

**CITY OF DALTON BOARD OF EDUCATION**  
**DALTON, GEORGIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**PREPARED BY THE FINANCE DEPARTMENT**

CITY OF DALTON BOARD OF EDUCATION  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

Introductory Section	
Table of Contents	i
Transmittal Letter	iv
List of Elected Officials and Administration	x
Organizational Chart	xi
Financial Section	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	16
Fund Financial Statements	
Balance Sheet - Governmental Funds	17
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	23
Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position	26
Notes to the Financial Statements	27
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability - Teachers Retirement System of Georgia	59
Schedule of Contributions - Teachers Retirement System of Georgia	60
Schedule of Proportionate Share of the Net Pension Liability - Public School Employees Retirement System	61
Schedule of Proportionate Share of the Net Pension Liability - Employees' Retirement System	62
Schedule of Contributions - Employees' Retirement System	63
Schedule of Proportionate Share of the Net OPEB Liability - School OPEB Fund	64
Schedule of Contributions - School OPEB Fund	65
Notes to Required Supplementary Information	66
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - School Federal Programs Special Revenue Fund	68
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - School Food Services Special Revenue Fund	69

CITY OF DALTON BOARD OF EDUCATION  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

Financial Section	
<hr/>	
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet - Nonmajor Governmental Funds	70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	71
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Lottery Programs Special Revenue Fund	72
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Other Grants Special Revenue Fund	73
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Projects Fund	74
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Education Special Purpose Local Option Sales Tax Capital Projects Fund	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund	76
Combining Statement of Fiduciary Net Position - Custodial Funds	77
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	78
<hr/>	
Statistical Section	
<hr/>	
Financial Trends	
Net Position by Component	79
Changes in Net Position	80
Fund Balances of Governmental Funds	83
Changes in Fund Balances of Governmental Funds	84
Per Pupil Statement of Revenues, Expenditures, and Changes in Fund Balances	86
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	87
Direct and Overlapping Property Tax Rates	88
Principal Property Taxpayers	89
Property Tax Levies and Collections	90
Debt Capacity	
Ratios of Outstanding Debt by Type	91
Ratios of General Bonded Debt Outstanding	92
Direct and Overlapping Governmental Activities Debt	93
Legal Debt Margin Information	94
Demographic and Economic Information	
Demographic and Economic Statistics	95
Principal Employers	96

CITY OF DALTON BOARD OF EDUCATION  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

Statistical Section	
<hr/>	
Operating Information	
Student Enrollment by Major Grade Level	97
Employees by Function	98
Teachers' Salaries	99
Teacher Student Ratio by School	100
School Information	103
Free and Reduced Lunch Program	107
<hr/>	
Special Reports Section	
<hr/>	
Schedule of Expenditures of Education Special Purpose Local Option Sales Tax Proceeds	108
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	109
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	111
Schedule of Findings and Questioned Costs	114
Schedule of Expenditures of Federal Awards	116
Notes to the Schedule of Expenditures of Federal Awards	118



November 18, 2022

**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 Annual Comprehensive Financial Report (“ACFR”) of the City of Dalton Board of Education (the “School District”) for the fiscal year ended June 30, 2022. 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, 2022. The independent auditor’s report is located at the front of the financial section of this report.

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

**Profile of the School District**

The School District was established through the Charter of the City of Dalton in 1886, and serves only the City of Dalton. The School District is an independent public prekindergarten (PreK)-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 gifted education, career technology education, remedial education, and English language learners education.

The Dalton Board of Education 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 7,717 PreK through 12th grade students enrolled in the School District in the 2021-2022 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 2022-2023 school year is 7,675 students.

The School District consists of six elementary schools, one middle school, a junior high school, and two high schools. All schools and the School District are members of Cognia, formerly known as AdvancEd, 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 ACFR.

The School District has one of the highest levels of staff training and experience of any public PreK-12 school system in Georgia. About 70 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 645 certified staff members and 383 support staff for a total of 1,028 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 2022 statistic report from the Georgia Department of Labor, the manufacturing industry makes up approximately 34 percent of the 66,900 jobs in Dalton Metropolitan Statistical Area.

The Dalton economy is heavily tied to the construction-related industry. The recent changes in the economy set off by the global novel coronavirus pandemic has not significantly affected the national housing market and construction in general. Dalton unemployment rates are low which is consistent with the state and nation. The Georgia rate is 2.8 percent and national rate is at 3.5 percent. The latest unemployment rate from 2022 for the Dalton Metropolitan Area is 3.0 percent down from 3.4 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 2022 had a \$882,300 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 2023 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 year 2019 and fiscal year 2020. Although Georgia school districts started fiscal year 2022 with austerity reductions, the state was able to remove the revenue reductions with the mid-year adjustments that are paid in March.

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 2022, 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, 2020, and 2022 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 the lowest level at \$52.8 million, and the fund balance reached nearly \$9.6 million. Fiscal year 2022 general fund expenditures increased to \$85.4 million, and the fund balance was more than \$25 million. The Dalton Board of Education is intentional with the higher fund balance level in order to prepare for the 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 were later reduced within the fiscal year. The same patterned occurred in the 2021-2022 school year with state funding. The School District's fiscal year 2022 budget included over \$1.9 million in state funding reductions due to the austerity plans. In March 2022, the School District started receiving its state funding formula adjustment. Actual austerity reductions for fiscal year 2022 were eliminated which contributed to the increased fund balance.

Although School District student enrollment has increased 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, and fiscal year 2022 had a 0.8 percent decline in student enrollment. 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 that was implemented in fiscal year 2022. The grade configuration change reduced enrollment at Dalton High School, the middle school, and added a junior high school for students in 8<sup>th</sup> and 9th grades. Additionally, the School District closed Morris Innovative High School, and opened a new high school, Dalton Academy 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 and City Park elementary schools. Additionally, the current ESPLOST has funds available to support some of the facility and capital needs with the grade configuration change at Dalton Junior High, Dalton Academy, 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 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 2013, School District staff prepared for changes in K-12 literacy and math with the rollout of the new Georgia Performance Standards. The superintendent and instructional leaders throughout the School District 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.

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



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 ("CCRPI") begins to include more indicators than what has been considered in the past. When fully operational, CCRPI includes content mastery, student progress, closing achievement gaps, readiness, and at the high school level - graduation rates. In addition, accurate annual comparisons are difficult to conduct with fidelity due to the fact that 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 2021 and 2022 school years, however the schedule is not meant to be a comparison.

Dalton Public Schools Fiscal Years 2021 and 2022		
	% of Proficient and Distinguished	% of Proficient and Distinguished
	FY 2021	FY 2022
<b>English Language Arts</b>		
High School American Literature	15%	40%
8 <sup>th</sup> Grade Milestones Test	35%	33%
5 <sup>th</sup> Grade Milestones Test	31%	33%
<b>Mathematics</b>		
Algebra I	18%	32%
8 <sup>th</sup> Grade Milestones Test	34%	29%
5 <sup>th</sup> Grade Milestones Test	26%	35%
<b>Science</b>		
Biology	29%	41%
8 <sup>th</sup> Grade Milestones Test	13%	15%
5 <sup>th</sup> Grade Milestones Test	30%	35%
<b>Social Studies</b>		
US History	19%	38%
8 <sup>th</sup> Grade Milestones Test	20%	25%

*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, it is essential that the results from the 2020-2021 year 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 member 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 black ink, appearing to read "Tim Scott". The signature is fluid and cursive, with the last name "Scott" being more legible than the first name.

Tim Scott  
Superintendent

A handwritten signature in blue ink, appearing to read "Theresa A. Perry". The signature is fluid and cursive, with the last name "Perry" being more legible than the first name.

Theresa A. Perry  
Chief Financial Officer

CITY OF DALTON BOARD OF EDUCATION  
ELECTED OFFICIALS AND ADMINISTRATION  
JUNE 30, 2022

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Elected Officials

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Matt Evans, Chairman  
In office since January 2018  
Current term expires December 2024

Palmer Griffin, Vice Chairman  
In office since January 2018  
Current term expires December 2024

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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Kyle Abernathy, 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

Missie McKinney, Principal  
Dalton Junior High School

Stephanie Hungerpillar, Principal  
Dalton High School

Matt Mederios, Principal  
The Dalton Academy

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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

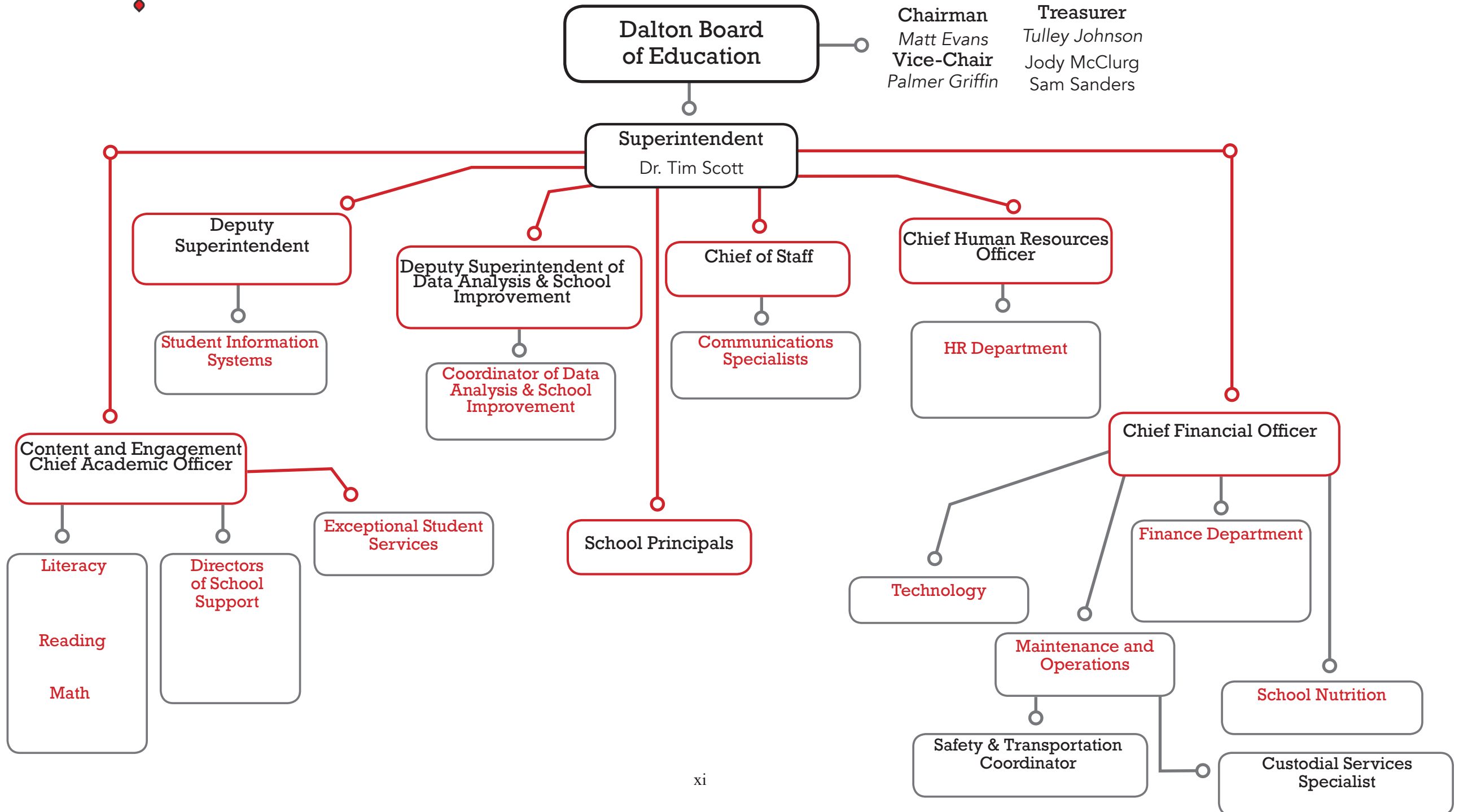
Theresa Perry  
Chief Financial Officer

Pat Holloway  
Chief of Staff

Mendy Woods  
Chief Human Resource Officer



# Dalton Public Schools Organizational Chart



## FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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, 2022, 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.

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, 2022, 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.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Dalton Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Dalton Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 13, the required supplementary information for pension plans and OPEB plans on pages 59 – 67, 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.

## ***Supplementary 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 accompanying combining and individual fund financial statements and schedules, schedule of expenditures of education local option sales tax proceeds, and schedule of expenditures of federal awards, 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, 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.

## ***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2022, on our consideration of the City of Dalton Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Dalton Board of Education's internal control over financial reporting and compliance.

*Estes & Walcott*

Dalton, Georgia  
November 18, 2022



**CITY OF DALTON BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

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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, 2022. 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 2022 are as follows:

- In fiscal year 2022, total net position increased 137% or \$19.1 million from the fiscal year 2021 net position of \$13.9 million to \$33.0 million. This increase is primarily due to a decrease in liabilities related to pensions and other post-employment benefits.
- Total revenues increased 13% from \$112.6 million in 2021 to \$127.1 million in 2022. Most of the change is attributable to operating 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 2022 as it pertains to elimination of austerity reductions, and additional funding for one-time salary supplements. Donation revenues increased in fiscal year 2022 for an athletic field partnership with the City of Dalton. Overall, revenues exceeded expenditures by \$19.1 million in fiscal year 2022.
- Total expenses decreased 6% from \$114.4 million in 2021 to \$108.1 million in 2022. Expenditure decreases were in instruction and school administration due to reduced activity from the capital projects. Specifically, the construction expenditures for Hammond Creek were nearly \$9 million in fiscal year 2021 and \$449,000 in fiscal year 2022. Conversely, the School District shows increased expenditures in maintenance and operations and student transportation as a result of the secondary grade reconfiguration. Maintenance expenditure increases were in custodial services and electricity for the operation of Hammond Creek Middle School. Finally, there were pupil service expenditure increases in the federal ESSER funds to respond to the coronavirus global pandemic. The School District added personnel to support the social and emotional needs of students which resulted in increased costs.
- Among the major funds, the general fund reported \$89.7 million in revenues in 2022, compared to \$84.0 million in revenues in 2021. The change is attributable to an increase in state operating revenue due to eliminating austerity revenue reductions for Georgia school districts as a result of the improved economic activity throughout the state. Georgia school districts also received additional state funding to administer a one-time \$2,000 supplement to school employees. The general fund reported \$86.8 million in expenditures in 2022 compared to \$79.8 million in expenditures in 2021. Expenditure increases are due to the one-time \$2,000 employee supplements. The School District also had expenditure increases for the operation of Hammond Creek Middle School in the areas of student transportation, custodial services, and electricity.

