CITY OF DALTON BOARD OF EDUCATION

DALTON, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

PREPARED BY THE FINANCE DEPARTMENT

CITY OF DALTON BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

Introductory Section

Table of Contents	i
Transmittal Letter	iv
List of Elected Officials and Administration	x
Organizational Chart	xi
GFOA Certificate of Achievement	xii

Financial Section

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	15
Statement of Activities	17
Fund Financial Statements	
Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	23
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
Notes to the Financial Statements	26
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability - Teachers Retirement System of Georgia	66
Schedule of Contributions - Teachers Retirement System of Georgia	67
Schedule of Proportionate Share of the Net Pension Liability - Public School Employees Retirement System	68
Schedule of Proportionate Share of the Net Pension Liability - Employees' Retirement System	69
Schedule of Contributions - Employees' Retirement System	70
Schedule of Proportionate Share of the Net OPEB Liability - School OPEB Fund	71
Schedule of Contributions - School OPEB Fund	72
Schedule of Proportionate Share of the Net OPEB Asset - SEAD-OPEB	73
Schedule of Contributions - SEAD-OPEB	74
Notes to Required Supplementary Information	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	80
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Federal Programs Special Revenue Fund	82
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - School Food Services Special Revenue Fund	83

CITY OF DALTON BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

Financial Section

Individual Fund Statements and Schedules
- Balance Sheet - Nonmajor Governmental Fund - Lottery Programs Special Revenue Fund 84
- Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Lottery Programs Special Revenue Fund 85
- Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Projects Fund 86
- Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Education Special Purpose Local Option Sales Tax Capital Projects Fund 87
- Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund 88
- Combining Statement of Fiduciary Net Position - Custodial Funds 89
- Combining Statement of Changes in Fiduciary Net Position - Custodial Funds 90

Statistical Section

Financial Trends
- Net Position by Component 91
- Changes in Net Position 92
- Fund Balances of Governmental Funds 95
- Changes in Fund Balances of Governmental Funds 96
- Per Pupil Statement of Revenues, Expenditures, and Changes in Fund Balances 98

Revenue Capacity
- Assessed Value and Estimated Actual Value of Taxable Property 99
- Direct and Overlapping Property Tax Rates 100
- Principal Property Taxpayers 101
- Property Tax Levies and Collections 102

Debt Capacity
- Ratios of Outstanding Debt by Type 103
- Ratios of General Bonded Debt Outstanding 104
- Direct and Overlapping Governmental Activities Debt 105
- Legal Debt Margin Information 106

Demographic and Economic Information
- Demographic and Economic Statistics 107
- Principal Employers 108

CITY OF DALTON BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

Statistical Section	
Operating Information	
Student Enrollment by Major Grade Level	109
Employees by Function	110
Teachers' Salaries	111
Teacher Student Ratio by School	112
School Information	115
Free and Reduced Lunch Program	119
Special Reports Section	
Schedule of Expenditures of Education Special Purpose Local Option Sales Tax Proceeds	120
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*	121
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	123
Schedule of Findings and Questioned Costs	126
Schedule of Expenditures of Federal Awards	127
Notes to the Schedule of Expenditures of Federal Awards	128

December 1, 2025

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

We are honored to present the Annual Comprehensive Financial Report ("ACFR") for the City of Dalton Board of Education (the "School District") for the fiscal year ended June 30, 2025. Prepared by the finance department, this report reflects our commitment to accuracy, completeness, and fairness. Responsibility for the information and disclosures within rests solely with the School District's administration.

We believe the data 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, 2025. Their independent auditor's report, found at the beginning of the financial section, affirms that the financial statements fairly present the financial position of the School District.

Additionally, the Management's Discussion and Analysis ("MD&A"), which follows the independent auditor's report, provides an overview and narrative analysis of the basic financial statements. Together, the MD&A and this letter of transmittal offer a thorough understanding of the financial performance and health of the School District. We encourage readers to review both sections for a complete perspective.

Profile of the School District

Established in 1886 through the Charter of the City of Dalton, the School District serves the City of Dalton as an independent public school system, providing education from Pre-Kindergarten ("PreK") through 12th grade. It operates autonomously and is not considered a component unit of any other governmental entity. The School District complies with Georgia law and the regulations of the Georgia State Board of Education, offering a full range of services and programs required of a public school district.

The School District provides a comprehensive array of educational services, including regular and special education programs across the elementary, middle and high school levels, as well as specialized programs in PreK and preschool special education. Additional offerings include gifted education, career technology education, remedial education, and services for English Language Learners, reflecting the School District's commitment to addressing diverse student needs.

The Dalton Board of Education consists of five elected members who serve four-year terms. Their primary responsibilities include establishing and evaluating policies that guide the schools and ensuring their proper implementation. Educational and operational leadership is entrusted to the superintendent and administrative staff.

For the 2024 – 2025 academic year, the School District enrolled 7,619 PreK through 12th grade students, with an ethnic composition of 73 percent Hispanic, 17 percent White, 4 percent Black, 2 percent Asian, and 2 percent multiracial. Enrollment for the 2025-2026 school year is projected at 7,352 students.

The School District is comprised of six elementary schools, one middle school, a junior high school, and two high schools. All schools, as well as the School District, hold Cognia (formerly AdvancEd) accreditation, ensuring a consistent standard of excellence. The School District also maintains well-equipped and carefully managed facilities to support its educational mission. A schedule of building information is provided in the statistical section of the ACFR.

Dalton Public Schools prides itself on having one of the most highly trained and experienced staff among Georgia's public school systems. Approximately 70 percent of teachers hold a master's degree or higher, and the School District boasts a high teacher retention rate. This dedication to professionals ensures qualified and committed teams in every school. The School District employs 667 certified staff members and 385 support staff, totaling 1,052 employees.

Local Economy

Dalton's economy remains rooted in its long-standing foundation of textile and textile-related industries, earning the title "Carpet Capital of the World." Two of the largest carpet and flooring manufacturers globally, Shaw Industries and Mohawk Industries, are headquartered in Dalton, collectively producing and supplying 56 percent of the goods that comprise the United States carpet market. As of July 2025, the manufacturing sector accounts for approximately 31 percent of the 69,300 jobs in Dalton Metropolitan Statistical Area, according to the Georgia Department of Labor.

The local economy is closely tied to construction-related industries, and despite disruptions caused by the global novel coronavirus pandemic, the national housing market and construction sector have remained resilient. Unemployment in Dalton is relatively low compared to historic levels and aligns closely with state and national trends. As of August 2025, Dalton's unemployment rate stands at 3.6 percent, a decrease from 4.5 percent in the previous year. In comparison, the state unemployment rate is 3.4 percent and national rate is at 4.3 percent.

Dalton's property tax digest has seen incremental improvements over the past decade. Since fiscal year 2011, the City of Dalton has allowed a freeport tax exemption for commercial and industrial properties, with a 20 percent exemption on work-in-progress inventory. This exemption resulted in a $1.4 million reduction in property tax revenue for fiscal year 2025. While the freeport exemption is expected to remain at the 20 percent level in fiscal year 2026, there is potential for an increase to 40 percent in a future years, which could further affect local revenue.

State funding plays a significant role in the School District's budget. Georgia's funding formula does not have adjustments for inflation. During the 2009-2010 school year, state funding for the average school district fell to 43 percent, its lowest level. By 2016, this percentage increased to 53 percent, although austerity reductions – state imposed budget cuts to school funding formulas - remained in place. These austerity reductions, implemented to balance the state budget, impacted all Georgia school districts, including Dalton Public Schools, which lost over $44.2 million in revenue from fiscal years 2003 through fiscal year 2022.

In fiscal year 2015, Georgia began to reduce the austerity component of its funding formula, leading to increased state revenue for school districts. For the School District, austerity reductions decreased from $5.1 million in fiscal year 2014 to just over $820,000 in fiscal year 2017, resulting in an additional $1.4 million in state funding for three consecutive years. In recent years, the elimination of austerity reductions during fiscal years 2019, 2020, 2022 and forward has further improved state revenue. The School District has become increasingly dependent on state funding due to a decline in local revenue sources since 2011.

Dalton's economy demonstrates resilience through its robust manufacturing base and consistent alignment with state and national economic trends. However, the interplay among local property tax policies, state funding adjustments, and economic shifts continues to shape the financial landscape for the School District and the broader community.

Planning for the Future

The Dalton Board of Education has long prioritized maintaining a healthy general fund balance to ensure financial stability and flexibility. Several years ago, the Board established a target of retaining an unreserved general fund balance of 15 percent of the current year's budget. This target provides two months of operating revenues and eliminates the need for short-term borrowing. In fiscal year 2014 general fund expenditures were $62.3 million, and the fund balance was nearly $11.0 million. By fiscal year 2025 expenditures had increased to $113.4 million, with a fund balance reaching $22.4 million. This higher fund balance reflects intentional planning to address rising operational costs, particularly those associated with the secondary grade reconfiguration.

The State of Georgia anticipated economic instability and uncertainty with the global coronavirus pandemic, leading to adjustments in school funding. For example, during fiscal years 2021 and 2022, the School District experienced significant austerity reductions in state funding, but these reductions were later reduced within the fiscal year. In fiscal year 2022, the School District initially budgeted for $1.9 million in state funding reductions, but these were ultimately eliminated, contributing to the increased fund balance.

Student enrollment trends in Dalton Public Schools have introduced additional planning considerations. Beginning in fiscal year 2018, after several years of modest growth, Dalton Public Schools has experienced slight declines in student enrollment, averaging less than one percent annually. The School District has adequate facility capacity at the elementary level, supported by six schools and class size flexibility, but middle and high school building capacity remains a concern. To address these needs, citizens of Dalton approved a general obligation bond of up to $50.65 million on November 7, 2017, to construct a new school for grades 6-7.

School District administrators remain committed to providing appropriate instructional spaces and facilities to support Dalton students. In fiscal year 2022, the School District implemented a strategic grade configuration change at the secondary level, reducing enrollment at Dalton High School and the middle school by introducing a junior high school for 8th and 9th grades. As part of this effort, Morris Innovative High School was closed, and the Dalton Academy opened to further enhance academic opportunities for all secondary students.

Since 1997, Dalton and Whitfield County residents have supported six five-year Educational Special Purpose Local Option Sales Taxes ("ESPLOST") of one cent each, enabling significant investments in School District facilities and programs. Fiscal year 2019 marked the fifth ESPLOST, which focused on instructional technology, school safety, HVAC and roofing improvements, and renovations at Brookwood and City Park elementary schools. This funding also supported capital needs associated with the secondary grade configuration changes at Dalton Junior High, Dalton Academy, and Dalton High School.

In the latter half of fiscal year 2023, the School District began receiving funds from the sixth ESPLOST. Early collections exceeded projections, but rising global inflation rate and local construction costs pose challenges to meeting some initial capital project goals, including expansions at the School District's smaller elementary schools. Over its five-year term, the sixth ESPLOST is expected to fund renovations and improvements at two schools, enhance technology and infrastructure for students and staff, and begin paying the principal on the general obligation bond used to build Hammond Creek Middle School.

The Dalton Board of Education and district administration continue to strategically plan and manage resources effectively, ensuring the School District is well-positioned to meet the educational needs of all students in the years ahead.

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 this framework. We believe the School District's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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

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

The School District maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget as approved by the Dalton Board of Education. Activities of the general fund, debt service fund, capital projects funds, 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 are reported as nonspendable, restricted, committed, assigned, and unassigned. The Board decides the committed fund balance through board action, and delegates the assigned fund balance to the superintendent or designee.

Major Initiatives

Dalton Public Schools continues to prioritize its vision of preparing students for college, career, and civic life through world-class learning. To achieve this goal, the School District is committed to delivering effective instruction and maintaining high expectations to foster continuous improvement in student achievement.

The implementation of Georgia's new K-12 mathematic standards marked a significant milestone for the School District in fiscal year 2024. These standards, approved by the Georgia Department of Education in fiscal year 2022, promote mastery and application, with an emphasis on deeper understanding by focusing on fewer topics at each grade level. In fiscal year 2023, significant teacher training, preparation, and curriculum teamwork were undertaken to put these new standards into practice. The standards aim to increase clarity using simplified language and clearer expectations at each grade level to ensure educators and parents understand what students are expected to learn. Additionally, the updated math standards emphasize mathematical reasoning, argumentation, and critical thinking, with a strong focus on problem-solving, modeling, and precision in communication.
Dalton Public Schools has aligned instructional resources and assessments with Georgia's K-12 Mathematics Standards. Classrooms are equipped with a variety of hands-on and digital resources, facilitating authentic learning experiences. The School District has developed a comprehensive mathematics framework that is grounded in a growth mindset.

Literacy instruction has also been a focus of improvement and innovation. In 2004, the School District began a phased-in implementation of a literacy framework targeting English Language Arts ("ELA"), reading, and word study instruction. In fiscal year 2023, the School District added a complementary phonics program to strengthen foundational literacy skills, particularly in kindergarten through third grade.

In fiscal year 2023, the Georgia Department of Education approved new performance standards in English Language Arts. Throughout fiscal year 2024, the School District actively engaged various stakeholders in a comprehensive process to review and select new literacy curriculum. The Dalton Board of Education approved the adoption and purchase of a new core literacy curriculum for elementary and middle schools, with initial implementation in the 2024-2025 school year.

The School District also provided targeted professional learning for educators in the Science of Reading and structured literacy methodologies.

Georgia's new K-12 English Language Arts emphasizes early literacy for kindergarten through third grade, focusing on phonics and foundational skills to ensure students develop strong reading abilities in early grades. The standards also place a renewed emphasis on phonics, grammar, usage, and mechanics, aiming to improve student's command of the English language.

Evaluating student performance remains a key aspect of the School District's mission. However, Dalton Public Schools recognizes that test scores alone do not provide a complete picture of student, teacher, or school performance. Georgia's College and Career Ready Performance Index ("CCRPI") offers a more comprehensive framework for evaluation, incorporating measures such as content mastery, student progress, closing achievement gaps, readiness, and high school graduation rates. The School District also acknowledges the challenges of making accurate annual comparisons, as variations in student groups, academic standards, and testing assessments can affect results. Additionally, the global coronavirus pandemic disrupted typical year-end testing in fiscal year 2020, complicating long-term trend analysis.

A table summarizing the percentage of Dalton students scoring at proficient and distinguished for the 2024 and 2025 school years is included to provide insight into recent performance trends.

Dalton Public Schools Fiscal Years 2024 and 2025		
	% of Proficient and Distinguished	**% of Proficient and Distinguished**
	FY 2024	**FY 2025**
English Language Arts		
High School American Literature	31%	35%
8th Grade Milestones Test	38%	35%
5th Grade Milestones Test	52%	39%
Mathematics		
Algebra I	34%	43%
8th Grade Milestones Test	37%	53%
5th Grade Milestones Test	39%	40%
Science		
Biology	38%	31%
8th Grade Milestones Test	12%	17%
5th Grade Milestones Test	37%	34%
Social Studies		
US History	27%	27%
8th Grade Milestones Test	19%	24%

Dalton Public Schools 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: School districts, the news media, parents, and community members should use caution in making year-to year comparisons using state level data due to 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,

Steven Craft, Ph.D.
Superintendent

Theresa A. Perry
Chief Financial Officer

CITY OF DALTON BOARD OF EDUCATION
ELECTED OFFICIALS AND ADMINISTRATION
JUNE 30, 2025

Elected Officials

Matt Evans, Chairman
In office since January 2018
Current term expires December 2025

Sam Sanders, Vice Chairman
In office since January 2020
Current term expires December 2027

Tulley Johnson, Treasurer
In office since January 2000
Current term expires December 2027

