

**CITY OF DALTON BOARD OF EDUCATION**  
**DALTON, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
  
**PREPARED BY THE FINANCE DEPARTMENT**

CITY OF DALTON BOARD OF EDUCATION  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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December 1, 2021

**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 of the City of Dalton Board of Education (the "School District") for the fiscal year ended June 30, 2021. 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, 2021. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis ("MD&A") immediately follows the independent auditors' 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")-12<sup>th</sup> 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 Dalton 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 7,783 PreK through 12<sup>th</sup> grade students enrolled in the School District in the 2020-2021 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 2021-2022 school year is 7,717 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 Comprehensive Annual Financial Report.

The School District has one of the highest levels of staff training and experience of any public PreK-12 school system in Georgia. About 69 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 679 certified staff members and 271 support staff for a total of 950 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 2021 statistic report from the Georgia Department of Labor, the manufacturing industry makes up approximately 35 percent of the 64,800 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. While Dalton unemployment rates are down, which is consistent with the state and nation, percentages are lower than both the Georgia rate of 3.2 percent and national rate of 4.8 percent. The latest unemployment rate from 2021 for the Dalton Metropolitan Area is 2.5 percent, down from 5.1 percent in the previous year.

The City of Dalton property tax digest has shown some incremental improvements over the last 10 years. The City of Dalton implemented 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. Fiscal year 2021 had a \$1,063,900 reduction in property tax revenue from the 20 percent freeport tax exemption. It is anticipated that the freeport exemption will stay at the 20 percent level for fiscal year 2022 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 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. Georgia school districts had two years without austerity reductions, fiscal years 2019 and 2020.

Most of the state reductions during the recessions 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 2021, the School District lost over \$44.2 million in revenue of state earnings due to these austerity cuts.

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 School 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. 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. Fiscal year 2011 general fund expenditures were at their lowest level, at \$52.8 million, and the fund balance reached nearly \$9.6 million. Fiscal year 2021 general fund expenditures increased to \$78.9 million, and the fund balance was more than \$23 million. The Dalton Board of Education 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.

Additionally, the state of Georgia anticipated some economic instability and uncertainty with the global coronavirus pandemic. Schools in Georgia started the 2020-2021 school year with sizeable austerity reductions, but those reductions were reduced within the fiscal year. The School District's fiscal year 2021 budget included nearly \$4.8 million in state funding reductions due to the austerity plans. In March 2021, the School District started receiving its state funding formula adjustment. Actual austerity reductions for fiscal year 2021 was \$1.9 million, which contributed to the increased fund balance.

Although School District enrollment has grown over time, 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 School 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.

School District administrators are committed to providing appropriate instructional space for the educational program needs of Dalton's students. The administration and Dalton Board of Education 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 Dalton Board of Education 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 School 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 School District received sales tax revenue for the fifth ESPLOST. The fifth ESPLOST will be used to continue School 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 Elementary School and City Park Elementary School. 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 School 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 Dalton Board of Education. Activities of the general fund, debt service fund, capital projects fund, ESPLOST capital projects 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 Dalton 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 No. 54. The policy defines the five categories of the fund balance that is reported as nonspendable, restricted, committed, assigned, and unassigned. The Dalton Board of Education 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, School 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. The School District believes that a number of indicators must be identified to effectively evaluate student progress. Georgia's College and Career Ready Performance Index includes more indicators than what have 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 percentage of Dalton students who are proficient and distinguished from the 2019 and 2021 school years, however the schedule is not meant to be a comparison.

Dalton Public Schools Fiscal Years 2019 and 2021		
	% of Proficient and Distinguished	% of Proficient and Distinguished
	FY 2019	FY 2021
<b>English Language Arts</b>		
High School American Literature	39%	15%
8 <sup>th</sup> Grade Milestones Test	36%	35%
5 <sup>th</sup> Grade Milestones Test	39%	31%
<b>Mathematics</b>		
Algebra I	33%	18%
8 <sup>th</sup> Grade Milestones Test	28%	34%
5 <sup>th</sup> Grade Milestones Test	34%	26%
<b>Science</b>		
Biology	44%	29%
8 <sup>th</sup> Grade Milestones Test	7%	13%
5 <sup>th</sup> Grade Milestones Test	38%	30%
<b>Social Studies</b>		
US History	37%	19%
8 <sup>th</sup> Grade Milestones Test	29%	20%

School District test score information can be found on the Georgia Department of Education webpage pertaining to Georgia Milestones Assessment System.

The Georgia Department of Education includes the following guidance as it pertains to the test scores:

*“While the scores show decreases compared to 2018-2019 – the last year Georgia Milestones tests were administered – it is essential that these results be interpreted in the context of the COVID-19 pandemic and associated learning disruptions, along with differences in participation. Georgia Milestones was designed to measure the performance of students in a typical educational environment, and in 2020-2021, rolling quarantines, rising case counts, and shifting instructional models impacted the educational experience for students. Additionally, fewer students participated in testing compared to 2018-2019, due to safety concerns associated with the pandemic.*

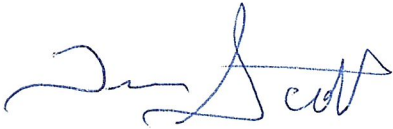
*School districts, the news media, parents, and community members should use caution in making year-to year comparisons using state level data, due to these changes in students’ learning environments and differences in participation. In general, year-to-year comparisons should not be made using school and district-level data.”*

## 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 School District's financial records and the preparation of this report.

We would also like to thank the members of the Dalton 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". The signature is fluid and cursive, with the first name "Tim" and last name "Scott" clearly distinguishable.

Tim Scott  
Superintendent

A handwritten signature in blue ink, appearing to read "Theresa A. Perry". The signature is cursive and elegant, with the first name "Theresa" and last name "Perry" clearly distinguishable.

Theresa A. Perry  
Chief Financial Officer

CITY OF DALTON BOARD OF EDUCATION  
ELECTED OFFICIALS AND ADMINISTRATION  
JUNE 30, 2021

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Elected Officials

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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

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School Administration

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Christine Long, Principal  
Blue Ridge School

Meleia Bridenstine, Principal  
Brookwood School

Kim Rhyne, Principal  
City Park School

Will Esters, Principal  
Park Creek School

Charlie Tripp, Principal  
Roan School

Scott Ehlers, Principal  
Westwood School

Lauri Johnson, Principal  
Hammond Creek Middle School

Stephanie Hungerpiller, Principal  
Dalton High School

Pat Hunt, Principal  
Morris Innovative High School

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Centralized Administration

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Dr. Tim Scott, Superintendent

Don Amonett  
Deputy Superintendent

Wiley Dailey  
Deputy Superintendent

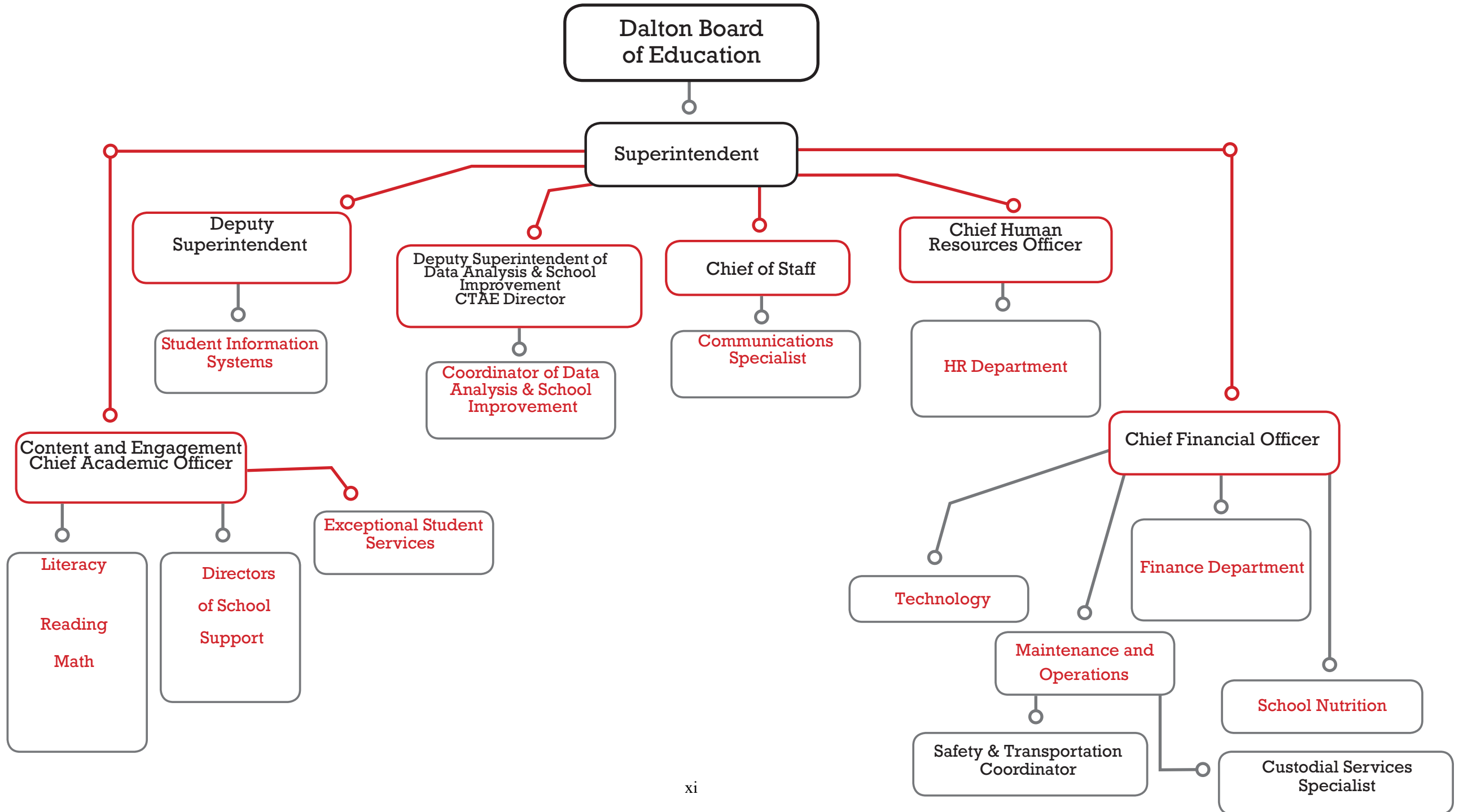
Laura Orr  
Chief Academic Officer

Theresa Perry  
Chief Financial Officer

Pat Holloway  
Chief of Staff

Mendy Woods  
Chief Human Resource Officer

# Dalton Public Schools Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Dalton Board of Education  
Georgia**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*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, 2021, 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, 2021, 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 – 13, the required supplementary information for pension plans and OPEB plans on pages 59 – 66, and the respective budgetary comparison information for the major special revenue funds on pages 68 – 69 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 December 1, 2021, 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  
December 1, 2021

**CITY OF DALTON BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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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, 2021. 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 2021 are as follows:

- In fiscal year 2021, total net position decreased 12% or \$1.9 million from the fiscal year 2020 net position of \$15.9 million to \$14.0 million. This decrease is based upon an increase in liabilities of pensions and other post-employment benefits combined with an increase in deferred pension outflows.
- Total revenues increased 2% from \$110.2 million in 2020 to \$112.6 million in 2021. Most of the change is attributable to operating and capital grants. The School District received increased revenues from the federal government for the Elementary and Secondary School Emergency Relief ("ESSER") funds and from the state of Georgia in the funding formula in fiscal year 2021 as it pertains to the property wealth per child equalization component. School nutrition fund revenues increased due to the federal change to offer school meals free of charge and obtain reimbursement with federal funds. State capital grant revenue decreased due to expenditure reimbursements for schools' capital projects paid in the previous year. Overall, expenditures exceeded revenues by \$1.9 million in fiscal year 2021.
- Total expenses increased 7% from \$107.2 million in 2020 to \$114.4 million in 2021. Expenditure increases were due to federal ESSER funds to respond to the coronavirus global pandemic predominately in instructional expenditures as well as pupil services. The Georgia governor approved a one-time \$1,000 salary payment for school employees using the federal ESSER funds in fiscal year 2021. The School District also shows increased expenditures in school administration in preparation for the secondary grade reconfiguration. In January 2021, the Dalton Board of Education abandoned the contract service for paraprofessionals which resulted in increased instructional costs.
- Among the major funds, the general fund reported \$84.0 million in revenues in 2021, compared to \$84.4 million in revenues in 2020. Most of the change is attributable to a decrease in state operating revenue due to reinstating austerity revenue reductions for Georgia school districts as a result of the economic uncertainty associated with the coronavirus pandemic. The general fund reported \$79.8 million in expenditures in 2021 compared to \$83.3 million in expenditures in 2020. Expenditure decreases are also due to the reinstatement of state austerity reductions. However, since the School District has received one-time federal coronavirus aid funds, many of those costs shifted from the general fund to the federal funds.

