

**DODGE COUNTY
BOARD OF EDUCATION**

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

Dodge County Board of Education

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Section I

Financial

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INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Susan Long, Superintendent and Members of the
Dodge County Board of Education

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Dodge County Board of Education (School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School District as of June 30, 2021, 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.

Emphasis of Matter

As described in Note 11 to the financial statements, in 2021, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The School District restated beginning balances for the effect of GASB Statement No. 84. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The *Schedule of Expenditures of Federal Awards*

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is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The accompanying supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2023 on our consideration of the School District'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 solely 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 the effectiveness of the School District's 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 School District's internal control over financial reporting and compliance.

A copy of this report has been filed as a permanent record and made available to the press of the State, as provided for by Official Code of Georgia Annotated section 50-6-24.

Respectfully submitted,



Greg S. Griffin
State Auditor

April 20, 2023

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Dodge County Board of Education

DODGE COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	Governmental Activities
Cash and cash equivalents	\$ 19,192,318
Investments	442,917
Receivables, net of allowances:	
Taxes	1,150,559
Intergovernmental:	
Local	11,990
State	2,741,598
Federal	1,539,744
Other	22,260
Inventory	56,345
Capital assets (non-depreciable)	1,010,742
Capital assets (net of accumulated depreciation)	37,176,834
Total assets	<u>63,345,307</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to pension plans	9,083,053
Related to OPEB plan	5,288,868
Total deferred outflows of resources	<u>14,371,921</u>
LIABILITIES	
Accounts payable	1,284,015
Salaries and benefits payable	2,202,415
Unearned revenue	7,816
Net pension liability, due in more than one year	32,076,414
Net OPEB liability, due in more than one year	27,478,870
Total liabilities	<u>63,049,530</u>
DEFERRED INFLOWS OF RESOURCES	
Related to pension plans	1,766,072
Related to OPEB plan	6,067,057
Total deferred inflows of resources	<u>7,833,129</u>
NET POSITION	
Investment in capital assets	38,187,576
Restricted for:	
Continuation of federal programs	2,194,716
Capital projects	6,231,411
Unrestricted (deficit)	(39,779,134)
Total net position	<u>\$ 6,834,569</u>

DODGE COUNTY BOARD OF EDUCATION

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 26,022,062	\$ 319,421	\$ 18,780,263	\$ 156,657	\$ (6,765,721)
Support services:					
Pupil services	2,264,118	-	722,586	-	(1,541,532)
Improvement of instructional services	1,374,837	-	516,798	-	(858,039)
Educational media services	575,290	-	415,941	-	(159,349)
General administration	891,070	-	663,591	-	(227,479)
School administration	1,564,986	-	1,009,886	-	(555,100)
Business administration	8,513	-	8,513	-	-
Maintenance and operation of plant	1,714,082	-	930,229	-	(783,853)
Student transportation services	1,890,657	-	816,068	231,660	(842,929)
Other support services	16,566	-	15,500	-	(1,066)
Food services operations	2,682,460	28,511	3,484,939	-	830,990
Total governmental activities	<u>\$ 39,004,641</u>	<u>\$ 347,932</u>	<u>\$ 27,364,314</u>	<u>\$ 388,317</u>	<u>(10,904,078)</u>
General revenues:					
Taxes:					
Property taxes, levied for maintenance and operations					6,515,724
Sales taxes, for capital projects					2,354,210
Intangible and transfer taxes					92,205
Railroad equipment tax					37,968
Grants and contributions not restricted to specific programs					4,939,355
Unrestricted investment earnings					5,332
Miscellaneous					410,649
Total general revenues					<u>14,355,443</u>
Change in net position					3,451,365
Net position, beginning of year, as restated					3,383,204
Net position, end of year					<u>\$ 6,834,569</u>

DODGE COUNTY BOARD OF EDUCATION

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

ASSETS	General	Capital Projects	Total Governmental Funds
Cash and cash equivalents	\$ 12,525,847	\$ 6,666,471	\$ 19,192,318
Investments	442,917	-	442,917
Receivables net of allowances:			
Taxes	950,178	200,381	1,150,559
Intergovernmental:			
Local	11,990	-	11,990
State	2,741,598	-	2,741,598
Federal	1,539,744	-	1,539,744
Other	22,260	-	22,260
Due from other funds	77,220	-	77,220
Inventory	56,345	-	56,345
	<u>18,368,099</u>	<u>6,866,852</u>	<u>25,234,951</u>
Total assets	<u>\$ 18,368,099</u>	<u>\$ 6,866,852</u>	<u>\$ 25,234,951</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 725,794	\$ 558,221	\$ 1,284,015
Salaries and benefits payable	2,202,415	-	2,202,415
Due to other funds	-	77,220	77,220
Unearned revenue	7,816	-	7,816
Total liabilities	<u>2,936,025</u>	<u>635,441</u>	<u>3,571,466</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	522,667	-	522,667
	<u>522,667</u>	<u>-</u>	<u>522,667</u>
FUND BALANCES			
Nonspendable:			
Inventory	56,345	-	56,345
Restricted:			
Federal programs	2,138,371	-	2,138,371
Capital projects	-	6,231,411	6,231,411
Assigned:			
Student activities	367,690	-	367,690
Unassigned	12,347,001	-	12,347,001
Total fund balances	<u>14,909,407</u>	<u>6,231,411</u>	<u>21,140,818</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,368,099</u>	<u>\$ 6,866,852</u>	<u>\$ 25,234,951</u>

DODGE COUNTY BOARD OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2021

Total fund balances - governmental funds	\$	21,140,818
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.

Cost	\$	62,122,480	
Less accumulated depreciation		<u>(23,934,904)</u>	38,187,576

Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.

Property taxes	522,667
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Net pension liability	\$	(32,076,414)	
Net OPEB liability		(27,478,870)	
Deferred outflows - pensions		9,083,053	
Deferred inflows - pensions		(1,766,072)	
Deferred outflows - OPEB		5,288,868	
Deferred inflows - OPEB		<u>(6,067,057)</u>	<u>(53,016,492)</u>

Net position of governmental activities	\$	<u>6,834,569</u>
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DODGE COUNTY BOARD OF EDUCATION