Jody McClurg
In office since January 2020
Current term expires December 2027

Manny Meza
In office since August 2023
Current term expires December 2025

School Administration

Veronica Rodriguez, Principal
Blue Ridge School

BethAnn Browning, Principal
Brookwood School

Kim Rhyne, Principal
City Park School

Brandon Headrick, Principal
Park Creek School

Anne Fetzer, Principal
Roan School

Alesa Smith, Principal
Westwood School

Lauri Johnson, Principal
Hammond Creek Middle School

Spencer Gazaway, Principal
Dalton Junior High School

Lee Collins, Principal
Dalton High School

Jessica Ashlock, Principal
The Dalton Academy

Centralized Administration

Dr. Steven Craft, Superintendent

Nick Sun
Deputy Superintendent

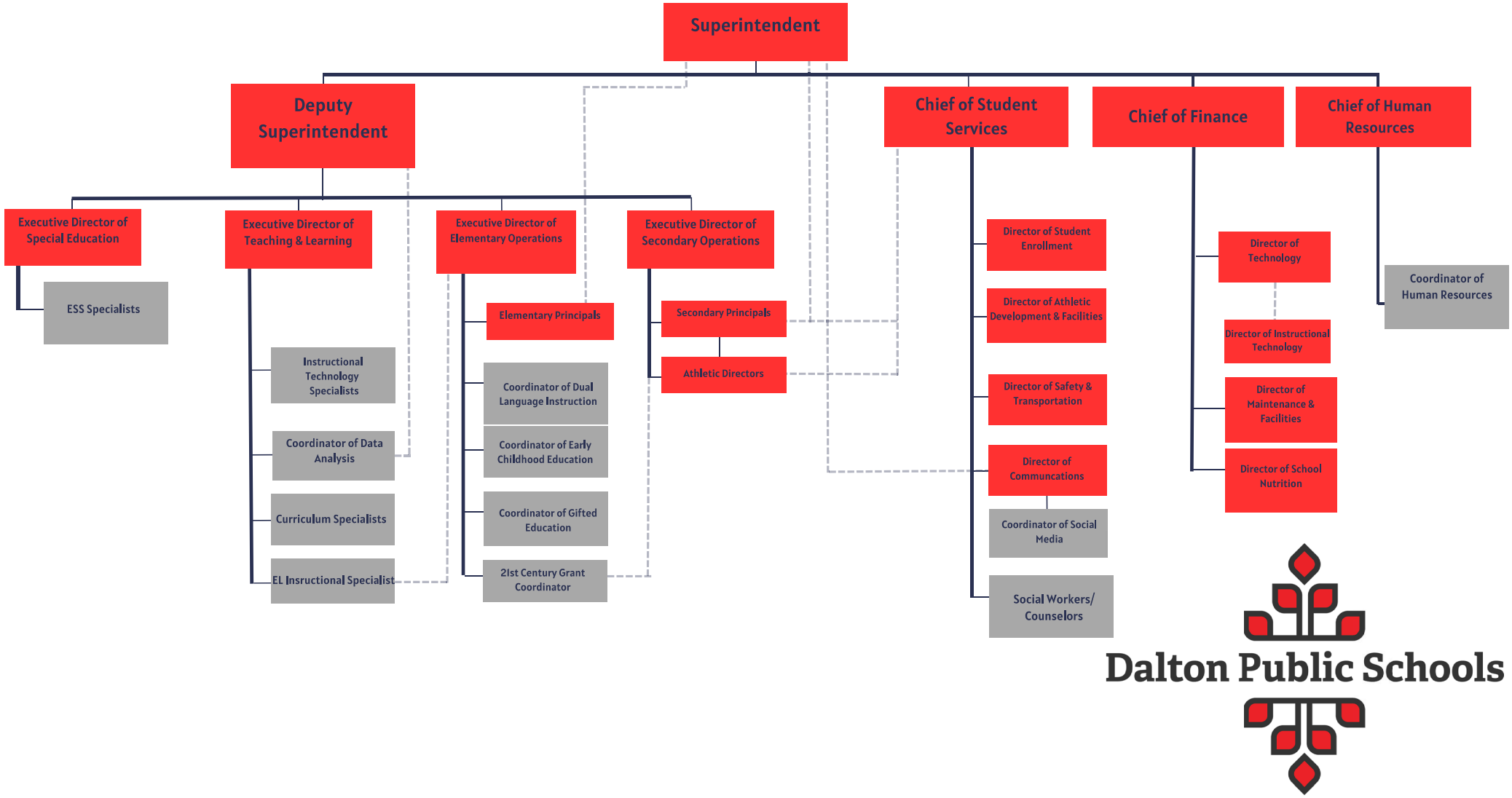
Theresa Perry
Chief of Finance

Mendy Woods
Chief of Human Resources

Brandi Moore
Associate Superintendent of Academics

Robert Shaw
Associate Superintendent of Student Services

DPS Organizational Structure



Dalton Public Schools

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, 2024

Christopher P. Morrill

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, 2025, 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, 2025, 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 66 – 79, and the respective budgetary comparison information for the general fund and the major special revenue funds on pages 80 – 83 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 December 1, 2025, on our consideration of the City of Dalton Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Dalton Board of Education's internal control over financial reporting and compliance.

Estes & Walcott

Dalton, Georgia
December 1, 2025

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, 2025. 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 2025 are as follows:

- In fiscal year 2025, total net position decreased 6%, or $1.5 million, from the fiscal year 2024 net position of $25.5 million to the fiscal year 2025 net position of $24.0 million. This decrease in net position comes from an overall decrease in total assets and deferred outflows of resources of $15.0 million, offset by an overall decrease in liabilities and deferred inflows of resources of $13.5 million.

- Total revenues increased 5% from $131.8 million in 2024 to $138.6 million in 2025. Although property values were expected to rise substantially, a court order temporarily limited assessed valuations. To maintain budgeted revenue levels, the School District implemented a temporary millage rate adjustment. Property tax revenue increased by $4.8 million and operating grants increased by $3.3 million compared to the previous year, while donations and investment earnings declined. Overall, expenditures exceeded revenues by $1.5 million in fiscal year 2025.

- Total expenses increased 1% from $138.6 million in 2024 to $140.1 million in 2025. Expense increases were predominately in support services. The School District shows increased expenses in student transportation for the purchase of two school buses and for contract service cost increases. In pupil services, the School District continues to expand athletic opportunities for students, resulting in an increase in the number of coaching positions, coaching salaries, and school based athletic directors. In fiscal year 2025, school administration expenditures increased with the addition of instructional interventionists to meet new literacy requirements in Georgia. There were expense increases in food service operations for increasing food costs and staffing. Instructional expenditures decreased in 2025, due to the purchase of new books and materials in fiscal year 2024 for Dalton's new literacy adoption.

- Among the major funds, the general fund reported $112.6 million in revenues in 2025, compared to $103.2 million in revenues in 2024. The increase is primarily attributable to an increase in local property tax revenue from an increased temporary millage rate and state formula funding improvements. The general fund reported $113.4 million in expenditures in 2025 compared to $104.2 million in expenditures in 2024. Expenditure increases are due to the increased employer contribution for employee health insurance and adding both instructional and administrative personnel. Those positions included teachers, paraprofessionals, literacy interventionists and administrators.

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.

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.

	2025	2024
Assets		
Current and other assets	$ 71,633,694	$ 68,817,055
Noncurrent assets	156,299,797	162,153,554
Total assets	227,933,491	230,970,609
Deferred outflows of resources	41,872,241	53,803,989
Liabilities		
Current liabilities	18,108,586	16,331,693
Noncurrent liabilities	193,218,700	218,815,916
Total liabilities	211,327,286	235,147,609
Deferred inflows of resources	34,438,985	24,092,994
Net position		
Net investment in capital assets	112,751,149	117,228,404
Restricted	23,795,521	19,697,559
Unrestricted	(112,507,209)	(111,391,968)
Total net position	$ 24,039,461	$ 25,533,995

Current and other assets increased by 4%, or $2.8 million in fiscal year 2025. This is primarily due to an overall increase in current assets in the Education Special Purpose Local Option Sales Tax ("ESPLOST") fund. The ESPOST fund reports cash and investments from unspent sales tax collections and unspent proceeds from a City of Dalton Building Authority revenue bond debt issuance, which will be repaid with ESPLOST collections. For the 2025 fiscal year, those revenue sources exceed the capital project expenditure activity.

Noncurrent assets decreased by 4% in fiscal year 2025, as depreciation expense exceeded capital outlays by $5.9 million.

Current liabilities increased by 11%, or $1.8 million in fiscal year 2025, predominately attributable to vendor accounts payable as well as employee salary and benefit payables. Other notable increases include capital projects retainage payable, the intergovernmental agreement payable and bond payable in accordance with the debt service schedules.

Non-current liabilities decreased by 12% or $25.6 million in 2025. This is primarily due to a net decrease in the School District's proportionate share of net pension and OPEB liabilities. The School District's proportionate share of the liability for their participation in the TRS pension plan, the ERS pension plan, and the SEAD-OPEB plan decreased by $22.1 million, $110,000, and $2,000, respectively, offset by an increase in the proportionate share of the liability for their participation in the School Fund OPEB plan of $1.1 million. Additionally, the School District's long-term portion of debt had a net decrease of $4.5 million as debt service is paid on the financed purchases, SBITA obligations, intergovernmental agreements, and bonds.

Deferred outflows of resources decreased by 22% or $11.9 million while deferred inflows of resources increased by 43% or $10.3 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).

	2025	2024
Revenues		
Program revenues		
Charges for services	$ 768,849	$ 973,919
Operating grants and contributions	80,030,127	76,769,358
Capital grants and contributions	165,574	154,070
General revenues		
Property taxes	42,652,077	37,833,999
Other taxes	12,035,077	11,921,695
Donations	256,539	1,037,775
Investment earnings	2,716,545	3,078,818
Total revenues	138,624,788	131,769,634
Expenses		
Instruction	85,503,136	86,883,349
Support services	45,437,650	42,574,346
Food services operation	6,867,211	6,449,227
Community service operation	244,428	430,718
Interest on long-term debt	2,066,897	2,285,854
Total expenses	140,119,322	138,623,494
Change in net position	(1,494,534)	(6,853,860)
Net position, beginning of year	25,533,995	32,387,855
Net position, end of year	$ 24,039,461	$ 25,533,995

Revenues

The School District's total revenues increased in 2025 by 5%, or $6.9 million. The increases in revenues were both in property taxes and operating and capital grants. Property taxes increased by $4.8 million due to an increased temporary millage rate. Operating grants and contributions increased $3.3 million due to state formula funding improvements for teacher salary, some state health insurance costs, and school safety. These increases were offset by a net decrease in donations of $781,000, due to a one-time contribution from the City of Dalton in 2024 for tennis courts and related facilities, valued at $900,000.

Expenses

The School District's total expenses increased by 1%, or $1.5 million. Expense increases were primarily in support services. Student transportation increased $884,000 for the purchase of two school buses and increased contract service costs. Pupil service expenses increased by $456,000 to continue to expanded athletic opportunities for students resulting in increased coaching positions, coaching salaries, and school athletic directors. School administration expenses increased by $449,000 to add instructional literacy interventionists primarily at the elementary level. Food services operations expenses increased by $418,000 for equipment, increasing food costs, and staffing needs.

Instruction expenses decreased by $1.4 million, as the School District embarked on a new comprehensive literacy program for elementary and middle school that required one-time expenditure increases in instructional books and software in the 2024 year.

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, proprietary funds, and fiduciary funds. The School District does not have any proprietary funds.

Governmental Funds

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

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 2025 combined fund balance of all governmental funds totaled $57.2 million. This is a 1% or $731,000 increase from the $56.5 million fund balance from fiscal year 2024. Most funds had decreases in the fund balances, however ESPLOST capital funds increased by $2.4 million as a result of monthly sales tax revenues exceeding spending on ESPLOST projects and debt service payments. The ESPLOST fund balance increase was offset by planned deficits for fiscal year 2025 in both the general fund and school food services fund. The general fund decrease was intended as a measure to lower the tax burden to property taxpayers by utilizing some fund balance to fund operations. The school food service fund balance decrease represents strategic spending of prior years' available fund balance for its operations.

Of the governmental fund balance, $274,000 is nonspendable, $6.8 million is restricted in the school food services program, $26.1 million is restricted for capital projects, and $1.3 million is restricted for debt service. An additional $299,000 is committed to capital projects, and $964,000 is assigned to school activities.

General Fund Budgetary Highlights

In developing the fiscal year 2025 budget, the administration addressed the need to maintain a quality education for all students. The School Board set priorities, or filters, through which all decisions were to be assessed. These filters were to: maximize classroom impact with an efficient use of positions, examine student needs to determine positions and resources, have a reasonable and balanced approach with revenues and expenditures, and maintain adequate reserves to meet cash flow requirements.

The most significant budgeted fund is the general fund. The final budget did not vary significantly from the original budget for any revenues or expenditures.

Actual revenues were 1% or $1.2 million higher the final budget. Actual local property tax revenue was less than budget. Property values were expected to rise substantially, however a court order temporarily limited assessed valuations. To maintain budgeted revenue levels, the School District implemented a temporary millage rate adjustment. Even though actual local revenue was $1.2 million short of the final budget, on behalf revenues were $1.2 million more than the budget for a state contribution to the employee health insurance program. Federal revenues were $617,000 more than budget as actual E-rate revenue and Medicaid revenue received were greater than estimates. State revenues were $545,000 higher than the final budget for mid-term changes in increased enrollment, as well as state grants.

Actual expenditures were under the final adjusted budget by 2%, or $2.3 million. Most of the expenditure savings were in instruction, improvement of instruction, and student transportation. Direct instructional expenditures were under budget by $1.2 million, primarily due to the timing of new one-time literacy books and material purchases. The School District was able to receive the new books in fiscal year 2024, therefore recognized the expenditure in that fiscal year rather than fiscal year 2025. Improvement of instruction was under budget by $416,000, mostly for open positions. Student transportation was under budget by $441,000 because of conservative cost projections at the time of budget development. Pupil services was $460,000 higher than the adjusted budget in the area of school activities and athletics.

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 2025 unassigned fund balance of $21.5 million reflects a 3% or $680,000 decrease from fiscal year 2024. The Dalton Board of Education allows for a higher fund balance for its commitment to fiscal responsibility and long-term planning. This financial position enables the School District to safeguard against future uncertainties and provides flexibility to be able to respond to unforeseen changes in financial condition whether due to revenue shortfall or unexpected increases in expenditures. 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 unrestricted, unassigned fund balance gives the School District a fund balance that is equivalent to 69 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 2025, 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 totaled $5.4 million, which is a 14% or $865,000 decrease from fiscal year 2024. The decrease is attributable to the sunsetting of a portion of the federal relief funds under the Coronavirus Aid, Relief and Economic Security ("CARES") Act and the American Rescue Plan ("ARP") that were to supplement the School District operations amidst the coronavirus pandemic. Additionally, both Title I for Improving Academic Achievement and Title VI-B for Individual With Disabilities Education Act had sizeable reductions, as well as reductions in Title III for English Language Learners and Title IV for Student Support.

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 totaled $6.2 million, which is a 6% or $387,000 decrease from fiscal year 2024. Federal revenues decreased $404,000, offset by paid meal revenues increasing by $19,000. The federal revenue decrease is due to the ESSER funding that was received in fiscal year 2024 that was not continued in fiscal year 2025. School food service expenditures increased by 8%, or $542,000, from the previous fiscal year. Expenditure increases were predominately for equipment, increased food costs, and professional services, as well as some employer benefit cost increases.

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 relied on ESPLOST proceeds as a primary funding source for capital projects. In March 1997, the Whitfield County voters approved the first five-year ESPLOST to fund critical educational infrastructure and improvements. The ESPLOST has since been renewed by the voters five additional times.

The sales tax proceeds are distributed proportionately between Whitfield County Schools and the School District based on the full-time equivalent (FTE) of student count. The county-wide revenue cap for the current ESPLOST VI is $140 million over its five-year term, of which the School District is projected to receive up to $51.9 million. School District's financial planning assumes $45.8 million in sales tax revenue, which will be allocated to fund priority capital projects and debt service obligations.

Fiscal year 2025 ESPLOST sales tax revenue totaled $10.7 million compared to $10.6 million in fiscal year 2024. This 1% increase of $102,000 is due to inflationary costs of taxable goods or services that are occurring in Whitfield County, the State of Georgia, and throughout the nation.

There were $3.9 million in ESPLOST expenditures in fiscal year 2025. The most sizeable capital project totaled $2.1 million at Roan Elementary School for an HVAC and school renovation project. Additional capitalized expenditures totaled $405,000 for computer equipment. Other ESPLOST expenditures which were not capitalized but were spent in accordance with ESPLOST parameters totaled $1.5 million and included various technology, furniture, equipment, and improvements. Additionally, $4.4 million was transferred out of the ESPLOST fund to service debt used to prefund ESPLOST projects in previous years.

The capital projects fund is funded by proceeds from the general obligation bond from 2018, investment earnings, and transfers from the general fund to support capital undertakings. In fiscal year 2025, the School District expended $59,000 for furniture and equipment at Hammond Creek Middle School.

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 2025 of $1.9 million represent a $163,000, or 8% decrease from the previous year. Revenues include local property taxes, vehicle taxes, and intangible and transfer taxes. Principal payments of $4.0 million on the long-term debt increased in accordance with the payment terms on the debt schedule. Interest payments of $2.3 million reflect an 11% increase from the previous fiscal year, in accordance with the debt schedules.

Capital Assets

Capital assets decreased 4% from the prior year, from $162.2 million in 2024 to $156.2 million in 2025. The School District reported additions of $3.2 million for fiscal year 2025, which included construction in progress of $2.1 million, as well as other technology, equipment, and vehicles additions. Depreciation expense totaled $9.1 million in fiscal year 2025. See Note 5 of the basic financial statements for additional information on capital assets.

