

2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT



CITY OF DALTON GEORGIA

CITY OF DALTON, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For The Year Ended
December 31, 2023

Cindy Jackson, CPA
Chief Financial Officer

By Authority of
Mayor and Council

**City of Dalton, Georgia
Annual Comprehensive Financial Report
For The Year Ended December 31, 2023**

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June 21, 2024

Citizens, Mayor, and Members of the City Council
City of Dalton, Georgia

We are pleased to present the Annual Comprehensive Financial Report (“ACFR”) of the City of Dalton (“the City”) for the year ended December 31, 2023. Georgia code requires that the City issue an annual report on its financial position and activity within six months of the close of each fiscal year. The report is to be presented in conformity with generally accepted accounting principles (“GAAP”), federal and state regulations, and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountant. As mandated, we submit this report for your consideration.

This report contains management’s representations concerning the finances of the City. The management of the City assumes full responsibility of the completeness and reliability of the information presented in this report, based on a comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, the financial report is accurate in all material respects and is designed to fairly present the financial position and results of operations of the various funds of the City.

The City of Dalton’s financial statements have been audited by Estes & Walcott, Certified Public Accountants. The independent auditor has concluded, based upon the audit, that there was reasonable basis for rendering an unmodified (clean) opinion that the City’s financial statements for the year ended December 31, 2023 are fairly presented in conformity with GAAP. The independent auditor’s report is presented in the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial representation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements involving the administration of federal awards. These reports are presented in the Special Reports 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.

PROFILE OF THE GOVERNMENT

The City of Dalton is located in northwest Georgia at the foothills of the Appalachian Mountains and is conveniently located off Interstate 75, within 85 miles north of Atlanta and 25 miles south of Chattanooga, Tennessee. Dalton is within a day’s drive of half the United States population. Dalton is also served by two major railroads, CSX and Norfolk Southern. The community was originally founded in 1847 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 2020 U.S. Census, Dalton has a population of 34,417, with Whitfield County's population at 102,864. 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-administrator 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 and councilmembers are elected at large, and each of the councilmembers represent a city council ward district. The Council are responsible for enacting ordinances, resolutions, and regulations governing the City. 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.

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, code compliance, recreational activities and facilities, a golf course, an airport, a utility, 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 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. 14, as amended by GASB Statement No. 61, and is included as a discretely presented component unit in the City of Dalton's ACFR.

During 2022, the Senior Center was jointly funded with Whitfield County and was 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. Beginning January 1, 2023, Whitfield County government assumed full ownership and management of the Senior Center. The City also exercises fiduciary responsibility over the Employees' Pension Trust Fund and the Other Post Employment Benefit Trust Fund.

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 three of the largest carpet producers in the world (Shaw Industries, Mohawk Industries, and Engineered Floors) and is the third largest manufacturing community per capita in Georgia.

The Dalton Metropolitan Statistical Area ("MSA") unemployment was 3.6% at the end of 2023, and is currently 3.8% as of April 2024. We are currently slightly below the national average of 3.7% and above the state rate of 3.2%. We ended 2022 at 4.1%.

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 area's skilled work force, water-rich community, and physical location. In 2023, the JDA continued its focus on housing development to support the work force required by the various industries referenced above. Likewise, the JDA also had a role in retail/commercial recruitment in 2023 to broaden the sales tax base and to provide more opportunities for the community to dine and shop within the City.

The Dalton MSA continues to see growth in both manufacturing and retailers with substantial capital investment. The JDA reports updates on the following economic development projects:

- Hanwha Qcells – is an international company that manufactures solar modules. The company recently announced an expansion of their existing facility within the Carbondale Business Park just south of Dalton. The expansion represents a \$171 million investment and will create 470 new jobs for the community. Once the expansion is complete, more than 1,000 will be employed by this manufacturing operation, and the new facility will produce 1.4 gigawatts of solar modules each year, bringing the total manufacturing capacity in Dalton to 3.1 gigawatts annually, which is equivalent to one-third of America’s solar module manufacturing capacity. Additionally, in 2023, Governor Kemp announced a phase 3 expansion of the Qcells facility bringing an additional \$208 million in investment and 510 additional jobs.
- Essentia Protein Solutions – is a global producer of animal protein solutions for the food and beverage industry. In 2022, Essentia announced construction of a facility within the Carbondale Business Park which represents an \$80 million investment creating 80 new jobs. The facility construction is underway and will be operational in 2024. This manufacturing process requires high utility consumption and will be a water, wastewater, and natural gas customer of Dalton Utilities.
- Engineered Floors, LLC – announced a new line of luxury vinyl flooring to be manufactured within a 1.2 million square foot facility within the City, creating 200+ new jobs and more than \$130 million of investment.
- Techniplas – is a global producer of highly engineered plastic components. In 2022, Techniplas purchased a segment of Lyle Industries’ automotive business and is expanding this operation. The company announced a \$9 million expansion plan creating 25 new jobs.
- Multi-Family Residential Development – To support a world class, diversified industry one of the most critical components is available housing. In 2023, the JDA and City worked to oversee construction of three large scale apartment projects (Alta Dalton, Hammond Creek Township, and the Lofts at Hamilton) which will create 700+ market rate apartments with amenities. All three projects are substantially completed and some of the sites are beginning to lease units. In downtown, the former Motor Lodge has been renovated by a developer to create micro-apartments, which created 136 units and represents over \$10 million in investment.
- Commercial endeavors – Several retail projects were completed in 2023 and will help expand the tax digest and sales tax collections. The projects include a new Chick-fil-A and an America’s Thrift Store on Glenwood Avenue, the complete rebuild of the Chick-fil-A on West Walnut Avenue, and several new companies located on West Walnut Avenue – Starbucks, Crumble Cookie, Olive Garden, and Chipotle (under construction).



From L to R: Alta Dalton, Hammond Creek Township, and the Lofts at Hamilton Multi-Family Projects Under Construction in 2023

Dalton’s Hamilton Health Care System (“HHCS”) is recognized for excellence, and continued operations in 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 imaging services within one four story building. In 2023, HHCS announced plans for expanding the hospital campus to include a cardiovascular pavilion. The expansion will add 175,000 square feet of space dedicated to advanced treatment of the growing cardiovascular needs of the region, and will include such services as cardiovascular surgery, electrophysiology, interventional cardiology, and structural cardiology. These advances have made HHCS a premier cardiovascular hospital within the region, and a nationally accredited Chest Pain Center.

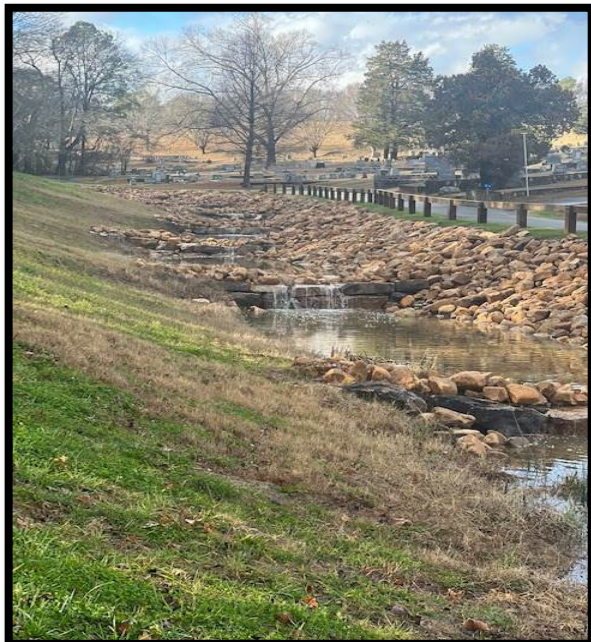
MAJOR INITIATIVES

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

In May of 2020, Whitfield County voters passed a four-year, \$66 million 1% Special Purpose Local Option Sales Tax (“SPLOST”) referendum. The 1% SPLOST includes \$6.9 million for Tier 1 projects, \$28.8 million for quality of life projects, \$18.8 million for infrastructure and public works equipment and projects, and \$11.5 million for public safety equipment and projects. SPLOST collections have exceeded projected collections by 42%, of which the City’s share is currently \$25.2 million. In 2023, City continued execution of projects on the referendum list utilizing its share of the SPLOST proceeds. Also, the public safety department utilized SPLOST funds to purchase \$1.2 million in equipment and rolling stock. The design for the renovation of the City’s parks and recreation department headquarters, the John Davis Recreation Center, was completed in 2023, and construction is scheduled to begin in the summer of 2024.

In May of 2024, the citizens of Whitfield County passed another four-year 1% SPLOST that will begin when the 2020 1% SPLOST ends in September. The estimated \$80 million county-wide SPLOST will provide \$16 million for quality of life projects, \$44 million for infrastructure and public works equipment and projects, and \$20 million for public safety equipment and projects.

The City continues to invest heavily in addressing longstanding stormwater challenges, localized flooding, and an aging infrastructure. The City utilizes the master plan developed by the stormwater consultant, Arcadis. During 2023, the City invested \$1.2 million in stormwater and flooding projects. Several stormwater projects were completed in 2023, including the West Hill Cemetery stormwater regenerative stormwater conveyance project depicted below.



During 2023, the City utilized a combination of SPLOST funds, bonded debt, donations, and general fund surplus for Phase 2 of the Mill Creek River Walk project (also known as The Mill Line). The Mill Line is a 1.5 mile biking and hiking trail that connects to the City's Haig Mill Lake Park. The project was completed in March of 2024.



Mill Creek River Walk Phase 2

City leaders continue to be committed to improve the City's overall appearance and to the removal of blight. Code compliance continued the City's efforts in 2023 to focus on its residential dangerous building abatement program designed to remove dilapidated and unsafe structures. This program allows for the owners of such dangerous buildings to enter into a consent agreement with the City, which allows the public works department to demolish the unsafe structure, remove the debris, and position the lot for future development. Once the project is complete, the property owner reimburses the City for its direct costs associated with the cleanup. This program provides the code compliance inspectors with a creative tool to address unsafe, unsanitary, and dilapidated structures within the City, and has resulted in the removal of several problematic abandoned homes. In 2023, 4 unique properties were included in the voluntary abatement program. Also in 2023, 624 total code compliance cases were opened by inspectors, 7 abandoned commercial signs were removed by the City, and 21 cases of graffiti abatement were addressed by public works crews. These efforts, combined with other code compliance measures, are helping to address a strategic priority of the City Council to improve the City's curb appeal.

In 2023, the City added \$2.1 million to the Capital Improvement Plan ("CIP") fund. Projects budgeted in the CIP fund include building repairs, site improvements, technology upgrades, public safety vehicles, and public works equipment.

During 2023, the City completed 6 recreation projects including 3 playground renovations, 2 soccer field turf replacements, and the resurfacing of Lakeshore Park track.



The Dalton Municipal Airport is undergoing updates and new construction to meet the area demand. In conjunction with the Federal Aviation Administration and the Georgia Department of Transportation, the City's airport projects total approximately \$11.5 million. The projects include upgrading the apron, taxiway pavement - electrical rehab, adding new hangars, and resurfacing the runway.

Downtown continues to thrive. Dalton's Burr Park, a performing arts amphitheater, welcomed well over 65,000 visitors for concerts, plays, and other events. The City has been awarded \$2.2 million in federal funds for an \$8.5 million project to provide infrastructure upgrades and connectivity between Dalton's oldest downtown park, Gateway Park, and the Burr Park facility. Those improvements are scheduled to begin summer 2024.

LONG-TERM FINANCIAL PLANNING

The City of Dalton has a bond rating of Aa2 by Moody's Investor Service. This rating signifies a high credit quality and indicates a strong liquidity position and low credit risk to potential investors. This will allow the City to utilize long-term debt as a resource to finance needed capital improvements. As described in the previous section, the City utilizes bond proceeds, SPLOST collections, grants, and fund balance to finance the City's capital needs.

As noted above, the City has developed a Capital Plan to identify the capital needs of the departments. The plan is a work in process, with the goal being a five-year look forward to allow adequate time to plan, implement, and allocate available resources to fund the current and future needs of the City of Dalton.

The City's utility sector, The Water, Light, and Sinking Fund Commission ("WLSF"), maintains a separate capital improvements program to provide for the needs of the community. The WLSF has a separate bond rating of BBB+ by S&P Global Ratings.

RELEVANT FINANCIAL POLICIES

An annual budget is adopted by City Council on or before January 1st as required and in accordance with Georgia statutes. The budget is balanced for each budgeted fund and serves as the basis for the City's financial plan and control. The level of legal budgetary control is at the fund/department level. Department directors may request budget transfers through the finance department provided that it doesn't increase overall budget or personal services budget for the department.

The maintenance of an unreserved fund balance in the general fund is a necessary component of the City's overall financial management strategy. Maintaining an adequate fund balance assures resources for sufficient cash flow and the ability to cover unexpected expenditures or revenue shortfalls. The reserve should retain no less than three months (25%) of operating expenditures. The City continues to maintain a healthy unreserved fund balance at 80% of operating expenditures.

The City's Cash and Investment Policy states that the City should invest in public funds that will provide maximum security and rate of return while meeting the cash flow demands of the City. The investment objectives, in order of priority, are legality, safety, liquidity, and return on investment. The City "pools" cash balances to maximize the investment earnings for those funds that aren't restricted or specialized.

The City is allowed to issue debt in compliance with state laws. Long-term debt issuance is utilized for capital improvements that can't be financed by current revenue sources. The City's current expenditures are financed with current revenues that may include fund balance to cover any shortfall. This prevents the need for issuance of short-term debt.

AWARDS AND ACKNOWLEDGMENT

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 ACFR for the fiscal year ended December 31, 2022. This is the twenty-first consecutive year that the City has received this prestigious award. In order to be awarded the Certificate of Excellence, a government must publish an easily readable and efficiently organized ACFR. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Excellence is valid for a period of one year. We believe that our current ACFR 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,



Andrew Parker, PE
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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

**City of Dalton, Georgia
City Officials and Administration
December 31, 2023**

Annalee Sams
Mayor

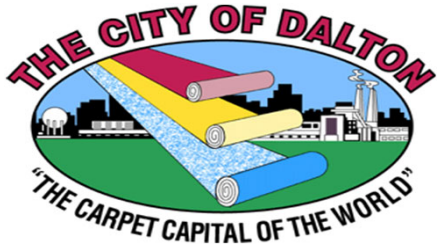
City Council

Dennis Mock, Ward 1
Nicky Lama, Ward 2
Tyree Goodlett, Ward 3
Steve Farrow, Ward 4

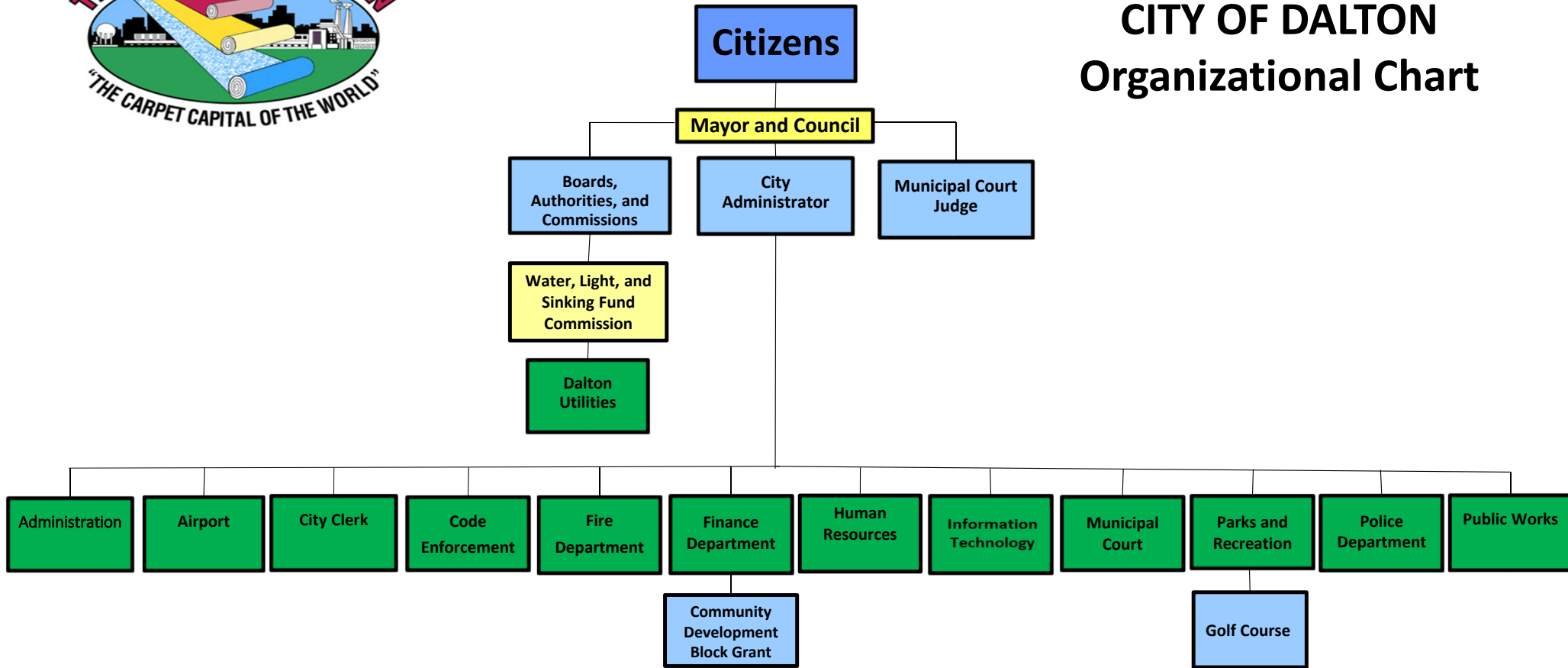
City Administration

Andrew Parker
Todd Pangle
Cindy Jackson
Bernadette Chattam
John Thomas
Matt Daniel
Greg Batts
Caitlin Sharpe
Cliff Cason
Chad Townsend

City Administrator
Assistant City Administrator
Chief Financial Officer
City Clerk
WLSF Commission CEO
Fire Chief
Human Resource Director
Parks & Recreation Director
Police Chief
Public Works Director



CITY OF DALTON Organizational Chart





INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the City Council,
City Administrator, and Chief Financial Officer
City of Dalton, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate 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, 2023, and the related notes to the financial statements, which collectively comprise City of Dalton, Georgia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dalton, Georgia as of December 31, 2023, 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.

Basis for Opinions

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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Dalton, Georgia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Dalton, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Dalton, Georgia's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Dalton, Georgia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Supplementary 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 combining and individual nonmajor fund financial statements, the schedule of projects constructed with special purpose local option sales tax, as required by the Official Code of Georgia 48-8-121, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of projects constructed with special purpose local option sales tax, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2024 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 solely 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 the effectiveness of the City of Dalton, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dalton, Georgia's internal control over financial reporting and compliance.

Estes & Walcott

Dalton, Georgia
June 21, 2024

City of Dalton, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Unaudited)

The City of Dalton's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the calendar year ended December 31, 2023. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures that follow this section. The purpose of this narrative is to provide objective and transparent analysis of the City's annual financial performance, current financial position, and future projections for sustainability.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$1,248.9 million (net position) for the calendar year reported. This represents an increase of \$66.6 million from the prior year net position.
- Total net position is comprised of the following:
 - Net investment in capital assets of \$1,056.1 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 \$134.0 million is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - Unrestricted net position of \$58.8 million represents the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of \$76.3 million this year. This represents an increase of \$9.7 million from the prior year.
- At the end of the current calendar year, unassigned fund balance for the general fund was \$29.1 million, or 80% of total general fund expenditures.
- The business-type activities enterprise funds reported total ending net position of \$1,120.2 million as of December 31, 2023. This reflects an increase of \$52.0 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 \$19.0 million to the general fund during 2023. The WLSF Commission passes the cost of this transfer along to their customers and 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 and are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains required supplementary information and comparative data is presented when available.

City of Dalton, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Unaudited)

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 declining. 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. The primary focus of the statement is the presentation of the net cost of the various activities provided by the City, and the extent to which each function of the City draws from general revenues or is self-financing through fees, grants, and other revenue sources.

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

- **Governmental activities** – Most of the City's basic services are reported in this category 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.

City of Dalton, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Unaudited)

Fund Financial Statements

A fund is a grouping of self-balancing accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The 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 nonmajor 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, unlike the government-wide statements, the governmental fund financial statements focus on short-term financing requirements. This approach is known as the flow of current financial resources measurement focus and the modified accrual basis of accounting. These provide a detailed short-term view of the City's finances that assists in determining whether there will be adequate financial resources available to meet the City's current needs.

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.

The City maintains four governmental fund types: General Fund, Special Revenue Funds, Debt Service Fund, and the Capital Projects Funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund which is the City's major governmental Fund. Data from the other nonmajor funds are combined into a single, aggregated presentation in a later section of this report.

The City of Dalton adopts an annual appropriated budget for its General Fund and a budgetary comparison statement has been provided to demonstrate compliance with this budget.

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

- **Proprietary funds** – When the City charges customers or other City department for services it provides, these services are generally reported in proprietary funds. The City's proprietary funds are classified as enterprise funds and internal service funds. Both funds are prepared using the accrual basis of accounting which is the basis of accounting used in the government-wide statements. The City of Dalton's provides external services 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 claims incurred in prior years when the City was self-insured. The activity of the health insurance fund and risk pool fund are reported in governmental activities in the government-wide statement.

The basic enterprise fund financial statements are presented on pages 29 through 33 of this report.

City of Dalton, Georgia
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(Unaudited)

- **Fiduciary funds** - These funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are presented in the fund statements, but they 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, and a police custodial 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 34 and 35 of this report.

Notes to the Basic Financial Statements

The notes to the financial statements provide additional detail that is essential for a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 36 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 nonmajor 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 165 through 167. Additional information about the component unit can be found in Note 1-A, Note 4-F, and Note 4-G.

City of Dalton, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's overall financial position and results of operations for the past two years are summarized as follows based on the information included in the government-wide statements.

Summary Statement of Net Position
Fiscal Years 2023 and 2022

	Governmental activities		Business-type activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets:						
Current assets	\$ 82,202,203	\$ 70,189,653	\$ 82,361,758	\$ 83,454,080	\$ 164,563,961	\$ 153,643,733
Capital assets	95,686,007	91,834,362	1,170,099,943	1,149,979,123	1,265,785,950	1,241,813,485
Other long-term assets	<u>1,349,809</u>	<u>1,336,108</u>	<u>204,039,532</u>	<u>179,475,702</u>	<u>205,389,341</u>	<u>180,811,810</u>
Total assets	<u>179,238,019</u>	<u>163,360,123</u>	<u>1,456,501,233</u>	<u>1,412,908,905</u>	<u>1,635,739,252</u>	<u>1,576,269,028</u>
Deferred outflows of resources						
	<u>11,463,579</u>	<u>15,029,750</u>	<u>14,251,843</u>	<u>17,586,882</u>	<u>25,715,422</u>	<u>32,616,632</u>
Total assets and deferred outflows	<u>\$190,701,598</u>	<u>\$178,389,873</u>	<u>\$1,470,753,076</u>	<u>\$1,430,495,787</u>	<u>\$1,661,454,674</u>	<u>\$1,608,885,660</u>
Liabilities:						
Current liabilities	8,567,221	4,305,901	39,883,823	45,951,213	48,451,044	50,257,114
Long-term liabilities	<u>41,921,055</u>	<u>46,004,889</u>	<u>287,950,424</u>	<u>297,058,640</u>	<u>329,871,479</u>	<u>343,063,529</u>
Total liabilities	<u>50,488,276</u>	<u>50,310,790</u>	<u>327,834,247</u>	<u>343,009,853</u>	<u>378,322,523</u>	<u>393,320,643</u>
Deferred inflows of resources						
	<u>11,491,924</u>	<u>12,572,505</u>	<u>22,737,811</u>	<u>20,694,387</u>	<u>34,229,735</u>	<u>33,266,892</u>
Net position:						
Net investment in capital assets	93,964,626	90,345,875	962,184,943	922,458,123	1,056,149,569	1,012,803,998
Restricted	28,034,917	23,620,864	105,925,000	99,708,000	133,959,917	123,328,864
Unrestricted	<u>6,721,855</u>	<u>1,539,839</u>	<u>52,071,075</u>	<u>44,625,424</u>	<u>58,792,930</u>	<u>46,165,263</u>
Total net position	<u>128,721,398</u>	<u>115,506,578</u>	<u>1,120,181,018</u>	<u>1,066,791,547</u>	<u>1,248,902,416</u>	<u>1,182,298,125</u>
Total liabilities, deferred inflows, and net position	<u>\$190,701,598</u>	<u>\$178,389,873</u>	<u>\$1,470,753,076</u>	<u>\$1,430,495,787</u>	<u>\$1,661,454,674</u>	<u>\$1,608,885,660</u>

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 \$1,248.9 million and \$1,182.3 million at the close of the fiscal years ended December 31, 2023 and 2022, respectively.

City of Dalton, Georgia
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The most substantial portion of the City's net position (84%) is net investment in capital assets (e.g., land, buildings, utility plant, infrastructure), less any related debt outstanding used to acquire those assets. These amounted to \$1,056.1 million and \$1,012.8 million at December 31, 2023 and 2022, respectively. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, because the City uses these assets to provide services to the citizens and therefore cannot liquidate them.

Restricted net position comprises the next largest component (11%) of total net position. Restricted net position experienced an increase of \$10.7 million during the past year, from \$123.3 million to \$134.0 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 (5%) represents unrestricted net position. The statement shows a balance of \$58.8 million, which is an increase of \$12.6 million from the prior year. 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 90% of total City-wide net position, the City generally only uses these resources to finance the continuing operations of the business-type activities.

City of Dalton, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2023
(Unaudited)

The following condensed financial information was derived from the government-wide statement of activities and reflects how the City's net position changed for the year.

Summary Statement of Activities
Fiscal Years 2023 and 2022

	Governmental activities		Business-type activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues:						
Program:						
Charges for services	\$ 2,874,899	\$ 2,881,689	\$ 305,993,465	\$ 381,810,280	\$ 308,868,364	\$ 384,691,969
Operating grants	4,931,528	12,514,808	-	-	4,931,528	12,514,808
Capital grants	8,026,398	7,575,851	-	-	8,026,398	7,575,851
General:						
Property taxes	8,680,029	8,020,014	-	-	8,680,029	8,020,014
Other taxes	17,765,888	16,994,258	-	-	17,765,888	16,994,258
Investment earnings	1,704,725	418,365	2,948,099	(4,181,768)	4,652,824	(3,763,403)
Miscellaneous	717,265	969,433	3,201,931	698,400	3,919,196	1,667,833
Total revenues	<u>44,700,732</u>	<u>49,374,418</u>	<u>312,143,495</u>	<u>378,326,912</u>	<u>356,844,227</u>	<u>427,701,330</u>
Program Expenses:						
General government	5,912,115	4,043,710	-	-	5,912,115	4,043,710
Judicial	586,612	500,868	-	-	586,612	500,868
Public safety	20,074,665	21,860,924	-	-	20,074,665	21,860,924
Public works	11,527,954	12,053,959	-	-	11,527,954	12,053,959
Health and welfare	410,293	616,355	-	-	410,293	616,355
Culture and recreation	6,650,859	5,740,343	-	-	6,650,859	5,740,343
Housing and development	1,312,247	697,488	-	-	1,312,247	697,488
Interest	992,720	828,202	-	-	992,720	828,202
Utilities	-	-	236,793,558	362,451,736	236,793,558	362,451,736
Trade Center	-	-	740,961	711,782	740,961	711,782
Landfill	-	-	2,633,928	-	2,633,928	-
Golf course	-	-	1,294,137	1,207,302	1,294,137	1,207,302
Airport	-	-	1,309,887	1,357,577	1,309,887	1,357,577
Total expenses	<u>47,467,465</u>	<u>46,341,849</u>	<u>242,772,471</u>	<u>365,728,397</u>	<u>290,239,936</u>	<u>412,070,246</u>
Excess (deficiency)	(2,766,733)	3,032,569	69,371,024	12,598,515	66,604,291	15,631,084
Transfers	15,981,553	10,528,258	(15,981,553)	(10,528,258)	-	-
Change in net position	13,214,820	13,560,827	53,389,471	2,070,257	66,604,291	15,631,084
Beginning net position	115,506,578	101,945,751	1,066,791,547	1,064,721,290	1,182,298,125	1,166,667,041
Ending net position	<u>\$128,721,398</u>	<u>\$115,506,578</u>	<u>\$1,120,181,018</u>	<u>\$1,066,791,547</u>	<u>\$1,248,902,416</u>	<u>\$1,182,298,125</u>

Total revenues exceeded total expenses in the current year, resulting in an increase in the City's net position of \$66.6 million in year ended 2023 compared to an increase of \$15.6 million for the year ended 2022. The reasons for this overall increase are explained in the governmental and business-type activities discussion herein.

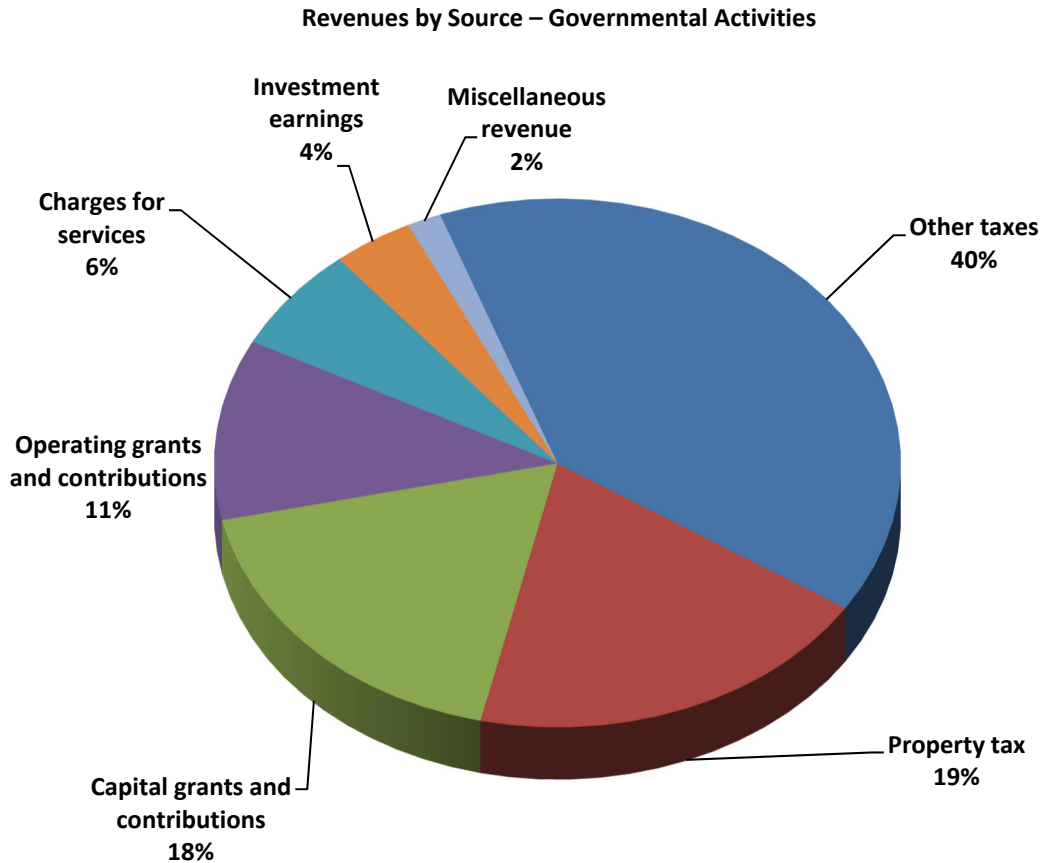
**City of Dalton, Georgia
Management's Discussion and Analysis
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(Unaudited)**

Governmental Activities

Net position for governmental activities increased \$13.2 million after transfers during 2023 compared to an increase of \$13.6 million in 2022. Total revenues decreased \$4.7 million or 9% from the prior year and expenses increased \$1.1 million or 2%.

The decline in total revenues are due to a decrease in operating grants funding of \$7.6 million (60%). In 2022, the City received a one-time grant funding opportunity from the U.S. Department of Treasury's American Rescue Plan Act (Coronavirus State and Local Fiscal Recovery) with grants totaling \$9.1 million to provide recovery funding as a result of COVID-19. The City did benefit from nation-wide inflation and increase in interest rates by the Federal Reserve with an increase in investment earnings of \$1.3 million (307%). Property taxes increased \$660,000 (8%) due to a 22% increase in the tax digest and sales tax increased \$356,000 (4%).

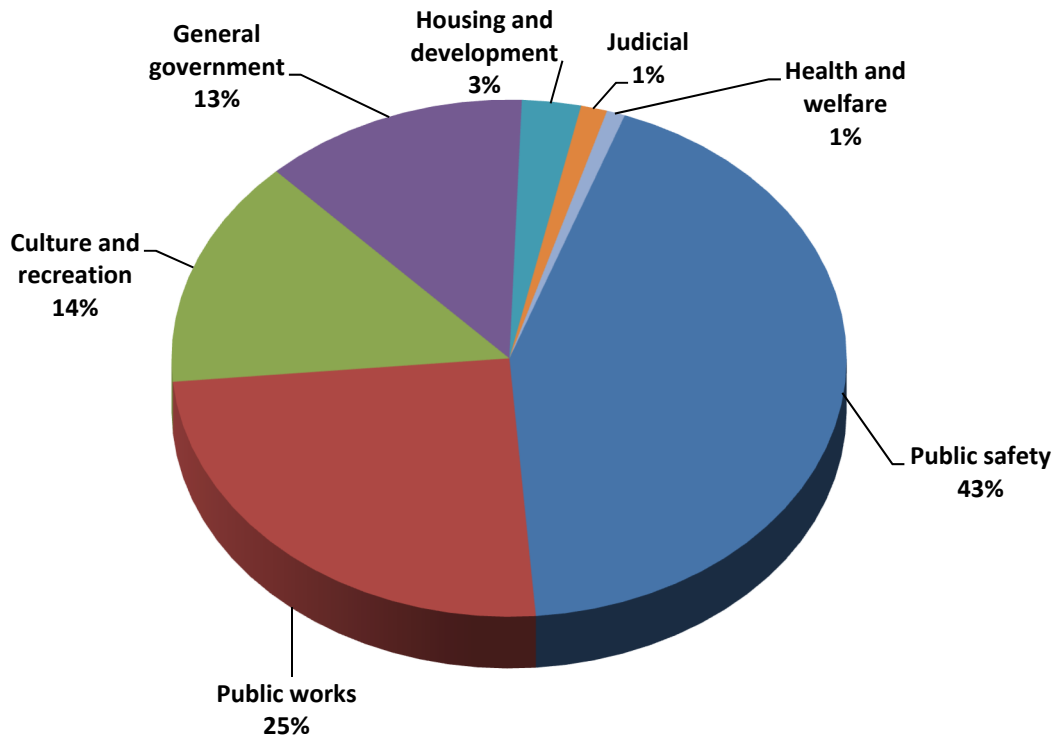
As depicted by the following chart, other taxes category is the largest source of revenue (40%), followed by property tax (19%), capital grants and contributions (18%), operating grants and contributions (11%), and charges for services (6%).



**City of Dalton, Georgia
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As depicted by the following chart, the largest use of City resources for the year 2023 is public safety (43%), followed by public works (25%), culture and recreation (14%), and general government (13%).

Expenses by Function – Governmental Activities



As stated earlier, expenses increased \$1.1 million or 2% from the previous year. The public safety function, which represents police and fire services, decreased \$1.8 million (8%) primarily due to the \$1.4 million effect of the allocation of changes in the net OPEB liability, and its related outflows and inflows. The police department also had five unfilled positions in the patrol division. Public works expenses decreased \$526,000 (4%) due primarily to decreased infrastructure repairs. Culture and recreation costs increased \$910,000 (16%) due to increased spending for various facility and playground repairs, in conjunction with staffing increase equal to six (6) FTE's from the prior year. The general government function expenses increased \$1.9 million when compared to the prior year. Of that amount, \$1.4 million is attributable to the elimination of an interfund receivable that has accumulated over time as losses have been allocated to enterprise funds from the City's self-insured health insurance fund. The City is no longer self-insured and those accumulated amounts have been expensed in the government-wide statement (refer to Note 4-B). Other increases are derived from adding a full-time Assistant City Administrator, taking the City Hall custodial function in house by adding a full time custodian, and increased legal fees due to an extensive review and rewrite of the City's Charter.

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Business-type Activities

The City's business-type activities revenues decreased \$67.0 million (18%) and expenses decreased \$123.7 million (34%).