**Overview of the Financial Statements**

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

**CITY OF DALTON BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

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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>2022</u>	<u>2021</u>
Assets		
Current and other assets	\$ 52,762,523	\$ 48,358,499
Capital assets	<u>163,026,874</u>	<u>163,450,296</u>
Total assets	<u>215,789,397</u>	<u>211,808,795</u>
 Deferred outflows of resources	 <u>36,759,963</u>	 <u>39,680,315</u>
 Liabilities		
Current liabilities	14,137,781	14,859,224
Long-term liabilities	<u>129,260,236</u>	<u>208,222,782</u>
Total liabilities	<u>143,398,017</u>	<u>223,082,006</u>
 Deferred inflows of resources	 <u>76,127,623</u>	 <u>14,447,008</u>
 Net position		
Net investment in capital assets	113,194,563	111,497,052
Restricted	14,877,657	13,082,646
Unrestricted	<u>(95,048,500)</u>	<u>(110,619,602)</u>
Total net position	<u>\$ 33,023,720</u>	<u>\$ 13,960,096</u>

Current and other assets increased by 9%, or \$4.4 million in fiscal year 2022. This is primarily due to an increase in cash and investments, particularly in the general and school food service funds. The general fund had unanticipated improvements in revenues for fiscal year 2022. The School District started the year with \$1.9 million in austerity reductions in the state formula. The state of Georgia was able to eliminate the austerity revenue subtraction in the mid-term formula adjustment. The school food services fund was able to continue to offer free meals for all students in the 2021-2022 school year. The free meals increased student participation and federal revenue reimbursements.

Capital assets remained flat in fiscal year 2022, as capital outlays and depreciation expense were similar. The School District made investments in instructional equipment, furniture for Hammond Creek and other classrooms throughout the School District, and upgrades to the technology infrastructure. These increases were offset as a result of the School District selling property in fiscal year 2022 and reducing non-depreciable capital assets.

Current liabilities decreased by 5% or \$700,000 in fiscal year 2022. The decrease is attributable to reduced retainage payables for the construction of the Hammond Creek Middle School. By the end of fiscal year 2022, the project at Hammond Creek is substantially complete.

**CITY OF DALTON BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

Long-term liabilities decreased by 38% or \$79.0 million in 2022. This is primarily due to a decrease in the School District's proportionate share of the net pension liability of \$57.2 million and proportionate share of the net other post-employment benefits ("OPEB") liability of \$18.5 million.

Deferred outflows of resources decreased by 7% or \$2.9 million while deferred inflows of resources increased by 427% or \$61.7 million. These items are related to changes in the School District's proportionate share of the outflows and inflows related to participation 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>2022</u>	<u>2021</u>
Revenues		
Program revenues		
Charges for services	\$ 703,768	\$ 520,999
Operating grants and contributions	83,324,421	69,665,592
Capital grants and contributions	378,378	395,742
General revenues		
Property taxes	30,798,235	31,701,300
Other taxes	10,898,498	10,147,159
Donations	945,562	85,646
Investment earnings	89,120	36,374
Total revenues	<u>127,137,982</u>	<u>112,552,812</u>
Expenses		
Instruction	66,448,942	74,236,546
Support services	33,535,404	32,910,555
Food services operation	5,481,956	5,058,327
Community service operation	499,709	305,776
Interest on long-term debt	2,108,347	1,938,425
Total expenses	<u>108,074,358</u>	<u>114,449,629</u>
Change in net position	19,063,624	(1,896,817)
Net position, beginning of year	<u>13,960,096</u>	<u>15,856,913</u>
Net position, end of year	<u>\$ 33,023,720</u>	<u>\$ 13,960,096</u>

*Revenues*

The School District's total revenues increased in 2022 by 13%, or \$14.6 million. The largest increases in revenues were in operating grants. Operating grant increases of \$13.3 million were due to one-time federal funding for the School District's response to the coronavirus global pandemic. Capital grant increases of \$378,400 were due to one-time federal ESSER funding for technology infrastructure.

**CITY OF DALTON BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

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Property taxes decreased by \$903,000 due to reduced personal property values. The City of Dalton Board of Education also approved a minor reduction to the tax millage rate. Other taxes increased by \$751,000 predominately for sales tax collections for capital projects. Sales tax revenues are higher due to inflationary costs of goods and services. Donations increased in fiscal year 2022 for an athletic field partnership with the City of Dalton.

*Expenses*

The School District's total expenses decreased by 6%, or \$6.4 million. Instruction expenditures decreased by \$7.8 million due to the completion of the Hammond Creek capital projects. In fiscal year 2022, maintenance and operation expenditures increased by \$1.2 million for the operation of the new Hammond Creek Middle School. These expenditures were for custodial services, grounds and electricity.

Pupil service expenditures increased by \$756,000 in fiscal year 2022 when compared with fiscal year 2021. The School District added personnel using the one-time federal ESSER funds and the general fund to support the social and emotional needs of students. Student transportation expenditures increased by \$845,000 due to the secondary grade reconfiguration that was implemented in fiscal year 2022. Food service operation expenditures increased by \$424,000 in fiscal year 2022 primarily for increased food and delivery costs. The School District also had an increase of \$194,000 in community services for expenditures in the after school program for elementary students.

**Fund Financial Statements**

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

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

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

*Governmental Funds*

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

*Proprietary Funds*

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

*Fiduciary Funds*

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

**CITY OF DALTON BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

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**The School District's Funds**

The 2022 combined fund balance of all governmental funds totaled \$41.9 million. This is a 16% or \$5.7 million increase from the \$36.2 million fund balance from fiscal year 2021. The fund balance increase occurred in the general fund at \$2.0 million and school food services program at \$3.3 million. The general fund started the school year with \$1.9 million in state revenue formula austerity reductions. The state of Georgia's mid-term funding allocation improved in fiscal year 2022 with removal of the austerity revenue subtraction. Additionally, the school food services program federal revenues increased by \$2.8 million due to increased student participation in the breakfast and lunch program as a result of the federal program to offer free school meals.

Of the governmental fund balance, \$152,000 is nonspendable, \$6.8 million is restricted in the school food services program, \$6.7 million is restricted for capital projects, and \$1.2 million is restricted for debt service. An additional \$582,000 is committed to capital projects, and \$1.1 million is assigned to school activities.

**General Fund Budgetary Highlights**

In developing the fiscal year 2022 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 of revenues and expenditures was increased to account for the state of Georgia financing a one-time \$2,000 supplement to school employees.

Actual revenues were 2% or \$1.3 million higher the final budget. Actual local revenue was \$921,000 more than the final budget for property tax revenue, after school program fees, and non-resident tuition. Federal revenues were \$401,000 more than budget as actual E-rate revenue received was higher than budget estimates.

Actual expenditures were under the final adjusted budget by less than 1% or \$305,000. Most of the expenditure savings were from salaries and benefits in instruction, general administration, school administration, and central support services. Instructional training was under budget due to lower travel expenditures and registration fees associated with professional learning activities. Pupil services was higher than the adjusted budget in the area of school activities and the addition of personnel. Maintenance expenditures were also higher than budget due to equipment purchases, facility operational and repair needs and ground services.

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.

The School District continued to offer families an option to choose virtual or in-person instruction at the beginning of the 2021 – 2022 school year. The School District has been 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.

**CITY OF DALTON BOARD OF EDUCATION  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

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**General Fund Balance**

The fiscal year 2022 unassigned fund balance of \$25.5 million reflects an 8% or \$1.8 million increase from fiscal year 2021. 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 City of Dalton Board of Education allows for a higher fund balance to prepare for some necessary operating costs from the one-time federal funds pertaining to the coronavirus pandemic to be absorbed into the general fund when the federal funding sunsets in fiscal year 2024.

The unrestricted, unassigned fund balance gives the School District a fund balance that is equivalent to 107 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 rising prices due to inflation.

**Other Major Funds**

In fiscal year 2022, the federal programs special revenue fund, school food services special revenue fund, and ESPLOST capital projects fund were considered major funds. Additionally, the School District is reporting the capital projects fund and the debt service fund as major funds, as they have been major funds in prior years, and are significant to the users of the financial statements.

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 38% or \$4.3 million increase from fiscal year 2021 for a total of \$15.4 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 District used ARP funds to add positions to support the needs of students academically, socially, and emotionally.

The school food service fund reports federal, state and local sources of revenue in relation to the operation of the school nutrition program. School food service revenues had a 53% or \$3.0 million increase from fiscal year 2021 for a total of \$8.8 million. Federal revenues increased due to all students continuing to be eligible for free meals throughout the nation’s school districts. Student participation in the school nutrition breakfast and lunch program increased in the School District as a result of the free meals. School food service expenditures increased by 15% or \$713,000 from the previous fiscal year. Expenditure increases were predominately in food and supply costs, as well as some increases in personnel.

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

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 \$35.8 million budget in sales tax revenue that will be allocated to the School District and available to fund capital projects and debt service.

**CITY OF DALTON BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

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Fiscal year 2022 ESPLOST sales tax revenue totaled \$8.7 million compared to \$8.1 million in fiscal year 2021. This 7% increase of \$600,000 is due to inflationary costs of taxable goods or services that are occurring in Whitfield County, the state of Georgia, and throughout the nation.

There were \$6.9 million in ESPLOST capital project expenditures in fiscal year 2022. The most sizeable project was \$5.7 million to create an athletic stadium at the new Dalton Junior High School and Dalton Academy campus (formerly the Dalton Middle School campus). Other ESPLOST expenditures entailed \$1.1 million in site and construction work at Dalton High for building and athletic field improvements. The School District had classroom furniture expenditures and central office facility improvements in fiscal year 2022.

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 2022, the School District had \$449,000 in capital expenditures in the capital projects fund at Hammond Creek Middle School for furniture, equipment, technology, architect, and professional services. Other capital expenditures included equipment at two elementary schools. The School District also received \$590,000 in proceeds from property that was declared surplus and sold.

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 2022 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 \$2.8 million on the long-term debt increased in accordance with the payment terms on the debt schedule. Interest payments of \$2.2 million remain similar to the previous fiscal year.

**CITY OF DALTON BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

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**Capital Assets**

Capital assets remained flat from the prior year, totaling \$163.5 million in 2021 and \$163.0 million in 2022. The new Hammond Creek Middle School was reclassified from construction in progress to buildings and building improvements. The School District sold property in fiscal year 2022. The School District made investments in instructional equipment, furniture for Hammond Creek and other classrooms throughout the School District, and upgrades to the technology infrastructure. See Note 5 of the basic financial statements for additional information on capital assets.

	<u>2022</u>	<u>2021</u>
Capital assets, not depreciable		
Land	\$ 15,875,134	\$ 17,075,134
Construction in progress	<u>8,543,338</u>	<u>48,484,019</u>
Total	<u>24,418,472</u>	<u>65,559,153</u>
Capital assets, depreciable		
Land improvements	5,155,043	4,757,864
Buildings and building improvements	198,798,980	152,571,434
Machinery, equipment, and technology	9,564,725	7,881,186
Vehicles	<u>759,322</u>	<u>715,547</u>
Total	<u>214,278,070</u>	<u>165,926,031</u>
Less accumulated depreciation		
Land improvements	(3,181,088)	(2,968,949)
Buildings and building improvements	(65,520,269)	(59,139,901)
Machinery, equipment, and technology	(6,358,931)	(5,363,104)
Vehicles	<u>(609,380)</u>	<u>(562,934)</u>
Total	<u>(75,669,668)</u>	<u>(68,034,888)</u>
Depreciable capital assets, net	<u>138,608,402</u>	<u>97,891,143</u>
Governmental activities capital assets	<u>\$ 163,026,874</u>	<u>\$ 163,450,296</u>



**CITY OF DALTON BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

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**Debt Administration**

At June 30, 2022, 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	\$ 5,894,345	\$ 60,012	\$ (2,857,067)	\$ 3,097,290	\$ 2,989,401
General obligation bonds	40,380,000	-	-	40,380,000	-
Premium on debt	5,991,604	-	(378,790)	5,612,814	-
Compensated absences	34,017	23,389	(33,997)	23,409	23,409
Total	<u>\$ 52,299,966</u>	<u>\$ 83,401</u>	<u>\$ (3,269,854)</u>	<u>\$ 49,113,513</u>	<u>\$ 3,012,810</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, 2020, and 2022 Georgia school districts did not have reduced funding from austerity cuts. Austerity reductions were reinstated for fiscal year 2021. The School District one-time federal stimulus funding in fiscal years 2021 through 2022 will offset some of those recent 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 twelve 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, was down in 2014, and 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 2022, the funding level has reached its largest amount to date at \$5.6 million. It is expected to decline in fiscal year 2023 for a total of \$4.5 million.

The Dalton area unemployment rates, as well as the state of Georgia, looks better than initial predictions with the onset of the global coronavirus pandemic. The Dalton Metropolitan Area shows an unemployment rate of 3.0% compared with 3.4% which was reported in the previous year. The state of Georgia unemployment rate is 2.8% compared with 3.2% reported in the prior year. The national unemployment rate is 3.5% compared with 4.8% reported in the prior year.

