

ANNUAL FINANCIAL REPORT • FISCAL YEAR 2022

Dawson County Board of Education

Dawsonville, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor

DOAA
Georgia Department
of Audits & Accounts

Dawson County Board of Education

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Section I

Financial

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DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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
Mrs. Nicole LeCave, Superintendent and Members of the
Dawson County Board of Education

Report on the Audit of the Financial Statements

Opinions

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, 2022, 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.

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, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

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historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 appropriate evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

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

Respectfully submitted,



Greg S. Griffin
State Auditor

June 8, 2023

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DAWSON COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

INTRODUCTION

The discussion and analysis of the Dawson County Board of Education's (School District) financial performance provides an overview of the School District's financial activities for the fiscal years ended June 30, 2022 and June 30, 2021. 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 2022 and 2021 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 $63.5 million and $46.5 million, respectively, for the fiscal years ended June 30, 2022 and 2021.
- The School District had $52.3 million and $58.0 million in expenses relating to governmental activities for the fiscal years ended June 30, 2022 and June 30, 2021, respectively. Only $27.8 million and $26.6 million of the above-mentioned expenses for 2022 and 2021 were offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes) of $41.4 million and $39.4 million, respectively, for 2022 and 2021, were adequate to provide for these programs.
- General revenues accounts for $41.4 million in revenue or 59.9% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $27.8 million or 40.1% of total revenues of $69.2 million.
- The general fund (the primary operating fund), presented on a current financial resource basis, ended the fiscal year with a fund balance of $16.7 million, an increase of $3.7 million from the June 30, 2021 fund balance of $13.0 million.
- Among major funds, the general fund had $56.2 million in revenues and $52.5 million in expenditures. The fund balance for the general fund increased from $13.0 million to approximately $16.7 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The fund financial statements focus on individual parts, reporting the School District's operation in more detail. The governmental funds statements disclose how basic services are financed in the short-term as well as what remains for future spending.

The fund financial statements reflect the School District's most significant funds. For the years ending June 30, 2022 and 2021, 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 - 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 to 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 2022 and 2021.

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2022	Fiscal Year 2021
Assets		
Current and Other Assets	$ 40,607,687	$ 39,610,574
Capital Assets, Net	109,529,836	101,310,292
Total Assets	150,137,523	140,920,866
Deferred Outflows of Resources		
Related to Defined Benefit Pension Plan	13,741,154	14,613,331
Related to OPEB Plan	6,079,972	7,602,958
Total Deferred Outflows of Resources	19,821,126	22,216,289
Liabilities		
Current and Other Liabilities	8,535,319	6,715,976
Long-Term Liabilities	10,869,204	14,769,494
Net Pension Liability	18,197,038	50,416,748
Net OPEB Liability	26,044,457	36,730,340
Total Liabilities	63,646,018	108,632,558
Deferred Inflows of Resources		
Related to Defined Benefit Pension Plan	26,995,165	2,429
Related to OPEB Plan	15,846,098	7,990,583
Total Deferred Inflows of Resources	42,841,263	7,993,012
Net Position		
Net Investment in Capital Assets	100,898,392	93,710,960
Restricted	15,201,752	14,344,048
Unrestricted (Deficit)	(52,628,776)	(61,543,423)
Total Net Position	$ 63,471,368	$ 46,511,585

Total assets and deferred outflows of resources increased by $6.8 million which was primarily due to the increase in current and other assets and the decrease in the total of deferred outflows of resources.

Total liabilities and deferred inflows of resources decreased by $10.1 million. The combination of the increase in total assets and deferred outflows of resources and the decrease in total liabilities and deferred inflows of resources yielded an increase in net position of $17.0 million.

Table 2 shows the changes in net position for fiscal years ending June 30, 2022 and June 30, 2021.

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2022	Fiscal Year 2021
Revenues		
Program Revenues:		
Charges for Services	$ 431,215	$ 461,130
Operating Grants and Contributions	27,107,266	24,863,727
Capital Grants and Contributions	256,640	1,255,211
Total Program Revenues	27,795,121	26,580,068
General Revenues:		
Taxes		
Property Taxes		
For Maintenance and Operations	26,082,097	25,597,300
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects	12,520,403	10,925,310
Other Sales Tax	1,347,556	1,245,184
Investment Earnings	11,811	27,927
Miscellaneous	1,481,780	1,566,705
Total General Revenues	41,443,647	39,362,426
Total Revenues	69,238,768	65,942,494
Program Expenses		
Instruction	28,156,792	32,636,249
Support Services		
Pupil Services	2,593,251	2,508,552
Improvement of Instructional Services	4,410,655	3,937,321
Educational Media Services	720,162	863,138
General Administration	622,153	660,777
School Administration	2,691,021	3,421,164
Business Administration	517,279	627,715
Maintenance and Operation of Plant	5,710,311	6,540,008
Student Transportation Services	3,313,324	3,199,319
Central Support Services	480,774	507,765
Operations of Non-Instructional Services		
Enterprise Operations	38,901	14,170
Community Services	7,767	12,889
Food Services	2,912,116	2,786,062
Interest on Long-Term Debt	104,479	273,731
Total Expenses	52,278,985	57,988,860
Increase in Net Position	$ 16,959,783	$ 7,953,634

Program revenues, in the form of charges for services, operating grants and contributions and capital grants and contributions increased $1.2 million for governmental activities. This increase is largely due to the increase in the State QBE earnings from FTE and Federal funding.