**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  
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**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>2021</u>	<u>2020</u>
Assets		
Current and other assets	\$ 48,358,499	\$ 54,559,123
Capital assets	<u>163,450,296</u>	<u>159,085,617</u>
Total assets	<u>211,808,795</u>	<u>213,644,740</u>
Deferred outflows of resources	<u>39,680,315</u>	<u>26,862,242</u>
Liabilities		
Current liabilities	14,859,224	18,908,017
Long-term liabilities	<u>208,222,782</u>	<u>188,307,763</u>
Total liabilities	<u>223,082,006</u>	<u>207,215,780</u>
Deferred inflows of resources	<u>14,447,008</u>	<u>17,434,289</u>
Net position		
Net investment in capital assets	111,497,052	116,500,110
Restricted	13,082,646	7,842,588
Unrestricted	<u>(110,619,602)</u>	<u>(108,485,785)</u>
Total net position	<u>\$ 13,960,096</u>	<u>\$ 15,856,913</u>

Current and other assets decreased by 11%, or \$6.2 million in fiscal year 2021. 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 was spent in fiscal year 2020 for the new Hammond Creek Middle School, with additional expenditures incurred in fiscal year 2021.

Capital assets increased by 3%, or \$4.4 million in fiscal year 2021. 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 is the construction of the new Junior Achievement Discovery Center at the Hammond Creek Middle School property. Additional completed projects include the HVAC and renovation work at the central maintenance and operations facility and safety improvements at Dalton High.

Current liabilities decreased by 21% or \$4.0 million in fiscal year 2021. The decrease is attributable to reduced accounts and retainage payables for the construction of the Hammond Creek Middle School. By the end of fiscal year 2021, the project at Hammond Creek is substantially complete.

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Long-term liabilities increased by 11% or \$19.9 million in 2021. This is primarily due to an increase in the School District's proportionate share of the net pension liability of \$11.5 million and an \$11.6 million increase in the School District's proportionate share of the net other post-employment benefits ("OPEB") liability. The total long-term liabilities increase was offset by a decrease in the School District's principal payments of the revenue bond debt in the amount of \$2.6 million. Deferred outflows of resources increased by 48% or \$12.8 million while deferred inflows of resources decreased by 17% or \$3.0 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>2021</u>	<u>2020</u>
Revenues		
Program revenues		
Charges for services	\$ 520,999	\$ 932,907
Operating grants and contributions	69,665,592	64,084,816
Capital grants and contributions	395,742	3,729,487
General revenues		
Property taxes	31,701,300	31,570,181
Other taxes	10,147,159	8,761,818
Donations	85,646	76,223
Investment earnings	36,374	1,009,752
Total revenues	<u>112,552,812</u>	<u>110,165,184</u>
Expenses		
Instruction	74,236,546	68,181,846
Support services	32,910,555	31,599,448
Food services operation	5,058,327	5,109,414
Community service operation	305,776	259,725
Interest on long-term debt	1,938,425	2,036,888
Total expenses	<u>114,449,629</u>	<u>107,187,321</u>
Change in net position	(1,896,817)	2,977,863
Net position, beginning of year	<u>15,856,913</u>	<u>12,879,050</u>
Net position, end of year	<u>\$ 13,960,096</u>	<u>\$ 15,856,913</u>

*Revenues*

The School District's total revenues increased in 2021 by 2%, or \$2.4 million. The increase in revenues were in operating grants, as well as other taxes. Operating grant increases of \$5.6 million were due to one-time federal funding for the School District's response to the coronavirus global pandemic. Other taxes increased by \$1.4 million for sales tax collections for capital projects. The School District received a one-time payment in sales tax revenue as a result of a three year audit conducted at the state level which identified local jurisdictions were due funds. Since that audit correction, the monthly sales tax revenue collections have been higher.

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Those increases were offset by an 89% or \$3.3 million reduction in capital grants. In fiscal year 2020, these funds were state reimbursements for the Hammond Creek Middle School and safety and security improvements. In fiscal year 2021, the capital funding was provided by federal grants which were spent on capital items.

Interest earnings decreased by \$973,000 due to reduced capital cash balances available for investing. Additionally, the recession that started late March 2020 set off by the coronavirus global pandemic caused a reduction in interest rates.

*Expenses*

The School District's total expenses increased by 7%, or \$7.3 million. Instruction expenditures increased by \$6.1 million due to the completion of capital projects at Hammond Creek for the Junior Achievement Discovery Center, as well as the Governor of Georgia funding \$1,000 one-time supplements for school employees. In fiscal year 2021, the School District used the federal ESSER funds to increase instructional technology throughout the system with a focus on Prekindergarten through second grade. Additionally, the School District had a contractual service for paraprofessional classroom support. The Dalton Board of Education approved abandoning the contractual service, and bring the individuals onto the School District payroll, which added to the instructional expenditures.

Pupil service expenditures increased by \$530,000 in fiscal year 2021 when compared with fiscal year 2020. The School District added part-time health screeners and nursing supplements using the one-time federal ESSER funds for contact tracing and work associated with the coronavirus pandemic. School administration expenditures increased by \$512,000. The School District added a principal to prepare for the secondary school grade reconfiguration that is planned for fiscal year 2022. The School District also had an increase of \$297,000 central support services for technology needs using the federal ESSER funds.

**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 proprietary 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.

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*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.

**The School System's Funds**

The 2021 combined fund balance of all governmental funds totaled \$36.2 million. This is a 5% or \$1.7 million decrease from the \$37.9 million fund balance from fiscal year 2020. 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 2021 were the new Hammond Creek Middle School, a new Junior Achievement Discovery Center, secondary school renovations for the grade reconfiguration, 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, \$194,000 is nonspendable and \$3.5 million is restricted in the school food services program, and \$9.4 million is restricted for capital projects. An additional \$145,000 is committed to capital projects, and \$968,000 is assigned to school activities.

**General Fund Budgetary Highlights**

In developing the fiscal year 2021 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.

Actual revenues were 5% or \$4.2 million higher the final budget. Actual state revenue was \$2.8 million more than the final budget for mid-year adjustments to the state-wide funding formula that provided some relief from austerity revenue reductions. Federal revenues were \$558,000 more than budget as actual E-rate revenue received was higher than budget estimates.

Actual expenditures were under the final adjusted budget by 3% or \$2.1 million. Most of the expenditure savings were in instruction, instructional training, maintenance, and student transportation. The instructional expenditures were under budget in contractual services, equipment, and supplies. Instructional training was under budget due to the coronavirus pandemic. Many conferences adopted virtual options which substantially lowered travel expenditures associated with instructional training. Maintenance expenditures were under budget due to open positions, as well as energy savings. Student transportation expenditures were under budget due to service savings by moving from a two tier system changing to three tiers of bussing routes.

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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 continues to be substantial changes to operations within the general fund from the prior year as the School District contends with the coronavirus. As mentioned above, employee travel has changed. The School District has moved appropriate general fund expenditures into the federal funds that pertain to the School District's response to the global pandemic.

The School District offered families an option to choose virtual or in-person instruction at the beginning of the 2020 – 2021 school year. The School District was able to resume most aspects of schooling. The School District used one to one student devices and a learning management software to continue the educational development of students whether the families choose virtual or required remote learning due to intermittent required quarantines.

### **General Fund Balance**

The fiscal year 2021 unassigned fund balance of \$23.6 million reflects a 21% or \$4.2 million increase from fiscal year 2020. 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 Dalton Board of Education 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 \$23.6 million gives the School District a fund balance that is equivalent to 108 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 caused by the global pandemic.

### **Other Major Funds**

In fiscal year 2021, the School District is reporting federal programs and school food services as major funds.

The federal programs special revenue fund accounts for most federal revenues received by the School District and the corresponding expenditures. Federal program revenues had a 124% or \$6.2 million increase from fiscal year 2020 for a total of \$11.2 million. The increase is attributable to federal relief funds under the Coronavirus Aid, Relief and Economic Security ("CARES") Act and the American Rescue Plan ("ARP") to supplement the School District operations amidst the coronavirus pandemic.

The school food service funds reports federal, state and local sources of revenue in relation to the operation of the school nutrition program. School food service revenues had a 5% or \$283,000 increase from fiscal year 2020 for a total of \$5.7 million. Federal revenues increased by 15% or \$694,000 from fiscal year 2020 due to all students becoming eligible for free meals throughout the nation's school districts. Correspondingly, local revenues decreased by 74% or \$412,000 since students no longer had to pay for their school meals. School food service expenditures decreased by 5% or \$234,000 from the previous fiscal year.

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.

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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 2021, 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 fiscal year to complete the construction of the new Hammond Creek Middle School for 6 and 7 grade students. Of the \$8.9 million in capital expenditures in the capital projects fund, \$7.2 million was for architect, building construction, and equipment for Hammond Creek Middle School. Other capital expenditures included 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 \$33.2 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 2021 ESPLOST sales tax revenue totaled \$8.1 million compared to \$6.9 million in fiscal year 2020. This 17% increase of \$1.2 million is due to an audit conducted at the state level that identified local internet sales tax revenues were inadvertently paid to the state of Georgia rather than distributed to the local jurisdictions.

There were \$3.1 million in ESPLOST capital project expenditures in fiscal year 2021. The most sizeable project was \$2.6 million 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. Other ESPLOST expenditures entailed site and construction work at Dalton High for athletic field improvements, furniture at Brookwood Elementary School, and improvements and upgrades to the maintenance and operations facility and one of the central office facilities. During fiscal year 2021, the School District had technology expenditures for safety, security, and communications upgrades at Park Creek Elementary School.

The School District is also reporting debt service as a major fund in fiscal year 2021. The debt service fund accounts for monies received from various sources for the purposes of servicing the School District's outstanding debt. The debt service fund revenues for fiscal year 2021 of \$2.1 million is the same as the previous year. Revenues include local property taxes, vehicle taxes, and intangible and transfer taxes. Principal payments of \$2.6 million on the long-term debt increased by \$110,000 in accordance with the payment terms on the debt schedule. Interest payments of \$2.4 million remain similar to the previous fiscal year.



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**Capital Assets**

Capital assets increased 3%, from \$159.1 million in 2020 to \$163.5 million in 2021. The increase is due to construction in progress building improvement activity for the new Hammond Creek Middle School, the new Dalton Academy High School, and completed building projects for the new Junior Achievement Discovery Center. See Note 5 of the basic financial statements for additional information on capital assets.

	<u>2021</u>	<u>2020</u>
Capital assets, not depreciable		
Land	\$ 17,075,134	\$ 17,075,134
Construction in progress	<u>48,484,019</u>	<u>43,287,928</u>
Total	<u>65,559,153</u>	<u>60,363,062</u>
Capital assets, depreciable		
Land improvements	4,757,864	4,378,192
Buildings and building improvements	152,571,434	148,818,082
Machinery, equipment, and technology	7,881,186	6,991,491
Vehicles	<u>715,547</u>	<u>648,941</u>
Total	<u>165,926,031</u>	<u>160,836,706</u>
Less accumulated depreciation		
Land improvements	(2,968,949)	(2,785,800)
Buildings and building improvements	(59,139,901)	(54,121,508)
Machinery, equipment, and technology	(5,363,104)	(4,692,854)
Vehicles	<u>(562,934)</u>	<u>(513,989)</u>
Total	<u>(68,034,888)</u>	<u>(62,114,151)</u>
Depreciable capital assets, net	<u>97,891,143</u>	<u>98,722,555</u>
Governmental activities capital assets	<u>\$ 163,450,296</u>	<u>\$ 159,085,617</u>

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**Debt Administration**

At June 30, 2021, 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	\$ 8,517,444	\$ 111,423	\$ (2,734,522)	\$ 5,894,345	\$ 2,846,063
General obligation bonds	40,380,000	-	-	40,380,000	-
Premium on debt	6,370,394	-	(378,790)	5,991,604	-
Compensated absences	30,887	59,804	(56,674)	34,017	34,017
Total	<u>\$ 55,298,725</u>	<u>\$ 171,227</u>	<u>\$ (3,169,986)</u>	<u>\$ 52,299,966</u>	<u>\$ 2,880,080</u>

**Factors Bearing on the School District's Future**

Education funding from the state of Georgia is expected to improve. The state took aggressive measures in anticipation of shifts in the economy from the global coronavirus pandemic, however Georgia's economy has made improvements throughout the pandemic. Since 2003, school districts have been dealing with austerity revenue reductions from the state of Georgia. The School District has accumulated a total of \$38.8 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 were reinstated for fiscal years 2021 and 2022. The School District one-time federal stimulus funding in fiscal years 2021 and 2022 will offset some of those austerity losses in revenue.

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 eleven 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 dropped again in fiscal year 2016 and was excluded from equalization funding in fiscal year 2017. The School District received \$1.4 million in fiscal year 2018, and the School District received \$2.5 million in both fiscal years 2019 and 2020. In fiscal year 2021, the funding level was at \$3.8 million. It is expected to reach its largest amount to date in fiscal year 2022, at \$5.6 million.

Although the current recession brought on by the global coronavirus pandemic has negatively impacted the economy, the Dalton area unemployment rates looks better than state and national levels. The Dalton Metropolitan Area shows an unemployment rate of 2.5% compared with 5.1% which was reported in the previous year. The state of Georgia unemployment rate is 3.2% compared with 6.4% reported in the prior year. The national unemployment rate is 4.8% compared with 7.9% reported in the prior year.

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Community leaders are striving to seek out ways to improve the quality of life and diversify the economy of Dalton city 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 \$1,063,900 in property tax revenue for fiscal year 2021. 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 2022 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 2021 property tax revenue is similar to fiscal year 2020. The School District is anticipating a reduction to the tax digest for fiscal year 2022.