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 has grown since that time and shows a loss of \$882,300 in property tax revenue for fiscal year 2022. 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 \$3.5 million of property tax revenue. Increases to the freeport exemption will be delayed for fiscal year 2023 for the School District. There is some consideration for a 20% increase in a future fiscal year.

**CITY OF DALTON BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

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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 2022 property tax revenue is down 3% or \$1.0 million from fiscal year 2021. The School District is anticipating an increase to the tax digest for fiscal year 2023, however it is unlikely to keep pace with the increased property values from actual sales.

Public school districts throughout the nation were awarded federal funds in response to the novel coronavirus pandemic. The federal funding was authorized under the ESSER Act. The School District has been awarded \$27 million and the federal funding covered specific expenditures from fiscal year 2020 through fiscal year 2023. In fiscal year 2022, the School District had \$10.8 million of expenditures in the ESSER federal funds. The expenditures include a variety of instructional and support positions throughout the School District to address student's academic, social and emotional needs. The School District is also using these funds for both instructional and operational hardware and software technologies. In fiscal year 2023, the ESSER budget for the School District is nearly \$9.0 million. When the funding expires in fiscal year 2024, the School District plans to absorb a portion of these expenditures into the general fund or other funds, if feasible.

The School Board and administrative staff are committed to ensuring the long-term viability of the system. For fiscal year 2023, the City of Dalton Board of Education is continuing to make strategic improvements to employee salary scales. In fiscal year 2023, the governor and legislature increased the state teacher salary scale by \$2,000. The City of Dalton Board of Education replicated a similar percentage increase for all other supporting salary scales of the School District. Additional improvements were made to the support staff scales for positions that are competing with the local corporate labor market. The City of Dalton Board of Education increased the local teacher salary scale in fiscal year 2022. In fiscal year 2020, the governor and legislature increased the state teacher salary scale by \$3,000. The School District applied a similar percentage increase for all other supporting salary scales in fiscal year 2020. The state teacher scale had an adjustment of 2% in fiscal year 2018, which was the first cost of living adjustment since fiscal year 2009.

In fiscal year 2020, the City of 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 – 2022 school year. It is anticipated that enrollment will continue to decline in fiscal year 2023, 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 the new Hammond Creek Middle School for 6-7 grades students 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 inaugural year of operation and use of the new facility was the 2021-2022 school year.

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, 2022

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash	\$ 7,161,956
Investments	39,567,699
Receivables:	
Accounts	213,190
Intergovernmental	3,995,892
Taxes	480,884
Inventory	152,469
Restricted assets - cash	<u>1,190,433</u>
Total current assets	<u>52,762,523</u>
Noncurrent assets	
Nondepreciable capital assets	24,418,472
Depreciable capital assets, net	<u>138,608,402</u>
Total noncurrent assets	<u>163,026,874</u>
Total assets	<u>215,789,397</u>
Deferred outflows of resources	
Related to defined benefit pension plans and OPEB plans	<u>36,759,963</u>
	(continued)

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2022

	<u>Governmental Activities</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 3,460,205
Salaries payable	6,676,941
Unearned revenue	73,003
Retainage payable	303,638
Compensated absences	23,409
Accrued interest payable	611,184
Capital leases payable	<u>2,989,401</u>
Total current liabilities	<u>14,137,781</u>
Long-term liabilities	
Capital leases payable, less current portion	205,101
Bonds payable	45,895,602
Net pension liability	32,587,476
Net OPEB liability	<u>50,572,057</u>
Total long-term liabilities	<u>129,260,236</u>
Total liabilities	<u>143,398,017</u>
Deferred inflows of resources	
Related to defined benefit pension plans and OPEB plans	<u>76,127,623</u>
Net position	
Net investment in capital assets	113,194,563
Restricted for capital projects	6,690,948
Restricted for debt service	1,212,485
Restricted for food services	6,974,224
Unrestricted	<u>(95,048,500)</u>
Total net position	<u>\$ 33,023,720</u>

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	\$ 66,448,942	\$ 426,947	\$ 49,871,247	\$ 341,043	\$ (15,809,705)
Support services:					
Pupil services	5,493,336	-	4,398,869	-	(1,094,467)
Improvement of instructional services	2,277,490	-	1,946,191	-	(331,299)
Instructional staff training	1,491,420	-	1,598,365	-	106,945
Educational media services	1,499,140	-	1,176,448	-	(322,692)
General administration	663,215	-	521,385	-	(141,830)
Federal grant administration	94,384	-	108,283	-	13,899
School administration	5,855,794	-	4,358,670	-	(1,497,124)
Business administration	725,734	-	526,824	-	(198,910)
Maintenance and operation of plant	9,336,056	-	5,584,018	37,335	(3,714,703)
Student transportation services	3,853,758	-	2,633,608	-	(1,220,150)
Central support services	2,064,475	-	1,625,473	-	(439,002)
Other support services	180,602	-	162,474	-	(18,128)
Food services operations	5,481,956	276,821	8,478,520	-	3,273,385
Community services operations	499,709	-	334,046	-	(165,663)
Interest on long-term debt	2,108,347	-	-	-	(2,108,347)
Total governmental activities	<u>\$ 108,074,358</u>	<u>\$ 703,768</u>	<u>\$ 83,324,421</u>	<u>\$ 378,378</u>	<u>(23,667,791)</u>
General revenues					
Property taxes					30,798,235
Vehicle taxes					1,821,961
Intangibles tax					430,483
Sales taxes					8,646,054
Unrestricted investment earnings					89,120
Donations					945,562
Total general revenues					<u>42,731,415</u>
Change in net position					19,063,624
Net position, beginning of year					<u>13,960,096</u>
Net position, end of year					<u>\$ 33,023,720</u>

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

	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	\$ 3,046,197	\$ -	\$ 2,532,562	\$ 654	\$ 1,582,543	\$ -	\$ -	\$ 7,161,956
Investments	29,085,489	-	4,214,054	801,478	5,466,678	-	-	39,567,699
Receivables:								
Accounts	211,353	556	536	-	-	745	-	213,190
Intergovernmental	265,614	2,564,784	359,062	-	803,216	3,216	-	3,995,892
Taxes	452,044	-	-	-	-	28,840	-	480,884
Due from other funds	3,897,765	-	-	33,461	-	12,546	266,569	4,210,341
Inventory	-	-	152,469	-	-	-	-	152,469
Restricted assets - cash	-	-	-	-	-	1,190,433	-	1,190,433
Total assets	<u>\$ 36,958,462</u>	<u>\$ 2,565,340</u>	<u>\$ 7,258,683</u>	<u>\$ 835,593</u>	<u>\$ 7,852,437</u>	<u>\$ 1,235,780</u>	<u>\$ 266,569</u>	<u>\$ 56,972,864</u>
								(continued)

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

	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	\$ 2,425,455	\$ 632,147	\$ 20,476	\$ 72,545	\$ 299,329	\$ -	\$ 10,253	\$ 3,460,205
Salaries payable	5,594,160	802,488	96,588	-	-	-	183,705	6,676,941
Due to other funds	2,002,178	1,299,665	167,395	63,647	675,970	-	1,486	4,210,341
Retainage payable	-	-	-	50,000	253,638	-	-	303,638
Unearned revenue	-	378	-	-	-	-	72,625	73,003
Total liabilities	<u>10,021,793</u>	<u>2,734,678</u>	<u>284,459</u>	<u>186,192</u>	<u>1,228,937</u>	<u>-</u>	<u>268,069</u>	<u>14,724,128</u>
Deferred inflows of resources								
Unavailable revenue - property taxes	<u>373,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,295</u>	<u>-</u>	<u>396,492</u>
Fund balances								
Nonspendable	-	-	152,469	-	-	-	-	152,469
Restricted	-	-	6,821,755	67,448	6,623,500	1,212,485	-	14,725,188
Unrestricted:								
Committed	-	-	-	581,953	-	-	-	581,953
Assigned	1,100,628	-	-	-	-	-	-	1,100,628
Unassigned	<u>25,462,844</u>	<u>(169,338)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,500)</u>	<u>25,292,006</u>
Total fund balances	<u>26,563,472</u>	<u>(169,338)</u>	<u>6,974,224</u>	<u>649,401</u>	<u>6,623,500</u>	<u>1,212,485</u>	<u>(1,500)</u>	<u>41,852,244</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 36,958,462</u>	<u>\$ 2,565,340</u>	<u>\$ 7,258,683</u>	<u>\$ 835,593</u>	<u>\$ 7,852,437</u>	<u>\$ 1,235,780</u>	<u>\$ 266,569</u>	<u>\$ 56,972,864</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, 2022

Total governmental fund balances	\$ 41,852,244
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Amounts reported for governmental activities in the statement of net position are different because:

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

Interfund receivables	4,210,341	
Interfund payables	<u>(4,210,341)</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	238,696,542	
Accumulated depreciation	<u>(75,669,668)</u>	163,026,874

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.

396,492

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	(611,184)	
Capital leases payable	(3,097,290)	
Bonds payable	(40,380,000)	
Premium on debt, net of amortization	(5,612,814)	
Compensated absences	(23,409)	
Net pension liability	(32,587,476)	
Net OPEB liability	<u>(50,572,057)</u>	<u>(132,884,230)</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	36,759,963	
Deferred inflows related to pension and OPEB plans	<u>(76,127,623)</u>	<u>(39,367,660)</u>

Net position of governmental activities	<u>\$ 33,023,720</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, 2022

	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	\$ 1,752,624	\$ 15,422,260	\$ 8,222,241	\$ -	\$ -	\$ -	\$ 68,986	\$ 25,466,111
State sources	54,144,720	-	256,279	-	-	-	1,754,205	56,155,204
Local sources and other funds	33,720,293	-	285,933	1,813	9,502,970	2,068,310	14	45,579,333
On behalf payments	128,829	-	-	-	-	-	-	128,829
Total revenues	<u>89,746,466</u>	<u>15,422,260</u>	<u>8,764,453</u>	<u>1,813</u>	<u>9,502,970</u>	<u>2,068,310</u>	<u>1,823,205</u>	<u>127,329,477</u>
Expenditures								
Current:								
Instruction	57,666,083	9,337,758	-	174,682	124,504	-	1,830,376	69,133,403
Support services:								
Pupil services	4,160,637	1,612,927	-	-	-	-	22,762	5,796,326
Improvement of instructional services	2,019,378	600,631	-	-	-	-	1,530	2,621,539
Instructional staff training	152,429	1,512,811	-	-	-	-	-	1,665,240
Educational media services	1,607,746	102,812	-	-	-	-	-	1,710,558
General administration	661,035	80,364	-	-	-	-	-	741,399
Federal grant administration	-	109,465	-	-	-	-	-	109,465
School administration	5,225,458	832,722	-	-	-	-	4,378	6,062,558
Business administration	788,092	-	-	-	-	-	-	788,092
Maintenance and operation of plant	7,339,995	492,781	-	-	-	-	-	7,832,776
Student transportation services	3,684,548	149,221	-	-	-	-	23,681	3,857,450
Central support services	2,063,099	249,021	-	-	-	-	-	2,312,120
Other support services	48,045	131,780	-	-	-	763	14	180,602
Food services operations	-	-	5,466,525	-	-	-	-	5,466,525
Community services operations	499,709	-	-	-	-	-	-	499,709

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, 2022

	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	471,929	341,043	-	428,649	6,808,586	-	-	8,050,207
Support services:								
School administration	60,012	-	-	-	-	-	-	60,012
Maintenance and operation of plant	281,985	37,335	-	-	-	-	-	319,320
Debt service:								
Principal retirement	62,067	-	-	-	-	2,795,000	-	2,857,067
Interest and fiscal charges	-	-	-	-	-	2,238,500	-	2,238,500
Total expenditures	<u>86,792,247</u>	<u>15,590,671</u>	<u>5,466,525</u>	<u>603,331</u>	<u>6,933,090</u>	<u>5,034,263</u>	<u>1,882,741</u>	<u>122,302,868</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,954,219</u>	<u>(168,411)</u>	<u>3,297,928</u>	<u>(601,518)</u>	<u>2,569,880</u>	<u>(2,965,953)</u>	<u>(59,536)</u>	<u>5,026,609</u>
Other financing sources (uses)								
Issuance of debt	60,012	-	-	-	-	-	-	60,012
Transfers in	-	-	-	-	1,000,000	5,836,885	58,036	6,894,921
Transfers out	(1,058,036)	-	-	-	(5,836,885)	-	-	(6,894,921)
Proceeds from sale of assets	-	-	-	590,000	-	-	-	590,000
Total other financing sources (uses)	<u>(998,024)</u>	<u>-</u>	<u>-</u>	<u>590,000</u>	<u>(4,836,885)</u>	<u>5,836,885</u>	<u>58,036</u>	<u>650,012</u>
Net changes in fund balances	1,956,195	(168,411)	3,297,928	(11,518)	(2,267,005)	2,870,932	(1,500)	5,676,621
Fund balances, beginning 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>
Fund balances, end of year	<u>\$ 26,563,472</u>	<u>\$ (169,338)</u>	<u>\$ 6,974,224</u>	<u>\$ 649,401</u>	<u>\$ 6,623,500</u>	<u>\$ 1,212,485</u>	<u>\$ (1,500)</u>	<u>\$ 41,852,244</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, 2022

Net changes in fund balances - governmental funds \$ 5,676,621

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

Elimination of transfers between governmental funds:

Transfers in	(6,894,921)	
Transfers out	<u>6,894,921</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	8,429,539	
Depreciation expense	<u>(7,652,961)</u>	776,578

Disposal of capital assets not reported at the fund level: (1,200,000)

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. (169,787)

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	(60,012)	
Principal payments of debt	2,857,067	
Amortization of premiums	<u>378,790</u>	3,175,845

