410	262,512	13,898	270,418
Supplies	15,440	19,595	18,212	1,383	11,408
Capital outlay	-	-	-	-	7,686
Total	720,685	721,685	700,722	20,963	663,895
Human Resources					
Personal services and benefits	387,760	394,080	387,515	6,565	340,484
Purchased and contracted services	50,500	44,300	18,317	25,983	25,434
Supplies	11,800	11,680	9,117	2,563	4,036
Total	450,060	450,060	414,949	35,111	369,954
Technology					
Personal services and benefits	255,675	209,275	208,275	1,000	164,744
Purchased and contracted services	154,210	208,310	204,917	3,393	107,709
Supplies	12,500	4,800	3,656	1,144	161,072
Capital outlay	-	-	-	-	102,181
Total	422,385	422,385	416,848	5,537	535,706
Buildings and Grounds					
Purchased and contracted services	147,500	159,230	151,530	7,700	887,009
Supplies	101,000	89,270	78,618	10,652	96,941
Total	248,500	248,500	230,148	18,352	983,950

(Continued)

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - General Fund
For the Year Ended December 31, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Infrastructure					
Purchased and contracted services	10,000	4,200	4,182	18	-
Supplies	-	89,930	36,566	53,364	-
Total	10,000	94,130	40,748	53,382	-
Total General Government	3,062,690	3,091,805	2,866,063	225,742	3,591,030
Judicial:					
Municipal Court					
Personal services and benefits	223,100	241,300	239,878	1,422	208,584
Purchased and contracted services	214,940	186,890	171,485	15,405	183,282
Supplies	15,300	24,150	16,106	8,044	12,430
Total Judicial	453,340	452,340	427,469	24,871	404,296
Public Safety:					
Fire Department					
Personal services and benefits	8,816,585	8,904,875	8,901,228	3,647	8,039,913
Purchased and contracted services	231,050	186,370	184,148	2,222	219,522
Supplies	605,700	582,895	573,946	8,949	643,034
Total	9,653,335	9,674,140	9,659,322	14,818	8,902,469
Police Department					
Personal services and benefits	7,940,245	7,988,995	7,822,624	166,371	7,163,272
Purchased and contracted services	822,240	747,070	588,227	158,843	756,453
Supplies	598,780	626,220	517,970	108,250	547,705
Capital outlay	-	-	-	-	4,455
Total	9,361,265	9,362,285	8,928,821	433,464	8,471,885
Total Public Safety	19,014,600	19,036,425	18,588,143	448,282	17,374,354
Public Works:					
Public Works					
Personal services and benefits	5,244,675	5,209,275	4,756,264	453,011	4,649,309
Purchased and contracted services	882,245	922,095	829,892	92,203	820,005
Supplies	2,021,680	1,942,790	1,688,611	254,179	1,683,049
Capital outlay	11,000	12,000	11,599	401	10,999
Total	8,159,600	8,086,160	7,286,366	799,794	7,163,362
Infrastructure					
Purchased and contracted services	-	1,290	643	647	94,961
Capital outlay	-	555,910	526,910	29,000	738,607
Total	-	557,200	527,553	29,647	833,568
Total Public Works	8,159,600	8,643,360	7,813,919	829,441	7,996,930

(Continued)

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - General Fund
For the Year Ended December 31, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Health and Welfare:					
Senior Center					
Personal services and benefits	333,545	307,495	296,692	10,803	293,343
Purchased and contracted services	24,825	30,775	15,241	15,534	20,340
Supplies	103,850	79,600	59,516	20,084	108,547
Capital outlay	-	9,250	9,222	28	-
Total	462,220	427,120	380,671	46,449	422,230
Special Projects					
Other	6,990	56,990	56,984	6	8,984
Total	6,990	56,990	56,984	6	8,984
Total Health and Welfare	469,210	484,110	437,655	46,455	431,214
Culture and Recreation:					
Recreation Department					
Personal services and benefits	2,563,730	2,647,280	2,527,914	119,366	2,295,416
Purchased and contracted services	670,950	650,085	496,786	153,299	543,609
Supplies	761,160	702,575	580,524	122,051	692,257
Capital outlay	20,000	15,900	-	15,900	7,550
Total	4,015,840	4,015,840	3,605,224	410,616	3,538,832
Special Projects					
Other	355,655	355,655	345,935	9,720	337,560
Total	355,655	355,655	345,935	9,720	337,560
Infrastructure					
Purchased and contracted services	-	8,710	6,200	2,510	9,992
Capital outlay	-	-	-	-	7,701
Total	-	8,710	6,200	2,510	17,693
Total Culture and Recreation	4,371,495	4,380,205	3,957,359	422,846	3,894,085
Housing and Development:					
Special Projects					
Other	215,000	215,000	215,000	-	372,500
Total	215,000	215,000	215,000	-	372,500
Infrastructure					
Purchased and contracted services	-	2,450	2,450	-	-
Total	-	2,450	2,450	-	-
Total Housing and Development	215,000	217,450	217,450	-	372,500
Total expenditures	$ 35,745,935	$ 36,305,695	$ 34,308,058	$ 1,997,637	$ 34,064,409

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - Sub-Budgets - General Fund
For the Year Ended December 31, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Police Department:					
Administration					
Personal services and benefits	$ 657,835	$ 681,035	$ 676,998	4,037	$ 642,215
Purchased and contracted services	504,645	482,145	431,676	50,469	484,197
Supplies	18,100	18,100	10,885	7,215	13,792
Total	1,180,580	1,181,280	1,119,559	61,721	1,140,204
Patrol					
Personal services and benefits	4,981,740	4,941,040	4,839,116	101,924	4,436,903
Purchased and contracted services	120,250	83,250	40,020	43,230	108,839
Supplies	423,090	455,090	384,543	70,547	394,118
Capital outlay	-	-	-	-	4,455
Total	5,525,080	5,479,380	5,263,679	215,701	4,944,315
Criminal Investigation Division					
Personal services and benefits	1,410,720	1,466,920	1,459,489	7,431	1,275,977
Purchased and contracted services	36,000	19,000	10,268	8,732	24,202
Supplies	75,590	57,710	39,471	18,239	65,606
Total	1,522,310	1,543,630	1,509,228	34,402	1,365,785
Support Services					
Personal services and benefits	889,950	900,000	847,021	52,979	808,177
Purchased and contracted services	161,345	162,675	106,263	56,412	139,215
Supplies	82,000	95,320	83,071	12,249	74,189
Total	1,133,295	1,157,995	1,036,355	121,640	1,021,581
Total Police Department	$ 9,361,265	$ 9,362,285	$ 8,928,821	$ 433,464	$ 8,471,885

(Continued)

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - Sub-Budgets - General Fund
For the Year Ended December 31, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Public Works Department:					
Administration					
Personal services and benefits	$ 661,380	$ 598,380	$ 494,899	$ 103,481	$ 587,342
Purchased and contracted services	128,200	144,010	130,081	13,929	106,379
Supplies	683,580	639,230	593,849	45,381	601,053
Total	1,473,160	1,381,620	1,218,829	162,791	1,294,774
Street					
Personal services and benefits	742,780	704,980	570,811	134,169	644,991
Purchased and contracted services	33,910	40,950	40,949	1	3,335
Supplies	209,500	153,900	137,408	16,492	146,355
Total	986,190	899,830	749,168	150,662	794,681
Sanitation					
Personal services and benefits	1,702,375	1,753,275	1,712,066	41,209	1,586,185
Purchased and contracted services	335,050	352,050	325,772	26,278	354,717
Supplies	108,000	105,000	69,306	35,694	61,055
Total	2,145,425	2,210,325	2,107,144	103,181	2,001,957
Shop					
Personal services and benefits	542,930	563,530	551,677	11,853	510,543
Purchased and contracted services	4,290	4,290	4,290	-	15,050
Supplies	776,850	773,350	661,751	111,599	679,581
Total	1,324,070	1,341,170	1,217,718	123,452	1,205,174
Traffic engineer					
Personal services and benefits	534,490	540,990	474,829	66,161	442,948
Purchased and contracted services	7,835	7,835	7,835	-	7,509
Supplies	93,000	93,000	86,231	6,769	91,125
Total	635,325	641,825	568,895	72,930	541,582
Landscaping					
Personal services and benefits	723,855	701,655	617,313	84,342	581,271
Purchased and contracted services	195,140	195,140	143,145	51,995	154,280
Supplies	48,500	76,060	67,229	8,831	41,921
Capital outlay	11,000	12,000	11,599	401	10,999
Total	978,495	984,855	839,286	145,569	788,471
Stormwater					
Personal services and benefits	336,865	346,465	334,669	11,796	296,029
Purchased and contracted services	177,820	177,820	177,820	-	178,735
Supplies	102,250	102,250	72,837	29,413	61,959
Total	616,935	626,535	585,326	41,209	536,723
Total Public Works Department	$ 8,159,600	$ 8,086,160	$ 7,286,366	$ 799,794	$ 7,163,362

(Continued)

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - Sub-Budgets - General Fund
For the Year Ended December 31, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Recreation Department:					
Administration					
Personal services and benefits	$ 961,780	$ 1,006,130	$ 1,005,442	$ 688	$ 854,554
Purchased and contracted services	122,975	111,940	107,266	4,674	113,966
Supplies	61,500	36,385	31,734	4,651	46,286
Total	1,146,255	1,154,455	1,144,442	10,013	1,014,806
Programs					
Personal services and benefits	443,710	406,760	290,292	116,468	322,913
Purchased and contracted services	135,500	131,870	60,557	71,313	93,624
Supplies	324,860	319,690	238,839	80,851	295,510
Total	904,070	858,320	589,688	268,632	712,047
Parks					
Personal services and benefits	1,158,240	1,234,390	1,232,180	2,210	1,117,949
Purchased and contracted services	412,475	406,275	328,963	77,312	336,019
Supplies	374,800	346,500	309,951	36,549	350,461
Capital outlay	20,000	15,900	-	15,900	7,550
Total	1,965,515	2,003,065	1,871,094	131,971	1,811,979
Total Recreation Department	$ 4,015,840	$ 4,015,840	$ 3,605,224	$ 410,616	$ 3,538,832

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.

CARES Act Grant Fund – Established to account for grant proceeds from the Department of the Treasury for Coronavirus Relief efforts.