	2025	2024
Capital assets, not depreciable		
Land	$ 16,717,822	$ 16,717,822
Construction in progress	2,073,439	-
Total	18,791,261	16,717,822
Capital assets, depreciable		
Land improvements	13,365,784	13,314,244
Buildings and building improvements	209,614,082	209,614,082
Machinery, equipment, and technology	14,251,842	13,414,173
Vehicles	1,484,506	1,279,856
Total	238,716,214	237,622,355
Less accumulated depreciation		
Land improvements	(5,131,477)	(4,361,975)
Buildings and building improvements	(85,431,097)	(78,486,360)
Machinery, equipment, and technology	(9,891,707)	(8,636,567)
Vehicles	(804,713)	(701,721)
Total	(101,258,994)	(92,186,623)
Depreciable capital assets, net	137,457,220	145,435,732
Governmental activities capital assets	$ 156,248,481	$ 162,153,554

Debt Administration

At June 30, 2025, the School District had noncurrent liabilities in the form of financed purchases, SBITA obligations, 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 debt.

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Financed purchases	$ 137,002	$ 81,240	$ (65,049)	$ 153,193	$ 59,900
SBITA obligations	408,940	-	(107,440)	301,500	100,500
Intergovernmental agreements	13,050,000	-	(3,130,000)	9,920,000	3,215,000
General obligation bonds	39,525,000	-	(895,000)	38,630,000	940,000
Premium on debt	5,091,326	-	(212,138)	4,879,188	-
Compensated absences	30,554	95,145	(80,610)	45,089	45,089
Total	$ 58,242,822	$ 176,385	$ (4,490,237)	$ 53,928,970	$ 4,360,489

Factors Bearing on the School District's Future

Education funding from the State of Georgia is anticipated to improve. Although school districts have faced austerity reductions since 2003, these cuts have been largely absent since fiscal year 2019, with the exception of fiscal year 2021. The School District has experienced a cumulative loss of $38.8 million in state revenue, net of federal stimulus funding. However, one-time federal stimulus funding in fiscal years 2021 through 2024 helped offset recent state revenue shortfalls.

Public school districts across the nation were awarded federal funds in response to the novel coronavirus pandemic. The federal funding was authorized under the Elementary and Secondary School Emergency Relief ("ESSER") Fund. Dalton Public Schools was awarded $28 million, which covered specific expenditures from fiscal year 2020 through fiscal year 2024. In fiscal year 2024, the School District completed its ESSER federal funded expenditures, spending $28 million that was allocated. These expenditures were for instructional and support positions across the School District to address student's academic, social, and emotional needs, as well as curriculum resources for literacy, numeracy, science, social studies, and dual language immersion.

Since 2011, the School District has received equalization grant funding to balance property wealth disparities among districts. The funding has fluctuated over the past fourteen years. The School District received $600,000 in 2011 and $1.1 million in 2012. In 2013, state officials revised the funding formula due to budget constraints, reducing the grant to $537,000 in 2013. Funding declined further in 2014, and the School District was excluded from equalization funding entirely in fiscal year 2017. The School District received $1.4 million in fiscal year 2018 with amounts increasing annually to a peak of $5.6 million in fiscal year 2022, before declining to $4.5 million in fiscal year 2023. In fiscal year 2025 equalization increased to $5.4 million. Fiscal year 2026 is projected to have its largest decrease, down to $4.1 million.

Real and personal property values have fluctuated since fiscal year 2013, showing an upward trend that has boosted property tax revenue. Property tax revenue in fiscal year 2024 increased 17%, or $5.7 million, compared to fiscal year 2023. Although property values were expected to rise substantially in fiscal year 2025, a court order temporarily limited assessed valuations. To maintain budgeted revenue levels, the School District implemented a temporary millage rate adjustment. Property tax revenue increased by 13%, or $4.8 million in fiscal year 2025.

The School District's fiscal year 2026 general fund budget anticipates a 12% increase in property taxes due to the county assessors correcting under-valued properties on the tax digest. However, homestead exemptions are expected to result in a $250,000 loss in local funding.

Community leaders are working to improve the quality of life and diversify the economy of Dalton City and Whitfield County. The 20% freeport exemption on business inventory, implemented in fiscal year 2011, resulted in revenue losses of $686,000, growing to $1.4 million in property tax revenue by fiscal year 2025. A 100% exemption on business inventory could be phased in. The School District forecasts that a 100% freeport exemption would result in an additional $5.6 million loss in property tax revenue. Increases to the freeport exemption will be delayed for fiscal year 2026, with potential consideration for an increase in a future fiscal year.

Unemployment rates in the Dalton area, as well as the State of Georgia, continue to outperform initial predictions made during the onset of the global coronavirus pandemic. The Dalton Metropolitan Area reports an unemployment rate of 3.6%, down from 4.5% in the previous year. Georgia's unemployment rate is 3.4%, compared to 3.6% in the prior year, while the national unemployment rate stands at 4.3%, up from 4.2% in the previous year.

Although School District enrollment averaged 2% growth over the past decade, fiscal year 2018 saw a 3% decline, followed by no change in fiscal years 2019 and 2020. Enrollment has continued to decline during the 2020 – 2025 school years. It is anticipated that enrollment will drop in fiscal year 2026, reflecting national trends influenced by the global coronavirus pandemic and immigration.

The School Board and administrative staff are committed to ensuring the long-term viability of the system. The Dalton Board of Education continues to make strategic improvements to employee salary scales. In fiscal year 2026, the Dalton Board of Education added a 0.75% adjustment to the local portion of the teacher salary scale. A comparable percentage increase was applied to all other employees to remain competitive with local labor markets. In fiscal year 2025, the governor and legislature increased the state teacher salary scale by $2,500, and the Dalton Board of Education added a 2% adjustment to the local portion of the teacher salary scale. These efforts build on prior increases. For instance, the Dalton Board of Education increased the local teacher salary scale in fiscal year 2023. Additionally, in fiscal year 2020, the governor and legislature raised the state teacher salary scale by $3,000. Before that, a 2% adjustment to the state teacher salary scale was implemented in fiscal year 2018, marking the first cost-of-living adjustment since fiscal year 2009.

The fiscal year 2026 budget for Dalton Public Schools invests additional resources in exceptional student services education to meet the increased enrollment. The budget allocated funds for a new speech therapist, three new teacher positions, and eleven paraprofessionals.

The School District contracts a service to provide student transportation. In December 2022, the drivers voted to unionize, and union negotiations for pay, benefits, and work conditions began shortly thereafter. In May 2023, the drivers initiated a labor strike, disrupting student transportation during testing in the final weeks of the school year. The administration had already been evaluating the feasibility of transitioning transportation operation in-house to achieve potential cost savings. To facilitate this transition, the School District made an initial investment in fiscal year 2024 by purchasing property with a bus garage facility and acquiring two school buses. In fiscal year 2025, the School District purchased two additional buses. There is a bus purchase planned for fiscal year 2026 as a result of state funding. Another bus purchase is planned for a future fiscal year based on state funding that is available to the School District.

An investment in student transportation could be phased in over several years if funding becomes available, or through financing via an intergovernmental agreement. The City of Dalton has the authority to incur debt on behalf of the School District, and a new debt obligation for an investment in student transportation may be considered by both entities in a future fiscal year.

On November 7, 2017, the community approved a school general obligation bond not to exceed $50.65 million to build the new Hammond Creek Middle School for 6th and 7th grades students. The bond, financed with property taxes, aimed to address enrollment and facility capacity challenges alongside grade configuration changes at the secondary level. The project includes property acquisition, site development, and school construction. The inaugural year of operation for the new facility was the 2021-2022 school year.

The vision of the School District is to provide world-class learning that prepares students for success in college, career, and civic life. While academics are important, we believe that fostering curiosity, creativity, and perseverance is equally vital to children's development. We are committed to offering an education that reflects these values. Through strategic program assessments and focused funding, we work to realize this vision while minimizing the financial burden on 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, 2025

	Governmental Activities
Assets	
Current assets	
Cash	$ 5,397,917
Investments	50,081,967
Receivables:	
Accounts	57,884
Intergovernmental	13,116,913
Taxes	1,429,817
Inventory	273,824
Restricted assets - cash	1,275,372
Total current assets	71,633,694
Noncurrent assets	
Nondepreciable capital assets	18,791,261
Depreciable capital assets, net	137,457,220
Net OPEB asset	51,316
Total noncurrent assets	156,299,797
Total assets	227,933,491
Deferred outflows of resources	
Related to defined benefit pension plans and OPEB plans	41,872,241

(continued)

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
Liabilities	
Current liabilities	
Accounts payable	$ 5,254,948
Salaries payable	7,610,298
Unearned revenue	122,871
Retainage payable	96,723
Compensated absences	45,089
Financed purchases	59,900
SBITA obligations payable	100,500
Accrued interest payable	663,257
Intergovernmental agreements payable	3,215,000
Bonds payable	940,000
Total current liabilities	18,108,586
Noncurrent liabilities	
Financed purchases, less current portion	93,293
SBITA obligations payable, less current portion	201,000
Intergovernmental agreements payable, less current portion	6,705,000
Bonds payable, less current portion	42,569,188
Net pension liability	88,698,899
Net OPEB liability	54,951,320
Total noncurrent liabilities	193,218,700
Total liabilities	211,327,286
Deferred inflows of resources	
Related to defined benefit pension plans and OPEB plans	34,438,985
Net position	
Net investment in capital assets	112,751,149
Restricted for capital projects	15,695,926
Restricted for debt service	1,313,630
Restricted for food services	6,785,965
Unrestricted	(112,507,209)
Total net position	$ 24,039,461

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities					
Instruction	$ 85,503,136	$ 180,255	$ 48,627,514	$ -	$ (36,695,367)
Support services:					
Pupil services	7,963,619	-	4,622,985	-	(3,340,634)
Improvement of instructional services	3,503,298	-	2,128,678	-	(1,374,620)
Instructional staff training	2,420,639	-	2,193,528	-	(227,111)
Educational media services	1,647,283	-	977,401	-	(669,882)
General administration	545,333	-	315,690	-	(229,643)
Federal grant administration	161,953	-	161,689	-	(264)
School administration	8,375,160	-	4,572,508	-	(3,802,652)
Business administration	910,563	-	534,455	-	(376,108)
Maintenance and operation of plant	10,819,288	-	5,283,584	-	(5,535,704)
Student transportation services	5,297,131	-	3,193,075	-	(2,104,056)
School safety	866,570	-	512,221	-	(354,349)
Central support services	2,689,228	-	1,584,769	-	(1,104,459)
Other support services	237,585	-	69,272	-	(168,313)
Food services operations	6,867,211	588,594	5,108,279	165,574	(1,004,764)
Community services operations	244,428	-	144,479	-	(99,949)
Interest on long-term debt	2,066,897	-	-	-	(2,066,897)
Total governmental activities	$ 140,119,322	$ 768,849	$ 80,030,127	$ 165,574	(59,154,772)
General revenues					
Property taxes					42,652,077
Vehicle taxes					1,985,552
Intangibles tax					296,674
Sales taxes					9,752,851
Unrestricted investment earnings					2,716,545
Donations					256,539
Total general revenues					57,660,238
Change in net position					(1,494,534)
Net position, beginning of year					25,533,995
Net position, end of year					$ 24,039,461

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Federal Programs	School Food Services	Capital Projects	Education Special Purpose Local Option Sales Tax	Debt Service	Nonmajor Fund - Lottery Programs	Total Governmental Funds
Assets								
Cash	$ 3,201,965	$ -	$ 567,194	$ 172	$ 1,628,586	$ -	$ -	$ 5,397,917
Investments	29,185,590	-	6,623,218	358,109	13,915,050	-	-	50,081,967
Receivables:								
Accounts	57,065	3	71	-	-	745	-	57,884
Intergovernmental	355,753	1,366,310	217,471	-	11,170,193	7,186	-	13,116,913
Taxes	1,362,115	-	-	-	-	67,702	-	1,429,817
Due from other funds	6,185,487	-	-	14,891	1,643	25,996	376,212	6,604,229
Inventory	-	-	273,824	-	-	-	-	273,824
Restricted assets - cash	-	-	-	-	-	1,275,372	-	1,275,372
Total assets	$ 40,347,975	$ 1,366,313	$ 7,681,778	$ 373,172	$ 26,715,472	$ 1,377,001	$ 376,212	$ 78,237,923

(continued)

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Federal Programs	School Food Services	Capital Projects	Education Special Purpose Local Option Sales Tax	Debt Service	Nonmajor Fund - Lottery Programs	Total Governmental Funds
Liabilities								
Accounts payable	$ 4,386,618	$ 149,711	$ 29,757	$ 18,662	$ 546,341	$ -	$ 123,859	$ 5,254,948
Salaries payable	6,929,018	354,104	133,839	-	-	-	193,337	7,610,298
Due to other funds	5,283,338	862,498	458,393	-	-	-	-	6,604,229
Retainage payable	-	-	-	-	96,723	-	-	96,723
Unearned revenue	63,855	-	-	-	-	-	59,016	122,871
Total liabilities	16,662,829	1,366,313	621,989	18,662	643,064	-	376,212	19,689,069
Deferred inflows of resources								
Unavailable revenue - property taxes	1,269,849	-	-	-	-	63,371	-	1,333,220
Fund balances								
Nonspendable	-	-	273,824	-	-	-	-	273,824
Restricted	-	-	6,785,965	55,474	26,072,408	1,313,630	-	34,227,477
Unrestricted:								
Committed	-	-	-	299,036	-	-	-	299,036
Assigned	964,413	-	-	-	-	-	-	964,413
Unassigned	21,450,884	-	-	-	-	-	-	21,450,884
Total fund balances	22,415,297	-	7,059,789	354,510	26,072,408	1,313,630	-	57,215,634
Total liabilities, deferred inflows of resources, and fund balances	$ 40,347,975	$ 1,366,313	$ 7,681,778	$ 373,172	$ 26,715,472	$ 1,377,001	$ 376,212	$ 78,237,923

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, 2025

Total governmental fund balances		$ 57,215,634
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	6,604,229	
Interfund payables	(6,604,229)	-
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	257,507,475	
Accumulated depreciation	(101,258,994)	156,248,481
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.		1,333,220
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	(663,257)	
Financed purchases	(153,193)	
SBITA obligations payable	(301,500)	
Intergovernmental agreements payable	(9,920,000)	
Bonds payable	(38,630,000)	
Premium on debt, net of amortization	(4,879,188)	
Compensated absences	(45,089)	
Net pension liability	(88,698,899)	
Net OPEB asset	51,316	
Net OPEB liability	(54,951,320)	(198,191,130)
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	41,872,241	
Deferred inflows related to pension and OPEB plans	(34,438,985)	7,433,256
Net position of governmental activities		$ 24,039,461

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, 2025

	General	Federal Programs	School Food Services	Capital Projects	Education Special Purpose Local Option Sales Tax	Debt Service	Nonmajor Fund - Lottery Programs	Total Governmental Funds
Revenues								
Federal sources	$ 1,375,536	$ 5,361,704	$ 5,050,138	$ -	$ -	$ -	$ -	$ 11,787,378
State sources	63,168,469	-	223,715	-	-	-	2,555,950	65,948,134
Local sources and other funds	46,686,188	-	908,131	15,958	10,727,014	1,917,220	-	60,254,511
On behalf payments	1,340,683	-	-	-	-	-	-	1,340,683
Total revenues	112,570,876	5,361,704	6,181,984	15,958	10,727,014	1,917,220	2,555,950	139,330,706
Expenditures								
Current:								
Instruction	74,564,992	1,873,914	-	28,224	1,464,141	-	2,535,978	80,467,249
Support services:								
Pupil services	6,442,112	788,875	-	-	-	-	26,486	7,257,473
Improvement of inst. services	3,300,471	171,206	-	-	-	-	396	3,472,073
Instructional staff training	553,472	1,865,885	-	-	-	-	496	2,419,853
Educational media services	1,653,558	-	-	-	-	-	-	1,653,558
General administration	534,082	-	-	-	-	-	-	534,082
Federal grant administration	-	161,689	-	-	-	-	-	161,689
School administration	7,630,986	-	-	-	-	-	9,438	7,640,424
Business administration	904,185	-	-	555	-	-	-	904,740
Maintenance/operation of plant	8,312,039	229,101	-	-	-	-	-	8,541,140
Student transportation services	5,006,980	226,742	-	-	-	-	6,821	5,240,543
School safety	866,570	-	-	-	-	-	-	866,570
Central support services	2,651,535	16,298	-	-	-	-	-	2,667,833
Other support services	69,834	27,994	-	-	-	-	-	97,828
Food services operations	-	-	6,800,093	-	-	-	-	6,800,093
Community services operations	244,428	-	-	-	-	-	-	244,428

(continued)