While the economic picture can be challenging in the short-term, the School Board and administrative staff are committed to ensuring the long-term viability of the system. For fiscal year 2022, the Dalton Board of Education is making strategic improvements to the local teacher salary scale and addressing critical parts of the support staff scales. In fiscal year 2020, the governor and legislature increased the state teacher salary scale by \$3,000. The Dalton Board of Education 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 years 2021 and 2022, some positions and educational expenditures may be reduced as a result.

In fiscal year 2020, the Dalton Board of Education worked to bolster the support in the classroom by restoring academic coaches at the elementary level. Although 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. Enrollment has declined in the 2020 – 2021 school year. It is anticipated that enrollment will continue to decline in fiscal year 2022, 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, 2021

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash	\$ 5,265,681
Investments	35,497,354
Receivables:	
Accounts	322,207
Intergovernmental	4,734,433
Taxes	1,255,194
Inventory	194,458
Restricted assets - cash	<u>1,089,172</u>
Total current assets	<u>48,358,499</u>
Noncurrent assets	
Nondepreciable capital assets	65,559,153
Depreciable capital assets, net	<u>97,891,143</u>
Total noncurrent assets	<u>163,450,296</u>
Total assets	<u>211,808,795</u>
Deferred outflows of resources	
Related to defined benefit pension plans and OPEB plans	<u>39,680,315</u>
	(continued)

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2021

	<u>Governmental Activities</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 4,130,086
Salaries payable	6,065,870
Unearned revenue	58,345
Retainage payable	1,362,296
Compensated absences	34,017
Accrued interest payable	362,547
Capital leases payable	<u>2,846,063</u>
Total current liabilities	<u>14,859,224</u>
Long-term liabilities	
Capital leases payable, less current portion	3,312,146
Bonds payable	46,107,740
Net pension liability	89,778,186
Net OPEB liability	<u>69,024,710</u>
Total long-term liabilities	<u>208,222,782</u>
Total liabilities	<u>223,082,006</u>
Deferred inflows of resources	
Related to defined benefit pension plans and OPEB plans	<u>14,447,008</u>
Net position	
Net investment in capital assets	111,497,052
Restricted for capital projects	9,406,350
Restricted for food services	3,676,296
Unrestricted	<u>(110,619,602)</u>
Total net position	<u>\$ 13,960,096</u>

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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	\$ 74,236,546	\$ 377,200	\$ 43,331,698	\$ 6,291	\$ (30,521,357)
Support services:					
Pupil services	4,736,913	-	3,241,917	-	(1,494,996)
Improvement of instructional services	2,891,131	-	1,829,148	-	(1,061,983)
Instructional staff training	1,592,484	-	1,517,763	-	(74,721)
Educational media services	1,586,858	-	962,503	-	(624,355)
General administration	817,552	-	495,792	-	(321,760)
Federal grant administration	108,972	-	102,793	-	(6,179)
School administration	6,607,396	-	4,032,177	-	(2,575,219)
Business administration	773,716	-	475,543	-	(298,173)
Maintenance and operation of plant	8,107,196	-	4,113,585	389,451	(3,604,160)
Student transportation services	3,008,368	-	1,987,469	-	(1,020,899)
Central support services	2,453,321	-	1,538,977	-	(914,344)
Other support services	226,648	-	217,306	-	(9,342)
Food services operations	5,058,327	143,799	5,621,139	-	706,611
Community services operations	305,776	-	197,782	-	(107,994)
Interest on long-term debt	1,938,425	-	-	-	(1,938,425)
Total governmental activities	<u>\$ 114,449,629</u>	<u>\$ 520,999</u>	<u>\$ 69,665,592</u>	<u>\$ 395,742</u>	<u>(43,867,296)</u>
General revenues					
Property taxes					31,701,300
Vehicle taxes					1,772,641
Intangibles tax					306,654
Sales taxes					8,067,864
Unrestricted investment earnings					36,374
Donations					85,646
Total general revenues					<u>41,970,479</u>
Change in net position					(1,896,817)
Net position, beginning of year					<u>15,856,913</u>
Net position, end of year					<u>\$ 13,960,096</u>

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	General	Federal Programs	School Food Services	Capital Projects	Education Special Purpose Local Option Sales Tax	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
Assets								
Cash	\$ 2,727,984	\$ -	\$ 1,138,638	\$ 654	\$ 1,398,405	\$ -	\$ -	\$ 5,265,681
Investments	26,519,092	-	2,204,942	2,075,308	4,698,012	-	-	35,497,354
Receivables:								
Accounts	313,891	-	71	-	7,500	745	-	322,207
Intergovernmental	311,761	3,240,074	466,105	-	699,780	4,771	11,942	4,734,433
Taxes	1,180,013	-	-	-	-	75,181	-	1,255,194
Due from other funds	3,883,731	-	-	106,659	2,813,521	19,668	256,922	7,080,501
Inventory	-	-	194,458	-	-	-	-	194,458
Restricted assets - cash	-	-	-	-	-	1,089,172	-	1,089,172
Total assets	<u>\$ 34,936,472</u>	<u>\$ 3,240,074</u>	<u>\$ 4,004,214</u>	<u>\$ 2,182,621</u>	<u>\$ 9,617,218</u>	<u>\$ 1,189,537</u>	<u>\$ 268,864</u>	<u>\$ 55,439,000</u>
								(continued)

See accompanying notes to the financial statements.



CITY OF DALTON BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	General	Federal Programs	School Food Services	Capital Projects	Education Special Purpose Local Option Sales Tax	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
Liabilities								
Accounts payable	\$ 2,878,377	\$ 674,954	\$ 29,127	\$ 63,868	\$ 459,417	\$ -	\$ 24,343	\$ 4,130,086
Salaries payable	5,466,239	315,610	103,787	-	-	-	180,234	6,065,870
Due to other funds	1,451,785	2,250,437	195,004	362,834	-	2,814,499	5,942	7,080,501
Retainage payable	-	-	-	1,095,000	267,296	-	-	1,362,296
Unearned revenue	-	-	-	-	-	-	58,345	58,345
Total liabilities	<u>9,796,401</u>	<u>3,241,001</u>	<u>327,918</u>	<u>1,521,702</u>	<u>726,713</u>	<u>2,814,499</u>	<u>268,864</u>	<u>18,697,098</u>
Deferred inflows of resources								
Unavailable revenue - property taxes	<u>532,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,485</u>	<u>-</u>	<u>566,279</u>
Fund balances								
Nonspendable	-	-	194,458	-	-	-	-	194,458
Restricted	-	-	3,481,838	515,845	8,890,505	-	-	12,888,188
Unrestricted:								
Committed	-	-	-	145,074	-	-	-	145,074
Assigned	968,251	-	-	-	-	-	-	968,251
Unassigned	<u>23,639,026</u>	<u>(927)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,658,447)</u>	<u>-</u>	<u>21,979,652</u>
Total fund balances	<u>24,607,277</u>	<u>(927)</u>	<u>3,676,296</u>	<u>660,919</u>	<u>8,890,505</u>	<u>(1,658,447)</u>	<u>-</u>	<u>36,175,623</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,936,472</u>	<u>\$ 3,240,074</u>	<u>\$ 4,004,214</u>	<u>\$ 2,182,621</u>	<u>\$ 9,617,218</u>	<u>\$ 1,189,537</u>	<u>\$ 268,864</u>	<u>\$ 55,439,000</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, 2021

Total governmental fund balances	\$ 36,175,623
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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	7,080,501	
Interfund payables	<u>(7,080,501)</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	231,485,184	
Accumulated depreciation	<u>(68,034,888)</u>	163,450,296

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.

566,279

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	(362,547)	
Capital leases payable	(5,894,345)	
Bonds payable	(40,380,000)	
Premium on debt, net of amortization	(5,991,604)	
Compensated absences	(34,017)	
Net pension liability	(89,778,186)	
Net OPEB liability	<u>(69,024,710)</u>	<u>(211,465,409)</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	39,680,315	
Deferred inflows related to pension and OPEB plans	<u>(14,447,008)</u>	<u>25,233,307</u>

Net position of governmental activities	<u>\$ 13,960,096</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, 2021

	General	Federal Programs	School Food Services	Capital Projects	Education Special Purpose Local Option Sales Tax	Debt Service	Total Nonmajor Funds	Total Governmental Funds
Revenues								
Federal sources	\$ 1,260,807	\$ 11,152,514	\$ 5,441,472	\$ -	\$ -	\$ -	\$ 34,493	\$ 17,889,286
State sources	48,786,955	-	131,420	-	-	-	1,723,611	50,641,986
Local sources and other funds	33,769,991	-	145,547	16,838	8,078,012	2,103,014	-	44,113,402
On behalf payments	135,092	-	-	-	-	-	-	135,092
Total revenues	<u>83,952,845</u>	<u>11,152,514</u>	<u>5,718,439</u>	<u>16,838</u>	<u>8,078,012</u>	<u>2,103,014</u>	<u>1,758,104</u>	<u>112,779,766</u>
Expenditures								
Current:								
Instruction	54,388,857	6,078,360	-	1,835,304	513,351	-	1,823,864	64,639,736
Support services:								
Pupil services	3,523,605	908,635	-	-	-	-	18,326	4,450,566
Improvement of instructional services	2,315,611	317,440	-	-	-	-	271	2,633,322
Instructional staff training	41,832	1,437,663	-	-	-	-	297	1,479,792
Educational media services	1,368,813	74,399	-	-	-	-	-	1,443,212
General administration	759,968	4,081	-	-	-	-	-	764,049
Federal grant administration	-	99,154	-	-	-	-	-	99,154
School administration	5,094,524	679,964	-	-	-	-	4,562	5,779,050
Business administration	728,338	4,283	-	-	-	-	-	732,621
Maintenance and operation of plant	5,701,847	700,845	-	-	-	-	-	6,402,692
Student transportation services	2,890,605	94,513	-	-	-	-	21,044	3,006,162
Central support services	2,169,449	130,932	-	-	-	-	-	2,300,381
Other support services	45,296	181,352	-	-	-	-	-	226,648
Food services operations	-	46,078	4,753,371	-	-	-	-	4,799,449
Community services operations	305,776	-	-	-	-	-	-	305,776

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, 2021

	General	Federal Programs	School Food Services	Capital Projects	Education Special Purpose Local Option Sales Tax	Debt Service	Total Nonmajor Funds	Total Governmental Funds
Capital outlay:								
Instruction	151,499	6,291	-	6,662,631	2,440,856	-	-	9,261,277
Support services:								
Pupil services	5,500	-	-	-	-	-	-	5,500
School administration	104,625	-	-	-	-	-	-	104,625
Maintenance and operation of plant	141,103	389,451	-	-	62,231	-	-	592,785
Central support services	-	-	-	-	58,028	-	-	58,028
Food services operations	-	-	-	426,377	-	-	-	426,377
Debt service:								
Principal retirement	99,522	-	-	-	-	2,635,000	-	2,734,522
Interest and fiscal charges	-	-	-	-	-	2,370,862	-	2,370,862
Total expenditures	<u>79,836,770</u>	<u>11,153,441</u>	<u>4,753,371</u>	<u>8,924,312</u>	<u>3,074,466</u>	<u>5,005,862</u>	<u>1,868,364</u>	<u>114,616,586</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,116,075</u>	<u>(927)</u>	<u>965,068</u>	<u>(8,907,474)</u>	<u>5,003,546</u>	<u>(2,902,848)</u>	<u>(110,260)</u>	<u>(1,836,820)</u>
Other financing sources (uses)								
Issuance of debt	111,423	-	-	-	-	-	-	111,423
Transfers in	-	-	-	-	-	179,125	110,260	289,385
Transfers out	<u>(110,260)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(179,125)</u>	<u>-</u>	<u>-</u>	<u>(289,385)</u>
Total other financing sources (uses)	<u>1,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(179,125)</u>	<u>179,125</u>	<u>110,260</u>	<u>111,423</u>
Net changes in fund balances	4,117,238	(927)	965,068	(8,907,474)	4,824,421	(2,723,723)	-	(1,725,397)
Fund balances, beginning of year	<u>20,490,039</u>	<u>-</u>	<u>2,711,228</u>	<u>9,568,393</u>	<u>4,066,084</u>	<u>1,065,276</u>	<u>-</u>	<u>37,901,020</u>
Fund balances, end of year	<u>\$ 24,607,277</u>	<u>\$ (927)</u>	<u>\$ 3,676,296</u>	<u>\$ 660,919</u>	<u>\$ 8,890,505</u>	<u>\$ (1,658,447)</u>	<u>\$ -</u>	<u>\$ 36,175,623</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, 2021

Net changes in fund balances - governmental funds \$ (1,725,397)

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

Elimination of transfers between governmental funds:

Transfers in	(289,385)	
Transfers out	<u>289,385</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	10,448,592	
Depreciation expense	<u>(6,083,913)</u>	4,364,679

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. (354,511)

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	(111,423)	
Principal payments of debt	2,734,522	
Amortization of premiums	<u>378,790</u>	3,001,889

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	(3,130)	
Net change in accrued interest payable	53,647	
On behalf payments from the State of Georgia for pension contributions	127,557	
Pension expense in excess of pension contributions	(6,445,034)	
OPEB expense in excess of OPEB contributions	<u>(916,517)</u>	<u>(7,183,477)</u>

Change in net position - governmental activities \$ (1,896,817)