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, 2020

	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	$ -	$ 135,218	$ 1	$ 1	$ -	$ 19,320	$ 69	$ 2,223,330	$ 2,377,939
Receivables:									
Accounts	86,194	-	-	-	-	-	-	-	86,194
Intergovernmental - federal	-	-	73,852	-	3,325	-	-	-	77,177
Intergovernmental - state	-	-	-	-	1,237	-	-	-	1,237
Intergovernmental - local	-	-	-	-	-	-	-	51,136	51,136
Total Assets	$ 86,194	$ 135,218	$ 73,853	$ 1	$ 4,562	$ 19,320	$ 69	$ 2,274,466	$ 2,593,683
Liabilities									
Accounts payable	$ 13,433	$ 2,044	$ 52,007	$ -	$ -	$ -	$ -	$ -	$ 67,484
Interfund payable	72,761	-	21,845	-	4,562	-	-	-	99,168
Total Liabilities	86,194	2,044	73,852	-	4,562	-	-	-	166,652
Fund Balances									
Restricted for:									
Economic development	-	-	-	-	-	19,320	69	2,274,466	2,293,855
Public safety	-	133,174	-	-	-	-	-	-	133,174
Housing and development	-	-	1	1	-	-	-	-	2
Total Fund Balances	-	133,174	1	1	-	19,320	69	2,274,466	2,427,031
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 86,194	$ 135,218	$ 73,853	$ 1	$ 4,562	$ 19,320	$ 69	$ 2,274,466	$ 2,593,683

City of Dalton, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020

	Hotel/ Motel Tax	Confiscated Assets	Community Development Block Grant	Community HOME Invest. Program Grant	Airport Improvement Grant	CARES Act Grant	Tax Allocation District #1	Tax Allocation District #3	Economic Development	Total Nonmajor Special Revenue Funds
Revenues										
Real and personal property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 18	$ -	$ -	$ 18
Hotel/motel taxes	1,090,983	-	-	-	-	-	-	-	-	1,090,983
Payments in lieu of taxes	-	-	-	-	-	-	-	-	51,136	51,136
Intergovernmental - federal	-	-	636,314	-	99,771	1,762,285	-	-	-	2,498,370
Intergovernmental - state	-	-	-	-	1,710	-	-	-	-	1,710
Fines and forfeitures	-	36,242	-	-	-	-	-	-	-	36,242
Investment earnings	-	787	-	-	-	-	114	1	9,080	9,982
Miscellaneous	198	-	-	-	-	-	-	-	-	198
Total Revenues	1,091,181	37,029	636,314	-	101,481	1,762,285	132	1	60,216	3,688,639
Expenditures										
Current:										
General government	-	-	87,354	-	34,191	-	15	-	-	121,560
Public safety	-	29,057	-	-	-	-	-	-	-	29,057
Health and welfare	-	-	133,376	-	-	-	-	-	-	133,376
Culture and recreation	332,061	-	-	-	-	-	-	-	-	332,061
Housing and development	-	-	415,584	-	-	-	-	-	-	415,584
Economic development	-	-	-	-	-	-	-	-	482,500	482,500
Total Current	332,061	29,057	636,314	-	34,191	-	15	-	482,500	1,514,138
Excess (Deficiency) of Revenues Over (Under) Expenditures	759,120	7,972	-	-	67,290	1,762,285	117	1	(422,284)	2,174,501
Other Financing Sources (Uses)										
Proceeds from sale of assets	-	1,180	-	-	-	-	-	-	-	1,180
Transfers in	-	-	-	-	1,710	-	-	-	2,500,000	2,501,710
Transfers (out	(759,120)	-	-	-	(69,000)	(1,762,285)	-	-	-	(2,590,405)
Total Other Financing Sources (Uses)	(759,120)	1,180	-	-	(67,290)	(1,762,285)	-	-	2,500,000	(87,515)
Net Change in Fund Balances	-	9,152	-	-	-	-	117	1	2,077,716	2,086,986
Fund Balances Beginning of Year	-	124,022	1	1	-	-	19,203	68	196,750	340,045
Fund Balances End of Year	$ -	$ 133,174	$ 1	$ 1	$ -	$ -	$ 19,320	$ 69	$ 2,274,466	$ 2,427,031

City of Dalton, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Accounts receivable	$ 86,194	$ 108,442
Total Assets	$ 86,194	$ 108,442
Liabilities		
Accounts payable	$ 13,433	$ 40,513
Interfund payable	72,761	67,929
Total Liabilities	$ 86,194	$ 108,442

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, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Hotel/motel taxes	$ 1,525,000	$ 1,124,800	$ 1,090,983	$ (33,817)	$ 1,566,635
Miscellaneous	-	200	198	(2)	638
Total Revenues	1,525,000	1,125,000	1,091,181	(33,819)	1,567,273
Expenditures					
Current:					
Culture and recreation:					
Other	427,340	365,880	332,061	33,819	397,201
Capital Outlay:					
Culture and recreation:					
Capital outlay	-	-	-	-	22,615
Total Expenditures	427,340	365,880	332,061	33,819	419,816
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,097,660	759,120	759,120	-	1,147,457
Other Financing (Uses)					
Transfers out	(1,097,660)	(759,120)	(759,120)	-	(1,147,457)
Net Change in Fund Balances	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Dalton, Georgia
Comparative Balance Sheet
Confiscated Assets Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 135,218	$ 125,195
Interfund receivable	-	516
Total Assets	$ 135,218	$ 125,711
Liabilities		
Accounts payable	$ 2,044	$ 1,689
Total Liabilities	2,044	1,689
Fund Balances		
Restricted - public safety	133,174	124,022
Total Fund Balances	133,174	124,022
Total Liabilities and Fund Balances	$ 135,218	$ 125,711

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, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - federal	$ 40,000	$ 39,880	$ -	$ (39,880)	$ -
Fines and forfeitures	60,000	60,000	36,242	(23,758)	26,414
Investment earnings	660	780	787	7	1,051
Total Revenues	100,660	100,660	37,029	(63,631)	27,465
Expenditures					
Current:					
Public Safety:					
Other	106,730	106,730	29,057	77,673	53,112
Total Expenditures	106,730	106,730	29,057	77,673	53,112
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,070)	(6,070)	7,972	14,042	(25,647)
Other Financing Sources					
Proceeds from sale of assets	10,000	10,000	1,180	(8,820)	4,781
Net Change in Fund Balances	$ 3,930	$ 3,930	9,152	$ 5,222	(20,866)
Fund Balances Beginning of Year			124,022		144,888
Fund Balances End of Year			$ 133,174		$ 124,022

City of Dalton, Georgia
Comparative Balance Sheet
Community Development Block Grant Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 1	$ 1
Intergovernmental receivable - federal	73,852	23,350
Total Assets	$ 73,853	$ 23,351
Liabilities		
Accounts payable	$ 52,007	$ 22,995
Interfund payable	21,845	355
Total Liabilities	73,852	23,350
Fund Balances		
Restricted - housing and development	1	1
Total Fund Balances	1	1
Total Liabilities and Fund Balances	$ 73,853	$ 23,351

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - CDBG Fund
For the Year Ended December 31, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - federal	$ 410,000	$ 835,225	$ 636,314	$ (198,911)	$ 397,454
Total Revenues	410,000	835,225	636,314	(198,911)	397,454
Expenditures					
Current:					
General Government:					
Other	80,190	163,350	87,354	75,996	73,197
Public Works:					
Other	-	-	-	-	20,000
Health and Welfare:					
Other	68,990	140,560	133,376	7,184	20,507
Housing and Development:					
Other	260,820	531,315	415,584	115,731	283,750
Total Expenditures	410,000	835,225	636,314	198,911	397,454
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, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 1	$ 1
Total Assets	$ 1	$ 1
Fund Balances		
Restricted - housing and development	1	1
Total Fund Balances	$ 1	$ 1

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - CHIP Grant
For the Year Ended December 31, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - federal	$ -	$ -	$ -	$ -	$ 163,333
Total Revenues	-	-	-	-	163,333
Expenditures					
Current:					
Housing and Development:					
Other	-	-	-	-	164,865
Total Expenditures	-	-	-	-	164,865
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	(1,532)
Other Financing Sources					
Transfers in	-	-	-	-	1,532
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, 2020 and 2019

	2020	2019
Assets		
Receivables:		
Intergovernmental - federal	$ 3,325	$ 61,213
Intergovernmental - state	1,237	3,401
Total Assets	$ 4,562	$ 64,614
Liabilities		
Interfund payable	$ 4,562	$ 64,614
Total Liabilities	$ 4,562	$ 64,614

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, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - federal	$ 950,000	$ 99,775	$ 99,771	$ (4)	$ 116,531
Intergovernmental - state	50,000	1,710	1,710	-	6,474
Total Revenues	1,000,000	101,485	101,481	(4)	123,005
Expenditures					
Current:					
General Government:					
Other	-	34,195	34,191	4	129,479
Capital outlay:					
General Government:					
Capital outlay	1,050,000	-	-	-	-
Total Expenditures	1,050,000	34,195	34,191	4	129,479
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	67,290	67,290	-	(6,474)
Other Financing Sources (Uses)					
Transfers in	50,000	1,710	1,710	-	6,474
Transfers out	-	(69,000)	(69,000)	-	-
Total Other Financing Sources (Uses)	50,000	(67,290)	(67,290)	-	6,474
Net Change in Fund Balances	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - CARES Act Grant
For the Year Ended December 31, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - federal	$ -	$ 1,762,285	$ 1,762,285	$ -	$ -
Total Revenues	-	1,762,285	1,762,285	-	-
Other Financing Sources (Uses)					
Transfers out	-	(1,762,285)	(1,762,285)	-	-
Total Other Financing Sources (Uses)	-	(1,762,285)	(1,762,285)	-	-
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, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 19,320	$ 19,203
Total Assets	$ 19,320	$ 19,203
Fund Balances		
Restricted - economic development	$ 19,320	$ 19,203
Total Fund Balances	$ 19,320	$ 19,203

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, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Real and personal property taxes	$ 5,000	$ 80	$ 18	$ (62)	$ -
Investment earnings	-	120	114	(6)	23
Total Revenues	5,000	200	132	(68)	23
Expenditures					
Current:					
General Government:					
Other	5,000	200	15	185	-
Total Expenditures	5,000	200	15	185	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	117	117	23
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	(3,399)
Total Other Financing Sources (Uses)	-	-	-	-	(3,399)
Net Change in Fund Balances	$ -	$ -	117	$ 117	(3,376)
Fund Balances Beginning of Year			19,203		22,579
Fund Balances End of Year			$ 19,320		$ 19,203

City of Dalton, Georgia
Comparative Balance Sheet
Tax Allocation District #3
December 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 69	$ 68
Total Assets	$ 69	$ 68
Fund Balances		
Restricted - economic development	69	68
Total Fund Balances	$ 69	$ 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, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Investment earnings	$ -	$ -	$ 1	$ 1	$ -
Total Revenues	-	-	1	1	-
Expenditures					
Current:					
General Government:					
Other	5,000	5,000	-	5,000	-
Total Expenditures	5,000	5,000	-	5,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(5,000)	1	5,001	-
Other Financing Sources					
Transfers in	5,000	5,000	-	(5,000)	-
Net Change in Fund Balances	$ -	$ -	1	$ 1	-
Fund Balances Beginning of Year			68		68
Fund Balances End of Year			$ 69		$ 68

City of Dalton, Georgia
Comparative Balance Sheet
Economic Development Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 2,223,330	$ 132,775
Receivables:		
Intergovernmental - local	51,136	63,975
Total Assets	$ 2,274,466	$ 196,750
Fund Balances		
Restricted - economic development	$ 2,274,466	$ 196,750
Total Fund Balances	$ 2,274,466	$ 196,750

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, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Payments in lieu of taxes	$ 91,000	$ 81,900	$ 51,136	$ (30,764)	$ 63,975
Investment earnings	-	9,100	9,080	(20)	1,077
Total Revenues	91,000	91,000	60,216	(30,784)	65,052
Expenditures					
Current:					
Economic development:					
Other	157,500	482,500	482,500	-	-
Total Expenditures	157,500	482,500	482,500	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(66,500)	(391,500)	(422,284)	(30,784)	65,052
Other Financing Sources					
Transfers in	-	2,500,000	2,500,000	-	-
Net Change in Fund Balances	$ (66,500)	$ 2,108,500	2,077,716	$ (30,784)	65,052
Fund Balances Beginning of Year			196,750		131,698
Fund Balances End of Year			$ 2,274,466		$ 196,750

NONMAJOR DEBT SERVICE FUND

City of Dalton, Georgia
Comparative Balance Sheet
Debt Service Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 41,007	$ 9,049
Receivables:		
Intergovernmental - local	95,094	102,114
Total Assets	$ 136,101	$ 111,163
Liabilities		
Accrued interest payable	$ 95,094	$ 102,114
Total Liabilities	95,094	102,114
Fund Balances		
Restricted - debt service	41,007	9,049
Total Fund Balances	41,007	9,049
Total Liabilities and Fund Balances	$ 136,101	$ 111,163

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, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - local	$ -	$ -	$ -	$ -	$ 53,000
Investment earnings	83,710	127,615	127,611	(4)	92,627
Total Revenues	83,710	127,615	127,611	(4)	145,627
Expenditures					
Debt Service:					
Principal retirement	700,000	270,000	270,000	-	313,000
Interest and fiscal charges	501,710	201,210	200,751	459	216,784
Total Expenditures	1,201,710	471,210	470,751	459	529,784
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,118,000)	(343,595)	(343,140)	455	(384,157)
Other Financing Sources (Uses)					
Transfers in	1,118,000	375,100	375,098	(2)	393,000
Net Change in Fund Balances	$ -	$ 31,505	31,958	$ 453	8,843
Fund Balances Beginning of Year			9,049		206
Fund Balances End of Year			$ 41,007		$ 9,049

NONMAJOR CAPITAL PROJECTS FUNDS

2020 SPLOST Capital Projects Fund – Established to account for all 2020 SPLOST proceeds and related current and capital expenditure of those proceeds.