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, 2025

	General	Federal Programs	School Food Services	Capital Projects	Education Special Purpose Local Option Sales Tax	Debt Service	Nonmajor Fund - Lottery Programs	Total Governmental Funds
Capital outlay:								
Instruction	152,704	-	-	30,766	2,478,571	-	-	2,662,041
Support services:								
Improvement of inst. services	81,240	-	-	-	-	-	-	81,240
School administration	38,822	-	-	-	-	-	-	38,822
Maintenance/operation of plant	236,620	-	-	-	-	-	-	236,620
Food services operations	-	-	165,574	-	-	-	-	165,574
Debt service:								
Principal retirement	172,489	-	-	-	-	4,025,000	-	4,197,489
Interest and fiscal charges	-	-	-	-	-	2,330,735	-	2,330,735
Total expenditures	113,417,119	5,361,704	6,965,667	59,545	3,942,712	6,355,735	2,579,615	138,682,097
Excess (deficiency) of revenues over (under) expenditures	(846,243)	-	(783,683)	(43,587)	6,784,302	(4,438,515)	(23,665)	648,609
Other financing sources (uses)								
Issuance of debt	81,240	-	-	-	-	-	-	81,240
Transfers in	-	-	-	-	-	4,386,485	23,665	4,410,150
Transfers out	(23,665)	-	-	-	(4,386,485)	-	-	(4,410,150)
Proceeds from sales of assets	1,256	-	-	-	-	-	-	1,256
Total other financing sources (uses)	58,831	-	-	-	(4,386,485)	4,386,485	23,665	82,496
Net changes in fund balances	(787,412)	-	(783,683)	(43,587)	2,397,817	(52,030)	-	731,105
Fund balances, beginning of year	23,202,709	-	7,843,472	398,097	23,674,591	1,365,660	-	56,484,529
Fund balances, end of year	$ 22,415,297	$ -	$ 7,059,789	$ 354,510	$ 26,072,408	$ 1,313,630	$ -	$ 57,215,634

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, 2025

Net changes in fund balances - governmental funds		$ 731,105
Amounts reported for governmental activities in the statement of activities are different because:		
Elimination of transfers between governmental funds:		
Transfers in	(4,410,150)	
Transfers out	4,410,150	-
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 depreciation expense exceeded capital outlays in the current period.		
Capital outlay	3,184,297	
Depreciation expense	(9,089,370)	(5,905,073)
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.		398,865
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	(81,240)	
Principal payments of debt	4,197,489	
Amortization of bond premiums	212,138	4,328,387
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	(14,535)	
Net change in accrued interest payable	51,700	
On behalf payments from the State of Georgia for pension contributions	126,918	
On behalf payments from the State of Georgia for OPEB contributions	(1,231,701)	
Net change in pension related allocations, contributions, and expenses	(2,791,302)	
Net change in OPEB related allocations, contributions, and expenses	2,811,102	(1,047,818)
Change in net position - governmental activities		$ (1,494,534)

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Custodial Funds
Assets	
Cash	$ 94,238
Accounts receivable	39,490
Intergovernmental receivable	14,782
Total assets	$ 148,510
Liabilities	
Accounts payable	$ 2,430
Total liabilities	2,430
Net position	
Restricted for others	146,080
Total net position	146,080
Total liabilites and net position	$ 148,510

See accompanying notes to the financial statements.

CITY OF DALTON BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Custodial Funds
Additions	
Charges for services	$ 442,202
Operating grants	108,912
Donations	218,364
Total additions	769,478
Deductions	
Instruction	52,768
Support services:	
Pupil services	215,946
Maintenance and operation of plant	409
Other support services	507,221
Total deductions	776,344
Change in net position	(6,866)
Net position beginning of year	152,946
Net position end of year	$ 146,080

See accompanying notes to the financial statements.

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, 2025, 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.

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 financial statements are presented for governmental and fiduciary funds. 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.

Note 1 Summary of Significant Accounting Policies - Continued

Additionally, the School District provides additional information on the following nonmajor governmental fund: the lottery programs 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 and SBITA obligations 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.

Note 1 Summary of Significant Accounting Policies - Continued

New Accounting Pronouncements

In fiscal year 2025, the School District adopted GASB Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The adoption of this statement did not have a material impact on the School District's financial statements. This statement will be applied prospectively.

In fiscal year 2025, the School District adopted GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide financial statement users with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The adoption of this statement did not have a material impact on the School District's financial statements. This statement will be applied prospectively.

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 OCGA §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 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.

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 consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

Prepaid Items

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

Restricted Assets

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

Capital Assets

Capital assets are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than $10,000 (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 fair 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.

Note 1 Summary of Significant Accounting Policies - Continued

Intangible Right-to-Use Assets

Leases, as a lessee, are included as intangible right-to-use assets and lease obligations on the Statement of Net Position. Subscription-based information technology arrangements ("SBITA") result in an intangible right-to use subscription asset and a subscription liability on the Statement of Net Position. Intangible right-to-use assets arising from lease obligations and SBITAs are included with other capital assets on the Statement of Net Position.

An intangible right-to-use asset represents the School District's right to use an underlying asset for the lease or subscription term. Lease and subscription obligations represent the School District's liability to make lease and subscription payments arising from the lease or subscription agreements. Intangible right-to-use assets, lease obligations, and subscription liabilities are recognized based on the present value of lease or subscription payments over the lease term, where the initial term exceeds 12 months. Residual value guarantees and the value of an option to extend or terminate a lease or subscription are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments based on future performance or usage are not included in the measurement of the lease or subscription liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease or subscription term or useful life of the underlying asset. Prepayments made before the commencement of the lease or subscription are reported as intangible right-to-use assets-in-progress.

Capitalization thresholds and estimated useful lives of capital and intangible right-to-use 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	25,000	15 years
Land improvements	25,000	15 years
Building improvements	50,000	15 years
Kitchen equipment	10,000	15 years
Recreational and athletic equipment	10,000	10 years
Buses and heavy trucks	10,000	10 years
Custodial and grounds equipment	10,000	5 years
Instructional and other equipment	10,000	5 years
Cars and light trucks	10,000	5 years
Furniture	10,000	5 years
Technology and hardware	10,000	5 years
Intangible assets	250,000	15 years
Subscription-based information technology arrangements	150,000	Based on agreement term

Note 1 Summary of Significant Accounting Policies - Continued

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. Vacation leave of between 10 – 20 days, dependent on length of service, is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may not be carried over to the next fiscal year.

Sick leave of 1.25 working days for each completed month of service is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn sick leave. Sick leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such leave does not exceed 60 days. Upon terminating employment, the School District pays all unused and unforfeited sick leave benefits to employees. Accordingly, sick leave benefits are accrued as a liability in the district-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end. Otherwise, accumulated unpaid sick leave costs are not vested and are not accrued in any fund, but are recognized as expenditures or expenses when paid.

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.

Note 1 Summary of Significant Accounting Policies - Continued

Noncurrent 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 the State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund ("SEAD-OPEB"), and additions to/deductions from School OPEB Fund's and SEAD OPEB's fiduciary net positions have been determined on the same basis as they are reported by School OPEB Fund and SEAD OPEB, respectively. 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.

Note 1 Summary of Significant Accounting Policies - Continued

Fund Balances

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

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

1) **Nonspendable fund balance** - Consists of resources that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

2) **Restricted fund balance** - Consists of resources that can be used only for specific purposes pursuant to constraints either (1) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

3) **Committed fund balance** - Consists of resources that can be used only for specific purposes pursuant to constraints imposed by formal action of the School Board. The School Board is the School District's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the School Board. Committed fund balance also should incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

4) **Assigned fund balance** - Consists of resources constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by the School Board, the budget or finance committee, or the Superintendent, or designee, to assign amounts to be used for specific purposes.

5) **Unassigned fund balance -** Consists of resources 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.

Note 1 Summary of Significant Accounting Policies - Continued

A schedule of fund balances is as follows:

Fund Balances:	General	School Food Services	Capital Projects	Education Special Purpose Local Option Sales Tax	Debt Service	Total
Nonspendable:						
Inventory	$ -	$ 273,824	$ -	$ -	$ -	$ 273,824
Restricted for:						
Capital projects	-	-	55,474	26,072,408	-	26,127,882
Debt service	-	-	-	-	1,313,630	1,313,630
Food services	-	6,785,965	-	-	-	6,785,965
Committed to:						
Capital projects	-	-	299,036	-	-	299,036
Assigned to:						
School activities	964,413	-	-	-	-	964,413
Unassigned	21,450,884	-	-	-	-	21,450,884
Total Fund Balances	$ 22,415,297	$ 7,059,789	$ 354,510	$ 26,072,408	$ 1,313,630	$ 57,215,634

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 2024 tax digest year (calendar year) on January 1, 2024 (levy date). Tax bills are typically mailed on October 20 (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; after the 60 days, the bill becomes delinquent and penalties and interest may be assessed. If the tax is unpaid after ninety days from due date, a lien is placed against the property. For the 2024 year, property tax values were based on a 2024 Temporary Tax Digest. The Whitfield County Tax Commissioner was ordered by the Superior Court of Whitfield County in October of 2024 to collect taxes based on the Temporary Tax Digest and Millage Rates established by the taxing entities. As of the publishing of this report, the Whitfield County Tax Commissioner has published a certified tax digest for the 2024 year, but updated bills for the 2024 year have not yet been sent to taxpayers.

Taxes collected within the current fiscal year or within 60 days after year end on the 2024 tax digest are reported as revenue in the governmental funds for the year ended June 30, 2025. 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 $42,253,212 for the year ended June 30, 2025.

Note 1 Summary of Significant Accounting Policies - Continued

The tax millage rate levied for the 2024 tax year for School District maintenance and operations was 9.000 mils and for School District debt service was 0.420 mils (a mil equals $1 per thousand dollars of assessed value).

Title ad valorem tax revenues and vehicle taxes, at the fund reporting level, totaled $1,970,864 for the year ended June 30, 2025.

Sales Taxes

Education special purpose local option sales tax, at the fund reporting level, totaled $9,752,851 for the year ended June 30, 2025, 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 2025, the School District transferred $4,386,485 of ESPLOST proceeds to the City of Dalton Building Authority for debt service on the revenue bonds. See Note 7 for additional information.

Note 2 Budgetary Data

The budget is a complete financial plan for the School District's fiscal year, and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general, special revenue, debt service, and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budgets for all governmental funds, except for the various school activity accounts (commonly referred to as principal accounts) reported in the general fund, are 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

Collateralization of 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.

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.

Collateralization of Deposits

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.

Note 3 Deposits and Investments - Continued

At June 30, 2025, the School District held unrestricted deposits with a carrying amount of $5,397,917 and a bank balance of $6,008,004. The bank balances were fully covered by either deposit insurance and/or collateral held in the School District's name.

At June 30, 2025, the School District held restricted deposits with a carrying amount of $1,275,372 and a bank balance of $1,275,372. The bank balances were fully covered by either deposit insurance and/or collateral held in the School District's name.

Investments

At June 30, 2025, the carrying value of the School District's unrestricted investments was $50,081,967, and are invested in Georgia Fund 1 in accordance with the School District's investment policies.

The School District's unrestricted investments are invested in Georgia Fund 1. Georgia Fund 1 is not registered with the SEC as an investment and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, $1.00 per share. The pool is rated AAAf/S1 by Fitch. The weighted average maturity for Georgia Fund 1 on June 30, 2025 was 51 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, 2025, 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.

Note 3 Deposits and Investments - Continued

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.

Note 5 Capital Assets and Intangible Right-to-Use Assets

Capital asset and intangible right-to-use asset activity for the fiscal year ended June 30, 2025, is as follows:

	Beginning Balance	Additions	Reclassifications and Disposals	Ending Balance
Governmental activities:				
Nondepreciable capital assets				
Land	$ 16,717,822	$ -	$ -	$ 16,717,822
Construction in progress	-	2,073,439	-	2,073,439
Total	16,717,822	2,073,439	-	18,791,261
Depreciable capital assets				
Land improvements	13,314,244	51,540	-	13,365,784
Buildings and building improvements	209,614,082	-	-	209,614,082
Machinery, equipment, and technology	12,859,473	837,669	-	13,697,142
Subscription assets	554,700	-	-	554,700
Vehicles	1,279,856	221,649	(16,999)	1,484,506
Total	237,622,355	1,110,858	(16,999)	238,716,214
Less accumulated depreciation				
Land improvements	(4,361,976)	(769,501)	-	(5,131,477)
Buildings and building improvements	(78,486,360)	(6,944,737)	-	(85,431,097)
Machinery, equipment, and technology	(8,505,111)	(1,116,465)	-	(9,621,576)
Subscription assets	(131,456)	(138,675)	-	(270,131)
Vehicles	(701,720)	(119,992)	16,999	(804,713)
Total	(92,186,623)	(9,089,370)	16,999	(101,258,994)
Depreciable capital assets, net	145,435,732	(7,978,512)	-	137,457,220
Governmental activities capital assets, net	$ 162,153,554	$ (5,905,073)	$ -	$ 156,248,481

Note 5 Capital Assets - Continued

Current year depreciation and amortization expense by function is as follows:

Governmental activities:		
Instruction	$	5,185,932
Pupil services		630,437
Improvement of instructional services		1,095
School administration		685,231
Maintenance and operation of plant		2,269,165
Student transportation		55,790
Other support services		139,757
Food services operation		121,963
Total depreciation expense - governmental activities	$	9,089,370

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, 2025 consisted of the following:

	Due From Other Funds	Due To Other Funds
General fund	$ 6,185,487	$ 5,283,338
Federal programs fund	-	862,498
School food services	-	458,393
Capital projects fund	14,891	-
ESPLOST fund	1,643	-
Debt service fund	25,996	-
Nonmajor fund - lottery programs fund	376,212	-
Total governmental funds	$ 6,604,229	$ 6,604,229

Note 6 Interfund Balances and Transfers - Continued

Significant interfund transfers during the year included the transfer of sales tax revenues to service debt borrowed as funding for ESPLOST projects and the transfer of general revenues to the lottery programs fund to subsidize expenditures. Interfund transfers for the year ended June 30, 2025 consisted of the following:

	Transfer From		
Transfer To	General fund	ESPLOST fund	Total
Debt service fund	$ -	$ 4,386,485	$ 4,386,485
Nonmajor fund - lottery programs fund	23,665	-	23,665
Total governmental funds	$ 23,665	$ 4,386,485	$ 4,410,150

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, 2025. 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, 2025, general obligation bond payments due by fiscal year are as follows:

Fiscal Year	Principal
2026	$ 940,000
2027	985,000
2028	1,025,000
2029	1,080,000
2030	1,135,000
2031 - 2035	6,570,000
2036 - 2040	8,390,000
2041 - 2045	10,705,000
2046 - 2048	7,800,000
Total	$ 38,630,000

Note 7 Long Term Debt - Continued

Intergovernmental Agreement - The School District entered into an 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.

At June 30, 2025, payments owed on intergovernmental agreements due by fiscal year, which include principal and interest, are as follows:

Fiscal Year	Principal	Interest
2026	$ 3,215,000	$ 274,784
2027	3,305,000	185,729
2028	3,400,000	94,180
Total principal and interest	$ 9,920,000	$ 554,693

Obligations Under Financed Purchases - The School District has acquired equipment under the provisions of various long-term lease agreements classified as financed purchases 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 $81,240. 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. The incremental interest rate used to discount all financed purchases is 0%. All cost and related amortization expense reported on the lease assets are included in capital assets and depreciation expense, as disclosed in Note 5.

Payments shall be made from the School District's general fund. At June 30, 2025, finance purchase payments due by fiscal year, which include principal and interest, are as follows:

Fiscal Year	Principal	Interest
2026	$ 59,900	$ -
2027	36,409	-
2028	33,774	-
2029	16,340	-
2030	6,770	-
Total principal and interest	$ 153,193	$ -

Note 7 Long Term Debt - Continued

The following is an analysis of lease assets under the financed purchases as of June 30, 2025:

Equipment	$ 357,898
Accumulated amortization	(189,575)
	$ 168,323

Subscription Obligations - The School District has entered into certain subscription-based contracts to use vendor-provided information technology ("IT") under the provisions of various contracts that convey control of the right-to-use another entity's asset for a period of time in an exchange or exchange-like transaction. These contracts are classified as SBITA obligations for accounting purposes. The subscription asset is amortized on the straight-line basis over the shorter of the useful life of the asset or the subscription-based information technology arrangement term.

There were no variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2025.

During 2024, the School District entered into a subscription agreement for the right-to-use crisis alert software at a cost of $554,700 with no down payment. This subscription liability qualifies as a subscription liability for accounting purposes, and, therefore, has been recorded at the present value of the future minimum subscription payments as of the date of inception.

At the commencement of the SBITA, the School District initially measures the subscription liability at the present value of payments expected to be made during the term of the SBITA. The incremental interest rate used to discount the outstanding SBITA obligation is 0%. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The right-to-use subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on the straight-line basis over the shorter of the useful life of the asset or the SBITA term.

