CITY OF DECATUR
BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT
FOR THE
FISCAL YEAR ENDED JUNE 30, 2020

CITY OF DECATUR BOARD OF EDUCATION
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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I. FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of
the City of Decatur Board of Education
Decatur, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **City of Decatur Board of Education** (the "District") as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Decatur Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Decatur Board of Education as of June 30, 2020, and the respective changes in financial position, and the budgetary comparison for the General Fund, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10, Schedule of Proportionate Share of the Net Pension Liability for TRS Plan on page 53, Schedule of Contributions for TRS Plan on page 54, Schedule of Proportionate Share of the Net Pension Liability for PSERS Plan on page 56, Schedule of Proportionate Share of the Net OPEB Liability on page 58, and the Schedule of Contributions for OPEB Plan on page 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Decatur Board of Education's basic financial statements. The combining and nonmajor fund financial statements and schedules and continuing disclosure section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, and the accompanying schedule of expenditures of federal awards, as required by the Uniform Guidance, as listed in the table of contents, are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

The combining and nonmajor fund financial statements and schedules, schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and nonmajor financial fund statements and schedules, schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The continuing disclosure section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2021, on our consideration of the City of Decatur Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 City of Decatur Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 23, 2021

The discussion and analysis of the City of Decatur Board of Education's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the complete financial statements, with footnotes, to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2020 are as follows:

- Total net position decreased from approximately $75.8 million in 2019 to approximately $70.4 million in 2020, a decrease of approximately $5.4 million. This decrease is due primarily to an increase in instructional expenses as a result of increases in salaries and staffing.

- Total revenues increased from approximately $82.5 million in fiscal year 2019 to approximately $87.4 million in fiscal year 2020, an increase of approximately $4.9 million, primarily from increases in property taxes of $3.5 million as a result of increases in assessed property values. Also contributing to the increase were increases of approximately $1.7 million in operating grants and contributions due largely to increase in QBE revenues as a result of enrollment growth and training and experience (T&E).

- Total expenses increased from approximately $79.9 million in fiscal year 2019 to approximately $92.8 million in fiscal year 2020, an increase of approximately $12.9 million. This increase was the result of an increase in staff to accommodate enrollment growth, a step increase of approximately 2.5% for qualifying employees, a cost of living adjustment of 2% for all qualifying employees and an increase to the employer portion of contributions to the Teachers' Retirement System (TRS).

- Among the major funds, the General Fund has approximately $76.5 million in revenues and approximately $77.9 million in expenditures and $1.2 million in other financing sources in fiscal year 2020. Fund balance for the General Fund decreased by $186,078.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements comprise three components: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information related to the District's pension plan and other supplementary information in addition to the basic financial statements themselves.

Government–wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the District's assets, liabilities, deferred outflows of resources, and deferred inflows of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In contrast, fund balance reports only those assets, deferred inflows of resources, and liabilities that primarily have an impact on short-term financing decisions. Fund balance (specifically, unassigned fund balance) is a measure of available financial resources. Net position reports all assets, all liabilities, and certain deferred outflow and inflows of resources regardless of their relevance to near-term financing decisions. Net position should be understood as a measure of net worth rather than a measure of available financial resources.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two (2) categories: governmental funds and fiduciary funds.

Governmental Funds

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

Fiduciary Funds

The District is the trustee, or fiduciary, for assets that belong to others, such as club and class funds and payroll withholding funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.

FINANCIAL ANALYSIS FO THE SCHOOL SYSTEM AS A WHOLE

Provided on the following page is a Statement of Net Position for 2020 and 2019 as well as a Statement of Activity for 2020 and 2019. These statements reflect a net position for fiscal 2020 of approximately $70.4 million, which represents a decrease over fiscal year 2019 in the amount of approximately $5.4 million.

Statement of Net Position (Accrual Basis of Accounting)

	Governmental Activities 2020	Governmental Activities 2019	Dollar Change Increase (Decrease)	Percent Change Increase (Decrease)
Assets				
Current and other assets	**$ 57,941,546**	$ 58,050,484	$ (108,938)	(0.19) %
Capital assets, net	**166,695,873**	166,191,963	503,910	0.30
Total Assets	**224,637,419**	224,242,447	394,972	0.18
Deferred outflow of resources				
Pension related items	**22,866,658**	16,195,327	6,671,331	41.19
OPEB related items	**6,001,743**	4,621,739	1,380,004	29.86
	28,868,401	20,817,066	8,051,335	38.68
Liabilities				
Current and other liabilities	**12,680,830**	12,792,751	(111,921)	(0.87)
Long-Term liabilities	**30,754,616**	31,364,661	(610,045)	(1.95)
Net Pension Liability	**64,899,676**	53,582,222	11,317,454	21.12
Net OPEB Liability	**45,425,224**	46,121,443	(696,219)	(1.51)
Total Liabilities	**153,760,346**	143,861,077	9,899,269	6.88
Deferred inflow of resources				
Pension related items	**1,573,596**	1,588,607	(15,011)	(0.94)
OPEB related items	**11,345,315**	8,862,275	2,483,040	28.02
Unearned revenue - property taxes	**16,458,302**	14,981,801	1,476,501	9.86
	29,377,213	25,432,683	3,944,530	15.51
Net position				
Net investment in capital assets	**134,352,569**	130,635,645	3,716,924	2.85
Restricted	**11,547,531**	16,590,384	(5,042,853)	(30.40)
Unrestricted (deficit)	**(75,531,839)**	(71,460,276)	(4,071,563)	5.70
Total Net Position	**$ 70,368,261**	$ 75,765,753	$ (5,397,492)	(7.12) **%**

Statement of Activities (Accrual Basis of Accounting)

	Governmental Activities 2020	Governmental Activities 2019	Dollar Change Increase (Decrease)	Percent Change Increase (Decrease)
Program Revenues				
Charges for Services	**$ 4,774,925**	$ 5,157,761	$ (382,836)	(7.42) %
Operating Grants and Contributions	**39,106,212**	37,442,525	1,663,687	4.44
	43,881,137	42,600,286	1,280,851	3.01
General Revenues				
Property Taxes	**35,499,579**	31,967,146	3,532,433	11.05
Special Local Option Sales Taxes	**5,359,344**	5,270,048	89,296	1.69
Interest on Investments	**277,986**	633,498	(355,512)	(56.12)
Other	**2,339,430**	1,986,816	352,614	17.75
	43,476,339	39,857,508	3,618,831	9.08
Total Revenues	**87,357,476**	82,457,794	4,899,682	5.94
Program Expenses				
Instruction	**55,011,039**	47,517,038	7,494,001	15.77
Support Services				
Pupil Services	**4,550,401**	3,655,752	894,649	24.47
Improvement of Instruction	**1,782,420**	1,197,633	584,787	48.83
Educational and Media Services	**1,610,216**	1,235,641	374,575	30.31
Grant Administration	**94,380**	196,164	(101,784)	(51.89)
General Administration	**2,142,610**	1,506,878	635,732	42.19
School Administration	**9,526,264**	8,455,159	1,071,105	12.67
Business Administration	**648,046**	578,645	69,401	11.99
Maintenance and Operation	**7,488,506**	6,277,739	1,210,767	19.29
Student Transportation	**2,300,654**	1,657,570	643,084	38.80
Central Support Services	**2,510,514**	2,151,344	359,170	16.70
Other Support Services	**56,611**	97,084	(40,473)	(41.69)
Food Services	**3,444,853**	3,761,125	(316,272)	(8.41)
Community Services Operations	**16,267**	11,074	5,193	46.89
Interest on long-term debt	**1,572,187**	1,574,380	(2,193)	(0.14)
Total Expenses	**92,754,968**	79,873,226	12,881,742	16.13
Change in Net Position	**(5,397,492)**	2,584,568	(7,982,060)	(308.84)
Net Position - Beginning of Fiscal Year	**75,765,753**	73,181,185	2,584,568	3.53
Net Position - End of Fiscal Year	**$ 70,368,261**	$ 75,765,753	$ (5,397,492)	(7.12) %

Governmental Activities

The net cost of governmental activities reports the total and net cost of major District activities: instruction, pupil and improvement of instructional services, school and administrative services, maintenance and operations, transportation, and others.

Net cost of services is the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost shows the financial burden on the District's taxpayers by each activity. The total cost of governmental services in fiscal year 2020 was approximately $92.8 million. Users of the District's programs financed approximately $4.8 million of the costs. Federal and state grants, subsidized programs and contributions financed $39.1 million of the cost. Property taxes and sales taxes financed approximately $35.5 million and approximately $5.4 million, respectively, of the District's costs for fiscal year 2020. The remaining balances of $8.0 million was funded by other revenues up to $2.6 million and the remaining deficit resulted in a decrease in net position of approximately $5.4 million as of fiscal year ended June 30, 2020.

Revenues

For fiscal year 2020, the District's total revenues increased by 5.94% or approximately $4.9 million. Property tax revenues increases $3.5 million primarily from increases in assessed property values. Operating grants and contributions increased approximately $1.7 million primarily from increases in QBE allotments.

Expenses

The District's total expenses increased approximately $12.9 million or 16.13% as compared with fiscal year 2019. Instruction expenses increased approximately $7.5 million or 15.77% and is comprised of increases in salaries and staffing of $5.6 million; increases in pension allocations of $2.9 million and is offset by decreases in non-capitalizable asset purchases of $900 thousand. School administration expenses increased $1.07 million or 12.67% and maintenance and operation expenses increased $1.2 million or 19.29%, respectively, because of increases in salaries and pension allocations. Student transportation expenses increased $643 thousand or 38.80% because cost related to new buses. Food Service expenses decreased $316 thousand due to reduced operations from the Covid-19 pandemic.

COMPARISON OF FUND LEVEL FINANCIAL STATEMENTS

The District ended fiscal year 2020 with a strong fund balance in its governmental funds. The combined balance of all governmental funds including the District-wide Capital Projects Fund is approximately $25.7 million. The ending fund balance represents approximately 28.5% of total expenditures. Of the governmental fund balance, approximately $7.9 million is restricted for capital projects and approximately $11.2 million has been assigned by the Superintendent to cover a projected fiscal year 2021 budget deficit.

On the following page is a comparison of combined fund level financial statements on a modified accrual basis. Total revenues have increased approximately $8.8 million or 11.03%. State funds have increased $4.6 million or 12.99% as state QBE allotments have increased. Local and other funds have increased $4.6 million, primarily from increases in local property taxes as assessed property values continue to increase.

Total expenditures have decreased approximately $4.9 million or 5.14%. Instruction expenditures and support service expenditures have increased $5.5 million (12.16%) and $3 million (13.21%), respectively, as a result of salary increases and increases in staffing. Capital outlay expenditures decreased $13.5 million or 68.95% as prior fiscal year expenditures included major capital projects primarily the new Talley Elementary school.