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, 2021

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	\$ 702,830	\$ 702,830	\$ 1,260,807	\$ 557,977
State sources	45,909,308	45,960,553	48,786,955	2,826,402
Local sources and other funds	32,968,150	32,968,150	33,769,991	801,841
On behalf payments	140,090	140,090	135,092	(4,998)
Total revenues	<u>79,720,378</u>	<u>79,771,623</u>	<u>83,952,845</u>	<u>4,181,222</u>
Expenditures				
Current:				
Instruction	54,962,807	55,179,930	54,388,857	791,073
Support services:				
Pupil services	3,509,608	3,524,883	3,523,605	1,278
Improvement of instructional services	2,585,261	2,459,815	2,315,611	144,204
Instructional staff training	282,476	258,443	41,832	216,611
Educational media services	1,478,973	1,477,717	1,368,813	108,904
General administration	843,540	843,540	759,968	83,572
School administration	5,281,389	5,293,394	5,094,524	198,870
Business administration	743,306	740,510	728,338	12,172
Maintenance and operation of plant	6,191,212	6,191,212	5,701,847	489,365
Student transportation services	3,286,834	3,086,834	2,890,605	196,229
Central support services	2,232,410	2,232,410	2,169,449	62,961
Other support services	45,000	45,000	45,296	(296)
Community services operations	433,560	433,560	305,776	127,784
Capital outlay:				
Instruction	-	123,030	151,499	(28,469)
Support services:				
Pupil services	-	-	5,500	(5,500)
School administration	-	-	104,625	(104,625)
Maintenance and operation of plant	35,000	35,000	141,103	(106,103)
Debt service:				
Principal retirement	-	-	99,522	(99,522)
Total expenditures	<u>81,911,376</u>	<u>81,925,278</u>	<u>79,836,770</u>	<u>2,088,508</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,190,998)</u>	<u>(2,153,655)</u>	<u>4,116,075</u>	<u>6,269,730</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, 2021

	Budget		Actual	Variance
	Original	Final		
Other financing sources (uses)				
Issuance of debt	-	-	111,423	111,423
Transfers out	<u>(168,360)</u>	<u>(168,360)</u>	<u>(110,260)</u>	<u>58,100</u>
Total other financing sources (uses)	<u>(168,360)</u>	<u>(168,360)</u>	<u>1,163</u>	<u>169,523</u>
Net change in fund balance	<u>\$ (2,359,358)</u>	<u>\$ (2,322,015)</u>	4,117,238	<u>\$ 6,439,253</u>
Fund balance, beginning of year			<u>20,490,039</u>	
Fund balance, end of year			<u>\$ 24,607,277</u>	

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2021

	<u>Custodial Funds</u>
Assets	
Cash	\$ 98,006
Intergovernmental receivable	<u>32,498</u>
Total assets	<u>\$ 130,504</u>
Liabilities	
Accounts payable	<u>\$ 2,705</u>
Total liabilities	<u>2,705</u>
Net position	
Restricted for others	<u>127,799</u>
Total net position	<u>127,799</u>
Total liabilities and net position	<u>\$ 130,504</u>

See accompanying notes to the financial statements.



CITY OF DALTON BOARD OF EDUCATION  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2021

	<u>Custodial Funds</u>
Additions	
Charges for services	\$ 447,762
Operating grants	84,001
Investment earnings	27
Donations	<u>12,055</u>
Total additions	<u>543,845</u>
Deductions	
Instruction	42,252
Support services:	
Pupil services	105,753
Other support services	<u>382,230</u>
Total deductions	<u>530,235</u>
Change in net position	13,610
Net position beginning of year, as restated	<u>114,189</u>
Net position end of year	<u>\$ 127,799</u>

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021

**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, 2021, 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, 2021

**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 federal programs fund is a special revenue fund which accounts for and reports most federal funding received by the School District.
- The school food services fund is a special revenue fund which accounts for and reports the activity of the school nutrition programs, both at the school and district-wide levels.
- 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.
- The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned, including property taxes legally restricted for the payment of general long-term principal and interest.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021

**Note 1 Summary of Significant Accounting Policies - Continued**

Additionally, the School District provides additional information on the following nonmajor governmental funds: the lottery programs special revenue fund and the other grants special revenue fund.

The School District has two funds which are accounted for as fiduciary funds: the student activity custodial fund and the Family Connection custodial fund. Custodial 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.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021

**Note 1 Summary of Significant Accounting Policies - Continued**

**New Accounting Pronouncements**

In fiscal year 2021, the School District adopted GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The cumulative effect of GASB Statement No. 84 is described in the Note 16.

In fiscal year 2021, the School District adopted GASB Statement No. 90, *Majority Equity Interests*. It defines a majority equity interest and specifies that majority equity interest in a legal separate organization should be reported as an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The adoption of this statement did not have an impact on the School District's financial statements.

**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 School District can invest its funds as permitted by O.C.G.A. §36-83-4. 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.

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  
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**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 purchase method to account for inventories whereby expenditures are recorded at the time of purchase or when received. To conform to generally accepted accounting principles, all food inventories should be accounted for using the consumption method whereby an asset is recorded when foods are purchased/received, and expenses are recorded at the time the food items are consumed. The effect of this deviation is deemed to be immaterial to the fair presentation of the basic financial statements. The cost of governmental fund type inventories is reported as expenditures when purchased.

**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, 2021

**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  
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**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 straight-line method. To conform to generally accepted accounting principles, bond premiums and discounts should be amortized using the effective interest method. The effect of this deviation is deemed to be immaterial to the fair presentation of the basic financial statements. 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.



CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021

**Note 1 Summary of Significant Accounting Policies - Continued**

**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.

**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.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**Note 1 Summary of Significant Accounting Policies - Continued**

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.

A schedule of fund balances is as follows:

		Federal	School Food	Capital	Education Special Purpose Local	School Food	
Fund Balances:	General	Programs	Services	Projects	Option Sales Tax	Services	Total
Nonspendable:							
Inventory	\$ -	\$ -	\$ 194,458	\$ -	\$ -	\$ -	\$ 194,458
Restricted for:							
Capital projects	-	-	-	515,845	8,890,505	-	9,406,350
Food services	-	-	3,481,838	-	-	-	3,481,838
Committed to:							
Capital projects	-	-	-	145,074	-	-	145,074
Assigned to:							
School activities	968,251	-	-	-	-	-	968,251
Unassigned	23,639,026	(927)	-	-	-	(1,658,447)	21,979,652
Total Fund Balances	<u>\$24,607,277</u>	<u>\$ (927)</u>	<u>\$ 3,676,296</u>	<u>\$ 660,919</u>	<u>\$ 8,890,505</u>	<u>\$ (1,658,447)</u>	<u>\$36,175,623</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 2020 tax digest year (calendar year) on January 1, 2020 (levy date). Tax bills were mailed on October 20, 2020 (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, 2020 (due date). Taxes collected within the current fiscal year or within 60 days after year end on the 2020 tax digest are reported as revenue in the governmental funds for the year ended June 30, 2021. 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 \$32,055,811 for the year ended June 30, 2021.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021

**Note 1 Summary of Significant Accounting Policies - Continued**

The tax millage rate levied for the 2020 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 and vehicle taxes, at the fund reporting level, totaled \$1,772,641 for the year ended June 30, 2021.

**Sales Taxes**

Education special purpose local option sales tax, at the fund reporting level, totaled \$8,067,864 for the year ended June 30, 2021, 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 2021, the School District transferred \$3,069,000 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, 2021

**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, 2021, the School District held unrestricted deposits with a carrying amount of \$5,265,680 and a bank balance of \$5,825,568. 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, 2021

**Note 3 Deposits and Investments - Continued**

At June 30, 2021, the School District held restricted deposits with a carrying amount of \$1,089,172 and a bank balance of \$1,089,172. The bank balances were fully covered by either deposit insurance and/or collateral held in the School District's name.

**Investments**

At June 30, 2021, the carrying value of the School District's unrestricted investments was \$35,497,354, and are invested in Georgia Fund 1 and with BB&T in accordance with the School District's investment policies.

The School District's unrestricted investments 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 AAAs/S1+ by Standard and Poor's. The weighted average maturity for Georgia Fund 1 on June 30, 2021 was 36 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](http://www.audits.ga.gov/SGD/CAFR.html).

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.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021

**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.

**Note 5 Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2021, 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	43,287,928	9,101,260	(3,905,169)	48,484,019
Total	<u>60,363,062</u>	<u>9,101,260</u>	<u>(3,905,169)</u>	<u>65,559,153</u>
Depreciable capital assets				
Land improvements	4,378,192	379,672	-	4,757,864
Buildings and building improvements	148,818,082	3,903,947	(150,595)	152,571,434
Machinery, equipment, and technology	6,991,491	902,277	(12,581)	7,881,187
Vehicles	648,941	66,605	-	715,546
Total	<u>160,836,706</u>	<u>5,252,501</u>	<u>(163,176)</u>	<u>165,926,031</u>
Less accumulated depreciation				
Land improvements	(2,785,800)	(183,149)	-	(2,968,949)
Buildings and building improvements	(54,121,508)	(5,168,988)	150,595	(59,139,901)
Machinery, equipment, and technology	(4,692,854)	(682,831)	12,581	(5,363,104)
Vehicles	(513,989)	(48,945)	-	(562,934)
Total	<u>(62,114,151)</u>	<u>(6,083,913)</u>	<u>163,176</u>	<u>(68,034,888)</u>
Depreciable capital assets, net	<u>98,722,555</u>	<u>(831,412)</u>	<u>-</u>	<u>97,891,143</u>
Governmental activities capital assets, net	<u>\$ 159,085,617</u>	<u>\$ 8,269,848</u>	<u>\$ (3,905,169)</u>	<u>\$ 163,450,296</u>

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021

**Note 5 Capital Assets - Continued**

Current year depreciation expense by function is as follows:

Governmental activities:	
Instruction	\$ 3,999,186
Pupil services	21,919
Improvement of instructional services	6,360
School administration	363,293
Maintenance and operation of plant	1,532,201
Food services operation	160,954
Total depreciation expense - governmental activities	<u>\$ 6,083,913</u>

**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. The general fund provides short term funding to other funds during the course of the year when cash balances are unavailable or are not maintained in those funds. All balances are anticipated to be repaid within one year. Interfund balances at June 30, 2021 consisted of the following:

	Due From Other Funds	Due To Other Funds
General fund	\$ 3,883,731	\$ 1,451,785
Federal programs fund	-	2,250,437
School food services	-	195,004
Capital projects fund	106,659	362,834
ESPLOST fund	2,813,521	-
Debt service fund	19,668	2,814,499
Nonmajor governmental funds	256,922	5,942
Total governmental funds	<u>\$ 7,080,501</u>	<u>\$ 7,080,501</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, 2021 consisted of the following:

Transfer To	General fund	ESPLOST fund	Total
Debt service fund	\$ -	\$ 179,125	\$ 179,125
Nonmajor governmental funds	110,260	-	110,260
Total governmental funds	<u>\$ 110,260</u>	<u>\$ 179,125</u>	<u>\$ 289,385</u>

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021

**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.

The School District had no unused line of credit or outstanding notes from direct borrowings and direct placements related to governmental activities as of June 30, 2021. In the event the School District is unable to make the principal and interest payments using proceeds from property taxes at the current debt service millage rate, the School District will increase the education M&O millage rate. Additional security is provided by the State of Georgia Intercept Program which allows for state appropriations entitled to the School District to be transferred to the debt service fund for the payment of debt.

At June 30, 2021, general obligation bond payments due by fiscal year are as follows:

Fiscal Year	Principal
2022	\$ -
2023	-
2024	855,000
2025	895,000
2026	940,000
2027 - 2031	5,415,000
2032 - 2036	6,895,000
2037 - 2041	8,810,000
2042 - 2045	11,245,000
2046 - 2048	5,325,000
Total	<u>\$ 40,380,000</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.



CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021

**Note 7 Long Term Debt - Continued**

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 \$111,423. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the dates 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, 2021:

Land improvements	\$ 114,458
Building and building improvements	12,642,309
Equipment	902,092
Net of accumulated amortization	<u>(1,751,423)</u>
	<u>\$ 11,907,436</u>

At June 30, 2021, payments due by fiscal year, which include principal and interest, are as follows:

Fiscal Year	Principal	Interest
2022	\$ 2,846,063	\$ 226,500
2023	2,977,400	116,750
2024	36,194	-
2025	23,304	-
2026	11,384	-
2027 and thereafter	<u>-</u>	<u>-</u>
Total principal and interest	<u>\$ 5,894,345</u>	<u>\$ 343,250</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, 2021 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Capital leases	\$ 8,517,444	\$ 111,423	\$ (2,734,522)	\$ 5,894,345	\$ 2,846,063
General obligation bonds	40,380,000	-	-	40,380,000	-
Premium on debt	6,370,394	-	(378,790)	5,991,604	-
Compensated absences	<u>30,887</u>	<u>59,804</u>	<u>(56,674)</u>	<u>34,017</u>	<u>34,017</u>
Total	<u>\$ 55,298,725</u>	<u>\$ 171,227</u>	<u>\$ (3,169,986)</u>	<u>\$ 52,299,966</u>	<u>\$ 2,880,080</u>

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**Note 8 Retirement Plans**

The School District participates in various retirement plans administered by the State of Georgia, as further described below. The general fund, school food services fund, and federal programs fund are used to liquidate pension liabilities.

**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](http://www.trsga.com/publications).

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 2021. The School District’s contractually required contribution rate for the year ended June 30, 2021 was 19.06% 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 \$9,096,057 and \$39,633 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](http://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.