Payments of the SBITA obligation shall be made from the School District's general fund. At June 30, 2025, SBITA obligations payable, due by fiscal year, which include principal and interest, are as follows:

Fiscal Year	Principal	Interest
2026	$ 100,500	$ -
2027	100,500	-
2028	100,500	-
Total principal and interest	$ 301,500	$ -

The following is an analysis of intangible right-to-use assets under the SBITA obligations as of June 30, 2025:

Subscription assets	$ 554,700
Accumulated amortization	(270,131)
	$ 284,569

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, 2025 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Financed purchases	$ 137,002	$ 81,240	$ (65,049)	$ 153,193	$ 59,900
SBITA obligations	408,940	-	(107,440)	301,500	100,500
Intergovernmental agreements	13,050,000	-	(3,130,000)	9,920,000	3,215,000
General obligation bonds	39,525,000	-	(895,000)	38,630,000	940,000
Premium on debt	5,091,326	-	(212,138)	4,879,188	-
Compensated absences	30,554	95,145	(80,610)	45,089	45,089
Total	$ 58,242,822	$ 176,385	$ (4,490,237)	$ 53,928,970	$ 4,360,489

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.

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.

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 2025. The School District's contractually required contribution rate for the year ended June 30, 2025 was 20.78% 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 $11,369,433 and $56,331 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.

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 $16.50, 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 $70,587.

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.

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, 2025 was 29.20% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan totaled $26,368 for the current fiscal year.

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, 2025, the School District reported a liability of $88,698,899 for its proportionate share of the net pension liability for TRS of $88,558,531 and ERS of $140,368.

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	$ 88,558,531
State of Georgia's proportionate share of the net pension liability associated with the School District - TRS	362,944
Total	$ 88,921,475

The net pension liability for TRS and ERS was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 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, 2024.

At June 30, 2024, the School District's proportion of the TRS net pension liability was 0.352337%, which was a decrease of 0.022575% from its proportion measured as of June 30, 2023. At June 30, 2024, the School District's proportion of the ERS net pension liability was 0.003118%, which was a decrease of 0.001081% from its proportion measured as of June 30, 2023.

At June 30, 2025, 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 $305,185.

The net pension liability for PSERS was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 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, 2024.

For the year ended June 30, 2025, the School District recognized pension expense of $2,676,181 for TRS, pension expense of $70,587 for PSERS, and pension expense of $44,534 for ERS. Included in the preceding amounts, the School District recognized income of $56,331 for TRS and income of $70,587 for PSERS for support provided by the State of Georgia for certain support personnel.

Note 8 Retirement Plans - Continued

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,021,014	$ 264,683	$ 7,524	$ -
Changes of assumptions	6,160,588	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	12,346,970	-	15,810
Changes in proportion and differences between School District contributions and proportionate share of contributions	807,051	4,801,807	18,176	31,937
District contributions subsequent to the measurement date	11,369,433	-	26,368	-
Total	$ 28,358,086	$ 17,413,460	$ 52,068	$ 47,747

School District contributions subsequent to the measurement date of $11,369,433 for TRS and of $26,368 for ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	TRS	ERS
2026	$ 587,372	$ (11,108)
2027	10,214,693	4,838
2028	(6,690,036)	(9,621)
2029	(4,536,836)	(6,156)
Thereafter	-	-

Note 8 Retirement Plans - Continued

Actuarial Assumptions - The total pension liability for TRS as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023 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

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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

The total pension liability for PSERS as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023 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

Note 8 Retirement Plans - Continued

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

The total pension liability for ERS as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2024 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
Cost-of-living adjustment	1.05%, 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 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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

Note 8 Retirement Plans - Continued

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return *
Fixed income	30.00%	1.50%
Domestic large equities	46.40%	9.10%
Domestic small equities	1.10%	13.00%
International developed market equities	13.60%	9.10%
International emerging market equities	3.90%	11.10%
Alternatives	5.00%	10.60%
Total	100.00%	

* Rates shown are net of inflation

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.

Note 8 Retirement Plans - Continued

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 respective discount rates of 6.90% and 7.00%, 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	$ 152,426,958	$ 88,558,531	$ 36,422,344

ERS:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$ 211,481	$ 140,368	$ 80,562

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

Note 9 Defined Contribution Plans

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

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

Note 9 Defined Contribution Plans - Continued

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

Fiscal Year	Percentage Contributed	Required Contribution
2025	100%	$ 40,181
2024	100%	36,583
2023	100%	34,010

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.

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 $3,339,579 for the year ended June 30, 2025. Active employees are not required to contribute to the School OPEB Fund.

During fiscal year 2025, the State of Georgia, through the State Health Benefit Plan ("SHBP") administered by the Department of Community Health, made an on-behalf contribution in the amount of $1,231,701 for the School District's employees. This amount is recognized as part of the employer's OPEB contributions.

Note 10 Post-Employment Benefits - Continued

State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund ("SEAD-OPEB")

Plan description - SEAD-OPEB was created in 2007 by the Georgia General Assembly to amend Title 47 of the OCGA relating to retirement, so as to establish a fund for the provision of term life insurance to retired and vested inactive members of the ERS, the LRS, and the Georgia Judicial Retirement System ("GJRS"). The plan is a cost-sharing multiple-employer defined benefit other postemployment benefit plan as defined in GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans other than OPEB Plans. The SEAD-OPEB trust fund accumulates the premiums received from the aforementioned retirement plans, including interest earned on deposits and investments of such payments.

Benefits provided - The amount of insurance for a retiree with creditable service prior to April 1, 1964 is the full amount of insurance in effect on the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 1964, is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in a lump sum to the beneficiary upon death of the retiree.

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

Contributions - Georgia law provides that employee contributions to the plan shall be in an amount established by the SEAD-OPEB Board of Trustees not to exceed one-half of 1% of the member's earnable compensation. There were no employer contributions required for the fiscal year ended June 30, 2025.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2025, the School District reported a liability of $54,951,320 for its proportionate share of the net OPEB liability for the School OPEB Fund and an asset for its proportionate share of the net OPEB asset for SEAD-OPEB of $51,316.

The School OPEB Fund net OPEB liability was measured as of June 30, 2024. The total School OPEB Fund OPEB liability used to calculate the School OPEB Fund net OPEB liability was based on an actuarial valuation as of June 30, 2023. An expected total School OPEB Fund OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The School District's proportion of the School OPEB Fund net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2024. At June 30, 2024, the School District's proportion was 0.482184%, which was a decrease of 0.009904% from its proportion measured as of June 30, 2023.

The SEAD-OPEB net OPEB asset was measured as of June 30, 2024. The total SEAD-OPEB OPEB liability used to calculate the SEAD-OPEB net OPEB asset was based on an actuarial valuation as of June 30, 2023. An expected total SEAD-OPEB OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The School District's proportion of the SEAD-OPEB net OPEB asset was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2024. At June 30, 2024, the School District's proportion was 0.009143%, which was a decrease of 0.002056% from its proportion measured as of June 30, 2023.

Note 10 Post-Employment Benefits - Continued

For the year ended June 30, 2025, the School District recognized OPEB income of $2,811,102. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	School OPEB Fund		SEAD-OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,694,718	$ 9,922,216	$ 206	$ -
Changes of assumptions	6,407,563	5,439,497	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	357,719	-	4,576
Changes in proportion and differences between School District contributions and proportionate share of contributions	2,248,517	1,253,770	3,205	-
District contributions subsequent to the measurement date	2,107,878	-	-	-
Total	$ 13,458,676	$ 16,973,202	$ 3,411	$ 4,576

School District contributions subsequent to the measurement date of $2,107,878 for the School OPEB Fund 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, 2026. 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	School OPEB Fund	SEAD-OPEB
2026	$ (2,297,012)	$ 900
2027	(2,997,434)	2,478
2028	(988,643)	(2,774)
2029	618,176	(1,769)
2030	50,112	-
2031	(7,603)	-
Thereafter	-	-

Note 10 Post-Employment Benefits - Continued

Actuarial Assumptions - The total OPEB liability for School OPEB Fund as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023 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, 2024:

School OPEB Fund:

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	6.75%
Ultimate trend rate	4.50%
Year of ultimate trend rate	2032

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.

Note 10 Post-Employment Benefits - Continued

The actuarial assumptions used in the June 30, 2023 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, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 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 School OPEB Fund 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%	2.60%
Equities	70.00%	9.10%
Total	100.00%	

* Rates shown are net of inflation

Note 10 Post-Employment Benefits - Continued

The total OPEB liability for SEAD-OPEB as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023 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, 2024:

SEAD-OPEB:

Inflation	2.50%
Salary increases:	
ERS	3.00% - 6.75%
GJRS	3.75%
LRS	N/A
Long-term expected rate of return	7.00%, net of investment expense, including inflation
Healthcare cost trend rate	N/A

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

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

The actuarial assumptions used in the June 30, 2023 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 SEAD-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.

Note 10 Post-Employment Benefits - Continued

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%	1.50%
Domestic large equities	46.40%	9.10%
Domestic small equities	1.10%	13.00%
International developed market equities	13.60%	9.10%
International emerging market equities	3.90%	11.10%
Alternatives	5.00%	10.60%
Total	100.00%	

* 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 3.98% was used as the discount rate, as compared with last year's rate of 3.68%. 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 (3.93% 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 2123.

The discount rate used to measure the total OPEB liability for SEAD-OPEB 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 OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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/asset calculated using the respective discount rates of 3.98% and 7.00%, as well as what the School District's proportionate share of the net OPEB liability/asset would be if it were calculated using a discount rate that is 1 percentage point lower (2.98% and 6.00%) or 1 percentage point higher (4.98% and 8.00%) than the current discount rate:

School OPEB Fund:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
School District's proportionate share of the net OPEB liability	$ 62,170,268	$ 54,951,320	$ 48,863,472

SEAD-OPEB:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	$ (39,301)	$ (51,316)	$ (61,189)

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:

School OPEB Fund:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	$ 47,481,077	$ 54,951,320	$ 64,131,388

OPEB Plan Fiduciary Net Position - Detailed information about School OPEB Fund and SEAD-OPEB plans' fiduciary net position is available in the annual comprehensive financial report which is publicly available at https://sao.georgia.gov/statewide-reporting/acfr and the separately issued ERS annual comprehensive annual financial report which is publicly available at www.ers.ga.gov/financials.

Note 11 Net Position

Net investment in capital assets reported on the district-wide statement of net position as of June 30, 2025 is calculated as follows:

Cost of capital assets	$ 257,507,475
Less: accumulated depreciation	(101,258,994)
Book value	156,248,481
Less: capital related debt	(49,004,693)
Less: premium on capital related debt	(4,879,188)
Less: retainage payable on construction contracts	(96,723)
Add: unexpended debt proceeds	10,431,956
Net investment in capital assets	$ 112,699,833

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
2025	$ -	$ 4,825	$ (4,825)	$ -
2024	-	-	-	-
2023	-	1,635	(1,635)	-

Note 13 Commitments and Contingencies

The School District is involved in legal matters as of the fiscal year ended June 30, 2025 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 committed under outstanding construction contracts in the ESPLOST capital projects fund in the amount of $11,648,358 as of June 30, 2025. This amount does not represent amounts currently recorded as liabilities in the Statements. The construction contract is for renovation and improvements at Roan Elementary School.

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.

Note 14 Tax Abatements - Continued

Twenty-six tax abatement agreements are outstanding as of December 31, 2024. Reductions in tax revenues attributable to local governments are as follows:

Government Entity	2024 Tax Reduction
School District	$ 527,403
City of Dalton, Georgia	60,134
Whitfield County, Georgia	1,426,348
Whitfield County Board of Education	3,426,663

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, 2025

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
2025	0.352337%	$ 88,558,531	$ 362,944	$ 88,921,475	$ 57,419,979	154.23%	80.86%
2024	0.374912%	110,690,125	439,617	111,129,742	54,941,844	201.47%	76.29%
2023	0.381376%	123,840,159	502,341	124,342,500	46,647,941	265.48%	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%

CITY OF DALTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	For the fiscal year ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	$ 5,706,496	$ 5,691,991	$ 5,932,097	$ 7,256,751	$ 9,289,598	$10,101,336	$ 9,137,223	$10,211,874	$10,918,546	$10,976,554
Contributions in relation to the contractually required contribution	5,706,496	5,691,991	5,932,097	7,256,751	9,289,598	10,101,336	9,137,223	10,211,874	10,918,546	10,976,554
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$37,240,659	$41,307,791	$41,328,431	$42,853,127	$42,993,365	$43,081,003	$46,647,941	$54,941,844	$57,419,979	$60,659,228
Contributions as a percentage of covered payroll	15.32%	13.78%	14.35%	16.93%	21.61%	23.45%	19.59%	18.59%	19.02%	18.10%

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, 2025

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
2025	0.000000%	$ -	$ 305,185	$ 305,185	$ 2,369,577	N/A	90.02%
2024	0.000000%	-	414,592	414,592	1,712,946	N/A	85.67%
2023	0.000000%	-	499,684	499,684	1,595,531	N/A	81.21%
2022	0.000000%	-	54,735	54,735	1,524,482	N/A	98.00%
2021	0.000000%	-	436,923	436,923	1,718,459	N/A	84.45%
2020	0.000000%	-	472,428	472,428	1,887,305	N/A	85.02%
2019	0.000000%	-	501,845	501,845	2,461,735	N/A	85.26%
2018	0.000000%	-	490,114	490,114	2,976,612	N/A	76.33%
2017	0.000000%	-	670,455	670,455	1,921,743	N/A	72.34%
2016	0.000000%	-	436,926	436,926	1,826,801	N/A	76.20%

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, 2025

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
2025	0.003118%	$ 140,368	$ -	$ 140,368	$ 95,353	147.21%	78.75%
2024	0.004199%	250,495	-	250,495	115,179	217.48%	71.20%
2023	0.000000%	-	-	-	-	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%

CITY OF DALTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	For the fiscal year ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	$ 13,512	$ 13,453	$ 13,951	$ 1,166	$ -	$ -	$ -	$ -	$ 35,744	$ 26,917
Contributions in relation to the contractually required contribution	13,512	13,453	13,951	1,166	-	-	-	-	35,744	26,917
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 54,643	$ 56,232	$ 4,698	$ -	$ -	$ -	$ -	$ 115,179	$ 95,353	$ 101,115
Contributions as a percentage of covered payroll	24.73%	23.92%	296.96%	NA	NA	NA	NA	0.00%	37.49%	26.62%

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, 2025

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-employee payroll	School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2025	0.482184%	$ 54,951,320	$ -	$ 54,951,320	$ 59,810,765	91.88%	6.88%
2024	0.492088%	53,900,427	-	53,900,427	57,036,484	94.50%	6.05%
2023	0.476477%	47,186,384	-	47,186,384	57,862,966	81.55%	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, 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	$ 2,409,390	$ 2,420,643	$ 2,521,214	$ 1,589,260	$ 1,736,294	$ 1,722,822	$ 1,891,803	$ 1,972,029
Contributions in relation to the contractually required contribution	2,409,390	2,420,643	2,521,214	1,589,260	1,736,294	1,722,822	1,891,803	1,972,029
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 46,534,109	$ 48,150,225	$ 52,029,447	$ 53,466,246	$ 57,862,966	$ 57,036,484	$ 59,810,765	$ 62,579,427
Contributions as a percentage of covered-employee payroll	5.18%	5.03%	4.85%	2.97%	3.00%	3.02%	3.16%	3.15%

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 OPEB (ASSET) LIABILITY
SEAD-OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Year Ended	School District's proportion of the net OPEB liability	School District's proportionate share of the net OPEB (asset) liability	State of Georgia's proportionate share of the net OPEB liability associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the net OPEB (asset) liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB (asset) liability
2025	0.009143%	$ (51,316)	$ -	$ (51,316)	$ -	0.00%	155.14%
2024	0.011199%	(49,388)	-	(49,388)	-	0.00%	144.49%

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
SEAD-OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	2024	2025
Contractually required contribution	$ -	$ -
Contributions in relation to the contractually required contribution	-	-
Contribution deficiency (excess)	$ -	$ -
District's covered-employee payroll	$ -	$ -
Contributions as a percentage of covered payroll	0.00%	0.00%

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

Teachers Retirement System of Georgia

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

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

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

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

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%.

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 Combined 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.

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 or 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, 2023 valuation: Medicare health care trend rates were updated.

June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.

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 to 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, to 2.22% as of June 30, 2020, to 2.20% as of June 30, 2021, to 3.57% as of June 30, 2022, to 3.68% as of June 30, 2023, and to 3.98% as of June 30, 2024.

SEAD-OPEB Fund

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

Changes of assumptions - On December 17, 2015, the SEAD Board of Trustees adopted recommended changes to the economic and demographic assumptions utilized by the Plan. 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 Combined 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 SEAD Board on March 15, 2018. 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 SEAD Board adopted recommended changes to the economic and demographic assumptions utilized by the SEAD 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 OPEB liability.