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES			
Property taxes	\$ 6,742,894	\$ -	\$ 6,742,894
Sales taxes	92,205	2,621,273	2,713,478
Other taxes	37,968	-	37,968
State funds	24,861,548	156,657	25,018,205
Federal funds	7,679,529	-	7,679,529
Charges for services	347,932	-	347,932
Investment earnings	708	4,624	5,332
Miscellaneous	410,649	-	410,649
Total revenues	<u>40,173,433</u>	<u>2,782,554</u>	<u>42,955,987</u>
EXPENDITURES			
Current:			
Instruction	22,731,024	670,929	23,401,953
Support services:			
Pupil services	2,132,767	-	2,132,767
Improvement of instructional services	1,299,480	-	1,299,480
Educational media services	541,894	-	541,894
General administration	844,290	5,290	849,580
School administration	1,450,200	5,981	1,456,181
Business administration	8,513	-	8,513
Maintenance and operation of plant	1,685,858	9,350	1,695,208
Student transportation services	1,704,492	249,576	1,954,068
Other support services	36,553	-	36,553
Food services operations	2,625,530	-	2,625,530
Capital outlay	-	724,495	724,495
Total expenditures	<u>35,060,601</u>	<u>1,665,621</u>	<u>36,726,222</u>
Net change in fund balances	<u>5,112,832</u>	<u>1,116,933</u>	<u>6,229,765</u>
FUND BALANCES, beginning of year, as restated	<u>9,796,575</u>	<u>5,114,478</u>	<u>14,911,053</u>
FUND BALANCES, end of year	<u>\$ 14,909,407</u>	<u>\$ 6,231,411</u>	<u>\$ 21,140,818</u>

DODGE COUNTY BOARD OF EDUCATION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Net change in fund balances - total governmental funds	\$	6,229,765
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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 and reported as depreciation expense. The net effect of the amount by which depreciation expense exceeded capital outlay is to decrease net position.

Capital outlay	\$	1,068,067	
Depreciation expense		<u>(1,509,717)</u>	(441,650)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$	(227,170)	
Sales taxes		<u>(267,063)</u>	(494,233)

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 position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Adjustments related to pensions	\$	(1,626,681)	
Adjustments related to OPEB		<u>(215,836)</u>	<u>(1,842,517)</u>
			<u>\$ 3,451,365</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY**Reporting Entity**

The Dodge County Board of Education (the "School District") was established under the laws of the State of Georgia and operates under the guidance of a School Board (the "Board") elected by the voters and a Superintendent appointed by the Board. The School District is organized as a separate legal entity and has the power to levy taxes and issue bonds. Its budget is not subject to approval by any other entity. Accordingly, the School District is a primary government and consists of all the organizations that compose its legal entity.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Basis of Presentation

The School District's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements and notes to the basic financial statements. The government-wide 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.

Government-Wide Statements

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Net Position presents the School District's assets and liabilities, with the difference reported as net position. Net position is reported in three categories as follows:

1. **Investment in capital assets** consists of the School District's total investment in capital assets, net of accumulated depreciation.
2. **Restricted net position** consists of 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Government-Wide Statements (Continued)**

3. **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 removed or modified.

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. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

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 not accounted for and reported in another fund.
- The *Capital Projects Fund* accounts for and reports financial resources including Education Special Purpose Local Option Sales Tax ("ESPLOST"), and grants from the Georgia State Financing and Investing Commission that are restricted, committed, or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Basis of Accounting**

The basis of accounting determines when transactions are reported in the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property 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 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 60 days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Capital asset acquisitions are reported as expenditures in governmental funds.

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 are 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Basis of Accounting (Continued)**

The State of Georgia reimburses the School District for teachers’ salaries and operating costs through the Quality Basic Education (“QBE”) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia’s share in this cost. Generally, teachers are contracted for the school year (July 1 – June 30) and paid over a 12-month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School District over the same 12-month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers’ salaries incurred but not paid until July and August of the subsequent year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia’s intent to fund this final payment. Based on guidance in GASB Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School District recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

New Accounting Pronouncements

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

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

Cash and Cash Equivalents

Composition of Deposits – Cash and cash equivalents consist of cash on hand, demand deposits, investments in the State of Georgia local government investment pool (“Georgia Fund 1”) and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Official Code of Georgia Annotated (“O.C.G.A.”) §45-8-14 authorizes the School District to deposit its funds in one or more solvent banks, insured Federal savings and loan associations, or insured chartered building and loan associations.

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Composition of Investments – The School District can invest its funds as permitted by O.C.G.A. §36-83-4. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity.

The School District does not have a formal policy regarding investment policies that address credit risks, custodial credit risks, concentration of credit risks, interest rate risks or foreign currency risks.

Investments made by the School District in non-participating interest-earning contracts (such as certificates of deposit) and repurchase agreements 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 investments if they have an original maturity greater than three months when acquired.

Receivables

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on federal, state or other grants for expenditures made, but not 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.

Inventories

Food 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 foods inventories are reported at cost (first-in/first-out). 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

On the government-wide financial statements, capital assets are recorded at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at acquisition value on the date donated. 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.

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 government-wide financial statements.

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.

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

	<u>Capitalization Policy</u>	<u>Estimated Useful Life</u>
Land	All	N/A
Construction in Progress	All	N/A
Land Improvements	\$ 5,000	15 to 80 Years
Buildings and Improvements	5,000	Up to 80 Years
Equipment	5,000	5 to 50 Years
Intangible Assets	200,000	5 to 10 Years

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position and/or 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 so will not be recognized as an inflow of resources (revenue) until that time.

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Post-Employment 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 Post-employment Benefit Fund (the "School OPEB Fund") and additions to/deductions from the School OPEB Fund fiduciary net position have been determined on the same basis as they are reported by the School OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balances

Fund balance for governmental funds is 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:

Non-spendable – Amounts that are not in spendable form (e.g., inventory and prepaid items) or are legally or contractually required to be maintained intact (e.g., permanent fund principal).

Restricted – Amounts that can be spent only on specific purposes stipulated by law through constitutional provisions or enabling legislation or by the external providers of those resources (e.g., grants or donations).

Committed – Amounts that can only be used for the specific purposes determined by a formal action of the Board. Commitments may be changed or lifted only by referring to the formal action of the Board that imposed the constraint originally (e.g., the Board's commitment in connection with future construction projects).

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Fund Balances (Continued)**

Assigned – Amounts intended to be used by the government for specific purposes. Intent can be expressed by the Board of Education or by a designee to whom the Board of Education delegates authority. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates the resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – Amounts within the General Fund not meeting the definition of any aforementioned category. The General Fund is the only fund that reports positive unassigned fund balance. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

The responsibility for designating funds to specific classification is as follows:

Committed Fund Balance – The Board of Education 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 Board. Funds should be committed prior to the end of the fiscal year, although the exact amount may be determined in the subsequent fiscal year.

Assigned Fund Balance – The Board of Education has authorized the Superintendent and the Director of Finance as the officials authorized to assign fund balances to a specific purpose in accordance with the School District's policy.

When restricted and unrestricted fund balances are both available for expenditure, when the expenditure is incurred, the restricted fund balance is considered to be expended first.

When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications (committed, assigned or unassigned) could be used, the School District considers that committed amounts are to be reduced first, followed by assigned amounts, and then by unassigned amounts.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

The Dodge County Board of Commissioners adopted the property tax levy for the 2020 tax digest year (calendar year) on October 20, 2020 (levy date) based on property values as of January 1, 2020. Taxes were due on December 20, 2020 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2020 tax digest are reported as revenue in the governmental funds for fiscal year 2021. The Dodge County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2021, for maintenance and operations amounted to \$5,749,933.

