

CITY OF DALTON BOARD OF EDUCATION
DALTON, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PREPARED BY THE FINANCE DEPARTMENT

CITY OF DALTON BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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November 13, 2020

**To the Honorable Board Members of the City of Dalton Board of Education
and the Citizens of Dalton, Georgia:**

We are pleased to submit to you the Comprehensive Annual Financial Report (“CAFR”) of the City of Dalton Board of Education (the “School District”) for the fiscal year ended June 30, 2020. The finance department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the School District’s administration.

We believe the data, as presented, are accurate in all material respects and are reported in a manner designed to fairly set forth the financial position and results of operations of the School District as measured by the financial activity of its various funds. All necessary disclosures have been included to enable the reader to gain a reasonable understanding of the School District’s financial affairs.

Estes and Walcott, Certified Public Accountants, have issued an unmodified opinion on the City of Dalton Board of Education’s financial statements for the year ended June 30, 2020. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (“MD&A”) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and the two should be read in conjunction.

Profile of the School District

The School District was established through the Charter of the City of Dalton in 1886, and serves only the City of Dalton. The School District is an independent public prekindergarten (“PreK”)-12th grade school district and is not considered to be a component unit of any other government. The School District provides all basic services required of a public school district by Georgia law and in accordance with the policies and regulations of the Georgia State Board of Education. These services include: regular and special education instructional programs at the elementary, middle and secondary levels and additional service in prekindergarten and preschool special education. Other notable program services include remedial education, gifted education, career technology education, and English language learners education.

The Board of Education of the School District is made up of five members, each elected to serve four-year terms. Its primary functions are to develop and adopt policies by which the schools are administered, to continually evaluate the effectiveness of these policies and to make certain that they are being administered as the board intended. The administration of the educational programs and school operations is the responsibility of the superintendent of schools and his staff.

There are 7,883 PreK through 12th grade students enrolled in the School District in the 2019-2020 school year. The ethnic make-up of the students is 71 percent Hispanic, 19 percent white, 5 percent black, 3 percent Asian, and 2 percent multi-racial. Projected PreK-12 enrollment for the 2020-2021 school year is 7,783 students.

The School District consists of six elementary schools, one middle school, and two high schools. All schools and the district are members of AdvancEd, formerly known as the Southern Association of Colleges and Schools (“SACS”), and are accredited through District Accreditation. The School District has well-maintained facilities that provide space to support its educational programs. A schedule of building information is provided in the statistical section of the CAFR.

The School District has one of the highest levels of staff training and experience of any public PreK-12 school system in Georgia. About 67 percent of all teaching staff have a master’s degree or higher. The high percentage of employees with advanced degrees and the high retention rate for teachers translates into a highly trained and qualified staff at every school. The School District employs 681 certified staff members and 304 support staff for a total of 985 employees.

Local Economy

Dalton’s main industry continues to be non-unionized textile and textile-related industries. Dalton is known as the “Carpet Capital of the World.” It houses two of the largest carpet and flooring manufacturers in the world (Shaw Industries and Mohawk Industries). Dalton produces and supplies 70 percent of the goods that make up the United States carpet market. According to the September 2020 statistic report from the Georgia Department of Labor, the manufacturing industry makes up approximately 37 percent of the 64,100 jobs in Dalton Metropolitan Statistical Area.

The Dalton economy is heavily tied to the construction-related industry. The recent economic downturn set off by the global novel coronavirus pandemic has not significantly affected the national housing market and construction in general. Although Dalton unemployment rates are up which is consistent with the state and nation, percentages are lower than both the Georgia rate of 6.4 percent and national rate of 7.9 percent. The latest unemployment rate from 2020 for the Dalton Metropolitan Area is 5.1 percent up from 3.8 percent in the previous year.

The City of Dalton property tax digest had a 6 percent decline from fiscal year 2010 to fiscal year 2011. This loss of revenue was the largest drop in recent history, which is the equivalent to \$1.9 million in school revenue. Since that time, property values show some incremental improvements. The natural decline in the property tax digest was compounded by the first year implementation of the Freeport tax exemption for commercial and industrial property in fiscal year 2011. The Freeport tax exemption removes 20 percent of the property tax on work-in-progress inventory. The Freeport tax exemption could be expanded over several years until it reaches 100 percent exemption. The fiscal year 2011 implementation provided a 20 percent Freeport tax exemption that resulted in a loss of \$685,500 in property tax revenue. Fiscal year 2020 had a \$1,062,500 reduction in property tax revenue from the same 20 percent Freeport tax exemption. It is anticipated that the Freeport exemption will stay at the 20 percent level for fiscal year 2021 with the possibility of an increase to 40 percent in a future fiscal year.

Georgia’s state funding does not have formula adjustments for inflation. In 2008, the state’s support for public education in Georgia was 52 percent of total school district revenues. In the 2009-2010 school year, Georgia was at its lowest level of state funding at 43 percent for the average school district. In 2016, the percentage was up to 53 percent while austerity reductions for all public school systems remained in place.

Most of the state reductions during the recession were due to austerity or budget cuts imposed against the amounts earned by school systems based on a funding formula written in state law. These austerity reductions have been allocated to all systems in Georgia to help the state provide for a balanced budget. From fiscal year 2003 through fiscal year 2018, the School District lost over \$42.3 million in revenue of the district’s state earnings due to these austerity cuts. The state offset \$5.4 million with federal stimulus funding, which brought the net reduction to \$36.9 million.

In fiscal year 2015, the State of Georgia approved significant reductions to the austerity component of the funding formula that provided districts with increased state revenue. The School District's austerity reduction went from \$5.1 million in fiscal year 2014 to \$3.7 million in fiscal year 2015 which increased state sources of revenue by \$1.4 million. State relief from austerity reduction continued in fiscal years 2016 and 2017 improving the district's state revenue by another \$1.4 million each year. The School District's austerity reduction for fiscal years 2017 and 2018 was just over \$820,000. In fiscal years 2019 and 2020, Georgia austerity reductions were eliminated, improving total state revenue. Overall, the School District experienced the decline in state funds in the 2009 and 2010 school years; however, since 2011, the School District has a greater dependency on state sources due to declining local sources of revenue.

Planning for the Future

Several years ago, the Dalton Board of Education set a target for unreserved general fund balance of 15 percent of the current year's budget, which would provide two months operating revenues and eliminate the need for short-term borrowing. At the end of fiscal year 2008, the unreserved fund balance was \$6 million, or 9.6 percent of general fund expenditures. In both fiscal years 2009 and 2010, the fund balance dropped to just above \$2 million, which was 3.3 to 4.3 percent respectively of the general fund expenditures. To address this downturn, the administration sought district-wide input from employees, and the board implemented a three-year budget reduction plan in January 2009. Fiscal Year 2011 general fund expenditures were the lowest level at \$52.8 million, and the fund balance reached nearly \$9.6 million. Fiscal Year 2020 general fund expenditures increased to \$83.3 million, and the fund balance was more than \$19 million. The Board is intentional with the higher fund balance level in order to prepare for the anticipated operational cost increases for the new middle school and secondary grade configuration change.

Although School District enrollment has grown averaging 2.3 percent growth per year, fiscal year 2018 showed its first drop of 3.1 percent, while fiscal years 2019 and 2020 show no change from 2018. Fiscal year 2021 shows another drop in enrollment of 1.3 percent. The district has adequate facility capacity at the elementary level with six elementary schools and class size flexibility to meet the educational needs of the students. However, building capacity is a concern at the middle and high school levels. On November 7, 2017, the citizens in the City of Dalton approved a general obligation bond not to exceed \$50.65 million to build a new 6-7 grade school.

District administrators are committed to providing appropriate instructional space for the educational program needs of Dalton's students. The administration and board are working through an updated strategic facility planning process that includes a grade configuration change at the secondary level since the community has approved funding a new secondary school. In recent years, the board has approved and completed building additions to the middle school to address capacity issues. The grade configuration change will reduce enrollment at Dalton High School and Dalton Middle School. Additionally, the district plans to close Morris Innovative High School, and open a new high school to further improve the academic success of all secondary students.

In 1997, the citizens of the city of Dalton and Whitfield County passed the first of now five 5-year Educational Special Purpose Local Option Sales Taxes ("ESPLOST") of 1 cent. There was a lapse in sales tax revenue for calendar year 2012. Whitfield County Schools and the School District agreed to a one-year delay of the fourth ESPLOST due to the financial constraints of local tax payers as a result of the Great Recession.

In fiscal year 2019, the district received sales tax revenue for the fifth ESPLOST. The fifth ESPLOST will be used to continue district efforts in instructional technology and school safety that began with the previous ESPLOST. The fifth ESPLOST addresses HVAC, roof, and renovation projects at both Brookwood and City Park elementary schools. Additionally, the current ESPLOST will have funds available to support some of the facility and capital needs with the grade configuration change at both Dalton Middle and Dalton High School.

Relevant Financial Policies

The vision of the School District is to prepare students for success in college, career and civic life through world-class learning. The financial policies are designed to ensure that there are adequate funds to support this vision. This is accomplished by maximizing the use of financial resources, by improving financial reporting, and by enhancing internal control systems.

In developing and evaluating the School District's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the School District's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal and state financial assistance, the School District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation for weaknesses by management and staff.

As part of the School District's annual single audit required to be performed in conformity with the Uniform Guidance, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the School District has complied with applicable laws and regulations.

The School District maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget as approved by the board of education. Activities of the general fund, debt service fund, capital fund, school nutrition fund, and most of the special revenue funds are included in the annual appropriated budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the aggregate level by fund type.

The board of education established a fund balance policy to protect the financial condition of the school district and to meet the requirements of Governmental Accounting Standards Board statement 54. The policy defines the five categories of the fund balance that is reported as nonspendable, restricted, committed, assigned, and unassigned. The board decides the committed fund balance through board action, and delegates the assigned fund balance to the superintendent or designee.

Major Initiatives

To realize the vision of preparing students for college, career, and civic life through world-class learning, the School District must deliver effective instruction and set high expectations that will result in continued improvement in student achievement. In 2004, the School District began a phased-in implementation of a literacy framework targeting English, Language Arts, Reading, and Word Study instruction. The program is fully implemented through eighth grade.

In 2015, a similar process for math instruction went into effect. This process includes an expanded use of technology, tutoring support for students, and use of collaborative teacher teams for planning, designing, and evaluating the student progress.

In 2013, district staff prepared for changes in K-12 literacy and math with the rollout of the new Common Core Georgia Performance Standards. Locally, the superintendent with instructional leaders throughout the School District have worked closely with the Chamber of Commerce, City of Dalton, Whitfield County and Whitfield County School System to garner support for literacy throughout the community. The School District believes that literacy has the greatest impact on education and learning that can lead to economic development for the region.

The public has a desire to review and compare student test scores as an indicator of student, teacher and school performance. School District management believes that a number of indicators must be identified to effectively evaluate student progress. Georgia's College and Career Ready Performance Index begins to include more indicators than what has been considered in the past. In addition, true year to year comparisons are difficult to conduct with fidelity because often times the comparisons are different groups of students, different academic standards, and in some cases using a different testing assessment. Due to the onset of the novel coronavirus global pandemic, typical year-end student testing was abandoned for fiscal year 2020. The following table shows the previous year's percentage of Dalton students who are developing, proficient, or distinguished from the 2018 and 2019 school years, however the schedule is not meant to be a comparison.

Dalton Public Schools Fiscal Years 2018 and 2019		
	% of Developing, Proficient, and Distinguished	% of Developing, Proficient, and Distinguished
	FY 2018	FY 2019
English Language Arts		
High School American Literature	57.7%	59.2%
9 th Grade Literature	62.3%	69.8%
Middle School Milestones Test	50.5%	57.1%
Elementary School Milestones Test	57.3%	64.3%
Mathematics		
Analytical Geometry & Geometry	47.3%	52.5%
Algebra I	47.7%	53.9%
Middle School Milestones Test	62.3%	65.5%
Elementary School Milestones Test	63.7%	65.9%
Science		
Biology	49.0%	63.6%
Physical Science	54.8%	77.0%
Middle School Milestones Test	47.2%	45.7%
Elementary School Milestones Test	47.6%	59.4%
Social Studies		
Economics	63.9%	62.0%
US History	59.7%	60.4%
Middle School Milestones Test	47.1%	52.6%
Elementary School Milestones Test	47.9%	55.1%

Dalton Public Schools test score information can be found on the Georgia Department of Education webpage pertaining to College and Career Readiness Performance Index reports.

Acknowledgment

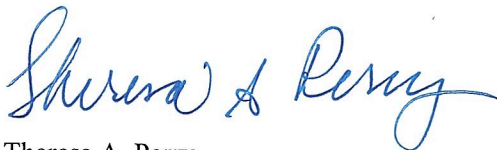
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. We would like to express appreciation to all of the employees of the departments who assisted in the timely closing of the district's financial records and the preparation of this report.

We would also like to thank the members of the board of education for their unfailing support in maintaining the highest standards of professionalism in the management of the School District's finances.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Tim Scott".

Tim Scott
Superintendent

A handwritten signature in blue ink, appearing to read "Theresa A. Perry".

Theresa A. Perry
Chief Financial Officer

CITY OF DALTON BOARD OF EDUCATION
ELECTED OFFICIALS AND ADMINISTRATION
JUNE 30, 2020

Elected Officials

Matt Evans, Chairman
In office since January 2018
Current term expires December 2021

Palmer Griffin, Vice Chairman
In office since January 2018
Current term expires December 2021

Tulley Johnson, Treasurer
In office since January 2000
Current term expires December 2023

Jody McClurg
In office since January 2020
Current term expires December 2023

Sam Sanders
In office since January 2020
Current term expires December 2023

School Administration

Christine Long, Principal
Blue Ridge School

Meleia Bridenstine, Principal
Brookwood School

Kim Rhyne, Principal
City Park School

Will Esters, Principal
Park Creek School

Cindy Parrott, Principal
Roan School

Scott Ehlers, Principal
Westwood School

Laurie Johnson, Principal
Dalton Middle School

Steve Bartoo, Principal
Dalton High School

Pat Hunt, Principal
Morris Innovative High School

Centralized Administration

Dr. Tim Scott, Superintendent

Don Amonett
Deputy Superintendent

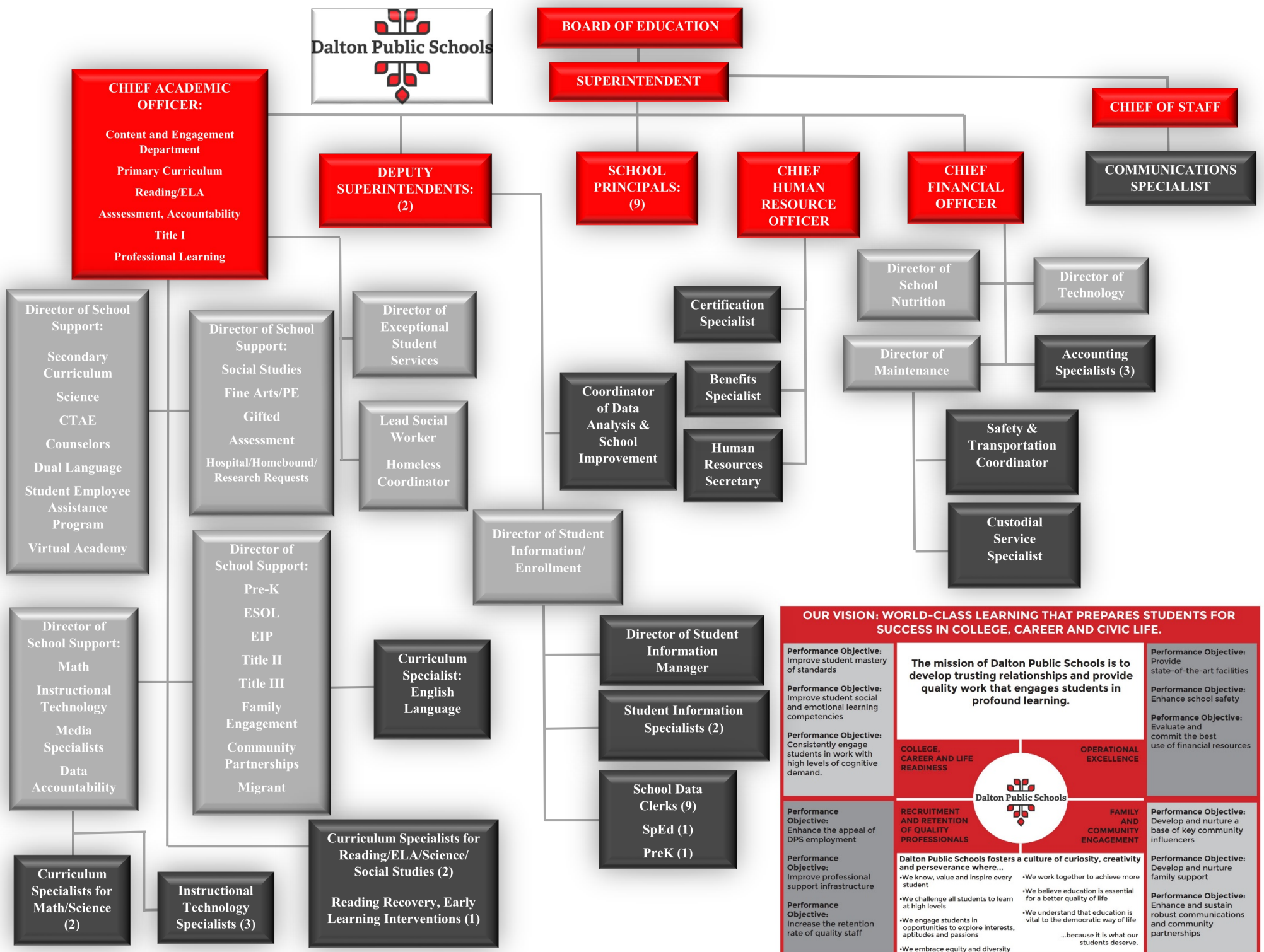
Wiley Dailey
Deputy Superintendent

Laura Orr
Chief Academic Officer

Theresa Perry
Chief Financial Officer

Pat Holloway
Chief of Staff

Mendy Woods
Chief Human Resource Officer





Government Finance Officers Association

**Certificate of
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**City of Dalton Board of Education
Georgia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Members of the City of Dalton
Board of Education and the Superintendent
Dalton, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Dalton Board of Education as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Dalton Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Dalton Board of Education, as of June 30, 2020, and the respective changes in financial position, and the respective budgetary comparison information for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 12 and the required supplementary information for pension plans and OPEB plans on pages 57 - 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dalton Board of Education's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, schedule of expenditures of education local option sales tax proceeds, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2020, on our consideration of the City of Dalton Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Dalton Board of Education's internal control over financial reporting and compliance.

Estes & Walcott

Dalton, Georgia
November 13, 2020

**CITY OF DALTON BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

The discussion and analysis of the City of Dalton Board of Education's ("School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the complete financial statements, with notes, to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- In fiscal year 2020, total net position increased 23% or \$3.0 million from the fiscal year 2019 net position of \$12.9 million to \$15.9 million. This increase is based upon an increase in capital assets, decrease in liabilities of leases and other post-employment benefits combined with a decrease in the fund balance and increase in deferred pension outflows.
- Total revenues increased 4% from \$105.5 million in 2019 to \$110.2 million in 2020. Most of the change is attributable to operating and capital grants. The state of Georgia increased the state funding formula in fiscal year 2020 in order to fund the Governor increase of the state teacher salary scale. State capital grant revenue increased for expenditure reimbursements for the new Hammond Creek Middle School and for Brookwood and City Park schools' capital projects. In fiscal year 2020, the School District also received capital grant reimbursements for safety and security improvements from the state of Georgia. Overall, revenues exceeded expenses by \$3.0 million in fiscal year 2020.
- Total expenses increased 12% from \$95.5 million in 2019 to \$107.2 million in 2020. Expenditure increases were due to capital facility improvements at Brookwood and City Park schools, as well as the maintenance and operations facility. The Georgia governor approved a \$3,000 annual salary increase for all employees paid off of the state teacher salary scale beginning in fiscal year 2020. The School District Board approved comparable salary increases for all other positions. The Board added seven academic coaching positions to the six elementary schools and one for the middle school. Also, the School District was approved for a new after school grant that began in fiscal year 2020.
- Among the major funds, the general fund reported \$84.4 million in revenues in 2020, compared to \$80.6 million in revenues in 2019. Most of the change is attributable to increased state operating revenue due to funding of an increase to the state teacher salary scale. The general fund reported \$83.3 million in expenditures in 2020 compared to \$77.3 million in expenditures in 2019. Expenditure increases are due to employee salary increases, and adding teaching and academic coaching positions, as well as a deputy superintendent position.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**CITY OF DALTON BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

District-wide Financial Statements

The district-wide financial statements are designed to provide readers with a broad overview of the School District's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the School District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

	<u>2020</u>	<u>2019</u>
Assets		
Current and other assets	\$ 54,559,123	\$ 80,427,511
Capital assets	<u>159,085,617</u>	<u>128,332,238</u>
Total assets	<u>213,644,740</u>	<u>208,759,749</u>
 Deferred outflows of resources	 <u>26,862,242</u>	 <u>18,588,389</u>
 Liabilities		
Current liabilities	18,908,017	16,918,476
Long-term liabilities	<u>188,307,763</u>	<u>182,237,347</u>
Total liabilities	<u>207,215,780</u>	<u>199,155,823</u>
 Deferred inflows of resources	 <u>17,434,289</u>	 <u>15,313,265</u>
 Net position		
Net investment in capital assets	116,500,110	109,557,906
Restricted	7,842,588	6,945,554
Unrestricted	<u>(108,485,785)</u>	<u>(103,624,410)</u>
Total net position	<u>\$ 15,856,913</u>	<u>\$ 12,879,050</u>

Current and other assets decreased by 32%, or \$25.9 million in fiscal year 2020. This is primarily due to a decrease in cash particularly for School District capital projects. In 2018, a revenue bond and general obligation bond were issued to access funding for approved facility and technology capital projects. The revenue bond proceeds were spent by the end of fiscal year 2019. A significant portion of the general obligation bond proceeds were spent in fiscal year 2020 for the new Hammond Creek Middle School.