General revenues increased by $2.1 million during fiscal year 2022 due 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
Cost of Services

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2021
Instruction	$ 28,156,792	$ 32,636,249	$ 10,911,760	$ 15,848,266
Support Services				
Pupil Services	2,593,251	2,508,552	1,655,879	1,766,176
Improvement of Instructional Services	4,410,655	3,937,321	2,326,810	2,592,772
Educational Media Services	720,162	863,138	146,003	288,526
General Administration	622,153	660,777	431,414	482,285
School Administration	2,691,021	3,421,164	1,691,346	2,442,727
Business Administration	517,279	627,715	388,036	476,261
Maintenance and Operation of Plant	5,710,311	6,540,008	4,484,350	4,572,756
Student Transportation Services	3,313,324	3,199,319	2,509,412	2,051,315
Central Support Services	480,774	507,765	352,044	379,379
Operations of Non-Instructional Services				
Enterprise Operations	38,901	14,170	32,725	11,330
Community Services	7,767	12,889	7,745	12,700
Food Services	2,912,116	2,786,062	(558,139)	210,568
Interest on Long-Term Debt	104,479	273,731	104,479	273,731
Total Expenses	$ 52,278,985	$ 57,988,860	$ 24,483,864	$ 31,408,792

Although program revenues support these costs, the School District is still dependent upon tax revenues for governmental activities. For 2022, 46.8% of expenses were supplemented by taxes and other general revenues compared to 56.0% in 2021.

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 $72.8 million and total expenses and other financing uses of $73.7 million. There was a decrease in the fund balance totaling $0.9 million for the governmental funds as a whole due to an increase in expenditures from 2021. New capital projects expenditures for the Agriscience facility and Multipurpose facilities increased the expenses of capital projects by $8.2 million.

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 2022 and 2021, the School District amended its general fund budget as needed.

During fiscal year 2022 the general fund had final actual revenues totaling $56.2 million, which represented an increase from the original budgeted amount of $49.7 million by $6.4 million. This difference (final actual vs. original budget) was due to an increase of $0.6 million for property taxes, $0.1 million for sales tax, $0.08 million for other local sources, and $3.7 million for State and Federal Earnings.

Final actual expenditures during fiscal year 2022 totaling $52.5 million represented an increase from the original budgeted amount of $50.4 million by $2.1 million. The increase in actual expenditures versus original budget expenditures was due primarily to adding new positions as required from the staffing formula, personnel changes, and higher than expected expenditures in general.

CAPITAL ASSETS

At the fiscal years ended June 30, 2022 and June 30, 2021, the School District had $109.5 million and $101.3 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 2022	Fiscal Year 2021
Land	$ 5,686,802	$ 5,686,802
Construction in Progress	9,663,865	2,007,272
Buildings and Improvements	88,646,910	88,097,012
Equipment	3,027,859	2,718,353
Land Improvements	2,504,400	2,800,853
Total	$ 109,529,836	$ 101,310,292

DEBT ADMINISTRATION

At June 30, 2022, the School District had $10.0 million in general obligation debt outstanding with $2.3 million due within one year. Table 5 summarizes bond debt outstanding at June 30, 2022 and 2021.

Table 5
Debt at June 30

		Governmental Activities	
		Fiscal Year	Fiscal Year
Bond Rating	Bond Issue	2022	2021
AA-	2015 Bonds	$ -	$ 3,235,000
AA-	2020 Bonds	10,000,000	10,000,000
Total Bonds Payable		10,000,000	13,235,000
Less Current Portion		2,320,000	3,235,000
Long-Term Bonds		$ 7,680,000	$ 10,000,000

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 2022 based on the 2021 tax digest was 15.000 mills, which produces $1,738,806 per mill. This was a reduction in the millage rate of 0.778 mills.

- Due to the impact of the COVID-19 pandemic on the country, Congress passed three bills to provide immediate economic assistance to state and local educational agencies through the Elementary and Secondary School Emergency Relief funds. The intent of these funds was to support the School District's efforts to safely reopen schools, address learning loss, support students' mental health and wellbeing and more.

- 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 Department of Education and collections from the Education Special Purpose Local Option Sales Tax. The School District regularly monitors anticipated capital outlay needs. Fiscal year 2022 included capital projects from ESPLOST for DCHS Multi-Purpose Building, DCHS Agri-Science Center, 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.

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. Beth Covington, Finance Director, at the Dawson County Board of Education, 28 Main Street, Dawsonville, GA 30534.

Dawson County Board of Education

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DAWSON COUNTY BOARD OF EDUCATION

EXHIBIT "A"

STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 35,368,711
Receivables:	
Taxes	1,691,960
Intergovernmental:	
State	2,584,399
Federal	839,881
Local	16,316
Other	55,260
Inventory	51,160
Capital assets (nondepreciable)	15,350,667
Capital assets (depreciable, net of accumulated depreciation)	94,179,169
Total assets	150,137,523
DEFERRED OUTFLOWS OF RESOURCES	
OPEB related items	6,079,972
Pension related items	13,741,154
Total deferred outflows of resources	19,821,126
LIABILITIES	
Accounts payable	1,199,993
Salaries and benefits payable	5,402,513
Accrued interest payable	37,500
Contracts and retainage payable	1,895,313
Bonds payable due within one year	2,320,000
Bonds payable due in more than one year	7,680,000
Financed purchase due within one year	672,000
Compensated absences due within one year	197,204
Net OPEB liability	26,044,457
Net pension liability	18,197,038
Total liabilities	63,646,018
DEFERRED INFLOWS OF RESOURCES	
OPEB related items	15,846,098
Pension related items	26,995,165
Total deferred inflows of resources	42,841,263
NET POSITION	
Net investment in capital assets	100,898,392
Restricted for:	
Capital projects	11,601,602
Debt service	2,327,500
Continuation of federal programs	1,272,650
Unrestricted (Deficit)	(52,628,776)
Total net position	$ 63,471,368