Statement of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Funds
(Modified Accrual Basis of Accounting)
2020 vs 2019

	2020	2019	Dollar Change Increase (Decrease)	Percent Change Increase (Decrease)
Revenues				
State Funds	**$ 40,407,150**	$ 35,761,356	$ 4,645,794	12.99 %
Federal Funds	**1,920,526**	2,397,478	(476,952)	(19.89)
Local and Other Funds	**45,938,876**	41,335,613	4,603,263	11.14
Total Revenues	**88,266,552**	79,494,447	8,772,105	11.03
Expenditures				
Instruction	**50,900,071**	45,382,168	5,517,903	12.16
Support Services	**27,616,807**	23,321,175	4,295,632	18.42
Food Services	**3,159,422**	3,697,323	(537,901)	(14.55)
Community Services Operations	**6,151**	10,704	(4,553)	(42.54)
Capital Outlay	**4,872,746**	19,607,324	(14,734,578)	(75.15)
Debt Service	**3,616,827**	3,038,398	578,429	19.04
Total Expenditures	**90,172,024**	95,057,092	(4,885,068)	(5.14)
Excess (Deficiency) of Revenues Over (Under) Expenditures	**$ (1,905,472)**	$ (15,562,645)	13,657,173	(87.76) %
Other Financing Sources (Uses)				
Transfers In	**227,120**	255,471	(28,351)	(11.10)
Transfers Out	**(227,120)**	(255,471)	28,351	(11.10)
Financed Purchases	**1,472,652**	1,446,790	25,862	1.79
Total Other Financing Sources	**1,472,652**	1,446,790	25,862	1.79
Net Change in Fund Balance	**(432,820)**	(14,115,855)	13,683,035	(96.93)
Fund Balance, Beginning of Fiscal Year	**26,091,796**	40,207,651	(14,115,855)	(35.11)
Fund Balance, End of the Fiscal Year	**$ 25,658,976**	$ 26,091,796	$ (432,820)	(1.66) %

General Fund Budgetary Highlights

In developing the fiscal year 2020 budget, the Administration of the District understood and planned for the following: appropriate student/teacher ratios, adequate fund balance reserves, and expenditure controls. As a result, the budget included an increase in staff and benefits as a result of the increase in enrollment. Planning for these and other unforeseen challenges are necessary in this time of enrollment growth. A complete analysis of the budgeted and actual results can be found on page 17 of this report.

The City of Decatur Board of Education budgeted, as amended, for a use of fund balance of $1.25 million but used significantly less, $186,078. This variance is a result of higher than expected revenues from miscellaneous sources such as school activities, financed purchases, increased State QBE funding due to increased enrollment, and controlled spending.

General Fund

The total fund balance of the General Fund was $17.3 million, which represents a slight decrease of $186,078 over the previous fiscal year's ending fund balance. For fiscal 2020, the Superintendent has assigned fund balance of approximately $11.2 million to cover a projected fiscal year 2021 budget deficit bringing the unassigned fund balance down to approximately $6.2 million or approximately 8% of fiscal year 2020 expenditures. This is a significant decrease over prior fiscal years as the Schools Board deals with the effects of the COVID-19 pandemic.

District-wide Capital Projects Fund

The District uses capital projects funds to account for school construction and improvement projects. Since 1997, sales tax proceeds have become the primary funding source as a result of the approval by DeKalb County voters in March 1997 of a five-year special purpose local option sales tax (SPLOST). Collections of the tax began on July 1, 1997 and it has been renewed by the voters four subsequent times. The current SPLOST that began July 2017 is expected to generate a total of $650,057,000 of which City Schools of Decatur could receive up to $30,000,000 over its life. The sales tax is proportionately distributed to DeKalb, Atlanta Independent School System (within DeKalb County) and City of Decatur Board of Education based on full time equivalent (FTE) of students. The District-wide Capital Projects Fund had expenditures of approximately $7.6 million for the fiscal year ended June 30, 2020 and a fund balance of $7.8 million.

Capital Assets and Debt Administration

Capital Assets

Capital assets increased from approximately $166.2 million in fiscal year 2019 to approximately $166.7 million in fiscal 2020. The new Talley Street Elementary School which incurred the majority of construction costs in fiscal 2019 was completed in fiscal 2020. The District added 15 new buses during fiscal year 2020 to replace the older buses. For more information on capital assets, see footnote 6.

Long-Term Debt and obligations

At the end of June 30, 2020, the District has long-term liabilities in the form of certificates of participation, City of Decatur intergovernmental payable, capital leases, net pension liability, net OPEB liability, and compensated absences. For more information on long-term debt, see footnote 7.

Factors Bearing on the District's Future

We are pleased that City Schools of Decatur continues to enjoy a strong financial position. We have seen a positive tax digest growth over the last few years and remain hopeful that it will continue. Educational funding from the State of Georgia is expected to remain at a conservatively low level, but we have had an increase in funding due to the District's increased enrollment.

The District remains confident in our ability to maximize resources so that we may provide the best possible educational experience for all our students.

Requests for Information

This financial report is designed to provide a general overview of the City of Decatur Board of Education's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Decatur Board of Education, Finance Director, 125 Electric Avenue, Decatur, Georgia 30030.

BASIC FINANCIAL STATEMENTS

CITY OF DECATUR BOARD OF EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	$ 43,540,485
Receivables:	
Intergovernmental	8,654,543
Property taxes	5,356,649
Accounts	333,005
Inventory	56,864
Total Current Assets	57,941,546
Noncurrent Assets:	
Capital assets, nondepreciable	17,373,300
Capital assets, depreciable, net of accumulated depreciation	149,322,573
Total Noncurrent Assets	166,695,873
Total Assets	224,637,419
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	22,866,658
Deferred outflows of resources related to OPEB	6,001,743
Total Deferred Outflows of Resources	28,868,401
Total Assets and Deferred Outflows of Resources	$ 253,505,820
LIABILITIES	
Current Liabilities:	
Accounts payable	$ 4,722,077
Salaries payable	5,719,205
Contracts and retainage payables	171,252
Accrued interest payable	495,125
Financed purchases	716,370
Certificates of participation	740,000
Compensated absences payable	116,801
Total Current Liabilities	12,680,830
Long-Term Liabilities (net of current portion):	
Financed purchases	6,827,979
Certificates of participation	23,887,703
Net pension liability	64,899,676
Net OPEB liability	45,425,224
Compensated absences payable	38,934
Total Long-Term Liabilities	141,079,516
Total Liabilities	153,760,346
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	1,573,596
Deferred inflows of resources related to OPEB	11,345,315
Unearned revenue - property taxes	16,458,302
Total Deferred Inflows of Resources	29,377,213
NET POSITION	
Net investment in capital assets	134,352,569
Restricted for:	
Capital projects	11,037,520
School food operations	510,011
Unrestricted (deficit)	(75,531,839)
Total Net Position	70,368,261
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 253,505,820

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

CITY OF DECATUR BOARD OF EDUCATION

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:				
Instruction	$ 55,011,039	$ 3,172,959	$ 28,544,693	$ (23,293,387)
Support services:				
Pupil services	4,550,401	-	344,731	(4,205,670)
Improvement of instructional services	1,782,420	-	304,797	(1,477,623)
Educational media services	1,610,216	-	870,853	(739,363)
Grant administration	94,380	-	-	(94,380)
General administration	2,142,610	-	1,987,590	(155,020)
School administration	9,526,264	-	4,110,438	(5,415,826)
Business administration	648,046	-	4,358	(643,688)
Maintenance and operation of plant	7,488,506	-	2,125,997	(5,362,509)
Student transportation services	2,300,654	192,776	151,301	(1,956,577)
Central support services	2,510,514	-	20,786	(2,489,728)
Other support services	56,611	-	-	(56,611)
Food services operation	3,444,853	1,409,190	640,667	(1,394,996)
Community services operation	16,267	-	-	(16,267)
Interest on long-term debt and issuance costs	1,572,187	-	-	(1,572,187)
Total governmental activities	$ 92,754,968	$ 4,774,925	$ 39,106,212	(48,873,831)
General revenues:				
Property taxes				35,499,579
Sales taxes				5,359,344
Unrestricted investment earnings				277,986
Other				2,339,430
Total general revenues				43,476,339
Change in net position				(5,397,492)
Net position, beginning of fiscal year				75,765,753
Net position, end of fiscal year				$ 70,368,261

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

CITY OF DECATUR BOARD OF EDUCATION

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

ASSETS	General Fund	District-Wide Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 37,239,346	$ 5,685,017	$ 616,122	$ 43,540,485
Receivables:				
Intergovernmental	4,311,049	3,931,924	411,570	8,654,543
Property taxes, net of allowance	5,356,649	-	-	5,356,649
Accounts	87,939	245,066	-	333,005
Due from other funds	-	1,439,623	270	1,439,893
Inventory	-	-	56,864	56,864
Total assets	$ 46,994,983	$ 11,301,630	$ 1,084,826	$ 59,381,439
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 4,421,318	$ 264,110	$ 36,649	$ 4,722,077
Salaries payable	5,568,913	-	150,292	5,719,205
Contracts and retainage payables	-	171,252	-	171,252
Due to other funds	1,027,465	-	412,428	1,439,893
Total liabilities	11,017,696	435,362	599,369	12,052,427
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	2,179,172	-	-	2,179,172
Unearned revenue - property taxes	16,458,302	-	-	16,458,302
Unavailable revenue - intergovernmental	-	3,032,562	-	3,032,562
Total deferred inflows of resources	18,637,474	3,032,562	-	21,670,036
FUND BALANCES				
Fund balances:				
Nonspendable:				
Inventory	-	-	56,864	56,864
Capital projects	-	7,833,706	-	7,833,706
School food operations	-	-	453,147	453,147
Assigned:				
Subsequent fiscal year's budget deficit	11,175,885	-	-	11,175,885
Unassigned (deficit)	6,163,928	-	(24,554)	6,139,374
Total fund balances	17,339,813	7,833,706	485,457	25,658,976
Total liabilities, deferred inflows of resources, and fund balances	$ 46,994,983	$ 11,301,630	$ 1,084,826	$ 59,381,439

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

CITY OF DECATUR BOARD OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION JUNE 30, 2020

Total Governmental Fund Balances		$ 25,658,976
Amounts reported for governmental activities in the Government-wide Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds, but are reported on the government-wide statement of net position.		
Cost	$ 190,825,828	
Less accumulated depreciation	(24,129,955)	166,695,873
Receivables not collected within 60 days of fiscal year-end are not considered available and are deferred inflows of resources on the governmental funds' balance sheet but are recognized as revenue on the government-wide statement of net position.		
Property taxes	$ 2,179,172	
Intergovernmental revenue	3,032,562	5,211,734
Interfund receivables (or due from other funds) and payables (or due to other funds) between governmental funds are reported on the governmental funds' balance sheet but are eliminated on the government-wide statement of position.		
Interfund receivables	$ (1,439,893)	
Interfund payables	1,439,893	-
Long-term liabilities and certain deferred outflows and inflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds' balance sheet but are reported on the government-wide statement of net position.		
Accrued interest payable	$ (495,125)	
Net pension liability	(64,899,676)	
Deferred outflows of resources related to pensions	22,866,658	
Deferred inflows of resources related to pensions	(1,573,596)	
Net OPEB liability	(45,425,224)	
Deferred outflows of resources related to OPEB	6,001,743	
Deferred inflows of resources related to OPEB	(11,345,315)	
Financed purchases	(7,544,349)	
Certificates of participation (including unamortized premium)	(24,627,703)	
Compensated absences payable	(155,735)	(127,198,322)
Net Position of Governmental Activities		$ 70,368,261