Capital assets increased by 24%, or \$30.8 million in fiscal year 2020. The School District is using proceeds from ESPLOST and from the general obligation bonds to invest in a number of facility and technology projects. The main project underway is the construction of the new Hammond Creek Middle School. Additional completed projects include the HVAC and renovation work at Brookwood and City Park, and other safety, security and technology needs throughout the School District.

Long-term liabilities increased by \$6.1 million in 2020. This is primarily due to an increase in the School District's proportionate share of the net pension liability of \$11.1 million. The total long-term liabilities increase was offset by decreases from the School District's principal payments of the revenue bond debt in the amount of \$2.6 million, amortization of premiums on debt of \$379,000, and a decrease in the net OPEB liability of \$1.9 million.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Deferred outflows of resources increased by \$8.3 million while deferred inflows of resources increased by \$2.1 million. These items are related to changes in the School District's proportionate share for participating in the pension and OPEB plans.

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

	<u>2020</u>	<u>2019</u>
Revenues		
Program revenues		
Charges for services	\$ 932,907	\$ 1,179,993
Operating grants and contributions	64,084,816	60,300,779
Capital grants and contributions	3,729,487	2,698,290
General revenues		
Property taxes	31,570,181	30,642,688
Other taxes	8,761,818	8,741,594
Donations	76,223	52,214
Investment earnings	1,009,752	1,881,463
Total revenues	<u>110,165,184</u>	<u>105,497,021</u>
Expenses		
Instruction	68,181,846	59,772,136
Support services	31,599,448	28,326,538
Food services operation	5,109,414	5,505,971
Community service operation	259,725	374,717
Interest on long-term debt	2,036,888	1,533,258
Total expenses	<u>107,187,321</u>	<u>95,512,620</u>
Increase in net position	2,977,863	9,984,401
Net position, beginning of year	<u>12,879,050</u>	<u>2,894,649</u>
Net position, end of year	<u>\$ 15,856,913</u>	<u>\$ 12,879,050</u>

Revenues

The School District's total revenues increased in 2020 by 4%, or \$4.7 million. The increase in revenues were both in operating and capital grants, as well as property taxes. Operating grant increases of \$3.8 million were due to increased state formula funding tied to an increase in the state teacher salary scale. Capital grant increases were \$1.0 million more in fiscal year 2020 when compared to fiscal year 2019. These funds were state reimbursements for the Hammond Creek Middle School and safety and security improvements.

Property tax revenues increased by \$927,000 due to the tax digest increase of real and personal property values. Additionally, the School District received payments from prior year taxes that were due.

**CITY OF DALTON BOARD OF EDUCATION
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Interest earnings decreased by \$872,000 due to reduced capital cash balances available for investing. Additionally, the recession that started late March of 2020 set off by the novel coronavirus global pandemic caused a reduction in interest rates. Charges for services also decreased by \$247,000 as a result of the recession from the coronavirus pandemic which impacted revenues for the School District food services program.

Expenses

The School District's total expenses increased by 12%, or \$11.7 million. Instruction expenditures increased by \$8.4 million due to the completion of capital projects at Brookwood and City Park. In fiscal year 2020, the School District added 13 teachers. The state approved a \$3,000 increase to the state teacher salary scale, and the Board approved a corresponding salary increase for all employees. School administration expenditures increased by \$1.4 million. The School District added seven academic coaches to the six elementary schools and one academic coach to the middle school. Pupil service expenditures increased by \$684,000 primarily due to the awarding of a new after school program grant. The School District added a school psychologist position and increased teacher supplements for athletic coaching and co-curricular roles. Improvement of instruction expenditures increased by \$412,000 due to adding a central office administrator, as well as the employee salary increases. The School District also had an increase of \$504,000 for interest on long-term debt.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund balance, when compared with net position, reports only those assets and liabilities that primarily have an impact on short-term financing decisions. Fund balance (specifically, unassigned fund balance) is a measure of available financial resources. Net position reports all assets and all liabilities regardless of their relevance to near-term financing decisions. Net position should be understood as a measure of net worth rather than a measure of available financial resources.

All funds of the School District can be divided into three types of funds - governmental funds, propriety funds, and fiduciary funds. The School District does not have any propriety funds.

Governmental Funds

Most of the School District's activities (instruction, administration, maintenance, student transportation, etc.) are reported in governmental funds, which focus on how money flows in and out of those funds. Balances left at year-end are available for spending in future periods. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The governmental fund activities may be financed with property taxes, Quality Basic Education ("QBE") state formula aid, and federal funds.

Proprietary Funds

Proprietary funds are those used to account for ongoing organizations and activities which are similar to those found in the private sector. Currently, the School District does not utilize proprietary funds.

Fiduciary Funds

The School District is the trustee, or fiduciary, for assets that belong to others, such as employee benefit and private trust funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

**CITY OF DALTON BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

The School District's Funds

The 2020 combined fund balance of all governmental funds totaled \$37.9 million. This is a 42% or \$28.0 million decrease from the \$65.9 million fund balance from fiscal year 2019. The fund balance decreased due to the expenditures from several capital projects funded by both the general obligation bond and ESPLOST. The School District project expenditures in fiscal year 2020 were the new Hammond Creek Middle School, a new Junior Achievement Discovery Center, Brookwood and City Park elementary school renovations, the maintenance and operations facility, Dalton High School athletics, safety, and technology. The capital fund balances will continue to decrease over the next few fiscal years as funds are spent on these capital and other facility improvements. Of the governmental fund balance, \$13.2 million is restricted for capital projects, \$2.5 million restricted for the food service program, and \$1.1 million is restricted for debt service. An additional \$471,000 is committed to capital projects, and \$1.0 million is assigned to school activities.

General Fund Budgetary Highlights

In developing the fiscal year 2020 budget, the administration addressed the need to maintain a quality education for all students. The School Board set priorities, or filters, through which all decisions were to be assessed. These filters were to: maximize classroom impact with an efficient use of positions, examine student needs to determine positions and resources, have a reasonable and balanced approach with revenues and expenditures, and maintain adequate reserves to meet cash flow requirements.

The most significant budgeted fund is the general fund. The original budget was amended to properly account for state grant revenue and the corresponding expenditure budgets. Also, the Board approved a transfer from the general fund to the capital projects fund for a new Junior Achievement Discovery Center stand-alone facility added to the Hammond Creek Middle School campus.

Actual revenues were essentially equal to the final budget. Federal revenues were 34% less than budget as actual E-rate revenue received was lower than budget estimates. Actual state revenue was more than the final budget for mid-year adjustments to the state-wide funding formula that incorporate current year student enrollment changes.

Actual expenditures were under the final adjusted budget by 2%. Most of the expenditure savings were in instruction, maintenance, student transportation, and central support. The instructional expenditures were under budget in salary and benefits for unfilled positions. Maintenance expenditures were under budget due to open positions with school resource officers, as well as energy savings. Student transportation expenditures were under budget due to reduced services savings from closing school in late March 2020 from the onset of the global coronavirus pandemic. Central support services were less than budget due to savings in software and technology.

Overall, the general fund current revenues adequately cover current expenditures as well as some capital outlay activity. There were no significant changes in regards to funding sources. However, there was substantial changes to operations within the general fund from the prior year since closing school for the remainder of the school year late March 2020 from the coronavirus. Employee travel and student field trips were suspended. As mentioned above, student transportation changed. The School District had expenditure savings with some contracts due to the extended closing and not needing services to the same level.

Many of the School District's instructional and supporting services were able to continue with the use of the technology infrastructure. The School District was able to resume most aspects of schooling by moving from an in-person instructional model to a virtual or digital instructional model. The School District already had one to one student devices in grades 2 through 12 and a learning management software to continue the educational development of students.

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General Fund Balance

The fiscal year 2020 unassigned fund balance of \$19.5 million reflects no change from fiscal year 2019. The fund balance will continue to be used for transfers to the capital projects fund to support the commitments of student technology and facility infrastructure. The School Board allows for a higher fund balance to prepare for some operating costs that are anticipated with the opening of the new middle school in fiscal year 2022.

The unrestricted, unassigned fund balance of \$19.5 million gives the School District a fund balance that is equivalent to 85 days of general fund expenditures. This fund balance remains adequate to minimize the likelihood of the School District entering the short-term debt market to pay for current operating expenditures. The fund balance is also sufficient to manage some uncertainty related to all sources of revenues and unanticipated expenditure needs under the new recession caused by the global pandemic.

Other Major Funds

The School District uses capital projects funds to account for school construction and improvement projects. The School District has two major capital projects funds – the capital projects fund which reports general construction activity of the School District, and the ESPLOST fund which reports construction activity funded by the education special purpose local option sales tax.

The capital projects fund is funded by the general obligation bond from 2018, investment earnings, and transfers from the general fund to support capital undertakings. In fiscal year 2020, the School District has had a significant reduction in the fund balance due to the capital project expenditures. The capital fund balance will be used over the next two fiscal years to complete the construction of the new Hammond Creek Middle School for 6 and 7 grade students. The School District also reported \$551,000 in interest earnings. Of the \$32.8 million in capital expenditures, \$31.7 million was for architect, site development and building construction for Hammond Creek Middle School. Other capital expenditures included new construction to build a Junior Achievement Discovery Center adjacent to the new Hammond Creek Middle School.

Since 1997, the School District has utilized ESPLOST proceeds as a primary funding source for capital projects. In March 1997, the Whitfield County voters approved the first five-year education special purpose local option sales tax for capital projects. Since then, ESPLOST has been renewed by the voters four subsequent times. The School Board allowed ESPLOST to lapse for a one year period during calendar year 2012 in an effort to respond to the recession at the time and provide some local tax relief.

The sales tax is proportionately distributed to Whitfield County Schools and the School District based on the full-time equivalent of students ("FTE"). The county-wide maximum of the current ESPLOST V could generate a total of \$98 million. The School District would receive up to \$36.9 million over the life of this five year tax. School District plans assume a \$32.8 million budget in sales tax revenue that will be allocated to the School District and available to fund capital projects and debt service.

Fiscal year 2020 ESPLOST sales tax revenue totaled \$6.9 million compared to \$6.8 million in fiscal year 2019. This 1% increase of \$87,000 is due to incremental improvements in the economy as reflected in sales tax activity.

There were \$5.0 million in ESPLOST capital project fund expenditures in fiscal year 2020. The most sizeable projects were \$2.5 million in technology capital projects for student and staff devices, safety, security, and communications upgrades, as well as infrastructure improvements. There also were expenditures of \$817,000 incurred for the City Park HVAC, roof and renovation project and \$356,000 for a similar project at Brookwood. The School District also prioritized \$656,000 toward improvements and upgrades to maintenance and operations facility. Other ESPLOST expenditures entailed site and construction work at Dalton High athletic field improvements, as well as the initial costs to renovate a wing of the current Dalton Middle School to convert a portion of the facility to house a new 10 through 12 grade high school.

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Capital Assets

Capital assets increased 24%, from \$128.3 million in 2019 to \$159.7 million in 2020. The increase is due to construction in progress building improvement activity for the new Hammond Creek Middle School, and completed building projects at Brookwood and City Park Schools, HVAC, and renovation projects. See Note 5 of the basic financial statements for additional information on capital assets.

	<u>2020</u>	<u>2019</u>
Capital assets, not depreciable		
Land	\$ 17,075,134	\$ 17,075,134
Construction in progress	<u>43,287,928</u>	<u>24,900,235</u>
Total	<u>60,363,062</u>	<u>41,975,369</u>
Capital assets, depreciable		
Land improvements	4,378,192	4,335,701
Buildings and building improvements	148,818,082	132,135,480
Machinery, equipment, and technology	6,991,491	6,165,824
Vehicles	<u>648,941</u>	<u>585,474</u>
Total	<u>160,836,706</u>	<u>143,222,479</u>
Less accumulated depreciation		
Land improvements	(2,785,800)	(2,613,734)
Buildings and building improvements	(54,121,508)	(49,861,473)
Machinery, equipment, and technology	(4,692,854)	(3,895,338)
Vehicles	<u>(513,989)</u>	<u>(495,065)</u>
Total	<u>(62,114,151)</u>	<u>(56,865,610)</u>
Depreciable capital assets, net	<u>98,722,555</u>	<u>86,356,869</u>
Governmental activities capital assets	<u>\$ 159,085,617</u>	<u>\$ 128,332,238</u>

**CITY OF DALTON BOARD OF EDUCATION
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JUNE 30, 2020**

Debt Administration

At June 30, 2020, the School District had long-term liabilities in the form of general obligation bonds, capital leases, and compensated absences. Although the School District has a policy that enables employees to accumulate sick leave, the School District does not compensate employees for unused sick leave. See Note 7 of the basic financial statements for additional information on long-term debt.

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Capital leases	\$ 11,064,193	\$ 65,854	\$ (2,612,603)	\$ 8,517,444	\$ 2,723,623
General obligation bonds	40,380,000	-	-	40,380,000	-
Premium on debt	6,749,184	-	(378,790)	6,370,394	-
Compensated absences	30,119	59,506	(58,738)	30,887	30,887
Total	<u>\$ 58,223,496</u>	<u>\$ 125,360</u>	<u>\$ (3,050,131)</u>	<u>\$ 55,298,725</u>	<u>\$ 2,754,510</u>

Factors Bearing on the School District's Future

Education funding from the state of Georgia is expected to decline not only due to shifts in the economy from the global coronavirus pandemic, but also due to the current political agenda as it relates to public education, income tax, property tax, and sales tax revenues. Since 2003, school districts have been dealing with austerity revenue reductions from the state of Georgia. The School District has accumulated a total of \$36.9 million loss net of federal stimulus funding in state revenue. In fiscal years 2019 and 2020, Georgia school districts did not have reduced funding from austerity cuts, however austerity reductions are reinstated for fiscal year 2021. The School District state funding is down 9.5%, however one-time federal stimulus funding in fiscal year 2021 will offset some of those losses. The School District anticipates a net reduction of 5.5% in funding for fiscal year 2021.

Since 2011, the School District has qualified for state equalization grant revenue. Georgia's equalization formula attempts to round out wealth per student as defined by property value per student. The funding has fluctuated over the ten year period. The School District received \$600,400 in 2011 and \$1.1 million in 2012. In 2013, state officials revised the funding formula since the state budget could not afford to provide for the grant. The School District received \$536,900 in 2013 under a revised funding formula, and after another reduction in equalization revenue, it was down in 2014. Due to growing enrollment and a relatively flat property tax digest, the School District received \$625,500 in equalization revenue for fiscal year 2015, but funding dropped again in fiscal year 2016 and the School District was excluded from equalization funding in fiscal year 2017. The School District received \$1.4 million in fiscal year 2018, and \$2.5 million in both fiscal years 2019 and 2020. The funding level is expected to reach its largest amount to date in fiscal year 2021 at \$3.8 million.

The 2008 recession hurt the housing market and construction in general. Because Dalton is the home of two of the largest flooring manufacturers that is closely tied to the housing and construction markets, the local economy was adversely affected by that recession.

Although the current recession brought on by the global coronavirus pandemic has negatively impacted the local economy, the Dalton area unemployment rates looks better than state and national levels. The Dalton metropolitan area shows an unemployment rate of 5.1%, compared with 3.8% which was reported in the previous year. The state of Georgia unemployment rate is 6.4%, compared with 3.5% reported in the prior year. The national unemployment rate is 7.9%, compared with 3.5% reported in the prior year.

**CITY OF DALTON BOARD OF EDUCATION
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Community leaders are striving to seek out ways to improve the quality of life and diversify the economy of Dalton and Whitfield County. The implementation of a 20% freeport exemption on business inventory began in fiscal year 2011. The reductions initially resulted in a revenue losses of \$685,500 in fiscal year 2011. Although the exemption remains at the 20% level, the actual freeport inventory continues to grow since that time and shows a loss of \$1,062,500 in property tax revenue for fiscal year 2020. The plan is to phase in the freeport exemption until it reaches 100% exemption on business inventory. The School District forecasts a 100% freeport exemption will result in the loss of an additional \$4.2 million in property tax revenue. Increases to the freeport exemption will be delayed for fiscal year 2021 for the School District. There is some consideration for a 20% increase in a future fiscal year.

Real and personal property values had unprecedented decline in 2010, 2011 and 2012. As a result, the School District's property tax revenue decreased a total of \$2.7 million during that period. Although property values have fluctuated since fiscal year 2013, there has been an upward trend that has caused increased property tax revenue. Fiscal year 2020 property tax revenue is up 3%, or \$927,000 over fiscal year 2019. There remains some uncertainty regarding property values, however, the School District is anticipating no change to the tax digest for fiscal year 2021.

While the economic picture can be challenging in the short-term, the Board and administrative staff are committed to ensuring the long-term viability of the system. For fiscal year 2020, the governor and legislature increased the state teacher salary scale by \$3,000. The Board replicated a similar percentage increase for all other supporting salary scales of the School District in the fiscal year 2020 budget. The state teacher scale had an adjustment of 2% two years prior, in fiscal year 2018, which was the first cost of living adjustment since fiscal year 2009. As Georgia school districts see a reinstatement of state funding austerity reductions in fiscal year 2021, some positions and educational expenditures will be reduced as a result.

In fiscal year 2020, the Board worked to bolster the support in the classroom by restoring academic coaches at the elementary level. Although, the School District enrollment has averaged 2% growth each year over the last 10 years, fiscal year 2018 showed a decline of 3% followed by no change in fiscal years 2019 and 2020. It is anticipated that enrollment will decline in fiscal year 2021 similar to national trends with the coronavirus global pandemic.

On November 7, 2017, the community passed a school general obligation bond not to exceed \$50.65 million to build a new 6-7 grades school to be financed with property taxes. This will help address enrollment and facility capacities in conjunction with grade configuration changes at the secondary level. The project includes purchase of property, site development and school construction.

The vision of the School District is for world-class learning that prepares students for success in college, career, and civic life. While academics are important, we feel that curiosity, creativity and perseverance are also vital to the development of children. We are committed to providing our students with an education that encompasses these values. We feel that through program assessment and focused funding we will be able to achieve our vision without adversely affecting our taxpayers.

Requests for Information

This financial report is designed to provide a general overview of the City of Dalton Board of Education's finances for all those with an interest in the School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Dalton Board of Education, Chief Financial Officer, P.O. Box 1408, Dalton, Georgia 30722-1408.

BASIC FINANCIAL STATEMENTS

CITY OF DALTON BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash	\$ 4,166,834
Investments	45,280,351
Receivables:	
Accounts	96,078
Intergovernmental	2,686,106
Taxes	1,079,701
Inventory	207,444
Restricted assets - cash	<u>1,042,609</u>
Total current assets	<u>54,559,123</u>
Noncurrent assets	
Nondepreciable capital assets	60,363,062
Depreciable capital assets, net	<u>98,722,555</u>
Total noncurrent assets	<u>159,085,617</u>
Total assets	<u>213,644,740</u>
Deferred outflows of resources	
Related to defined benefit pension plans and OPEB plans	<u>26,862,242</u>
	(continued)

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Governmental Activities</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 7,982,463
Salaries payable	5,371,730
Unearned revenue	35,650
Retainage payable	2,347,470
Compensated absences	30,887
Accrued interest payable	416,194
Capital leases payable	<u>2,723,623</u>
Total current liabilities	<u>18,908,017</u>
Long-term liabilities	
Capital leases payable, less current portion	6,224,337
Bonds payable	46,319,878
Net pension liability	78,313,708
Net OPEB liability	<u>57,449,840</u>
Total long-term liabilities	<u>188,307,763</u>
Total liabilities	<u>207,215,780</u>
Deferred inflows of resources	
Related to defined benefit pension plans and OPEB plans	<u>17,434,289</u>
Net position	
Net investment in capital assets	116,500,110
Restricted for capital projects	4,066,084
Restricted for debt service	1,065,276
Restricted for food services	2,711,228
Unrestricted	<u>(108,485,785)</u>
Total net position	<u>\$ 15,856,913</u>

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Instruction	\$ 68,181,846	\$ 405,365	\$ 39,676,419	\$ 3,729,487	\$ (24,370,575)
Support services:					
Pupil services	4,206,544	-	2,772,435	-	(1,434,109)
Improvement of instructional services	2,701,511	-	1,700,845	-	(1,000,666)
Instructional staff training	1,766,315	-	1,622,271	-	(144,044)
Educational media services	1,612,015	-	982,544	-	(629,471)
General administration	792,147	-	487,617	-	(304,530)
Federal grant administration	102,519	-	98,613	-	(3,906)
School administration	6,094,913	-	3,501,358	-	(2,593,555)
Business administration	736,723	-	447,863	-	(288,860)
Maintenance and operation of plant	8,208,665	-	4,342,271	-	(3,866,394)
Student transportation services	3,131,501	-	2,010,416	-	(1,121,085)
Central support services	2,156,301	-	1,325,177	-	(831,124)
Other support services	90,294	-	74,242	-	(16,052)
Food services operations	5,109,414	527,542	4,878,718	-	296,846
Community services operations	259,725	-	164,027	-	(95,698)
Interest on long-term debt	2,036,888	-	-	-	(2,036,888)
Total governmental activities	<u>\$ 107,187,321</u>	<u>\$ 932,907</u>	<u>\$ 64,084,816</u>	<u>\$ 3,729,487</u>	<u>(38,440,111)</u>
General revenues					
Property taxes					31,570,181
Vehicle taxes					1,711,146
Intangibles tax					193,110
Sales taxes					6,857,562
Unrestricted investment earnings					1,009,752
Donations					76,223
Total general revenues					<u>41,417,974</u>
Change in net position					2,977,863
Net position, beginning of year					<u>12,879,050</u>
Net position, end of year					<u>\$ 15,856,913</u>

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Capital Projects	Education Special Purpose Local Option Sales Tax	Total Nonmajor Funds	Total Governmental Funds
Assets					
Cash	\$ 3,310,793	\$ 6,570	\$ 611,573	\$ 237,898	\$ 4,166,834
Investments	24,377,451	16,162,535	2,587,170	2,153,195	45,280,351
Receivables:					
Accounts	95,986	-	-	92	96,078
Intergovernmental	244,611	-	1,067,406	1,374,089	2,686,106
Taxes	1,018,342	-	-	61,359	1,079,701
Due from other funds	4,017,601	110,296	-	212,999	4,340,896
Inventory	-	-	-	207,444	207,444
Restricted assets - cash	-	-	-	1,042,609	1,042,609
Total assets	<u>\$ 33,064,784</u>	<u>\$ 16,279,401</u>	<u>\$ 4,266,149</u>	<u>\$ 5,289,685</u>	<u>\$ 58,900,019</u>
Liabilities					
Accounts payable	\$ 3,252,689	\$ 4,422,056	\$ 137,910	\$ 169,808	\$ 7,982,463
Salaries payable	4,771,836	-	-	599,894	5,371,730
Due to other funds	3,681,255	-	3,637	656,004	4,340,896
Retainage payable	-	2,288,952	58,518	-	2,347,470
Unearned revenue	-	-	-	35,650	35,650
Total liabilities	<u>11,705,780</u>	<u>6,711,008</u>	<u>200,065</u>	<u>1,461,356</u>	<u>20,078,209</u>
Deferred inflows of resources					
Unavailable revenue - property taxes	<u>868,965</u>	<u>-</u>	<u>-</u>	<u>51,825</u>	<u>920,790</u>
Fund balances					
Nonspendable	-	-	-	207,444	207,444
Restricted	-	9,097,612	4,066,084	3,569,060	16,732,756
Unrestricted:					
Committed	-	470,781	-	-	470,781
Assigned	1,032,762	-	-	-	1,032,762
Unassigned	19,457,277	-	-	-	19,457,277
Total fund balances	<u>20,490,039</u>	<u>9,568,393</u>	<u>4,066,084</u>	<u>3,776,504</u>	<u>37,901,020</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 33,064,784</u>	<u>\$ 16,279,401</u>	<u>\$ 4,266,149</u>	<u>\$ 5,289,685</u>	<u>\$ 58,900,019</u>

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total governmental fund balances	\$ 37,901,020
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Amounts reported for governmental activities
in the statement of net position are different because:

Interfund receivables and payables between governmental funds are reported in the fund statements but are eliminated in the statement of net position:

Interfund receivables	4,340,896	
Interfund payables	<u>(4,340,896)</u>	-

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements but are reported in the statement of net position:

Cost	221,199,768	
Accumulated depreciation	<u>(62,114,151)</u>	159,085,617

Amounts due from property taxpayers not collected within 60 days subsequent to year end and therefore not available to pay for current period expenditures are reported as unavailable revenue in the fund statements.