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, 2025

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	$ 759,000	$ 759,000	$ 1,375,536	$ 616,536
State sources	62,473,201	62,623,374	63,168,469	545,095
Local sources and other funds	47,820,185	47,878,336	46,686,188	(1,192,148)
On behalf payments	128,850	128,850	1,340,683	1,211,833
Total revenues	111,181,236	111,389,560	112,570,876	1,181,316
Expenditures				
Current:				
Instruction	75,804,834	75,746,548	74,564,992	1,181,556
Support services:				
Pupil services	5,883,799	5,981,917	6,442,112	(460,195)
Improvement of instructional services	3,733,337	3,716,163	3,300,471	415,692
Instructional staff training	770,222	816,036	553,472	262,564
Educational media services	1,689,617	1,686,233	1,653,558	32,675
General administration	591,345	591,345	534,082	57,263
School administration	7,504,394	7,470,175	7,630,986	(160,811)
Business administration	946,970	946,970	904,185	42,785
Maintenance and operation of plant	8,517,490	8,327,102	8,312,039	15,063
Student transportation services	5,442,680	5,447,680	5,006,980	440,700
School safety	558,150	905,205	866,570	38,635
Central support services	2,893,701	2,834,034	2,651,535	182,499
Other support services	45,000	62,943	69,834	(6,891)
Community services operations	468,064	468,064	244,428	223,636
Capital outlay:				
Instruction	152,704	152,704	152,704	-
Support services:				
Improvement of instructional services	81,240	81,240	81,240	-
School administration	38,822	38,822	38,822	-
Maintenance and operation of plant	236,620	236,620	236,620	-
Debt service:				
Principal retirement	172,489	172,489	172,489	-
Total expenditures	115,531,478	115,682,290	113,417,119	2,265,171
Excess (deficiency) of revenues over (under) expenditures	(4,350,242)	(4,292,730)	(846,243)	3,446,487

(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, 2025

	Budget			
	Original	Final	Actual	Variance
Other financing sources (uses)				
Issuance of debt	81,240	81,240	81,240	-
Transfers out	(220,456)	(220,456)	(23,665)	196,791
Proceeds from sales of assets	-	-	1,256	1,256
Total other financing sources (uses)	(139,216)	(139,216)	58,831	198,047
Net change in fund balance	$ (4,489,458)	$ (4,431,946)	(787,412)	$ 3,644,534
Fund balance, beginning of year			23,202,709	
Fund balance, end of year			$ 22,415,297	

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, 2025

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	$ 5,341,927	$ 5,892,251	$ 5,361,704	$ (530,547)
Total revenues	5,341,927	5,892,251	5,361,704	(530,547)
Expenditures				
Current:				
Instruction	1,708,354	2,187,041	1,873,914	313,127
Support services:				
Pupil services	673,686	852,137	788,875	63,262
Improvement of instructional services	172,258	179,840	171,206	8,634
Instructional staff training	1,849,412	1,952,510	1,865,885	86,625
Federal grant administration	175,669	164,841	161,689	3,152
Maintenance and operation of plant	-	250,000	229,101	20,899
Student transportation services	284,138	259,188	226,742	32,446
Central support services	21,270	16,400	16,298	102
Other support services	130,038	30,294	27,994	2,300
Total expenditures	5,014,825	5,892,251	5,361,704	530,547
Net change in fund balance	$ 327,102	$ -	-	$ -
Fund balance, beginning of year			-	
Fund balance, end of year			$ -	

CITY OF DALTON BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SCHOOL FOOD SERVICES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget			
	Original	Final	Actual	Variance
Revenues				
Federal sources	$ 5,310,000	$ 5,310,000	$ 5,050,138	$ (259,862)
State sources	205,000	205,000	223,715	18,715
Local sources and other funds	870,200	870,200	908,131	37,931
Total revenues	6,385,200	6,385,200	6,181,984	(203,216)
Expenditures				
Current:				
Food services operations	6,967,602	6,967,602	6,800,093	167,509
Capital outlay:				
Food services operations	165,574	165,574	165,574	-
Total expenditures	7,133,176	7,133,176	6,965,667	167,509
Net change in fund balance	$ (747,976)	$ (747,976)	(783,683)	$ (35,707)
Fund balance, beginning of year			7,843,472	
Fund balance, end of year			$ 7,059,789	

CITY OF DALTON BOARD OF EDUCATION
NONMAJOR GOVERNMENTAL FUND

SPECIAL REVENUE FUND

Lottery Programs	To account for the monies received from the federal or state government for the Pre-K program administered by the School District.

CITY OF DALTON BOARD OF EDUCATION
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND - LOTTERY PROGRAMS SPECIAL REVENUE FUND
JUNE 30, 2025

	Special Revenue Fund Lottery Programs
Assets	
Due from other funds	$ 376,212
Total assets	$ 376,212
Liabilities	
Accounts payable	$ 123,859
Salaries payable	193,337
Unearned revenue	59,016
Total liabilities	$ 376,212

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, 2025

	Budget			
	Original	Final	Actual	Variance
Revenues				
State sources	$ 1,984,150	$ 2,239,664	$ 2,555,950	$ 316,286
Total revenues	1,984,150	2,239,664	2,555,950	316,286
Expenditures				
Current:				
Instruction	2,197,606	2,452,920	2,535,978	(83,058)
Support services:				
Pupil services	-	-	26,486	(26,486)
Improvement of instructional services	-	-	396	(396)
Instructional staff training	7,000	7,000	496	6,504
School administration	-	-	9,438	(9,438)
Student transportation services	-	-	6,821	(6,821)
Total expenditures	2,204,606	2,459,920	2,579,615	(119,695)
Excess (deficiency) of revenues over (under) expenditures	(220,456)	(220,256)	(23,665)	196,591
Other financing sources (uses)				
Transfers in	220,456	220,456	23,665	(196,791)
Total other financing sources (uses)	220,456	220,456	23,665	(196,791)
Net change in fund balance	$ -	$ 200	-	$ (200)
Fund balance, beginning of year			-	
Fund balance, end of year			$ -	

CITY OF DALTON BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget			
	Original	Final	Actual	Variance
Revenues				
Local sources and other funds	$ -	$ -	$ 15,958	$ 15,958
Total revenues	-	-	15,958	15,958
Expenditures				
Current:				
Instruction	28,224	28,224	28,224	-
Business administration	555	555	555	-
Capital outlay:				
Instruction	228,738	30,766	30,766	-
Total expenditures	257,517	59,545	59,545	-
Net change in fund balance	$ (257,517)	$ (59,545)	(43,587)	$ 15,958
Fund balance, beginning of year			398,097	
Fund balance, end of year			$ 354,510	

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, 2025

	Budget			
	Original	Final	Actual	Variance
Revenues				
Local sources and other funds	$ 9,600,000	$ 9,600,000	$ 10,727,014	$ 1,127,014
Total revenues	9,600,000	9,600,000	10,727,014	1,127,014
Expenditures				
Current:				
Instruction	1,464,141	1,464,141	1,464,141	-
Capital outlay:				
Instruction	9,280,070	2,478,571	2,478,571	-
Total expenditures	10,744,211	3,942,712	3,942,712	-
Excess (deficiency) of revenues over (under) expenditures	(1,144,211)	5,657,288	6,784,302	1,127,014
Other financing sources (uses)				
Transfers out	(4,386,485)	(4,386,485)	(4,386,485)	-
Total other financing sources (uses)	(4,386,485)	(4,386,485)	(4,386,485)	-
Net change in fund balance	$ (5,530,696)	$ 1,270,803	2,397,817	$ 1,127,014
Fund balance, beginning of year			23,674,591	
Fund balance, end of year			$ 26,072,408	

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, 2025

	Budget			
	Original	Final	Actual	Variance
Revenues				
Local sources and other funds	$ 1,946,875	$ 1,946,875	$ 1,917,220	$ (29,655)
Total revenues	1,946,875	1,946,875	1,917,220	(29,655)
Expenditures				
Debt service:				
Principal retirement	4,025,000	4,025,000	4,025,000	-
Interest and fiscal charges	2,330,735	2,330,735	2,330,735	-
Total expenditures	6,355,735	6,355,735	6,355,735	-
Excess (deficiency) of revenues over (under) expenditures	(4,408,860)	(4,408,860)	(4,438,515)	(29,655)
Other financing sources (uses)				
Transfers in	4,386,485	4,386,485	4,386,485	-
Total other financing sources (uses)	4,386,485	4,386,485	4,386,485	-
Net change in fund balance	$ (22,375)	$ (22,375)	(52,030)	$ (29,655)
Fund balance, beginning of year			1,365,660	
Fund balance, end of year			$ 1,313,630	

CUSTODIAL FUNDS

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

CITY OF DALTON BOARD OF EDUCATION
COMBINING STATEMENT OF NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

	Student Activity	Family Connection	Total
Assets			
Cash	$ 94,238	$ -	$ 94,238
Accounts receivable	37,490	2,000	39,490
Intergovernmental receivable	-	14,782	14,782
Total assets	$ 131,728	$ 16,782	$ 148,510
Liabilities			
Accounts payable	$ 1,086	$ 1,344	$ 2,430
Total liabilities	1,086	1,344	2,430
Net position			
Restricted for others	130,642	15,438	146,080
Total net position	130,642	15,438	146,080
Total liabilites and net position	$ 131,728	$ 16,782	$ 148,510

CITY OF DALTON BOARD OF EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Student Activity	Family Connection	Total
Additions			
Charges for services	$ 442,202	$ -	$ 442,202
Operating grants	52,662	56,250	108,912
Donations	104,450	113,914	218,364
Total additions	599,314	170,164	769,478
Deductions			
Instruction	52,768	-	52,768
Support services:			
Pupil services	38,081	177,865	215,946
General administration	409	-	409
Other support services	507,221	-	507,221
Total deductions	598,479	177,865	776,344
Change in net position	835	(7,701)	(6,866)
Net position beginning of year	129,807	23,139	152,946
Net position end of year	$ 130,642	$ 15,438	$ 146,080

STATISTICAL SECTION

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)

	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Governmental activities										
Net investment in capital assets	$86,346,281	$96,980,329	$108,269,463	$109,557,906	$116,500,110	$111,497,052	$113,194,563	$115,041,592	$117,228,404	$112,751,149
Restricted	8,240,073	5,721,850	2,058,868	6,945,554	7,842,588	13,082,646	14,877,657	17,497,737	19,697,559	23,795,521
Unrestricted	(35,157,728)	(38,349,621)	(107,433,682)	(103,624,410)	(108,485,785)	(110,619,602)	(95,048,500)	(100,151,474)	(111,391,968)	(112,507,209)
Total governmental activities	$59,428,626	$64,352,558	$ 2,894,649	$ 12,879,050	$ 15,856,913	$ 13,960,096	$ 33,023,720	$ 32,387,855	$ 25,533,995	$ 24,039,461
Total percentage increase (decrease) from prior year	5.9%	8.3%	-95.5%	344.9%	23.1%	-12.0%	136.6%	-1.9%	-21.2%	-5.9%
Governmental activities										
Net investment in capital assets	145.3%	150.7%	3740.3%	850.7%	734.7%	798.7%	342.8%	355.2%	459.1%	469.0%
Restricted	13.9%	8.9%	71.1%	53.9%	49.5%	93.7%	45.1%	54.0%	77.1%	99.0%
Unrestricted	-59.2%	-59.6%	-3711.5%	-804.6%	-684.2%	-792.4%	-287.8%	-309.2%	-436.2%	-468.0%
Total governmental activities	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Instruction	$ 54,895,190	$ 58,565,381	$ 59,315,646	$ 59,772,136	$ 68,181,846	$ 74,236,546	$ 66,448,942	$ 80,226,473	$ 86,883,349	$ 85,503,136
Support services:										
Pupil services	2,748,117	3,318,715	3,310,708	3,522,516	4,206,544	4,736,913	5,493,336	6,682,214	7,507,547	7,963,619
Improvement of instructional services	3,032,881	3,429,890	4,111,371	2,289,973	2,701,511	2,891,131	2,277,490	3,035,004	3,527,101	3,503,298
Instructional staff training	-	-	-	1,882,976	1,766,315	1,592,484	1,491,420	2,287,293	2,476,520	2,420,639
Educational media services	1,290,672	1,441,572	1,505,316	1,394,131	1,612,015	1,586,858	1,499,140	1,797,898	1,649,679	1,647,283
General administration	833,106	931,583	765,392	611,073	792,147	817,552	663,215	755,573	749,305	545,333
Federal grant administration	-	-	-	70,947	102,519	108,972	94,384	155,529	147,520	161,953
School administration	4,079,082	4,523,925	4,744,940	4,680,241	6,094,913	6,607,396	5,855,794	6,921,311	7,926,216	8,375,160
Business administration	592,845	649,173	656,070	712,331	736,723	773,716	725,734	800,823	897,790	910,563
Maintenance and operation of plant	5,388,309	6,016,108	7,192,833	7,893,361	8,208,665	8,107,196	9,336,056	10,845,888	10,047,150	10,819,288
Student transportation services	2,890,595	3,046,111	3,112,416	3,181,433	3,131,501	3,008,368	3,853,758	4,420,258	4,413,482	5,297,131
School safety	-	-	-	-	-	-	-	-	-	866,570
Central support services	2,181,976	2,235,543	2,284,311	2,006,681	2,156,301	2,453,321	2,064,475	2,711,291	2,929,684	2,689,228
Other support services	254,582	20,672	46,623	80,875	90,294	226,648	180,602	208,575	302,352	237,585
Food services operations	5,346,794	5,438,396	5,263,922	5,505,971	5,109,414	5,058,327	5,481,956	5,545,239	6,449,227	6,867,211
Community services operations	462,081	439,096	406,560	374,717	259,725	305,776	499,709	418,090	430,718	244,428
Interest on long-term debt	-	-	1,314,136	1,533,258	2,036,888	1,938,425	2,108,347	2,047,591	2,285,854	2,066,897
Total governmental activities expenses	$ 83,996,230	$ 90,056,165	$ 94,030,244	$ 95,512,620	$ 107,187,321	$ 114,449,629	$ 108,074,358	$ 128,859,050	$ 138,623,494	$ 140,119,322

(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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program revenues										
Charges for services										
Instruction	$ 353,807	$ 372,314	$ 402,463	$ 414,417	$ 405,365	$ 377,200	$ 426,947	$ 432,229	$ 421,431	$ 180,255
Food services operations	533,205	650,968	654,286	765,576	527,542	143,799	276,821	623,360	552,488	588,594
Operating grants and contributions										
Instruction	31,550,519	33,210,692	34,681,503	37,177,875	39,676,419	43,331,698	49,871,247	49,252,792	46,266,092	48,627,514
Support services:										
Pupil services	1,748,904	2,138,484	2,363,229	2,420,290	2,772,435	3,241,917	4,398,869	4,420,402	4,141,125	4,622,985
Improvement of instructional services	2,595,722	2,718,070	3,162,743	1,537,234	1,700,845	1,829,148	1,946,191	1,976,486	2,119,410	2,128,678
Instructional staff training	-	-	-	1,847,888	1,622,271	1,517,763	1,598,365	2,160,598	2,209,146	2,193,528
Educational media services	789,452	865,847	915,191	912,827	982,544	962,503	1,176,448	1,103,603	941,019	977,401
General administration	595,611	662,303	497,239	395,679	487,617	495,792	521,385	450,097	406,490	315,690
Federal grant administration	-	-	-	73,368	98,613	102,793	108,283	150,354	136,473	161,689
School administration	2,482,106	2,707,972	2,843,365	2,890,638	3,501,358	4,032,177	4,358,670	4,028,875	4,090,335	4,572,508
Business administration	361,555	387,577	396,766	451,303	447,863	475,543	526,824	477,314	510,981	534,455
Maintenance and operation of plant	3,137,371	3,544,765	3,859,610	4,100,033	4,342,271	4,113,585	5,584,018	5,849,113	5,403,476	5,283,584
Student transportation services	1,763,441	1,912,081	1,971,267	2,056,180	2,010,416	1,987,469	2,633,608	2,863,359	2,902,225	3,193,075
School safety	-	-	-	-	-	-	-	-	-	512,221
Central support services	1,330,345	1,341,362	1,405,701	1,309,903	1,325,177	1,538,977	1,625,473	1,773,983	1,657,821	1,584,769
Other support services	215,412	26,779	27,803	65,032	74,242	217,306	162,474	185,331	139,938	69,272