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

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

	General Fund	District-Wide Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 39,532,330	$ -	$ -	$ 39,532,330
Intergovernmental revenue - state	32,051,263	7,393,521	962,366	40,407,150
Intergovernmental revenue - federal	-	81,072	1,839,454	1,920,526
Charges for services	2,255,833	-	1,409,190	3,665,023
Investment income	181,053	96,933	-	277,986
Other revenue	2,339,430	-	32,994	2,372,424
On behalf payments	91,113	-	-	91,113
Total revenues	76,451,022	7,571,526	4,244,004	88,266,552
EXPENDITURES				
Current:				
Instruction	48,791,942	-	2,108,129	50,900,071
Support services:				
Pupil services	4,132,811	-	217,915	4,350,726
Improvement of instructional services	1,613,893	-	44,426	1,658,319
Educational media services	1,516,794	-	-	1,516,794
Grant administration	-	-	84,929	84,929
General administration	1,513,971	-	-	1,513,971
School administration	6,029,375	64,418	-	6,093,793
Business administration	606,558	-	-	606,558
Maintenance and operation of plant	6,713,484	-	22,119	6,735,603
Student transportation services	1,382,307	-	10,349	1,392,656
Central support services	2,395,274	-	-	2,395,274
Other support services	52,979	-	-	52,979
Food services operation	946,115	-	2,213,307	3,159,422
Community services operation	6,151	-	-	6,151
Capital outlay	1,215,205	4,872,746	-	6,087,951
Debt service:				
Principal retirement	824,464	1,209,541	-	2,034,005
Interest and fiscal charges	141,309	1,441,513	-	1,582,822
Total expenditures	77,882,632	7,588,218	4,701,174	90,172,024
Excess (deficiency) of revenues over (under) expenditures	(1,431,610)	(16,692)	(457,170)	(1,905,472)
OTHER FINANCING SOURCES (USES)				
Financed purchases	1,472,652	-	-	1,472,652
Transfers in	-	-	227,120	227,120
Transfers out	(227,120)	-	-	(227,120)
Total other financing sources (uses)	1,245,532	-	227,120	1,472,652
Net change in fund balances	(186,078)	(16,692)	(230,050)	(432,820)
FUND BALANCE, beginning of fiscal year	17,525,891	7,850,398	715,507	26,091,796
FUND BALANCE, end of fiscal year	$ 17,339,813	$ 7,833,706	$ 485,457	$ 25,658,976

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

CITY OF DECATUR BOARD OF EDUCATION

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

Net change in fund balances - total governmental funds		$ (432,820)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		
Capital outlay	$ 5,063,891	
Depreciation expense	(3,919,637)	1,144,254
In the statement of activities, only the gain or loss on the disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in the net position differs from the change in fund balance by the net book value of assets disposed.		(640,344)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(1,000,189)
Transfers between governmental funds are reported in the governmental funds but are eliminated on the government-wide statement of activities.		
Transfers in	$ (227,120)	
Transfers out	227,120	-
The issuance of long-term debt, (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal retirement:		
Financed purchases	$ 1,319,005	
Certificates of participation	715,000	
Amortization of premiums	28,106	
Accrued interest	10,635	
Issuance of financed purchases	(1,472,652)	600,094
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.		
Net change in deferred outflows and inflows of resources related to pensions and net pension liability		(4,631,112)
Net change in deferred outflows and inflows of resources related to OPEB and net OPEB liability		(406,817)
Change in compensated absences		(30,558)
Change in net position - governmental activities		$ (5,397,492)

CITY OF DECATUR BOARD OF EDUCATION

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

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 40,029,891	$ 40,029,891	$ 39,532,330	$ (497,561)
Intergovernmental revenue - state	32,516,521	32,744,870	32,051,263	(693,607)
Charges for services	2,585,230	2,585,230	2,255,833	(329,397)
Investment income	100,000	100,000	181,053	81,053
Other revenue	347,180	347,180	2,339,430	1,992,250
On behalf payments	-	-	91,113	91,113
Total revenues	75,578,822	75,807,171	76,451,022	643,851
EXPENDITURES				
Current:				
Instruction	48,772,185	49,219,304	48,791,942	427,362
Support services:				
Pupil services	3,751,778	3,796,491	4,132,811	(336,320)
Improvement of instructional services	1,575,133	1,655,250	1,613,893	41,357
Educational media services	1,429,726	1,447,911	1,516,794	(68,883)
General administration	1,354,477	1,472,034	1,513,971	(41,937)
School administration	6,019,899	6,101,847	6,029,375	72,472
Business administration	752,487	621,347	606,558	14,789
Maintenance and operation of plant	6,772,387	7,104,183	6,713,484	390,699
Student transportation services	1,504,975	1,476,948	1,382,307	94,641
Central support services	2,257,462	2,576,347	2,395,274	181,073
Other support services	109,500	55,700	52,979	2,721
Food services operation	902,987	892,274	946,115	(53,841)
Community services operation	-	-	6,151	(6,151)
Capital outlay	-	-	1,215,205	(1,215,205)
Debt service - principal retirement	137,325	212,605	824,464	(611,859)
Debt service - interest and fiscal charges	150,165	144,665	141,309	3,356
Total expenditures	75,490,486	76,776,906	77,882,632	(1,105,726)
Excess (deficiency) of revenues over (under) expenditures	88,336	(969,735)	(1,431,610)	(461,875)
OTHER FINANCING SOURCES (USES)				
Financed purchases	-	-	1,472,652	1,472,652
Transfers out	(283,532)	(283,532)	(227,120)	56,412
Total other financing sources (uses)	(283,532)	(283,532)	1,245,532	1,529,064
Net change in fund balances	(195,196)	(1,253,267)	(186,078)	1,067,189
FUND BALANCE, beginning of fiscal year	17,525,891	17,525,891	17,525,891	-
FUND BALANCE, end of fiscal year	$ 17,330,695	$ 16,272,624	$ 17,339,813	$ 1,067,189

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

CITY OF DECATUR BOARD OF EDUCATION

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2020

	Agency Fund
ASSETS	
Cash and cash equivalents	$ 258
Total assets	$ 258
LIABILITIES	
Due to others	$ 258
Total liabilities	$ 258

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Decatur Board of Education (the "District") have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District was established under the laws of the State of Georgia and operates under the guidance of a five-member school board elected by the voters and a Superintendent appointed by the School Board. The District is organized as a separate legal entity and provides public education throughout the city of Decatur, Georgia, excluding DeKalb County, Georgia.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. For the fiscal year ended June 30, 2020, the District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. Property taxes are recognized as revenue in the period for which they were levied if they are collected within sixty (60) days of year end. All other revenues are considered to be available when they are collectible within one hundred eighty (180) days of year end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

The State of Georgia reimburses the District for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally teachers are contracted for the school year (July 1 – June 30) and paid over a 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 System 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 fiscal 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 fiscal 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 District recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

In the governmental fund financial statements, property taxes, sales taxes, intergovernmental revenue, and interest are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year if they meet the appropriate recognition criteria. In accordance with GASB Statement No. 33, "Accounting and Financing Reporting for Non-exchange Transactions", the corresponding assets (receivables) in non-exchange transactions are recognized in the fiscal year in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all the eligibility requirements have been met, or when resources are received, depending on the revenue source. This is when the District gives or receives value without directly receiving or giving equal value in exchange including property taxes, local option sales taxes, intergovernmental grants and donations. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

The ***District-Wide Capital Projects Fund*** accounts for the proceeds of a one percent Special Purpose Local Option Sales Tax, intergovernmental revenue (bond proceeds) from other governments and certificates of participation. Funds are used for: building renovations; land and building acquisitions; and, construction of new educational facilities.

Additionally, the District reports the following fund types:

The ***Agency Fund*** is used to account for school activity funds that the District holds for others in an agency capacity.

The nonmajor governmental funds include the following funds:

The S***chool Food Services Fund*** accounts for the monies and commodities received from Federal and State governments and the School Food Service's cafeteria sales for the purpose of maintaining the District's breakfast, lunch, and snack programs.

The ***Lottery Programs Fund*** accounts for the Pre-K program administered by the District in which the revenues are legally restricted by external parties.

The ***Federal Programs Fund*** accounts for various Federal grant monies received by the District in which the revenues are legally restricted by external parties.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets

Formal budgetary accounting is employed as a management control device for the General Fund, Special Revenue Funds, and District-wide Capital Projects Fund of the District. The governmental funds' budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted for the General Fund and Special Revenue Funds each fiscal year through passage of an annual budget ordinance and amended as required. The District adopts project length budgets for the District-wide Capital Projects Fund. During the fiscal year ended June 30, 2020, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All unencumbered budget appropriations lapse at the end of each fiscal year.

E. Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The local government investment pool, "Georgia Fund 1", created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair market value as of fiscal year-end and the District's investment in the Georgia Fund 1 is reported at fair value. The District considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

Increases or decreases in the fair value during the year are recognized as a component of interest income.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds."

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. On-Behalf Payments

The State of Georgia makes certain retirement plan payments on behalf of the District for its employees. The District records these payments as both a revenue and expenditure in the General Fund. The total of the on-behalf payments for the fiscal year ended June 30, 2020 was $91,113.

H. Inventory and Prepaid Items

Inventories of the School Food Services Fund are stated at cost using the first-in, first-out method. Donated food commodities are recorded at fair value. The District utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenditures when used rather than when purchased.

Payments made to vendors for services that will benefit periods beyond June 30, 2020 are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditures/expense in the fiscal year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable, as this amount is not available for general appropriation.

I. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, vehicles, and equipment is depreciated using the straight line method over the following estimated useful lives:

Asset	Years
Equipment and vehicles	5-20
Land improvements	15
Buildings and buildings improvements	50

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

In the government-wide financial statements long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, the face amount of debt issued and any related premium, is reported as other financing sources. Issuance costs, whether or not withheld from actual proceeds, are reported as debt service expenditures. The long-term obligations of the District at June 30, 2020 were compensated absences, financed purchases, net pension liability, net OPEB liability, and certificates of participation which are discussed later in these footnotes as other obligations.

K. Deferred Inflows/Outflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has several types of items that qualify for reporting in this category aside from those items related to pensions and OPEB.