920,790

Liabilities, including accrued interest payable, capital leases payable, bonds payable, unamortized premiums or discounts on debt, compensated absences, the net pension liability, and the net OPEB liability are not due and payable in the current period and therefore are not reported in the fund statements but are reported in the statement of net position:

Accrued interest payable	(416,194)	
Capital leases payable	(8,517,444)	
Bonds payable	(40,380,000)	
Premium on debt, net of amortization	(6,370,394)	
Compensated absences	(30,887)	
Net pension liability	(78,313,708)	
Net OPEB liability	<u>(57,449,840)</u>	<u>(191,478,467)</u>

Deferred outflows and inflows of resources related to pension and OPEB plans are applicable to future periods and, therefore, are not reported in the fund statements but are reported in the statement of net position:

Deferred outflows related to pension and OPEB plans	26,862,242	
Deferred inflows related to pension and OPEB plans	<u>(17,434,289)</u>	<u>9,427,953</u>

Net position of governmental activities	<u>\$ 15,856,913</u>
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See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General	Capital Projects	Education Special Purpose Local Option Sales Tax	Total Nonmajor Funds	Total Governmental Funds
Revenues					
Federal sources	\$ 385,027	\$ -	\$ -	\$ 9,716,632	\$ 10,101,659
State sources	50,205,650	3,021,114	708,373	1,824,060	55,759,197
Local sources and other funds	33,686,398	552,438	6,918,558	2,610,316	43,767,710
On behalf payments	140,086	-	-	-	140,086
Total revenues	<u>84,417,161</u>	<u>3,573,552</u>	<u>7,626,931</u>	<u>14,151,008</u>	<u>109,768,652</u>
Expenditures					
Current:					
Instruction	56,175,177	36,167	2,054,560	4,313,871	62,579,775
Support services:					
Pupil services	3,621,672	-	-	476,495	4,098,167
Improvement of instructional services	2,406,130	-	-	179,957	2,586,087
Instructional staff training	225,370	-	-	1,480,305	1,705,675
Educational media services	1,555,785	-	-	-	1,555,785
General administration	771,575	-	-	335	771,910
Federal grant administration	-	-	-	98,613	98,613
School administration	5,504,424	-	-	4,665	5,509,089
Business administration	706,514	707	11,283	-	718,504
Maintenance and operation of plant	6,529,292	-	-	52,006	6,581,298
Student transportation services	3,038,410	-	-	92,021	3,130,431
Central support services	2,079,362	-	-	11,971	2,091,333
Other support services	43,566	-	-	46,728	90,294
Food services operations	-	-	-	4,952,027	4,952,027
Community services operations	259,725	-	-	-	259,725
Capital outlay:					
Instruction	51,653	32,744,504	2,304,897	73,420	35,174,474
Support services:					
Pupil services	16,803	-	-	-	16,803
School administration	65,854	-	-	-	65,854
Maintenance and operation of plant	125,013	-	611,399	-	736,412
Food services operations	-	-	-	34,877	34,877
Debt service:					
Principal retirement	87,603	-	-	2,525,000	2,612,603
Interest and fiscal charges	-	-	-	2,446,522	2,446,522
Total expenditures	<u>83,263,928</u>	<u>32,781,378</u>	<u>4,982,139</u>	<u>16,788,813</u>	<u>137,816,258</u>

See accompanying notes to the financial statements.

(continued)

CITY OF DALTON BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General	Capital Projects	Education Special Purpose Local Option Sales Tax	Total Nonmajor Funds	Total Governmental Funds
Excess (deficiency) of revenues over (under) expenditures	<u>1,153,233</u>	<u>(29,207,826)</u>	<u>2,644,792</u>	<u>(2,637,805)</u>	<u>(28,047,606)</u>
Other financing sources (uses)					
Issuance of debt	65,854	-	-	-	65,854
Transfers in	-	1,111,375	32,932	3,816,615	4,960,922
Transfers out	<u>(1,312,720)</u>	<u>(688,702)</u>	<u>(2,959,500)</u>	<u>-</u>	<u>(4,960,922)</u>
Total other financing sources (uses)	<u>(1,246,866)</u>	<u>422,673</u>	<u>(2,926,568)</u>	<u>3,816,615</u>	<u>65,854</u>
Net changes in fund balances	(93,633)	(28,785,153)	(281,776)	1,178,810	(27,981,752)
Fund balances, beginning of year	<u>20,583,672</u>	<u>38,353,546</u>	<u>4,347,860</u>	<u>2,597,694</u>	<u>65,882,772</u>
Fund balances, end of year	<u>\$ 20,490,039</u>	<u>\$ 9,568,393</u>	<u>\$ 4,066,084</u>	<u>\$ 3,776,504</u>	<u>\$ 37,901,020</u>

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Net changes in fund balances - governmental funds \$ (27,981,752)

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

Elimination of transfers between governmental funds:

Transfers in	(4,960,922)	
Transfers out	<u>4,960,922</u>	-

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.

Capital outlay	36,028,420	
Depreciation expense	<u>(5,275,041)</u>	30,753,379

Tax revenues that are reported in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		216,918
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The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Proceeds from issuance of debt	(65,854)	
Principal payments of debt	2,612,603	
Amortization of premiums	<u>378,790</u>	2,925,539

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These items include:

Net change in accrued compensated absence liability	(768)	
Net change in accrued interest payable	30,844	
On behalf payments from the State of Georgia for pension contributions	179,614	
Pension contributions in excess of pension expense	(3,522,805)	
OPEB expense in excess of OPEB contributions	<u>376,894</u>	<u>(2,936,221)</u>

Change in net position - governmental activities		<u>\$ 2,977,863</u>
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See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	\$ 585,750	\$ 585,750	\$ 385,027	\$ (200,723)
State sources	49,650,343	49,724,880	50,205,650	480,770
Local sources and other funds	33,680,450	33,682,450	33,686,398	3,948
On behalf payments	128,420	128,420	140,086	11,666
Total revenues	<u>84,044,963</u>	<u>84,121,500</u>	<u>84,417,161</u>	<u>295,661</u>
Expenditures				
Current:				
Instruction	57,809,200	56,747,194	56,175,177	572,017
Support services:				
Pupil services	3,674,437	3,688,814	3,621,672	67,142
Improvement of instructional services	2,479,669	2,469,200	2,406,130	63,070
Instructional staff training	277,498	251,301	225,370	25,931
Educational media services	1,620,500	1,615,647	1,555,785	59,862
General administration	904,791	865,791	771,575	94,216
School administration	5,225,418	5,233,710	5,504,424	(270,714)
Business administration	740,567	740,567	706,514	34,053
Maintenance and operation of plant	6,842,951	6,842,951	6,529,292	313,659
Student transportation services	3,221,563	3,221,563	3,038,410	183,153
Central support services	2,323,779	2,362,779	2,079,362	283,417
Other support services	45,000	45,000	43,566	1,434
Community services operations	433,560	433,560	259,725	173,835
Capital outlay:				
Instruction	7,500	17,500	51,653	(34,153)
Support services:				
Pupil services	-	-	16,803	(16,803)
School administration	65,854	65,854	65,854	-
Maintenance and operation of plant	50,000	50,000	125,013	(75,013)
Debt service:				
Principal retirement	87,603	87,603	87,603	-
Total expenditures	<u>85,809,890</u>	<u>84,739,034</u>	<u>83,263,928</u>	<u>1,475,106</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,764,927)</u>	<u>(617,534)</u>	<u>1,153,233</u>	<u>1,770,767</u>

(continued)

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget		Actual	Variance
	Original	Final		
Other financing sources (uses)				
Issuance of debt	65,854	65,854	65,854	-
Transfers out	<u>(149,460)</u>	<u>(1,264,450)</u>	<u>(1,312,720)</u>	<u>(48,270)</u>
Total other financing sources (uses)	<u>(83,606)</u>	<u>(1,198,596)</u>	<u>(1,246,866)</u>	<u>(48,270)</u>
Net change in fund balance	<u>\$ (1,848,533)</u>	<u>\$ (1,816,130)</u>	(93,633)	<u>\$ 1,722,497</u>
Fund balance, beginning of year			<u>20,583,672</u>	
Fund balance, end of year			<u>\$ 20,490,039</u>	

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Agency Funds</u>
Assets	
Intergovernmental receivable	\$ 14,177
Due from others	<u>450</u>
Total assets	<u><u>\$ 14,627</u></u>
Liabilities	
Accounts payable	\$ 415
Due to others	<u>14,212</u>
Total liabilities	<u><u>\$ 14,627</u></u>

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 Summary of Significant Accounting Policies

Reporting Entity

The City of Dalton Board of Education ("School District") provides for a system of education for the children in the City of Dalton, Georgia ("City") as authorized by its charter. The School District was established under the laws of the State of Georgia and operates under the guidance of a school board elected by the voters ("School Board") and a Superintendent appointed by the School Board. The School Board is comprised of five members who have decision making authority, the power to designate management, the ability to significantly influence operations, the authority to levy taxes or incur bonded indebtedness, and the authority to set its budget without approval by the City government or any other entity. Accordingly, the School District is a primary government and consists of all the organizations that compose its legal entity. The School District has no component units.

Basis of Presentation

The accompanying financial statements of the School District have been prepared in conformity with generally accepted accounting principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the School District's accounting policies are described below.

The School District's basic financial statements are collectively comprised of the district-wide financial statements, fund financial statements, and notes to the basic financial statements. The district-wide financial statements focus on the School District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the information's usefulness.

District-wide Statements - The statement of net position and the statement of activities display information about the financial activities of the overall School District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. For the year ended June 30, 2020, the School District had no activities accounted for as business-type activities.

The statement of net position presents the School District's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in the following three categories:

- Net investment in capital assets - Net investment in capital assets represents the School District's total investment in capital assets, net of accumulated depreciation, 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 - Restricted net position represents resources for which the School District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law through constitutional provisions or enabling legislation.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 Summary of Significant Accounting Policies - Continued

- Unrestricted net position - Unrestricted net position consists of resources not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be modified or removed.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.

Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements -The fund financial statements provide information about the School District's funds, including fiduciary funds. Eliminations have been made to minimize the double counting of internal activities. Separate statements for each category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, with each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The School District reports the following major governmental funds:

- The general fund is the School District's primary operating fund. It accounts for and reports all financial resources of the School District not accounted for and reported in another fund.
- The capital projects fund accounts for and reports the general acquisition and construction of capital assets or improvement of major capital projects. The projects accounted for in this fund are not funded by ESPLOST revenue.
- The education special purpose local option sales tax fund is a capital projects fund which accounts for and reports financial resources including education special purpose local option sales tax ("ESPLOST") that are restricted, committed, or assigned to expenditure for capital outlays, including acquisition or construction of capital facilities or other capital assets.

Additionally, the School District provides additional information on the following nonmajor governmental funds: the federal programs special revenue fund, the school food services special revenue fund, the lottery programs special revenue fund, the other grants special revenue fund, and the debt service fund.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 Summary of Significant Accounting Policies - Continued

The School District has two funds which are accounted for as agency funds: the student activity agency fund and the Family Connection agency fund. Agency funds are used to report resources that the School District holds for others in a custodial capacity and do not involve measurements of results of operations.

Basis of Accounting

The basis of accounting determines when transactions are reported on the financial statements. The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, vehicle taxes, sales taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from vehicle taxes and sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if they are collected within 120 days after year-end (60 days for property taxes). Property taxes, vehicle taxes, sales taxes, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

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

Agency funds are not involved in the measurement of results of operations and, therefore, measurement focus is not applicable to them.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 Summary of Significant Accounting Policies - Continued

New Accounting Pronouncements

In fiscal year 2019, the School District adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*. This statement addresses accounting and financial reporting for certain asset retirement obligations (“ARO”s). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. The adoption of this statement does not have a significant impact on the School District’s financial statement.

In fiscal year 2020, the School District adopted GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in statements and Implementation Guides that first became effective or are scheduled to become effective for period beginning after June 15, 2018, and later. The School District delayed the adoption of GASB Statement No. 84 and GASB Statement No. 90.

Cash, Cash Equivalents, and Investments

The School District’s cash and cash equivalents consist of cash on hand, demand deposits, non-negotiable certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. The Official Code of Georgia Annotated (“OCGA”) authorizes the School District to deposit its funds in one or more solvent banks, insured by Federal savings and loan associations or insured chartered building and loan associations.

Investments made by the School District are reported at fair value. The OCGA authorizes the School District to invest its funds. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity. Funds may be invested in the following: (1) obligations issued by the State of Georgia or by other states; (2) obligations issued by the United States government; (3) obligations fully insured or guaranteed by the United States government or a United States government agency; (4) obligations of any corporation of the United States government; (5) prime banker’s acceptances; (6) the Georgia Fund 1 (local government investment pool) administered by the State of Georgia, Office of the State Treasurer; (7) repurchase agreements; and (8) obligations of other political subdivisions of the State of Georgia.

The School District does not have formal investment policies that address credit risks, custodial credit risks, concentration of credit risks, and interest rate risks. Foreign currency risk does not apply to the School District.

Investments made by the School District in nonparticipating interest-earning contracts (such as certificates of deposit) are reported at cost. Participating interest-earning contracts and money market investments with a maturity at purchase of one year or less are reported at amortized cost. All other investments are reported at fair value. For accounting purposes, certificates of deposit are classified as cash as they are not subject to withdrawal limitations.

Restricted cash refers to funds held by the School District which are limited as to use for debt service, in accordance with the terms of debt agreements. See Note 7 for additional information.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 Summary of Significant Accounting Policies - Continued

Receivables

Receivables consist of amounts due from property and sales taxes, grant reimbursements due from federal, state, or other grants for expenditures made but not yet reimbursed, and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements do not include any amounts which would necessitate the need for an allowance for uncollectible receivables.

Due to other funds and due from other funds consist of activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year.

Inventories

On the basic financial statements, inventories of donated food commodities used in the preparation of meals are reported at their federally assigned value and purchased food inventories are reported at cost, calculated on a first in-first out basis. The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

Prepaid Items

Payments made to vendors for services that will benefit future accounting periods are recorded as prepaid items in both the district-wide and governmental fund financial statements.

Restricted Assets

Certain resources set aside for repayment of debt are classified as restricted assets on the statement of net position because their use is limited by applicable debt statutes, e.g. debt service sinking funds.

Capital Assets

Capital assets are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 (land is capitalized regardless of cost) and an estimated useful life in excess of one year. Purchased and constructed capital assets are valued at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. The School District does not capitalize book collections or works of art. Disposals are deleted at depreciated recorded cost. Depreciation is computed using the straight-line method for all assets except land, and is used to allocate the actual or estimated historical cost of capital assets over estimated useful lives. During the fiscal year under review, no events or changes in circumstances affecting a capital asset that may indicate impairment were known to the School District.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 Summary of Significant Accounting Policies - Continued

Capital acquisition and construction are recorded as expenditures in the governmental fund financial statements at the time of purchase (including ancillary charges), and the related assets are reported as capital assets in the governmental activities column in the district-wide financial statements.

Capitalization thresholds and estimated useful lives of capital assets reported in the district-wide financial statements are as follows:

Category	Capitalization Threshold	Estimated Useful Life
Buildings - permanent	\$ 50,000	40 years
Buildings - temporary	10,000	15 years
Land improvements	25,000	15 years
Building improvements	50,000	15 years
Kitchen equipment	5,000	15 years
Recreational and athletic equipment	5,000	10 years
Buses and heavy trucks	5,000	10 years
Custodial and grounds equipment	5,000	5 years
Instructional and other equipment	5,000	5 years
Cars and light trucks	5,000	5 years
Furniture	5,000	5 years
Technology and hardware	5,000	5 years
Intangible assets	250,000	15 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 Summary of Significant Accounting Policies - Continued

Compensated Absences

Compensated absences represent obligations of the School District relating to an employee's right to receive compensation for future absences based upon service already rendered. This obligation relates only to vesting accumulating leave in which payment is probable and can be reasonably estimated. Accumulated unpaid sick leave costs are not vested and are not accrued in any fund, but are recognized as expenditures or expenses when paid. Accumulated unpaid vacation costs are accrued when incurred in the district-wide financial statements.

Members of the Teachers Retirement System of Georgia ("TRS") may apply unused sick leave toward early retirement. The liability for early retirement will be borne by TRS rather than by the individual school districts. Otherwise, sick leave does not vest with the employee, and no liability is reported in the School District's financial statements.

Long-Term Obligations

The School District issues and incurs long-term obligations to provide funds for the acquisition, construction, renovation, and maintenance of major capital facilities. In the district-wide financial statements, outstanding debt is reported as a liability. Bond premiums and discounts and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are recognized as an outflow of resources in the fiscal year in which the bonds are issued.

In the governmental fund financial statements, the School District recognizes the proceeds of debt and premiums as other financing sources of the current period. Bond issuance costs are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia ("TRS"), the Public School Employees Retirement System ("PSERS"), and the Employees' Retirement System ("ERS"), and additions to/deductions from TRS's, PSERS's, and ERS's fiduciary net positions have been determined on the same basis as they are reported by TRS, PSERS, and ERS, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 8 for additional information.

Postemployment Benefits Other Than Pensions ("OPEB")

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Georgia School Employees Postemployment Benefit Fund ("School OPEB Fund"), and additions to/deductions from School OPEB Fund fiduciary net position have been determined on the same basis as they are reported by School OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 10 for additional information.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 Summary of Significant Accounting Policies - Continued

Fund Balances

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The School District's fund balances are classified as follows:

- 1) **Nonspendable fund balance** - Consists of resources that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- 2) **Restricted fund balance** - Consists of resources that can be used only for specific purposes pursuant to constraints either (1) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.
- 3) **Committed fund balance** - Consists of resources that can be used only for specific purposes pursuant to constraints imposed by formal action of the School Board. The School Board is the School District's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the School Board. Committed fund balance also should incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- 4) **Assigned fund balance** - Consists of resources constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by the School Board, the budget or finance committee, or the Superintendent, or designee, to assign amounts to be used for specific purposes.
- 5) **Unassigned fund balance** - Consists of resources within the general fund not meeting the definition of any aforementioned category. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

When multiple categories of fund balance are available for expenditure, the School District will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Nonspendable 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.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 Summary of Significant Accounting Policies - Continued

A schedule of fund balances is as follows:

			Education Special Purpose Local Option Sales Tax	Total Nonmajor Funds	Total
Fund Balances:	General	Capital Projects			
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 207,444	\$ 207,444
Restricted for:					
Capital projects	-	9,097,612	4,066,084	-	13,163,696
Debt service	-	-	-	1,065,276	1,065,276
Food services	-	-	-	2,503,784	2,503,784
Committed to:					
Capital projects	-	470,781	-	-	470,781
Assigned to:					
School activities	1,032,762	-	-	-	1,032,762
Unassigned	19,457,277	-	-	-	19,457,277
Total Fund Balances	<u>\$ 20,490,039</u>	<u>\$ 9,568,393</u>	<u>\$ 4,066,084</u>	<u>\$ 3,776,504</u>	<u>\$ 37,901,020</u>

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property Taxes

The Mayor and Council of the City of Dalton, Georgia, fixed the property tax levy for the 2019 tax digest year (calendar year) on January 1, 2019 (levy date). Tax bills were mailed on October 20, 2019 (lien date) and are considered due upon receipt by the taxpayer. The actual due date is based on a period ending 60 days after the tax billing, on December 20, 2019 (due date). Taxes collected within the current fiscal year or within 60 days after year end on the 2019 tax digest are reported as revenue in the governmental funds for the year ended June 30, 2020. The Whitfield County, Georgia Tax Commissioner bills and collects the property taxes for the School District, withholds a percentage of taxes collected as a fee, and remits the remaining amount to the School District. Property tax revenues, net of the collection fee, combined with penalties and interest received on delinquent taxes, at the fund reporting level, totaled \$31,535,263 for the year ended June 30, 2020.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 Summary of Significant Accounting Policies - Continued

The tax millage rate levied for the 2019 tax year for School District maintenance and operations was 8.200 mills and for School District debt service was 0.570 mills (a mil equals \$1 per thousand dollars of assessed value).

Title ad valorem tax revenues, at the fund reporting level, totaled \$1,487,637 for the year ended June 30, 2020. Vehicle tax revenues, at the fund reporting level, totaled \$223,509 for the year ended June 30, 2020.