The tax millage rate levied for the 2020 tax year (calendar year) for the School District was as follows (a mill equals \$1 per thousand dollars of assessed value):

School Operations	<u>14.000</u> mills
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Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2021, for maintenance and operations, amounted to \$992,961.

Sales Taxes

ESPLOST at the fund reporting level, during the year amounted to \$2,621,273 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.

NOTE 3: 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 Fund. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate function level. The budget for the General Fund was prepared in accordance with accounting principles generally accepted in the United States of America.

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3: BUDGETARY DATA (CONTINUED)

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

See the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual in the Supplementary Information Section for a detail of any over/under expenditures during the fiscal year under review.

NOTE 4: DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS

Collateralization of Deposits – O.C.G.A. §45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than 10 days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. §45-8-13.1), the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110% of the daily pool balance.

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

- (1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
- (2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,
- (3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,
- (4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,
- (5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,
- (6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4: DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**Collateralization of Deposits (Continued)**

- (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 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.

Categorization of Deposits – Custodial credit risk is the risk that in the event of bank failure, the School District’s deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2021, the School District had deposits with a carrying value of \$12,968,764 (excluding cash equivalents) and bank balances of \$13,687,235 including \$442,917 classified as certificates of deposit. The bank balances insured by Federal depository insurance were \$3,750,000 and the bank balances collateralized with securities held by the pledging institution or by the pledging institution’s trust department or agent in the School District’s name were \$7,897,325.

At June 30, 2021, \$2,039,910 of the School District’s bank balances were exposed to custodial credit risk. This balance was in the State’s Secure Deposit Program (“SDP”).

The School District participates in the SDP, a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (“OST”) sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered deposits: 25%, 50%, 75% and 110%. The SDP also provides for collateral levels to be increased in the amount of up to 125% if economic or financial conditions warrant. The program lists the types of eligible collateral. The OST approves authorized custodians.

In accordance with the SDP, if a covered depository defaults, losses to public depositors are first satisfied with any applicable insurance, followed by demands of payments under any letters of credit or assessments made against the other participating covered depositories. Therefore, for disclosure purposes, all deposits of the SDP are considered to be fully collateralized.

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4: DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Categorization of Deposits (Continued)

Reconciliation of cash and cash equivalents to carrying value of deposits:

Statement of Net Position		
Cash and cash equivalents	\$	19,192,318
 Add: Deposits with an original maturity of three months or more reported as an investment.		 442,917
Less: Investment pool reported as cash and cash equivalents:		
Georgia Fund 1		(6,666,471)
Total carrying value of deposits - June 30, 2021	\$	<u>12,968,764</u>

Categorization of Cash Equivalents – The School District reported cash equivalents of \$6,666,471 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company 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, which approximates fair value. The pool is an AAAs rated investment pool by Standard and Poor's. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2021, was 36 days.

Georgia Fund 1, administered by the State of Georgia, Office of the State Treasurer ("OST"), 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, OST for the Georgia Fund 1, does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the State of Georgia Annual Consolidated Financial Report, which is publicly available at <https://sao.georgia.gov/statewide-reporting/acfr>.

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4: DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Categorization of Investments – At June 30, 2021, the School District had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Rating*</u>	<u>Cost-Based</u>	<u>Percentage of Investments</u>
Certificate of deposit	November 30, 2021	N/A	\$ 220,320	49.79%
Certificate of deposit	November 30, 2021	N/A	222,597	50.30%
			<u>\$ 442,917</u>	

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. The School District does not have a formal policy for managing custodial credit risk.

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

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The School District does not have a formal policy for managing concentration of credit risk. Each of the School District’s certificates of deposit represents approximately 50% of the School District’s total investments.

NOTE 5: NON-MONETARY 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 2 – Inventories.

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6: CAPITAL ASSETS

The following is a summary of changes in the capital assets of governmental activities during the fiscal year:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 986,639	\$ -	\$ -	\$ 986,639
Construction in progress	24,103	-	-	24,103
Total	<u>1,010,742</u>	<u>-</u>	<u>-</u>	<u>1,010,742</u>
Capital assets, being depreciated:				
Buildings and improvements	51,028,213	-	-	51,028,213
Equipment	6,370,309	1,068,067	(177,429)	7,260,947
Land improvements	2,822,578	-	-	2,822,578
Total	<u>60,221,100</u>	<u>1,068,067</u>	<u>(177,429)</u>	<u>61,111,738</u>
Less accumulated depreciation for:				
Buildings and improvements	(16,056,834)	(982,766)	-	(17,039,600)
Equipment	(4,693,319)	(445,303)	177,429	(4,961,193)
Land improvements	(1,852,463)	(81,648)	-	(1,934,111)
Total	<u>(22,602,616)</u>	<u>(1,509,717)</u>	<u>177,429</u>	<u>(23,934,904)</u>
Total capital assets, being depreciated, net	<u>37,618,484</u>	<u>(441,650)</u>	<u>-</u>	<u>37,176,834</u>
Governmental activities capital assets, net	<u>\$ 38,629,226</u>	<u>\$ (441,650)</u>	<u>\$ -</u>	<u>\$ 38,187,576</u>

Current year depreciation expense by function is as follows:

Instruction		\$ 1,162,891
Support services:		
Pupil services	\$ 24,228	
General administration	6,961	
School administration	1,768	
Maintenance and operations	23,038	
Student transportation	242,971	
Central Support Services	<u>2,221</u>	301,187
Food services		<u>45,639</u>
Total depreciation expense		<u>\$ 1,509,717</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7: RISK MANAGEMENT

Commercial Insurance

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; and natural disasters. Except as described below, the School District has obtained commercial insurance for risk of loss associated with 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 fiscal years.

Georgia School Board Association Risk Management Fund

The School District participates in the Georgia School Board Association of Risk and Insurance Management System (the “System”), a public entity risk pool organized on July 1, 1994, to develop and administer a plan to reduce the risk of loss on account of general liability, motor vehicle liability, errors and omissions liability, cyber risk liability, or property damage, including safety engineering and other loss prevention and control techniques, and to administer the System, including the processing and defense of claims brought against members of the System. The School District pays an annual premium to the System for its general insurance coverage. Additional coverage is provided through agreements by the System with other companies according to their specialty for property, boiler and machinery (including coverage for flood and earthquake), general liability (including coverage for sexual harassment, molestation and abuse), errors and omissions, crime, cyber risk, and automobile risks. Payment of excess insurance for the System varies by the line of coverage.

Unemployment Compensation

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the General Fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The School District had no unemployment compensation liability, claims or paid claims during the last two fiscal years.

Surety Bond

The School District purchased a surety bond to provide additional insurance coverage as follows:

<u>Position Covered</u>	<u>Amount</u>
Superintendent	\$ 50,000

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8: SIGNIFICANT CONTINGENT LIABILITIES**Federal Grants**

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.

Litigation

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable, but is not believed to have a material adverse effect on the financial condition of the School District.