The governmental funds report unavailable revenues from property taxes and other revenues as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Additionally, the governmental funds balance sheet and the government wide statement of net position will report unearned property tax revenues as a deferred inflow of resources as the amount represents property taxes which have been received or are receivable as of the balance sheet date but which are meant to fund expenditures for the upcoming fiscal year and thus will be recognized as revenue in the period for which they have been levied.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Deferred Inflows/Outflows of Resources (Continued)

Finally, the District also has deferred outflows and inflows of resources related to the recording of changes in its net pension liability and its net other postemployment benefits (OPEB) liability. Certain changes in the net pension liability and the net OPEB liability are recognized as pension and OPEB expenses over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the District's actuary which adjust the net pension liability and the net OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension and OPEB expenses over the expected remaining service lives of Plan members. Changes in actuarial assumptions which adjust the net pension liability and the net OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension and OPEB expenses over the expected remaining service lives of Plan members. The difference between projected investment return on pension and OPEB investments and actual return on those investments is also deferred and amortized against pension and OPEB expenses over a five year period.

L. Compensated Absences

Compensated absences represent obligations of the District relating to an employee's rights to receive compensation for future absences based upon service already rendered. This obligation relates only to vesting accumulating leave in which payment is probable and can be reasonably estimated. Accumulated unpaid sick leave costs are not vested and are not accrued, but are recognized as expenditures or expenses, when paid. Accumulated unpaid vacation costs are accrued when incurred in the government-wide financial statements.

Regular full-time twelve month custodial and maintenance staff earn vacation leave with pay from ten to fifteen days per fiscal year based on years of continuous service with a maximum accumulation of twenty days. Upon separation from the District, employees may be paid for unused vacation leave up to a maximum of twenty days at the current rate of pay.

M. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Equity (Continued)

Fund Balance – Generally, fund balance represents the difference between the assets, liabilities, and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education through the adoption of a resolution. Likewise, fund balances that have been committed cannot be used for any other purposes unless the Board of Education removes the commitment of these funds through formal action of the adoption of a resolution.

Assigned – Fund balances are reported as assigned when amounts are constrained by the District's intent to be used for the specific purposes, but are neither restricted nor committed. Through resolution, the Board of Education has authorized the Superintendent to assign fund balances.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The District reports positive unassigned fund balance only in the General Fund. The Board will strive to maintain an unassigned fund balance of between 4% -15% based upon annual budgeted expenditures. The balance may be drawn down in the event of an unexpected decrease in the property tax digest or a reduction to state funding.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the District's policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Equity (Continued)

Net Position – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by retainage (contracts) payables and by the outstanding balances of any borrowing used (i.e., the amount that the District has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted. The District applies restricted resources first when an expense is incurred for purposes for which both are available.

N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting fiscal year. Actual results could differ from those estimates.

O. Pensions

TRS and PSERS - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Retirement System (TRS) and the Public School Employees Retirement System (PSERS) and additions to/deductions from TRS's and PSERS's fiduciary net position have been determined on the same basis as they are reported by TRS and PSERS. 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.

P. Other Postemployment Benefits (OPEB)

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

NOTE 2. LEGAL COMPLIANCE – BUDGETS

Budgetary Data. The budget is a complete financial plan for the District's fiscal year and is based upon careful estimates of expenditures together with probable funding sources. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds is prepared by fund, function, and object. The legal level of budgetary control was established by the Board at the aggregate level. The budget for the General Fund was prepared in accordance with U.S. generally accepted accounting principles.

The budgetary process begins with District administration presenting an initial budget for the Board's review. The Board provides the administration with revenue, expenditure, and fund balance guidelines, and receives public comments. Administration makes revisions as necessary and prepares a tentative budget for the Board's approval. After approval of this tentative budget by the Board, such a budget is advertised at least once in a newspaper of general circulation in the locality. 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 school budget. This final budget is then submitted, in accordance with provisions of the Quality Basic Education Act, OCGA 20-2-167 (c), to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the fiscal year. All unexpended budget authority lapses at fiscal year-end.

The Superintendent is authorized by the Board to approve adjustments of no more than five percent of the amount budgeted for expenditures in any budget function for any fund. The Superintendent shall report any such adjustments to the Board of Education. If expenditure of funds in any budget function for any fund is anticipated to be more than five percent of the budgeted amount, the Superintendent shall request board approval for the budget amendment. Any position or expenditure not previously approved in the annual budget and that exceeds $25,000 shall require Board approval unless the Superintendent deems the position or purchase an emergency. In such case, the expenditure shall be reported to the Board at its regularly scheduled meeting. Under no circumstance is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board of Education.

For fiscal year ended June 30, 2020, the following departments had excesses of actual expenditures over appropriations:

General Fund departments:		
Pupil services	$	336,320
Educational media services		68,883
General administration		41,937
Food service operations		53,841
Community services operations		6,151
Capital outlay		1,215,205
Debt service - principal retirement		611,859

These over expenditures were funded by greater than anticipated revenues and by available fund balance.

NOTE 3. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the District to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

At June 30, 2020, information on the credit risk and interest rate risk related to the District's investments (which are classified as cash equivalents) is disclosed as follows:

Investment	Maturities	Credit rating	Fair Value
Georgia Fund 1	38 day weighted average	AAAf	$ 16,508,602

Interest rate risk. Intetrest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of the bonds in a portfolio will decline if market interest rates rise. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Fair Value Measurements. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the District does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

Custodial Credit Risk - Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program.

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk - Deposits (Continued). As of June 30, 2020, the financial institution holding some of the District's deposits is a participant in the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. As of June 30, 2020, the District's cash accounts were insured and/or collateralized as defined by GASB Standards.

NOTE 4. RECEIVABLES

Receivables at June 30, 2020 for the District's individual major funds and nonmajor governmental funds in the aggregate, are as follows:

	General	District-wide Capital Projects	Nonmajor Governmental Funds	Total
Receivables:				
Intergovernmental	$ 4,311,049	$ 3,931,924	$ 411,570	$ 8,654,543
Property taxes	5,390,444	-	-	5,390,444
Accounts	87,939	245,066	-	333,005
Gross receivables	9,789,432	4,176,990	411,570	14,377,992
Less: Allowance for uncollectibles	(33,795)	-	-	(33,795)
Net receivables	$ 9,755,637	$ 4,176,990	$ 411,570	$ 14,344,197

NOTE 5. PROPERTY TAXES

The City of Decatur, Georgia bills and collects property taxes for the District. Property taxes are levied on property values assessed as of January 1. The tax levy is divided into two billings. The first billing is mailed April 1, and the second billing is mailed no later than October 20. The billings are considered due upon receipt by the taxpayer; however, the billings are considered delinquent on June 1 and December 20. After these dates, penalties and interest may be assessed by the City.

As discussed in Note 1, the District records deferred inflows of resources related to the property tax levies. At June 30, 2020, the District reports a deferred inflow of resources - unearned revenue of $16,458,302 for the 2020 tax year digest collections which are budgeted to fund fiscal year 2021 operations as reported in both the balance sheet for governmental funds as well as the government-wide statement of net position. Furthermore, in the General Fund, the District reports a deferred inflow of resources - unavailable property taxes of $2,179,172 which consists of the 2019 tax year digest (and prior fiscal year taxes) not collected within 60 days of June 30, 2020.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 is as follows:

Governmental activities	Beginning Balances	Additions	Deletions	Transfers	Ending Balances
Capital assets, not being depreciated					
Land	$ 16,365,498	$ -	$ -	$ -	$ 16,365,498
Construction in progress	17,329,502	2,615,384	-	(18,937,084)	1,007,802
Total	33,695,000	2,615,384	-	(18,937,084)	17,373,300
Capital asset, being depreciated					
Land improvements	414,715	-	-	-	414,715
Buildings and building improvements	143,222,873	110,773	-	18,937,084	162,270,730
Equipment and vehicles	9,672,064	2,337,734	(1,242,715)	-	10,767,083
Total	153,309,652	2,448,507	(1,242,715)	18,937,084	173,452,528
Less accumulated depreciation for:					
Land improvements	(130,579)	(25,187)	-	-	(155,766)
Buildings and building improvements	(15,353,031)	(2,999,415)	-	-	(18,352,446)
Equipment and vehicles	(5,329,079)	(895,035)	602,371	-	(5,621,743)
Total	(20,812,689)	(3,919,637)	602,371	-	(24,129,955)
Total capital assets being depreciated, net	132,496,963	(1,471,130)	(640,344)	18,937,084	149,322,573
Governmental activities capital assets, net	$ 166,191,963	$ 1,144,254	$ (640,344)	$ -	$ 166,695,873

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
General administration	$ 502,471
School administration	2,947,609
Business administration	3,467
Maintenance and operation of plant	230,000
Student transportation	159,937
Central support services	5,219
Food services operation	70,934
Total depreciation expense - governmental activities	$ 3,919,637

NOTE 7. LONG-TERM DEBT AND OBLIGATIONS

Long-term debt and obligations activity for the fiscal year ended June 30, 2020 is as follows:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year	Due in More Than One Year
Governmental activities:						
Certificates of participation:						
Series 2010	$ 8,230,000	$ -	$ (330,000)	$ 7,900,000	$ 340,000	$ 7,560,000
Series 2014	16,715,000	-	(385,000)	16,330,000	400,000	15,930,000
Unamortized premiums	425,809	-	(28,106)	397,703	-	397,703
Certificates of participation, net:	25,370,809	-	(743,106)	24,627,703	740,000	23,887,703
Financed purchases from direct borrowings	7,390,702	1,472,652	(1,319,005)	7,544,349	716,370	6,827,979
Net pension liability	53,582,222	19,096,285	(7,778,831)	64,899,676	-	64,899,676
Net OPEB liability	46,121,443	5,189,998	(5,886,217)	45,425,224	-	45,425,224
Compensated absences	125,177	109,596	(79,038)	155,735	116,801	38,934
Governmental activities long-term liabilities	$ 132,590,353	$ 25,868,531	$ (15,806,197)	$ 142,652,687	$ 1,573,171	$ 141,079,516

For governmental activities, the net pension liability, the net OPEB liability, compensated absences, and some financed purchases are generally liquidated by the General Fund. The certificates of participation and other financed purchases were liquidated by the District-wide Capital Projects Fund.

NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (Continued)

Certificates of Participation. In April 2014, the District entered into a lease agreement with the Georgia Municipal Association, Inc. ("GMA"). The funding of the lease was provided by the issuance of $18,120,000 Certificates of Participation Series 2014 by GMA. The proceeds from the Certificates were used to finance the acquisition and construction of school buildings and facilities for the District and the costs incurred in connection with the execution and delivery of the certificates. The lease agreement with GMA provides that the District owns their portion of the assets and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal is due in annual installments of $335,000 to $1,060,000 beginning in November 2014 and ending May 2044. Interest is payable at rates of 2.00% to 5.25%.

