

**CITY OF DALTON BOARD OF EDUCATION**  
**DALTON, GEORGIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
  
**PREPARED BY THE FINANCE DEPARTMENT**

CITY OF DALTON BOARD OF EDUCATION  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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November 10, 2023

**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, 2023. 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, 2023. 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 7,675 PreK through 12<sup>th</sup> grade students enrolled in the School District in the 2022-2023 school year. The ethnic make-up of the students is 72 percent Hispanic, 19 percent white, 5 percent black, 2 percent Asian, and 2 percent multi-racial. Projected PreK-12 enrollment for the 2023-2024 school year is 7,662 students.

The School District consists of six elementary schools, one middle school, one junior high school, and two high schools. All schools and the 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.

Dalton Public Schools has one of the highest levels of staff training and experience of any public PreK-12 school system in Georgia. About 68 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 676 certified staff members and 382 support staff for a total of 1,058 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 2023 statistic report from the Georgia Department of Labor, the manufacturing industry makes up approximately 34 percent of the 68,200 jobs in the 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 have 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 3.4 percent and national rate is at 3.8 percent. The latest unemployment rate from 2023 for the Dalton Metropolitan Area is 3.9 percent, up 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 raw materials and finished goods inventories held less than 12 months and on work-in-progress inventory. The freeport tax exemption could be expanded over several years until it reaches 100 percent exemption. Fiscal year 2023 had a \$1.1 million 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 2024 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. In fiscal years 2019, 2020, 2022, and 2023 Georgia austerity reductions were eliminated, improving total state revenue. 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 were 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, Dalton Public Schools lost over \$44.2 million in revenue of the School District's 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. Dalton Public Schools' austerity reduction went from \$5.1 million in fiscal year 2014 to just over \$820,000 in fiscal year 2017 which increased state sources of revenue by \$1.4 million for three consecutive years. 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 2014 general fund expenditures were \$62.3 million, and the fund balance reached nearly \$11.0 million. Fiscal year 2023 general fund expenditures increased to \$91.8 million, and the fund balance was \$24.1 million. The Board is intentional with the higher fund balance level in order to prepare for the operational cost increases for the secondary grade reconfiguration.

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 pattern occurred in the 2021-2022 school year with state funding. Dalton Public Schools 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, fiscal year 2022 had a 0.8 percent decline, and fiscal year 2023 declined 0.5 percent 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 has been 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 Board implemented an updated strategic facility planning process that includes a grade configuration change at the secondary level 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 9<sup>th</sup> 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 six 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 Dalton Public Schools 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.

In the second half of fiscal year 2023, the School District started receiving funding for the sixth ESPLOST. Although monthly sales tax revenue has already exceeded projections, the global inflation rate and local construction costs are already posing challenges for the Dalton Board of Education and administration to meet some of the initial capital project goals – specifically additions to the smallest elementary schools. It is anticipated that the five year sales tax would enable the School District to renovate and improve two schools, continue to invest and improve student and staff technology and infrastructure, and begin paying the principal portion of the Hammond Creek general obligation bond.

## **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 fiscal year 2023, the School District added a complimentary phonics program with a robust emphasis in grades kindergarten through third 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. Dalton Public Schools 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 rounded percentage of Dalton students who are proficient and distinguished from the 2022 and 2023 school years, however the schedule is not meant to be a comparison.

Dalton Public Schools Fiscal Years 2022 and 2023		
	% of Proficient and Distinguished	% of Proficient and Distinguished
	FY 2022	FY 2023
<b>English Language Arts</b>		
High School American Literature	40%	29%
8 <sup>th</sup> Grade Milestones Test	33%	37%
5 <sup>th</sup> Grade Milestones Test	33%	43%
<b>Mathematics</b>		
Algebra I	32%	30%
8 <sup>th</sup> Grade Milestones Test	29%	26%
5 <sup>th</sup> Grade Milestones Test	35%	36%
<b>Science</b>		
Biology	41%	38%
8 <sup>th</sup> Grade Milestones Test	15%	19%
5 <sup>th</sup> Grade Milestones Test	35%	33%
<b>Social Studies</b>		
US History	38%	26%
8 <sup>th</sup> Grade Milestones Test	25%	22%

*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 cursive script, appearing to read "Tim Scott".

Tim Scott  
Superintendent

A handwritten signature in cursive script, appearing to read "Theresa A. Perry".

Theresa A. Perry  
Chief Financial Officer

CITY OF DALTON BOARD OF EDUCATION  
ELECTED OFFICIALS AND ADMINISTRATION  
JUNE 30, 2023

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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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Ali Finley, Principal  
Blue Ridge School

Meleia Bridenstine, Principal  
Brookwood School

Kim Rhyne, Principal  
City Park School

Will Esters, Principal  
Park Creek School

Anne Fetzer, Principal  
Roan School

Scott Ehlers, Principal  
Westwood School

Lauri Johnson, Principal  
Hammond Creek Middle School

Missie McKinney, Principal  
Dalton Junior High School

Stephanie Hungerpiller, Principal  
Dalton High School

Matt Mederios, Principal  
The Dalton Academy

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Centralized Administration

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Dr. Tim Scott, Superintendent

Wiley Dailey  
Deputy Superintendent

Theresa Perry  
Chief Financial Officer

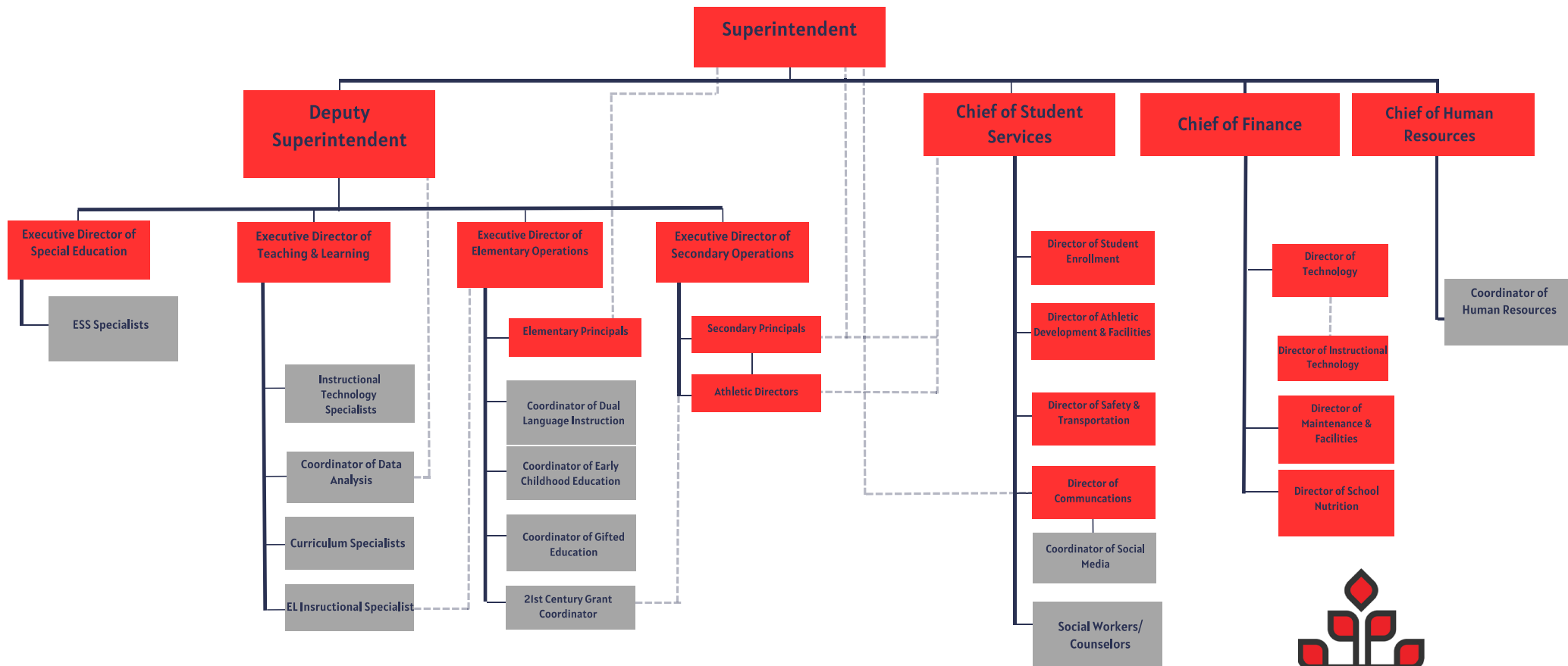
Dr. Steven Craft  
Chief of Student Services

Brandi Moore  
Executive Director of Teaching and Learning

Mendy Woods  
Chief Human Resources Officer

Pat Holloway  
Chief of Staff

## DPS Organizational Structure





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Dalton Board of Education  
Georgia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

## 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, 2023, 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, 2023, and the respective changes in financial position 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 – 14, the required supplementary information for pension plans and OPEB plans on pages 58 – 67, and the respective budgetary comparison information for the general fund and the major special revenue funds on pages 68 – 71 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 10, 2023, 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 10, 2023

**CITY OF DALTON BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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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, 2023. 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 2023 are as follows:

- In fiscal year 2023, total net position decreased 2% or \$636,000 from fiscal year 2022 net position of \$33.0 million to \$32.4 million. This decrease is primarily due to an increase in liabilities related to pensions and intergovernmental agreements payables, yet were modestly offset by improvements in deferred pension outflows and deferred pension inflows.
- Total revenues increased 1% from \$127.1 million in 2022 to \$128.2 million in 2023. Although operating grants decreased from the federal government for the Elementary and Secondary School Emergency Relief ("ESSER") funds, the School District received increased revenues for interest earnings, and additional funding from local property tax revenue due to increased property values. Donation revenues were higher in fiscal year 2022 for an athletic field partnership with the City of Dalton. Overall, expenditures exceeded revenues by \$636,000 in fiscal year 2023.
- Total expenses increased 19% from \$108.1 million in 2022 to \$128.9 million in 2023. Expenditure increases were across the board in nearly every functional category, primarily attributable to the increased pension expense. In fiscal year 2023, there was a sudden 67% increase in the employer required contribution for the certified employee health insurance plan that changed in January 2023, impacting most of these expenditure categories. Additionally, the School District made comprehensive improvements to employee salary scales. In instruction, the School District increased the number teachers and paraprofessionals to serve students and program needs. The School District added school psychologists, administrative positions, and an assistant principal in fiscal year 2023. Additional teacher stipends were paid as a result of increased professional staff training opportunities. In pupil services, the School District expanded athletic opportunities for students, resulting in an increase in the number of coaching positions. Both pupil services and school administration expenditures increased due to capital improvements to the secondary schools and athletic fields. The School District shows increased expenditures in maintenance and operations for electricity, water and sewer, custodial services, school resource officers, and portable air filtration equipment.
- Among the major funds, the general fund reported \$92.0 million in revenues in 2023, compared to \$89.7 million in revenues in 2022. The change is attributable to an increase in interest earnings and local property tax revenue from increased property values. The general fund reported \$93.3 million in expenditures in 2023 compared to \$86.8 million in expenditures in 2022. Expenditure increases are due to the increased employer contribution for certified employee health insurance, and adding both instructional and administrative personnel. The School District also had expenditure increases in the areas of student transportation, custodial services, electricity, and school resource officers.

### **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.

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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>2023</u>	<u>2022</u>
Assets		
Current and other assets	\$ 71,712,795	\$ 52,762,523
Noncurrent assets	<u>160,980,002</u>	<u>163,026,874</u>
Total assets	<u>232,692,797</u>	<u>215,789,397</u>
Deferred outflows of resources	<u>74,205,781</u>	<u>36,759,963</u>
Liabilities		
Current liabilities	16,093,187	14,137,781
Noncurrent liabilities	<u>228,967,945</u>	<u>129,260,236</u>
Total liabilities	<u>245,061,132</u>	<u>143,398,017</u>
Deferred inflows of resources	<u>29,449,591</u>	<u>76,127,623</u>
Net position		
Net investment in capital assets	115,041,592	113,194,563
Restricted	17,497,737	14,877,657
Unrestricted	<u>(100,151,474)</u>	<u>(95,048,500)</u>
Total net position	<u>\$ 32,387,855</u>	<u>\$ 33,023,720</u>

Current and other assets increased by 36%, or \$19.0 million in fiscal year 2023. This is primarily due to an increase in intergovernmental receivables from the City of Dalton Building Authority. In fiscal year 2023, the City of Dalton Building Authority issued the Series 2022 revenue bonds to be paid back with the School District's Education Special Purpose Local Option Sales Tax ("ESPLOST") for an amount of \$15.9 million. Of that amount, \$15.7 million is unspent and is being held in a Building Authority cash account that is available to the School District for future capital equipment and projects. Additionally, the School District's general fund taxes receivable are \$809,000 higher in fiscal year 2023, and the school food services fund has a \$758,000 increase in cash and investments.

Noncurrent assets decreased by 1% in fiscal year 2023, as depreciation expense exceeded capital outlays by \$2.0 million. Non-depreciable capital assets was reduced by \$4.1 million due to the reclassification of construction in progress to building and land improvements.

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Current liabilities increased by 14% or \$2.0 million in fiscal year 2023. The increase is attributable to the principal payment of \$855,000 that will be due in fiscal year 2024 for the Hammond Creek general obligation bond. Additionally, accounts payables increased in fiscal year 2023 by 32% or \$1.1 million for a total of \$4.6 million, however that total amount in accounts payable is similar to the year-end amount in fiscal year 2021. Intergovernmental agreements payable decreased as the Series 2018 revenue bonds were paid in full with the final payment of \$2.9 million. An offsetting increase of \$2.9 million was incurred as the Series 2022 revenue bond was initiated in fiscal year 2023.