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, 2020

	SPLOST 2020 Capital Projects Fund	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	$ -	$ 5,573,843	$ -	$ -	$ 1,634,216	$ 7,208,059
Total Assets	$ -	$ 5,573,843	$ -	$ -	$ 1,634,216	$ 7,208,059
Liabilities						
Accounts payable	$ 600	$ 2,755	$ -	$ -	$ 692,171	$ 695,526
Interfund payable	-	9,740	-	-	-	9,740
Total Liabilities	600	12,495	-	-	692,171	705,266
Fund Balances						
Restricted for:						
Capital projects	(600)	5,561,348	-	-	942,045	6,502,793
Total Fund Balances	(600)	5,561,348	-	-	942,045	6,502,793
Total Liabilities and Fund Balances	$ -	$ 5,573,843	$ -	$ -	$ 1,634,216	$ 7,208,059

City of Dalton, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020

	SPLOST 2020 Capital Projects Fund	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	$ -	$ 421,258	$ -	$ -	$ -	$ 421,258
Intergovernmental - local	-	656,108	-	274,494	-	930,602
Investment earnings	-	56,778	-	-	14,021	70,799
Total Revenues	-	1,134,144	-	274,494	14,021	1,422,659
Expenditures						
Current:						
General government	-	-	-	-	452,992	452,992
Public safety	-	-	-	-	254,014	254,014
Public works	-	369,333	-	-	-	369,333
Culture and recreation	-	-	-	-	25,555	25,555
Total Current	-	369,333	-	-	732,561	1,101,894
Capital Outlay:						
General government	-	-	95,534	-	508,003	603,537
Public safety	-	22,268	-	-	562,500	584,768
Public works	-	708,379	-	274,494	534,220	1,517,093
Culture and recreation	600	-	-	-	515,748	516,348
Total Capital Outlay	600	730,647	95,534	274,494	2,120,471	3,221,746
Total Expenditures	600	1,099,980	95,534	274,494	2,853,032	4,323,640
Excess (Deficiency) of Revenues Over (Under) Expenditures	(600)	34,164	(95,534)	-	(2,839,011)	(2,900,981)
Other Financing Sources (Uses)						
Proceeds from sale of assets	-	-	-	-	29,262	29,262
Transfers in	-	-	-	-	1,216,360	1,216,360
Transfers out	-	-	-	-	(165,246)	(165,246)
Total Other Financing Sources (Uses)	-	-	-	-	1,080,376	1,080,376
Net Change in Fund Balances	(600)	34,164	(95,534)	-	(1,758,635)	(1,820,605)
Fund Balances Beginning of Year	-	5,527,184	95,534	-	2,700,680	8,323,398
Fund Balances End of Year	$ (600)	$ 5,561,348	$ -	$ -	$ 942,045	$ 6,502,793

City of Dalton, Georgia
Comparative Balance Sheet
SPLOST 2020 Capital Projects Fund
December 31, 2020 and 2019

	2020	2019
Liabilities		
Accounts payable	$ 600	$ -
Total Liabilities	600	-
Fund Balances		
Restricted - capital projects	(600)	-
Total Fund Balances	(600)	-
Total Liabilities and Fund Balances	$ -	$ -

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -
SPLOST 2020 Capital Projects Fund
For the Year Ended December 31, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020	2019	Project to Date			
	Actual	Actual	Original Budget	Final Budget	Actual	Remaining Budget
Revenues						
Intergovernmental - state	$ -	$ -	$ 19,099,000	$ 19,099,000	$ -	$ 19,099,000
Total Revenues	-	-	19,099,000	19,099,000	-	19,099,000
Expenditures						
Current:						
Public Works:						
Roads, streets, & bridges	-	-	2,000,000	2,000,000	-	2,000,000
Health and Welfare:						
Building repairs	-	-	300,000	300,000	-	300,000
Total Current	-	-	2,300,000	2,300,000	-	2,300,000
Capital Outlay:						
Public Safety:						
Fire Department vehicles	-	-	2,612,000	2,612,000	-	2,612,000
Police Department vehicles	-	-	735,000	735,000	-	735,000
Police Department building	-	-	1,621,000	1,621,000	-	1,621,000
Public Works:						
Heavy equipment	-	-	531,000	531,000	-	531,000
Culture and Recreation:						
John Davis Recreation Center	-	-	8,500,000	8,500,000	-	8,500,000
Heritage Point Park	600	-	2,675,000	2,675,000	600	2,674,400
Health and Welfare:						
Senior Center vehicles	-	-	125,000	125,000	-	125,000
Total Capital Outlay	600	-	16,799,000	16,799,000	600	16,798,400
Total Expenditures	600	-	19,099,000	19,099,000	600	19,098,400
Excess (Deficiency) of Revenues Over (Under) Expenditures	(600)	-	-	-	(600)	(600)
Net Change in Fund Balances	(600)	-	$ -	$ -	$ (600)	$ (600)
Fund Balances Beginning of Year	-	-				
Fund Balances End of Year	$ (600)	$ -				

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 Capital Projects Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 5,573,843	$ 5,759,109
Intergovernmental receivable - local	-	17,500
Interfund receivable	-	171,832
Total Assets	$ 5,573,843	$ 5,948,441
Liabilities		
Accounts payable	$ 2,755	$ -
Interfund payable	9,740	-
Unearned revenue	-	421,257
Total Liabilities	12,495	421,257
Fund Balances		
Restricted - capital projects	5,561,348	5,527,184
Total Fund Balances	5,561,348	5,527,184
Total Liabilities and Fund Balances	$ 5,573,843	$ 5,948,441

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, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020	2019	Project to Date			
	Actual	Actual	Original Budget	Final Budget	Actual	Remaining Budget
Revenues						
Intergovernmental - state	$ 421,258	$ 387,644	$ -	$ 1,977,040	$ 1,977,040	$ -
Intergovernmental - local	656,108	3,937,405	24,913,115	26,689,958	26,689,958	-
Investment earnings	56,778	170,811	-	405,080	402,264	2,816
Total Revenues	1,134,144	4,495,860	24,913,115	29,072,078	29,069,262	2,816
Expenditures						
Current:						
Public Safety:						
Other	-	-	-	500	447	53
Public Works:						
Bridge maintenance	32,064	-	-	163,130	163,130	-
Drainage projects	30,304	-	-	38,434	38,434	-
Street resurfacing	306,965	2,200,799	5,000,000	7,514,811	5,740,995	1,773,816
Total Current	369,333	2,200,799	5,000,000	7,716,875	5,943,006	1,773,869
Capital Outlay:						
Public Safety:						
Police Department vehicles	22,268	78,579	1,123,957	1,123,457	1,123,509	(52)
Public Works:						
Bridge maintenance	17,885	1,323,258	1,000,000	1,341,143	1,341,143	-
Sidewalk construction	-	-	2,000,000	761,413	-	761,413
Guardrail project	28,360	-	-	28,360	28,360	-
Drainage projects	662,134	41,820	2,000,000	4,119,373	1,099,299	3,020,074
Culture and Recreation:						
Haig Mill recreation project	-	202,663	5,000,000	5,293,814	5,284,954	8,860
Total Capital Outlay	730,647	1,646,320	11,123,957	12,667,560	8,877,265	3,790,295
Debt Service:						
Principal retirement	-	2,168,859	8,505,956	8,504,958	8,504,958	-
Interest and fiscal charges	-	28,130	283,202	283,168	283,168	-
Total Debt Service	-	2,196,989	8,789,158	8,788,126	8,788,126	-
Total Expenditures	1,099,980	6,044,108	24,913,115	29,172,561	23,608,397	5,564,164
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,164	(1,548,248)	-	(100,483)	5,460,865	(5,561,348)
Other Financing Sources (Uses)						
Transfers in	-	-	-	100,483	100,483	-
Total Other Financing Sources (Uses	-	-	-	100,483	100,483	-
Net Change in Fund Balances	34,164	(1,548,248)	$ -	$ -	$ 5,561,348	$ (5,561,348)
Fund Balances Beginning of Year	5,527,184	7,075,432				
Fund Balances End of Year	$ 5,561,348	$ 5,527,184				

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, 2020 and 2019

	2020	2019
Assets		
Intergovernmental receivable - local	$ -	$ 95,534
Total Assets	$ -	$ 95,534
Fund Balances		
Restricted - capital projects	$ -	$ 95,534
Total Fund Balances	$ -	$ 95,534

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, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020	2019	Project to Date			
	Actual	Actual	Original Budget	Final Budget	Actual	Remaining Budget
Revenues						
Investment earnings	$ -	$ -	$ -	$ 26,413	$ 11,846	$ 14,567
Total Revenues	-	-	-	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	-	162,551	162,551	-
Other	-	-	87,000	82,454	82,454	-
Total Current	-	24,302	236,610	281,562	281,562	-
Capital Outlay:						
General Government:						
Communication project	95,534	19,552	-	3,901,222	3,901,223	(1)
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	-	-	1,365,000	1,488,294	1,473,727	14,567
Brookwood Bridge	-	-	35,000	33,278	33,278	-
Total Capital Outlay	95,534	19,552	4,039,433	7,984,967	7,970,401	14,566
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	95,534	43,854	4,442,183	8,431,886	8,417,319	14,567
Excess (Deficiency) of Revenues Over (Under) Expenditures	(95,534)	(43,854)	(4,442,183)	(8,405,473)	(8,405,473)	-
Other Financing Sources (Uses)						
Issuance of debt	-	-	4,442,183	8,505,956	8,505,956	-
Transfers out	-	-	-	(100,483)	(100,483)	-
Total Other Financing Sources (Uses	-	-	4,442,183	8,405,473	8,405,473	-
Net Change in Fund Balances	(95,534)	(43,854)	$ -	$ -	$ -	$ -
Fund Balances Beginning of Year	95,534	139,388				
Fund Balances End of Year	$ -	$ 95,534				

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, 2020 and 2019

	2020	2019
Assets		
Intergovernmental receivable - local	$ -	$ 60,790
Total Assets	$ -	$ 60,790
Liabilities		
Interfund payable	$ -	$ 60,790
Total Liabilities	$ -	$ 60,790

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, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - local	$ 352,630	$ 274,630	$ 274,494	$ (136)	$ 310,457
Total Revenues	352,630	274,630	274,494	(136)	310,457
Expenditures					
Capital Outlay:					
Public Works:					
Road projects	352,630	274,630	274,494	136	310,457
Total Expenditures	352,630	274,630	274,494	136	310,457
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, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 1,634,216	$ 3,000,000
Total Assets	$ 1,634,216	$ 3,000,000
Liabilities		
Accounts payable	$ 692,171	$ 299,320
Total Liabilities	692,171	299,320
Fund Balances		
Restricted - capital projects	942,045	2,700,680
Total Fund Balances	942,045	2,700,680
Total Liabilities and Fund Balances	$ 1,634,216	$ 3,000,000