Fiscal Year Ending, June 30	Principal	Interest	Total
2021	$ 400,000	$ 708,488	$ 1,108,488
2022	415,000	692,488	1,107,488
2023	430,000	675,887	1,105,887
2024	450,000	658,687	1,108,687
2025	465,000	640,688	1,105,688
2026-2030	2,665,000	2,869,700	5,534,700
2031-2035	3,355,000	2,181,375	5,536,375
2036-2040	4,155,000	1,382,769	5,537,769
2041-2044	3,995,000	433,075	4,428,075
Total	16,330,000	10,243,157	26,573,157
Plus: Unamortized premium	397,703		
Total	$ 16,727,703		

NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (Continued)

Certificates of Participation (Continued). In January 2010, the District entered into a lease agreement with the Georgia School Boards Association, Inc. (the "Association"). The funding of the lease was provided by the issuance of $10,295,000 Taxable Certificates of Participation, Build America Bonds, Direct Payment, Series 2010 by the Association. The lease agreement with the Association provides that the District owns their portion of the assets and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal is due in annual installments of $275,000 to $625,000 beginning in May 2013 to May 2037. Interest is payable at rates of 2.70% to 5.55%.

Fiscal Year Ending, June 30	Principal	Interest	Total
2021	$ 340,000	$ 477,225	$ 817,225
2022	350,000	459,715	809,715
2023	365,000	440,990	805,990
2024	375,000	421,463	796,463
2025	390,000	401,400	791,400
2026-2030	2,190,000	1,640,168	3,830,168
2031-2035	2,665,000	903,105	3,568,105
2036-2037	1,225,000	116,550	1,341,550
Total	$ 7,900,000	$ 4,860,616	$ 12,760,616

In accordance with the Disclosure Certificate, the District is required to provide continuing disclosures to outside parties. In the event of a failure of the District to comply with any provision of the Disclosure Certificate, the participating underwriter or any beneficial owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the District to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed a default or an event of default under the Resolution and the sole remedy under the Disclosure Certificate in the event of any failure of any party to comply with the Disclosure Certificate shall be an action to compel performance.

NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (Continued)

Financed purchases from direct borrowings. The District has entered into an agreement for the purpose of leasing a public works building. Under the terms of the agreement, the District will assure that the payments of principal and interest on the capital lease are made in a timely manner through January 2046. The total annual payment is $170,247. The outstanding balance of this capital lease payable to the City of Decatur as of June 30, 2020 is $1,464,955.

The District has entered into two (2) agreements for buses and under the terms of the agreement the District will assure that the payments of principal and interest are made in a timely manner through August 2021 and July 2028. The total annual payments are $10,912 and $138,453, respectively. The outstanding balance of these capital leases payable as of June 30, 2020 are $1,097,722.

The District has entered into a capital lease transaction as the lessee with the City of Decatur. The agreement executed between the District and the City called for the City to construct a central administration facility for the District who, in turn, will be responsible for paying the City amounts equal to the debt service requirements on the Urban Redevelopment Agency Revenue Bonds, Series 2013B. The total annual payments (principal and interest) to be paid to the City of Decatur will range from $394,231 to $401,975. The outstanding balance of this capital lease payable to the City of Decatur as of June 30, 2020 is $4,130,000.

The District entered into an agreement for a Canon copier and under the terms of the agreement the District will assure that the payments of principal and interest are made in a timely manner through June 2021. The total annual payment is $95,768. The outstanding balance of this capital lease payable as of June 30, 2020 is $92,727.

The District entered into three agreements for computer equipment with Dell and under the terms of the agreements the District will assure that the payments of principal and interest are made in a timely manner through June 2022. The total annual payments are $193,309 for Dell Lease 001, $125,092 for Dell Lease 002, and $90,000 for Dell Lease 003. The outstanding balance of this capital lease payable as of June 30, 2020 is $758,945.

NOTE 7. LONG-TERM DEBT AND OBLIGATIONS (Continued)

The following is an analysis of assets under capital leases as of June 30, 2020:

Assets	Governmental Activities
Building improvements, software, and buses (acquisition costs)	$ 10,556,393
Less accumulated depreciation	(1,347,437)
Net depreciable capital assets under leases	$ 9,208,956

Annual depreciation of these assets is included in depreciation expense.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 are as follows:

Fiscal Year Ending June 30,	Governmental Activities
2021	$ 1,177,114
2022	1,077,042
2023	660,583
2024	658,133
2025	657,933
2026-2030	3,245,589
2031-2035	2,311,624
2036-2040	802,593
2041-2045	851,235
2046	170,247
Total minimum lease payments	11,612,093
Less: amount representing interest	(4,067,744)
Present value of minimum lease payments	7,544,349
Less: current liabilities	(809,097)
Total due in more than one fiscal year	$ 6,735,252

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances as of the fiscal year ended June 30, 2020 are as follows:

Receivable Fund	Payable Fund	Amount
Capital Projects Fund	General Fund	$ 1,027,195
Capital Projects Fund	Nonmajor governmental funds	412,428
Nonmajor governmental funds	General Fund	270
		$ 1,439,893

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers as of the fiscal year ended June 30, 2020 are as follows:

Transfers In	Transfers Out	Amount
Nonmajor governmental funds	General Fund	$ 227,120

NOTE 9. RETIREMENT PLANS

Teachers Retirement System of Georgia (TRS)

Plan Description. The TRS is a cost-sharing multiple-employer defined benefit plan created in 1943 by an act of the Georgia General Assembly to provide retirement benefits for qualifying employees in educational service. A Board of Trustees comprised of active and retired members and ex-officio State employees is ultimately responsible for the administration of TRS. The Teachers Retirement System of Georgia issues a separate stand alone financial audit report and a copy can be obtained at www.trsga.com/publications.

On October 25, 1996, the Board created the Supplemental Retirement Benefits Plan of the Georgia Teachers Retirement System (SRBP-TRS). SRPB-TRS was established as a qualified excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of TRS. The purpose of SRBP-TRS is to provide retirement benefits to employees covered by TRS whose benefits are otherwise limited by IRC Section 415. Beginning July 1, 1997, all members and retired former members in TRS are eligible to participate in the SRPB-TRS whenever their benefits under TRS exceed the IRC Section 415 imposed limitation on benefits.

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

Contributions. Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A Section 47-3-63, the employer contributions for certain full-time public shool 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 fiscal year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2020. The School District's contractually required contribution rate for fiscal year ended June 30, 2020 was 21.14% of the annual School District payroll. The School District's contributions to TRS were $8,735,830 for the fiscal year ended June 30, 2020.

NOTE 9. RETIREMENT PLANS (Continued)

Teachers Retirement System of Georgia (TRS) – Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the District by the State of Georgia for certain public school support personnel. The amount recognized by the 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 District were as follows:

District's proportionate share of the net pension liability	$	64,899,676
State of Georgia's proportionate share of the net pension liability associated with the District		119,125
Total	$	65,018,801

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability in the amount of $64,899,676. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2018. An expected total pension liability as of June 30, 2019 was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2019. At June 30, 2019, the employer proportion was 0.301821%, which was an increase of 0.013157% from its proportion measured as of June 30, 2018.

NOTE 9. RETIREMENT PLANS (Continued)

Teachers Retirement System of Georgia (TRS) – Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued): For the fiscal year ended June 30, 2020, the District recognized pension expense of $13,366,942 and revenue of $37,666 for support provided by the State of Georgia for certain support personnel. At June 30, 2020, the District reported deferred outflows of resources and defered inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 1,545,459
Differences between expected and actual experience	3,658,077	19,241
Changes in proportion and differences between District contributions and proportionate share of contributions	4,244,780	8,896
Changes of assumption	6,227,971	-
District contributions subsequent to the measurement date	8,735,830	-
Total	$ 22,866,658	$ 1,573,596

The District's contributions subsequent to the measurement date of $8,735,830 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending June 30:	
2021	$ 5,140,856
2022	1,692,706
2023	3,071,703
2024	2,651,967
Total	$ 12,557,232

NOTE 9. RETIREMENT PLANS (Continued)

Teachers Retirement System of Georgia (TRS) – Continued

Actuarial Assumptions. The total pension liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00 – 8.75%, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Postretirement Benefit Increases	1.50% semi-annually

Postretirement mortality rates were based on the RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males) for service retirements and dependent beneficiaries. The RP-2000 Disable Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB (set forward two years for males and four years for females) was used for death after disability retirement. There is a margin for future mortality improvement on the tables used by the System. Based on the results of the most recent experience study adopted by the Board on Novmber 18, 2015, the numbers of expected future deaths are 8-11% less than the actual number of deaths that occurred during the study period for healthy retirees and 9-11% less than expected under the selected table for disabled retirees. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB. Effective with the June 30, 2018 valuation, the long-term assumed rate of return on assets (discount rate) was changed from 7.50% to 7.25%, and the assumed annual rate of inflation was changed from 2.75% to 2.50%.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2014.

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

NOTE 9. RETIREMENT PLANS (Continued)

Teachers Retirement System of Georgia (TRS) – Continued

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	(0.10)%
U.S. large equities	51.00	8.90
U.S. small equities	1.50	13.20
International developed market equities	12.40	8.90
International emerging market equities	5.10	10.90
Total	100.00%	

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the 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%)
District's proportionate share of the net pension liability	$ 105,351,169	$ 64,899,676	$ 31,634,176

NOTE 9. RETIREMENT PLANS (Continued)

Teachers Retirement System of Georgia (TRS) – Continued

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publically available at http://www.trsga.com.

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 PSERS 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/formspubs/formspubs.

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 $14.75, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

Contributions. The general assembly makes an annual appropriation to cover the employer contribution to PSERS on behalf of local school employees (bus drivers, cafeteria workers, and maintenance staff). The annual employer contribution required by statute is actuarially determined and paid directly to PSERS by the State Treasurer in accordance with O.C.G.A. §47-4-29(a) and 60(b). Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Individuals who became members prior to July 1, 2012 contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees.

NOTE 9. RETIREMENT PLANS (Continued)

Public School Employees Retirement System (PSERS) (Continued)

Pension Liabilities and Pension Expense. At June 30, 2020, the District did not have a liability for a proportionate share of the net pension liability because of the related State of Georgia support. The amount of the state's proportionate share of the net pension liability associated with the District is as follows:

State of Georgia's proportionate share of the Net Pension Liability associated with the District	$ 510,603

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

For the year ended June 30, 2020, the District recognized pension expense of $157,464 and revenue of $157,464 for support provided by the State of Georgia.