Revenues:

The decrease in charges for services of \$76.6 million (20%) is primarily attributable to the City's utility operations, the WLSF Commission, as follows:

- Electric operating revenues decreased \$63.7 million (24%). While 2023 experienced an overall decrease in consumption of 8%, the primary factor in the year over year revenue decrease was a sustained reduction in purchased power costs, which are passed onto consumers in the form of lower rates.
- Natural gas operating revenues decreased \$20.0 million (45%). Natural gas revenues are susceptible to market fluctuations in commodity costs. While 2023 did experience an 8% decrease in consumption compared to 2022, the market rates for energy played a much larger role in the year over year change. Like with the electric sector, decreased commodity costs were passed to the consumer leading to an overall decrease in revenues.
- Water operating revenues increased by \$5.8 million (23%), primarily due to a rate increase of 12% for all customer classes. This increase was partially offset by decreased consumption from industrial customers.
- Sewer operating revenues increased by \$3.4 million (16%), primarily due to rate increase of 13% for all customer classes. This increase was partially offset by a decrease in consumption, primarily in the industrial customer class.
- Information technology operating revenues decreased \$466,000 (2%), primarily due to a decrease in cable and telephone subscriptions.

The increase in investment income of \$7.1 million (1705%) is primarily attributable to the WLSF Commission's operations as follows:

- Interest income increased \$2.1 million due to increased balances in the portfolio.
- The fair value of investments increased \$4.9 million as a result of increased investment balances and market changes throughout the year.

Expenses:

The decrease in program expenses of \$123.7 million (34%) is primarily attributable to the WLSF Commission's operations as follows:

- The electric sector saw a year over year decrease of \$85.4 million (38%). Of this amount, purchased electricity expenses decreased \$83.1 million, primarily due to a decrease in fuel costs for energy generation and a decrease in consumption. In addition to wholesale power purchases, overall costs for jointly-owned generation operations saw a net decrease of \$1.4 million for the year.

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- Natural gas expenses saw an overall decrease of \$16.9 million (39%). Purchased natural gas expenses decreased \$18.3 million, primarily due to reduced consumption and commodity costs. The average monthly index price of natural gas was \$2.80 and \$7.04 per Dth for 2023 and 2022, respectively. The decreases in natural gas purchases was partially offset by slight increases in other categories of operating expenses.
- Water treatment operations expenses increased \$2.3 million (9%) in 2023 as compared to 2022. The primary factors that contributed to this change included \$690,000 in increased depreciation, \$269,000 in increased chemical spending, and a \$1.2 million net increase in various other operational expenses.
- Sewer operations costs experienced a decrease of \$23.8 million (48%) in 2023 as compared to 2022. Operational costs increased \$1.2 million in 2023; however, these costs were offset by a decrease of \$25 million due to the wastewater settlement liability incurred in 2022.
- Total depreciation and amortization expense increased \$3.8 million (15%), which reflects closure activities for plant Wansley, the addition of Vogtle Unit 3 which started commercial operations in 2023, and the addition of new depreciable assets in the normal course of business.
- Entity wide, charges for salaries and benefits increased \$1.1 million (4%) in 2023 as compared to 2022. Overall personnel costs were 13% of total expenses in 2023.
- Interest expense decreased \$499,000 (9%) as a result of a decrease in the balance of revenue bonds outstanding.

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 combined ending fund balances of \$76.3 million. Of this year-end total, 38% (\$29.1 million) is unassigned fund balance that is available for spending at the City's discretion. The remainder is nonspendable (\$682,000), restricted for particular purposes (\$43.9 million), or committed for grant projects (\$2.7 million). The general fund is the only fund that can have positive unassigned fund balance. The remainder of fund balance is either nonspendable, restricted by a third party, committed to be spent in a specified matter by formal resolution, or assigned for a specific purpose, including the 2024 budget.

The total combined ending fund balances of governmental funds reflect an increase of \$9.7 million. The general fund reported an increase in fund balance of \$6.3 million and the other governmental funds reported an increase in fund balances of \$3.4 million.

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Major Governmental Fund

The general fund is the chief operating fund of the City. At the end of 2023, the fund balance of the general fund was \$32.8 million. Unassigned fund balance represents 80% of general fund expenditures, an increase from the prior year, in which unassigned fund balance represented 71% of expenditures.

The general fund's performance resulted in revenues and other financing sources exceeding expenditures and other financing uses by \$6.2 million during the fiscal year. Total revenues increased by \$2.4 million (9%), expenditures decreased by \$153,000 (0%), and net other financing sources (uses) increased by \$5.4 million (74%) when compared to the prior year.

Key changes in general fund revenues over the prior year include an increase in investment earnings of \$895,000 (313%) due to rising interest rates from inflation, a dramatic change in the market; an increase in property tax revenue of \$754,000 (10%) due to a 21% increase in the tax digest; an increase in sales tax revenue of \$356,000 (4%); an increase in insurance premium tax of \$246,000 (8%); an increase in municipal court fees of \$200,000 (35%); and an increase in insurance reimbursements of \$136,000 (191%). These increases were offset by decreases in revenues from the Senior Center of \$217,000 (100%) as the City divested their interest in the Senior Center to Whitfield County effective January 1, 2023 as part of the service delivery negotiations, and a decrease in federal grants of \$197,000 (3911%).

Expenditures were relatively flat from the prior year, but certain functions experienced larger fluctuations. Health and welfare expenditures were down \$531,000 (98%), primarily due to the divestiture of the Senior Center as noted above. Public works expenditures were down \$257,000 (3%) from decreased spending for capital items. Additionally, general government expenditures were up \$329,000 (10%) due to the addition of an Assistant City Administrator, taking the custodial function in house, and an increase in legal fees from rewriting the City's Charter. Judicial expenditures increased \$83,000 (16%) due to the addition of a Court Administrator, and housing and development function expenditures increased \$125,000 (27%) from the addition of a Code Compliance Officer.

Other financing sources of \$18.9 million decreased \$1.5 million (6%) from the prior year due to a one-time transfer in 2022 from the ARPA grant special revenue fund of \$8.9 million to subsidize the City's public safety expenditures due to coronavirus, which was offset by a \$7.1 million increase in the transfer from the WLSF Commission.

Other financing uses of \$7.2 million decreased by \$6.9 million (48%) from the prior year. The largest current year transfers out included \$5.3 million to the capital acquisition fund for various capital asset replacement and facility repairs. The largest prior year transfers out included \$8.9 million to the bonded capital projects fund for additional funding of recreation projects and \$3.4 million to the capital acquisition fund for various capital asset replacement and facility repairs.

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Capital Projects Funds

- The bonded capital projects fund is used to account for the acquisition and construction of major capital assets funded by the 2021 debt issuance. Total debt proceeds of \$17.0 million were received in this fund during 2021, which included a premium on issuance of \$1.4 million. The fund received a 2022 transfer from the general fund of \$8.9 million to fund various recreation and stormwater projects. Current year expenditures totaled \$646,000, primarily to close out the Aquatic Center project and for various stormwater projects. During 2023, \$9.2 million was transferred to the three other capital projects funds to fund their ongoing projects. At the end of 2023, fund balance was \$14.8 million, and is restricted to complete recreation and stormwater projects.
- 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 began in 2021. SPLOST revenues of \$9.2 million were collected, investments generated an additional \$226,000, and transfers in from the bonded capital projects fund of \$2.4 million and from the general fund of \$606,000 were received. A total of \$3.8 million was expended in the current year, primarily for paving and public safety equipment. At the end of 2023, fund balance was \$15.3 million, and is restricted to complete SPLOST projects, which include \$6.2 million for the renovation of the John Davis Recreation Center, \$4.1 million for paving and stormwater projects, \$2.9 million for a police property and evidence building, and \$1.8 million for public safety equipment.
- The SPLOST 2015 capital projects fund is used to account for the acquisition and construction of major capital assets. Revenues were derived primarily from the 2015 SPLOST that ended in 2019. All projects, with the exception of public works paving and stormwater and the Greenway project, have been completed. Those uncompleted projects will utilize existing fund balance until finished. Investment earnings totaled \$49,000, and transfers in from the bonded capital projects fund totaled \$4.7 million. Expenditures totaled \$3.5 million, primarily for stormwater and Greenway projects. At the end of 2023, fund balance was \$3.9 million, and is restricted to complete the remaining projects.
- The capital acquisition fund is used to account for expenditures for general capital outlays. Revenues are derived primarily from transfers from the general fund, which totaled \$5.3 million for the year. Additional transfers in were received from the bonded capital projects fund, which totaled \$2.1 million. Total expenditures were \$4.4 million for various projects such as two (2) turf field replacements, three (3) playground replacements, and resurfacing of the Lakeshore Park track. Nineteen (19) pieces of equipment including vehicles were purchased and various facilities received upgrades relating to safety and security. Expenditures were substantially less than budget due to supply chain issues experienced throughout 2023. At the end of 2023, fund balance was \$7.0 million, and is restricted for future capital acquisitions.

Proprietary Funds

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

Major Proprietary Fund

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

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

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GENERAL FUND BUDGETARY HIGHLIGHTS

The City of Dalton's general fund budget is prepared and adopted in accordance with Georgia law. Over the course of the year, the original budget was amended by various appropriations approved by Council. In addition, Council approved several adjustments to prevent budget overruns. The amendments to the general fund resulted in a net increase to budgeted revenues of \$1.6 million, a net increase to budgeted expenditures of \$413,000, and a net increase to other financing sources (uses) of \$1.7 million.

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

- Sales tax increase of \$603,000 due to increase in cost of taxable items due primarily to inflation
- Investment earnings increase of \$563,000 due to financial institutions offering higher rates of return on investments
- Title ad valorem tax increase of \$269,000 due to increase in sales volume coupled with inflationary costs
- Insurance premium tax increase of \$246,000
- Property tax decrease of \$656,000 needed to reflect actual collections when budget was based on the 2022 property tax bills being due a month later than usual

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

- Budget increase of \$184,000 for recreation facility repairs and rentals
- Budget increase of \$105,000 for legal fees to cover the charter rewrite
- Budget increase of \$86,000 for the fire department increase in wages due to retirement payouts, commercial insurance rates, and equipment repairs
- Budget increase of \$82,000 for the addition of the Municipal Court Administrator position
- Budget increase of \$60,000 for the addition of the custodial position

The other financing sources budget category was amended to reflect an increase in the transfer from the WLSF transfer of \$7.5 million and transfer from the hotel-motel tax fund of \$235,000. The other financing uses budget category was amended to reflect a transfer to capital acquisition fund of \$5.3 million and a transfer to the airport grant fund of \$727,000.

The general fund revenues and other financing sources were over the adjusted budget by \$326,000 and general fund expenditures and other financing uses were under the adjusted budget by \$3.1 million.

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CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's book value of investment in capital assets for governmental and business-type activities at December 31, 2023 was \$95.7 million and \$1,170.1 million, respectively. The book value of the governmental activities investment in capital assets increased by \$3.9 million. The book value of the business-type activities investment in capital assets increased by \$20.1 million. Depreciated cost for capital assets of the City as a whole increased by \$24.0 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 2023 and 2022

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Non-depreciable assets:						
Land	\$ 20,025,021	\$ 19,947,794	\$ 5,215,145	\$ 5,215,145	\$ 25,240,166	\$ 25,162,939
Construction in progress	6,855,690	8,084,425	151,890,059	308,282,477	158,745,749	316,366,902
Total non-depreciable	<u>26,880,711</u>	<u>28,032,219</u>	<u>157,105,204</u>	<u>313,497,622</u>	<u>183,985,915</u>	<u>341,529,841</u>
Depreciable assets:						
Land improvements	57,399,975	50,562,037	11,935,880	9,668,155	69,335,855	60,230,192
Buildings and improvements	34,842,922	35,454,441	3,763,489	3,763,489	38,606,411	39,217,930
Machinery, equipment, and furniture	35,942,629	32,835,288	3,058,926	3,046,383	39,001,555	35,881,671
Intangibles	1,184,147	1,211,447	-	-	1,184,147	1,211,447
Utility plant	-	-	1,645,756,000	1,442,604,000	1,645,756,000	1,442,604,000
Infrastructure	<u>107,773,461</u>	<u>107,773,461</u>	<u>-</u>	<u>-</u>	<u>107,773,461</u>	<u>107,773,461</u>
Total depreciable assets	237,143,134	227,836,674	1,664,514,295	1,459,082,027	1,901,657,429	1,686,918,701
Less accumulated depreciation	<u>168,337,838</u>	<u>164,034,531</u>	<u>672,934,556</u>	<u>643,944,526</u>	<u>841,272,394</u>	<u>807,979,057</u>
Book value-depreciable assets	<u>68,805,296</u>	<u>63,802,143</u>	<u>991,579,739</u>	<u>815,137,501</u>	<u>1,060,385,035</u>	<u>878,939,644</u>
Percentage depreciated	<u>71%</u>	<u>72%</u>	<u>40%</u>	<u>44%</u>	<u>44%</u>	<u>48%</u>
Nuclear fuel, at amortized cost	-	-	21,415,000	21,344,000	21,415,000	21,344,000
Book value - all assets	<u>\$ 95,686,007</u>	<u>\$ 91,834,362</u>	<u>\$ 1,170,099,943</u>	<u>\$ 1,149,979,123</u>	<u>\$ 1,265,785,950</u>	<u>\$ 1,241,813,485</u>

City of Dalton, Georgia
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Major capital asset changes during the current year for governmental activities included capital asset additions of \$9.8 million and depreciation expense of \$5.3 million. The following highlights the 2023 capital asset additions:

- General government purchases of \$218,000 for various security upgrades to City Hall and \$77,000 for property donated to the City
- Public safety vehicle and equipment purchases of \$1.6 million; major purchases include a 2023 Sutphen pumper and numerous vehicles and outfitting
- Public works vehicle and equipment purchases of \$1.3 million; major purchases include two (2) garbage trucks and a recycle truck
- Public works infrastructure expenses of \$1.5 million for drainage/detention/flood projects
- Culture and recreation expenses of \$5.1 million; major projects included the Mill Creek River Walk project, completion of the Northeast Community Soccer Complex, two (2) turf field replacements, playground upgrades, and various equipment purchases

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

- During 2023, the WLSF Commission saw an increase in plant in service, reclassified from construction in progress, as Vogtle Unit 3 began commercial operations. Additional costs for construction in progress were added for Vogtle Unit 4, which is expected to be in service in 2024.

Long-term Debt

At the end of the calendar year, the City had total leases and revenue bonds outstanding of \$170.7 million. This is a decrease of \$6.9 million from the prior year. Refer to Note 3-J for additional information regarding the City’s long-term debt.

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Totals</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Capital leases payable	\$ 18,897,624	\$ 19,625,825	\$ -	\$ -	\$ 18,897,624	\$ 19,625,825
Revenue bonds	-	-	<u>151,756,000</u>	<u>157,899,000</u>	<u>151,756,000</u>	<u>157,899,000</u>
Total	<u>\$ 18,897,624</u>	<u>\$ 19,625,825</u>	<u>\$ 151,756,000</u>	<u>\$ 157,899,000</u>	<u>\$ 170,653,624</u>	<u>\$ 177,524,825</u>

The City maintains a bond credit rating of Aa2 from Moody’s on general obligation bonds. The WLSF Commission maintains a bond credit rating of BBB+ from S&P Global.

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 \$487.3 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.

City of Dalton, Georgia
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(Unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2024 general fund budget reflects a \$968,000 (3%) decrease in revenues when compared to 2023 actual revenues. Budgeted expenditures for 2024 reflect a \$5.1 million (13%) increase when compared to actual 2023 expenditures. The 2024 budgeted other financing sources reflect a decrease of \$3.2 million, and other financing (uses) reflect a decrease of \$3.0 million, for a net decrease of \$210,000 (1%) when compared to 2023 actual. The City's adopted 2024 general fund budget is balanced without utilization of fund balance.

The City considered the following factors when preparing the 2024 budget:

- Assessed property values are expected to increase due to reassessments, but the millage rate is expected to be rolled back.
- The expected decrease in revenues and other financing sources of \$4.2 million when compared to 2023 actual is due primarily to an anticipated reduction in the transfer fee from the City's utility department.
- The 2024 budget reflects a 4% cost of living increase for full-time employees and the addition of 2 positions.
- The employer defined benefit pension contribution required match will increase from 12% to 42% in 2024 based on the pension actuarial valuation. 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 2024.

At the end of May 2024:

- Whitfield County Tax assessor anticipates a 22% increase in assessed property tax values
- General fund operating revenues are 17% more than operating revenues for the same period in 2023
 - Taxes \$344,000
 - Intergovernmental \$571,000
 - Fines and forfeitures \$108,000
 - Investment income \$159,000
- The transfer from the City's utility department has been calculated at \$1.7 million over the 2024 budget amount and has been assigned to the John Davis Recreation Center to cover the budget shortfall after the bids were received
- The Dalton-Whitfield Solid Waste Management Authority approved a \$2.5 million transfer which has been assigned to the John Davis Recreation Center to cover the budget shortfall after the bids were received
- 2020 SPLOST collections are tracking 42% over budget

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.daltonga.gov.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Dalton, Georgia
Statement of Net Position
December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	City of Dalton Building Authority
Assets				
Current Assets				
Cash and cash equivalents	\$ 37,447,354	\$ 20,979,887	\$ 58,427,241	\$ 28,695,556
Investments	17,725,451	760,000	18,485,451	-
Restricted cash	5,405,948	4,121,000	9,526,948	-
Receivables:				
Accounts	16,217,472	17,588,000	33,805,472	18,865
Taxes	1,023,738	-	1,023,738	-
Intergovernmental	3,700,666	-	3,700,666	-
Interest	-	688,000	688,000	-
Leases	-	-	-	10,255,000
Unbilled revenues	-	10,493,000	10,493,000	-
Fuel stocks	-	3,911,000	3,911,000	-
Materials and supplies inventory	223,936	21,106,341	21,330,277	-
Deposits and prepaid items	457,638	2,714,530	3,172,168	-
Total Current Assets	82,202,203	82,361,758	164,563,961	38,969,421
Noncurrent Assets				
Nondepreciable capital assets	26,880,711	159,372,929	186,253,640	-
Depreciable capital assets, net	68,805,296	989,312,014	1,058,117,310	-
Nuclear fuel, at amortized cost	-	21,415,000	21,415,000	-
Restricted combined renewals and extensions fund	-	29,905,000	29,905,000	-
Restricted wastewater settlement liability fund	-	19,967,000	19,967,000	-
Restricted nuclear decommissioning	-	41,644,000	41,644,000	-
Net lease assets	-	5,543,000	5,543,000	-
Leases receivable (less current portion)	-	-	-	29,520,000
Regulatory asset	-	87,434,000	87,434,000	-
Investment in joint ventures	1,349,809	19,546,532	20,896,341	-
Total Noncurrent Assets	97,035,816	1,374,139,475	1,471,175,291	29,520,000
Total Assets	179,238,019	1,456,501,233	1,635,739,252	68,489,421
Deferred Outflows of Resources	11,463,579	14,251,843	25,715,422	-
Total Assets and Deferred Outflows	\$ 190,701,598	\$ 1,470,753,076	\$ 1,661,454,674	\$ 68,489,421

(continued)

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Net Position
December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	City of Dalton Building Authority
Liabilities				
Current Liabilities				
Accounts payable and accrued expenses	\$ 4,650,383	\$ 24,070,157	\$ 28,720,540	\$ 28,502,253
Accrued interest payable	1,084,612	-	1,084,612	-
Unearned revenue	672,226	33,666	705,892	-
Compensated absences payable	1,500,000	40,000	1,540,000	-
Revenue bonds payable	-	5,674,000	5,674,000	10,255,000
Settlement liability	-	5,000,000	5,000,000	-
Leases payable	660,000	-	660,000	-
Customer deposits	-	5,066,000	5,066,000	-
Total Current Liabilities	<u>8,567,221</u>	<u>39,883,823</u>	<u>48,451,044</u>	<u>38,757,253</u>
Long-Term Liabilities				
Compensated absences payable (less current portion)	3,910,007	73,755	3,983,762	-
Asset retirement obligations	-	103,898,000	103,898,000	-
Revenue bonds payable (less current portion)	-	146,082,000	146,082,000	29,520,000
Settlement liability (net of current portion)	-	15,000,000	15,000,000	-
Leases payable (less current portion)	18,237,624	-	18,237,624	-
Net pension liability	11,287,756	13,468,755	24,756,511	-
Net OPEB liability	8,485,668	9,427,914	17,913,582	-
Total Long-Term Liabilities	<u>41,921,055</u>	<u>287,950,424</u>	<u>329,871,479</u>	<u>29,520,000</u>
Total Liabilities	<u>50,488,276</u>	<u>327,834,247</u>	<u>378,322,523</u>	<u>68,277,253</u>
Deferred Inflows of Resources	<u>11,491,924</u>	<u>22,737,811</u>	<u>34,229,735</u>	<u>-</u>
Net Position				
Net investment in capital assets	93,964,626	962,184,943	1,056,149,569	-
Restricted for:				
Debt service	3,814	-	3,814	-
Capital projects	23,870,063	29,905,000	53,775,063	-
Public safety	388,225	-	388,225	-
Development	3,436,398	-	3,436,398	-
Public works	103,675	-	103,675	-
Culture and recreation	232,742	-	232,742	-
Nuclear decommissioning	-	41,644,000	41,644,000	-
Wastewater settlement liability	-	19,967,000	19,967,000	-
Pension	-	11,199,000	11,199,000	-
OPEB	-	3,046,000	3,046,000	-
Lease assets	-	47,000	47,000	-
SBITA assets	-	117,000	117,000	-
Unrestricted	6,721,855	52,071,075	58,792,930	212,168
Total Net Position	<u>128,721,398</u>	<u>1,120,181,018</u>	<u>1,248,902,416</u>	<u>212,168</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 190,701,598</u>	<u>\$ 1,470,753,076</u>	<u>\$ 1,661,454,674</u>	<u>\$ 68,489,421</u>

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Activities
For the Year Ended December 31, 2023

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Building Authority
		Charges for Services and Sales	Operating Grants, Contributions, and Transfers	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary Government								
Governmental Activities:								
General government	\$ 5,912,115	\$ 540,470	\$ 403,412	\$ 2,328,692	\$ (2,639,541)	\$ -	\$ (2,639,541)	\$ -
Judicial	586,612	770,786	-	-	184,174	-	184,174	-
Public safety	20,074,665	1,164,647	62,520	2,950,207	(15,897,291)	-	(15,897,291)	-
Public works	11,527,954	100,621	4,004,117	47,883	(7,375,333)	-	(7,375,333)	-
Health and welfare	410,293	-	275,941	-	(134,352)	-	(134,352)	-
Culture and recreation	6,650,859	298,375	81,623	2,699,616	(3,571,245)	-	(3,571,245)	-
Housing and development	1,312,247	-	103,915	-	(1,208,332)	-	(1,208,332)	-
Interest on long-term debt	992,720	-	-	-	(992,720)	-	(992,720)	-
Total Governmental Activities	47,467,465	2,874,899	4,931,528	8,026,398	(31,634,640)	-	(31,634,640)	-
Business-Type Activities:								
WLSF:								
Electric system	139,630,692	199,955,000	-	-	-	60,324,308	60,324,308	-
Gas system	25,951,509	25,999,000	-	-	-	47,491	47,491	-
Water system	27,854,993	31,087,000	-	-	-	3,232,007	3,232,007	-
Wastewater system	25,870,993	24,712,000	-	-	-	(1,158,993)	(1,158,993)	-
Information technology system	17,485,371	21,850,000	-	-	-	4,364,629	4,364,629	-
Landfill	2,633,928	-	-	-	-	(2,633,928)	(2,633,928)	-
Convention Center	740,961	-	-	-	-	(740,961)	(740,961)	-
Municipal golf course	1,294,137	1,608,259	-	-	-	314,122	314,122	-
Municipal airport	1,309,887	782,206	-	-	-	(527,681)	(527,681)	-
Total Business-Type Activities	242,772,471	305,993,465	-	-	-	63,220,994	63,220,994	-
Total - Primary Government	\$ 290,239,936	\$ 308,868,364	\$ 4,931,528	\$ 8,026,398	(31,634,640)	63,220,994	31,586,354	-
Total - Component Unit	\$ 333,041	\$ 41,113	\$ -	\$ -				(291,928)
General Revenues								
Property taxes levied for general purposes					8,680,029	-	8,680,029	-
Selective taxes					15,743,316	-	15,743,316	-
Hotel/motel taxes					2,022,572	-	2,022,572	-
Investment earnings					1,704,725	2,948,099	4,652,824	-
Contributions in aid of construction					-	2,629,000	2,629,000	-
Donations - unrestricted					145,256	-	145,256	-
Miscellaneous					572,009	572,931	1,144,940	-
Total General Revenues					28,867,907	6,150,030	35,017,937	-
Transfers					15,981,553	(15,981,553)	-	333,041
Total General Revenues and Transfers					44,849,460	(9,831,523)	35,017,937	333,041
Change in Net Position					13,214,820	53,389,471	66,604,291	41,113
Net Position Beginning of Year					115,506,578	1,066,791,547	1,182,298,125	171,055
Net Position End of Year					\$ 128,721,398	\$ 1,120,181,018	\$ 1,248,902,416	\$ 212,168

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

City of Dalton, Georgia
Balance Sheet
Governmental Funds
December 31, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 13,023,187	\$ 24,424,167	\$ 37,447,354
Restricted cash	-	5,405,948	5,405,948
Investments	17,725,451	-	17,725,451
Receivables:			
Accounts	1,779,649	14,389,382	16,169,031
Taxes	1,018,363	5,375	1,023,738
Intergovernmental - federal	-	1,965,207	1,965,207
Intergovernmental - state	1,617	3,655	5,272
Intergovernmental - local	111,259	1,618,928	1,730,187
Interfund	144,858	337	145,195
Inventory	223,936	-	223,936
Prepaid items	457,638	-	457,638
Total Assets	\$ 34,485,958	\$ 47,812,999	\$ 82,298,957
Liabilities			
Accounts payable	\$ 459,493	\$ 3,689,965	\$ 4,149,458
Accrued expenditures	452,484	-	452,484
Unearned revenue	219,000	453,226	672,226
Interfund payable	337	144,858	145,195
Total Liabilities	1,131,314	4,288,049	5,419,363
Deferred Inflows of Resources			
Unavailable revenue - property taxes	568,815	16	568,831
Fund Balances			
Nonspendable:			
Inventory	223,936	-	223,936
Prepaid items	457,638	-	457,638
Restricted:			
Economic development (taxes and PILOT revenues)	-	2,086,588	2,086,588
Public safety (police and fire expenditures)	-	388,225	388,225
Housing and development (grant expenditures)	-	1	1
Debt service (debt service expenditures)	-	3,814	3,814
Capital projects (SPLOST projects and other projects)	-	41,046,306	41,046,306
Public works (cemetery chapel and streetscape)	103,675	-	103,675
Culture and recreation (greenway, disc golf, and Haig Mill)	232,742	-	232,742
Unrestricted:			
Committed:			
Housing and development (grant funds)	1,704,000	-	1,704,000
General government (airport grant funds)	960,977	-	960,977
Unassigned	29,102,861	-	29,102,861
Total Fund Balances	32,785,829	43,524,934	76,310,763
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 34,485,958	\$ 47,812,999	\$ 82,298,957

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, 2023

Total Governmental Fund Balances		\$ 76,310,763
 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	264,023,845	
Less accumulated depreciation	<u>(168,337,838)</u>	95,686,007
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
		568,831
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	(145,195)	
Interfund payables	<u>145,195</u>	-
Long-term liabilities that are not due and payable in the current period are not reported in governmental funds but are reported on the statement of net position:		
Accrued interest on capital leases payable	(1,084,612)	
Leases payable	(18,897,624)	
Compensated absences	(5,410,007)	
Net pension liability	(11,287,756)	
Net OPEB liability	<u>(8,485,668)</u>	(45,165,667)
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		1,349,809
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	9,246,267	
Deferred inflows related to pensions	(6,398,476)	
Deferred outflows related to OPEB	2,217,312	
Deferred inflows related to OPEB	<u>(5,093,448)</u>	<u>(28,345)</u>
Net Position of Governmental Activities		\$ <u>128,721,398</u>

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, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 24,388,590	\$ 2,028,952	\$ 26,417,542
Licenses and permits	428,410	-	428,410
Intergovernmental - federal	5,172	2,526,818	2,531,990
Intergovernmental - state	409,789	60,921	470,710
Intergovernmental - local	281,522	9,199,340	9,480,862
Charges for services	1,843,447	-	1,843,447
Fines and forfeitures	498,105	104,937	603,042
Investment earnings	1,180,880	798,209	1,979,089
Miscellaneous	799,899	-	799,899
Total Revenues	29,835,814	14,719,177	44,554,991
Expenditures			
Current:			
General government	3,571,320	94,238	3,665,558
Judicial	588,697	-	588,697
Public safety	19,480,942	346,827	19,827,769
Public works	7,757,289	1,980,579	9,737,868
Health and welfare	13,534	176,796	190,330
Culture and recreation	4,077,449	594,150	4,671,599
Housing and development	587,268	738,680	1,325,948
Capital Outlay:			
General government	-	2,559,653	2,559,653
Judicial	-	12,845	12,845
Public safety	12,087	1,573,573	1,585,660
Public works	132,167	2,657,871	2,790,038
Culture and recreation	37,734	5,066,964	5,104,698
Debt Service:			
Principal retirement	-	630,000	630,000
Interest and fiscal charges	-	579,285	579,285
Total Expenditures	36,258,487	17,011,461	53,269,948
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,422,673)	(2,292,284)	(8,714,957)
Other Financing Sources (Uses)			
Proceeds from sale of assets	10,475	55,266	65,741
Transfers in	19,887,239	16,376,635	36,263,874
Transfers out	(7,225,653)	(10,715,360)	(17,941,013)
Total Other Financing Sources (Uses)	12,672,061	5,716,541	18,388,602
Net Change in Fund Balances	6,249,388	3,424,257	9,673,645
Fund Balances Beginning of Year	26,536,441	40,100,677	66,637,118
Fund Balances End of Year	\$ 32,785,829	\$ 43,524,934	\$ 76,310,763

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, 2023

Net Changes in Fund Balances - Total Governmental Funds		\$ 9,673,645
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period:		
Depreciation expense	(5,342,051)	
Capital outlay	9,711,586	4,369,535
Donations of or contributions for capital assets not reported at the fund level.		77,227
Write off of capital assets are not reported at the fund level.		(595,117)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		28,375
Elimination of transfers between governmental funds:		
Transfers in	(17,271,874)	
Transfers out	17,271,874	-
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Additionally, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:		
Repayment of leases	630,000	
Amortization of premium on leases	98,201	728,201
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	(244,180)	
Net change in accrued interest on leases payable	(511,636)	
Pension benefit (expense)	(832,042)	
OPEB benefit (expense)	1,916,265	328,407
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		13,701
The internal service funds have historically been by management to charge the costs of the operation and maintenance of insurance funds to individual funds, and are not reported in the government-wide statement of activities. Over time, allocations of these costs were made to the business-type activities, as they shared in the benefit. For the 2023 year forward, the City has obtained commercial insurance and has discontinued use of the internal service funds. Current year losses, and the accumulation of the interfund balance of costs between the governmental activities and business-type activities are reported in the statement of activities:		
		(1,409,154)
Change in Net Position of Governmental Activities		\$ 13,214,820

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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Taxes	\$ 23,967,000	\$ 24,467,800	\$ 24,388,590	\$ (79,210)
Licenses and permits	414,000	429,200	428,410	(790)
Intergovernmental - federal	13,000	12,000	5,172	(6,828)
Intergovernmental - state	409,100	410,100	409,789	(311)
Intergovernmental - local	124,600	283,600	281,522	(2,078)
Charges for services	1,596,300	1,732,300	1,843,447	111,147
Fines and forfeitures	440,000	440,000	498,105	58,105
Investment earnings	400,000	963,000	1,180,880	217,880
Miscellaneous	572,335	754,615	799,899	45,284
Total Revenues	<u>27,936,335</u>	<u>29,492,615</u>	<u>29,835,814</u>	<u>343,199</u>
Expenditures				
Current:				
General government	3,809,215	3,809,715	3,571,320	238,395
Judicial	513,470	595,920	588,697	7,223
Public safety	20,268,445	20,368,035	19,480,942	887,093
Public works	8,592,955	8,517,615	7,757,289	760,326
Health and welfare	1,000	13,550	13,534	16
Culture and recreation	4,177,370	4,337,580	4,077,449	260,131
Housing and development	750,860	750,860	587,268	163,592
Total Current	<u>38,113,315</u>	<u>38,393,275</u>	<u>36,076,499</u>	<u>2,316,776</u>
Capital Outlay				
Public safety	18,400	17,600	12,087	5,513
Public works	25,000	133,880	132,167	1,713
Culture and recreation	15,000	39,500	37,734	1,766
Total Capital Outlay	<u>58,400</u>	<u>190,980</u>	<u>181,988</u>	<u>8,992</u>
Total Expenditures	<u>38,171,715</u>	<u>38,584,255</u>	<u>36,258,487</u>	<u>2,325,768</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,235,380)</u>	<u>(9,091,640)</u>	<u>(6,422,673)</u>	<u>2,668,967</u>
Other Financing Sources (Uses)				
Proceeds from sale of assets	2,000	9,500	10,475	975
Transfers in	12,152,500	19,905,550	19,887,239	(18,311)
Transfers out	(1,919,120)	(7,963,110)	(7,225,653)	737,457
Total Other Financing Sources (Uses)	<u>10,235,380</u>	<u>11,951,940</u>	<u>12,672,061</u>	<u>720,121</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ 2,860,300</u>	6,249,388	<u>\$ 3,389,088</u>
Fund Balances Beginning of Year			26,536,441	
Fund Balances End of Year			<u>\$ 32,785,829</u>	

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2023

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	Water, Light, and Sinking Fund Commission	Other Proprietary Funds	Total Funds	
Assets				
Current Assets:				
Cash and cash equivalents	\$ 20,505,000	\$ 474,887	\$ 20,979,887	\$ -
Short-term investments	760,000	-	760,000	-
Restricted customer deposit fund	4,121,000	-	4,121,000	-
Accounts receivable, net	17,588,000	-	17,588,000	48,441
Unbilled revenues	10,493,000	-	10,493,000	-
Interest receivable	688,000	-	688,000	-
Fuel stocks	3,911,000	-	3,911,000	-
Materials and supplies inventory	21,012,000	94,341	21,106,341	-
Deposits and prepaid items	<u>2,701,000</u>	<u>13,530</u>	<u>2,714,530</u>	<u>-</u>
Total Current Assets	<u>81,779,000</u>	<u>582,758</u>	<u>82,361,758</u>	<u>48,441</u>
Noncurrent Assets:				
Land	-	5,215,145	5,215,145	-
Construction in progress	151,776,000	2,381,784	154,157,784	-
Nuclear fuel, at amortized cost	21,415,000	-	21,415,000	-
Depreciable capital assets, net	983,951,000	5,361,014	989,312,014	-
Restricted combined renewals/extensions fund	29,905,000	-	29,905,000	-
Restricted wastewater settlement liability fund	19,967,000	-	19,967,000	-
Restricted nuclear decommissioning fund	41,644,000	-	41,644,000	-
Regulatory assets, net	87,434,000	-	87,434,000	-
Net lease assets	5,543,000	-	5,543,000	-
Investment in joint ventures	<u>-</u>	<u>19,546,532</u>	<u>19,546,532</u>	<u>-</u>
Total Noncurrent Assets	<u>1,341,635,000</u>	<u>32,504,475</u>	<u>1,374,139,475</u>	<u>-</u>
Total Assets	<u>1,423,414,000</u>	<u>33,087,233</u>	<u>1,456,501,233</u>	<u>48,441</u>
Deferred Outflows of Resources	<u>13,920,000</u>	<u>331,843</u>	<u>14,251,843</u>	<u>-</u>
Total Assets and Deferred Outflows	<u>\$ 1,437,334,000</u>	<u>\$ 33,419,076</u>	<u>\$ 1,470,753,076</u>	<u>\$ 48,441</u>

(continued)