(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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Food services operation	$ 4,726,731	$ 4,771,414	$ 4,571,905	$ 4,824,456	$ 4,878,718	$ 5,621,139	$ 8,478,520	$ 5,367,668	$ 5,583,014	$ 5,108,279
Community services operations	274,322	268,991	252,231	238,073	164,027	197,782	334,046	260,273	261,813	144,479
Capital grants and contributions										
Instruction	166,584	3,533,749	89,859	2,698,290	3,729,487	6,291	341,043	571,612	74,210	-
Support services:										
Maintenance and operation of plant	-	-	-	-	-	389,451	37,335	-	-	-
Food services operation	-	-	-	-	-	-	-	617,324	79,860	165,574
Total governmental activities program revenues	$ 52,625,087	$ 59,113,368	$ 58,095,161	$ 64,179,062	$ 68,747,210	$ 70,582,333	$ 84,406,567	$ 82,564,773	$ 77,897,347	$ 80,964,550
Net revenues (expenses) of governmental activities	$(31,371,143)	$(30,942,797)	$(35,935,083)	$(31,333,558)	$ (38,440,111)	$ (43,867,296)	$ (23,667,791)	$ (46,294,277)	$ (60,726,147)	$ (59,154,772)
General revenues and other changes in net position										
Property taxes	$ 27,488,278	$ 26,991,566	$ 28,144,664	$ 30,642,688	$ 31,570,181	$ 31,701,300	$ 30,798,235	$ 32,283,992	$ 37,833,999	$ 42,652,077
Other taxes	7,067,110	8,688,339	7,790,118	8,741,594	8,761,818	10,147,159	10,898,498	11,626,933	11,921,695	12,035,077
Unrestricted investment earnings	132,672	186,824	391,711	1,881,463	1,009,752	36,374	89,120	1,589,982	3,078,818	2,716,545
Other	-	-	6,040,427	52,214	76,223	85,646	945,562	157,505	1,037,775	256,539
Total governmental activities general revenues and other changes in net position	$ 34,688,060	$ 35,866,729	$ 42,366,920	$ 41,317,959	$ 41,417,974	$ 41,970,479	$ 42,731,415	$ 45,658,412	$ 53,872,287	$ 57,660,238
Change in net position of governmental activities	$ 3,316,917	$ 4,923,932	$ 6,431,837	$ 9,984,401	$ 2,977,863	$ (1,896,817)	$ 19,063,624	$ (635,865)	$ (6,853,860)	$ (1,494,534)

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, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
General fund										
Assigned	$ 795,298	$ 887,697	$ 924,804	$ 1,009,508	$ 1,032,762	$ 968,251	$ 1,100,628	$ 1,133,947	$ 1,071,986	$ 964,413
Unassigned	14,153,019	14,190,476	16,438,011	19,574,164	19,457,277	23,639,026	25,462,844	24,035,909	22,130,723	21,450,884
Total general fund	$ 14,948,317	$ 15,078,173	$ 17,362,815	$ 20,583,672	$ 20,490,039	$ 24,607,277	$ 26,563,472	$ 25,169,856	$ 23,202,709	$ 22,415,297
Other governmental funds										
Nonspendable	$ 166,277	$ 206,855	$ 172,145	$ 138,335	$ 207,444	$ 194,458	$ 152,469	$ 205,256	$ 251,778	$ 273,824
Restricted	8,073,796	5,514,995	58,021,662	44,705,861	16,732,756	12,888,188	14,725,188	33,485,644	32,732,899	34,227,477
Committed	3,004,498	1,451,225	764,382	454,904	470,781	145,074	581,953	427,389	297,143	299,036
Unassigned	(6,788)	-	-	-	-	(1,659,374)	(170,838)	(1,500)	-	-
Total other governmental funds	$ 11,237,783	$ 7,173,075	$ 58,958,189	$ 45,299,100	$ 17,410,981	$ 11,568,346	$ 15,288,772	$ 34,116,789	$ 33,281,820	$ 34,800,337
Total governmental funds										
Nonspendable	$ 166,277	$ 206,855	$ 172,145	$ 138,335	$ 207,444	$ 194,458	$ 152,469	$ 205,256	$ 251,778	$ 273,824
Restricted	8,073,796	5,514,995	58,021,662	44,705,861	16,732,756	12,888,188	14,725,188	33,485,644	32,732,899	34,227,477
Committed	3,004,498	1,451,225	764,382	454,904	470,781	145,074	581,953	427,389	297,143	299,036
Assigned	795,298	887,697	924,804	1,009,508	1,032,762	968,251	1,100,628	1,133,947	1,071,986	964,413
Unassigned	14,146,231	14,190,476	16,438,011	19,574,164	19,457,277	21,979,652	25,292,006	24,034,409	22,130,723	21,450,884
Total governmental funds	$ 26,186,100	$ 22,251,248	$ 76,321,004	$ 65,882,772	$ 37,901,020	$ 36,175,623	$ 41,852,244	$ 59,286,645	$ 56,484,529	$ 57,215,634
Total percentage change from prior year	7.8%	-15.0%	243.0%	-13.7%	-42.5%	-4.6%	15.7%	41.7%	-4.7%	1.3%

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Federal sources	$ 10,357,558	$ 11,036,541	$ 10,122,366	$ 10,253,561	$ 10,101,659	$ 17,889,286	$ 25,466,111	$ 21,885,314	$ 12,336,710	$ 11,787,378
State sources	39,259,759	44,735,937	44,712,002	50,848,798	55,759,197	50,641,986	56,155,204	57,135,674	62,083,664	65,948,134
Local sources and other funds	37,385,607	38,940,404	45,397,865	44,151,931	43,767,710	44,113,402	45,579,333	48,312,364	56,216,132	60,254,511
On behalf payments	121,050	120,805	128,428	134,266	140,086	135,092	128,829	122,693	124,356	1,340,683
Total revenues	87,123,974	94,833,687	100,360,661	105,388,556	109,768,652	112,779,766	127,329,477	127,456,045	130,760,862	139,330,706
Expenditures										
Current										
Instruction	53,109,892	53,506,820	54,923,848	58,180,889	62,579,775	64,639,736	69,133,403	72,052,698	74,857,111	80,467,249
Support services:										
Pupil services	2,804,564	3,249,867	3,266,990	3,588,839	4,098,167	4,450,566	5,796,326	6,086,944	6,340,278	7,257,473
Improvement of instructional services	3,110,961	3,321,170	4,061,936	2,356,075	2,586,087	2,633,322	2,621,539	2,854,888	3,215,693	3,472,073
Instructional staff training	-	-	-	1,922,423	1,705,675	1,479,792	1,665,240	2,220,238	2,323,953	2,419,853
Educational media services	1,329,792	1,393,858	1,475,155	1,436,751	1,555,785	1,443,212	1,710,558	1,746,642	1,498,114	1,653,558
General administration	846,690	909,871	758,396	618,994	771,910	764,049	741,399	713,150	668,731	534,082
Federal grant administration	-	-	-	73,368	98,613	99,154	109,465	148,579	135,266	161,689
School administration	4,168,308	4,336,826	4,546,284	4,523,435	5,509,089	5,779,050	6,062,558	5,981,642	6,620,527	7,640,424
Business administration	602,654	633,141	647,267	723,155	718,504	732,621	788,092	776,324	844,348	904,740
Maintenance and operation of plant	5,212,426	5,690,595	6,218,171	6,348,904	6,581,298	6,402,692	7,832,776	9,222,456	8,157,864	8,541,140
Student transportation services	2,890,595	3,046,111	3,112,026	3,182,155	3,130,431	3,006,162	3,857,450	4,418,847	4,397,394	5,240,543
School safety	-	-	-	-	-	-	-	-	-	866,570
Central support services	2,230,557	2,176,290	2,255,500	2,053,697	2,091,333	2,300,381	2,312,120	2,629,591	2,714,942	2,667,833
Other support services	234,839	43,713	44,814	80,875	90,294	226,648	180,602	204,854	166,741	97,828

(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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Food services operations	$ 5,175,005	$ 5,248,698	$ 5,030,537	$ 5,292,853	$ 4,952,027	$ 4,799,449	$ 5,466,525	$ 5,526,967	$ 6,343,815	$ 6,800,093
Community services operations	462,081	439,096	406,560	374,717	259,725	305,776	499,709	412,629	430,718	244,428
Capital outlay	3,050,753	15,033,634	17,670,024	20,476,761	36,028,420	10,448,592	8,429,539	5,845,823	8,948,328	3,184,297
Debt service:										
Principal retirement	-	59,845	2,068,508	2,544,714	2,612,603	2,734,522	2,857,067	2,990,484	3,948,991	4,197,489
Interest and fiscal charges	-	-	106	2,081,641	2,446,522	2,370,862	2,238,500	2,128,750	2,622,411	2,330,735
Debt issuance costs	-	-	819,872	-	-	-	-	-	-	-
Total expenditures	85,229,117	99,089,535	107,305,994	115,860,246	137,816,258	114,616,586	122,302,868	125,961,506	134,235,225	138,682,097
Excess of revenues over (under) expenditures	1,894,857	(4,255,848)	(6,945,333)	(10,471,690)	(28,047,606)	(1,836,820)	5,026,609	1,494,539	(3,474,363)	648,609
Other financing sources (uses)										
Issuance of debt	-	320,996	53,762,806	33,458	65,854	111,423	60,012	15,935,412	647,716	81,240
Premium on debt	-	-	7,250,447	-	-	-	-	-	-	-
Transfers in	929,447	1,822,744	568,814	3,038,886	4,960,922	289,385	6,894,921	3,122,875	5,929,941	4,410,150
Transfers out	(929,447)	(1,822,744)	(568,814)	(3,038,886)	(4,960,922)	(289,385)	(6,894,921)	(3,122,875)	(5,929,941)	(4,410,150)
Insurance recoveries	-	-	1,836	-	-	-	-	-	-	-
Proceeds from sales of assets	-	-	-	-	-	-	590,000	4,450	24,531	1,256
Total other financing sources (uses)	-	320,996	61,015,089	33,458	65,854	111,423	650,012	15,939,862	672,247	82,496
Net change in fund balances	$ 1,894,857	$ (3,934,852)	$ 54,069,756	$(10,438,232)	$(27,981,752)	$ (1,725,397)	$ 5,676,621	$ 17,434,401	$ (2,802,116)	$ 731,105
Debt service as a % of noncapital expenditures	0.0%	0.1%	2.3%	4.9%	5.0%	4.9%	4.5%	4.3%	5.2%	4.8%

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Federal sources	$ 1,300	$ 1,355	$ 1,281	$ 1,294	$ 1,281	$ 2,299	$ 3,300	$ 2,852	$ 1,610	$ 1,547
State sources	4,928	5,490	5,660	6,419	7,073	6,507	7,277	7,444	8,103	8,656
Local sources and other funds	4,693	4,779	5,747	5,574	5,552	5,668	5,906	6,295	7,337	7,908
On behalf payments	15	15	16	17	18	17	17	16	16	176
Total revenues	10,937	11,639	12,705	13,305	13,925	14,491	16,500	16,607	17,066	18,287
Expenditures										
Current:										
Instruction	6,667	6,567	6,953	7,345	7,939	8,305	8,959	9,388	9,770	10,561
Support services	2,941	3,044	3,340	3,397	3,671	3,767	4,364	4,821	4,840	5,441
Food services operation	650	644	637	668	628	617	708	720	828	893
Community services operations	58	54	51	47	33	39	65	54	56	32
Capital outlay	383	1,845	2,237	2,585	4,570	1,342	1,092	762	1,168	418
Debt service	-	7	366	584	642	656	660	667	858	857
Total expenditures	10,699	12,161	13,585	14,627	17,483	14,727	15,848	16,412	17,520	18,202
Excess of revenues over (under) expenditures	238	(522)	(879)	(1,322)	(3,558)	(236)	651	195	(454)	85
Other financing sources (uses)										
Issuance of debt	-	39	6,806	4	8	14	8	2,076	85	11
Premium on debt	-	-	918	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	76	1	3	-
Total other financing sources (uses)	-	39	7,724	4	8	14	84	2,077	88	11
Net change in fund balances	$ 238	$ (483)	$ 6,845	$ (1,318)	$ (3,550)	$ (222)	$ 736	$ 2,272	$ (366)	$ 96

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
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
2023	2,885,385,550	1,969,376,625	18,080,870	399,227,265	4,473,615,780	8.460
2024 (1)	3,110,091,960	1,969,376,625	18,080,870	399,227,265	4,698,322,190	9.420

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.
(1) The 2024 assessed property values are based on a 2024 Temporary Tax Digest. The Whitfield County Tax Commissioner was ordered by the Superior Court of Whitfield County in October of 2024 to collect taxes based on the Temporary Tax Digest and Millage Rates established by the taxing entities. As of the publishing of this report, the School District has received a certified tax digest from the Whitfield County Tax Commissioner for the 2024 year, but the adjusted billing notices have not yet been sent to taxpayers.

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

	Direct Rate		Overlapping Rates			
Calendar Year	Education M&O Millage	Education Debt Service Millage	City of Dalton Millage	Special Districts Millage	Whitfield County Millage	Total Direct and Overlapping Rates
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
2022	8.090	0.560	2.207	1.500	7.300	19.657
2023	8.000	0.460	1.936	0.990	6.000	17.386
2024 (1)	9.000	0.420	1.841	0.990	5.556	17.807

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.

(1) The 2024 assessed property values are based on a 2024 Temporary Tax Digest. The Whitfield County Tax Commissioner was ordered by the Superior Court of Whitfield County in October of 2024 to collect taxes based on the Temporary Tax Digest and Millage Rates established by the taxing entities. As of the publishing of this report, the School District has received a certified tax digest from the Whitfield County Tax Commissioner for the 2024 year, but the adjusted billing notices have not yet been sent to taxpayers.

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

	Calendar Year 2024			Calendar Year 2015		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Shaw Industries, Inc.	$ 526,473,775	1	11.2%	$ 643,943,072	1	18.7%
Mohawk Industries, Inc.	218,665,723	2	4.7%	112,638,141	2	3.3%
Tarkett USA (2)	100,622,922	3	2.1%	-	NA	0.0%
Engineered Floors, LLC (1)	72,228,628	4	1.5%	-	NA	0.0%
Synthetic Turf Resources	56,075,811	5	1.2%	-	NA	0.0%
The Peeples Group	39,538,459	6	0.8%	19,510,321	9	0.6%
QTS Procurement LLC	33,458,760	7	0.7%	-	NA	0.0%
Spectrum Southeast, LLC	31,215,126	8	0.7%	-	NA	0.0%
Mattex USA, LLC	30,164,385	9	0.6%	-	NA	0.0%
Core Scientific Inc	29,404,293	10	0.6%	-	NA	0.0%
Beaulieu of America, LLC (1)	-	NA	0.0%	95,864,102	3	2.8%
J&J Industries (1)	-	NA	0.0%	76,692,074	4	2.2%
Tandus Centiva, Inc. (2)	-	NA	0.0%	66,990,042	5	2.0%
CBL & Associates Properties, Inc.	-	NA	0.0%	26,686,931	8	0.8%
Lexmark Carpet Mills, Inc. (2)	-	NA	0.0%	32,396,110	7	0.9%
Windstream	-	NA	0.0%	18,816,901	10	0.5%
Shiroki Georgia, LLC	-	NA	0.0%	35,984,653	6	1.0%

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
2015	$ 27,223,274	$ 26,604,407	97.7%	$ 618,716	$ 27,223,123	100.0%
2016	26,989,808	26,335,721	97.6%	654,087	26,989,808	100.0%
2017	27,926,971	27,366,157	98.0%	560,606	27,926,763	100.0%
2018	30,417,776	29,801,231	98.0%	611,288	30,412,519	100.0%
2019	31,513,397	30,778,538	97.7%	734,468	31,513,006	100.0%
2020	31,532,504	30,732,673	97.5%	796,399	31,529,072	100.0%
2021	30,703,979	30,360,645	98.9%	336,570	30,697,215	100.0%
2022	32,251,615	31,085,775	96.4%	1,101,396	32,187,171	99.8%
2023	37,232,345	36,392,389	97.7%	588,428	36,980,817	99.3%
2024	42,475,692	41,389,704	97.4%	-	41,389,704	97.4%

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)	Financed Purchases	SBITA Obligations	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property	Per Capita	Percentage of Personal Income
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%	1,793	4.1%
2024	13,050,000	44,616,326	137,002	408,940	58,212,268	1.3%	1,671	3.7%
2025	9,920,000	43,509,188	153,193	301,500	53,883,881	1.1%	1,528	NA

Source: Intergovernmental agreements, general obligation bonds, and financed purchases 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
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%	1,293
2024	44,616,326	1,340,966	43,275,360	1.0%	1,254
2025	43,509,188	1,275,372	42,233,816	0.9%	1,208

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, 2025
(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	$ 16,470,000	100.0%	$ 16,470,000
Total overlapping debt			16,470,000
City of Dalton Board of Education direct debt			53,883,881
Total direct and overlapping debt			$ 70,353,881

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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	$ 376,094,549	$ 368,183,682	$381,029,184	$390,486,938	$396,488,913	$399,133,733	$387,916,276	$402,736,991	$487,284,305	$509,754,946
Total net debt applicable to limit	-	-	40,380,000	46,532,016	46,319,878	46,107,740	45,895,602	45,683,460	44,616,326	43,509,188
Legal debt margin	$ 376,094,549	$ 368,183,682	$340,649,184	$343,954,922	$350,169,035	$353,025,993	$342,020,674	$357,053,531	$442,667,979	$466,245,758
Total net debt applicable to limit as a % of debt limit	0.0%	0.0%	10.6%	11.9%	11.7%	11.6%	11.8%	11.3%	9.2%	8.5%