Sales Taxes

Education special purpose local option sales tax, at the fund reporting level, totaled \$6,857,562 for the year ended June 30, 2020, and is to be used for capital outlay for educational purposes. This sales tax was authorized by local referendum and the sales tax must be reauthorized at least every five years.

The City of Dalton Building Authority issued revenue bonds during fiscal year 2018 to provide advance funding for capital outlay projects associated with the issuance of ESPLOST. In fiscal year 2020, the School District transferred \$2,959,500 of ESPLOST proceeds to the City of Dalton Building Authority for debt service on the revenue bonds. See Note 7 for additional information.

Note 2 Budgetary Data

The budget is a complete financial plan for the School District's fiscal year, and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general, special revenue, debt service, and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds, except for the various school activity accounts (commonly referred to as principal accounts) reported in the general fund, is prepared and adopted by fund, function, and object. The legal level of budgetary control was established by the School Board at the aggregate fund level. The budgets are prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School District's administration presenting an initial budget for the School Board's review. The administration makes revisions as necessary based on the School Board's guidelines and a tentative budget is approved. After approval of this tentative budget by the School Board, such budget is advertised at least once in a newspaper of general circulation in the locality and on the School District's website. At the next regularly scheduled meeting of the School Board after advertisement, the School Board receives comments on the tentative budget, makes revisions as necessary, and adopts a final budget. The approved budget is then submitted, in accordance with provisions of OCGA § 20-2-167(c), to the Georgia Department of Education. The School Board may increase or decrease the budget at any time during the year. All unexpended budget authority lapses at fiscal year-end.

See the statements of revenues, expenditures, and changes in fund balance - budget and actual for all legally adopted funds for a detail of any over/under expenditures by fund during the fiscal year.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 3 Deposits and Investments

Deposits

OCGA § 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA § 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110% of the daily pool balance.

Acceptable security for deposits consists of any one of or any combination of the following:

- (1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
- (2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,
- (3) Bonds, bills, notes, certificates of indebtedness, or other direct obligations of the United States or of the State of Georgia,
- (4) Bonds, bills, notes, certificates of indebtedness, or other obligations of the counties or municipalities of the State of Georgia,
- (5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,
- (6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and
- (7) Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's deposit policy for custodial credit risk is as follows: excluding bond proceeds, the maximum amount which may be invested with any one financial institution shall not be greater than 50% of the total portfolio. Before the Superintendent or finance officer invests any surplus funds other than with Georgia Fund 1, a competitive bid process shall be conducted. If a specific maturity date is required, either for cash flow purposes or for compliance with maturity guidelines, bids will be requested for instruments which meet the maturity requirement. If no specified maturity is required, the Superintendent or finance officer shall endeavor to obtain the best available return on the investment. The Superintendent will utilize the Georgia Fund 1 anytime the rate of return is higher than the rate determined through requests from banks.

At June 30, 2020, the School District held deposits with a carrying amount of \$4,166,834 and a bank balance of \$4,504,245. The bank balances were fully covered by either deposit insurance and/or collateral held in the School District's name.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 3 Deposits and Investments - Continued

Investments

At June 30, 2020, the carrying value of the School District's unrestricted investments was \$45,280,351, and are invested in Georgia Fund 1 and with BB&T in accordance with the School District's investment policies.

The School District reported investments of \$44,056,988 which are invested in Georgia Fund 1. Georgia Fund 1 is not registered with the SEC as an investment and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share. The pool is rated AA+ by Standard and Poor's. The weighted average maturity for Georgia Fund 1 on June 30, 2020 was 38 days.

Georgia Fund 1 (a local government investment pool) is administered by the State of Georgia, Office of the State Treasurer, and is not required to be categorized since the School District did not own any specific identifiable securities in the pool. The investment policy of the State of Georgia, Office of the State Treasurer for Georgia Fund 1 does not provide for investment in derivatives or similar investments. The State Depository Board prescribes cash management policies and procedures for the State of Georgia and provides oversight for Georgia Fund 1. Additional information on Georgia Fund 1 is disclosed in the State of Georgia Comprehensive Annual Financial Report. This audit can be obtained from the Georgia Department of Audits and Accounts at www.audits.ga.gov/SGD/CAFR.html.

The School District's investments as of June 30, 2020, excluding investments in Georgia Fund 1, are presented below. Investments are presented by investment type and debt securities are presented by maturity.

Investment Type	Fair Value	Investment Maturity Less Than 1 Year
US Treasury Notes	\$ 1,223,363	\$ 1,223,363

The School District measures and records its investments using fair value measurement guidelines established by GAAP. These guidelines recognize a three-tiered fair value hierarchy, as follows: level 1 - quoted prices for identical measurements in active markets; level 2 - observable inputs other than quoted market prices; and level 3 - unobservable inputs. US Treasury Notes are valued using a matrix pricing model (level 2 inputs).

Investment Type	Fair Value	Level 2
US Treasury Notes	\$ 1,223,363	\$ 1,223,363

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 3 Deposits and Investments - Continued

Interest rate risk - Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The School District does not have a formal policy for managing interest rate risk.

Custodial credit risk - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the School District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. As of June 30, 2020, all of the School District's investments were properly collateralized as required by state statutes. The School District does not have a formal policy for managing custodial credit risk.

Credit quality risk - Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments to those prescribed O.C.G.A. §36-83-4. The School District does not have a formal policy that would further limit its investment choices or one that addresses credit risk.

Concentration of credit risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District does not have a formal policy for managing concentration of credit risk.

Restricted Assets – Cash

The restricted assets account represents the cash balance in a sinking fund for the payment of general obligation bond debt, as further disclosed in Note 7.

Note 4 Nonmonetary Transactions

The School District receives food commodities from the United States Department of Agriculture ("USDA") for school breakfast and lunch programs. These commodities are recorded at their federally assigned value. See Note 1 for more information on inventories.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 5 Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, is as follows:

	Beginning Balance	Additions	Reclassifications and Disposals	Ending Balance
Governmental activities:				
Nondepreciable capital assets				
Land	\$ 17,075,134	\$ -	\$ -	\$ 17,075,134
Construction in progress	24,900,235	34,873,610	(16,485,917)	43,287,928
Total	<u>41,975,369</u>	<u>34,873,610</u>	<u>(16,485,917)</u>	<u>60,363,062</u>
Depreciable capital assets				
Land improvements	4,335,701	42,491	-	4,378,192
Buildings and building improvements	132,135,480	196,685	16,485,917	148,818,082
Machinery, equipment, and technology	6,165,824	825,667	-	6,991,491
Vehicles	<u>585,474</u>	<u>89,967</u>	<u>(26,500)</u>	<u>648,941</u>
Total	<u>143,222,479</u>	<u>1,154,810</u>	<u>16,459,417</u>	<u>160,836,706</u>
Less accumulated depreciation				
Land improvements	(2,613,734)	(172,066)	-	(2,785,800)
Buildings and building improvements	(49,861,473)	(4,260,035)	-	(54,121,508)
Machinery, equipment, and technology	(3,895,338)	(797,516)	-	(4,692,854)
Vehicles	<u>(495,065)</u>	<u>(45,424)</u>	<u>26,500</u>	<u>(513,989)</u>
Total	<u>(56,865,610)</u>	<u>(5,275,041)</u>	<u>26,500</u>	<u>(62,114,151)</u>
Depreciable capital assets, net	<u>86,356,869</u>	<u>(4,120,231)</u>	<u>16,485,917</u>	<u>98,722,555</u>
Governmental activities capital assets, net	<u>\$ 128,332,238</u>	<u>\$ 30,753,379</u>	<u>\$ -</u>	<u>\$ 159,085,617</u>

Current year depreciation expense by function is as follows:

Governmental activities:	
Instruction	\$ 3,225,974
Pupil services	5,732
Improvement of instructional services	5,317
General administration	1,880
School administration	391,548
Maintenance and operation of plant	1,492,641
Food services operation	<u>151,949</u>
Total depreciation expense - governmental activities	<u>\$ 5,275,041</u>

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 6 Interfund Balances and Transfers

Due to and due from other funds are recorded for interfund receivables and payables which arise from interfund transactions and from interfund loans of cash. All balances are anticipated to be repaid within one year. Interfund balances at June 30, 2020 consisted of the following:

	Due From Other Funds	Due To Other Funds
General fund	\$ 4,017,601	\$ 3,681,255
Capital projects fund	110,296	-
ESPLOST fund	-	3,637
Nonmajor governmental funds	212,999	656,004
Total governmental funds	<u>\$ 4,340,896</u>	<u>\$ 4,340,896</u>

Transfers are used to move revenues such as sales tax and property tax revenues as required matching funds or to provide supplemental funding for projects. Interfund transfers for the year ended June 30, 2020 consisted of the following:

		Transfer From Capital projects		
Transfer To	General fund	fund	ESPLOST fund	Total
Capital projects fund	\$ 1,111,375	\$ -	\$ -	\$ 1,111,375
ESPLOST fund	32,932	-	-	32,932
Nonmajor governmental funds	168,413	688,702	2,959,500	3,816,615
Total governmental funds	<u>\$ 1,312,720</u>	<u>\$ 688,702</u>	<u>\$ 2,959,500</u>	<u>\$ 4,960,922</u>

Note 7 Long Term Debt

General Obligation Bonds - The School District issued general obligation bonds as a public offering in April 2018 to obtain funding for the purpose of acquiring, constructing, and equipping buildings and facilities. The principal amount is \$40,380,000, with an associated premium of \$6,417,189, which will be amortized to interest expense over the life of the debt. The interest rate on the bonds is 5%, with the final principal payment due in June 2048. The School District repays general obligation bonds from voter-approved property taxes. General obligation bonds are direct obligations and pledge the full faith and credit of the School District.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 7 Long Term Debt - Continued

At June 30, 2020, general obligation bond payments due by fiscal year are as follows:

Fiscal Year	<u>Principal</u>
2021	\$ -
2022	-
2023	-
2024	855,000
2025	895,000
2026 - 2030	5,165,000
2031 - 2035	6,570,000
2036 - 2040	8,390,000
2041 - 2044	10,705,000
2045 - 2048	<u>7,800,000</u>
Total	<u><u>\$ 40,380,000</u></u>

Capital Leases - The School District entered into an agreement in February 2018 with the City of Dalton Building Authority to obtain funding for the purpose of acquiring, constructing, and equipping buildings and facilities. The underlying instruments of the lease are City of Dalton Building Authority revenue bonds issued as a public offering in the principal amount of \$13,360,000, with an associated premium of \$833,258, which will be amortized to interest expense over the life of the debt. The interest rate on the bonds ranges between 2% and 5%, with the final principal payment due in February 2023. The obligation of the School District is absolute and unconditional so long as any of the bonds remain outstanding. Under the terms of the agreement, the School District will exercise its power of taxation to the extent necessary to pay the amounts required to be paid by the agreement.

The School District has acquired equipment under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the lease term. During the current fiscal year, the School District entered into lease agreements as lessee for financing the acquisition of office equipment at a cost of \$65,854. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

All cost and related amortization expense reported on the leased assets are included in depreciation expense, as disclosed in Note 5. The following is an analysis of leased assets under the capital leases as of June 30, 2020:

Construction in progress	\$ 1,018,430
Land improvements	114,458
Building and building improvements	11,623,879
Equipment	1,046,346
Net of accumulated amortization	<u>(542,131)</u>
	<u><u>\$ 13,260,982</u></u>

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 7 Long Term Debt - Continued

At June 30, 2020, payments due by fiscal year, which include principal and interest, are as follows:

Fiscal Year	Principal	Interest
2021	\$ 2,723,623	\$ 358,250
2022	2,823,778	226,500
2023	2,955,115	116,750
2024	13,909	-
2025	1,019	-
2026 and thereafter	-	-
Total principal and interest	<u>\$ 8,517,444</u>	<u>\$ 701,500</u>

Compensated Absences - Compensated absences represent obligations of the School District relating to employees' rights to receive compensation for future absences based upon service already rendered. This obligation relates only to vesting accumulating leave in which payment is probable and can be reasonably estimated. Typically, the general fund is the fund used to liquidate this debt. The School District uses the vesting method to compute compensated absences.

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Capital leases	\$ 11,064,193	\$ 65,854	\$ (2,612,603)	\$ 8,517,444	\$ 2,723,623
General obligation bonds	40,380,000	-	-	40,380,000	-
Premium on debt	6,749,184	-	(378,790)	6,370,394	-
Compensated absences	30,119	59,506	(58,738)	30,887	30,887
Total	<u>\$ 58,223,496</u>	<u>\$ 125,360</u>	<u>\$ (3,050,131)</u>	<u>\$ 55,298,725</u>	<u>\$ 2,754,510</u>

Note 8 Retirement Plans

The School District participates in various retirement plans administered by the State of Georgia, as further described below.

Teachers Retirement System of Georgia (“TRS”)

Plan description - All teachers of the School District as defined in OCGA §47-3-60 and certain other support personnel as defined by §47-3-63 are provided a pension through TRS. TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (“TRS Board”). Title 47 of OCGA assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 8 Retirement Plans - Continued

Benefits provided - TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions - Per Title 47 of OCGA, contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to OCGA §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the state of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2020. The School District's contractually required contribution rate for the year ended June 30, 2020 was 21.14% of annual School District payroll, excluding payroll attributable to those personnel funded on behalf of the School District by the state. For the current fiscal year, employer contributions to the pension plan totaled \$10,124,599 and \$41,082 from the School District and the state, respectively.

Public School Employees Retirement System ("PSERS")

Plan description - PSERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia. The ERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of OCGA assigns the authority to establish and amend the benefit provisions to the State Legislature. PSERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/financials.

Benefits provided - A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of ten years of service.

Upon retirement, the member will receive a monthly benefit of \$15.25, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

Contributions - The general assembly makes an annual appropriation to cover the employer contribution to PSERS on behalf of local school employees (bus drivers, cafeteria workers, and maintenance staff). The annual employer contribution required by statute is actuarially determined and paid directly to PSERS by the State Treasurer in accordance with OCGA §47-4-29(a) and 60(b). Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 8 Retirement Plans - Continued

Individuals who became members prior to July 1, 2012 contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute \$10 per month for nine months each fiscal year. The state of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution totaled \$99,004.

Employees' Retirement System of Georgia ("ERS")

Plan description - This plan is not available to existing or new employees of the School District unless an employee already is a member of the plan. ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by the ERS Board of Trustees. Title 47 of the OCGA assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/financials.

Benefits provided - The ERS Plan supports three benefit tiers: old plan, new plan, and Georgia State Employees' Pension and Savings Plan ("GSEPS"). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the old or new plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 8 Retirement Plans - Continued

Contributions - Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School District's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2020 was 24.66% of annual covered payroll for old and new plan members and 21.64% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan totaled \$0 for the current fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the School District reported a liability of \$78,313,708 for its proportionate share of the net pension liability for TRS (\$78,313,708) and ERS (\$0).

The TRS net pension liability reflected a reduction for support provided to the School District by the State of Georgia for certain public school support personnel. The amounts recognized by the School District as its proportionate share of the net pension liability, the related state of Georgia support, and the total portion of the net pension liability that was associated with the School District were as follows:

School District's proportionate share of the net pension liability - TRS	\$ 78,313,708
State of Georgia's proportionate share of the net pension liability associated with the School District - TRS	<u>331,357</u>
Total	<u>\$ 78,645,065</u>

The net pension liability for TRS and ERS was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2018. An expected total pension liability as of June 30, 2019 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2019.

At June 30, 2019, the School District's proportion of the TRS net pension liability was 0.364204%, which was an increase of 0.001762% from its proportion measured as of June 30, 2018. At June 30, 2019, the School District's proportion of the ERS net pension liability was 0.000000%, which was a decrease of 0.000184% from its proportion measured as of June 30, 2018.

At June 30, 2019, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the state of Georgia, which is responsible for the net pension liability of the plan. The amount of the state's proportionate share of the net pension liability associated with the School District is \$472,428.

CITY OF DALTON BOARD OF EDUCATION
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JUNE 30, 2020

Note 8 Retirement Plans - Continued

The net pension liability for PSERS was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2018. An expected total pension liability as of June 30, 2019 was determined using standard roll-forward techniques. The state's proportion of the net pension liability associated with the School District was based on actuarially determined contributions to PSERS paid by the state during the fiscal year ended June 30, 2019.

For the year ended June 30, 2020, the School District recognized pension expense of \$3,412,915 for TRS, pension expense of \$145,691 for PSERS, and pension income of \$35,801 for ERS. Included in the preceding amounts, the School District recognized expense of \$33,923 for TRS and \$145,691 for PSERS for support provided by the State of Georgia for certain support personnel.

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,414,160	\$ 23,218	\$ -	\$ -
Changes of assumptions	7,515,222	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,864,888	-	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	440,352	188,370	-	23,942
District contributions subsequent to the measurement date	10,124,599	-	-	-
Total	<u>\$ 22,494,333</u>	<u>\$ 2,076,476</u>	<u>\$ -</u>	<u>\$ 23,942</u>

School District contributions subsequent to the measurement date of \$10,124,599 for TRS and \$0 for ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	TRS	ERS
2021	\$ 4,345,930	\$ (22,293)
2022	757,398	(1,649)
2023	2,551,927	-
2024	2,638,003	-
2025	-	-
Thereafter	-	-

CITY OF DALTON BOARD OF EDUCATION
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Note 8 Retirement Plans - Continued

Actuarial Assumptions - The total pension liability for TRS as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

TRS:

Inflation	2.50%
Salary increases	3.00% - 8.75%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Post retirement mortality rates were based on the RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males) for service requirements and dependent beneficiaries. The RP-2000 Disabled Mortality table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB (set forward two years for males and four years for females) was used for the death after disability retirement. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the long-term assumed rate of return.

The total pension liability for PSERS and ERS as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

PSERS:

Inflation	2.75%
Salary increases	N/A
Investment rate of return	7.30%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Post retirement mortality rates were based on the RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) for the period after service retirements and for dependent beneficiaries. The RP-2000 Disabled Mortality projected to 2025 with projection scale BB (set forward 5 years for both males and females) was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the PSERS System. Based on the results of the most recent experience study adopted by the PSERS Board on December 17, 2015, the numbers of expected future deaths are 9-11% less than the actual number of deaths that occurred during the study period for healthy retirees and 9-11% less than expected under the selected table for disabled retirees. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

CITY OF DALTON BOARD OF EDUCATION
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Note 8 Retirement Plans - Continued

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment rate of return.

ERS:

Inflation	2.75%
Salary increases	3.25% - 7.00%, including inflation
Investment rate of return	7.30%, net of pension plan investment expense, including inflation

Post retirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. The RP-2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back 7 years for males and set forward 3 years for females was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the ERS System. Based on the results of the most recent experience study adopted by the ERS Board on December 17, 2015, the numbers of expected future deaths are 9-12% less than the actual number of deaths that occurred during the study period for service retirements and beneficiaries and for disability retirements. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment rate of return.

The long-term expected rate of return on TRS, PSERS, and ERS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	TRS Target Allocation	PSERS/ERS Target Allocation	Long-term Expected Real Rate of Return *
Fixed income	30.00%	30.00%	-0.50%
Domestic large equities	51.00%	46.20%	8.90%
Domestic small equities	1.50%	1.30%	13.20%
International developed market equities	12.40%	12.40%	8.90%
International emerging market equities	5.10%	5.10%	10.90%
Alternatives	<u>0.00%</u>	<u>5.00%</u>	12.00%
Total	<u>100.00%</u>	<u>100.00%</u>	

* Rates shown are net of inflation

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 8 Retirement Plans - Continued

Discount Rate - The discount rate used to measure the total TRS pension liability was 7.25%. The discount rate used to measure the total PSERS and ERS pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS, PSERS, and ERS pension plans' fiduciary net positions were 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 was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability calculated using the discount rates of 7.25% and 7.30% as appropriate, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25% and 6.30%) or 1 percentage point higher (8.25% and 8.30%) than the current rate:

TRS:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of the net pension liability	\$ 127,126,069	\$ 78,313,708	\$ 38,172,604

ERS:

	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -

Pension Plan Fiduciary Net Position - Detailed information about the TRS, PSERS, and ERS pension plans' fiduciary net position is available in the separately issued financial reports which are publicly available at www.trsga.com/publications and www.ers.ga.gov/financials.

CITY OF DALTON BOARD OF EDUCATION
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Note 9 Defined Contribution Plans

The School District offers an employer paid 403(b) annuity plan for the group of employees covered under the PSERS. Recognizing that PSERS was a limited defined contribution and defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the School Board's desire to supplement the retirement of this group.

The School District selected Variable Annuity Life Insurance Company ("VALIC") as the provider of this plan. For each employee covered under PSERS who makes an election to participate, the School District contributes 1% of the employee's base pay. In addition, the School District makes matching contributions equal to 50% of the first 4% of employee compensation deferred. Employee contributions vest immediately and School District contributions become vested at the end of the 3rd year. All contributions are 100% vested upon employee death or disability.

Distributions to an employee may not be made earlier than the earliest date on which the employee has a severance from employment, dies, becomes disabled, or attains age 59½. Hardship withdrawals and loans from the plan are permitted under certain circumstances. Employer contributions for the current and preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2020	100%	\$ 39,354
2019	100%	40,821
2018	100%	50,084

The School District offers a second 403(b) annuity plan for all employees who are not students regularly attending classes at the School District and who are not non-resident aliens. Recognizing that employees may want to contribute additional funds to their retirement accounts, it was the School Board's desire to offer an additional, non-contributory option for employees.

The School District selected VALIC as the provider of this plan. Most employees of the School District are eligible to participate. The School District does not make contributions to this plan. Distributions to an employee may not be made earlier than the earliest date on which the employee has a severance from employment, dies, becomes disabled, or attains age 59½. Hardship withdrawals and loans from the plan are permitted under certain circumstances.

The School District offers a 457(b) deferred compensation plan for all employees of the School District. Recognizing that employees may want to contribute additional funds to their retirement accounts, it was the School Board's desire to offer an additional, non-contributory option for employees.

The School District selected VALIC as the provider of this plan. All employees of the School District are eligible to participate. The School District does not make contributions to this plan. Distributions to an employee may not be made earlier than the earliest date on which the employee has a severance from employment, dies, becomes disabled, or attains age 70½. Unforeseeable emergency withdrawals, distributions to individuals in uniformed services, and loans from the plan are permitted under certain circumstances.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 10 Post-Employment Benefits

Georgia School Personnel Post-Employment Health Benefit Fund (“School OPEB Fund”)

Plan description - Certified teachers and non-certified public school employees of the School District as defined in §20-2-875 of the OCGA are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (“Board of Community Health”). Title 20 of OCGA assigns the authority to establish and amend the benefit terms of the group health plan to the Board of Community Health.