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2023

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	Water, Light, and Sinking Fund Commission	Other Proprietary Funds	Total Funds	
Liabilities				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 24,029,000	\$ 41,157	\$ 24,070,157	\$ 48,441
Unearned revenue	-	33,666	33,666	-
Compensated absences payable	-	40,000	40,000	-
Revenue bonds payable	5,674,000	-	5,674,000	-
Settlement liability	5,000,000	-	5,000,000	-
Customer deposits	5,066,000	-	5,066,000	-
Total Current Liabilities	<u>39,769,000</u>	<u>114,823</u>	<u>39,883,823</u>	<u>48,441</u>
Long-Term Liabilities:				
Compensated absences (net of current portion)	-	73,755	73,755	-
Revenue bonds payable (net of current portion)	146,082,000	-	146,082,000	-
Settlement liability (net of current portion)	15,000,000	-	15,000,000	-
Net pension liability	13,139,000	329,755	13,468,755	-
Net OPEB liability	9,191,000	236,914	9,427,914	-
Asset retirement obligations	103,898,000	-	103,898,000	-
Total Long-Term Liabilities	<u>287,310,000</u>	<u>640,424</u>	<u>287,950,424</u>	<u>-</u>
Total Liabilities	<u>327,079,000</u>	<u>755,247</u>	<u>327,834,247</u>	<u>48,441</u>
Deferred Inflows of Resources	<u>22,419,000</u>	<u>318,811</u>	<u>22,737,811</u>	<u>-</u>
Net Position				
Net investment in capital assets	949,227,000	12,957,943	962,184,943	-
Restricted for:				
Capital projects	29,905,000	-	29,905,000	-
Nuclear decommissioning	41,644,000	-	41,644,000	-
Wastewater settlement liability	19,967,000	-	19,967,000	-
Pension	11,199,000	-	11,199,000	-
OPEB	3,046,000	-	3,046,000	-
Lease assets	47,000	-	47,000	-
SBITA assets	117,000	-	117,000	-
Unrestricted	32,684,000	19,387,075	52,071,075	-
Total Net Position	<u>1,087,836,000</u>	<u>32,345,018</u>	<u>1,120,181,018</u>	<u>-</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 1,437,334,000</u>	<u>\$ 33,419,076</u>	<u>\$ 1,470,753,076</u>	<u>\$ 48,441</u>

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, 2023

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	Water, Light, and Sinking Fund Commission	Other Proprietary Funds	Total	
Operating Revenues				
Charges for services	\$ 303,603,000	\$ 1,956,743	\$ 305,559,743	\$ 103,562
Merchandise sales	-	201,107	201,107	-
Tournaments	-	107,613	107,613	-
Concessions	-	124,259	124,259	-
Miscellaneous	-	743	743	-
Total Operating Revenues	<u>303,603,000</u>	<u>2,390,465</u>	<u>305,993,465</u>	<u>103,562</u>
Operating Expenses				
Personal services and benefits	24,765,000	891,271	25,656,271	-
Purchased and contracted services	176,675,000	286,442	176,961,442	-
Supplies	-	884,827	884,827	-
Depreciation and amortization	31,517,000	583,031	32,100,031	-
Claims	-	-	-	104,727
Total Operating Expenses	<u>232,957,000</u>	<u>2,645,571</u>	<u>235,602,571</u>	<u>104,727</u>
Operating Income (Loss)	<u>70,646,000</u>	<u>(255,106)</u>	<u>70,390,894</u>	<u>(1,165)</u>
Non-Operating Revenues (Expenses)				
Interest income	3,088,000	2,099	3,090,099	-
Interest expense	(5,203,000)	-	(5,203,000)	-
Net increase (decrease) in fair value of investments	(142,000)	-	(142,000)	-
Miscellaneous income	558,000	-	558,000	-
Gain on sale of assets	-	14,931	14,931	-
Income (loss) from joint ventures	-	(3,374,889)	(3,374,889)	-
Total Non-Operating Revenues (Expenses)	<u>(1,699,000)</u>	<u>(3,357,859)</u>	<u>(5,056,859)</u>	<u>-</u>
Income Before Contributions and Transfers	68,947,000	(3,612,965)	65,334,035	(1,165)
Contributions and Transfers				
Contributions in aid of construction	2,629,000	-	2,629,000	-
Transfers in (out)	(18,992,000)	3,010,447	(15,981,553)	-
Total Contributions and Transfers	<u>(16,363,000)</u>	<u>3,010,447</u>	<u>(13,352,553)</u>	<u>-</u>
Change in Net Position	52,584,000	(602,518)	51,981,482	(1,165)
Net Position Beginning of Year	<u>1,035,252,000</u>	<u>32,947,536</u>	<u>1,068,199,536</u>	<u>1,165</u>
Net Position End of Year	<u>\$ 1,087,836,000</u>	<u>\$ 32,345,018</u>	<u>\$ 1,120,181,018</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water, Light, and Sinking Fund Commission	Other Proprietary Funds	Total	
Cash Flows from Operating Activities				
Cash received from customers	\$ 304,601,000	\$ 2,396,408	\$ 306,997,408	\$ -
Cash received from overparity in transmission facilities	3,021,000	-	3,021,000	-
Cash received from interfund services provided	-	-	-	81,283
Cash payments for personnel services and benefits	(25,999,000)	(858,963)	(26,857,963)	-
Cash payments for goods, services, claims, and fees	(181,153,000)	(1,208,371)	(182,361,371)	(82,040)
Net Cash Provided by (Used in) Operating Activities	<u>100,470,000</u>	<u>329,074</u>	<u>100,799,074</u>	<u>(757)</u>
Cash Flows from Noncapital Financing Activities				
Interfund loans received (paid)	-	(37,847)	(37,847)	-
Proceeds from interfund transfers	-	72,420	72,420	-
Transfers out	(18,992,000)	-	(18,992,000)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(18,992,000)</u>	<u>34,573</u>	<u>(18,957,427)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities				
Payments long-term debt	(11,346,000)	-	(11,346,000)	-
Acquisition and construction of capital assets	(49,603,000)	(12,543)	(49,615,543)	-
Cash received from sale of capital assets	-	14,931	14,931	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(60,949,000)</u>	<u>2,388</u>	<u>(60,946,612)</u>	<u>-</u>
Cash Flows from Investing Activities				
Investment earnings	2,682,000	2,099	2,684,099	-
Sales and maturity of investment securities	111,674,000	-	111,674,000	-
Purchases of investment securities	(135,687,000)	-	(135,687,000)	-
Net Cash Provided by (Used in) Investing Activities	<u>(21,331,000)</u>	<u>2,099</u>	<u>(21,328,901)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(802,000)	368,134	(433,866)	(757)
Cash and Cash Equivalents Beginning of Year	<u>21,307,000</u>	<u>106,753</u>	<u>21,413,753</u>	<u>757</u>
Cash and Cash Equivalents End of Year	<u>\$ 20,505,000</u>	<u>\$ 474,887</u>	<u>\$ 20,979,887</u>	<u>\$ -</u>

(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, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water, Light, and Sinking Fund Commission	Other Proprietary Funds	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 70,646,000	\$ (255,106)	\$ 70,390,894	\$ (1,165)
Adjustments:				
Depreciation	31,517,000	583,031	32,100,031	-
Amortization	4,896,000	-	4,896,000	-
Pension (benefit)/expense	716,000	48,094	764,094	-
OPEB (benefit)/expense	698,000	(32,574)	665,426	-
(Increase) Decrease in Assets:				
Accounts receivable	4,019,000	11,865	4,030,865	(22,279)
Fuel stocks	(502,000)	-	(502,000)	-
Materials and supplies inventory	(2,089,000)	(28,983)	(2,117,983)	-
Prepaid expenses and deposits	-	1,574	1,574	-
Increase (Decrease) in Liabilities:				
Accounts payable and accrued expenses	(3,786,000)	(6,632)	(3,792,632)	23,029
Customer deposits	(1,259,000)	-	(1,259,000)	-
Unearned revenue	-	(5,922)	(5,922)	-
Settlement liability	(5,000,000)	-	(5,000,000)	-
Other	614,000	13,727	627,727	-
Claims payable	-	-	-	(342)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 100,470,000</u>	<u>\$ 329,074</u>	<u>\$ 100,799,074</u>	<u>\$ (757)</u>
Noncash Investing, Capital, and Financing Activities				
Net increase (decrease) in fair value of investments	<u>\$ (142,000)</u>	<u>\$ -</u>	<u>\$ (142,000)</u>	<u>\$ -</u>
Accrued property additions at year end	<u>\$ 42,000</u>	<u>\$ -</u>	<u>\$ 42,000</u>	<u>\$ -</u>
Acquisition of capital assets from interfund transfers	<u>\$ -</u>	<u>\$ 2,341,308</u>	<u>\$ 2,341,308</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Pension and OPEB Trust Funds	Municipal Court and Police Custodial Funds
Assets		
Cash and cash equivalents	\$ 490,948	\$ 541,003
Investments, at fair value:		
Georgia Municipal Employees Benefit System OPEB Trust Account	754,454	-
MetLife Large Cap Equity Index Fund	9,422,802	-
MetLife Aggregate Bond Index Fund	29,028,534	-
MetLife Intermediate Duration Bond Fund	9,598,251	-
Vanguard Institutional Index Fund	56,848,719	-
Vanguard Small Cap Index Fund	18,490,014	-
Vanguard Total Bond Market Index Fund	14,953,653	-
Contributions receivable	164,435	-
Total Assets	\$ 139,751,810	\$ 541,003
Liabilities		
Current Liabilities:		
Accounts payable	\$ 66,424	\$ 45,739
Total Liabilities	66,424	45,739
Net Position		
Restricted for pension	138,994,823	-
Restricted for OPEB	690,563	-
Restricted for others	-	495,264
Total Net Position	139,685,386	495,264
Total Liabilities and Net Position	\$ 139,751,810	\$ 541,003

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, 2023

	Pension and OPEB Trust Funds	Municipal Court and Police Custodial Funds
Additions		
Contributions:		
Employer	\$ 1,651,195	\$ -
Plan members	608,829	-
Total contributions	<u>2,260,024</u>	<u>-</u>
Fine/confiscation collections	<u>-</u>	<u>2,257,854</u>
Investment income:		
Interest and dividends	3,026,351	-
Net increase (decrease) in fair value of investments	<u>17,073,813</u>	<u>-</u>
Total investment income	20,100,164	-
Less: investment expense	<u>157,890</u>	<u>-</u>
Net investment earnings	<u>19,942,274</u>	<u>-</u>
Total Additions	<u>22,202,298</u>	<u>2,257,854</u>
Deductions		
Administrative expenses	73,697	-
Premium payments	700,628	-
Benefit payments	8,994,541	-
Fine/confiscation remittances	<u>-</u>	<u>2,038,909</u>
Total Deductions	<u>9,768,866</u>	<u>2,038,909</u>
Change in Net Position	12,433,432	218,945
Net Position Beginning of Year	<u>127,251,954</u>	<u>276,319</u>
Net Position End of Year	<u>\$ 139,685,386</u>	<u>\$ 495,264</u>

See accompanying notes to the basic financial statements.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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City of Dalton, Georgia
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December 31, 2023

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City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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 Tony Ingle Parkway, 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, 2023, but shared a board and activity. The EDA will be dissolved in the 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, 2023, the City paid \$34,366 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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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 include 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 fourteen 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 airport improvement grant fund, the tax allocation district #1 fund, the tax allocation district #3 fund, the tax allocation district #4 fund, the economic development fund, and the opioid settlement fund. The capital projects funds include the bonded capital projects fund, the SPLOST 2020 capital projects fund, the SPLOST 2015 capital projects fund, and the capital acquisition fund.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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 to other departments or agencies of the City on a cost-reimbursement basis. The internal service funds are for health insurance and risk pool.

Fiduciary funds – Fiduciary funds are used to report assets that, by definition, are being held in a trustee or custodial 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 four fiduciary funds which include two trust funds and two custodial funds. 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.

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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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 funds' assets, liabilities, and net position. The statement of changes in fiduciary net position reports additions to and deductions from net position.

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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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 \$10,500,000 for the year ended December 31, 2023.

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, 2023.

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 2023, total MW hours sold back to SPC were 123,115 with proceeds of \$4,700,000, which are presented as an offset to purchased energy expense.

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

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

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

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

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

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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, 2023, the City's bank balance was \$45,872,064, \$36,564,148 of which 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, 2023, the City of Dalton Building Authority's bank balance was \$28,695,556, \$28,245,567 of which 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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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' supply inventories are stated at cost, which 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. In 2023, storage gas inventory was adjusted by \$800,000 to reflect the lower of market pricing compared to cost, reducing net income for the year.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023 and prepaid deposits are recorded as prepaid items. The expense or expenditure is recognized during the benefiting period.

1-E-6 Restricted Assets

The City has cash balances which are restricted as to use for capital projects, in accordance with the terms of debt agreements. Those amounts are included in current assets and are reported as restricted cash.

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, the wastewater settlement liability 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 funds are 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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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:

Description	Estimated Lives	
	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 financed purchases 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 leases, independently and through the City of Dalton Building Authority, a component unit, as disclosed in Note 3-I, as of December 31, 2023.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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, 2023
Plant Hatch, Nuclear Units 1 and 2	2.2%	\$ 84,577,000
Plant Vogtle, Nuclear Units 1 and 2	1.6%	295,043,000
Plant Scherer, Coal-Fired Units 1 and 2	1.4%	44,470,000

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%. By December 31, 2023, Vogtle Unit 3 entered commercial operations, leaving \$122,100,000 as work in progress for Unit 4. See Note 4-C for additional information about the Vogtle nuclear development projects.

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.

WLSF 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 \$3,700,000 for the year ended December 31, 2023. 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 \$172,000.

City of Dalton, Georgia
Notes to the Basic Financial Statements
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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 usefulness has significantly and unexpectedly declined. The WLSF Commission is required to evaluate notable events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Events or changes in circumstances that may indicate impairment include evidence of physical damage; enactment or passage 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 the asset; or construction stoppage. A capital asset is generally considered impaired if both (a) the decline in usefulness 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 in 2023.

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 \$4,896,000 during 2023.

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 2023, 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. See Note 3-A for additional information on the trust fund. The NRC's minimum external funding requirements are based on a generic estimate of the cost to decommission only 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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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 2021 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	\$ 2,032,347,000	\$ 3,505,846,000
WLSF's portion	2.2%	1.6%
	\$ 44,712,000	\$ 56,094,000

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, 2023, 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, 2023 was \$177,200,000. In 2023, the WLSF Commission recognized \$172,000 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 \$4,560,000 at December 31, 2023. Parity income for the year ended December 31, 2023 totaled \$3,000,000.

City of Dalton, Georgia
Notes to the Basic Financial Statements
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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 leases are recognized as a liability in the governmental fund financial statements when due.

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

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

At the governmental fund reporting level, premiums and discounts are reported as other financing sources and uses, separate from the face amount of the debt issued. 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 parties or by law through constitutional provision or enabling legislation.

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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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

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 \$681,574 at December 31, 2023.

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 \$43,861,351 at December 31, 2023. The major projects that comprise this total include: \$41,046,306 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; \$2,086,588 held in four special revenue funds for economic development both generally and within specific tax allocation districts; \$262,298 held in the confiscated assets special revenue fund for future police expenditures; \$125,927 held in the opioid settlement special revenue fund for future public safety expenditures; \$3,814 held in the debt service funds to pay future debt service; and \$88,675 for cemetery chapel renovations and infant headstones, \$25,000 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 \$2,664,977 at December 31, 2023, and will be used to provide matching funding for specific airport and Improving Neighborhood Outcomes grants.

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, 2023.

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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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

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 assets 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 assets 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, OPEB, leases, and subscription-based information technology arrangements ("SBITAs"), 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 and leased assets as disclosed in Note 3-H.

Deferred inflows and outflows for the City at December 31, 2023 are as follows:

	Governmental Activities	Business-type Activities	Total
Deferred outflows - pensions	\$ 9,246,267	\$ 11,033,116	\$ 20,279,383
Deferred outflows - OPEB	2,217,312	3,054,727	5,272,039
Deferred outflows - lease assets	-	47,000	47,000
Deferred outflows - SBITA	-	117,000	117,000
	<u>\$ 11,463,579</u>	<u>\$ 14,251,843</u>	<u>\$ 25,715,422</u>
Deferred inflows - pensions	\$ 6,398,476	\$ 7,634,922	\$ 14,033,398
Deferred inflows - OPEB	5,093,448	4,999,889	10,093,337
Deferred inflows - ITS sale	-	4,560,000	4,560,000
Deferred inflows - lease assets	-	5,543,000	5,543,000
	<u>\$ 11,491,924</u>	<u>\$ 22,737,811</u>	<u>\$ 34,229,735</u>

City of Dalton, Georgia
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December 31, 2023

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, and airport fees. 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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
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1-E-17 Major Customers

WLSF Commission customers comprising at least 10% of revenue by sector or in total for the year ended December 31, 2023 are detailed below. No other customer accounted for more than 10% percent of the WLSF Commission’s sector or total sales during 2023.

Customer	Total	Electric	Gas	Water	Sewer	Information Technology
Core Scientific	24.5%	37.7%	< 10%	< 10%	< 10%	< 10%
Shaw Industries	< 10%	< 10%	25.9%	< 10%	20.1%	< 10%
Engineered Floors	< 10%	11.5%	11.6%	< 10%	< 10%	< 10%
Aladdin Manufacturing	< 10%	< 10%	< 10%	< 10%	15.2%	< 10%

The DWRSWMA’s fee revenue from three major customers during the year ended December 31, 2023 comprised approximately 48% of total fee revenue. Each represented 22%, 16%, and 10%, 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 Restatements and Reclassifications

Certain 2022 amounts have been reclassified to conform to the 2023 presentation, with no material impact on total assets, total liabilities, total net position, total revenues, total expenditures, or total expenses.

Note 2 - Stewardship, Compliance, and Accountability

2-A Budgetary Information

The City adopts an annual operating budget for the general fund, special revenue funds, the debt service fund, and the capital acquisition capital projects fund. A project budget is adopted for the bonded capital projects fund and the 2020 and 2015 SPLOST capital projects funds. 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 Implementation of New Standards

The City and WLSF Commission implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements (“SBITAs”), which provides a definition of SBITAs and uniform guidance for accounting and financial reporting for transactions that meet that definition. This statement requires reporting a subscription asset and a subscription liability for a SBITA and the disclosure of essential information about the arrangement, which will allow users of the financial statements to understand the scale and other important aspects of the government’s obligations and assets resulting from SBITAs. See Note 3-I for additional information.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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, 2023:

- Cash, money market accounts, and certificates of deposit in the amount of \$42,853,302 for governmental funds, \$474,887 for nonmajor proprietary funds, \$490,948 for trust funds, \$541,003 for custodial funds, and \$28,695,556 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 \$17,725,451 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 AA Af/S1 by Fitch. The primary objectives of the pool are safety of capital, liquidity, investment income, and diversification. The weighted average maturity was 26 days at December 31, 2023.
- Investments in index and other mutual funds in the amount of \$90,292,386 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 \$48,049,587 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 \$754,454 for trust funds are valued using significant unobservable inputs (level 3).

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

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

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-A Investments (continued)

The pension investment policy limits investment in equity securities to 70% (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:

	<u>Fair Value</u>	<u>Rating</u>
MetLife Large Cap Equity Index Fund	\$ 9,422,802	Not rated
MetLife Aggregate Bond Index Fund	29,028,534	Not rated
MetLife Intermediate Duration Bond Fund	9,598,251	Not rated
Vanguard Institutional Index Fund	56,848,719	Not rated
Vanguard Institutional Small Cap Index Fund	18,490,014	Not rated
Vanguard Total Bond Market Index Fund	14,953,653	Not rated
Total pension trust fund investments	<u>\$ 138,341,973</u>	
Georgia Municipal Employees Benefit System OPEB Trust Account	\$ 754,454	Not rated
Total OPEB trust fund investments	<u>\$ 754,454</u>	

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, 2023:

- Cash and certificates of deposit in the amount of \$1,400,000 are reported at cost or amortized cost and are not subject to fair value hierarchy measurement.
- U.S. government securities in the amount of \$94,200,000 are valued based on observable market data and valuations of similar inputs (level 2 inputs).
- No investment securities are valued using level 3 inputs.

The fair value analysis of the investments for the year ended December 31, 2023 is as follows:

<u>Fund Type</u>	<u>Cost</u>	<u>Fair Value at</u>	<u>Fair Value</u>		<u>Fair Value at</u>	<u>Change in Fair Value</u>
		<u>1/1/23</u>	<u>Purchases</u>	<u>Sales</u>	<u>12/31/23</u>	
Customer deposit fund	\$ 4,225,000	\$ 3,133,000	\$ 6,970,000	\$ 5,845,000	\$ 4,121,000	\$ (137,000)
Combined utilities renewals and extensions fund	29,438,000	549,000	68,751,000	38,600,000	29,905,000	(795,000)
Wastewater settlement liability fund	19,888,000	-	40,062,000	20,070,000	19,967,000	(25,000)
Nuclear decommissioning fund	46,109,000	38,465,000	19,401,000	17,037,000	41,644,000	815,000
Total	<u>\$ 99,660,000</u>	<u>\$ 42,147,000</u>	<u>\$ 135,184,000</u>	<u>\$ 81,552,000</u>	<u>\$ 95,637,000</u>	<u>\$ (142,000)</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-A Investments (continued)

The WLSF Commission had the following combined utilities construction fund that was reported at cost for the year ended December 31, 2023 is as follows:

Fund Type	Cost at 1/1/23	Cost		Cost at 12/31/23
		Purchases	Sales	
Combined utilities construction fund (2020)	\$ 30,122,000	\$ -	\$ 30,122,000	\$ -

The WLSF Commission had the following investments and maturities for the year ended December 31, 2023:

	Credit Quality	Fair Value	Investment Maturities (in Years)			
			Less than 1	1 to 5	6 to 10	10 +
Cash and cash equivalents	Not Rated	\$ 1,426,000	\$ 1,426,000	\$ -	\$ -	\$ -
City of Atlanta GA Wtr & WW Rev	AAA/Aaa	5,970,000	-	2,115,000	-	3,855,000
City of Union City GA	AAA/Aaa	222,000	-	222,000	-	-
Cowetta Co, Wtr & WW Rev	AAA/Aaa	214,000	-	-	-	214,000
Downtown Savannah Authority	AAA/Aaa	406,000	-	-	406,000	-
Federal Agricultural Mortgage Corp	AAA/Aaa	488,000	-	-	488,000	-
Federal Farm Credit Banks	AAA/Aaa	27,567,000	-	7,605,000	19,962,000	-
Federal Home Loan Bank	AAA/Aaa	21,622,000	4,959,000	11,983,000	3,722,000	958,000
Federal National Mortgage Association	AAA/Aaa	1,758,000	-	-	774,000	984,000
Forsyth Co. School District	AAA/Aaa	668,000	-	-	668,000	-
Metro Atlanta Rapid Transit Auth	AAA/Aaa	3,370,000	-	-	3,370,000	-
State of GA	AAA/Aaa	3,194,000	-	-	431,000	2,763,000
Small Business Administration Pools	AAA/Aaa	28,732,000	-	-	28,732,000	-
Total		<u>\$ 95,637,000</u>	<u>\$ 6,385,000</u>	<u>\$ 21,925,000</u>	<u>\$ 58,553,000</u>	<u>\$ 8,774,000</u>

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

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

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

3-B Receivables

Receivables at December 31, 2023 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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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 typically 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. For the 2022 year, the tax bills were mailed late, on November 20, making 2022 taxes due on January 20, 2023, and delinquent subsequent to that date.

Taxes receivable at December 31, 2023 consists of uncollected property taxes levied during the year ended December 31, 2023 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	\$ 1,032,747
Allowance for uncollectible taxes	<u>(9,009)</u>
Taxes receivable	<u>\$ 1,023,738</u>
Taxes uncollected 60 days subsequent to year end, net of allowance, reported in deferred inflows	<u>\$ 568,831</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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, 2023 relate to the following:

Asset retirement obligations (a)	\$	65,878,000
Cost of removal (b)		(25,880,000)
Pension (c)		21,023,000
OPEB (d)		14,112,000
Wansley (e)		<u>12,301,000</u>
Total regulatory assets - net	\$	<u>87,434,000</u>

(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 adoption 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. The Board has approved an amortization period to recognize the recovery of the regulatory asset beginning in January 2024 and continuing until 2044. See Note 3-K 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 adoption 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. The Board has approved an amortization period to recognize the recovery of the regulatory asset beginning in January 2024 and continuing until 2044. See Note 3-L for additional information.

(e) In July 2022, the Georgia Public Service Commission approved Georgia Power’s 2022 integrated resource plan which included the co-owners’ intent to retire the coal-fired units at Plant Wansley, in which the WLSF Commission owns a 1.4% interest. Plant Wansley was retired in August 2022, and the WLSF Commission Board of Commissioners directed the WLSF Commission to create a regulatory asset for the continued recovery of the remaining net book value of the plant assets as of the retirement date and approved an amortization period to recognize the recovery of the regulatory asset beginning in January 2023 and continuing through 2030.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-E Capital Assets

Governmental capital asset activity for the year ended December 31, 2023 is as follows:

	Balance 12/31/2022	Additions	Disposals & Transfers	Balance 12/31/2023
Capital assets not being depreciated:				
Land	\$ 19,947,794	\$ 77,227	\$ -	\$ 20,025,021
Construction in progress	8,084,425	4,582,602	(5,811,337)	6,855,690
Total capital assets not being depreciated	<u>28,032,219</u>	<u>4,659,829</u>	<u>(5,811,337)</u>	<u>26,880,711</u>
Other capital assets:				
Land improvements	50,562,037	1,422,352	5,415,586	57,399,975
Buildings	32,038,118	-	(525,460)	31,512,658
Building improvements	3,416,323	69,409	(155,468)	3,330,264
Vehicles	6,882,607	868,981	(436,654)	7,314,934
Machinery	15,477,274	1,229,133	(23,052)	16,683,355
Equipment	10,298,715	1,539,109	(70,176)	11,767,648
Furniture & fixtures	176,692	-	-	176,692
Intangibles	1,211,447	-	(27,300)	1,184,147
Bridge and bridge culvert	10,093,703	-	-	10,093,703
Streets and streetscape	97,256,019	-	-	97,256,019
Mast arm lighting	423,739	-	-	423,739
Total other capital assets	<u>227,836,674</u>	<u>5,128,984</u>	<u>4,177,476</u>	<u>237,143,134</u>
Total cost	<u>255,868,893</u>	<u>9,788,813</u>	<u>(1,633,861)</u>	<u>264,023,845</u>
Accumulated depreciation:				
Land improvements	27,970,774	1,918,976	-	29,889,750
Buildings	13,624,886	619,563	(276,209)	13,968,240
Building improvements	1,986,645	127,302	(103,565)	2,010,382
Vehicles	5,765,928	422,201	(436,654)	5,751,475
Machinery	10,073,428	706,133	(18,585)	10,760,976
Equipment	4,576,615	509,150	(176,431)	4,909,334
Furniture & fixtures	175,785	474	-	176,259
Intangibles	1,150,782	21,791	(27,300)	1,145,273
Bridge and bridge culvert	7,628,463	201,874	-	7,830,337
Streets and streetscape	90,820,473	800,020	-	91,620,493
Mast arm lighting	260,752	14,567	-	275,319
Total accumulated depreciation	<u>164,034,531</u>	<u>5,342,051</u>	<u>(1,038,744)</u>	<u>168,337,838</u>
Governmental activities capital assets, net	<u>\$ 91,834,362</u>	<u>\$ 4,446,762</u>	<u>\$ (595,117)</u>	<u>\$ 95,686,007</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-E Capital Assets (continued)

Depreciation expense is allocated to the governmental activities functions for the year ended December 31, 2023 as follows:

General government	\$	480,244
Public safety		967,120
Public works		2,152,584
Culture and recreation		1,738,066
Health and welfare		4,037
	<u>\$</u>	<u>5,342,051</u>

Business-type capital asset activity for the year ended December 31, 2023 is as follows:

	Balance at 12/31/2022	Additions	Disposals and Reclassifications	Balance at 12/31/2023
Capital assets not being depreciated:				
Land	\$ 5,215,145	\$ -	\$ -	\$ 5,215,145
Construction in progress	<u>308,282,477</u>	<u>23,361,307</u>	<u>(177,486,000)</u>	<u>154,157,784</u>
Total capital assets not being depreciated	<u>313,497,622</u>	<u>23,361,307</u>	<u>(177,486,000)</u>	<u>159,372,929</u>
Other capital assets:				
Land improvements	9,668,155	-	-	9,668,155
Buildings	3,692,434	-	-	3,692,434
Building improvements	71,055	-	-	71,055
Vehicles	51,996	-	-	51,996
Machinery and equipment	2,994,387	12,543	-	3,006,930
Utility plant	<u>1,442,604,000</u>	<u>29,308,000</u>	<u>173,844,000</u>	<u>1,645,756,000</u>
Total other capital assets	<u>1,459,082,027</u>	<u>29,320,543</u>	<u>173,844,000</u>	<u>1,662,246,570</u>
Total cost	<u>1,772,579,649</u>	<u>52,681,850</u>	<u>(3,642,000)</u>	<u>1,821,619,499</u>
Accumulated depreciation:				
Land improvements	6,297,079	326,130	-	6,623,209
Buildings	2,445,112	76,380	-	2,521,492
Building improvements	68,031	216	-	68,247
Vehicles	51,996	-	-	51,996
Machinery and equipment	1,684,308	180,304	-	1,864,612
Utility plant	<u>633,398,000</u>	<u>31,430,000</u>	<u>(3,023,000)</u>	<u>661,805,000</u>
Total accumulated depreciation	<u>643,944,526</u>	<u>32,013,030</u>	<u>(3,023,000)</u>	<u>672,934,556</u>
Nuclear fuel, at amortized cost	<u>21,344,000</u>	<u>4,967,000</u>	<u>(4,896,000)</u>	<u>21,415,000</u>
Business-type activities capital assets, net	<u>\$ 1,149,979,123</u>	<u>\$ 25,635,820</u>	<u>\$ (5,515,000)</u>	<u>\$ 1,170,099,943</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-F Interfund Balances and Transfers

Interfund balances at December 31, 2023 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, 2023 consisted of the following:

Payable to:	Payable from:		
	General fund	Nonmajor governmental funds	Total
General fund	\$ -	\$ 144,858	\$ 144,858
Nonmajor governmental funds	337	-	337
Total	\$ 337	\$ 144,858	\$ 145,195

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 move remaining funds 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, 2023 consisted of the following:

Transfer to:	Transfer from:			Total
	General fund	WLSF Commission fund	Nonmajor governmental funds	
General fund	\$ -	\$ 18,992,000	\$ 895,239	\$ 19,887,239
Nonmajor governmental funds	7,153,233	-	9,223,402	16,376,635
Nonmajor enterprise funds	72,420	-	2,938,027	3,010,447
Total	\$ 7,225,653	\$ 18,992,000	\$ 13,056,668	\$ 39,274,321

Within the nonmajor governmental funds transfer to the nonmajor enterprise funds of \$2,938,027, \$2,341,308 is a transfer of capital assets. For the enterprise funds, the transfer is reported in the fund statements. For the governmental funds, the transfer is reported only at the government-wide level.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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 Leases

The City is subject to a variety of lease agreements, none of which meet the criteria for inclusion in the financial statements under GASB 87.

The City leases eleven pieces of office equipment and two rental spaces from outside vendors with fixed payment terms, either with terms of less than 12 months, or with title not transferring. Total lease expense on these leases approximates \$81,000 for the year ended December 31, 2023.

The City leases fourteen pieces of land, buildings, or equipment to others. One equipment lease has fixed payment terms, and has terms of less than twelve months. Ten building and land leases are leased at terms that do not meet the criteria for an exchange-like transaction, as they are at discounted values. Three land leases from the airport to others are regulated by the Federal Aviation Authority. Total lease income on these leases, included in miscellaneous income, approximates \$65,000 for the year ended December 31, 2023.

The WLSF Commission has several leases under the scope of the Statement for which the WLSF Commission is the lessor. The WLSF Commission has one lease under the scope of the Statement for which it is the lessee. Most of the leases are land leases, and the WLSF Commission has one right-of-way lease and one equipment lease. However, leasing activity is not an integral part of the WLSF Commission's operations and the equipment lease is not significant.

The WLSF Commission currently has land lease agreements with Oglethorpe Power Company, Makerstar South, Georgia Power Company, and Skylink Properties LLC. None of these leases include interest; however, the Oglethorpe Power Company lease requires a CPI calculation at each of the two extension terms. The CPI calculation was made for the first extension as of October 2020, and the second calculation will not be made until October 2040. The CPI calculation increases the annual payment at the calculation date and remains that amount for each of the 20 years within that extension term. The two Skylink Properties LLC land leases commenced in August 2008, and were written for 5-year terms with 9 terms agreed upon. Both leases are stated to have a 15% increase at the beginning of each new term. The Tennessee Valley Authority ("TVA") right-of-way lease commenced in May 2009, and has an immaterial annual payment with the annual payment increasing by a fixed amount that is not significant every year thereafter. All other leases have a fixed payment, whether it be monthly or annually, and the payment amount remains constant for the life of the lease. Revenue associated with leases for the year ended December 31, 2023 was immaterial. The accumulation of the remaining amounts to be received over the life of the lease agreements between other organizations and the WLSF Commission are recorded within the net lease assets and deferred inflows of resources line items on the statement of net position.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-I Subscription-Based Information Technology Agreements

As noted in Note 2-B, the City and the WLSF Commission have adopted GASB Statement No. 96 effective January 1, 2023.

Under the provisions of the Statement, numerous software subscriptions held by the City fall within the scope of SBITAs. However, all of these subscriptions are classified as short-term SBITAs or are immaterial. Consistent with the stipulations of the Statement, none of the SBITAs are recorded, and the implementation of this Standard had no impact on the City.

For the WLSF Commission, this adoption impacts the accounting treatment for subscription-based information technology arrangements wherein the WLSF Commission is the subscriber. Under the provisions of the Statement, numerous software subscriptions held by the WLSF Commission fall within the scope of SBITAs. Notably, a significant portion of these subscriptions are classified as short-term SBITAs. Consistent with the stipulations of GASB Statement No. 96, short-term subscriptions are not recorded within the statement of net position. The terms of the WLSF Commission's long-term SBITAs range from 36 to 72 months. The related balances are included the statement of net position and the expense associated with SBITAs for the year ended December 31, 2023 are not significant.

3-J Long-term Debt

Building Authority Revenue Bonds, Series 2021, dated April 20, 2021, were issued as a public offering with a par amount of \$18,360,000, plus an original issue premium of \$1,964,026, and all-in true interest cost of 1.82% for a total debt service amount of \$23,953,335. The bonds were issued to acquire, construct, and install certain public buildings, facilities, and equipment necessary for the operation of the City, to refund the Building Authority Recovery Zone Economic Development Bonds, and to cover issuance costs. As these bonds were issued in the name of the City of Dalton Building Authority, they were reflected as a lease payable on the government-wide financial statements.

At December 31, 2023, the amount presented as leases on the government-wide statement of net position consisted of the following:

Leases payable	\$	17,130,000
Unamortized premium		1,767,624
Less: current maturities		<u>(660,000)</u>
Total long-term leases payable	\$	<u>18,237,624</u>

Debt service requirements to maturity are as follows:

Date Due	Principal	Interest	Total
2024	\$ 660,000	\$ 526,550	\$ 1,186,550
2025	695,000	492,675	1,187,675
2026	730,000	457,050	1,187,050
2027	770,000	419,550	1,189,550
2028	815,000	379,925	1,194,925
2029-2033	4,670,000	1,278,225	5,948,225
2034-2038	5,330,000	616,700	5,946,700
2039-2041	3,460,000	104,700	3,564,700
	<u>\$ 17,130,000</u>	<u>\$ 4,275,375</u>	<u>\$ 21,405,375</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-J 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, 2023.

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, 2023.

At December 31, 2023, WLSF Commission debt consisted of the following:

Bond offering principal	\$ 130,207,000
Unamortized debt premium, net of \$1.5 M of debt issuance costs	21,549,000
Less: current maturities	<u>(5,674,000)</u>
Total long-term debt	<u>\$ 146,082,000</u>

Bond debt service requirements to maturity are as follows:

Date Due	Principal	Interest	Total
2024	\$ 5,674,000	\$ 5,807,000	\$ 11,481,000
2025	5,966,000	5,524,000	11,490,000
2026	6,269,000	5,225,000	11,494,000
2027	6,595,000	4,912,000	11,507,000
2028	6,929,000	4,582,000	11,511,000
2029 - 2033	40,254,000	17,376,000	57,630,000
2034 - 2038	45,504,000	7,879,000	53,383,000
2039 - 2041	13,016,000	848,000	13,864,000
	<u>\$ 130,207,000</u>	<u>\$ 52,153,000</u>	<u>\$ 182,360,000</u>

The WLSF Commission does not have any unused lines of credit or assets pledged as collateral.

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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-J 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. Any net pension liability will be paid from the pension trust fund. Any net OPEB liability will be paid from the OPEB trust fund. Any remaining net pension liability or net OPEB liability 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.

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 ARO reflected in the statement of net position as of December 31, 2023 are as follows:

ARO balance at December 31, 2022	\$	99,604,000
Liabilities incurred		3,131,000
Accretion		3,681,000
Liabilities settled		(494,000)
Cash flow revisions		(2,024,000)
ARO balance at December 31, 2023	\$	<u>103,898,000</u>

In 2023, the WLSF Commission recorded cash flow revisions of \$(2,024,000) to its ARO 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”).