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	10,608	
Net change in accrued interest payable	(248,637)	
On behalf payments from the State of Georgia for pension contributions	(21,708)	
Pension expense in excess of pension contributions	8,871,393	
OPEB expense in excess of OPEB contributions	<u>2,192,711</u>	<u>10,804,367</u>

Change in net position - governmental activities \$ 19,063,624

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, 2022

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	\$ 791,670	\$ 1,351,670	\$ 1,752,624	\$ 400,954
State sources	50,768,208	54,106,118	54,144,720	38,602
Local sources and other funds	32,798,850	32,798,850	33,720,293	921,443
On behalf payments	146,390	146,390	128,829	(17,561)
Total revenues	<u>84,505,118</u>	<u>88,403,028</u>	<u>89,746,466</u>	<u>1,343,438</u>
Expenditures				
Current:				
Instruction	57,716,294	57,887,952	57,666,083	221,869
Support services:				
Pupil services	3,582,177	3,793,238	4,160,637	(367,399)
Improvement of instructional services	2,003,686	2,062,173	2,019,378	42,795
Instructional staff training	269,878	284,953	152,429	132,524
Educational media services	1,544,806	1,593,095	1,607,746	(14,651)
General administration	786,995	794,995	661,035	133,960
School administration	5,267,993	5,355,634	5,225,458	130,176
Business administration	766,052	777,445	788,092	(10,647)
Maintenance and operation of plant	6,284,648	7,198,183	7,339,995	(141,812)
Student transportation services	3,171,189	3,752,623	3,684,548	68,075
Central support services	2,206,654	2,242,654	2,063,099	179,555
Other support services	45,000	45,000	48,045	(3,045)
Community services operations	433,560	433,560	499,709	(66,149)
Capital outlay:				
Instruction	471,929	471,929	471,929	-
Support services:				
School administration	60,012	60,012	60,012	-
Maintenance and operation of plant	281,985	281,985	281,985	-
Debt service:				
Principal retirement	62,067	62,067	62,067	-
Total expenditures	<u>84,954,925</u>	<u>87,097,498</u>	<u>86,792,247</u>	<u>305,251</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(449,807)</u>	<u>1,305,530</u>	<u>2,954,219</u>	<u>1,648,689</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, 2022

	Budget			
	Original	Final	Actual	Variance
Other financing sources (uses)				
Issuance of debt	60,012	60,012	60,012	-
Transfers out	<u>(1,668,360)</u>	<u>(1,668,360)</u>	<u>(1,058,036)</u>	<u>610,324</u>
Total other financing sources (uses)	<u>(1,608,348)</u>	<u>(1,608,348)</u>	<u>(998,024)</u>	<u>610,324</u>
Net change in fund balance	<u>\$ (2,058,155)</u>	<u>\$ (302,818)</u>	1,956,195	<u>\$ 2,259,013</u>
Fund balance, beginning of year			<u>24,607,277</u>	
Fund balance, end of year			<u>\$ 26,563,472</u>	

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2022

	<u>Custodial Funds</u>
Assets	
Cash	\$ 154,025
Intergovernmental receivable	<u>36,197</u>
Total assets	<u><u>\$ 190,222</u></u>
Liabilities	
Accounts payable	<u>\$ 3,942</u>
Total liabilities	<u>3,942</u>
Net position	
Restricted for others	<u>186,280</u>
Total net position	<u><u>186,280</u></u>
Total liabilities and net position	<u><u>\$ 190,222</u></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, 2022

	<u>Custodial Funds</u>
Additions	
Charges for services	\$ 497,728
Operating grants	92,160
Investment earnings	20
Donations	<u>66,234</u>
Total additions	<u>656,142</u>
Deductions	
Instruction	51,990
Support services:	
Pupil services	110,083
Other support services	<u>435,588</u>
Total deductions	<u>597,661</u>
Change in net position	58,481
Net position beginning of year	<u>127,799</u>
Net position end of year	<u>\$ 186,280</u>

See accompanying notes to the financial statements.



CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**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, 2022, 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, 2022

**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, 2022

**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 in 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, 2022

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

**Cash and Investments**

The School District's cash consists 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.

**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.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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

**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.

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.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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

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.

**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. 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.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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

**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.

**Postemployment Benefits Other Than Pensions ("OPEB")**

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

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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

**Fund Balances**

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

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

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

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

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



CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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

A schedule of fund balances is as follows:

			School	Capital	Education Special Purpose Local Option	Debt	Total	
	General	Federal Programs	Food Services	Projects	Sales Tax	Service	Nonmajor Funds	Total
Fund Balances:								
Nonspendable:								
Inventory	\$ -	\$ -	\$ 152,469	\$ -	\$ -	\$ -	\$ -	\$ 152,469
Restricted for:								
Capital projects	-	-	-	67,448	6,623,500	-	-	6,690,948
Debt service	-	-	-	-	-	1,212,485	-	1,212,485
Food services	-	-	6,821,755	-	-	-	-	6,821,755
Committed to:								
Capital projects	-	-	-	581,953	-	-	-	581,953
Assigned to:								
School activities	1,100,628	-	-	-	-	-	-	1,100,628
Unassigned	<u>25,462,844</u>	<u>(169,338)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,500)</u>	<u>25,292,006</u>
Total Fund Balances	<u>\$26,563,472</u>	<u>\$(169,338)</u>	<u>\$6,974,224</u>	<u>\$649,401</u>	<u>\$6,623,500</u>	<u>\$1,212,485</u>	<u>\$ (1,500)</u>	<u>\$41,852,244</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 2021 tax digest year (calendar year) on January 1, 2021 (levy date). Tax bills were mailed on October 20, 2021 (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, 2021 (due date). Taxes collected within the current fiscal year or within 60 days after year end on the 2021 tax digest are reported as revenue in the governmental funds for the year ended June 30, 2022. 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 \$30,968,022 for the year ended June 30, 2022.

The tax millage rate levied for the 2021 tax year for School District maintenance and operations was 8.095 mils and for School District debt service was 0.570 mils (a mil equals \$1 per thousand dollars of assessed value).

Title ad valorem tax revenues and vehicle taxes, at the fund reporting level, totaled \$1,821,961 for the year ended June 30, 2022.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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

**Sales Taxes**

Education special purpose local option sales tax, at the fund reporting level, totaled \$8,646,054 for the year ended June 30, 2022, 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 2022, the School District transferred \$5,836,885 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.

**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.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**Note 3 Deposits and Investments - Continued**

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, 2022, the School District held unrestricted deposits with a carrying amount of \$7,161,956 and a bank balance of \$8,288,436. The bank balances were fully covered by either deposit insurance and/or collateral held in the School District's name.

At June 30, 2022, the School District held restricted deposits with a carrying amount of \$1,190,433 and a bank balance of \$1,190,443. 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, 2022

**Note 3 Deposits and Investments - Continued**

**Investments**

At June 30, 2022, the carrying value of the School District's unrestricted investments was \$39,567,699, and are invested in Georgia Fund 1 and with Multi-Bank Securities 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 Fitch. The weighted average maturity for Georgia Fund 1 on June 30, 2022 was 43 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 Annual Comprehensive Financial Report. This audit can be obtained from the Georgia Department of Audits and Accounts at <https://sao.georgia.gov/statewide-reporting/acfr>.

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, 2022, 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 by 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, 2022

**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, 2022, is as follows:

	Beginning Balance	Additions	Reclassifications and Disposals	Ending Balance
Governmental activities:				
Nondepreciable capital assets				
Land	\$ 17,075,134	\$ -	\$ (1,200,000)	\$ 15,875,134
Construction in progress	48,484,019	6,172,129	(46,112,810)	8,543,338
Total	<u>65,559,153</u>	<u>6,172,129</u>	<u>(47,312,810)</u>	<u>24,418,472</u>
Depreciable capital assets				
Land improvements	4,757,864	397,179	-	5,155,043
Buildings and building improvements	152,571,434	114,736	46,112,810	198,798,980
Machinery, equipment, and technology	7,881,187	1,701,719	(18,181)	9,564,725
Vehicles	715,546	43,776	-	759,322
Total	<u>165,926,031</u>	<u>2,257,410</u>	<u>46,094,629</u>	<u>214,278,070</u>
Less accumulated depreciation				
Land improvements	(2,968,949)	(212,139)	-	(3,181,088)
Buildings and building improvements	(59,139,901)	(6,380,368)	-	(65,520,269)
Machinery, equipment, and technology	(5,363,104)	(1,014,008)	18,181	(6,358,931)
Vehicles	(562,934)	(46,446)	-	(609,380)
Total	<u>(68,034,888)</u>	<u>(7,652,961)</u>	<u>18,181</u>	<u>(75,669,668)</u>
Depreciable capital assets, net	<u>97,891,143</u>	<u>(5,395,551)</u>	<u>46,112,810</u>	<u>138,608,402</u>
Governmental activities capital assets, net	<u>\$ 163,450,296</u>	<u>\$ 776,578</u>	<u>\$ (1,200,000)</u>	<u>\$ 163,026,874</u>

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**Note 5 Capital Assets - Continued**

Current year depreciation expense by function is as follows:

Governmental activities:	
Instruction	\$ 5,327,904
Pupil services	81,335
Improvement of instructional services	2,401
School administration	503,642
Maintenance and operation of plant	1,608,207
Food services operation	<u>129,472</u>
Total depreciation expense - governmental activities	<u>\$ 7,652,961</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, 2022 consisted of the following:

	Due From Other Funds	Due To Other Funds
General fund	\$ 3,897,765	\$ 2,002,178
Federal programs fund	-	1,299,665
School food services	-	167,395
Capital projects fund	33,461	63,647
ESPLOST fund	-	675,970
Debt service fund	12,546	-
Nonmajor governmental funds	<u>266,569</u>	<u>1,486</u>
Total governmental funds	<u>\$ 4,210,341</u>	<u>\$ 4,210,341</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, 2022 consisted of the following:

Transfer To	Transfer From		
	General fund	ESPLOST fund	Total
ESPLOST fund	\$ 1,000,000	\$ -	\$ 1,000,000
Debt service fund	-	5,836,885	5,836,885
Nonmajor governmental funds	<u>58,036</u>	<u>-</u>	<u>58,036</u>
Total governmental funds	<u>\$ 1,058,036</u>	<u>\$ 5,836,885</u>	<u>\$ 6,894,921</u>

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**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, 2022. 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, 2022, general obligation bond payments due by fiscal year are as follows:

Fiscal Year	Principal
2023	\$ -
2024	855,000
2025	895,000
2026	940,000
2027	985,000
2028 - 2032	5,680,000
2033 - 2037	7,240,000
2038 - 2042	9,250,000
2043 - 2047	11,805,000
2048	2,730,000
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, 2022

**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 \$60,012. 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, 2022:

Land improvements	\$ 114,458
Building and building improvements	12,642,309
Equipment	896,783
Net of accumulated amortization	<u>(2,101,443)</u>
	<u>\$ 11,552,107</u>

At June 30, 2022, payments due by fiscal year, which include principal and interest, are as follows:

Fiscal Year	Principal	Interest
2023	\$ 2,989,401	\$ 116,750
2024	48,196	-
2025	35,306	-
2026	23,387	-
2027	1,000	-
2028 and thereafter	<u>-</u>	<u>-</u>
Total principal and interest	<u>\$ 3,097,290</u>	<u>\$ 116,750</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, 2022 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Capital leases	\$ 5,894,345	\$ 60,012	\$ (2,857,067)	\$ 3,097,290	\$ 2,989,401
General obligation bonds	40,380,000	-	-	40,380,000	-
Premium on debt	5,991,604	-	(378,790)	5,612,814	-
Compensated absences	34,017	23,389	(33,997)	23,409	23,409
Total	<u>\$ 52,299,966</u>	<u>\$ 83,401</u>	<u>\$ (3,269,854)</u>	<u>\$ 49,113,513</u>	<u>\$ 3,012,810</u>



CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**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 2022. The School District’s contractually required contribution rate for the year ended June 30, 2022 was 19.81% of annual School District payroll, excluding payroll attributable to those personnel funded on behalf of the School District by the state. For the current fiscal year, employer contributions to the pension plan totaled \$10,299,771 and \$(22,283) 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, administer 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 10 years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of 10 years of service.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**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 \$575.

**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.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**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, 2022 was 24.63% 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, 2022, the School District reported a liability of \$32,587,476 for its proportionate share of the net pension liability for TRS (\$32,587,476) 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	\$ 32,587,476
State of Georgia's proportionate share of the net pension liability associated with the School District - TRS	<u>136,999</u>
Total	<u><u>\$ 32,724,475</u></u>

The net pension liability for TRS and ERS was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 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, 2021.

At June 30, 2021, the School District's proportion of the TRS net pension liability was 0.368456%, which was a decrease of 0.002162% from its proportion measured as of June 30, 2020. At June 30, 2021, 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, 2020.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**Note 8 Retirement Plans - Continued**

At June 30, 2022, 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 \$54,735.

The net pension liability for PSERS was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 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, 2021.

For the year ended June 30, 2022, the School District recognized pension expense of \$8,870,319 for TRS, pension income of \$575 for PSERS, and pension expense of \$1,649 for ERS. Included in the preceding amounts, the School District recognized expense of \$22,283 for TRS and income of \$575 for PSERS for support provided by the State of Georgia for certain support personnel.