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, 2022

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	$ 28,156,792	$ 103,185	$ 17,069,403	$ 72,444	$ (10,911,760)
Support services:					
Pupil services	2,593,251	85,826	851,503	43	(1,655,879)
Improvement of instructional services	4,410,655	-	2,083,700	145	(2,326,810)
Educational media services	720,162	6,876	565,654	1,629	(146,003)
General administration	622,153	-	189,389	1,350	(431,414)
School administration	2,691,021	-	993,972	5,703	(1,691,346)
Business administration	517,279	-	129,243	-	(388,036)
Maintenance and operation of facilities	5,710,311	-	1,210,564	15,397	(4,484,350)
Student transportation services	3,313,324	12,597	636,875	154,440	(2,509,412)
Central support services	480,774	-	128,730	-	(352,044)
Community services	7,767	-	22	-	(7,745)
Enterprise operations	38,901	6,176	-	-	(32,725)
Food services operation	2,912,116	216,555	3,248,211	5,489	558,139
Interest on long-term debt	104,479	-	-	-	(104,479)
Total governmental activities	$ 52,278,985	$ 431,215	$ 27,107,266	$ 256,640	(24,483,864)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					26,082,097
Sales taxes:					
Special Purpose Local Option Sales Tax For Capital Projects					12,520,403
Other Sales Tax					1,347,556
Investment earnings					11,811
Miscellaneous					1,481,780
Total general revenues					41,443,647
Change in net position					16,959,783
Net position, beginning of year					46,511,585
Net position, end of year					$ 63,471,368

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

DAWSON COUNTY BOARD OF EDUCATION

EXHIBIT "C"

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

ASSETS	General	Capital Projects	Debt Service	Total Governmental Funds
Cash and cash equivalents	$ 18,290,722	$ 17,077,989	$ -	$ 35,368,711
Receivables:				
Taxes	586,777	1,105,183	-	1,691,960
Intergovernmental:				
State	2,584,399	-	-	2,584,399
Federal	839,881	-	-	839,881
Local	16,316	-	-	16,316
Other receivables	55,260	-	-	55,260
Inventory	51,160	-	-	51,160
Total assets	$ 22,424,515	$ 18,183,172	$ -	$ 40,607,687
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 247,292	$ 952,701	$ -	$ 1,199,993
Salaries and benefits payable	5,402,513	-	-	5,402,513
Contracts and retainage payable	-	1,895,313	-	1,895,313
Total liabilities	5,649,805	2,848,014	-	8,497,819
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	118,169	-	-	118,169
FUND BALANCES				
Nonspendable:				
Inventory	51,160	-	-	51,160
Restricted:				
Capital projects	-	12,970,158	-	12,970,158
Debt service	-	2,365,000	-	2,365,000
Continuation of federal programs	1,221,490	-	-	1,221,490
Assigned:				
School activity accounts	684,652	-	-	684,652
Ivey donation	11,464	-	-	11,464
Unassigned	14,687,775	-	-	14,687,775
Total fund balances	16,656,541	15,335,158	-	31,991,699
Total liabilities, deferred inflows of resources and fund balances	$ 22,424,515	$ 18,183,172	$ -	$ 40,607,687

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, 2022

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

Total fund balance-governmental funds		$ 31,991,699
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 $151,187,146 and the accumulated depreciation is $41,657,310.		109,529,836
Taxes that are not available to pay for current period expenditures are deferred in the funds.		118,169
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	$ (18,197,038)	
Deferred inflows of resources - pensions	(26,995,165)	
Deferred outflows of resources - pensions	13,741,154	(31,451,049)
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	$ (26,044,457)	
Deferred inflows of resources - OPEB	(15,846,098)	
Deferred outflows of resources - OPEB	6,079,972	(35,810,583)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	$ (10,000,000)	
Compensated absences	(197,204)	
Financed purchase	(672,000)	
Accrued interest payable	(37,500)	(10,906,704)
Total net position--governmental activities		$ 63,471,368

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, 2022

	General	Capital Projects	Debt Service	Total Governmental Funds
REVENUES				
Property taxes	$ 26,045,147	$ -	$ -	$ 26,045,147
Sales taxes	1,347,556	12,520,403	-	13,867,959
Other local sources	1,313,606	168,174	-	1,481,780
State funds	20,463,614	102,199	-	20,565,813
Federal funds	6,570,966	395,100	-	6,966,066
Charges for services	431,215	-	-	431,215
Investment earnings	9,044	2,767	-	11,811
Total revenues	56,181,148	13,188,643	-	69,369,791
EXPENDITURES				
Current:				
Instruction	29,741,856	1,378,781	-	31,120,637
Support services:				
Pupil services	2,708,639	77,135	-	2,785,774
Improvement of instructional services	4,264,100	433,060	-	4,697,160
Educational media services	780,030	17,486	-	797,516
General administration	665,467	-	-	665,467
School administration	3,017,635	-	-	3,017,635
Business services	579,596	6,000	-	585,596
Maintenance and operation of facilities	4,264,787	1,442,139	-	5,706,926
Student transportation services	2,984,179	353,284	-	3,337,463
Central support services	521,022	-	-	521,022
Community services	7,594	-	-	7,594
Enterprise operations	38,034	-	-	38,034
School nutrition	2,944,164	38,568	-	2,982,732
Capital outlay	-	9,953,936	-	9,953,936
Debt service:				
Principal retirement	-	672,000	3,235,000	3,907,000
Interest and fiscal charges	-	-	171,875	171,875
Total expenditures	52,517,103	14,372,389	3,406,875	70,296,367
Excess (deficiency) of revenues over (under) expenditures	3,664,045	(1,183,746)	(3,406,875)	(926,576)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,406,875	3,406,875
Transfers out	-	(3,406,875)	-	(3,406,875)
Total other financing sources (uses)	-	(3,406,875)	3,406,875	-
Net change in fund balances	3,664,045	(4,590,621)	-	(926,576)
FUND BALANCES, beginning of year	12,992,496	19,925,779	-	32,918,275
FUND BALANCES, end of year	$ 16,656,541	$ 15,335,158	$ -	$ 31,991,699

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, 2022

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

Net change in fund balances - total governmental funds			$ (926,576)
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 depreciation expense exceeded capital outlays in the current year.			
Capital outlay	$	11,671,339	
Depreciation expense		(3,451,795)	8,219,544
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Property taxes			36,950
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.			
Principal payments - bonds	$	3,235,000	
Principal payments - financed purchase		672,000	3,907,000
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	$	1,307,382	
Change in net pension liabilities and related deferred outflows and inflows of resources		4,354,797	
Change in compensated absences		(6,710)	
Change in accrued interest		67,396	5,722,865
Change in net position - governmental activities			$ 16,959,783

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 non-fiduciary assets, deferred outflows of resources, deferred inflows of resources and liabilities, with the difference reported as net position. Net position is reported in three categories as follows:

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

2. **Restricted net position** consists of resources for which the School District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law through constitutional provisions or enabling legislation.

