

CATOOSA COUNTY
BOARD OF EDUCATION
RINGGOLD, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020
(Including Independent Auditor's Reports)

CATOOSA COUNTY BOARD OF EDUCATION

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SECTION I

FINANCIAL

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DEPARTMENT OF AUDITS AND ACCOUNTS

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Greg S. Griffin
STATE AUDITOR
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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
Superintendent and Members of the
Catoosa County Board of Education

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Catoosa County Board of Education (School District), as of and for the year ended June 30, 2020, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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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, each major fund, and the aggregate remaining fund information of the School District as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and 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* 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.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021 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

March 29, 2021

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CATOOSA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

INTRODUCTION

The discussion and analysis of the Catoosa County Board of Education's (School District) financial performance provides an overview of the School District's financial activities for the fiscal years ended June 30, 2020 and June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal years 2020 and 2019 are as follows:

- On the government-wide financial statements, the assets and deferred outflow of resources of the School District exceeded liabilities and deferred inflow of resources by $32.8 million and $27.0 million, respectively, for the fiscal years ended June 30, 2020 and 2019.

- The School District had $134.3 million and $122.7 million in expenses relating to governmental activities for the fiscal years ended June 30, 2020 and June 30, 2019, respectively. Only $81.9 million and $78.2 million of the above mentioned expenses for 2020 and 2019 were offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes) of $58.2 million and $55.2 million, respectively, for 2020 and 2019 along with fund balance were adequate to provide for the remainder of these programs.

- The current ratio, which measures the School District's ability to transform current assets into cash and pay its short term liabilities, was 2.10 and 2.02 for the fiscal years ended June 30, 2020 and June 30, 2019, respectively. A ratio greater than 1.5 implies the School District would have no trouble meeting debts that will arise in the next fiscal year.

- The General Fund (the primary operating fund), presented on a current financial resource basis, ended fiscal year 2020 with a fund balance of $20.3 million, a decrease of $347,733 from the June 30, 2019 fund balance of $20.7 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts; management's discussion and analysis, the basic financial statements, and supplementary information. The basic financial statements include two levels of statements that present different views of the School District. These include the government-wide and fund financial statements.

The government-wide financial statements include the Statement of Net Position and Statement of Activities. These statements provide information about the activities of the School District presenting both short-term and long-term information about the overall financial status.

The fund financial statements focus on individual parts, reporting the School District's operation in more detail. The governmental funds statements disclose how basic services are financed in the short-term as well as what remains for future spending. The fiduciary funds statement provides information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others. The fund financial statements reflect the School District's most significant funds. For the years ending June 30, 2020 and 2019, the general fund, the capital projects fund, and the debt service fund represent the most significant funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements. Additionally, other supplementary information (not required) is also presented that further supplements understanding of the financial statements.

Government-Wide Statements

The government-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School District's assets and liabilities. All of the current fiscal year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the School District's net position and how it has changed. Net position, the difference between the School District's assets, deferred outflows or resources, liabilities and deferred inflows of resources, are one way to measure the School District's overall financial health or position. Over time, increases or decreases in net position are an indication of whether its financial health is improving or deteriorating. Changes may be the result of many factors, including those not under the School District's control, such as the property tax base, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District has one distinct type of activity:

- Governmental Activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, food service, student activity accounts and various others.

Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds, not the School District as a whole. Some funds are required by State law and some by bond requirements. The School District's major governmental funds are the general fund, capital projects fund, and debt service fund.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled to the financial statements.

Fiduciary Funds - The School District is the trustee, or fiduciary, for assets that belong to others, such as school clubs and organizations within the principals' accounts. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal years 2020 and 2019.

Table 1
Net Position

	Governmental Activities			
	Fiscal Year 2020	Percent of Total	Fiscal Year 2019	Percent of Total
Assets				
Current Assets	$ 52,203,662	20%	$ 52,823,259	20%
Net Capital Assets	207,861,108	80%	208,908,044	80%
Total Assets	260,064,770	100%	261,731,303	100%
Deferred Outflows of Resources				
Related to Pension and OPEB Plan	35,493,240	100%	24,193,135	100%
Liabilities				
Current Liabilities	24,843,135	11%	26,040,676	11%
Long-Term Liabilities	210,807,656	89%	208,691,926	89%
Total Liabilities	235,650,791	100%	234,732,602	100%
Deferred Inflows of Resources				
Related to Pension and OPEB Plan	27,080,859	100%	24,231,343	100%
Net Position				
Net Investment in Capital Assets	196,266,588	598%	185,821,390	689%
Restricted	17,031,870	52%	18,052,693	67%
Unrestricted (Deficit)	(180,472,098)	(550)%	(176,913,590)	(656)%
Total Net Position	$ 32,826,360	100%	$ 26,960,493	100%

In 2020, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in statements and Implementation Guides that first became effective or are scheduled to become effective for period beginning after June 15, 2018, and later.

Table 2 shows the changes in net position for fiscal years ending June 30, 2020 and June 30, 2019.

Table 2
Change in Net Position

	Governmental Activities			
	Fiscal Year 2020	Percent of Total	Fiscal Year 20219	Percent of Total
Revenues				
Program Revenues				
Charges for Services	$ 2,159,497	3%	$ 2,824,525	4%
Operating Grants and Contributions	78,389,041	96%	75,102,923	96%
Capital Grants and Contributions	1,377,226	1%	231,660	0%
Total Program Revenues	81,925,764	100%	78,159,108	100%
General Revenues				
Property Taxes	31,583,861	54%	30,581,173	55%
Sales Taxes	13,887,973	24%	11,864,527	22%
Non-Program Specific General Contributions	9,433,015	16%	8,479,941	16%
Investment Earning	488,762	1%	456,974	0%
Miscellaneous	2,822,485	5%	3,853,023	7%
Total General Revenues	58,216,096	100%	55,235,638	100%
Total Revenues	140,141,860		133,394,746	
Expenses				
Instruction	86,259,187	64%	77,917,044	63%
Support Servies				
Pupil Services	6,351,386	5%	5,917,552	5%
Improvement of Instructional Services	4,171,146	3%	3,175,746	3%
Educational Media Services	1,963,947	1%	1,780,072	2%
General Administration	2,080,769	2%	1,999,703	2%
School Administration	8,750,257	7%	7,734,115	6%
Business Administration	734,160	1%	691,839	1%
Maintenance and Operation of Plant	10,253,908	8%	9,168,128	7%
Student Transportation	6,727,365	5%	6,310,879	5%
Central Support Services	585,024	0%	482,119	0%
Other Support Services	858,660	0%	1,113,770	1%
Operations of Non-Instructional Services				
Community Services	580,477	0%	530,743	1%
Food Services	4,955,459	4%	5,521,179	4%
Interest on Debt	4,248	0%	379,784	0%
Toal Expenses	134,275,993	100%	122,722,673	100%
Increase in Net Position	5,865,867		10,672,073	
Beginning Net Position	26,960,493		16,288,420	
Ending Net Position	$ 32,826,360		$ 26,960,493	

Program revenues, in the form of charges for services, operating grants and contributions, and capital grants and contributions increased $3.8 million for governmental activities in fiscal year 2020. This increase is largely due to an increase in funds earned through the State Quality Basic Education (QBE) Funding Formula.

General revenues increased by approximately $3.0 million during fiscal year 2020. The majority of this increase came from an increase in property tax receipts, an increase in average ESPLOST sales tax collections and the audit of ESPLOST sales tax collections by Georgia Department of Revenue over fiscal year 2019.