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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-J Long-term Debt (continued)

Changes in long-term liabilities - The City's long-term obligations consisted of the following at December 31, 2023:

	Outstanding 12/31/2022	Additions	Reductions	Revisions	Outstanding 12/31/2023	Amounts Due in One Year
Governmental activities:						
Leases payable	\$ 17,760,000	\$ -	\$ (630,000)	\$ -	\$ 17,130,000	\$ 660,000
Unamortized premium on debt	1,865,825	-	(98,201)	-	1,767,624	-
Compensated absences	5,165,827	2,311,405	(2,067,225)	-	5,410,007	1,500,000
Total governmental activities	\$ 24,791,652	\$ 2,311,405	\$ (2,795,426)	\$ -	\$ 24,307,631	\$ 2,160,000
Business-type activities						
Asset retirement obligations	99,604,000	6,812,000	(494,000)	(2,024,000)	103,898,000	-
Revenue bonds payable	135,602,000	-	(5,396,000)	-	130,206,000	5,674,000
Unamortized premium on revenue bonds	22,297,000	-	(747,000)	-	21,550,000	-
Compensated absences	100,028	53,181	(39,454)	-	113,755	40,000
Total business-type activities	\$ 257,603,028	\$ 6,865,181	\$ (6,676,454)	\$ (2,024,000)	\$ 255,767,755	\$ 5,714,000

3-K 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 34 - 35 and 161 - 162 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, 2022. The most recent unaudited stand-alone financial statement issued by the Pension Plan was for the year ended December 31, 2023, 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 fair 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 fiduciary 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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-K 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 Board 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-M). 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, 2024 is as follows:

Actively employed participants	140
Average age	51.9 years
Average service	25.7 years
Total annualized compensation for the prior year	\$ 11,609,664
Total expected compensation for the current year	\$ 11,986,986
Participants receiving a benefit	
Service retirees	320
Beneficiaries	74
Inactive participants - deferred; vested	17

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-K Pensions (continued)

Contribution requirements - In accordance with the most recent actuarial report, the Pension Plan's funding policy for employers should be decreased from 41.7% (at the last valuation date) to 34.0% 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 from January 1, 2020 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 pursue 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, 2023, the annual money-weighted rate of return on the Pension Plan's investments, net of Pension Plan investment expense, was 16.24%. The money-weighted rate of return expressed investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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, 2023 through December 31, 2023:

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-2020.
Retirement:	Retirement is assumed to occur at normal retirement age.
Other decrements:	Assumed employment termination is based on age and ranges from 23.00% at age 20 to 4.00% at age 55. Assumed disability is based on age and gender and ranges from 0.04% for males and 0.02% for females at age 20 to 2.24% for males and 1.27% for females at age 65.
Non-investment expenses:	\$50,000 per year
Future contributions:	Contributions from the employer and employees are assumed to be made as legally required.
Changes:	No assumptions were changed since the prior measurement date.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-K Pensions (continued)

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.

Proportionate share of net pension liability of the City – The net pension liability reported by the City is based on the measurement date of December 31, 2023. The components of the net pension liability allocable to the City as of the Pension Plan's year end are as follows:

	Allocable Plan		
	Allocable Total Pension Liability	Fiduciary Net Position	Allocable Net Pension Liability
Balance at December 31, 2022	\$ 154,421,928	\$ 122,343,804	\$ 32,078,124
Changes for the year:			
Service cost	1,480,597	-	1,480,597
Expected interest growth	10,378,465	8,152,585	2,225,880
Unexpected interest growth	-	11,155,058	(11,155,058)
Demographic experience	2,117,666	-	2,117,666
Contributions - employer	-	1,611,537	(1,611,537)
Contributions - employee	-	594,206	(594,206)
Benefit payments and refunds	(8,778,510)	(8,778,510)	-
Administrative expenses	-	(50,354)	50,354
Benefit term changes	-	-	-
Assumption changes	-	-	-
Allocation changes	792,813	628,122	164,691
Net changes	5,991,031	13,312,644	(7,321,613)
Balance at December 31, 2023	<u>\$ 160,412,959</u>	<u>\$ 135,656,448</u>	<u>\$ 24,756,511</u>

Allocable Plan Fiduciary Net Position as a percentage of Allocable Total Pension Liability 85%

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, 2023, 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	\$ 177,768,677	\$ 160,412,959
Allocable plan fiduciary net position	135,656,448	135,656,448	135,656,448
Net pension liability for City	<u>\$ 42,112,229</u>	<u>\$ 24,756,511</u>	<u>\$ 10,224,209</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-K Pensions (continued)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended December 31, 2023, the City recognized pension expense of \$2,403,042. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Allocable Deferred Outflows of Resources	Allocable Deferred Inflows of Resources
Differences between projected and actual investment earnings	\$ 20,279,079	\$ 14,033,252
Changes in proportion	304	146
Balance as of December 31, 2023	<u>\$ 20,279,383</u>	<u>\$ 14,033,398</u>

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	Allocable Deferred Outflows of Resources	Allocable Deferred Inflows of Resources	Net Outflows (Inflows) Recognized to (Benefit) Expense
2024	\$ 6,759,795	\$ 5,558,048	\$ 1,201,747
2025	6,759,795	4,013,281	2,746,514
2026	6,759,793	2,231,036	4,528,757
2027	-	2,231,033	(2,231,033)
2028	-	-	-

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	\$ 9,246,267	\$ 11,287,756	\$ 6,398,476
WLSF Commission	10,763,000	13,139,000	7,448,000
Municipal golf course	270,116	329,755	186,922
DWRSWMA	498,745	609,234	345,199
	<u>\$ 20,778,128</u>	<u>\$ 25,365,745</u>	<u>\$ 14,378,597</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-K Pensions (continued)

Financial statements – The Pension Plan’s statement of fiduciary net position at December 31, 2023 was as follows:

Assets	
Cash and cash equivalents	\$ 490,948
Investments, at fair value:	
MetLife Large Cap Equity Index Fund	9,422,802
MetLife Small Cap Index Fund	29,028,534
MetLife Aggregate Bond Index Fund	9,598,251
Vanguard Institutional Index Fund	56,848,719
Vanguard Small Cap Index Fund	18,490,014
Vanguard Total Bond Market Index Fund	14,953,653
Contributions receivable	<u>164,435</u>
Total Assets	<u>\$ 138,997,356</u>
Liabilities	
Current Liabilities:	
Accounts payable	<u>\$ 2,533</u>
Total Liabilities	<u>2,533</u>
Net Position	
Restricted for pension	<u>138,994,823</u>
Total Net Position	<u>138,994,823</u>
Total Liabilities and Net Position	<u>\$ 138,997,356</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-K Pensions (continued)

The Pension Plan's statement of changes in fiduciary net position for the year ended December 31, 2023 was as follows:

Additions	
Contributions:	
Employer	\$ 1,651,195
Plan members	<u>608,829</u>
Total contributions	<u>2,260,024</u>
Investment income:	
Interest and dividends	3,012,459
Net increase (decrease) in fair value of investments	<u>16,923,754</u>
Total investment income	19,936,213
Less: investment expense	<u>154,921</u>
Net investment earnings	<u>19,781,292</u>
 Total Additions	 <u>22,041,316</u>
Deductions	
Administrative expenses	55,724
Benefit payments	<u>8,994,541</u>
Total Deductions	<u>9,050,265</u>
 Change in Net Position	 12,991,051
Net Position Beginning of Year	<u>126,003,772</u>
Net Position End of Year	<u>\$ 138,994,823</u>

Additional information on the Pension Plan 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. The City bears no liability for their employees' participation in those plans. Further information regarding these plans can be obtained from those plans' annual reports.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-L 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 34 – 35 and 161 - 162 of this report. The most recent unaudited stand-alone financial statement issued by the OPEB Plan was for the year ended December 31, 2023, 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 fair 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 fiduciary 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 sixty-five with five years of service, (2) age fifty-five with twenty-five years of service, or (3) any age with thirty 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 sixty-five or for no more than five years if hired after May 31, 1998. The OPEB Plan provides life insurance until age seventy 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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-L Other Postemployment Benefits (continued)

Membership in the OPEB Plan consisted of the following at December 31, 2023:

Current retirees and beneficiaries receiving benefits	135
Active employees not yet receiving benefits	617
Total number of covered individuals	752

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 2023 are as follows:

		Annual Retiree
Coverage	Premium	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

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-L 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, 2023 through December 31, 2023:

Actuarial Assumptions

Discount rate:	4.00% per annum; this rate was used to discount all future benefit payments and is 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 8.00% for the 2023 fiscal year graded down by 0.50% per year to 5.00% for the 2029 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 health 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 2023 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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-L 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 4.31% per annum to 4.00% per annum and the healthcare cost trend rates were increased from 5.50% for the 2023 fiscal year and 5.00% for fiscal years thereafter to the amounts shown above.

Discount rate – The discount rate used to measure the total OPEB liability was 4.00%. That rate is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date. The expected long-term rate of return on assets was determined as of the valuation date by the trust’s investment manager.

Proportionate share of the net OPEB liability of the City – The net OPEB liability is based on the measurement date of December 31, 2023. The components of the net OPEB liability allocable to the City as of the OPEB Plan’s year end are as follows:

	Allocable Total	Allocable Plan Fiduciary Net	Allocable Net
	OPEB Liability	Position	OPEB Liability
Balance at December 31, 2022	\$ 17,347,425	\$ 1,190,700	\$ 16,156,725
Changes for the year:			
Service cost	203,001	-	203,001
Expected interest growth	663,448	61,488	601,960
Unexpected investment income	-	91,883	(91,883)
Demographic experience	(440,803)	-	(440,803)
Benefit payments	(667,496)	(667,496)	-
Administrative expenses	-	(17,124)	17,124
Assumption changes	1,488,389	-	1,488,389
Allocation changes	(22,474)	(1,543)	(20,931)
Net changes	<u>1,224,065</u>	<u>(532,792)</u>	<u>1,756,857</u>
Balance at December 31, 2023	<u>\$ 18,571,490</u>	<u>\$ 657,908</u>	<u>\$ 17,913,582</u>

Allocable Plan Fiduciary Net Position as a percentage of Allocable Total OPEB Liability 4%

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-L Other Postemployment Benefits (continued)

The following represents the net OPEB liability allocable to the City as of the measurement date and the OPEB Plan's year end, December 31, 2023, calculated using the healthcare cost trend rate of 8.00% 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 8.00% - 5.00%	Trend Rates Plus 1.00%
Allocable total OPEB liability	\$ 17,649,936	\$ 18,571,490	\$ 19,563,352
Allocable plan fiduciary net position	657,908	657,908	657,908
Net OPEB liability for City	<u>\$ 16,992,028</u>	<u>\$ 17,913,582</u>	<u>\$ 18,905,444</u>

The following represents the net OPEB liability allocable to the City as of the measurement date and the OPEB Plan's year end, December 31, 2023, calculated using the discount rate of 4.00%, 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 4.00%	Discount Rate Plus 1.00%
Allocable total OPEB liability	\$ 19,487,979	\$ 18,571,490	\$ 17,723,938
Allocable plan fiduciary net position	657,908	657,908	657,908
Net OPEB liability for City	<u>\$ 18,830,071</u>	<u>\$ 17,913,582</u>	<u>\$ 17,066,030</u>

OPEB expense and deferred outflows and inflows of resources related to other postemployment benefits – For the year ended December 31, 2023, the City recognized an OPEB benefit of \$1,250,839. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Allocable Deferred Outflows of Resources	Allocable Deferred Inflows of Resources
Differences between projected and actual investment earnings	\$ 262,418	\$ 233,153
Differences between expected and actual economic experience	2,744,315	5,850,357
Changes in actuarial assumptions	1,660,558	3,403,676
Changes in proportion	604,748	606,151
Balance as of December 31, 2023	<u>\$ 5,272,039</u>	<u>\$ 10,093,337</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-L 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	Allocable Deferred Outflows of Resources	Allocable Deferred Inflows of Resources	Net Outflows (Inflows) Recognized to (Benefit) Expense
2024	\$ 1,927,620	\$ 3,876,926	\$ (1,949,306)
2025	1,323,203	2,939,747	(1,616,544)
2026	1,241,889	1,399,441	(157,552)
2027	483,225	1,396,896	(913,671)
2028	238,524	463,009	(224,485)
Thereafter	57,578	17,318	40,260

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	\$ 2,217,312	\$ 8,485,668	\$ 5,093,448
WLSF Commission	2,993,000	9,191,000	4,868,000
Nonmajor proprietary funds	61,727	236,914	131,889
Convention Center	87,396	236,914	125,472
DWRSWMA	169,601	652,223	369,355
	<u>\$ 5,529,036</u>	<u>\$ 18,802,719</u>	<u>\$ 10,588,164</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-L Other Postemployment Benefits (continued)

Financial statements – The OPEB Plan’s statement of fiduciary net position at December 31, 2023 was as follows:

Assets	
Investments, at fair value:	
Georgia Municipal Employees Benefit System OPEB Trust Account	\$ 754,454
Total Assets	<u>\$ 754,454</u>
Liabilities	
Current Liabilities:	
Accounts payable	\$ 63,891
Total Liabilities	<u>63,891</u>
Net Position	
Restricted for OPEB	<u>690,563</u>
Total Net Position	<u>690,563</u>
Total Liabilities and Net Position	<u>\$ 754,454</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-L Other Postemployment Benefits (continued)

The OPEB Plan’s statement of changes in fiduciary net position for the year ended December 31, 2023 was as follows:

Additions	
Investment income:	
Interest and dividends	\$ 13,892
Net increase (decrease) in fair value of investments	<u>150,059</u>
Total investment income	163,951
Less: investment expense	<u>2,969</u>
Net investment earnings	<u>160,982</u>
 Total Additions	 <u>160,982</u>
 Deductions	
Administrative expenses	17,973
Premium payments	<u>700,628</u>
Total Deductions	<u>718,601</u>
 Change in Net Position	 (557,619)
Net Position Beginning of Year	<u>1,248,182</u>
Net Position End of Year	<u><u>\$ 690,563</u></u>

Additional information on the OPEB Plan is presented in the financial statements as required supplementary information, which immediately follows the notes to the basic financial statements.

3-M 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-K). 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. All full-time employees who are at least eighteen years old, have completed six months of continuous service, and work at least 1,000 per year are eligible to participate in the Retirement Plan. The Retirement Plan is a defined contribution plan in which the employer contributes 5% of the employee’s compensation, up to an annual limit of \$200,000, regardless of employee contribution amounts. Beyond this, the employer will match up to the first 5% of the employee’s compensation that the employee contributes to the plan. 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. 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 2023, employee contributions approximated \$1,148,000 and employer contributions approximated \$1,524,000. For the year 2023, forfeitures of employer matching contributions totaled \$151,154 and the ending balance in the forfeiture account was \$205,611.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

3-N Net Position

Net investment in capital assets reported on the government-wide statement of net position as of December 31, 2023 is calculated as follows:

	Governmental Activities	Business-type Activities	Total
Cost of capital assets	\$ 264,023,845	\$ 1,843,034,499	\$ 2,107,058,344
Less: accumulated depreciation	<u>(168,337,838)</u>	<u>(672,934,556)</u>	<u>(841,272,394)</u>
Book value	95,686,007	1,170,099,943	1,265,785,950
Less: capital related debt	-	(130,206,000)	(130,206,000)
Less: premium on capital related debt	-	(21,550,000)	(21,550,000)
Less: payables for capital items	(1,721,381)	-	(1,721,381)
Less: asset retirement obligations	-	(103,898,000)	(103,898,000)
Less: deferred inflows of resources - ITS sale	-	(4,560,000)	(4,560,000)
Add: regulatory asset - capital asset AROs	-	52,299,000	52,299,000
Net investment in capital assets	<u>\$ 93,964,626</u>	<u>\$ 962,184,943</u>	<u>\$ 1,056,149,569</u>

Net position restricted for capital projects for governmental activities, reported on the government-wide statement of net position as of December 31, 2023, is calculated as follows:

	Governmental Activities
Capital projects fund balance	\$ 41,046,306
Less: capital related debt	(17,130,000)
Less: premium on capital related debt	(1,767,624)
Add: payables for capital items included elsewhere	<u>1,721,381</u>
Net position restricted for capital projects	<u>\$ 23,870,063</u>

3-O 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, 2023, interutility sales were as follows:

Electric	\$ 3,832,000
Natural gas	32,000
Water	316,000
Wastewater	107,000
Information technology	<u>2,513,000</u>
Total	<u>\$ 6,800,000</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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		\$ <u>2,022,572</u>
Expenditures for promotion of tourism and support:		
Northwest Georgia Trade and Convention Center Authority		596,719
Dalton Area Convention and Visitors Bureau		493,963
Other tourism expenditures		<u>931,890</u>
Total expenditures		<u>\$ 2,022,572</u>
 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.

The City was self-insured in the past for workers' compensation insurance and health insurance. A risk pool fund was created to pay any remaining workers' compensation or health insurance claims. As claims arise, the risk pool fund charges the specific department to reimburse the claim expense. For the years ended December 31, 2023, 2022, and 2021 there were no settlements in excess of stop-loss insurance coverage.

The health insurance fund had a decrease in net position for 2023, as the fund was closed out. This change in net position must be allocated among the different functions of the entities that used the health insurance internal service fund. The decrease in net position for the health insurance fund was allocated based on the percentage of active covered employees for the 2021 year. Additionally, a portion of the net losses over time of the self-insurance funds was allocated to the business-type activities, as they participated in the programs. As all self-insurance funds are now closed, and any claims arising will be paid out of the risk pool fund and reimbursed by the appropriate department, that cumulative allocation must now be eliminated. The following table shows the allocation of the net change to each function and activity.

	Health Insurance Net Change Allocated	Cumulative Interfund Balance Closed Out
Governmental activities:		
General government	\$ 66	\$ 1,407,989
Judicial	19	-
Health and welfare	15	-
Public safety	719	-
Public works	258	-
Culture and recreation	<u>88</u>	<u>-</u>
Total governmental activities	<u>1,165</u>	<u>1,407,989</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

4-B Risk Management (continued)

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

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

GPC, on behalf of all co-owners of Plants Hatch and Vogtle, is a member of Nuclear Electric Insurance Limited (“NEIL”). NEIL is a mutual insurer established to provide insurance coverage against property damage to its members' nuclear generating facilities. In the event that losses exceed accumulated reserve funds, the members are subject to retroactive premium assessments in proportion to their participation in the mutual insurer. The WLSF Commission's maximum annual assessment would be \$2,405,036 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, OPC, and MEAG, (collectively, the “Vogtle Owners”) to construct two new nuclear reactors generating electric capacity of approximately 1,100 MWs each at the Plant Vogtle Site. Vogtle Units 3 and 4 began construction in 2009, with Unit 3 being placed into commercial operation on July 31, 2023 and Unit 4 on April 29, 2024. The WLSF Commission has a 1.6% ownership stake in Vogtle Units 3 and 4. Through December 31, 2023, the WLSF Commission has spent \$303.4 million on the new units.

Joint Owner Contract and Agreements – In 2008, GPC, acting for itself and as agent for the Vogtle Owners, entered into an agreement with a consortium of contractors 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 and 4 Agreement”). At the time of entering into the Vogtle 3 and 4 Agreement, Toshiba Corporation, the parent company of one of the contractors, guaranteed certain payment obligations of the contractor under the Vogtle 3 and 4 Agreement (“the Toshiba Guarantee”), including any liability of the contractor for abandonment of work. Until March 2017, construction on Vogtle Units 3 and 4 continued under the Vogtle 3 and 4 Agreement. This agreement ended when the contractors filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code. Afterwards, Toshiba Corporation entered into a settlement agreement with all the Vogtle owners wherein Toshiba Corporation acknowledged the amount of its obligations under the Toshiba Guarantee which totaled \$3.7 billion, of which, the WLSF Commission's share was \$59.3 million. In July 2017, the Vogtle Owners entered the “Vogtle Services Agreement” to allow the contractors to continue to provide various professional services and procurement on a time and materials cost basis. In October 2017, GPC acting for itself and as agent for the Vogtle Owners, executed the Bechtel Agreement for the continuation of construction of the Vogtle project 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 cost 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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

4-C Commitments and Contingent Liabilities (continued)

In November 2017, the Vogtle Owners entered into an amendment to their joint ownership agreements for Vogtle 3 and 4 (as amended, the “Joint Ownership Agreements”) to provide for, among other conditions, additional Vogtle Owner approval requirements. Effective August 31, 2018, the Vogtle Owners further amended the Joint Ownership Agreements to clarify and provide procedures for certain provisions of the 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. 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 Vogtle Units 3 and 4. 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 Vogtle Units 3 and 4 were required to vote to continue construction as these events qualified as adverse events under the Vogtle Joint 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 project. Pursuant to the Global Amendments, and consistent with the Vogtle Owner Term Sheet, the Vogtle Joint Ownership Agreements were modified to allow for, among other things, the Vogtle owners to have a one-time option 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 estimated cost at completion (“EAC”) in the nineteenth VCM plus \$2.1 billion.

On February 14, 2022, the Vogtle Owners voted to approve a construction budget of \$20.5 billion (excluding non-sharable costs) which was expected to accommodate costs incurred if achieving commercial operation occurred during the end of the then projected windows of the fourth quarter 2022 or the first quarter 2023 for Unit 3 and the third quarter or the fourth quarter 2023 for Unit 4. The WLSF Commission communicated to GPC that they believed the February 14, 2022 budget meets the requirements to trigger a Vogtle Owner’s option to tender a portion of its ownership share as outlined in the agreements. Additionally, actual project costs through March 31, 2022 met the threshold for GPC’s increased responsibility for certain construction costs as outlined in the Global Amendments described above. GPC and the other Vogtle Owners did not agree on the starting dollar amount for the determination of triggers for cost-sharing and each Vogtle Owner’s option to tender a portion of its ownership share, nor did GPC agree with the other Vogtle Owners regarding the extent to which costs resulting from a force majeure event, such as COVID-19, impacted these triggers.

On June 17, 2022, OPC disclosed that it gave notice of its tender of a portion of its ownership interest in Vogtle Units 3 and 4 pursuant to the Global Amendments. Further, OPC and MEAG, on June 18, 2022, each filed a lawsuit against GPC in the Superior Court of Fulton County, Georgia, seeking to enforce the terms of the Global Amendments. On July 26, 2022, the WLSF Commission gave notice to GPC that it was executing its option under the Global Amendments to tender a portion of its ownership in Plant Vogtle Units 3 and 4 and, on September 26, 2022, the WLSF Commission intervened in both suits filed by OPC and MEAG against GPC.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

4-C Commitments and Contingent Liabilities (continued)

On September 29, 2022, GPC and MEAG reached an agreement to resolve their dispute regarding the proper interpretation of the cost-sharing and tender provisions of the Global Amendments. On October 5, 2023 and October 17, 2023, GPC reached agreements with OPC and the WLSF Commission, respectively, to resolve their disputes regarding cost sharing and tender provisions of the Global Amendments. Under the terms of the agreement with the WLSF Commission, among other things, the WLSF Commission retracted its exercise of the tender option and will retain its full ownership interest in Plant Vogtle Units 3 and 4. Under this provision, GPC made a payment to the WLSF Commission of \$17 million, representing the Commission's costs of construction in excess of the cost sharing thresholds agreed to under the Global Amendments. In addition, GPC will pay a portion of further costs for construction as they are incurred with no further adjustment for force majeure costs, which was an aggregate amount of \$6.0 million for the WLSF Commission based on the project capital forecast at the time of the settlement. Lastly, GPC agreed to pay 66% of the WLSF Commission's costs of construction with respect to any amounts above the project capital forecast at the time of the settlement with no further adjustment for force majeure costs.

As a result of the terms of the settlement above, the WLSF Commission recorded an amount of \$303.4 million invested in the Vogtle 3 and 4 project as of December 31, 2023, as compared to \$306 million at the end of 2022. Vogtle Units 3 and 4 achieved commercial operation as of July 31, 2023, and April 29, 2024, respectively.

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

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

Clean Water Act Claims - City of Rome, Georgia v. Board of Water Light and Sinking Fund Commissioners of the City of Dalton, Georgia d/b/a Dalton Utilities, et. al. - This suit was originally filed in 2019 by the City of Rome, Georgia against several floorcovering and chemical manufacturers. The case was amended in May 2022 to include the WLSF Commission, and alleges that PFAS chemicals from operations had entered the waterways in and around Dalton through the land application system ("LAS") operated by the WLSF Commission, resulting in alleged damages to the City of Rome. In December 2022, the City of Rome case was settled by all defendants, including the WLSF Commission, with confidential terms of settlement. The WLSF Commission's financial part of the settlement is an agreement to pay \$25 million dollars to the City of Rome in annual payments of \$5 million dollars, beginning in June of 2023 and continuing until the settlement amount of \$25 million dollars is paid in full. As of December 31, 2023, the WLSF Commission is compliant with the terms agreed upon.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

4-C Commitments and Contingent Liabilities (continued)

In addition to the financial term of the settlement set forth above, a settlement agreement and general release was executed between the parties containing the following provision: The WLSF Commission “warrants and represents that, to address claims asserted in the Rome and Johnson cases, it will take reasonable steps to prevent the future release of PFAS from the LAS into surrounding waterways by (1) seeking input from the Georgia Environmental Protection Division (“EPD”) and, as necessary, the EPA; (2) seeking funding necessary to add PFAS treatment to its current wastewater operations; and (3) at the appropriate time with necessary approvals in place, entering into a consent order requiring the WLSF Commission to address the release of PFAS at the LAS with measures including: (a) shifting from an LAS permit to a direct discharge permit; (b) reducing the historic PFAS at the LAS; (c) minimizing the release of PFAS from the LAS into surrounding waterways.” At this time, the financial cost and timing associated with this term of settlement is not known and not reasonably estimable.

Clean Water Act Claims - Johnson v. 3M, et al (including the Board of Water Light and Sinking Fund Commissioners of the City of Dalton, Georgia d/b/a Dalton Utilities) - 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. In September 2021, the court dismissed one of the state law claims. At this time, the WLSF Commission is unable to determine the potential liabilities that could result from unfavorable outcomes in these matters. The WLSF Commission intends to vigorously pursue and defend these matters. However, the ultimate outcome of these matters cannot be determined at this time.

Core Scientific Bankruptcy - On December 21, 2022, Core Scientific, Inc., and certain of its subsidiaries (“Core”) filed voluntary chapter 11 bankruptcy petitions in the United States Bankruptcy Court for the Southern District of Texas. Prior to the commencement of the bankruptcy proceeding, the WLSF Commission supplied Core with electric utility and other services to power its cryptocurrency mining operations. At the petition date, Core owed the WLSF Commission \$9.1 million related to utility services provided prior to the petition date. On January 24, 2024, a promissory note agreement was reached between Core and the WLSF Commission where the full balance owed of \$9.1 million would be repaid with interest. As of May 2, 2024, all funds related to the promissory note were received by the WLSF Commission.

Certain environmental contingencies - 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 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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

4-C Commitments and Contingent Liabilities (continued)

Environmental laws and regulations - In 2020, the EPA published the final steam electric ELG reconsideration rule (“ELG Reconsideration Rule”), a reconsideration of the 2015 ELG rule's limits on bottom ash transport water and flue gas desulfurization wastewater that extended the latest applicability date for both discharges to December 31, 2025. The ELG Reconsideration Rule also updated the voluntary incentive program and provided new subcategories for low utilization electric generating units and electric generating units that will permanently cease coal combustion by 2028. On March 29, 2023, the EPA published a proposed ELG Supplemental Rule revising certain effluent limits of the 2020 and 2015 ELG rules. On April 25, 2024, the EPA released a pre-publication copy of the final rule revising the Stream Effluent Guidelines (“ELG Final Rule”), which will establish more stringent limits for flue gas desulfurization wastewater, bottom ash transport water, and combustion residual leachate to be met no later than December 31, 2029. The ELG Final Rule maintains the ELG Reconsideration Rule’s permanent cessation of the coal subcategory and the ELG Reconsideration Rule’s voluntary incentive program and adds a new cessation subcategory which allows units to cease coal combustion by December 31, 2034, as opposed to meeting the new stringent requirements. The ELG Final Rule will also establish limitations for legacy wastewater which will be effective 60 days from the date of publication. The ultimate impact of the ELG Final Rule cannot be determined at this time; however, it may result in significant compliance costs.

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 2023, the WLSF Commission incurred purchased gas expense of \$19,300,000 and purchased electricity expense of \$80,400,000, 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, 2023, the bonds have an aggregate outstanding principal amount payable of \$40,380,000.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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 May 24, 2024.

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:	<u>Westside</u>	<u>Old Dixie Phases 2, 4, & 5</u>	<u>Old Dixie Phase 6</u>	<u>Balefill</u>	<u>Total</u>
Estimated future costs:					
Closure	Completed	Completed	\$ 14,574,000	\$ 1,492,000	\$ 16,066,000
Post-closure	<u>966,000</u>	<u>2,517,000</u>	<u>8,300,000</u>	<u>1,497,000</u>	<u>13,280,000</u>
	966,000	2,517,000	22,874,000	2,989,000	29,346,000
Percentage of total landfill capacity used at					
December 31, 2023	<u>100.0%</u>	<u>100.0%</u>	<u>64.3%</u>	<u>99.4%</u>	
	<u>\$ 966,000</u>	<u>\$ 2,517,000</u>	<u>\$ 14,699,000</u>	<u>\$ 2,970,000</u>	<u>\$ 21,152,000</u>

The DWRSWMA will record the remaining estimated cost of closure and post-closure care costs of \$8,194,000 as the remaining capacity is filled. Estimated remaining landfill life is 13.4 years. The above estimates are based on what it would cost to perform all closure and post-closure care in 2023. Actual costs when incurred may be higher due to inflation, changes in technology, or changes in laws and regulations.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

4-E Joint Ventures (continued)

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 September 22, 2023, the DWRSWMA was in compliance for closure and post-closure care financial assurance requirements through June 30, 2024.

Condensed audited financial statements for the DWRSWMA at December 31, 2023 are as follows:

Statement of Net Position

Assets	
Current assets	\$ 26,079,663
Capitalized assets	24,061,519
Other assets	<u>111,126</u>
Total assets	<u>50,252,308</u>
Deferred outflows of resources	<u>668,346</u>
Total assets and deferred outflows	<u>\$ 50,920,654</u>
Liabilities	
Current liabilities	\$ 673,711
Non-current liabilities	<u>22,650,037</u>
Total liabilities	<u>23,323,748</u>
Deferred inflows of resources	<u>835,066</u>
Net position	<u>26,761,840</u>
Total liabilities, deferred inflows, and net position	<u>\$ 50,920,654</u>

Statement of Revenues, Expenses, and Changes in Fund Net Position

Operating revenues	\$ 9,368,076
Operating expenses	(5,669,996)
Depreciation	<u>(1,330,464)</u>
Operating income (loss)	2,367,616
Non-operating revenues (expenses)	<u>(7,635,470)</u>
Change in net position	(5,267,854)
Beginning net position	<u>32,029,694</u>
Ending net position	<u>\$ 26,761,840</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
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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 May 22, 2024.

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, 2023 are as follows:

Statement of Net Position

Assets	
Current assets	\$ 856,050
Capitalized assets	<u>9,699,476</u>
Total assets	<u>10,555,526</u>
Deferred outflows of resources	<u>87,396</u>
Total assets and deferred outflows	<u>\$ 10,642,922</u>
Liabilities	
Current liabilities	\$ 890,090
Non-current liabilities	<u>299,974</u>
Total liabilities	<u>1,190,064</u>
Deferred inflows of resources	<u>125,472</u>
Net position	<u>9,327,386</u>
Total liabilities, deferred inflows, and net position	<u>\$ 10,642,922</u>

Statement of Revenues, Expenses, and Changes in Fund Net Position

Operating revenues	\$ 1,358,130
Operating expenses	(1,980,603)
Depreciation	<u>(850,089)</u>
Operating income (loss)	(1,472,562)
Non-operating revenues (expenses)	<u>1,184,079</u>
Change in net position	(288,483)
Beginning net position	<u>9,615,869</u>
Ending net position	<u>\$ 9,327,386</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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 June 19, 2024.

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, 2023 are as follows:

Statement of Net Position

Assets	
Current assets	\$ 5,666,458
Capitalized assets	36,758
Noncurrent assets	<u>250,000</u>
Total assets	<u>\$ 5,953,216</u>
Current liabilities	<u>\$ 3,253,598</u>
Net position	<u>2,699,618</u>
Total liabilities and net position	<u>\$ 5,953,216</u>

Statement of Activities

Program revenues	\$ 163,375
General revenues	357,500
Economic development expenses	<u>(493,474)</u>
Change in net position	27,401
Beginning net position	<u>2,672,217</u>
Ending net position	<u>\$ 2,699,618</u>

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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. Those bonds were satisfied during 2023 and the amount of the bonds outstanding as of December 31, 2023 is \$0.

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, 2023 is \$6,715,000.

The City of Dalton Building Authority issued revenue bonds as a public offering during 2022 to finance certain capital outlay projects for the City of Dalton Board of Education. The amount of the bonds outstanding as of December 31, 2023 is \$15,930,000.

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 deferral/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.

City of Dalton, Georgia
Notes to the Basic Financial Statements
December 31, 2023

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.

Thirty-one abatement agreements are outstanding as of December 31, 2023. Reductions in tax revenues attributable to local governments are as follows:

Government Entity	2023 Tax Reduction
City of Dalton, Georgia	\$ 109,882
Whitfield County, Georgia	1,834,765
City of Dalton Board of Education	480,167
Whitfield County Board of Education	3,472,733

REQUIRED SUPPLEMENTARY INFORMATION

City of Dalton, Georgia
Required Supplementary Information
Schedule of Changes in the Net Pension (Asset) Liability
December 31, 2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability:									
Service cost	\$ 1,743,901	\$ 1,652,021	\$ 1,592,733	\$ 1,453,620	\$ 1,439,780	\$ 1,426,355	\$ 1,566,107	\$ 1,470,510	\$ 1,517,033
Expected interest growth	8,238,500	8,495,017	8,713,989	8,904,957	9,270,324	9,429,765	9,868,313	10,314,455	10,633,869
Demographic experience	(1,273,686)	216,267	(54,192)	(798,265)	(780,862)	(1,001,988)	3,245,665	(703,877)	2,169,780
Benefit payments and refunds	(6,513,889)	(6,904,562)	(7,133,475)	(7,440,532)	(7,499,751)	(7,662,936)	(7,845,115)	(8,464,660)	(8,994,541)
Benefit term changes	-	-	-	-	-	-	-	2,543,098	-
Assumption changes	1,890,054	-	-	3,352,582	-	4,198,143	-	(252,245)	-
Allocation changes	-	-	-	-	674	-	(2)	-	-
Net change in total pension liability	4,084,880	3,458,743	3,119,055	5,472,362	2,430,165	6,389,339	6,834,968	4,907,281	5,326,141
Total pension liability - beginning (a)	122,337,634	126,422,514	129,881,257	133,000,312	138,472,674	140,902,839	147,292,178	154,127,146	159,034,427
Total pension liability - ending (c)	\$ 126,422,514	\$ 129,881,257	\$ 133,000,312	\$ 138,472,674	\$ 140,902,839	\$ 147,292,178	\$ 154,127,146	\$ 159,034,427	\$ 164,360,568
Plan fiduciary net position:									
Employer contributions	\$ 7,099,703	\$ 6,841,734	\$ 7,225,029	\$ 7,311,443	\$ 7,729,413	\$ 9,130,197	\$ 3,251,149	\$ 2,600,285	\$ 1,651,195
Employee contributions	784,871	769,249	727,343	688,300	663,908	677,164	646,835	647,018	608,829
Benefit payments and refunds	(6,513,878)	(6,904,591)	(7,133,475)	(7,440,532)	(7,499,751)	(7,662,936)	(7,845,115)	(8,464,660)	(8,994,541)
Administrative expenses	(59,791)	(42,900)	(59,239)	(50,901)	(69,262)	(79,278)	(61,000)	(49,056)	(51,592)
Expected interest growth	5,718,288	5,800,923	6,299,827	7,130,290	6,967,184	8,411,988	9,461,022	10,412,008	8,353,212
Unexpected investment income	(5,527,933)	814,584	5,258,879	(10,188,016)	12,813,826	7,913,820	9,130,438	(34,630,214)	11,429,573
Allocation changes	-	-	-	-	(684)	-	(2)	-	-
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	14,583,327	(29,484,619)	12,996,676
Plan fiduciary net position - beginning (b)	83,354,643	84,855,903	92,134,902	104,453,266	101,903,850	122,508,484	140,899,439	155,482,766	125,998,147
Plan fiduciary net position - ending (d)	\$ 84,855,903	\$ 92,134,902	\$ 104,453,266	\$ 101,903,850	\$ 122,508,484	\$ 140,899,439	\$ 155,482,766	\$ 125,998,147	\$ 138,994,823
Net pension (asset) liability - beginning (a) - (b)	\$ 38,982,991	\$ 41,566,611	\$ 37,746,355	\$ 28,547,046	\$ 36,568,824	\$ 18,394,355	\$ 6,392,739	\$ (1,355,620)	\$ 33,036,280
Net pension (asset) liability - ending (c) - (d)	\$ 41,566,611	\$ 37,746,355	\$ 28,547,046	\$ 36,568,824	\$ 18,394,355	\$ 6,392,739	\$ (1,355,620)	\$ 33,036,280	\$ 25,365,745
Pension Plan's fiduciary net position									
as a % of total pension liability	67%	71%	79%	74%	87%	96%	101%	79%	85%
Covered payroll	\$ 16,758,095	\$ 15,756,935	\$ 15,113,517	\$ 14,091,077	\$ 13,722,784	\$ 13,304,622	\$ 13,740,735	\$ 13,030,951	\$ 12,664,635
Net pension liability as a percentage of covered payroll	248%	240%	189%	260%	134%	48%	N/A	254%	200%

Note: 2015 was the first year that data was measured in accordance with GASB 68.
Note: Only nine 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, 2023

Measurement Date	Total Pension Liability	Fiduciary Net Position	Net Pension (Asset) Liability	Funded Percentage	Covered Payroll	Net Pension Liability as a % of Covered Payroll
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%
12/31/2021	154,127,146	155,482,766	(1,355,620)	101%	13,740,735	N/A
12/31/2022	159,034,427	125,998,147	33,036,280	79%	13,030,951	254%
12/31/2023	164,360,568	138,994,823	25,365,745	85%	12,664,635	200%

N/A - Not applicable

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, 2023

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
12/31/2014	\$ 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%
12/31/2021	3,251,149	3,251,149	-	13,740,735	24%
12/31/2022	2,600,285	2,600,285	-	13,030,951	20%
12/31/2023	1,651,195	1,651,195	-	12,664,635	13%

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, 2023

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

December 31, 2023 16.24%

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, 2023
Measurement date:	December 31, 2023
Actuarial valuation date:	January 1, 2023
Actuarial cost method:	Projected unit credit cost
Amortization method:	The unfunded actuarial accrued liability is amortized over a 20 year period from January 1, 2020 with level dollar payments.
Asset method:	The actuarial value of assets is equal to the fair value of assets.
Interest rate:	6.81% per annum
Discount rate:	6.81% per annum
Inflation:	2.50% per year
Salary increases:	3.25% per year
Changes in assumptions:	No assumptions were changed since the prior measurement date.
Changes in benefit terms:	No benefit terms were changed since the prior measurement date.