Non-current liabilities increased by 77% or \$99.7 million in 2023. This is primarily due to an increase in the School District's proportionate share of the net pension liability related to the Teacher Retirement System of \$91.3 million increase over the prior year, while the proportionate share of the net other post-employment benefits ("OPEB") liability decreased \$3.4 million. Additionally, the School District's long-term portion of intergovernmental agreements payable increased by \$13.1 million for the new Series 2022 revenue bond to be paid back with capital sales tax revenue.

Deferred outflows of resources increased by 102% or \$37.4 million while deferred inflows of resources decreased by 61% or \$46.7 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>2023</u>	<u>2022</u>
Revenues		
Program revenues		
Charges for services	\$ 1,055,589	\$ 703,768
Operating grants and contributions	80,320,248	83,324,421
Capital grants and contributions	1,188,936	378,378
General revenues		
Property taxes	32,283,992	30,798,235
Other taxes	11,626,933	10,898,498
Donations	157,505	945,562
Investment earnings	1,589,982	89,120
Total revenues	<u>128,223,185</u>	<u>127,137,982</u>
Expenses		
Instruction	80,226,473	66,448,942
Support services	40,621,657	33,535,404
Food services operation	5,545,239	5,481,956
Community service operation	418,090	499,709
Interest on long-term debt	2,047,591	2,108,347
Total expenses	<u>128,859,050</u>	<u>108,074,358</u>
Change in net position	(635,865)	19,063,624
Net position, beginning of year	<u>33,023,720</u>	<u>13,960,096</u>
Net position, end of year	<u>\$ 32,387,855</u>	<u>\$ 33,023,720</u>

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*Revenues*

The School District's total revenues increased in 2023 by 1%, or \$1.1 million. The increases in revenues were both in property taxes and interest earnings. Property taxes increased by \$1.5 million due to increased property values. The Dalton Board of Education also approved a millage rate rollback in fiscal year 2023. Other taxes increased by \$728,000 predominately for sales tax collections for capital projects. Sales tax revenues are higher due to inflationary costs of goods and services.

Interest earnings were \$1.5 million higher in fiscal year 2023 compared to fiscal year 2022 due to higher interest rates. Donations decreased in fiscal year 2023 due to the contribution from the City of Dalton for an athletic field upgrade paid in fiscal year 2022.

Operating grants decreased by \$3.0 million due to the reduced amount for the School District from the one-time federal funding in response to the coronavirus global pandemic. Capital grant increases of \$811,000 were primarily in the school nutrition fund.

*Expenses*

The School District's total expenses increased by 19%, or \$20.8 million. Expenditure increases were across the board in nearly every functional category, primarily attributable to increased pension expense. In fiscal year 2023, there was a sudden 67% increase in the employer required contribution for the certified employee health insurance plan that changed in January 2023, impacting most of these expenditure categories. Additionally, the School District made comprehensive improvements to employee salary scales.

Instruction expenditures increased by \$13.8 million for the items referenced above, as well as for the increased number of teachers and paraprofessionals hired to serve students and program needs. Pupil service expenditures increased by \$1.2 million in fiscal year 2023 when compared with fiscal year 2022. The School District added school psychologists using the one-time federal ESSER funds and expanded athletic opportunities for students resulting in an increase to the number of coaching positions. Both pupil services and school administration expenditures increased due to capital improvements to the secondary schools and athletic fields. School administration shows a \$1.1 million increase in fiscal year 2023.

The School District shows increased expenditures of \$1.5 million in maintenance and operations for electricity, water and sewer, custodial services, school resource officers, and portable air filtration equipment. Utility rate increases went into effect in fiscal year 2023. Additionally, the School District increased the school resource officer partnership with the City of Dalton moving from 5 officers in previous years to 7 in fiscal year 2023 with more officers serving all schools.

**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.

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*Governmental Funds*

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

*Proprietary Funds*

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

*Fiduciary Funds*

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

**The School District's Funds**

The 2023 combined fund balance of all governmental funds totaled \$59.3 million. This is a 42% or \$17.4 million increase from the \$41.9 million fund balance from fiscal year 2022. The fund balance increase occurred in the ESPLOST capital fund at \$18.0 million. Proceeds from the Series 2022 revenue bond of \$15.9 million were received in the fund, coupled with reduced debt service requirements in the ESPLOST capital fund for fiscal year 2023.

The original board approved general fund budget for fiscal year 2023 planned to use \$4.1 million of the fund balance for the School District's operations. The actual use of general fund balance was \$1.4 million or 5% in fiscal year 2023. The School District had unanticipated cost increases in a variety of areas. One of the most significant sudden expenditure changes was in the employer contribution for certified employees health insurance contributions. There was a \$2.9 million or 37% increase from fiscal year 2022 to fiscal year 2023 in the general fund for health insurance required contributions. The state of Georgia's mid-term funding allocation improved in fiscal year 2023 to cover most of the certified health insurance cost increase. Additional expenditure increases occurred in maintenance and operations for utilities, custodial services, school resource officers, and air filtration equipment. Local general fund revenues were higher in fiscal year 2023 for interest earnings.

Of the governmental fund balance, \$205,000 is nonspendable, \$7.4 million is restricted in the school food services program, \$24.8 million is restricted for capital projects, and \$1.2 million is restricted for debt service. An additional \$427,000 is committed to capital projects, and \$1.1 million is assigned to school activities.

**General Fund Budgetary Highlights**

In developing the fiscal year 2023 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.

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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 an increase to the required employer contribution for certified employee health insurance contributions.

Actual revenues were 1% or \$469,000 higher the final budget. Actual local revenue was \$515,000 more than the final budget for property tax revenue, after school program fees, and interest earnings. Federal revenues were \$60,000 less than budget as actual E-rate revenue received was lower than budget estimates.

Actual expenditures were under the final adjusted budget by 1% or \$814,000. Most of the expenditure savings were from salaries and benefits in instruction, general administration, school administration, and maintenance and operations. Instructional training was under budget due to lower travel expenditures and books associated with professional learning activities. Student transportation was under budget as a result of reduced services provided by the contract. Pupil services was higher than the adjusted budget in the area of school activities and the addition of personnel.

Overall, the general fund fund balance and current revenues adequately cover current expenditures as well as some capital outlay activity. There were no significant changes in regards to funding sources.

#### **General Fund Balance**

The fiscal year 2023 unassigned fund balance of \$24.0 million reflects a 6% or \$1.4 million decrease from fiscal year 2022. The fund balance will continue to be used for transfers to the capital projects fund to support the commitments of equipment and facility infrastructure. The 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 94 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 2023, 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 7% or \$1.1 million decrease from fiscal year 2022 for a total of \$14.3 million. The decrease is attributable to the sunseting of a portion of the federal relief funds under the Coronavirus Aid, Relief and Economic Security ("CARES") Act that were to supplement the School District operations amidst the coronavirus pandemic. The School District continues to use the American Rescue Plan ("ARP") funds for positions to support the needs of students academically, socially, and emotionally.

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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 22% or \$2.0 million decrease from fiscal year 2022 for a total of \$6.8 million. Federal revenues decreased due to the conclusion of all students being eligible for free meals during the 2020 - 2021 and 2021 - 2022 school years. Student participation in the school nutrition breakfast and lunch program decreased in the School District as a result of the resumption of paid meals. School food service expenditures increased by 12% or \$678,000 from the previous fiscal year. Expenditure increases were predominately in cafeteria furniture and kitchen equipment, as well as some salary improvements and employer benefit costs.

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 five 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 VI could generate a total of \$140 million. The School District would receive up to \$51.9 million over the life of this five year tax. School District plans assume a \$41.9 million budget in sales tax revenue that will be allocated to the School District and available to fund capital projects and debt service.

Fiscal year 2023 ESPLOST sales tax revenue totaled \$9.6 million compared to \$8.6 million in fiscal year 2022. This 11% increase of \$956,000 is due to inflationary costs of taxable goods or services that are occurring in Whitfield County, the state of Georgia, and throughout the nation. Additionally, the Georgia Department of Revenue identified \$212,000 of sales tax revenue for the period from September 2022 through August 2023 that was due to the School District.

There were \$4.8 million in ESPLOST capital project expenditures in fiscal year 2023. The most sizeable project was \$3.9 million to renovate athletic turf and track field stadium at Dalton High School, as well as bleacher upgrades in both the gymnasium and natatorium. Other ESPLOST expenditures entailed \$647,000 at the Dalton Junior High and Dalton Academy campus for the completion of the new athletic stadium, and media center furniture, equipment, and improvements.

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 2023, the School District had \$397,000 in capital expenditures in the capital projects fund at Hammond Creek Middle School for architect, furniture, equipment, and professional services. Other capital expenditures included equipment and improvements at the Dalton Junior High and Dalton Academy campus.

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 2023 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 \$2.9 million on the long-term debt increased in accordance with the payment terms on the debt schedule. Interest payments of \$2.1 million has a 4% decrease from the previous fiscal year.



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**Capital Assets**

Capital assets decreased 1% from the prior year, reducing from \$163.0 million in 2022 to \$161.0 million in 2023. The new stadium at the Dalton Junior High and Dalton Academy campus and corresponding facility improvements were reclassified from construction in progress to building improvements. The School District also had additional expenditures of \$3.8 million for the Dalton High School gymnasium and track and turf project reported as construction in progress during fiscal year 2023. Dalton Public Schools also made investments in instructional equipment, technology infrastructure, and food service equipment. See Note 5 of the basic financial statements for additional information on capital assets.

	<u>2023</u>	<u>2022</u>
Capital assets, not depreciable		
Land	\$ 15,865,223	\$ 15,875,134
Construction in progress	<u>4,472,008</u>	<u>8,543,338</u>
Total	<u>20,337,231</u>	<u>24,418,472</u>
Capital assets, depreciable		
Land improvements	11,378,889	5,155,043
Buildings and building improvements	201,169,109	198,798,980
Machinery, equipment, and technology	10,814,080	9,564,725
Vehicles	<u>804,540</u>	<u>759,322</u>
Total	<u>224,166,618</u>	<u>214,278,070</u>
Less accumulated depreciation		
Land improvements	(3,649,146)	(3,181,088)
Buildings and building improvements	(71,921,124)	(65,520,269)
Machinery, equipment, and technology	(7,314,495)	(6,358,931)
Vehicles	<u>(639,082)</u>	<u>(609,380)</u>
Total	<u>(83,523,847)</u>	<u>(75,669,668)</u>
Depreciable capital assets, net	<u>140,642,771</u>	<u>138,608,402</u>
Governmental activities capital assets	<u>\$ 160,980,002</u>	<u>\$ 163,026,874</u>

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**Debt Administration**

At June 30, 2023, the School District had noncurrent liabilities in the form of financed purchases, intergovernmental agreement revenue bonds, general obligation bonds, 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
Leases - financed purchases	\$ 162,290	\$ 5,412	\$ (55,481)	\$ 112,221	\$ 49,279
Intergovernmental agreements	2,935,000	15,930,000	(2,935,000)	15,930,000	2,880,000
General obligation bonds	40,380,000	-	-	40,380,000	855,000
Premium on debt	5,612,814	-	(309,351)	5,303,460	-
Compensated absences	23,409	7,390	(3,202)	27,597	27,597
Total	<u>\$ 49,113,513</u>	<u>\$ 15,942,802</u>	<u>\$ (3,303,034)</u>	<u>\$ 61,753,278</u>	<u>\$ 3,811,876</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, 2022, and 2023, 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 2023 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 thirteen year period. The School District received \$600,000 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 \$537,000 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. In fiscal year 2023, the funding declined \$1.1 million to \$4.5 million. Equalization is expected to improve in fiscal year 2024 for a total of \$5.2 million.

The Dalton area unemployment rates, as well as the state of Georgia, continue to look better than initial predictions with the onset of the global coronavirus pandemic. The Dalton Metropolitan Area shows an unemployment rate of 3.9% compared with 3.4% which was reported in the previous year. The state of Georgia unemployment rate is 3.4% compared with 3.1% reported in the prior year. The national unemployment rate is 3.8% compared with 3.5% reported in the prior year.

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Community leaders are striving to seek out ways to improve the quality of life and diversify the economy of Dalton City and Whitfield County. The implementation of a 20% freeport exemption on business inventory began in fiscal year 2011. The reductions initially resulted in a revenue losses of \$686,000 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 \$1.1 million in property tax revenue for fiscal year 2023. The plan is to phase in the freeport exemption until it reaches 100% exemption on business inventory. The School District forecasts a 100% freeport exemption will result in the loss of an additional \$4.4 million of property tax revenue. Increases to the freeport exemption will be delayed for fiscal year 2024 for the School District. There is some consideration for a 20% increase in a future fiscal year.

Real and personal property values had unprecedented decline in 2010, 2011, and 2012. As a result, the School District's property tax revenue decreased a total of \$2.7 million during that period. Although property values have fluctuated since fiscal year 2013, there has been an upward trend that has caused increased property tax revenue. Fiscal year 2023 property tax revenue is up 4% or \$1.5 million from fiscal year 2022. The School District is anticipating substantial increases to the tax digest for fiscal year 2024, however new homestead exemption will be in place in fiscal year 2025 and the School District anticipates a loss of \$350,000 in local funding.

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. Dalton Public Schools has been awarded \$28 million and the federal funding covered specific expenditures from fiscal year 2020 through fiscal year 2023. In fiscal year 2023, the School District had \$9.2 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 2024, the ESSER budget declines significantly to \$807,000 since the School District has spent the majority of allocated funds. 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 2024, the Dalton Board of Education is continuing to make strategic improvements to employee salary scales. In fiscal year 2024, the governor and legislature increased the state teacher salary scale by \$2,000. The 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 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.

The School District uses a contract service to provide student transportation. In December 2022, the drivers approved an election to become unionized. Union negotiations for driver pay, benefits and work conditions began soon thereafter. In May 2023, the drivers engaged in a labor strike impacting student transportation to school for testing and the last couple of weeks of the school year. The administration had been considering scenarios of bringing the transportation operation internal rather than using a contract service due to the potential savings that could be gained. In order to make this type of transition, an investment of school buses, property, equipment and infrastructure will be necessary.