Benefits provided - The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies, and non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from TRS, PSERS, ERS, Georgia Judicial Retirement System (“JRS”), or Legislative Retirement System (“LRS”). If elected, dependent coverage starts on the same day as retiree coverage. Medicare eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (“HRA”), Health Maintenance Organization (“HMO”), and a High Deductible Health Plan (“HDHP”). The School OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted.

Contributions - As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were \$1,589,260 for the year ended June 30, 2020. Active employees are not required to contribute to the School OPEB Fund.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2020, the School District reported a liability of \$57,449,840 for its proportionate share of the net OPEB liability.

The net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2018. An expected total OPEB liability as of June 30, 2019 was determined using standard roll-forward techniques. The School District’s proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2019. At June 30, 2019, the School District’s proportion was 0.468132%, which was an increase of 0.001088% from its proportion measured as of June 30, 2018.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 10 Post-Employment Benefits - Continued

For the year ended June 30, 2020, the School District recognized OPEB income of \$376,894. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,249,944
Changes of assumptions	1,995,121	8,098,613
Net difference between projected and actual earnings on OPEB plan investments	125,108	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	658,420	985,314
District contributions subsequent to the measurement date	1,589,260	-
Total	<u>\$ 4,367,909</u>	<u>\$ 15,333,871</u>

School District contributions subsequent to the measurement date of \$1,589,260 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	OPEB
2021	\$ (2,898,458)
2022	(2,898,458)
2023	(2,903,267)
2024	(2,401,659)
2025	(1,190,009)
2026	(263,371)
Thereafter	-

CITY OF DALTON BOARD OF EDUCATION
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Note 10 Post-Employment Benefits - Continued

Actuarial Assumptions - The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019:

Inflation	2.75%
Salary increases	3.25% - 8.75%, including inflation
Long-term expected rate of return	7.30%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate:	
Pre-Medicare eligible	7.25%
Medicare eligible	5.38%
Ultimate trend rate:	
Pre-Medicare eligible	4.75%
Medicare eligible	4.75%
Year of ultimate trend rate:	
Pre-Medicare eligible	2028
Medicare eligible	2022

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB as follows:

- For TRS members: The RP-2000 White Collar Mortality Table projected to 2025 with projection scale BB (set forward 1 year for males) is used for death after service retirement and beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward two years for males and four years for females) is used for death after disability retirement.
- For PSERS members: The RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) is used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 5 years for both males and females) is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2014, and adopted by the TRS and PSERS Boards on December 17, 2015. The next experience study for TRS will be for the period ending June 30, 2018.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 10 Post-Employment Benefits - Continued

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. During fiscal year 2018, the School OPEB fund updated their investment strategy to a more long-term approach. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return *
Fixed income	30.00%	-0.50%
Domestic large equities	46.20%	8.90%
Domestic small equities	1.30%	13.20%
International developed market equities	12.40%	8.90%
International emerging market equities	5.10%	10.90%
Alternatives	<u>5.00%</u>	12.00%
Total	<u>100.00%</u>	

* Rates shown are net of inflation

Discount Rate - The discount rate has changed since the prior measurement date from 3.87% to 3.58%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.58% was used as the discount rate. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.50% per the Bond Buyers Index). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2119. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2026. Therefore, the calculated discount rate of 3.58% was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Note 10 Post-Employment Benefits - Continued

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 3.58%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.58%) or 1 percentage point higher (4.58%) than the current discount rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
School District's proportionate share of the net OPEB liability	\$ 66,775,676	\$ 57,449,840	\$ 49,863,691

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the School District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	\$ 48,395,403	\$ 57,449,840	\$ 68,949,662

OPEB Plan Fiduciary Net Position - Detailed information about the OPEB plan's fiduciary net position is available in the CAFR which is publicly available at <https://sao.georgia.gov/comprehensive-annual-financial-reports>.

Note 11 Net Position

Net investment in capital assets reported on the district-wide statement of net position as of June 30, 2020 is calculated as follows:

Cost of capital assets	\$ 221,199,768
Less: accumulated depreciation	(62,114,151)
Book value	159,085,617
Less: capital related debt	(48,897,444)
Less: premium on capital related debt	(6,370,394)
Less: retainage payable on construction contracts	(2,347,470)
Less: accrued interest payable	(416,194)
Add: unexpended debt proceeds	15,445,995
Net investment in capital assets	<u>\$ 116,500,110</u>

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Note 12 Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; natural disasters; and unemployment compensation. The School District has obtained commercial insurance from risk of loss associated with torts, assets, errors or omissions, job related illness or injuries to employees, and natural disasters. The School District has neither significantly reduced coverage for these risks nor incurred losses (settlements) which exceeded the School District's insurance coverage in any of the past three years.

The School District is self-insured with regard to unemployment compensation claims. A premium is charged when needed by the general fund to each user program on the basis of the percentage of that fund's payroll to total payroll in order to cover estimated claims budgeted by management based on known claims and prior experience. The School District accounts for claims with expenses/expenditures and liabilities being reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Unemployment claims paid to the State of Georgia to satisfy unemployment claims liability during the last three years are as follows:

Fiscal Year	Beginning of Year Liability	Claims	Claims Paid	End of Year Liability
2020	\$ -	\$ 1,765	\$ (1,765)	\$ -
2019	-	10,230	(10,230)	-
2018	-	1,367	(1,367)	-

The School District is a participant in the City of Dalton, Georgia's self-insured workers' compensation program. The City maintains all administrative control over the program and requires that the School District contribute its allocable share of costs to the program annually or more frequently, as deemed necessary. The School District accounts for its contributions within the general fund with expenditures being reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Premiums paid to the City of Dalton, Georgia to cover workers' compensation claims liability attributable to the School District during the last three years are as follows:

Calendar Year	Beginning of Year Liability	Premiums and Other Charges	Charges Paid	End of Year Liability
2019	\$ -	\$ 163,770	\$ (163,770)	\$ -
2018	-	155,760	(155,760)	-
2017	-	176,275	(176,275)	-

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Note 13 Operating Leases

The School District has entered into various leases as lessee for office and computer equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2020 totaled \$35,744. Substantially all leases have options to extend the terms of the lease or to purchase the asset at the lease termination date, but none include bargain purchase options. Future minimum lease payments for these leases are as follows:

Year ending June 30,	<u>Payment</u>
2021	\$ 23,221
2022	7,741
2023 and thereafter	<u>-</u>
	<u>\$ 30,962</u>

Note 14 Commitments and Contingencies

The School District is involved in legal matters as of the fiscal year ended June 30, 2020 in relation to workers' compensation claims. The School District feels that insurance coverage and other sources will cover any settlements and that the effect of the settlements will not have a material impact on the financials.

Amounts received or receivable principally from the federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. Any disallowances resulting from the grantor audit may become a liability of the School District. However, the School District believes that such disallowances, if any, will be immaterial to its overall financial position.

The School District is committed under outstanding construction contracts in the capital projects fund and the ESPLOST capital projects fund in the amount of \$10,674,910. Construction contracts include expansion and renovation of facilities and the construction of the new Hammond Creek Middle School.

Note 15 Tax Abatements

The School District property tax revenues were reduced due to certain tax abatements in effect during the year. The information is presented on a calendar year basis rather than on the School District's fiscal year basis. The taxing authorities that assess, collect, and report tax information for the School District operate on a calendar year.

The Dalton-Whitfield Joint Development Authority ("JDA"), a joint venture between the City of Dalton, Georgia and Whitfield County, Georgia, 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 of Dalton must approve the tax incentive agreements prior to their execution.

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Note 15 Tax Abatements - Continued

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

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

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

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

<u>Government Entity</u>	<u>2019 Tax Reduction</u>
School District	\$ 341,847
City of Dalton, Georgia	77,516
Whitfield County, Georgia	2,361,082
Whitfield County Board of Education	3,536,511

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DALTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.364204%	\$ 78,313,708	\$ 331,357	\$ 78,645,065	\$ 42,993,365	182.15%	78.56%
2019	0.362442%	67,276,999	287,342	67,564,341	41,328,431	162.79%	80.27%
2018	0.362038%	67,285,877	387,132	67,673,009	41,307,791	162.89%	79.33%
2017	0.363641%	75,023,193	495,147	75,518,340	37,240,659	201.46%	76.06%
2016	0.359765%	54,770,649	330,970	55,101,619	38,273,408	143.10%	81.44%
2015	0.371104%	46,884,096	257,474	47,141,570	38,048,070	123.22%	84.03%

Note: Schedule is intended to show information for the last ten fiscal years. Additional years will be displayed as they become available.

CITY OF DALTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	For the fiscal year ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 3,235,692	\$ 3,497,210	\$ 4,066,616	\$ 4,649,208	\$ 4,998,947	\$ 5,706,496	\$ 5,691,991	\$ 5,932,097	\$ 7,256,751	\$ 9,289,598
Contributions in relation to the contractually required contribution	<u>3,235,692</u>	<u>3,497,210</u>	<u>4,066,616</u>	<u>4,649,208</u>	<u>4,998,947</u>	<u>5,706,496</u>	<u>5,691,991</u>	<u>5,932,097</u>	<u>7,256,751</u>	<u>9,289,598</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$34,391,833	\$34,225,641	\$35,909,214	\$38,048,070	\$38,273,408	\$37,240,659	\$41,307,791	\$41,328,431	\$42,853,127	\$42,993,365
Contributions as a percentage of covered payroll	9.41%	10.22%	11.32%	12.22%	13.06%	15.32%	13.78%	14.35%	16.93%	21.61%

CITY OF DALTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.000000%	\$ -	\$ 472,428	\$ 472,428	\$ 1,718,459	N/A	85.02%
2019	0.000000%	-	501,845	501,845	1,887,305	N/A	85.26%
2018	0.000000%	-	490,114	490,114	2,461,735	N/A	76.33%
2017	0.000000%	-	670,455	670,455	2,976,612	N/A	72.34%
2016	0.000000%	-	436,926	436,926	1,921,743	N/A	76.20%
2015	0.000000%	-	344,463	344,463	1,826,801	N/A	76.20%

Note: Schedule is intended to show information for the last ten fiscal years. Additional years will be displayed as they become available.

CITY OF DALTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.000000%	\$ -	\$ -	\$ -	\$ -	0.00%	76.74%
2019	0.000184%	7,564	-	7,564	4,698	161.00%	76.68%
2018	0.002292%	93,086	-	93,086	56,232	165.54%	76.33%
2017	0.002341%	110,739	-	110,739	54,643	202.66%	72.34%
2016	0.002274%	92,129	-	92,129	51,992	177.20%	76.20%
2015	0.002450%	91,890	-	91,890	51,992	176.74%	77.99%

Note: Schedule is intended to show information for the last ten fiscal years. Additional years will be displayed as they become available.

CITY OF DALTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	For the fiscal year ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 5,225	\$ 5,746	\$ 7,299	\$ 9,565	\$ 11,417	\$ 13,512	\$ 13,453	\$ 13,951	\$ 1,166	\$ -
Contributions in relation to the contractually required contribution	<u>5,225</u>	<u>5,746</u>	<u>7,299</u>	<u>9,565</u>	<u>11,417</u>	<u>13,512</u>	<u>13,453</u>	<u>13,951</u>	<u>1,166</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 50,188	\$ 49,407	\$ 49,887	\$ 51,992	\$ 51,992	\$ 54,643	\$ 56,232	\$ 4,698	\$ -	\$ -
Contributions as a percentage of covered payroll	10.41%	11.63%	14.63%	18.40%	21.96%	24.73%	23.92%	296.96%	NA	NA

CITY OF DALTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SCHOOL OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Year Ended	School District's proportion of the net OPEB liability	School District's proportionate share of the net OPEB liability	State of Georgia's proportionate share of the net OPEB liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.468132%	\$ 57,449,840	\$ -	\$ 57,449,840	\$ 52,029,447	110.42%	4.63%
2019	0.467044%	59,359,859	-	59,359,859	46,534,109	127.56%	2.93%
2018	0.462093%	64,923,881	-	64,923,881	46,823,671	138.66%	1.61%

Note: Schedule is intended to show information for the last ten fiscal years. Additional years will be displayed as they become available.

CITY OF DALTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SCHOOL OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 2,409,390	\$ 2,420,643	\$ 2,521,214
Contributions in relation to the contractually required contribution	<u>2,409,390</u>	<u>2,420,643</u>	<u>2,521,214</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 46,534,109	\$ 48,150,225	\$ 52,029,447
Contributions as a percentage of covered payroll	5.18%	5.03%	4.85%

Note: Schedule is intended to show information for the last ten fiscal years. Additional years will be displayed as they become available.

CITY OF DALTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Teachers Retirement System of Georgia

Changes of assumptions - On November 18, 2015, the TRS Board adopted recommended changes to the economic and demographic assumptions utilized by the TRS System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal, and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Morality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

On May 15, 2019, the TRS Board adopted recommended changes from the smoothed valuation interest rate methodology that has been in effect since June 30, 2009, to a constant interest rate method. In conjunction with the methodology, the long-term assumed rate of return in assets (discount rate) has been changed from 7.50% to 7.25%, and the assumed annual rate of inflation has been reduced from 2.75% to 2.50%.

Employees' Retirement System

Changes of assumptions - On December 17, 2015, the ERS Board adopted recommended changes to the economic and demographic assumptions utilized by the ERS System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal, and salary increases.

On March 18, 2018, the ERS Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the ERS Board's new funding policy, the assumed interest rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date.

Public School Employees Retirement System

Changes of assumptions - On December 17, 2015, the PSERS Board adopted recommended changes to the economic and demographic assumptions utilized by the PSERS System. Primary among the changes were the updates to rates of mortality, retirement, and withdrawal. The expectation of retired life mortality was changed to the RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females).

On March 15, 2018, the PSERS Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the ERS Board's new funding policy, the assumed interest rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date.

CITY OF DALTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

School OPEB Fund

Changes of benefit terms - There have been no changes in benefit terms.

Changes in assumptions - There have been no changes in assumptions.

CITY OF DALTON BOARD OF EDUCATION
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Federal Programs	To account for the monies received from the federal government to administer various educational programs within the District.
School Food Services	To account for the monies and commodities received from the federal and state governments and cafeteria sales for the purpose of maintaining the District's breakfast, lunch, and snack programs.
Lottery Programs	To account for the monies received from the state government for the Pre-K program administered by the District.
Other Grants	To account for the monies received from the state government to administer various educational programs within the District.

DEBT SERVICE FUND

Debt Service	To account for the monies received from various sources for the purpose of servicing District debts outstanding.
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CITY OF DALTON BOARD OF EDUCATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds					Total Nonmajor
	Federal Programs	School Food Services	Lottery Programs	Other Grants	Debt Service Fund	Governmental Funds
Assets						
Cash	\$ -	\$ 237,898	\$ -	\$ -	\$ -	\$ 237,898
Investments	-	2,153,195	-	-	-	2,153,195
Receivables:						
Accounts	-	92	-	-	-	92
Intergovernmental	983,974	366,456	-	21,053	2,606	1,374,089
Taxes	-	-	-	-	61,359	61,359
Due from other funds	-	-	202,472	-	10,527	212,999
Inventory	-	207,444	-	-	-	207,444
Restricted assets - cash	-	-	-	-	1,042,609	1,042,609
Total assets	<u>\$ 983,974</u>	<u>\$ 2,965,085</u>	<u>\$ 202,472</u>	<u>\$ 21,053</u>	<u>\$ 1,117,101</u>	<u>\$ 5,289,685</u>
Liabilities						
Accounts payable	\$ 140,894	\$ 16,087	\$ 8,210	\$ 4,617	\$ -	\$ 169,808
Salaries payable	295,292	140,387	164,215	-	-	599,894
Due to other funds	542,185	97,383	-	16,436	-	656,004
Unearned revenue	5,603	-	30,047	-	-	35,650
Total liabilities	<u>983,974</u>	<u>253,857</u>	<u>202,472</u>	<u>21,053</u>	<u>-</u>	<u>1,461,356</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	-	-	-	-	51,825	51,825
Fund balances						
Nonspendable	-	207,444	-	-	-	207,444
Restricted	-	2,503,784	-	-	1,065,276	3,569,060
Total fund balances	<u>-</u>	<u>2,711,228</u>	<u>-</u>	<u>-</u>	<u>1,065,276</u>	<u>3,776,504</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 983,974</u>	<u>\$ 2,965,085</u>	<u>\$ 202,472</u>	<u>\$ 21,053</u>	<u>\$ 1,117,101</u>	<u>\$ 5,289,685</u>

CITY OF DALTON BOARD OF EDUCATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Special Revenue Funds					Total Nonmajor
	Federal Programs	School Food Services	Lottery Programs	Other Grants	Debt Service Fund	Governmental Funds
Revenues						
Federal sources	\$ 4,968,966	\$ 4,747,666	\$ -	\$ -	\$ -	\$ 9,716,632
State sources	-	131,052	1,671,955	21,053	-	1,824,060
Local sources and other funds	-	557,059	-	-	2,053,257	2,610,316
Total revenues	<u>4,968,966</u>	<u>5,435,777</u>	<u>1,671,955</u>	<u>21,053</u>	<u>2,053,257</u>	<u>14,151,008</u>
Expenditures						
Current:						
Instruction	2,503,364	-	1,805,291	5,216	-	4,313,871
Support services:						
Pupil services	439,769	-	20,889	15,837	-	476,495
Improvement of instructional services	179,781	-	176	-	-	179,957
Instructional staff training	1,476,317	-	3,988	-	-	1,480,305
General administration	335	-	-	-	-	335
Federal grant administration	98,613	-	-	-	-	98,613
School administration	-	-	4,665	-	-	4,665
Maintenance and operation of plant	52,006	-	-	-	-	52,006
Student transportation services	86,662	-	5,359	-	-	92,021
Central support services	11,971	-	-	-	-	11,971
Other support services	46,728	-	-	-	-	46,728
Food services operations	-	4,952,027	-	-	-	4,952,027
Capital outlay:						
Instruction	73,420	-	-	-	-	73,420
Food services operations	-	34,877	-	-	-	34,877
Debt service:						
Principal retirement	-	-	-	-	2,525,000	2,525,000
Interest and fiscal charges	-	-	-	-	2,446,522	2,446,522
Total expenditures	<u>4,968,966</u>	<u>4,986,904</u>	<u>1,840,368</u>	<u>21,053</u>	<u>4,971,522</u>	<u>16,788,813</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>448,873</u>	<u>(168,413)</u>	<u>-</u>	<u>(2,918,265)</u>	<u>(2,637,805)</u>
Other financing sources (uses)						
Transfers in	-	-	168,413	-	3,648,202	3,816,615
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>168,413</u>	<u>-</u>	<u>3,648,202</u>	<u>3,816,615</u>
Net change in fund balances	-	448,873	-	-	729,937	1,178,810
Fund balances, beginning of year	-	2,262,355	-	-	335,339	2,597,694
Fund balances, end of year	<u>\$ -</u>	<u>\$ 2,711,228</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,065,276</u>	<u>\$ 3,776,504</u>

BUDGETARY COMPARISON SCHEDULES

CITY OF DALTON BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FEDERAL PROGRAMS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	\$ 4,519,216	\$ 5,645,759	\$ 4,968,966	\$ (676,793)
Total revenues	<u>4,519,216</u>	<u>5,645,759</u>	<u>4,968,966</u>	<u>(676,793)</u>
Expenditures				
Current:				
Instruction	2,140,960	2,902,807	2,503,364	399,443
Support services:				
Pupil services	297,792	500,468	439,769	60,699
Improvement of instructional services	193,491	203,160	179,781	23,379
Instructional staff training	1,664,015	1,624,035	1,476,317	147,718
General administration	-	524	335	189
Federal grant administration	60,248	112,756	98,613	14,143
Maintenance and operation of plant	-	34,595	52,006	(17,411)
Student transportation services	80,090	132,501	86,662	45,839
Central support services	22,620	14,445	11,971	2,474
Other support services	60,000	48,658	46,728	1,930
Capital outlay:				
Instruction	-	71,810	73,420	(1,610)
Total expenditures	<u>4,519,216</u>	<u>5,645,759</u>	<u>4,968,966</u>	<u>676,793</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			-	
Fund balance, end of year			<u>\$ -</u>	

CITY OF DALTON BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SCHOOL FOOD SERVICES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	\$ 4,883,955	\$ 4,883,955	\$ 4,747,666	\$ (136,289)
State sources	128,160	128,160	131,052	2,892
Local sources and other funds	548,400	548,400	557,059	8,659
Total revenues	<u>5,560,515</u>	<u>5,560,515</u>	<u>5,435,777</u>	<u>(124,738)</u>
Expenditures				
Current:				
Food services operations	5,845,653	5,845,653	4,952,027	893,626
Capital outlay:				
Food services operations	<u>70,000</u>	<u>70,000</u>	<u>34,877</u>	<u>35,123</u>
Total expenditures	<u>5,915,653</u>	<u>5,915,653</u>	<u>4,986,904</u>	<u>928,749</u>
Net change in fund balance	<u>\$ (355,138)</u>	<u>\$ (355,138)</u>	448,873	<u>\$ 804,011</u>
Fund balance, beginning of year			<u>2,262,355</u>	
Fund balance, end of year			<u>\$ 2,711,228</u>	

CITY OF DALTON BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOTTERY PROGRAMS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			
	Original	Final	Actual	Variance
Revenues				
State sources	\$ 1,608,882	\$ 1,608,882	\$ 1,671,955	\$ 63,073
Total revenues	<u>1,608,882</u>	<u>1,608,882</u>	<u>1,671,955</u>	<u>63,073</u>
Expenditures				
Current:				
Instruction	1,751,342	1,751,342	1,805,291	(53,949)
Support services:				
Pupil services	-	-	20,889	(20,889)
Improvement of instructional services	-	-	176	(176)
Instructional staff training	7,000	7,000	3,988	3,012
School administration	-	-	4,665	(4,665)
Student transportation services	-	-	5,359	(5,359)
Total expenditures	<u>1,758,342</u>	<u>1,758,342</u>	<u>1,840,368</u>	<u>(82,026)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(149,460)</u>	<u>(149,460)</u>	<u>(168,413)</u>	<u>(18,953)</u>
Other financing sources (uses)				
Transfers in	<u>149,460</u>	<u>149,460</u>	<u>168,413</u>	<u>18,953</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