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**Note 8 Retirement Plans - Continued**

Upon retirement, the member will receive a monthly benefit of \$15.50, 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.

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 \$87,924.

**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](http://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.

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**Note 8 Retirement Plans - Continued**

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.

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, 2021 was 24.66% of annual covered payroll for old and new plan members and 21.57% 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, 2021, the School District reported a liability of \$89,778,186 for its proportionate share of the net pension liability for TRS (\$89,778,186) 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	\$ 89,778,186
State of Georgia's proportionate share of the net pension liability associated with the School District - TRS	<u>368,203</u>
Total	<u><u>\$ 90,146,389</u></u>

The net pension liability for TRS and ERS was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 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, 2020.

At June 30, 2020, the School District's proportion of the TRS net pension liability was 0.370618%, which was an increase of 0.006414% from its proportion measured as of June 30, 2019. At June 30, 2020, the School District's proportion of the ERS net pension liability was 0.000000%, which was equal to its proportion measured as of June 30, 2019.

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**Note 8 Retirement Plans - Continued**

At June 30, 2020, 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 \$436,923.

The net pension liability for PSERS was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 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, 2020.

For the year ended June 30, 2021, the School District recognized pension expense of \$6,379,403 for TRS, pension expense of \$87,924 for PSERS, and pension income of \$22,293 for ERS. Included in the preceding amounts, the School District recognized expense of \$39,633 for TRS and \$87,924 for PSERS for support provided by the State of Georgia for certain support personnel.

At June 30, 2021, 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	\$ 3,909,868	\$ -	\$ -	\$ -
Changes of assumptions	9,247,256	-	-	-
Net difference between projected and actual earnings on pension plan investments	2,162,323	-	-	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,186,809	59,748	-	1,649
District contributions subsequent to the measurement date	9,096,057	-	-	-
Total	<u>\$ 25,602,313</u>	<u>\$ 59,748</u>	<u>\$ -</u>	<u>\$ 1,649</u>

School District contributions subsequent to the measurement date of \$9,096,057 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, 2022. 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
2022	\$ 3,488,174	\$ (1,649)
2023	5,313,882	-
2024	5,401,600	-
2025	2,242,852	-
2026	-	-
Thereafter	-	-

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**Note 8 Retirement Plans - Continued**

**Actuarial Assumptions** - The total pension liability for TRS as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 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 for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% as used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

The total pension liability for PSERS as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 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.

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**Note 8 Retirement Plans - Continued**

The actuarial assumptions used in the June 30, 2019 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 total pension liability for ERS as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

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, 2019 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.

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**Note 8 Retirement Plans - Continued**

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%	-0.10%
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

**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	\$ 142,366,771	\$ 89,778,186	\$ 46,670,624



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**Note 8 Retirement Plans - Continued**

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](http://www.trsga.com/publications) and [www.ers.ga.gov/financials](http://www.ers.ga.gov/financials).

**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 3<sup>rd</sup> 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
2021	100%	\$ 27,661
2020	100%	39,354
2019	100%	40,821

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.

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**Note 9 Defined Contribution Plans - Continued**

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.

**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.

The general fund, school food services fund, and federal programs fund are used to liquidate OPEB liabilities.

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 \$1,736,892 for the year ended June 30, 2021. Active employees are not required to contribute to the School OPEB Fund.

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**Note 10 Post-Employment Benefits - Continued**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - At June 30, 2021, the School District reported a liability of \$69,024,710 for its proportionate share of the net OPEB liability.

The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2019. An expected total OPEB liability as of June 30, 2020 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, 2020. At June 30, 2020, the School District's proportion was 0.469950%, which was an increase of 0.001818% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized OPEB expense of \$916,517. At June 30, 2021, 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	\$ -	\$ 7,535,355
Changes of assumptions	11,415,154	6,141,715
Net difference between projected and actual earnings on OPEB plan investments	179,905	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	746,051	708,541
District contributions subsequent to the measurement date	1,736,892	-
Total	<u>\$ 14,078,002</u>	<u>\$ 14,385,611</u>

School District contributions subsequent to the measurement date of \$1,736,892 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, 2022. 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
2022	\$ (1,460,312)
2023	(1,465,140)
2024	(962,058)
2025	253,905
2026	1,161,362
2027	427,742
Thereafter	-

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**Note 10 Post-Employment Benefits - Continued**

**Actuarial Assumptions** - The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 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, 2020:

Inflation	2.50%
Salary increases	3.00% - 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	7.00%
Medicare eligible	5.25%
Ultimate trend rate:	
Pre-Medicare eligible	4.50%
Medicare eligible	4.50%
Year of ultimate trend rate:	
Pre-Medicare eligible	2029
Medicare eligible	2023

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 Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree Mortality Table projected generationally with the MP-2019 projection scale (set forward one year and adjusted 106%) is used for death prior to retirement and for service retirements and beneficiaries. The Pub-2010 Teachers Mortality Table for Disabled Retirees projected generationally with the MP-2019 Projection scale (set forward one year and adjusted 106%) is used for disability retirements. For both, rates of improvement were reduced by 20% for all years prior to the ultimate rate.
- For PSERS members: The RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward three years for males and two years for females) is used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality projected to 2025 with projection scale BB (set forward five years for both males and females) is used for the period 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. There is a margin for future mortality improvement in the tables used by the plan.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

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**Note 10 Post-Employment Benefits - Continued**

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, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

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. 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%
Equities	<u>70.00%</u>	9.20%
Total	<u>100.00%</u>	

\* Rates shown are net of inflation

**Discount Rate** - In order to measure the total OPEB liability for the School OPEB, a single equivalent interest rate of 2.22% was used as the discount rate, as compared with last year's rate of 3.58%. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation bonds with an average rating of AA or higher (2.21% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employers 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 2118.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021

**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 2.22%, 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 (1.22%) or 1 percentage point higher (3.22%) than the current discount rate:

	1% Decrease (1.22%)	Current Discount Rate (2.22%)	1% Increase (3.22%)
School District's proportionate share of the net OPEB liability	\$ 81,092,647	\$ 69,024,710	\$ 59,373,732

**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	\$ 57,470,010	\$ 69,024,710	\$ 83,984,692

**OPEB Plan Fiduciary Net Position** - Detailed information about the OPEB plan's fiduciary net position is available in the comprehensive annual financial report 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, 2021 is calculated as follows:

Cost of capital assets	\$ 231,485,184
Less: accumulated depreciation	<u>(68,034,888)</u>
Book value	163,450,296
Less: capital related debt	(46,274,345)
Less: premium on capital related debt	(5,991,604)
Less: retainage payable on construction contracts	(1,362,296)
Less: accrued interest payable	(362,547)
Add: unexpended debt proceeds	<u>2,037,548</u>
Net investment in capital assets	<u>\$ 111,497,052</u>

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021

**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 carries commercial insurance for these risks. 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:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Claims</u>	<u>Claims Paid</u>	<u>End of Year Liability</u>
2021	\$ -	\$ 15,010	\$ (15,010)	\$ -
2020	-	1,765	(1,765)	-
2019	-	10,230	(10,230)	-

The School District obtained commercial insurance for workers' compensation effective January 1, 2020. Prior to that date, the School District was a participant in the City of Dalton, Georgia's self-insured workers' compensation program. The City maintained all administrative control over the program and required that the School District contribute its allocable share of costs to the program annually or more frequently, as deemed necessary. The School District accounted 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:

<u>Calendar Year</u>	<u>Beginning of Year Liability</u>	<u>Premiums and Other Charges</u>	<u>Charges Paid</u>	<u>End of Year Liability</u>
2020	\$ -	\$ -	\$ -	\$ -
2019	-	163,770	(163,770)	-
2018	-	155,760	(155,760)	-

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021

**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, 2021 totaled \$24,301. 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>
2022	\$ 7,741
2023 and thereafter	<u>-</u>
	<u>\$ 7,741</u>

**Note 14 Commitments and Contingencies**

The School District is involved in legal matters as of the fiscal year ended June 30, 2021 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 \$7,799,639. Construction contracts include expansion and renovation of facilities, work to complete The Dalton Academy, a stadium project, and 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, 2021

**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, 2020. Reductions in tax revenues attributable to local governments are as follows:

<u>Government Entity</u>	<u>2020 Tax Reduction</u>
School District	\$ 310,130
City of Dalton, Georgia	56,616
Whitfield County, Georgia	2,485,663
Whitfield County Board of Education	3,749,641

**Note 16 Restatement of Prior Year Net Position**

For fiscal year 2021, the School District made prior period adjustments due to the adoption of GASB Statement No. 84, as described in Note 1, which requires the restatement of the June 30, 2020 net position in the fiduciary funds. Funds held for others of \$114,189 were reclassified to net position for custodial funds, which were previously reported as agency funds, as of June 30, 2020.

**Note 17 Deficit Fund Balances of Individual Funds**

The federal programs special revenue fund reported a deficit fund balance of \$927 at June 30, 2021. The debt service fund reported a deficit fund balance of \$1,658,447 at June 30, 2021. These fund balances were reported as unrestricted deficit fund balances in the financial statements. The School District will correct these deficits in fiscal year 2022 through transfers from the general fund.

## 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, 2021

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
2021	0.370618%	\$ 89,778,186	\$ 368,203	\$ 90,146,389	\$ 42,993,365	208.82%	77.01%
2020	0.364204%	78,313,708	331,357	78,645,065	42,853,127	182.75%	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, 2021

	For the fiscal year ended June 30,									
	<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>	<u>2021</u>
Contractually required contribution	\$ 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	\$10,101,336
Contributions in relation to the contractually required contribution	<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>	<u>10,101,336</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	\$34,225,641	\$35,909,214	\$38,048,070	\$38,273,408	\$37,240,659	\$41,307,791	\$41,328,431	\$42,853,127	\$42,993,365	\$43,081,003
Contributions as a percentage of covered payroll	10.22%	11.32%	12.22%	13.06%	15.32%	13.78%	14.35%	16.93%	21.61%	23.45%

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, 2021

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
2021	0.000000%	\$ -	\$ 436,923	\$ 436,923	\$ 1,524,482	N/A	84.45%
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, 2021

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
2021	0.000000%	\$ -	\$ -	\$ -	\$ -	0.00%	76.21%
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, 2021

	For the fiscal year ended June 30,									
	<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>	<u>2021</u>
Contractually required contribution	\$ 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>5,746</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>	<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	\$ 49,407	\$ 49,887	\$ 51,992	\$ 51,992	\$ 54,643	\$ 56,232	\$ 4,698	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	11.63%	14.63%	18.40%	21.96%	24.73%	23.92%	296.96%	NA	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, 2021

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
2021	0.469950%	\$ 69,024,710	\$ -	\$ 69,024,710	\$ 52,029,447	132.66%	3.99%
2020	0.468132%	57,449,840	-	57,449,840	48,150,225	119.31%	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, 2021

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 2,409,390	\$ 2,420,643	\$ 2,521,214	\$ 1,589,260
Contributions in relation to the contractually required contribution	<u>2,409,390</u>	<u>2,420,643</u>	<u>2,521,214</u>	<u>1,589,260</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 46,534,109	\$ 48,150,225	\$ 52,029,447	\$ 53,466,246
Contributions as a percentage of covered payroll	5.18%	5.03%	4.85%	2.97%

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, 2021

**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%.

In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability, and mortality were adjusted to more closely reflect actual experience.

**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 15, 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. The assumed investment rate of return remained at 7.30% for the June 30, 2019 actuarial valuation.

**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. The assumed investment rate of return remained at 7.30% for the June 30, 2019 actuarial valuation.

CITY OF DALTON BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**School OPEB Fund**

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

Changes in assumptions - June 30, 2019 valuation: Decremental assumptions were changed to reflect the Teachers Retirement Systems experience study. June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.50%. June 30, 2017 valuation: The participation assumption, tobacco use assumption, and morbidity factors were revised. The discount rate was updated from 3.07% as of June 30, 2016 to 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018, back to 3.58% as of June 30, 2019, and to 2.22% as of June 30, 2020.

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, 2021

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	\$ 6,789,925	\$ 11,447,929	\$ 11,152,514	\$ (295,415)
Total revenues	<u>6,789,925</u>	<u>11,447,929</u>	<u>11,152,514</u>	<u>(295,415)</u>
Expenditures				
Current:				
Instruction	3,359,769	6,107,809	6,078,360	29,449
Support services:				
Pupil services	475,043	1,005,242	908,635	96,607
Improvement of instructional services	230,503	411,686	317,440	94,246
Instructional staff training	1,668,662	1,527,325	1,437,663	89,662
Educational media services	46,842	74,404	74,399	5
General administration	-	4,102	4,081	21
Federal grant administration	105,481	105,425	99,154	6,271
School administration	183,360	659,815	679,964	(20,149)
Business administration	-	4,283	4,283	-
Maintenance and operation of plant	504,491	694,686	700,845	(6,159)
Student transportation services	72,090	97,984	94,513	3,471
Central support services	90,026	134,076	130,932	3,144
Other support services	48,658	165,422	181,352	(15,930)
Food services operations	<u>-</u>	<u>48,107</u>	<u>46,078</u>	<u>2,029</u>
Capital outlay:				
Instruction	5,000	6,350	6,291	59
Support services:				
Maintenance and operation of plant	<u>-</u>	<u>401,213</u>	<u>389,451</u>	<u>11,762</u>
Total expenditures	<u>6,789,925</u>	<u>11,447,929</u>	<u>11,153,441</u>	<u>294,488</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(927)	<u>\$ (927)</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ (927)</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, 2021

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	\$ 5,005,990	\$ 5,005,990	\$ 5,441,472	\$ 435,482
State sources	132,160	132,160	131,420	(740)
Local sources and other funds	662,990	662,990	145,547	(517,443)
Total revenues	<u>5,801,140</u>	<u>5,801,140</u>	<u>5,718,439</u>	<u>(82,701)</u>
Expenditures				
Current:				
Food services operations	<u>5,704,283</u>	<u>5,704,283</u>	<u>4,753,371</u>	<u>950,912</u>
Total expenditures	<u>5,704,283</u>	<u>5,704,283</u>	<u>4,753,371</u>	<u>950,912</u>
Net change in fund balance	<u>\$ 96,857</u>	<u>\$ 96,857</u>	965,068	<u>\$ 868,211</u>
Fund balance, beginning of year			<u>2,711,228</u>	
Fund balance, end of year			<u>\$ 3,676,296</u>	

CITY OF DALTON BOARD OF EDUCATION  
NONMAJOR GOVERNMENTAL FUNDS

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SPECIAL REVENUE FUNDS

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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.