Acturial Assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

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

Postretirement mortality rates were based on the RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) for the period after service retirements and for dependent beneficiaries. The RP-2000 Disabled Mortality projected to 2025 with projection scale BB (set forward 5 years for both males and females) was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-11% less than the actual number of deaths that occurred during the study period for healthy retirees and 9-11% less than expected under the selected table for disabled retirees. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

NOTE 9. RETIREMENT PLANS (Continued)

Public School Employees Retirement System (PSERS) (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment rate of return. Subsequent to the June 30, 2017 Measurement Date, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

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

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

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

Discount rate: The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss for claims associated with torts; theft of, damage to and destruction of assets; errors and omissions; natural disaster; workers' compensation, and unemployment compensation. The District participates in the Georgia School Boards Association Risk and Insurance Management System (the "System"), a public entity risk pool organized on July 1, 1994, to develop and administer a plan to reduce risk of loss on account of general liability, motor vehicle liability, or property damage, including safety engineering and other loss prevention and control techniques, and to administer one or more groups of self-insurance funds, including the processing and defense of claims brought against members of the System. The District pays an annual premium to the System for its general insurance coverage. Additional coverage is provided through agreements by the System with other companies according to their specialty for property, boiler and machinery (including coverage for flood and earthquake), general liability (including coverage for sexual harassment, molestation, and abuse) and automobile risks. Payment of excess insurance for the System varies by line of coverage.

The District is self-insured with regard to unemployment compensation claims. The District accounts for its claims within the General Fund with an expenditure and a liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The District unemployment claims during fiscal years ended June 30, 2020 and 2019 totaled $0 and $0, respectively.

The following describes the changes in the claims liability over the last two (2) fiscal years:

Fiscal Year	Beginning of Fiscal Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Fiscal Year Claims Liability
2020	$ -	$ -	$ -	$ -
2019	-	-	-	-

The 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 District pays an annual premium to the Fund for its general insurance coverage. Additional insurance coverage is provided through an agreement by the Fund with Safety National to provide coverage for potential losses sustained by the Fund in excess of $100,000 loss per occurrence, up to the statutory limit.

The District has purchased surety bonds to provide additional insurance coverage as follows:

Position covered	Amount
Superintendent	$ 100,000
All other employees	100,000

NOTE 11. COMMITMENTS AND CONTINGENCIES

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audits and adjustments by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2020 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the financial statements for such contingencies.

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Georgia School Employees Postemployment Benefit Fund

Plan Description. The District participates in the State of Georgia School Employees Postemployment Benefit Fund (the School OPEB Fund) which is an other postemployment benefit (OPEB) plan administered by the State of Georgia Department of Community Health (DCH). Certified teachers and non-certified employees of the District as defined in §20-2-875 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund of the State of Georgia and administered by a Board of Community Health (DCH 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. The School OPEB Fund is included in the State of Georgia Comprehensive Annual Financial Report which is publicly available and can be obtained at https://sao.georgia.gov/comprehensive-annual-financial-reports.

Benefits. 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.

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Georgia School Employees Postemployment Benefit Fund (Continued)

Contributions. As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the District were $1,315,758 for the fiscal year ended June 30, 2020. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2020, the District reported a liability of $45,425,224 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2018. An expected net OPEB liability as of June 30, 2019 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability was actuarially determined based on employer contributions to the State OPEB Fund during the fiscal year ended June 30, 2019. At June 30 2019, the District's proportion was 0.370149%, which was an increase of 0.007265% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense of $1,722,575. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between District contributions and proportionate share of contributions	$ 3,009,534	$ -
Differences between expected and actual experience	-	4,941,792
Changes in plan assumptions	1,577,529	6,403,523
Net difference between projected and actual earnings on OPEB plan investments	98,922	-
District contributions subsequent to the measurement date	1,315,758	-
Total	$ 6,001,743	$ 11,345,315

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

District contributions subsequent to the measurement date of $1,315,758 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ending June 30:		
2021	$	(1,527,828)
2020		(1,527,828)
2023		(1,531,630)
2024		(1,286,902)
2025		(648,684)
2026		(136,458)
Total	$	(6,659,330)

Actuarial assumptions:

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019:

Inflation	2.50%
Salary increases	TRS - 3.00 – 8.75%, including inflation PSERS – N/A
Long-term expected rate of return	7.30%, compounded annually, net of investment expense, and including inflation
Municipal Bond Index Rate	3.58%
Healthcare cost trend rate:	
Pre-Medicare Eligible	7.25%
Medicare Eligible	5.375%
Ultimate trend rate	
Pre-Medicare Eligible	4.75%
Medicare Eligible	4.75%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2028
Medicare Eligible	2022

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

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

- For TRS Members: The RP-2000 White Collar Mortality Table projected to 2025 with projection scale BB (set forward 1 year for males) was used for death after service retirement and beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 2 years for males and four years for females) was used for death after disability retirement.

- For PSERS Members: The RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) was used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 5 years for both males and females) was used for the period after disability retirement.

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

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the District 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.

Additionally, there was a change that affected measurement of the total OPEB liability since the prior measurement date. The methodology used to determine employee and retiree participation in the School OPEB Fund is based on their current or last employer payroll location. Current and former employees of public school districts, libraries, regional educational service agencies, and community colleges are allocated to the School OPEB Fund irrespective of retirement system affiliation.

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to 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 rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	30.00%	- 0.10%
Domestic Stocks – Large Cap	46.20%	8.90%
Domestic Stocks – Small Cap	1.30%	13.20%
Int'l Stocks – Developed Mkt	12.40%	8.90%
Int'l Stocks – Emerging Mkt	5.10%	10.90%
Alternatives	5.00%	12.00%
Total	100.00%	

Discount rate:

The discount rate has changed since the prior measurement date from 3.87% to 3.58%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.58% was used as the discount rate. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.5% per the Bond Buyer Index). The projection of cash flows used to determine the discount rate assumed that the current sharing of costs between the employer and the member will continue and that contributions from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2119. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2026. Therefore, the long-term expected rate of return on OPEB plan investments was applied to discount projected benefit payments until 2026. The discount rate of 3.58% was the single rate which, when applied to all projected benefit payments, resulted in the same present value of benefit payments when the above discussed calculations are combined. The calculated discount rate of 3.58% was applied to all periods of projected benefit payments to determine the total OPEB liability.

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate:

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

	1% Decrease (2.58%)	Current discount rate (3.58%)	1% Increase (4.58%)
District's proportionate share of the net OPEB liability	$ 52,799,103	$ 45,425,224	$ 39,426,904

The following presents the District's proportionate share of the net OPEB liability calculated using the healthcare cost trend rates of 4.75% to 7.25%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.75% to 6.25%) or 1-percentage-point higher (5.75% to 8.25%) than the current rates:

	1% Decrease (3.75% to 6.25%)	Current discount rate (4.75% to 7.25%)	1% Increase (5.75% to 8.25%)
District's proportionate share of the net OPEB liability	$ 38,265,938	$ 45,425,224	$ 54,518,060

NOTE 13. ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of $91,113 for retirement contributions paid on the School District's behalf by the following State Agencies:

Georgia Department of Education paid to the Teachers Retirement District for Teachers Retirement (TRS) in the amount of $10,260.

State Treasurer of the State of Georgia paid to the Public School Employees Retirement System for the Public School Employees Retirement (PSERS) employer's cost in the amount of $80,853.

CITY OF DECATUR BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM (TRS)

	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.301821%	0.288664%	0.272721%	0.272846%	0.258471%	0.239106%
District's proportionate share of the net pension liability	$ 64,899,676	$ 53,582,222	$ 50,686,038	$ 56,291,172	$ 39,349,643	$ 30,207,889
State of Georgia's proportionate share of the net pension liability associated with the District	119,125	103,391	343,271	512,571	372,531	284,890
Total	$ 65,018,801	$ 53,685,613	$ 51,029,309	$ 56,803,743	$ 39,722,174	$ 30,492,779
District's covered payroll	$ 36,834,517	$ 34,381,820	$ 31,314,744	$ 29,920,514	$ 27,291,506	$ 24,393,599
District's proportionate share of the net pension liability as a percentage of its covered payroll	176%	156%	162%	188%	144%	124%
Plan fiduciary net position as a percentage of the total pension liability	78.56%	80.27%	79.33%	76.06%	81.44%	84.03%

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

CITY OF DECATUR BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM (TRS)

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 8,735,830	$ 7,698,414	$ 5,779,584	$ 4,468,614	$ 4,270,788	$ 3,587,737	$ 2,995,534	$ 2,653,597
Contributions in relation to the contractually required contribution	8,735,830	7,698,414	5,779,584	4,468,614	4,270,788	3,587,737	2,995,534	2,653,597
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 41,323,699	$ 36,834,517	$ 34,381,820	$ 31,314,744	$ 29,920,514	$ 27,291,506	$ 24,393,599	$ 23,256,766
Contributions as a percentage of covered payroll	21.14%	20.90%	16.81%	14.27%	14.27%	13.15%	12.28%	11.41%

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

CITY OF DECATUR BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHERS RETIREMENT SYSTEM (TRS)

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables from the 1994 Group Annuity Mortality Table. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. On November 18, 2015 the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males). Effective with the June 30, 2018 valuation, the long-term assumed rate of return on assets (discount rate) was changed from 7.50% to 7.25%, and the assumed annual rate of inflation was changed from 2.75% to 2.50%.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two (2) years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Valuation date	June 30, 2018
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	28.0 years
Asset valuation method	Five-year smoothed market
Inflation rate	2.50%
Salary increases	3.00 - 8.75%, including inflation.
Investment Rate of Return	7.25%, net of pension plan investment expense including inflation.
Postretirement Benefit Increases	1.50% semi-annually

CITY OF DECATUR BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC SCHOOLS EMPLOYEES RETIREMENT SYSTEM (PSERS)

	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the District	510,603	461,154	400,260	513,656	322,493	272,575
Total	$ 510,603	$ 461,154	$ 400,260	$ 513,656	$ 322,493	$ 272,575
District's covered payroll	$ 2,167,471	$ 1,489,358	$ 1,256,200	$ 964,773	$ 804,376	$ 646,925
District's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.02%	85.26%	85.69%	81.00%	87.00%	88.29%

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

CITY OF DECATUR BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC SCHOOLS EMPLOYEES RETIREMENT SYSTEM (PSERS)

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

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

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

CITY OF DECATUR BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OTHER POSTEMPLOYMENT BENEFITS

	2020	2019	2018
District's proportion of the net OPEB liability	0.370149%	0.362884%	0.347341%
District's proportionate share of the net OPEB liability	$ 45,425,224	$ 46,121,443	$ 48,801,270
Total	$ 45,425,224	$ 46,121,443	$ 48,801,270
District's covered payroll	$ 35,192,289	$ 29,232,020	$ 27,151,297
District's proportionate share of the net pension liability as a percentage of its covered payroll	129%	158%	180%
Plan fiduciary net position as a percentage of the total pension liability	4.63%	2.93%	1.61%

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

CITY OF DECATUR BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS

	2020	2019	2018
Contractually required contribution	$ 1,315,758	$ 1,993,506	$ 1,880,794
Contributions in relation to the contractually required contribution	1,315,758	1,993,506	1,880,794
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered payroll	$ 29,232,020	$ 27,151,297	$ 29,232,020
Contributions as a percentage of covered payroll	4.50%	7.34%	6.43%

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

CITY OF DECATUR BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHOOL OPEB FUND

Changes of benefit terms: In the June 2010 actuarial valuation, there was a change in benefit terms to require Medicare-eligible recipients to enroll in a Medicare Advantage plan to receive the State subsidy.