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS**Georgia School Personnel Post-Employment Health Benefit Fund**

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

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 Employees’ Retirement System (“ERS”), Georgia Judicial Retirement System (“JRS”), Legislative Retirement System (“LRS”), Teachers’ Retirement System (“TRS”) or Public School Employees’ Retirement System (“PSERS”). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (“HRA”), Health Maintenance Organization (“HMO”) and a High Deductible Health Plan (“HDHP”). The School OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted.

Contributions. As established by the Board, 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 \$672,602 for the year ended June 30, 2021. Active employees are not required to contribute to the School OPEB Fund.

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2021, the School District reported a liability of \$27,478,870 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2019. An expected total OPEB liability as of June 30, 2020 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2020. At June 30, 2020, the School District's proportion was 0.187088%, which was an increase of 0.000002% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized OPEB expense of \$888,438. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 2,999,839
Changes in assumptions	4,544,395	2,445,028
Net difference between projected and actual earnings on OPEB plan investments	71,620	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	251	622,190
School District contributions subsequent to the measurement date	672,602	-
Total	<u>\$ 5,288,868</u>	<u>\$ 6,067,057</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

School District contributions subsequent to the measurement date of \$672,602 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	OPEB
Ending June 30,	
2022	\$ (749,242)
2023	(751,164)
2024	(541,362)
2025	(1,767)
2026	427,577
2027	165,167

Actuarial assumptions. The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

OPEB:

Inflation	2.50%
Salary increases	3.00% – 8.75%, including inflation
Long-term expected rate of return	7.30%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	7.00%
Medicare Eligible	5.25%
Ultimate trend rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ended 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, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<u>Asset Class</u>	<u>OPEB Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed Income	30.00%	0.50%
Equities	70.00%	9.20%
Total	<u>100.00%</u>	

*Net of inflation

Discount rate. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 2.22% was used as the discount rate as compared with last year’s rate of 3.58%. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation bonds with an average rating of AA or higher (2.21% per the Municipal Bond Buyers Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2118.

Sensitivity of the School District’s proportionate share of the net OPEB liability to changes in the discount rate. The following presents the School District’s proportionate share of the net OPEB liability calculated using the discount rate of 2.22%, as well as what the School District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.22%) or 1 percentage-point higher (3.22%) than the current discount rate:

<i>School OPEB Fund- Discount Rate</i>	<u>1% Decrease (1.22%)</u>	<u>Current Discount Rate (2.22%)</u>	<u>1% Increase (3.22%)</u>
School District's proportionate share of the OPEB liability	\$ 32,283,139	\$ 27,478,870	\$ 23,636,797

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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 School 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:

<i>School OPEB Fund - Healthcare Cost Trend Rate</i>	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the OPEB liability	\$ 22,878,922	\$ 27,478,870	\$ 33,434,467

OPEB plan fiduciary net position. Detailed information about the OPEB plan’s fiduciary net position is available in the Annual Consolidated Financial Report which is publicly available at <https://sao.georgia.gov/statewide-reporting/acfr>.

NOTE 10: RETIREMENT PLANS

The School District participates in various retirement plans administered by the State of Georgia as further explained below:

Teachers’ Retirement System of Georgia (“TRS”)

Plan Description. All teachers of the School District as defined in §47-3-60 of the O.C.G.A. and certain other support personnel as defined by O.C.G.A. §47-3-63 are provided a pension through the Teachers’ Retirement System of Georgia (“TRS”). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (“TRS Board”). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. The TRS issues a publicly available separate financial audit report that can be obtained at <https://www.trsga.com/publications/>.

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10: RETIREMENT PLANS (CONTINUED)**Teachers' Retirement System of Georgia ("TRS") (Continued)**

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

Contributions. Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2021. The School District's contractually required contribution rate for the year ended June 30, 2021 was 19.06% of annual School District payroll, of which 18.98% of payroll was required by the School District and 0.08% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$3,229,485 and \$13,232 from the School District and the State, respectively.

Employees' Retirement System ("ERS")

Plan Description. The Employees' Retirement System of Georgia ("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 a Board of Trustees. Title 47 of the O.C.G.A. 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 <https://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.

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10: RETIREMENT PLANS (CONTINUED)**Employees' Retirement System ("ERS") (Continued)**

Benefits Provided (Continued). 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, post-retirement 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 4.00% of annual compensation, up to \$4,200, plus 6.00% 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 total required contribution rate, actuarially determined annually, for the year ended June 30, 2021 was 24.66% of annual covered payroll for Old and New Plan members and 21.57% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan were \$39,381 for the current fiscal year.

Public School Employees' Retirement System ("PSERS")

Plan Description. PSERS is a cost sharing multiple employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers' Retirement System of Georgia. The ERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of the O.C.G.A. 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 <https://www.ers.ga.gov/financials>.

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10: RETIREMENT PLANS (CONTINUED)**Public School Employees' Retirement System ("PSERS") (Continued)**

Benefits Provided. A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of ten years of service. Upon retirement, the member will receive a monthly benefit of \$15.50, 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 or 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 O.C.G.A. §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 year fiscal year contribution was \$75,655.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the School District reported a liability of \$32,076,414 for its proportionate share of the net pension liability for TRS (\$31,776,688) and for ERS (\$299,726).

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10: RETIREMENT PLANS (CONTINUED)**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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 amount 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	\$	31,776,688
State of Georgia's proportionate share of the Net Pension Liability associated with the School District		<u>235,456</u>
	\$	<u>32,012,144</u>

The net pension liability for TRS and ERS was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2020.

At June 30, 2020, the School District's TRS proportion was 0.131179%, which was a decrease of 0.003096% from its proportion measured as of June 30, 2019. At June 30, 2020, the School District's ERS proportion was 0.007111%, which was an increase of 0.000714% from its proportion measured as of June 30, 2019.

At June 30, 2021, 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 \$375,956.

The PSERS net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2020.

For the year ended June 30, 2021, the School District recognized pension expense of \$4,833,552 for TRS, \$61,618 for ERS, and \$75,655 for PSERS and revenue of \$1,075 for TRS and \$75,655 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10: RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,383,885	\$ -
Changes in assumptions	3,273,035	-
Net difference between projected and actual earnings on pension plan investments	765,347	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	363,650	1,766,072
School District contributions subsequent to the measurement date	3,229,485	-
Total	<u>\$ 9,015,402</u>	<u>\$ 1,766,072</u>

	ERS
	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 3,651
Changes in assumptions	-
Net difference between projected and actual earnings on pension plan investments	4,234
Changes in proportion and differences between School District contributions and proportionate share of contributions	20,385
School District contributions subsequent to the measurement date	39,381
Total	<u>\$ 67,651</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10: RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

School District contributions subsequent to the measurement date of \$3,229,485 for TRS and \$39,381 for ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	
Ending June 30,	TRS
2022	\$ 697,172
2023	1,398,125
2024	1,280,517
2025	644,031

Fiscal Year	
Ending June 30,	ERS
2022	\$ 11,607
2023	8,046
2024	4,913
2025	3,704

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

Teachers’ Retirement System

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10: RETIREMENT PLANS (CONTINUED)**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Actuarial Assumptions (Continued): Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table (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.