An investment in student transportation could occur slowly over several years as funding is available, or the School District could seek financing. The City of Dalton Charter does not allow the School District to incur debt, however the City of Dalton can incur debt on behalf of the School District. Then, the School District pays the City of Dalton for any approved debt through an intergovernmental agreement. A new debt obligation for an investment in student transportation may be considered in a future fiscal year.

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In fiscal year 2020, the Dalton Board of Education worked to bolster the support in the classroom by restoring academic coaches at the elementary level. Although School District enrollment has averaged 2% growth each year over the last 10 years, fiscal year 2018 showed a decline of 3%, followed by no change in fiscal years 2019 and 2020. Enrollment has declined in the 2020 – 2023 school years. It is anticipated that enrollment will have no change in fiscal year 2024, 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, 2023

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash	\$ 8,880,682
Investments	40,015,033
Receivables:	
Accounts	42,075
Intergovernmental	20,046,557
Taxes	1,290,342
Inventory	205,256
Restricted assets - cash	<u>1,232,850</u>
Total current assets	<u>71,712,795</u>
Noncurrent assets	
Nondepreciable capital assets	20,337,231
Depreciable capital assets, net	<u>140,642,771</u>
Total noncurrent assets	<u>160,980,002</u>
Total assets	<u>232,692,797</u>
Deferred outflows of resources	
Related to defined benefit pension plans and OPEB plans	<u>74,205,781</u>
	(continued)

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	<u>Governmental Activities</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 4,564,350
Salaries payable	6,402,658
Unearned revenue	69,035
Retainage payable	405,892
Compensated absences	27,597
Leases payable	49,279
Accrued interest payable	839,376
Intergovernmental agreements payable	2,880,000
Bonds payable	<u>855,000</u>
Total current liabilities	<u>16,093,187</u>
Noncurrent liabilities	
Leases payable, less current portion	62,942
Intergovernmental agreements payable, less current portion	13,050,000
Bonds payable, less current portion	44,828,460
Net pension liability	123,840,159
Net OPEB liability	<u>47,186,384</u>
Total noncurrent liabilities	<u>228,967,945</u>
Total liabilities	<u>245,061,132</u>
Deferred inflows of resources	
Related to defined benefit pension plans and OPEB plans	<u>29,449,591</u>
Net position	
Net investment in capital assets	115,041,592
Restricted for capital projects	8,625,585
Restricted for debt service	1,238,096
Restricted for food services	7,634,056
Unrestricted	<u>(100,151,474)</u>
Total net position	<u>\$ 32,387,855</u>

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	\$ 80,226,473	\$ 432,229	\$ 49,252,792	\$ 571,612	\$ (29,969,840)
Support services:					
Pupil services	6,682,214	-	4,420,402	-	(2,261,812)
Improvement of instructional services	3,035,004	-	1,976,486	-	(1,058,518)
Instructional staff training	2,287,293	-	2,160,598	-	(126,695)
Educational media services	1,797,898	-	1,103,603	-	(694,295)
General administration	755,573	-	450,097	-	(305,476)
Federal grant administration	155,529	-	150,354	-	(5,175)
School administration	6,921,311	-	4,028,875	-	(2,892,436)
Business administration	800,823	-	477,314	-	(323,509)
Maintenance and operation of plant	10,845,888	-	5,849,113	-	(4,996,775)
Student transportation services	4,420,258	-	2,863,359	-	(1,556,899)
Central support services	2,711,291	-	1,773,983	-	(937,308)
Other support services	208,575	-	185,331	-	(23,244)
Food services operations	5,545,239	623,360	5,367,668	617,324	1,063,113
Community services operations	418,090	-	260,273	-	(157,817)
Interest on long-term debt	2,047,591	-	-	-	(2,047,591)
Total governmental activities	<u>\$ 128,859,050</u>	<u>\$ 1,055,589</u>	<u>\$ 80,320,248</u>	<u>\$ 1,188,936</u>	<u>(46,294,277)</u>
General revenues					
Property taxes					32,283,992
Vehicle taxes					1,790,784
Intangibles tax					233,638
Sales taxes					9,602,511
Unrestricted investment earnings					1,589,982
Donations					157,505
Total general revenues					<u>45,658,412</u>
Change in net position					(635,865)
Net position, beginning of year					<u>33,023,720</u>
Net position, end of year					<u>\$ 32,387,855</u>

See accompanying notes to the financial statements.



CITY OF DALTON BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General	Federal Programs	School Food Services	Capital Projects	Education Special Purpose Local Option Sales Tax	Debt Service	Total Nonmajor Funds	Total Governmental Funds
Assets								
Cash	\$ 4,421,592	\$ -	\$ 1,095,039	\$ 216,616	\$ 3,147,435	\$ -	\$ -	\$ 8,880,682
Investments	28,043,286	-	6,409,825	400,151	5,161,771	-	-	40,015,033
Receivables:								
Accounts	39,448	239	1,643	-	-	745	-	42,075
Intergovernmental	599,687	2,472,487	204,697	-	16,764,630	5,056	-	20,046,557
Taxes	1,207,426	-	-	-	-	82,916	-	1,290,342
Due from other funds	5,193,615	-	-	33,461	-	21,663	243,099	5,491,838
Inventory	-	-	205,256	-	-	-	-	205,256
Restricted assets - cash	-	-	-	-	-	1,232,850	-	1,232,850
Total assets	<u>\$ 39,505,054</u>	<u>\$ 2,472,726</u>	<u>\$ 7,916,460</u>	<u>\$ 650,228</u>	<u>\$ 25,073,836</u>	<u>\$ 1,343,230</u>	<u>\$ 243,099</u>	<u>\$ 77,204,633</u>
								(continued)

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General	Federal Programs	School Food Services	Capital Projects	Education Special Purpose Local Option Sales Tax	Debt Service	Total Nonmajor Funds	Total Governmental Funds
Liabilities								
Accounts payable	\$ 4,233,997	\$ 238,554	\$ 7,642	\$ 20,900	\$ 51,135	\$ -	\$ 12,122	\$ 4,564,350
Salaries payable	5,372,288	761,759	106,079	-	-	-	162,532	6,402,658
Due to other funds	3,789,408	1,472,413	168,683	-	-	59,834	1,500	5,491,838
Retainage payable	-	-	-	-	405,892	-	-	405,892
Unearned revenue	590	-	-	-	-	-	68,445	69,035
Total liabilities	<u>13,396,283</u>	<u>2,472,726</u>	<u>282,404</u>	<u>20,900</u>	<u>457,027</u>	<u>59,834</u>	<u>244,599</u>	<u>16,933,773</u>
Deferred inflows of resources								
Unavailable revenue - property taxes	<u>938,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,300</u>	<u>-</u>	<u>984,215</u>
Fund balances								
Nonspendable	-	-	205,256	-	-	-	-	205,256
Restricted	-	-	7,428,800	201,939	24,616,809	1,238,096	-	33,485,644
Unrestricted:								
Committed	-	-	-	427,389	-	-	-	427,389
Assigned	1,133,947	-	-	-	-	-	-	1,133,947
Unassigned	<u>24,035,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,500)</u>	<u>24,034,409</u>
Total fund balances	<u>25,169,856</u>	<u>-</u>	<u>7,634,056</u>	<u>629,328</u>	<u>24,616,809</u>	<u>1,238,096</u>	<u>(1,500)</u>	<u>59,286,645</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 39,505,054</u>	<u>\$ 2,472,726</u>	<u>\$ 7,916,460</u>	<u>\$ 650,228</u>	<u>\$ 25,073,836</u>	<u>\$ 1,343,230</u>	<u>\$ 243,099</u>	<u>\$ 77,204,633</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, 2023

Total governmental fund balances	\$ 59,286,645
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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	5,491,838	
Interfund payables	<u>(5,491,838)</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:

Capital assets	244,503,849	
Accumulated depreciation	<u>(83,523,847)</u>	160,980,002

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.

984,215

Liabilities, including accrued interest payable, leases payable, intergovernmental agreements 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	(839,376)	
Leases payable	(112,221)	
Intergovernmental agreements payable	(15,930,000)	
Bonds payable	(40,380,000)	
Premium on debt, net of amortization	(5,303,460)	
Compensated absences	(27,597)	
Net pension liability	(123,840,159)	
Net OPEB liability	<u>(47,186,384)</u>	<u>(233,619,197)</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	74,205,781	
Deferred inflows related to pension and OPEB plans	<u>(29,449,591)</u>	<u>44,756,190</u>

Net position of governmental activities	<u>\$ 32,387,855</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, 2023

	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	\$ 1,685,392	\$ 14,347,246	\$ 5,767,676	\$ -	\$ -	\$ -	\$ 85,000	\$ 21,885,314
State sources	54,668,973	-	217,316	335,679	-	-	1,913,706	57,135,674
Local sources and other funds	35,526,534	-	819,131	41,450	9,817,706	2,097,565	9,978	48,312,364
On behalf payments	122,693	-	-	-	-	-	-	122,693
Total revenues	<u>92,003,592</u>	<u>14,347,246</u>	<u>6,804,123</u>	<u>377,129</u>	<u>9,817,706</u>	<u>2,097,565</u>	<u>2,008,684</u>	<u>127,456,045</u>
Expenditures								
Current:								
Instruction	60,876,208	8,699,679	-	90,822	303,918	-	2,082,071	72,052,698
Support services:								
Pupil services	4,613,208	1,454,236	-	-	-	-	19,500	6,086,944
Improvement of instructional services	2,398,911	455,069	-	-	-	-	908	2,854,888
Instructional staff training	225,921	1,993,734	-	-	-	-	583	2,220,238
Educational media services	1,746,642	-	-	-	-	-	-	1,746,642
General administration	712,455	695	-	-	-	-	-	713,150
Federal grant administration	-	148,579	-	-	-	-	-	148,579
School administration	5,469,610	501,704	-	-	-	-	10,328	5,981,642
Business administration	755,311	-	-	1,050	19,963	-	-	776,324
Maintenance and operation of plant	9,181,538	40,918	-	-	-	-	-	9,222,456
Student transportation services	4,216,218	186,958	-	-	-	-	15,671	4,418,847
Central support services	2,338,288	291,303	-	-	-	-	-	2,629,591
Other support services	55,401	138,751	-	-	-	724	9,978	204,854
Food services operations	-	-	5,526,967	-	-	-	-	5,526,967
Community services operations	412,629	-	-	-	-	-	-	412,629

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, 2023

	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	100,175	266,282	-	305,330	4,437,996	-	-	5,109,783
Support services:								
Pupil services	32,699	-	-	-	-	-	-	32,699
Educational media services	2,975	-	-	-	-	-	-	2,975
School administration	53,157	-	-	-	-	-	-	53,157
Maintenance and operation of plant	23,095	-	-	-	-	-	-	23,095
Central support services	6,790	-	-	-	-	-	-	6,790
Food services operations	-	-	617,324	-	-	-	-	617,324
Debt service:								
Principal retirement	55,484	-	-	-	-	2,935,000	-	2,990,484
Interest and fiscal charges	-	-	-	-	-	2,128,750	-	2,128,750
Total expenditures	<u>93,276,715</u>	<u>14,177,908</u>	<u>6,144,291</u>	<u>397,202</u>	<u>4,761,877</u>	<u>5,064,474</u>	<u>2,139,039</u>	<u>125,961,506</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,273,123)</u>	<u>169,338</u>	<u>659,832</u>	<u>(20,073)</u>	<u>5,055,829</u>	<u>(2,966,909)</u>	<u>(130,355)</u>	<u>1,494,539</u>
Other financing sources (uses)								
Issuance of debt	5,412	-	-	-	15,930,000	-	-	15,935,412
Transfers in	-	-	-	-	-	2,992,520	130,355	3,122,875
Transfers out	(130,355)	-	-	-	(2,992,520)	-	-	(3,122,875)
Proceeds from sales of assets	4,450	-	-	-	-	-	-	4,450
Total other financing sources (uses)	<u>(120,493)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,937,480</u>	<u>2,992,520</u>	<u>130,355</u>	<u>15,939,862</u>
Net changes in fund balances	(1,393,616)	169,338	659,832	(20,073)	17,993,309	25,611	-	17,434,401
Fund balances, beginning 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>
Fund balances, end of year	<u>\$ 25,169,856</u>	<u>\$ -</u>	<u>\$ 7,634,056</u>	<u>\$ 629,328</u>	<u>\$ 24,616,809</u>	<u>\$ 1,238,096</u>	<u>\$ (1,500)</u>	<u>\$ 59,286,645</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, 2023

Net changes in fund balances - governmental funds \$ 17,434,401

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

Elimination of transfers between governmental funds:

Transfers in	(3,122,875)	
Transfers out	<u>3,122,875</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	5,845,823	
Depreciation expense	<u>(7,882,784)</u>	(2,036,961)

Disposal of capital assets not reported at the fund level.		(9,911)
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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.		587,723
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The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Proceeds from issuance of debt	(15,935,412)	
Principal payments of debt	2,990,484	
Amortization of bond premiums	<u>309,351</u>	(12,635,577)

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	(4,188)	
Net change in accrued interest payable	(228,192)	
On behalf payments from the State of Georgia for pension contributions	179,417	
Net change in pension related allocations, contributions, and expenses	(8,127,078)	
Net change in OPEB related allocations, contributions, and expenses	<u>4,204,501</u>	<u>(3,975,540)</u>

Change in net position - governmental activities		<u>\$ (635,865)</u>
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See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023

	<u>Custodial Funds</u>
Assets	
Cash	\$ 156,489
Intergovernmental receivable	<u>40,952</u>
Total assets	<u>\$ 197,441</u>
Liabilities	
Accounts payable	<u>\$ 5,405</u>
Total liabilities	<u>5,405</u>
Net position	
Restricted for others	<u>192,036</u>
Total net position	<u>192,036</u>
Total liabilities and net position	<u>\$ 197,441</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, 2023

	<u>Custodial Funds</u>
Additions	
Charges for services	\$ 451,464
Operating grants	102,343
Donations	<u>114,485</u>
Total additions	<u>668,292</u>
Deductions	
Instruction	84,313
Support services:	
Pupil services	142,241
Maintenance and operation of plant	110
Student transportation services	1,639
Other support services	<u>434,233</u>
Total deductions	<u>662,536</u>
Change in net position	5,756
Net position beginning of year	<u>186,280</u>
Net position end of year	<u>\$ 192,036</u>

See accompanying notes to the financial statements.



CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

**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, 2023, 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, deferred outflows of resources, liabilities, and deferred inflows of resources, 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, 2023

**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, 2023

**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.

**Basis of Accounting**

The basis of accounting determines when transactions are reported in the financial statements. The district-wide and fiduciary fund 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 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, 2023

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

**New Accounting Pronouncements**

In fiscal year 2023, the School District adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This statement defines subscription-based information technology arrangements and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. Under this statement, a government is required to recognize a subscription liability and an intangible right-to-use asset for contracts that meet the definition of a subscription-based information technology arrangement. The adoption of this statement did not have an impact on the School District's financial statements.

**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, 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, 2023

**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, 2023

**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 that time.

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, 2023

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

**Long-Term Liabilities and Bond Premiums**

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.

**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.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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

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 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.

A schedule of fund balances is as follows:

		School	Capital	Education Special Purpose Local	Debt	Total	
	General	Food Services	Projects	Option Sales Tax	Service	Nonmajor Funds	Total
Fund Balances:							
Nonspendable:							
Inventory	\$ -	\$ 205,256	\$ -	\$ -	\$ -	\$ -	\$ 205,256
Restricted for:							
Capital projects	-	-	201,939	24,616,809	-	-	24,818,748
Debt service	-	-	-	-	1,238,096	-	1,238,096
Food services	-	7,428,800	-	-	-	-	7,428,800
Committed to:							
Capital projects	-	-	427,389	-	-	-	427,389
Assigned to:							
School activities	1,133,947	-	-	-	-	-	1,133,947
Unassigned	24,035,909	-	-	-	-	(1,500)	24,034,409
Total Fund Balances	<u>\$25,169,856</u>	<u>\$7,634,056</u>	<u>\$629,328</u>	<u>\$ 24,616,809</u>	<u>\$ 1,238,096</u>	<u>\$ (1,500)</u>	<u>\$59,286,645</u>



CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**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 2022 tax digest year (calendar year) on January 1, 2022 (levy date). Tax bills were mailed on November 20, 2022 (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 January 20, 2023 (due date). Taxes collected within the current fiscal year or within 60 days after year end on the 2022 tax digest are reported as revenue in the governmental funds for the year ended June 30, 2023. The Whitfield County, Georgia Tax Commissioner bills and collects the property taxes for the School District, withholds a percentage of taxes collected as a fee, and remits the remaining amount to the School District. Property tax revenues, net of the collection fee, combined with penalties and interest received on delinquent taxes, at the fund reporting level, totaled \$31,696,269 for the year ended June 30, 2023.

The tax millage rate levied for the 2022 tax year for School District maintenance and operations was 8.090 mills and for School District debt service was 0.560 mills (a mil equals \$1 per thousand dollars of assessed value).

Title ad valorem tax revenues and vehicle taxes, at the fund reporting level, totaled \$1,790,784 for the year ended June 30, 2023.

**Sales Taxes**

Education special purpose local option sales tax, at the fund reporting level, totaled \$9,602,511 for the year ended June 30, 2023, 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 and again during fiscal year 2023 to provide advance funding for capital outlay projects associated with the issuance of ESPLOST. In fiscal year 2023, the School District transferred \$2,992,520 of ESPLOST proceeds to the City of Dalton Building Authority for debt service on the 2018 revenue bonds. See Note 7 for additional information.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

**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 fair 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 fair 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, 2023

**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, 2023, the School District held unrestricted deposits with a carrying amount of \$8,880,682 and a bank balance of \$10,746,717. The bank balances were fully covered by either deposit insurance and/or collateral held in the School District's name.

At June 30, 2023, the School District held restricted deposits with a carrying amount of \$1,232,850 and a bank balance of \$1,232,850. The bank balances were fully covered by either deposit insurance and/or collateral held in the School District's name.

**Investments**

At June 30, 2023, the carrying value of the School District's unrestricted investments was \$40,015,033, and are invested in Georgia Fund 1 in accordance with the School District's investment policies.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

**Note 3 Deposits and Investments - Continued**

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, 2023 was 28 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, 2023, all of the School District's investments were properly collateralized as required by state statutes.

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.

**Note 4 Nonmonetary Transactions**

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

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

**Note 5 Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2023, is as follows:

	Beginning Balance	Additions	Reclassifications and Disposals	Ending Balance
Governmental activities:				
Nondepreciable capital assets				
Land	\$ 15,875,134	\$ -	\$ (9,911)	\$ 15,865,223
Construction in progress	8,543,338	4,356,245	(8,427,575)	4,472,008
Total	<u>24,418,472</u>	<u>4,356,245</u>	<u>(8,437,486)</u>	<u>20,337,231</u>
Depreciable capital assets				
Land improvements	5,155,043	-	6,223,846	11,378,889
Buildings and building improvements	198,798,980	166,400	2,203,729	201,169,109
Machinery, equipment, and technology	9,564,725	1,262,453	(13,098)	10,814,080
Vehicles	759,322	60,725	(15,507)	804,540
Total	<u>214,278,070</u>	<u>1,489,578</u>	<u>8,398,970</u>	<u>224,166,618</u>
Less accumulated depreciation				
Land improvements	(3,181,088)	(468,058)	-	(3,649,146)
Buildings and building improvements	(65,520,269)	(6,400,856)	-	(71,921,125)
Machinery, equipment, and technology	(6,358,931)	(968,662)	13,098	(7,314,495)
Vehicles	(609,380)	(45,208)	15,507	(639,081)
Total	<u>(75,669,668)</u>	<u>(7,882,784)</u>	<u>28,605</u>	<u>(83,523,847)</u>
Depreciable capital assets, net	<u>138,608,402</u>	<u>(6,393,206)</u>	<u>8,427,575</u>	<u>140,642,771</u>
Governmental activities capital assets, net	<u>\$ 163,026,874</u>	<u>\$ (2,036,961)</u>	<u>\$ (9,911)</u>	<u>\$ 160,980,002</u>

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**Note 5 Capital Assets - Continued**

Current year depreciation expense by function is as follows:

Governmental activities:	
Instruction	\$ 5,153,895
Pupil services	361,844
Improvement of instructional services	1,360
School administration	582,572
Maintenance and operation of plant	1,647,071
Other support services	3,721
Food services operation	<u>132,321</u>
Total depreciation expense - governmental activities	<u><u>\$ 7,882,784</u></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, 2023 consisted of the following:

	Due From Other Funds	Due To Other Funds
General fund	\$ 5,193,615	\$ 3,789,408
Federal programs fund	-	1,472,413
School food services	-	168,683
Capital projects fund	33,461	-
Debt service fund	21,663	59,834
Nonmajor governmental funds	<u>243,099</u>	<u>1,500</u>
Total governmental funds	<u><u>\$ 5,491,838</u></u>	<u><u>\$ 5,491,838</u></u>

Transfers are used to move sales tax revenues to service debt borrowed as funding for ESPLOST projects and to supplement state funded Pre-K programs. Interfund transfers for the year ended June 30, 2023 consisted of the following:

Transfer To	Transfer From		
	General fund	ESPLOST fund	Total
Debt service fund	\$ -	\$ 2,992,520	\$ 2,992,520
Nonmajor governmental funds	<u>130,355</u>	<u>-</u>	<u>130,355</u>
Total governmental funds	<u><u>\$ 130,355</u></u>	<u><u>\$ 2,992,520</u></u>	<u><u>\$ 3,122,875</u></u>

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

**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, 2023. 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, 2023, general obligation bond payments due by fiscal year are as follows:

Fiscal Year	Principal
2024	\$ 855,000
2025	895,000
2026	940,000
2027	985,000
2028	1,025,000
2029 - 2033	5,965,000
2034 - 2038	7,605,000
2039 - 2043	9,710,000
2044 - 2048	<u>12,400,000</u>
Total	<u>\$ 40,380,000</u>

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

The School District entered into another agreement in September 2022 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 agreement are City of Dalton Building Authority revenue bonds issued as a public offering in the principal amount of \$15,930,000. The interest rate on the bonds is 2.77%, with the final principal payment due in February 2028. 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  
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**Note 7 Long Term Debt - Continued**

At June 30, 2023, payments owed on intergovernmental agreements due by fiscal year, which include principal and interest, are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,880,000	\$ 610,411
2025	3,130,000	361,485
2026	3,215,000	274,784
2027	3,305,000	185,729
2028	<u>3,400,000</u>	<u>94,180</u>
Total principal and interest	<u>\$ 15,930,000</u>	<u>\$ 1,526,589</u>

**Obligations Under Financed Purchases** - The School District has acquired equipment under the provisions of various long-term lease agreements classified as 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 \$5,412. These leases qualify as financed purchases 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 lease assets are included in depreciation expense, as disclosed in Note 5.

The following is an analysis of lease assets under the financed purchases as of June 30, 2023:

Equipment	\$ 291,308
Accumulated amortization	<u>(167,052)</u>
	<u>\$ 124,256</u>

Payments of these leases shall be made from the School District's general fund. At June 30, 2023, finance purchase payments due by fiscal year, which include principal and interest, are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>
2024	\$ 49,279	\$ -
2025	36,389	-
2026	24,470	-
2027	2,083	-
2028 and thereafter	<u>-</u>	<u>-</u>
Total principal and interest	<u>\$ 112,221</u>	<u>\$ -</u>



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**Note 7 Long Term Debt - Continued**

**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.

Noncurrent liability activity for the year ended June 30, 2023 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Leases - financed purchases	\$ 162,290	\$ 5,412	\$ (55,481)	\$ 112,221	\$ 49,279
Intergovernmental agreements	2,935,000	15,930,000	(2,935,000)	15,930,000	2,880,000
General obligation bonds	40,380,000	-	-	40,380,000	855,000
Premium on debt	5,612,814	-	(309,351)	5,303,460	-
Compensated absences	23,409	7,390	(3,202)	27,597	27,597
Total	<u>\$ 49,113,513</u>	<u>\$ 15,942,802</u>	<u>\$ (3,303,034)</u>	<u>\$ 61,753,278</u>	<u>\$ 3,811,876</u>

**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, lottery programs 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.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**Note 8 Retirement Plans - Continued**

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 2023. The School District's contractually required contribution rate for the year ended June 30, 2023 was 19.98% 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 \$10,971,279 and \$53,847 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.

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 \$125,570.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

**Note 8 Retirement Plans - Continued**

**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.

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, 2023 was 31.01% of annual covered payroll for old and new plan members and 27.47% for GSEPS members. The rates include the annual actuarially determined employer contribution rate of 24.67% of annual covered payroll for old and new plan members and 21.59% for GSEPS members, plus 6.34% adjustment to the old and new plan and a 5.88% adjustment to the GSEPS plan for the commencement of cost of living adjustment prefunding for certain retired ERS 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.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**Note 8 Retirement Plans - Continued**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2023, the School District reported a liability of \$123,840,159 for its proportionate share of the net pension liability for TRS (\$123,840,159) 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	\$ 123,840,159
State of Georgia's proportionate share of the net pension liability associated with the School District - TRS	<u>502,341</u>
Total	<u>\$ 124,342,500</u>

The net pension liability for TRS and ERS was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 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, 2022.

At June 30, 2022, the School District's proportion of the TRS net pension liability was 0.381376%, which was an increase of 0.012920% from its proportion measured as of June 30, 2021. At June 30, 2022, 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, 2021.

At June 30, 2023, 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 \$499,684.

The net pension liability for PSERS was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 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, 2022.

For the year ended June 30, 2023, the School District recognized pension income of \$8,001,508 for TRS, pension income of \$125,570 for PSERS, and pension expense of \$0 for ERS. Included in the preceding amounts, the School District recognized income of \$53,847 for TRS and income of \$125,570 for PSERS for support provided by the State of Georgia for certain support personnel.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

**Note 8 Retirement Plans - Continued**

At June 30, 2023, 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	\$ 5,140,636	\$ 644,617
Changes of assumptions	18,641,895	-
Net difference between projected and actual earnings on pension plan investments	24,331,068	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	2,314,175	249,523
District contributions subsequent to the measurement date	10,971,279	-
Total	<u>\$ 61,399,053</u>	<u>\$ 894,140</u>

School District contributions subsequent to the measurement date of \$10,971,279 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, 2024. 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
2024	\$ 13,583,082
2025	10,336,711
2026	7,590,878
2027	18,022,963
2028	-
Thereafter	-

**Actuarial Assumptions** - The total pension liability for TRS as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 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	6.90%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

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

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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the investment rate of return and payroll growth assumption.

The total pension liability for PSERS as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 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

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, 2021 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  
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**Note 8 Retirement Plans - Continued**

The total pension liability for ERS as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 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 (+) /	Adjustment to Rates
		Setback (-)	
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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

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	Target Allocation	Long-term Expected Real
		Rate of Return *
Fixed income	30.00%	20.00%
Domestic large equities	46.30%	9.40%
Domestic small equities	1.20%	13.40%
International developed market equities	12.30%	9.40%
International emerging market equities	5.20%	11.40%
Alternatives	<u>5.00%</u>	10.50%
Total	<u>100.00%</u>	

\* Rates shown are net of inflation

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

**Discount Rate** - The discount rate used to measure the total TRS pension liability was 6.90%. 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 6.90% 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 (5.90% and 6.00%) or 1 percentage point higher (7.90% and 8.00%) than the current rate:

TRS:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School District's proportionate share of the net pension liability	\$ 186,833,787	\$ 123,840,159	\$ 72,397,529

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).