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,776,408	\$ -
Changes of assumptions	6,307,200	-
Net difference between projected and actual earnings on pension plan investments	-	47,666,272
Changes in proportion and differences between School District contributions and proportionate share of contributions	830,154	347,370
District contributions subsequent to the measurement date	10,299,771	-
Total	<u>\$ 25,213,533</u>	<u>\$ 48,013,642</u>

School District contributions subsequent to the measurement date of \$10,299,771 for TRS 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, 2023. 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
2023	\$ (6,105,288)
2024	(6,018,124)
2025	(9,159,265)
2026	(11,817,203)
2027	-
Thereafter	-

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**Note 8 Retirement Plans - Continued**

**Actuarial Assumptions** - The total pension liability for TRS as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020 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, 2020 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, 2021 was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

PSERS:

Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**Note 8 Retirement Plans - Continued**

Mortality rates are as follows: The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. The Pub-2010 Family of Tables projected generationally with the MP-2019 scale and with further adjustments are used for post-retirement mortality assumptions, as follows:

Participant Type	Membership Table	Set Forward (+) / Setback (-)	Adjustment to Rates
Service retirees	General Healthy Below-Median Annuitant	Male: +2; Female: +2	Male: 101%; Female: 103%
Disability retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Below-Median Contingent Survivors	Male: +2; Female: +2	Male: 104%; Female: 99%

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

The total pension liability for ERS as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

ERS:

Inflation	2.50%
Salary increases	3.00% - 6.75%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates are as follows: The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. The Pub-2010 Family of Tables projected generationally with the MP-2019 scale and with further adjustments are used for post-retirement mortality assumptions, as follows:

Participant Type	Membership Table	Set Forward (+) / Setback (-)	Adjustment to Rates
Service retirees	General Healthy Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%
Disability retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male: 106%; Female: 105%

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**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	Long-term Expected Real	PSERS/ERS Target Allocation	Long-term Expected Real
		Rate of Return *		Rate of Return *
Fixed income	30.00%	-0.80%	30.00%	-1.50%
Domestic large equities	46.30%	9.30%	46.40%	9.20%
Domestic small equities	1.20%	13.30%	1.10%	13.40%
International developed market equities	11.50%	9.30%	11.70%	9.20%
International emerging market equities	6.00%	11.30%	5.80%	10.40%
Alternatives	<u>5.00%</u>	10.60%	<u>5.00%</u>	10.60%
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 7.00%. 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 7.00% 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 6.00%) or 1 percentage point higher (8.25% and 8.00%) 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	\$ 87,782,026	\$ 32,587,476	\$ (12,640,649)

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**Note 8 Retirement Plans - Continued**

ERS:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
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
2022	100%	\$ 34,520
2021	100%	27,661
2020	100%	39,354

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.



CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**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 \$1,722,822 for the year ended June 30, 2022. Active employees are not required to contribute to the School OPEB Fund.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**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, 2022, the School District reported a liability of \$50,572,057 for its proportionate share of the net OPEB liability.

The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2020. An expected total OPEB liability as of June 30, 2021 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, 2021. At June 30, 2021, the School District's proportion was 0.466927%, which was a decrease of 0.003023% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized OPEB expense of \$2,192,711. At June 30, 2022, 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	\$ -	\$ 23,091,041
Changes of assumptions	9,260,524	4,126,648
Net difference between projected and actual earnings on OPEB plan investments	-	80,191
Changes in proportion and differences between School District contributions and proportionate share of contributions	563,084	816,101
District contributions subsequent to the measurement date	1,722,822	-
Total	<u>\$ 11,546,430</u>	<u>\$ 28,113,981</u>

School District contributions subsequent to the measurement date of \$1,722,822 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, 2023. 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
2023	\$ (4,835,264)
2024	(4,334,634)
2025	(3,125,843)
2026	(2,224,699)
2027	(2,904,296)
2028	(865,637)
Thereafter	-

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

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

**Actuarial Assumptions** - The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020 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, 2021:

Inflation	2.50%
Salary increases	3.00% - 8.75%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate:	
Pre-Medicare eligible	6.75%
Medicare eligible	5.13%
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: Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projections scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projections scaled applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjust 106% for males and 158% for females) with the MP-2019 Project scale applied generationally.

The actuarial assumptions used in the June 30, 2020 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.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**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, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 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%	0.14%
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 2.20% was used as the discount rate, as compared with last year's rate of 2.22%. 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 (2.16% 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 2145.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**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 2.20%, 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 (1.20%) or 1 percentage point higher (3.20%) than the current discount rate:

	1% Decrease (1.20%)	Current Discount Rate (2.20%)	1% Increase (3.20%)
School District's proportionate share of the net OPEB liability	\$ 57,815,203	\$ 50,572,057	\$ 44,508,858

**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	\$ 42,912,351	\$ 50,572,057	\$ 60,147,292

**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/statewide-reporting/acfr>.

**Note 11 Net Position**

Net investment in capital assets reported on the district-wide statement of net position as of June 30, 2022 is calculated as follows:

Cost of capital assets	\$ 238,696,542
Less: accumulated depreciation	<u>(75,669,668)</u>
Book value	163,026,874
Less: capital related debt	(43,477,290)
Less: premium on capital related debt	(5,612,814)
Less: retainage payable on construction contracts	(303,638)
Less: accrued interest payable	(611,184)
Add: unexpended debt proceeds	<u>172,615</u>
Net investment in capital assets	<u>\$ 113,194,563</u>

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**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>
2022	\$ -	\$ 7,377	\$ (7,377)	\$ -
2021	-	15,010	(15,010)	-
2020	-	1,765	(1,765)	-

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>
2021	\$ -	\$ -	\$ -	\$ -
2020	-	-	-	-
2019	-	163,770	(163,770)	-

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**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, 2022 totaled \$7,741. 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. The School District is not currently obligated under any leases that extend to future years.

**Note 14 Commitments and Contingencies**

The School District is involved in legal matters as of the fiscal year ended June 30, 2022 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 \$6,260,544. This amount does not represent amounts currently recorded as liabilities in the Statements. Construction contracts include a stadium project and a gym, track, and turf project at Dalton High 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.

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.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022

**Note 15 Tax Abatements - Continued**

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.

Twenty-two tax abatement agreements are outstanding as of December 31, 2021. Reductions in tax revenues attributable to local governments are as follows:

<u>Government Entity</u>	<u>2021 Tax Reduction</u>
School District	\$ 286,967
City of Dalton, Georgia	73,125
Whitfield County, Georgia	2,806,258
Whitfield County Board of Education	4,727,200

**Note 16 Deficit Fund Balances of Individual Funds**

The federal programs special revenue fund reported a deficit fund balance of \$169,338 at June 30, 2022. The other grants special revenue fund reported a deficit fund balance of \$1,500 at June 30, 2022. These fund balances were reported as unrestricted deficit fund balances in the financial statements. The School District will correct these deficits in fiscal year 2023 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, 2022

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
2022	0.368456%	\$ 32,587,476	\$ 136,999	\$ 32,724,475	\$ 43,081,003	75.64%	92.03%
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, 2022

	For the fiscal year ended June 30,									
	<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>	<u>2022</u>
Contractually required contribution	\$ 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	\$ 9,137,223
Contributions in relation to the contractually required contribution	<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>	<u>9,137,223</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	\$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	\$46,647,941
Contributions as a percentage of covered payroll	11.32%	12.22%	13.06%	15.32%	13.78%	14.35%	16.93%	21.61%	23.45%	19.59%

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, 2022

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
2022	0.000000%	\$ -	\$ 54,735	\$ 54,735	\$ 1,595,531	N/A	98.00%
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, 2022

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
2022	0.000000%	\$ -	\$ -	\$ -	\$ -	0.00%	87.62%
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, 2022

	For the fiscal year ended June 30,									
	<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>	<u>2022</u>
Contractually required contribution	\$ 7,299	\$ 9,565	\$ 11,417	\$ 13,512	\$ 13,453	\$ 13,951	\$ 1,166	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<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>	<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	\$ 49,887	\$ 51,992	\$ 51,992	\$ 54,643	\$ 56,232	\$ 4,698	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	14.63%	18.40%	21.96%	24.73%	23.92%	296.96%	NA	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, 2022

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
2022	0.466927%	\$ 50,572,057	\$ -	\$ 50,572,057	\$ 53,466,246	94.59%	6.14%
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, 2022

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contribution	\$ 2,409,390	\$ 2,420,643	\$ 2,521,214	\$ 1,589,260	\$ 1,736,294
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>	<u>1,736,294</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 46,534,109	\$ 48,150,225	\$ 52,029,447	\$ 53,466,246	\$ 57,862,966
Contributions as a percentage of covered payroll	5.18%	5.03%	4.85%	2.97%	3.00%

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, 2022

**Teachers Retirement System of Georgia**

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

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 benefit terms - A new benefit tier was added for members joining the ERS System on and after July 1, 2009. A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2016, and a one-time 3% payment was granted to certain retirees and beneficiaries effective July 2017. Two one-time 2% payments were granted to certain retirees and beneficiaries effective July 2018 and January 2019. Two one-time 3% payments were granted to certain retirees and beneficiaries effective July 2019 and January 2020.

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. The expectation of retired life mortality was changed to the RP-2000 Combind Mortality Table projected scale BB (set fowared 2 years for both males and females).

A new funding policy was initially adopted the ERS Board on March 15, 2018, and most recently amended on June 18, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

On December 17, 2020, the ERS Board adopted recommended changes to the economic and demographic assumptions utlized by the ERS System based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rate of mortality, retirement, withdrawl, and salary increases. This also included a change to the long-term assumed investment rate of return of 7.00%. These assumption changes are reflected in the calcuation of the June 30, 2021 total pension liability.

CITY OF DALTON BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Public School Employees Retirement System**

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

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).

A new funding policy was initially adopted by the PSERS Board on March 15, 2018, and most recently amended on December 17, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

On December 17, 2020, the PSERS Board adopted recommended changes to the economic and demographic assumption utilized by the PSERS System based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rates of mortality, retirement, disability, and withdrawal. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 total pension liability.

**School OPEB Fund**

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

Changes in assumptions - June 30, 2020 valuation: Decremental assumptions were changed to reflect the Employees Retirement Systems experience study. Approximately 0.10% of employees are members of the Employees Retirement System.

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.

June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect Retirement Systems' experience studies.

June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

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% 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, 2022

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	\$ 14,423,485	\$ 15,830,846	\$ 15,422,260	\$ (408,586)
Total revenues	<u>14,423,485</u>	<u>15,830,846</u>	<u>15,422,260</u>	<u>(408,586)</u>
Expenditures				
Current:				
Instruction	7,811,944	9,777,979	9,337,758	440,221
Support services:				
Pupil services	1,600,245	1,685,524	1,612,927	72,597
Improvement of instructional services	771,446	713,155	600,631	112,524
Instructional staff training	1,601,946	1,658,820	1,512,811	146,009
Educational media services	109,327	102,812	102,812	-
General administration	88,510	80,364	80,364	-
Federal grant administration	116,076	130,826	109,465	21,361
School administration	918,394	832,722	832,722	-
Maintenance and operation of plant	504,821	493,778	492,781	997
Student transportation services	90,010	166,445	149,221	17,224
Central support services	252,770	255,460	249,021	6,439
Other support services	179,618	146,574	131,780	14,794
Capital outlay:				
Instruction	341,043	341,043	341,043	-
Support services:				
Maintenance and operation of plant	<u>37,335</u>	<u>37,335</u>	<u>37,335</u>	<u>-</u>
Total expenditures	<u>14,423,485</u>	<u>16,422,837</u>	<u>15,590,671</u>	<u>832,166</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (591,991)</u>	(168,411)	<u>\$ 423,580</u>
Fund balance, beginning of year			<u>(927)</u>	
Fund balance, end of year			<u>\$ (169,338)</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, 2022

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	\$ 4,965,000	\$ 7,575,000	\$ 8,222,241	\$ 647,241
State sources	132,160	167,160	256,279	89,119
Local sources and other funds	109,410	209,410	285,933	76,523
Total revenues	<u>5,206,570</u>	<u>7,951,570</u>	<u>8,764,453</u>	<u>812,883</u>
Expenditures				
Current:				
Food services operations	<u>5,074,126</u>	<u>5,654,126</u>	<u>5,466,525</u>	<u>187,601</u>
Total expenditures	<u>5,074,126</u>	<u>5,654,126</u>	<u>5,466,525</u>	<u>187,601</u>
Net change in fund balance	<u>\$ 132,444</u>	<u>\$ 2,297,444</u>	3,297,928	<u>\$ 1,000,484</u>
Fund balance, beginning of year			<u>3,676,296</u>	
Fund balance, end of year			<u>\$ 6,974,224</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, 2022

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	<u>Lottery Programs</u>	<u>Other Grants</u>	
Assets			
Due from other funds	\$ 266,569	\$ -	\$ 266,569
Total assets	<u>\$ 266,569</u>	<u>\$ -</u>	<u>\$ 266,569</u>
Liabilities			
Accounts payable	\$ 10,239	\$ 14	\$ 10,253
Salaries payable	183,705	-	183,705
Due to other funds	-	1,486	1,486
Unearned revenue	<u>72,625</u>	<u>-</u>	<u>72,625</u>
Total liabilities	<u>266,569</u>	<u>1,500</u>	<u>268,069</u>
Fund balances			
Unrestricted, unassigned	<u>-</u>	<u>(1,500)</u>	<u>(1,500)</u>
Total fund balances	<u>-</u>	<u>(1,500)</u>	<u>(1,500)</u>
Total liabilities and fund balances	<u>\$ 266,569</u>	<u>\$ -</u>	<u>\$ 266,569</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, 2022

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	<u>Lottery Programs</u>	<u>Other Grants</u>	
Revenues			
Federal sources	\$ 68,986	\$ -	\$ 68,986
State sources	1,754,205	-	1,754,205
Local sources and other funds	-	14	14
Total revenues	<u>1,823,191</u>	<u>14</u>	<u>1,823,205</u>
Expenditures			
Current:			
Instruction	1,830,376	-	1,830,376
Support services:			
Pupil services	22,762	-	22,762
Improvement of instructional services	30	1,500	1,530
School administration	4,378	-	4,378
Student transportation services	23,681	-	23,681
Other support services	-	14	14
Total expenditures	<u>1,881,227</u>	<u>1,514</u>	<u>1,882,741</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(58,036)</u>	<u>(1,500)</u>	<u>(59,536)</u>
Other financing sources (uses)			
Transfers in	<u>58,036</u>	<u>-</u>	<u>58,036</u>
Total other financing sources (uses)	<u>58,036</u>	<u>-</u>	<u>58,036</u>
Net change in fund balances	-	(1,500)	(1,500)
Fund balances, beginning of year	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ (1,500)</u>	<u>\$ (1,500)</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, 2022