3. **Unrestricted net position** consists of resources not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.

Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the School District's funds. 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 certain 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 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 2022, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The primary objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The adoption of this statement did not have an impact of 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. An employee whose employment is terminated will be compensated for no more than ten (10) unused annual leave days.

Long-Term Liabilities

In the School District’s government-wide financial statements, outstanding debt is reported as liabilities.

In the governmental fund financial statements, the School District recognizes the proceeds of debt and premiums as other financing sources of the current period.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Post-Employment Benefits other than Pensions

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

Fund Balances

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

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

Nonspendable – 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Property Taxes

The Dawson County Board of Commissioners adopted the property tax levy for the 2021 tax digest year (calendar year) on August 11, 2021 (levy date) based on property values as of January 1, 2020. Taxes were due on December 1, 2021 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2021 tax digest are reported as revenue in the governmental funds for fiscal year 2022. 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, 2022, for maintenance and operations amounted to $26,045,147, which includes $2,523,122 of Title Ad Valorem Tax revenue.

The tax millage rate levied for the 2021 tax year (calendar year) for the School District was as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	15.00 mills

Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to $12,520,403 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.

NOTE 3: BUDGETARY DATA (CONTINUED)

The budgetary process begins with the School District's administration presenting an initial budget for the Board's review. The administration makes revisions as necessary based on the Board's guidelines and a tentative budget is approved. After approval of this tentative budget by the Board, such budget is advertised at least once in a newspaper of general circulation in the locality, as well as the School District's website. At the next regularly scheduled meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final budget. The approved budget is then submitted, in accordance with provisions of 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.

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, 2022, 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

NOTE 4: DEPOSITS (CONTINUED)

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

Categorization of Deposits

Custodial credit risk is the risk that in the event of 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, 2022, School District had deposits with a carrying amount of $35,368,711, and a bank balance of $36,073,877. The bank balances insured by Federal depository insurance were $1,038,128 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 $788,748.

At June 30, 2022, $34,247,001 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.

NOTE 5: CAPITAL ASSETS

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

	Balance July 1, 2021	Increases	Decreases/ Transfers	Balance June 30, 2022
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 5,686,802	$ -	$	$ 5,686,802
Construction in Progress	2,007,272	10,065,156	(2,408,563)	9,663,865
Total Capital Assets, Not Being Depreciated	7,694,074	10,065,156	(2,408,563)	15,350,667
Capital Assets, Being Depreciated:				
Buildings and Improvements	116,234,665	562,157	2,408,563	119,205,385
Equipment	8,687,976	1,044,026	(453,001)	9,279,001
Land Improvements	7,012,093	-	-	7,012,093
Intangible Assets	340,000	-	-	340,000
Total Capital Assets Being Depreciated	132,274,734	1,606,183	1,955,562	135,836,479
Less Accumulated Depreciation For:				
Buildings and Improvements	(28,137,653)	(2,420,822)	-	(30,558,475)
Equipment	(5,969,623)	(734,520)	453,001	(6,251,142)
Land Improvements	(4,211,240)	(296,453)	-	(4,507,693)
Intangible Assets	(340,000)	-	-	(340,000)
Total Accumulated Depreciation	(38,658,516)	(3,451,795)	453,001	(41,657,310)
Total Capital Assets Being Depreciated, Net	93,616,218	(1,845,612)	2,408,563	94,179,169
Governmental Activities Capital Assets, Net	$ 101,310,292	$ 8,219,544	$ -	$ 109,529,836

Current year depreciation expense by function is as follows:

Instruction		$ 1,991,127
Support Services		
Pupil Services	$ 1,446	
Improvement of Instructional Services	4,887	
Educational Media Services	55,032	
General Administration	45,608	
School Administration	192,604	
Maintenance and Operation of Plant	520,032	
Student Transportation Services	455,669	1,275,278
Food Services		185,390
		$ 3,451,795

NOTE 6: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2022, consisted of the following:

Transfers In	Transfers Out	Amount
Debt Service Fund	Capital Projects Fund	$ 3,406,875

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, 2021	Additions	Deductions	Balance June 30, 2022	Due Within One Year
General Obligation (G.O.) Bonds	$ 13,235,000	$ -	$ 3,235,000	$ 10,000,000	$ 2,320,000
Compensated Absences	190,494	197,204	190,494	197,204	197,204
Financed Purchases	1,344,000	-	672,000	672,000	672,000
	$ 14,769,494	$ 197,204	$ 4,097,494	$ 10,869,204	$ 3,189,204

General Obligation Debt Outstanding

The School District's bonded debt consists 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.

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

The School District's outstanding bonds related to governmental activities of $10,000,000 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 Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Direct Placement - General Government - Series 2020	0.90%	4/16/2020	8/1/2025	$ 10,000,000	$ 10,000,000

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

Fiscal Year Ended June 30	Direct Placement - General Governmental Series 2020 Principal	Interest
2023	2,320,000	79,560
2024	2,435,000	58,163
2025	2,560,000	35,685
2026	2,685,000	12,083
Totals	$ 10,000,000	$ 185,491

Obligations Under Financed Purchase

The School District has acquired iPads under the provisions of a long-term financed purchase agreement classified as a financed purchase for accounting purposes because it provides for a transfer of ownership by the end of the agreement. The associated assets acquired through the agreement 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)

Financed purchase currently outstanding is as follows:

Purpose	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
iPad 2020	0.00%	4/2/2020	3/1/2023	$ 2,236,709	$ 672,000

The following is a schedule of total financed purchase payments:

Fiscal Year Ended June 30	Principal
2023	$ 672,000

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 and Insurance Management System

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

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, 2022.