CITY OF DALTON BOARD OF EDUCATION  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2021

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	<u>Lottery Programs</u>	<u>Other Grants</u>	
Assets			
Receivables:			
Intergovernmental	\$ -	\$ 11,942	\$ 11,942
Due from other funds	<u>256,922</u>	<u>-</u>	<u>256,922</u>
Total assets	<u>\$ 256,922</u>	<u>\$ 11,942</u>	<u>\$ 268,864</u>
Liabilities			
Accounts payable	\$ 18,343	\$ 6,000	\$ 24,343
Salaries payable	180,234	-	180,234
Due to other funds	-	5,942	5,942
Unearned revenue	<u>58,345</u>	<u>-</u>	<u>58,345</u>
Total liabilities	<u>\$ 256,922</u>	<u>\$ 11,942</u>	<u>\$ 268,864</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, 2021

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	<u>Lottery Programs</u>	<u>Other Grants</u>	
Revenues			
Federal sources	\$ 34,493	\$ -	\$ 34,493
State sources	<u>1,707,207</u>	<u>16,404</u>	<u>1,723,611</u>
Total revenues	<u>1,741,700</u>	<u>16,404</u>	<u>1,758,104</u>
Expenditures			
Current:			
Instruction	1,807,613	16,251	1,823,864
Support services:			
Pupil services	18,173	153	18,326
Improvement of instructional services	271	-	271
Instructional staff training	297	-	297
School administration	4,562	-	4,562
Student transportation services	<u>21,044</u>	<u>-</u>	<u>21,044</u>
Total expenditures	<u>1,851,960</u>	<u>16,404</u>	<u>1,868,364</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(110,260)</u>	<u>-</u>	<u>(110,260)</u>
Other financing sources (uses)			
Transfers in	<u>110,260</u>	<u>-</u>	<u>110,260</u>
Total other financing sources (uses)	<u>110,260</u>	<u>-</u>	<u>110,260</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



## BUDGETARY COMPARISON SCHEDULES

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, 2021

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	\$ -	\$ -	\$ 34,493	\$ 34,493
State sources	<u>1,587,070</u>	<u>1,587,070</u>	<u>1,707,207</u>	<u>120,137</u>
Total revenues	<u>1,587,070</u>	<u>1,587,070</u>	<u>1,741,700</u>	<u>154,630</u>
Expenditures				
Current:				
Instruction	1,748,430	1,748,230	1,807,613	(59,383)
Support services:				
Pupil services	-	-	18,173	(18,173)
Improvement of instructional services	-	-	271	(271)
Instructional staff training	7,000	7,000	297	6,703
School administration	-	-	4,562	(4,562)
Student transportation services	<u>-</u>	<u>-</u>	<u>21,044</u>	<u>(21,044)</u>
Total expenditures	<u>1,755,430</u>	<u>1,755,230</u>	<u>1,851,960</u>	<u>(96,730)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(168,360)</u>	<u>(168,160)</u>	<u>(110,260)</u>	<u>57,900</u>
Other financing sources (uses)				
Transfers in	<u>168,360</u>	<u>168,360</u>	<u>110,260</u>	<u>(58,100)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 200</u>	<u>-</u>	<u>\$ (200)</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, 2021

	Budget			
	Original	Final	Actual	Variance
Revenues				
State sources	\$ -	\$ -	\$ 16,404	\$ 16,404
Total revenues	-	-	16,404	16,404
Expenditures				
Current:				
Instruction	-	-	16,251	(16,251)
Support services:				
Pupil services	-	-	153	(153)
Total expenditures	-	-	16,404	(16,404)
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  
CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget			
	Original	Final	Actual	Variance
Revenues				
State sources	\$ 335,679	\$ 335,679	\$ -	\$ (335,679)
Local sources and other funds	-	-	16,838	16,838
Total revenues	<u>335,679</u>	<u>335,679</u>	<u>16,838</u>	<u>(318,841)</u>
Expenditures				
Current:				
Instruction	2,859,262	1,835,304	1,835,304	-
Capital outlay:				
Instruction	11,450,686	6,662,631	6,662,631	-
Food services operations	<u>426,377</u>	<u>426,377</u>	<u>426,377</u>	<u>-</u>
Total expenditures	<u>14,736,325</u>	<u>8,924,312</u>	<u>8,924,312</u>	<u>-</u>
Net change in fund balance	<u><u>\$(14,400,646)</u></u>	<u><u>\$ (8,588,633)</u></u>	<u>(8,907,474)</u>	<u><u>\$ (318,841)</u></u>
Fund balance, beginning of year			<u>9,568,393</u>	
Fund balance, end of year			<u><u>\$ 660,919</u></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, 2021

	Budget			
	Original	Final	Actual	Variance
Revenues				
Local sources and other funds	\$ 5,930,000	\$ 5,930,000	\$ 8,078,012	\$ 2,148,012
Total revenues	<u>5,930,000</u>	<u>5,930,000</u>	<u>8,078,012</u>	<u>2,148,012</u>
Expenditures				
Current:				
Instruction	1,033,602	513,351	513,351	-
Capital outlay:				
Instruction	2,275,895	2,440,856	2,440,856	-
Maintenance and operation of plant	75,550	62,231	62,231	-
Central support services	<u>59,670</u>	<u>58,028</u>	<u>58,028</u>	<u>-</u>
Total expenditures	<u>3,444,717</u>	<u>3,074,466</u>	<u>3,074,466</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,485,283</u>	<u>2,855,534</u>	<u>5,003,546</u>	<u>2,148,012</u>
Other financing sources (uses)				
Transfers out	<u>(2,993,250)</u>	<u>(2,993,250)</u>	<u>(179,125)</u>	<u>2,814,125</u>
Total other financing sources (uses)	<u>(2,993,250)</u>	<u>(2,993,250)</u>	<u>(179,125)</u>	<u>2,814,125</u>
Net change in fund balance	<u>\$ (507,967)</u>	<u>\$ (137,716)</u>	4,824,421	<u>\$ 4,962,137</u>
Fund balance, beginning of year			<u>4,066,084</u>	
Fund balance, end of year			<u>\$ 8,890,505</u>	

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, 2021

	Budget			
	Original	Final	Actual	Variance
Revenues				
Local sources and other funds	\$ 2,012,000	\$ 2,012,000	\$ 2,103,014	\$ 91,014
Total revenues	<u>2,012,000</u>	<u>2,012,000</u>	<u>2,103,014</u>	<u>91,014</u>
Expenditures				
Debt service:				
Principal retirement	2,635,000	2,635,000	2,635,000	-
Interest and fiscal charges	<u>2,370,250</u>	<u>2,370,862</u>	<u>2,370,862</u>	<u>-</u>
Total expenditures	<u>5,005,250</u>	<u>5,005,862</u>	<u>5,005,862</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,993,250)</u>	<u>(2,993,862)</u>	<u>(2,902,848)</u>	<u>91,014</u>
Other financing sources (uses)				
Transfers in	<u>2,993,250</u>	<u>2,993,250</u>	<u>179,125</u>	<u>(2,814,125)</u>
Total other financing sources (uses)	<u>2,993,250</u>	<u>2,993,250</u>	<u>179,125</u>	<u>(2,814,125)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (612)</u>	<u>(2,723,723)</u>	<u>\$ (2,723,111)</u>
Fund balance, beginning of year			<u>1,065,276</u>	
Fund balance, end of year			<u>\$ (1,658,447)</u>	

CITY OF DALTON BOARD OF EDUCATION  
CUSTODIAL FUNDS

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CUSTODIAL FUNDS

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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 NET POSITION  
CUSTODIAL FUNDS  
JUNE 30, 2021

	Student Activity	Family Connection	Total
Assets			
Cash	\$ 98,006	\$ -	\$ 98,006
Intergovernmental receivable	<u>20,327</u>	<u>12,171</u>	<u>32,498</u>
Total assets	<u>\$ 118,333</u>	<u>\$ 12,171</u>	<u>\$ 130,504</u>
Liabilities			
Accounts payable	\$ 2,656	\$ 49	\$ 2,705
Total liabilities	<u>2,656</u>	<u>49</u>	<u>2,705</u>
Net position			
Restricted for others	<u>115,677</u>	<u>12,122</u>	<u>127,799</u>
Total net position	<u>115,677</u>	<u>12,122</u>	<u>127,799</u>
Total liabilities and net position	<u>\$ 118,333</u>	<u>\$ 12,171</u>	<u>\$ 130,504</u>



CITY OF DALTON BOARD OF EDUCATION  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Student Activity	Family Connection	Total
Additions			
Charges for services	\$ 396,139	\$ 51,623	\$ 447,762
Operating grants	36,001	48,000	84,001
Investment earnings	27	-	27
Donations	8,700	3,355	12,055
Total additions	<u>440,867</u>	<u>102,978</u>	<u>543,845</u>
Deductions			
Instruction	42,252	-	42,252
Support services:			
Pupil services	770	104,983	105,753
Other support services	382,230	-	382,230
Total deductions	<u>425,252</u>	<u>104,983</u>	<u>530,235</u>
Change in net position	15,615	(2,005)	13,610
Net position beginning of year, as restated	<u>100,062</u>	<u>14,127</u>	<u>114,189</u>
Net position end of year	<u>\$ 115,677</u>	<u>\$ 12,122</u>	<u>\$ 127,799</u>

CITY OF DALTON BOARD OF EDUCATION  
STATISTICAL SECTION

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STATISTICAL SECTION

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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)

	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	June 30, 2021
Governmental activities										
Net investment in capital assets	\$ 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	\$111,497,052
Restricted	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	13,082,646
Unrestricted	<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>	<u>(110,619,602)</u>
Total governmental activities	<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>	<u>\$ 13,960,096</u>
Total percentage increase (decrease) from prior year	3.2%	1.0%	1.5%	-46.7%	5.9%	8.3%	-95.5%	344.9%	23.1%	-12.0%
Governmental activities										
Net investment in capital assets	75.9%	76.6%	81.8%	155.4%	145.3%	150.7%	3740.3%	850.7%	734.7%	798.7%
Restricted	2.7%	3.6%	2.8%	11.9%	13.9%	8.9%	71.1%	53.9%	49.5%	93.7%
Unrestricted	<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>	<u>-792.4%</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>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>	<u>2021</u>
Expenses										
Instruction	\$ 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	\$ 74,236,546
Support services:										
Pupil services	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	4,736,913
Improvement of instructional services	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	2,891,131
Instructional staff training	-	-	-	-	-	-	-	1,882,976	1,766,315	1,592,484
Educational media services	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	1,586,858
General administration	814,072	806,152	746,813	753,349	833,106	931,583	765,392	611,073	792,147	817,552
Federal grant administration	-	-	-	-	-	-	-	70,947	102,519	108,972
School administration	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	6,607,396
Business administration	535,627	565,161	584,065	587,823	592,845	649,173	656,070	712,331	736,723	773,716
Maintenance and operation of plant	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	8,107,196
Student transportation services	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	3,008,368
Central support services	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	2,453,321
Other support services	764,161	845,862	836,956	954,209	254,582	20,672	46,623	80,875	90,294	226,648
Food services operations	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	5,058,327
Community services operations	190,296	280,921	295,762	322,108	462,081	439,096	406,560	374,717	259,725	305,776
Interest on long-term debt	<u>318,232</u>	<u>27,982</u>	<u>33,838</u>	<u>13,444</u>	<u>-</u>	<u>-</u>	<u>1,314,136</u>	<u>1,533,258</u>	<u>2,036,888</u>	<u>1,938,425</u>
Total governmental activities expenses	<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>	<u>\$ 114,449,629</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>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>	<u>2021</u>
Program revenues										
Charges for services										
Instruction	\$ 239,459	\$ 250,285	\$ 268,423	\$ 299,356	\$ 353,807	\$ 372,314	\$ 402,463	\$ 414,417	\$ 405,365	\$ 377,200
Food services										
operations	432,010	475,055	457,594	454,878	533,205	650,968	654,286	765,576	527,542	143,799
Operating grants and contributions										
Instruction	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	43,331,698
Support services:										
Pupil services	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	3,241,917
Improvement of instructional services	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	1,829,148
Instructional staff training	-	-	-	-	-	-	-	1,847,888	1,622,271	1,517,763
Educational media services	685,612	697,969	697,697	791,286	789,452	865,847	915,191	912,827	982,544	962,503
General administration	702,771	600,848	539,728	553,495	595,611	662,303	497,239	395,679	487,617	495,792
Federal grant administration	-	-	-	-	-	-	-	73,368	98,613	102,793
School administration	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	4,032,177
Business administration	284,591	332,098	326,715	365,512	361,555	387,577	396,766	451,303	447,863	475,543
Maintenance and operation of plant	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	4,113,585
Student transportation services	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	1,987,469
Central support services	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	1,538,977
Other support services	447,884	516,801	538,210	637,394	215,412	26,779	27,803	65,032	74,242	217,306