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	\$ -	\$ -	\$ 68,986	\$ 68,986
State sources	1,610,501	1,610,301	1,754,205	143,904
Total revenues	<u>1,610,501</u>	<u>1,610,301</u>	<u>1,823,191</u>	<u>212,890</u>
Expenditures				
Current:				
Instruction	1,771,861	1,771,661	1,830,376	(58,715)
Support services:				
Pupil services	-	-	22,762	(22,762)
Improvement of instructional services	-	-	30	(30)
Instructional staff training	7,000	7,000	-	7,000
School administration	-	-	4,378	(4,378)
Student transportation services	-	-	23,681	(23,681)
Total expenditures	<u>1,778,861</u>	<u>1,778,661</u>	<u>1,881,227</u>	<u>(102,566)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(168,360)</u>	<u>(168,360)</u>	<u>(58,036)</u>	<u>110,324</u>
Other financing sources (uses)				
Transfers in	<u>168,360</u>	<u>168,360</u>	<u>58,036</u>	<u>(110,324)</u>
Total other financing sources (uses)	<u>168,360</u>	<u>168,360</u>	<u>58,036</u>	<u>(110,324)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			-	
Fund balance, end of year			<u>\$ -</u>	

CITY OF DALTON BOARD OF EDUCATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
OTHER GRANTS SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget		Actual	Variance
	Original	Final		
Revenues				
Local sources and other funds	\$ -	\$ -	\$ 14	\$ 14
Total revenues	-	-	14	14
Expenditures				
Current:				
Support services:				
Improvement of instructional services	-	-	1,500	(1,500)
Other support services	-	-	14	(14)
Total expenditures	-	-	1,514	(1,514)
Net change in fund balance	\$ -	\$ -	(1,500)	\$ (1,500)
Fund balance, beginning of year			-	
Fund balance, end of year			\$ (1,500)	

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, 2022

	Budget			
	Original	Final	Actual	Variance
Revenues				
State sources	\$ 335,679	\$ 335,679	\$ -	\$ (335,679)
Local sources and other funds	-	-	1,813	1,813
Total revenues	<u>335,679</u>	<u>335,679</u>	<u>1,813</u>	<u>(333,866)</u>
Expenditures				
Current:				
Instruction	174,682	174,682	174,682	-
Capital outlay:				
Instruction	<u>900,927</u>	<u>428,649</u>	<u>428,649</u>	<u>-</u>
Total expenditures	<u>1,075,609</u>	<u>603,331</u>	<u>603,331</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(739,930)</u>	<u>(267,652)</u>	<u>(601,518)</u>	<u>(333,866)</u>
Other financing sources (uses)				
Transfers in	500,000	500,000	-	(500,000)
Proceeds from sale of assets	<u>-</u>	<u>-</u>	<u>590,000</u>	<u>590,000</u>
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>590,000</u>	<u>90,000</u>
Net change in fund balance	<u>\$ (239,930)</u>	<u>\$ 232,348</u>	(11,518)	<u>\$ (243,866)</u>
Fund balance, beginning of year			<u>660,919</u>	
Fund balance, end of year			<u>\$ 649,401</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, 2022

	Budget			
	Original	Final	Actual	Variance
Revenues				
Local sources and other funds	\$ 7,080,000	\$ 7,080,000	\$ 9,502,970	\$ 2,422,970
Total revenues	<u>7,080,000</u>	<u>7,080,000</u>	<u>9,502,970</u>	<u>2,422,970</u>
Expenditures				
Current:				
Instruction	124,504	124,504	124,504	-
Capital outlay:				
Instruction	<u>9,390,518</u>	<u>6,808,586</u>	<u>6,808,586</u>	<u>-</u>
Total expenditures	<u>9,515,022</u>	<u>6,933,090</u>	<u>6,933,090</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,435,022)</u>	<u>146,910</u>	<u>2,569,880</u>	<u>2,422,970</u>
Other financing sources (uses)				
Transfers in	1,000,000	1,000,000	1,000,000	-
Transfers out	<u>(3,021,500)</u>	<u>(3,021,500)</u>	<u>(5,836,885)</u>	<u>(2,815,385)</u>
Total other financing sources (uses)	<u>(2,021,500)</u>	<u>(2,021,500)</u>	<u>(4,836,885)</u>	<u>(2,815,385)</u>
Net change in fund balance	<u>\$ (4,456,522)</u>	<u>\$ (1,874,590)</u>	<u>(2,267,005)</u>	<u>\$ (392,415)</u>
Fund balance, beginning of year			<u>8,890,505</u>	
Fund balance, end of year			<u>\$ 6,623,500</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, 2022

	Budget			
	Original	Final	Actual	Variance
Revenues				
Local sources and other funds	\$ 2,012,000	\$ 2,012,000	\$ 2,068,310	\$ 56,310
Total revenues	<u>2,012,000</u>	<u>2,012,000</u>	<u>2,068,310</u>	<u>56,310</u>
Expenditures				
Current:				
Support services:				
Other support services	-	538	763	(225)
Debt service:				
Principal retirement	2,635,000	2,795,000	2,795,000	-
Interest and fiscal charges	<u>2,398,500</u>	<u>2,238,500</u>	<u>2,238,500</u>	<u>-</u>
Total expenditures	<u>5,033,500</u>	<u>5,034,038</u>	<u>5,034,263</u>	<u>(225)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,021,500)</u>	<u>(3,022,038)</u>	<u>(2,965,953)</u>	<u>56,085</u>
Other financing sources (uses)				
Transfers in	<u>3,021,500</u>	<u>3,021,500</u>	<u>5,836,885</u>	<u>2,815,385</u>
Total other financing sources (uses)	<u>3,021,500</u>	<u>3,021,500</u>	<u>5,836,885</u>	<u>2,815,385</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (538)</u>	2,870,932	<u>\$ 2,871,470</u>
Fund balance, beginning of year			<u>(1,658,447)</u>	
Fund balance, end of year			<u>\$ 1,212,485</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, 2022

	Student Activity	Family Connection	Total
Assets			
Cash	\$ 154,025	\$ -	\$ 154,025
Intergovernmental receivable	<u>23,947</u>	<u>12,250</u>	<u>36,197</u>
Total assets	<u>\$ 177,972</u>	<u>\$ 12,250</u>	<u>\$ 190,222</u>
Liabilities			
Accounts payable	\$ 3,808	\$ 134	\$ 3,942
Total liabilities	<u>3,808</u>	<u>134</u>	<u>3,942</u>
Net position			
Restricted for others	<u>174,164</u>	<u>12,116</u>	<u>186,280</u>
Total net position	<u>174,164</u>	<u>12,116</u>	<u>186,280</u>
Total liabilities and net position	<u>\$ 177,972</u>	<u>\$ 12,250</u>	<u>\$ 190,222</u>

CITY OF DALTON BOARD OF EDUCATION  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Student Activity	Family Connection	Total
Additions			
Charges for services	\$ 457,113	\$ 40,615	\$ 497,728
Operating grants	44,160	48,000	92,160
Investment earnings	20	-	20
Donations	52,000	14,234	66,234
Total additions	<u>553,293</u>	<u>102,849</u>	<u>656,142</u>
Deductions			
Instruction	51,990	-	51,990
Support services:			
Pupil services	7,228	102,855	110,083
Other support services	435,588	-	435,588
Total deductions	<u>494,806</u>	<u>102,855</u>	<u>597,661</u>
Change in net position	58,487	(6)	58,481
Net position beginning of year	<u>115,677</u>	<u>12,122</u>	<u>127,799</u>
Net position end of year	<u>\$ 174,164</u>	<u>\$ 12,116</u>	<u>\$ 186,280</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 annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Operating Information

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

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

	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>
Governmental activities										
Net investment in capital assets	\$ 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	\$113,194,563
Restricted	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	14,877,657
Unrestricted	<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>	<u>(95,048,500)</u>
Total governmental activities	<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>	<u>\$ 33,023,720</u>
 Total percentage increase (decrease) from prior year	 1.0%	 1.5%	 -46.7%	 5.9%	 8.3%	 -95.5%	 344.9%	 23.1%	 -12.0%	 136.6%
Governmental activities										
Net investment in capital assets	76.6%	81.8%	155.4%	145.3%	150.7%	3740.3%	850.7%	734.7%	798.7%	342.8%
Restricted	3.6%	2.8%	11.9%	13.9%	8.9%	71.1%	53.9%	49.5%	93.7%	45.1%
Unrestricted	<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>	<u>-287.8%</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>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>	<u>2022</u>
Expenses										
Instruction	\$ 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	\$ 66,448,942
Support services:										
Pupil services	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	5,493,336
Improvement of instructional services	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	2,277,490
Instructional staff training	-	-	-	-	-	-	1,882,976	1,766,315	1,592,484	1,491,420
Educational media services	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	1,499,140
General administration	806,152	746,813	753,349	833,106	931,583	765,392	611,073	792,147	817,552	663,215
Federal grant administration	-	-	-	-	-	-	70,947	102,519	108,972	94,384
School administration	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	5,855,794
Business administration	565,161	584,065	587,823	592,845	649,173	656,070	712,331	736,723	773,716	725,734
Maintenance and operation of plant	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	9,336,056
Student transportation services	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	3,853,758
Central support services	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	2,064,475
Other support services	845,862	836,956	954,209	254,582	20,672	46,623	80,875	90,294	226,648	180,602
Food services operations	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	5,481,956
Community services operations	280,921	295,762	322,108	462,081	439,096	406,560	374,717	259,725	305,776	499,709
Interest on long-term debt	27,982	33,838	13,444	-	-	1,314,136	1,533,258	2,036,888	1,938,425	2,108,347
Total governmental activities expenses	<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>	<u>\$ 108,074,358</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>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>	<u>2022</u>
Program revenues										
Charges for services										
Instruction	\$ 250,285	\$ 268,423	\$ 299,356	\$ 353,807	\$ 372,314	\$ 402,463	\$ 414,417	\$ 405,365	\$ 377,200	\$ 426,947
Food services										
operations	475,055	457,594	454,878	533,205	650,968	654,286	765,576	527,542	143,799	276,821
Operating grants and contributions										
Instruction	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	49,871,247
Support services:										
Pupil services	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	4,398,869
Improvement of instructional services	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	1,946,191
Instructional staff training	-	-	-	-	-	-	1,847,888	1,622,271	1,517,763	1,598,365
Educational media services	697,969	697,697	791,286	789,452	865,847	915,191	912,827	982,544	962,503	1,176,448
General administration	600,848	539,728	553,495	595,611	662,303	497,239	395,679	487,617	495,792	521,385
Federal grant administration	-	-	-	-	-	-	73,368	98,613	102,793	108,283
School administration	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	4,358,670
Business administration	332,098	326,715	365,512	361,555	387,577	396,766	451,303	447,863	475,543	526,824
Maintenance and operation of plant	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	5,584,018
Student transportation services	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	2,633,608
Central support services	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	1,625,473
Other support services	516,801	538,210	637,394	215,412	26,779	27,803	65,032	74,242	217,306	162,474

(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>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>	<u>2022</u>
Food services operation	\$ 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	\$ 8,478,520
Community services operations	165,084	165,573	197,979	274,322	268,991	252,231	238,073	164,027	197,782	334,046
Capital grants and contributions										
Instruction	-	-	976,572	166,584	3,533,749	89,859	2,698,290	3,729,487	6,291	341,043
Support services: Maintenance and operation of plant	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>389,451</u>	<u>37,335</u>
Total governmental activities program revenues	<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>	<u>\$ 84,406,567</u>
Net revenues (expenses) of governmental activities	<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>	<u>\$ (23,667,791)</u>
General revenues and other changes in net position										
Property taxes	\$ 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	\$ 30,798,235
Other taxes	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	10,898,498
Unrestricted investment earnings	72,263	67,113	84,217	132,672	186,824	391,711	1,881,463	1,009,752	36,374	89,120
Other	<u>-</u>	<u>84,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,040,427</u>	<u>52,214</u>	<u>76,223</u>	<u>85,646</u>	<u>945,562</u>
Total governmental activities general revenues and other changes in net position	<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>	<u>\$ 42,731,415</u>
Change in net position of governmental activities	<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>	<u>\$ 19,063,624</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, 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	June 30, 2022
General fund										
Assigned	\$ -	\$ -	\$ 683,991	\$ 795,298	\$ 887,697	\$ 924,804	\$ 1,009,508	\$ 1,032,762	\$ 968,251	\$ 1,100,628
Unassigned	<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>	<u>25,462,844</u>
Total general fund	<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>	<u>\$ 26,563,472</u>
Other governmental funds										
Nonspendable	\$ 176,335	\$ 175,820	\$ 135,067	\$ 166,277	\$ 206,855	\$ 172,145	\$ 138,335	\$ 207,444	\$ 194,458	\$ 152,469
Restricted	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	14,725,188
Committed	6,531,842	4,557,368	3,671,470	3,004,498	1,451,225	764,382	454,904	470,781	145,074	581,953
Unassigned	<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>	<u>(170,838)</u>
Total other governmental funds	<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>	<u>\$ 15,288,772</u>
Total governmental funds										
Nonspendable	\$ 176,335	\$ 175,820	\$ 135,067	\$ 166,277	\$ 206,855	\$ 172,145	\$ 138,335	\$ 207,444	\$ 194,458	\$ 152,469
Restricted	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	14,725,188
Committed	6,531,842	4,557,368	3,671,470	3,004,498	1,451,225	764,382	454,904	470,781	145,074	581,953
Assigned	-	-	683,991	795,298	887,697	924,804	1,009,508	1,032,762	968,251	1,100,628
Unassigned	<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>	<u>25,292,006</u>
Total governmental funds	<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>	<u>\$ 41,852,244</u>
Total percentage change from prior year	-0.3%	-21.0%	31.7%	7.8%	-15.0%	243.0%	-13.7%	-42.5%	-4.6%	15.7%