CITY OF DALTON BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OTHER GRANTS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			
	Original	Final	Actual	Variance
Revenues				
State sources	\$ -	\$ 95,000	\$ 21,053	\$ (73,947)
Total revenues	-	95,000	21,053	(73,947)
Expenditures				
Current:				
Instruction	-	54,500	5,216	49,284
Support services:				
Pupil services	-	28,500	15,837	12,663
Improvement of instructional services	-	8,000	-	8,000
Student transportation services	-	4,000	-	4,000
Total expenditures	-	95,000	21,053	73,947
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

CITY OF DALTON BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			
	Original	Final	Actual	Variance
Revenues				
Local sources and other funds	\$ 2,012,000	\$ 2,012,000	\$ 2,053,257	\$ 41,257
Total revenues	<u>2,012,000</u>	<u>2,012,000</u>	<u>2,053,257</u>	<u>41,257</u>
Expenditures				
Debt service:				
Principal retirement	2,525,000	2,525,000	2,525,000	-
Interest and fiscal charges	<u>2,446,000</u>	<u>2,446,515</u>	<u>2,446,522</u>	<u>(7)</u>
Total expenditures	<u>4,971,000</u>	<u>4,971,515</u>	<u>4,971,522</u>	<u>(7)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,959,000)</u>	<u>(2,959,515)</u>	<u>(2,918,265)</u>	<u>41,250</u>
Other financing sources (uses)				
Transfers in	<u>2,959,000</u>	<u>3,568,189</u>	<u>3,648,202</u>	<u>80,013</u>
Total other financing sources (uses)	<u>2,959,000</u>	<u>3,568,189</u>	<u>3,648,202</u>	<u>80,013</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 608,674</u>	729,937	<u>\$ 121,263</u>
Fund balance, beginning of year			<u>335,339</u>	
Fund balance, end of year			<u>\$ 1,065,276</u>	

CITY OF DALTON BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			
	Original	Final	Actual	Variance
Revenues				
State sources	\$ 2,014,076	\$ 2,014,076	\$ 3,021,114	\$ 1,007,038
Local sources and other funds	-	-	552,438	552,438
Total revenues	<u>2,014,076</u>	<u>2,014,076</u>	<u>3,573,552</u>	<u>1,559,476</u>
Expenditures				
Current:				
Instruction	156,000	36,167	36,167	-
Business administration	-	707	707	-
Capital outlay:				
Instruction	<u>34,618,000</u>	<u>32,744,504</u>	<u>32,744,504</u>	-
Total expenditures	<u>34,774,000</u>	<u>32,781,378</u>	<u>32,781,378</u>	-
Excess (deficiency) of revenues over (under) expenditures	<u>(32,759,924)</u>	<u>(30,767,302)</u>	<u>(29,207,826)</u>	<u>1,559,476</u>
Other financing sources (uses)				
Transfers in	-	1,114,990	1,111,375	(3,615)
Transfers out	-	(609,189)	(688,702)	(79,513)
Total other financing sources (uses)	<u>-</u>	<u>505,801</u>	<u>422,673</u>	<u>(83,128)</u>
Net change in fund balance	<u>\$(32,759,924)</u>	<u>\$(30,261,501)</u>	(28,785,153)	<u>\$ 1,476,348</u>
Fund balance, beginning of year			<u>38,353,546</u>	
Fund balance, end of year			<u>\$ 9,568,393</u>	

CITY OF DALTON BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATION SPECIAL PURPOSE LOCAL OPTION SALES TAX CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			
	Original	Final	Actual	Variance
Revenues				
State sources	\$ 604,583	\$ 604,583	\$ 708,373	\$ 103,790
Local sources and other funds	6,480,000	6,480,000	6,918,558	438,558
Total revenues	<u>7,084,583</u>	<u>7,084,583</u>	<u>7,626,931</u>	<u>542,348</u>
Expenditures				
Current:				
Instruction	2,054,560	2,054,560	2,054,560	-
Business administration	-	11,283	11,283	-
Capital outlay:				
Instruction	3,576,596	2,304,897	2,304,897	-
Maintenance and operation of plant	611,399	611,399	611,399	-
Total expenditures	<u>6,242,555</u>	<u>4,982,139</u>	<u>4,982,139</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>842,028</u>	<u>2,102,444</u>	<u>2,644,792</u>	<u>542,348</u>
Other financing sources (uses)				
Transfers in	-	-	32,932	32,932
Transfers out	<u>(2,959,000)</u>	<u>(2,959,000)</u>	<u>(2,959,500)</u>	<u>(500)</u>
Total other financing sources (uses)	<u>(2,959,000)</u>	<u>(2,959,000)</u>	<u>(2,926,568)</u>	<u>32,432</u>
Net change in fund balance	<u>\$ (2,116,972)</u>	<u>\$ (856,556)</u>	<u>(281,776)</u>	<u>\$ 574,780</u>
Fund balance, beginning of year			<u>4,347,860</u>	
Fund balance, end of year			<u>\$ 4,066,084</u>	

CITY OF DALTON BOARD OF EDUCATION
AGENCY FUNDS

AGENCY FUNDS

Student Activity	To account for school activity funds that the District holds for others in an agency capacity.
Family Connection	To account for activities of the Family Connection Center.

CITY OF DALTON BOARD OF EDUCATION
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2020

	Student Activity	Family Connection	Total
Assets			
Intergovernmental receivable	\$ -	\$ 14,177	\$ 14,177
Due from others	<u>450</u>	<u>-</u>	<u>450</u>
Total assets	<u>\$ 450</u>	<u>\$ 14,177</u>	<u>\$ 14,627</u>
Liabilities			
Accounts payable	\$ 365	\$ 50	\$ 415
Due to others	<u>85</u>	<u>14,127</u>	<u>14,212</u>
Total liabilities	<u>\$ 450</u>	<u>\$ 14,177</u>	<u>\$ 14,627</u>

CITY OF DALTON BOARD OF EDUCATION
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2020</u>
<u>Student Activity Agency Fund</u>				
Assets				
Due from others	\$ 5,381	\$ 2,339	\$ (7,270)	\$ 450
Total assets	<u>\$ 5,381</u>	<u>\$ 2,339</u>	<u>\$ (7,270)</u>	<u>\$ 450</u>
Liabilities				
Accounts payable	\$ 507	\$ 86,108	\$ (86,250)	\$ 365
Due to others	4,874	528,576	(533,365)	85
Total liabilities	<u>\$ 5,381</u>	<u>\$ 614,684</u>	<u>\$ (619,615)</u>	<u>\$ 450</u>
<u>Family Connection Agency Fund</u>				
Assets				
Intergovernmental receivable	\$ 15,009	\$ 14,177	\$ (15,009)	\$ 14,177
Total assets	<u>\$ 15,009</u>	<u>\$ 14,177</u>	<u>\$ (15,009)</u>	<u>\$ 14,177</u>
Liabilities				
Accounts payable	\$ 147	\$ 50	\$ (147)	\$ 50
Due to others	14,862	151,471	(152,206)	14,127
Total liabilities	<u>\$ 15,009</u>	<u>\$ 151,521</u>	<u>\$ (152,353)</u>	<u>\$ 14,177</u>

CITY OF DALTON BOARD OF EDUCATION
STATISTICAL SECTION

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help readers assess the affordability of the District's current levels of outstanding debt and the District'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 District's financial activities take place.

Operating Information

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

CITY OF DALTON BOARD OF EDUCATION
NET POSITION BY COMPONENT
TEN YEAR SUMMARY
PREPARED USING THE ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>
Governmental activities										
Net investment in capital assets	\$72,193,602	\$ 77,879,278	\$ 79,384,982	\$ 86,072,735	\$87,198,771	\$86,346,281	\$96,980,329	\$108,269,463	\$109,557,906	\$116,500,110
Restricted	8,250,591	2,787,633	3,699,964	2,899,660	6,655,288	8,240,073	5,721,850	2,058,868	6,945,554	7,842,588
Unrestricted	<u>19,048,138</u>	<u>21,982,557</u>	<u>20,571,966</u>	<u>16,258,594</u>	<u>(37,742,350)</u>	<u>(35,157,728)</u>	<u>(38,349,621)</u>	<u>(107,433,682)</u>	<u>(103,624,410)</u>	<u>(108,485,785)</u>
Total governmental activities	<u>\$99,492,331</u>	<u>\$102,649,468</u>	<u>\$103,656,912</u>	<u>\$105,230,989</u>	<u>\$56,111,709</u>	<u>\$59,428,626</u>	<u>\$64,352,558</u>	<u>\$ 2,894,649</u>	<u>\$ 12,879,050</u>	<u>\$ 15,856,913</u>
 Total percentage increase (decrease) from prior year	 9.0%	 3.2%	 1.0%	 1.5%	 -46.7%	 5.9%	 8.3%	 -95.5%	 344.9%	 23.1%
Governmental activities										
Net investment in capital assets	72.6%	75.9%	76.6%	81.8%	155.4%	145.3%	150.7%	3740.3%	850.7%	734.7%
Restricted	8.3%	2.7%	3.6%	2.8%	11.9%	13.9%	8.9%	71.1%	53.9%	49.5%
Unrestricted	<u>19.1%</u>	<u>21.4%</u>	<u>19.8%</u>	<u>15.5%</u>	<u>-67.3%</u>	<u>-59.2%</u>	<u>-59.6%</u>	<u>-3711.5%</u>	<u>-804.6%</u>	<u>-684.2%</u>
Total governmental activities	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

CITY OF DALTON BOARD OF EDUCATION
CHANGES IN NET POSITION
TEN YEAR SUMMARY
PREPARED USING THE ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	For the fiscal year ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Instruction	\$ 44,647,133	\$ 45,393,555	\$ 47,580,376	\$ 50,572,344	\$ 50,861,687	\$ 54,895,190	\$ 58,565,381	\$ 59,315,646	\$ 59,772,136	\$ 68,181,846
Support services:										
Pupil services	2,064,431	2,032,560	2,085,994	1,975,150	2,128,873	2,748,117	3,318,715	3,310,708	3,522,516	4,206,544
Improvement of instructional services	2,046,951	2,475,309	2,726,507	2,883,481	2,780,454	3,032,881	3,429,890	4,111,371	2,289,973	2,701,511
Instructional staff training	-	-	-	-	-	-	-	-	1,882,976	1,766,315
Educational media services	1,125,302	1,144,128	1,187,723	1,246,295	1,259,964	1,290,672	1,441,572	1,505,316	1,394,131	1,612,015
General administration	928,161	814,072	806,152	746,813	753,349	833,106	931,583	765,392	611,073	792,147
Federal grant administration	-	-	-	-	-	-	-	-	70,947	102,519
School administration	2,994,948	2,841,510	3,640,280	3,694,235	3,620,947	4,079,082	4,523,925	4,744,940	4,680,241	6,094,913
Business administration	481,918	535,627	565,161	584,065	587,823	592,845	649,173	656,070	712,331	736,723
Maintenance and operation of plant	4,126,720	4,133,004	4,423,979	4,854,873	5,096,051	5,388,309	6,016,108	7,192,833	7,893,361	8,208,665
Student transportation services	2,261,218	2,414,863	2,567,920	2,606,202	2,757,701	2,890,595	3,046,111	3,112,416	3,181,433	3,131,501
Central support services	2,155,085	2,352,961	1,996,949	2,153,085	2,235,385	2,181,976	2,235,543	2,284,311	2,006,681	2,156,301
Other support services	628,540	764,161	845,862	836,956	954,209	254,582	20,672	46,623	80,875	90,294
Food services operations	4,735,358	5,026,568	5,156,674	4,371,273	4,743,677	5,346,794	5,438,396	5,263,922	5,505,971	5,109,414
Community services operations	152,171	190,296	280,921	295,762	322,108	462,081	439,096	406,560	374,717	259,725
Interest on long-term debt	632,891	318,232	27,982	33,838	13,444	-	-	1,314,136	1,533,258	2,036,888
Total governmental activities expenses	<u>\$ 68,980,827</u>	<u>\$ 70,436,846</u>	<u>\$ 73,892,480</u>	<u>\$ 76,854,372</u>	<u>\$ 78,115,672</u>	<u>\$ 83,996,230</u>	<u>\$ 90,056,165</u>	<u>\$ 94,030,244</u>	<u>\$ 95,512,620</u>	<u>\$ 107,187,321</u>

(continued)

CITY OF DALTON BOARD OF EDUCATION
CHANGES IN NET POSITION
TEN YEAR SUMMARY
PREPARED USING THE ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	For the fiscal year ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Program revenues										
Charges for services										
Instruction	\$ 251,965	\$ 239,459	\$ 250,285	\$ 268,423	\$ 299,356	\$ 353,807	\$ 372,314	\$ 402,463	\$ 414,417	\$ 405,365
Food services										
operations	420,374	432,010	475,055	457,594	454,878	533,205	650,968	654,286	765,576	527,542
Operating grants and contributions										
Instruction	27,086,531	27,070,281	27,296,972	27,785,038	30,933,840	31,550,519	33,210,692	34,681,503	37,177,875	39,676,419
Support services:										
Pupil services	1,504,415	1,407,349	1,508,823	1,278,059	1,454,752	1,748,904	2,138,484	2,363,229	2,420,290	2,772,435
Improvement of instructional services	1,785,857	2,051,518	2,306,149	2,352,230	2,471,783	2,595,722	2,718,070	3,162,743	1,537,234	1,700,845
Instructional staff training	-	-	-	-	-	-	-	-	1,847,888	1,622,271
Educational media services	724,266	685,612	697,969	697,697	791,286	789,452	865,847	915,191	912,827	982,544
General administration	709,824	702,771	600,848	539,728	553,495	595,611	662,303	497,239	395,679	487,617
Federal grant administration	-	-	-	-	-	-	-	-	73,368	98,613
School administration	1,895,026	1,702,757	2,145,252	2,066,407	2,283,137	2,482,106	2,707,972	2,843,365	2,890,638	3,501,358
Business administration	300,979	284,591	332,098	326,715	365,512	361,555	387,577	396,766	451,303	447,863
Maintenance and operation of plant	2,534,933	2,553,368	2,606,783	2,688,910	3,028,526	3,137,371	3,544,765	3,859,610	4,100,033	4,342,271
Student transportation services	1,427,219	1,402,828	1,566,092	1,534,176	1,772,435	1,763,441	1,912,081	1,971,267	2,056,180	2,010,416
Central support services	1,314,349	1,367,957	1,180,330	1,226,600	1,398,222	1,330,345	1,341,362	1,405,701	1,309,903	1,325,177
Other support services	635,373	447,884	516,801	538,210	637,394	215,412	26,779	27,803	65,032	74,242

(continued)

CITY OF DALTON BOARD OF EDUCATION
CHANGES IN NET POSITION
TEN YEAR SUMMARY
PREPARED USING THE ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	For the fiscal year ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Food services operation	\$ 4,046,845	\$ 4,387,677	\$ 4,415,718	\$ 4,432,080	\$ 4,427,618	\$ 4,726,731	\$ 4,771,414	\$ 4,571,905	\$ 4,824,456	\$ 4,878,718
Community services operations	123,745	114,034	165,084	165,573	197,979	274,322	268,991	252,231	238,073	164,027
Capital grants and contributions										
Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>976,572</u>	<u>166,584</u>	<u>3,533,749</u>	<u>89,859</u>	<u>2,698,290</u>	<u>3,729,487</u>
Total governmental activities program revenues	<u>\$ 44,761,701</u>	<u>\$ 44,850,096</u>	<u>\$ 46,064,259</u>	<u>\$ 46,357,440</u>	<u>\$ 52,046,785</u>	<u>\$ 52,625,087</u>	<u>\$ 59,113,368</u>	<u>\$ 58,095,161</u>	<u>\$ 64,179,062</u>	<u>\$ 68,747,210</u>
Net revenues (expenses) of governmental activities	<u>\$(24,219,126)</u>	<u>\$(25,586,750)</u>	<u>\$(27,828,221)</u>	<u>\$(30,496,932)</u>	<u>\$(26,068,887)</u>	<u>\$(31,371,143)</u>	<u>\$(30,942,797)</u>	<u>\$(35,935,083)</u>	<u>\$(31,333,558)</u>	<u>\$ (38,440,111)</u>
General revenues and other changes in net position										
Property taxes	\$ 26,728,746	\$ 26,154,663	\$ 24,597,936	\$ 25,061,074	\$ 26,564,495	\$ 27,488,278	\$ 26,991,566	\$ 28,144,664	\$ 30,642,688	\$ 31,570,181
Other taxes	5,511,970	2,511,047	4,165,496	6,858,792	7,486,273	7,067,110	8,688,339	7,790,118	8,741,594	8,761,818
Unrestricted investment earnings	213,156	78,177	72,263	67,113	84,217	132,672	186,824	391,711	1,881,463	1,009,752
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,040,427</u>	<u>52,214</u>	<u>76,223</u>
Total governmental activities general revenues and other changes in net position	<u>\$ 32,453,872</u>	<u>\$ 28,743,887</u>	<u>\$ 28,835,695</u>	<u>\$ 32,070,979</u>	<u>\$ 34,134,985</u>	<u>\$ 34,688,060</u>	<u>\$ 35,866,729</u>	<u>\$ 42,366,920</u>	<u>\$ 41,317,959</u>	<u>\$ 41,417,974</u>
Change in net position of governmental activities	<u>\$ 8,234,746</u>	<u>\$ 3,157,137</u>	<u>\$ 1,007,474</u>	<u>\$ 1,574,047</u>	<u>\$ 8,066,098</u>	<u>\$ 3,316,917</u>	<u>\$ 4,923,932</u>	<u>\$ 6,431,837</u>	<u>\$ 9,984,401</u>	<u>\$ 2,977,863</u>

CITY OF DALTON BOARD OF EDUCATION
FUND BALANCES OF GOVERNMENTAL FUNDS
TEN YEAR SUMMARY
PREPARED USING THE MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
General fund										
Assigned	\$ -	\$ -	\$ -	\$ -	\$ 683,991	\$ 795,298	\$ 887,697	\$ 924,804	\$ 1,009,508	\$ 1,032,762
Unassigned	<u>9,577,790</u>	<u>12,363,098</u>	<u>12,577,435</u>	<u>10,977,213</u>	<u>13,283,271</u>	<u>14,153,019</u>	<u>14,190,476</u>	<u>16,438,011</u>	<u>19,574,164</u>	<u>19,457,277</u>
Total general fund	<u>\$ 9,577,790</u>	<u>\$ 12,363,098</u>	<u>\$ 12,577,435</u>	<u>\$ 10,977,213</u>	<u>\$ 13,967,262</u>	<u>\$ 14,948,317</u>	<u>\$ 15,078,173</u>	<u>\$ 17,362,815</u>	<u>\$ 20,583,672</u>	<u>\$ 20,490,039</u>
Other governmental funds										
Nonspendable	\$ 193,984	\$ 206,557	\$ 176,335	\$ 175,820	\$ 135,067	\$ 166,277	\$ 206,855	\$ 172,145	\$ 138,335	\$ 207,444
Restricted	9,082,829	3,510,645	4,102,366	2,730,533	6,520,221	8,073,796	5,514,995	58,021,662	44,705,861	16,732,756
Committed	7,222,213	7,319,827	6,531,842	4,557,368	3,671,470	3,004,498	1,451,225	764,382	454,904	470,781
Unassigned	<u>(2,777)</u>	<u>(2,777)</u>	<u>(55,601)</u>	<u>(2,777)</u>	<u>(2,777)</u>	<u>(6,788)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other governmental funds	<u>\$ 16,496,249</u>	<u>\$ 11,034,252</u>	<u>\$ 10,754,942</u>	<u>\$ 7,460,944</u>	<u>\$ 10,323,981</u>	<u>\$ 11,237,783</u>	<u>\$ 7,173,075</u>	<u>\$ 58,958,189</u>	<u>\$ 45,299,100</u>	<u>\$ 17,410,981</u>
Total governmental funds										
Nonspendable	\$ 193,984	\$ 206,557	\$ 176,335	\$ 175,820	\$ 135,067	\$ 166,277	\$ 206,855	\$ 172,145	\$ 138,335	\$ 207,444
Restricted	9,082,829	3,510,645	4,102,366	2,730,533	6,520,221	8,073,796	5,514,995	58,021,662	44,705,861	16,732,756
Committed	7,222,213	7,319,827	6,531,842	4,557,368	3,671,470	3,004,498	1,451,225	764,382	454,904	470,781
Assigned	-	-	-	-	683,991	795,298	887,697	924,804	1,009,508	1,032,762
Unassigned	<u>9,575,013</u>	<u>12,360,321</u>	<u>12,521,834</u>	<u>10,974,436</u>	<u>13,280,494</u>	<u>14,146,231</u>	<u>14,190,476</u>	<u>16,438,011</u>	<u>19,574,164</u>	<u>19,457,277</u>
Total governmental funds	<u>\$ 26,074,039</u>	<u>\$ 23,397,350</u>	<u>\$ 23,332,377</u>	<u>\$ 18,438,157</u>	<u>\$ 24,291,243</u>	<u>\$ 26,186,100</u>	<u>\$ 22,251,248</u>	<u>\$ 76,321,004</u>	<u>\$ 65,882,772</u>	<u>\$ 37,901,020</u>
Total percentage change from prior year	12.7%	-10.3%	-0.3%	-21.0%	31.7%	7.8%	-15.0%	243.0%	-13.7%	-42.5%