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**Note 9 Defined Contribution Plans**

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

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

<u>Fiscal Year</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>
2023	100%	\$ 34,010
2022	100%	34,520
2021	100%	27,661

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

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

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

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

CITY OF DALTON BOARD OF EDUCATION  
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**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, lottery programs 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 \$1,891,803 for the year ended June 30, 2023. Active employees are not required to contribute to the School OPEB Fund.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - At June 30, 2023, the School District reported a liability of \$47,186,384 for its proportionate share of the net OPEB liability.

The net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021. An expected total OPEB liability as of June 30, 2022 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, 2022. At June 30, 2022, the School District’s proportion was 0.476477%, which was an increase of 0.009550% from its proportion measured as of June 30, 2021.

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$4,204,501. At June 30, 2023, 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	\$ 1,883,473	\$ 18,545,678
Changes of assumptions	7,186,583	9,543,512
Net difference between projected and actual earnings on OPEB plan investments	287,824	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,557,045	466,261
District contributions subsequent to the measurement date	<u>1,891,803</u>	<u>-</u>
Total	<u>\$ 12,806,728</u>	<u>\$ 28,555,451</u>

School District contributions subsequent to the measurement date of \$1,891,803 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, 2024. 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
2024	\$ (5,152,978)
2025	(3,921,532)
2026	(3,000,444)
2027	(3,693,077)
2028	(1,707,574)
2029	(164,921)
Thereafter	-

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**Actuarial Assumptions** - The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 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, 2022:

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	6.50%
Medicare eligible	5.00%
Ultimate trend rate:	
Pre-Medicare eligible	4.50%
Medicare eligible	4.50%
Year of ultimate trend rate:	
Pre-Medicare eligible	2029
Medicare eligible	2023

The Plan currently uses mortality tables that vary by age, gender, and health status (i.e. disabled or not disabled) as follows:

- For TRS members: 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% was 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.
- 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 101% for males and 103% for females) with the MP-2019 Projection scale applied generationally. Postretirement 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. Postretirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjust 104% for males and 99% for females) with the MP-2019 Project scale applied generationally.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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

The actuarial assumptions used in the June 30, 2021 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.

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, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 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 3.57% was used as the discount rate, as compared with last year's rate of 2.20%. The plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate as used for the long-term rate of return was applied to all periods of projected benefit payments to determine total OPEB liability. 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 (3.54% 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 2128.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 3.57%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.57%) or 1 percentage point higher (4.57%) than the current discount rate:

	1% Decrease (2.57%)	Current Discount Rate (3.57%)	1% Increase (4.57%)
School District's proportionate share of the net OPEB liability	\$ 53,373,466	\$ 47,186,384	\$ 41,942,560

**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	\$ 40,656,711	\$ 47,186,384	\$ 55,211,325

**OPEB Plan Fiduciary Net Position** - Detailed information about the OPEB plan's fiduciary net position is available in the annual comprehensive 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, 2023 is calculated as follows:

Cost of capital assets	\$ 244,503,849
Less: accumulated depreciation	<u>(83,523,847)</u>
Book value	160,980,002
Less: capital related debt	(56,422,221)
Less: premium on capital related debt	(5,303,460)
Less: retainage payable on construction contracts	(405,892)
Add: unexpended debt proceeds	<u>16,193,163</u>
Net investment in capital assets	<u>\$ 115,041,592</u>

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

**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:

Fiscal Year	Beginning of Year Liability	Claims	Claims Paid	End of Year Liability
2023	\$ -	\$ 1,635	\$ (1,635)	\$ -
2022	-	7,377	(7,377)	-
2021	-	15,010	(15,010)	-

**Note 13 Commitments and Contingencies**

The School District is involved in legal matters as of the fiscal year ended June 30, 2023 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 \$2,744,965. This amount does not represent amounts currently recorded as liabilities in the Statements. Construction contracts are for a gym, track, and turf project at Dalton High School.

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

**Note 14 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.

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.

Thirty tax abatement agreements are outstanding as of December 31, 2022. Reductions in tax revenues attributable to local governments are as follows:

<u>Government Entity</u>	<u>2022 Tax Reduction</u>
School District	\$ 277,611
City of Dalton, Georgia	70,831
Whitfield County, Georgia	2,391,982
Whitfield County Board of Education	4,008,613

**Note 15 Deficit Fund Balances of Individual Funds**

The other grants special revenue fund reported a deficit fund balance of \$1,500 at June 30, 2023. The School District will correct this deficit in fiscal year 2024 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, 2023

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
2023	0.381376%	\$ 123,840,159	\$ 502,341	\$ 124,342,500	\$ 54,941,844	225.40%	72.85%
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, 2023

	For the fiscal year ended June 30,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2022</u>
Contractually required contribution	\$ 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	\$10,211,874
Contributions in relation to the contractually required contribution	<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>	<u>10,211,874</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	\$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	\$54,941,844
Contributions as a percentage of covered payroll	12.22%	13.06%	15.32%	13.78%	14.35%	16.93%	21.61%	23.45%	19.59%	18.59%

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, 2023

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
2023	0.000000%	\$ -	\$ 499,684	\$ 499,684	\$ 1,712,946	N/A	81.21%
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, 2023

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
2023	0.000000%	\$ -	\$ -	\$ -	\$ 115,179	0.00%	67.44%
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, 2023

	For the fiscal year ended June 30,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually required contribution	\$ 9,565	\$ 11,417	\$ 13,512	\$ 13,453	\$ 13,951	\$ 1,166	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<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>	<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	\$ 51,992	\$ 51,992	\$ 54,643	\$ 56,232	\$ 4,698	\$ -	\$ -	\$ -	\$ -	\$ 115,179
Contributions as a percentage of covered payroll	18.40%	21.96%	24.73%	23.92%	296.96%	NA	NA	NA	NA	0.00%

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, 2023

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
2023	0.476477%	\$ 47,186,384	\$ -	\$ 47,186,384	\$ 57,036,484	82.73%	6.17%
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, 2023

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually required contribution	\$ 2,409,390	\$ 2,420,643	\$ 2,521,214	\$ 1,589,260	\$ 1,736,294	\$ 1,722,822
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>	<u>1,722,822</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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	\$ 57,036,484
Contributions as a percentage of covered payroll	5.18%	5.03%	4.85%	2.97%	3.00%	3.02%

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, 2023

**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 Mortality 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.

On May 11, 2022, the TRS Board adopted recommended changes to the long-term assumed rate of return and payroll growth assumption utilized by the TRS System. The long-term assumed rate of return was changed from 7.25% to 6.90%, and the payroll growth assumption was changed from 3.00% to 2.50%.

CITY OF DALTON BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Employees' Retirement System**

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

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 to 2025 with projection scale BB (set forward 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 utilized 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, withdrawal, 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 calculation of the June 30, 2021 total pension liability.

On April 21, 2022, the ERS Board adopted a new funding policy which, in part, provides that the actuarial accrued liability and normal cost of the ERS System will include a prefunded variable cost-of-living adjustment ("COLA") for eligible retirees and beneficiaries of the ERS System. Under the new policy, future COLAs are provided through a profit-sharing mechanism using the ERS System's asset performance. After studying the parameters of this new policy, the assumption for future COLAs was set at 1.05%. Previously, no future COLAs were assumed. In addition, the funding policy set the assumed rate of return at 7.20% for the June 30, 2021 valuation and established a new transitional unfunded actuarial accrued liability as of June 30, 2021 which will be amortized over a closed 20-year period.

CITY OF DALTON BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	\$ 910,000	\$ 1,745,496	\$ 1,685,392	\$ (60,104)
State sources	52,202,975	54,630,560	54,668,973	38,413
Local sources and other funds	33,736,850	35,011,850	35,526,534	514,684
On behalf payments	146,390	146,390	122,693	(23,697)
Total revenues	<u>86,996,215</u>	<u>91,534,296</u>	<u>92,003,592</u>	<u>469,296</u>
Expenditures				
Current:				
Instruction	60,465,246	61,318,188	60,876,208	441,980
Support services:				
Pupil services	4,141,892	4,348,014	4,613,208	(265,194)
Improvement of instructional services	2,407,139	2,335,750	2,398,911	(63,161)
Instructional staff training	301,630	354,989	225,921	129,068
Educational media services	1,705,810	1,759,029	1,746,642	12,387
General administration	796,393	799,239	712,455	86,784
School administration	5,399,666	5,534,747	5,469,610	65,137
Business administration	831,086	791,086	755,311	35,775
Maintenance and operation of plant	7,782,960	9,302,866	9,181,538	121,328
Student transportation services	4,118,667	4,368,667	4,216,218	152,449
Central support services	2,205,071	2,361,071	2,338,288	22,783
Other support services	45,000	45,000	55,401	(10,401)
Community services operations	468,064	498,064	412,629	85,435
Capital outlay:				
Instruction	100,175	100,175	100,175	-
Support services:				
Pupil services	32,699	32,699	32,699	-
Educational media services	2,975	2,975	2,975	-
School administration	53,157	53,157	53,157	-
Maintenance and operation of plant	23,095	23,095	23,095	-
Central support services	6,790	6,790	6,790	-
Debt service:				
Principal retirement	55,484	55,484	55,484	-
Total expenditures	<u>90,942,999</u>	<u>94,091,085</u>	<u>93,276,715</u>	<u>814,370</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,946,784)</u>	<u>(2,556,789)</u>	<u>(1,273,123)</u>	<u>1,283,666</u>
				(continued)

CITY OF DALTON BOARD OF EDUCATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance
	Original	Final		
Other financing sources (uses)				
Issuance of debt	5,412	5,412	5,412	-
Transfers out	(143,288)	(209,963)	(130,355)	79,608
Proceeds from sales of assets	-	-	4,450	4,450
Total other financing sources (uses)	<u>(137,876)</u>	<u>(204,551)</u>	<u>(120,493)</u>	<u>84,058</u>
Net change in fund balance	<u>\$ (4,084,660)</u>	<u>\$ (2,761,340)</u>	(1,393,616)	<u>\$ 1,367,724</u>
Fund balance, beginning of year			<u>26,563,472</u>	
Fund balance, end of year			<u>\$ 25,169,856</u>	

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, 2023

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	\$ 13,751,182	\$ 15,372,721	\$ 14,347,246	\$ (1,025,475)
Total revenues	<u>13,751,182</u>	<u>15,372,721</u>	<u>14,347,246</u>	<u>(1,025,475)</u>
Expenditures				
Current:				
Instruction	8,404,473	8,843,129	8,699,679	143,450
Support services:				
Pupil services	1,284,710	1,500,234	1,454,236	45,998
Improvement of instructional services	418,128	477,238	455,069	22,169
Instructional staff training	1,666,146	1,924,991	1,993,734	(68,743)
General administration	-	868	695	173
Federal grant administration	132,982	152,235	148,579	3,656
School administration	1,048,703	501,708	501,704	4
Maintenance and operation of plant	60,910	40,915	40,918	(3)
Student transportation services	181,078	275,198	186,958	88,240
Central support services	256,217	296,547	291,303	5,244
Other support services	120,590	148,981	138,751	10,230
Capital outlay:				
Instruction	<u>266,282</u>	<u>266,282</u>	<u>266,282</u>	<u>-</u>
Total expenditures	<u>13,840,219</u>	<u>14,428,326</u>	<u>14,177,908</u>	<u>250,418</u>
Net change in fund balance	<u>\$ (89,037)</u>	<u>\$ 944,395</u>	169,338	<u>\$ (775,057)</u>
Fund balance, beginning of year			<u>(169,338)</u>	
Fund balance, end of year			<u>\$ -</u>	

CITY OF DALTON BOARD OF EDUCATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
SCHOOL FOOD SERVICES SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	\$ 4,575,000	\$ 4,575,000	\$ 5,767,676	\$ 1,192,676
State sources	132,160	132,160	217,316	85,156
Local sources and other funds	599,410	599,410	819,131	219,721
Total revenues	<u>5,306,570</u>	<u>5,306,570</u>	<u>6,804,123</u>	<u>1,497,553</u>
Expenditures				
Current:				
Food services operations	5,851,472	5,851,472	5,526,967	324,505
Capital outlay:				
Food services operations	<u>617,324</u>	<u>617,324</u>	<u>617,324</u>	<u>-</u>
Total expenditures	<u>6,468,796</u>	<u>6,468,796</u>	<u>6,144,291</u>	<u>324,505</u>
Net change in fund balance	<u>\$ (1,162,226)</u>	<u>\$ (1,162,226)</u>	659,832	<u>\$ 1,822,058</u>
Fund balance, beginning of year			<u>6,974,224</u>	
Fund balance, end of year			<u>\$ 7,634,056</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 federal or state government for the Pre-K program administered by the School District.
Other Grants	To account for the monies received from the state or local government to administer various educational programs within the School District.