Legal Debt Margin Calculation for Calendar Year 2024	
Assessed value	$4,698,322,190
Add: exempt real property	399,227,265
Total assessed value	5,097,549,455
	10%
Debt limit (10% of assessed value)	$ 509,754,946
Debt applicable to limit	
Total general obligation debt	$ 43,509,188
Legal debt margin	$ 466,245,758

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
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	40,232	4.0%
2021	34,285	1,531,442	42,735	3.0%
2022	34,366	1,486,915	43,267	4.1%
2023	34,508	1,565,731	45,373	3.6%
2024	34,970	NA	NA	6.1%

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)

	Calendar Year 2024			Calendar Year 2015		
Taxpayer	Employees (1)	Rank	Percentage of Total City Employees	Employees (1)	Rank	Percentage of Total City Employees
Shaw Industries, Inc.	4,744	1	13.6%	4,660	1	13.8%
Hamilton Medical Center	1,763	2	5.0%	1,243	3	3.7%
Mohawk Industries, Inc.	1,716	3	4.9%	2,155	2	6.4%
Dalton Public School System	1,025	4	2.9%	971	5	2.9%
Engineered Floors, LLC (2)	1,003	5	2.9%	-	NA	0.0%
City of Dalton, Georgia	750	6	2.1%	687	8	2.0%
Tarkett USA (3)	624	7	1.8%	-	NA	0.0%
Columbia Recycling Corp.	272	8	0.8%	472	9	1.4%
Wal-Mart Stores, LP	253	9	0.7%	-	NA	0.0%
Shiroki Georgia, LLC	233	10	0.7%	352	10	1.0%
Beaulieu of America, LLC (2)	-	NA	0.0%	1,151	4	3.4%
Tandus Centiva, Inc. (3)	-	NA	0.0%	839	6	2.5%
J&J Industries (2)	-	NA	0.0%	695	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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PreKindergarten	373	371	372	372	393	389	375	385	370	374
Elementary School Grades K-5	3,592	3,643	3,456	3,362	3,324	3,272	3,227	3,258	3,309	3,283
Middle School Grades 6-8	1,751	1,778	1,803	1,772	1,792	1,759	1,743	1,624	1,640	1,574
High School Grades 9-12	2,250	2,356	2,268	2,415	2,374	2,363	2,372	2,408	2,343	2,388
Total	7,966	8,148	7,899	7,921	7,883	7,783	7,717	7,675	7,662	7,619
Percentage Change from Prior Year	1.4%	2.3%	-3.1%	0.3%	-0.5%	-1.3%	-0.8%	-0.5%	-0.2%	-0.6%

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Classroom teachers	555	563	567	581	599	596	611	629	610	620
Support personnel	375	369	363	358	347	315	371	382	368	385
Administrators	41	40	42	40	39	39	47	47	48	47
Total	971	972	972	979	985	950	1,029	1,058	1,026	1,052
Percentage Change from Prior Year	3.9%	0.1%	0.0%	0.7%	0.6%	-3.6%	8.3%	2.8%	-3.0%	2.5%

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
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	64,505	96%
2024	45,592	41,092	111%	88,180	62,933	67,504	93%
2025	49,052	43,592	113%	92,360	63,630	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 2024 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,									
School	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Blue Ridge Elementary School										
Enrollment	656	672	654	643	667	655	652	642	634	632
Teachers	49	47	48	53	58	59	59	62	57	58
Teacher/student ratio	13	14	14	12	12	11	11	10	11	11
Brookwood Elementary School										
Enrollment	620	678	710	673	675	657	727	724	704	688
Teachers	45	44	46	49	52	54	57	58	54	53
Teacher/student ratio	14	15	15	14	13	12	13	12	13	13
City Park Elementary School										
Enrollment	832	815	738	707	745	727	693	699	715	707
Teachers	59	61	57	57	62	63	63	66	64	62
Teacher/student ratio	14	13	13	12	12	12	11	11	11	11
Park Creek Elementary School										
Enrollment	765	744	662	633	608	584	560	576	583	604
Teachers	62	61	58	55	56	56	54	57	52	53
Teacher/student ratio	12	12	11	12	11	10	10	10	11	11
Roan Elementary School										
Enrollment	489	496	476	470	460	460	417	423	447	421
Teachers	41	41	41	43	44	43	41	42	39	42
Teacher/student ratio	12	12	12	11	10	11	10	10	11	10

(continued)

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

	For the fiscal year ended June 30,									
School	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Westwood Elementary School										
Enrollment	603	609	588	608	562	578	553	579	596	605
Teachers	39	38	41	45	46	46	46	46	46	48
Teacher/student ratio	15	16	14	14	12	13	12	13	13	13
Dalton Middle School										
Enrollment	1,751	1,778	1,803	1,772	1,792	1,759	NA	NA	NA	NA
Teachers	121	126	129	134	134	128	NA	NA	NA	NA
Teacher/student ratio	14	14	14	13	13	14	NA	NA	NA	NA
Hammond Creek Middle School										
Enrollment	NA	NA	NA	NA	NA	NA	1,131	1,086	1,059	1,057
Teachers	NA	NA	NA	NA	NA	NA	83	90	86	87
Teacher/student ratio	NA	NA	NA	NA	NA	NA	14	12	12	12
Dalton Junior High School										
Enrollment	NA	NA	NA	NA	NA	NA	1,206	1,162	1,162	517
Teachers	NA	NA	NA	NA	NA	NA	79	87	82	52
Teacher/student ratio	NA	NA	NA	NA	NA	NA	15	13	14	10

(continued)

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

	For the fiscal year ended June 30,									
School	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Dalton High School										
Enrollment	1,829	1,995	1,901	2,067	2,050	2,104	1,414	1,382	1,379	1,919
Teachers	103	107	113	111	116	118	95	88	86	113
Teacher/student ratio	18	19	17	19	18	18	15	16	16	17
Morris Innovative High School										
Enrollment	421	361	367	348	324	259	NA	NA	NA	NA
Teachers	36	37	35	36	31	30	NA	NA	NA	NA
Teacher/student ratio	12	10	10	10	10	9	NA	NA	NA	NA
Dalton Academy High School										
Enrollment	NA	NA	NA	NA	NA	NA	364	402	402	469
Teachers	NA	NA	NA	NA	NA	NA	35	35	44	52
Teacher/student ratio	NA	NA	NA	NA	NA	NA	10	11	9	9

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)

	For the fiscal year ended June 30,									
School	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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 [1]	49	49	49	49	49	49	49	49	49	49
Building capacity based on total classrooms [2]	787	787	787	787	787	787	787	787	787	787
Enrollment K - 5 [3]	585	603	584	576	604	597	592	578	573	573
Enrollment as a % of total classroom capacity	74%	77%	74%	73%	77%	76%	75%	73%	73%	73%
Enrollment PreK - 5 [3]	656	672	654	643	667	655	652	642	634	632
Enrollment as a % of total classroom capacity	83%	85%	83%	82%	85%	83%	83%	82%	81%	80%
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 [1]	49	49	49	49	48	48	48	48	48	48
Building capacity based on total classrooms [2]	787	787	787	787	762	762	762	762	762	762
Enrollment K - 5 [3]	575	630	661	624	612	597	664	662	643	626
Enrollment as a % of total classroom capacity	73%	80%	84%	79%	80%	78%	87%	87%	84%	82%
Enrollment PreK - 5 [3]	620	678	710	673	675	657	727	724	704	688
Enrollment as a % of total classroom capacity	79%	86%	90%	86%	89%	86%	95%	95%	92%	90%
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 [1]	55	55	55	57	57	56	56	56	56	56
Building capacity based on total classrooms [2]	887	887	887	904	904	895	895	895	895	895
Enrollment K - 5 [3]	758	746	666	639	648	629	606	610	627	614
Enrollment as a % of total classroom capacity	85%	84%	75%	71%	72%	70%	68%	68%	70%	69%
Enrollment PreK - 5 [3]	832	815	738	707	745	727	693	699	715	707
Enrollment as a % of total classroom capacity	94%	92%	83%	78%	82%	81%	77%	78%	80%	79%

(continued)

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

	For the fiscal year ended June 30,									
School	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Park Creek Elementary School (Year Built 2000)										
Square feet	104,682	104,682	104,682	104,682	104,682	104,682	104,682	104,682	104,682	104,682
Total classrooms [1]	50	50	50	50	50	50	50	50	50	50
Building capacity based on total classrooms [2]	800	800	800	800	800	800	800	800	800	800
Enrollment K - 5 [3]	680	655	581	563	543	519	499	512	527	544
Enrollment as a % of total classroom capacity	85%	82%	73%	70%	68%	65%	62%	64%	66%	68%
Enrollment PreK - 5 [3]	765	744	662	633	608	584	560	576	583	604
Enrollment as a % of total classroom capacity	96%	93%	83%	79%	76%	73%	70%	72%	73%	76%
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 [1]	32	32	32	32	32	32	32	32	32	32
Building capacity based on total classrooms [2]	487	487	487	487	487	487	487	487	487	487
Enrollment K - 5 [3]	440	449	427	420	415	416	375	379	408	382
Enrollment as a % of total classroom capacity	90%	92%	88%	86%	85%	85%	77%	78%	84%	78%
Enrollment PreK - 5 [3]	489	496	476	470	460	460	417	423	447	421
Enrollment as a % of total classroom capacity	100%	102%	98%	97%	94%	94%	86%	87%	92%	86%
Westwood Elementary School (Year Built 1959)										
Square feet	59,640	59,640	59,640	59,640	59,640	59,640	59,640	59,640	59,640	59,640
Total classrooms [1]	32	32	32	32	33	33	33	33	33	33
Building capacity based on total classrooms [2]	487	487	487	487	512	512	512	512	512	512
Enrollment K - 5 [3]	554	560	537	540	502	514	491	517	531	544
Enrollment as a % of total classroom capacity	114%	115%	110%	111%	98%	100%	96%	101%	104%	106%
Enrollment PreK - 5 [3]	603	609	588	608	562	578	553	579	596	605
Enrollment as a % of total classroom capacity	124%	125%	121%	125%	110%	113%	108%	113%	116%	118%

(continued)

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

School	For the fiscal year ended June 30, 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Hammond Creek Middle School (Year Built 2021)										
Square feet	NA	NA	NA	NA	NA	NA	199,525	199,525	199,525	199,525
Total classrooms [1]	NA	NA	NA	NA	NA	NA	74	74	74	74
Building capacity based on total classrooms [2]	NA	NA	NA	NA	NA	NA	1,212	1,212	1,212	1,212
Enrollment 6 - 7 [3]	NA	NA	NA	NA	NA	NA	1,131	1,086	1,059	1,057
Enrollment as a % of total classroom capacity	NA	NA	NA	NA	NA	NA	93%	90%	87%	87%
Dalton Junior High School & Dalton Academy [4] (Year Built 2001)										
Square feet	243,880	243,880	243,880	243,880	243,880	243,880	244,341	244,341	244,341	244,341
Total classrooms [1]	110	110	110	110	110	110	109	109	109	109
Building capacity based on total classrooms [2]	1,825	1,825	1,825	1,825	1,825	1,825	2,137	2,137	2,137	2,137
Enrollment 8 - 12 [3] [5]	1,751	1,778	1,803	1,772	1,792	1,759	1,570	1,564	1,564	986
Enrollment as a % of total classroom capacity	96%	97%	99%	97%	98%	96%	73%	73%	73%	46%
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 [1]	99	99	99	99	102	102	102	102	102	102
Building capacity based on total classrooms [2]	1,925	1,925	1,925	1,925	1,987	1,987	1,962	1,962	1,962	1,987
Enrollment 10 - 12 [3] [5]	1,829	1,995	1,901	2,067	2,050	2,104	1,414	1,382	1,379	1,919
Enrollment as a % of total classroom capacity	95%	104%	99%	107%	103%	106%	72%	70%	70%	97%

(continued)

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

	For the fiscal year ended June 30,									
School	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Morris Innovative High School [4] (Year Built 1911)										
Square feet	54,044	54,044	54,044	54,044	54,044	54,044	NA	NA	NA	NA
Total classrooms [1]	29	29	29	35	35	35	NA	NA	NA	NA
Building capacity based on total classrooms [2]	512	512	512	637	637	637	NA	NA	NA	NA
Enrollment 9 - 12 [3]	421	361	367	348	324	259	NA	NA	NA	NA
Enrollment as a % of total classroom capacity	82%	71%	72%	55%	51%	41%	NA	NA	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,									
School	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Blue Ridge School	88.1%	87.9%	81.2%	93.9%	87.1%	82.0%	39.2%	87.1%	89.4%	85.3%
Brookwood Elementary School	56.5%	52.1%	56.2%	51.9%	42.5%	39.7%	22.7%	57.0%	58.8%	56.3%
City Park School	86.5%	83.1%	81.7%	94.3%	80.5%	80.6%	52.8%	89.0%	89.9%	72.7%
Park Creek School	93.2%	87.8%	83.7%	90.0%	90.0%	83.0%	49.1%	90.1%	88.2%	78.8%
Roan School	85.9%	86.3%	82.4%	91.5%	81.3%	82.8%	38.8%	88.4%	88.8%	88.6%
Westwood Elementary School	49.9%	47.6%	52.7%	53.0%	49.5%	47.1%	38.5%	63.9%	64.9%	66.1%
Dalton Middle School	80.3%	77.1%	78.0%	77.2%	71.1%	85.4%	N/A	N/A	N/A	N/A
Hammond Creek Middle School	NA	NA	NA	NA	NA	NA	37.5%	71.6%	73.0%	72.8%
Dalton Junior High	NA	NA	NA	NA	NA	NA	30.8%	64.1%	94.1%	72.0%
Dalton Academy	NA	NA	NA	NA	NA	NA	29.0%	55.4%	60.3%	62.5%
Dalton High School	63.0%	64.7%	65.1%	78.7%	72.2%	85.3%	24.7%	66.7%	73.1%	58.4%
Morris Innovative High School	84.1%	83.4%	78.5%	64.5%	73.0%	32.7%	NA	NA	NA	NA
District-wide	75.2%	73.1%	72.6%	74.7%	71.9%	63.4%	34.5%	70.5%	76.9%	69.6%
District-wide increase/(decrease)	-0.7%	-2.1%	-0.5%	2.1%	-2.8%	-8.5%	-28.9%	36.0%	6.4%	-7.3%

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, 2025

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
2022 ESPLOST					
Acquisition, construction, renovation, and equipping of schools	$ 47,239,000	$ 47,239,000	$ 3,381,846	$ 3,837,807	$ 7,219,653
2017 ESPLOST					
Acquisition, construction, renovation, and equipping of schools	$ 36,917,000	$ 39,987,365	$ 39,882,460	$ 104,905	$ 39,987,365

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, 2025, and the related notes to the financial statements, which collectively comprise the City of Dalton Board of Education's basic financial statements and have issued our report thereon dated December 1, 2025.

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
December 1, 2025

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, 2025. 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, 2025.

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
December 1, 2025

CITY OF DALTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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. There are no audit findings which are required to be reported in accordance with 2 CFR 200.516(a).

7. The programs tested as a major program are:

   U.S. Department of Education:
   Pass-Through Georgia Department of Education:
   Title I Grants to Local Educational Agencies
   CFDA # 84.010

   Twenty-First Century Community Learning Centers
   CFDA # 84.287

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, 2025

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	$ 1,235,840
National School Lunch Program (includes $324,819 in non-cash awards)	10.555	3,804,346
Total Child Nutrition Cluster		5,040,186
Other Programs		
State Administrative Expenses for Child Nutrition	10.560	9,952
Total Other Programs		9,952
Total U.S. Department of Agriculture		5,050,138
U.S. Department of Defense		
Direct Funding:		
ROTC Language and Culture Training Grants	12.357	77,251
Total U.S. Department of Defense		77,251
U.S. Department of Education		
Pass-Through Georgia Department of Education:		
Special Education Cluster (IDEA)		
Special Education Grants to States	84.027	1,523,022
Special Education Preschool Grants	84.173	33,987
Total Special Education Cluster (IDEA)		1,557,009
Other Programs		
Title I Grants to Local Educational Agencies	84.010	1,788,359
Migrant Education State Grant Program	84.011	32,486
Career and Technical Education - Basic Grants to States	84.048	74,324
Education for Homeless Children and Youth	84.196	62,703
Twenty-First Century Community Learning Centers	84.287	1,028,166
English Language Acquisition Grants	84.365	219,009
Improving Teacher Quality State Grants	84.367	275,483
Student Support and Academic Enrichment Program	84.424	324,165
Total Other Programs		3,804,695
Total U.S. Department of Education		5,361,704
Total Federal Awards Expended		$ 10,489,093

CITY OF DALTON BOARD OF EDUCATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 $324,819 the year ended June 30, 2025.

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	$ 10,489,093
Federal E-Rate revenue reported in the general fund not applicable to the SEFA	460,438
Federal Medicaid revenue reported in the general fund not applicable to the SEFA	837,847
Federal Revenue per the fund financial statements	$ 11,787,378

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.