The School District continues to analyze spending patterns and look for areas where reductions can be made without affecting the level of education provided. Table 3 shows the total cost of services and the net cost of services. Net cost of services can be defined as the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost reflects the financial burden on the School District's taxpayers by each activity.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2019
Instruction	$ 86,259,187	$ 77,917,044	$ 24,033,162	$ 18,881,417
Support Service				
Pupil Serviices	6,351,386	5,917,552	5,159,673	4,741,684
Improvement of Instructional Services	4,171,146	3,175,746	1,987,258	1,220,241
Educational Media Services	1,963,947	1,780,072	556,415	454,659
General Administration	2,080,769	1,999,703	(320,779)	211,292
School Administration	8,750,257	7,734,115	5,734,400	4,929,306
Business Administration	734,160	691,839	731,104	691,839
Maintenance and Operation of Plant	10,253,908	9,168,128	6,581,436	6,178,113
Student Transportation	6,727,365	6,310,879	5,428,996	5,007,501
Central Support Services	585,024	482,119	582,649	482,119
Other Support Services	858,660	1,113,770	592,511	775,203
Operations of Non-Instructional Services				
Community Services	580,477	530,743	403,752	316,830
Food Services	4,955,459	5,521,179	875,404	293,577
Interest on Debt	4,248	379,784	4,248	379,784
Total Expenses	$ 134,275,993	$ 122,722,673	$ 52,350,229	$ 44,563,565

Although program revenues make up a majority of the funding, the School District is still dependent upon tax revenues for governmental activities. For 2020 and 2019, respectively, local taxes and other general revenues were required to cover 40% and 37% of instruction and support activities during the fiscal year.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues of $138.6 million and total expenses of $139.1 million. There was a decrease in the fund balance totaling about $400,000 for the governmental funds as a whole. The majority of this decrease is due to the increased expenditure of ESPLOST funds for capital outlay projects but was offset by an increase in average ESPLOST sales tax collections over fiscal year 2019. The $20.3 million fund balance in the general fund reflects that the School District continues to be able to adequately meet current costs.

General Fund Budgeting Highlights

The School District's budget is prepared according to Georgia Law. The most significant budgeted fund is the general fund, funded primarily through state revenue and local property tax revenue. During the course of fiscal years 2020 and 2019, the School District amended its general fund budget as needed.

During fiscal year 2020 the general fund had final actual revenues totaling $125.6 million, which represented an increase from the original budgeted amount of $122.3 million by $3.3 million. This difference (final actual vs. original budget) was due mainly to increased property tax receipts and investment earnings.

Final actual expenditures during fiscal year 2020 totaling $125.2 million represented an increase from the original budgeted amount of $124.2 million by $1.0 million. The increase in actual expenditures versus original budget expenditures was due primarily to increased support services spending.

General fund original budgeted expenditures exceeded budgeted revenues by $2.7 million for fiscal year 2020.

CAPITAL ASSETS

At fiscal years ended June 30, 2020 and June 30, 2019, the School District had $207.9 million and $208.9 million, respectively, invested in a broad range of capital assets, including land, buildings, and furniture and equipment for its governmental activities. Construction in progress decreased significantly with the completion of many ESPLOST V projects, and the majority of that balance moved to buildings and improvements in fiscal year 2020. ESPLOST funds finance all major additions and renovations of the School District. Table 4 breaks down the asset balances, by class, net of accumulated depreciation.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2020	Fiscal Year 2019
Land	$ 6,851,750	$ 6,606,750
Land Improvements	10,372,865	9,758,319
Building and Improvements	183,908,319	164,725,884
Equipment	5,995,633	6,004,309
Construction in Progress	732,541	21,812,782
Total	$ 207,861,108	$ 208,908,044

The construction in progress balance at June 30, 2020 consists of the following projects:

- Lakeview Middle School Baseball/Softball Field Upgrades
- Heritage Middle School Baseball/Softball Field Upgrades

DEBT ADMINISTRATION

On August 24, 2016, the School District issued general obligation bonds in the amount of $40.0 million. The bonds will be repaid from sales tax proceeds of a Special Purpose Local Option Sales Tax (SPLOST) that begins July 1, 2017 and ends June 30, 2022. Final payment on the 2016 General Obligation Bonds will occur on August 1, 2022. Table 5 summarizes bond debt outstanding at June 30, 2020 and 2019.

Table 5
Long-Term Debt Outstanding

	Governmental Activities	
	Fiscal Year 2020	Fiscal Year 2019
General Obligation Bonds - 2016	$ 25,190,000	$ 32,780,000
Capital Lease Payable due > 1 Year	$ 17,451	$ 963

The School District's bonds have been assigned a rating of "AA+" by Standard and Poor's based on the School District's participation in the Georgia State Intercept Program. Standard and Poor's has assigned an underlying rating (without regard to the Georgia State Intercept Program) of "AA-" to the bonds.

Capital leases are generally used as a way to purchase buildings and equipment without a large lump sum payment. The leases are paid over a period of 3-5 years. The School District entered into one new capital lease in fiscal year 2020. Table 6 summarizes capital lease obligations outstanding at June 30, 2020 and 2019. A schedule of future payments can be found in the notes to the financial statements.

Table 6
Capital Leases Outstanding

	Governmental Activities	
	Fiscal Year 2020	Fiscal Year 2019
Capital Lease Obligations Outstanding	$ 24,231	$ 3,273

CURRENT ISSUES

Fiscal year 2020 was a largely successful year for the Catoosa County Board of Education. While new and unforeseen challenges occurred with the emergence of the COVID-19, the School District as a whole continued to see strong graduation rates, all teaching positions were maintained to continue to combat increasing class sizes, and was able to offer a 3.00% pay raise to all classified employees and increase the local supplement of all certified employees by 5.00%. The School District also continued its emphasis on student and staff safety by investing early on in distance learning solutions and other tools to continue educating students at a high level. All of this was accomplished while keeping expenses lower than earned revenues. The School District was able to maintain its strong financial position after a high water mark was obtained in 2019. However, several challenges remain in the near future.

The rising cost of employee benefits continues to be a major expenditure for the School District. In fiscal year 2020, the School District spent approximately $32.0 million on employee benefits alone. In addition, the required employer contribution rates for Teachers Retirement System of Georgia (TRS) increased from 20.90% to 21.14% in 2020. While the costs are temporarily peaking in 2020, with rates falling back down to 19.06% in 2021, they are projected to rise again to 19.81% in 2022. An economic decline caused by the COVID-19 pandemic has appeared to lead to an increase in 2022 and could force the school system to continue contributing at well over 20.00% in 2023 and beyond.

The continued and lasting impact of COVID-19 is still unknown to some extent. The School District will likely see an increase in expenditures related to virtual learning, cleaning supplies, and safety equipment, such as personal protection equipment and temperature scanners, in 2021 and beyond.

Approximately 92.00% of general fund expenses, the main operating fund for the School District, were related to salaries and employee benefits for the year ended June 30, 2020. More than a third of certified personnel in the School District have 21 years or more of experience resulting in salaries at the highest possible state pay level. With such personnel heavy expenses, it is difficult to offset mandated expense increases such as TRS and health insurance premium expenses. The School District consistently evaluates how funds can be spent smarter and more effectively to ensure that Catoosa County students receive a quality education from effective personnel.