CITY OF DALTON BOARD OF EDUCATION  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2023

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	<u>Lottery Programs</u>	<u>Other Grants</u>	
Assets			
Due from other funds	\$ 243,099	\$ -	\$ 243,099
Total assets	<u>\$ 243,099</u>	<u>\$ -</u>	<u>\$ 243,099</u>
Liabilities			
Accounts payable	\$ 12,122	\$ -	\$ 12,122
Salaries payable	162,532	-	162,532
Due to other funds	-	1,500	1,500
Unearned revenue	<u>68,445</u>	<u>-</u>	<u>68,445</u>
Total liabilities	<u>243,099</u>	<u>1,500</u>	<u>244,599</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>\$ 243,099</u>	<u>\$ -</u>	<u>\$ 243,099</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, 2023

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	<u>Lottery Programs</u>	<u>Other Grants</u>	
Revenues			
Federal sources	\$ 85,000	\$ -	\$ 85,000
State sources	1,913,706	-	1,913,706
Local sources and other funds	-	9,978	9,978
Total revenues	<u>1,998,706</u>	<u>9,978</u>	<u>2,008,684</u>
Expenditures			
Current:			
Instruction	2,082,071	-	2,082,071
Support services:			
Pupil services	19,500	-	19,500
Improvement of instructional services	908	-	908
Instructional staff training	583	-	583
School administration	10,328	-	10,328
Student transportation services	15,671	-	15,671
Other support services	-	9,978	9,978
Total expenditures	<u>2,129,061</u>	<u>9,978</u>	<u>2,139,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(130,355)</u>	<u>-</u>	<u>(130,355)</u>
Other financing sources (uses)			
Transfers in	<u>130,355</u>	<u>-</u>	<u>130,355</u>
Total other financing sources (uses)	<u>130,355</u>	<u>-</u>	<u>130,355</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>(1,500)</u>	<u>(1,500)</u>
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, 2023

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	\$ -	\$ 85,000	\$ 85,000	\$ -
State sources	1,741,795	1,741,795	1,913,706	171,911
Total revenues	<u>1,741,795</u>	<u>1,826,795</u>	<u>1,998,706</u>	<u>171,911</u>
Expenditures				
Current:				
Instruction	1,878,083	1,963,128	2,082,071	(118,943)
Support services:				
Pupil services	-	-	19,500	(19,500)
Improvement of instructional services	-	-	908	(908)
Instructional staff training	7,000	7,000	583	6,417
School administration	-	-	10,328	(10,328)
Student transportation services	-	-	15,671	(15,671)
Total expenditures	<u>1,885,083</u>	<u>1,970,128</u>	<u>2,129,061</u>	<u>(158,933)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(143,288)</u>	<u>(143,333)</u>	<u>(130,355)</u>	<u>12,978</u>
Other financing sources (uses)				
Transfers in	143,288	209,963	130,355	(79,608)
Total other financing sources (uses)	<u>143,288</u>	<u>209,963</u>	<u>130,355</u>	<u>(79,608)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 66,630</u>	-	<u>\$ (66,630)</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, 2023

	Budget		Actual	Variance
	Original	Final		
Revenues				
Local sources and other funds	\$ -	\$ -	\$ 9,978	\$ 9,978
Total revenues	-	-	9,978	9,978
Expenditures				
Current:				
Support services:				
Other support services	-	-	9,978	(9,978)
Total expenditures	-	-	9,978	(9,978)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			(1,500)	
Fund balance, end of year			<u><u>\$ (1,500)</u></u>	

CITY OF DALTON BOARD OF EDUCATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			
	Original	Final	Actual	Variance
Revenues				
State sources	\$ 335,679	\$ 335,679	\$ 335,679	\$ -
Local sources and other funds	-	-	41,450	41,450
Total revenues	<u>335,679</u>	<u>335,679</u>	<u>377,129</u>	<u>41,450</u>
Expenditures				
Current:				
Instruction	90,822	90,822	90,822	-
Business administration	1,050	1,050	1,050	-
Capital outlay:				
Instruction	<u>1,038,197</u>	<u>305,330</u>	<u>305,330</u>	<u>-</u>
Total expenditures	<u>1,130,069</u>	<u>397,202</u>	<u>397,202</u>	<u>-</u>
Net change in fund balance	<u>\$ (794,390)</u>	<u>\$ (61,523)</u>	(20,073)	<u>\$ 41,450</u>
Fund balance, beginning of year			<u>649,401</u>	
Fund balance, end of year			<u>\$ 629,328</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, 2023

	Budget			
	Original	Final	Actual	Variance
Revenues				
Local sources and other funds	\$ 8,100,000	\$ 8,100,000	\$ 9,817,706	\$ 1,717,706
Total revenues	<u>8,100,000</u>	<u>8,100,000</u>	<u>9,817,706</u>	<u>1,717,706</u>
Expenditures				
Current:				
Instruction	303,918	303,918	303,918	-
Business administration	19,963	19,963	19,963	-
Capital outlay:				
Instruction	<u>7,358,310</u>	<u>4,437,996</u>	<u>4,437,996</u>	<u>-</u>
Total expenditures	<u>7,682,191</u>	<u>4,761,877</u>	<u>4,761,877</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>417,809</u>	<u>3,338,123</u>	<u>5,055,829</u>	<u>1,717,706</u>
Other financing sources (uses)				
Issuance of debt	-	15,930,000	15,930,000	-
Transfers out	<u>(3,051,750)</u>	<u>(3,051,750)</u>	<u>(2,992,520)</u>	<u>59,230</u>
Total other financing sources (uses)	<u>(3,051,750)</u>	<u>12,878,250</u>	<u>12,937,480</u>	<u>59,230</u>
Net change in fund balance	<u>\$ (2,633,941)</u>	<u>\$ 16,216,373</u>	17,993,309	<u>\$ 1,776,936</u>
Fund balance, beginning of year			<u>6,623,500</u>	
Fund balance, end of year			<u>\$ 24,616,809</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, 2023

	Budget			
	Original	Final	Actual	Variance
Revenues				
Local sources and other funds	\$ 2,012,000	\$ 2,012,000	\$ 2,097,565	\$ 85,565
Total revenues	<u>2,012,000</u>	<u>2,012,000</u>	<u>2,097,565</u>	<u>85,565</u>
Expenditures				
Current:				
Support services:				
Other support services	-	597	724	(127)
Debt service:				
Principal retirement	2,935,000	2,935,000	2,935,000	-
Interest and fiscal charges	<u>2,128,750</u>	<u>2,128,750</u>	<u>2,128,750</u>	<u>-</u>
Total expenditures	<u>5,063,750</u>	<u>5,064,347</u>	<u>5,064,474</u>	<u>(127)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,051,750)</u>	<u>(3,052,347)</u>	<u>(2,966,909)</u>	<u>85,438</u>
Other financing sources (uses)				
Transfers in	<u>3,051,750</u>	<u>3,051,750</u>	<u>2,992,520</u>	<u>(59,230)</u>
Total other financing sources (uses)	<u>3,051,750</u>	<u>3,051,750</u>	<u>2,992,520</u>	<u>(59,230)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (597)</u>	25,611	<u>\$ 26,208</u>
Fund balance, beginning of year			<u>1,212,485</u>	
Fund balance, end of year			<u>\$ 1,238,096</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, 2023

	Student Activity	Family Connection	Total
Assets			
Cash	\$ 156,489	\$ -	\$ 156,489
Intergovernmental receivable	<u>25,396</u>	<u>15,556</u>	<u>40,952</u>
Total assets	<u>\$ 181,885</u>	<u>\$ 15,556</u>	<u>\$ 197,441</u>
Liabilities			
Accounts payable	\$ 3,840	\$ 1,565	\$ 5,405
Total liabilities	<u>3,840</u>	<u>1,565</u>	<u>5,405</u>
Net position			
Restricted for others	<u>178,045</u>	<u>13,991</u>	<u>192,036</u>
Total net position	<u>178,045</u>	<u>13,991</u>	<u>192,036</u>
Total liabilities and net position	<u>\$ 181,885</u>	<u>\$ 15,556</u>	<u>\$ 197,441</u>

CITY OF DALTON BOARD OF EDUCATION  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Student Activity	Family Connection	Total
Additions			
Charges for services	\$ 451,464	\$ -	\$ 451,464
Operating grants	49,978	52,365	102,343
Donations	55,550	58,935	114,485
Total additions	<u>556,992</u>	<u>111,300</u>	<u>668,292</u>
Deductions			
Instruction	84,313	-	84,313
Support services:			
Pupil services	32,816	109,425	142,241
Maintenance and operation of plant	110	-	110
Student transportation services	1,639	-	1,639
Other support services	434,233	-	434,233
Total deductions	<u>553,111</u>	<u>109,425</u>	<u>662,536</u>
Change in net position	3,881	1,875	5,756
Net position beginning of year	<u>174,164</u>	<u>12,116</u>	<u>186,280</u>
Net position end of year	<u>\$ 178,045</u>	<u>\$ 13,991</u>	<u>\$ 192,036</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, 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>	<u>June 30, 2023</u>
Governmental activities										
Net investment in capital assets	\$ 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	\$115,041,592
Restricted	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	17,497,737
Unrestricted	<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>	<u>(100,151,474)</u>
Total governmental activities	<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>	<u>\$ 32,387,855</u>
 Total percentage increase (decrease) from prior year	 1.5%	 -46.7%	 5.9%	 8.3%	 -95.5%	 344.9%	 23.1%	 -12.0%	 136.6%	 -1.9%
Governmental activities										
Net investment in capital assets	81.8%	155.4%	145.3%	150.7%	3740.3%	850.7%	734.7%	798.7%	342.8%	355.2%
Restricted	2.8%	11.9%	13.9%	8.9%	71.1%	53.9%	49.5%	93.7%	45.1%	54.0%
Unrestricted	<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>	<u>-309.2%</u>
Total governmental activities	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

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

	For the fiscal year ended June 30,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Expenses										
Instruction	\$ 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	\$ 80,226,473
Support services:										
Pupil services	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	6,682,214
Improvement of instructional services	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	3,035,004
Instructional staff training	-	-	-	-	-	1,882,976	1,766,315	1,592,484	1,491,420	2,287,293
Educational media services	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	1,797,898
General administration	746,813	753,349	833,106	931,583	765,392	611,073	792,147	817,552	663,215	755,573
Federal grant administration	-	-	-	-	-	70,947	102,519	108,972	94,384	155,529
School administration	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	6,921,311
Business administration	584,065	587,823	592,845	649,173	656,070	712,331	736,723	773,716	725,734	800,823
Maintenance and operation of plant	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	10,845,888
Student transportation services	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	4,420,258
Central support services	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	2,711,291
Other support services	836,956	954,209	254,582	20,672	46,623	80,875	90,294	226,648	180,602	208,575
Food services operations	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	5,545,239
Community services operations	295,762	322,108	462,081	439,096	406,560	374,717	259,725	305,776	499,709	418,090
Interest on long-term debt	33,838	13,444	-	-	1,314,136	1,533,258	2,036,888	1,938,425	2,108,347	2,047,591
Total governmental activities expenses	<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>	<u>\$ 128,859,050</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Program revenues										
Charges for services										
Instruction	\$ 268,423	\$ 299,356	\$ 353,807	\$ 372,314	\$ 402,463	\$ 414,417	\$ 405,365	\$ 377,200	\$ 426,947	\$ 432,229
Food services										
operations	457,594	454,878	533,205	650,968	654,286	765,576	527,542	143,799	276,821	623,360
Operating grants and contributions										
Instruction	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	49,252,792
Support services:										
Pupil services	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	4,420,402
Improvement of instructional services	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	1,976,486
Instructional staff training	-	-	-	-	-	1,847,888	1,622,271	1,517,763	1,598,365	2,160,598
Educational media services	697,697	791,286	789,452	865,847	915,191	912,827	982,544	962,503	1,176,448	1,103,603
General administration	539,728	553,495	595,611	662,303	497,239	395,679	487,617	495,792	521,385	450,097
Federal grant administration	-	-	-	-	-	73,368	98,613	102,793	108,283	150,354
School administration	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	4,028,875
Business administration	326,715	365,512	361,555	387,577	396,766	451,303	447,863	475,543	526,824	477,314
Maintenance and operation of plant	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	5,849,113
Student transportation services	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	2,863,359
Central support services	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	1,773,983
Other support services	538,210	637,394	215,412	26,779	27,803	65,032	74,242	217,306	162,474	185,331

(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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Food services operation	\$ 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	\$ 5,367,668
Community services operations	165,573	197,979	274,322	268,991	252,231	238,073	164,027	197,782	334,046	260,273
Capital grants and contributions										
Instruction	-	976,572	166,584	3,533,749	89,859	2,698,290	3,729,487	6,291	341,043	571,612
Support services:										
Maintenance and operation of plant	-	-	-	-	-	-	-	389,451	37,335	-
Food services operation	-	-	-	-	-	-	-	-	-	617,324
Total governmental activities program revenues	<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>	<u>\$ 82,564,773</u>
Net revenues (expenses) of governmental activities	<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>	<u>\$(46,294,277)</u>
General revenues and other changes in net position										
Property taxes	\$ 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	\$ 32,283,992
Other taxes	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	11,626,933
Unrestricted investment earnings	67,113	84,217	132,672	186,824	391,711	1,881,463	1,009,752	36,374	89,120	1,589,982
Other	84,000	-	-	-	6,040,427	52,214	76,223	85,646	945,562	157,505
Total governmental activities general revenues and other changes in net position	<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>	<u>\$ 45,658,412</u>
Change in net position of governmental activities	<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>	<u>\$ (635,865)</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, 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	June 30, 2023
General fund										
Assigned	\$ -	\$ 683,991	\$ 795,298	\$ 887,697	\$ 924,804	\$ 1,009,508	\$ 1,032,762	\$ 968,251	\$ 1,100,628	\$ 1,133,947
Unassigned	<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>	<u>24,035,909</u>
Total general fund	<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>	<u>\$ 25,169,856</u>
Other governmental funds										
Nonspendable	\$ 175,820	\$ 135,067	\$ 166,277	\$ 206,855	\$ 172,145	\$ 138,335	\$ 207,444	\$ 194,458	\$ 152,469	\$ 205,256
Restricted	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	33,485,644
Committed	4,557,368	3,671,470	3,004,498	1,451,225	764,382	454,904	470,781	145,074	581,953	427,389
Unassigned	<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>	<u>(1,500)</u>
Total other governmental funds	<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>	<u>\$ 34,116,789</u>
Total governmental funds										
Nonspendable	\$ 175,820	\$ 135,067	\$ 166,277	\$ 206,855	\$ 172,145	\$ 138,335	\$ 207,444	\$ 194,458	\$ 152,469	\$ 205,256
Restricted	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	33,485,644
Committed	4,557,368	3,671,470	3,004,498	1,451,225	764,382	454,904	470,781	145,074	581,953	427,389
Assigned	-	683,991	795,298	887,697	924,804	1,009,508	1,032,762	968,251	1,100,628	1,133,947
Unassigned	<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>	<u>24,034,409</u>
Total governmental funds	<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>	<u>\$ 59,286,645</u>
Total percentage change from prior year	-21.0%	31.7%	7.8%	-15.0%	243.0%	-13.7%	-42.5%	-4.6%	15.7%	41.7%