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, 2020
(With Actual Amounts for the Year Ended December 31, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Investment earnings	$ 49,000	$ 14,025	$ 14,021	$ (4)	$ -
Total Revenues	49,000	14,025	14,021	(4)	-
Expenditures					
Current:					
General Government:					
Other	60,000	452,995	452,992	3	-
Public Safety:					
Other	-	254,020	254,014	6	-
Culture and Recreation:					
Other	-	25,555	25,555	-	-
Total Current	60,000	732,570	732,561	9	-
Capital Outlay:					
General Government:					
Equipment and vehicles		508,005	508,003	2	-
Public Safety:					
Equipment and vehicles	664,450	562,505	562,500	5	-
Public Works:					
Equipment and vehicles	293,000	534,230	534,220	10	439,544
Culture and Recreation:					
Equipment and vehicles	175,000	515,755	515,748	7	-
Total Capital Outlay	1,132,450	2,120,495	2,120,471	24	439,544
Total Expenditures	1,192,450	2,853,065	2,853,032	33	439,544
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,143,450)	(2,839,040)	(2,839,011)	29	(439,544)
Other Financing Sources (Uses)					
Proceeds from sale of assets	-	29,260	29,262	2	-
Transfers in	250,000	1,216,360	1,216,360	-	3,175,224
Transfers out	(143,800)	(165,245)	(165,246)	(1)	(35,000)
Total Other Financing Sources (Uses)	106,200	1,080,375	1,080,376	1	3,140,224
Net Change in Fund Balances	$ (1,037,250)	$ (1,758,665)	(1,758,635)	$ 30	2,700,680
Fund Balances Beginning of Year			2,700,680		-
Fund Balances End of Year			$ 942,045		$ 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, 2020

	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	$ 5,681	$ 106,681	$ -	$ -	$ 112,362
Receivables:					
Accounts	-	690	-	-	690
Inventory	38,510	15,851	-	-	54,361
Total Current Assets	44,191	123,222	-	-	167,413
Noncurrent Assets:					
Capital Assets:					
Land	739,352	3,786,177	-	-	4,525,529
Depreciable capital assets, net	517,031	5,615,515	-	-	6,132,546
Other Assets:					
Investment in joint ventures	-	-	6,608,110	13,327,618	19,935,728
Total Noncurrent Assets	1,256,383	9,401,692	6,608,110	13,327,618	30,593,803
Total Assets	1,300,574	9,524,914	6,608,110	13,327,618	30,761,216
Deferred Outflows of Resources	49,470	-	-	-	49,470
Total Assets and Deferred Outflows	$ 1,350,044	$ 9,524,914	$ 6,608,110	$ 13,327,618	$ 30,810,686
Liabilities					
Current Liabilities:					
Accounts payable	10,517	816	-	-	11,333
Accrued expenses	8,935	3,315	-	-	12,250
Unearned revenue	19,529	13,088	-	-	32,617
Interfund payable	402,926	-	-	-	402,926
Compensated absences payable	36,000	4,000	-	-	40,000
Total Current Liabilities	477,907	21,219	-	-	499,126
Long-Term Liabilities:					
Compensated absences payable (net of current portion)	58,610	9,974	-	-	68,584
Net pension liability	8,788	-	-	-	8,788
Net OPEB liability	164,252	-	-	-	164,252
Total Long-Term Liabilities	231,650	9,974	-	-	241,624
Total Liabilities	709,557	31,193	-	-	740,750
Deferred Inflows of Resources	257,363	-	-	-	257,363
Net Position					
Net investment in capital assets	1,256,383	9,401,692	-	-	10,658,075
Unrestricted	(873,259)	92,029	6,608,110	13,327,618	19,154,498
Total Net Position	383,124	9,493,721	6,608,110	13,327,618	29,812,573
Total Liabilities, Deferred Inflows, and Net Position	$ 1,350,044	$ 9,524,914	$ 6,608,110	$ 13,327,618	$ 30,810,686

City of Dalton, Georgia
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2020

	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	$ 720,074	$ 429,801	$ -	$ -	$ 1,149,875
Merchandise sales	72,527	-	-	-	72,527
Tournaments	59,984	-	-	-	59,984
Concessions	36,222	-	-	-	36,222
Miscellaneous	7,357	400	-	-	7,757
Total Operating Revenues	896,164	430,201	-	-	1,326,365
Operating Expenses					
Cost of sales and services	349,281	328,149	-	-	677,430
Personal services and benefits	476,255	159,528	-	-	635,783
Depreciation	116,035	454,113	-	-	570,148
Total Operating Expenses	941,571	941,790	-	-	1,883,361
Operating Income (Loss)	(45,407)	(511,589)	-	-	(556,996)
Non-Operating Revenues (Expenses)					
Investment earnings	-	309	-	-	309
Gain (loss) on sale of assets	-	(6,675)	-	-	(6,675)
Income (loss) from joint ventures	-	-	(848,713)	1,200,962	352,249
Total Non-Operating Revenues (Expenses)	-	(6,366)	(848,713)	1,200,962	345,883
Income (Loss) Before Transfers In (Out)	(45,407)	(517,955)	(848,713)	1,200,962	(211,113)
Transfers in (out)	-	234,246	597,660	(2,500,000)	(1,668,094)
Change in Net Position	(45,407)	(283,709)	(251,053)	(1,299,038)	(1,879,207)
Net Position Beginning of Year	428,531	9,777,430	6,859,163	14,626,656	31,691,780
Net Position End of Year	$ 383,124	$ 9,493,721	$ 6,608,110	$ 13,327,618	$ 29,812,573

City of Dalton, Georgia
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2020

	Municipal Golf Course	Municipal Airport	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from customers	$ 896,267	$ 437,815	$ 1,334,082
Cash payments for personnel services and benefits	(600,676)	(158,510)	(759,186)
Cash payments for goods, services, claims, and fees	(346,575)	(333,593)	(680,168)
Net Cash Provided by (Used in) Operating Activities	(50,984)	(54,288)	(105,272)
Cash Flows from Noncapital Financing Activities			
Proceeds from interfund loan	55,205	-	55,205
Proceeds from interfund transfer	-	234,246	234,246
Net Cash Provided by (Used in) Noncapital Financing Activities	55,205	234,246	289,451
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	-	(176,015)	(176,015)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	(176,015)	(176,015)
Cash Flows from Investing Activities			
Proceeds from disposal of capital assets	-	2,825	2,825
Investment earnings	-	309	309
Net Cash Provided by (Used in) Investing Activities	-	3,134	3,134
Net Increase (Decrease) in Cash and Cash Equivalents	4,221	7,077	11,298
Cash and Cash Equivalents Beginning of Year	1,460	99,604	101,064
Cash and Cash Equivalents End of Year	$ 5,681	$ 106,681	$ 112,362
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ (45,407)	$ (511,589)	$ (556,996)
Adjustments:			
Depreciation	116,035	454,113	570,148
Pension (benefit)/expense	(84,505)	-	(84,505)
OPEB (benefit)/expense	(31,051)	-	(31,051)
(Increase) Decrease in Assets:			
Accounts receivable	-	(660)	(660)
Inventory	(3,539)	(2,167)	(5,706)
Prepaid items	167	-	167
Increase (Decrease) in Liabilities:			
Accounts payable	6,078	(3,277)	2,801
Accrued expenses	(9,987)	(2,734)	(12,721)
Unearned revenue	103	8,274	8,377
Compensated absences payable	1,122	3,752	4,874
Net Cash Provided by (Used in) Operating Activities	$ (50,984)	$ (54,288)	$ (105,272)

City of Dalton, Georgia
Combining Schedule of Net Position
Water, Light, and Sinking Commission Fund
December 31, 2020

	Electric System	Gas System	Water System	Sewer System	Information Technology System	Total
Assets						
Current Assets:						
Cash and cash equivalents	$ 4,132,000	$ 749,000	$ 772,000	$ 703,000	$ 772,000	$ 7,128,000
Short-term investments	445,000	81,000	83,000	76,000	83,000	768,000
Restricted customer deposit fund	1,930,000	350,000	361,000	328,000	-	2,969,000
Accounts receivable, net	9,092,000	1,575,000	1,623,000	1,478,000	562,000	14,330,000
Unbilled revenues	4,263,000	1,564,000	1,426,000	873,000	-	8,126,000
Interest receivable	210,000	11,000	77,000	77,000	41,000	416,000
Fuel stocks	2,071,000	1,573,000	-	-	-	3,644,000
Materials and supplies inventory	13,753,000	516,000	823,000	48,000	2,037,000	17,177,000
Deposits and prepaid items	998,000	179,000	166,000	152,000	156,000	1,651,000
Total Current Assets	36,894,000	6,598,000	5,331,000	3,735,000	3,651,000	56,209,000
Noncurrent Assets:						
Construction in progress	239,791,000	-	53,025,000	1,620,000	-	294,436,000
Nuclear fuel, at amortized cost	20,036,000	-	-	-	-	20,036,000
Depreciable capital assets, net	328,516,000	22,735,000	172,239,000	146,495,000	46,172,000	716,157,000
Restricted combined utilities renewals/extensions fund	2,037,000	141,000	982,000	972,000	522,000	4,654,000
Restricted combined utilities construction fund	100,000,000	202,000	6,269,000	270,000	-	106,741,000
Restricted nuclear decommissioning fund	60,066,000	-	-	-	-	60,066,000
Regulatory asset, net	35,058,000	5,270,000	12,649,000	5,973,000	2,459,000	61,409,000
Total Noncurrent Assets	785,504,000	28,348,000	245,164,000	155,330,000	49,153,000	1,263,499,000
Total Assets	822,398,000	34,946,000	250,495,000	159,065,000	52,804,000	1,319,708,000
Deferred Outflows of Resources	1,367,000	821,000	1,969,000	929,000	382,000	5,468,000
Total Assets and Deferred Outflows	$ 823,765,000	$ 35,767,000	$ 252,464,000	$ 159,994,000	$ 53,186,000	$ 1,325,176,000

City of Dalton, Georgia
Combining Schedule of Net Position
Water, Light, and Sinking Commission Fund
December 31, 2020

	Electric System	Gas System	Water System	Sewer System	Information Technology System	Total
Liabilities						
Current Liabilities:						
Customer deposits	$ 3,871,000	$ 702,000	$ 723,000	$ 658,000	$ -	$ 5,954,000
Current maturities of long-term debt	-	69,000	2,151,000	92,000	-	2,312,000
Accounts payable and accrued expenses	9,547,000	3,030,000	1,820,000	1,851,000	1,873,000	18,121,000
Total Current Liabilities	13,418,000	3,801,000	4,694,000	2,601,000	1,873,000	26,387,000
Long-Term Liabilities:						
Long-term debt	100,000,000	1,989,000	61,666,000	2,652,000	-	166,307,000
Net pension liability	975,000	585,000	1,404,000	663,000	273,000	3,900,000
Net OPEB liability	2,427,000	1,456,000	3,495,000	1,651,000	680,000	9,709,000
Asset retirement obligations	90,041,000	-	-	-	-	90,041,000
Total Long-Term Liabilities	193,443,000	4,030,000	66,565,000	4,966,000	953,000	269,957,000
Total Liabilities	206,861,000	7,831,000	71,259,000	7,567,000	2,826,000	296,344,000
Deferred Inflows of Resources	8,333,000	1,954,000	4,691,000	2,215,000	913,000	18,106,000
Net Position						
Net investment in capital assets	419,500,000	20,677,000	161,448,000	145,371,000	46,172,000	793,168,000
Restricted for:						
Debt service	100,000,000	202,000	6,269,000	270,000	-	106,741,000
Capital projects	2,037,000	142,000	982,000	972,000	521,000	4,654,000
Nuclear decommissioning	60,066,000	-	-	-	-	60,066,000
Pension	2,959,000	1,775,000	4,261,000	2,012,000	828,000	11,835,000
OPEB	532,000	320,000	767,000	361,000	148,000	2,128,000
Unrestricted	23,477,000	2,866,000	2,787,000	1,226,000	1,778,000	32,134,000
Total Net Position	608,571,000	25,982,000	176,514,000	150,212,000	49,447,000	1,010,726,000
Total Liabilities, Deferred Inflows, and Net Position	$ 823,765,000	$ 35,767,000	$ 252,464,000	$ 159,994,000	$ 53,186,000	$ 1,325,176,000