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

Employees' Retirement System

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment rate of return and the assumed rate of return.

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10: RETIREMENT PLANS (CONTINUED)**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)****Public School Employees' Retirement System***Actuarial Assumptions (Continued):*

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment rate of return.

The long-term expected rate of return on TRS, ERS, and PSERS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10: RETIREMENT PLANS (CONTINUED)**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Actuarial Assumptions (Continued): The target asset allocation and best estimates of arithmetic real rates of return for each major asset class for the TRS plan are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed income	30.00%	(0.10)%
Domestic large stocks	51.00	8.90
Domestic small stocks	1.50	13.20
International developed market stocks	12.40	8.90
International emerging market stocks	5.10	10.90
Total	100.00%	

* Rates shown are net of the 2.50% assumed rate of inflation

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class for the ERS and PSERS plans are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed income	30.00%	(0.10)%
Domestic large stocks	46.20	8.90
Domestic small stocks	1.30	13.20
International developed market stocks	12.40	8.90
International emerging market stocks	5.10	10.90
Alternatives	5.00	12.00
Total	100.00%	

* Rates shown are net of the 2.75% assumed rate of inflation

Discount Rate: The discount rate used to measure the total TRS pension liability was 7.25%. The discount rate used to measure the total ERS and PSERS pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer 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, ERS, and PSERS pension plans' fiduciary net position 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10: RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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 discount rate of 7.25% and 7.30%, as well as what the School District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25% and 6.30%) or 1-percentage-point higher (8.25% and 8.30%) than the current rate:

TRS	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of the net pension liability	\$ 50,390,242	\$ 31,776,688	\$ 16,518,911

ERS	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
School District's proportionate share of the net pension liability	\$ 421,661	\$ 299,726	\$ 195,668

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued TRS, ERS, and PSERS financial report which is publicly available at www.trsga.com/publications and <https://www.ers.ga.gov/financials>.

NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 11: RESTATEMENT OF PRIOR YEAR NET POSITION AND FUND BALANCE

In fiscal year 2021, the School District adopted GASB Statement of No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on: 1) whether a government is controlling the assets of the fiduciary activity, and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The School District restated beginning net position and beginning fund balance for the General Fund for the cumulative effect of this accounting change. These changes are in accordance with generally accepted accounting principles.

Fund balance, General Fund, as previously reported	\$ 9,670,701
Prior Period Adjustment - Implementation of GASB No. 84	<u>125,874</u>
Fund Balance, General Fund, as restated	<u><u>\$ 9,796,575</u></u>
Net Position, July 1, 2020 as previously reported	\$ 3,257,330
Prior Period Adjustment - Implementation of GASB No. 84	<u>125,874</u>
Net Position, July 1, 2020 as restated	<u><u>\$ 3,383,204</u></u>

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DODGE COUNTY 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,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's proportion of the net pension liability	0.131179%	0.134275%	0.145986%
School District's proportionate share of the net pension liability	\$ 31,776,688	\$ 28,872,756	\$ 27,098,129
State of Georgia's proportionate share of the net pension liability associated with the School District	235,456 \$ 32,012,144	215,457 \$ 29,088,213	192,489 \$ 27,290,618
School District's covered payroll	\$ 17,045,864	\$ 16,509,278	\$ 17,516,902
School District's proportionate share of the net pension liability as a percentage of its covered payroll	186.42%	174.89%	154.70%
Plan fiduciary net position as a percentage of the total pension liability	77.01%	78.56%	80.27%

Note: The measurement period for the year ended June 30, 2021 is June 30, 2020. The schedule above is intended to show information for the last ten fiscal years. Additional years will be displayed as they become available. The Schedule includes all significant plans and funds administered by the Dodge County Board of Education.

2018	2017	2016	2015
0.140991%	0.142365%	0.145703%	0.144585%
\$ 26,203,612	\$ 29,371,487	\$ 22,181,835	\$ 18,266,408
<u>336,952</u>	<u>451,202</u>	<u>330,665</u>	<u>215,910</u>
<u>\$ 26,540,564</u>	<u>\$ 29,822,689</u>	<u>\$ 22,512,500</u>	<u>\$ 18,482,318</u>
\$ 16,029,993	\$ 15,862,976	\$ 15,379,842	\$ 14,709,192
163.47%	185.16%	144.23%	124.18%
79.33%	76.06%	81.44%	84.03%

DODGE COUNTY BOARD OF EDUCATION

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 3,229,485	\$ 3,577,002	\$ 3,424,871
Contributions in relation to the contractually required contributions	<u>3,229,485</u>	<u>3,577,002</u>	<u>3,424,871</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 17,013,204	\$ 17,045,864	\$ 16,509,278
Contributions as a percentage of covered payroll	18.98%	20.98%	20.75%

2018	2017	2016	2015	2014	2013	2012
\$ 2,923,823	\$ 2,259,946	\$ 2,229,200	\$ 2,022,449	\$ 1,806,289	\$ 1,708,366	\$ 1,565,035
<u>2,923,823</u>	<u>2,259,946</u>	<u>2,229,200</u>	<u>2,022,449</u>	<u>1,806,289</u>	<u>1,708,366</u>	<u>1,565,035</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,516,902	\$ 16,029,993	\$ 15,862,976	\$ 15,379,842	\$ 14,709,192	\$ 14,972,531	\$ 15,224,098
16.69%	14.10%	14.05%	13.15%	12.28%	11.41%	10.28%

DODGE COUNTY BOARD OF EDUCATION

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's proportion of the net pension liability	0.007111%	0.006397%	0.006056%
School District's proportionate share of the net pension liability	\$ 299,726	\$ 263,974	\$ 248,964
School District's covered payroll	\$ 185,180	\$ 161,238	\$ 167,387
School District's proportionate share of the net pension liability as a percentage of its covered payroll	161.86%	163.72%	148.74%
Plan fiduciary net position as a percentage of the total pension liability	76.21%	76.74%	76.68%

Note: The measurement period for the year ended June 30, 2021 is June 30, 2020. The schedule above is intended to show information for the last ten fiscal years. Additional years will be displayed as they become available. The Schedule includes all significant plans and funds administered by the Dodge County Board of Education.