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues										
Federal sources	\$ 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	\$ 21,885,314
State sources	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	57,135,674
Local sources and other funds	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	48,312,364
On behalf payments	3,557,571	112,150	121,050	120,805	128,428	134,266	140,086	135,092	128,829	122,693
Total revenues	<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>	<u>127,456,045</u>
Expenditures										
Current										
Instruction	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	72,052,698
Support services:										
Pupil services	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	6,086,944
Improvement of instructional services	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	2,854,888
Instructional staff training	-	-	-	-	-	1,922,423	1,705,675	1,479,792	1,665,240	2,220,238
Educational media services	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	1,746,642
General administration	746,813	764,193	846,690	909,871	758,396	618,994	771,910	764,049	741,399	713,150
Federal grant administration	-	-	-	-	-	73,368	98,613	99,154	109,465	148,579
School administration	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	5,981,642
Business administration	584,065	595,146	602,654	633,141	647,267	723,155	718,504	732,621	788,092	776,324
Maintenance and operation of plant	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	9,222,456
Student transportation services	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	4,418,847
Central support services	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	2,629,591
Other support services	806,730	921,447	234,839	43,713	44,814	80,875	90,294	226,648	180,602	204,854

(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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Food services operations	\$ 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	\$ 5,526,967
Community services operations	295,762	322,108	462,081	439,096	406,560	374,717	259,725	305,776	499,709	412,629
Capital outlay	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	5,845,823
Debt service:										
Principal retirement	722,208	610,000	-	59,845	2,068,508	2,544,714	2,612,603	2,734,522	2,857,067	2,990,484
Interest and fiscal charges	40,722	20,137	-	-	106	2,081,641	2,446,522	2,370,862	2,238,500	2,128,750
Debt issuance costs	-	-	-	-	819,872	-	-	-	-	-
Total expenditures	<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>	<u>125,961,506</u>
Excess of revenues over (under) expenditures	<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>	<u>1,494,539</u>
Other financing sources (uses)										
Issuance of debt	-	-	-	320,996	53,762,806	33,458	65,854	111,423	60,012	15,935,412
Premium on debt	-	-	-	-	7,250,447	-	-	-	-	-
Transfers in	5,059,702	1,590,050	929,447	1,822,744	568,814	3,038,886	4,960,922	289,385	6,894,921	3,122,875
Transfers out	(5,059,702)	(1,590,050)	(929,447)	(1,822,744)	(568,814)	(3,038,886)	(4,960,922)	(289,385)	(6,894,921)	(3,122,875)
Insurance recoveries	-	-	-	-	1,836	-	-	-	-	-
Proceeds from sales of assets	-	-	-	-	-	-	-	-	590,000	4,450
Total other financing sources (uses)	<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>	<u>15,939,862</u>
Net change in fund balances	<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>	<u>\$ 17,434,401</u>
Debt service as a % of noncapital expenditures	1.0%	0.8%	0.0%	0.1%	2.3%	4.9%	5.0%	4.9%	4.5%	4.3%

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues										
Federal sources	\$ 1,331	\$ 1,352	\$ 1,300	\$ 1,355	\$ 1,281	\$ 1,294	\$ 1,281	\$ 2,299	\$ 3,300	\$ 2,852
State sources	3,932	4,947	4,928	5,490	5,660	6,419	7,073	6,507	7,277	7,444
Local sources and other funds	4,486	4,682	4,693	4,779	5,747	5,574	5,552	5,668	5,906	6,295
On behalf payments	<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>	<u>16</u>
Total revenues	<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>	<u>16,607</u>
Expenditures										
Current:										
Instruction	6,177	6,194	6,667	6,567	6,953	7,345	7,939	8,305	8,959	9,388
Support services	2,788	2,824	2,941	3,044	3,340	3,397	3,671	3,767	4,364	4,821
Food services operation	545	577	650	644	637	668	628	617	708	720
Community services operations	38	41	58	54	51	47	33	39	65	54
Capital outlay	1,199	535	383	1,845	2,237	2,585	4,570	1,342	1,092	762
Debt service	<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>	<u>667</u>
Total expenditures	<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>	<u>16,412</u>
Excess of revenues over (under) expenditures	<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>	<u>195</u>
Other financing sources (uses)										
Issuance of debt	-	-	-	39	6,806	4	8	14	8	2,076
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>76</u>	<u>1</u>
Total other financing sources (uses)	<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>	<u>2,077</u>
Net change in fund balances	<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>	<u>\$ 2,272</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
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
2022	2,321,226,913	1,685,774,452	20,368,545	351,150,162	3,676,219,748	8.650

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	
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
2023	8.090	0.560	2.207	1.500	7.300	19.657

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 2022			Calendar Year 2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Shaw Industries, Inc.	\$ 550,082,752	1	15.0%	\$ 544,892,653	1	16.4%
Mohawk Industries, Inc.	217,560,951	2	5.9%	105,658,748	2	3.2%
Tarkett USA (2)	107,377,191	3	2.9%	-	NA	0.0%
The Peeples Group	88,746,504	4	2.4%	34,442,865	6	1.0%
Engineered Floors, LLC (1)	85,614,593	5	2.3%	-	NA	0.0%
Dalton Whitfield Joint Development Authority	74,656,657	6	2.0%	-	NA	0.0%
Southwind Building Supply	34,521,817	7	0.9%	-	NA	0.0%
Shiroki Georgia, LLC	27,828,275	8	0.8%	29,195,072	8	0.9%
MFG Chemical Inc.	24,524,373	9	0.7%	-	NA	0.0%
Spectrum Southeast, LLC	22,295,377	10	0.6%	-	NA	0.0%
Beaulieu of America, LLC (1)	-	NA	0.0%	105,471,603	3	3.2%
J&J Industries (1)	-	NA	0.0%	79,710,625	4	2.4%
Tandus Centiva, Inc. (2)	-	NA	0.0%	60,409,748	5	1.8%
Lexmark Carpet Mills, Inc. (2)	-	NA	0.0%	31,126,540	7	0.9%
CBL & Associates Properties, Inc.	-	NA	0.0%	26,748,527	9	0.8%
Ashland Acqualon	-	NA	0.0%	18,544,138	10	0.6%

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
2013	\$ 24,906,297	\$ 24,430,803	98.1%	\$ 475,284	\$ 24,906,087	100.0%
2014	26,465,168	25,915,034	97.9%	549,983	26,465,017	100.0%
2015	27,223,274	26,604,407	97.7%	618,631	27,223,038	100.0%
2016	26,989,808	26,335,721	97.6%	653,652	26,989,373	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%	610,393	30,411,624	100.0%
2019	31,513,397	30,778,538	97.7%	733,556	31,512,094	100.0%
2020	31,532,504	30,732,673	97.5%	789,167	31,521,840	100.0%
2021	30,703,979	30,360,645	98.9%	248,056	30,608,701	99.7%
2022	32,251,615	31,085,775	96.4%	-	31,085,775	96.4%

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

Fiscal Year Ended June 30,	Intergovernmental Agreements (1)	General Obligation Bonds (1)	Leases	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property	Per Capita	Percentage of Personal Income
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	2,000,000	-	261,151	2,261,151	0.1%	59	0.2%
2018	14,123,820	46,744,154	215,449	61,083,423	1.7%	1,804	5.3%
2019	11,487,168	46,532,016	174,193	58,193,377	1.6%	1,730	4.9%
2020	8,795,516	46,319,878	152,444	55,267,838	1.5%	1,637	4.5%
2021	5,993,864	46,107,740	298,859	52,400,463	1.4%	1,514	3.7%
2022	3,032,212	45,895,602	162,290	49,090,104	1.4%	1,427	3.2%
2023	15,930,000	45,683,460	112,221	61,725,681	1.7%	NA	NA

Source: Intergovernmental agreements, general obligation bonds, and leases 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
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%	1,304
2023	45,683,460	1,232,850	44,450,610	1.2%	NA

Source: 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, 2023  
(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	\$ 17,130,000	100.0%	\$ 17,130,000
Whitfield County agreement with Building Authority - Series 2020 Bonds	13,369,000	32.0%	<u>4,278,080</u>
Total overlapping debt			21,408,080
City of Dalton Board of Education direct debt			<u>61,725,681</u>
Total direct and overlapping debt			<u><u>\$ 83,133,761</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>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>
Debt limit	\$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	\$402,736,991
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,380,000</u>	<u>46,532,016</u>	<u>46,319,878</u>	<u>46,107,740</u>	<u>45,895,602</u>	<u>45,683,460</u>
Legal debt margin	<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>	<u>\$357,053,531</u>
Total net debt applicable to limit as a % of debt limit	0.0%	0.0%	0.0%	0.0%	10.6%	11.9%	11.7%	11.6%	11.8%	11.3%

Legal Debt Margin Calculation  
for Calendar Year 2022

Assessed value	\$3,676,219,748
Add: exempt real property	<u>351,150,162</u>
Total assessed value	4,027,369,910
	10%
Debt limit (10% of assessed value)	<u>\$ 402,736,991</u>
Debt applicable to limit	
Total general obligation debt	<u>\$ 45,683,460</u>
Legal debt margin	<u>\$ 357,053,531</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
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	34,285	1,531,442	44,668	3.0%
2022	NA	NA	NA	4.1%

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 2022			Calendar Year 2013		
	Employees (1)	Rank	Percentage of Total City Employees	Employees (1)	Rank	Percentage of Total City Employees
Shaw Industries, Inc.	4,477	1	13.1%	4,506	1	13.5%
Hamilton Medical Center	2,960	2	8.6%	1,220	4	3.7%
Mohawk Industries, Inc.	1,612	3	4.7%	1,890	2	5.7%
Dalton Public School System	1,059	4	3.1%	890	5	2.7%
Engineered Floors, LLC (2)	960	5	2.8%	-	NA	0.0%
City of Dalton, Georgia	699	6	2.0%	680	8	2.0%
Tarkett USA (3)	660	7	1.9%	-	NA	0.0%
Wal-Mart Stores, LP	337	8	1.0%	-	NA	0.0%
Columbia Recycling Corp.	250	9	0.7%	395	10	1.2%
Shiroki Georgia, LLC	232	10	0.7%	402	9	1.2%
Beaulieu of America, LLC (2)	-	NA	0.0%	1,477	3	4.4%
TANDUS Centiva, Inc. (3)	-	NA	0.0%	837	6	2.5%
J&J Industries (2)	-	NA	0.0%	717	7	2.1%

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
PreKindergarten	334	372	373	371	372	372	393	389	375	385
Elementary School Grades K-5	3,674	3,625	3,592	3,643	3,456	3,362	3,324	3,272	3,227	3,258
Middle School Grades 6-8	1,697	1,727	1,751	1,778	1,803	1,772	1,792	1,759	1,743	1,624
High School Grades 9-12	<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>	<u>2,408</u>
Total	<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>	<u><u>7,675</u></u>
Percentage Change from Prior Year	1.8%	2.0%	1.4%	2.3%	-3.1%	0.3%	-0.5%	-1.3%	-0.8%	-0.5%

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

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

For the fiscal year ended June 30,										
Category	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Classroom teachers	535	536	555	563	567	581	599	596	611	629
Support personnel	354	362	375	369	363	358	347	315	371	382
Administrators	<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>	<u>47</u>
Total	<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>	<u>1,058</u>
Percentage Change from Prior Year	4.3%	0.6%	3.9%	0.1%	0.0%	0.7%	0.6%	-3.6%	8.3%	2.8%

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
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	62,193	96%
2023	43,592	39,092	112%	86,180	61,682	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 2023 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)

For the fiscal year ended June 30,										
<u>School</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>	<u>2023</u>
Blue Ridge Elementary School										
Enrollment	734	696	656	672	654	643	667	655	652	642
Teachers	50	48	49	47	48	53	58	59	59	62
Teacher/student ratio	15	15	13	14	14	12	12	11	11	10
Brookwood Elementary School										
Enrollment	648	627	620	678	710	673	675	657	727	724
Teachers	44	46	45	44	46	49	52	54	57	58
Teacher/student ratio	15	14	14	15	15	14	13	12	13	12
City Park Elementary School										
Enrollment	800	836	832	815	738	707	745	727	693	699
Teachers	59	57	59	61	57	57	62	63	63	66
Teacher/student ratio	14	15	14	13	13	12	12	12	11	11
Park Creek Elementary School										
Enrollment	732	762	765	744	662	633	608	584	560	576
Teachers	58	58	62	61	58	55	56	56	54	57
Teacher/student ratio	13	13	12	12	11	12	11	10	10	10
Roan Elementary School										
Enrollment	516	506	489	496	476	470	460	460	417	423
Teachers	40	40	41	41	41	43	44	43	41	42
Teacher/student ratio	13	13	12	12	12	11	10	11	10	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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Westwood Elementary School										
Enrollment	578	570	603	609	588	608	562	578	553	579
Teachers	36	35	39	38	41	45	46	46	46	46
Teacher/student ratio	16	16	15	16	14	14	12	13	12	13
Dalton Middle School										
Enrollment	1,697	1,727	1,751	1,778	1,803	1,772	1,792	1,759	NA	NA
Teachers	122	121	121	126	129	134	134	128	NA	NA
Teacher/student ratio	14	14	14	14	14	13	13	14	NA	NA
Hammond Creek Middle School										
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	1,131	1,086
Teachers	NA	NA	NA	NA	NA	NA	NA	NA	83	90
Teacher/student ratio	NA	NA	NA	NA	NA	NA	NA	NA	14	12
Dalton Junior High School										
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	1,206	1,162
Teachers	NA	NA	NA	NA	NA	NA	NA	NA	79	87
Teacher/student ratio	NA	NA	NA	NA	NA	NA	NA	NA	15	13