Changes in assumptions: In the revised June 30, 2017 actuarial valuation, there was a change relating to employee allocation. Employees were previously allocated based on their Retirement System membership, and currently employees are allocated based on their current employer payroll location.

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

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

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Reporting Date	June 30, 2020
Inflation	2.50%
Salary Increases (TRS)	3.00 - 8.75%, including inflation
Long-term investment rate of return	7.30% compounded annually, net of investment expense and including inflation
Municipal Bond Index Rate	3.50%
Year FNP is projected to be depleted	2026
Single Equivalent Interest Rate	3.58%
Healthcare cost trend rate:	
Pre-Medicare Eligible	7.25%
Medicare Eligible	5.375%
Ultimate trend rate:	
Pre-Medicare Eligible	4.75%
Medicare Eligible	4.75%
Year of Ultimate trend rate:	
Pre-Medicare Eligible	2028
Medicare Eligible	2022
Mortality	For TRS members: The RP-2000 White Collar Mortality Table projected to 2025 with projection scale BB (set forward 1 year for males) is used for death after service retirement and beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward two years for males and four years for females) is used for death after disability retirement. For PSERS members: The RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) is used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality projected to 2025 with projection scale BB (set forward 5 years for both males and females) is used for the period after disability retirement.

CITY OF DECATUR BOARD OF EDUCATION

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds			
ASSETS	**School Food Services**	**Lottery Programs**	**Federal Programs**	**Total Nonmajor Governmental Funds**
Cash and cash equivalents	$ 616,122	$ -	$ -	$ 616,122
Receivables:				
Intergovernmental	25,429	-	386,141	411,570
Due from other funds	-	270	-	270
Inventory	56,864	-	-	56,864
Total assets	$ 698,415	$ 270	$ 386,141	$ 1,084,826
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 4,942	$ 270	$ 31,437	$ 36,649
Salaries payable	150,292	-	-	150,292
Due to other funds	33,170	-	379,258	412,428
Total liabilities	188,404	270	410,695	599,369
FUND BALANCES (DEFICITS)				
Fund balances:				
Nonspendable:				
Inventory	56,864	-	-	56,864
Restricted for:				
School food operations	453,147	-	-	453,147
Unassigned (deficit)	-	-	(24,554)	(24,554)
Total fund balances (deficits)	510,011	-	(24,554)	485,457
Total liabilities and fund balances	$ 698,415	$ 270	$ 386,141	$ 1,084,826

CITY OF DECATUR BOARD OF EDUCATION

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

	Special Revenue Funds			
	School Food Services	Lottery Programs	Federal Programs	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental - federal	$ 524,825	$ -	$ 1,314,629	$ 1,839,454
Intergovernmental - state	54,344	908,022	-	962,366
Charges for services	1,409,190	-	-	1,409,190
Other revenue	32,994	-	-	32,994
Total revenues	2,021,353	908,022	1,314,629	4,244,004
				-
EXPENDITURES				485,457
Instruction	-	1,135,142	972,987	2,108,129
Support services:				
Pupil services	-	-	217,915	217,915
Improvement of instructional services	-	-	44,426	44,426
Grant administration	-	-	84,929	84,929
Student transportation services	-	-	10,349	10,349
Maintenance and operations	-	-	22,119	22,119
Food services operation	2,213,307	-	-	2,213,307
Total expenditures	2,213,307	1,135,142	1,352,725	4,701,174
Excess (deficiency) of revenues over (under) expenditures	(191,954)	(227,120)	(38,096)	(457,170)
OTHER FINANCING SOURCES				
Transfers in	-	227,120	-	227,120
Total other financing sources	-	227,120	-	227,120
Net change in fund balance	(191,954)	-	(38,096)	(230,050)
FUND BALANCE, beginning of fiscal year	701,965	-	13,542	715,507
FUND BALANCE (DEFICIT), end of fiscal year	$ 510,011	$ -	$ (24,554)	$ 485,457

CITY OF DECATUR BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		2017 Issue					
PROJECT	Line Item	ORIGINAL ESTIMATED COST	CURRENT ESTIMATED COSTS	AMOUNT EXPENDED IN CURRENT YEAR	AMOUNT EXPENDED IN PRIOR YEARS	TOTAL AMOUNT EXPENDED TO DATE	PROJECT STATUS
Acquisition of facilities leased by the City Schools of Decatur, including the College Heights Early Learning Center, the 4-5 Academy at Fifth Avenue, Clairemont Elementary School, Glennwood Elementary School, and Oakhurst Elementary School as now existing and as hereafter improved.	1	$ 9,655,813	$ 9,655,813	$ 1,936,823	$ 3,887,411	$ 5,824,234	6/30/2022
To acquire, design, construct, renovate, modify, add to, repair, replace, demolish all or a portion of, improve and equip existing and new school buildings and sites and other existing and new buildings and facilities, including greenspace, useful or desirable in connection therewith, including, but not limited to, Clairemont Elementary School, College Heights Early Childhood Learning Center, Decatur High School, the 4-5 Academy at Fifth Avenue, Glennwood Elementary School, Oakhurst Elementary School, Renfroe Middle School, Westchester Elementary School, Winnona Park Elementary School and a Central Office.	2	2,750,000	2,750,000	1,479,544	270,557	1,750,101	6/30/2022
To acquire, including but not limited to, through lease-purchase, construct and equip new school buildings, early learning center buildings and other buildings or facilities useful or desirable in connection therewith, including acquiring real estate for new school buildings.	3	1,250,000	1,250,000	318,401	516,540	834,941	6/30/2022
To acquire and install system-wide technology and information systems, hardware, and infrastructure at all schools and other school system facilities.	4	1,550,000	1,550,000	133,923	226,738	360,661	6/30/2022
To acquire computers or similar technology for the use of students and staff in and outside of the classroom.	5	3,200,000	3,200,000	387,242	1,058,323	1,445,565	6/30/2022
To acquire school buses, school-related vehicles and other transportation equipment.	6	562,500	562,500	199,006	132,413	331,419	6/30/2022
School improvement and maintenance projects throughout the City Schools of Decatur, including but not limited to, HVAC renovations, repairs and replacements; roofing repairs and replacements; electrical repairs, renovations and upgrades, including but not limited to cost-saving energy efficiency capital projects; boiler renovations, repairs and upgrades; and other similar capital improvements.	7	2,500,000	2,500,000	16,632	143,465	160,097	6/30/2022
To acquire, including, but not limited to, through lease-purchase, design, construct and equip a new Central Office for the City Schools of Decatur, including parking.	8	1,996,550	1,996,550	399,875	798,525	1,198,400	6/30/2022
		$ 23,464,863	$ 23,464,863	$ 4,871,446	$ 7,033,972	$ 11,905,418	

Reconciliation of the Schedule of Approved Local Option Sales Tax Projects expenditures to the Capital Projects Fund total expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds:

Expenditures from above paid for by SPLOST funding	$ 4,871,446
Expenditures not reflected above that were paid from other local sources of the School System	2,716,771
Total Capital Projects Expenditures	$ 7,588,218

II. CONTINUING DISCLOSURE SECTION
(Unaudited)

The following statistical section is presented to be in compliance with continuing disclosure requirements for the following debt issues:

$18,120,000 Certificates of Participation
(City Schools of Decatur Project), Series 2014

And

$10,295,000 Taxable Certificates of Participation
(City Schools of Decatur Project), Series 2010

CITY OF DECATUR BOARD OF EDUCATION

GENERAL INFORMATION - CUSIPS (UNAUDITED)
JUNE 30, 2020

$18,120,000 Georgia Municipal Association, Inc. Certificates of Participation (City Schools of Decatur Project), Series 2014

Item	CUSIP	No	Date
1	24310P	AA7	2016
2	24310P	AB5	2017
3	24310P	AC3	2018
4	24310P	AD1	2019
5	24310P	AE9	2020
6	24310P	AF6	2021
7	24310P	AG4	2022
8	24310P	AH2	2023
9	24310P	AJ8	2024
10	24310P	AK5	2025
11	24310P	AL3	2026
12	24310P	AM1	2027
13	24310P	AN9	2028
14	24310P	AP4	2029
15	24310P	AQ2	2030
16	24310P	AR0	2034
17	24310P	AS8	2039
18	24310P	AT6	2044

$10,295,000 Taxable Certificates of Participation (City Schools of Decatur Project), Series 2010

Item	CUSIP	No	Date
1	243124	AB0	2014
2	243124	AC8	2015
3	243124	AD6	2016
4	243124	AE4	2017
5	243124	AF1	2018
6	243124	AG9	2019
7	243124	AH7	2020
8	243124	AJ3	2021
9	243124	AK0	2022
10	243124	AL8	2023
11	243124	AM6	2024
12	243124	AN4	2025
13	243124	AP9	2030
14	243124	AQ7	2037

CITY OF DECATUR BOARD OF EDUCATION

SCHOOL BUILDINGS (UNAUDITED)
JUNE 30, 2020

School Name	Grades	Active Enrollment	Size of Site (acres)	Occupied Year [1]	Number of Instructional Units
College Heights	PreK	174	5.99	1955	17
Clairemont	K-3	217	4.08	1936	15
Glennwood	K-3	179	4.13	1913	20
Oakhurst	K-3	328	3.16	1916	20
Westchester	K-3	211	7.21	2014	14
Winnona Park	K-3	323	6.03	1923	44
Talley	3-5	702	6.38	2019	40
4/5 Academy	3-5	637	3.92	2011	58
Renfroe	6-8	1,325	8.19	1972	103
Decatur	9-12	1,551	16.43	1965	96
Totals		5,647	65.52		427

[1] Occupied year represents the year during which the school was initially opened and utilized for instructional purposes but does not reflect the most recent year of subsequent additions, improvements or renovations, if any to the facility.