CITY OF DALTON BOARD OF EDUCATION
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TEN YEAR SUMMARY
PREPARED USING THE MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	For the fiscal year ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Federal sources	\$ 10,890,836	\$ 10,957,048	\$ 10,585,410	\$ 10,255,959	\$ 10,622,540	\$ 10,357,558	\$ 11,036,541	\$ 10,122,366	\$ 10,253,561	\$ 10,101,659
State sources	31,350,005	31,573,612	29,149,988	30,284,471	38,875,730	39,259,759	44,735,937	44,712,002	50,848,798	55,759,197
Local sources and other funds	34,540,213	30,943,436	31,509,444	34,557,040	36,791,630	37,385,607	38,940,404	45,397,865	44,151,931	43,767,710
On behalf payments	128,489	71,770	4,100,644	3,557,571	112,150	121,050	120,805	128,428	134,266	140,086
Total revenues	<u>76,909,543</u>	<u>73,545,866</u>	<u>75,345,486</u>	<u>78,655,041</u>	<u>86,402,050</u>	<u>87,123,974</u>	<u>94,833,687</u>	<u>100,360,661</u>	<u>105,388,556</u>	<u>109,768,652</u>
Expenditures										
Current										
Instruction	41,374,888	42,543,394	44,607,472	47,577,952	48,669,473	53,109,892	53,506,820	54,923,848	58,180,889	62,579,775
Support services:										
Pupil services	2,064,431	2,032,560	2,085,994	1,975,150	2,163,387	2,804,564	3,249,867	3,266,990	3,588,839	4,098,167
Improvement of instructional services	2,039,938	2,473,849	2,725,783	2,883,481	2,828,532	3,110,961	3,321,170	4,061,936	2,356,075	2,586,087
Instructional staff training	-	-	-	-	-	-	-	-	1,922,423	1,705,675
Educational media services	1,125,302	1,144,128	1,187,723	1,246,295	1,287,406	1,329,792	1,393,858	1,475,155	1,436,751	1,555,785
General administration	928,161	814,072	806,152	746,813	764,193	846,690	909,871	758,396	618,994	771,910
Federal grant administration	-	-	-	-	-	-	-	-	73,368	98,613
School administration	2,994,948	2,841,510	3,638,401	3,691,219	3,678,328	4,168,308	4,336,826	4,546,284	4,523,435	5,509,089
Business administration	481,918	535,627	565,161	584,065	595,146	602,654	633,141	647,267	723,155	718,504
Maintenance and operation of plant	4,118,159	4,113,696	4,404,849	4,785,545	4,927,346	5,212,426	5,690,595	6,218,171	6,348,904	6,581,298
Student transportation services	2,261,218	2,414,863	2,567,920	2,606,202	2,757,701	2,890,595	3,046,111	3,112,026	3,182,155	3,130,431
Central support services	2,088,242	2,286,163	1,996,949	2,153,085	2,266,008	2,230,557	2,176,290	2,255,500	2,053,697	2,091,333
Other support services	628,540	764,161	795,696	806,730	921,447	234,839	43,713	44,814	80,875	90,294

(continued)

CITY OF DALTON BOARD OF EDUCATION
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TEN YEAR SUMMARY
PREPARED USING THE MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	For the fiscal year ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Food services operations	\$ 4,567,929	\$ 4,859,687	\$ 4,989,745	\$ 4,196,912	\$ 4,533,856	\$ 5,175,005	\$ 5,248,698	\$ 5,030,537	\$ 5,292,853	\$ 4,952,027
Community services operations	152,171	190,296	280,921	295,762	322,108	462,081	439,096	406,560	374,717	259,725
Capital outlay	1,341,309	1,392,315	3,411,162	9,237,120	4,203,896	3,050,753	15,033,634	17,670,024	20,476,761	36,028,420
Debt service:										
Principal retirement	7,085,009	7,390,634	1,298,595	722,208	610,000	-	59,845	2,068,508	2,544,714	2,612,603
Interest and fiscal charges	712,242	425,600	37,637	40,722	20,137	-	-	106	2,081,641	2,446,522
Debt issuance costs	-	-	-	-	-	-	-	819,872	-	-
Total expenditures	<u>73,964,405</u>	<u>76,222,555</u>	<u>75,400,160</u>	<u>83,549,261</u>	<u>80,548,964</u>	<u>85,229,117</u>	<u>99,089,535</u>	<u>107,305,994</u>	<u>115,860,246</u>	<u>137,816,258</u>
Excess of revenues over (under) expenditures	<u>2,945,138</u>	<u>(2,676,689)</u>	<u>(54,674)</u>	<u>(4,894,220)</u>	<u>5,853,086</u>	<u>1,894,857</u>	<u>(4,255,848)</u>	<u>(6,945,333)</u>	<u>(10,471,690)</u>	<u>(28,047,606)</u>
Other financing sources (uses)										
Issuance of debt	-	-	-	-	-	-	320,996	53,762,806	33,458	65,854
Premium on debt	-	-	-	-	-	-	-	7,250,447	-	-
Transfers in	8,379,297	2,837,389	5,468,660	5,059,702	1,590,050	929,447	1,822,744	568,814	3,038,886	4,960,922
Transfers out	(8,379,297)	(2,837,389)	(5,468,660)	(5,059,702)	(1,590,050)	(929,447)	(1,822,744)	(568,814)	(3,038,886)	(4,960,922)
Insurance recoveries	-	-	-	-	-	-	-	1,836	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320,996</u>	<u>61,015,089</u>	<u>33,458</u>	<u>65,854</u>
Net change in fund balances	<u>\$ 2,945,138</u>	<u>\$ (2,676,689)</u>	<u>\$ (54,674)</u>	<u>\$ (4,894,220)</u>	<u>\$ 5,853,086</u>	<u>\$ 1,894,857</u>	<u>\$ (3,934,852)</u>	<u>\$ 54,069,756</u>	<u>\$ (10,438,232)</u>	<u>\$ (27,981,752)</u>
Debt service as a % of noncapital expenditures	10.7%	10.4%	1.9%	1.0%	0.8%	0.0%	0.1%	2.3%	4.9%	5.0%

CITY OF DALTON BOARD OF EDUCATION
PER PUPIL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TEN YEAR SUMMARY
PREPARED USING THE MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	For the fiscal year ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Federal sources	\$ 1,555	\$ 1,517	\$ 1,399	\$ 1,331	\$ 1,352	\$ 1,300	\$ 1,355	\$ 1,281	\$ 1,294	\$ 1,281
State sources	4,476	4,370	3,854	3,932	4,947	4,928	5,490	5,660	6,419	7,073
Local sources and other funds	4,931	4,283	4,166	4,486	4,682	4,693	4,779	5,747	5,574	5,552
On behalf payments	<u>18</u>	<u>10</u>	<u>542</u>	<u>462</u>	<u>14</u>	<u>15</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>
Total revenues	<u>10,981</u>	<u>10,179</u>	<u>9,961</u>	<u>10,211</u>	<u>10,995</u>	<u>10,937</u>	<u>11,639</u>	<u>12,705</u>	<u>13,305</u>	<u>13,925</u>
Expenditures										
Current:										
Instruction	5,907	5,888	5,897	6,177	6,194	6,667	6,567	6,953	7,345	7,939
Support services	2,674	2,688	2,747	2,788	2,824	2,941	3,044	3,340	3,397	3,671
Food services operation	652	673	660	545	577	650	644	637	668	628
Community services operations	22	26	37	38	41	58	54	51	47	33
Capital outlay	192	193	451	1,199	535	383	1,845	2,237	2,585	4,570
Debt service	<u>1,113</u>	<u>1,082</u>	<u>177</u>	<u>99</u>	<u>80</u>	<u>-</u>	<u>7</u>	<u>366</u>	<u>584</u>	<u>642</u>
Total expenditures	<u>10,560</u>	<u>10,550</u>	<u>9,968</u>	<u>10,846</u>	<u>10,251</u>	<u>10,699</u>	<u>12,161</u>	<u>13,585</u>	<u>14,627</u>	<u>17,483</u>
Excess of revenues over (under) expenditures	<u>420</u>	<u>(370)</u>	<u>(7)</u>	<u>(635)</u>	<u>745</u>	<u>238</u>	<u>(522)</u>	<u>(879)</u>	<u>(1,322)</u>	<u>(3,558)</u>
Other financing sources (uses)										
Issuance of debt	-	-	-	-	-	-	39	6,806	4	8
Premium on debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>918</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39</u>	<u>7,724</u>	<u>4</u>	<u>8</u>
Net change in fund balances	<u>\$ 420</u>	<u>\$ (370)</u>	<u>\$ (7)</u>	<u>\$ (635)</u>	<u>\$ 745</u>	<u>\$ 238</u>	<u>\$ (483)</u>	<u>\$ 6,845</u>	<u>\$ (1,318)</u>	<u>\$ (3,550)</u>

Source: Based on October Student Full-Time Equivalent information submitted annually to the Georgia Department of Education

CITY OF DALTON BOARD OF EDUCATION
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 TEN YEAR SUMMARY
 (UNAUDITED)

Calendar Year	Real Property	Personal Property	Public Utilities	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2010	\$ 2,179,604,008	\$ 1,404,109,825	\$ 35,274,050	\$ 263,376,173	\$ 3,355,611,710	7.845
2011	2,123,448,963	1,433,785,109	32,304,213	276,731,830	3,312,806,455	7.845
2012	2,084,647,818	1,551,656,253	28,039,843	298,161,930	3,366,181,984	7.845
2013	2,056,904,020	1,543,923,211	20,583,698	297,794,168	3,323,616,761	7.845
2014	2,052,246,308	1,674,478,338	26,323,418	318,453,929	3,434,594,135	8.200
2015	2,082,112,700	1,652,510,636	26,322,153	325,665,644	3,435,279,845	8.200
2016	2,101,523,870	1,554,900,785	25,412,165	310,145,903	3,371,690,917	8.200
2017	2,198,330,501	1,588,229,275	23,732,060	316,394,309	3,493,897,527	8.200
2018	2,191,478,801	1,690,279,886	23,110,695	324,560,279	3,580,309,103	8.770
2019	2,276,262,177	1,666,670,790	21,956,165	329,697,205	3,635,191,927	8.770

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.

Note: The information above is presented on a calendar year basis rather than on the School District's fiscal year basis. The taxing authorities that assess, collect, and report tax information for the School District operate on a calendar year. The information is more reliable in this format, as some is only measured once per year.

CITY OF DALTON BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
TEN YEAR SUMMARY
(UNAUDITED)

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

Source: Whitfield County Board of Tax Assessors

Note: Overlapping rates are those of the city 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.

Note: The information above is presented on a calendar year basis rather than on the School District's fiscal year basis. The taxing authorities that assess, collect, and report tax information for the School District operate on a calendar year. The information is more reliable in this format, as some is only measured once per year.

CITY OF DALTON BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	Calendar Year 2019			Calendar Year 2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Shaw Industries, Inc.	\$ 579,182,263	1	15.9%	\$ 491,333,830	1	14.6%
Mohawk Industries, Inc.	184,299,950	2	5.1%	100,200,749	3	3.0%
Engineered Floors, LLC (1)	123,271,528	3	3.4%	-	NA	0.0%
The Peeples Group	110,975,866	4	3.1%	18,224,908	9	0.5%
TANDUS Centiva, Inc.	79,789,327	5	2.2%	52,157,220	5	1.6%
Dalton Whitfield Joint Development Authority	54,182,901	6	1.5%	-	NA	0.0%
Lexmark Carpet Mills, Inc.	44,920,862	7	1.2%	19,491,962	8	0.6%
Shiroki Georgia, LLC	29,752,554	8	0.8%	-	NA	0.0%
Barrett Investments - Barrett Family Partnership	28,423,992	9	0.8%	-	NA	0.0%
Columbia Recycling	28,412,326	10	0.8%	-	NA	0.0%
Beaulieu of America, LLC (1)	-	NA	0.0%	116,506,810	2	3.5%
J&J Industries (1)	-	NA	0.0%	61,179,092	4	1.8%
CBL & Associates Properties, Inc.	-	NA	0.0%	31,401,488	6	0.9%
Windstream	-	NA	0.0%	26,575,342	7	0.8%
Indian Summer Carpet Mills, Inc.	-	NA	0.0%	17,858,622	10	0.5%

Source: Whitfield County Tax Commissioner

Note: NA indicates that the information is not applicable.

Note: The information above is presented on a calendar year basis rather than on the School District's fiscal year basis. The taxing authorities that assess, collect, and report tax information for the School District operate on a calendar year. The information is more reliable in this format, as some is only measured once per year.

Note: (1) J&J Industries and Beaulieu of America, LLC were purchased by Engineered Floors, LLC during 2017.

CITY OF DALTON BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
TEN YEAR SUMMARY
(UNAUDITED)

Calendar Year	Taxes Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 25,154,881	\$ 24,130,286	95.9%	\$ 985,895	\$ 25,116,181	99.8%
2011	24,774,935	23,961,602	96.7%	812,705	24,774,307	100.0%
2012	25,135,805	24,582,107	97.8%	553,460	25,135,567	100.0%
2013	24,906,297	24,430,803	98.1%	475,046	24,905,849	100.0%
2014	26,465,168	25,915,034	97.9%	549,170	26,464,204	100.0%
2015	27,223,274	26,604,407	97.7%	610,558	27,214,965	100.0%
2016	26,989,808	26,335,721	97.6%	643,964	26,979,685	100.0%
2017	27,926,971	27,366,157	98.0%	484,704	27,850,861	99.7%
2018	30,417,776	29,801,231	98.0%	407,223	30,208,454	99.3%
2019	31,513,397	30,778,538	97.7%	-	30,778,538	97.7%

Source: Whitfield County Board of Tax Assessors

Note: The information above is presented on a calendar year basis rather than on the School District's fiscal year basis. The taxing authorities that assess, collect, and report tax information for the School District operate on a calendar year. The information is more reliable in this format, as some is only measured once per year.

CITY OF DALTON BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
TEN YEAR SUMMARY
(UNAUDITED)

Governmental Activities				Percentage of Estimated Actual Taxable Value of		Percentage of	
Fiscal Year Ended June 30,	Capital Leases (1)	General Obligation Bonds (1)	Total Primary Government	Property	Per Capita	Personal Income	
2011	\$ 12,021,437	\$ -	\$ 12,021,437	0.4%	\$ 363	1.3%	
2012	4,630,803	-	4,630,803	0.1%	139	0.6%	
2013	3,332,208	-	3,332,208	0.1%	100	0.3%	
2014	2,610,000	-	2,610,000	0.1%	78	0.3%	
2015	2,000,000	-	2,000,000	0.1%	60	0.2%	
2016	2,000,000	-	2,000,000	0.1%	59	0.2%	
2017	2,261,151	-	2,261,151	0.1%	66	0.2%	
2018	13,575,449	46,744,154	60,319,603	1.7%	1,787	5.3%	
2019	11,661,361	46,532,016	58,193,377	1.6%	1,735	5.0%	
2020	8,947,960	46,319,878	55,267,838	1.5%	1,642	4.5%	

Source: Capital leases and general obligation bonds are disclosed in Note 7 of the Notes to the Basic Financial Statements. Per Capita Personal Income information was provided by the Georgia Department of Labor. Population information was provided by the US Census Bureau.

(1) - Debt amounts are reported net of premiums

CITY OF DALTON BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
TEN YEAR SUMMARY
(UNAUDITED)

Fiscal Year Ended June 30,	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund (2)	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2011	\$ -	\$ -	\$ -	0.0%	\$ -
2012	-	-	-	0.0%	-
2013	-	-	-	0.0%	-
2014	-	-	-	0.0%	-
2015	-	-	-	0.0%	-
2016	-	-	-	0.0%	-
2017	-	-	-	0.0%	-
2018	46,744,154	500	46,743,654	1.3%	1,385
2019	46,532,016	316,187	46,215,829	1.3%	1,378
2020	46,319,878	1,042,609	45,277,269	1.2%	1,345

Source: Capital leases and general obligation bonds are disclosed in Note 7 of the Notes to the Basic Financial Statements.
Population information was provided by the US Census Bureau.

(1) - Debt amounts are reported net of premiums

(2) - Amount restricted for debt service principal payments

CITY OF DALTON BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Applicable Percentage	Estimated Share of Direct and Overlapping Debt
Debt repaid with revenues other than property taxes:			
City of Dalton capital lease with Building Authority - Zone Economic Development Bonds	\$ 3,445,000	100.0%	\$ 3,445,000
Whitfield County capital lease with Building Authority - Revenue Bonds	2,700,000	32.3%	872,100
Whitfield County revenue bonds	4,252,000	32.3%	1,373,396
Whitfield County notes payable	205,118	32.3%	66,230
Whitfield County capital leases	296,488	32.3%	95,732
Total overlapping debt			5,852,459
City of Dalton Board of Education direct debt			55,267,838
Total direct and overlapping debt			<u>\$ 61,120,297</u>

Source: School Board direct debt is disclosed in Note 7 of the Notes to the Basic Financial Statements. Information about City of Dalton debt is provided by the City of Dalton, Georgia. Information about Whitfield County debt is provided by Whitfield County, Georgia.

Note: The information above is presented on a calendar year basis rather than on the School District's fiscal year basis. The taxing authorities that assess, collect, and report tax information for the School District operate on a calendar year. The information is more reliable in this format, as some is only measured once per year.

Note: Estimated applicable percentage for City of Dalton debt is 100% because the geographic boundaries of the City of Dalton Board of Education and the City of Dalton, Georgia are the same. The estimated applicable percentage for Whitfield County debt is 32.3% based on the percentage of estimated population within the City of Dalton, Georgia to the estimated population within Whitfield County, Georgia, as obtained from the Georgia Department of Labor website.

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

CITY OF DALTON BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
TEN YEAR SUMMARY
(UNAUDITED)

	Calendar Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$361,898,788	\$ 358,953,829	\$366,434,391	\$362,141,093	\$375,304,806	\$376,094,549	\$368,183,682	\$381,029,184	\$390,486,938	\$396,488,913
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,380,000</u>	<u>46,532,016</u>	<u>46,319,878</u>
Legal debt margin	<u>\$361,898,788</u>	<u>\$ 358,953,829</u>	<u>\$366,434,391</u>	<u>\$362,141,093</u>	<u>\$375,304,806</u>	<u>\$376,094,549</u>	<u>\$368,183,682</u>	<u>\$340,649,184</u>	<u>\$343,954,922</u>	<u>\$350,169,035</u>
Total net debt applicable to limit as a % of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.6%	11.9%	11.7%

Legal Debt Margin Calculation
for Calendar Year 2019

Assessed value	\$3,635,191,927
Add: exempt real property	<u>329,697,205</u>
Total assessed value	3,964,889,132
	<u>10%</u>
Debt limit (10% of assessed value)	<u>\$ 396,488,913</u>
Debt applicable to limit	
Total general obligation debt	<u>\$ 46,319,878</u>
Legal debt margin	<u>\$ 350,169,035</u>

Note: The information above is presented on a calendar year basis rather than on the School District's fiscal year basis. The taxing authorities that assess, collect, and report tax information for the School District operate on a calendar year. The information is more reliable in this format, as some is only measured once per year.

CITY OF DALTON BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
TEN YEAR SUMMARY
(UNAUDITED)

Calendar Year	Estimated Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2010	33,128	\$ 910,059	\$ 27,471	12.4%
2011	33,413	716,041	21,430	12.1%
2012	33,413	953,874	28,548	11.4%
2013	33,414	983,407	29,431	9.2%
2014	33,529	1,028,267	30,668	7.2%
2015	33,853	1,067,689	31,539	5.9%
2016	34,077	1,153,063	33,837	6.0%
2017	33,748	1,146,858	33,983	5.6%
2018	33,540	1,173,363	34,984	5.0%
2019	33,665	1,222,578	36,316	4.9%

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

Note: The information above is presented on a calendar year basis rather than on the School District's fiscal year basis. The taxing authorities that assess, collect, and report tax information for the School District operate on a calendar year. The information is more reliable in this format, as some is only measured once per year.

CITY OF DALTON BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	Calendar Year 2019			Calendar Year 2010		
	Employees (1)	Rank	Percentage of Total City Employees	Employees (1)	Rank	Percentage of Total City Employees
Shaw Industries, Inc.	4,638	1	13.8%	4,381	1	13.2%
Mohawk Industries, Inc.	3,372	2	10.0%	2,168	2	6.5%
Hamilton Medical Center	1,700	3	5.0%	1,836	3	5.5%
Dalton Public School System	1,213	4	3.6%	961	5	2.9%
Engineered Floors, LLC (2)	1,037	5	3.1%	-	NA	0.0%
TANDUS Centiva, Inc.	912	6	2.7%	610	7	1.8%
City of Dalton, Georgia	911	7	2.7%	702	6	2.1%
Columbia Recycling Corp.	405	8	1.2%	-	NA	0.0%
Wal-Mart Stores, LP	403	9	1.2%	-	NA	0.0%
Shiroki Georgia, LLC	392	10	1.2%	310	9	0.9%
Beaulieu of America, LLC (2)	-	NA	0.0%	1,686	4	5.1%
J&J Industries (2)	-	NA	0.0%	551	8	1.7%
Kroger	-	NA	0.0%	290	10	0.9%

Source: Greater Dalton Chamber of Commerce and City of Dalton occupation tax data

Note: NA indicates that the information is not applicable.

Note: The above figures for the City of Dalton include Dalton Utilities and employees leased to joint ventures.

Note: (1) Includes City of Dalton only.

Note: (2) J&J Industries and Beaulieu of America, LLC were purchased by Engineered Floors, LLC during 2017.

Note: The information above is presented on a calendar year basis rather than on the School District's fiscal year basis. The taxing authorities that assess, collect, and report tax information for the School District operate on a calendar year. The information is more reliable in this format, as some is only measured once per year.