Project	Unearned Executed Contracts (1)	Payments through June 30, 2022 (2)
Dawson County High School Multi-Purpose Building	$ 3,288,132	$ 6,192,975
Dawson County High School Agri-Science Center	2,233,895	3,422,116
Total	$ 5,522,027	$ 9,615,091

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

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

NOTE 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 post-employment 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 DCH Board.

Benefits Provided: The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies and non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The School OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted.

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were $892,648 for the year ended June 30, 2022. Active employees are not required to contribute to the School OPEB Fund.

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

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

At June 30, 2022, the School District reported a liability of $26,044,457 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2020. An expected total OPEB liability as of June 30, 2021 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, 2021. At June 30, 2021, the School District's proportion was 0.240466%, which was a decrease of 0.009610% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized OPEB expense of ($415,042). At June 30, 2022, 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	$ -	$ 11,891,816
Changes of assumptions	4,769,142	2,125,211
Net difference between projected and actual earnings on OPEB plan investments	-	41,298
Changes in proportion and differences between School District contributions and proportionate share of contributions	418,182	1,787,773
School District contributions subsequent to the measurement date	892,648	-
Total	$ 6,079,972	$ 15,846,098

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

School District contributions subsequent to the measurement date of $892,648 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, 2023. 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 Ending June 30:		OPEB
2023	$	(2,662,890)
2024	$	(2,462,875)
2025	$	(1,877,235)
2023	$	(1,427,464)
2027	$	(1,731,904)
Thereafter	$	(496,406)

Actuarial Assumptions: The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

OPEB:

Inflation	2.50%
Salary increases	3.00% – 8.75%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	6.75%
Medicare Eligible	5.13%
Ultimate trend rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

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

- For PSERS members: Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projections scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projections scaled applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjust 106% for males and 158% for females) with the MP-2019 Project scale applied generationally.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 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.

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

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

Asset class	Target allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	0.14%
Equities	70.00%	9.20%
Total	100.00%	

*Net of Inflation

Discount Rate: In order to measure the total OPEB liability for the School OPEB, a single equivalent interest rate of 2.20% was used as the discount rate, as compared with last year's rate of 2.22%. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation bonds with an average rating of AA or higher (2.16% per the Municipal Bond Index Rate). The projection of cashflows used to determine the discount rate assumed that contributions from members and from the employers will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2145.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate: The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 2.20%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.20%) or 1-percentage-point higher (3.20%) than the current discount rate (amounts in thousands):

	1% Decrease (1.20%)	Current Discount Rate (2.20%)	1% Increase (3.20%)
School District's proportionate share of the Net OPEB Liability	$ 29,774,655	$ 26,044,457	$ 22,921,928

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 (amounts in thousands):

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB Liability	$ 22,099,732	$ 26,044,457	$ 30,975,674

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plan's fiduciary net position is available in the Annual Comprehensive Financial Report (ACFR) which is publicly available at https://sao.georgia.gov/statewide-reporting/acfr.

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 O.C.G.A.§47-3-63 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. 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 2021. The School District's contractually required contribution rate for the year ended June 30, 2022 was 19.81% of annual School District payroll, of which 19.62% of payroll was required from the School District and 0.19% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were $5,458,006 and $53,213 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 $15.50, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

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

NOTE 12: RETIREMENT PLANS (CONTINUED)

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 $78,189.

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	$	18,197,038
State of Georgia's proportionate share of the net pension liability associated with the School District		169,811
Total	$	18,366,849

The net pension liability for TRS was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 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, 2021.

At June 30, 2021, the School District's TRS proportion was 0.205748%, which was a decrease of 0.002380% from its proportion measured as of June 30, 2020.

At June 30, 2022, 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 $64,618.

The PSERS net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 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, 2021.

NOTE 12: RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2022, the School District recognized pension expense of $918,371 for TRS and $679 for PSERS and revenue of ($168,652) for TRS and $679 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, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,342,392	$ -
Changes of assumption	3,521,978	-
Net difference between projected and actual earnings on pension plan investments	-	26,617,127
Changes in proportion and differences between School District contributions and proportionate share of contributions	418,778	378,038
School District contributions subsequent to the measurement date	5,458,006	-
Total	$ 13,741,154	$ 26,995,165

The School District contributions subsequent to the measurement date of $5,458,006 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, 2023. 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 ending June 30:	TRS
2023	$ (3,310,115)
2024	(3,527,120)
2025	(5,240,895)
2026	(6,633,887)
Total	$ (18,712,017)

NOTE 12: RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions: The total pension liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, 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 for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% as used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

Public School Employees Retirement System

Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

NOTE 12: RETIREMENT PLANS (CONTINUED)

Mortality rates are as follows:

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

The long-term expected rate of return on TRS and PSERS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected 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	Long-term expected real rate of return*	PSERS Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	(0.80)%	30.00%	(1.50)%
Domestic large stocks	46.30%	9.30%	46.40%	9.20%
Domestic small stocks	1.20%	13.30%	1.10%	13.40%
International developed market stocks	11.50%	9.30%	11.70%	9.20%
International emerging market stocks	6.00%	11.30%	5.80%	10.40%
Alternative	5.00%	10.60%	5.00%	10.60%
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%. The discount rate used to measure the total PSERS pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and 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 plans' fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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	$ 49,018,000	$ 18,197,038	$ (7,058,613)

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 http://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 adequate retirement for this group of employees, it was the Board's desire to supplement the retirements of its employees.