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>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>	<u>2022</u>
Revenues										
Federal sources	\$ 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	\$ 25,466,111
State sources	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	56,155,204
Local sources and other funds	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	45,579,333
On behalf payments	<u>4,100,644</u>	<u>3,557,571</u>	<u>112,150</u>	<u>121,050</u>	<u>120,805</u>	<u>128,428</u>	<u>134,266</u>	<u>140,086</u>	<u>135,092</u>	<u>128,829</u>
Total revenues	<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>	<u>127,329,477</u>
Expenditures										
Current										
Instruction	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	69,133,403
Support services:										
Pupil services	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	5,796,326
Improvement of instructional services	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	2,621,539
Instructional staff training	-	-	-	-	-	-	1,922,423	1,705,675	1,479,792	1,665,240
Educational media services	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	1,710,558
General administration	806,152	746,813	764,193	846,690	909,871	758,396	618,994	771,910	764,049	741,399
Federal grant administration	-	-	-	-	-	-	73,368	98,613	99,154	109,465
School administration	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	6,062,558
Business administration	565,161	584,065	595,146	602,654	633,141	647,267	723,155	718,504	732,621	788,092
Maintenance and operation of plant	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	7,832,776
Student transportation services	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	3,857,450
Central support services	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	2,312,120
Other support services	795,696	806,730	921,447	234,839	43,713	44,814	80,875	90,294	226,648	180,602

(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>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>	<u>2022</u>
Food services operations	\$ 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	\$ 5,466,525
Community services operations	280,921	295,762	322,108	462,081	439,096	406,560	374,717	259,725	305,776	499,709
Capital outlay	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	8,429,539
Debt service:										
Principal retirement	1,298,595	722,208	610,000	-	59,845	2,068,508	2,544,714	2,612,603	2,734,522	2,857,067
Interest and fiscal charges	37,637	40,722	20,137	-	-	106	2,081,641	2,446,522	2,370,862	2,238,500
Debt issuance costs	-	-	-	-	-	819,872	-	-	-	-
Total expenditures	<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>	<u>122,302,868</u>
Excess of revenues over (under) expenditures	<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>	<u>5,026,609</u>
Other financing sources (uses)										
Issuance of debt	-	-	-	-	320,996	53,762,806	33,458	65,854	111,423	60,012
Premium on debt	-	-	-	-	-	7,250,447	-	-	-	-
Transfers in	5,468,660	5,059,702	1,590,050	929,447	1,822,744	568,814	3,038,886	4,960,922	289,385	6,894,921
Transfers out	(5,468,660)	(5,059,702)	(1,590,050)	(929,447)	(1,822,744)	(568,814)	(3,038,886)	(4,960,922)	(289,385)	(6,894,921)
Insurance recoveries	-	-	-	-	-	1,836	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	590,000
Total other financing sources (uses)	<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>	<u>650,012</u>
Net change in fund balances	<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>	<u>\$ 5,676,621</u>
Debt service as a % of noncapital expenditures	1.9%	1.0%	0.8%	0.0%	0.1%	2.3%	4.9%	5.0%	4.9%	4.5%



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>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>	<u>2022</u>
Revenues										
Federal sources	\$ 1,399	\$ 1,331	\$ 1,352	\$ 1,300	\$ 1,355	\$ 1,281	\$ 1,294	\$ 1,281	\$ 2,299	\$ 3,300
State sources	3,854	3,932	4,947	4,928	5,490	5,660	6,419	7,073	6,507	7,277
Local sources and other funds	4,166	4,486	4,682	4,693	4,779	5,747	5,574	5,552	5,668	5,906
On behalf payments	<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>	<u>17</u>
Total revenues	<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>	<u>16,500</u>
Expenditures										
Current:										
Instruction	5,897	6,177	6,194	6,667	6,567	6,953	7,345	7,939	8,305	8,959
Support services	2,747	2,788	2,824	2,941	3,044	3,340	3,397	3,671	3,767	4,364
Food services operation	660	545	577	650	644	637	668	628	617	708
Community services operations	37	38	41	58	54	51	47	33	39	65
Capital outlay	451	1,199	535	383	1,845	2,237	2,585	4,570	1,342	1,092
Debt service	<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>	<u>660</u>
Total expenditures	<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>	<u>15,848</u>
Excess of revenues over (under) expenditures	<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>	<u>651</u>
Other financing sources (uses)										
Issuance of debt	-	-	-	-	39	6,806	4	8	14	8
Premium on debt	-	-	-	-	-	918	-	-	-	-
Proceeds from sale of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39</u>	<u>7,724</u>	<u>4</u>	<u>8</u>	<u>14</u>	<u>84</u>
Net change in fund balances	<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>	<u>\$ 736</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
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
2021	2,302,008,095	1,556,143,374	21,011,288	324,352,155	3,554,810,602	8.665

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	
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
2021	8.095	0.570	2.208	2.500	7.312	20.685

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 2021			Calendar Year 2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Shaw Industries, Inc.	\$ 512,556,776	1	14.4%	\$ 548,675,935	1	16.3%
Mohawk Industries, Inc.	186,744,312	2	5.3%	131,661,460	2	3.9%
Tarkett USA (2)	100,790,150	3	2.8%	-	NA	0.0%
The Peeples Group	85,288,667	4	2.4%	39,706,166	6	1.2%
Engineered Floors, LLC (1)	83,148,210	5	2.3%	-	NA	0.0%
Dalton Whitfield Joint Development Authority	54,892,374	6	1.5%	-	NA	0.0%
Indian Summer Carpet Mills, Inc.	23,517,079	7	0.7%	17,358,563	9	0.5%
Charter Communications	23,101,759	8	0.6%	-	NA	0.0%
Shiroki Georgia, LLC	22,773,202	9	0.6%	15,933,724	10	0.5%
Columbia Recycling	19,819,944	10	0.6%	-	NA	0.0%
Beaulieu of America, LLC (1)	-	NA	0.0%	119,745,632	3	3.6%
J&J Industries (1)	-	NA	0.0%	79,390,232	4	2.4%
Tandus Centiva, Inc. (2)	-	NA	0.0%	57,359,241	5	1.7%
Lexmark Carpet Mills, Inc. (2)	-	NA	0.0%	30,205,298	7	0.9%
CBL & Associates Properties, Inc.	-	NA	0.0%	26,748,527	8	0.8%

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
2012	\$ 25,135,805	\$ 24,582,107	97.8%	\$ 553,533	\$ 25,135,640	100.0%
2013	24,906,297	24,430,803	98.1%	475,183	24,905,986	100.0%
2014	26,465,168	25,915,034	97.9%	549,331	26,464,365	100.0%
2015	27,223,274	26,604,407	97.7%	618,970	27,223,377	100.0%
2016	26,989,808	26,335,721	97.6%	653,587	26,989,308	100.0%
2017	27,926,971	27,366,157	98.0%	560,268	27,926,425	100.0%
2018	30,417,776	29,801,231	98.0%	608,079	30,409,310	100.0%
2019	31,513,397	30,778,538	97.7%	721,608	31,500,146	100.0%
2020	31,532,504	30,732,673	97.5%	725,269	31,457,942	99.8%
2021	30,703,979	30,360,645	98.9%	-	30,360,645	98.9%

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 Property	Per Capita	Percentage of Personal Income
Fiscal Year Ended June 30,	Capital Leases (1)	General Obligation Bonds (1)	Total Primary Government			
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%	1,519	3.7%
2022	3,194,502	45,895,602	49,090,104	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
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%	1,308
2022	45,895,602	1,190,433	44,705,169	1.3%	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, 2022  
(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 - Series 2021 Revenue Bonds	\$ 17,760,000	100.0%	\$ 17,760,000
Whitfield County agreement with Building Authority - Series 2020 Bonds	19,962,000	32.0%	<u>6,387,840</u>
Total overlapping debt			24,147,840
City of Dalton Board of Education direct debt			<u>49,090,104</u>
Total direct and overlapping debt			<u><u>\$ 73,237,944</u></u>

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

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

Note: Estimated applicable percentage for City of Dalton debt is 100% because the geographic boundaries of the City of Dalton Board of Education and the City of Dalton, Georgia are the same. The estimated applicable percentage for Whitfield County debt is 32% 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>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>
Debt limit	\$ 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	\$ 387,916,276
Total net debt applicable to limit	-	-	-	-	-	40,380,000	46,532,016	46,319,878	46,107,740	45,895,602
Legal debt margin	<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>	<u>\$ 342,020,674</u>
Total net debt applicable to limit as a % of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	10.6%	11.9%	11.7%	11.6%	11.8%

Legal Debt Margin Calculation  
for Calendar Year 2021

Assessed value	\$ 3,554,810,602
Add: exempt real property	<u>324,352,155</u>
Total assessed value	3,879,162,757
	<u>10%</u>
Debt limit (10% of assessed value)	<u>\$ 387,916,276</u>
Debt applicable to limit	
Total general obligation debt	<u>\$ 45,895,602</u>
Legal debt margin	<u>\$ 342,020,674</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
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	34,417	1,403,559	40,781	4.0%
2021	NA	NA	NA	3.0%

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 2021			Calendar Year 2012		
	Employees (1)	Rank	Percentage of Total City Employees	Employees (1)	Rank	Percentage of Total City Employees
Shaw Industries, Inc.	4,429	1	12.9%	4,488	1	13.4%
Mohawk Industries, Inc.	1,916	2	5.6%	2,028	2	6.1%
Hamilton Medical Center	1,841	3	5.3%	1,224	4	3.7%
Dalton Public School System	1,091	4	3.2%	908	5	2.7%
Engineered Floors, LLC (2)	914	5	2.7%	-	NA	0.0%
City of Dalton, Georgia	706	6	2.1%	653	8	2.0%
Tarkett USA (3)	680	7	2.0%	-	NA	0.0%
Wal-Mart Stores, LP	374	8	1.1%	352	10	1.1%
Shiroki Georgia, LLC	283	9	0.8%	-	NA	0.0%
Columbia Recycling Corp.	267	10	0.8%	420	9	1.3%
Beaulieu of America, LLC (2)	-	NA	0.0%	1,541	3	4.6%
TANDUS Centiva, Inc. (3)	-	NA	0.0%	822	6	2.5%
J&J Industries (2)	-	NA	0.0%	723	7	2.2%

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>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>	<u>2022</u>
PreKindergarten	329	334	372	373	371	372	372	393	389	375
Elementary School Grades K-5	3,664	3,674	3,625	3,592	3,643	3,456	3,362	3,324	3,272	3,227
Middle School Grades 6-8	1,677	1,697	1,727	1,751	1,778	1,803	1,772	1,792	1,759	1,743
High School Grades 9-12	<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>	<u>2,372</u>
Total	<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>	<u><u>7,717</u></u>
Percentage Change from Prior Year	4.7%	1.8%	2.0%	1.4%	2.3%	-3.1%	0.3%	-0.5%	-1.3%	-0.8%

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>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>	<u>2022</u>
Classroom teachers	509	535	536	555	563	567	581	599	596	611
Support personnel	343	354	362	375	369	363	358	347	315	371
Administrators	<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>	<u>47</u>
Total	<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>	<u>1,029</u>
Percentage Change from Prior Year	6.5%	4.3%	0.6%	3.9%	0.1%	0.0%	0.7%	0.6%	-3.6%	8.3%

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
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	60,549	95%
2022	41,592	37,092	112%	84,180	59,544	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 2022 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>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>	<u>2022</u>
Blue Ridge Elementary School										
Enrollment	781	734	696	656	672	654	643	667	655	652
Teachers	53	50	48	49	47	48	53	58	59	59
Teacher/student ratio	15	15	15	13	14	14	12	12	11	11
Brookwood Elementary School										
Enrollment	625	648	627	620	678	710	673	675	657	727
Teachers	42	44	46	45	44	46	49	52	54	57
Teacher/student ratio	15	15	14	14	15	15	14	13	12	13
City Park Elementary School										
Enrollment	817	800	836	832	815	738	707	745	727	693
Teachers	56	59	57	59	61	57	57	62	63	63
Teacher/student ratio	15	14	15	14	13	13	12	12	12	11
Park Creek Elementary School										
Enrollment	750	732	762	765	744	662	633	608	584	560
Teachers	58	58	58	62	61	58	55	56	56	54
Teacher/student ratio	13	13	13	12	12	11	12	11	10	10
Roan Elementary School										
Enrollment	442	516	506	489	496	476	470	460	460	417
Teachers	36	40	40	41	41	41	43	44	43	41
Teacher/student ratio	12	13	13	12	12	12	11	10	11	10

(continued)

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

For the fiscal year ended June 30,										
<u>School</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>	<u>2022</u>
Westwood Elementary School										
Enrollment	578	578	570	603	609	588	608	562	578	553
Teachers	37	36	35	39	38	41	45	46	46	46
Teacher/student ratio	16	16	16	15	16	14	14	12	13	12
Dalton Middle School										
Enrollment	1,677	1,697	1,727	1,751	1,778	1,803	1,772	1,792	1,759	NA
Teachers	112	122	121	121	126	129	134	134	128	NA
Teacher/student ratio	15	14	14	14	14	14	13	13	14	NA
Hammond Creek Middle School										
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	NA	1,131
Teachers	NA	NA	NA	NA	NA	NA	NA	NA	NA	83
Teacher/student ratio	NA	NA	NA	NA	NA	NA	NA	NA	NA	14
Dalton Junior High School										
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	NA	1,206
Teachers	NA	NA	NA	NA	NA	NA	NA	NA	NA	79
Teacher/student ratio	NA	NA	NA	NA	NA	NA	NA	NA	NA	15

(continued)



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

<u>School</u>	For the fiscal year ended June 30,									
	<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>	<u>2022</u>
Dalton High School										
Enrollment	1,423	1,640	1,874	1,829	1,995	1,901	2,067	2,050	2,104	1,414
Teachers	83	91	99	103	107	113	111	116	118	95
Teacher/student ratio	17	18	19	18	19	17	19	18	18	15
Morris Innovative High School										
Enrollment	471	358	260	421	361	367	348	324	259	NA
Teachers	33	35	31	36	37	35	36	31	30	NA
Teacher/student ratio	14	10	8	12	10	10	10	10	9	NA
Dalton Academy High School										
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	NA	364
Teachers	NA	NA	NA	NA	NA	NA	NA	NA	NA	35
Teacher/student ratio	NA	NA	NA	NA	NA	NA	NA	NA	NA	10

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

Note: NA indicates that the information is not applicable.