City of Dalton, Georgia
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability
December 31, 2023

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB liability:						
Service cost	\$ 718,157	\$ 343,785	\$ 372,240	\$ 327,457	\$ 145,558	\$ 213,077
Expected interest growth	1,345,164	1,142,963	453,023	461,185	1,100,391	696,378
Demographic experience	(4,699,489)	(4,840,113)	(36,737)	5,507,148	(6,499,491)	(462,682)
Benefit payments and refunds	(755,998)	(766,394)	(805,454)	(1,388,280)	(873,409)	(700,627)
Assumption changes	<u>96,681</u>	<u>(7,827,897)</u>	<u>1,041,897</u>	<u>63,701</u>	<u>(2,149,127)</u>	<u>1,562,265</u>
Net change in total OPEB liability	(3,295,485)	(11,947,656)	1,024,969	4,971,211	(8,276,078)	1,308,411
Total OPEB liability - beginning (a)	<u>35,707,910</u>	<u>32,412,425</u>	<u>20,464,769</u>	<u>21,489,738</u>	<u>26,460,949</u>	<u>18,184,871</u>
Total OPEB liability - ending (c)	<u>\$ 32,412,425</u>	<u>\$ 20,464,769</u>	<u>\$ 21,489,738</u>	<u>\$ 26,460,949</u>	<u>\$ 18,184,871</u>	<u>\$ 19,493,282</u>
Plan fiduciary net position:						
Retiree contributions	\$ 193,146	\$ 187,598	\$ 198,496	\$ 195,291	\$ -	\$ -
Benefit payments and refunds	(755,998)	(766,394)	(805,454)	(1,388,280)	(873,409)	(700,627)
Administrative expenses	(24,560)	(14,717)	(24,180)	(19,282)	(16,533)	(17,973)
Expected interest growth	296,647	236,909	222,135	190,631	89,122	64,539
Unexpected investment income	<u>(456,718)</u>	<u>480,291</u>	<u>257,561</u>	<u>290,148</u>	<u>(459,073)</u>	<u>96,443</u>
Net change in plan fiduciary net position	(747,483)	123,687	(151,442)	(731,492)	(1,259,893)	(557,618)
Plan fiduciary net position - beginning (b)	<u>4,014,804</u>	<u>3,267,321</u>	<u>3,391,008</u>	<u>3,239,566</u>	<u>2,508,074</u>	<u>1,248,181</u>
Plan fiduciary net position - ending (d)	<u>\$ 3,267,321</u>	<u>\$ 3,391,008</u>	<u>\$ 3,239,566</u>	<u>\$ 2,508,074</u>	<u>\$ 1,248,181</u>	<u>\$ 690,563</u>
Net OPEB liability - beginning (a) - (b)	<u>\$ 31,693,106</u>	<u>\$ 29,145,104</u>	<u>\$ 17,073,761</u>	<u>\$ 18,250,172</u>	<u>\$ 23,952,875</u>	<u>\$ 16,936,690</u>
Net OPEB liability - ending (c) - (d)	<u>\$ 29,145,104</u>	<u>\$ 17,073,761</u>	<u>\$ 18,250,172</u>	<u>\$ 23,952,875</u>	<u>\$ 16,936,690</u>	<u>\$ 18,802,719</u>
OPEB Plan's fiduciary net position as a percentage of total OPEB liability	10%	17%	15%	9%	7%	4%
Covered payroll	\$ 31,589,049	\$ 34,333,776	\$ 40,206,869	\$ 39,986,095	\$ 44,439,081	\$ 45,356,859
Net OPEB liability as a percentage of covered payroll	92%	50%	45%	60%	38%	41%

Note: 2018 was the first year that data was measured in accordance with GASB 75.

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 OPEB
December 31, 2023

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%
12/31/2021	26,460,949	2,508,074	23,952,875	9%	39,986,095	60%
12/31/2022	18,184,871	1,248,181	16,936,690	7%	44,439,081	38%
12/31/2023	19,493,282	690,563	18,802,719	4%	45,356,859	41%

NA - Not available

Note: 2018 was the first year that data was measured in accordance with GASB 75.

City of Dalton, Georgia
Required Supplementary Information
Notes to Required Supplementary Information for OPEB
December 31, 2023

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, 2023
Measurement date:	December 31, 2023
Actuarial valuation date:	January 1, 2023
Discount rate:	4.00% per annum; this rate was used to discount all future benefit payments and is 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 8.00% for the 2023 fiscal year graded down by 0.50% per year to 5.00% for the 2029 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 4.31% per annum to 4.00% per annum and the healthcare cost trend rates were increased from 5.50% for the 2023 fiscal year and 5.00% for fiscal years thereafter to the amounts shown above.

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 note 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, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 2,430,374	\$ 3,814	\$ 21,989,979	\$ 24,424,167
Restricted cash	-	-	5,405,948	5,405,948
Receivables:				
Accounts	594,222	-	13,795,160	14,389,382
Taxes	5,375	-	-	5,375
Intergovernmental - federal	1,965,207	-	-	1,965,207
Intergovernmental - state	3,655	-	-	3,655
Intergovernmental - local	42,328	-	1,576,600	1,618,928
Interfund	337	-	-	337
Total Assets	\$ 5,041,498	\$ 3,814	\$ 42,767,687	\$ 47,812,999
Liabilities				
Accounts payable	\$ 1,968,584	\$ -	\$ 1,721,381	\$ 3,689,965
Interfund payable	144,858	-	-	144,858
Unearned revenue	453,226	-	-	453,226
Total Liabilities	2,566,668	-	1,721,381	4,288,049
Deferred Inflows of Resources				
Unavailable revenue - grant funding	16	-	-	16
Fund Balances				
Restricted for:				
Economic development	2,086,588	-	-	2,086,588
Public safety	388,225	-	-	388,225
Housing and development	1	-	-	1
Debt service	-	3,814	-	3,814
Capital projects	-	-	41,046,306	41,046,306
Total Fund Balances	2,474,814	3,814	41,046,306	43,524,934
Total Liabilities and Fund Balances	\$ 5,041,498	\$ 3,814	\$ 42,767,687	\$ 47,812,999

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, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Real and personal property taxes	\$ 6,380	\$ -	\$ -	\$ 6,380
Hotel/motel taxes	2,022,572	-	-	2,022,572
Intergovernmental - federal	2,526,818	-	-	2,526,818
Intergovernmental - state	60,921	-	-	60,921
Intergovernmental - local	42,328	-	9,157,012	9,199,340
Fines and forfeitures	104,937	-	-	104,937
Investment earnings	4,896	450	792,863	798,209
Total Revenues	<u>4,768,852</u>	<u>450</u>	<u>9,949,875</u>	<u>14,719,177</u>
Expenditures				
Current:				
General government	91,075	-	3,163	94,238
Public safety	59,145	-	287,682	346,827
Public works	-	-	1,980,579	1,980,579
Health and welfare	25,070	-	151,726	176,796
Culture and recreation	68,230	-	525,920	594,150
Housing and development	738,680	-	-	738,680
Capital Outlay				
General government	2,341,308	-	218,345	2,559,653
Judicial	-	-	12,845	12,845
Public safety	-	-	1,573,573	1,573,573
Public works	-	-	2,657,871	2,657,871
Culture and recreation	-	-	5,066,964	5,066,964
Debt Service:				
Principal retirement	-	630,000	-	630,000
Interest and fiscal charges	-	579,285	-	579,285
Total Expenditures	<u>3,323,508</u>	<u>1,209,285</u>	<u>12,478,668</u>	<u>17,011,461</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,445,344</u>	<u>(1,208,835)</u>	<u>(2,528,793)</u>	<u>(2,292,284)</u>
Other Financing Sources (Uses)				
Proceeds from sale of assets	26,800	-	28,466	55,266
Transfers in	24,129	1,208,900	15,143,606	16,376,635
Transfers out	(1,491,958)	-	(9,223,402)	(10,715,360)
Total Other Financing Sources (Uses)	<u>(1,441,029)</u>	<u>1,208,900</u>	<u>5,948,670</u>	<u>5,716,541</u>
Net Change in Fund Balances	4,315	65	3,419,877	3,424,257
Fund Balances Beginning of Year	<u>2,470,499</u>	<u>3,749</u>	<u>37,626,429</u>	<u>40,100,677</u>
Fund Balances End of Year	<u>\$ 2,474,814</u>	<u>\$ 3,814</u>	<u>\$ 41,046,306</u>	<u>\$ 43,524,934</u>

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 13,023,187	\$ 16,766,934
Investments	17,725,451	3,670,372
Receivables:		
Accounts	1,779,649	1,761,660
Taxes	1,018,363	5,776,718
Intergovernmental - federal	-	60,624
Intergovernmental - state	1,617	2,538
Intergovernmental - local	111,259	82,321
Interfund	144,858	104,976
Inventory	223,936	224,285
Prepaid items	457,638	3,158
Total Assets	<u>\$ 34,485,958</u>	<u>\$ 28,453,586</u>
Liabilities		
Accounts payable	\$ 459,493	\$ 600,902
Accrued expenditures	452,484	522,748
Unearned revenue	219,000	239,732
Interfund payable	337	13,307
Total Liabilities	<u>1,131,314</u>	<u>1,376,689</u>
Deferred Inflows of Resources		
Unavailable revenue - property taxes	<u>568,815</u>	<u>540,456</u>
Fund Balances		
Nonspendable:		
Inventory	223,936	224,285
Prepaid items	457,638	3,158
Restricted:		
Public works (cemetery)	88,675	88,675
Public works (streetscape)	15,000	15,000
Culture and recreation (greenway project)	25,000	10,000
Culture and recreation (Heritage Point Park disc golf)	8,342	8,342
Culture and recreation (Haig Mill Lake project)	199,400	199,400
Unrestricted:		
Committed:		
Housing and development (grant funds - Improving Neighborhood Outcomes)	1,704,000	-
General government (airport grant funds)	960,977	-
Unassigned	29,102,861	25,987,581
Total Fund Balances	<u>32,785,829</u>	<u>26,536,441</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 34,485,958</u>	<u>\$ 28,453,586</u>

City of Dalton, Georgia
Schedule of Revenues - Budget and Actual - General Fund
For the Year Ended December 31, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Taxes:					
Real and personal property taxes	\$ 9,318,000	\$ 8,661,600	\$ 8,645,274	\$ (16,326)	\$ 7,890,700
Alcohol tax	899,000	907,500	896,577	(10,923)	917,745
Business and occupation tax	560,000	561,000	561,176	176	570,870
Franchise tax	557,000	549,800	517,969	(31,831)	551,042
Financial institution tax	61,000	109,600	109,585	(15)	74,931
Insurance premium tax	2,809,000	3,055,200	3,055,164	(36)	2,809,407
Intangible tax	55,000	55,000	39,949	(15,051)	68,923
Real estate transfer tax	20,000	20,000	15,607	(4,393)	37,942
Sales tax	8,500,000	9,103,000	9,102,752	(248)	8,746,400
Title ad valorem tax	1,030,000	1,299,400	1,299,471	71	1,226,357
Vehicle tax	48,000	51,900	51,861	(39)	52,611
Penalties, fines, and interest	110,000	93,800	93,205	(595)	104,261
Total taxes	23,967,000	24,467,800	24,388,590	(79,210)	23,051,189
Licenses and permits:					
Alcohol beverage licenses	354,000	360,200	359,104	(1,096)	340,854
Business licenses	51,000	52,500	52,670	170	52,210
Other permits	2,000	5,900	5,875	(25)	4,225
Penalties, fines, and interest	7,000	10,600	10,761	161	12,592
Total licenses and permits	414,000	429,200	428,410	(790)	409,881
Intergovernmental:					
Payments in lieu of taxes	124,600	283,600	281,522	(2,078)	124,602
Federal grants and contracts	13,000	12,000	5,172	(6,828)	202,545
State grants and contracts	409,100	410,100	409,789	(311)	404,775
Total intergovernmental	546,700	705,700	696,483	(9,217)	731,922
Charges for services:					
Cemetery fees	80,000	86,000	86,650	650	73,090
Concession revenue	81,000	60,000	61,300	1,300	184,688
Election and advertising fees	7,800	8,700	8,403	(297)	6,000
Garbage and recycling revenue	1,900	10,540	10,607	67	820
Indirect cost allocation	103,200	103,200	103,166	(34)	100,679
Municipal court fees	602,000	738,000	770,786	32,786	570,533
Program fees and admissions	165,000	171,460	237,075	65,615	211,572
Public works fees	6,000	6,000	3,364	(2,636)	2,378
Public safety fees	53,000	52,000	67,133	15,133	54,715
Senior center	-	-	-	-	217,034
School resource officer	496,000	496,000	494,472	(1,528)	359,828
Special events revenue	400	400	491	91	730
Total charges for services	1,596,300	1,732,300	1,843,447	111,147	1,782,067

(Continued)

City of Dalton, Georgia
Schedule of Revenues - Budget and Actual - General Fund
For the Year Ended December 31, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Fines and forfeitures	440,000	440,000	498,105	58,105	532,283
Investment earnings	400,000	963,000	1,180,880	217,880	286,251
Miscellaneous:					
Donations	22,500	57,825	68,029	10,204	71,201
Reimbursements	10,000	199,790	207,895	8,105	71,411
Rental income	303,700	303,700	335,712	32,012	304,664
Miscellaneous	236,135	193,300	188,263	(5,037)	239,351
Total miscellaneous	572,335	754,615	799,899	45,284	686,627
Total revenues	\$ 27,936,335	\$ 29,492,615	\$ 29,835,814	\$ 343,199	\$ 27,480,220

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - General Fund
For the Year Ended December 31, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
General Government:					
Legislative					
Personal services and benefits	\$ 79,965	\$ 78,565	\$ 78,405	\$ 160	\$ 77,930
Purchased and contracted services	36,915	44,530	44,263	267	60,661
Supplies	13,685	11,470	11,365	105	17,899
Other costs	2,000	-	-	-	-
Total	<u>132,565</u>	<u>134,565</u>	<u>134,033</u>	<u>532</u>	<u>156,490</u>
Administrative					
Personal services and benefits	471,620	478,180	463,309	14,871	408,940
Purchased and contracted services	200,105	279,160	223,461	55,699	153,509
Supplies	14,250	33,530	31,188	2,342	9,044
Other costs	200,000	105	-	105	-
Total	<u>885,975</u>	<u>790,975</u>	<u>717,958</u>	<u>73,017</u>	<u>571,493</u>
City Clerk					
Personal services and benefits	344,890	352,755	352,603	152	340,544
Purchased and contracted services	40,120	37,165	36,531	634	32,230
Supplies	5,800	4,390	3,904	486	9,736
Total	<u>390,810</u>	<u>394,310</u>	<u>393,038</u>	<u>1,272</u>	<u>382,510</u>
Elections					
Purchased and contracted services	8,750	8,750	8,456	294	-
Total	<u>8,750</u>	<u>8,750</u>	<u>8,456</u>	<u>294</u>	<u>-</u>
Finance					
Personal services and benefits	525,415	603,475	578,571	24,904	495,392
Purchased and contracted services	340,785	298,835	290,459	8,376	294,810
Supplies	13,300	15,050	14,143	907	12,697
Total	<u>879,500</u>	<u>917,360</u>	<u>883,173</u>	<u>34,187</u>	<u>802,899</u>
Human Resources					
Personal services and benefits	453,825	422,415	394,836	27,579	398,264
Purchased and contracted services	31,050	56,500	44,702	11,798	28,467
Supplies	5,800	3,900	2,028	1,872	4,247
Total	<u>490,675</u>	<u>482,815</u>	<u>441,566</u>	<u>41,249</u>	<u>430,978</u>
Technology					
Personal services and benefits	367,690	369,190	344,103	25,087	322,385
Purchased and contracted services	265,650	265,650	257,915	7,735	230,431
Supplies	11,000	9,500	5,413	4,087	5,555
Total	<u>644,340</u>	<u>644,340</u>	<u>607,431</u>	<u>36,909</u>	<u>558,371</u>

(Continued)

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - General Fund
For the Year Ended December 31, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Buildings and Grounds					
Personal services and benefits	61,345	46,045	45,845	200	-
Purchased and contracted services	185,000	256,960	220,397	36,563	214,154
Supplies	130,255	133,595	119,423	14,172	125,072
Total	376,600	436,600	385,665	50,935	339,226
Total General Government	3,809,215	3,809,715	3,571,320	238,395	3,241,967
Judicial:					
Municipal Court					
Personal services and benefits	283,450	331,910	331,862	48	269,795
Purchased and contracted services	215,970	250,821	244,127	6,694	210,564
Supplies	14,050	13,189	12,708	481	25,056
Total Judicial	513,470	595,920	588,697	7,223	505,415
Public Safety:					
Fire Department					
Personal services and benefits	9,084,985	9,163,685	9,162,518	1,167	9,135,407
Purchased and contracted services	346,630	395,620	393,272	2,348	368,951
Supplies	482,750	438,350	436,766	1,584	368,018
Capital outlay	4,000	7,100	7,087	13	-
Total	9,918,365	10,004,755	9,999,643	5,112	9,872,376
Police Department					
Personal services and benefits	8,842,435	8,834,535	8,121,868	712,667	8,194,668
Purchased and contracted services	1,042,050	1,016,650	911,340	105,310	867,076
Supplies	469,595	519,195	455,178	64,017	427,170
Capital outlay	14,400	10,500	5,000	5,500	26,770
Other costs	-	-	-	-	13,035
Total	10,368,480	10,380,880	9,493,386	887,494	9,528,719
Total Public Safety	20,286,845	20,385,635	19,493,029	892,606	19,401,095
Public Works:					
Public Works					
Personal services and benefits	5,160,815	5,190,315	4,916,093	274,222	4,862,756
Purchased and contracted services	981,890	996,495	894,059	102,436	916,237
Supplies	2,450,250	2,328,969	1,946,301	382,668	1,855,624
Capital outlay	25,000	133,880	132,167	1,713	511,877
Other costs	-	1,836	836	1,000	-
Total	8,617,955	8,651,495	7,889,456	762,039	8,146,494
Total Public Works	8,617,955	8,651,495	7,889,456	762,039	8,146,494

(Continued)

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - General Fund
For the Year Ended December 31, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Health and Welfare:					
Senior Center					
Personal services and benefits	-	-	-	-	418,922
Purchased and contracted services	-	-	-	-	30,358
Supplies	-	-	-	-	69,025
Total	-	-	-	-	518,305
Special Projects					
Other costs	1,000	13,550	13,534	16	25,984
Total	1,000	13,550	13,534	16	25,984
Total Health and Welfare	1,000	13,550	13,534	16	544,289
Culture and Recreation:					
Recreation Department					
Personal services and benefits	2,461,260	2,451,120	2,373,611	77,509	2,393,336
Purchased and contracted services	560,280	715,905	561,932	153,973	521,492
Supplies	800,630	811,255	782,797	28,458	841,921
Capital outlay	15,000	39,500	37,734	1,766	-
Other costs	-	4,100	4,069	31	-
Total	3,837,170	4,021,880	3,760,143	261,737	3,756,749
Special Projects					
Other costs	355,200	355,200	355,040	160	353,600
Total	355,200	355,200	355,040	160	353,600
Total Culture and Recreation	4,192,370	4,377,080	4,115,183	261,897	4,110,349
Housing and Development:					
Code Compliance					
Personal services and benefits	279,940	279,940	141,164	138,776	56,446
Purchased and contracted services	31,460	44,260	25,623	18,637	13,898
Supplies	31,960	19,160	12,981	6,179	9,393
Total	343,360	343,360	179,768	163,592	79,737
Special Projects					
Other	407,500	407,500	407,500	-	382,500
Total	407,500	407,500	407,500	-	382,500
Total Housing and Development	750,860	750,860	587,268	163,592	462,237
Total expenditures	\$ 38,171,715	\$ 38,584,255	\$ 36,258,487	\$ 2,325,768	\$ 36,411,846

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - Sub-Budgets - General Fund
For the Year Ended December 31, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Police Department:					
Administration					
Personal services and benefits	\$ 628,320	\$ 637,320	\$ 619,847	17,473	\$ 640,250
Purchased and contracted services	447,300	469,135	420,443	48,692	402,578
Supplies	15,200	20,900	17,161	3,739	9,435
Other costs	-	-	-	-	13,035
Total	<u>1,090,820</u>	<u>1,127,355</u>	<u>1,057,451</u>	<u>69,904</u>	<u>1,065,298</u>
Patrol					
Personal services and benefits	5,561,600	5,534,600	5,070,254	464,346	5,267,542
Purchased and contracted services	299,800	290,200	270,959	19,241	257,739
Supplies	292,795	329,095	311,242	17,853	294,025
Total	<u>6,154,195</u>	<u>6,153,895</u>	<u>5,652,455</u>	<u>501,440</u>	<u>5,819,306</u>
Criminal Investigation Division					
Personal services and benefits	1,616,730	1,626,730	1,493,614	133,116	1,400,077
Purchased and contracted services	69,800	49,600	45,380	4,220	62,715
Supplies	35,100	47,200	38,960	8,240	31,231
Capital outlay	14,400	10,500	5,000	5,500	26,770
Total	<u>1,736,030</u>	<u>1,734,030</u>	<u>1,582,954</u>	<u>151,076</u>	<u>1,520,793</u>
Support Services					
Personal services and benefits	1,035,785	1,035,885	938,153	97,732	886,799
Purchased and contracted services	120,150	110,550	77,480	33,070	56,122
Supplies	126,500	122,000	87,815	34,185	92,479
Total	<u>1,282,435</u>	<u>1,268,435</u>	<u>1,103,448</u>	<u>164,987</u>	<u>1,035,400</u>
Custody of Prisoners					
Purchased and contracted services	105,000	97,165	97,078	87	87,922
Total	<u>105,000</u>	<u>97,165</u>	<u>97,078</u>	<u>87</u>	<u>87,922</u>
Total Police Department	<u>\$ 10,368,480</u>	<u>\$ 10,380,880</u>	<u>\$ 9,493,386</u>	<u>\$ 887,494</u>	<u>\$ 9,528,719</u>

(Continued)

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - Sub-Budgets - General Fund
For the Year Ended December 31, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Public Works Department:					
Administration					
Personal services and benefits	\$ 634,220	\$ 648,220	\$ 631,998	\$ 16,222	\$ 524,424
Purchased and contracted services	172,015	179,625	159,335	20,290	163,080
Supplies	142,750	138,804	101,110	37,694	117,478
Other costs	-	1,836	836	1,000	-
Total	948,985	968,485	893,279	75,206	804,982
Roads and Walkways					
Personal services and benefits	752,610	657,610	588,544	69,066	570,237
Purchased and contracted services	9,025	9,530	4,028	5,502	3,525
Supplies	332,000	297,360	280,272	17,088	149,700
Capital outlay	-	-	-	-	20,372
Total	1,093,635	964,500	872,844	91,656	743,834
Solid Waste Collections					
Personal services and benefits	1,697,265	1,799,065	1,793,447	5,618	1,759,726
Purchased and contracted services	361,910	363,390	318,184	45,206	297,073
Supplies	76,000	76,000	66,787	9,213	74,265
Capital outlay	-	10,340	10,339	1	-
Total	2,135,175	2,248,795	2,188,757	60,038	2,131,064
Shop and Maintenance					
Personal services and benefits	529,815	515,315	469,337	45,978	543,154
Purchased and contracted services	165,205	156,440	153,506	2,934	97,075
Supplies	913,000	933,780	925,481	8,299	776,035
Capital outlay	9,500	7,000	5,954	1,046	-
Total	1,617,520	1,612,535	1,554,278	58,257	1,416,264
Traffic engineer					
Personal services and benefits	501,105	500,305	451,005	49,300	473,697
Purchased and contracted services	8,890	5,620	5,017	603	5,160
Supplies	110,000	98,070	95,193	2,877	87,932
Capital outlay	-	59,000	58,475	525	77,000
Total	619,995	662,995	609,690	53,305	643,789
Right of Way Maintenance					
Personal services and benefits	672,405	696,405	675,259	21,146	652,383
Purchased and contracted services	158,540	157,040	143,779	13,261	150,720
Supplies	69,500	63,500	55,567	7,933	57,758
Capital outlay	15,500	24,000	23,859	141	-
Total	915,945	940,945	898,464	42,481	860,861

(Continued)

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - Sub-Budgets - General Fund
For the Year Ended December 31, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Street Lighting					
Supplies	650,000	602,500	314,970	287,530	520,784
Total	<u>650,000</u>	<u>602,500</u>	<u>314,970</u>	<u>287,530</u>	<u>520,784</u>
Storm Drainage					
Personal services and benefits	373,395	373,395	306,503	66,892	339,135
Purchased and contracted services	96,305	106,850	93,498	13,352	178,815
Supplies	157,000	118,955	106,921	12,034	71,672
Total	<u>626,700</u>	<u>599,200</u>	<u>506,922</u>	<u>92,278</u>	<u>589,622</u>
Other					
Purchased and contracted services	10,000	18,000	16,712	1,288	20,789
Capital outlay	-	33,540	33,540	-	414,505
Total	<u>10,000</u>	<u>51,540</u>	<u>50,252</u>	<u>1,288</u>	<u>435,294</u>
Total Public Works Department	<u>\$ 8,617,955</u>	<u>\$ 8,651,495</u>	<u>\$ 7,889,456</u>	<u>\$ 762,039</u>	<u>\$ 8,146,494</u>

(Continued)

City of Dalton, Georgia
Schedule of Expenditures - Budget and Actual - Sub-Budgets - General Fund
For the Year Ended December 31, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Recreation Department:					
Administration					
Personal services and benefits	\$ 936,285	\$ 912,735	\$ 852,656	\$ 60,079	\$ 888,924
Purchased and contracted services	162,230	194,855	173,595	21,260	123,949
Supplies	19,000	24,075	18,687	5,388	16,488
Other costs	-	500	469	31	-
Total	1,117,515	1,132,165	1,045,407	86,758	1,029,361
Programs					
Personal services and benefits	142,800	126,950	122,093	4,857	145,264
Purchased and contracted services	90,000	104,050	102,436	1,614	108,130
Supplies	177,500	193,755	191,926	1,829	140,812
Total	410,300	424,755	416,455	8,300	394,206
Parks					
Personal services and benefits	1,194,245	1,198,805	1,197,821	984	1,143,716
Purchased and contracted services	270,050	368,550	255,581	112,969	230,512
Supplies	504,630	504,630	496,213	8,417	546,637
Capital outlay	15,000	39,500	37,734	1,766	-
Total	1,983,925	2,111,485	1,987,349	124,136	1,920,865
Concessions					
Personal services and benefits	24,700	16,400	9,246	7,154	28,396
Purchased and contracted services	3,000	3,800	3,428	372	5,803
Supplies	38,500	30,945	19,031	11,914	103,981
Total	66,200	51,145	31,705	19,440	138,180
Facilities					
Personal services and benefits	123,930	150,930	147,826	3,104	166,821
Purchased and contracted services	-	-	-	-	22,298
Supplies	26,000	26,000	25,405	595	11,203
Total	149,930	176,930	173,231	3,699	200,322
Special Activities					
Personal services and benefits	39,300	45,300	43,969	1,331	20,215
Purchased and contracted services	35,000	44,650	26,892	17,758	30,800
Supplies	35,000	31,850	31,535	315	22,800
Other costs	-	3,600	3,600	-	-
Total	109,300	125,400	105,996	19,404	73,815
Total Recreation Department	\$ 3,837,170	\$ 4,021,880	\$ 3,760,143	\$ 261,737	\$ 3,756,749

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, events, 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.

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

ARPA Grant Fund – Established to account for grant proceeds from the Department of the Treasury for the American Rescue Plan Act.

Tax Allocation District #1, #3, and #4 Funds – Established to account for property tax collections derived from the City tax allocation districts for the purpose of stimulating private redevelopment within specified areas in downtown Dalton, on West Walnut Avenue, and on the North Bypass.

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

Opioid Settlement Fund – Established to account for proceeds from the opioid settlement.

City of Dalton, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023

	<u>Hotel/ Motel Tax</u>	<u>Confiscated Assets</u>	<u>Community Development Block Grant</u>	<u>Airport Improvement Grant</u>	<u>Tax Allocation Districts #1, #3, and #4</u>	<u>Economic Development</u>	<u>Opioid Settlement</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets								
Cash and cash equivalents	\$ -	\$ 265,545	\$ 1	\$ -	\$ 1,021	\$ 2,037,880	\$ 125,927	\$ 2,430,374
Receivables:								
Accounts	140,996	-	-	-	-	-	453,226	594,222
Taxes	-	-	-	-	5,375	-	-	5,375
Intergovernmental - federal	-	-	17,415	1,947,792	-	-	-	1,965,207
Intergovernmental - state	-	-	-	3,655	-	-	-	3,655
Intergovernmental - local	-	-	-	-	-	42,328	-	42,328
Interfund	-	337	-	-	-	-	-	337
Total Assets	<u>\$ 140,996</u>	<u>\$ 265,882</u>	<u>\$ 17,416</u>	<u>\$ 1,951,447</u>	<u>\$ 6,396</u>	<u>\$ 2,080,208</u>	<u>\$ 579,153</u>	<u>\$ 5,041,498</u>
Liabilities								
Accounts payable	\$ 42,934	\$ 3,584	\$ 8,655	\$ 1,913,411	\$ -	\$ -	\$ -	1,968,584
Interfund payable	98,062	-	8,760	38,036	-	-	-	144,858
Unearned revenue	-	-	-	-	-	-	453,226	453,226
Total Liabilities	<u>140,996</u>	<u>3,584</u>	<u>17,415</u>	<u>1,951,447</u>	<u>-</u>	<u>-</u>	<u>453,226</u>	<u>2,566,668</u>
Deferred Inflows of Resources								
Unavailable revenue - property taxes	-	-	-	-	16	-	-	16
Fund Balances								
Restricted for:								
Economic development	-	-	-	-	6,380	2,080,208	-	2,086,588
Public safety	-	262,298	-	-	-	-	125,927	388,225
Housing and development	-	-	1	-	-	-	-	1
Total Fund Balances	<u>-</u>	<u>262,298</u>	<u>1</u>	<u>-</u>	<u>6,380</u>	<u>2,080,208</u>	<u>125,927</u>	<u>2,474,814</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 140,996</u>	<u>\$ 265,882</u>	<u>\$ 17,416</u>	<u>\$ 1,951,447</u>	<u>\$ 6,396</u>	<u>\$ 2,080,208</u>	<u>\$ 579,153</u>	<u>\$ 5,041,498</u>

City of Dalton, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023

	Hotel/ Motel Tax	Confiscated Assets	Community Development Block Grant	Airport Improvement Grant	Tax Allocation Districts #1, #3, and #4	Economic Development	Opioid Settlement	Total Nonmajor Special Revenue Funds
Revenues								
Real and personal property taxes	\$ -	\$ -	\$ -	\$ -	\$ 6,380	\$ -	\$ -	\$ 6,380
Hotel/motel taxes	2,022,572	-	-	-	-	-	-	2,022,572
Payments in lieu of taxes	-	-	-	-	-	42,328	-	42,328
Intergovernmental - federal	-	-	259,047	2,267,771	-	-	-	2,526,818
Intergovernmental - state	-	-	-	60,921	-	-	-	60,921
Fines and forfeitures	-	80,385	-	-	-	-	24,552	104,937
Investment earnings	-	4,896	-	-	-	-	-	4,896
Total Revenues	<u>2,022,572</u>	<u>85,281</u>	<u>259,047</u>	<u>2,328,692</u>	<u>6,380</u>	<u>42,328</u>	<u>24,552</u>	<u>4,768,852</u>
Expenditures								
Current:								
General government	-	-	79,562	11,513	-	-	-	91,075
Public safety	-	56,865	-	-	-	-	2,280	59,145
Health and welfare	-	-	25,070	-	-	-	-	25,070
Culture and recreation	17,730	-	50,500	-	-	-	-	68,230
Housing and development	539,163	-	103,915	-	-	95,602	-	738,680
Total Current	<u>556,893</u>	<u>56,865</u>	<u>259,047</u>	<u>11,513</u>	<u>-</u>	<u>95,602</u>	<u>2,280</u>	<u>982,200</u>
Capital Outlay:								
General government	-	-	-	2,341,308	-	-	-	2,341,308
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,341,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,341,308</u>
Total Expenditures	<u>556,893</u>	<u>56,865</u>	<u>259,047</u>	<u>2,352,821</u>	<u>-</u>	<u>95,602</u>	<u>2,280</u>	<u>3,323,508</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,465,679</u>	<u>28,416</u>	<u>-</u>	<u>(24,129)</u>	<u>6,380</u>	<u>(53,274)</u>	<u>22,272</u>	<u>1,445,344</u>

(continued)

City of Dalton, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023

	<u>Hotel/ Motel Tax</u>	<u>Confiscated Assets</u>	<u>Community Development Block Grant</u>	<u>Airport Improvement Grant</u>	<u>Tax Allocation Districts #1, #3, and #4</u>	<u>Economic Development</u>	<u>Opioid Settlement</u>	<u>Total Nonmajor Special Revenue Funds</u>
Other Financing Sources (Uses)								
Proceeds from sale of assets	\$ -	\$ 26,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,800
Transfers in	-	-	-	24,129	-	-	-	24,129
Transfers out	<u>(1,465,679)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,279)</u>	<u>-</u>	<u>-</u>	<u>(1,491,958)</u>
Total Other Financing Sources (Uses)	<u>(1,465,679)</u>	<u>26,800</u>	<u>-</u>	<u>24,129</u>	<u>(26,279)</u>	<u>-</u>	<u>-</u>	<u>(1,441,029)</u>
Net Change in Fund Balances	-	55,216	-	-	(19,899)	(53,274)	22,272	4,315
Fund Balances Beginning of Year	<u>-</u>	<u>207,082</u>	<u>1</u>	<u>-</u>	<u>26,279</u>	<u>2,133,482</u>	<u>103,655</u>	<u>2,470,499</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ 262,298</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 6,380</u>	<u>\$ 2,080,208</u>	<u>\$ 125,927</u>	<u>\$ 2,474,814</u>

City of Dalton, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ -	\$ 35,448
Receivables:		
Accounts	<u>140,996</u>	<u>123,131</u>
Total Assets	<u>\$ 140,996</u>	<u>\$ 158,579</u>
Liabilities		
Accounts payable	\$ 42,934	\$ 158,579
Interfund payable	<u>98,062</u>	<u>-</u>
Total Liabilities	<u>\$ 140,996</u>	<u>\$ 158,579</u>