The School District selected Lincoln and Vanguard as the providers of this plan. 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
2022	100%	$ 1,403,064
2021	100%	$ 1,368,471
2020	100%	$ 1,368,558

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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

	2022	2021	2020	2019
School District's proportion of the net pension liability	0.205748%	0.208128%	0.207275%	0.207298%
School District's proportionate share of the net pension liability	$ 18,197,038	$ 50,416,748	$ 44,569,730	$ 38,478,949
State of Georgia's proportionate share of the net pension liability associated with the School District	169,811	416,167	419,088	363,261
Total	$ 18,366,849	$ 50,832,915	$ 44,988,818	$ 38,842,210
School District's covered payroll	$ 27,104,309	$ 27,075,555	$ 25,480,422	$ 24,923,584
School District's proportionate share of the net pension liability as a percentage of its covered payroll	67.14%	186.21%	174.92%	154.39%
Plan fiduciary net position as a percentage of the total pension liability	92.03%	77.01%	78.56%	80.27%

	2018	2017	2016	2015
School District's proportion of the net pension liability	0.199043%	0.195468%	0.190500%	0.184417%
School District's proportionate share of the net pension liability	$ 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	786,159	1,482,346	987,886	724,794
Total	$ 37,778,914	$ 41,809,574	$ 29,989,619	$ 24,023,449
School District's covered payroll	$ 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	158.25%	181.34%	144.24%	121.17%
Plan fiduciary net position as a percentage of the total pension liability	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 CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2022	2021	2020	2019	2018
Contractually required contributions	$ 5,458,006	$ 5,118,468	$ 5,676,934	$ 5,275,699	$ 4,189,655
Contributions in relation to the contractually required contributions	5,458,006	5,118,468	5,676,934	5,275,699	4,189,655
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	27,823,125	27,104,309	27,075,555	25,480,422	24,923,584
Contributions as a percentage of covered payroll	19.62%	18.88%	20.97%	20.70%	16.81%

	2017	2016	2015 (1)	2014 (1)	2013 (1)
Contractually required contributions	$ 3,270,259	$ 3,060,989	$ 2,643,930	$ 2,383,890	$ 2,194,128
Contributions in relation to the contractually required contributions	3,270,259	3,060,989	2,643,930	2,383,890	2,194,128
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	23,376,643	22,238,613	20,105,929	19,412,789	19,229,866
Contributions as a percentage of covered payroll	13.99%	13.76%	13.15%	12.28%	11.41%

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

DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE "3"

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

	2022	2021	2020	2019
School District's proportion of the net pension liability	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	64,618	457,244	419,936	397,860
Total	$ 64,618	$ 457,244	$ 419,936	$ 397,860
School District's covered payroll	$ 1,268,063	$ 1,141,474	$ 1,206,857	$ 1,152,463
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
Plan fiduciary net position as a percentage of the total pension liability	98.00%	84.45%	85.02%	85.26%

	2018	2017	2016	2015
School District's proportion of the net pension liability	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	355,333	513,656	322,493	284,556
Total	$ 355,333	$ 513,656	$ 322,493	$ 284,556
School District's covered payroll	$ 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
Plan fiduciary net position as a percentage of the total pension liability	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 "4"

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

	2022	2021	2020	2019	2018
School District's proportion of the net OPEB liability	0.240466%	0.250076%	0.255002%	0.249857%	0.250679%
School District's proportionate share of the net OPEB liability	$ 26,044,457	$ 36,730,340	$ 31,294,216	$ 31,756,058	$ 35,220,299
Total	$ 26,044,457	$ 36,730,340	$ 31,294,216	$ 31,756,058	$ 35,220,299
School District's covered-employee payroll	24,022,383	23,271,674	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	108.42%	157.83%	141.10%	145.57%	169.26%
Plan fiduciary net position as a percentage of the total OPEB liability	6.14%	3.99%	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 "5"

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

	2022	2021	2020	2019
Contractually required contribution	$ 892,648	$ 894,495	$ 845,697	$ 1,373,361
Contributions in relation to the contractually required contribution	892,648	894,495	845,697	1,373,361
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
School District's covered-employee payroll	$ 25,471,820	$ 24,022,383	$ 23,271,674	$ 22,178,500
Contributions as a percentage of covered-employee payroll	3.50%	3.72%	3.63%	6.19%

	2018	2017
Contractually required contribution	$ 1,294,984	$ 1,307,059
Contributions in relation to the contractually required contribution	1,294,984	1,307,059
Contribution deficiency (excess)	$ -	$ -
School District's covered-employee payroll	$ 21,814,505	$ 20,807,858
Contributions as a percentage of covered-employee payroll	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:

Change of benefit terms: There have been no changes in benefit terms.

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

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

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

Public Schools Employees Retirement System of Georgia:

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

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement and withdrawal. The expectation of retired life mortality was changed to the RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females).

A new funding policy was initially adopted by the Board on March 15, 2018, and most recently amended on December 17, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumption utilized by the System based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rates or mortality, retirement, disability, and withdrawal. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability.

School OPEB Fund:

Changes in assumptions: June 30, 2020 valuation: Decremental assumptions were changed to reflect the Employees Retirement Systems experience study. Approximately 0.10% of employees are members of the Employees' Retirement System.

June 30, 2019 valuation: Decremental assumptions were changed to reflect the Teachers Retirement Systems experience study.

June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.50%.

June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised.

June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect to Retirement Systems' experience studies.

June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

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

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, 2022

	Budget			Variance With
	Original (1)	Final (1)	Actual	Final Budget
REVENUES				
Property taxes	$ 25,147,426	$ 25,790,307	$ 26,045,147	$ 254,840
Sales taxes	1,107,975	1,226,344	1,347,556	121,212
Other local sources	448,094	527,654	1,744,821	1,217,167
State and federal funds	23,026,599	26,770,870	27,034,580	263,710
Investment earnings	3,650	7,791	9,044	1,253
Total revenues	49,733,744	54,322,966	56,181,148	1,858,182
EXPENDITURES				
Current:				
Instruction	29,493,733	31,792,203	29,741,856	2,050,347
Support services:				
Pupil services	2,226,201	2,289,253	2,708,639	(419,386)
Improvement of instructional services	4,171,096	5,010,436	4,264,100	746,336
Educational media services	737,027	766,142	780,030	(13,888)
General administration	554,294	667,245	665,467	1,778
School administration	2,988,645	3,046,783	3,017,635	29,148
Business administration	578,144	599,180	579,596	19,584
Maintenance and operation of facilities	4,350,686	4,486,803	4,264,787	222,016
Student transportation services	2,469,702	2,975,648	2,984,179	(8,531)
Central support services	487,751	502,510	521,022	(18,512)
Community services	22,500	22,500	7,594	14,906
Enterprise operations	-	-	38,034	(38,034)
School nutrition	2,368,989	2,916,945	2,944,164	(27,219)
Total expenditures	50,448,768	55,075,648	52,517,103	2,558,545
Net change in fund balances	(715,024)	(752,682)	3,664,045	4,416,727
FUND BALANCE, beginning of year	12,992,496	12,992,496	12,992,496	-
FUND BALANCE, end of year	$ 12,277,472	$ 12,239,814	$ 16,656,541	$ 4,416,727

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 $1,030,952 and $919,940 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.

DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE "8"

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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Funding Agency Program/Grant	Assistance Listing 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	215GA324N1199	$ 781,790
National School Lunch Program	10.555	215GA324N1199	1,527,644
Pass-Through From From Bright From the Start: Georgia Department of Early Care and Learning			
COVID-19 - National School Lunch Program	10.555	225GA324N1099	90,051
Total Child Nutrition Cluster			2,399,485
Forest Service Schools and Road Cluster			
Pass-Through from Office of the State Treasurer			
Schools and Roads - Grants to States	10.665	486Forest	3,492
Other Programs			
Pass-Through from Georgia Department of Education			
State Administrative Expenses for Child Nutrition	10.560	215GA904N2533	9,229
Total U. S. Department of Agriculture			2,412,206
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A200073	102,870
Grants to States	84.027A	H027A210073	705,213
Preschool Grants	84.173A	H173A200081	4,633
Preschool Grants	84.173A	H173A210081	26,545
Total Special Education Cluster (IDEA)			839,261
Title I, Part A			
Pass-Through From Georgia Department of Education			
Title I Grants to Local Educational Agencies	84.010A	S010A200010	4,820
Title I Grants to Local Educational Agencies	84.010A	S010A210010-22A	613,761
Total Title I, Part A			618,581
Pass-Through From Georgia Department of Education			
Education for Homeless Children and Youth	84.196A	S196A210011	41,050
Total Education for Homeless Children and Youth			41,050
Title II			
Pass-Through From Georgia Department of Education			
Supporting Effective Instruction State Grants	84.367A	S367A210001	99,301
Total Title II			99,301
Education, U. S. Department of			
Title III			
Pass-Through From Georgia Department of Education			
English Language Acquisition Grants	84.365A	S365A210010	23,747
Total Title III			23,747

DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE "8"

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Funding Agency Program/Grant	Assistance Listing Number	Pass-Through Entity ID Number	Total Expenditures
Title IV			
Pass-Through From Georgia Department of Education			
Student Support and Academic Achievement	84.424A	S424A210011	34,591
Total Title IV			34,591
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	179,838
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	1,420,286
Homeless Children and Youth (ARP-HCY)	84.425W	S425W210011	21,154
Total Education Stabilization Fund			1,621,278
Vocational Education - Basic Grants to States			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A200010	36,839
Total Vocational Education - Basic Grants to States			36,839
Total U. S. Department of Education			3,314,648
Federal Communications Commission, U.S.			
Direct			
COVID-19 - Emergency Connectivity Fund Program	32.009		395,100
Health and Human Services, U. S. Department of			
Child Care and Development Fund Cluster			
Pass-Through From Georgia Regional Board			
Child Care and Development Block Grant	93.575	2210GACCC5	31,253
Defense, U. S. Department of			
Direct			
Department of the Air Force			
R.O.T.C. Program	12.Unknown	N/A	78,011
Total Expenditures of Federal Awards			$ 6,231,218

N/A = Not Available

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, 2022. 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.

DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE "9"

SCHEDULE OF STATE REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	$ 1,177,114	$ -	$ 1,177,114
Kindergarten Program - Early Intervention Program	39,036	-	39,036
Primary Grades (1-3) Program	2,557,663	-	2,557,663
Primary Grades - Early Intervention (1-3) Program	131,557	-	131,557
Upper Elementary Grades (4-5) Program	1,197,676	-	1,197,676
Upper Elementary Grades - Early Intervention (4-5) Program	38,994	-	38,994
Middle School (6-8) Program	2,085,002	-	2,085,002
High School General Education (9-12) Program	1,921,431	-	1,921,431
Career Technical and Agricultural Education Program (9-12)	697,654	-	697,654
Students with Disabilities	3,885,762	-	3,885,762
Gifted Students - Category VI	527,764	-	527,764
Remedial Education Program	258,215	-	258,215
Alternative Education Program	154,098	-	154,098
English Speakers of Other Languages (ESOL)	186,925	-	186,925
Media Center Program	374,646	-	374,646
Twenty Days Additional Instruction	115,043	-	115,043
Staff and Professional Development	65,513	-	65,513
Principal Staff & Professional Development	1,607	-	1,607
Indirect Cost			
Central Administration	509,397	-	509,397
School Administration	876,711	-	876,711
Facility Maintenance and Operations	764,254	-	764,254
One time QBE Adjustment	900,798	-	900,798
Charter System Adjustment	393,741	-	393,741
Categorical Grants			
Pupil Transportation	408,443	-	408,443
Nursing Services	75,379	-	75,379
Vocational Supervisors	11,670	-	11,670
Food Services	70,106	-	70,106
Career, Technical, and Agricultural Education	70,165	-	70,165
Amended Formula Adjustment	113,311	-	113,311
Preschool Handicapped State Grant	66,121	-	66,121
Teachers Retirement	53,213	-	53,213

(continued)

DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE "9"

SCHEDULE OF STATE REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Agency/Funding	Governmental Fund Types: General Fund	Governmental Fund Types: Capital Projects Fund	Total
Office of Treasury and Fiscal Services			
Public School Employees Retirement	$ 78,189	$ -	$ 78,189
Grants from Pre-K Lottery			
Georgia Pre-Kindergarten Program	492,528	-	492,529
Other Grants From Georgia Department of Education			
Hygiene Products in Georgia Schools	2,554	-	2,554
Math and Science Supplement	6,893	-	6,893
Public Transportation - State Bonds	154,441	-	154,441
Capital Outlay Grants			
Miscellaneous	-	102,199	102,198
	$ 20,463,614	$ 102,199	$ 20,565,813