2018	2017	2016	2015
0.006428%	0.006364%	0.006360%	0.005242%
\$ 261,063	\$ 301,044	\$ 257,669	\$ 196,607
\$ 157,686	\$ 149,003	\$ 145,421	\$ 118,042
165.56%	202.04%	177.19%	166.56%
76.33%	72.34%	76.20%	77.99%

DODGE COUNTY BOARD OF EDUCATION

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 39,381	\$ 45,666	\$ 39,955
Contributions in relation to the contractually required contributions	<u>39,381</u>	<u>45,666</u>	<u>39,955</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 159,696	\$ 185,180	\$ 161,238
Contributions as a percentage of covered payroll	24.66%	24.66%	24.78%

2018	2017	2016	2015	2014	2013	2012
\$ 41,529	\$ 39,122	\$ 36,834	\$ 31,935	\$ 21,791	\$ 17,590	\$ 18,978
<u>41,529</u>	<u>39,122</u>	<u>36,834</u>	<u>31,935</u>	<u>21,791</u>	<u>17,590</u>	<u>18,978</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 167,387	\$ 157,686	\$ 149,003	\$ 145,421	\$ 118,042	\$ 118,054	\$ 163,186
24.81%	24.81%	24.72%	21.96%	18.46%	14.90%	11.63%

DODGE COUNTY BOARD OF EDUCATION

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%
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	375,956	353,129	352,648
	<u>\$ 375,956</u>	<u>\$ 353,129</u>	<u>\$ 352,648</u>
School District's covered payroll	\$ 645,244	\$ 733,704	\$ 779,300
School District's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	84.45%	85.02%	85.26%

Note: The measurement period for the year ended June 30, 2021 is June 30, 2020. The schedule above is intended to show information for the last ten fiscal years. Additional years will be displayed as they become available.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.000000%	0.000000%	0.000000%	0.000000%
\$ -	\$ -	\$ -	\$ -
<u>330,827</u>	<u>410,924</u>	<u>291,284</u>	<u>269,580</u>
<u>\$ 330,827</u>	<u>\$ 410,924</u>	<u>\$ 291,284</u>	<u>\$ 269,580</u>
\$ 823,086	\$ 834,012	\$ 866,939	\$ 865,233
N/A	N/A	N/A	N/A
85.69%	81.00%	87.00%	88.29%

DODGE COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OTHER POST-EMPLOYMENT BENEFIT LIABILITY
SCHOOL OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School District's proportion of the net OPEB liability	0.187088%	0.187086%	0.188232%	0.190249%
School District's proportionate share of the net OPEB liability	\$ 27,478,870	\$ 22,959,466	\$ 23,923,709	\$ 26,729,907
School District's covered-employee payroll	\$ 18,000,024	\$ 17,653,277	\$ 18,838,736	\$ 17,765,292
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	152.66%	130.06%	126.99%	150.46%
Plan fiduciary net position as a percentage of the total pension	3.99%	4.63%	2.93%	1.61%

Note: The measurement period for the year ended June 30, 2021 is June 30, 2020. The schedule above is intended to show information for the last ten fiscal years. Additional years will be displayed as they become available.

DODGE COUNTY BOARD OF EDUCATION

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SCHOOL OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 672,602	\$ 632,688	\$ 1,007,590	\$ 975,585	\$ 991,973
Contributions in relation to the contractually required contributions	<u>672,602</u>	<u>632,688</u>	<u>1,007,590</u>	<u>975,585</u>	<u>991,973</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered-employee payroll	\$ 18,808,886	\$ 18,000,024	\$ 17,653,277	\$ 18,838,736	\$ 17,765,292
Contributions as a percentage of covered-employee payroll	3.58%	3.51%	5.71%	5.18%	5.58%

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

DODGE COUNTY BOARD OF EDUCATION

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Teachers' Retirement System

Changes of assumptions:

In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

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

On May 15, 2019, the 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.

Public School Employees' Retirement System

Changes of benefit terms:

The member contribution rate was increased from \$4 to \$10 per month for members joining the System on or after July 1, 2012. The monthly benefit accrual rate was increased from \$14.75 to \$15.00 per year of creditable service effective July 1, 2017. The monthly benefit accrual was increased from \$15.00 to \$15.25 per year of creditable service effective July 1, 2018. The monthly accrual benefit was increased from \$15.25 to \$15.50 per year of creditable service effective July 1, 2019. A 2% cost of living adjustment (COLA) was granted to certain retirees and beneficiaries effective July 2016, another July 2017, and another July 2018. Two 1.5% COLAs were granted to certain retirees and beneficiaries effective July 2019 and January 2020.

Changes of assumptions:

In 2010 and later, the expectation of retired life mortality was changed to the RP 2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

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

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10%, from 7.40% to 7.30% as of the June 30, 2018 Measurement Date. The assumed investment rate of return remained at 7.30% for the June 30, 2019 valuation.

DODGE COUNTY BOARD OF EDUCATION

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Employees' Retirement System

Changes of benefit terms:

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

Changes of assumptions:

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

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10%, from 7.40% to 7.30% as of the June 30, 2018 Measurement Date. The assumed investment rate of return remained at 7.30% for the June 30, 2019 actuarial valuation.

School OPEB Fund

Changes of benefit terms:

There have been no changes in benefit terms.

Changes in assumptions:

The June 30, 2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to the State OPEB fund based on their last employer payroll location, irrespective of retirement affiliation.

For the June 30, 2019 actuarial valuation, the decremental assumptions were changed to reflect the Teachers' Retirement Systems experience study.

The discount rate was updated from 3.07% as of June 30, 2016 to 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018, back to 3.58% as of June 30, 2019, and to 2.22% as of June 30, 2020.

DODGE COUNTY BOARD OF EDUCATION

**GENERAL FUND - SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With
	Original ⁽¹⁾	Final ⁽¹⁾		Final Budget
REVENUES				
Property taxes	\$ 5,714,396	\$ 5,714,396	\$ 6,742,894	\$ 1,028,498
Sales taxes	-	-	92,205	92,205
Other taxes	-	-	37,968	37,968
State funds	22,769,871	22,769,871	24,861,548	2,091,677
Federal funds	2,102,000	2,102,000	7,679,529	5,577,529
Charges for services	89,450	89,450	347,932	258,482
Investment earnings	3,700	3,700	708	(2,992)
Miscellaneous	155,550	155,550	410,649	255,099
Total revenues	<u>30,834,967</u>	<u>30,834,967</u>	<u>40,173,433</u>	<u>9,338,466</u>
EXPENDITURES				
Current:				
Instruction	19,285,121	21,859,735	22,731,024	(871,289)
Support services:				
Pupil services	1,347,116	1,750,228	2,132,767	(382,539)
Improvement of instructional services	892,016	1,415,895	1,299,480	116,415
Educational media services	531,673	531,673	541,894	(10,221)
General administration	939,049	956,798	844,290	112,508
School administration	1,579,341	1,579,341	1,450,200	129,141
Business administration	-	9,334	8,513	821
Maintenance and operation of plant	2,117,550	2,356,610	1,685,858	670,752
Student transportation services	1,958,517	2,362,530	1,704,492	658,038
Other support services	28,500	44,000	36,553	7,447
Food services operations	2,787,696	2,787,696	2,625,530	162,166
Total expenditures	<u>31,466,579</u>	<u>35,653,840</u>	<u>35,060,601</u>	<u>593,239</u>
Net change in fund balances	(631,612)	(4,818,873)	5,112,832	9,931,705
FUND BALANCE, beginning of year, as restated	<u>9,479,765</u>	<u>9,670,701</u>	<u>9,796,575</u>	<u>125,874</u>
FUND BALANCE, end of year	<u>\$ 8,848,153</u>	<u>\$ 4,851,828</u>	<u>\$ 14,909,407</u>	<u>\$ 10,057,579</u>

Note to the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

⁽¹⁾ Original and Final Budget amounts do not include budgeted revenues (\$477,319) or expenditures (\$507,768) of the various school activity accounts.