CITY OF DALTON BOARD OF EDUCATION
STUDENT ENROLLMENT BY MAJOR GRADE LEVEL
TEN YEAR SUMMARY
(UNAUDITED)

For the fiscal year ended June 30,										
Grade Level	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
PreKindergarten	272	308	329	334	372	373	371	372	372	393
Elementary School Grades K-5	3,547	3,592	3,664	3,674	3,625	3,592	3,643	3,456	3,362	3,324
Middle School Grades 6-8	1,524	1,623	1,677	1,697	1,727	1,751	1,778	1,803	1,772	1,792
High School Grades 9-12	<u>1,661</u>	<u>1,702</u>	<u>1,894</u>	<u>1,998</u>	<u>2,134</u>	<u>2,250</u>	<u>2,356</u>	<u>2,268</u>	<u>2,415</u>	<u>2,374</u>
Total	<u><u>7,004</u></u>	<u><u>7,225</u></u>	<u><u>7,564</u></u>	<u><u>7,703</u></u>	<u><u>7,858</u></u>	<u><u>7,966</u></u>	<u><u>8,148</u></u>	<u><u>7,899</u></u>	<u><u>7,921</u></u>	<u><u>7,883</u></u>
Percentage Change from Prior Year	2.5%	3.2%	4.7%	1.8%	2.0%	1.4%	2.3%	-3.1%	0.3%	-0.5%

Source: Based on October Student Full-Time Equivalent information submitted annually to the Georgia Department of Education

CITY OF DALTON BOARD OF EDUCATION
EMPLOYEES BY FUNCTION
TEN YEAR SUMMARY
(UNAUDITED)

For the fiscal year ended June 30,										
Category	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Classroom teachers	459	472	509	535	536	555	563	567	581	599
Support personnel	332	331	343	354	362	375	369	363	358	347
Administrators	<u>34</u>	<u>34</u>	<u>39</u>	<u>40</u>	<u>37</u>	<u>41</u>	<u>40</u>	<u>42</u>	<u>40</u>	<u>39</u>
Total	<u>825</u>	<u>837</u>	<u>891</u>	<u>929</u>	<u>935</u>	<u>971</u>	<u>972</u>	<u>972</u>	<u>979</u>	<u>985</u>
Percentage Change from Prior Year	-5.1%	1.5%	6.5%	4.3%	0.6%	3.9%	0.1%	0.0%	0.7%	0.6%

Source: Based on October Certified/Classified Personnel information submitted annually to the Georgia Department of Education

CITY OF DALTON BOARD OF EDUCATION
TEACHERS' SALARIES
TEN YEAR SUMMARY
(UNAUDITED)

Fiscal Year Ended June 30,	Minimum Salary School District (1)	Minimum State Salary (2)	School District's % of State Minimum	Maximum Salary School District (3)	Average Salary School District (4)	Statewide Average Salary (5)	School District's % of State Average
2011	\$ 36,808	\$ 33,424	110%	\$ 74,409	\$ 54,048	\$ 52,871	102%
2012	36,252	33,424	108%	73,296	52,958	53,077	100%
2013	36,252	33,424	108%	74,107	51,714	53,031	98%
2014	36,024	33,424	108%	74,841	52,020	52,973	98%
2015	36,024	33,424	108%	74,841	52,070	53,424	97%
2016	36,024	33,424	108%	76,485	52,777	54,215	97%
2017	36,384	33,424	109%	78,911	53,954	55,537	97%
2018	37,056	34,092	109%	80,364	54,793	56,342	97%
2019	37,428	34,092	110%	81,168	54,892	57,072	96%
2020	40,980	37,092	110%	84,168	57,733	NA	NA

(1) Minimum salary assumes teacher has certification with a bachelor's degree.

(2) Minimum state salary is reported from state teacher's salary scale published by Georgia's Department of Education.

(3) Maximum salary is from School District salary scales and is reported on the Dalton Public Schools' website; salary assumes teacher has a doctorate degree.

(4) Average School District salary is from October certified/classified personnel information submitted annually to the Georgia Department of Education.

(5) Average statewide salary is reported on the Office of Student Achievement. State data for fiscal year 2020 was not available at time of publication.

NA- Not yet available

CITY OF DALTON BOARD OF EDUCATION
TEACHER STUDENT RATIO BY SCHOOL
TEN YEAR SUMMARY
(UNAUDITED)

School	For the fiscal year ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Blue Ridge Elementary School										
Enrollment	713	760	781	734	696	656	672	654	643	667
Teachers	49	52	53	50	48	49	47	48	53	58
Teacher/student ratio	15	15	15	15	15	13	14	14	12	12
Brookwood Elementary School										
Enrollment	626	606	625	648	627	620	678	710	673	675
Teachers	39	40	42	44	46	45	44	46	49	52
Teacher/student ratio	16	15	15	15	14	14	15	15	14	13
City Park Elementary School										
Enrollment	785	786	817	800	836	832	815	738	707	745
Teachers	50	51	56	59	57	59	61	57	57	62
Teacher/student ratio	16	15	15	14	15	14	13	13	12	12
Park Creek Elementary School										
Enrollment	718	747	750	732	762	765	744	662	633	608
Teachers	52	53	58	58	58	62	61	58	55	56
Teacher/student ratio	14	14	13	13	13	12	12	11	12	11
Roan Elementary School										
Enrollment	437	424	442	516	506	489	496	476	470	460
Teachers	35	36	36	40	40	41	41	41	43	44
Teacher/student ratio	12	12	12	13	13	12	12	12	11	10

(continued)

CITY OF DALTON BOARD OF EDUCATION
TEACHER STUDENT RATIO BY SCHOOL
TEN YEAR SUMMARY
(UNAUDITED)

School	For the fiscal year ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Westwood Elementary School										
Enrollment	540	577	578	578	570	603	609	588	608	562
Teachers	34	35	37	36	35	39	38	41	45	46
Teacher/student ratio	16	16	16	16	16	15	16	14	14	12
Dalton Middle School										
Enrollment	1,524	1,623	1,677	1,697	1,727	1,751	1,778	1,803	1,772	1,792
Teachers	101	108	112	122	121	121	126	129	134	134
Teacher/student ratio	15	15	15	14	14	14	14	14	13	13
Dalton High School										
Enrollment	1,473	1,428	1,423	1,640	1,874	1,829	1,995	1,901	2,067	2,050
Teachers	90	82	83	91	99	103	107	113	111	116
Teacher/student ratio	16	17	17	18	19	18	19	17	19	18
Morris Innovative High School										
Enrollment	188	274	471	358	260	421	361	367	348	324
Teachers	9	16	33	35	31	36	37	35	36	31
Teacher/student ratio	21	17	14	10	8	12	10	10	10	10

Source: Based on October Student Full-Time Equivalent information submitted annually to the Georgia Department of Education

CITY OF DALTON BOARD OF EDUCATION
SCHOOL INFORMATION
TEN YEAR SUMMARY
(UNAUDITED)

School	For the fiscal year ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Blue Ridge Elementary School (Year Built 2005)										
Square feet	84,521	84,521	84,521	84,521	84,521	84,521	84,521	84,521	84,521	84,521
Total classrooms ⁽¹⁾	48	48	48	48	49	49	49	49	49	49
Building capacity based on total classrooms ⁽²⁾	762	762	762	762	787	787	787	787	787	787
Enrollment K - 5 ⁽³⁾	652	686	711	665	628	585	603	584	576	604
Enrollment as a % of total classroom capacity	86%	90%	93%	87%	80%	74%	77%	74%	73%	77%
Enrollment PreK - 5 ⁽³⁾	713	760	781	734	696	656	672	654	643	667
Enrollment as a % of total classroom capacity	94%	100%	102%	96%	88%	83%	85%	83%	82%	85%
Brookwood Elementary School (Year Built 1963)										
Square feet	84,938	84,938	84,938	84,938	84,938	84,938	84,938	84,938	84,938	84,938
Total classrooms ⁽¹⁾	48	48	48	48	49	49	49	49	49	49
Building capacity based on total classrooms ⁽²⁾	762	762	762	762	787	787	787	787	787	787
Enrollment K - 5 ⁽³⁾	582	557	580	600	579	575	630	661	624	612
Enrollment as a % of total classroom capacity	76%	73%	76%	79%	74%	73%	80%	84%	79%	78%
Enrollment PreK - 5 ⁽³⁾	626	606	625	648	627	620	678	710	673	675
Enrollment as a % of total classroom capacity	82%	80%	82%	85%	80%	79%	86%	90%	86%	86%

(continued)

CITY OF DALTON BOARD OF EDUCATION
SCHOOL INFORMATION
TEN YEAR SUMMARY
(UNAUDITED)

School	For the fiscal year ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City Park School (Year Built 1956)										
Square feet	143,614	143,614	143,614	143,614	143,614	143,614	143,614	143,614	143,614	143,614
Total classrooms ⁽¹⁾	54	54	54	54	55	55	55	55	57	57
Building capacity based on total classrooms ⁽²⁾	875	875	875	875	887	887	887	887	904	904
Enrollment K - 5 ⁽³⁾	740	737	768	746	762	758	746	666	639	648
Enrollment as a % of total classroom capacity	85%	84%	88%	85%	86%	85%	84%	75%	71%	72%
Enrollment PreK - 5 ⁽³⁾	785	786	817	800	836	832	815	738	707	745
Enrollment as a % of total classroom capacity	90%	90%	93%	91%	94%	94%	92%	83%	78%	82%
Park Creek Elementary School (Year Built 2000)										
Square feet	104,682	104,682	104,682	104,682	104,682	104,682	104,682	104,682	104,682	104,682
Total classrooms ⁽¹⁾	49	49	49	49	50	50	50	50	50	50
Building capacity based on total classrooms ⁽²⁾	787	787	787	787	800	800	800	800	800	800
Enrollment K - 5 ⁽³⁾	646	679	680	664	676	680	655	581	563	543
Enrollment as a % of total classroom capacity	82%	86%	86%	84%	85%	85%	82%	73%	70%	68%
Enrollment PreK - 5 ⁽³⁾	718	747	750	732	762	765	744	662	633	608
Enrollment as a % of total classroom capacity	91%	95%	95%	93%	95%	96%	93%	83%	79%	76%

(continued)

CITY OF DALTON BOARD OF EDUCATION
SCHOOL INFORMATION
TEN YEAR SUMMARY
(UNAUDITED)

School	For the fiscal year ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Roan Elementary School (Year Built 1969)										
Square feet	66,147	66,147	66,147	66,147	66,147	66,147	66,147	66,147	66,147	66,147
Total classrooms ⁽¹⁾	31	31	31	31	32	32	32	32	32	32
Building capacity based on total classrooms ⁽²⁾	475	475	475	475	487	487	487	487	487	487
Enrollment K - 5 ⁽³⁾	396	377	397	471	457	440	449	427	420	415
Enrollment as a % of total classroom capacity	83%	79%	84%	99%	94%	90%	92%	88%	86%	85%
Enrollment PreK - 5 ⁽³⁾	437	424	442	516	506	489	496	476	470	460
Enrollment as a % of total classroom capacity	92%	89%	93%	109%	104%	100%	102%	98%	97%	94%
Westwood Elementary School (Year Built 1959)										
Square feet	55,597	55,597	55,597	55,597	55,597	55,597	55,597	55,597	55,597	55,597
Total classrooms ⁽¹⁾	31	31	31	31	32	32	32	32	32	32
Building capacity based on total classrooms ⁽²⁾	475	475	475	475	487	487	487	487	487	487
Enrollment K - 5 ⁽³⁾	499	529	528	528	523	554	560	537	540	502
Enrollment as a % of total classroom capacity	105%	111%	111%	111%	107%	114%	115%	110%	111%	103%
Enrollment PreK - 5 ⁽³⁾	540	577	578	578	570	603	609	588	608	562
Enrollment as a % of total classroom capacity	114%	121%	122%	122%	117%	124%	125%	121%	125%	115%

(continued)

CITY OF DALTON BOARD OF EDUCATION
SCHOOL INFORMATION
TEN YEAR SUMMARY
(UNAUDITED)

School	For the fiscal year ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Dalton Middle School (Year Built 2001)										
Square feet	196,144	196,144	196,144	196,144	243,880	243,880	243,880	243,880	243,880	243,880
Total classrooms ⁽¹⁾	97	97	97	97	110	110	110	110	110	110
Building capacity based on total classrooms ⁽²⁾	1,612	1,612	1,612	1,612	1,825	1,825	1,825	1,825	1,825	1,825
Enrollment 6-8 ⁽³⁾	1,524	1,623	1,677	1,697	1,727	1,751	1,778	1,803	1,772	1,792
Enrollment as a % of total classroom capacity	95%	101%	104%	105%	95%	96%	97%	99%	97%	98%
Dalton High School (Year Built 1976)										
Square feet	332,144	332,144	332,144	334,484	334,484	334,484	334,484	334,484	334,484	334,484
Total classrooms ⁽¹⁾	99	99	99	99	99	99	99	99	99	99
Building capacity based on total classrooms ⁽²⁾	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925
Enrollment 9-12 ⁽³⁾	1,473	1,428	1,423	1,640	1,874	1,829	1,995	1,901	2,067	2,050
Enrollment as a % of total classroom capacity	77%	74%	74%	85%	97%	95%	104%	99%	107%	106%

(continued)

CITY OF DALTON BOARD OF EDUCATION
SCHOOL INFORMATION
TEN YEAR SUMMARY
(UNAUDITED)

School	For the fiscal year ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Morris Innovative High School ⁽⁴⁾ (Year Built 1911)										
Square feet	30,385	30,385	54,044	54,044	54,044	54,044	54,044	54,044	54,044	54,044
Total classrooms ⁽¹⁾	18	18	26	26	29	29	29	29	35	35
Building capacity based on total classrooms ⁽²⁾	287	287	450	450	512	512	512	512	637	637
Enrollment 9-12 ⁽³⁾	188	274	471	358	260	421	361	367	348	324
Enrollment as a % of total classroom capacity	66%	95%	105%	80%	51%	82%	71%	72%	55%	51%

Source: School names, year built, and square feet are obtained from School District records

(1) Total classrooms is a count of classrooms as defined by the Georgia Department of Education Facility Services Unit standards. Minimum square footage requirements for classrooms and instructional units have been established by grade level and determine whether a space is included in the total classroom count.

(2) Building capacity is the student enrollment allowed for based on the count of total classrooms as defined by the Georgia Department of Education Facility Services Unit tables. The Facility Services Unit establishes the number of classrooms needed for a given student enrollment that may determine if a school system earns capital funding reimbursement. For the purposes of this schedule, the upper range of student enrollment as defined by the Georgia Department of Education is used to determine building capacity.

(3) Enrollment is based on the October student full-time equivalent count.

(4) Morris Innovative High School was located at the Morris Street building for years 2010, 2011, and 2012 and was located at the Fort Hill building for years 2013 and forward. The Morris Street building was built in 1952.

CITY OF DALTON BOARD OF EDUCATION
FREE AND REDUCED LUNCH PROGRAM
TEN YEAR SUMMARY
(UNAUDITED)

For the fiscal year ended June 30,										
<u>School</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Blue Ridge School	87.1%	87.1%	89.8%	95.8%	88.8%	88.1%	87.9%	81.2%	93.9%	87.1%
Brookwood Elementary School	56.8%	61.6%	61.1%	61.7%	59.7%	56.5%	52.1%	56.2%	51.9%	42.5%
City Park School	82.0%	88.9%	87.8%	92.9%	89.2%	86.5%	83.1%	81.7%	94.3%	80.5%
Park Creek School	89.7%	89.7%	89.7%	98.8%	87.7%	93.2%	87.8%	83.7%	90.0%	90.0%
Roan School	87.7%	87.7%	87.6%	95.4%	88.3%	85.9%	86.3%	82.4%	91.5%	81.3%
Westwood Elementary School	51.4%	52.3%	54.8%	55.7%	52.5%	49.9%	47.6%	52.7%	53.0%	49.5%
Dalton Middle School	73.0%	76.8%	79.7%	80.1%	77.8%	80.3%	77.1%	78.0%	77.2%	71.1%
Morris Innovative High School	87.2%	87.2%	86.8%	84.4%	84.6%	84.1%	83.4%	78.5%	64.5%	73.0%
Dalton High School	63.7%	64.9%	66.4%	70.1%	66.5%	63.0%	64.7%	65.1%	78.7%	72.2%
District wide	77.2%	77.2%	77.6%	78.5%	75.9%	75.2%	73.1%	72.6%	74.7%	71.9%

Source: October data collection

SPECIAL REPORTS SECTION

CITY OF DALTON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF EDUCATION SPECIAL PURPOSE
LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
2012 ESPLOST					
Acquisition, construction, renovation, and equipping of schools	<u>\$ 36,351,000</u>	<u>\$ 32,000,000</u>	<u>\$ 31,683,201</u>	<u>\$ 471,948</u>	<u>\$ 32,155,149</u>
2017 ESPLOST					
Acquisition, construction, renovation, and equipping of schools	<u>\$ 36,917,000</u>	<u>\$ 36,917,000</u>	<u>\$ 17,471,816</u>	<u>\$ 3,801,818</u>	<u>\$ 21,273,634</u>
Total	<u>\$ 73,268,000</u>	<u>\$ 68,917,000</u>	<u>\$ 49,155,017</u>	<u>\$ 4,273,766</u>	<u>\$ 53,428,783</u>

The above schedule reports \$708,373 less in current year expenditures than the ESPLOST Fund schedule of revenues, expenditures, and changes in fund balance. This is due to state grant funds received in arrears to supplement the cost of certain ESPLOST projects. Funds received for 2012 ESPLOST projects totaled \$30,000 and funds received for 2017 projects totaled \$678,373.



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

To the Members of the City of Dalton
Board of Education and the Superintendent
Dalton, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Dalton Board of Education, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Dalton Board of Education's basic financial statements and have issued our report thereon dated November 13, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Dalton Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Dalton Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Dalton Board of Education's internal control.

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

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

Compliance and Other Matters

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

City of Dalton Board of Education's Response to Findings

The City of Dalton Board of Education's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Dalton Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Purpose of this Report

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

Estes & Walcott

Dalton, Georgia
November 13, 2020



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

To the Members of the City of Dalton
Board of Education and the Superintendent
Dalton, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Dalton Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Dalton Board of Education's major federal programs for the year ended June 30, 2020. The City of Dalton Board of Education's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Dalton Board of Education, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major federal program is not modified with respect to these matters.

The City of Dalton Board of Education's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Dalton Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

The City of Dalton Board of Education's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Dalton Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
November 13, 2020

CITY OF DALTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Summary of Auditors' Results

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the City of Dalton Board of Education.
2. No significant deficiencies were disclosed during the audit of the financial statements that are required to be reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Dalton Board of Education were disclosed during the audit.
4. One significant deficiency (2020-001) in internal control over major federal award programs was disclosed during the audit that is required to be reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance for the major federal award programs expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR 200.516(a) are reported in this Schedule.
7. The programs tested as a major program are:
 - U.S. Department of Agriculture
 - Pass-Through Georgia Department of Education
 - Child Nutrition Cluster
 - School Breakfast Program
 - National School Lunch Program
 - CFDA # 10.553 and 10.555
8. The threshold for distinguishing Type A and B programs is \$750,000.
9. The City of Dalton Board of Education was determined to be a low risk auditee.

CITY OF DALTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Findings – Federal Awards Programs

U.S. Department of Agriculture
Pass-Through Georgia Department of Education
Child Nutrition Cluster
School Breakfast Program
National School Lunch Program
CFDA # 10.553 and 10.555
Allowable Costs/Cost Principles and Procurement
Questioned Costs: None

2020-001	Criteria:	Charges to federal programs should comply with federal requirements of the program and comply with School District internal control policies and procedures.
	Condition:	Charges to the federal program did not comply with program requirements.
	Cause:	In one sampling application, two items within a population of forty were found to have calculation errors or incorrect rates. In the same sampling application, one item within a population of forty was did not have the appropriate level of approval for a purchase of that size.
	Effect:	The federal program was charged with a trivial amount of unallowable costs.
	Recommendation:	Procedures should be implemented to ensure all charges to federal programs are allowable costs and comply with procurement procedures.
	Management Response:	We concur. Additional procedures will be implemented to prevent future occurrences.

CITY OF DALTON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA #	Current Year Expenditures
U.S. Department of Agriculture		
Direct Funding:		
Child Nutrition Discretionary Grants Limited Availability	10.579	\$ 34,877
Total U.S. Department of Agriculture		<u>34,877</u>
U.S. Department of Agriculture		
Pass-Through Georgia Department of Education:		
Child Nutrition Cluster		
School Breakfast Program	10.553	1,343,162
National School Lunch Program		
(includes \$215,514 in non-cash awards)	10.555	<u>3,369,627</u>
Total Child Nutrition Cluster		<u>4,712,789</u>
Total U.S. Department of Agriculture		<u>4,712,789</u>
U.S. Department of Defense		
Direct Funding:		
ROTC Language and Culture Training Grants	12.357	<u>57,831</u>
Total U.S. Department of Defense		<u>57,831</u>
U.S. Department of Education		
Pass-Through Georgia Department of Education:		
Special Education Cluster (IDEA)		
Special Education Grants to States	84.027	1,408,126
Special Education Preschool Grants	84.173	<u>34,566</u>
Total Special Education Cluster (IDEA)		<u>1,442,692</u>
Other Programs		
Title I Grants to Local Educational Agencies	84.010	2,521,151
Migrant Education State Grant Program	84.011	9,636
Career and Technical Education - Basic Grants to States	84.048	81,661
Education for Homeless Children and Youth	84.196	24,213
Twenty-First Century Community Learning Centers	84.287	271,823
English Language Acquisition State Grants	84.365	236,629
Improving Teacher Quality State Grants	84.367	229,255
Supporting Effective Educator Development Program	84.423	48,678
Student Support and Academic Enrichment Program	84.424	<u>103,228</u>
Total Other Programs		<u>3,526,274</u>
Total U.S. Department of Education		<u>4,968,966</u>
Total Federal Awards Expended		<u>\$ 9,774,463</u>

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

General

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

Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented using the full accrual basis of accounting, which is described in Note 1 of the School District's notes to the financial statements.

Relationship to Federal Financial Reports

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

Noncash Awards

Expenditures incurred for the food distribution program represent the federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the system during the current fiscal year. They are included in the total for the National School Lunch Program. The value of donated commodities distributed totaled \$215,514 the year ended June 30, 2020.

De Minimis Cost Rate

The City of Dalton Board of Education did not elect to use the 10% de minimis cost rate as covered in 2 CFR 200.414.

CITY OF DALTON BOARD OF EDUCATION
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Prior Year Findings – Financial Statement Audit

2019-001	Criteria:	Internal controls should be in place to prevent or to detect misstatements in the accounting records on a timely basis.
	Status:	Corrective action was taken and no similar findings were noted in the current audit year.

Prior Year Findings – Federal Awards Programs

U.S. Department of Education
Pass-Through Georgia Department of Education
Title I Grants to Local Educational Agencies
CFDA # 84.010
Allowable Costs/Cost Principles and Procurement
Questioned Costs: None

2019-002	Criteria:	Charges to federal programs should comply with federal requirements of the program and comply with School District internal control policies and procedures.
	Status:	This program was not tested as a major program this year. A similar finding was noted in the Child Nutrition testing.

U.S. Department of Education
Pass-Through Georgia Department of Education
Title I Grants to Local Educational Agencies
CFDA # 84.010
Special Tests and Provisions
Questioned Costs: None

2019-003	Criteria:	The School District must maintain appropriate written documentation to support the removal of students from the regulatory adjusted cohort.
	Status:	This program was not tested as a major program this year. No similar findings were noted in the Child Nutrition testing.