(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>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>	<u>2021</u>
Food services operation	\$ 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	\$ 5,621,139
Community services operations	114,034	165,084	165,573	197,979	274,322	268,991	252,231	238,073	164,027	197,782
Capital grants and contributions										
Instruction	-	-	-	976,572	166,584	3,533,749	89,859	2,698,290	3,729,487	6,291
Support services: Maintenance and operation of plant	-	-	-	-	-	-	-	-	-	389,451
Total governmental activities program revenues	<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>	<u>\$ 70,582,333</u>
Net revenues (expenses) of governmental activities	<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>	<u>\$ (43,867,296)</u>
General revenues and other changes in net position										
Property taxes	\$ 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	\$ 31,701,300
Other taxes	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	10,147,159
Unrestricted investment earnings	78,177	72,263	67,113	84,217	132,672	186,824	391,711	1,881,463	1,009,752	36,374
Other	-	-	84,000	-	-	-	6,040,427	52,214	76,223	85,646
Total governmental activities general revenues and other changes in net position	<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>	<u>\$ 41,970,479</u>
Change in net position of governmental activities	<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>	<u>\$ (1,896,817)</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, 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	June 30, 2021
General fund										
Assigned	\$ -	\$ -	\$ -	\$ 683,991	\$ 795,298	\$ 887,697	\$ 924,804	\$ 1,009,508	\$ 1,032,762	\$ 968,251
Unassigned	<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>	<u>23,639,026</u>
Total general fund	<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>	<u>\$ 24,607,277</u>
Other governmental funds										
Nonspendable	\$ 206,557	\$ 176,335	\$ 175,820	\$ 135,067	\$ 166,277	\$ 206,855	\$ 172,145	\$ 138,335	\$ 207,444	\$ 194,458
Restricted	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	12,888,188
Committed	7,319,827	6,531,842	4,557,368	3,671,470	3,004,498	1,451,225	764,382	454,904	470,781	145,074
Unassigned	<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>	<u>(1,659,374)</u>
Total other governmental funds	<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>	<u>\$ 11,568,346</u>
Total governmental funds										
Nonspendable	\$ 206,557	\$ 176,335	\$ 175,820	\$ 135,067	\$ 166,277	\$ 206,855	\$ 172,145	\$ 138,335	\$ 207,444	\$ 194,458
Restricted	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	12,888,188
Committed	7,319,827	6,531,842	4,557,368	3,671,470	3,004,498	1,451,225	764,382	454,904	470,781	145,074
Assigned	-	-	-	683,991	795,298	887,697	924,804	1,009,508	1,032,762	968,251
Unassigned	<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>	<u>21,979,652</u>
Total governmental funds	<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>	<u>\$ 36,175,623</u>
Total percentage change from prior year	-10.3%	-0.3%	-21.0%	31.7%	7.8%	-15.0%	243.0%	-13.7%	-42.5%	-4.6%

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>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>	<u>2021</u>
Revenues										
Federal sources	\$ 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	\$ 17,889,286
State sources	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	50,641,986
Local sources and other funds	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	44,113,402
On behalf payments	71,770	4,100,644	3,557,571	112,150	121,050	120,805	128,428	134,266	140,086	135,092
Total revenues	<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>	<u>112,779,766</u>
Expenditures										
Current										
Instruction	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	64,639,736
Support services:										
Pupil services	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	4,450,566
Improvement of instructional services	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	2,633,322
Instructional staff training	-	-	-	-	-	-	-	1,922,423	1,705,675	1,479,792
Educational media services	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	1,443,212
General administration	814,072	806,152	746,813	764,193	846,690	909,871	758,396	618,994	771,910	764,049
Federal grant administration	-	-	-	-	-	-	-	73,368	98,613	99,154
School administration	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	5,779,050
Business administration	535,627	565,161	584,065	595,146	602,654	633,141	647,267	723,155	718,504	732,621
Maintenance and operation of plant	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	6,402,692
Student transportation services	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	3,006,162
Central support services	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	2,300,381
Other support services	764,161	795,696	806,730	921,447	234,839	43,713	44,814	80,875	90,294	226,648

(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>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>	<u>2021</u>
Food services operations	\$ 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	\$ 4,799,449
Community services operations	190,296	280,921	295,762	322,108	462,081	439,096	406,560	374,717	259,725	305,776
Capital outlay	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	10,448,592
Debt service:										
Principal retirement	7,390,634	1,298,595	722,208	610,000	-	59,845	2,068,508	2,544,714	2,612,603	2,734,522
Interest and fiscal charges	425,600	37,637	40,722	20,137	-	-	106	2,081,641	2,446,522	2,370,862
Debt issuance costs	-	-	-	-	-	-	819,872	-	-	-
Total expenditures	<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>	<u>114,616,586</u>
Excess of revenues over (under) expenditures	<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>	<u>(1,836,820)</u>
Other financing sources (uses)										
Issuance of debt	-	-	-	-	-	320,996	53,762,806	33,458	65,854	111,423
Premium on debt	-	-	-	-	-	-	7,250,447	-	-	-
Transfers in	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	289,385
Transfers out	(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)	(289,385)
Insurance recoveries	-	-	-	-	-	-	1,836	-	-	-
Total other financing sources (uses)	<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>	<u>111,423</u>
Net change in fund balances	<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>	<u>\$ (1,725,397)</u>
Debt service as a % of noncapital expenditures	10.4%	1.9%	1.0%	0.8%	0.0%	0.1%	2.3%	4.9%	5.0%	4.9%

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>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>	<u>2021</u>
Revenues										
Federal sources	\$ 1,517	\$ 1,399	\$ 1,331	\$ 1,352	\$ 1,300	\$ 1,355	\$ 1,281	\$ 1,294	\$ 1,281	\$ 2,299
State sources	4,370	3,854	3,932	4,947	4,928	5,490	5,660	6,419	7,073	6,507
Local sources and other funds	4,283	4,166	4,486	4,682	4,693	4,779	5,747	5,574	5,552	5,668
On behalf payments	<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>	<u>17</u>
Total revenues	<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>	<u>14,491</u>
Expenditures										
Current:										
Instruction	5,888	5,897	6,177	6,194	6,667	6,567	6,953	7,345	7,939	8,305
Support services	2,688	2,747	2,788	2,824	2,941	3,044	3,340	3,397	3,671	3,767
Food services operation	673	660	545	577	650	644	637	668	628	617
Community services operations	26	37	38	41	58	54	51	47	33	39
Capital outlay	193	451	1,199	535	383	1,845	2,237	2,585	4,570	1,342
Debt service	<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>	<u>656</u>
Total expenditures	<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>	<u>14,727</u>
Excess of revenues over (under) expenditures	<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>	<u>(236)</u>
Other financing sources (uses)										
Issuance of debt	-	-	-	-	-	39	6,806	4	8	14
Premium on debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>918</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39</u>	<u>7,724</u>	<u>4</u>	<u>8</u>	<u>14</u>
Net change in fund balances	<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>	<u>\$ (222)</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
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
2020	2,257,004,573	1,713,045,615	21,287,140	340,470,135	3,650,867,193	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	
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
2020	8.200	0.570	2.237	2.500	8.312	21.819

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

Source: Whitfield County Tax Commissioner

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.

Note: (2) Tandus Centiva, Inc. and Lexmark Carpet Mills, Inc. were combined as Tarkett USA during 2018.

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
2011	\$ 24,774,935	\$ 23,961,602	96.7%	\$ 774,006	\$ 24,735,608	99.8%
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%	549,252	26,464,286	100.0%
2015	27,223,274	26,604,407	97.7%	610,640	27,215,047	100.0%
2016	26,989,808	26,335,721	97.6%	653,255	26,988,976	100.0%
2017	27,926,971	27,366,157	98.0%	512,337	27,878,494	99.8%
2018	30,417,776	29,801,231	98.0%	483,016	30,284,247	99.6%
2019	31,513,397	30,778,538	97.7%	511,456	31,289,994	99.3%
2020	31,532,504	30,732,673	97.5%	-	30,732,673	97.5%

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	
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%	
2021	6,158,209	46,107,740	52,265,949	1.4%	NA	NA	

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

NA - Not yet available

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
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
2021	46,107,740	1,089,172	45,018,568	1.2%	NA

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

NA - Not yet available



CITY OF DALTON BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2021  
(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 agreement with Building Authority - Zone Economic Development Bonds	\$ 3,175,000	100.0%	\$ 3,175,000
Whitfield County agreement with Building Authority - Series 2020 Bonds	26,500,000	32.0%	8,480,000
Total overlapping debt			11,655,000
City of Dalton Board of Education direct debt			55,267,838
Total direct and overlapping debt			\$ 66,922,838

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% 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>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>
Debt limit	\$358,953,829	\$ 366,434,391	\$362,141,093	\$375,304,806	\$376,094,549	\$368,183,682	\$381,029,184	\$390,486,938	\$396,488,913	\$399,133,733
Total net debt applicable to limit	-	-	-	-	-	-	40,380,000	46,532,016	46,319,878	46,107,740
Legal debt margin	<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>	<u>\$353,025,993</u>
Total net debt applicable to limit as a % of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.6%	11.9%	11.7%	11.6%

Legal Debt Margin Calculation  
for Calendar Year 2020

Assessed value	\$ 3,650,867,193
Add: exempt real property	<u>340,470,135</u>
Total assessed value	3,991,337,328
	10%
Debt limit (10% of assessed value)	<u>\$ 399,133,733</u>
Debt applicable to limit	
Total general obligation debt	<u>\$ 46,107,740</u>
Legal debt margin	<u>\$ 353,025,993</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
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%
2020	NA	NA	NA	4.0%

NA: Not yet available

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 2020			Calendar Year 2011		
	Employees (1)	Rank	Percentage of Total City Employees	Employees (1)	Rank	Percentage of Total City Employees
Shaw Industries, Inc.	4,513	1	13.4%	4,381	1	13.1%
Mohawk Industries, Inc.	3,406	2	10.1%	2,168	2	6.5%
Hamilton Medical Center	1,702	3	5.1%	1,769	3	5.3%
Dalton Public School System	1,211	4	3.6%	855	5	2.6%
Engineered Floors, LLC (2)	1,026	5	3.0%	-	NA	0.0%
Tarkett USA (3)	822	6	2.4%	-	NA	0.0%
City of Dalton, Georgia	713	7	2.1%	665	6	2.0%
Columbia Recycling Corp.	391	8	1.2%	-	NA	0.0%
Wal-Mart Stores, LP	384	9	1.1%	-	NA	0.0%
Shiroki Georgia, LLC	347	10	1.0%	310	9	0.9%
Beaulieu of America, LLC (2)	-	NA	0.0%	1,686	4	5.0%
TANDUS Centiva, Inc. (3)	-	NA	0.0%	610	7	1.8%
J&J Industries (2)	-	NA	0.0%	551	8	1.6%
Indian Summer Carpet Mills, Inc.	-	NA	0.0%	292	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: (3) Tandus Centiva, Inc. and Lexmark Carpet Mills, Inc. were combined as Tarkett USA during 2018

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>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>	<u>2021</u>
PreKindergarten	308	329	334	372	373	371	372	372	393	389
Elementary School Grades K-5	3,592	3,664	3,674	3,625	3,592	3,643	3,456	3,362	3,324	3,272
Middle School Grades 6-8	1,623	1,677	1,697	1,727	1,751	1,778	1,803	1,772	1,792	1,759
High School Grades 9-12	<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>	<u>2,363</u>
Total	<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>	<u><u>7,783</u></u>
Percentage Change from Prior Year	3.2%	4.7%	1.8%	2.0%	1.4%	2.3%	-3.1%	0.3%	-0.5%	-1.3%

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>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>	<u>2021</u>
Classroom teachers	472	509	535	536	555	563	567	581	599	596
Support personnel	331	343	354	362	375	369	363	358	347	315
Administrators	<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>	<u>39</u>
Total	<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>	<u>950</u>
Percentage Change from Prior Year	1.5%	6.5%	4.3%	0.6%	3.9%	0.1%	0.0%	0.7%	0.6%	-3.6%

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
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	60,558	95%
2021	40,980	37,092	110%	84,168	57,655	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 2021 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>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>	<u>2021</u>
Blue Ridge Elementary School										
Enrollment	760	781	734	696	656	672	654	643	667	655
Teachers	52	53	50	48	49	47	48	53	58	59
Teacher/student ratio	15	15	15	15	13	14	14	12	12	11
Brookwood Elementary School										
Enrollment	606	625	648	627	620	678	710	673	675	657
Teachers	40	42	44	46	45	44	46	49	52	54
Teacher/student ratio	15	15	15	14	14	15	15	14	13	12
City Park Elementary School										
Enrollment	786	817	800	836	832	815	738	707	745	727
Teachers	51	56	59	57	59	61	57	57	62	63
Teacher/student ratio	15	15	14	15	14	13	13	12	12	12
Park Creek Elementary School										
Enrollment	747	750	732	762	765	744	662	633	608	584
Teachers	53	58	58	58	62	61	58	55	56	56
Teacher/student ratio	14	13	13	13	12	12	11	12	11	10
Roan Elementary School										
Enrollment	424	442	516	506	489	496	476	470	460	460
Teachers	36	36	40	40	41	41	41	43	44	43
Teacher/student ratio	12	12	13	13	12	12	12	11	10	11