In 2020, the Board voted to roll back the millage rate from 17.171 to 16.905 due to increased property values. This maintained the level of funding received from property taxes by the School District in previous years without passing on a higher tax bill to Catoosa County residents. This represents the new lowest millage rate in Catoosa County since 2012. The net digest for fiscal year 2020 increased to $1.676 billion, which produced approximately $1,676,000 per mill. We expect the tax digest to continue growing for fiscal years 2021 and 2022 with corresponding millage rate rollbacks. As shown in Table 3, property tax and sales tax are responsible for covering 40.00% of the School District's costs. It is anticipated that this pressure to provide local monies to meet mandated educational requirements and operational costs will continue.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Chris Lusk, Director of Finance or Austin Carter, Finance Manager at the Catoosa County Board of Education, 307 Cleveland Street, Ringgold, Georgia 30736. You may also email your questions to clusk@catoosa.k12.ga.us or acarter@catoosa.k12.ga.us.

CATOOSA COUNTY BOARD OF EDUCATION

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CATOOSA COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2020

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 38,678,868
Receivables, Net	
Taxes	3,625,629
State Government	8,950,760
Federal Government	584,716
Other	13,770
Inventories	213,887
Prepaid Items	136,032
Capital Assets, Non-Depreciable	7,584,291
Capital Assets, Depreciable (Net of Accumulated Depreciation)	200,276,817
Total Assets	260,064,770
DEFERRED OUTFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plan	29,983,992
Related to OPEB Plan	5,509,248
Total Deferred Outflows of Resources	35,493,240
LIABILITIES	
Accounts Payable and Accrued Liabilities	24,315
Salaries and Benefits Payable	14,448,400
Interest Payable	524,792
Claims Incurred but not Reported (IBNR)	342,563
Contracts Payable	79,690
Retainages Payable	60,370
Deposits and Unearned Revenues	86,925
Net Pension Liability	107,415,468
Net OPEB Liability	85,980,370
Long-Term Liabilities	
Due Within One Year	9,276,080
Due in More Than One Year	17,411,818
Total Liabilities	235,650,791
DEFERRED INFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plan	4,062,247
Related to OPEB Plan	23,018,612
Total Deferred Inflows of Resources	27,080,859
NET POSITION	
Net Investment in Capital Assets	196,266,588
Restricted for	
Continuation of Federal Programs	905,615
Debt Service	12,904,813
Capital Projects	3,221,442
Unrestricted (Deficit)	(180,472,098)
Total Net Position	$ 32,826,360

The notes to the basic financial statements are an integral part of this statement.

CATOOSA COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT "B"

	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES					
Instruction	$ 86,259,187	$ 165,977	$ 61,066,601	$ 993,447	$ (24,033,162)
Support Services					
Pupil Services	6,351,386	260,076	925,962	5,675	(5,159,673)
Improvement of Instructional Services	4,171,146	2,177	2,181,711	-	(1,987,258)
Educational Media Services	1,963,947	30,616	1,376,916	-	(556,415)
General Administration	2,080,769	-	2,369,029	32,519	320,779
School Administration	8,750,257	67,807	2,948,050	-	(5,734,400)
Business Administration	734,160	-	3,056	-	(731,104)
Maintenance and Operation of Plant	10,253,908	56,618	3,458,993	156,861	(6,581,436)
Student Transportation Services	6,727,365	-	1,143,929	154,440	(5,428,996)
Central Support Services	585,024	-	2,375	-	(582,649)
Other Support Services	858,660	260,816	5,333	-	(592,511)
Operations of Non-Instructional Services					
Community Services	580,477	172,694	1,522	2,509	(403,752)
Food Services	4,955,459	1,142,716	2,905,564	31,775	(875,404)
Interest on Long-Term Debt	4,248	-	-	-	(4,248)
Total Governmental Activities	$ 134,275,993	$ 2,159,497	$ 78,389,041	$ 1,377,226	(52,350,229)
General Revenues					
Taxes					
Property Taxes					
For Maintenance and Operations					30,914,859
Other Taxes					669,002
Sales Taxes					
Special Purpose Local Option Sales Tax					
For Capital Projects					12,941,680
Other Sales Tax					946,293
Grants and Contributions not Restricted to Specific Programs					9,433,015
Investment Earnings					488,762
Miscellaneous					2,822,485
Total General Revenues					58,216,096
Change in Net Position					5,865,867
Net Position - Beginning of Year					26,960,493
Net Position - End of Year					$ 32,826,360

CATOOSA COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 24,204,521	$ 1,044,742	$ 13,429,605	$ 38,678,868
Receivables, Net				
Taxes	1,448,929	2,176,700	-	3,625,629
State Government	8,950,760	-	-	8,950,760
Federal Government	584,716	-	-	584,716
Other	13,770	-	-	13,770
Inventories	213,887	-	-	213,887
Prepaid Items	136,032	-	-	136,032
Total Assets	$ 35,552,615	$ 3,221,442	$ 13,429,605	$ 52,203,662
LIABILITIES				
Accounts Payable	$ 24,315	$ -	$ -	$ 24,315
Salaries and Benefits Payable	14,448,400	-	-	14,448,400
Contracts Payable	-	79,690	-	79,690
Retainages Payable	-	60,370	-	60,370
Deposits and Unearned Revenue	86,925	-	-	86,925
Total Liabilities	14,559,640	140,060	-	14,699,700
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	647,150	-	-	647,150
Unavailable Revenue - Sales Taxes	-	1,138,217	-	1,138,217
Total Deferred Inflows of Resources	647,150	1,138,217	-	1,785,367
FUND BALANCES				
Nonspendable	349,919	-	-	349,919
Restricted	555,697	1,943,165	13,429,605	15,928,467
Assigned	2,746,939	-	-	2,746,939
Unassigned	16,693,270	-	-	16,693,270
Total Fund Balances	20,345,825	1,943,165	13,429,605	35,718,595
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 35,552,615	$ 3,221,442	$ 13,429,605	$ 52,203,662

The notes to the basic financial statements are an integral part of this statement.

CATOOSA COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")		$ 35,718,595
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 therefore are not reported in the funds.		
Land	$ 6,851,750	
Construction in progress	732,541	
Buildings and improvements	233,827,641	
Equipment	16,326,240	
Land improvements	12,928,408	
Accumulated depreciation	(62,805,472)	207,861,108
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	$ (107,415,468)	
Net OPEB liability	(85,980,370)	(193,395,838)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Related to pensions	$ 25,921,745	
Related to OPEB	(17,509,364)	8,412,381
Taxes that are not available to pay for current period expenditures are deferred in the funds.		
Property taxes	$ 647,150	
Sales taxes	1,138,217	1,785,367
Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	$ (25,190,000)	
Accrued interest payable	(524,792)	
Capital leases payable	(24,231)	
Compensated absences payable	(76,927)	
Unamortized bond premiums	(1,396,740)	
Claims and judgments payable	(342,563)	(27,555,253)
Net position of governmental activities (Exhibit "A")		$ 32,826,360

CATOOSA COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

EXHIBIT "E"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
REVENUES				
Property Taxes	$ 31,417,257	$ -	$ -	$ 31,417,257
Sales Taxes	946,293	11,803,463	-	12,749,756
State Funds	80,534,395	1,102,786	-	81,637,181
Federal Funds	7,356,946	-	-	7,356,946
Charges for Services	2,159,497	-	-	2,159,497
Investment Earnings	378,006	12,735	98,021	488,762
Miscellaneous	2,774,656	47,829	-	2,822,485
Total Revenues	125,567,050	12,966,813	98,021	138,631,884
EXPENDITURES				
Current				
Instruction	79,764,689	64,378	-	79,829,067
Support Services				
Pupil Services	6,183,662	-	-	6,183,662
Improvement of Instructional Services	4,083,235	-	-	4,083,235
Educational Media Services	1,907,105	-	-	1,907,105
General Administration	1,904,406	56,511	-	1,960,917
School Administration	8,488,878	-	-	8,488,878
Business Administration	742,213	-	-	742,213
Maintenance and Operation of Plant	9,579,641	213,460	-	9,793,101
Student Transportation Services	5,790,505	49,216	-	5,839,721
Central Support Services	574,932	-	-	574,932
Other Support Services	843,918	-	-	843,918
Community Services	511,101	-	-	511,101
Food Services Operation	4,859,033	-	-	4,859,033
Capital Outlay	-	4,393,728	-	4,393,728
Debt Service				
Principal	8,127	-	7,590,000	7,598,127
Interest	2,423	-	1,449,250	1,451,673
Total Expenditures	125,243,868	4,777,293	9,039,250	139,060,411
Revenues over (under) Expenditures	323,182	8,189,520	(8,941,229)	(428,527)
OTHER FINANCING SOURCES (USES)				
Capital Leases	29,085	-	-	29,085
Transfers In	-	700,000	11,741,968	12,441,968
Transfers Out	(700,000)	(11,741,968)	-	(12,441,968)
Total Other Financing Sources (Uses)	(670,915)	(11,041,968)	11,741,968	29,085
Net Change in Fund Balances	(347,733)	(2,852,448)	2,800,739	(399,442)
Fund Balances - Beginning	20,693,558	4,795,613	10,628,866	36,118,037
Fund Balances - Ending	$ 20,345,825	$ 1,943,165	$ 13,429,605	$ 35,718,595

The notes to the basic financial statements are an integral part of this statement.

CATOOSA COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2020

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E")			$ (399,442)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.			
Capital outlay	$	4,835,063	
Depreciation expense		(5,881,999)	(1,046,936)
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.			
Property taxes	$	166,605	
Sales taxes		1,138,217	1,304,822
The issuance of long-term debt provides current financial resources to governmental funds, while the 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. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.			
Capital leases issued	$	(29,085)	
Bond principal retirements		7,590,000	
Capital lease payments		8,127	7,569,042
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.			
Pension expense	$	(3,638,581)	
OPEB expense		742,977	(2,895,604)
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Accrued interest on issuance of bonds	$	158,125	
Amortization of bond premium		1,289,300	
Compensated absences		(22,349)	
Claims and judgments		(91,091)	1,333,985
Change in net position of governmental activities (Exhibit "B")			$ 5,865,867

The notes to the basic financial statements are an integral part of this statement.

CATOOSA COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

EXHIBIT "G"

	AGENCY FUNDS
ASSETS	
Cash and Cash Equivalents	$ 715,556.00
Receivables, Net	
Other	83,607.00
Total Assets	$ 799,163.00
LIABILITIES	
Funds Held for Others	$ 799,163.00

The notes to the basic financial statements are an integral part of this statement.

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

The Catoosa County Board of Education (School District) was established under the laws of the State of Georgia and operates under the guidance of a 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, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

1. Net investment in capital assets consists of the School District's total investment in capital assets, net of accumulated depreciation, and reduced by outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

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.

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 Separate financial statements are presented for governmental and fiduciary funds. 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), bond proceeds and grants from Georgia State Financing and Investment Commission that are restricted, committed or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.
- The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (sales) legally restricted for the payment of general long-term principal and interest.

The School District reports the following fiduciary fund type:

- Agency funds are used to report resources held by the School District in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

BASIS OF ACCOUNTING

The basis of accounting determines when transactions are reported on the financial statements. The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes, and grants. 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 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 sixty 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, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

The School District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, there are both restricted and unrestricted net assets 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.

NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2020, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in statements and Implementation Guides that first became effective or are scheduled to become effective for period beginning after June 15, 2018, and later.

CASH AND CASH EQUIVALENTS

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.

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 (calculated on the first-in, first-out basis). The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

PREPAID ITEMS

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

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 the 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 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:

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Land Improvements	$ 10,000	20 to 80 years
Buildings and Improvements	$ 10,000	20 to 80 years
Equipment	$ 10,000	5 to 15 years
Intangible Assets	$ 100,000	10 to 20 years

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will 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 will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time.

COMPENSATED ABSENCES

Compensated absences payable consists of vacation leave employees earned based on services already rendered.

Vacation leave of 5 days is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 5 days. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year end.

Members of the Teachers Retirement System of Georgia (TRS) may apply unused sick leave toward early retirement. The liability for early retirement will be borne by TRS rather than by the individual School Districts. Otherwise, sick leave does not vest with the employee, and no liability is reported in the School District's financial statements.

LONG-TERM LIABILITIES AND BOND DISCOUNTS/PREMIUMS

In the School District's government-wide financial statements, outstanding debt is reported as liabilities. Bond premiums and discounts and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the life of the bonds using the straight-line method. To conform to generally accepted accounting principles, bond premiums and discounts should be amortized using the effective interest method. The effect of this deviation is deemed to be immaterial to the fair presentation of the basic financial statements. Bond issuance costs are recognized as an outflow of resources in the fiscal year in which the bonds are issued.

In the governmental fund financial statements, the School District recognizes the proceeds of debt and premiums as other financing sources of the current period. Bond issuance costs are reported as debt service expenditures.

PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the 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.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

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:

Nonspendable consists of resources that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

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

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

Assigned consists of resources constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. The intent should be expressed by (1) the Board or (2) the budget or finance committee, or the Superintendent, or designee, to assign amounts to be used for specific purposes.

Unassigned consists of resources within the general fund not meeting the definition of any aforementioned category. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

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.

PROPERTY TAXES

The Catoosa County Board of Commissioners adopted the property tax levy for the 2019 tax digest year (calendar year) on August 31, 2019 (levy date) based on property values as of January 1, 2019. Taxes were due on December 20, 2019 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2019 tax digest are reported as revenue in the governmental funds for fiscal year 2020. The Catoosa 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, 2020, for maintenance and operations amounted to $27,468,752.

The tax millage rate levied for the 2019 tax year (calendar year) for the School District was as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	16.905 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $3,279,503 during fiscal year ended June 30, 2020.

SALES TAXES

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to $11,803,463 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized 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, except the various school activity (principal) accounts, 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.

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.

The Superintendent is authorized by the Board to approve adjustments of no more than 5% of the amount budgeted for expenditures in any budget function for any fund. The Superintendent shall report any such adjustments to the Board. If expenditure of funds in any budget function for any fund is anticipated to be more than 5% of the budgeted amount, the Superintendent shall request Board approval for the budget amendment. Under no circumstance is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board.

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

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 ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (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

(7) Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

CATEGORIZATION OF DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2020, School District had deposits with a carrying amount of $39,394,424, and a bank balance of $42,392,466. The bank balances insured by Federal depository insurance were $1,000,000 and the bank balances collateralized with securities held by the pledging financial institution or by the pledging financial institution's trust department or agent in the School District's name were $806,541.

At June 30, 2020, $40,585,925 of the School District's bank balances was exposed to custodial credit risk. This balance was in the State's Secure Deposit Program (SDP).

The School District participates in the State's Secure Deposit Program (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 3each 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 warrants. The program lists the types of eligible criteria. 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 payment under any letters of credit or sale of the covered depository collateral. If necessary, any remaining losses are to be satisfied by assessments made against the other participating covered depositories. Therefore, for disclosure purposes, all deposits of the SDP are considered to be fully collateralized.

NOTE 5: CAPITAL ASSETS

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

	Balances July 1, 2019	Increases	Decreases	Balances June 30, 2020
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 6,606,750	$ 245,000	$ -	$ 6,851,750
Construction in Progress	21,812,782	2,717,961	23,798,202	732,541
Total Capital Assets Not Being Depreciated	28,419,532	2,962,961	23,798,202	7,584,291
Capital Assets Being Depreciated				
Buildings and Improvements	210,157,604	23,670,037	-	233,827,641
Equipment	15,369,341	956,899	-	16,326,240
Land Improvements	11,885,040	1,043,368	-	12,928,408
Less Accumulated Depreciation for:				
Buildings and Improvements	45,431,720	4,487,602	-	49,919,322
Equipment	9,365,032	965,575	-	10,330,607
Land Improvements	2,126,721	428,822	-	2,555,543
Total Capital Assets, Being Depreciated, Net	180,488,512	19,788,305	-	200,276,817
Governmental Activities Capital Assets - Net	$ 208,908,044	$ 22,751,266	$ 23,798,202	$ 207,861,108

Current year depreciation expense by function is as follows:

Instruction		$ 3,906,981
Support Services		
Pupil Services	$ 22,260	
General Administration	127,531	
Maintenance and Operation of Plant	615,187	
Student Transportation Services	1,075,579	
Community Services	9,841	1,850,398
Food Services		124,620
		$ 5,881,999

NOTE 6: INTERFUND TRANSFERS

INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2020, consisted of the following:

	Transfers From	
Transfers to	General Fund	Capital Projects Fund
Capital Projects Fund	$ 700,000	$ -
Debt Service Fund	-	11,741,968
Total	$ 700,000	$ 11,741,968

Transfers are used to move property tax revenues collected by the general fund to the capital projects fund as supplemental funding source for capital construction projects and to move sales tax revenues collected by the capital projects fund to the debt service fund to pay principal and interest for the general obligation bonds as required in the bond resolution.

NOTE 7: LONG-TERM LIABILITIES

The changes in long-term liabilities during the fiscal year for governmental activities were as follows:

	Governmental Activities				
	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
General Obligation (G.O.) Bonds	$ 32,780,000	$ -	$ 7,590,000	$ 25,190,000	$ 7,980,000
Unamortized Bond Premiums	2,686,040	-	1,289,300	1,396,740	1,289,300
Capital Leases	3,273	29,085	8,127	24,231	6,780
Compensated Absences(1)	54,578	22,349	-	76,927	-
	$ 35,523,891	$ 51,434	$ 8,887,427	$ 26,687,898	$ 9,276,080

(1) The portion of compensated absences due within one year has been determined to be immaterial to the basic financial statements.

GENERAL OBLIGATION DEBT OUTSTANDING

The School District's bonded debt consists of general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds primarily pay for acquiring or constructing capital facilities. The School District repays general obligation bonds from voter-approved property taxes. General obligation bonds are direct obligations and pledge the full faith and credit of the School District.

The School District had no unused line of credit or outstanding notes from direct borrowings and direct placements related to governmental activities as of June 30, 2020. In the event the entity is unable to make the principal and interest payments using proceeds from the Education Special Purpose Local Option Sales Tax (ESPLOST), the debt will be satisfied from the general fund or from a direct annual ad valorem tax levied upon all taxable property within the School District. Additional security is provided by the State of Georgia Intercept Program which allows for state appropriations entitled to the School District to be transferred to the Debt Service Account Custodian for the payment of debt.

General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2016	5.00%	8/24/2016	8/1/2022	$ 40,000,000	$ 25,190,000

The following schedule details debt service requirements to maturity for the School District's total general obligation bonds payable:

Fiscal Year Ended June 30:	General Obligation Debt Principal	General Obligation Debt Interest	Unamortized Bond Premium
2021	$ 7,980,000	$ 1,060,000	$ 1,289,300
2022	8,390,000	650,750	107,440
2023	8,820,000	220,500	-
Total Principal and Interest	$ 25,190,000	$ 1,931,250	$ 1,396,740

CAPITAL LEASES

The School District has acquired copiers and band equipment under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the lease term.

The following assets were acquired through capital leases and are reflected in the capital asset note at fiscal year-end:

	Governmental Activities
Equipment	$ 39,288
Less : Accumulated Depreciation	14,249
	$ 25,039

During the current fiscal year, the School District entered into a lease agreement as lessee for financing the acquisition of band equipment at a cost of $29,085. This lease qualifies as a capital lease for accounting purposes, and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

Capital leases currently outstanding are as follows:

Purpose	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Copier - Special Education	5.28%	12/1/2015	12/1/2020	$ 11,551	$ 963
Band Equipment - LFO		7/1/2019	7/1/2024	29,085	23,268
				$ 40,636	$ 24,231

The following is a schedule of total capital lease payments:

Fiscal Year Ended June 30:	Principal	Interest
2021	$ 6,780	$ 2,028
2022	5,817	1,745
2023	5,817	1,745
2024	5,817	1,745
Total Principal and Interest	$ 24,231	$ 7,263

COMPENSATED ABSENCES

Compensated absences represent obligations of the School District relating to employees' rights to receive compensation for future absences based upon service already rendered. This obligation relates only to vesting accumulating leave in which payment is probable and can be reasonably estimated. Typically, the general fund is the fund used to liquidate this long-term debt. The School District uses the vesting method to compute compensated absences.

NOTE 8: RISK MANAGEMENT

INSURANCE

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 carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceed commercial insurance coverage in any of the past three fiscal years.

WORKERS' COMPENSATION

The School District has established a limited risk management program for workers' 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. An excess coverage insurance policy covers individual claims in excess of $450,000 loss per occurrence, up to the statutory limit.

Changes in the workers' compensation claims liability during the last two fiscal years are as follows:

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2019	$ 307,332	$ 92,625	$ 148,485	$ 251,472
2020	$ 251,472	$ 292,729	$ 201,638	$ 342,563

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.

Changes in the unemployment compensation claims liability during the last two fiscal years are as follows:

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2019	$ -	$ 6,204	$ 6,204	$ -
2020	$ -	$ 3,495	$ 3,495	$ -

SURETY BOND

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

Position Covered	Amount
Superintendent	$ 25,000

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

The School District's financial statements include the following amounts presented in the aggregate at June 30, 2020:

Nonspendable		
Inventories	$ 213,886	
Prepaid Assets	136,033	$ 349,919
Restricted		
Continuation of Federal Programs	$ 555,697	
Capital Projects	1,943,165	
Debt Service	13,429,605	15,928,467
Assigned		
After School Program	$ 1,246,939	
Local Capital Outlay Projects	1,500,000	2,746,939
Unassigned		16,693,270
Fund Balance, June 30, 2020		$ 35,718,595

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

NOTE 10: SIGNIFICANT COMMITMENTS

OPERATING LEASES

The School District leases equipment under the provisions of one or more long-term lease agreements classified as operating leases for accounting purposes. Rental expenditures under the terms of the operating leases totaled $129,905 for governmental activities for the year ended June 30, 2020. The following future minimum lease payments were required under operating leases at June 30, 2020:

Year Ending		Governmental Funds
2021	$	120,238
2022		105,802
2023		97,483
2024		73,639
2025		2,863
Total	$	400,025