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

School	For the fiscal year ended June 30,									
	<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>	<u>2022</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	49	49	49	49	49	49	49	49
Building capacity based on total classrooms <sup>(2)</sup>	762	762	787	787	787	787	787	787	787	787
Enrollment K - 5 <sup>(3)</sup>	711	665	628	585	603	584	576	604	597	592
Enrollment as a % of total classroom capacity	93%	87%	80%	74%	77%	74%	73%	77%	76%	75%
Enrollment PreK - 5 <sup>(3)</sup>	781	734	696	656	672	654	643	667	655	652
Enrollment as a % of total classroom capacity	102%	96%	88%	83%	85%	83%	82%	85%	83%	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	49	49	49	49	49	48	48	48
Building capacity based on total classrooms <sup>(2)</sup>	762	762	787	787	787	787	787	762	762	762
Enrollment K - 5 <sup>(3)</sup>	580	600	579	575	630	661	624	612	597	664
Enrollment as a % of total classroom capacity	76%	79%	74%	73%	80%	84%	79%	80%	78%	87%
Enrollment PreK - 5 <sup>(3)</sup>	625	648	627	620	678	710	673	675	657	727
Enrollment as a % of total classroom capacity	82%	85%	80%	79%	86%	90%	86%	89%	86%	95%
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	55	55	55	55	57	57	56	56
Building capacity based on total classrooms <sup>(2)</sup>	875	875	887	887	887	887	904	904	895	895
Enrollment K - 5 <sup>(3)</sup>	768	746	762	758	746	666	639	648	629	606
Enrollment as a % of total classroom capacity	88%	85%	86%	85%	84%	75%	71%	72%	70%	68%
Enrollment PreK - 5 <sup>(3)</sup>	817	800	836	832	815	738	707	745	727	693
Enrollment as a % of total classroom capacity	93%	91%	94%	94%	92%	83%	78%	82%	81%	77%

(continued)

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

School	For the fiscal year ended June 30,									
	<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>	<u>2022</u>
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	50	50	50	50	50	50	50	50
Building capacity based on total classrooms <sup>(2)</sup>	787	787	800	800	800	800	800	800	800	800
Enrollment K - 5 <sup>(3)</sup>	680	664	676	680	655	581	563	543	519	499
Enrollment as a % of total classroom capacity	86%	84%	85%	85%	82%	73%	70%	68%	65%	62%
Enrollment PreK - 5 <sup>(3)</sup>	750	732	762	765	744	662	633	608	584	560
Enrollment as a % of total classroom capacity	95%	93%	95%	96%	93%	83%	79%	76%	73%	70%
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	32	32	32	32	32	32	32	32
Building capacity based on total classrooms <sup>(2)</sup>	475	475	487	487	487	487	487	487	487	487
Enrollment K - 5 <sup>(3)</sup>	397	471	457	440	449	427	420	415	416	375
Enrollment as a % of total classroom capacity	84%	99%	94%	90%	92%	88%	86%	85%	85%	77%
Enrollment PreK - 5 <sup>(3)</sup>	442	516	506	489	496	476	470	460	460	417
Enrollment as a % of total classroom capacity	93%	109%	104%	100%	102%	98%	97%	94%	94%	86%
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	32	32	32	32	32	33	33	33
Building capacity based on total classrooms <sup>(2)</sup>	475	475	487	487	487	487	487	512	512	512
Enrollment K - 5 <sup>(3)</sup>	528	528	523	554	560	537	540	502	514	491
Enrollment as a % of total classroom capacity	111%	111%	107%	114%	115%	110%	111%	98%	100%	96%
Enrollment PreK - 5 <sup>(3)</sup>	578	578	570	603	609	588	608	562	578	553
Enrollment as a % of total classroom capacity	122%	122%	117%	124%	125%	121%	125%	110%	113%	108%

(continued)

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

School	For the fiscal year ended June 30,									
	<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>	<u>2022</u>
Hammond Creek Middle School (Year Built 2021)										
Square feet	NA	NA	NA	NA	NA	NA	NA	NA	NA	199,525
Total classrooms <sup>(1)</sup>	NA	NA	NA	NA	NA	NA	NA	NA	NA	74
Building capacity based on total classrooms <sup>(2)</sup>	NA	NA	NA	NA	NA	NA	NA	NA	NA	1,212
Enrollment 6 - 7 <sup>(3)</sup>	NA	NA	NA	NA	NA	NA	NA	NA	NA	1,131
Enrollment as a % of total classroom capacity	NA	NA	NA	NA	NA	NA	NA	NA	NA	93%
Dalton Junior High School & Dalton Academy <sup>(5)</sup> (Year Built 2001)										
Square feet	196,144	196,144	243,880	243,880	243,880	243,880	243,880	243,880	243,880	244,341
Total classrooms <sup>(1)</sup>	97	97	110	110	110	110	110	110	110	109
Building capacity based on total classrooms <sup>(2)</sup>	1,612	1,612	1,825	1,825	1,825	1,825	1,825	1,825	1,825	2,137
Enrollment 8 - 12 <sup>(3) (6)</sup>	1,677	1,697	1,727	1,751	1,778	1,803	1,772	1,792	1,759	1,570
Enrollment as a % of total classroom capacity	104%	105%	95%	96%	97%	99%	97%	98%	96%	73%
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	102	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	1,987	1,987	1,962
Enrollment 10 - 12 <sup>(3) (6)</sup>	1,423	1,640	1,874	1,829	1,995	1,901	2,067	2,050	2,104	1,414
Enrollment as a % of total classroom capacity	74%	85%	97%	95%	104%	99%	107%	103%	106%	72%

(continued)

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

School	For the fiscal year ended June 30,									
	<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>	<u>2022</u>
Morris Innovative High School <sup>(4) (5)</sup> (Year Built 1911)										
Square feet	54,044	54,044	54,044	54,044	54,044	54,044	54,044	54,044	54,044	NA
Total classrooms <sup>(1)</sup>	26	26	29	29	29	29	35	35	35	NA
Building capacity based on total classrooms <sup>(2)</sup>	450	450	512	512	512	512	637	637	637	NA
Enrollment 9 - 12 <sup>(3)</sup>	471	358	260	421	361	367	348	324	259	NA
Enrollment as a % of total classroom capacity	105%	80%	51%	82%	71%	72%	55%	51%	41%	NA

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

Note: NA indicates that the information is not applicable.

(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

(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.

(5) Dalton Middle School was located at the Dalton Junior High School and Dalton Academy building for 2021 and prior. When Hammond Creek Middle School was built and began operating in 2022, a grade configuration shift occurred. That facility will house the Dalton Junior High School and Dalton Academy for years 2022 and thereafter. Morris Innovative High School at Fort Hill was closed for years 2022 and thereafter.

(6) Dalton Junior High School & Dalton Academy enrollment represents grades 6 - 8 for the 2021 year and prior, and grades 8 - 12 for the 2022 year forward. Dalton High School enrollment represents grades 9 - 12 for the 2021 year and prior, and grades 10 - 12 for the 2022 year forward. These changes occurred due to the grade configuration shift for the 2022 school year.

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>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>	<u>2022</u>
Blue Ridge School	89.8%	95.8%	88.8%	88.1%	87.9%	81.2%	93.9%	87.1%	82.0%	39.2%
Brookwood Elementary School	61.1%	61.7%	59.7%	56.5%	52.1%	56.2%	51.9%	42.5%	39.7%	22.7%
City Park School	87.8%	92.9%	89.2%	86.5%	83.1%	81.7%	94.3%	80.5%	80.6%	52.8%
Park Creek School	89.7%	98.8%	87.7%	93.2%	87.8%	83.7%	90.0%	90.0%	83.0%	49.1%
Roan School	87.6%	95.4%	88.3%	85.9%	86.3%	82.4%	91.5%	81.3%	82.8%	38.8%
Westwood Elementary School	54.8%	55.7%	52.5%	49.9%	47.6%	52.7%	53.0%	49.5%	47.1%	38.5%
Dalton Middle School	79.7%	80.1%	77.8%	80.3%	77.1%	78.0%	77.2%	71.1%	85.4%	N/A
Hammond Creek Middle School	NA	NA	NA	NA	NA	NA	NA	NA	NA	37.5%
Dalton Junior High	NA	NA	NA	NA	NA	NA	NA	NA	NA	30.8%
Dalton Academy	NA	NA	NA	NA	NA	NA	NA	NA	NA	29.0%
Dalton High School	66.4%	70.1%	66.5%	63.0%	64.7%	65.1%	78.7%	72.2%	85.3%	24.7%
Morris Innovative High School	86.8%	84.4%	84.6%	84.1%	83.4%	78.5%	64.5%	73.0%	32.7%	NA
District wide	77.6%	78.5%	75.9%	75.2%	73.1%	72.6%	74.7%	71.9%	63.4%	34.5%

Source: October data collection

Note: NA indicates that the information is not applicable.

## 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, 2022

	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>\$ 24,348,100</u>	<u>\$ 6,933,090</u>	<u>\$ 31,281,190</u>





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

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, 2022, and the related notes to the financial statements, which collectively comprise the City of Dalton Board of Education's basic financial statements and have issued our report thereon dated November 18, 2022.

**Report on 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.

## **Report on 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  
November 18, 2022

INDEPENDENT AUDITOR’S 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**

***Opinion on Each Major Federal Program***

We have audited the City of Dalton Board of Education’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Dalton Board of Education’s major federal programs for the year ended June 30, 2022. The City of Dalton Board of Education’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Dalton 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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Dalton Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Dalton Board of Education’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Dalton Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Dalton Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Dalton Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Dalton Board of Education's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City of Dalton Board of Education's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

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

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

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

*Estes & Walcott*

Dalton, Georgia  
November 18, 2022

CITY OF DALTON BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Summary of Auditor's Results

1. The Independent Auditor's 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 Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Dalton Board of Education were disclosed during the audit.
4. One significant deficiency in internal control over major federal award programs were disclosed during the audit that were required to be reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The Independent Auditor's 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
  - Title I Grants to Local Educational Agencies
  - CFDA # 84.010
  - U.S. Department of Education
  - Pass-Through Georgia Department of Education:
  - Education Stabilization Fund
  - COVID-19 - Elementary and Secondary School Emergency Relief Fund
  - COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund
  - COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth
  - CFDA # 84.425D, 84.425U, and 84.425W
8. The threshold for distinguishing Type A and B programs is \$750,000.
9. The City of Dalton Board of Education was determined to be a low risk auditee.

CITY OF DALTON BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Findings – Federal Awards Programs

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

2022-001 Criteria:	Charges to federal programs should comply with federal requirements of the program and comply with School District internal control policies and procedures.
Condition:	Charges to the federal program did not comply with program requirements.
Cause:	In two separate sampling applications, four items of a population of seventy-six and sixteen items of a population of twenty-five were found to not adhere to the internal control and compliance policies and procedures set forth by the School District.
Effect:	The School District failed to comply with program requirements.
Recommendation:	Procedures should be implemented to ensure all School District policies and procedures are followed.
Management Response:	We concur. Additional procedures will be implemented to prevent future occurrences.

CITY OF DALTON BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	\$ 2,192,572
National School Lunch Program		
(includes \$233,132 in non-cash awards)	10.555	<u>6,029,669</u>
Total Child Nutrition Cluster		<u>8,222,241</u>
Total U.S. Department of Agriculture		<u>8,222,241</u>
U.S. Department of Defense		
Direct Funding:		
ROTC Language and Culture Training Grants	12.357	<u>60,924</u>
Total U.S. Department of Defense		<u>60,924</u>
U.S. Department of Education		
Pass-Through Georgia Department of Education:		
Special Education Cluster (IDEA)		
Special Education Grants to States	84.027	1,725,273
Special Education Preschool Grants	84.173	<u>56,108</u>
Total Special Education Cluster (IDEA)		<u>1,781,381</u>
Education Stabilization Fund		
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	3,473,743
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	6,932,920
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	<u>34,626</u>
Total Education Stabilization Fund		<u>10,441,289</u>
Other Programs		
Title I Grants to Local Educational Agencies	84.010	2,037,255
Career and Technical Education - Basic Grants to States	84.048	87,021
Education for Homeless Children and Youth	84.196	59,380
Twenty-First Century Community Learning Centers	84.287	340,370
English Language Acquisition State Grants	84.365	224,081
Improving Teacher Quality State Grants	84.367	249,805
Student Support and Academic Enrichment Program	84.424	<u>201,678</u>
Total Other Programs		<u>3,199,590</u>
Total U.S. Department of Education		<u>15,422,260</u>

(continued)



CITY OF DALTON BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<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	<u>68,986</u>
Total CCDF Cluster		<u>68,986</u>
Total U.S. Department of Health and Human Services		<u>68,986</u>
 Total Federal Awards Expended		 <u>\$ 23,774,411</u>

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 \$233,132 the year ended June 30, 2022.

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.