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, 2020

	Electric System	Gas System	Water System	Sewer System	Information Technology System	Total
Operating Revenues						
Electric	$ 115,443,000	$ -	$ -	$ -	$ -	$ 115,443,000
Parity income	2,700,000	-	-	-	-	2,700,000
Natural gas	-	21,421,000	-	-	-	21,421,000
Water	-	-	22,070,000	-	-	22,070,000
Wastewater	-	-	-	20,099,000	-	20,099,000
Information technology	-	-	-	-	22,078,000	22,078,000
Total Operating Revenues	118,143,000	21,421,000	22,070,000	20,099,000	22,078,000	203,811,000
Operating Expenses						
Production	25,307,000	-	4,115,000	9,518,000	-	38,940,000
Purchased electricity	34,530,000	-	-	-	-	34,530,000
Purchased natural gas	-	13,353,000	-	-	-	13,353,000
Distribution	6,674,000	1,966,000	4,108,000	1,693,000	10,765,000	25,206,000
Depreciation and amortization	9,535,000	826,000	6,068,000	5,552,000	3,728,000	25,709,000
General and administrative	4,392,000	2,635,000	6,324,000	2,985,000	1,230,000	17,566,000
Total Operating Expenses	80,438,000	18,780,000	20,615,000	19,748,000	15,723,000	155,304,000
Operating Income (Loss)	37,705,000	2,641,000	1,455,000	351,000	6,355,000	48,507,000
Non-Operating Revenues (Expenses)						
Interest income	1,368,000	35,000	553,000	41,000	17,000	2,014,000
Interest expense	-	(87,000)	(2,705,000)	(117,000)	-	(2,909,000)
Net increase (decrease) in fair value of investments	192,000	7,000	8,000	6,000	15,000	228,000
Miscellaneous income (expense)	374,000	68,000	69,000	64,000	70,000	645,000
Total Non-Operating Revenues (Expenses)	1,934,000	23,000	(2,075,000)	(6,000)	102,000	(22,000)
Income Before Reallocations and Transfers	39,639,000	2,664,000	(620,000)	345,000	6,457,000	48,485,000
Reallocations and Transfers						
Reallocations	11,229,000	(152,000)	739,000	(4,772,000)	(7,044,000)	-
Transfers out	(6,420,000)	(1,164,000)	(1,200,000)	(1,092,000)	(1,200,000)	(11,076,000)
Total Contributions and Transfers	4,809,000	(1,316,000)	(461,000)	(5,864,000)	(8,244,000)	(11,076,000)
Change in Net Position	44,448,000	1,348,000	(1,081,000)	(5,519,000)	(1,787,000)	37,409,000
Net Position Beginning of Year	564,123,000	24,634,000	177,595,000	155,731,000	51,234,000	973,317,000
Net Position End of Year	$ 608,571,000	$ 25,982,000	$ 176,514,000	$ 150,212,000	$ 49,447,000	$ 1,010,726,000

City of Dalton, Georgia
Comparative Statement of Net Position
Municipal Golf Course Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets:		
Cash and cash equivalents	$ 5,681	$ 1,460
Inventory	38,510	34,971
Prepaid items	-	167
Total Current Assets	44,191	36,598
Noncurrent Assets:		
Capital Assets:		
Land	739,352	739,352
Depreciable capital assets, net	517,031	633,066
Total Noncurrent Assets	1,256,383	1,372,418
Total Assets	1,300,574	1,409,016
Deferred Outflows of Resources	49,470	58,145
Total Assets and Deferred Outflows	$ 1,350,044	$ 1,467,161
Liabilities		
Current Liabilities:		
Accounts payable	$ 10,517	$ 4,439
Accrued expenses	8,935	18,922
Unearned revenue	19,529	19,426
Interfund payable	402,926	347,721
Compensated absences payable	36,000	36,000
Total Current Liabilities	477,907	426,508
Long-Term Liabilities:		
Compensated absences payable (net of current portion)	58,610	57,488
Net pension liability	8,788	131,053
Net OPEB liability	164,252	153,664
Total Long-Term Liabilities	231,650	342,205
Total Liabilities	709,557	768,713
Deferred Inflows of Resources	257,363	269,917
Net Position		
Net investment in capital assets	1,256,383	1,372,418
Unrestricted	(873,259)	(943,887)
Total Net Position	383,124	428,531
Total Liabilities, Deferred Inflows, and Net Position	$ 1,350,044	$ 1,467,161

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, 2020 and 2019

	2020	2019
Operating Revenues		
Charges for services	$ 720,074	$ 653,356
Merchandise sales	72,527	89,422
Tournaments	59,984	97,638
Concessions	36,222	66,041
Miscellaneous	7,357	2,309
Total Operating Revenues	896,164	908,766
Operating Expenses		
Cost of sales and services	349,281	341,328
Personal services and benefits	476,255	497,045
Depreciation	116,035	114,760
Total Operating Expenses	941,571	953,133
Operating Income (Loss)	(45,407)	(44,367)
Non-Operating Revenues (Expenses)		
Investment earnings	-	110
Total Non-Operating Revenues (Expenses)	-	110
Income (Loss) Before Transfers In	(45,407)	(44,257)
Transfers in (out)	-	35,000
Change in Net Position	(45,407)	(9,257)
Net Position Beginning of Year	428,531	437,788
Net Position End of Year	$ 383,124	$ 428,531

City of Dalton, Georgia
Comparative Statement of Net Position
Dalton Municipal Airport Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets:		
Cash and cash equivalents	$ 106,681	$ 99,604
Receivables:		
Accounts	690	30
Inventory	15,851	13,684
Total Current Assets	123,222	113,318
Noncurrent Assets:		
Capital Assets:		
Land	3,786,177	3,786,177
Depreciable capital assets, net	5,615,515	5,903,113
Total Noncurrent Assets	9,401,692	9,689,290
Total Assets	$ 9,524,914	$ 9,802,608
Liabilities		
Current Liabilities:		
Accounts payable	$ 816	$ 4,093
Accrued expenses	3,315	6,049
Unearned revenue	13,088	4,814
Compensated absences payable	4,000	4,000
Total Current Liabilities	21,219	18,956
Long-Term Liabilities:		
Compensated absences payable (net of current portion)	9,974	6,222
Total Liabilities	31,193	25,178
Net Position		
Net investment in capital assets	9,401,692	9,689,290
Unrestricted	92,029	88,140
Total Net Position	9,493,721	9,777,430
Total Liabilities and Net Position	$ 9,524,914	$ 9,802,608

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, 2020 and 2019

	2020	2019
Operating Revenues		
Charges for services	$ 429,801	$ 513,215
Miscellaneous	400	9,546
Total Operating Revenues	430,201	522,761
Operating Expenses		
Cost of sales and services	328,149	399,288
Personal services and benefits	159,528	140,785
Depreciation	454,113	453,724
Total Operating Expenses	941,790	993,797
Operating (Loss)	(511,589)	(471,036)
Nonoperating Revenues (Expenses)		
Investment earnings	309	599
Gain (loss) on sale of assets	(6,675)	-
Total Nonoperating Revenues (Expenses)	(6,366)	599
Income (Loss) Before Transfers In	(517,955)	(470,437)
Transfers In (Out)		
Transfers in	234,246	-
Net Transfers	234,246	-
Change in Net Position	(283,709)	(470,437)
Net Position Beginning of Year	9,777,430	10,247,867
Net Position End of Year	$ 9,493,721	$ 9,777,430

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 transferred the risk of loss to a commercial insurer for workers' compensation insurance effective January 1, 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 began effective January 1, 2020, when the City became self-insured for health insurance.

City of Dalton, Georgia
Combining Statement of Net Position
Internal Service Funds
December 31, 2020

	Workers' Compensation Fund	Health Insurance Fund	Total Internal Service Funds
Assets			
Current Assets:			
Cash and cash equivalents	$ 208,673	$ 583,590	$ 792,263
Accounts receivable	100,431	473,973	574,404
Total Assets	$ 309,104	$ 1,057,563	$ 1,366,667
Liabilities			
Current Liabilities:			
Accounts payable	$ 158,305	$ 240,627	$ 398,932
Claims payable	150,799	1,074,711	1,225,510
Total Liabilities	309,104	1,315,338	1,624,442
Net Position			
Unrestricted	-	(257,775)	(257,775)
Total Net Position	-	(257,775)	(257,775)
Total Liabilities and Net Position	$ 309,104	$ 1,057,563	$ 1,366,667

City of Dalton, Georgia
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For The Year Ended December 31, 2020

	Workers' Compensation Fund	Health Insurance Fund	Total Internal Service Funds
Operating Revenues			
Charges for services	$ -	$ 7,825,453	$ 7,825,453
Operating Expenses			
Claims	69,729	6,318,238	6,387,967
Premiums and administrative fees	13,184	1,767,674	1,780,858
Total Operating Expenses	82,913	8,085,912	8,168,825
Operating Income (Loss)	(82,913)	(260,459)	(343,372)
Non-Operating Revenues and Expenses			
Investment earnings	3,221	2,684	5,905
Change in Net Position	(79,692)	(257,775)	(337,467)
Net Position Beginning of Year	79,692	-	79,692
Net Position End of Year	$ -	$ (257,775)	$ (257,775)

City of Dalton, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For The Year Ended December 31, 2020

	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	$ (100,431)	$ 7,226,087	$ 7,125,656
Cash payments for claims and fees	(412,540)	(6,770,574)	(7,183,114)
Net Cash Provided by (Used in) Operating Activities	(512,971)	455,513	(57,458)
Cash Flows from Investing Activities			
Investment earnings	3,221	2,684	5,905
Net Increase (Decrease) in Cash and Cash Equivalents	(509,750)	458,197	(51,553)
Cash and Cash Equivalents Beginning of Year	718,423	125,393	843,816
Cash and Cash Equivalents End of Year	$ 208,673	$ 583,590	$ 792,263
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ (82,913)	$ (260,459)	$ (343,372)
(Increase) Decrease in Assets:			
Accounts receivable	(100,431)	(473,968)	(574,399)
Increase (Decrease) in Liabilities:			
Accounts payable	156,293	240,627	396,920
Claims payable	(485,920)	1,074,711	588,791
Unearned revenue	-	(125,398)	(125,398)
Net Cash Provided by (Used in) Operating Activities	$ (512,971)	$ 455,513	$ (57,458)

City of Dalton, Georgia
Comparative Statement of Net Position
Workers' Compensation Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets:		
Cash and cash equivalents	$ 208,673	$ 718,423
Accounts receivable	100,431	-
Total Assets	$ 309,104	$ 718,423
Liabilities		
Current Liabilities:		
Accounts payable	$ 158,305	$ 2,012
Claims payable	150,799	636,719
Total Liabilities	309,104	638,731
Net Position		
Unrestricted	-	79,692
Total Net Position	-	79,692
Total Liabilities and Net Position	$ 309,104	$ 718,423

City of Dalton, Georgia
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
Workers' Compensation Fund
For the Years Ended December 31, 2020 and 2019

	2020	2019
Operating Revenues		
Charges for services	$ -	$ 758,000
Operating Expenses		
Claims	69,729	411,026
Premiums and administrative fees	13,184	320,400
Total Operating Expenses	82,913	731,426
Operating Income (Loss)	(82,913)	26,574
Non-Operating Revenues and Expenses		
Investment earnings	3,221	4,643
Change in Net Position	(79,692)	31,217
Net Position Beginning of Year	79,692	48,475
Net Position End of Year	$ -	$ 79,692

City of Dalton, Georgia
Comparative Statement of Net Position
Health Insurance Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets:		
Cash and cash equivalents	$ 583,590	$ 125,393
Accounts receivable	473,973	5
Total Assets	$ 1,057,563	$ 125,398
Liabilities		
Current Liabilities:		
Accounts payable	$ 240,627	$ -
Claims payable	1,074,711	-
Unearned revenue	-	125,398
Total Liabilities	$ 1,315,338	$ 125,398
Net Position		
Unrestricted	(257,775)	-
Total Net Position	(257,775)	-
Total Liabilities and Net Position	$ 1,057,563	$ 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, 2020 and 2019

	2020	2019
Operating Revenues		
Charges for services	$ 7,825,453	$ -
Operating Expenses		
Claims	6,318,238	-
Premiums and administrative fees	1,767,674	-
Total Operating Expenses	8,085,912	-
Operating Income (Loss)	(260,459)	-
Non-Operating Revenues and Expenses		
Investment earnings	2,684	-
Change in Net Position	(257,775)	-
Net Position Beginning of Year	-	-
Net Position End of Year	$ (257,775)	$ -

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 Custodial Fund – Established to account for the fines, forfeitures, and surcharges held by the municipal court in a custodial function.

Police Custodial Fund – Established to account for the assets held by the police department in a custodial function.

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, OPEB Trust Fund, Municipal Court Custodial Fund, and Police Custodial Fund
December 31, 2020

	Pension Trust Fund	OPEB Trust Fund	Municipal Court Custodial Fund	Police Custodial Fund	Total Fiduciary Funds
Assets					
Cash and cash equivalents	$ 603,003	$ -	$ 9,987	$ 252,914	$ 865,904
Investments, at fair value:					
Georgia Municipal Employees Benefit System					
OPEB Trust Account	-	3,354,869	-	-	3,354,869
MetLife Equity Index Fund	18,338,135	-	-	-	18,338,135
MetLife Core Bond Index Fund	38,992,068	-	-	-	38,992,068
MetLife Goldman Sachs Fund	12,557,451	-	-	-	12,557,451
Vanguard Institutional Index Fund	42,752,686	-	-	-	42,752,686
Vanguard Small Cap Index Fund	16,122,712	-	-	-	16,122,712
Vanguard Bond Market Index Fund	11,536,930	-	-	-	11,536,930
Total Assets	$ 140,902,985	$ 3,354,869	$ 9,987	$ 252,914	$ 144,520,755
Liabilities					
Current Liabilities:					
Accounts payable	$ 3,545	$ 115,303	$ -	$ -	$ 118,848
Total Liabilities	3,545	115,303	-	-	118,848
Net Position					
Restricted for pension, OPEB, or others	140,899,440	3,239,566	9,987	252,914	144,401,907
Total Liabilities and Net Position	$ 140,902,985	$ 3,354,869	$ 9,987	$ 252,914	$ 144,520,755

City of Dalton, Georgia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Pension Trust Fund, OPEB Trust Fund, Municipal Court Custodial Fund, and Police Custodial Fund
For the Year Ended December 31, 2020

	Pension Trust Fund	OPEB Trust Fund	Municipal Court Custodial Fund	Police Custodial Fund	Total Fiduciary Funds
Additions					
Contributions:					
Employer	$ 9,130,195	$ -	$ -	$ -	$ 9,130,195
Plan members	677,163	198,496	-	-	875,659
Total contributions	9,807,358	198,496	-	-	10,005,854
Fine/confiscation collections	-	-	182,178	89,122	271,300
Investment income:					
Interest and dividends	2,393,708	39,909	-	-	2,433,617
Net increase in fair value of investments	14,118,423	448,439	-	-	14,566,862
Total investment income	16,512,131	488,348	-	-	17,000,479
Less: investment expense	187,819	8,652	-	-	196,471
Net investment earnings	16,324,312	479,696	-	-	16,804,008
Total Additions	26,131,670	678,192	182,178	89,122	27,081,162
Deductions					
Administrative expenses	77,778	24,180	-	-	101,958
Premium payments	-	805,454	-	-	805,454
Benefit payments	7,662,936	-	-	-	7,662,936
Fine/confiscation remittances	-	-	204,345	10,582	214,927
Total Deductions	7,740,714	829,634	204,345	10,582	8,785,275
Change in Net Position	18,390,956	(151,442)	(22,167)	78,540	18,295,887
Net Position Beginning of Year, as restated	122,508,484	3,391,008	32,154	174,374	126,106,020
Net Position End of Year	$ 140,899,440	$ 3,239,566	$ 9,987	$ 252,914	$ 144,401,907

City of Dalton, Georgia
Statement of Changes in Assets and Liabilities
Fiduciary Funds - Municipal Court Agency Fund
For The Year Ended December 31, 2020

	2019	Increases	Decreases	2020
Assets				
Cash and cash equivalents	$ 54,609	$ 1,284,185	$ (1,286,608)	$ 52,186
Liabilities				
Interfund payable	$ -	$ 1,143,464	$ (1,143,464)	$ -
Other liabilities	54,609	27,688	(30,111)	52,186
Total Liabilities	$ 54,609	$ 1,171,152	$ (1,173,575)	$ 52,186

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, 2020 and 2019

	2020	2019
Assets		
Current Assets:		
Cash and cash equivalents	$ 22,478,827	$ 1,035,357
Capital leases receivable	9,713,000	3,050,000
Prepaid bond payment	-	301,394
Total Current Assets	32,191,827	4,386,751
Noncurrent Assets:		
Capital leases receivable (less current portion)	28,327,000	14,240,000
Total Assets	$ 60,518,827	$ 18,626,751
Liabilities		
Current Liabilities:		
Accounts payable	22,410,966	1,291,384
Revenue bonds payable	9,438,000	2,780,000
Recovery zone economic development bonds payable	275,000	270,000
Total Current Liabilities	32,123,966	4,341,384
Long-Term Liabilities:		
Revenue bonds payable (less current portion)	25,427,000	11,065,000
Recovery zone economic development bonds payable (less current portion)	2,900,000	3,175,000
Total Long-Term Liabilities	28,327,000	14,240,000
Total Liabilities	60,450,966	18,581,384
Net Position		
Unrestricted	67,861	45,367
Total Net Position	67,861	45,367
Total Liabilities and Net Position	$ 60,518,827	$ 18,626,751

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, 2020 and 2019

	2020	2019
Operating Revenues (Expenses)		
Bond issuance fees	$ 50,160	$ 28,390
Fiscal and administrative fees	(27,791)	(11,885)
Total Operating Revenues (Expenses)	22,369	16,505
Non-Operating Revenues (Expenses)		
Interest earnings	1,018	106,007
Interest and fiscal charges, net of subsidy	(353,492)	(709,675)
Total Non-Operating Revenues (Expenses)	(352,474)	(603,668)
Income (Loss) Before Transfers In (Out)	(330,105)	(587,163)
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)	448,586	811,789
Transfer out (outflows of interest earnings and interest subsidy to the City of Dalton, City of Dalton Board of Education, and Whitfield County)	(95,987)	(207,995)
Total Transfers In (Out)	352,599	603,794
Change in Net Position	22,494	16,631
Net Position Beginning of Year	45,367	28,736
Net Position End of Year	$ 67,861	$ 45,367

City of Dalton, Georgia
Comparative Statement of Cash Flows
Discretely Presented Component Unit - City of Dalton Building Authority
For the Years Ended December 31, 2020 and 2019

	2020	2019
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Bond issuance fees	$ 50,160	$ 28,390
Fiscal and administrative fees	(27,791)	(18,800)
Net Cash Provided by (Used in) Operating Activities	22,369	9,590
Cash Flows from Capital and Related Financing Activities		
Proceeds from issuance of debt, net of issuance costs	26,219,250	-
Payments to City of Dalton and Whitfield County for capital use of debt proceeds	(2,069,804)	(2,860,553)
Payments to City of Dalton Board of Education for sinking fund interest earned	-	(657)
Receipts from City of Dalton, City of Dalton Board of Education, and Whitfield County for sinking fund payments	2,964,015	3,276,487
Receipts from City of Dalton, City of Dalton Board of Education, and Whitfield County for payment of debt and interest	372,114	3,902,361
Interest subsidy received on capital debt	95,094	102,114
Interest earnings	1,018	106,007
Principal paid on capital debt	(5,712,000)	(9,901,394)
Interest paid on capital debt	(448,586)	(811,789)
Net Cash Provided by (Used in) Capital and Related Financing Activities	21,421,101	(6,187,424)
Net Increase (Decrease) in Cash and Cash Equivalents	21,443,470	(6,177,834)
Cash and Cash Equivalents Beginning of Year	1,035,357	7,213,191
Cash and Cash Equivalents End of Year	$ 22,478,827	$ 1,035,357

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	$ 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	$ 84,330,845
Restricted	577,427	240,347	251,557	262,248	8,151,582	8,541,404	7,061,016	8,342,082	10,018,388	10,520,530
Unrestricted	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)	3,398,517
Total governmental activities	$ 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	$ 98,249,892
Business-type activities										
Net investment in capital assets	$ 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	$ 803,826,075
Restricted	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	185,424,000
Unrestricted	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	49,754,537
Total business-type activities	$ 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	$ 1,039,004,612
Primary government										
Net investment in capital assets	$ 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	$ 888,156,920
Restricted	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	195,944,530
Unrestricted	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	53,153,054
Total primary government	$ 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	$ 1,137,254,504

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
General government	$ 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	$ 3,656,268
Judicial	488,815	369,253	397,765	371,645	437,044	433,156	424,203	409,440	392,841	416,055
Public safety	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	16,192,777
Public works	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	8,589,780
Health and welfare	634,598	488,545	487,293	508,735	522,072	468,925	419,892	474,442	440,499	508,059
Culture and recreation	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	5,630,740
Housing and development	312,225	379,694	389,213	396,836	454,327	260,840	121,645	296,359	332,616	427,573
Economic development	-	-	-	-	-	-	-	-	-	482,500
Interest on long-term debt	354,337	459,985	274,506	281,844	270,543	372,838	324,325	282,702	244,914	200,751
Total governmental activities expenses	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	36,104,503
Business-type activities										
Electric system	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	80,473,178
Gas system	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	18,880,574
Water system	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	23,358,791
Wastewater system	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	19,903,976
Information technology system	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	15,731,432
Landfill	302,599	365,350	439,487	189,472	-	-	-	-	-	-
Convention Center	717,958	547,930	557,720	499,660	593,614	492,074	515,534	471,563	540,487	848,713
Municipal golf course	788,790	858,544	981,056	814,233	925,758	901,402	898,210	907,034	953,133	944,916
Municipal airport	503,145	518,119	604,497	904,203	813,242	846,647	853,995	873,083	993,797	942,208
Total business-type activities expenses	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	161,083,788
Total primary government expenses	$ 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	$ 197,188,291

(continued)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program revenues										
Governmental activities										
Charges for services										
General government	$ 983,375	$ 986,862	$ 982,441	$ 968,883	$ 957,103	$ 969,673	$ 988,534	$ 898,003	$ 344,986	$ 341,327
Judicial	739,273	767,234	751,680	884,819	689,686	803,218	743,691	715,497	592,789	507,195
Public safety	572,989	604,417	657,613	711,717	440,278	493,428	650,221	659,703	771,204	783,270
Public works	136,400	142,808	157,151	181,188	173,184	163,724	231,156	215,827	135,324	139,385
Health and welfare	56,612	46,253	54,355	51,710	47,783	50,800	51,076	49,575	53,300	22,335
Culture and recreation	223,093	324,948	395,533	373,946	374,869	400,749	405,590	378,835	335,074	287,737
Operating grants and contributions	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	4,258,266
Capital grants and contributions	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	1,001,027
Total governmental activities program revenues	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	7,340,542

(continued)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities										
Charges for services										
Electric system	$ 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	$ 118,143,000
Gas system	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	21,421,000
Water system	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	22,070,000
Wastewater system	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	20,099,000
Information technology system	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	22,078,000
Joint ventures - Landfill & Convention Center	-	-	-	-	448,366	522,810	651,831	828,412	1,725,208	1,200,962
Municipal golf course	905,637	1,033,346	927,834	915,270	868,829	923,590	820,183	494,420	908,766	896,164
Municipal airport	103,407	117,765	211,314	558,553	455,791	494,593	468,152	462,829	522,761	430,201
Total business-type activities program revenues	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	206,338,327
Total primary government program revenues	$ 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	$ 213,678,869
Net revenues (expenses)										
Governmental activities	$ (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)	$ (28,763,961)
Business-type activities	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	45,254,539
Total primary government net revenue (expense)	$ (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	$ 16,490,578

(continued)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for										
General purposes	$ 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	$ 8,037,569
Debt service	4,718	4,683	-	-	-	-	-	-	-	-
Selective taxes	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	12,607,683
Hotel/motel taxes	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	1,090,983
Investment earnings	227,288	253,696	241,177	222,324	224,686	227,495	299,310	502,978	684,787	444,764
Donations	584,123	1,820,028	346,807	63,476	20,891	50,252	261,115	714,102	451,396	23,078
Miscellaneous	495,556	596,278	514,289	465,825	559,299	633,166	497,349	729,120	736,893	353,352
Transfers	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	12,744,094
Total governmental activities general revenues and other changes in net position	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	35,301,523
Business-type activities										
Investment earnings	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	2,242,309
Contributions	-	597,000	-	-	-	-	-	2,000,000	1,000,000	-
Miscellaneous	1,431,200	333,000	191,000	234,000	150,000	410,850	591,000	581,500	582,000	638,325
Transfers	(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)	(12,744,094)
Total business-type activities general revenues and other changes in net position	(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)	(9,863,460)
Total primary government general revenues and other changes in net position	$ 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	$ 25,438,063
Change in net position										
Governmental activities	$ 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	$ 6,537,562
Business-type activities	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	35,391,079
Total primary government change in net position	$ 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	$ 41,928,641

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable	$ 185,083	$ 207,539	$ 212,643	$ 179,680	$ 155,856	$ 249,062	$ 171,680	$ 157,986	$ 185,196	$ 144,225
Restricted	91,959	91,029	91,029	96,029	96,029	99,974	114,974	293,499	323,075	321,417
Unrestricted	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	26,067,467
Total general fund	$ 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	$ 26,533,109
Nonmajor governmental funds										
Nonspendable	$ 750	$ -	$ -	$ -	$ -	$ -	$ 40	$ -	$ -	$ -
Restricted	378,447	99,366	129,188	78,958	7,974,454	8,204,724	6,470,325	7,514,261	8,672,492	8,970,831
Total nonmajor governmental funds	$ 379,197	$ 99,366	$ 129,188	$ 78,958	$ 7,974,454	$ 8,204,724	$ 6,470,365	$ 7,514,261	$ 8,672,492	$ 8,970,831

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	$ 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	$ 21,636,327
Licenses and permits	983,375	986,862	982,441	968,883	957,103	969,673	988,534	898,003	344,986	341,327
Intergovernmental revenues	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	5,240,793
Charges for services	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	1,295,386
Fines and forfeitures	462,225	453,345	484,730	549,231	405,566	456,663	454,847	448,006	460,003	444,536
Investment earnings	231,567	250,949	238,043	219,226	221,899	224,509	295,916	497,526	680,144	438,859
Miscellaneous	1,162,138	2,558,705	994,634	752,890	591,054	815,699	975,514	763,251	808,703	371,174
Total Revenues	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	29,768,402
Expenditures										
General government	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	3,440,615
Judicial	486,374	362,015	381,534	414,003	437,298	433,736	436,770	403,231	404,296	427,469
Public safety	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	18,871,214
Public works	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	7,644,743
Health and welfare	637,408	463,605	447,700	479,815	507,489	441,560	412,987	447,949	451,721	561,809
Culture and recreation	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	4,314,975
Housing and development	386,679	322,625	370,981	463,332	448,165	425,513	351,590	354,964	821,115	633,034
Economic development	-	-	-	-	-	-	-	-	-	482,500
Capital outlay	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	3,769,477
Debt service:										
Principal retirement	1,568,034	598,561	603,204	509,958	513,798	2,604,114	2,650,290	2,450,074	2,481,859	270,000
Interest and fiscal charges	333,806	293,792	274,506	281,844	270,543	372,838	324,325	282,702	244,914	200,751
Debt issuance costs	-	-	-	-	165,356	-	-	-	-	-
Total Expenditures	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	40,616,587
Excess (Deficiency) of Revenues Over (Under) Expenditures	(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)	(10,848,185)

(continued)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing Sources (Uses)										
Issuance of debt	$ -	$ -	$ 1,148,857	$ -	$ 8,505,956	$ -	$ -	$ -	$ -	$ -
Proceeds from sale of assets	-	-	-	-	-	-	-	282,864	330,586	34,141
Transfers in	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	19,592,913
Transfers out	(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)	(6,848,819)
Total Other Financing Sources (Uses)	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	12,778,235
Net Change in Fund Balance	$ (4,501,634)	$ (564,446)	$ 1,274,496	$ 1,230,891	$ 7,353,849	$ (339,528)	$ 854,607	$ 3,492,494	$ (239,451)	$ 1,930,050
Debt service as a % of noncapital expenditures	6.6%	3.1%	3.1%	2.6%	2.5%	8.5%	8.5%	7.6%	6.9%	1.3%

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
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
2020	2,257,004,573	1,713,045,615	21,287,140	340,470,135	3,650,867,193	2.237

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
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
2020	2.237	8.200	0.570	2.500	8.312	21.819

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 property owners located within the geographic boundaries of the special district.

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

	2020			2011		
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.	$ 578,300,277	1	15.8%	$ 490,311,618	1	14.8%
Mohawk Industries, Inc.	204,056,433	2	5.6%	121,698,863	2	3.7%
Engineered Floors, LLC (1)	119,882,921	3	3.3%	-	NA	0.0%
Tarkett USA (2)	110,468,924	4	3.0%	-	NA	0.0%
The Peeples Group	101,951,987	5	2.8%	34,041,915	6	1.0%
Dalton Whitfield Joint Development Authority	67,841,412	6	1.9%	-	NA	0.0%
Columbia Recycling	30,192,346	7	0.8%	-	NA	0.0%
Shiroki Georgia, LLC	28,336,126	8	0.8%	-	NA	0.0%
Lyle Industries, Inc.	19,615,521	9	0.5%	-	NA	0.0%
Charter Communications	19,604,264	10	0.5%	-	NA	0.0%
Beaulieu of America, LLC (1)	-	NA	0.0%	116,022,028	3	3.5%
J & J Industries (1)	-	NA	0.0%	77,415,248	4	2.3%
Tandus Centiva, Inc. (2)	-	NA	0.0%	55,673,303	5	1.7%
CBL & Associates Properties, Inc.	-	NA	0.0%	32,532,920	7	1.0%
Windstream (formerly Alltel)	-	NA	0.0%	21,527,645	8	0.6%
Lexmark Carpet Mills, Inc. (2)	-	NA	0.0%	20,350,583	9	0.6%
Indian Summer Carpet Mills, Inc.	-	NA	0.0%	16,505,286	10	0.5%

Source: Whitfield County Tax Commissioner
(1): J & J Industries and Beaulieu of America, LLC were purchased by Engineered Floors, LLC.
(2): Tandus Centiva, Inc. and Lexmark Carept Mills, Inc. were combined as Tarket USA

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
2011	$ 8,779,547	$ (132,701)	$ 8,646,846	$ 7,444,424	86.1%	$ 1,199,158	$ 8,643,582	100.0%
2012	8,608,658	(41,203)	8,567,455	7,595,137	88.7%	972,272	8,567,409	100.0%
2013	8,281,354	(1,013)	8,280,341	7,339,021	88.6%	941,204	8,280,225	100.0%
2014	8,325,685	(122,731)	8,202,954	7,348,018	89.6%	854,865	8,202,883	100.0%
2015	8,366,569	(10,792)	8,355,777	7,466,921	89.4%	888,668	8,355,589	100.0%
2016	8,206,241	(17,806)	8,188,435	7,420,789	90.6%	767,104	8,187,893	100.0%
2017	8,603,323	(86,925)	8,516,398	7,625,345	89.5%	888,280	8,513,625	100.0%
2018	8,844,077	(189,333)	8,654,744	8,084,007	93.4%	538,248	8,622,255	99.6%
2019	8,918,132	(37,655)	8,880,477	8,286,628	93.3%	518,710	8,805,338	99.2%
2020	8,039,817	(25,498)	8,014,319	7,095,136	88.5%	-	7,095,136	88.5%

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
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
2020	-	3,175,000	-	168,619,000	90,041,000	261,835,000	NA	NA

NA Not yet available

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
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%	-
2020	-	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, 2020
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Applicable Percentage	Estimated Share of Direct and Overlapping Debt
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	8,365,000	100.0%	8,365,000
Whitfield County agreement with Building Authority - Series 2020 Bonds	26,500,000	32.0%	8,478,608
Total overlapping debt			57,223,608
City direct debt			3,175,000
Total direct and overlapping debt			$ 60,398,608

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.

Note: Details regarding conduit debt obligations are disclosed in Note 4-D of the Notes to the Basic Financial Statements.

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

	For the year ending December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	$ 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	$ 399,133,733
Total net debt applicable to limit	-	-	-	-	-	-	-	40,380,000	40,380,000	40,380,000
Legal debt margin	$ 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	$ 358,753,733
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%	10.3%	10.2%	10.1%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	$ 3,650,867,193
Add: exempt property	340,470,135
Total assessed value	3,991,337,328
	10.0%
Debt limit (10% of assessed value)	$ 399,133,733
Debt applicable to limit	
Total general obligation debt	$ 40,380,000
Legal debt margin	$ 358,753,733

Note: Details regarding conduit debt obligations are disclosed in Note 4-D of the Notes to the Basic Financial Statements.

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
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
2020	203,811,000	129,595,000	74,216,000	2,312,000	5,524,000	9.5

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
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
2020	NA		NA	NA	4.0%	7,883

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

NA Not yet available

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

	2020			2011		
Taxpayer	Employees (1)	Rank	Percentage of Total City Employees	Employees (1)	Rank	Percentage of Total City Employees
Shaw Industries, Inc.	4,513	1	13.4%	4,381	1	13.2%
Mohawk Industries, Inc.	3,406	2	10.1%	2,168	2	6.5%
Hamilton Medical Center	1,702	3	5.1%	1,769	3	5.3%
Dalton Public School System	1,211	4	3.6%	855	5	2.6%
Engineered Floors, LLC (2)	1,026	5	3.0%	-	NA	0.0%
Tarket USA (3)	822	6	2.4%	-	NA	0.0%
City of Dalton, Georgia	713	7	2.1%	665	6	2.0%
Columbia Recycling Corp.	391	8	1.2%	-	NA	0.0%
Wal-Mart Stores, LP	384	9	1.1%	-	NA	0.0%
Shiroki Georgia, LLC	347	10	1.0%	310	9	0.9%
Beaulieu of America, LLC (2)	-	NA	0.0%	1,686	4	5.1%
Tandus Centiva, Inc. (3)	-	NA	0.0%	610	7	1.8%
J & J Industries (2)	-	NA	0.0%	551	8	1.7%
Indian Summer Carpet Mills, Inc.	-	NA	0.0%	292	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
(3):	Tandus Centiva, Inc. and Lexmark Carept Mills, Inc. were combined as Tarket USA
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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Administration and elected officials	7	7	7	7	7	6	6	7	8	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	2	2	2	2	2	2	3
Finance	4	4	4	5	5	5	5	5	5	5
Municipal Court	4	4	4	5	5	5	5	5	5	5
Public Safety										
Police - Officers	82	79	81	82	83	81	85	85	88	84
Police - Civilians	13	15	14	15	15	15	13	13	13	12
Fire - Firefighters and officers	88	83	89	88	93	91	92	90	93	90
Fire - Civilians	1	1	2	3	3	3	3	3	3	3
Public Works										
Refuse collection	31	31	31	30	29	30	28	26	27	24
Streets	11	11	11	11	11	11	11	10	10	10
Other	24	27	25	25	30	30	30	34	34	34
DWRSWMA (Landfill)	38	37	36	36	36	36	36	40	39	39
WLSF (Dalton Utilities)	307	301	304	310	308	308	309	310	315	310
Culture and Recreation										
Recreation	25	28	29	27	27	28	29	30	32	30
Golf Course	7	6	6	6	8	10	7	7	7	7
Senior Center	4	4	4	4	4	4	4	4	5	5
Trade Center	-	5	12	15	15	15	17	17	14	15
Economic Development and Assistance										
Airport	-	-	-	1	2	2	2	2	3	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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police										
Physical arrests	3,868	4,212	4,682	4,109	4,014	3,668	4,424	4,897	4,712	4,712
Traffic citations and warnings	12,621	10,831	11,375	12,943	11,174	10,826	11,710	13,857	12,644	12,644
Fire										
Calls answered	2,766	2,744	2,537	2,663	2,896	3,590	3,719	3,867	3,906	3,358
Inspections conducted	468	220	610	598	259	717	1,080	1,536	3,090	1,545
Public Works										
Streets resurfaced (miles)	-	2	2	4	7	4	7	8	6	5
Refuse collected (tons	7,942	8,093	8,817	9,838	11,264	11,405	11,748	12,397	12,848	12,174
Culture and Recreation										
Youth athletic enrollment	3,575	2,698	4,258	4,273	4,500	4,535	4,580	4,862	4,869	3,487
Adult athletic enrollment	2,398	2,292	2,089	2,001	1,950	1,935	1,940	1,780	1,756	1,320
Special events	25,000	25,120	20,000	26,452	29,000	28,960	29,558	29,360	29,736	15,947
Tournaments	21,655	22,868	24,268	25,267	25,398	26,243	25,253	24,868	24,532	28,534
Round of golf	NA	NA	NA	NA	NA	NA	21,758	12,505	24,909	24,341
Tournament rounds of golf	NA	NA	NA	NA	NA	NA	1,877	1,454	2,493	774
Senior Center meals	NA	NA	NA	NA	NA	NA	17,250	17,500	18,000	7,141
Special needs participation	NA	NA	NA	NA	NA	NA	1,108	1,230	1,454	402

(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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
WLSF (Dalton Utilities) (1) (2)										
Electric System										
Number of service connections	15,500	15,625	16,512	16,664	16,882	16,907	16,802	16,874	16,815	15,414
Daily average consumption	3,977	3,976	4,236	4,485	4,762	4,931	5,073	5,233	5,663	5,408
Maximum daily peak (MW's)	262	243	237	256	267	275	271	283	301	299
Natural Gas System										
Number of service connections	7,602	7,623	7,594	7,813	7,554	7,534	7,445	7,426	7,456	7,357
Daily average consumption	5,679	4,798	5,819	7,840	7,295	8,622	13,716	14,492	13,515	12,285
Maximum daily peak (Dkthms)	16,487	17,217	18,163	23,440	24,166	25,681	27,824	37,489	32,948	32,662
Sewer system										
Number of service connections	12,317	12,450	12,616	12,773	12,884	12,916	12,847	13,006	13,090	13,334
Daily average treatment	21	20	22	20	21	19	23	24	20	25
Maximum daily capacity (Mil/gallons)	67	67	67	67	67	67	67	67	67	66
Water system										
Number of service connections	35,501	35,674	35,236	35,423	35,532	36,217	36,084	35,580	35,872	36,194
Daily average consumption (Mil/gallons)	1	22	23	25	27	27	27	28	27	27
Maximum daily capacity (Mil/gallons)	66	66	66	66	66	66	66	66	66	66
Optilink (Telecom) System										
Number of service connections	11,827	12,033	12,234	12,502	12,934	13,393	13,534	13,624	13,169	13,729

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

Function/Program	For the year ending December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	58	58	58	63	63	65	65	65	65	65
Fire										
Number of stations	5	5	5	5	5	5	5	5	5	5
Streets and Sanitation										
Miles of streets	174	174	178	180	180	180	180	181	191	186
Streetlights	4,505	4,525	4,545	4,610	4,615	4,620	4,633	4,638	4,649	4,625
Culture and Recreation										
Community centers	3	3	3	3	3	3	3	3	3	3
Parks	12	13	13	13	13	13	13	14	14	14
Park acreage	644	719	719	719	719	734	734	1,260	1,260	1,260
Golf courses	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	2	2	2	2	2	2	2	2	2
Tennis courts	22	22	22	22	22	28	28	28	28	28
WLSF (Dalton Utilities)										
Electric System										
Miles of distribution	206	301	310	317	334	339	356	356	390	390
Number of substations	9	9	10	10	11	11	11	11	12	12
Natural gas system										
Miles of distribution	277	324	279	285	292	296	298	341	363	350
Sewer system										
Miles of sewer	299	319	323	323	324	328	336	335	337	337
Number of treatment plants	5	5	5	5	5	5	5	5	5	4
Water system										
Miles of water mains	1,259	1,249	1,248	1,250	1,251	1,244	1,234	1,223	1,224	1,224
Number of fire hydrants	5,004	5,004	5,008	5,010	5,029	5,040	5,055	5,077	5,077	5,077
Optilink (Telecom) System										
Miles of fiber optics	601	601	626	827	1,096	1,317	1,367	1,422	1,479	682

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, 2020

Project Name	Original Estimated Project Cost	Revised Estimated SPLOST Funds	Prior Years	Current Year	Total	Estimated Percentage Complete
SPLOST 2020 (2020 Referendum):						
Public safety building and vehicles	$ 4,968,000	$ 4,968,000	$ -	$ -	$ -	0%
Renovations to John Davis and Heritage Park	11,175,000	11,175,000	-	-	-	0%
Renovations to Dalton-Whitfield Senior Center	425,000	425,000	-	-	-	0%
Roads, streets, bridges, and stormwater projects	2,531,000	2,531,000	-	-	-	0%
	$ 19,099,000	$ 19,099,000	$ -	$ -	$ -	0%
SPLOST 2015 (2015 Referendum):						
County-wide communications project	$ 3,901,000	$ 3,901,222	$ 3,805,688	$ 95,534	$ 3,901,222	100%
County-wide library project	163,000	162,551	162,551	-	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	3,171,050	22,268	3,193,318	100%
Haig Mill reservoir recreation project	5,000,000	5,293,814	5,293,814	-	5,293,814	100%
Streets, bridges, and stormwater projects	10,000,000	11,989,624	5,777,866	656,454	6,434,320	54%
	$ 24,464,000	$ 26,673,924	$ 20,344,363	$ 774,256	$ 21,118,619	79%
SPLOST 2008 (2007 Referendum):						
Road Projects	$ 30,384,359	$ 14,363,897	$ 14,089,403	$ 274,494	$ 14,363,897	100%
Total	$ 73,947,359	$ 60,136,821	$ 34,433,766	$ 1,048,750	$ 35,482,516	

Note: This schedule is presented on the modified accrual basis of accounting.
Note: Expenditures presented on this schedule are $421,258 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 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, 2020, 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 September 6, 2021. 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. (2020-001)

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
September 6, 2021

ESTES & WALCOTT
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Dalton, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Dalton, Georgia's major federal programs for the year ended December 31, 2020. The City of Dalton, Georgia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Dalton, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Dalton, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Dalton, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Dalton, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the City of Dalton, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Dalton, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Dalton, Georgia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Estes & Walcott

Dalton, Georgia
September 6, 2021

City of Dalton, Georgia
Schedule of Findings and Questioned Costs
December 31, 2020

Summary of Audit Results

1. The auditors' report expresses an unmodified opinion on the financial statements of the City of Dalton, Georgia.

2. One significant deficiency was disclosed during the audit which is required to be reported in the 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*. It was not determined to be material weaknesses.

3. No instances of noncompliance material to the financial statements of the City of Dalton, Georgia were disclosed during the audit.

4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit which are required to be reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.

5. The auditors' report on compliance for the major federal award programs expresses an unmodified opinion.

6. No instances of findings were disclosed during the audit which are required to be reported in accordance with Section 200.516 of the Uniform Guidance.

7. The programs tested as a major program are:

   U.S. Department of the Treasury
   Pass-through Georgia Office of the Governor
   Coronavirus Relief Fund
   CFDA # 21.019

8. The threshold for distinguishing Type A and B programs is $750,000.

9. The City of Dalton, Georgia was not determined to be a low-risk auditee.

City of Dalton, Georgia
Schedule of Findings and Questioned Costs
December 31, 2020

Findings – Financial Statement Audit

2020-001	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 2021. The recreation department is also developing written procedures for inventory controls.

City of Dalton, Georgia
Schedule of Expenditures of Federal Awards
December 31, 2020

Federal Grantor / Pass-Through Grantor / Program Title/Contract Number	Pass-Through Grantor ID Number	Federal CFDA Number	Current Year Expenditures	Federal Awards Passed Through to Subrecipients
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct funding:				
CDBG Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants		14.218		
Grant/Contract # B18MC130011	N/A		$ 5,207	$ -
Grant/Contract # B19MC130011	N/A		358,082	187,472
Grant/Contract # B20MC130011	N/A		75,982	63,456
Grant/Contract # B20MW130011	N/A		197,043	-
			636,314	250,928
U.S. DEPARTMENT OF JUSTICE				
Direct funding:				
Bulletproof Vest Partnership Program		16.607		
Grant/Contract # 2018BUBX18094371	N/A		2,804	-
Grant/Contract # 2019BUBX19096945	N/A		9,496	-
			12,300	-
U.S. DEPARTMENT OF TRANSPORTATION				
Pass-through Georgia Department of Transportation:				
Airport Improvement Program		20.106		
Grant/Contract # AP020-9041-39(313)			30,771	-
Grant/Contract # AP020-90FA-40(313)			69,000	-
			99,771	-
U.S. DEPARTMENT OF THE TREASURY				
Pass-through Georgia Office of the Governor:				
Coronavirus Relief Fund	14430-CRF Local Entity	21.019	1,762,285	-
U.S. DEPARTMENT OF HOMELAND SECURITY				
Pass-through Georgia Office of the Governor:				
Emergency Management Performance Grants		97.042	36,566	-
Total			$ 2,547,236	$ 250,928

See accompanying notes to the Schedule of Expenditures of Federal Awards
N/A - Pass-Through Grantor ID not applicable to direct funding

City of Dalton, Georgia
Notes to Schedule of Expenditures of Federal Awards
December 31, 2020

A. General

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards received by the City of Dalton, Georgia. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in this schedule.

B. Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented using the full accrual basis of accounting, as described in Note 1-D.

C. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

D. Indirect Costs

The City did not elect to use the 10% de minimis indirect cost rate.

City of Dalton, Georgia
Schedule of Prior Year Audit Findings
December 31, 2020

Prior Year Findings – Financial Statement Audit

2019-001 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.