The accompanying schedule of revenues, expenditures and changes in fund balances, budget and actual, is presented on the modified accrual basis of accounting, which is the basis of accounting used in the presentation of the fund financial statements.

DODGE COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Funding Agency Program/Grant	Assistance Listing Number	Pass- Through Entity ID Number	Expenditures In Period
Agriculture, U.S. Department of Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services:			
School Breakfast Program	10.553	205GA324N1099	\$ 1,122,226
National School Lunch Program	10.555	205GA324N1099	1,341,279
Total Child Nutrition Cluster			<u>2,463,505</u>
Total U.S. Department of Agriculture			<u>2,463,505</u>
Education, U.S. Department of Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education:			
Grants to States	84.027A	H027A190073	110,968
Grants to States	84.027A	H027A200073	557,038
COVID-19 Grants to States	84.027A	H027A200073	1,824
Preschool Grants	84.173A	H173A200081	19,815
Total Special Education Cluster			<u>689,645</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Supporting Effective Instruction State Grants	84.367A	S367A190001	85,287
Supporting Effective Instruction State Grants	84.367A	S367A200001	93,519
Migrant Education - State Grant Program	84.011A	S011A190011	4,314
Migrant Education - State Grant Program	84.011A	S011A200011	13,123
Rural Education	84.358B	S358B190010	11,498
Rural Education	84.358B	S358B200010	37,537
Special Education:			
State Program Improvement Grants for Children with Disabilities	84.323A	H323A170010	7,000
Student Support and Academic Enrichment	84.424A	S424A190011	58,443
Student Support and Academic Enrichment	84.424A	S424A200011	34,309
Twenty-First Century Community Learning Centers	84.287C	S287C190010	222,562
Twenty-First Century Community Learning Centers	84.287C	S287C200010	395,997
Title I Grants to Local Educational Agencies	84.010A	S010A190010	64,692
Title I Grants to Local Educational Agencies	84.010A	S010A200010	1,254,568
Career and Technical Education - Basic Grants to States	84.048A	V048A190010	3,851
Career and Technical Education - Basic Grants to States	84.048A	V048A200010	33,855
COVID-19 - Elementary and Secondary School			
Emergency Relief Fund	84.425D	S425D200012	792,389
COVID-19 - Elementary and Secondary School			
Emergency Relief Fund	84.425D	S425D210012	444,151
Total Other Programs			<u>3,557,095</u>
Total U.S. Department of Education			<u>4,246,740</u>

(Continued)

DODGE COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Funding Agency Program/Grant	Assistance Listing Number	Pass- Through Entity ID Number	Expenditures In Period
Health and Human Services, U.S. Department of Direct			
Pass-Through From Bleckley County Board of Education			
Rural Health Care Services Outreach, Rural Health Network			
Development and Small Health Care Provider Quality			
Improvement Program	93.912	D06RH27765	26,130
Pass-Through From Department of Early Care and Learning			
COVID-19 Child Care and Development Block Grant Cluster	93.575	N/A	10,145
Total U. S. Department of Health and Human Services			36,275
Defense, U.S. Department of Direct			
Department of the Army			
R.O.T.C. Program	N/A	N/A	32,166
Total U.S. Department of Defense			32,166
Total Expenditures of Federal Awards			\$ 6,778,686

N/A = Not Available

Notes to the Schedule of Expenditures of Federal Awards

The School District did not provide federal assistance to any subrecipient.

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Dodge County Board of Education (the "School District") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the 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).

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

In response to the COVID-19 pandemic, the federal government donated personal protective equipment ("PPE") to the Georgia Emergency Management Agency, who then donated PPE with an estimate fair market value of \$97,516 to the Dodge County Board of Education. This amount is not included in the Schedule of Expenditures of Federal Awards and is not subject to audit. Therefore, this amount is unaudited.

DODGE COUNTY BOARD OF EDUCATION

SCHEDULE OF STATE REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Agency/Funding	Governmental Fund Types		Total
	General Fund	Capital Projects Fund	
Grants			
Bright from the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	\$ 439,757	\$ -	\$ 439,757
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost:			
Kindergarten Program	736,906	-	736,906
Kindergarten Program - Early Intervention Program	460,552	-	460,552
Primary Grades (1-3) Program	1,620,029	-	1,620,029
Primary Grades - Early Intervention (1-3) Program	1,439,123	-	1,439,123
Upper Elementary Grades (4-5) Program	815,654	-	815,654
Upper Elementary Grades - Early Intervention (4-5) Program	871,315	-	871,315
Middle School (6-8) Program	2,343,343	-	2,343,343
High School General Education (9-12) Program	1,872,033	-	1,872,033
Vocational Laboratory (9-12) Program	772,988	-	772,988
Students with Disabilities	3,627,670	-	3,627,670
Program for Intellectually Gifted Students - Category VI	517,096	-	517,096
Remedial Education Program	158,979	-	158,979
Alternative Education Program	171,041	-	171,041
English Speakers of Other Languages ("ESOL")	92,267	-	92,267
Media Center Program	378,280	-	378,280
20 Days Additional Instruction	116,346	-	116,346
Staff and Professional Development	69,633	-	69,633
Principal, Staff and Professional Development	1,538	-	1,538
Indirect Cost:			
Central Administration	586,316	-	586,316
School Administration	858,933	-	858,933
Facility Maintenance and Operations	786,807	-	786,807
Categorical Grants			
Pupil Transportation:			
Regular	526,945	-	526,945
Buses	154,440	-	154,440
Nursing Services	61,903	-	61,903
Mid-term Adjustment Hold-Harmless	542,156	-	542,156
Vocational Supervisors	13,649	-	13,649
Education Equalization Funding Grant	4,939,355	-	4,939,355
Food Services	60,412	-	60,412
Vocational Education	45,045	-	45,045
Amended Formula Adjustment	(611,396)	-	(611,396)
Other State Programs:			
Family Connection	48,000	-	48,000
Georgia Communities in Schools Dropout Prevention	28,500	-	28,500
GEMA Donations to LEAs	97,516	-	97,516
Preschool Handicapped	28,559	-	28,559
Hygiene Products in Georgia Schools	1,792	-	1,792
Math and Science Supplements	14,491	-	14,491
Pupil Transportation - State bonds	77,220	-	77,220
School Safety Grant	13,877	-	13,877
Teachers' Retirement	14,942	-	14,942
Total Grants from Georgia Department of Education	24,354,255	-	24,354,255
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	156,657	156,657
Office of the State Treasurer:			
Public School Employees' Retirement	67,536	-	67,536
	\$ 24,861,548	\$ 156,657	\$ 25,018,205