(continued)

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

School	For the fiscal year ended June 30,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Dalton High School										
Enrollment	1,640	1,874	1,829	1,995	1,901	2,067	2,050	2,104	1,414	1,382
Teachers	91	99	103	107	113	111	116	118	95	88
Teacher/student ratio	18	19	18	19	17	19	18	18	15	16
Morris Innovative High School										
Enrollment	358	260	421	361	367	348	324	259	NA	NA
Teachers	35	31	36	37	35	36	31	30	NA	NA
Teacher/student ratio	10	8	12	10	10	10	10	9	NA	NA
Dalton Academy High School										
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	364	402
Teachers	NA	NA	NA	NA	NA	NA	NA	NA	35	35
Teacher/student ratio	NA	NA	NA	NA	NA	NA	NA	NA	10	11

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
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	49	49	49	49	49	49	49	49	49
Building capacity based on total classrooms <sup>(2)</sup>	762	787	787	787	787	787	787	787	787	787
Enrollment K - 5 <sup>(3)</sup>	665	628	585	603	584	576	604	597	592	578
Enrollment as a % of total classroom capacity	87%	80%	74%	77%	74%	73%	77%	76%	75%	73%
Enrollment PreK - 5 <sup>(3)</sup>	734	696	656	672	654	643	667	655	652	642
Enrollment as a % of total classroom capacity	96%	88%	83%	85%	83%	82%	85%	83%	83%	82%
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	49	49	49	49	49	48	48	48	48
Building capacity based on total classrooms <sup>(2)</sup>	762	787	787	787	787	787	762	762	762	762
Enrollment K - 5 <sup>(3)</sup>	600	579	575	630	661	624	612	597	664	662
Enrollment as a % of total classroom capacity	79%	74%	73%	80%	84%	79%	80%	78%	87%	87%
Enrollment PreK - 5 <sup>(3)</sup>	648	627	620	678	710	673	675	657	727	724
Enrollment as a % of total classroom capacity	85%	80%	79%	86%	90%	86%	89%	86%	95%	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	55	55	55	55	57	57	56	56	56
Building capacity based on total classrooms <sup>(2)</sup>	875	887	887	887	887	904	904	895	895	895
Enrollment K - 5 <sup>(3)</sup>	746	762	758	746	666	639	648	629	606	610
Enrollment as a % of total classroom capacity	85%	86%	85%	84%	75%	71%	72%	70%	68%	68%
Enrollment PreK - 5 <sup>(3)</sup>	800	836	832	815	738	707	745	727	693	699
Enrollment as a % of total classroom capacity	91%	94%	94%	92%	83%	78%	82%	81%	77%	78%

(continued)

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

School	For the fiscal year ended June 30,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
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	50	50	50	50	50	50	50	50	50
Building capacity based on total classrooms <sup>(2)</sup>	787	800	800	800	800	800	800	800	800	800
Enrollment K - 5 <sup>(3)</sup>	664	676	680	655	581	563	543	519	499	512
Enrollment as a % of total classroom capacity	84%	85%	85%	82%	73%	70%	68%	65%	62%	64%
Enrollment PreK - 5 <sup>(3)</sup>	732	762	765	744	662	633	608	584	560	576
Enrollment as a % of total classroom capacity	93%	95%	96%	93%	83%	79%	76%	73%	70%	72%
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	32	32	32	32	32	32	32	32	32
Building capacity based on total classrooms <sup>(2)</sup>	475	487	487	487	487	487	487	487	487	487
Enrollment K - 5 <sup>(3)</sup>	471	457	440	449	427	420	415	416	375	379
Enrollment as a % of total classroom capacity	99%	94%	90%	92%	88%	86%	85%	85%	77%	78%
Enrollment PreK - 5 <sup>(3)</sup>	516	506	489	496	476	470	460	460	417	423
Enrollment as a % of total classroom capacity	109%	104%	100%	102%	98%	97%	94%	94%	86%	87%
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	32	32	32	32	32	33	33	33	33
Building capacity based on total classrooms <sup>(2)</sup>	475	487	487	487	487	487	512	512	512	512
Enrollment K - 5 <sup>(3)</sup>	528	523	554	560	537	540	502	514	491	517
Enrollment as a % of total classroom capacity	111%	107%	114%	115%	110%	111%	98%	100%	96%	101%
Enrollment PreK - 5 <sup>(3)</sup>	578	570	603	609	588	608	562	578	553	579
Enrollment as a % of total classroom capacity	122%	117%	124%	125%	121%	125%	110%	113%	108%	113%

(continued)

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

School	For the fiscal year ended June 30,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Hammond Creek Middle School (Year Built 2021)										
Square feet	NA	NA	NA	NA	NA	NA	NA	NA	199,525	199,525
Total classrooms <sup>(1)</sup>	NA	NA	NA	NA	NA	NA	NA	NA	74	74
Building capacity based on total classrooms <sup>(2)</sup>	NA	NA	NA	NA	NA	NA	NA	NA	1,212	1,212
Enrollment 6 - 7 <sup>(3)</sup>	NA	NA	NA	NA	NA	NA	NA	NA	1,131	1,086
Enrollment as a % of total classroom capacity	NA	NA	NA	NA	NA	NA	NA	NA	93%	90%
Dalton Junior High School & Dalton Academy <sup>(4)</sup> (Year Built 2001)										
Square feet	196,144	243,880	243,880	243,880	243,880	243,880	243,880	243,880	244,341	244,341
Total classrooms <sup>(1)</sup>	97	110	110	110	110	110	110	110	109	109
Building capacity based on total classrooms <sup>(2)</sup>	1,612	1,825	1,825	1,825	1,825	1,825	1,825	1,825	2,137	2,137
Enrollment 8 - 12 <sup>(3) (5)</sup>	1,697	1,727	1,751	1,778	1,803	1,772	1,792	1,759	1,570	1,564
Enrollment as a % of total classroom capacity	105%	95%	96%	97%	99%	97%	98%	96%	73%	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	102	102	102	102
Building capacity based on total classrooms <sup>(2)</sup>	1,925	1,925	1,925	1,925	1,925	1,925	1,987	1,987	1,962	1,962
Enrollment 10 - 12 <sup>(3) (5)</sup>	1,640	1,874	1,829	1,995	1,901	2,067	2,050	2,104	1,414	1,382
Enrollment as a % of total classroom capacity	85%	97%	95%	104%	99%	107%	103%	106%	72%	70%

(continued)

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

School	For the fiscal year ended June 30,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Morris Innovative High School <sup>(4)</sup> (Year Built 1911)										
Square feet	54,044	54,044	54,044	54,044	54,044	54,044	54,044	54,044	NA	NA
Total classrooms <sup>(1)</sup>	26	29	29	29	29	35	35	35	NA	NA
Building capacity based on total classrooms <sup>(2)</sup>	450	512	512	512	512	637	637	637	NA	NA
Enrollment 9 - 12 <sup>(3)</sup>	358	260	421	361	367	348	324	259	NA	NA
Enrollment as a % of total classroom capacity	80%	51%	82%	71%	72%	55%	51%	41%	NA	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 classroom count.

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

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

(4) 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.

(5) Dalton Junior High School and 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 - 21 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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Blue Ridge School	95.8%	88.8%	88.1%	87.9%	81.2%	93.9%	87.1%	82.0%	39.2%	87.1%
Brookwood Elementary School	61.7%	59.7%	56.5%	52.1%	56.2%	51.9%	42.5%	39.7%	22.7%	57.0%
City Park School	92.9%	89.2%	86.5%	83.1%	81.7%	94.3%	80.5%	80.6%	52.8%	89.0%
Park Creek School	98.8%	87.7%	93.2%	87.8%	83.7%	90.0%	90.0%	83.0%	49.1%	90.1%
Roan School	95.4%	88.3%	85.9%	86.3%	82.4%	91.5%	81.3%	82.8%	38.8%	88.4%
Westwood Elementary School	55.7%	52.5%	49.9%	47.6%	52.7%	53.0%	49.5%	47.1%	38.5%	63.9%
Dalton Middle School	80.1%	77.8%	80.3%	77.1%	78.0%	77.2%	71.1%	85.4%	N/A	N/A
Hammond Creek Middle School	NA	NA	NA	NA	NA	NA	NA	NA	37.5%	71.6%
Dalton Junior High	NA	NA	NA	NA	NA	NA	NA	NA	30.8%	64.1%
Dalton Academy	NA	NA	NA	NA	NA	NA	NA	NA	29.0%	55.4%
Dalton High School	70.1%	66.5%	63.0%	64.7%	65.1%	78.7%	72.2%	85.3%	24.7%	66.7%
Morris Innovative High School	84.4%	84.6%	84.1%	83.4%	78.5%	64.5%	73.0%	32.7%	NA	NA
District wide	78.5%	75.9%	75.2%	73.1%	72.6%	74.7%	71.9%	63.4%	34.5%	70.5%

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, 2023

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
<b>2022 ESPLOST</b>					
Acquisition, construction, renovation, and equipping of schools	<u>\$ 47,239,000</u>	<u>\$ 47,239,000</u>	<u>\$ -</u>	<u>\$ 203,447</u>	<u>\$ 203,447</u>
<b>2017 ESPLOST</b>					
Acquisition, construction, renovation, and equipping of schools	<u>\$ 36,917,000</u>	<u>\$ 36,917,000</u>	<u>\$ 31,281,190</u>	<u>\$ 4,558,430</u>	<u>\$ 35,839,620</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, 2023, 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 10, 2023.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that 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 10, 2023



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, 2023. 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, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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.

### **Report on Internal Control over Compliance**

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

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

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

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

*Estes & Walcott*

Dalton, Georgia  
November 10, 2023



CITY OF DALTON BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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. No significant deficiencies in internal control over major federal award programs were disclosed during the audit that were required to be reported in the Independent 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 Agriculture
  - Pass-Through Georgia Department of Education
  - Child Nutrition Cluster
    - School Breakfast Program
    - National School Lunch Program
  - CFDA # 10.553 and 10.555
8. The threshold for distinguishing Type A and B programs is \$750,000.
9. The City of Dalton Board of Education was determined to be a low risk auditee.

CITY OF DALTON BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA #	Current Year Expenditures
U.S. Department of Agriculture		
Pass-Through Georgia Department of Education:		
Child Nutrition Cluster		
School Breakfast Program	10.553	\$ 1,390,386
National School Lunch Program		
(includes \$356,683 in non-cash awards)	10.555	4,373,882
Total Child Nutrition Cluster		<u>5,764,268</u>
Other Programs		
State Administrative Expenses for Child Nutrition	10.560	3,408
Total Other Programs		<u>3,408</u>
Total U.S. Department of Agriculture		<u>5,767,676</u>
U.S. Department of Defense		
Direct Funding:		
ROTC Language and Culture Training Grants	12.357	53,158
Total U.S. Department of Defense		<u>53,158</u>
U.S. Department of Education		
Pass-Through Georgia Department of Education:		
Special Education Cluster (IDEA)		
Special Education Grants to States	84.027	1,512,296
Special Education Preschool Grants	84.173	33,763
Total Special Education Cluster (IDEA)		<u>1,546,059</u>
Education Stabilization Fund		
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	2,532,900
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	6,626,948
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	35,779
Total Education Stabilization Fund		<u>9,195,627</u>
		(continued)

CITY OF DALTON BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA #	Current Year Expenditures
Other Programs		
Title I Grants to Local Educational Agencies	84.010	2,028,029
Migrant Education State Grant Program	84.011	19,205
Career and Technical Education - Basic Grants to States	84.048	77,401
Education for Homeless Children and Youth	84.196	65,691
Twenty-First Century Community Learning Centers	84.287	671,416
English Language Acquisition Grants	84.365	261,533
Improving Teacher Quality State Grants	84.367	263,398
Student Support and Academic Enrichment Program	84.424	218,887
Total Other Programs		<u>3,605,560</u>
Total U.S. Department of Education		<u>14,347,246</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	85,000
Total CCDF Cluster		<u>85,000</u>
Total U.S. Department of Health and Human Services		<u>85,000</u>
Total Federal Awards Expended		<u><u>\$ 20,253,080</u></u>

CITY OF DALTON BOARD OF EDUCATION  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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.

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 on the Schedule of Expenditures of Federal Awards. The value of donated commodities distributed totaled \$356,683 the year ended June 30, 2023.

Expenditures were incurred for donated PPE purchased with federal assistance funds for the COVID-19 response. The funds from the Department of Health and Human Services program Epidemiology and Laboratory Capacity for Infectious Diseases under CFDA number 93.323 totaled \$835,496, and were not included on the Schedule of Expenditures of Federal Awards.

Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports, with the following exceptions:

Federal Revenue per the SEFA	\$ 20,253,080
Federal E-Rate revenue reported in the general fund not applicable to the SEFA	310,196
Federal Medicaid revenue reported in the general fund not applicable to the SEFA	486,542
Federal ELC donated PPE reported in the general fund not applicable to the SEFA	<u>835,496</u>
Federal Revenue per the fund financial statements	<u><u>\$ 21,885,314</u></u>

De Minimis Cost Rate

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

CITY OF DALTON BOARD OF EDUCATION  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prior Year Findings – Federal Awards Programs

U.S. Department of Education  
Pass-Through Georgia Department of Education  
Title I Grants to Local Educational Agencies  
CFDA # 84.010  
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.
Status:	This program was not tested as a major program this year. No similar findings were noted in the Child Nutrition Cluster School Breakfast or National School Lunch Programs testing.