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, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Hotel/motel taxes	\$ 1,750,000	\$ 2,035,000	\$ 2,016,701	\$ (18,299)	\$ 1,825,207
Penalties, fines, and interest	5,000	6,000	5,871	(129)	8,562
Total Revenues	<u>1,755,000</u>	<u>2,041,000</u>	<u>2,022,572</u>	<u>(18,428)</u>	<u>1,833,769</u>
Expenditures					
Current:					
Culture and recreation:					
Purchased and contracted services	25,000	18,000	17,730	270	135,000
Housing and development:					
Supplies	25,050	28,630	28,630	-	24,675
Other costs	455,000	510,570	510,533	37	506,302
Total Expenditures	<u>505,050</u>	<u>557,200</u>	<u>556,893</u>	<u>307</u>	<u>665,977</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,249,950	1,483,800	1,465,679	(18,121)	1,167,792
Other Financing Sources (Uses)					
Transfers out	(1,249,950)	(1,483,800)	(1,465,679)	18,121	(1,167,792)
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			<u>\$ -</u>		<u>\$ -</u>

**City of Dalton, Georgia
Comparative Balance Sheet
Confiscated Assets Fund
December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 265,545	\$ 195,345
Receivables:		
Accounts	-	78
Interfund	337	13,307
Total Assets	<u>\$ 265,882</u>	<u>\$ 208,730</u>
Liabilities		
Accounts payable	\$ 3,584	\$ 1,648
Total Liabilities	<u>3,584</u>	<u>1,648</u>
Fund Balances		
Restricted - public safety	262,298	207,082
Total Fund Balances	<u>262,298</u>	<u>207,082</u>
Total Liabilities and Fund Balances	<u>\$ 265,882</u>	<u>\$ 208,730</u>

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, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - federal	\$ -	\$ -	\$ -	\$ -	\$ 13,307
Fines and forfeitures	50,000	37,600	80,385	42,785	43,803
Investment earnings	300	4,700	4,896	196	894
Total Revenues	<u>50,300</u>	<u>42,300</u>	<u>85,281</u>	<u>42,981</u>	<u>58,004</u>
Expenditures					
Current:					
Public Safety:					
Purchased and contracted services	42,600	39,600	32,008	7,592	24,082
Supplies	23,000	26,000	24,857	1,143	3,759
Total Expenditures	<u>65,600</u>	<u>65,600</u>	<u>56,865</u>	<u>8,735</u>	<u>27,841</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,300)	(23,300)	28,416	51,716	30,163
Other Financing Sources (Uses)					
Proceeds from sale of assets	6,000	14,000	26,800	12,800	23,295
Net Change in Fund Balances	<u>\$ (9,300)</u>	<u>\$ (9,300)</u>	55,216	<u>\$ 64,516</u>	53,458
Fund Balances Beginning of Year			<u>207,082</u>		<u>153,624</u>
Fund Balances End of Year			<u>\$ 262,298</u>		<u>\$ 207,082</u>

City of Dalton, Georgia
Comparative Balance Sheet
Community Development Block Grant Fund
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 1	\$ 1
Receivables:		
Intergovernmental - federal	<u>17,415</u>	<u>12,132</u>
Total Assets	<u>\$ 17,416</u>	<u>\$ 12,133</u>
Liabilities		
Accounts payable	\$ 8,655	\$ 11,323
Interfund payable	<u>8,760</u>	<u>809</u>
Total Liabilities	<u>17,415</u>	<u>12,132</u>
Fund Balances		
Restricted - housing and development	<u>1</u>	<u>1</u>
Total Fund Balances	<u>1</u>	<u>1</u>
Total Liabilities and Fund Balances	<u>\$ 17,416</u>	<u>\$ 12,133</u>

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - CDBG Fund
For the Year Ended December 31, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - federal	\$ 356,000	\$ 694,001	\$ 259,047	\$ (434,954)	\$ 485,816
Total Revenues	<u>356,000</u>	<u>694,001</u>	<u>259,047</u>	<u>(434,954)</u>	<u>485,816</u>
Expenditures					
Current:					
General Government:					
Purchased and contracted services	71,200	226,304	79,562	146,742	81,248
Health and Welfare:					
Other costs	53,400	163,282	25,070	138,212	296,768
Culture and Recreation:					
Other costs	75,680	50,500	50,500	-	-
Housing and Development:					
Other costs	155,720	253,915	103,915	150,000	107,800
Total Expenditures	<u>356,000</u>	<u>694,001</u>	<u>259,047</u>	<u>434,954</u>	<u>485,816</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balances Beginning of Year			<u>1</u>		<u>1</u>
Fund Balances End of Year			<u>\$ 1</u>		<u>\$ 1</u>

City of Dalton, Georgia
Comparative Balance Sheet
Airport Improvement Grant Fund
December 31, 2023 and 2022

	2023	2022
Assets		
Receivables:		
Intergovernmental - federal	\$ 1,947,792	\$ 65,908
Intergovernmental - state	3,655	-
Total Assets	\$ 1,951,447	\$ 65,908
 Liabilities		
Accounts payable	\$ 1,913,411	\$ -
Interfund payable	38,036	65,908
Total Liabilities	\$ 1,951,447	\$ 65,908

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, 2023
 (With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - federal	\$ 615,400	\$ 2,268,155	\$ 2,267,771	\$ (384)	\$ 666,304
Intergovernmental - state	<u>34,200</u>	<u>1,926,795</u>	<u>60,921</u>	<u>(1,865,874)</u>	<u>79,914</u>
Total Revenues	<u>649,600</u>	<u>4,194,950</u>	<u>2,328,692</u>	<u>(1,866,258)</u>	<u>746,218</u>
Expenditures					
Current:					
General Government:					
Other costs	-	11,565	11,513	52	10,247
Capital outlay:					
General Government:					
Capital outlay	<u>683,800</u>	<u>4,944,975</u>	<u>2,341,308</u>	<u>2,603,667</u>	<u>799,038</u>
Total Expenditures	<u>683,800</u>	<u>4,956,540</u>	<u>2,352,821</u>	<u>2,603,719</u>	<u>809,285</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,200)	(761,590)	(24,129)	737,461	(63,067)
Other Financing Sources (Uses)					
Transfers in	<u>34,200</u>	<u>761,590</u>	<u>24,129</u>	<u>(737,461)</u>	<u>63,067</u>
Total Other Financing Sources (Uses)	<u>34,200</u>	<u>761,590</u>	<u>24,129</u>	<u>(737,461)</u>	<u>63,067</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			<u>\$ -</u>		<u>\$ -</u>

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - ARPA Grant Fund
For the Year Ended December 31, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental - federal	\$ -	\$ -	\$ -	\$ -	\$ 8,871,158
Investment earnings	-	-	-	-	857
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,872,015</u>
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	(8,872,015)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,872,015)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			<u>\$ -</u>		<u>\$ -</u>

City of Dalton, Georgia
Comparative Balance Sheet
Tax Allocation Districts #1, #3, and #4
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 1,021	\$ 26,279
Receivables:		
Taxes	<u>5,375</u>	<u>-</u>
Total Assets	<u>\$ 6,396</u>	<u>\$ 26,279</u>
 Deferred Inflows of Resources and Fund Balances		
 Deferred Inflows of Resources		
Unavailable revenue - property taxes	<u>\$ 16</u>	<u>\$ -</u>
Total Deferred Inflows of Resources	<u>16</u>	<u>-</u>
 Fund Balances		
Restricted - economic development	<u>6,380</u>	<u>26,279</u>
Total Fund Balances	<u>6,380</u>	<u>26,279</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,396</u>	<u>\$ 26,279</u>

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Tax Allocation Districts #1, #3, and #4
For the Year Ended December 31, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Real and personal property taxes	\$ -	\$ 7,000	\$ 6,380	\$ (620)	\$ -
Application fees	-	-	-	-	10,000
Investment earnings	-	-	-	-	121
Total Revenues	<u>-</u>	<u>7,000</u>	<u>6,380</u>	<u>(620)</u>	<u>10,121</u>
Expenditures					
Current:					
General Government:					
Purchased and contracted services	-	-	-	-	263
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>263</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	7,000	6,380	(620)	9,858
Other Financing Sources (Uses)					
Transfers out	-	(26,400)	(26,279)	121	(13,005)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(26,400)</u>	<u>(26,279)</u>	<u>121</u>	<u>(13,005)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (19,400)</u>	(19,899)	<u>\$ (499)</u>	(3,147)
Fund Balances Beginning of Year			<u>26,279</u>		<u>29,426</u>
Fund Balances End of Year			<u>\$ 6,380</u>		<u>\$ 26,279</u>

**City of Dalton, Georgia
Comparative Balance Sheet
Economic Development Fund
December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 2,037,880	\$ 2,042,193
Receivables:		
Intergovernmental - local	<u>42,328</u>	<u>91,289</u>
Total Assets	<u>\$ 2,080,208</u>	<u>\$ 2,133,482</u>
Fund Balances		
Restricted - economic development	<u>\$ 2,080,208</u>	<u>\$ 2,133,482</u>
Total Fund Balances	<u>\$ 2,080,208</u>	<u>\$ 2,133,482</u>

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, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Payments in lieu of taxes	\$ 25,000	\$ 28,000	\$ 42,328	\$ 14,328	\$ 91,289
Investment earnings	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,925</u>
Total Revenues	<u>28,000</u>	<u>28,000</u>	<u>42,328</u>	<u>14,328</u>	<u>93,214</u>
Expenditures					
Current:					
Economic Development:					
Other costs	<u>2,100,000</u>	<u>2,100,000</u>	<u>95,602</u>	<u>2,004,398</u>	<u>-</u>
Total Current	<u>2,100,000</u>	<u>2,100,000</u>	<u>95,602</u>	<u>2,004,398</u>	<u>-</u>
Capital outlay:					
Economic Development:					
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,781</u>
Total Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,781</u>
Total Expenditures	<u>2,100,000</u>	<u>2,100,000</u>	<u>95,602</u>	<u>2,004,398</u>	<u>136,781</u>
Net Change in Fund Balances	<u>\$ (2,072,000)</u>	<u>\$ (2,072,000)</u>	(53,274)	<u>\$ 2,018,726</u>	(43,567)
Fund Balances Beginning of Year			<u>2,133,482</u>		<u>2,177,049</u>
Fund Balances End of Year			<u>\$ 2,080,208</u>		<u>\$ 2,133,482</u>

**City of Dalton, Georgia
Comparative Balance Sheet
Opioid Settlement
December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 125,927	\$ 103,655
Receivables:		
Accounts	<u>453,226</u>	<u>-</u>
Total Assets	<u>\$ 579,153</u>	<u>\$ 103,655</u>
 Liabilities and Fund Balances		
 Liabilities		
Unearned revenue	\$ 453,226	\$ -
Total Liabilities	<u>453,226</u>	<u>-</u>
 Fund Balances		
Restricted - public safety	<u>125,927</u>	<u>103,655</u>
Total Fund Balances	<u>125,927</u>	<u>103,655</u>
 Total Liabilities and Fund Balances	<u>\$ 579,153</u>	<u>\$ 103,655</u>

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Opioid Settlement
For the Year Ended December 31, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023			2022	
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Fines and forfeitures	\$ -	\$ 25,000	\$ 24,552	\$ (448)	\$ 103,655
Total Revenues	<u>-</u>	<u>25,000</u>	<u>24,552</u>	<u>(448)</u>	<u>103,655</u>
Expenditures					
Current:					
Public Safety					
Supplies	-	20,000	2,280	17,720	-
Total Expenditures	<u>-</u>	<u>20,000</u>	<u>2,280</u>	<u>17,720</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ 5,000</u>	22,272	<u>\$ 17,272</u>	103,655
Fund Balances Beginning of Year			<u>103,655</u>		<u>-</u>
Fund Balances End of Year			<u>\$ 125,927</u>		<u>\$ 103,655</u>

NONMAJOR DEBT SERVICE FUND

City of Dalton, Georgia
Comparative Balance Sheet
Debt Service Fund
December 31, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	\$ 3,814	\$ 3,747
Receivables:		
Accounts	-	2
Total Assets	\$ 3,814	\$ 3,749
 Fund Balances		
Restricted - debt service	\$ 3,814	\$ 3,749
Total Fund Balances	\$ 3,814	\$ 3,749

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, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Investment earnings	\$ 200	\$ 700	\$ 450	\$ (250)	\$ 163
Total Revenues	<u>200</u>	<u>700</u>	<u>450</u>	<u>(250)</u>	<u>163</u>
Expenditures					
Debt Service:					
Principal retirement	630,000	630,000	630,000	-	600,000
Interest and fiscal charges	<u>576,600</u>	<u>579,600</u>	<u>579,285</u>	<u>315</u>	<u>605,185</u>
Total Expenditures	<u>1,206,600</u>	<u>1,209,600</u>	<u>1,209,285</u>	<u>315</u>	<u>1,205,185</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,206,400)</u>	<u>(1,208,900)</u>	<u>(1,208,835)</u>	<u>65</u>	<u>(1,205,022)</u>
Other Financing Sources (Uses)					
Transfers in	<u>1,206,400</u>	<u>1,208,900</u>	<u>1,208,900</u>	<u>-</u>	<u>922,910</u>
Total Other Financing Sources (Uses)	<u>1,206,400</u>	<u>1,208,900</u>	<u>1,208,900</u>	<u>-</u>	<u>922,910</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	65	<u>\$ 65</u>	(282,112)
Fund Balances Beginning of Year			<u>3,749</u>		<u>285,861</u>
Fund Balances End of Year			<u>\$ 3,814</u>		<u>\$ 3,749</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Bonded Capital Projects Fund – Established to account for 2021 debt proceeds and related current and capital expenditure of those proceeds.

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.

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, 2023

	Bonded Capital Projects Fund	SPLOST 2020 Capital Projects Fund	SPLOST 2015 Capital Projects Fund	Capital Acquisition Fund	Total Nonmajor Capital Projects Funds
Assets					
Cash and cash equivalents	\$ -	\$ 12,871,925	\$ 1,243,264	\$ 7,874,790	\$ 21,989,979
Restricted cash	3,771,825	1,634,123	-	-	5,405,948
Receivables:					
Accounts	11,050,729	-	2,744,431	-	13,795,160
Intergovernmental - local	-	1,576,600	-	-	1,576,600
Total Assets	<u>\$ 14,822,554</u>	<u>\$ 16,082,648</u>	<u>\$ 3,987,695</u>	<u>\$ 7,874,790</u>	<u>\$ 42,767,687</u>
Liabilities					
Accounts payable	\$ 12,283	\$ 803,837	\$ 76,172	\$ 829,089	\$ 1,721,381
Total Liabilities	<u>12,283</u>	<u>803,837</u>	<u>76,172</u>	<u>829,089</u>	<u>1,721,381</u>
Fund Balances					
Restricted for:					
Capital projects	14,810,271	15,278,811	3,911,523	7,045,701	41,046,306
Total Fund Balances	<u>14,810,271</u>	<u>15,278,811</u>	<u>3,911,523</u>	<u>7,045,701</u>	<u>41,046,306</u>
Total Liabilities and Fund Balances	<u>\$ 14,822,554</u>	<u>\$ 16,082,648</u>	<u>\$ 3,987,695</u>	<u>\$ 7,874,790</u>	<u>\$ 42,767,687</u>

City of Dalton, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2023

	Bonded Capital Projects Fund	SPLOST 2020 Capital Projects Fund	SPLOST 2015 Capital Projects Fund	Capital Acquisition Fund	Total Nonmajor Capital Projects Funds
Revenues					
Intergovernmental - local	\$ -	\$ 9,157,012	\$ -	\$ -	\$ 9,157,012
Investment earnings	382,678	225,851	48,513	135,821	792,863
Total Revenues	<u>382,678</u>	<u>9,382,863</u>	<u>48,513</u>	<u>135,821</u>	<u>9,949,875</u>
Expenditures					
Current:					
General government	-	-	-	3,163	3,163
Public safety	-	53,689	-	233,993	287,682
Public works	3,382	1,921,752	49,375	6,070	1,980,579
Culture and recreation	460,174	31,123	-	34,623	525,920
Health and welfare	-	151,726	-	-	151,726
Total Current	<u>463,556</u>	<u>2,158,290</u>	<u>49,375</u>	<u>277,849</u>	<u>2,949,070</u>
Capital Outlay:					
General government	-	-	-	218,345	218,345
Judicial	-	-	-	12,845	12,845
Public safety	-	1,227,905	-	345,668	1,573,573
Public works	182,834	-	1,020,651	1,454,386	2,657,871
Culture and recreation	-	453,264	2,519,624	2,094,076	5,066,964
Total Capital Outlay	<u>182,834</u>	<u>1,681,169</u>	<u>3,540,275</u>	<u>4,125,320</u>	<u>9,529,598</u>
Total Expenditures	<u>646,390</u>	<u>3,839,459</u>	<u>3,589,650</u>	<u>4,403,169</u>	<u>12,478,668</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(263,712)	5,543,404	(3,541,137)	(4,267,348)	(2,528,793)
Other Financing Sources (Uses)					
Proceeds from sale of assets	-	-	-	28,466	28,466
Transfers in	-	3,040,327	4,723,889	7,379,390	15,143,606
Transfers out	(9,223,402)	-	-	-	(9,223,402)
Total Other Financing Sources (Uses)	<u>(9,223,402)</u>	<u>3,040,327</u>	<u>4,723,889</u>	<u>7,407,856</u>	<u>5,948,670</u>
Net Change in Fund Balances	(9,487,114)	8,583,731	1,182,752	3,140,508	3,419,877
Fund Balances Beginning of Year	24,297,385	6,695,080	2,728,771	3,905,193	37,626,429
Fund Balances End of Year	<u>\$ 14,810,271</u>	<u>\$ 15,278,811</u>	<u>\$ 3,911,523</u>	<u>\$ 7,045,701</u>	<u>\$ 41,046,306</u>

**City of Dalton, Georgia
Comparative Balance Sheet
Bonded Capital Projects Fund
December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Assets		
Restricted cash	\$ 3,771,825	\$ 8,871,157
Receivables:		
Accounts	<u>11,050,729</u>	<u>15,467,606</u>
Total Assets	<u>\$ 14,822,554</u>	<u>\$ 24,338,763</u>
Liabilities		
Accounts payable	\$ 12,283	\$ 41,103
Interfund payable	<u>-</u>	<u>275</u>
Total Liabilities	<u>12,283</u>	<u>41,378</u>
Fund Balances		
Restricted - capital projects	<u>14,810,271</u>	<u>24,297,385</u>
Total Fund Balances	<u>14,810,271</u>	<u>24,297,385</u>
Total Liabilities and Fund Balances	<u>\$ 14,822,554</u>	<u>\$ 24,338,763</u>

City of Dalton, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -
Bonded Capital Projects Fund
For the Year Ended December 31, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023	2022	Project to Date			
	Actual	Actual	Original Budget	Final Budget	Actual	Remaining Budget
Revenues						
Investment earnings	\$ 382,678	\$ 108,645	\$ -	\$ 500,250	\$ 500,645	\$ (395)
Total Revenues	<u>382,678</u>	<u>108,645</u>	<u>-</u>	<u>500,250</u>	<u>500,645</u>	<u>(395)</u>
Expenditures						
Current:						
General government:						
Administrative fees	-	-	-	10	10	-
Public Works:						
Stormwater projects	3,382	-	-	3,382	3,382	-
Culture and Recreation:						
Aquatic Center	399,820	-	-	399,820	399,820	-
Greenway connectivity	60,354	-	-	79,000	60,354	18,646
Total Current	<u>463,556</u>	<u>-</u>	<u>-</u>	<u>482,212</u>	<u>463,566</u>	<u>18,646</u>
Capital Outlay:						
Public Works:						
Market Street Project	-	212,364	8,000,000	621,316	621,316	-
Stormwater projects	182,834	757,323	4,750,000	10,681,387	940,157	9,741,230
Culture and Recreation:						
Aquatic Center	-	60,370	4,020,305	83,395	83,395	-
Park projects	-	-	-	5,050,000	-	5,050,000
Total Capital Outlay	<u>182,834</u>	<u>1,030,057</u>	<u>16,770,305</u>	<u>16,436,098</u>	<u>1,644,868</u>	<u>14,791,230</u>
Debt Service:						
Revenue bond issuance costs	-	-	270,107	270,107	270,107	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>270,107</u>	<u>270,107</u>	<u>270,107</u>	<u>-</u>
Total Expenditures	<u>646,390</u>	<u>1,030,057</u>	<u>17,040,412</u>	<u>17,188,417</u>	<u>2,378,541</u>	<u>14,809,876</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(263,712)</u>	<u>(921,412)</u>	<u>(17,040,412)</u>	<u>(16,688,167)</u>	<u>(1,877,896)</u>	<u>14,810,271</u>
Other Financing Sources (Uses)						
Revenue bonds issued	-	-	15,635,000	15,635,000	15,635,000	-
Premium on revenue bonds	-	-	1,405,412	1,405,412	1,405,412	-
Transfers in	-	8,871,157	-	8,871,157	8,871,157	-
Transfers out	(9,223,402)	-	-	(9,223,402)	(9,223,402)	-
Total Other Financing Sources (Uses)	<u>(9,223,402)</u>	<u>8,871,157</u>	<u>17,040,412</u>	<u>16,688,167</u>	<u>16,688,167</u>	<u>-</u>
Net Change in Fund Balances	<u>(9,487,114)</u>	<u>7,949,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,810,271</u>	<u>\$ 14,810,271</u>
Fund Balances Beginning of Year	<u>24,297,385</u>	<u>16,347,640</u>				
Fund Balances End of Year	<u>\$ 14,810,271</u>	<u>\$ 24,297,385</u>				

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 2020 Capital Projects Fund
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 12,871,925	\$ 6,149,662
Restricted cash	1,634,123	598,880
Receivables:		
Accounts	-	2,486
Intergovernmental - local	1,576,600	1,059,789
Total Assets	<u>\$ 16,082,648</u>	<u>\$ 7,810,817</u>
Liabilities		
Accounts payable	\$ 803,837	\$ 1,115,737
Total Liabilities	<u>803,837</u>	<u>1,115,737</u>
Fund Balances		
Restricted - capital projects	15,278,811	6,695,080
Total Fund Balances	<u>15,278,811</u>	<u>6,695,080</u>
Total Liabilities and Fund Balances	<u>\$ 16,082,648</u>	<u>\$ 7,810,817</u>

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, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023	2022	Project to Date			Remaining Budget
	Actual	Actual	Original Budget	Final Budget	Actual	
Revenues						
Intergovernmental - local	\$ 9,157,012	\$ 8,887,007	\$ 19,099,000	\$ 25,957,000	\$ 25,956,947	\$ 53
Investment earnings	225,851	43,017	-	272,484	272,103	381
Total Revenues	<u>9,382,863</u>	<u>8,930,024</u>	<u>19,099,000</u>	<u>26,229,484</u>	<u>26,229,050</u>	<u>434</u>
Expenditures						
Current:						
Public Safety:						
Fire Department equipment	53,689	20,255	-	73,944	73,944	-
Public Works:						
Heavy equipment	6,188	-	-	6,188	6,188	-
Roads, streets, & bridges	1,915,564	2,037,023	2,000,000	8,376,651	4,309,554	4,067,097
Culture and Recreation:						
John Davis Recreation Center	9,566	52,506	40	62,112	62,112	-
Heritage Point Park	21,557	-	-	21,557	21,557	-
Health and Welfare:						
Senior Center renovations	151,726	-	425,000	425,000	151,726	273,274
Total Current	<u>2,158,290</u>	<u>2,109,784</u>	<u>2,425,040</u>	<u>8,965,452</u>	<u>4,625,081</u>	<u>4,340,371</u>
Capital Outlay:						
Public Safety:						
Fire Department vehicles	668,491	717,152	2,612,000	4,138,056	2,422,278	1,715,778
Police Department vehicles	559,414	65,196	735,000	735,000	624,610	110,390
Police Department building	-	-	1,621,000	2,921,000	-	2,921,000
Public Works:						
Heavy equipment	-	-	531,000	524,812	524,709	103
Culture and Recreation:						
John Davis Recreation Center	267,878	32,395	8,499,960	6,491,878	300,273	6,191,605
Heritage Point Park	185,386	6,001,232	2,675,000	6,458,574	6,458,574	-
Total Capital Outlay	<u>1,681,169</u>	<u>6,815,975</u>	<u>16,673,960</u>	<u>21,269,320</u>	<u>10,330,444</u>	<u>10,938,876</u>
Total Expenditures	<u>3,839,459</u>	<u>8,925,759</u>	<u>19,099,000</u>	<u>30,234,772</u>	<u>14,955,525</u>	<u>15,279,247</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,543,404</u>	<u>4,265</u>	<u>-</u>	<u>(4,005,288)</u>	<u>11,273,525</u>	<u>15,278,813</u>
Other Financing Sources (Uses)						
Transfers in	3,040,327	598,980	-	4,005,288	4,005,286	2
Net Change in Fund Balances	<u>8,583,731</u>	<u>603,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,278,811</u>	<u>\$ 15,278,811</u>
Fund Balances Beginning of Year	<u>6,695,080</u>	<u>6,091,835</u>				
Fund Balances End of Year	<u>\$ 15,278,811</u>	<u>\$ 6,695,080</u>				

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 1,243,264	\$ 2,543,639
Restricted cash	-	250,000
Receivables:		
Accounts	<u>2,744,431</u>	<u>1,146</u>
Total Assets	<u>\$ 3,987,695</u>	<u>\$ 2,794,785</u>
Liabilities		
Accounts payable	\$ 76,172	\$ 65,877
Interfund payable	-	137
Total Liabilities	<u>76,172</u>	<u>66,014</u>
Fund Balances		
Restricted - capital projects	<u>3,911,523</u>	<u>2,728,771</u>
Total Fund Balances	<u>3,911,523</u>	<u>2,728,771</u>
Total Liabilities and Fund Balances	<u>\$ 3,987,695</u>	<u>\$ 2,794,785</u>

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, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023	2022	Project to Date			Remaining Budget
	Actual	Actual	Original Budget	Final Budget	Actual	
Revenues						
Intergovernmental - state	\$ -	\$ -	\$ -	\$ 1,977,041	\$ 1,977,041	\$ -
Intergovernmental - local	-	-	24,913,115	26,689,958	26,689,958	-
Investment earnings	48,513	20,925	-	495,116	494,922	194
Total Revenues	<u>48,513</u>	<u>20,925</u>	<u>24,913,115</u>	<u>29,162,115</u>	<u>29,161,921</u>	<u>194</u>
Expenditures						
Current:						
Public Safety:						
Other costs	-	-	-	447	447	-
Public Works:						
Bridge maintenance	-	-	-	697,290	142,052	555,238
Sidewalk construction	350	-	-	350	350	-
Drainage projects	49,025	343,892	-	978,972	978,972	-
Street resurfacing	-	20,205	5,000,000	6,925,875	6,925,875	-
Total Current	<u>49,375</u>	<u>364,097</u>	<u>5,000,000</u>	<u>8,602,934</u>	<u>8,047,696</u>	<u>555,238</u>
Capital Outlay:						
Public Safety:						
Police Department vehicles	-	-	1,123,957	1,123,509	1,123,509	-
Public Works:						
Bridge maintenance	65,840	-	1,000,000	1,406,983	1,406,983	-
Sidewalk construction	-	171,933	2,000,000	473,208	440,505	32,703
Guardrail project	-	-	-	28,360	28,360	-
Drainage projects	954,811	142,468	2,000,000	6,035,580	2,870,700	3,164,880
Culture and Recreation:						
Greenway project	2,519,624	-	-	2,678,520	2,519,624	158,896
Haig Mill recreation project	-	-	5,000,000	5,293,814	5,293,814	-
Total Capital Outlay	<u>3,540,275</u>	<u>314,401</u>	<u>11,123,957</u>	<u>17,039,974</u>	<u>13,683,495</u>	<u>3,356,479</u>
Debt Service:						
Principal retirement	-	-	8,505,956	8,504,958	8,504,958	-
Interest and fiscal charges	-	-	283,202	288,621	288,621	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>8,789,158</u>	<u>8,793,579</u>	<u>8,793,579</u>	<u>-</u>
Total Expenditures	<u>3,589,650</u>	<u>678,498</u>	<u>24,913,115</u>	<u>34,436,487</u>	<u>30,524,770</u>	<u>3,911,717</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,541,137)</u>	<u>(657,573)</u>	<u>-</u>	<u>(5,274,372)</u>	<u>(1,362,849)</u>	<u>3,911,523</u>
Other Financing Sources (Uses)						
Transfers in	4,723,889	250,000	-	5,274,372	5,274,372	-
Total Other Financing Sources (Uses)	<u>4,723,889</u>	<u>250,000</u>	<u>-</u>	<u>5,274,372</u>	<u>5,274,372</u>	<u>-</u>
Net Change in Fund Balances	1,182,752	(407,573)	\$ -	\$ -	\$ 3,911,523	\$ 3,911,523
Fund Balances Beginning of Year	2,728,771	3,136,344				
Fund Balances End of Year	<u>\$ 3,911,523</u>	<u>\$ 2,728,771</u>				

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
Capital Acquisition Fund
December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 7,874,790	\$ 4,170,551
Total Assets	<u>\$ 7,874,790</u>	<u>\$ 4,170,551</u>
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 829,089	\$ 265,358
Total Liabilities	<u>829,089</u>	<u>265,358</u>
 Fund Balances		
Restricted - capital projects	<u>7,045,701</u>	<u>3,905,193</u>
Total Fund Balances	<u>7,045,701</u>	<u>3,905,193</u>
 Total Liabilities and Fund Balances	<u>\$ 7,874,790</u>	<u>\$ 4,170,551</u>

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, 2023
(With Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Investment earnings	\$ -	\$ 135,095	\$ 135,821	\$ 726	\$ 18,694
Donations	-	-	-	-	62,500
Total Revenues	<u>-</u>	<u>135,095</u>	<u>135,821</u>	<u>726</u>	<u>81,194</u>
Expenditures					
Current:					
General Government:					
Other costs	-	7,500	3,163	4,337	193,227
Public Safety:					
Other costs	-	233,993	233,993	-	24,140
Public Works:					
Other costs	-	4,946,280	6,070	4,940,210	3,485
Culture and Recreation:					
Other costs	-	593,715	34,623	559,092	87,963
Housing and Development:					
Other costs	-	-	-	-	5,020
Total Current	<u>-</u>	<u>5,781,488</u>	<u>277,849</u>	<u>5,503,639</u>	<u>313,835</u>
Capital Outlay:					
General Government:					
Equipment	-	353,431	218,345	135,086	250,819
Judicial:					
Equipment	-	13,000	12,845	155	-
Public Safety:					
Equipment and vehicles	-	696,695	345,668	351,027	553,687
Public Works:					
Facilities	-	371,725	273,745	97,980	100,275
Equipment and vehicles	-	1,986,583	1,180,641	805,942	298,628
Culture and Recreation:					
Facilities	-	1,521,297	1,521,297	-	132,200
Equipment and vehicles	-	625,869	572,779	53,090	-
Total Capital Outlay	<u>-</u>	<u>5,568,600</u>	<u>4,125,320</u>	<u>1,443,280</u>	<u>1,335,609</u>
Total Expenditures	<u>-</u>	<u>11,350,088</u>	<u>4,403,169</u>	<u>6,946,919</u>	<u>1,649,444</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(11,214,993)</u>	<u>(4,267,348)</u>	<u>6,947,645</u>	<u>(1,568,250)</u>
Other Financing Sources (Uses)					
Proceeds from sale of assets	-	27,700	28,466	766	84,124
Transfers in	-	7,379,390	7,379,390	-	3,427,600
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,407,090</u>	<u>7,407,856</u>	<u>766</u>	<u>3,511,724</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (3,807,903)</u>	<u>3,140,508</u>	<u>\$ 6,948,411</u>	<u>1,943,474</u>
Fund Balances Beginning of Year			<u>3,905,193</u>		<u>1,961,719</u>
Fund Balances End of Year			<u>\$ 7,045,701</u>		<u>\$ 3,905,193</u>

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, 2023

	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	\$ 399,625	\$ 75,262	\$ -	\$ -	\$ 474,887
Receivables:					
Inventory	29,315	65,026	-	-	94,341
Prepaid items	5,910	7,620	-	-	13,530
Total Current Assets	<u>434,850</u>	<u>147,908</u>	<u>-</u>	<u>-</u>	<u>582,758</u>
Noncurrent Assets:					
Capital Assets:					
Construction in progress	-	2,381,784	-	-	2,381,784
Land	739,352	4,475,793	-	-	5,215,145
Depreciable capital assets, net	945,899	4,415,115	-	-	5,361,014
Other Assets:					
Investment in joint ventures	-	-	6,165,613	13,380,919	19,546,532
Total Noncurrent Assets	<u>1,685,251</u>	<u>11,272,692</u>	<u>6,165,613</u>	<u>13,380,919</u>	<u>32,504,475</u>
Total Assets	<u>2,120,101</u>	<u>11,420,600</u>	<u>6,165,613</u>	<u>13,380,919</u>	<u>33,087,233</u>
Deferred Outflows of Resources	<u>331,843</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>331,843</u>
Total Assets and Deferred Outflows	<u>\$ 2,451,944</u>	<u>\$ 11,420,600</u>	<u>\$ 6,165,613</u>	<u>\$ 13,380,919</u>	<u>\$ 33,419,076</u>
Liabilities					
Current Liabilities:					
Accounts payable	7,408	15,832	-	-	23,240
Accrued expenses	13,360	4,557	-	-	17,917
Unearned revenue	33,666	-	-	-	33,666
Compensated absences payable	36,000	4,000	-	-	40,000
Total Current Liabilities	<u>90,434</u>	<u>24,389</u>	<u>-</u>	<u>-</u>	<u>114,823</u>
Long-Term Liabilities:					
Compensated absences payable (net of current portion)	53,511	20,244	-	-	73,755
Net pension liability	329,755	-	-	-	329,755
Net OPEB liability	236,914	-	-	-	236,914
Total Long-Term Liabilities	<u>620,180</u>	<u>20,244</u>	<u>-</u>	<u>-</u>	<u>640,424</u>
Total Liabilities	<u>710,614</u>	<u>44,633</u>	<u>-</u>	<u>-</u>	<u>755,247</u>
Deferred Inflows of Resources	<u>318,811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>318,811</u>
Net Position					
Net investment in capital assets	1,685,251	11,272,692	-	-	12,957,943
Unrestricted	(262,732)	103,275	6,165,613	13,380,919	19,387,075
Total Net Position	<u>1,422,519</u>	<u>11,375,967</u>	<u>6,165,613</u>	<u>13,380,919</u>	<u>32,345,018</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 2,451,944</u>	<u>\$ 11,420,600</u>	<u>\$ 6,165,613</u>	<u>\$ 13,380,919</u>	<u>\$ 33,419,076</u>

City of Dalton, Georgia
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2023

	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	\$ 1,175,280	\$ 781,463	\$ -	\$ -	\$ 1,956,743
Merchandise sales	201,107	-	-	-	201,107
Tournaments	107,613	-	-	-	107,613
Concessions	124,259	-	-	-	124,259
Miscellaneous	-	743	-	-	743
Total Operating Revenues	<u>1,608,259</u>	<u>782,206</u>	<u>-</u>	<u>-</u>	<u>2,390,465</u>
Operating Expenses					
Personal services and benefits	671,895	219,376	-	-	891,271
Purchased and contracted services	119,906	166,536	-	-	286,442
Supplies	415,108	469,719	-	-	884,827
Depreciation	124,159	458,872	-	-	583,031
Total Operating Expenses	<u>1,331,068</u>	<u>1,314,503</u>	<u>-</u>	<u>-</u>	<u>2,645,571</u>
Operating Income (Loss)	<u>277,191</u>	<u>(532,297)</u>	<u>-</u>	<u>-</u>	<u>(255,106)</u>
Non-Operating Revenues (Expenses)					
Investment earnings	1,254	845	-	-	2,099
Gain (loss) on sale of assets	14,931	-	-	-	14,931
Income (loss) from joint ventures	-	-	(740,961)	(2,633,928)	(3,374,889)
Total Non-Operating Revenues (Expenses)	<u>16,185</u>	<u>845</u>	<u>(740,961)</u>	<u>(2,633,928)</u>	<u>(3,357,859)</u>
Income (Loss) Before Transfers In (Out)	293,376	(531,452)	(740,961)	(2,633,928)	(3,612,965)
Transfers in (out)	-	2,413,728	596,719	-	3,010,447
Change in Net Position	293,376	1,882,276	(144,242)	(2,633,928)	(602,518)
Net Position Beginning of Year	<u>1,129,143</u>	<u>9,493,691</u>	<u>6,309,855</u>	<u>16,014,847</u>	<u>32,947,536</u>
Net Position End of Year	<u>\$ 1,422,519</u>	<u>\$ 11,375,967</u>	<u>\$ 6,165,613</u>	<u>\$ 13,380,919</u>	<u>\$ 32,345,018</u>