DODGE COUNTY BOARD OF EDUCATION

SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Project</u>	<u>Original Estimated Cost</u> ⁽¹⁾	<u>Current Estimated Costs</u> ⁽²⁾	<u>Expended In Current Year</u> ⁽³⁾	<u>Expended In Prior Years</u> ⁽³⁾	<u>Total Completion Cost</u>	<u>Estimated Completion Date</u>
(1) Adding to, remodeling, renovating, modifying, furnishing, and equipping school buildings, classrooms, instructional and support space and other facilities (including physical education/athletic facilities) at existing School District facilities;	\$ 5,000,000	\$ 5,000,000	\$ 247,505	\$ 1,701,150	\$ -	June 30, 2022
(2) Acquiring furnishings, equipment and fixtures for new and existing facilities district-wide including, but not limited to, technology equipment, safety and security equipment, signage, band instruments, and other furnishings;	4,350,000	4,350,000	678,494	522,999	-	June 30, 2022
(3) Acquiring, constructing, and equipping new school facilities and other building and facilities useful and desirable thereto including, but not limited to, a new auditorium;	2,000,000	2,000,000	-	3,482	-	June 30, 2022
(4) Acquiring and/or improving land for School District facilities;	200,000	200,000	-	-	-	June 30, 2022
(5) Acquiring books, digital resources, and other media for the School District;	1,525,000	1,525,000	490,046	515,826	-	June 30, 2022
(6) Purchasing school buses or other vehicles; and	875,000	875,000	249,576	284,809	-	June 30, 2022
(7) Payment of expenses incident to accomplishing the foregoing.	50,000	50,000	-	-	-	June 30, 2022
	<u>\$ 14,000,000</u>	<u>\$ 14,000,000</u>	<u>\$ 1,665,621</u>	<u>\$ 3,028,266</u>	<u>\$ -</u>	

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.

(2) The School District's current estimate of total cost for the project(s). Includes all cost from project inception to completion.

(3) The voters of Dodge County approved the imposition of a 1% sales tax to fund the above projects. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

Section II

Compliance and Internal Control Reports

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DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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*

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Susan Long, Superintendent and Members of the
Dodge County Board of Education

We have audited the financial statements of the governmental activities and each major fund of the Dodge County Board of Education (School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated April 20, 2023. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District'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 School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* in finding FS 2021-001 that we consider to be a material weakness.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District'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 financial statements. 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

School District's Response to Findings

The School District's response to the finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Greg S. Griffin
State Auditor

April 20, 2023

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DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Susan Long, Superintendent and Members of the
Dodge County Board of Education

Report on Compliance for Each Major Federal Program

We have audited the Dodge County Board of Education's (School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

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

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

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Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Respectfully submitted,



Greg S. Griffin
State Auditor

April 20, 2023

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Section III

Auditee's Response to Prior Year Findings and Questioned Costs

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DODGE COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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Section IV

Findings and Questioned Costs

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DODGE COUNTY BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2021

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	
Governmental Activities and Each Major Fund	Unmodified
Internal control over financial reporting:	
▪ Material weakness(es) identified?	Yes
▪ Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted:	No

Federal Awards

Internal Control over major programs:	
▪ Material weakness(es) identified?	No
▪ Significant deficiency(ies) identified?	None Reported

Type of auditor's report issued on compliance for major programs:	
All major programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
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Identification of major programs:

<u>Assistance Listing Number</u>	<u>Assistance Listing Program or Cluster Title</u>
10.553, 10.556	Child Nutrition Cluster
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	No
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DODGE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

II FINANCIAL STATEMENT FINDINGS

FS 2021-001 Internal Controls at the Central Office

Internal Control Impact:	Material Weakness
Compliance Impact:	None
Repeat of Prior Year Finding:	No

Description:

The accounting procedures of the School District were insufficient to provide adequate internal controls at the Central Office.

Criteria:

The School District's management is responsible for designing and maintaining internal controls that provide reasonable assurance that transactions are processed according to established procedures.

Condition:

The auditor noted the following inadequate controls at the central office:

General Ledger

- The School District was unable to provide adequate supporting documentation for adjusting journal entries made to revenue and accounts receivable accounts on the fund level financial statements.
- Our review of 34 journal entries revealed one journal entry did not have evidence of the preparer.
- The School District reopened their books and failed to resubmit their updated general ledger to the Georgia Department of Education or the Georgia Department of Audits and Accounts.
- The School District could not document its consideration of school activity accounts for Governmental Accounting Standards Board (GASB) Statement No. 84 restatement purposes.

Cash and Cash Equivalents

- One bank reconciliation was performed and reviewed 154 days after fiscal year end.

Capital Assets

- The School District did not capitalize \$446,897 of eligible building improvements and \$13,820 of eligible equipment.
- The School District did not remove four vehicles from the capital asset listing that were sold during the fiscal year.
- The School District did not follow their half-year convention depreciation policy for the fiscal year 2021 capital asset additions and overstated current year depreciation expense by \$52,263.
- The School District misclassified one item as equipment when it should have been classified as a land improvement. In addition, two additional items were misclassified as equipment instead of building improvements.
- The capital asset listing did not contain a class or year for all of the current year additions.
- The capital asset listing did not document "Category" for two assets, "Class" for 97 assets and "Year" for 25 assets.
- The capital asset listing contained incorrect serial numbers for two vehicles.

DODGE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

II FINANCIAL STATEMENT FINDINGS

Expenditures/Liabilities/Disbursements

- Our review of fifty-five expenditures revealed accounts payable and expenditures were overstated \$150,751 due to the School District recording activity in the incorrect year.

Cause:

In discussing this deficiency with the School District, they stated that these issues were a result of a lack of internal control procedures within the finance department due to lack of experience and training.

Effect:

Without satisfactory accounting controls and procedures in place, the School District could place itself in a position where potential misappropriation of assets could occur. In addition, the lack of controls impacted its reporting of financial position and results of operations.

Recommendation:

The School District should review accounting procedures in place and design and implement procedures relative to the above control categories to strengthen the internal controls over the accounting functions.

Views of Responsible Officials:

We concur with this finding.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

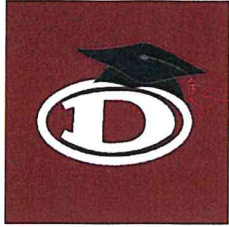
No matters were reported.

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Section V

Management's Corrective Action

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Dodge County Schools

Dr. Susan W. Long, Superintendent

720 College Street

Eastman, Georgia 31023

Telephone (478)374-3783

CORRECTIVE ACTION PLANS - FINANCIAL STATEMENT FINDINGS

FS 2021-001 Internal Controls at the Central Office

Internal Control Impact:	Material Weakness
Compliance Impact:	None
Repeat of Prior Year Finding:	No

Description:

The accounting procedures of the School District were insufficient to provide adequate internal controls at the Central Office.

Corrective Action Plans:

Management will implement and strengthen internal controls procedures ensure transactions are properly processed and reported.

Estimated Completion Date: June 30, 2023

Contact Person: Georgette Evans

Telephone: 478-374-3783

Email: gevans@dodge.k12.ga.us

Signature:



Title: