

DAWSON COUNTY
BOARD OF EDUCATION
DAWSONVILLE, GEORGIA

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

DAWSON COUNTY BOARD OF EDUCATION

- TABLE OF CONTENTS -

		Page
	SECTION I	
	FINANCIAL	
	INDEPENDENT AUDITOR'S REPORT	
	REQUIRED SUPPLEMENTARY INFORMATION	
	MANAGEMENT'S DISCUSSION AND ANALYSIS	i
	EXHIBITS	
	BASIC FINANCIAL STATEMENTS	
	GOVERNMENT-WIDE FINANCIAL STATEMENTS	
A	STATEMENT OF NET POSITION	1
B	STATEMENT OF ACTIVITIES	2
	FUND FINANCIAL STATEMENTS	
C	BALANCE SHEET GOVERNMENTAL FUNDS	3
D	RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	4
E	STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS	5
F	RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	6
G	NOTES TO THE BASIC FINANCIAL STATEMENTS	7
	SCHEDULES	
	REQUIRED SUPPLEMENTARY INFORMATION	
1	SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TEACHERS RETIREMENT SYSTEM OF GEORGIA	37
2	SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA	38
3	SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY OTHER POST-EMPLOYMENT BENEFITS	39
4	SCHEDULE OF CONTRIBUTIONS – TEACHERS RETIREMENT SYSTEM OF GEORGIA	40
5	SCHEDULE OF CONTRIBUTIONS – OTHER POST-EMPLOYMENT BENEFITS	41
6	NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION	42
7	SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL	43

DAWSON COUNTY BOARD OF EDUCATION

- TABLE OF CONTENTS -

Page

SECTION I

FINANCIAL

SCHEDULES

SUPPLEMENTARY INFORMATION

8	SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	44
9	SCHEDULE OF STATE REVENUE	46
10	SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS	47

SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS

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*

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

SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SECTION IV

FINDINGS AND QUESTIONED COSTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I

FINANCIAL

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
Dawson County Board of Education

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Dawson 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.

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

Opinions

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

Emphasis of Matter

As described in Note 2 to the financial statements, in 2020, the Dawson County Board of Education early adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities.* The cumulative effect of GASB Statement No. 84 is described in the restatement note in the Notes to the Basic Financial Statements. Our opinions are not modified with respect to this matter.

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 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 12, 2021

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

INTRODUCTION

The discussion and analysis of the Dawson County School District's 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 $38.6 million and $37.2 million, respectively, for the fiscal years ended June 30, 2020 and 2019.

- The School District had $58.8 million and $49.2 million in expenses relating to governmental activities for the fiscal years ended June 30, 2020 and June 30, 2019, respectively. Only $24.9 million and $23.6 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 $35.0 million and $32.8 million, respectively, for 2020 and 2019, were adequate to provide for these programs.

- General revenues accounts for $35.0 million in revenue or 58.5% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for $24.9 million or 41.5% of total revenues of $59.9 million.

- On November 5, 2019, voters passed a one percent sales tax for educational purposes (ESPLOST) for an additional five years (2020-2025). The voters also authorized the School District to issue general obligation bonds in the amount not to exceed $10,000,000 which have been issued.

- The general fund (the primary operating fund), presented on a current financial resource basis, ended the fiscal year with a fund balance of $8.3 million, an increase of $0.9 million from the July 1, 2019 restated fund balance of $7.4 million.

- Among major funds, the general fund had $50.4 million in revenues and $49.5 million in expenditures. The fund balance for the general fund increased from $7.4 million to approximately $8.3 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 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, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 of 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, the capital projects fund, and the debt service fund.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. 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 in the financial statements.

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	Fiscal Year 2019 (1)
Assets		
Current and Other Assets	$ 32,487,625	$ 19,496,734
Capital Assets, Net	100,498,308	100,241,649
Total Assets	132,985,933	119,738,383
Deferred Outflows of Resources		
Related to Defined Benefit Pension Plans	13,838,376	10,541,542
Related to OPEB Plan	2,659,145	1,416,327
Total Deferred Outflows of Resources	16,497,521	11,957,869
Liabilities		
Current and Other Liabilities	7,227,202	6,357,084
Long-Term Liabilities	18,814,652	10,377,975
Related to Defined Benefit Pension Plans	44,569,730	38,478,949
Related to OPEB Plan	31,294,216	31,756,058
Total Liabilities	101,905,800	86,970,066
Deferred Inflows of Resources		
Related to Defined Benefit Pension Plans	1,077,793	1,237,287
Related to OPEB Plan	7,941,910	6,258,071
Total Deferred Inflows of Resources	9,019,703	7,495,358
Net Position		
Net Investment in Capital Assets	91,636,273	89,737,637
Restricted	9,508,770	5,739,960
Unrestricted (Deficit)	(62,587,092)	(58,246,769)
Total Net Position	$ 38,557,951	$ 37,230,828

(1) Fiscal Year 2019 amounts do not reflect the effects of the restatement of net position. See Note 13 in the Notes to the Basic Financial Statements for more information.

Total assets and deferred outflows of resources increased by $17.8 million which was primarily due to the increase in current and other assets due to the Series 2020 bond proceeds.

Total liabilities and deferred inflows of resources increased by $16.5 million. The combination of the increase in total assets and deferred outflows of resources and the increase in total liabilities and deferred inflows of resources yielded an increase in net position of $1.3 million. Included in this increase is the $0.2 million restatement of July 1, 2019 net position.

In fiscal year 2020, the School District early adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. Focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Based on these criteria, the School District does not have any fiduciary activity funds.

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	Fiscal Year 2019 (1)
Revenues		
Program Revenues:		
Charges for Services	$ 853,316	$ 1,001,126
Operating Grants and Contributions	23,352,598	20,870,324
Capital Grants and Contributions	669,966	1,730,574
Total Program Revenues	24,875,880	23,602,024
General Revenues:		
Taxes		
Property Taxes		
For Maintenance and Operations	23,464,651	22,527,971
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects	9,415,094	8,958,716
Other Sales Tax	876,016	631,325
Investment Earnings	43,639	39,946
Miscellaneous	1,224,542	627,611
Total General Revenues	35,023,942	32,785,569
Total Revenues	59,899,822	56,387,593
Program Expenses:		
Instruction	34,877,849	28,301,129
Support Services		
Pupil Services	2,204,130	1,794,813
Improvement of Instructional Services	3,801,125	3,383,834
Educational Media Services	1,141,528	1,019,638
General Administration	671,526	646,439
School Administration	3,340,899	2,930,823
Business Administration	744,182	498,334
Maintenance and Operation of Plant	5,078,331	4,514,297
Student Transportation Services	3,294,570	2,689,084
Central Support Services	561,386	464,153
Community Services	12,760	12,991
Enterprise Operations	332,928	414,827
Food Services Operation	2,722,971	2,465,978
Interest on Long-Term Debt	12,313	73,997
Total Expenses	58,796,498	49,210,337
Increase in Net Position	$ 1,103,324	$ 7,177,256

(1) Fiscal Year 2019 amounts do not reflect the effects of the restatement of net position. See Note 13 in the Notes to Basic the Financial Statements for more information.

Program revenues, in the form of charges for services, operating grants and contributions and capital grants and contributions increased $1.3 million for governmental activities. This increase is largely due to the increase in the State QBE earnings from FTE and state funding through capital grants.

General revenues increased by $2.2 million during fiscal year 2020 due mainly to economic improvement in the local tax digest resulting in larger ad valorem tax revenue and increased ESPLOST revenues.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. 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 (1)	Fiscal Year 2020	Fiscal Year 2019 (1)
Instruction	$ 34,877,849	$ 28,301,129	$ 18,402,537	$ 12,266,731
Support Services:				
Pupil Services	2,204,130	1,794,813	1,602,816	1,242,679
Improvement of Instructional Services	3,801,125	3,383,834	2,380,979	2,184,051
Educational Media Services	1,141,528	1,019,638	588,626	509,007
General Administration	671,526	646,439	505,107	472,788
School Administration	3,340,899	2,930,823	2,461,008	2,131,620
Business Administration	744,182	498,334	569,437	374,503
Maintenance and Operation of Plant	5,078,331	4,514,297	3,633,232	3,319,685
Student Transportation Services	3,294,570	2,689,084	2,709,728	2,042,906
Central Support Services	561,386	464,153	394,789	346,469
Community Service	12,760	12,991	12,760	10,575
Enterprise Operations	332,928	414,827	278,349	256,940
Food Services Operation	2,722,971	2,465,978	368,937	376,362
Interest on Short-Term and Long-Term Debt	12,313	73,997	12,313	73,997
Total Expenses	$ 58,796,498	$ 49,210,337	$ 33,920,618	$ 25,608,313

(1) Fiscal Year 2019 amounts do not reflect the effects of the restatement of net position. See Note 13 in the Notes to the Basic Financial Statements for more information.

Although program revenues support these costs, the School District is still dependent upon tax revenues for governmental activities. For 2020, 58% of instruction and support activities were supplemented by taxes and other general revenues compared to 52% in 2019.

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 and other financing sources of $76.1 million and total expenses and other financing uses of $63.6 million. There was a increase in the fund balance totaling $12.6 million for the governmental funds as a whole due mainly to the proceeds from the $10.0 million Series 2020 General Obligation Bond proceeds.

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 and other financing sources totaling $50.4 million, which represented an increase from the original budgeted amount of $47.8 million by $2.6 million. This difference (final actual vs. original budget) was due to an increase of $0.6 million for property taxes, $1.3 million for state and federal funds, and $0.9 million for other local sources.

Final actual expenditures during fiscal year 2020 totaling $49.5 represented a decrease from the original budgeted amount of $50.0 million by $0.5 million. The decrease in actual expenditures versus original budget expenditures was due primarily to unfilled positions, personnel changes, and lower than expected expenditures in general.

CAPITAL ASSETS

At the fiscal years ended June 30, 2020 and June 30, 2019, the School District had $100.5 million and $100.2 million, respectively, invested in capital assets, net of accumulated depreciation. These assets are made up of a broad range of capital assets, including land; buildings; transportation, food service and maintenance equipment. Table 4 reflects a summary of these balances, by class, net of accumulated depreciation.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2020	Fiscal Year 2019
Land	$ 4,804,724	$ 4,531,409
Construction In Progress	1,821,689	8,098,587
Building and Improvements	88,279,115	81,869,719
Equipment	2,670,080	2,647,082
Land Improvements	2,922,700	3,032,519
Intangible Assets	-	62,333
Total	$ 100,498,308	$ 100,241,649

DEBT ADMINISTRATION

The Board issued general obligation bonds during fiscal year 2020 in the amount of $10.0 million. The bonds will be repaid from sales tax proceeds from ESPLOST revenue. At June 30, 2020, the School District had $16.3 million in total bond debt outstanding with $3.1 million due within one year. Table 5 summarizes bond debt outstanding at June 30, 2020 and 2019.

Table 5
Debt at June 30

		Governmental Activities	
		Fiscal	Fiscal
Bond Rating	Bond Issue	Year 2020	Year 2019
AA-	2015 Bonds	$ 6,345,000	$ 9,335,000
AA-	2020 Bonds	10,000,000	-
	Total Bonds Payable	16,345,000	9,335,000
	Less Current Portion	3,110,000	2,990,000
	Long-Term Bonds	$ 13,235,000	$ 6,345,000

CURRENT ISSUES

Currently known circumstances that are expected to have a significant effect on financial position or results of operations in future years are as follows:

- The School District is financially stable. The School District's operating millage for fiscal year 2020 based on the 2019 tax digest was 15.778 mills, which produces $1,528,255 per mill. This millage rate has remained constant since 2016.
- The School District anticipates steady growth in regard to student population in the foreseeable future.
- The School District plans capital improvements as future capital needs arise due to increased student population and facility repair and maintenance needs. Specific capital expenditure plans are formalized in conjunction with individual general obligation bond issues, anticipated annual receipts of capital outlay funds from the State of Georgia and collections from the Education Special Purpose Local Option Sales Tax. The School District regularly monitors anticipated capital outlay needs. Fiscal year 2020 included capital projects from ESPLOST for Black's Mill Elementary HVAC and Reroof, district-wide safety projects, purchase of school buses, and technology needs.
- The School District will continue to be a good steward of taxpayer funds and remains confident in the ability to maximize resources to provide the best educational experience for all of our students.
- In December 2019, a strain of coronavirus (COVID-19) began to spread worldwide, resulting in a severe impact to the United States economy beginning in March 2020. The spread of COVID-19 has had a negative impact on virtually all businesses and individuals which comprise the tax base of all levels of government.

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 Mrs. Jamie Ulrich, Chief Financial Officer, at the Dawson County Board of Education, 28 Main Street, Dawsonville, GA 30534.

DAWSON COUNTY BOARD OF EDUCATION

DAWSON COUNTY BOARD OF EDUCATION

Exhibit "A"

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 27,177,637
Receivables:	
Taxes	1,872,611
Intergovernmental:	
State	3,007,814
Federal	290,967
Local	80,694
Other	1,357
Inventory	56,545
Capital assets (nondepreciable)	6,626,413
Capital assets (depreciable, net of accumulated depreciation)	93,871,895
Total assets	132,985,933
DEFERRED OUTFLOWS OF RESOURCES	
OPEB related items	2,659,145
Pension related items	13,838,376
Total deferred outflows of resources	16,497,521
LIABILITIES	
Accounts payable	877,081
Salaries and benefits payable	5,349,558
Accrued interest payable	146,438
Contracts and retainage payable	854,125
Bonds payable due within one year	3,110,000
Bonds payable due in more than one year	13,235,000
Capital lease due within one year	1,073,350
Capital lease due in more than one year	1,344,000
Compensated absences due within one year	52,302
Net OPEB liability	31,294,216
Net pension liability	44,569,730
Total liabilities	101,905,800
DEFERRED INFLOWS OF RESOURCES	
OPEB related items	7,941,910
Pension related items	1,077,793
Total deferred inflows of resources	9,019,703
NET POSITION	
Net investment in capital assets	91,636,273
Restricted for:	
Capital projects	6,242,227
Debt service	3,122,187
Continuation of federal programs	144,356
Unrestricted (Deficit)	(62,587,092)
Total net position	$ 38,557,951

The accompanying notes are an integral part of these financial statements.

DAWSON COUNTY BOARD OF EDUCATION

EXHIBIT "B"

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 34,877,849	$ 106,550	$ 15,987,611	$ 381,151	$ (18,402,537)
Support services:					
Pupil services	2,204,130	20,991	580,048	275	(1,602,816)
Improvement of instructional services	3,801,125	-	1,419,394	752	(2,380,979)
Educational media services	1,141,528	3,006	539,446	10,450	(588,626)
General administration	671,526	-	157,574	8,845	(505,107)
School administration	3,340,899	-	843,317	36,574	(2,461,008)
Business administration	744,182	-	174,745	-	(569,437)
Maintenance and operation of facilities	5,078,331	-	1,381,950	63,149	(3,633,232)
Student transportation services	3,294,570	12,593	438,139	134,110	(2,709,728)
Central support services	561,386	-	166,597	-	(394,789)
Community services	12,760	-	-	-	(12,760)
Enterprise operations	332,928	54,579	-	-	(278,349)
Food services operation	2,722,971	655,597	1,663,777	34,660	(368,937)
Interest on long-term debt	12,313	-	-	-	(12,313)
Total governmental activities	$ 58,796,498	$ 853,316	$ 23,352,598	$ 669,966	(33,920,618)

General revenues:	
Taxes:	
Property taxes, levied for general purposes	23,464,651
Sales taxes:	
Special Purpose Local Option Sales Tax For Capital Projects	9,415,094
Other Sales Tax	876,016
Investment earnings	43,639
Miscellaneous	1,224,542
Total general revenues	35,023,942
Change in net position	1,103,324
Net position, beginning of year, as restated	37,454,627
Net position, end of year	$ 38,557,951

The accompanying notes are an integral part of these financial statements.

DAWSON COUNTY BOARD OF EDUCATION

EXHIBIT "C"

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

ASSETS	General	Capital Projects	Debt Service	Total Governmental Funds
Cash and cash equivalents	$ 10,049,186	$ 17,128,451	$ -	$ 27,177,637
Receivables:				
Taxes	657,669	1,214,942	-	1,872,611
Intergovernmental:				
State	3,007,814	-	-	3,007,814
Federal	290,967	-	-	290,967
Local	80,694	-	-	80,694
Other	1,357	-	-	1,357
Inventory	56,545	-	-	56,545
Total assets	$ 14,144,232	$ 18,343,393	$ -	$ 32,487,625
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 381,630	$ 495,451	$ -	$ 877,081
Salaries and benefits payable	5,349,558	-	-	5,349,558
Contracts and retainage payable	-	854,125	-	854,125
Total liabilities	5,731,188	1,349,576	-	7,080,764
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	120,884	-	-	120,884
Unavailable revenue - sales taxes	-	398,765	-	398,765
Total deferred inflows of resources	120,884	398,765	-	519,649
FUND BALANCES				
Nonspendable:				
Inventory	56,545	-	-	56,545
Restricted:				
Capital projects	-	13,326,427	-	13,326,427
Debt service	-	3,268,625	-	3,268,625
Continuation of federal programs	87,811	-	-	87,811
Assigned:				
School activity accounts	511,366	-	-	511,366
Ivey donation	38,290	-	-	38,290
Unassigned	7,598,148	-	-	7,598,148
Total fund balances	8,292,160	16,595,052	-	24,887,212
Total liabilities, deferred inflows of resources and fund balances	$ 14,144,232	$ 18,343,393	$ -	$ 32,487,625

The accompanying notes are an integral part of these financial statements.

DAWSON COUNTY BOARD OF EDUCATION

EXHIBIT "D"

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET WITH THE STATEMENT OF NET POSITION AS OF JUNE 30, 2020

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

Total fund balance-governmental funds (Exhibit "C")			$ 24,887,212
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is $136,241,629 and the accumulated depreciation is $35,743,321.			100,498,308
Taxes that are not available to pay for current period expenditures are deferred in the funds.			
Property tax	$	120,884	
Sales tax		398,765	519,649
The net pension liability and related balances are not expected to be paid with current financial resources and are therefore not reported in the governmental funds.			
Net pension liability	$	(44,569,730)	
Deferred inflows of resources - pensions		(1,077,793)	
Deferred outflows of resources - pensions		13,838,376	(31,809,147)
The net OPEB liability and related balances are not expected to be paid with current financial resources and are therefore not reported in the governmental funds.			
Net OPEB liability	$	(31,294,216)	
Deferred inflows of resources - OPEB		(7,941,910)	
Deferred outflows of resources - OPEB		2,659,145	(36,576,981)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Bonds payable	$	(16,345,000)	
Compensated absences		(52,302)	
Capital leases		(2,417,350)	
Accrued interest payable		(146,438)	(18,961,090)
Total net position-governmental activities (Exhibit "A")			$ 38,557,951

The accompanying notes are an integral part of these financial statements.

DAWSON COUNTY BOARD OF EDUCATION

EXHIBIT "E"

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General	Capital Projects	Debt Service	Total Governmental Funds
REVENUES				
Property taxes	$ 23,616,990	$ -	$ -	$ 23,616,990
Sales taxes	876,016	9,016,329	-	9,892,345
Miscellaneous (Other local sources)	1,221,762	2,780	-	1,224,542
State funds	20,747,690	1,053,444	-	21,801,134
Federal funds	3,095,193	-	-	3,095,193
Charges for services	853,316	-	-	853,316
Investment earnings	16,974	26,665	-	43,639
Total revenues	50,427,941	10,099,218	-	60,527,159
EXPENDITURES				
Current:				
Instruction	28,679,490	2,618,416	-	31,297,906
Support services:				
Pupil services	2,100,241	-	-	2,100,241
Improvement of instructional services	3,614,269	12,909	-	3,627,178
Educational media services	1,004,578	24,079	-	1,028,657
General administration	567,751	17,272	-	585,023
School administration	2,956,010	-	-	2,956,010
Business administration	555,967	152,784	-	708,751
Maintenance and operation of facilities	4,173,798	565,078	-	4,738,876
Student transportation services	2,413,504	534,329	-	2,947,833
Central support services	532,893	-	-	532,893
Community services	12,899	-	-	12,899
Enterprise operations	336,555	-	-	336,555
Food service operation	2,533,063	-	-	2,533,063
Capital outlay	-	2,894,688	-	2,894,688
Debt service:				
Principal retirement	-	523,130	2,990,000	3,513,130
Interest and fiscal charges	-	9,050	378,050	387,100
Total expenditures	49,481,018	7,351,735	3,368,050	60,200,803
Excess (deficiency) of revenues over (under) expenditures	946,923	2,747,483	(3,368,050)	326,356
OTHER FINANCING SOURCES (USES)				
Transfers in	-	7,500	3,368,050	3,375,550
Transfers out	(7,500)	(3,368,050)	-	(3,375,550)
Bond proceeds	-	10,000,000	-	10,000,000
Capital leaase	-	2,236,709	-	2,236,709
Total other financing sources (uses)	(7,500)	8,876,159	3,368,050	12,236,709
Net change in fund balances	939,423	11,623,642	-	12,563,065
FUND BALANCES, beginning of year, as restated	7,352,737	4,971,410	-	12,324,147
FUND BALANCES, end of year	$ 8,292,160	$ 16,595,052	$ -	$ 24,887,212

The accompanying notes are an integral part of these financial statements.

DAWSON COUNTY BOARD OF EDUCATION

EXHIBIT "F"

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Net change in fund balances - total governmental funds		$ 12,563,065
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current year.		
Capital outlay	$ 3,469,094	
Depreciation expense	(3,191,382)	277,712
In the statement of activities, only the gain or loss on the sale of capital assets is recorded. The change in net position differs from the change in fund balance by the net book value of the capital assets disposed.		(21,053)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	$ (152,339)	
Sales taxes	398,765	
Intergovernmental revenues	(948,100)	(701,674)
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 between the carrying value and acquisition cost of debt when first issued. These amounts are deferred and amortized in the statement of activities.		
Bond issuance	$ (10,000,000)	
Capital lease	(2,236,709)	
Principal payments - bonds	2,990,000	
Principal payments - capital leases	523,130	
Amortization of bond premium	339,204	(8,384,375)
Some expenses 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.		
Change in net OPEB liabilities and related deferred outflows and inflows of resources	$ 20,821	
Change in net pension liabilities and related deferred outflows and inflows of resources	(2,634,453)	
Change in compensated absences	(52,302)	
Change in accrued interest	35,583	(2,630,351)
Change in net position - governmental activities		$ 1,103,324

The accompanying notes are an integral part of these financial statements.

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

The Dawson 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. 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Statement of Net Position presents the School District's 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. Eliminations have been made to minimize the double counting of internal activities. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The School District reports the following major governmental funds:

- *General Fund* is the School District's primary operating fund. It accounts for all financial resources of the School District, except those resources required to be accounted for in another fund.

- *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.

- *Debt Service Fund* accounts for and reports financial resources that are restricted, committed, or assigned including sales taxes legally restricted for the payment of general long-term principal and interest.

Basis of Accounting

The basis of accounting determines when transactions are reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. 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, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The School District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, there are both restricted and unrestricted net position available to finance the program. It is the School District's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

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 C0VID-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.

In fiscal year 2020, the School District early adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities.* This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. As noted in the Restatement of Net Position and Fund Balance note disclosure, the School District restated beginning net position and beginning fund balance for the general fund and fiduciary funds for the cumulative effect of this accounting change.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In fiscal year 2020, the School District early adopted Governmental Accounting Standards Board (GASB) Statement No. 90, *Majority Equity Interests*. It defines a majority equity interest and specifies that majority equity interest in a legal separate organization should be reported as an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The adoption of this statement did not have an impact on the School District's financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits 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

On the basic financial statements, inventories of donated food commodities used in the preparation of meals are reported at their Federally assigned value and purchased foods inventories are reported at cost (first-in, first-out). The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

On the government-wide financial statements, capital assets are recorded at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at 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	$ 100,000	20 years
Buildings and Improvements	$ 100,000	20 to 80 years
Equipment	$ 10,000	8 to 15 years
Intangible Assets	$ 250,000	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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Vacation leave is awarded on a fiscal year basis to all full time personnel employed on twelve month basis, according to the following guidelines:

Employees with 0-10 years credible service	10 days per year
Employees with 10-20 years credible service	15 days per year
Employees with 20 plus years credible service	20 days per year

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 twenty (20) days for both Classified and Certified Employees. And employee whose employment is terminated will be compensated for no more than ten (10) unused annual leave days.

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

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 – Amounts 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 – Constraints are placed on the use of resources are either (1) externally imposed conditions by creditors, grantors, contributors, or laws and regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The Board of Education is the School District's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board. 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 – Amounts that are 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 of Education or (2) the budget or finance committee, or the Superintendent, or designee, to assign amounts to be used for specific purposes.

Unassigned – The residual classification for the general fund. This classification represents fund balances that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The School District reports positive unassigned fund balances only in the general fund. Negative unassigned fund balances may be reported in the other funds.

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

The Dawson County Board of Commissioners adopted the property tax levy for the 2019 tax digest year (calendar year) on August 22, 2019 (levy date) based on property values as of January 1, 2019. Taxes were due on December 1, 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 Dawson 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 $23,616,990, which includes $1,829,466.90 of Title Ad Valorem Tax revenue.

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	15.778 mills

Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to $9,016,329 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 is prepared and adopted by fund and function. 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 Official Code of Georgia Annotated section 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.

NOTE 3: BUDGETARY DATA (CONTINUED)

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

Official Code of Georgia Annotated (OCGA) Section 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 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110 percent of the daily pool balance. At June 30, 2020, all deposits were secured by surety bond, insurance or collateral as specified above.

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 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.

NOTE 4: DEPOSITS (CONTINUED)

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 $27,177,637, and a bank balance of $29,719,965. The bank balances insured by Federal depository insurance were $1,033,111 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 $8,580,336.

At June 30, 2020, $20,106,518 of the School District's bank balance 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 each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered deposits: 25%, 50%, 75%, and 110%. The SDP also provides for collateral levels to be increased in the amount of up to 125% if economic or financial conditions 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.

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NOTE 5: CAPITAL ASSETS

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

	Balances July 1, 2019	Increases	(Decreases)/ Transfers	Balances June 30, 2020
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 4,531,408	$ 273,316	$ -	$ 4,804,724
Construction in progress	8,098,587	2,373,576	(8,650,474)	1,821,689
Total capital assets not being depreciated	12,629,995	2,646,892	(8,650,474)	6,626,413
Capital assets, being depreciated				
Buildings and improvements	105,459,295	8,650,474	-	114,109,769
Equipment	7,755,218	651,008	(80,845)	8,325,381
Land improvements	6,668,872	171,194	-	6,840,066
Intangible assets	340,000	-	-	340,000
Total capital assets being depreciated	120,223,385	9,472,676	(80,845)	129,615,219
Less accumulated depreciation for:				
Buildings and improvements	(23,589,576)	(2,241,078)	-	(25,830,654)
Equipment	(5,108,135)	(606,958)	59,792	(5,655,301)
Land improvements	(3,636,353)	(281,013)	-	(3,917,366)
Intangible assets	(277,667)	(62,333)	-	(340,000)
Total accumulated depreciation	(32,611,731)	(3,191,382)	59,792	(35,743,321)
Total capital assets, being depreciated, net	87,611,654	6,281,294	(21,053)	93,871,895
Governmental activities capital assets, net	$ 100,241,649	$ 8,928,186	$ (8,671,527)	$ 100,498,308

Current year depreciation expense by function is as follows:

Instruction		$ 2,007,194
Support Services		
Pupil Services	$ 1,446	
Instructional Staff Training	3,963	
Educational Media Services	55,032	
General Administration	46,582	
School Administration	192,604	
Maintenance and Operation of Plant	332,551	
Student Transportation Services	369,492	1,001,670
Food Services		182,518
		$ 3,191,382

NOTE 6: INTERFUND TRANSFERS

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

Transfers In	Transfers Out	Amount
Capital Projects	General Fund	$ 7,500
Debt Service Fund	Capital Projects Fund	3,368,050
		$ 3,375,550

Transfers are used to move ESPLOST and other revenue from the general fund and capital projects fund to the debt service fund for payment of bonds.

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	$ 9,335,000	$ 10,000,000	$ 2,990,000	$ 16,345,000	$ 3,110,000
Unamortized Bond Premiums	339,204	-	339,204	-	-
Compensated Absences	-	52,302	-	52,302	52,302
Capital Leases	703,771	2,236,709	523,130	2,417,350	1,073,350
	$ 10,377,975	$ 12,289,011	$ 3,852,334	$ 18,814,652	$ 4,235,652

General Obligation Debt Outstanding

The School District's bonded debt consists of various issues of general obligation bonds that are generally noncallable 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.

During the current year, the School District issued direct placement general obligation bonds totaling $10,000,000 to provide funds for acquiring or improving School District buildings and facilities, land for facilities, new equipment and furnishings, school buses and transportation and maintenance equipment, and books and digital resources.

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

The School District's outstanding bonds related to governmental activities of $16,345,000 contain provisions that in the event of nonpayment, the State Board is authorized to and must withhold from any state appropriations to which the School District may be entitled amounts necessary to satisfy the principal and interest payments then due (Intercept Program).

General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2015	3.00% - 5.00%	5/28/2015	8/1/2021	$ 15,000,000.00	$ 6,345,000.00
Direct Placement -					
General Government - Series 2020	0.90%	4/16/2020	8/1/2025	10,000,000.00	10,000,000.00
				$ 25,000,000.00	$ 16,345,000.00

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

Fiscal Year	General Government Series 2015		Direct Placement - General Government Series 2020		Total	
Ended June 30	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 3,110,000	$ 239,500	$ -	$ 71,250	$ 3,110,000	$ 310,750
2022	3,235,000	80,875	-	90,000	3,235,000	170,875
2023	-	-	2,320,000	79,560	2,320,000	79,560
2024	-	-	2,435,000	58,163	2,435,000	58,163
2025	-	-	2,560,000	35,685	2,560,000	35,685
2026	-	-	2,685,000	12,083	2,685,000	12,083
Totals	$ 6,345,000	$ 320,375	$ 10,000,000	$ 346,741	$ 16,345,000	$ 667,116

Capital Leases

The School District has acquired iPads under the provisions of a long-term lease agreement classified as a capital lease for accounting purposes because it provides for a transfer of ownership by the end of the lease term. The associated assets acquired through the capital lease did not meet the School District's capitalization threshold and therefore are not included on the accompanying Statement of Net Position.

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Capital leases currently outstanding are as follows:

Purpose	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
iPad Phase III	1.40%	4/6/2018	4/6/2021	$ 717,659	$ 180,641
iPad 2020	0.00%	4/9/2020	3/1/2023	2,236,709	2,236,709
				$ 2,954,368	$ 2,417,350

The following is a schedule of total capital lease payments:

Fiscal Year Ended June 30	Principal	Interest
2021	$ 1,073,350	$ 2,522
2022	672,000	-
2023	672,000	-
Total Principal and Interest	$ 2,417,350	$ 2,522

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 exceeded commercial insurance coverage in any of the past three fiscal years.

Georgia School Boards Association Risk Management Fund

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

NOTE 8: RISK MANAGEMENT (CONTINUED)

Workers' Compensation

Georgia School Boards Association Worker's Compensation Fund

The School District participates in the Georgia School Boards Association Workers' Compensation Fund (the Fund), a public entity risk pool organized on July 1, 1992, to develop, implement, and administer a program of workers' compensation self-insurance for its member organizations. The School District pays an annual premium to the Fund for its Workers' Compensation insurance coverage. Excess insurance coverage is provided through an agreement by the Fund with the Safety National Casualty Corporation to provide coverage for potential losses sustained by the Fund in excess of $550 thousand loss per occurrence, up to the statutory limit. Employers' Liability insurance coverage is also provided by Safety National Casualty Corporation to provide coverage for potential losses sustained by the Fund in excess of $550 thousand loss per occurrence, up to $2.0 million. In addition to the $550,000 per occurrence retention, the Fund also retains an additional $200,000 per year corridor retention. The School District has not incurred any liabilities for workers' compensation during the past two years.

Unemployment Compensation

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the general fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The School District has not incurred any liabilities for unemployment compensation during the past two years.

Surety Bond

The School District has purchased a superintendent's (surety) bond to provide additional insurance coverage in the amount of $100,000.

NOTE 9: SIGNIFICANT COMMITMENTS

Commitments Under Construction Contracts

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2020.

Project	Unearned Executed Contracts (1)	Payments through June 30, 2020 (2)
Black's Mill Elementary School Roofing and HVAC	$ 340,850	$ 1,786,690

(1) The amounts described are not reflected in the basic financial statements.
(2) Payments include contracts and retainages payable at year-end.

NOTE 9: SIGNIFICANT COMMITMENTS (CONTINUED)

Operating Leases

The School District leases copiers and a postage machine under the provisions of long-term lease agreements classified as operating leases for accounting purposes. Rental expenditures under the terms of the operating leases totaled $106,638 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	$ 35,345.00

NOTE 10: 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 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 11: 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

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

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 $845,697 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 $31,294,216 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 0.255002%, which was an increase of 0.005145% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized OPEB expense of $824,876. 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	$ -	$ 3,404,485
Changes of assumptions	1,086,787	4,411,497
Net difference between projected and actual earnings on OPEB plan investments	68,149	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	658,512	125,928
School District contributions subsequent to the measurement date	845,697	-
Total	$ 2,659,145	$ 7,941,910

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

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	$	(1,414,383)
2022	$	(1,414,383)
2023	$	(1,417,003)
2024	$	(1,205,194)
2025	$	(585,071)
Thereafter	$	(92,428)

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

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

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

- For TRS members: The 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 table on the following page:

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

Asset class	Target allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	(0.10)%
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%)
Net OPEB Liability	$ 36,374,208	$ 31,294,216	$ 27,161,871

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

Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the School District's proportionate share of the net OPEB liability, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	$ 26,362,061	$ 31,294,216	$ 37,558,428

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

NOTE 12: RETIREMENT PLANS

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

Teachers Retirement System of Georgia (TRS)

Plan Description: All teachers of the School District as defined in §47-3-60 of the *Official Code of Georgia Annotated* (O.C.G.A.) and certain other support personnel as defined by §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. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

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

NOTE 12: RETIREMENT PLANS (CONTINUED)

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 20.97% of payroll was required from the School District and 0.17% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were $5,676,934 and $48,193 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.

NOTE 12: RETIREMENT PLANS (CONTINUED)

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 $71,778.

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

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	$	44,569,730
State of Georgia's proportionate share of the net pension liability associated with the School District		419,088
Total	$	44,988,818

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 0.207275%, which was a decrease of 0.000023% 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 $419,936.

NOTE 12: RETIREMENT PLANS (CONTINUED)

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 $8,267,402 for TRS and $129,503 for PSERS and revenue of $55,166 for TRS and $129,503 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,512,177	$ 13,214
Changes of assumptions	4,277,047	-
Net difference between projected and actual earnings on pension plan investments	-	1,061,341
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,372,218	3,238
School District contributions subsequent to the measurement date	5,676,934	-
Total	$ 13,838,376	$ 1,077,793

NOTE 12: RETIREMENT PLANS (CONTINUED)

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:		
2021	$	3,038,052
2022		842,885
2023		1,709,663
2024		1,493,049
Total	$	7,083,649

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 long-term assumed rate of return on assets (discount rate), which was changed from 7.50% to 7.25%, and the assumed annual rate of inflation, which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

NOTE 12: RETIREMENT PLANS (CONTINUED)

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

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

Asset class	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.

NOTE 12: RETIREMENT PLANS (CONTINUED)

Discount Rate: The discount rate used to measure the total TRS pension liability was 7.25%, which was a decrease from the discount rate of 7.50% utilized in the previous valuation. 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:

	1% Decrease (6.25%)	Current discount rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of the net pension liability	$ 72,349,716	$ 44,569,730	$ 21,724,710

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

In 2008, 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 Board's desire to supplement the retirement of this group.

The School District selected Lincoln and Vanguard as the providers of this plan. For each employee covered under PSERS, the Board began contributing to the plan an amount equal to 4 % of the employee's base pay.

The employee becomes vested in the plan with zero years of experience. Employees 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.

NOTE 12: RETIREMENT PLANS (CONTINUED)

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

Fiscal Year	Percentage Contributed	Required Contribution
2020	100%	$ 1,368,558
2019	100%	$ 1,293,571
2018	100%	$ 1,225,713

NOTE 13: RESTATEMENT OF PRIOR YEAR NET POSITION AND FUND BALANCE

For fiscal year 2020, the School District made prior period adjustments due to the adoption of GASB Statement No, 84, as described in "New Accounting Pronouncements," which requires the restatement of the June 30, 2019 net position in governmental activities and fund balance in the general fund and fiduciary funds. These changes are in accordance with generally accepted accounting principles.

Net Position, July 1, 2019 as previously reported	$	37,230,828
School Activity Account Reclassification		223,799
Net Position, July 1, 2019, as restated	$	37,454,627
Fund Balance (General Fund), July 1, 2019, as previously reported	$	7,128,938
School Activity Account Reclassification		223,799
Fund Balance (General Fund), July 1, 2019, as restated	$	7,352,737

Net Position (Fiduciary Funds), July 1, 2019 as previously reported	$	223,799.00
Prior Period Adjustment - Implementation of GASB No. 84: Restatement for Custodial Funds Beginning Net Position		(223,799.00)
Net Position (Fiduciary Funds), July 1, 2019, as restated	$	-

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DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE "1"

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

TEACHERS RETIREMENT SYSTEM OF GEORGIA

FOR THE FISCAL YEAR ENDED JUNE 30

	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability	0.207275%	0.207298%	0.199043%	0.195468%	0.190500%	0.184417%
School District's proportionate share of the net pension liability	$ 44,569,730	$ 38,478,949	$ 36,992,755	$ 40,327,228	$ 29,001,733	$ 23,298,655
State of Georgia's proportionate share of the net pension liability associated with the School District	419,088	363,261	786,159	1,482,346	987,886	724,794
Total	$ 44,988,818	$ 38,842,210	$ 37,778,914	$ 41,809,574	$ 29,989,619	$ 24,023,449
School District's covered payroll	$ 25,480,422	$ 24,923,584	23,376,643	$ 22,238,613	$ 20,105,929	$ 19,412,789
School District's proportionate share of the net pension liability as a percentage of its covered payroll	174.92%	154.39%	158.25%	181.34%	144.24%	121.17%
Plan fiduciary net position as a percentage of the total pension liability	78.56%	80.27%	79.33%	76.06%	81.44%	84.03%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE"2"

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

	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
School District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the School District	419,936	397,860	355,333	513,656	322,493	284,556
Total	$ 419,936	$ 397,860	$ 355,333	$ 513,656	$ 322,493	$ 284,556
School District's covered payroll	$ 1,206,857	$ 1,152,463	$ 1,218,163	$ 1,031,548	$ 1,153,208	$ 1,045,194
School District's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.02%	85.26%	85.69%	81.00%	87.00%	88.29%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE "3"

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

	2020	2019	2018
School District's proportion of the net OPEB liability	0.255002%	0.249857%	0.250679%
School District's proportionate share of the net OPEB liability	$ 31,294,216	$ 31,756,058	$ 35,220,299
Total	$ 31,294,216	$ 31,756,058	$ 35,220,299
School District's covered-employee payroll	22,178,500	21,814,505	20,807,858
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	141.10%	145.57%	169.26%
Plan fiduciary net position as a percentage of the total OPEB liability	4.63%	2.93%	1.61%

Note: Schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE "4"

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

	2020	2019	2018	2017	2016	2015 (1)
Contractually required contributions	$ 5,676,934	$ 5,275,699	$ 4,189,655	$ 3,270,259	$ 3,060,989	$ 2,643,930
Contributions in relation to the contractually required contributions	5,676,934	5,275,699	4,189,655	3,270,259	3,060,989	2,643,930
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	27,075,555	25,480,422	24,923,584	23,376,643	22,238,613	20,105,929
Contributions as a percentage of covered payroll	20.97%	20.70%	16.81%	13.99%	13.76%	13.15%

	2014 (1)	2013 (1)	2012 (1)	2011 (1)	2010 (1)
Contractually required contributions	$ 2,383,890	$ 2,194,128	$ 2,068,464	$ 2,119,912	$ 2,149,155
Contributions in relation to the contractually required contributions	2,383,890	2,194,128	2,068,464	2,119,912	2,149,155
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	19,412,789	19,229,866	20,121,247	20,621,707	22,065,250
Contributions as a percentage of covered payroll	12.28%	11.41%	10.28%	10.28%	9.74%

(1) For years 2015 and earlier the contribution amounts include payments made on behalf of the School District employees by the Georgia Department of Education.

DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE "5"

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS
FOR THE FISCAL YEAR ENDED JUNE 30

	2020	2019	2018	2017
Contractually required contribution	$ 845,697	$ 1,373,361	$ 1,294,984	$ 1,307,059
Contributions in relation to the contractually required contribution	845,697	1,373,361	1,294,984	1,307,059
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
School District's covered-employee payroll	$ 23,271,674	$ 22,178,500	$ 21,814,505	$ 20,807,858
Contributions as a percentage of covered-employee payroll	3.63%	6.19%	5.94%	6.28%

Note: Schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

Teachers Retirement System of Georgia:

***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%.

Public School Employees Retirement System of Georgia:

***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.

In the June 30, 2015 actuarial valuation, decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.

In the June 30, 2012 actuarial valuation, a data audit was performed and data collection procedures and assumptions were changed.

DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE "7"

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			Variance With
	Original (1)	Final (1)	Actual	Final Budget
REVENUES				
Property taxes	$ 22,990,451	$ 23,298,055	$ 23,616,990	$ 318,935
Sales taxes	600,000	714,576	876,016	161,440
Other local sources	1,159,875	1,058,991	2,075,078	1,016,087
State and federal funds	22,539,156	23,999,675	23,842,883	(156,792)
Investment earnings	12,175	17,454	16,974	(480)
Total revenues	47,301,657	49,088,751	50,427,941	1,339,190
EXPENDITURES				
Current:				
Instruction	29,096,614	28,874,831	28,679,490	195,341
Support services:				
Pupil services	2,074,601	2,068,828	2,100,241	(31,413)
Improvement of instructional services	3,833,251	3,841,265	3,614,269	226,996
Educational media services	946,032	1,025,239	1,004,578	20,661
General administration	571,463	552,481	567,751	(15,270)
School administration	3,010,683	2,972,315	2,956,010	16,305
Business administration	546,503	531,138	555,967	(24,829)
Maintenance and operation of facilities	4,621,759	4,401,098	4,173,798	227,300
Student transportation services	2,488,557	2,480,067	2,413,504	66,563
Central support services	563,907	547,086	532,893	14,193
Community services	13,923	9,598	12,899	(3,301)
Enterprise operations	-	-	336,555	(336,555)
Food service operation	2,270,605	2,510,801	2,533,063	(22,262)
Total expenditures	50,037,898	49,814,747	49,481,018	333,729
Excess of revenues over expenditures	(2,736,241)	(725,996)	946,923	1,672,919
OTHER FINANCING SOURCES (USES)				
Transfers in	529,687	538,674	-	(538,674)
Transfers out	(529,687)	(538,674)	(7,500)	531,174
Total other financing sources (uses)	-	-	(7,500)	(7,500)
Net change in fund balances	(2,736,241)	(725,996)	939,423	1,665,419
FUND BALANCE, beginning of year	7,352,737	7,352,737	7,352,737	-
FUND BALANCE, end of year	$ 4,616,496	$ 6,626,741	$ 8,292,160	$ 1,665,419

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

(1) Original and Final Budget amounts do not include budgeted revenues or expenditures of the various principal accounts.
The actual revenues and expenditures of the various principal accounts are $867,158 and $959,781, respectively.

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

See notes to the basic financial statements.

DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE "8"

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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Funding Agency Program/Grant	CFDA Number	Pass-Through Entity ID Number	Total Expenditures
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	205GA324N1099	$ 469,688
National School Lunch Program	10.555	205GA324N1099	1,795,681
Total Child Nutrition Cluster			2,265,369
Forest Service Schools and Road Cluster			
Pass-Through from Office of the State Treasurer			
Schools and Roads - Grants to States	10.665	486Forest	16,567
Total U. S. Department of Agriculture			2,281,936
Education, U. S. Department of			
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027	H027A190073	499,431
Grants to States	84.027	H027A180073	106,993
Preschool Grants	84.173	H173A190081	13,248
Total Special Education Cluster (IDEA)			619,672
Title I, Part A			
Pass-Through From Georgia Department of Education			
Title I Grants to Local Educational Agencies	84.010	S010A190010	540,962
Title I Grants to Local Educational Agencies	84.010	S010A180010	15,641
Total Title I, Part A			556,603
Pass-Through From Georgia Department of Education			
Education for Homeless Children and Youth	84.196	S196A190011	33,961
Education for Homeless Children and Youth	84.196	S196A180011	15,159
Total Education for Homeless Children and Youth			49,120
Pass-Through From Georgia Department of Education			
School Improvement Grants	84.377A	S377A160011	36,671

continued

DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Funding Agency Program/Grant	CFDA Number	Pass-Through Entity ID Number	Total Expenditures
Education, U. S. Department of			
Title II			
Pass-Through From Georgia Department of Education			
Supporting Effective Instruction State Grants	84.367	S367A190001	80,050
Supporting Effective Instruction State Grants	84.367	S367A180001	32,318
Total Title II			112,368
Title III			
Pass-Through From Georgia Department of Education			
English Language Acquisition Grants	84.365	S365A190010	14,136
English Language Acquisition Grants	84.365	S365A180010	568
Total Title III			14,704
Title IV			
Pass-Through From Georgia Department of Education			
Student Support and Academic Achievement	84.424A	S424A19011	30,603
Student Support and Academic Achievement	84.424A	S424A18011	9,460
Total Title IV			40,063
Vocational Education - Basic Grants to States			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048	V048A190010	8,752
Career and Technical Education - Basic Grants to States	84.048	V048A190010	1,255
Career and Technical Education - Basic Grants to States	84.048	V048A190010	24,343
Total Vocational Education - Basic Grants to States			34,350
Total U. S. Department of Education			1,463,551
Defense, U. S. Department of			
Direct			
Department of the Air Force			
R.O.T.C. Program	12.Unknown		73,642
Total Expenditures of Federal Awards			$ 3,819,129

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 Dawson 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.