(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>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>	<u>2021</u>
Westwood Elementary School										
Enrollment	577	578	578	570	603	609	588	608	562	578
Teachers	35	37	36	35	39	38	41	45	46	46
Teacher/student ratio	16	16	16	16	15	16	14	14	12	13
Dalton Middle School										
Enrollment	1,623	1,677	1,697	1,727	1,751	1,778	1,803	1,772	1,792	1,759
Teachers	108	112	122	121	121	126	129	134	134	128
Teacher/student ratio	15	15	14	14	14	14	14	13	13	14
Dalton High School										
Enrollment	1,428	1,423	1,640	1,874	1,829	1,995	1,901	2,067	2,050	2,104
Teachers	82	83	91	99	103	107	113	111	116	118
Teacher/student ratio	17	17	18	19	18	19	17	19	18	18
Morris Innovative High School										
Enrollment	274	471	358	260	421	361	367	348	324	259
Teachers	16	33	35	31	36	37	35	36	31	30
Teacher/student ratio	17	14	10	8	12	10	10	10	10	9

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>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>	<u>2021</u>
Blue Ridge Elementary School (Year Built 2005)										
Square feet	83,500	83,500	83,500	83,500	83,500	83,500	83,500	83,500	83,500	83,500
Total classrooms <sup>(1)</sup>	48	48	48	49	49	49	49	49	49	49
Building capacity based on total classrooms <sup>(2)</sup>	762	762	762	787	787	787	787	787	787	787
Enrollment K - 5 <sup>(3)</sup>	686	711	665	628	585	603	584	576	604	597
Enrollment as a % of total classroom capacity	90%	93%	87%	80%	74%	77%	74%	73%	77%	76%
Enrollment PreK - 5 <sup>(3)</sup>	760	781	734	696	656	672	654	643	667	655
Enrollment as a % of total classroom capacity	100%	102%	96%	88%	83%	85%	83%	82%	85%	83%
Brookwood Elementary School (Year Built 1963)										
Square feet	87,859	87,859	87,859	87,859	87,859	87,859	87,859	87,859	87,859	87,859
Total classrooms <sup>(1)</sup>	48	48	48	49	49	49	49	49	48	48
Building capacity based on total classrooms <sup>(2)</sup>	762	762	762	787	787	787	787	787	762	762
Enrollment K - 5 <sup>(3)</sup>	557	580	600	579	575	630	661	624	612	597
Enrollment as a % of total classroom capacity	73%	76%	79%	74%	73%	80%	84%	79%	80%	78%
Enrollment PreK - 5 <sup>(3)</sup>	606	625	648	627	620	678	710	673	675	657
Enrollment as a % of total classroom capacity	80%	82%	85%	80%	79%	86%	90%	86%	89%	86%

(continued)

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

School	For the fiscal year ended June 30,									
	<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>	<u>2021</u>
City Park School (Year Built 1956)										
Square feet	138,379	138,379	138,379	138,379	138,379	138,379	138,379	138,379	138,379	138,379
Total classrooms <sup>(1)</sup>	54	54	54	55	55	55	55	57	57	56
Building capacity based on total classrooms <sup>(2)</sup>	875	875	875	887	887	887	887	904	904	895
Enrollment K - 5 <sup>(3)</sup>	737	768	746	762	758	746	666	639	648	629
Enrollment as a % of total classroom capacity	84%	88%	85%	86%	85%	84%	75%	71%	72%	70%
Enrollment PreK - 5 <sup>(3)</sup>	786	817	800	836	832	815	738	707	745	727
Enrollment as a % of total classroom capacity	90%	93%	91%	94%	94%	92%	83%	78%	82%	81%
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 <sup>(1)</sup>	49	49	49	50	50	50	50	50	50	50
Building capacity based on total classrooms <sup>(2)</sup>	787	787	787	800	800	800	800	800	800	800
Enrollment K - 5 <sup>(3)</sup>	679	680	664	676	680	655	581	563	543	519
Enrollment as a % of total classroom capacity	86%	86%	84%	85%	85%	82%	73%	70%	68%	65%
Enrollment PreK - 5 <sup>(3)</sup>	747	750	732	762	765	744	662	633	608	584
Enrollment as a % of total classroom capacity	95%	95%	93%	95%	96%	93%	83%	79%	76%	73%

(continued)

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

School	For the fiscal year ended June 30,									
	<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>	<u>2021</u>
Roan Elementary School (Year Built 1969)										
Square feet	67,308	67,308	67,308	67,308	67,308	67,308	67,308	67,308	67,308	67,308
Total classrooms <sup>(1)</sup>	31	31	31	32	32	32	32	32	32	32
Building capacity based on total classrooms <sup>(2)</sup>	475	475	475	487	487	487	487	487	487	487
Enrollment K - 5 <sup>(3)</sup>	377	397	471	457	440	449	427	420	415	416
Enrollment as a % of total classroom capacity	79%	84%	99%	94%	90%	92%	88%	86%	85%	85%
Enrollment PreK - 5 <sup>(3)</sup>	424	442	516	506	489	496	476	470	460	460
Enrollment as a % of total classroom capacity	89%	93%	109%	104%	100%	102%	98%	97%	94%	94%
Westwood Elementary School (Year Built 1959)										
Square feet	59,640	59,640	59,640	59,640	59,640	59,640	59,640	59,640	59,640	59,640
Total classrooms <sup>(1)</sup>	31	31	31	32	32	32	32	32	33	33
Building capacity based on total classrooms <sup>(2)</sup>	475	475	475	487	487	487	487	487	512	512
Enrollment K - 5 <sup>(3)</sup>	529	528	528	523	554	560	537	540	502	514
Enrollment as a % of total classroom capacity	111%	111%	111%	107%	114%	115%	110%	111%	98%	100%
Enrollment PreK - 5 <sup>(3)</sup>	577	578	578	570	603	609	588	608	562	578
Enrollment as a % of total classroom capacity	121%	122%	122%	117%	124%	125%	121%	125%	110%	113%

(continued)

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

School	For the fiscal year ended June 30,									
	<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>	<u>2021</u>
Dalton Middle School (Year Built 2001)										
Square feet	196,144	196,144	196,144	243,880	243,880	243,880	243,880	243,880	243,880	243,880
Total classrooms <sup>(1)</sup>	97	97	97	110	110	110	110	110	110	110
Building capacity based on total classrooms <sup>(2)</sup>	1,612	1,612	1,612	1,825	1,825	1,825	1,825	1,825	1,825	1,825
Enrollment 6-8 <sup>(3)</sup>	1,623	1,677	1,697	1,727	1,751	1,778	1,803	1,772	1,792	1,759
Enrollment as a % of total classroom capacity	101%	104%	105%	95%	96%	97%	99%	97%	98%	96%
Dalton High School (Year Built 1976)										
Square feet	329,332	329,332	329,332	329,332	329,332	329,332	329,332	329,332	329,332	329,332
Total classrooms <sup>(1)</sup>	99	99	99	99	99	99	99	99	102	102
Building capacity based on total classrooms <sup>(2)</sup>	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,987	1,987
Enrollment 9-12 <sup>(3)</sup>	1,428	1,423	1,640	1,874	1,829	1,995	1,901	2,067	2,050	2,104
Enrollment as a % of total classroom capacity	74%	74%	85%	97%	95%	104%	99%	107%	103%	106%

(continued)

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

School	For the fiscal year ended June 30,									
	<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>	<u>2021</u>
Morris Innovative High School <sup>(4)</sup> (Year Built 1911)										
Square feet	30,385	54,044	54,044	54,044	54,044	54,044	54,044	54,044	54,044	54,044
Total classrooms <sup>(1)</sup>	18	26	26	29	29	29	29	35	35	35
Building capacity based on total classrooms <sup>(2)</sup>	287	450	450	512	512	512	512	637	637	637
Enrollment 9-12 <sup>(3)</sup>	274	471	358	260	421	361	367	348	324	259
Enrollment as a % of total classroom capacity	95%	105%	80%	51%	82%	71%	72%	55%	51%	41%

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 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>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>	<u>2021</u>
Blue Ridge School	87.1%	89.8%	95.8%	88.8%	88.1%	87.9%	81.2%	93.9%	87.1%	82.0%
Brookwood Elementary School	61.6%	61.1%	61.7%	59.7%	56.5%	52.1%	56.2%	51.9%	42.5%	39.7%
City Park School	88.9%	87.8%	92.9%	89.2%	86.5%	83.1%	81.7%	94.3%	80.5%	80.6%
Park Creek School	89.7%	89.7%	98.8%	87.7%	93.2%	87.8%	83.7%	90.0%	90.0%	83.0%
Roan School	87.7%	87.6%	95.4%	88.3%	85.9%	86.3%	82.4%	91.5%	81.3%	82.8%
Westwood Elementary School	52.3%	54.8%	55.7%	52.5%	49.9%	47.6%	52.7%	53.0%	49.5%	47.1%
Dalton Middle School	76.8%	79.7%	80.1%	77.8%	80.3%	77.1%	78.0%	77.2%	71.1%	85.4%
Morris Innovative High School	87.2%	86.8%	84.4%	84.6%	84.1%	83.4%	78.5%	64.5%	73.0%	32.7%
Dalton High School	64.9%	66.4%	70.1%	66.5%	63.0%	64.7%	65.1%	78.7%	72.2%	85.3%
District wide	77.2%	77.6%	78.5%	75.9%	75.2%	73.1%	72.6%	74.7%	71.9%	63.4%

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, 2021

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
<b>2017 ESPLOST</b>					
Acquisition, construction, renovation, and equipping of schools	<u>\$ 36,917,000</u>	<u>\$ 36,917,000</u>	<u>\$ 21,273,634</u>	<u>\$ 3,074,466</u>	<u>\$ 24,348,100</u>



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, 2021, 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 December 1, 2021.

**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*.

## **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  
December 1, 2021

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, 2021. 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, 2021.

## 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Estes & Walcott*

Dalton, Georgia  
December 1, 2021

CITY OF DALTON BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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. No significant deficiencies in internal control over major federal award programs were disclosed during the audit that were 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 Education
  - Pass-Through Georgia Department of Education
  - Special Education Cluster (IDEA)
  - Special Education Grants to States
  - Special Education - Preschool Grants
  - CFDA # 84.027 and 84.173
  - U.S. Department of Education
  - Pass-Through Georgia Department of Education:
  - Education Stabilization Fund
  - COVID-19 - Elementary and Secondary School Elementary and Secondary School Emergency Relief Fund
  - COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund
  - CFDA # 84.425D and 84.425U
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 EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA #	Current Year Expenditures
U.S. Department of Agriculture		
Pass-Through Georgia Department of Education:		
Child Nutrition Cluster		
School Breakfast Program	10.553	\$ 1,754,879
National School Lunch Program		
(includes \$146,816 in non-cash awards)	10.555	3,686,593
Total Child Nutrition Cluster		5,441,472
Total U.S. Department of Agriculture		5,441,472
U.S. Department of Defense		
Direct Funding:		
ROTC Language and Culture Training Grants	12.357	59,945
Total U.S. Department of Defense		59,945
U.S. Department of Education		
Pass-Through Georgia Department of Education:		
Special Education Cluster (IDEA)		
Special Education Grants to States	84.027	1,338,692
Special Education Preschool Grants	84.173	33,544
Total Special Education Cluster (IDEA)		1,372,236
Education Stabilization Fund		
COVID-19 - Elementary and Secondary School Elementary and		
Secondary School Emergency Relief Fund	84.425D	3,153,846
COVID-19 - American Rescue Plan Elementary and Secondary		
School Emergency Relief Fund	84.425U	3,029,457
Total Education Stabilization Fund		6,183,303
Other Programs		
Title I Grants to Local Educational Agencies	84.010	2,482,922
Migrant Education State Grant Program	84.011	12,935
Career and Technical Education - Basic Grants to States	84.048	47,347
Education for Homeless Children and Youth	84.196	54,639
Twenty-First Century Community Learning Centers	84.287	308,363
English Language Acquisition State Grants	84.365	206,182
Improving Teacher Quality State Grants	84.367	263,599
Student Support and Academic Enrichment Program	84.424	220,988
Total Other Programs		3,596,975
Total U.S. Department of Education		11,152,514

(continued)

CITY OF DALTON BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA #</u>	<u>Current Year Expenditures</u>
U.S. Department of Health and Human Services		
Pass-Through Georgia Department of Early Care and Learning:		
CCDF Cluster		
COVID-19 - Child Care and Development Block Grant	93.575	34,493
Total CCDF Cluster		34,493
Total U.S. Department of Health and Human Services		34,493
 Total Federal Awards Expended		 <u><u>\$ 16,688,424</u></u>



CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 \$146,816 the year ended June 30, 2021.

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, 2021

Prior Year 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.
	Status:	This program was not tested as a major program this year. No similar finding were noted in the COVID-19 Economic Stabilization testing or in the Special Education testing.