CITY OF DECATUR BOARD OF EDUCATION

ACTIVE PERSONNEL (UNAUDITED)
LAST NINE FISCAL YEARS

Category	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Teachers	509	476	452	434	410	407	387	339	314	284
Support	65	320	280	274	270	273	267	259	239	244
Administrators	404	54	47	47	39	39	40	36	35	36
Totals	978	850	779	755	719	719	694	634	588	564

CITY OF DECATUR BOARD OF EDUCATION

SALES & USE TAX RECEIPTS (UNAUDITED)
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year ended June 30,	Sales & Use Tax Receipts
2020	$ 5,359
2019	5,270
2018	5,061
2017	3,621
2016	3,529
2015	3,534
2014	3,384
2013	3,303
2012	2,528
2011	2,357

CITY OF DECATUR BOARD OF EDUCATION

LEGAL DEBT MARGIN INFORMATION - CITY OF DECATUR, GEORGIA (UNAUDITED) JUNE 30, 2020

(amounts expressed in thousands)

Gross Tax Digest	$	2,235,417
Debt Limit (10% of Assessed Value)		223,542
Amount of Debt Applicable to Debt Limit		104,410
Less Amount set aside for repayment of general obligation debt		(4,287)
Total net debt applicable to limit		100,123
Legal Debt Margin	$	123,419

CITY OF DECATUR BOARD OF EDUCATION

TAX DIGEST HISTORY (UNAUDITED)
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year	Real Property		Personal Property	Public Utility	Motor Vehicle**	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial*								
2011	$ 989,686	$ 162,000	$ 21,147	$ 12,791	$ 37,379	$ 83,821	$ 1,139,183	$ 12.620	$ 2,297,055	49.59%
2012	1,000,689	167,678	22,174	14,299	39,449	87,790	1,156,499	12.620	2,332,723	49.58%
2013	1,004,672	163,845	23,212	14,640	42,384	89,257	1,159,495	12.620	2,340,182	49.55%
2014	1,142,897	196,979	22,087	15,153	37,865	98,419	1,316,562	12.620	2,652,056	49.64%
2015	1,370,510	223,057	23,124	15,236	28,417	131,095	1,529,250	11.620	3,072,709	49.77%
2016	1,437,406	255,835	23,628	15,659	21,299	100,967	1,652,860	12.790	3,316,368	49.84%
2017	1,545,077	289,286	25,729	16,522	18,785	104,883	1,790,516	13.110	3,590,424	49.87%
2018	1,658,547	356,400	26,673	16,258	10,600	109,102	1,959,375	13.240	3,924,051	49.93%
2019	1,789,493	377,391	24,497	15,853	8,059	111,328	2,103,964	13.540	4,211,958	49.95%
2020	1,837,812	469,170	24,686	16,053	5,984	118,288	2,235,417	13.540	4,473,827	49.97%

* Includes Industrial, Historic, & Brownfield
** Assessed at 40%. All other classes are 50%.

Source: DeKalb County Tax Commissioner

CITY OF DECATUR BOARD OF EDUCATION

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS (UNAUDITED)
LAST TEN TAX YEARS

	Tax Year									
Government	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Direct Rates										
City of Decatur Board of Education:										
Operating	20.250	18.660	18.660	18.660	18.660	20.500	20.900	20.900	20.900	19.900
Overlapping Rates										
City of Decatur:										
Maintenance & Operating	10.960	10.900	10.680	10.680	11.080	11.580	11.580	11.580	11.680	11.595
Bonds	2.580	2.720	2.490	2.490	0.920	1.420	1.420	1.420	1.320	1.440
DeKalb County:										
Maintenance & Operating	9.300	9.640	8.690	8.760	10.390	8.220	10.710	10.430	10.430	8.000
Bonds	0.360	0.330	0.370	0.010	0.630	1.670	1.920	2.420	2.420	1.940
Special Service	18.490	19.710	21.140	30.880	20.400	22.650	22.350	16.080	16.080	18.620
Hospital	0.650	0.730	0.740	0.740	0.890	0.800	0.800	0.940	0.940	0.960
State	-	-	-	-	0.050	0.100	0.150	0.250	0.250	0.250
Total Direct & Overlapping Rates	62.590	62.690	62.770	72.220	63.020	66.940	69.830	64.020	64.020	62.705

CITY OF DECATUR BOARD OF EDUCATION

PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)
LAST TEN TAX YEARS
(amounts expressed in thousands)

		Collected within the Fiscal Year of the Levy			Total Collections to Date	
Tax Year	Taxes Levied for the Tax Year	Amount	Percentage of Levy	Collections in Subsequent Fiscal Years	Amount	Percentage of Levy
2019	$65,407	$27,005	41.5%	$37,845	$64,850	99.7%
2018	$56,914	$24,585	43.2%	$31,925	$56,510	99.3%
2017	$51,969	$22,572	43.4%	$29,363	$51,935	99.9%
2016	$50,512	$22,412	44.4%	$27,869	$50,281	99.5%
2015	$44,385	$19,783	44.6%	$24,405	$44,188	99.6%
2014	$40,749	$17,539	43.0%	$23,076	$40,615	99.7%
2013	$36,499	$17,139	47.0%	$19,356	$36,495	100.0%
2012	$35,781	$17,185	48.0%	$18,593	$35,778	100.0%
2011	$35,855	$16,759	46.7%	$19,092	$35,851	100.0%
2010	$34,872	$16,682	47.8%	$18,190	$34,872	100.0%

CITY OF DECATUR BOARD OF EDUCATION

TAX REVENUE SOURCES - CITY OF DECATUR, GEORGIA (UNAUDITED)
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	Fiscal Year Ended June 30,									
Tax Source	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
General Property Tax	$ 29,700	$ 27,207	$ 24,647	$ 22,193	$ 20,097	$ 17,700	$ 15,100	$ 14,824	$ 14,769	$ 14,765
Franchise Tax	1,682	1,670	1,647	1,704	1,623	1,564	1,451	1,486	1,510	1,466
Sales Tax	1,361	1,336	7,100	5,504	5,001	5,675	4,944	4,580	3,706	694
Insurance Tax	1,495	1,407	1,305	1,223	1,114	1,046	997	963	907	977
Other Taxes	561	541	563	553	562	515	502	501	425	421
Total	$ 34,799	$ 32,161	$ 35,262	$ 31,177	$ 28,397	$ 26,500	$ 22,994	$ 22,354	$ 21,317	$ 18,323

[(1)]Includes penalties and interest on delinquent taxes, business personal property tax, payments in lieu of tax, and homestead tax credit reimbursement.

CITY OF DECATUR BOARD OF EDUCATION

PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)
JUNE 30, 2020

Taxpayer	Taxable Assessed Value	Percentage of Taxable Assessed Value
Amco 120 West Trinity LLC	$ 42,969,600	1.92%
MARTA	39,386,790	1.76%
Mccref Decatur LLC	24,585,550	1.10%
Decatur Properties I LLC	24,116,748	1.08%
Tycon One Inc	20,663,450	0.92%
DTC Partners LLC	16,595,000	0.74%
PLN OWCS LP	12,500,000	0.56%
TDC 250 E Ponce LLC	12,060,450	0.54%
G Govt Properties I LLC	11,145,650	0.50%
Clairemont Office Center LLC	10,837,500	0.48%
Totals	$ 214,860,738	9.60%

CITY OF DECATUR BOARD OF EDUCATION

ANNUAL FINAL BUDGET (GAAP BASIS) - CITY OF DECATUR, GEORGIA (UNAUDITED) FOR THE LAST THREE FISCAL YEARS

(amounts expressed in thousands)

	Fiscal Year Ending June 30,		
	2020	**2019**	**2018**
Revenues			
Taxes	**$ 22,841**	$ 21,713	$ 20,570
Licenses and permits	**833**	831	1,443
Intergovernmental	**382**	316	504
Fines and forfeitures	**798**	920	803
Charges for services	**1,268**	1,814	1,790
Interest income	**20**	12	2
Other revenues	**104**	196	134
Proceeds from sale of capital assets	**5**	5	5
Transfers	**926**	763	699
Total Revenue	**27,177**	26,570	25,950
Expenditures			
General government	**10,416**	9,892	10,138
Public safety	**9,924**	9,636	9,258
Public works	**4,508**	4,174	3,858
Recreation	**2,659**	2,639	2,242
Intergovernmental	**400**	-	-
Transfers	**1,640**	1,350	1,358
Total Expenditures	**29,547**	27,691	26,854
Net change in fund balance	**(2,370)**	(1,121)	(904)
Fund balance, beginning of fiscal year	**9,410**	10,531	11,435
Fund balance, end of fiscal year	**$ 7,040**	$ 9,410	$ 10,531

III. SINGLE AUDIT SECTION

MAULDIN & JENKINS

CPAs & ADVISORS

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

To the Superintendent and Members of
the City of Decatur Board of Education
Decatur, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Decatur Board of Education, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Decatur Board of Education's basic financial statements, and have issued our report thereon dated February 23, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 23, 2021

MAULDIN & JENKINS

CPAs & ADVISORS

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

To the Superintendent and Members of
the City of Decatur Board of Education
Decatur, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Decatur Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Decatur Board of Education's major federal programs for the fiscal year ended June 30, 2020. The City of Decatur Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Decatur Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 23, 2021

CITY OF DECATUR BOARD OF EDUCATION

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

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES
U.S. Department of Agriculture			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	3100	$ 63,012
National School Lunch Program	10.555	3100	461,813
National School Lunch Program			524,825
Total Child Nutrition Cluster			524,825
Total U.S. Department of Agriculture			524,825
U.S. Department of Education			
Special Education Cluster (IDEA)			
Pass-Through From Georgia Department of Education:			
Part B-Exceptional Student			
Flow Through	84.027	2824	712,375
High Cost Fund Pool	84.027	2824	19,150
Parent Mentor	84.027	2824	13,693
Preschool	84.173	2820	26,625
Total Special Education Cluster (IDEA)			771,843
Title I Part A			
Pass-Through From Georgia Department of Education:			
Part A - Title I			
Improving the Academic Achievement of the Disadvantaged	84.010	1750	364,132
Total Title I Part -A			364,132

(Continued)

CITY OF DECATUR BOARD OF EDUCATION

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

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES
Pass-Through From Georgia Department of Education:			
Title II			
Improving Teacher Quality	84.367	1784	$ 8,578
Title III			
Limited English Proficient (LEP)	84.365	1816	7,556
Title IV			
Student Support and Academic Achievement	84.424A	1779	21,278
Vocational Education-Basic Grants to States			
Perkins Plus	84.048	3315	529
CTE Perkins IV Grant Program Improvement	84.048	3315	5,351
			5,880
Pass-Through from Georgia Department of Education:			
Education for Homeless Children and Youth	84.196		26,796
Total U.S. Department of Education			1,206,063
U.S. Department of Defense			
Direct			
Department of the Army			
R.O.T.C. Program	Unknown	1862	108,567
Total Expenditures of Federal Awards			$ 1,839,455

Notes to the Schedule of Expenditures of Federal Awards

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The District did not utilize the 10% de minimus indirect cost rate permitted by the Uniform Guidance.

The District did not provide Federal Assistance to any Subrecipient.

CITY OF DECATUR BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	_____ yes __X__ no
Significant deficiencies identified?	_____ yes __X__ none reported
Noncompliance material to financial statements noted?	_____ yes __X__ no

Federal Awards

Internal Control over major federal programs:	
Material weaknesses identified?	_____ yes __X__ no
Significant deficiencies identified?	_____ yes __X__ none reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes __X__ no
Identification of major federal program:	
Name of Federal Program or Cluster / CFDA Number	
Child Nutrition Cluster CFDA #10.553 & 10.555	
Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	__X__ yes _____ no

CITY OF DECATUR BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section II – Financial Statement Findings and Responses

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

CITY OF DECATUR BOARD OF EDUCATION

STATUS OF PRIOR FISCAL YEAR FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section IV – Status of Prior Audit Findings

No prior fiscal year audit findings