NOTE 11: 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 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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 *Official Code of Georgia Annotated* (O.C.G.A.) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (Board). 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 $2,336,078 for the year ended June 30, 2020. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2020, the School District reported a liability of $85,980,370 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2018. An expected total OPEB liability as of June 30, 2019 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, 2019. At June 30, 2019, the School District's proportion was 0.700614%, which was a decrease of 0.000406% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized OPEB expense of $1,593,101. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 9,353,769
Changes of assumptions	2,985,931	12,120,517
Net difference between projected and actual earnings on OPEB plan investments	187,239	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	1,544,326
School District contributions subsequent to the measurement date	2,336,078	-
Total	$ 5,509,248	$ 23,018,612

School District contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	OPEB
2021	$ (4,559,225)
2022	$ (4,559,225)
2023	$ (4,566,423)
2024	$ (3,818,992)
2025	$ (1,924,575)
Thereafter	$ (417,002)

Actuarial assumptions: The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018 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, 2019:

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	7.250%
Medicare Eligible	5.375%
Ultimate trend rate	
Pre-Medicare Eligible	4.75%
Medicare Eligible	4.75%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2028
Medicare Eligible	2022

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 RP-2000 White Collar Mortality Table projected to 2025 with projection scale BB (set forward 1 year for males) is used for death after service retirement and beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward two years for males and four years for females) is used for death after disability retirement.
- For PSERS members: The RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) is 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 5 years for both males and females) is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2014, and adopted by the pension Board on December 17, 2015. The next experience study for TRS will be for the period ending June 30, 2018.

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, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

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

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. During fiscal year 2018, the School OPEB fund updated their investment strategy to a more long-term approach. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	(0.50)%
Domestic Stocks -- Large Cap	46.20%	8.90%
Domestic Stocks -- Small Cap	1.30%	13.20%
Int'l Stocks - Developed Mkt	12.40%	8.90%
Int'l Stocks - Emerging Mkt	5.10%	10.90%
Alternatives	5.00%	12.00%
Total	100.00%	

*Net of Inflation

Discount rate: The discount rate has changed since the prior measurement date from 3.87% to 3.58%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.58% was used as the discount rate. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.50% per the Bond Buyers Index). 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 2119. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2026. Therefore, the calculated discount rate of 3.58% was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 3.58%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1 percentage-point higher (4.58%) than the current discount rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
School District's proportionate share of the Net OPEB Liability	$ 99,937,568	$ 85,980,370	$ 74,626,815

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:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB Liability	$ 72,429,352	$ 85,980,370	$ 103,191,190

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the Comprehensive Annual Financial Report which is publicly available at https://sao.georgia.gov/comprehensive-annual-financial-reports.

NOTE 13: 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 O.C.G.A §47-3-60 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 Teachers Retirement System of Georgia issues a publicly available separate financial report that can be obtained at www.trsga.com/publications.

Benefits Provided: TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

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. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of

their annual pay during fiscal year 2020. The School District's contractually required contribution rate for the year ended June 30, 2020 was 21.14% of annual School District payroll, of which 21.10% of payroll was required from the School District and 0.04% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were $13,621,593 and $24,708 from the School District and the State, respectively.

PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)

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

Benefits provided: A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of ten years of service.

Upon retirement, the member will receive a monthly benefit of $15.25, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

Contributions: The general assembly makes an annual appropriation to cover the employer contribution to PSERS on behalf of local school employees (bus drivers, cafeteria workers, and maintenance staff). The annual employer contribution required by statute is actuarially determined and paid directly to PSERS by the State Treasurer in accordance with 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 fiscal year contribution was $239,259.

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

At June 30, 2020, the School District reported a liability of $107,415,468 for its proportionate share of the net pension liability for TRS.

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	$	107,415,468
State of Georgia's proportionate share of the net pension liability associated with the School District		203,201
Total	$	107,618,669

The net pension liability for TRS was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2018. An expected total pension liability as of June 30, 2019 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2019.

At June 30, 2019, the School District's TRS proportion was 0.499544%, which was a decrease of 0.001218% from its proportion measured as of June 30, 2018.

At June 30, 2020, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is $1,412,511.

The PSERS net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2018. An expected total pension liability as of June 30, 2019 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, 2019.

For the year ended June 30, 2020, the School District recognized pension expense of $17,258,714 for TRS and $435,601 for PSERS and revenue of $33,521 for TRS and $435,601 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.

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,054,483	$ 31,846
Changes of assumptions	10,307,916	-
Net difference between projected and actual earnings on pension plan investments	-	2,557,890
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	1,472,511
School District contributions subsequent to the measurement date	13,621,593	-
Total	$ 29,983,992	$ 4,062,247

The School District contributions subsequent to the measurement date for TRS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS
2021	$ 5,135,750
2022	$ 500,507
2023	$ 3,190,121
2024	$ 3,473,774

Actuarial assumptions: The total pension liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, 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

Post-retirement mortality rates were based on the 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) for service requirements and dependent beneficiaries. The RP-2000 Disabled Mortality table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB (set forward two years for males and four years for females) was used for the death 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.

The actuarial assumptions used in the June 30, 2018 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 of return.

Public School Employees Retirement System:

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

Post-retirement mortality rates were based on the RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) for the period after service retirements and for dependent beneficiaries. The RP-2000 Disabled Mortality projected to 2025 with projection scale BB (set forward 5 years for both males and females) was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the 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, 2018 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 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	TRS Target allocation	PSERS Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	30.00%	(0.10)%
Domestic large stocks	51.00%	46.20%	8.90%
Domestic small stocks	1.50%	1.30%	13.20%
International developed market stocks	12.40%	12.40%	8.90%
International emerging market stocks	5.10%	5.10%	10.90%
Alternative	-	5.00%	12.00%
Total	100.00%	100.00%	

* Rates shown are net of 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 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 nonemployer 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 and PSERS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate: The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.25%, 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%) or 1-percentage-point higher (8.25%) than the current rate:

Teachers Retirement System:	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of the net pension liability	$ 174,366,742	$ 107,415,468	$ 52,357,731

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS and PSERS financial report which is publicly available at www.trsga.com/publications and www.ers.ga.gov/financials.

DEFINED CONTRIBUTION PLAN

On July 1, 2006, the School District began an employer paid 403(b) annuity plan for the group of employees covered under the Public School Employees Retirement System (PSERS). Recognizing that PSERS was a limited defined contribution and defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the School District's desire to supplement the retirement of this group.

The School District selected Lincoln Financial Group as the provider of this plan. For each employee covered under PSERS, the School District began contributing to the plan an amount equal to 3% of the employee's base pay.

The employee becomes vested in the plan with 5 years of experience. Employees who had already achieved 5 years of experience at the time the plan was implemented were vested upon enrollment.

Funds accumulated in the employer paid accounts are only available to the employee upon termination of employment and 5 years of service to Catoosa County Board of Education. If an employee terminates employment prior to achieving 5 years of service, funds paid on behalf of the non-vested employee are credited back to the School District.

Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2020	100%	$ 146,404.00
2019	100%	$ 135,135.00
2018	100%	$ 131,499.00

NOTE 14: TAX ABATEMENTS

Catoosa County enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to Catoosa County.