City of Dalton, Georgia
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2023

	Municipal Golf Course	Municipal Airport	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 1,609,636	\$ 786,772	\$ 2,396,408
Cash payments for personnel services and benefits	(649,658)	(209,305)	(858,963)
Cash payments for goods, services, claims, and fees	(544,719)	(663,652)	(1,208,371)
Net Cash Provided by (Used in) Operating Activities	<u>415,259</u>	<u>(86,185)</u>	<u>329,074</u>
Cash Flows from Noncapital Financing Activities			
Interfund loans received (paid)	(37,847)	-	(37,847)
Proceeds from interfund transfers	-	72,420	72,420
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(37,847)</u>	<u>72,420</u>	<u>34,573</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	-	(12,543)	(12,543)
Cash received from sale of capital assets	14,931	-	14,931
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>14,931</u>	<u>(12,543)</u>	<u>2,388</u>
Cash Flows from Investing Activities			
Investment earnings	1,254	845	2,099
Net Cash Provided by (Used in) Investing Activities	<u>1,254</u>	<u>845</u>	<u>2,099</u>
Net Increase (Decrease) in Cash and Cash Equivalents	393,597	(25,463)	368,134
Cash and Cash Equivalents Beginning of Year	<u>6,028</u>	<u>100,725</u>	<u>106,753</u>
Cash and Cash Equivalents End of Year	<u>\$ 399,625</u>	<u>\$ 75,262</u>	<u>\$ 474,887</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	\$ 277,191	\$ (532,297)	\$ (255,106)
Adjustments:			
Depreciation	124,159	458,872	583,031
Pension (benefit)/expense	48,094	-	48,094
OPEB (benefit)/expense	(32,574)	-	(32,574)
(Increase) Decrease in Assets:			
Accounts receivable	-	11,865	11,865
Inventory	(1,248)	(27,735)	(28,983)
Prepaid items	(5,910)	7,484	1,574
Increase (Decrease) in Liabilities:			
Accounts payable	(2,547)	(7,146)	(9,693)
Accrued expenses	2,496	565	3,061
Unearned revenue	1,377	(7,299)	(5,922)
Compensated absences payable	4,221	9,506	13,727
Net Cash Provided by (Used in) Operating Activities	<u>\$ 415,259</u>	<u>\$ (86,185)</u>	<u>\$ 329,074</u>
Noncash Investing, Capital, and Financing Activities			
Acquisition of capital assets from interfund transfers	<u>\$ -</u>	<u>\$ 2,341,308</u>	<u>\$ 2,341,308</u>

City of Dalton, Georgia
Combining Schedule of Net Position
Water, Light, and Sinking Commission Fund
December 31, 2023

	Electric System	Gas System	Water System	Sewer System	Information Technology System	Total
Assets						
Current Assets:						
Cash and cash equivalents	\$ 13,540,000	\$ 1,708,000	\$ 2,105,000	\$ 1,673,000	\$ 1,479,000	\$ 20,505,000
Short-term investments	502,000	63,000	78,000	62,000	55,000	760,000
Restricted customer deposit fund	2,933,000	370,000	456,000	362,000	-	4,121,000
Accounts receivable, net	12,210,000	1,413,000	1,741,000	1,385,000	839,000	17,588,000
Unbilled revenues	6,117,000	1,550,000	1,821,000	1,005,000	-	10,493,000
Interest receivable	562,000	9,000	53,000	43,000	21,000	688,000
Fuel stocks	2,092,000	1,819,000	-	-	-	3,911,000
Materials and supplies inventory	17,240,000	604,000	1,218,000	59,000	1,891,000	21,012,000
Deposits and prepaid items	1,805,000	223,000	279,000	222,000	172,000	2,701,000
Total Current Assets	<u>57,001,000</u>	<u>7,759,000</u>	<u>7,751,000</u>	<u>4,811,000</u>	<u>4,457,000</u>	<u>81,779,000</u>
Noncurrent Assets:						
Construction in progress	146,372,000	693,000	3,407,000	(565,000)	1,869,000	151,776,000
Nuclear fuel, at amortized cost	21,415,000	-	-	-	-	21,415,000
Depreciable capital assets, net	547,576,000	25,904,000	231,220,000	140,944,000	38,307,000	983,951,000
Restricted combined utilities renewals/extensions fund	14,646,000	837,000	6,501,000	5,241,000	2,680,000	29,905,000
Restricted wastewater settlement liability fund	-	-	-	19,967,000	-	19,967,000
Restricted nuclear decommissioning fund	41,644,000	-	-	-	-	41,644,000
Regulatory asset, net	58,324,000	3,905,000	13,371,000	7,828,000	4,006,000	87,434,000
Net lease assets	5,342,000	-	-	-	201,000	5,543,000
Total Noncurrent Assets	<u>835,319,000</u>	<u>31,339,000</u>	<u>254,499,000</u>	<u>173,415,000</u>	<u>47,063,000</u>	<u>1,341,635,000</u>
Total Assets	<u>892,320,000</u>	<u>39,098,000</u>	<u>262,250,000</u>	<u>178,226,000</u>	<u>51,520,000</u>	<u>1,423,414,000</u>
Deferred Outflows of Resources	<u>2,423,000</u>	<u>1,541,000</u>	<u>5,276,000</u>	<u>3,089,000</u>	<u>1,591,000</u>	<u>13,920,000</u>
Total Assets and Deferred Outflows	<u>\$ 894,743,000</u>	<u>\$ 40,639,000</u>	<u>\$ 267,526,000</u>	<u>\$ 181,315,000</u>	<u>\$ 53,111,000</u>	<u>\$ 1,437,334,000</u>

City of Dalton, Georgia
Combining Schedule of Net Position
Water, Light, and Sinking Commission Fund
December 31, 2023

	Electric System	Gas System	Water System	Sewer System	Information Technology System	Total
Liabilities						
Current Liabilities:						
Customer deposits	\$ 3,604,000	\$ 455,000	\$ 561,000	\$ 446,000	\$ -	\$ 5,066,000
Current maturities of long-term debt	2,986,000	81,000	2,500,000	107,000	-	5,674,000
Current portion wastewater settlement liability	-	-	-	5,000,000	-	5,000,000
Accounts payable and accrued expenses	<u>15,793,000</u>	<u>3,086,000</u>	<u>1,687,000</u>	<u>1,807,000</u>	<u>1,656,000</u>	<u>24,029,000</u>
Total Current Liabilities	<u>22,383,000</u>	<u>3,622,000</u>	<u>4,748,000</u>	<u>7,360,000</u>	<u>1,656,000</u>	<u>39,769,000</u>
Long-Term Liabilities:						
Long-term debt	88,622,000	1,724,000	53,438,000	2,298,000	-	146,082,000
Long-term wastewater settlement liability	-	-	-	15,000,000	-	15,000,000
Net pension liability	2,254,000	1,460,000	5,000,000	2,927,000	1,498,000	13,139,000
Net OPEB liability	1,575,000	1,022,000	3,498,000	2,048,000	1,048,000	9,191,000
Asset retirement obligations	<u>103,898,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,898,000</u>
Total Long-Term Liabilities	<u>196,349,000</u>	<u>4,206,000</u>	<u>61,936,000</u>	<u>22,273,000</u>	<u>2,546,000</u>	<u>287,310,000</u>
Total Liabilities	<u>218,732,000</u>	<u>7,828,000</u>	<u>66,684,000</u>	<u>29,633,000</u>	<u>4,202,000</u>	<u>327,079,000</u>
Deferred Inflows of Resources	<u>12,015,000</u>	<u>1,369,000</u>	<u>4,686,000</u>	<u>2,744,000</u>	<u>1,605,000</u>	<u>22,419,000</u>
Net Position						
Net investment in capital assets	567,597,000	24,792,000	178,688,000	137,974,000	40,176,000	949,227,000
Restricted for:						
Capital projects	14,646,000	837,000	6,501,000	5,241,000	2,680,000	29,905,000
Nuclear decommissioning	41,644,000	-	-	-	-	41,644,000
Wastewater settlement liability	-	-	-	19,967,000	-	19,967,000
Pension	1,918,000	1,245,000	4,263,000	2,496,000	1,277,000	11,199,000
OPEB	523,000	338,000	1,160,000	678,000	347,000	3,046,000
Lease assets	45,000	-	-	-	2,000	47,000
SBITA assets	19,000	12,000	41,000	24,000	21,000	117,000
Unrestricted	<u>37,604,000</u>	<u>4,218,000</u>	<u>5,503,000</u>	<u>(17,442,000)</u>	<u>2,801,000</u>	<u>32,684,000</u>
Total Net Position	<u>663,996,000</u>	<u>31,442,000</u>	<u>196,156,000</u>	<u>148,938,000</u>	<u>47,304,000</u>	<u>1,087,836,000</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 894,743,000</u>	<u>\$ 40,639,000</u>	<u>\$ 267,526,000</u>	<u>\$ 181,315,000</u>	<u>\$ 53,111,000</u>	<u>\$ 1,437,334,000</u>

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, 2023

	Electric System	Gas System	Water System	Sewer System	Information Technology System	Total
Operating Revenues						
Electric	\$ 196,934,000	\$ -	\$ -	\$ -	\$ -	\$ 196,934,000
Parity income	3,021,000	-	-	-	-	3,021,000
Natural gas	-	25,999,000	-	-	-	25,999,000
Water	-	-	31,087,000	-	-	31,087,000
Wastewater	-	-	-	24,712,000	-	24,712,000
Information technology	-	-	-	-	21,850,000	21,850,000
Total Operating Revenues	<u>199,955,000</u>	<u>25,999,000</u>	<u>31,087,000</u>	<u>24,712,000</u>	<u>21,850,000</u>	<u>303,603,000</u>
Operating Expenses						
Production	30,074,000	-	5,284,000	13,097,000	-	48,455,000
Purchased electricity	80,397,000	-	-	-	-	80,397,000
Purchased natural gas	-	20,046,000	-	-	-	20,046,000
Distribution	9,358,000	2,820,000	5,481,000	2,631,000	11,601,000	31,891,000
Depreciation and amortization	14,185,000	727,000	7,401,000	5,611,000	3,593,000	31,517,000
General and administrative	2,881,000	2,434,000	8,135,000	4,845,000	2,356,000	20,651,000
Total Operating Expenses	<u>136,895,000</u>	<u>26,027,000</u>	<u>26,301,000</u>	<u>26,184,000</u>	<u>17,550,000</u>	<u>232,957,000</u>
Operating Income (Loss)	<u>63,060,000</u>	<u>(28,000)</u>	<u>4,786,000</u>	<u>(1,472,000)</u>	<u>4,300,000</u>	<u>70,646,000</u>
Non-Operating Revenues (Expenses)						
Interest income	2,502,000	84,000	372,000	85,000	45,000	3,088,000
Interest expense	(3,105,000)	(63,000)	(1,951,000)	(84,000)	-	(5,203,000)
Net increase (decrease) in fair value of investments	193,000	(79,000)	(97,000)	(102,000)	(57,000)	(142,000)
Miscellaneous income (expense)	368,000	47,000	57,000	45,000	41,000	558,000
Total Non-Operating Revenues (Expenses)	<u>(42,000)</u>	<u>(11,000)</u>	<u>(1,619,000)</u>	<u>(56,000)</u>	<u>29,000</u>	<u>(1,699,000)</u>
Income Before Reallocations and Transfers	<u>63,018,000</u>	<u>(39,000)</u>	<u>3,167,000</u>	<u>(1,528,000)</u>	<u>4,329,000</u>	<u>68,947,000</u>
Reallocations and Transfers						
Reallocations	(38,143,000)	1,019,000	7,019,000	31,639,000	(1,534,000)	-
Contributions in aid of construction	63,000	654,000	1,912,000	-	-	2,629,000
Transfers out	(12,540,000)	(1,582,000)	(1,950,000)	(1,550,000)	(1,370,000)	(18,992,000)
Total Reallocations and Transfers	<u>(50,620,000)</u>	<u>91,000</u>	<u>6,981,000</u>	<u>30,089,000</u>	<u>(2,904,000)</u>	<u>(16,363,000)</u>
Change in Net Position	12,398,000	52,000	10,148,000	28,561,000	1,425,000	52,584,000
Net Position Beginning of Year	<u>651,598,000</u>	<u>31,390,000</u>	<u>186,008,000</u>	<u>120,377,000</u>	<u>45,879,000</u>	<u>1,035,252,000</u>
Net Position End of Year	<u>\$ 663,996,000</u>	<u>\$ 31,442,000</u>	<u>\$ 196,156,000</u>	<u>\$ 148,938,000</u>	<u>\$ 47,304,000</u>	<u>\$ 1,087,836,000</u>

City of Dalton, Georgia
Comparative Statement of Net Position
Municipal Golf Course Fund
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 399,625	\$ 6,028
Inventory	29,315	28,067
Prepaid items	5,910	-
Total Current Assets	<u>434,850</u>	<u>34,095</u>
Noncurrent Assets:		
Capital Assets:		
Land	739,352	739,352
Depreciable capital assets, net	945,899	1,070,058
Total Capital Assets	<u>1,685,251</u>	<u>1,809,410</u>
Total Assets	<u>2,120,101</u>	<u>1,843,505</u>
Deferred Outflows of Resources	<u>331,843</u>	<u>393,882</u>
Total Assets and Deferred Outflows	<u>\$ 2,451,944</u>	<u>\$ 2,237,387</u>
Liabilities		
Current Liabilities:		
Accounts payable	\$ 7,408	\$ 9,955
Accrued expenses	13,360	10,864
Unearned revenue	33,666	32,289
Interfund payable	-	37,847
Compensated absences payable	36,000	36,000
Total Current Liabilities	<u>90,434</u>	<u>126,955</u>
Long-Term Liabilities:		
Compensated absences payable (net of current portion)	53,511	49,290
Net pension liability	329,755	396,435
Net OPEB liability	236,914	220,177
Total Long-Term Liabilities	<u>620,180</u>	<u>665,902</u>
Total Liabilities	<u>710,614</u>	<u>792,857</u>
Deferred Inflows of Resources	<u>318,811</u>	<u>315,387</u>
Net Position		
Investment in capital assets	1,685,251	1,809,410
Unrestricted	(262,732)	(680,267)
Total Net Position	<u>1,422,519</u>	<u>1,129,143</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 2,451,944</u>	<u>\$ 2,237,387</u>

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for services	\$ 1,175,280	\$ 994,133
Merchandise sales	201,107	156,123
Tournaments	107,613	126,597
Concessions	124,259	69,363
Miscellaneous	-	97
Total Operating Revenues	<u>1,608,259</u>	<u>1,346,313</u>
Operating Expenses		
Personal services and benefits	671,895	657,264
Purchased and contracted services	119,906	90,291
Supplies	415,108	356,759
Depreciation	124,159	103,157
Total Operating Expenses	<u>1,331,068</u>	<u>1,207,471</u>
Operating Income (Loss)	<u>277,191</u>	<u>138,842</u>
Non-Operating Revenues (Expenses)		
Investment earnings	1,254	2
Gain on sale of assets	14,931	278,400
Total Non-Operating Revenues (Expenses)	<u>16,185</u>	<u>278,402</u>
Change in Net Position	293,376	417,244
Net Position Beginning of Year	<u>1,129,143</u>	<u>711,899</u>
Net Position End of Year	<u>\$ 1,422,519</u>	<u>\$ 1,129,143</u>

City of Dalton, Georgia
Comparative Statement of Net Position
Dalton Municipal Airport Fund
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 75,262	\$ 100,725
Receivables:		
Accounts	-	11,865
Inventory	65,026	37,291
Prepaid items	7,620	15,104
Total Current Assets	<u>147,908</u>	<u>164,985</u>
Noncurrent Assets:		
Capital Assets:		
Construction in progress	2,381,784	40,477
Land	4,475,793	4,475,793
Depreciable capital assets, net	4,415,115	4,861,443
Total Noncurrent Assets	<u>11,272,692</u>	<u>9,377,713</u>
Total Assets	<u>\$ 11,420,600</u>	<u>\$ 9,542,698</u>
Liabilities		
Current Liabilities:		
Accounts payable	\$ 15,832	\$ 22,978
Accrued expenses	4,557	3,992
Unearned revenue	-	7,299
Compensated absences payable	4,000	4,000
Total Current Liabilities	<u>24,389</u>	<u>38,269</u>
Long-Term Liabilities:		
Compensated absences payable (net of current portion)	20,244	10,738
Total Liabilities	<u>44,633</u>	<u>49,007</u>
Net Position		
Investment in capital assets	11,272,692	9,377,713
Unrestricted	103,275	115,978
Total Net Position	<u>11,375,967</u>	<u>9,493,691</u>
Total Liabilities and Net Position	<u>\$ 11,420,600</u>	<u>\$ 9,542,698</u>

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for services	\$ 781,463	\$ 888,018
Miscellaneous	743	60,254
Total Operating Revenues	<u>782,206</u>	<u>948,272</u>
Operating Expenses		
Personal services and benefits	219,376	210,135
Purchased and contracted services	166,536	144,235
Supplies	469,719	549,429
Depreciation	458,872	453,799
Total Operating Expenses	<u>1,314,503</u>	<u>1,357,598</u>
Operating (Loss)	<u>(532,297)</u>	<u>(409,326)</u>
Nonoperating Revenues (Expenses)		
Investment earnings	845	230
Total Nonoperating Revenues (Expenses)	<u>845</u>	<u>230</u>
Income (Loss) Before Transfers In	<u>(531,452)</u>	<u>(409,096)</u>
Transfers In (Out)		
Transfers in	2,413,728	799,038
Net Transfers	<u>2,413,728</u>	<u>799,038</u>
Change in Net Position	1,882,276	389,942
Net Position Beginning of Year	<u>9,493,691</u>	<u>9,103,749</u>
Net Position End of Year	<u>\$ 11,375,967</u>	<u>\$ 9,493,691</u>

INTERNAL SERVICE FUNDS

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. The City transferred the risk of loss to a commercial insurer for health insurance effective January 1, 2022.

Risk Pool Fund – This fund is used to account for the final claims from the workers' compensation and health insurance internal service funds. The City transferred the risk of loss to a commercial insurer for workers' compensation insurance effective January 1, 2020 and for health insurance effective January 1, 2022, but pays any remaining claims prior to those dates out of this fund.

City of Dalton, Georgia
Combining Statement of Net Position
Internal Service Funds
December 31, 2023

	Health Insurance Fund	Risk Pool Fund	Total Internal Service Funds
Assets			
Current Assets:			
Accounts receivable	\$ -	\$ 48,441	\$ 48,441
Total Assets	<u>\$ -</u>	<u>\$ 48,441</u>	<u>\$ 48,441</u>
Liabilities			
Current Liabilities:			
Accounts payable	\$ -	\$ 48,441	\$ 48,441
Total Liabilities	<u>\$ -</u>	<u>\$ 48,441</u>	<u>\$ 48,441</u>

City of Dalton, Georgia
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2023

	Health Insurance Fund	Risk Pool Fund	Total Internal Service Funds
Operating Revenues			
Charges for services	\$ -	\$ 103,562	\$ 103,562
Operating Expenses			
Claims	1,165	103,562	104,727
Total Operating Expenses	<u>1,165</u>	<u>103,562</u>	<u>104,727</u>
Change in Net Position	(1,165)	-	(1,165)
Net Position Beginning of Year	<u>1,165</u>	<u>-</u>	<u>1,165</u>
Net Position End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Dalton, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2023

	Health Insurance Fund	Risk Pool Fund	Total Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from interfund services provided	\$ 750	\$ 80,533	\$ 81,283
Cash payments for claims and fees	<u>(1,507)</u>	<u>(80,533)</u>	<u>(82,040)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(757)</u>	<u>-</u>	<u>(757)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(757)	-	(757)
Cash and Cash Equivalents Beginning of Year	<u>757</u>	<u>-</u>	<u>757</u>
Cash and Cash Equivalents End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	\$ (1,165)	\$ -	\$ (1,165)
(Increase) Decrease in Assets:			
Accounts receivable	750	(23,029)	(22,279)
Increase (Decrease) in Liabilities:			
Accounts payable	-	23,029	23,029
Claims payable	<u>(342)</u>	<u>-</u>	<u>(342)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (757)</u>	<u>\$ -</u>	<u>\$ (757)</u>

City of Dalton, Georgia
Comparative Statement of Net Position
Health Insurance Fund
December 31, 2023 and 2022

	2023	2022
Assets		
Current Assets:		
Cash and cash equivalents	\$ -	\$ 757
Accounts receivable	-	750
Total Assets	\$ -	\$ 1,507
Liabilities		
Current Liabilities:		
Claims payable	\$ -	\$ 342
Total Liabilities	-	342
Net Position		
Unrestricted	-	1,165
Total Net Position	-	1,165
Total Liabilities and Net Position	\$ -	\$ 1,507

City of Dalton, Georgia
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
Health Insurance Fund
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for services	\$ -	\$ 13,184
Operating Expenses		
Claims	1,165	-
Operating Income (Loss)	<u>(1,165)</u>	<u>13,184</u>
Non-Operating Revenues and Expenses		
Investment earnings	-	815
Total Non-Operating Revenues and Expenses	<u>-</u>	<u>815</u>
Change in Net Position	(1,165)	13,999
Net Position Beginning of Year	<u>1,165</u>	<u>(12,834)</u>
Net Position End of Year	<u>\$ -</u>	<u>\$ 1,165</u>

City of Dalton, Georgia
Comparative Statement of Net Position
Risk Pool Fund
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets:		
Accounts receivable	\$ 48,441	\$ 25,412
Total Assets	<u>\$ 48,441</u>	<u>\$ 25,412</u>
Liabilities		
Current Liabilities:		
Accounts payable	\$ 48,441	\$ 25,412
Total Liabilities	<u>\$ 48,441</u>	<u>\$ 25,412</u>

City of Dalton, Georgia
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
Risk Pool Fund
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for services	\$ 103,562	\$ 177,500
Operating Expenses		
Claims	103,562	177,500
Change in Net Position	-	-
Net Position Beginning of Year	-	-
Net Position End of Year	\$ -	\$ -

FIDUCIARY FUNDS

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

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

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

Municipal Court 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 confiscated assets held by the police department in a custodial function.

City of Dalton, Georgia
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Trust Funds - Pension Trust Fund and OPEB Trust Fund
December 31, 2023

	Pension Trust		
	Fund	OPEB Trust Fund	Total Trust Funds
Assets			
Cash and cash equivalents	\$ 490,948	\$ -	\$ 490,948
Investments, at fair value:			
Georgia Municipal Employees Benefit System			
OPEB Trust Account	-	754,454	754,454
MetLife Large Cap Equity Index Fund	9,422,802	-	9,422,802
MetLife Small Cap Index Fund	29,028,534	-	29,028,534
MetLife Aggregate Bond Index Fund	9,598,251	-	9,598,251
Vanguard Institutional Index Fund	56,848,719	-	56,848,719
Vanguard Small Cap Index Fund	18,490,014	-	18,490,014
Vanguard Total Bond Market Index Fund	14,953,653	-	14,953,653
Contributions receivable	164,435	-	164,435
Total Assets	\$ 138,997,356	\$ 754,454	\$ 139,751,810
Liabilities			
Current Liabilities:			
Accounts payable	\$ 2,533	\$ 63,891	66,424
Total Liabilities	2,533	63,891	66,424
Net Position			
Restricted for pension	138,994,823	-	138,994,823
Restricted for OPEB	-	690,563	690,563
Total Net Position	138,994,823	690,563	139,685,386
Total Liabilities and Net Position	\$ 138,997,356	\$ 754,454	\$ 139,751,810

City of Dalton, Georgia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Trust Funds - Pension Trust Fund and OPEB Trust Fund
For the Year Ended December 31, 2023

	Pension Trust		
	Fund	OPEB Trust Fund	Total Trust Funds
Additions			
Contributions:			
Employer	\$ 1,651,195	\$ -	\$ 1,651,195
Plan members	608,829	-	608,829
Total contributions	<u>2,260,024</u>	<u>-</u>	<u>2,260,024</u>
Investment income:			
Interest and dividends	3,012,459	13,892	3,026,351
Net increase (decrease) in fair value of investments	16,923,754	150,059	17,073,813
Total investment income	19,936,213	163,951	20,100,164
Less: investment expense	154,921	2,969	157,890
Net investment earnings	<u>19,781,292</u>	<u>160,982</u>	<u>19,942,274</u>
Total Additions	<u>22,041,316</u>	<u>160,982</u>	<u>22,202,298</u>
Deductions			
Administrative expenses	55,724	17,973	73,697
Premium payments	-	700,628	700,628
Benefit payments	8,994,541	-	8,994,541
Total Deductions	<u>9,050,265</u>	<u>718,601</u>	<u>9,768,866</u>
Change in Net Position	12,991,051	(557,619)	12,433,432
Net Position Beginning of Year	<u>126,003,772</u>	<u>1,248,182</u>	<u>127,251,954</u>
Net Position End of Year	<u>\$ 138,994,823</u>	<u>\$ 690,563</u>	<u>\$ 139,685,386</u>

City of Dalton, Georgia
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds - Municipal Court Custodial Fund and Police Custodial Fund
December 31, 2023

	<u>Municipal Court Custodial Fund</u>	<u>Police Custodial Fund</u>	<u>Total Custodial Funds</u>
Assets			
Cash and cash equivalents	\$ 311,838	\$ 229,165	\$ 541,003
Total Assets	<u>\$ 311,838</u>	<u>\$ 229,165</u>	<u>\$ 541,003</u>
Liabilities			
Current Liabilities:			
Accounts payable	\$ 45,739	\$ -	45,739
Total Liabilities	<u>45,739</u>	<u>-</u>	<u>45,739</u>
Net Position			
Restricted for others	<u>266,099</u>	<u>229,165</u>	<u>495,264</u>
Total Net Position	<u>266,099</u>	<u>229,165</u>	<u>495,264</u>
Total Liabilities and Net Position	<u>\$ 311,838</u>	<u>\$ 229,165</u>	<u>\$ 541,003</u>

City of Dalton, Georgia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds - Municipal Court Custodial Fund and Police Custodial Fund
For the Year Ended December 31, 2023

	<u>Municipal Court Custodial Fund</u>	<u>Police Custodial Fund</u>	<u>Total Custodial Funds</u>
Additions			
Fine/confiscation collections	\$ 1,889,414	\$ 368,440	\$ 2,257,854
Total Additions	<u>1,889,414</u>	<u>368,440</u>	<u>2,257,854</u>
Deductions			
Fine/confiscation remittances	<u>1,825,903</u>	<u>213,006</u>	<u>2,038,909</u>
Total Deductions	<u>1,825,903</u>	<u>213,006</u>	<u>2,038,909</u>
Change in Net Position	63,511	155,434	218,945
Net Position Beginning of Year	<u>202,588</u>	<u>73,731</u>	<u>276,319</u>
Net Position End of Year	<u>\$ 266,099</u>	<u>\$ 229,165</u>	<u>\$ 495,264</u>

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 Annual Comprehensive Financial Report.

City of Dalton, Georgia
Comparative Statement of Net Position
Discretely Presented Component Unit - City of Dalton Building Authority
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 28,695,556	\$ 31,382,076
Leases receivable	10,255,000	10,219,000
Accounts receivable	18,865	-
Interest receivable	<u>-</u>	<u>67,640</u>
Total Current Assets	<u>38,969,421</u>	<u>41,668,716</u>
Noncurrent Assets:		
Leases receivable (less current portion)	<u>29,520,000</u>	<u>39,775,000</u>
Total Assets	<u>\$ 68,489,421</u>	<u>\$ 81,443,716</u>
Liabilities		
Current Liabilities:		
Accounts payable	28,502,253	31,278,661
Revenue bonds payable	<u>10,255,000</u>	<u>10,219,000</u>
Total Current Liabilities	<u>38,757,253</u>	<u>41,497,661</u>
Long-Term Liabilities:		
Revenue bonds payable (less current portion)	<u>29,520,000</u>	<u>39,775,000</u>
Total Liabilities	<u>68,277,253</u>	<u>81,272,661</u>
Net Position		
Unrestricted	<u>212,168</u>	<u>171,055</u>
Total Net Position	<u>212,168</u>	<u>171,055</u>
Total Liabilities and Net Position	<u>\$ 68,489,421</u>	<u>\$ 81,443,716</u>

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues (Expenses)		
Bond issuance fees	\$ 52,719	\$ 61,240
Fiscal and administrative fees	(11,606)	(9,061)
Total Operating Revenues (Expenses)	<u>41,113</u>	<u>52,179</u>
Non-Operating Revenues (Expenses)		
Interest earnings	796,910	100,445
Interest and fiscal charges	(1,129,951)	(944,825)
Total Non-Operating Revenues (Expenses)	<u>(333,041)</u>	<u>(844,380)</u>
Income (Loss) Before Transfers In (Out)	<u>(291,928)</u>	<u>(792,201)</u>
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)	1,129,951	944,825
Transfer out (outflows of interest earnings and interest subsidy to the City of Dalton, City of Dalton Board of Education, and Whitfield County)	(796,910)	(100,445)
Total Transfers In (Out)	<u>333,041</u>	<u>844,380</u>
Change in Net Position	41,113	52,179
Net Position Beginning of Year	<u>171,055</u>	<u>118,876</u>
Net Position End of Year	<u>\$ 212,168</u>	<u>\$ 171,055</u>

City of Dalton, Georgia
Comparative Statement of Cash Flows
Discretely Presented Component Unit - City of Dalton Building Authority
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Bond issuance fees	\$ 33,854	\$ 61,240
Fiscal and administrative fees	(8,457)	(8,490)
Net Cash Provided by (Used in) Operating Activities	<u>25,397</u>	<u>52,750</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from issuance of debt, net of issuance costs	-	15,747,007
Payments to City of Dalton and Whitfield County for capital use of debt proceeds	(3,508,984)	(9,804,587)
Receipts from City of Dalton, City of Dalton Board of Education, and Whitfield County for payment of debt and interest	11,349,108	10,933,716
Interest earnings, net of fees	796,910	100,445
Principal paid on capital debt	(10,219,000)	(9,988,000)
Interest paid on capital debt	(1,129,951)	(944,825)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(2,711,917)</u>	<u>6,043,756</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,686,520)	6,096,506
Cash and Cash Equivalents Beginning of Year	<u>31,382,076</u>	<u>25,285,570</u>
Cash and Cash Equivalents End of Year	<u>\$ 28,695,556</u>	<u>\$ 31,382,076</u>

STATISTICAL SECTION

This part of the City of Dalton, Georgia's Annual Comprehensive 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)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities										
Net investment in										
capital assets	\$ 73,121,548	\$ 67,728,129	\$ 75,726,246	\$ 81,410,981	\$ 84,604,366	\$ 85,392,649	\$ 84,330,845	\$ 66,137,063	\$ 90,345,875	\$ 93,964,626
Restricted	262,248	8,151,582	8,541,404	7,061,016	8,342,082	10,018,388	10,520,530	31,432,478	23,620,864	28,034,917
Unrestricted	<u>18,273,295</u>	<u>2,830,865</u>	<u>2,313,750</u>	<u>(7,663,963)</u>	<u>(5,239,030)</u>	<u>(3,698,707)</u>	<u>3,398,517</u>	<u>4,376,210</u>	<u>1,539,839</u>	<u>6,721,855</u>
Total governmental activities	<u>\$ 91,657,091</u>	<u>\$ 78,710,576</u>	<u>\$ 86,581,400</u>	<u>\$ 80,808,034</u>	<u>\$ 87,707,418</u>	<u>\$ 91,712,330</u>	<u>\$ 98,249,892</u>	<u>\$ 101,945,751</u>	<u>\$ 115,506,578</u>	<u>\$ 128,721,398</u>
Business-type activities										
Net investment in										
capital assets	\$ 710,531,416	\$ 725,497,305	\$ 744,179,712	\$ 658,650,654	\$ 721,653,192	\$ 814,056,708	\$ 803,826,075	\$ 886,567,371	\$ 922,458,123	\$ 962,184,943
Restricted	86,089,000	97,394,000	96,509,000	214,165,000	190,433,000	143,023,000	185,424,000	132,666,000	99,708,000	105,925,000
Unrestricted	<u>35,507,326</u>	<u>36,613,661</u>	<u>44,191,799</u>	<u>45,013,262</u>	<u>44,382,777</u>	<u>46,533,825</u>	<u>49,754,537</u>	<u>45,486,887</u>	<u>44,625,424</u>	<u>52,071,075</u>
Total business-type activities	<u>\$ 832,127,742</u>	<u>\$ 859,504,966</u>	<u>\$ 884,880,511</u>	<u>\$ 917,828,916</u>	<u>\$ 956,468,969</u>	<u>\$ 1,003,613,533</u>	<u>\$ 1,039,004,612</u>	<u>\$ 1,064,720,258</u>	<u>\$ 1,066,791,547</u>	<u>\$ 1,120,181,018</u>
Primary government										
Net investment in										
capital assets	\$ 783,652,964	\$ 793,225,434	\$ 819,905,958	\$ 740,061,635	\$ 806,257,558	\$ 899,449,357	\$ 888,156,920	\$ 952,704,434	\$ 1,012,803,998	\$ 1,056,149,569
Restricted	86,351,248	105,545,582	105,050,404	221,226,016	198,775,082	153,041,388	195,944,530	164,098,478	123,328,864	133,959,917
Unrestricted	<u>53,780,621</u>	<u>39,444,526</u>	<u>46,505,549</u>	<u>37,349,299</u>	<u>39,143,747</u>	<u>42,835,118</u>	<u>53,153,054</u>	<u>49,863,097</u>	<u>46,165,263</u>	<u>58,792,930</u>
Total primary government	<u>\$ 923,784,833</u>	<u>\$ 938,215,542</u>	<u>\$ 971,461,911</u>	<u>\$ 998,636,950</u>	<u>\$ 1,044,176,387</u>	<u>\$ 1,095,325,863</u>	<u>\$ 1,137,254,504</u>	<u>\$ 1,166,666,009</u>	<u>\$ 1,182,298,125</u>	<u>\$ 1,248,902,416</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Expenses										
Governmental activities										
General government	\$ 2,579,345	\$ 2,971,036	\$ 3,029,543	\$ 2,574,600	\$ 2,932,157	\$ 3,793,196	\$ 3,656,268	\$ 4,510,143	\$ 4,043,710	\$ 5,912,115
Judicial	371,645	437,044	433,156	424,203	409,440	392,841	416,055	287,867	500,868	586,612
Public safety	15,070,993	15,703,840	16,548,965	16,145,618	17,511,903	16,577,990	16,192,777	18,588,626	21,860,924	20,074,665
Public works	8,252,341	9,170,285	9,367,281	9,403,531	10,361,515	10,819,102	8,589,780	10,691,036	12,053,959	11,527,954
Health and welfare	508,735	522,072	468,925	419,892	474,442	440,499	508,059	663,315	616,355	410,293
Culture and recreation	4,989,858	5,390,895	5,833,592	5,627,651	5,872,966	5,879,397	5,630,740	5,260,407	5,740,343	6,650,859
Housing and development	396,836	454,327	260,840	121,645	296,359	332,616	910,073	1,526,828	697,488	1,312,247
Interest on long-term debt	281,844	270,543	372,838	324,325	282,702	244,914	200,751	482,128	828,202	992,720
Total governmental activities expenses	<u>32,451,597</u>	<u>34,920,042</u>	<u>36,315,140</u>	<u>35,041,465</u>	<u>38,141,484</u>	<u>38,480,555</u>	<u>36,104,503</u>	<u>42,010,350</u>	<u>46,341,849</u>	<u>47,467,465</u>
Business-type activities										
Electric system	95,797,217	90,044,256	94,539,437	95,303,240	84,556,426	84,920,632	80,473,178	114,921,651	225,711,307	139,630,692
Gas system	23,036,534	18,640,407	17,682,431	25,731,143	27,824,233	24,415,972	18,880,574	27,219,244	43,018,365	25,951,509
Water system	17,745,718	18,085,121	18,225,184	18,128,394	22,897,890	22,988,674	23,358,791	23,412,300	26,186,180	27,854,993
Wastewater system	19,796,633	20,152,765	20,743,975	19,269,419	20,089,467	19,393,848	19,903,976	21,418,300	50,054,180	25,870,993
Information technology system	19,076,834	19,738,019	19,376,077	16,522,358	16,239,082	15,878,431	15,731,432	15,052,514	17,481,704	17,485,371
Landfill	189,472	-	-	-	-	-	-	-	-	2,633,928
Convention Center	499,660	593,614	492,074	515,534	471,563	540,487	848,713	776,070	711,782	740,961
Municipal golf course	814,233	925,758	901,402	898,210	907,034	953,133	944,916	1,163,606	1,207,302	1,294,137
Municipal airport	904,203	813,242	846,647	853,995	873,083	993,797	942,208	1,057,142	1,357,577	1,309,887
Total business-type activities expenses	<u>177,860,504</u>	<u>168,993,182</u>	<u>172,807,227</u>	<u>177,222,293</u>	<u>173,858,778</u>	<u>170,084,974</u>	<u>161,083,788</u>	<u>205,020,827</u>	<u>365,728,397</u>	<u>242,772,471</u>
Total primary government expenses	<u>\$ 210,312,101</u>	<u>\$ 203,913,224</u>	<u>\$ 209,122,367</u>	<u>\$ 212,263,758</u>	<u>\$ 212,000,262</u>	<u>\$ 208,565,529</u>	<u>\$ 197,188,291</u>	<u>\$ 247,031,177</u>	<u>\$ 412,070,246</u>	<u>\$ 290,239,936</u>

(continued)

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 968,883	\$ 957,103	\$ 969,673	\$ 988,534	\$ 898,003	\$ 344,986	\$ 341,327	\$ 467,925	\$ 517,290	\$ 540,470
Judicial	884,819	689,686	803,218	743,691	715,497	592,789	507,195	629,098	570,533	770,786
Public safety	711,717	440,278	493,428	650,221	659,703	771,204	783,270	849,714	1,094,284	1,164,647
Public works	181,188	173,184	163,724	231,156	215,827	135,324	139,385	134,909	76,288	100,621
Health and welfare	51,710	47,783	50,800	51,076	49,575	53,300	22,335	205,654	217,034	-
Culture and recreation	373,946	374,869	400,749	405,590	378,835	335,074	287,737	398,253	396,260	298,375
Housing and development	-	-	-	-	-	-	-	-	10,000	-
Operating grants and contributions	1,003,133	2,681,730	1,699,959	2,092,951	1,965,144	3,278,259	4,258,266	2,088,783	12,514,808	4,931,528
Capital grants and contributions	<u>1,317,808</u>	<u>1,895,627</u>	<u>10,147,970</u>	<u>10,100,807</u>	<u>8,335,199</u>	<u>2,434,707</u>	<u>1,001,027</u>	<u>7,159,521</u>	<u>7,575,851</u>	<u>8,026,398</u>
Total governmental activities										
program revenues	<u>5,493,204</u>	<u>7,260,260</u>	<u>14,729,521</u>	<u>15,264,026</u>	<u>13,217,783</u>	<u>7,945,643</u>	<u>7,340,542</u>	<u>11,933,857</u>	<u>22,972,348</u>	<u>15,832,825</u>

(continued)

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Business-type activities										
Charges for services										
Electric system	\$ 112,194,000	\$ 119,596,000	\$ 121,900,000	\$ 119,178,000	\$ 118,828,000	\$ 125,113,000	\$ 118,143,000	\$ 137,296,000	\$ 263,451,000	\$ 199,955,000
Gas system	26,159,000	19,963,000	19,621,000	28,176,000	30,855,000	27,178,000	21,421,000	32,777,000	46,093,000	25,999,000
Water system	20,127,000	20,491,000	20,824,000	20,128,000	20,246,000	21,161,000	22,070,000	23,064,000	25,312,000	31,087,000
Wastewater system	20,772,000	21,863,000	21,878,000	22,306,000	21,720,000	21,616,000	20,099,000	21,189,000	21,304,000	24,712,000
Information technology system	20,065,000	20,148,000	20,995,000	21,401,000	22,341,000	22,548,000	22,078,000	22,158,000	22,316,000	21,850,000
Landfill	-	448,366	522,810	651,831	828,412	1,725,208	1,200,962	1,646,502	1,039,695	-
Municipal golf course	915,270	868,829	923,590	820,183	494,420	908,766	896,164	1,241,481	1,346,313	1,608,259
Municipal airport	558,553	455,791	494,593	468,152	462,829	522,761	430,201	560,043	948,272	782,206
Total business-type activities program revenues	<u>200,790,823</u>	<u>203,833,986</u>	<u>207,158,993</u>	<u>213,129,166</u>	<u>215,775,661</u>	<u>220,772,735</u>	<u>206,338,327</u>	<u>239,932,026</u>	<u>381,810,280</u>	<u>305,993,465</u>
Total primary government program revenues	<u>\$ 206,284,027</u>	<u>\$ 211,094,246</u>	<u>\$ 221,888,514</u>	<u>\$ 228,393,192</u>	<u>\$ 228,993,444</u>	<u>\$ 228,718,378</u>	<u>\$ 213,678,869</u>	<u>\$ 251,865,883</u>	<u>\$ 404,782,628</u>	<u>\$ 321,826,290</u>
Net revenues (expenses)										
Governmental activities	\$ (26,958,393)	\$ (27,659,782)	\$ (21,585,619)	\$ (19,777,439)	\$ (24,923,701)	\$ (30,534,912)	\$ (28,763,961)	\$ (30,076,493)	\$ (23,369,501)	\$ (31,634,640)
Business-type activities	<u>22,930,319</u>	<u>34,840,804</u>	<u>34,351,766</u>	<u>35,906,873</u>	<u>41,916,883</u>	<u>50,687,761</u>	<u>45,254,539</u>	<u>34,911,199</u>	<u>16,081,883</u>	<u>63,220,994</u>
Total primary government net revenue (expense)	<u>\$ (4,028,074)</u>	<u>\$ 7,181,022</u>	<u>\$ 12,766,147</u>	<u>\$ 16,129,434</u>	<u>\$ 16,993,182</u>	<u>\$ 20,152,849</u>	<u>\$ 16,490,578</u>	<u>\$ 4,834,706</u>	<u>\$ (7,287,618)</u>	<u>\$ 31,586,354</u>

(continued)

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for:										
General purposes	\$ 8,371,150	\$ 9,143,523	\$ 8,197,757	\$ 8,552,650	\$ 8,705,712	\$ 8,879,845	\$ 8,037,569	\$ 7,903,363	\$ 8,020,014	\$ 8,680,029
Selective taxes	9,843,608	9,932,992	9,378,765	10,149,190	10,916,682	12,002,362	12,607,683	13,963,328	15,160,489	15,743,316
Hotel/motel taxes	1,235,285	1,364,880	1,410,761	1,501,172	1,564,560	1,566,635	1,090,983	1,562,219	1,833,769	2,022,572
Investment earnings	222,324	224,686	227,495	299,310	502,978	684,787	444,764	96,332	418,365	1,704,725
Donations	63,476	20,891	50,252	261,115	714,102	451,396	23,078	37,915	524,901	145,256
Miscellaneous	465,825	559,299	633,166	497,349	729,120	736,893	353,352	659,535	444,532	572,009
Transfers	<u>8,829,455</u>	<u>9,400,547</u>	<u>9,567,313</u>	<u>6,737,695</u>	<u>8,689,931</u>	<u>10,217,906</u>	<u>12,744,094</u>	<u>9,539,660</u>	<u>10,528,258</u>	<u>15,981,553</u>
Total governmental activities general revenues and other changes in net position	<u>29,031,123</u>	<u>30,646,818</u>	<u>29,465,509</u>	<u>27,998,481</u>	<u>31,823,085</u>	<u>34,539,824</u>	<u>35,301,523</u>	<u>33,762,352</u>	<u>36,930,328</u>	<u>44,849,460</u>
Business-type activities										
Investment earnings	5,663,965	1,715,779	180,242	1,371,485	2,831,601	5,092,709	2,242,309	(220,893)	(4,181,768)	2,948,099
Contributions	-	-	-	-	2,000,000	1,000,000	-	-	4,350	2,629,000
Miscellaneous	234,000	150,000	410,850	591,000	581,500	582,000	638,325	565,000	694,050	572,931
Transfers	<u>(8,829,455)</u>	<u>(9,400,547)</u>	<u>(9,567,313)</u>	<u>(6,737,695)</u>	<u>(8,689,931)</u>	<u>(10,217,906)</u>	<u>(12,744,094)</u>	<u>(9,539,660)</u>	<u>(10,528,258)</u>	<u>(15,981,553)</u>
Total business-type activities general revenues and other changes in net position	<u>(2,931,490)</u>	<u>(7,534,768)</u>	<u>(8,976,221)</u>	<u>(4,775,210)</u>	<u>(3,276,830)</u>	<u>(3,543,197)</u>	<u>(9,863,460)</u>	<u>(9,195,553)</u>	<u>(14,011,626)</u>	<u>(9,831,523)</u>
Total primary government general revenues and other changes in net position	<u>\$ 26,099,633</u>	<u>\$ 23,112,050</u>	<u>\$ 20,489,288</u>	<u>\$ 23,223,271</u>	<u>\$ 28,546,255</u>	<u>\$ 30,996,627</u>	<u>\$ 25,438,063</u>	<u>\$ 24,566,799</u>	<u>\$ 22,918,702</u>	<u>\$ 35,017,937</u>
Change in net position										
Governmental activities	\$ 2,072,730	\$ 2,987,036	\$ 7,879,890	\$ 8,221,042	\$ 6,899,384	\$ 4,004,912	\$ 6,537,562	\$ 3,685,859	\$ 13,560,827	\$ 13,214,820
Business-type activities	<u>19,998,829</u>	<u>27,306,036</u>	<u>25,375,545</u>	<u>31,131,663</u>	<u>38,640,053</u>	<u>47,144,564</u>	<u>35,391,079</u>	<u>25,715,646</u>	<u>2,070,257</u>	<u>53,389,471</u>
Total primary government change in net position	<u>\$ 22,071,559</u>	<u>\$ 30,293,072</u>	<u>\$ 33,255,435</u>	<u>\$ 39,352,705</u>	<u>\$ 45,539,437</u>	<u>\$ 51,149,476</u>	<u>\$ 41,928,641</u>	<u>\$ 29,401,505</u>	<u>\$ 15,631,084</u>	<u>\$ 66,604,291</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General fund										
Nonspendable	\$ 179,680	\$ 155,856	\$ 249,062	\$ 171,680	\$ 157,986	\$ 185,196	\$ 144,225	\$ 128,121	\$ 227,443	\$ 681,574
Restricted	96,029	96,029	99,974	114,974	293,499	323,075	321,417	321,417	321,417	336,417
Unrestricted	<u>22,097,252</u>	<u>21,579,429</u>	<u>20,912,480</u>	<u>23,563,828</u>	<u>25,847,595</u>	<u>24,393,127</u>	<u>26,067,467</u>	<u>27,743,722</u>	<u>25,987,581</u>	<u>31,767,838</u>
Total general fund	<u>\$ 22,372,961</u>	<u>\$ 21,831,314</u>	<u>\$ 21,261,516</u>	<u>\$ 23,850,482</u>	<u>\$ 26,299,080</u>	<u>\$ 24,901,398</u>	<u>\$ 26,533,109</u>	<u>\$ 28,193,260</u>	<u>\$ 26,536,441</u>	<u>\$ 32,785,829</u>
Nonmajor governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ 40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	<u>78,958</u>	<u>7,974,454</u>	<u>8,204,724</u>	<u>6,470,325</u>	<u>7,514,261</u>	<u>8,672,492</u>	<u>8,970,831</u>	<u>30,183,499</u>	<u>40,100,677</u>	<u>43,524,934</u>
Total nonmajor governmental funds	<u>\$ 78,958</u>	<u>\$ 7,974,454</u>	<u>\$ 8,204,724</u>	<u>\$ 6,470,365</u>	<u>\$ 7,514,261</u>	<u>\$ 8,672,492</u>	<u>\$ 8,970,831</u>	<u>\$ 30,183,499</u>	<u>\$ 40,100,677</u>	<u>\$ 43,524,934</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues										
Taxes	\$ 19,450,043	\$ 19,727,131	\$ 18,940,840	\$ 20,473,181	\$ 21,219,393	\$ 22,483,049	\$ 21,636,327	\$ 23,541,568	\$ 24,884,958	\$ 26,417,542
Licenses and permits	968,883	957,103	969,673	988,534	898,003	344,986	341,327	355,719	409,881	428,410
Intergovernmental revenues	2,320,941	4,577,357	11,847,929	12,193,758	10,300,343	5,712,966	5,240,793	8,893,304	19,826,717	12,483,562
Charges for services	1,476,461	1,277,199	1,409,091	1,413,867	1,501,341	1,349,088	1,295,386	1,840,049	1,792,067	1,843,447
Fines and forfeitures	549,231	405,566	456,663	454,847	448,006	460,003	444,536	499,785	679,741	603,042
Investment earnings	219,226	221,899	224,509	295,916	497,526	680,144	438,859	95,522	481,492	1,979,089
Miscellaneous	752,890	591,054	815,699	975,514	763,251	808,703	371,174	514,591	749,127	799,899
Total Revenues	<u>25,737,675</u>	<u>27,757,309</u>	<u>34,664,404</u>	<u>36,795,617</u>	<u>35,627,863</u>	<u>31,838,939</u>	<u>29,768,402</u>	<u>35,740,538</u>	<u>48,823,983</u>	<u>44,554,991</u>
Expenditures										
General government	2,146,368	2,399,552	2,596,194	2,222,011	2,495,241	3,683,839	3,440,615	3,190,338	3,526,952	3,665,558
Judicial	414,003	437,298	433,736	436,770	403,231	404,296	427,469	437,671	505,415	588,697
Public safety	15,017,013	15,391,367	15,814,820	16,356,131	16,740,427	17,423,011	18,871,214	17,241,892	19,446,561	19,827,769
Public works	7,294,473	7,636,525	7,857,512	8,226,802	8,512,089	9,468,123	7,644,743	8,987,152	10,039,222	9,737,868
Health and welfare	479,815	507,489	441,560	412,987	447,949	451,721	561,809	586,254	841,057	190,330
Culture and recreation	3,711,990	3,892,767	4,272,271	4,114,484	4,115,504	4,330,337	4,314,975	3,757,455	4,385,818	4,671,599
Housing and development	463,332	448,165	425,513	351,590	354,964	821,115	1,115,534	1,226,108	1,106,034	1,325,948
Capital outlay	3,017,443	6,647,103	9,752,687	10,579,620	6,649,492	3,317,667	3,769,477	3,760,888	10,970,508	12,052,894
Debt service:										
Principal retirement	509,958	513,798	2,604,114	2,650,290	2,450,074	2,481,859	270,000	3,175,000	600,000	630,000
Interest and fiscal charges	281,844	270,543	372,838	324,325	282,702	244,914	200,751	230,370	605,185	579,285
Debt issuance costs	-	165,356	-	-	-	-	-	321,136	-	-
Total Expenditures	<u>33,336,239</u>	<u>38,309,963</u>	<u>44,571,245</u>	<u>45,675,010</u>	<u>42,451,673</u>	<u>42,626,882</u>	<u>40,616,587</u>	<u>42,914,264</u>	<u>52,026,752</u>	<u>53,269,948</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,598,564)</u>	<u>(10,552,654)</u>	<u>(9,906,841)</u>	<u>(8,879,393)</u>	<u>(6,823,810)</u>	<u>(10,787,943)</u>	<u>(10,848,185)</u>	<u>(7,173,726)</u>	<u>(3,202,769)</u>	<u>(8,714,957)</u>

(continued)

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Other Financing Sources (Uses)										
Issuance of debt	\$ -	\$ 8,505,956	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,360,000	\$ -	\$ -
Bond premium	-	-	-	-	-	-	-	1,964,026	-	-
Proceeds from sale of assets	-	-	-	-	282,864	330,586	34,141	182,859	135,832	65,741
Transfers in	11,535,763	13,817,596	13,068,767	11,842,350	13,005,179	14,979,992	19,592,913	13,321,517	35,513,822	36,263,874
Transfers out	<u>(2,706,308)</u>	<u>(4,417,049)</u>	<u>(3,501,454)</u>	<u>(2,108,350)</u>	<u>(2,971,739)</u>	<u>(4,762,086)</u>	<u>(6,848,819)</u>	<u>(3,781,857)</u>	<u>(24,186,526)</u>	<u>(17,941,013)</u>
Total Other Financing Sources (Uses)	<u>8,829,455</u>	<u>17,906,503</u>	<u>9,567,313</u>	<u>9,734,000</u>	<u>10,316,304</u>	<u>10,548,492</u>	<u>12,778,235</u>	<u>30,046,545</u>	<u>11,463,128</u>	<u>18,388,602</u>
Net Change in Fund Balance	<u>\$ 1,230,891</u>	<u>\$ 7,353,849</u>	<u>\$ (339,528)</u>	<u>\$ 854,607</u>	<u>\$ 3,492,494</u>	<u>\$ (239,451)</u>	<u>\$ 1,930,050</u>	<u>\$ 22,872,819</u>	<u>\$ 8,260,359</u>	<u>\$ 9,673,645</u>
Debt service as a % of noncapital expenditures	2.6%	2.5%	8.5%	8.5%	7.6%	6.9%	1.3%	8.7%	2.9%	2.9%

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

Fiscal Year	Real Property	Personal Property	Public Utilities	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
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
2021	2,302,008,095	1,556,143,374	21,011,288	324,352,155	3,554,810,602	2.208
2022	2,321,226,913	1,685,774,452	20,368,545	351,150,162	3,676,219,748	2.207
2023	2,885,385,550	1,969,376,625	18,080,870	399,227,265	4,473,615,780	1.936

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	Dalton Public					Total Direct and Overlapping Rates
	City Millage	Dalton Public Schools Millage	Schools Debt Service Millage	Special Districts Millage	Whitfield County Millage	
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
2021	2.208	8.095	0.570	2.500	7.312	20.685
2022	2.207	8.090	0.560	1.500	7.300	19.657
2023	1.936	8.000	0.460	0.990	6.000	17.386

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)

Taxpayer	2023			2014		
	Taxable		Percentage of Total	Taxable		Percentage of Total
	Assessed Value	Rank	City Taxable Assessed Value	Assessed Value	Rank	City Taxable Assessed Value
Shaw Industries, Inc.	\$ 581,481,374	1	13.0%	\$ 598,875,069	1	17.4%
Mohawk Industries, Inc.	214,381,766	2	4.8%	99,379,237	3	2.9%
The Peoples Group	115,865,157	3	2.6%	34,341,279	6	1.0%
Tarkett USA (2)	115,404,501	4	2.6%	-	NA	0.0%
Engineered Floors, LLC (1)	76,534,003	5	1.7%	-	NA	0.0%
Southwind Building Supply	34,814,337	6	0.8%	-	NA	0.0%
Spectrum Southeast, LLC	30,794,756	7	0.7%	-	NA	0.0%
Mattex USA, LLC	30,396,083	8	0.7%	29,195,072	8	0.9%
QEPCO, Inc.	27,117,361	9	0.6%	-	NA	0.0%
Viridian Fibers, LLC	25,907,310	10	0.6%	-	NA	0.0%
Beaulieu of America, LLC (1)	-	NA	0.0%	105,905,898	2	3.1%
J & J Industries (1)	-	NA	0.0%	72,539,515	4	2.1%
Tandus Centiva, Inc. (2)	-	NA	0.0%	61,665,714	5	1.8%
Lexmark Carpet Mills, Inc. (2)	-	NA	0.0%	33,666,166	7	1.0%
CBL & Associates Properties, Inc.	-	NA	0.0%	26,689,044	9	0.8%
Windstream	-	NA	0.0%	19,945,637	10	0.6%

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 Carpet 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
2014	\$ 8,325,685	\$ (122,731)	\$ 8,202,954	\$ 7,348,018	89.6%	\$ 854,889	\$ 8,202,907	100.0%
2015	8,366,569	(10,792)	8,355,777	7,466,921	89.4%	888,810	8,355,731	100.0%
2016	8,206,241	(17,806)	8,188,435	7,420,789	90.6%	767,597	8,188,386	100.0%
2017	8,603,323	(86,925)	8,516,398	7,625,345	89.5%	890,993	8,516,338	100.0%
2018	8,844,077	(189,333)	8,654,744	8,084,007	93.4%	569,261	8,653,268	100.0%
2019	8,918,132	(37,655)	8,880,477	8,286,628	93.3%	593,739	8,880,367	100.0%
2020	8,039,817	(25,498)	8,014,319	7,095,136	88.5%	918,135	8,013,271	100.0%
2021	7,788,703	36,744	7,825,447	7,116,547	90.9%	695,213	7,811,760	99.8%
2022	8,058,141	24,836	8,082,977	2,946,042	36.4%	5,082,516	8,028,558	99.3%
2023	8,448,473	72,639	8,521,112	7,694,553	90.3%	-	7,694,553	90.3%

Source: Whitfield County Board of Tax Assessors
(1) 2022 tax notices were processed late and had a due date of February 20, 2023
(2) 2023 taxpayers received a Homeowners Tax Relief Grant from the State of Georgia in the amount of \$163,220

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

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Leases	Notes Payable	Revenue Bonds				
2014	\$ -	\$ 5,374,179	\$ 265,000	\$ -	\$ 5,639,179	0.5%	\$ 168	
2015	-	13,419,337	212,000	-	13,631,337	1.3%	403	
2016	-	10,868,223	159,000	-	11,027,223	1.0%	324	
2017	-	8,270,933	106,000	74,953,000	83,329,933	7.3%	2,469	
2018	-	5,873,859	53,000	73,308,000	79,234,859	6.8%	2,362	
2019	-	3,445,000	-	71,055,000	74,500,000	6.1%	2,213	
2020	-	3,175,000	-	168,619,000	171,794,000	12.4%	4,992	
2021	-	20,324,026	-	163,640,000	183,964,026	12.6%	5,366	
2022	-	19,625,825	-	157,899,000	177,524,825	11.9%	5,166	
2023	-	18,897,624	-	151,756,000	170,653,624	NA	NA	

NA

Not yet available

Note:

Details regarding the City's outstanding debt are disclosed in Note 3-J 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
2014	\$ -	0.0%	\$ -
2015	-	0.0%	-
2016	-	0.0%	-
2017	-	0.0%	-
2018	-	0.0%	-
2019	-	0.0%	-
2020	-	0.0%	-
2021	-	0.0%	-
2022	-	0.0%	-
2023	-	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-J of the Notes to the Basic Financial Statements.

City of Dalton, Georgia
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Applicable Percentage</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
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 2022	15,930,000	100.0%	15,930,000
Whitfield County agreement with Building Authority - Series 2020 Bonds	6,715,000	32.0%	<u>2,148,447</u>
Total overlapping debt			58,458,447
City direct debt			<u>18,897,624</u>
Total direct and overlapping debt			<u>\$ 77,356,071</u>

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,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$ 375,304,806	\$ 376,094,549	\$ 368,183,682	\$ 381,029,184	\$ 390,486,938	\$ 396,488,913	\$ 399,133,733	\$ 387,916,276	\$ 402,736,991	\$ 487,284,305
Total net debt applicable to limit	-	-	-	-	40,380,000	40,380,000	40,380,000	40,380,000	40,380,000	40,380,000
Legal debt margin	<u>\$ 375,304,806</u>	<u>\$ 376,094,549</u>	<u>\$ 368,183,682</u>	<u>\$ 381,029,184</u>	<u>\$ 350,106,938</u>	<u>\$ 356,108,913</u>	<u>\$ 358,753,733</u>	<u>\$ 347,536,276</u>	<u>\$ 362,356,991</u>	<u>\$ 446,904,305</u>
Total net debt applicable to limit as a % of debt limit	0.0%	0.0%	0.0%	0.0%	10.3%	10.2%	10.1%	10.4%	10.0%	8.3%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	\$ 4,473,615,780
Add: exempt property	<u>399,227,265</u>
Total assessed value	4,872,843,045
	<u>10.0%</u>
Debt limit (10% of assessed value)	<u>\$ 487,284,305</u>
Debt applicable to limit	
Total general obligation debt	<u>\$ 40,380,000</u>
Legal debt margin	<u>\$ 446,904,305</u>

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)

Fiscal Year	Utility Revenue Bonds					
	Utility Service Charges	Utility Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage
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	-	-	-
2018	213,990,000	143,950,000	70,040,000	-	2,414,000	29.0
2019	217,616,000	139,651,000	77,965,000	2,172,000	3,020,000	15.0
2020	203,811,000	129,595,000	74,216,000	2,202,000	2,915,000	14.5
2021	236,484,000	169,960,000	66,524,000	2,312,000	5,524,000	8.5
2022	378,476,000	329,093,000	49,383,000	5,133,000	6,333,000	4.3
2023	303,603,000	201,440,000	102,163,000	5,133,000	6,333,000	8.9

Note: Details regarding the City's outstanding debt can be found in Note 3-J 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
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	34,417	1,384,664	40,232	4.0%	7,883
2021	34,285 *	1,465,169	42,735	3.0%	7,801
2022	34,366 *	1,486,915	43,089	4.1%	7,675
2023	34,508 *	NA	NA	3.6%	7,699

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)**

Taxpayer	2023			2014		
	Employees (1)	Rank	Percentage of Total City Employees	Employees (1)	Rank	Percentage of Total City Employees
Shaw Industries, Inc.	4,477	1	13.0%	4,611	1	13.8%
Hamilton Medical Center	2,908	2	8.4%	1,250	4	3.7%
Mohawk Industries, Inc.	1,736	3	5.0%	2,138	2	6.4%
Dalton Public School System	1,135	4	3.3%	929	5	2.8%
Engineered Floors, LLC (2)	858	5	2.5%	-	NA	0.0%
City of Dalton, Georgia	738	6	2.1%	680	8	2.0%
Tarket USA (3)	660	7	1.9%	-	NA	0.0%
Wal-Mart Stores, LP	452	8	1.3%	-	NA	0.0%
Columbia Recycling Corp.	250	9	0.7%	352	10	1.0%
Shiroki Georgia, LLC	232	10	0.7%	461	9	1.4%
Beaulieu of America, LLC (2)	-	NA	0.0%	1,529	3	4.6%
Tandus Centiva, Inc. (3)	-	NA	0.0%	839	6	2.5%
J & J Industries (2)	-	NA	0.0%	730	7	2.2%

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 Carpet 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,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government										
Administration and elected officials	7	7	6	6	7	8	8	10	8	9
Human Resources	3	3	3	3	3	3	3	3	4	3
City Clerk	3	3	3	3	3	3	3	3	4	4
IT	2	2	2	2	2	2	3	3	3	4
Finance	5	5	5	5	5	5	5	4	5	6
Building Grounds/Maintenance	-	-	-	-	-	-	-	-	-	1
Municipal Court	5	5	5	5	5	5	5	5	6	7
Public Safety										
Police - Officers	82	83	81	85	85	88	84	80	77	86
Police - Civilians	15	15	15	13	13	13	12	12	12	12
Fire - Firefighters and officers	88	93	91	92	90	93	90	93	90	98
Fire - Civilians	3	3	3	3	3	3	3	1	1	1
Public Works										
Refuse collection	30	29	30	28	26	27	24	27	30	32
Streets	11	11	11	11	10	10	10	9	14	12
Other	25	30	30	30	34	34	34	36	42	41
DWRSWMA (Landfill)	36	36	36	36	40	39	39	41	41	49
WLSF (Dalton Utilities)	310	308	308	309	310	315	310	322	302	307
Culture and Recreation										
Recreation	27	27	28	29	30	32	30	29	30	36
Golf Course	6	8	10	7	7	7	7	7	7	7
Convention Center	15	15	15	17	17	14	15	13	13	15
Economic Development and Assistance										
Airport	1	2	2	2	2	3	3	3	3	6
Health and Welfare										
Compliance Enforcement	-	-	-	-	-	-	-	-	2	2

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.

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

Function/Program	For the year ending December 31,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public Safety										
Police										
Physical arrests	4,109	4,014	3,668	4,424	4,897	4,712	3,801	4,105	4,015	4,894
Traffic citations and warnings	12,943	11,174	10,826	11,710	13,857	12,644	11,704	11,344	12,062	18,314
Fire										
Calls answered	2,663	2,896	3,590	3,719	3,867	3,906	3,358	3,997	3,954	3,824
Inspections conducted	598	259	717	1,080	1,536	3,090	1,545	1,314	1,769	2,815
Public Works										
Streets resurfaced (miles)	4	7	4	7	8	6	5	6	4	5
Refuse collected (tons)	9,838	11,264	11,405	11,748	12,397	12,848	12,174	11,679	10,390	10,511
Culture and Recreation										
Youth athletic enrollment	4,273	4,500	4,535	4,580	4,862	4,869	3,487	2,452	3,151	5,190
Adult athletic enrollment	2,001	1,950	1,935	1,940	1,780	1,756	1,320	1,584	971	1,170
Special events	26,452	29,000	28,960	29,558	29,360	29,736	15,947	24,612	24,115	24,200
Tournaments	25,267	25,398	26,243	25,253	24,868	24,532	28,534	31,000	30,250	30,500
Round of golf	NA	NA	NA	21,758	12,505	24,909	24,341	27,209	28,826	32,191
Tournament rounds of golf	NA	NA	NA	1,877	1,454	2,493	774	2,286	3,045	3,120
Special needs participation	NA	NA	NA	1,108	1,230	1,454	402	590	630	675

(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,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
WLSF (Dalton Utilities) (1) (2)										
Electric System										
Number of service connections	16,664	16,882	16,907	16,802	16,874	16,815	15,414	15,856	17,155	17,421
Daily average consumption	4,485	4,762	4,931	5,073	5,233	5,663	5,408	5,788	9,365	8,599
Maximum daily peak (MW's)	256	267	275	271	283	301	299	414	483	446
Natural Gas System										
Number of service connections	7,813	7,554	7,534	7,445	7,426	7,456	7,357	7,324	7,273	7,301
Daily average consumption	7,840	7,295	8,622	13,716	14,492	13,515	12,285	13,931	12,771	12,103
Maximum daily peak (Dkthms)	23,440	24,166	25,681	27,824	37,489	32,948	32,662	30,785	29,571	26,561
Sewer system										
Number of service connections	12,773	12,884	12,916	12,847	13,006	13,090	13,334	13,279	13,743	13,975
Daily average treatment	20	21	19	23	24	20	25	24	24	22
Maximum daily capacity (Mil/gallons)	67	67	67	67	67	67	66	66	66	66
Water system										
Number of service connections	35,423	35,532	36,217	36,084	35,580	35,872	36,194	36,273	37,604	37,962
Daily average consumption (Mil/gallons)	25	27	27	27	28	27	27	25	22	24
Maximum daily capacity (Mil/gallons)	66	66	66	66	66	66	66	590	59	59
Optilink (Telecom) System										
Number of service connections	12,502	12,934	13,393	13,534	13,624	13,169	13,729	13,749	13,679	13,548

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

Function/Program	For the year ending December 31,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public Safety										
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	63	63	65	65	65	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	180	180	180	180	181	191	186	187	190	190
Streetlights	4,610	4,615	4,620	4,633	4,638	4,649	4,625	4,657	4,481	4,518
Culture and Recreation										
Community centers	3	3	3	3	3	3	3	3	3	2
Parks	13	13	13	13	14	14	14	14	14	21
Park acreage	719	719	734	734	1,260	1,260	1,260	1,260	1,260	1,260
Golf courses	1	1	1	1	1	1	1	1	1	1
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	22	22	28	28	28	28	28	28	28	28
WLSF (Dalton Utilities)										
Electric System										
Miles of distribution	317	334	339	356	356	390	390	390	364	364
Number of substations	10	11	11	11	11	12	12	12	13	13
Natural gas system										
Miles of distribution	285	292	296	298	341	363	350	353	340	345
Sewer system										
Miles of sewer	323	324	328	336	335	337	337	345	351	367
Number of treatment plants	5	5	5	5	5	5	4	4	4	4
Water system										
Miles of water mains	1,250	1,251	1,244	1,234	1,223	1,224	1,224	1,215	1,221	1,222
Number of fire hydrants	5,010	5,029	5,040	5,055	5,077	5,077	5,077	5,080	5,101	5,119
Optilink (Telecom) System										
Miles of fiber optics	827	1,096	1,317	1,367	1,422	1,479	682	1,779	1,921	1,974

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, 2023

Project Name	Original Estimated Project Cost	Revised Estimated Project Cost	Funding Sources		Expenditures			Estimated Percentage Complete
			Estimated SPLOST Collections	Estimated Other Sources	Prior Years	Current Year	Total	
SPLOST 2020 (2020 Referendum):								
Public safety building and vehicles Renovations to John Davis and Heritage Park	\$ 4,968,000	\$ 7,868,000	\$ 7,868,000	\$ -	\$ 1,839,238	\$ 1,281,594	\$ 3,120,832	40%
Renovations to Dalton-Whitfield Senior Center	11,175,000	13,034,121	12,275,000	759,121	6,358,129	484,387	6,842,516	52%
Roads, streets, bridges, stormwater projects, and equipment	425,000	425,000	425,000	-	-	151,726	151,726	36%
	<u>2,531,000</u>	<u>8,907,651</u>	<u>5,388,947</u>	<u>3,518,268</u>	<u>2,918,699</u>	<u>1,921,752</u>	<u>4,840,451</u>	54%
	<u>\$ 19,099,000</u>	<u>\$ 30,234,772</u>	<u>\$ 25,956,947</u>	<u>\$ 4,277,389</u>	<u>\$ 11,116,066</u>	<u>\$ 3,839,459</u>	<u>\$ 14,955,525</u>	49%
SPLOST 2015 (2015 Referendum):								
County-wide communications project	\$ 3,901,000	\$ 3,901,223	\$ 3,901,223	\$ -	\$ 3,901,223	\$ -	\$ 3,901,223	100%
County-wide library project	163,000	162,551	162,551	-	162,551	-	162,551	100%
Lakeshore/Brookwood Park recreation and Greenway projects	2,200,000	4,811,914	2,633,395	2,178,519	2,133,394	2,519,624	4,653,018	97%
Public safety vehicles	3,200,000	3,193,318	3,193,318	-	3,193,318	-	3,193,318	100%
Haig Mill reservoir recreation project	5,000,000	5,293,814	5,293,814	-	5,293,814	-	5,293,814	100%
Streets, bridges, and stormwater projects	10,000,000	16,546,618	11,505,850	5,040,768	11,723,771	1,070,026	12,793,797	77%
	<u>\$ 24,464,000</u>	<u>\$ 33,909,438</u>	<u>\$ 26,690,151</u>	<u>\$ 7,219,287</u>	<u>\$ 26,408,071</u>	<u>\$ 3,589,650</u>	<u>\$ 29,997,721</u>	88%
Total	<u>\$ 43,563,000</u>	<u>\$ 64,144,210</u>	<u>\$ 52,647,098</u>	<u>\$ 11,496,676</u>	<u>\$ 37,524,137</u>	<u>\$ 7,429,109</u>	<u>\$ 44,953,246</u>	



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

Honorable Mayor, Members of the City Council,
City Administrator, and Chief Financial Officer
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 Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the governmental activities, the business-type activities, the aggregate 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, 2023, 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 June 21, 2024. 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 auditor’s testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on 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”) as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
June 21, 2024



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor, Members of the City Council,
City Administrator, and Chief Financial Officer
City of Dalton, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Dalton, Georgia’s compliance with the types of compliance requirements identified as subject to audit 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, 2023. The City of Dalton, Georgia’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. In our opinion, the City of Dalton, Georgia complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (“GAAS”); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”); 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”). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the City of Dalton, Georgia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Dalton, Georgia’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Dalton, Georgia’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Dalton, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Dalton, Georgia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Dalton, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City of Dalton, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City of Dalton, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
June 21, 2024

City of Dalton, Georgia
Schedule of Findings and Questioned Costs
December 31, 2023

Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the City of Dalton, Georgia.
2. No significant deficiencies were disclosed during the audit which are required to be reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
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 Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's 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 Transportation
 - Pass-through Georgia Department of Transportation
 - Airport Improvement Program
 - CFDA # 20.106
8. The threshold for distinguishing Type A and B programs is \$750,000.
9. The City of Dalton, Georgia was determined to be a low-risk auditee.

City of Dalton, Georgia
Schedule of Expenditures of Federal Awards
December 31, 2023

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 # B20MW130011	N/A		\$ 2,917	
Grant/Contract # B20MC130011	N/A		963	
Grant/Contract # B21MC130011	N/A		39,307	
Grant/Contract # B22MC130011	N/A		208,117	
Grant/Contract # B23MC130011	N/A		<u>7,743</u>	
			<u>259,047</u>	<u>179,485</u>
U.S. DEPARTMENT OF JUSTICE				
Direct funding:				
Bulletproof Vest Partnership Program				
Grant/Contract # 2021BUBX20019780	N/A	16.607	<u>5,172</u>	<u>-</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Pass-through Georgia Department of Transportation:				
Airport Improvement Program				
Grant/Contract # AP023-9067-44(313)		20.106	2,256,258	-
Not yet assigned			<u>11,513</u>	<u>-</u>
			<u>2,267,771</u>	<u>-</u>
Total			<u>\$ 2,531,990</u>	<u>\$ 179,485</u>

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, 2023

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.