See notes to the basic financial statements.

DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE "9"

SCHEDULE OF STATE REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Agency/Funding	Governmental Fund Types: General Fund	Governmental Fund Types: Capital Projects Fund	Total
Grants			
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	$ 1,226,374	$ -	$ 1,226,374
Kindergarten Program - Early Intervention Program	117,556	-	117,556
Primary Grades (1-3) Program	2,462,696	-	2,462,696
Primary Grades - Early Intervention (1-3) Program	456,508	-	456,508
Upper Elementary Grades (4-5) Program	1,114,683	-	1,114,683
Upper Elementary Grades - Early Intervention (4-5) Program	444,456	-	444,456
Middle School (6-8) Program	2,263,964	-	2,263,964
High School General Education (9-12) Program	2,199,142	-	2,199,142
Career Technical and Agricultural Education Program (9-12)	741,344	-	741,344
Students with Disabilities	3,542,893	-	3,542,893
Gifted Students - Category VI	553,987	-	553,987
Remedial Education Program	188,516	-	188,516
Alternative Education Program	173,494	-	173,494
English Speakers of Other Languages (ESOL)	154,810	-	154,810
Media Center Program	397,968	-	397,968
Twenty Days Additional Instruction	124,832	-	124,832
Staff and Professional Development	65,375	-	65,375
Principal Staff and Professional Development	1,698	-	1,698
Indirect Cost			
Central Administration	667,192	-	667,192
School Administration	951,921	-	951,921
Facility Maintenance and Operations	785,829	-	785,829
One time QBE Adjustment	(278,041)	-	(278,041)
Charter System Adjustment	381,373	-	381,373
Categorical Grants			
Pupil Transportation	403,852	-	403,852
Nursing Services	74,506	-	74,506
Vocational Supervisors	14,140	-	14,140
Food Services	50,120	-	50,120
Career, Technical, and Agricultural Education	469,339	-	469,339
Preschool Handicapped State Grant	109,606	-	109,606
Teachers Retirement	48,193	-	48,193
Office of Treasury and Fiscal Services			
Public School Employees Retirement	71,778	-	71,778
Grants from Pre-K Lottery			
Georgia Pre-Kindergarten Program	381,832	-	381,832
Other Grants From Georgia Department of Education			
School Security Grant	210,000	-	210,000
Hygiene Products in Georgia Schools	153	-	153
Pupil Transportation - State Bonds	154,440	-	154,440
Math and Science Supplement	21,161	-	21,161
Capital Outlay Grants			
Miscellaneous	-	1,053,444	1,053,444
	$ 20,747,690	$ 1,053,444	$ 21,801,134

See notes to the basic financial statements.

DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2020

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 V							
1. Adding to, renovating, repairing, improving, and equipping existing school building and school system facilities;	$ 7,635,000	$ 3,118,585	$ 220,927	$ 2,620,820	$ -	$ -	June 2021
2. Acquiring and/or improving land for school system facilities;	2,000,000	1,300,000	282,973	832,864	-	-	June 2021
3. Acquiring miscellaneous new equipment, fixtures and furnishings for the school system, including technology equipment, tablets and laptops, and safety and security equipment,	7,200,000	6,913,868	1,021,900	5,891,968	-	-	June 2021
4. Acquiring school buses and other vehicles, transportation and maintenance equipment,	2,065,000	1,000,000	274,483	475,504	-	-	June 2021
5. Acquiring books, digital resources, and other media for the school system,	500,000	575,000	38,896	469,920	-	-	June 2021
6. Constructing and equipping new classroom space including a performing arts center at Dawson County High School	13,000,000	24,060,629	551,886	23,508,743	-	-	June 2021
7. Paying expenses incident to accomplishing the foregoing, and for the purpose of payment of a portion of the interest on such debt.	-	180,000	8,000	169,490	-	-	June 2021
	$ 32,400,000	$ 37,148,082	$ 2,399,065	$ 33,969,309	$ -	$ -	
ESPLOST VI							
1a. Adding to, renovating, repairing, improving, and equipping existing school building and school system facilities;	17,500,000	17,500,000	1,786,689	-	-	-	June 2025
2a. Acquiring and/or improving land for school system facilities;	3,000,000	3,000,000	206,194	-	-	-	June 2025
3a. Acquiring miscellaneous new equipment, fixtures and furnishings for the school system, including technology equipment, software, tablets and laptops, and safety and security equipment,	12,280,000	12,280,000	546,430	-	-	-	June 2025
4a. Acquiring school buses, transportation, and maintenance equipment,	2,000,000	2,000,000	-	-	-	-	June 2025
5a. Acquiring books, digital resources and other media for the school system,	1,294,990	1,294,990	-	-	-	-	June 2025
6a. Constructing and equipping new school buildings and facilities and new educational space, including athletic, technological and academic facilities	12,000,000	12,000,000	71,410	-	-	-	June 2025
7a. Paying expenses incident to accomplishing the foregoing, and for the purpose of payment of a portion of the interest on such debt.	140,240	140,240	105,238	-	-	-	June 2025
	48,215,230	48,215,230	$ 2,715,961	-	-	-	
	$ 80,615,230	$ 85,363,312	$ 5,115,026	$ 33,969,309	$ -	$ -	

(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 Dawson 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:

Prior Years	$ 2,182,680
Current Year	377,050
Total	$ 2,559,730

SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS

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
Dawson 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 and each major fund of the Dawson 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 12, 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.

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 12, 2021

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 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
Dawson County Board of Education

Report on Compliance for Each Major Federal Program

We have audited the Dawson 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.

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 12, 2021

SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

DAWSON 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.

SECTION IV

FINDINGS AND QUESTIONED COSTS

DAWSON 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 — 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.