For the fiscal year ended June 30, 2020, Catoosa County abated property taxes due to the School District that were levied on August 31, 2019 and due on December 20, 2019 totaling $450,653. Included in that amount abated, the following are individual tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A property tax abatement to a local manufacturer of consumer goods for continued investment in operations and local employment. The abatement amounted to $205,754.
- A property tax abatement to a local manufacturer of consumer goods for continued investment in operations and local employment. The abatement amounted to $86,278.
- A property tax abatement to a local manufacturer of consumer goods for continued investment in operations and local employment. The abatement amounted to $17,594.
- A property tax abatement to a local manufacturer of consumer goods for continued investment in operations and local employment. The abatement amounted to $141,027.

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CATOOSA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.499544%	$ 107,415,468	$ 203,201	$ 107,618,669	$ 61,087,120	175.84%	78.56%
2019	0.500762%	$ 92,952,154	$ 177,268	$ 93,129,422	$ 59,773,765	155.51%	80.27%
2018	0.504993%	$ 93,854,504	$ 177,490	$ 94,031,994	$ 58,135,486	161.44%	79.33%
2017	0.511997%	$ 105,630,690	$ 194,964	$ 105,825,654	$ 56,273,693	187.71%	76.06%
2016	0.519443%	$ 79,080,039	$ 146,607	$ 79,226,646	$ 54,931,930	143.96%	81.44%
2015	0.528899%	$ 66,819,412	$ 125,073	$ 66,944,485	$ 54,125,004	123.45%	84.03%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CATOOSA 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 YEAR ENDED JUNE 30

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.00%	$ -	$ 1,412,511	$ 1,412,511	$ 2,566,076	N/A	85.02%
2019	0.00%	$ -	$ 1,378,944	$ 1,378,944	$ 2,409,737	N/A	85.26%
2018	0.00%	$ -	$ 1,184,443	$ 1,184,443	$ 2,181,359	N/A	85.69%
2017	0.00%	$ -	$ 1,643,699	$ 1,643,699	$ 2,231,706	N/A	81.00%
2016	0.00%	$ -	$ 1,061,104	$ 1,061,104	$ 2,160,106	N/A	87.00%
2015	0.00%	$ -	$ 958,505	$ 958,505	$ 2,125,207	N/A	88.29%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CATOOSA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SCHOOL OPEB FUND
FOR THE YEAR ENDED JUNE 30

Year Ended	School District's proportion of the net OPEB liability	School District's proportionate share of the net OPEB liability	State of Georgia's proportionate share of the net OPEB liability associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.700614%	$ 85,980,370	$ -	$ 85,980,370	$ 30,026,520	286.35%	4.63%
2019	0.701020%	$ 89,097,491	$ -	$ 89,097,491	$ 30,011,398	296.88%	2.93%
2018	0.701443%	$ 98,552,459	$ -	$ 98,552,459	$ 29,213,712	337.35%	1.61%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CATOOSA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2020	$ 13,621,593	$ 13,621,593	-	$ 64,552,736	21.10%
2019	$ 12,743,116	$ 12,743,116	-	$ 61,087,120	20.86%
2018	$ 10,028,866	$ 10,028,866	-	$ 59,773,765	16.78%
2017	$ 8,280,396	$ 8,280,396	-	$ 58,135,486	14.24%
2016	$ 8,015,839	$ 8,015,839	-	$ 56,276,693	14.24%
2015	$ 7,210,177	$ 7,210,177	-	$ 54,931,930	13.13%
2014 (1)	$ 6,645,843	$ 6,645,843	-	$ 54,125,004	12.28%
2013 (1)	$ 6,290,446	$ 6,290,446	-	$ 55,132,412	11.41%
2012 (1)	$ 5,663,053	$ 5,663,053	-	$ 55,089,674	10.28%
2011 (1)	$ 5,671,299	$ 5,671,299	-	$ 55,165,271	10.28%

(1) For years ended 2014 and earlier, the report contractually required contribution included payments on behalf of the State District by the Georgia Department of Education.

CATOOSA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SCHOOL OPEB FUND
FOR THE YEAR ENDED JUNE 30

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2020	$ 2,336,078	$ 2,336,078	$ -	$ 34,715,953	6.73%
2019	$ 3,773,293	$ 3,773,293	$ -	$ 30,026,520	12.57%
2018	$ 3,633,316	$ 3,633,316	$ -	$ 30,011,398	12.11%
2017	$ 3,657,379	$ 3,657,379	$ -	$ 29,213,712	12.52%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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%.

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.

Changes of assumptions: 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 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 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.

Public School Employees 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.

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 rates of mortality, retirement and withdrawal. The expectation of retired life mortality was changed to the RP 2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females).

On March 15, 2018, the 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.

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 State OPEB fund based on their last employer payroll location; irrespective of retirement affiliation.

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, and back to 3.58% as of June 30, 2019.

CATOOSA COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020

SCHEDULE "7"

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL (1)	FINAL (1)	AMOUNTS	OVER/UNDER
REVENUES				
Property Taxes	$ 30,147,460	$ 30,147,460	$ 31,417,257	$ 1,269,797
Sales Taxes	625,000	625,000	946,293	321,293
State Funds	79,825,415	81,027,957	80,534,395	(493,562)
Federal Funds	8,848,300	9,474,066	7,356,946	(2,117,120)
Charges for Services	1,916,507	1,916,507	2,159,497	242,990
Investment Earnings	3,104	3,104	378,006	374,902
Miscellaneous	931,800	931,800	2,774,656	1,842,856
Total Revenues	122,297,586	124,125,894	125,567,050	1,441,156
EXPENDITURES				
Current				
Instruction	81,213,046	82,597,820	79,764,689	2,833,131
Support Services				
Pupil Services	5,165,480	5,440,931	6,183,662	(742,731)
Improvement of Instructional Services	3,739,182	4,366,184	4,083,235	282,949
Educational Media Services	1,660,870	1,670,870	1,907,105	(236,235)
General Administration	1,279,022	1,447,123	1,904,406	(457,283)
School Administration	8,398,921	8,401,694	8,488,878	(87,184)
Business Administration	756,368	756,568	742,213	14,355
Maintenance and Operation of Plant	8,826,713	9,443,598	9,579,641	(136,043)
Student Transportation Services	5,480,506	5,833,742	5,790,505	43,237
Central Support Services	928,678	928,778	574,932	353,846
Other Support Services	182,724	182,724	843,918	(661,194)
Community Services	423,054	423,054	511,101	(88,047)
Food Services Operation	6,148,388	6,148,388	4,859,033	1,289,355
Debt Service	-	-	10,550	(10,550)
Total Expenditures	124,202,952	127,641,474	125,243,868	2,397,606
Excess of Revenues over (under) Expenditures	(1,905,366)	(3,515,580)	323,182	3,838,762
OTHER FINANCING SOURCES (USES)				
Other Sources	435,840	435,840	-	(435,840)
Capital Leases	-	-	29,085	29,085
Other Uses	(1,286,470)	(1,286,470)	(700,000)	586,470
Total Other Financing Sources (Uses)	(850,630)	(850,630)	(670,915)	179,715
Net Change in Fund Balances	(2,755,996)	(4,366,210)	(347,733)	4,018,477
Fund Balances - Beginning	20,688,036	20,688,036	20,693,558	5,522
Fund Balances - Ending	$ 17,932,040	$ 16,321,826	$ 20,345,825	$ 4,023,999

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts. The actual revenues and expenditures of the various principal accounts are $2,611,753 and $2,642,618, respectively.

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.

CATOOSA COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

FUNDING AGENCY PROGRAM/GRANT	CFDA 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	$ 625,017
National School Lunch Program	10.555	205GA324N1099	3,229,265
Total U. S. Department of Agriculture			3,854,282
Education, U. S. Department of			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027	H027A180073	253,196
Grants to States	84.027	H027A190073	1,725,657
Preschool Grants	84.173	H173A180081	4,070
Preschool Grants	84.173	H173A190081	56,086
Total Special Education Cluster			2,039,009
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048	V048A190010	99,671
Education for Homeless Children and Youth	84.196	S196A190011	28,998
English Language Acquisition State Grants	84.365	S365A190010	14,728
Student Support and Academic Enrichment Program	84.424A	S424A180011	2,859
Student Support and Academic Enrichment Program	84.424A	S424A190011	121,280
Supporting Effective Instruction State Grants	84.367	S367A180001	3,486
Supporting Effective Instruction State Grants	84.367	S367A190001	302,599
Title I Grants to Local Educational Agencies	84.010	S010A180010	162,186
Title I Grants to Local Educational Agencies	84.010	S010A190010	1,762,504
Total Other Programs			2,498,311
Total U. S. Department of Education			4,537,320
Defense, U. S. Department of			
Department of the Army			
R.O.T.C. Program			158,520
Total Expenditures of Federal Awards			$ 8,550,122

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Catoosa County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2020. 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). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net position of the Board.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL
GRANTS			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	$ 1,212,245	$ -	$ 1,212,245
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	3,108,810	-	3,108,810
Kindergarten Program - Early Intervention Program	1,105,979	-	1,105,979
Primary Grades (1-3) Program	7,589,318	-	7,589,318
Primary Grades - Early Intervention (1-3) Program	1,997,496	-	1,997,496
Upper Elementary Grades (4-5) Program	3,938,700	-	3,938,700
Upper Elementary Grades - Early Intervention (4-5) Program	1,067,289	-	1,067,289
Middle School (6-8) Program	7,325,386	-	7,325,386
High School General Education (9-12) Program	6,562,236	-	6,562,236
Vocational Laboratory (9-12) Program	2,233,529	-	2,233,529
Students with Disabilities	15,022,174	-	15,022,174
Gifted Student - Category VI	4,194,727	-	4,194,727
Remedial Education Program	1,724,244	-	1,724,244
Alternative Education Program	536,177	-	536,177
English Speakers of Other Languages (ESOL)	192,020	-	192,020
Media Center Program	1,372,021	-	1,372,021
20 Days Additional Instruction	403,573	-	403,573
Staff and Professional Development	244,584	-	244,584
Principal Staff and Professional Development	4,675	-	4,675
Indirect Cost			
Central Administration	2,319,334	-	2,319,334
School Administration	2,888,798	-	2,888,798
Facility Maintenance and Operations	2,773,748	-	2,773,748
Mid-term Adjustment Hold-Harmless	226,745	-	226,745
Amended Formula Adjustment	(1,029,693)	-	(1,029,693)
Charter System Adjustment	1,117,798	-	1,117,798
Categorical Grants			
Pupil Transportation			
Regular	883,873	-	883,873
Nursing Services	217,640	-	217,640
Education Equalization Funding Grant	9,433,015	-	9,433,015
Other State Programs			
Food Services	134,916	-	134,916
Hygiene Products in Georgia Schools	3,489	-	3,489
Math and Science Supplements	60,376	-	60,376
Preschool Disability Services	242,054	-	242,054
Pupil Transportation - State Bonds	154,440	-	154,440
School Security Grant	454,660	-	454,660
Teachers Retirement	24,708	-	24,708
Tuition for Multiple Disabilities	76,043	-	76,043
Vocational Education	219,729	-	219,729
Vocational Construction Related Equipment - State Bonds	120,000	-	120,000
Vocational Supervisors	28,280		28,280
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	1,102,786	1,102,786
Office of the State Treasurer			
Public School Employees Retirement	239,259	-	239,259
Technical College System of Georgia			
Operation of Career Academy	110,000	-	110,000
	$ 80,534,395	$ 1,102,786	$ 81,637,181

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PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3) (4)	AMOUNT EXPENDED IN PRIOR YEARS (3) (4)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED	ESTIMATED COMPLETION DATE
ESPLOST IV:							
Installing roofing, sprinklers, HVAC, paving, plumbing, electrical wiring and fixtures, painting, fences, alarms, telephone upgrading, equipping, lighting, and general land improvements;	$ 5,150,000	$ 9,995,350	$ 3,150,099	$ 5,995,351	$ -	$ -	June 2020
ESPLOST V:							
(1) Acquiring safety and security materials and devices in the attempt to secure the safety of students, employees and property;	5,514,000	2,050,287	44,439	2,005,848	-	-	July 2022
(2) Acquiring or purchasing of motor vehicles, buses, vans, or other transportation apparatus;	3,520,000	1,051,053	49,216	1,001,837	-	-	July 2022
(3) Acquiring, adding-on, constructing, installing, painting, refurbishing and replacing existing buildings, classrooms, ceilings, flooring, walls, hallways, roofs, lunchrooms, media centers, gyms, sporting fields and complexes, playground equipment, and parking lots;	47,666,000	25,851,674	1,449,817	21,276,857	-	-	July 2022
(4) Acquiring, replacing and/or refreshing instructional and technological materials and devices, including but not limited to textbooks and student learning and response devices;	10,400,000	13,152,281	64,378	9,962,903	-	-	July 2022
(5) Acquiring land and buildings for schools, school campuses, maintenance facilities, training, and sports facilities;	2,000,000	84,074	-	84,074	-	-	July 2022
(6) Acquiring, constructing or improving covers, bleachers, tracks, sports fields and courts, facilities which will be jointly used for instructional sports and physical education, accessory buildings, and other energy-efficient or weather-protective structures;	7,000,000	13,890,744	18,881	10,746,863	-	-	July 2022
(7) Purchasing and replacing furniture, kitchen equipment and machines, sinks, lab equipment, cabinetry, electronic systems, and other educationally related personally.	2,900,000	3,329,228	-	204,228	-	-	July 2022
	$ 84,150,000	$ 69,404,691	$ 4,776,830	$ 51,277,961	$ -	$ -	

(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 projects. Includes all cost from project inception to completion.

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

(4) In addition to the expenditures shown above, the School District has incurred interest to provide advance funding for the above projects as follows:

	ESPLOST IV	ESPLOST V
Prior Years	$ 5,333,766	$ 4,691,722
Current Year	-	1,449,250
Total	$ 5,333,766	$ 6,140,972

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SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS

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DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 4-101
Atlanta, Georgia 30334-8400

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

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
Superintendent and Members of the
Catoosa County Board of Education

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Catoosa County Board of Education (School District), as of and for the year ended June 30, 2020, 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 March 29, 2021.

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 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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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.*

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

March 29, 2021

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DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 4-101
Atlanta, Georgia 30334-8400

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT 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
Superintendent and Members of the
Catoosa County Board of Education

Report on Compliance for Each Major Federal Program

We have audited the Catoosa County Board of Education (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, 2020. 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, 2020.

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 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

March 29, 2021

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SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

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CATOOSA COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

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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CATOOSA COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:
Governmental Activities; All Major Funds; Aggregate Remaining Fund Information — Unmodified

Internal control over financial reporting:
- Material weakness identified? — No
- Significant deficiency identified? — None Reported

Noncompliance material to financial statements noted: — No

Federal Awards

Internal Control over major programs:
- Material weakness identified? — No
- Significant deficiency 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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
10.553, 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? Yes

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.