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DAWSON COUNTY BOARD OF EDUCATION

SCHEDULE "10"

SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	5,884,613	718,497	4,631,381	-	-	June 2023
2. Acquiring and/or improving land for school system facilities,	2,000,000	2,144,967	-	1,720,967	-	-	June 2023
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	8,503,976	764,561	7,254,965	-	-	June 2023
4. Acquiring school buses and other vehicles, transportation and maintenance equipment,	2,065,000	1,430,457	315,360	749,987	-	-	June 2023
5. Acquiring books, digital resources, and other media for the school system,	500,000	554,696	-	554,696	554,696	-	Completed
6. Constructing and equipping new classroom space including a performing arts center at Dawson County High School,	13,000,000	24,060,629	-	24,060,629	24,060,629	-	Completed
7. Paying expenses incident to accomplishing the foregoing, and for the purpose of payment of a portion of the interest on such debt.	-	203,505	6,000	183,505	-	-	June 2023
Total SPLOST V	$ 32,400,000	$ 42,782,843	$ 1,804,418	$ 39,156,130	$ 24,615,325	$ -	
ESPLOST VI							
1a. Adding to, renovating, repairing, improving, and equipping existing school building and school system facilities,	17,500,000	17,500,000	240,743	2,950,296	-	-	June 2025
2a. Acquiring and/or improving land for school system facilities,	3,000,000	3,000,000	375,403	649,070	-	-	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	2,164,056	1,823,955	-	-	June 2025
4a. Acquiring school, transportation and maintenance equipment,	2,000,000	2,000,000	34,699	235,802	-	-	June 2025
5a. Acquiring books, digital resources and other media for the school system,	1,294,990	1,294,990	293,421	26,014	-	-	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	9,459,649	288,626	-	-	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	-	105,274	-	-	June 2025
Total SPLOST VI	$ 48,215,230	$ 48,215,230	$ 12,567,971	$ 6,079,037	$ -	$ -	
Total SPLOST	$ 80,615,230	$ 90,998,073	$ 14,372,389	$ 45,235,167	$ 24,615,325	$ -	

(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	$ 2,870,480
Current Year	170,875
Total	$ 3,041,355

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Section II

Compliance and Internal Control Reports

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DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Mrs. Nicole LeCave, Superintendent and Members of the
Dawson County Board of Education

We have audited 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, 2022, 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 June 8, 2023. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies

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may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* in finding FS 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the finding identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

June 8, 2023

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DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Mrs. Nicole LeCave, Superintendent and Members of the
Dawson County Board of Education

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Dawson County Board of Education's (School District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2022. 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*.

In our opinion, the School District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance

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requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Respectfully submitted,



Greg S. Griffin
State Auditor

June 8, 2023

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Section III

Auditee's Response to Prior Year Findings and Questioned Costs

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DAWSON COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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Section IV

Findings and Questioned Costs

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DAWSON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:
Governmental Activities and Each Major Fund — Unmodified

Internal control over financial reporting:
- Material weakness(es) identified? — Yes
- Significant deficiency(ies) identified? — None Reported

Noncompliance material to financial statements noted: — No

Federal Awards

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

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

All major programs — Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? — No

Identification of major programs:

Assistance Listing Number	Assistance Listing Program or Cluster Title
84.027, 84.173	Special Education Cluster
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: $750,000.00

Auditee qualified as low-risk auditee? Yes

DAWSON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

II FINANCIAL STATEMENT FINDINGS

FS 2022-001 Internal Controls over Capital Assets

Internal Control Impact: Material Weakness
Compliance Impact: None

Description:
The School District did not adequately maintain the capital asset records.

Criteria:
Chapter IV-7 *Implementing a Capital Asset Management System* of the Financial Management for Georgia Local Units of Administration indicates that School Districts must establish fixed asset policies, define system requirements, implement a fixed asset system and maintain fixed asset records.

Condition:
A review of the School District's capital asset records revealed the following deficiency:

- Construction in progress was understated by $3,000,000 on the financial statements and capital asset listing due to an error in recording current year construction costs for the Dawson County High School Agri-Science Center. An adjustment was proposed by the auditors and accepted by the School District to correct this error. This misstatement was material to the government-wide financial statements.

Cause:
This issue was a result of the School District's inadequate controls and review procedures over capital assets.

Effect:
The failure of the School District to maintain a complete and accurate capital asset listing can lead to inaccurate internal and external reporting as well as noncompliance with generally accepted accounting principles.

Recommendation:
Management should correct the capital asset listing and strengthen internal controls over the capital asset process to ensure that capital assets are properly recorded and maintained in accordance with the School District's approved capital assets policy and generally accepted accounting principles.

Views of Responsible Officials:
We concur with this finding.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Section V

Management's Corrective Action

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Dawson County Schools
28 Main Street
Dawsonville, GA 30534
(706) 265-3246
FAX (706) 265-1226
www.dawsoncountyschools.org
Mrs. Nicole LeCave
Superintendent

Board Members:
Karen Armstrong
Doris Cook
Nathan Ingram
Barry Slaton
Elaine Wilson

CORRECTIVE ACTION PLANS – FINANCIAL STATEMENT FINDINGS

FS2022-001 **Internal Controls over Capital Assets**

Internal Control Impact: Material Weakness
Compliance Impact: None

Description:
The School District did not adequately maintain the capital asset records.

Corrective Action Plan:
Additional training and professional development will be implemented in the finance department in the areas of internal control and review procedures for journal entries, capital assets, depreciation, and financial statement presentation.

Estimated Completion Date: December 31, 2023

Contact Person: Beth Covington, Finance Director
Telephone: 706.265.3246 *1024
Email: bcovington@dawson.k12.ga.us

Signature: Beth S. Covington
Title: Finance Director

Signature: Nicole LeCave
Title: Superintendent